



Washington State Auditor's Office

Troy Kelley

Integrity • Respect • Independence

Financial Statements Audit Report

City of Blaine

Whatcom County

For the period January 1, 2013 through December 31, 2013

Published November 6, 2014

Report No. 1012901





Washington State Auditor Troy Kelley

November 6, 2014

Mayor and City Council
City of Blaine
Blaine, Washington

Report on Financial Statements

Please find attached our report on the City of Blaine's financial statements.

We are issuing this report in order to provide information on the City's financial condition.

Sincerely,

TROY KELLEY
STATE AUDITOR

TABLE OF CONTENTS

Independent Auditor's Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With Government Auditing Standards	4
Independent Auditor's Report On Financial Statements	6
Financial Section.....	9
About The State Auditor's Office.....	10

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

**City of Blaine
Whatcom County
January 1, 2013 through December 31, 2013**

Mayor and City Council
City of Blaine
Blaine, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the City of Blaine, Whatcom County, Washington, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated October 2, 2014.

We issued an unmodified opinion on the fair presentation of the City's financial statements in accordance with its regulatory basis of accounting. We issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared by the City using accounting practices prescribed or permitted by Washington State statutes and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual described in Note 1, which is a basis of accounting other than GAAP. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to

prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

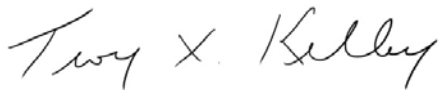
COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



TROY KELLEY
STATE AUDITOR

October 2, 2014

Independent Auditor's Report on Financial Statements

City of Blaine Whatcom County January 1, 2013 through December 31, 2013

Mayor and City Council
City of Blaine
Blaine, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the City of Blaine, Whatcom County, Washington, for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the City's financial statements, as listed on page 9.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor described in Note 1. This includes determining that the basis of accounting is acceptable for the presentation of the financial statements in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness

of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Unmodified Opinion on Regulatory Basis of Accounting (BARS Manual)

As described in Note 1, the City of Blaine has prepared these financial statements using accounting practices prescribed or permitted by Washington State statutes and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual. Those accounting practices differ from accounting principles generally accepted in the United States of America (GAAP). The differences in these accounting practices are also described in Note 1.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the City of Blaine, for the year ended December 31, 2013, on the basis of accounting described in Note 1.

Basis for Adverse Opinion on U.S. GAAP

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. The effects on the financial statements of the variances between GAAP and the accounting practices the City used, as described in Note 1, although not reasonably determinable, are presumed to be material. As a result, we are required to issue an adverse opinion on whether the financial statements are presented fairly, in all material respects, in accordance with GAAP.

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City of Blaine, as of December 31, 2013, or the changes in financial position or cash flows for the year then ended, due to the significance of the matter discussed in the above "Basis for Adverse Opinion on U.S. GAAP" paragraph.

Other Matters

Supplementary and Other Information

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedule of Liabilities is presented for purposes of additional analysis as required by the prescribed BARS manual. This schedule is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional

procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2014 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Troy X. Kelley".

TROY KELLEY
STATE AUDITOR

October 2, 2014

Financial Section

**City of Blaine
Whatcom County
January 1, 2013 through December 31, 2013**

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2013
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2013
Notes to Financial Statements – 2013

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2013

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2013

BARS Code		Total for All funds*	001 General Fund	101 Street Fund	102 Traffic Impact Reserve
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	2,001,929	876,740	0	23,198
30880	Beg Fund Bal-Unreserved	11,456,821	769,445	142,370	0
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	4,328,808	2,738,887	371,752	0
320	Licenses & Permits	263,783	263,783	0	0
330	Intergovernmental Revenues	906,967	260,185	90,727	0
340	Charges for Goods and Services	10,585,137	143,815	1,575	3,080
350	Fines & Penalties	266,818	223,930	1,107	0
360	Miscellaneous Revenues	457,254	200,443	191	96
Total Operating Revenues:		16,808,769	3,831,042	465,352	3,176
Operating Expenditures					
510	General Government	1,919,436	1,919,436	0	0
520	Public Safety	1,684,572	1,684,572	0	0
530	Utilities	6,767,467	13,712	0	0
540	Transportation	361,795	0	344,086	0
550	Natural and Economic Environment	563,612	537,879	0	0
560	Social Services	61,223	61,223	0	0
570	Culture And Recreation	144,421	144,421	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:		11,502,526	4,361,244	344,086	
Net Operating Increase (Decrease):		5,306,241	-530,201	121,266	3,176
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	119,284	6,750	0	0
391-393	Debt Proceeds	1,674,156	0	0	0
397	Transfers-In	3,027,416	1,193,886	136,634	0
Total Nonoperating Revenues:		4,820,855	1,200,636	136,634	
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	7,860	5,844	0	0
591-593	Debt Service	3,605,441	20,153	0	0
594-595	Capital Expenditures	1,818,849	0	135,060	0
597	Transfers-Out	3,094,844	396,187	139,760	23,000
Total Nonoperating Expenditures:		8,526,994	422,184	274,820	23,000
Increase (Decrease) in Cash and Investments		1,600,103	248,252	-16,920	-19,824
Ending Cash and Investments					
50810	End Fund Bal-Reserved	1,909,594	709,299	0	3,375
50880	End Fund Balance-Unreserved	13,149,259	1,185,135	125,451	0

The accompanying notes are an integral part of this Statement.

BARS Code		103 Park Impact Reserve	106 Parking Cumulative Reserve	110 Hotel/motel Fund	201 LTGO Bonds
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	33,413	0	96,972	0
30880	Beg Fund Bal-Unreserved	0	7,337	0	64,753
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	0	0	42,406	0
320	Licenses & Permits	0	0	0	0
330	Intergovernmental Revenues	0	0	0	0
340	Charges for Goods and Services	4,000	0	0	0
350	Fines & Penalties	0	0	0	0
360	Miscellaneous Revenues	244	58	638	551
Total Operating Revenues:		4,244	58	43,044	551
Operating Expenditures					
510	General Government	0	0	0	0
520	Public Safety	0	0	0	0
530	Utilities	0	0	0	0
540	Transportation	0	0	0	0
550	Natural and Economic Environment	0	0	25,733	0
560	Social Services	0	0	0	0
570	Culture And Recreation	0	0	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:				25,733	
Net Operating Increase (Decrease):		4,244	58	17,311	551
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	0	0	0	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	0	0	0	125,321
Total Nonoperating Revenues:					125,321
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	0	0	0
591-593	Debt Service	0	0	0	117,505
594-595	Capital Expenditures	0	0	0	0
597	Transfers-Out	12,500	0	61,574	0
Total Nonoperating Expenditures:		12,500		61,574	117,505
Increase (Decrease) in Cash and Investments		-8,256	58	-44,263	8,367
Ending Cash and Investments					
50810	End Fund Bal-Reserved	25,157	0	52,709	0
50880	End Fund Balance-Unreserved	0	7,395	0	73,120

The accompanying notes are an integral part of this Statement.

BARS Code		202 2006 Whatcom County EDI Loan	204 2002 UTGO Bond - Fire Station	207 LTGO 2007 & Refunding 1994A	230 LID Guaranty Fund
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	0	0	0	0
30880	Beg Fund Bal-Unreserved	75,417	47,208	72,244	0
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	0	125,971	0	0
320	Licenses & Permits	0	0	0	0
330	Intergovernmental Revenues	0	0	0	0
340	Charges for Goods and Services	0	0	0	0
350	Fines & Penalties	0	0	0	0
360	Miscellaneous Revenues	327	609	1,922	7,305
Total Operating Revenues:		327	126,580	1,922	7,305
Operating Expenditures					
510	General Government	0	0	0	0
520	Public Safety	0	0	0	0
530	Utilities	0	0	0	0
540	Transportation	0	0	0	0
550	Natural and Economic Environment	0	0	0	0
560	Social Services	0	0	0	0
570	Culture And Recreation	0	0	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:					
Net Operating Increase (Decrease):		327	126,580	1,922	7,305
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	0	0	0	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	0	0	562,974	0
Total Nonoperating Revenues:				562,974	
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	0	0	0
591-593	Debt Service	50,868	124,938	610,475	0
594-595	Capital Expenditures	0	0	0	0
597	Transfers-Out	0	0	0	0
Total Nonoperating Expenditures:		50,868	124,938	610,475	
Increase (Decrease) in Cash and Investments		-50,541	1,642	-45,579	7,305
Ending Cash and Investments					
50810	End Fund Bal-Reserved	0	0	0	0
50880	End Fund Balance-Unreserved	24,876	48,850	26,665	7,305

The accompanying notes are an integral part of this Statement.

BARS Code		236 CERB Loan- Odell RD	300 Municipal Capital Improve.	307 General Government CIP	308 Capital Facilities-Growth Mgmt
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	0	0	0	0
30880	Beg Fund Bal-Unreserved	20,465	18,863	0	161,161
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	0	170,389	0	167,586
320	Licenses & Permits	0	0	0	0
330	Intergovernmental Revenues	0	0	0	0
340	Charges for Goods and Services	0	0	0	0
350	Fines & Penalties	0	0	0	0
360	Miscellaneous Revenues	70	824	0	1,494
Total Operating Revenues:		70	171,212		169,080
Operating Expenditures					
510	General Government	0	0	0	0
520	Public Safety	0	0	0	0
530	Utilities	0	0	0	0
540	Transportation	0	0	0	0
550	Natural and Economic Environment	0	0	0	0
560	Social Services	0	0	0	0
570	Culture And Recreation	0	0	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:					
Net Operating Increase (Decrease):		70	171,212		169,080
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	0	0	0	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	16,427	0	18,805	0
Total Nonoperating Revenues:		16,427		18,805	
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	0	0	0
591-593	Debt Service	24,113	0	0	0
594-595	Capital Expenditures	0	0	18,805	0
597	Transfers-Out	0	43,774	0	97,000
Total Nonoperating Expenditures:		24,113	43,774	18,805	97,000
Increase (Decrease) in Cash and Investments		-7,616	127,439	0	72,080
Ending Cash and Investments					
50810	End Fund Bal-Reserved	0	0	0	0
50880	End Fund Balance-Unreserved	12,850	146,301	0	233,241

The accompanying notes are an integral part of this Statement.

BARS Code		314 Park CIP Fund	320 East Blaine CIP	330 Energy Efficiency Project (ESCO)	332 Street Overlays - Capital
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	0	0	0	0
30880	Beg Fund Bal-Unreserved	61,489	13,118	0	330,501
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	0	0	0	141,496
320	Licenses & Permits	0	0	0	0
330	Intergovernmental Revenues	0	0	0	0
340	Charges for Goods and Services	0	0	0	0
350	Fines & Penalties	0	0	0	0
360	Miscellaneous Revenues	3,892	-23	0	-559
Total Operating Revenues:		3,892	-23		140,937
Operating Expenditures					
510	General Government	0	0	0	0
520	Public Safety	0	0	0	0
530	Utilities	0	0	0	0
540	Transportation	0	0	0	0
550	Natural and Economic Environment	0	0	0	0
560	Social Services	0	0	0	0
570	Culture And Recreation	0	0	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:					
Net Operating Increase (Decrease):		3,892	-23		140,937
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	0	0	0	0
391-393	Debt Proceeds	0	0	1,670,000	0
397	Transfers-In	12,502	0	0	0
Total Nonoperating Revenues:		12,502		1,670,000	
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	0	0	0
591-593	Debt Service	0	0	15,190	0
594-595	Capital Expenditures	1,450	0	0	0
597	Transfers-Out	0	13,000	0	0
Total Nonoperating Expenditures:		1,450	13,000	15,190	
Increase (Decrease) in Cash and Investments		14,944	-13,023	1,654,810	140,937
Ending Cash and Investments					
50810	End Fund Bal-Reserved	0	0	0	0
50880	End Fund Balance-Unreserved	76,434	94	1,654,810	471,438

The accompanying notes are an integral part of this Statement.

BARS Code		333 Residential Street Levy Improv	340 I-5 Access Study	401 Light Fund	410 Water Fund
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	0	0	486,787	79,018
30880	Beg Fund Bal-Unreserved	241,137	36,330	4,460,759	3,450,356
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	570,322	0	0	0
320	Licenses & Permits	0	0	0	0
330	Intergovernmental Revenues	362,393	0	15,000	0
340	Charges for Goods and Services	0	0	5,232,939	1,238,256
350	Fines & Penalties	0	0	15,988	12,968
360	Miscellaneous Revenues	25,374	-64	99,582	73,149
Total Operating Revenues:		958,089	-64	5,363,509	1,324,373
Operating Expenditures					
510	General Government	0	0	0	0
520	Public Safety	0	0	0	0
530	Utilities	0	0	3,984,269	762,433
540	Transportation	0	0	0	0
550	Natural and Economic Environment	0	0	0	0
560	Social Services	0	0	0	0
570	Culture And Recreation	0	0	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:				3,984,269	762,433
Net Operating Increase (Decrease):		958,089	-64	1,379,240	561,940
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	0	0	0	75,672
391-393	Debt Proceeds	0	0	0	4,156
397	Transfers-In	23,000	0	55,000	62,000
Total Nonoperating Revenues:		23,000		55,000	141,827
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	0	390	60
591-593	Debt Service	0	0	513,777	73,876
594-595	Capital Expenditures	334,867	0	713,535	414,405
597	Transfers-Out	591,821	0	680,766	400,951
Total Nonoperating Expenditures:		926,688		1,908,467	889,292
Increase (Decrease) in Cash and Investments		54,401	-64	-474,228	-185,525
Ending Cash and Investments					
50810	End Fund Bal-Reserved	0	0	483,966	78,958
50880	End Fund Balance-Unreserved	295,539	36,266	3,989,365	3,264,879

The accompanying notes are an integral part of this Statement.

BARS Code		420 Wastewater Fund	425 Storm Water Utility	430 Airport Fund	503 Public Works Administration
Beginning Cash and Investments					
30810	Beg Fund Bal-Reserved	405,801	0	0	0
30880	Beg Fund Bal-Unreserved	1,155,915	236,904	13,633	11,516
38800/58800	Prior Period Adjustments, net	0	0	0	0
Operating Revenues					
310	Taxes	0	0	0	0
320	Licenses & Permits	0	0	0	0
330	Intergovernmental Revenues	177,298	1,364	0	0
340	Charges for Goods and Services	3,670,685	290,787	0	0
350	Fines & Penalties	10,679	2,146	0	0
360	Miscellaneous Revenues	15,355	2,418	15,752	7,101
Total Operating Revenues:		3,874,017	296,715	15,752	7,101
Operating Expenditures					
510	General Government	0	0	0	0
520	Public Safety	0	0	0	0
530	Utilities	1,179,076	105,747	0	722,229
540	Transportation	0	0	17,710	0
550	Natural and Economic Environment	0	0	0	0
560	Social Services	0	0	0	0
570	Culture And Recreation	0	0	0	0
598	Intergovernmental Payments	0	0	0	0
Total Operating Expenditures:		1,179,076	105,747	17,710	722,229
Net Operating Increase (Decrease):		2,694,941	190,968	-1,958	-715,128
Nonoperating Revenues					
370, 380, 395, 398	Other Financing Sources	17,382	17,914	0	0
391-393	Debt Proceeds	0	0	0	0
397	Transfers-In	0	72,621	0	748,245
Total Nonoperating Revenues:		17,382	90,535		748,245
Nonoperating Expenditures					
580, 596, 599	Other Financing Uses	0	0	0	0
591-593	Debt Service	1,982,326	72,221	0	0
594-595	Capital Expenditures	170,679	30,049	0	0
597	Transfers-Out	555,431	79,080	0	0
Total Nonoperating Expenditures:		2,708,435	181,350		
Increase (Decrease) in Cash and Investments		3,888	100,153	-1,958	33,117
Ending Cash and Investments					
50810	End Fund Bal-Reserved	556,131	0	0	0
50880	End Fund Balance-Unreserved	1,009,473	337,057	11,676	44,634

The accompanying notes are an integral part of this Statement.

BARS Code		505 Advance Travel	700 Cemetery Endowment
Beginning Cash and Investments			
30810	Beg Fund Bal-Reserved	0	0
30880	Beg Fund Bal-Unreserved	2,000	63,899
38800/58800	Prior Period Adjustments, net	0	0
Operating Revenues			
310	Taxes	0	0
320	Licenses & Permits	0	0
330	Intergovernmental Revenues	0	0
340	Charges for Goods and Services	0	0
350	Fines & Penalties	0	0
360	Miscellaneous Revenues	0	507
Total Operating Revenues:			507
Operating Expenditures			
510	General Government	0	0
520	Public Safety	0	0
530	Utilities	0	0
540	Transportation	0	0
550	Natural and Economic Environment	0	0
560	Social Services	0	0
570	Culture And Recreation	0	0
598	Intergovernmental Payments	0	0
Total Operating Expenditures:			
Net Operating Increase (Decrease):		0	507
Nonoperating Revenues			
370, 380, 395, 398	Other Financing Sources	1,566	0
391-393	Debt Proceeds	0	0
397	Transfers-In	0	0
Total Nonoperating Revenues:		1,566	
Nonoperating Expenditures			
580, 596, 599	Other Financing Uses	1,566	0
591-593	Debt Service	0	0
594-595	Capital Expenditures	0	0
597	Transfers-Out	0	0
Total Nonoperating Expenditures:		1,566	
Increase (Decrease) in Cash and Investments		0	507
Ending Cash and Investments			
50810	End Fund Bal-Reserved	0	0
50880	End Fund Balance-Unreserved	2,000	64,406

The accompanying notes are an integral part of this Statement.

FIDUCIARY FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2013

BARS Code		Total for All funds	601 Unemployment Reserve	621 Community Utility Donations	622 LEOFF I Medical Reserve
308	Beginning Cash and Investments	82,971	341	306	13,562
388 and 588	Prior Period Adjustments, net	0	0	0	0
310-360	Revenues	368	3	3	126
380-390	Other Increases and Financing Sources	734,360	0	4,649	40,000
510-570	Expenditures	36,309	0	0	36,309
580-590	Other Decreases and Financing Uses	649,554	0	4,617	0
Increase (Decrease) in Cash and Investments		48,866	3	35	3,817
508	Ending Cash and Investments	131,837	344	341	17,379

BARS Code		623 Wetland Mitigation Reserve	624 Miscellaneous Holding Fund	631 WIN Team Agency Fund	635 Small Cities Caucus
308	Beginning Cash and Investments	0	2	8,508	7,698
388 and 588	Prior Period Adjustments, net	0	0	0	0
310-360	Revenues	22	0	68	61
380-390	Other Increases and Financing Sources	25,000	0	0	0
510-570	Expenditures	0	0	0	0
580-590	Other Decreases and Financing Uses	7,263	2	0	0
Increase (Decrease) in Cash and Investments		17,759	-2	68	61
508	Ending Cash and Investments	17,758	0	8,575	7,759

BARS Code		641 State Building Code Fee	650 Unclaimed Property	653 Miscellaneous Deposits-Agency	661 Municipal Court Agency Fund
308	Beginning Cash and Investments	92	728	13,528	38,205
388 and 588	Prior Period Adjustments, net	0	0	0	0
310-360	Revenues	0	86	0	0
380-390	Other Increases and Financing Sources	377	0	45,150	619,184
510-570	Expenditures	0	0	0	0
580-590	Other Decreases and Financing Uses	385	0	37,031	600,256
Increase (Decrease) in Cash and Investments		-8	86	8,119	18,928
508	Ending Cash and Investments	85	814	21,647	57,134

The accompanying notes are an integral part of this Statement.

CITY OF BLAINE
NOTES TO FINANCIAL STATEMENTS
JANUARY 1, 2013 THROUGH DECEMBER 31, 2013

Note 1 - Summary of Significant Accounting Policies

The City of Blaine reports financial activity using the revenue and expenditure classifications, statements, and schedules contained in the *Cash Basis Budgeting, Accounting and Reporting System (BARS)* manual. This basis of accounting and reporting is another comprehensive basis of accounting (OCBOA) that is prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW.

The City of Blaine was incorporated in 1890 and operates under the laws of the state of Washington applicable to a non-charter code City with a council-manager form of government. The City of Blaine is a general purpose government and provides general administration, public safety, planning and zoning, permits and inspections, streets, parks, cemetery, tourist information, and public works administration. In addition, the City of Blaine owns and operates an electrical service, water system, wastewater system, and storm drainage system. The City of Blaine uses single-entry, cash basis accounting which is a departure from generally accepted accounting principles (GAAP).

A. Fund Accounting

The accounts of the City of Blaine are organized on the basis of funds, each of which is considered a separate accounting entity. Each fund is accounted for with a separate set of single-entry accounts that comprises its cash, investments, revenues and expenditures, as appropriate. The City of Blaine's resources are allocated to and accounted for in individual funds depending on their intended purpose. The following are the fund types used by the City of Blaine:

GOVERNMENTAL FUND TYPES:

General (Current Expense) Fund

This fund is the primary operating fund of the City of Blaine. It accounts for all financial resources except those required or elected to be accounted for in another fund.

Special Revenue Funds

These funds account for specific revenue sources that are restricted or committed to expenditures for specified purposes of the City of Blaine.

Debt Service Funds

These funds account for the financial resources that are restricted, committed, or assigned to expenditures for principal, interest and related costs on general long-term debt.

Capital Projects Funds

These funds account for financial resources which are restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets.

Permanent Funds

These funds account for financial resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support programs for the benefit of the government or its citizenry.

PROPRIETARY FUND TYPES:

Enterprise Funds

These funds account for operations that provide goods or services to the general public and are supported primarily through user charges.

Internal Service Funds

These funds account for operations that provide goods or services to other departments or funds of the City of Blaine on a cost reimbursement basis.

FIDUCIARY FUND TYPES:

Fiduciary funds account for assets held by the City of Blaine in a trustee capacity or as an agent on behalf of others.

Private-Purpose Trust Funds

These funds report all trust arrangements under which principal and income benefit individuals, private organizations or other governments.

Agency Funds

These funds are used to account assets that City of Blaine holds for others in an agency capacity.

B. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Revenues are recognized only when cash is received and expenditures are recognized when paid, including those properly chargeable against the report year(s) budget appropriations as required by state law.

In accordance with state law the City of Blaine also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

Purchases of capital assets are expensed during the year of acquisition. There is no capitalization of capital assets, nor allocation of depreciation expense. Inventory is expensed when purchased.

The basis of accounting described above represents a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

C. Budgets

The City of Blaine adopts annual appropriated budgets for the general fund, special revenue funds, capital funds, enterprise funds, and internal service funds. Budgets for debt service and capital project funds are adopted at the level of the individual debt issue or project and for fiscal periods that correspond to the lives of debt issues or projects. The City's budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

The appropriated and actual expenditures for the legally adopted budgets were as follow:

Fund	Final Appropriated Amounts	Actual Expenditures	Variance
General Fund	\$4,780,043	4,617,781	\$162,263
Street Fund	632,996	618,905	14,091
Traffic Impact Reserve	23,000	23,000	-
Park Impact Reserve	12,500	12,500	-
Park Fund	100,463	97,210	3,253
Cemetery Fund	25,387	21,104	4,283
General Fund Reserve	386,116	384,029	2,087
Equipment Reserve	195,000	191,634	3,366
Hotel/Motel Fund	88,992	87,307	1,685
Hotel/Motel Reserve	54,156	54,156	-
General Government Debt Service	936,420	927,899	8,521
Capital Funds	191,642	140,774	50,868
Capital Improvement Plans	3,363,550	2,217,128	1,146,422
Electric Fund	6,592,100	5,239,709	1,352,391
Water Fund	1,418,893	1,348,294	70,599
Wastewater Fund	4,017,462	3,980,055	37,407
Stormwater Fund	451,093	427,048	24,045
Airport Fund	28,000	17,710	10,290
Public Works Administration Fund	757,298	722,229	35,069
Advance Travel Fund	2,700	1,566	1,134
LEOFF 1 Medical Reserve	\$41,000	\$36,309	\$4,691
Wetland Mitigation Fund	\$25,000	\$7,263	\$17,737

Budgeted amounts are authorized to be transferred between departments within any fund; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the City of Blaine's legislative body.

D. Cash

It is the City of Blaine's policy to invest all temporary cash surpluses. The amount is included in the cash and investments shown on the statements of fund resources and uses arising from cash transactions. The interest on these investments is prorated to the various funds.

E. Deposits

The City of Blaine's deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation and the Washington Public Deposit Protection Commission.

F. Investments *See Note 2.*

G. Capital Assets

Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of three (3) years. The capital assets of the City of Blaine are recorded as expenditures when purchased.

H. Compensated Absences

Vacation leave may be accumulated up to 280 hours, but only 240 hours are payable upon separation or retirement.

Sick leave may be accumulated 1500 hours. Upon separation or retirement employees do not receive payment for unused sick leave.

Hours worked as overtime, but banked as "comp" time, may be accumulated up to a maximum of 40 hours and are payable upon separation or retirement.

Uniformed employees are allowed 80 hours of time off in lieu of holidays per year. Any holidays that have transpired prior to separation, but have not been taken as time off, are compensated.

I. Long-Term Debt *See note 5, Debt Service Requirements.*

J. Other Financing Sources or Uses

The City of Blaine's *Other Financing Sources or Uses* consist of long-term debt, disposition of capital assets, transfers-in, and transfers-out.

K. Risk Management

The City of Blaine is a member of the Cities Insurance Association of Washington. Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a program or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The pool was formed on September 1, 1988 when 34 cities

in the State of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of September 1, 2013, there are 236 members in the program.

The program provides the following forms of joint self-insurance and excess coverage for its members: Property, including automobile comprehensive and collision, equipment breakdown and crime protection, and liability, including general, automobile and wrongful acts, is included to fit members' various needs.

The program acquires liability insurance through their Administrator, Canfield, which is subject to a per-occurrence self-insured retention of \$100,000. Members are responsible for a \$1,000 deductible for each claim, while the program is responsible for the remaining \$100,000 self-insured retention. Insurance carriers cover insured losses over \$101,000 to the limits of each policy. Since the program is a cooperative program, there is a joint liability among the participating members toward the sharing of the \$100,000 of the self-insured retention. The program also purchases a Stop Loss Policy with an attachment point of \$3,247,000 to cap the total claims paid by the program in any one year.

Property insurance is subject to a per-occurrence self-insured retention of \$25,000. Members are responsible for a \$1,000 deductible for each claim. The program bears the \$25,000 self-insured retention in addition to the deductible.

Equipment breakdown insurance is subject to a per-occurrence deductible of \$2,500 (\$10,000 for pumps and motors). Members are responsible for the deductible amount of each claim. There is no program self-insured retention on this coverage.

Members contract to remain in the program for a minimum of one year, and must give notice before August 31 termination participation the following September 1. The Interlocal Agreement is renewed automatically each year. In the event of termination, a member is still responsible for contributions to the pool for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Agreement.

A board of ten members is selected by the membership from three geographic areas of the state on a staggered term basis and is responsible for conducting the business affairs of the program. The program has no employees. Claims are filed by members with Canfield, which has been contracted to perform program administration, claims adjustment and administration, and loss prevention for the program. Fees paid to the third party administrator under this arrangement for the year ended August 31, 2013, were \$1,423,059.12.

L. Reserved Fund Balance

1. Of the total ending reserved fund balance in the General Fund, \$14,315 is restricted as a developer deposit and \$694,984 reserved for future equipment and fleet purchases.

2. Of the total ending reserved fund balance in the Traffic and Park Impact Reserve funds, all of the fund balances (\$3,375-Traffic; \$25,157-Park) are restricted as these funds can only be used for the construction of public facilities as identified in the City's capital facilities plan.
3. Of the total ending reserved fund balance in the Hotel/Motel Fund, all of the fund balance of \$52,709 is restricted as these funds can only be used for paying tourism promotion and for the acquisition and/or operation of tourism-related facilities. All of the revenue in this fund comes from the Hotel/Motel tax.
4. Of the total ending reserved fund balance in the Electric Fund, \$17,521 is restricted to use for Community Utility Assistance, \$421,000 is restricted as guaranty for the 2004 Electric Refunding Bonds, and \$45,445 is restricted for customer deposits.
5. Of the total ending reserved fund balance in the Water Fund, \$53,000 is restricted as guaranty for the 2003 Water/Sewer Refunding Bonds, and \$25,958 is restricted for customer deposits.
6. Of the total ending reserved fund balance in the Waste Water Fund, \$53,000 is restricted as guaranty for the 2003 Water/Sewer Refunding Bonds and \$503,131 is restricted as guaranty for the 2010 United States Department of Agriculture (USDA) Rural Development Water/Sewer Revenue Bonds.

Note 2 - Investments

The City of Blaine's investments are either insured, registered or held by the City of Blaine or its agent in the City of Blaine's name.

Investments are presented at cost.

Investments by type at December 31, 2013 are as follows:

Type of Investment	City's own investments	Investments held by City as an agent for other local governments, individuals or private organizations	Total
L.G.I.P.	\$5,473,873	\$39,358	\$5,513,231
U.S. Government Securities	9,212,760	66,240	9,279,000
Certificates of Deposit	382,252	2,748	385,000
Total	\$15,068,885	\$108,346	\$15,177,231

Note 3 - Property Tax

The county treasurer acts as an agent to collect property tax levied in the county for all taxing authorities. Collections are distributed after the end of each month.

Property tax revenues are recognized when cash is received by the City. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

The City of Blaine's regular levy for the year 2013 was \$1.30 per \$1,000 on an assessed valuation of \$774,011,259 for a total regular levy of \$1,004,642.

The City also levied \$0.16 per \$1,000 on an assessed valuation of \$767,715,067 for the 2002 General Obligation Fire Station Bond for a total additional levy of \$123,855.

Note 4 - Interfund Loans

The following table displays interfund loan activity during 2013:

Borrowing Fund	Lending Fund	Balance 1/1/13	New Loans	Repayments	Balance 12/31/13
Gateway (Former Airport)	General Fund Reserve	\$ 273,274	\$ -	-	\$ 273,274
General Government Capital	Water	\$ 176,611	\$ -	5,844	\$ 170,767
	Totals	\$ 449,885	\$ -	\$ 5,844	\$ 444,041

Note 5 – Debt Service Requirements

The accompanying Schedule of Long-Term Liabilities (09) provides more details of the outstanding debt and liabilities of the City of Blaine and summarizes the City's debt transactions for year ended December 31, 2013.

The debt service requirements for general obligation bonds, revenue bonds, and other debt, including both principle and interest, are as follows:

	General Obligation Bonds	Revenue Bonds	Other Debt	Total Debt
2014	1,249,737	888,194	1,532,504	3,670,436
2015	1,222,903	885,779	1,524,920	3,633,602
2016	1,117,050	867,089	1,501,339	3,485,478
2017	1,139,698	702,999	1,493,755	3,336,452
2018	438,705	699,612	1,375,108	2,513,424
2019-2023	2,326,324	2,084,835	6,763,198	11,174,357
2024-2028	753,258	1,730,045	5,269,170	7,752,473
2029-2033		1,730,045	162,771	1,892,816
2034-2038		1,730,045		1,730,045
2039-2043		1,730,045		1,730,045
2044-2048		1,730,045		1,730,045
2049-2053		687,798		687,798
Totals	\$ 8,247,675	\$ 15,466,531	\$ 19,622,765	\$ 43,336,971

Note 6 - Pension Plans

Substantially all City of Blaine's full-time and qualifying part-time employees participate in the Public Employees' Retirement System (PERS 1, 2, or 3) or the Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF 1 or 2) administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. Actuarial information is on a system-wide basis and is not considered pertinent to the City of Blaine's financial statements. Contributions to the systems by both employee and employer are based upon gross wages covered by plan benefits.

Historical trend or other information regarding each plan is presented in the Washington State Department of Retirement Systems annual financial report. A copy of this report may be obtained by writing to:

Department of Retirement Systems
Communications Unit
PO Box 48380
Olympia, WA 98504-8380

Note 7 - Other Disclosures

OPEB (Other Post Employment Benefits) – The City of Blaine has a commitment to pay for post employment benefits for employees that belong to the LEOFF 1 (Law Enforcement Officers' and Fire Fighters' Retirement System). These benefits include medical, vision, and nursing care. The City has three retirees that received benefits during the year and \$36,309 was paid out for those benefits during 2013.

In 2013, the City issued a limited tax general obligation bond in the aggregate principal amount of \$1,670,000 to provide funds necessary to finance the acquisition and installation of energy efficiency improvements to City facilities. The bond is also a qualified energy conservation bond, which provides a 70% interest payment subsidy on the bond to the City. The bond was purchased by Capital One Equipment Finance Corp at private sale.

City of Blaine

Schedule 09

Schedule of Liabilities
For the year ended December 31, 2013

Debt Type	ID. No.	Description	Maturity/Payment Due Date	Beginning Balance January 1, 2013	Additions	Reductions	Ending Balance December 31, 2013
General Obligations							
	259.11	Compensated Absences (G.O. Liability)		220,872		1,024	219,848
	251.14	UTGO Refunding 2012 (UTGO 2002 Fire Station)	12/1/2021	1,071,027		100,840	970,188
	263.81	Community Economic Revitalization Loan (O'Dell Street 2000)	1/31/2019	219,209		21,921	197,288
	251.11	LTGO Bond 2003	12/1/2018	121,335		17,996	103,339
	263.81	Whatcom County Economic Development Initiative Loan 2006	3/28/2026	638,054		41,297	596,757
	251.11	LTGO Bond 2007	12/1/2017	2,600,000		445,000	2,155,000
	251.19	LTGO Bond 2007 (Proprietary-Stormwater)	12/1/2017	270,000		50,000	220,000
	251.11	LTGO Bond 2007 ('94 Annex Refunding)	12/1/2017	110,221		39,365	70,857
	251.19	LTGO Bond 2007 ('96 Sewer Refunding)	12/1/2017	309,779		110,635	199,143
	263.96	State of Washington LOCAL Program 2010	12/1/2015	44,531		14,359	30,172
	251.11	LTGO Bond 2012 (Banner Bank Building)	12/1/2021	1,288,778		60,110	1,228,668
	251.11	LTGO Bond 2013 (Qualified Energy Conservation Bond)	10/15/2028	0	1,670,000	0	1,670,000
Total General Obligations:				6,893,807	1,670,000	902,547	7,661,260

The accompanying notes to the financial statements are an integral part of this schedule

Debt Type	ID. No.	Description	Maturity/Payment Due Date	Beginning Balance January 1, 2013	Additions	Reductions	Ending Balance December 31, 2013
Revenue Obligations							
	259.12	Electric Compensated Absences (Revenue Liability)		30,044	9,993		40,037
	259.12	Water Compensated Absences (Revenue Liability)		17,680		5,022	12,658
	259.12	Wastewater Compensated Absences (Revenue Liability)		21,060		3,297	17,763
	259.12	Stormwater Compensated Absences (Revenue Liability)		3,677	527		4,204
	259.12	Public Works Administration Compensated Absences (Revenue Liability)		29,880	13,622		43,502
	252.11	Water/Sewer Refund 2003	6/2/2015	90,000		70,000	20,000
	252.11	Water/Sewer Refund 2003	6/2/2015	90,000		70,000	20,000
	252.11	Electric Refund 2004	12/1/2019	2,705,000		400,000	2,305,000
	263.82	Public Works Trust Fund Loan 97001 1997	7/1/2017	111,406		22,281	89,125
	263.82	Public Works Trust Fund Loan 97002 1997	7/1/2017	412,619		82,524	330,095
	263.82	Public Works Trust Fund Loan 97016 1997	7/1/2017	31,289		6,258	25,032
	263.82	Public Works Trust Fund Loan 04133 2005	7/1/2024	640,351		53,363	586,988
	263.82	Public Works Trust Fund Loan 05005 2006	7/1/2025	1,927,140		148,242	1,778,888
	263.82	Public Works Trust Fund Loan 05005 2006	7/1/2025	118,902		9,146	109,756
	263.82	Public Works Trust Fund Loan 06116 2006	7/1/2026	736,842		52,632	684,210

The accompanying notes to the financial statements are an integral part of this schedule

Debt Type	ID. No.	Description	Maturity/Payment Due Date	Beginning Balance January 1, 2013	Additions	Reductions	Ending Balance December 31, 2013
	263.82	Public Works Trust Fund Loan 07003 2008	7/1/2027	5,208,824		370,588	4,838,235
	263.82	Public Works Trust Fund Loan 08003 2008	7/1/2028	7,944,444		527,778	7,416,667
	263.82	Department of Ecology Revolving Loan 2009	7/20/2030	1,245,829		59,142	1,186,687
	252.11	USDA Rural Development 2010	10/28/2050	1,504,000		15,657	1,488,343
	252.11	USDA Rural Development 2010	10/28/2050	4,996,600		56,562	4,940,038
Total Revenue Obligations:				27,865,587	24,142	1,952,492	25,937,228
Total Liabilities:				34,759,394	1,694,142	2,855,039	33,598,488

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

Contact information for the State Auditor's Office	
Deputy Director for Communications	Thomas Shapley Thomas.Shapley@sao.wa.gov (360) 902-0367
Public Records requests	(360) 725-5617
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov