



Office of the Washington State Auditor
Pat McCarthy

Financial Statements and Federal Single Audit Report

City of Fife

For the period January 1, 2023 through December 31, 2023

Published December 19, 2024

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**Office of the Washington State Auditor
Pat McCarthy**

December 19, 2024

Council
City of Fife
Fife, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on the City of Fife's financial statements and compliance with federal laws and regulations.

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

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

City of Fife January 1, 2023 through December 31, 2023

SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audit of the City of Fife are summarized below in accordance with Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Financial Statements

We issued an unmodified opinion on the fair presentation of the City’s financial statements in accordance with its regulatory basis of accounting. Separately, 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 using a basis of accounting other than GAAP.

Internal Control over Financial Reporting:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the City.

Federal Awards

Internal Control over Major Programs:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We issued an unmodified opinion on the City’s compliance with requirements applicable to its major federal program.

We reported no findings that are required to be disclosed in accordance with 2 CFR 200.516(a).

Identification of Major Federal Programs

The following program was selected as a major program in our audit of compliance in accordance with the Uniform Guidance.

<u>ALN</u>	<u>Program or Cluster Title</u>
20.205	Highway Planning and Construction

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by the Uniform Guidance, was \$750,000.

The City did not qualify as a low-risk auditee under the Uniform Guidance.

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

INDEPENDENT AUDITOR'S REPORT

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 Fife January 1, 2023 through December 31, 2023

Council
City of Fife
Fife, 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 Fife, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated December 11, 2024.

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 by state law 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.

REPORT ON 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions 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 above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

REPORT ON 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 its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

December 11, 2024

INDEPENDENT AUDITOR'S REPORT

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

City of Fife
January 1, 2023 through December 31, 2023

Council
City of Fife
Fife, Washington

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

We have audited the compliance of the City of Fife, with the types of compliance requirements identified as subject to audit in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2023. The City's major federal programs are identified in the auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination on the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

Performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances;
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed; and
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report 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.



Pat McCarthy, State Auditor

Olympia, WA

December 11, 2024

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

City of Fife January 1, 2023 through December 31, 2023

Council
City of Fife
Fife, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Unmodified and Adverse Opinions

We have audited the financial statements of the City of Fife, as of and for the year ended December 31, 2023, and the related notes to the financial statements, as listed in the financial section of our report.

Unmodified Opinion on the Regulatory Basis of Accounting (BARS Manual)

As described in Note 1, the City has prepared these financial statements to meet the financial reporting requirements of state law and accounting practices prescribed by 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 accompanying financial statements referred to above present fairly, in all material respects, the cash and investments of the City of Fife, and its changes in cash and investments, for the year ended December 31, 2023, on the basis of accounting described in Note 1.

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 Fife, as of December 31, 2023, or the changes in financial position or cash flows thereof for the year then ended, because of the significance of the matter discussed below.

Basis for Unmodified and Adverse Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit unmodified and adverse opinions.

Matter Giving Rise to 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. As described in Note 1 of the financial statements, the financial statements are prepared by the City in accordance with state law using accounting practices prescribed by the BARS Manual, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management 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 state law and the BARS Manual 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:


- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time; and
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Schedule of Liabilities is also presented for purposes of additional analysis, as required by the prescribed BARS manual. These schedules are 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 as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2024 on our consideration of the City's internal control over financial reporting and on the 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 the effectiveness of the City's 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.



Pat McCarthy, State Auditor

Olympia, WA

December 11, 2024

FINANCIAL SECTION

City of Fife January 1, 2023 through December 31, 2023

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2023
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2023
Notes to the Financial Statements – 2023

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2023
Schedule of Expenditures of Federal Awards – 2023
Notes to the Schedule of Expenditures of Federal Awards – 2023

City of Fife
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023

		Total for All Funds (Memo Only)	001 General Fund	101 Street Operating Fund	103 Public Safety Fund
Beginning Cash and Investments					
308	Beginning Cash and Investments	83,701,714	28,199,384	235,737	6,387,216
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	21,871,568	20,078,482	-	-
320	Licenses and Permits	734,900	729,888	-	-
330	Intergovernmental Revenues	4,211,072	1,332,338	298,763	202,216
340	Charges for Goods and Services	18,504,008	1,341,199	-	-
350	Fines and Penalties	3,227,696	53,113	-	3,105,759
360	Miscellaneous Revenues	4,466,991	1,719,314	10,350	237,472
Total Revenues:		53,016,235	25,254,334	309,113	3,545,447
Expenditures					
510	General Government	5,565,014	5,188,354	-	219,626
520	Public Safety	10,582,662	8,884,434	-	1,647,126
530	Utilities	13,878,340	-	-	-
540	Transportation	1,809,942	288,825	961,431	67,151
550	Natural/Economic Environment	1,824,349	1,318,117	-	-
560	Social Services	933,252	400,855	-	-
570	Culture and Recreation	3,539,665	3,377,400	-	-
Total Expenditures:		38,133,224	19,457,985	961,431	1,933,903
Excess (Deficiency) Revenues over Expenditures:		14,883,011	5,796,349	(652,318)	1,611,544
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	5,050,204	-	550,000	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	215,237	96,666	-	-
Total Other Increases in Fund Resources:		5,265,441	96,666	550,000	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	7,071,699	443,841	-	146,013
591-593, 599	Debt Service	3,108,038	87,748	-	-
597	Transfers-Out	5,050,204	2,870,698	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	208,713	112,327	-	-
Total Other Decreases in Fund Resources:		15,438,654	3,514,614	-	146,013
Increase (Decrease) in Cash and Investments:		4,709,798	2,378,401	(102,318)	1,465,531
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	16,820,113	16,051	-	-
50841	Committed	8,019,528	166,781	-	7,852,747
50851	Assigned	33,478,039	301,121	133,419	-
50891	Unassigned	30,093,832	30,093,832	-	-
Total Ending Cash and Investments		88,411,512	30,577,785	133,419	7,852,747

The accompanying notes are an integral part of this statement.

City of Fife
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023

		104 Stadium/Conve ntion Tax Fund	107 Criminal Justice Fund	109 Impact & Mitigation Fund	110 Drug Intervention Fund
Beginning Cash and Investments					
308	Beginning Cash and Investments	1,693,747	624,611	1,864,726	74,099
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	715,883	260,864	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	78,743	-	-
340	Charges for Goods and Services	-	-	2,257	-
350	Fines and Penalties	-	-	-	2,949
360	Miscellaneous Revenues	59,223	27,591	60,592	3,923
Total Revenues:		775,106	367,198	62,849	6,872
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	19,229	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	497,642	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	58,523	-	-	-
Total Expenditures:		556,165	19,229	-	-
Excess (Deficiency) Revenues over Expenditures:		218,941	347,969	62,849	6,872
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	30,000
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	20,342	-	-
Total Other Increases in Fund Resources:		-	20,342	-	30,000
Other Decreases in Fund Resources					
594-595	Capital Expenditures	79,555	-	-	-
591-593, 599	Debt Service	-	-	-	1,002
597	Transfers-Out	-	-	382,000	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	20,342
Total Other Decreases in Fund Resources:		79,555	-	382,000	21,344
Increase (Decrease) in Cash and Investments:		139,386	368,311	(319,151)	15,528
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	1,833,133	992,922	1,545,575	89,627
50841	Committed	-	-	-	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		1,833,133	992,922	1,545,575	89,627

The accompanying notes are an integral part of this statement.

City of Fife
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023

		111 Park Acquisition/Dev elop Fund	112 Affordable Housing Sales Tax	161 REET Fund	191 Transportation Benefit District
Beginning Cash and Investments					
308	Beginning Cash and Investments	683,577	86,966	3,213,967	384,759
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	147,320	69,615	440,960	158,444
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	421,607	-
340	Charges for Goods and Services	850	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	124,208	2,383	101,691	15,610
Total Revenues:		272,378	71,998	964,258	174,054
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	98,767	-	-	-
Total Expenditures:		98,767	-	-	-
Excess (Deficiency) Revenues over Expenditures:		173,611	71,998	964,258	174,054
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	1,373,786	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		1,373,786	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	320,171	-	357,483	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	523,063	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		320,171	-	880,546	-
Increase (Decrease) in Cash and Investments:		1,227,226	71,998	83,712	174,054
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	1,910,803	158,964	3,297,679	558,813
50841	Committed	-	-	-	-
50851	Assigned	-	-	-	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		1,910,803	158,964	3,297,679	558,813

The accompanying notes are an integral part of this statement.

City of Fife
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023

		209 LID Guarantee Fund	215 2011 Ltd G.O. Bond Fund	216 CLID #1 2013	218 GO 18 Debt Service
Beginning Cash and Investments					
308	Beginning Cash and Investments	982,445	29,094	1,657,686	69,826
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	19	-
360	Miscellaneous Revenues	33,039	-	265,943	6,671
Total Revenues:		33,039	-	265,962	6,671
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	-	-
Excess (Deficiency) Revenues over Expenditures:		33,039	-	265,962	6,671
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	348,958	-	812,590
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	348,958	-	812,590
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	349,125	139,784	812,442
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	349,125	139,784	812,442
Increase (Decrease) in Cash and Investments:		33,039	(167)	126,178	6,819
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	1,015,484	-	1,783,864	-
50841	Committed	-	-	-	-
50851	Assigned	-	28,927	-	76,645
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		1,015,484	28,927	1,783,864	76,645

The accompanying notes are an integral part of this statement.

City of Fife
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023

		219 LID #14-1 2020	301 Street Construction Fund	303 Rec & Ped Capital Facilities	305 Misc Capital Projects Fund
Beginning Cash and Investments					
308	Beginning Cash and Investments	203,084	1,411,045	115,046	1,876,463
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	1,263,887	-	561,518
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	173,970	61,859	3,869	53,927
Total Revenues:		173,970	1,325,746	3,869	615,445
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	8,590
560	Social Services	-	-	-	532,397
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	-	540,987
Excess (Deficiency) Revenues over Expenditures:		173,970	1,325,746	3,869	74,458
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	472,600	-	67,827
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	472,600	-	67,827
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	2,144,200	-	800,000
591-593, 599	Debt Service	186,382	-	-	1,486
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	30,158
Total Other Decreases in Fund Resources:		186,382	2,144,200	-	831,644
Increase (Decrease) in Cash and Investments:		(12,412)	(345,854)	3,869	(689,359)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	-
50841	Committed	-	-	-	-
50851	Assigned	190,672	1,065,191	118,915	1,187,104
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		190,672	1,065,191	118,915	1,187,104

The accompanying notes are an integral part of this statement.

City of Fife
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023

		401 Water Utility Fund	402 Sewer Utility Fund	404 Storm Drainage Utility	504 Fleet Fund
Beginning Cash and Investments					
308	Beginning Cash and Investments	8,551,240	18,862,943	4,353,294	1,261,826
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	1,625	3,387	-	-
330	Intergovernmental Revenues	-	-	52,000	-
340	Charges for Goods and Services	5,077,475	9,221,794	2,383,312	176,121
350	Fines and Penalties	18,742	32,949	14,165	-
360	Miscellaneous Revenues	262,925	609,274	160,843	441,404
Total Revenues:		5,360,767	9,867,404	2,610,320	617,525
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	12,519
530	Utilities	5,243,898	7,170,324	1,464,118	-
540	Transportation	-	-	-	492,535
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	4,975
Total Expenditures:		5,243,898	7,170,324	1,464,118	510,029
Excess (Deficiency) Revenues over Expenditures:		116,869	2,697,080	1,146,202	107,496
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	1,274,443	-	120,000
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	6,650	70,044	-	21,535
Total Other Increases in Fund Resources:		6,650	1,344,487	-	141,535
Other Decreases in Fund Resources					
594-595	Capital Expenditures	466,155	1,053,131	580,406	565,911
591-593, 599	Debt Service	20,400	1,500,857	8,812	-
597	Transfers-Out	748,030	-	526,413	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	6,000	39,886	-	-
Total Other Decreases in Fund Resources:		1,240,585	2,593,874	1,115,631	565,911
Increase (Decrease) in Cash and Investments:		(1,117,066)	1,447,693	30,571	(316,880)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	3,346,665	270,533	-
50841	Committed	-	-	-	-
50851	Assigned	7,434,174	16,963,971	4,113,332	944,946
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		7,434,174	20,310,636	4,383,865	944,946

The accompanying notes are an integral part of this statement.

City of Fife
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023

		513 Self Ins Employee Benefit	566 IT Capital	567 IT Replacement Non PD	568 IT PC Replacement PD
Beginning Cash and Investments					
308	Beginning Cash and Investments	573,746	171,620	72,890	60,677
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	210,000	26,000	30,000	35,000
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	20,056	5,731	2,866	2,257
Total Revenues:		230,056	31,731	32,866	37,257
Expenditures					
510	General Government	145,991	-	11,043	-
520	Public Safety	-	-	-	19,354
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		145,991	-	11,043	19,354
Excess (Deficiency) Revenues over Expenditures:		84,065	31,731	21,823	17,903
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	114,833	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	114,833	-	-
Increase (Decrease) in Cash and Investments:		84,065	(83,102)	21,823	17,903
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	-
50841	Committed	-	-	-	-
50851	Assigned	657,811	88,518	94,713	78,580
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		657,811	88,518	94,713	78,580

The accompanying notes are an integral part of this statement.

City of Fife
Fiduciary Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023

		Total for All Funds (Memo Only)	Custodial
308	Beginning Cash and Investments	54,678	54,678
388 & 588	Net Adjustments	-	-
310-390	Additions	3,309,515	3,309,515
510-590	Deductions	3,307,752	3,307,752
	Net Increase (Decrease) in Cash and Investments:	1,763	1,763
508	Ending Cash and Investments	56,441	56,441

The accompanying notes are an integral part of this statement.

City of Fife
Notes to the Financial Statements
For the year ended December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Fife was incorporated on February 11, 1957, and operates under the laws of the state of Washington applicable to a non-charter code city operating under the Council-Manager form of government as set forth in Chapter 35A.13 RCW. The City is a general-purpose local government and provides police, municipal court, planning and community development, parks and recreation, street maintenance, water, sewer, and storm drainage services, among its major services. Fife and emergency medical services are provided by a separate fire district through a contract with the City of Tacoma.

The City reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from Generally Accepted Accounting Principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances for proprietary and fiduciary funds are presented using classifications that are different from the ending net position classifications in GAAP.

A. Fund Accounting

Financial transactions of the government are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues, and expenditures. The government's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements, except for fiduciary funds, which are presented by fund types. The total column is presented as "memo only" because any interfund activities are not eliminated. The following fund types are used:

GOVERNMENTAL FUND TYPES:

General Fund

This fund is the primary operating fund of the government. 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 government.

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.

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 government on a cost reimbursement basis.

FIDUCIARY FUND TYPES:

Fiduciary funds account for assets held by the government in a trustee capacity or as a custodian on behalf of others.

Custodial Funds

These funds are used to account for assets that the government holds on behalf of others in a custodial capacity.

B. Basis of Accounting and Measurement Focus

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received, and expenditures are recognized when paid.

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

C. Cash and Investments

See Note 3, *Deposits and Investments*.

D. Capital Assets

Capital assets are assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of three years. Capital assets and inventory are recorded as capital expenditures when purchased.

E. Compensated Absences

Vacation leave may be accumulated up to 30 days, except for exempt employees who may accumulate above that maximum but must reduce the balance to 30 days by the next January 1. Upon separation from City service, employees will be paid up to a maximum of 30 days, except exempt employees who may be paid for up to 60 days.

Sick leave may be accumulated up to 1,600 hours. The Police Guild Commissioned and Non-Commissioned may accumulate up to 800 hours. Upon separation or retirement employees receive payment for unused sick leave. Payments are recognized as expenditures when paid.

F. Long-Term Debt

See Note 8, *Long-term Debt*.

G. Restricted and Committed Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments are reported as restricted or committed when it is subject to restrictions on use imposed by external parties or due to internal commitments established by ordinance or resolution of the City Council. When expenditures that meet restrictions are incurred, the City intends to use the most restricted resources first.

Restrictions and commitments of Ending Cash and Investments consist of:

Fund	Amount	Reason
Public Safety Fund (103)	\$ 7,852,747	Red light photo citations committed by governing body through ordinance for the purpose of paying for the costs of the automated traffic enforcement program
Lodging Tax Fund (104)	\$ 1,833,133	Lodging excise tax restricted for tourism promotion
Criminal Justice Fund (107)	\$ 992,923	Criminal justice sales and use tax restricted for criminal justice purposes
Impact & Mitigation Fund (109)	\$ 1,545,575	Growth Management Act (GMA) impact fees restricted for public streets and roads
Drug Intervention Fund (110)	\$ 89,627	Forfeited drug property restricted for the expansion and improvement of controlled substances related law enforcement activity
Park Acquisition/Develop Fund (111)	\$ 1,910,803	Growth Management Act (GMA) impact fees and zoo, aquarium and wildlife facilities sales and use tax restricted for publicly owned parks, open space, and recreation facilities
Affordable Housing Sales Tax (112)	\$ 158,964	Affordable housing sales tax credit restricted for affordable and supportive housing
REET Fund (161)	\$ 3,297,679	Real estate excise tax restricted for preparing and implementing growth management program

Transportation Benefit District (191)	\$ 558,813	Transportation Benefit District (TBD) annual vehicle fee restricted for transportation improvements within the district
LID Guarantee Fund (209)	\$ 1,015,484	LID bond guarantee restricted for guaranteeing the payment of bonds
CLID #1 2013 (216)	\$ 1,783,864	Special assessments collected in the local improvement district restricted for repayment of outstanding bonds
Sewer Utility Fund (402)	\$ 3,346,665	Unspent bond proceeds restricted for capital costs of sewer utility projects. Bond reserve restricted for guaranteeing the payment of bonds
Storm Drainage Utility (404)	\$ 270,533	Unspent bond proceeds restricted for capital costs of storm drainage utility projects
Non-Rev/Non-Exp (635)	\$ 9,954	Sales and use tax, leasehold tax, state building fee, seized property, forfeited property state portion, and court mandated fees held in custodian capacity for individuals or other governments
Municipal Court (637)	\$ 46,487	Municipal court receipts and disbursements
General Fund (001)	\$ 182,832	CD deposits and performance bonds committed by governing body through ordinance to ensure the completion of the landscaping in accordance with the approved

NOTE 2 – BUDGET COMPLIANCE

The City adopts biennial appropriated budgets for all funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Biennial appropriations for these funds lapse at the fiscal year end.

Biennial 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	Fund Name	2023/2024 Revised Budget	2023/2024 Actual Expenditures	Variance
001	General Fund	\$ 60,917,979	\$ 28,147,360	\$ 32,770,619
002	Deposit Fund	-	112,326	(112,326)
005	Facility Repair/Replacement Fund	2,500,000	186,147	2,313,853

101	City Street Fund	1,845,372	961,430	883,942
103	Public Safety - Photo Red Light	5,894,169	1,923,291	3,970,878
132	Public Safety - School Speed Zone	320,000	156,624	163,376
104	Lodging Tax Fund	1,856,742	635,720	1,221,022
107	Criminal Justice Fund	444,595	19,229	425,366
109	Impact & Mitigation Fund	664,000	382,000	282,000
110	Drug Intervention Fund	43,108	21,345	21,763
111	Park Acquisition/Development	5,614,468	418,938	5,195,530
112	Misc Grants Fund	150,000	-	150,000
161	REET 1 Fund	579,705	148,754	430,951
162	REET 2 Fund	1,148,528	731,792	416,736
181	Aquatic Services Fund	2,195,891	937,012	1,258,879
191	Fife Transportation Benefit District	2,000	-	2,000
215	2011 LTD GO Bond	696,251	349,125	347,126
216	2013 CLID #1	279,569	139,784	139,785
218	2017 LTD GO Bond	1,626,656	812,443	814,213
219	2020 LID #14-1	368,641	186,382	182,259
301	Street Construction Fund	51,044,015	2,144,201	48,899,814
303	Rec/Ped Capital Facilities Fund	100,000	-	100,000
305	Misc Capital Projects Fund	3,242,370	1,372,631	1,869,739
401	Water Utility - Operating	12,097,105	5,678,166	6,418,939
436	Water Utility - Const	3,085,340	806,317	2,279,023
402	Sewer Utility - Operating	15,603,531	7,883,047	7,720,484
405	Parity Rev Bond	2,997,714	1,500,856	1,496,858
426	Sewer Utility - Const	7,700,000	918,904	6,781,096
404	Storm Drainage Utility - Operating	3,705,894	1,839,318	1,866,576
446	Storm Drainage Utility - Const	1,390,000	740,432	649,568
504	Fleet Fund	2,125,036	1,075,938	1,049,098
513	Self-Ins Medical Claims Fund	400,000	145,991	254,009
566	IT Copier/Server Replacement	130,000	114,833	15,167
567	IT PC Replacement Non PD	25,500	11,044	14,456
568	IT PC Replacement PD	70,000	19,355	50,645
635	Non-Rev/Non-Exp 635	-	92,928	(92,928)
	Total All Funds	\$ 190,864,179	\$ 60,613,663	\$ 130,250,516

Budgeted amounts are authorized to be transferred between departments within any fund/object classes within departments; 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's legislative body.

NOTE 3 – DEPOSITS AND INVESTMENTS

Investments are reported at original cost. Deposits and investments by type at December 31, 2023 are as follows:

Type of Deposit or Investment	City's Own Deposits and Investments	Investments held by City as a custodian for other local governments, individuals or private organizations	Total
Bank Deposits	\$ 17,080,282	\$ 56,442	\$ 17,136,724
Local Government Investment Pool (LGIP)	\$ 59,336,121	\$ -	\$ 59,336,121
U.S. Government Securities	\$ 11,995,109	\$ -	\$ 11,995,109
Total Investments	\$ 88,411,512	\$ 56,442	\$ 88,467,954

It is the City's policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds.

Investments in the State Local Government Investment Pool (LGIP)

The City is a voluntary participant in the Local Government Investment Pool, an external investment pool operated by the Washington State Treasurer. The pool is not rated and not registered with the SEC. Rather, oversight is provided by the State Finance Committee in accordance with Chapter 43.250 RCW. Investments in the LGIP are reported at amortized cost, which is the same as the value of the pool per share. The LGIP does not impose any restrictions on participant withdrawals.

The Office of the State Treasurer prepares a stand-alone financial report for the pool. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at www.tre.wa.gov.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in event of a failure of a depository financial institution, the City would not be able to recover deposits or would not be able to recover collateral securities that are in possession of an outside party. The City's deposits are mostly covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

All investments are insured, registered, or held by the City or its agent in the government's name.

Derivatives

The City does not invest in derivatives or similar transactions.

NOTE 4 – 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 Calendar	
January 1	Tax is levied and becomes an enforceable lien against the properties.
February 14	Tax bills are mailed
April 30	First of two equal installment payments are due
May 31	Assessed value of property established for next year's levy at 100 percent of market value
October 31	Second installment is due

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's regular levy for the year 2023 was \$0.94 per \$1,000 on an assessed valuation of \$3,792,462,521 for a total regular levy of \$3,579,938. The City does not impose any excess levies for any purpose.

Washington State Constitution and Washington State Law, RCW 84.55.010, limit the rate.

NOTE 5 – INTERFUND LOANS

The following table displays interfund loan activity during 2023:

Borrowing Fund	Lending Fund	Balance 1/1/2023	New Loans	Repayments	Balance 12/31/23
Drug Intervention	Criminal Justice	\$ 208,071	\$ -	\$ 20,342	\$ 187,728
Misc. Capital Projects	Sewer Utility	\$ 308,470	\$ -	\$ 30,158	\$ 278,312
Total Interfund Loans		\$ 516,540	\$ -	\$ 50,500	\$ 466,040

NOTE 6 – LEASES (LESSEES)

In 2022, the City's lease for one of its postage meter agreements with Quadient Leasing USA Inc. ended and the city continued to pay month-to-month for a total of 5-months. In April 2023, after five months, the City entered into a new 5-year postage meter lease agreement with Quadient Leasing USA Inc. The City also leases one postage meter from Pitney Bowes under a 5-year lease.

The total amount paid for leases in 2023 was \$4,415 as noted in Schedule 09. As of December 31, 2023, the future lease payments are as follows:

Year ended December 31	Total
2024	4,632
2025	2,740
2026	2,740
2027	867
2028	217

NOTE 7 – SBITA (LESSEES)

During the year ending 2023, the City adopted guidance for the presentation and disclosure of Subscription Based Information Technology Arrangements (SBITA), as required by the BARS manual. This requirement resulted in the addition of a subscription liability reported on the Schedule of Liabilities.

The City makes a subscription payment of \$42,866 per year for Microsoft annual subscription. The SBITA contract is for 3-years and includes the option to extend the contract for another 3-years. Also, the City makes a subscription payment of \$40,000 per year for OpenGov software annual subscription. The SBITA contract is for - years with the last payment in 2023. Additionally, the City makes a subscription payment of \$20,400 per year for SAAS Sensus software annual subscription. The SBITA agreement is for 5-years and includes the option to extend the agreement for another 5-years.

The total amount paid for SBITAs in 2023 was \$103,266. As of December 31, 2023, the future subscription payments are as follows:

Year ended December 31	Total
2024	63,266
2025	63,266
2026	20,400
2027	20,400

NOTE 8 – LONG-TERM DEBT

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the City and summarizes the City's debt transactions for the year ended December 31, 2023.

The debt service requirements for general obligation bonds, revenue bonds, loans, and special assessments are as follows:

General Obligation Bonds

	Principal	Interest	Total
2024	745,000	416,338	1,161,338
2025	775,000	389,800	1,164,800
2026	800,000	362,425	1,162,425
2027	825,000	335,750	1,160,750
2028	865,000	294,500	1,159,500
2029-2033	5,025,000	778,250	5,803,250
2034-2038	-	-	-
2039-2043	-	-	-
	\$ 9,035,000	\$ 2,577,063	\$ 11,612,063

Assessment Debt

	Principal	Interest	Total
2024	133,000	189,043	322,043
2025	133,000	184,920	317,920
2026	133,000	180,797	313,797
2027	133,000	176,674	309,674
2028	133,000	172,551	305,551
2029-2033	3,387,499	381,869	3,769,368
2034-2038	264,000	12,276	276,276
2039-2043	-	-	-
	\$ 4,316,499	\$ 1,298,130	\$ 5,614,629

Revenue Bonds and Loans

	Principal	Interest	Total
2024	996,113	509,555	1,505,668
2025	1,041,262	466,263	1,507,525
2026	1,086,414	421,354	1,507,768
2027	1,131,569	374,249	1,505,818
2028	1,181,729	324,992	1,506,721
2029-2033	6,666,173	879,661	7,545,834
2034-2038	40,780	3,279	44,059
2039-2043	4,353	53	4,406
	\$ 12,148,393	\$ 2,979,406	\$ 15,127,799

Total Debt

	Principal	Interest	Total
2024	1,874,113	1,114,936	2,989,049
2025	1,949,262	1,040,983	2,990,245
2026	2,019,414	964,576	2,983,990
2027	2,089,569	886,673	2,976,242
2028	2,179,729	792,043	2,971,772
2029-2033	15,078,672	2,039,780	17,118,452
2034-2038	304,780	15,555	320,335
2039-2043	4,353	53	4,406
	\$ 25,499,892	\$ 6,854,599	\$ 32,354,491

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NOTE 9 – PENSION PLANS**A. State Sponsored Pension Plans**

Substantially all City full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans:

PERS 1
PERS 2/3
PSERS 2
LEOFF 1
LEOFF 2

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information for each plan.

The DRS ACFR may be downloaded from the DRS website at www.drs.wa.gov.

LEOFF Plan 1

The City also participates in LEOFF Plan 1. The LEOFF Plan 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. Starting on July 1, 2000, employers and employees contribute zero percent.

LEOFF Plan 2

The City also participates in the LEOFF Plan 2. The Legislature, by means of a special funding arrangement, appropriates money from the state general fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute.

At June 30, 2023, the City's proportionate share of the collective net pension liabilities, was as follows:

Plan	Employer Contributions	Allocation %	Liability (Asset)
PERS 1	\$ 8,264	0.001213%	\$ 27,690
PERS 1 UAAL	302,918	0.044453%	1,014,743
Total Net Pension Liability			\$ 1,042,433
PERS 2/3	\$ 495,140	0.056316%	\$ (2,308,214)
PSERS 2	9,239	0.018350%	(19,458)
LEOFF 1	-	0.009223%	(273,741)
LEOFF 2	193,152	0.085573%	(2,052,552)
Total Net Pension Assets			\$ (4,653,965)

Only the net pension liabilities are reported on the Schedule of Liabilities.

B. Deferred Compensation

The City offers its employees two deferred compensation plans, created in accordance with the Internal Revenue Code Section 457(b). These plans are defined contribution plans.

MissionSquare Retirement and Empower Retirement plans are available to all eligible employees. These plans allow participants to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or in the event of an unforeseeable emergency.

The City matches employee contributions to these plans up to certain monthly limits for Police Officer's Guild members. The City also contributes 3% of base salary to these plans for City Manager. In 2023, the City's contributions totaled \$52,308, and employee contributions totaled \$358,673.

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS

The LEOFF I Retiree Medical Plan is a closed, single-employer, defined-benefit OPEB plan administered by the City as required by RCW 41.26.150(1). The plan pays for 100% of eligible retirees' healthcare costs on a pay-as-you-go basis. As of December 31, 2023, the City had five members, all retirees. As of December 31, 2023, the City's total OPEB liability was \$2,553,291, as calculated using the alternative measurement method (as reported on the Schedule of Liabilities). For the year ended December 31, 2023, the City paid \$90,730 in benefits.

NOTE 11 – RISK MANAGEMENT

A. Liability Insurance

The City of Fife is a member of the Washington Cities Insurance Authority (WCIA). Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and / or jointly contracting for risk management services. WCIA has a total of 169 members.

New members initially contract for a three-year term, and thereafter automatically renew on an annual basis. A one-year withdrawal notice is required before membership can be terminated. Termination does not relieve a former member from its unresolved loss history incurred during membership.

Liability coverage is written on an occurrence basis, without deductibles. Coverage includes general, automobile, police, errors, or omissions, stop gap, employment practices, prior wrongful acts, and employee benefits liability. Limits are \$4 million per occurrence in the self-insured layer, and \$16 million in limits above the self-insured layer is provided by reinsurance. Total limits are \$20 million per occurrence subject to aggregates and sublimits. The Board of Directors determines the limits and terms of coverage annually.

All Members are provided a separate cyber risk policy and premises pollution liability coverage group purchased by WCIA. The cyber risk policy provides coverage and separate limits for security & privacy, event management, and cyber extortion, with limits up to \$1 million and subject to member deductibles, sublimits, and a \$5 million pool aggregate. Premises pollution liability provides Members with a \$2 million incident limit and \$10 million pool aggregate subject to a \$100,000 per incident Member deductible.

Insurance for property, automobile physical damage, fidelity, inland marine, and equipment breakdown coverage are purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded from the members' deductible to \$1,000,000, for all perils other than flood and earthquake, and insured above that to \$400 million per occurrence subject to aggregates and sublimits. Automobile physical damage coverage is self-funded from the members' deductible to \$250,000 and insured above that to \$100 million per occurrence subject to aggregates and sublimits.

In-house services include risk management consultation, loss control field services, and claims and litigation administration. WCIA contracts for certain claims investigations, consultants for personnel and land use issues, insurance brokerage, actuarial, and lobbyist services.

WCIA is fully funded by its members, who make annual assessments on a prospectively rated basis, as

determined by an outside, independent actuary. The assessment covers loss, loss adjustment, reinsurance, and other administrative expenses. As outlined in the interlocal, WCIA retains the right to additionally assess the membership for any funding shortfall.

An investment committee, using investment brokers, produces additional revenue by investment of WCIA's assets in financial instruments which comply with all State guidelines.

A Board of Directors governs WCIA, which is comprised of one designated representative from each member. The Board elects an Executive Committee and appoints a Treasurer to provide general policy direction for the organization. The WCIA Executive Director reports to the Executive Committee and is responsible for conducting the day-to-day operations of WCIA.

B. Health & Welfare

The City of Fife is a member of the Association of Washington Cities Employee Benefit Trust Health Care Program (AWC Trust HCP). Chapter 48.62 RCW provides that two or more local government entities may, by Interlocal agreement under Chapter 39.34 RCW, form together or join a pool or organization for the joint purchasing of insurance, and/or joint self-insurance, to the same extent that they may individually purchase insurance or self-insure.

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC Trust HCP was formed on January 1, 2014, when participating cities, towns, and non-city entities of the AWC Employee Benefit Trust in the State of Washington joined together by signing an Interlocal Governmental Agreement to jointly self-insure certain health benefit plans and programs for participating employees, their covered dependents and other beneficiaries through a designated account within the Trust.

As of December 31, 2023, 264 cities/towns/non-city entities participate and have enrollment in the AWC Trust HCP.

The AWC Trust HCP allows members to establish a program of joint insurance and provides health and welfare services to all participating members.

In April 2020, the Board of Trustees adopted a large employer policy, requiring newly enrolling groups with 600 or more employees to submit medical claims experience data in order to receive a quote for medical coverage. Outside of this, the AWC Trust HCP pools claims without regard to individual member experience. The pool is actuarially rated each year with the assumption of projected claims run-out for all current members.

The AWC Trust HCP includes medical, dental and vision insurance through the following carriers: Kaiser Foundation Health Plan of Washington, Kaiser Foundation Health Plan of Washington Options, Inc., Regence BlueShield, Asuris Northwest Health, Delta Dental of Washington, Willamette Dental Group, and Vision Service Plan. Eligible members are cities and towns within the state of Washington. Non-City Entities (public agency, public corporation, intergovernmental agency, or political subdivision within the state of Washington) are eligible to apply for coverage into the AWC Trust HCP, submitting application to the Board of Trustees for review as required in the Trust Agreement.

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for

payment of all covered claims. In 2023, the AWC Trust HCP purchased medical stop loss insurance for Regence/Asuris and Kaiser plans at an individual Stop Loss (ISL) of \$2 million through United States Fire Insurance Company. The aggregate policy is for 200% of expected medical claims.

Participating employers' contract to remain in the AWC Trust HCP for a minimum of three years. Participating employers with over 250 employees must provide written notice of termination of all coverage a minimum of 12 months in advance of the termination date, and participating employers with under 250 employees must provide written notice of termination of all coverage a minimum of 6 months in advance of termination date. When all coverage is being terminated, termination will only occur on December 31. Participating employers terminating a group or line of coverage must notify the AWC Trust HCP a minimum of 60 days prior to termination. A participating employer's termination will not obligate that member to past debts, or further contributions to the AWC Trust HCP. Similarly, the terminating member forfeits all rights and interest to the AWC Trust HCP account.

The operations of the Health Care Program are managed by the Board of Trustees or its delegates. The Board of Trustees is comprised of four regionally elected officials from Trust member cities or towns, the Employee Benefit Advisory Committee Chair and Vice Chair, and two appointed individuals from the AWC Board of Directors, who are from Trust member cities or towns. The Trustees or its appointed delegates review and analyze Health Care Program related matters and make operational decisions regarding premium contributions, reserves, plan options and benefits in compliance with Chapter 48.62 RCW. The Board of Trustees has decision authority consistent with the Trust Agreement, Health Care Program policies, Chapter 48.62 RCW, and Chapter 200-110-WAC.

The accounting records of the AWC Trust HCP are maintained in accordance with methods prescribed by the State Auditor's office under the authority of Chapter 43.09 RCW. The AWC Trust HCP also follows applicable accounting standards established by the Governmental Accounting Standards Board ("GASB"). In 2018, the retiree medical plan subsidy was eliminated, and is noted as such in the report for the fiscal year ending December 31, 2018. Year-end financial reporting is done on an accrual basis and submitted to the Office of the State Auditor as required by Chapter 200-110 WAC. The audit report for the AWC Trust HCP is available from the Washington State Auditor's office.

NOTE 12 - OTHER DISCLOSURES

a) Cash Balances

The City's Municipal Court holds a separate bank account for judicial transactions. This account is included in the reported cash balances. As of December 31, 2023, the balance of this account was \$46,487.

City of Fife
Schedule of Liabilities
For the Year Ended December 31, 2023

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.11	2011 Ltd GO & Rfnd	12/1/2026	1,270,000	-	300,000	970,000
251.11	2018 Ltd GO A	12/1/2033	7,380,000	-	-	7,380,000
251.11	2018 Ltd GO B	12/1/2025	1,105,000	-	420,000	685,000
263.56	Postage meter - Court	12/31/2024	3,785	-	1,892	1,893
263.56	Postage meter - CH	12/31/2026	7,494	-	1,873	5,621
263.56	Postage meter - PD	3/31/2028	-	4,332	650	3,682
263.56	Microsoft Annual Subscription	9/30/2026	-	128,598	42,866	85,732
263.56	OpenGov Annual Subscription	5/31/2024	40,000	-	40,000	-
263.56	SAAS Sensus Annual Subscription	4/13/2028	-	102,000	20,400	81,600
Total General Obligation Debt/Liabilities:			9,806,279	234,930	827,681	9,213,528
Revenue and Other (non G.O.) Debt/Liabilities						
252.11	2012 W/S Rfnd	4/1/2029	1,125,000	-	-	1,125,000
252.11	2014 Water/Sewer/StormD	10/1/2029	2,785,000	-	350,000	2,435,000
252.11	2018 Water/Sewer/StormD	10/1/2033	9,075,000	-	600,000	8,475,000
259.12	Comp Absences		1,329,817	78,097	-	1,407,914
263.84	Water Quality Loan	5/31/2039	119,361	-	5,969	113,392
264.30	Net Pension Liability		1,287,352	-	244,919	1,042,433
264.40	OPEB Liabilities		2,432,235	121,056	-	2,553,291
Total Revenue and Other (non G.O.) Debt/Liabilities:			18,153,765	199,153	1,200,888	17,152,030
Assessment Debt/Liabilities (with commitments)						
253.11	CLID 2013 NonTaxable	1/1/2030	2,727,499	-	-	2,727,499
253.11	LID 14-1 2020 Bond	1/1/2035	1,722,000	-	133,000	1,589,000
Total Assessment Debt/Liabilities (with commitments):			4,449,499	-	133,000	4,316,499
Total Liabilities:			32,409,543	434,083	2,161,569	30,682,057

City of Fife
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF	Bulletproof Vest Partnership Program	16.607	-	-	2,518	2,518	-	1,2,3
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	HSIP-000S (600)/LA10165	56,689	-	56,689	-	1,2,3
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	HSIP 000S (563)/LA9940	282,301	-	282,301	-	1,2,3
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	NHFP-9927 (066)/LA10460	411,867	-	411,867	-	1,2,3
Total ALN 20.205:				750,857	-	750,857	-	
Highway Safety Cluster								
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Traffic Safety Commission)	National Priority Safety Programs	20.616	AG-4307	40,466	-	40,466	-	1,2,3
Total Highway Safety Cluster:				40,466	-	40,466	-	

The accompanying notes are an integral part of this schedule.

City of Fife
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

	Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures				Note
					From Pass- Through Awards	From Direct Awards	Total	Passed through to Subrecipients	
	DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE	COVID 19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	-	-	109,085	109,085	-	1,2,3
	FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF	Homeland Security Grant Program	97.067	-	-	3,000	3,000	-	1,2,3
Total Federal Awards Expended:					791,323	114,603	905,926	-	

The accompanying notes are an integral part of this schedule.

City of Fife

**Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023**

Note 1 – Basis of Accounting

This Schedule is prepared on the same basis of accounting as the City's financial statements. The City uses the cash basis of accounting.

Note 2 – Federal Indirect Cost Rate

The City has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3 – Program Costs

The amounts shown as current year expenditures represent only the federal award portion of the program costs. Entire program costs, including the City's portion, are more than shown. Such expenditures are recognized following, as applicable, either the cost principles in the OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

ABOUT THE STATE AUDITOR'S OFFICE

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

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, www.sao.wa.gov. Additionally, we share regular news and other information via an email subscription service and social media channels.

We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

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