



CITY OF BLACK DIAMOND 2014 ANNUAL REPORT

NOTE: The following is an internal compilation of reports submitted to the Washington State Auditor's Office. The annual report was not published at the time of this printing. It should be available in its entirety at www.sao.wa.gov.

Annual Report Certification by Finance Director May Miller	Page 1
Financial Statement Notes	Page 2
C1 - Line Item Account Detail (Trial Balance)	SAO Web Page
C4 - Fund Resources & Uses for Cash Transactions	Page 14
C5 - Fiduciary Fund Resources & Uses for Cash Transactions	Page 18
S7 - Schedule of Disbursement Activity	Page 18
S9 - Schedule of Liabilities	Page 19
S11 - Schedule of Cash Activity	Page 20
S15 - Schedule of State Grant Awards	Page 21
S16 - Schedule of Federal Grant Activity	Page 21
Schedule 16 Federal Grant Notes	Page 22
S19 - Schedule of Labor Relations Consultants	Page 23
S21 - Schedule of Local Government Risk Assumption	Page 23

City of Black Diamond

For the Year Ended December 31, 2014

Note 1 - Summary of Significant Accounting Policies

The City of Black Diamond was incorporated in 1959, and operates under the laws of the State of Washington applicable to a Non-Charter code City classification adopted in 1990 with a Mayor-Council form of government. The City is a general-purpose governmental entity that provides general government services including law enforcement, fire services, street improvements, parks and recreation, cemetery, and general administrative services. In addition, the City owns and operates Water, Sewer and Stormwater Utilities.

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 types 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 are not presented using the classifications defined 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 type is reported as a separate column in the financial statements. 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.

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 government on a cost reimbursement basis.

FIDUCIARY FUND TYPES:

Fiduciary funds account for assets held by the government 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 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. Budgets

The City adopts annual appropriated budgets for all funds except Fiduciary and Agency Funds. These 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	Fund Name	Final Approp. Amount	Actual Expenses	Variance
001	General Fund	6,106,790	4,769,864	1,336,926
101	Street Fund	347,107	199,018	148,089
107	Fire Impact Fee	25,366	15,366	10,000
310	General Government Capital Fund	434,272	202,867	231,405
311	REET I	293,343	107,873	185,470
320	Street & Public Works Capital Fund	1,168,147	511,768	656,379
321	REET II	342,757	187,400	155,357
401	Water Operating Fund	941,458	803,077	138,381
402	Water-WSFFA Project Fund	165,180	20,451	144,729
404	Water Capital Project Fund	724,962	137,949	587,013
407	Wastewater Operating fund	933,112	793,449	139,663
408	Wastewater Capital Project Fund	964,858	175,230	789,628
410	Stormwater Operating Fund	666,012	385,070	280,942
510	Equipment Replacement Fund	341,176	36,216	304,960
	Total	13,454,540	8,345,599	5,108,941

Budgeted amounts are authorized to be transferred between (departments within any fund/object classes within funds); 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 legislative body.

D. Cash and Investments

Cash

It is the City's policy to invest all temporary cash surpluses. At December 31, 2014 the City had an ending cash balance of \$258,793.33 in short-term cash. This amount is included in the net cash and investments shown on the statements of fund resources and uses arising from cash transactions. The total includes \$400 in petty cash as authorized by ordinance 08-860 in 2008. Interest earned on bank cash partially offsets bank costs.

Deposits

The City's deposits and savings are covered by the Federal Deposit Insurance Corporation and the Washington Public Deposit Protection Commission.

Investments

All Black Diamond funds are at the General/State Investment Pool (LGIP). Interest earned is distributed to the various funds in proportion to their investment amounts. The balance in the State Local Investment Pool saving account as of December 31, 2014 was \$3,652,790.26. See Note #3

E. Capital Assets

General fixed assets are long-lived assets with an initial individual cost of more than \$1,000 and an estimated useful life of more than three years. The Capital Assets of the City are recorded under cash basis accounting, as expenditures when purchased.

F. Compensated Absences

Vacation leave for regular employees may be accumulated based on years of service with the City, and is payable upon separation or retirement.

VACATION LEAVE

Length of Service	Days per Year	Maximum Accrual at any Time*
0 - 5 Years	12	144 hours
6 - 9 Years	15	180 hours
10-15 Years	18	216 hours
16-19 Years	21	252 hours
Over 20 Years	24	288 hours

**The Mayor may adjust maximum accruals during periods when furlough hours are used to help balance the budget.*

Sick leave for regular employees may be accumulated up to 1040 hours. Upon separation or retirement employees are compensated for unused sick leave as follows:

SICK LEAVE

0-1 Year	0%
1-5 Year	10%
6-12 Year	20%
13-20 Year	30%
Over 20 Years	40%

Sick leave for retiring Police Officers Association employees is cashed out at 25% of accumulated hours at their current rate of pay as long as their LEOFF plan requirements are fulfilled.

Comp time is overtime compensated for in time off rather than overtime pay. It can be accrued by non-exempt employees up to 40 hours at any given time and should be taken as time off within 90 days. Any balance of comp time hours remaining at separation or retirement are paid at 100%.

The following table illustrates the potential total liability if all compensated absences were paid as of December 31, 2014. The totals include the liability costs of required Taxes. The total of \$273,000 represents a \$13,199.00 decrease from 2013. Compensated absence liabilities are shown in Note F, and on **Schedule S9**.

Group	Sick Leave	Comp Time	Annual Leave	Total
General Government	23,730	2,306	57,063	83,099
Police Department	39,379	4,048	70,394	113,821
Street	8,949	62	8,849	17,860
GG Total Compensated Absences	72,058	6,416	136,306	214,780
Water	8,498	304	10,933	19,735
Wastewater	8,581	323	11,052	19,956
Stormwater	7,868	238	10,423	18,529
ENTERPRISE FUNDS				
Total Compensated Absences	24,947	865	32,408	58,220
Total Compensated Absences	97,005	7,281	168,714	273,000

G. Long-Term Debt See Note #4 (Debt Service Requirements)

H. Other Financing Sources or Uses

The Cities other Financing Sources include Internal Transfers in, Developer or Capital Contributions, or Insurance Recoveries. Other Financing Uses include Internal Transfer out, Capital Expenditures or Debt Service,

I. Risk Management

The City of Black Diamond is a member of 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 program 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 December 1, 2014, there are 223 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, are included to fit members' various needs.

The program acquires liability insurance through their Administrator, Canfield that is subject to a per-occurrence self-insured retention of \$100,000. The standard member deductible is \$1,000 for each claim (deductible may vary per member), while the program is responsible for the \$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 towards the sharing of the \$100,000 of the self-insured retention. The program also purchases a Stop Loss Policy, with an attachment point of \$3,259,396, 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, which may vary per member with the exception of Pumps & Motors which is \$10,000. Members are responsible for the deductible amount of each claim. There is no program self-insured retention on this coverage, with the exception of Pumps & Motors which is \$15,000 and is covered by the CIAW.

Members contract to remain in the program for a minimum of one year, and must give notice before August 31 terminating 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 program 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. On July 21, 2014, the Board passed a resolution changing the CIAW's renewal date from September 1, to December 1st beginning with the 2014-15 policy term. An endorsement was added to the 2013-14 Memorandum of Coverage, extending coverage to December 1, 2014. The next full policy year will begin on December 1, 2014. Premiums were prorated for the extension period. Invoices and certificates were issued.

The program has no employees. Claims are filed by members/brokers with Canfield, who 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 ending December 1, 2014, were \$1,817,654.59.

J. Reserved Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments are reported as reserved when it is subject to restrictions on use imposed by external parties or due to internal commitments established by enabling legislation. When expenditures that meet restrictions are incurred, the city intends to use reserved resources first before using unreserved amounts.

The City of Black Diamond has the following funds identified as Reserved Fund Balances:

Street Special Revenue Funds-\$153,589.40- the State requires that the gas tax resources only be used for Street purposes.

Fire Impact Fees -\$28,982.29- restricted by State RCW 82.02 and Ordinance 12-980 for Future Fire Protection .

Water Utility Fun-\$157,282.12 -Developer pre-funding of Capital Projects per the Water Facility Funding Agreement with the Developers.

Note 2 - Property Tax

The county treasurer acts as an agent to collect property tax levied in the county for all taxing authorities. Collections are distributed by King County daily following the receipt of collections..

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 2014 was \$2.61455 per \$1,000 on an assessed valuation of \$548,399,243 for a total collected regular levy of \$1,436,203, including taxes on new construction.

Note 3 – Deposits and Investments

Deposits and Investments

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

All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission. All investments are insured, registered or held by the City of Black Diamond or its agent in the government’s name.

Investments are reported at original cost. Investments by type at December 31, 2014 are as follows:

Investment Type	City Invested	Held Investment for other entities	Total
Black Diamond LGIP 00160	3,173,141.23	0	3,173,141.23
Soos Creek LGIP 00161	479,649.03	0	479,649.03
Total Investment	3,652,790.26	0	3,652,790.26

Securities Lending Transactions

The City of Black Diamond does not engage in securities lending.

Derivatives

The City of Black Diamond does not engage in derivatives trading.

Note 4 – Debt Service Requirements

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 year ended December 31, 2014.

The City of Black Diamond has no General Obligation or Revenue Bond Debt.

The Water fund has other Long Term Debt for Three Public Works Trust Fund Loans for Water Projects. A portion of one of the Public Works Trust Loans is reimbursed by a developer and the city holds a Bank letter of Credit for their portion.

The accompanying Schedule of Other Long-Term Debt (Schedule 09) provides a listing of the outstanding long term debt of the Water Fund which includes both Principal and Interest and the amount the developer reimbursed toward the debt.

Water Fund Other Long Term Debt is as follows:

Year	Total	Developer Debt Reimbursement	Net City Debt Principal & Interest
2015	333,158	98,891	234,267
2016	320,429	98,419	222,010
2017	318,896	97,948	220,948
2018	317,362	97,477	219,885
2019	315,828	97,006	218,822
2020 - 2024	1,563,800	477,965	1,085,835
2025	130,172	39,052	91,120

Note 4 – Debt Service Requirements (Continued)

Private developers reimburse the City annually for their portion of Public Works trust debt payment. A Developer line of credit cover their portion of the debt service. The Bank Credit Lines are reduced each year after their portion of the debt principal is paid. See schedule of debt below.

#	Water Fund Debt	Original Date of	Year of Final	Original Amount	Interest Rate	Purpose of Loan	Principal Only Debt Balance
							12/31/2014
1	PW Trust Loan 5 95 791 ELP 061	1995	2015	200,000	5%	Emergency Water Repair	10,650
2	PW Trust Loan 02 691 005	2006	2022	180,000	0.5%	Corrosion Control	90,000
3	PW Trust Loan 5 691 006	2005	2025	5,447,820	0.5%	\$3,407,063 - 500 mp Tacoma Water \$2,040,757 - Reservoir Pump & Waterline * Developer reimburses \$2,053,160 at \$94,182 per year plus interest for 20 years. Letter of Credit held for security.	* 2,954,889
Total Water Debt (principal only)				\$ 5,827,820			3,055,539
Less * Public Works Trust Fund Loan - Developer Reimbursed						Loan 3	(941,820)
Net City Debt Responsibility							2,113,719

Note 5 - Interfund Loans

In 2009 Council authorized Ordinance 09-902 for a loan of \$50,000 from Sewer Capital to the Stormwater Utility for needed working cash flow. This is a five year loan with annual payment of \$10,000 per year plus interest at the current LGIP rate at time of payment. The final repayment was made in 2014. In 2010 Council authorized Ordinance 10-953, a \$230,000 loan from the Sewer Capital Fund to the Water Fund to fund the replacement and upgrading of the Water Meter system. The interfund loan will be paid back with five annual installments of \$46,000 plus interest at the current LGIP pool rate. The final payment will be made in 2015. All internal loans charge interest at the current LGIP rate at the time of payments.

Loan Originated	Lending Fund	Receiving Fund	Balance of Loan 2013	Repayment 2014	Balance 12/31/14
2009	Sewer	Stormwater	10,000	10,000	-
2010	Sewer	Stormwater	92,000	46,000	46,000
Total			102,000	56,000	46,000

Note 6 - Pension Plans

Substantially all City full-time and qualifying part-time employees participate in PERS 1, 2 or 3, or LEOFF 2 as administered by the 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’s financial statements. Contributions to the systems by both employee and employer are based upon gross wages covered by the plan.

The City also has a commitment to pay for post employment medical benefits for one employee belonging to LEOFF1. The amount paid to Regence Insurance in 2014 was \$18,925.45.

Historical trend information showing each system’s progress in accumulating sufficient assets to pay benefits when due is presented in the State of Washington’s Comprehensive Annual Financial Report. Please refer to said report for detailed information.

Department of Retirement Systems
Communications Unit
P.O. Box 48380
Olympia, WA 98504-8380

Note 7 - Other Disclosures

Construction Commitment Disclosure

	2014 Capital Budget	2014 Capital Expenditures	Capital Project Commitment Balance	Source of Funding-Past, 2014 and Future
General Government Capt Projects				
Trails	\$49,863	\$14,444	\$35,419	County Sales Tax Levy
Various General Govt Capital Proj.	\$384,609	\$188,424	\$196,185	State Real Estate Tax
Street Capital Projects				
Rock Creek Bridge	\$574,000	\$9,314	\$564,686	State Transportation Grant
Lawson Street Sidewalks	\$288,622	\$284,640	\$3,982	State Transportation Grant
Traffic Sign Replacement	\$12,830	\$12,403	\$427	Pass thru Fed. Grant
Asphalt Overlays & Misc Street Prj.	\$292,695	\$205,412	\$87,283	State Real Estate Tax
Water Utility Capital Projects				
WSFFA Water Project	\$165,180	\$20,451	\$144,729	Developer Pre Funded
Water Line Replacement	\$271,254	\$3,357	\$267,897	Indirect Federal Grant
Misc Water Capital Projects	\$81,281	\$54,593	\$26,688	State Real Estate Tax/Water Capital Funds
Sewer Utility Capital Projects				
Misc Sewer Capital Projects	\$181,505	\$95,231	\$86,274	Sewer Capital Funds
Stormwater Utility Capital Projects				
Misc Stormwater Capt Prj	\$230,000	\$39,472	\$190,528	State Department of Ecology Grant
Total Capital Projects	\$2,531,839	\$927,741	\$1,604,098	

Funding Agreement

On June 21, 2007, Council passed ordinance 07-451 authorizing a Funding Agreement between BD Lawson Partners, LP and BD Village Partners, LP and the City of Black Diamond. This was a major implementation step in our “growth pays for growth” philosophy providing funds for Core City staff, modular facilities on Roberts Drive and other resources required to respond to the large developments planned for our community. On April 16, 2009 Council amended ordinance 09-589 clarifying some definitions.

On December 12, 2011, Council passed ordinances 11-970 and 11-971 adopting the Development Agreements for the two Master Planned Developments. This included Exhibit N for the replaced Funding Agreement.

In March 2013, the City of Black Diamond received a proposed funding reduction notice from the Master Plan Developer. The notice outlined their proposed reduction of Revenue to the city over the next few years. Council adopted budgets or budget amendment to reduce the Master Plan Revenue Reimbursement by the cumulative amount of \$120,000 in 2013, \$360,000 in 2014 and \$519,616 in 2015. Fund balance in the General Fund was maintained by eliminating vacant positions, reducing expenditures and increasing Fees. The 2015 General Fund Ending Fund Balance is Budgeted to maintain 2015 at \$855,080 or 20.8% of operating expenditures.

Subsequent Events

No subsequent events.

BARS CODE		Total for	001	101
		C4 Funds	CURRENT EXPENSE FUND	CITY STREET FUND
		Total Amount	Actual Amount	Actual Amount
Beginning Cash and Investments				
30810	Beg Fund Bal-Reserved	\$257,168.73	\$0.00	\$186,951.79
30880	Beg Fund Bal-Unreserved	\$3,745,092.13	\$943,327.44	\$0.00
38880/58880	Prior Period Adjustments, net	\$0.00	\$0.00	\$0.00
Operating Revenues				
310	Taxes	\$2,553,066.85	\$2,422,947.96	\$0.00
320	Licenses and Permits	\$149,124.18	\$140,708.18	\$8,416.00
330	Intergovernmental Revenues	\$611,934.63	\$210,451.34	\$86,017.16
340	Charges for Goods and Services	\$2,238,674.17	\$610,530.17	\$2,412.43
350	Fines and Penalties	\$114,777.09	\$114,777.09	\$0.00
360	Miscellaneous Revenues	\$1,452,707.82	\$1,359,749.16	\$18,809.68
Total Operating Revenues:		\$7,120,259.62	\$4,859,163.90	\$115,655.27
Operating Expenditures:				
510	General Government	\$1,352,111.08	\$1,337,148.30	\$0.00
520	Public Safety	\$2,107,455.24	\$2,107,455.24	\$0.00
530	Utilities	\$1,581,010.70	\$32,623.76	\$0.00
540	Transportation	\$219,201.43	\$0.00	\$189,017.66
550	Economic Environment	\$1,193,301.77	\$1,236,755.24	\$0.00
560	Social Services	\$844.83	\$844.83	\$0.00
570	Culture And Recreation	\$50,293.00	\$50,293.00	\$0.00
598	Intergovernmental Payments	\$0.00	\$0.00	\$0.00
Total Operating Expenditures:		\$6,504,218.05	\$4,765,120.37	\$189,017.66
Net Operating Increase (Decrease):		\$616,041.57	\$94,043.53	(\$73,362.39)
Nonoperating Revenues				
370,380,395,398	Other Financing Sources	\$307,491.71	\$0.00	\$0.00
391-393	Debt Proceeds	\$0.00	\$0.00	\$0.00
397	Transfers-In	\$269,585.00	\$0.00	\$50,000.00
Total Nonoperating Revenues:		\$577,076.71	\$0.00	\$50,000.00
Nonoperating Expenditures				
580,596,599	Other Financing Uses	\$56,000.00	\$0.00	\$0.00
591-593	Debt Service	\$335,771.78	\$0.00	\$0.00
594-595	Capital Expenditures	\$661,279.68	\$4,743.96	\$0.00
597	Transfers-Out	\$269,585.00	\$0.00	\$10,000.00
Total Nonoperating Expenditures:		\$1,322,636.46	\$4,743.96	\$10,000.00
Increase (Decrease in Cash and Investments)		(\$129,518.18)	\$89,299.57	(\$33,362.39)
Ending Cash and Investments				
50810	End Fund Bal-Reserved	\$339,853.81	\$0.00	\$153,589.40
50880	End Fund Balance-Unreserved	\$3,532,888.87	\$1,032,627.01	\$0.00

1/ This column summarizes ALL reported funds, not just funds listed on this page
 The Accompanying Notes Are An Integral Part Of This Statement.

BARS CODE		107	310	320
		IMPACT MITIGATION FEE FUND	CIP FUND GENERAL GOVERNMENT	CIP FUND- STREETS
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments				
30810	Beg Fund Bal-Reserved	\$10,366.05	\$0.00	\$0.00
30880	Beg Fund Bal-Unreserved	\$0.00	\$509,526.20	\$436,600.06
38880/58880	Prior Period Adjustments, net	\$0.00	\$0.00	\$0.00
Operating Revenues				
310	Taxes	\$0.00	\$65,059.46	\$65,059.43
320	Licenses and Permits	\$0.00	\$0.00	\$0.00
330	Intergovernmental Revenues	\$0.00	\$24,836.47	\$289,629.66
340	Charges for Goods and Services	\$18,616.24	(\$25.00)	\$0.00
350	Fines and Penalties	\$0.00	\$0.00	\$0.00
360	Miscellaneous Revenues	\$0.00	\$177.84	\$958.73
Total Operating Revenues:		\$18,616.24	\$90,048.77	\$355,647.82
Operating Expenditures:				
510	General Government	\$0.00	\$13,625.00	\$13,625.00
520	Public Safety	\$0.00	\$0.00	\$0.00
530	Utilities	\$0.00	\$0.00	\$0.00
540	Transportation	\$0.00	\$0.00	\$0.00
550	Economic Environment	\$0.00	\$15,978.20	\$0.00
560	Social Services	\$0.00	\$0.00	\$0.00
570	Culture And Recreation	\$0.00	\$0.00	\$0.00
598	Intergovernmental Payments	\$0.00	\$0.00	\$0.00
Total Operating Expenditures:		\$0.00	\$29,603.20	\$13,625.00
Net Operating Increase (Decrease):		\$18,616.24	\$60,445.57	\$342,022.82
Nonoperating Revenues				
370,380,395,398	Other Financing Sources	\$0.00	\$0.00	\$0.00
391-393	Debt Proceeds	\$0.00	\$0.00	\$0.00
397	Transfers-In	\$0.00	\$15,000.00	\$0.00
Total Nonoperating Revenues:		\$0.00	\$15,000.00	\$0.00
Nonoperating Expenditures				
580,596,599	Other Financing Uses	\$0.00	\$0.00	\$0.00
591-593	Debt Service	\$0.00	\$0.00	\$0.00
594-595	Capital Expenditures	\$0.00	\$108,045.14	\$372,390.27
597	Transfers-Out	\$15,366.00	\$89,219.00	\$110,000.00
Total Nonoperating Expenditures:		\$15,366.00	\$197,264.14	\$482,390.27
Increase (Decrease in Cash and Investments)		\$3,250.24	(\$121,818.57)	(\$140,367.45)
Ending Cash and Investments				
50810	End Fund Bal-Reserved	\$13,616.29	\$0.00	\$0.00
50880	End Fund Balance-Unreserved	\$0.00	\$387,707.63	\$296,232.61

1/ This column summarizes ALL reported funds, not just funds listed on this page
 The Accompanying Notes Are An Integral Part Of This Statement.

BARS CODE		401	407	410
		WATER FUND	SEWER FUND	STORMWATER FUND
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments				
30810	Beg Fund Bal-Reserved	\$59,850.89	\$0.00	\$0.00
30880	Beg Fund Bal-Unreserved	\$567,148.94	\$1,027,539.80	\$81,656.49
38880/58880	Prior Period Adjustments, net	\$0.00	\$0.00	\$0.00
Operating Revenues				
310	Taxes	\$0.00	\$0.00	\$0.00
320	Licenses and Permits	\$0.00	\$0.00	\$0.00
330	Intergovernmental Revenues	\$0.00	\$0.00	\$0.00
340	Charges for Goods and Services	\$634,043.79	\$708,966.31	\$335,849.12
350	Fines and Penalties	\$0.00	\$0.00	\$0.00
360	Miscellaneous Revenues	\$26,063.96	\$21,235.75	\$18,590.10
Total Operating Revenues:		\$660,107.75	\$730,202.06	\$354,439.22
Operating Expenditures:				
510	General Government	\$0.00	\$0.00	\$0.00
520	Public Safety	\$0.00	\$0.00	\$0.00
530	Utilities	\$406,405.39	\$778,449.24	\$320,497.81
540	Transportation	\$0.00	\$0.00	\$0.00
550	Economic Environment	\$0.00	\$0.00	\$0.00
560	Social Services	\$0.00	\$0.00	\$0.00
570	Culture And Recreation	\$0.00	\$0.00	\$0.00
598	Intergovernmental Payments	\$0.00	\$0.00	\$0.00
Total Operating Expenditures:		\$406,405.39	\$778,449.24	\$320,497.81
Net Operating Increase (Decrease):		\$253,702.36	(\$48,247.18)	\$33,941.41
Nonoperating Revenues				
370,380,395,398	Other Financing Sources	\$243,620.91	\$63,870.80	\$0.00
391-393	Debt Proceeds	\$0.00	\$0.00	\$0.00
397	Transfers-In	\$0.00	\$0.00	\$60,000.00
Total Nonoperating Revenues:		\$243,620.91	\$63,870.80	\$60,000.00
Nonoperating Expenditures				
580,596,599	Other Financing Uses	\$46,000.00	\$0.00	\$10,000.00
591-593	Debt Service	\$335,671.78	\$0.00	\$100.00
594-595	Capital Expenditures	\$78,400.10	\$95,229.76	\$39,472.38
597	Transfers-Out	\$15,000.00	\$15,000.00	\$15,000.00
Total Nonoperating Expenditures:		\$475,071.88	\$110,229.76	\$64,572.38
Increase (Decrease in Cash and Investments)		\$22,251.39	(\$94,606.14)	\$29,369.03
Ending Cash and Investments				
50810	End Fund Bal-Reserved	\$157,282.12	\$0.00	\$0.00
50880	End Fund Balance-Unreserved	\$491,969.10	\$932,933.66	\$111,025.52

1/ This column summarizes ALL reported funds, not just funds listed on this page
 The Accompanying Notes Are An Integral Part Of This Statement.

BARS CODE		510		
		INTERNAL SERVICE FUND		
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments				
30810	Beg Fund Bal-Reserved	\$0.00	\$0.00	\$0.00
30880	Beg Fund Bal-Unreserved	\$179,293.20	\$0.00	\$0.00
38880/58880	Prior Period Adjustments, net	\$0.00	\$0.00	\$0.00
Operating Revenues				
310	Taxes	\$0.00	\$0.00	\$0.00
320	Licenses and Permits	\$0.00	\$0.00	\$0.00
330	Intergovernmental Revenues	\$1,000.00	\$0.00	\$0.00
340	Charges for Goods and Services	\$0.00	\$0.00	\$0.00
350	Fines and Penalties	\$0.00	\$0.00	\$0.00
360	Miscellaneous Revenues	\$7,097.48	\$0.00	\$0.00
Total Operating Revenues:		\$8,097.48	\$0.00	\$0.00
Operating Expenditures:				
510	General Government	\$0.00	\$0.00	\$0.00
520	Public Safety	\$0.00	\$0.00	\$0.00
530	Utilities	\$0.00	\$0.00	\$0.00
540	Transportation	\$0.00	\$0.00	\$0.00
550	Economic Environment	\$0.00	\$0.00	\$0.00
560	Social Services	\$0.00	\$0.00	\$0.00
570	Culture And Recreation	\$0.00	\$0.00	\$0.00
598	Intergovernmental Payments	\$0.00	\$0.00	\$0.00
Total Operating Expenditures:		\$0.00	\$0.00	\$0.00
Net Operating Increase (Decrease):		\$8,097.48	\$0.00	\$0.00
Nonoperating Revenues				
370,380,395,398	Other Financing Sources	\$0.00	\$0.00	\$0.00
391-393	Debt Proceeds	\$0.00	\$0.00	\$0.00
397	Transfers-In	\$144,585.00	\$0.00	\$0.00
Total Nonoperating Revenues:		\$144,585.00	\$0.00	\$0.00
Nonoperating Expenditures				
580,596,599	Other Financing Uses	\$0.00	\$0.00	\$0.00
591-593	Debt Service	\$0.00	\$0.00	\$0.00
594-595	Capital Expenditures	\$36,216.34	\$0.00	\$0.00
597	Transfers-Out	\$0.00	\$0.00	\$0.00
Total Nonoperating Expenditures:		\$36,216.34	\$0.00	\$0.00
Increase (Decrease in Cash and Investments)		\$116,466.14	\$0.00	\$0.00
Ending Cash and Investments				
50810	End Fund Bal-Reserved	\$15,366.00	\$0.00	\$0.00
50880	End Fund Balance-Unreserved	\$280,393.34	\$0.00	\$0.00

1/ This column summarizes ALL reported funds, not just funds listed on this page
 The Accompanying Notes Are An Integral Part Of This Statement.

City of Black Diamond

FIDUCIARY FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2014

BARS Code		Total for	631	632	633	634	635
		New Fund	PAYROLL CLEARING FUND	CLAIMS CLEARING FUND	TREASURER'S TRUST FUND	TREASURER'S TRUST-RETAINAGE	TREASURER'S TRUST-COURT
308	Beginning Cash and	\$53,141.96	\$362.24	\$7,834.89	\$8,461.15	\$33,544.93	\$2,938.75
388 and 588	Prior Period Adjustments, net	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
310-360	Revenues	\$25.12	\$0.00	\$0.00	\$0.00	\$25.12	\$0.00
380-390	Other Increases and Financing	\$502,084.77	\$0.00	\$0.00	\$266,027.60	\$857.63	\$235,199.54
510-570	Expenditures	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
580-590	Other Decreases and Financing	\$516,410.94	\$0.00	\$0.00	\$266,919.19	\$11,670.81	\$237,820.94
Increase (Decrease) in Cash and Investments		(\$14,301.05)	\$0.00	\$0.00	(\$891.59)	(\$10,788.06)	(\$2,621.40)
508	Ending Cash and Investments	\$38,840.91	\$362.24	\$7,834.89	\$7,569.56	\$22,756.87	\$317.35

1/ This column summarizes ALL reported funds, not just funds listed on this page

The Accompanying Notes Are An Integral Part Of This Statement.

City of Black Diamond

SCHEDULE OF DISBURSEMENT ACTIVITY

For the Year Ending December 31, 2014

Fund No.	Fund Title	Beginning Outstanding Items 01/01/2014	Issued During the Year	Redeemed During the Year	Canceled During the Year	Ending Outstanding Items 12/31/2014	Prior Year Open Period Items	Current Year Open Period Items	Disbursements 12/31/2014
001	CURRENT EXPENSE FUND	\$267,414	\$4,703,722	\$4,723,763	\$0	\$247,373	\$0	\$0	\$4,703,722
101	CITY STREET FUND	\$14,335	\$208,634	\$215,375	\$0	\$7,594	\$0	\$0	\$208,634
310	CIP FUND GENERAL GOVERNMENT	\$12,843	\$120,428	\$98,781	\$0	\$34,489	\$0	\$0	\$120,428
320	CIP FUND-STREETS	\$14,990	\$345,767	\$347,973	\$0	\$12,783	\$0	\$0	\$345,767
401	WATER FUND	\$53,719	\$725,815	\$763,384	\$0	\$16,150	\$0	\$0	\$725,815
407	SEWER FUND	\$15,221	\$778,645	\$786,351	\$0	\$7,515	\$0	\$0	\$778,645
410	STORMWATER FUND	\$29,008	\$280,879	\$282,366	\$0	\$27,522	\$0	\$0	\$280,879
510	INTERNAL SERVICE FUND	\$0	\$36,216	\$20,178	\$0	\$16,039	\$0	\$0	\$36,216
631	PAYROLL CLEARING FUND	\$362	\$0	\$0	\$0	\$362	\$0	\$0	\$0
632	CLAIMS CLEARING FUND	\$7,835	\$0	\$0	\$0	\$7,835	\$0	\$0	\$0
633	TREASURER'S TRUST FUND	\$65,588	\$267,041	\$323,923	\$0	\$8,705	\$0	\$0	\$267,041
634	TREASURER'S TRUST-RETAINAGE	\$0	\$11,671	\$11,671	\$0	\$0	\$0	\$0	\$11,671
635	TREASURER'S TRUST-COURT	\$0	\$237,821	\$237,821	\$0	\$0	\$0	\$0	\$237,821
TOTAL		\$481,315	\$7,716,638	\$7,811,586	\$0	\$386,367	\$0	\$0	\$7,716,638

**City of Black Diamond
Schedule of Liabilities
For the Year Ended December 31, 2014**

Schedule 9

ID. No.	Description	Maturity/Payment Due Date	Beginning Balance 01/01/2014	Additions	Reductions	BARS Code for Redemption of Debt Only	Ending Balance 12/31/2014
259.11	Compensated Absences	As of 12/31/2014	\$215,868		\$1,088		\$214,780
263.82	1995 PWFT Loan 595 791	1/1/2015	\$21,300		\$10,650	58234	\$10,650
263.82	Water Purchase 2005	1/1/2024	\$3,250,377		\$295,488	58234	\$2,954,889
263.82	Corrosion Control 2006	1/1/2022	\$101,250		\$11,250	58234	\$90,000
259.11	Compensated Absences		\$22,215		\$2,480		\$19,735
259.11	Compensated Absences		\$24,050		\$4,094		\$19,956
259.11	Compensated Absences		\$24,066		\$5,537		\$18,529

City of Black Diamond

SCHEDULE OF CASH ACTIVITY

MCAG NO. 0379

For the Year Ended December 31, 2014

Fund Number	Fund Title	Beginning Cash and Investments	Receipts	Transfers-In	Other Revenue	Netted Transactions
001	CURRENT EXPENSE FUND	\$943,327.44	\$4,651,629.51	\$0.00	\$218,475.62	\$10,657.21
101	CITY STREET FUND	\$186,951.79	\$114,681.31	\$50,000.00	\$7,155.55	\$118.47
107	IMPACT MITIGATION FEE FUND	\$10,366.05	\$18,616.24	\$0.00	\$0.00	\$0.00
310	CIP FUND GENERAL GOVERNMENT	\$509,526.20	\$89,888.42	\$15,000.00	\$185.35	\$25.00
320	CIP FUND-STREETS	\$436,600.06	\$355,612.47	\$0.00	\$185.35	\$150.00
401	WATER FUND SEWER FUND	\$626,999.83	\$907,464.01	\$0.00	\$1,067.10	\$4,802.45
407	STORMWATER FUND	\$1,027,539.80	\$740,040.51	\$0.00	\$57,449.25	\$3,416.90
410	INTERNAL SERVICE FUND	\$81,656.49	\$354,748.67	\$60,000.00	\$533.55	\$843.00
510	PAYROLL CLEARING FUND	\$179,293.20	\$8,097.48	\$144,585.00	\$0.00	\$0.00
631	CLAIMS CLEARING FUND	\$362.24	\$0.00	\$0.00	\$0.00	\$0.00
632	TREASURER'S TRUST FUND	\$7,834.89	\$0.00	\$0.00	\$0.00	\$0.00
633	TREASURER'S TRUST-RETAINAGE	\$8,461.15	\$95,958.10	\$0.00	\$170,191.00	\$121.50
634	TREASURER'S TRUST-COURT	\$33,544.93	\$882.75	\$0.00	\$0.00	\$0.00
635		\$2,938.75	\$235,199.54	\$0.00	\$0.00	\$0.00
TOTAL		\$4,055,402.82	\$7,572,819.01	\$269,585.00	\$455,242.77	\$20,134.53

MCAG NO. 0379

City of Black Diamond

SCHEDULE OF CASH ACTIVITY

For the Year Ended December 31, 2014

Total Increase (4+5+6-7)	Disbursements	Transfers-Out	Other Expenditures	Total Decrease (9+10+11-7)	Ending Cash & Investments (3+8-12)
\$4,859,447.92	\$4,703,721.82	\$0.00	\$77,083.74	\$4,770,148.35	\$1,032,627.01
\$171,718.39	\$208,633.79	\$10,000.00	(\$13,434.54)	\$205,080.78	\$153,589.40
\$18,616.24	\$0.00	\$15,366.00	\$0.00	\$15,366.00	\$13,616.29
\$105,048.77	\$120,427.84	\$89,219.00	\$17,245.50	\$226,867.34	\$387,707.63
\$355,647.82	\$345,766.50	\$110,000.00	\$40,398.77	\$496,015.27	\$296,232.61
\$903,728.66	\$725,814.84	\$15,000.00	\$145,464.88	\$881,477.27	\$649,251.22
\$794,072.86	\$778,645.18	\$15,000.00	\$98,450.72	\$888,679.00	\$932,933.66
\$414,439.22	\$280,879.49	\$15,000.00	\$90,033.70	\$385,070.19	\$111,025.52
\$152,682.48	\$36,216.34	\$0.00	\$0.00	\$36,216.34	\$295,759.34
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$362.24
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7,834.89
\$266,027.60	\$267,040.69	\$0.00	\$0.00	\$266,919.19	\$7,569.56
\$882.75	\$11,670.81	\$0.00	\$0.00	\$11,670.81	\$22,756.87
\$235,199.54	\$237,820.94	\$0.00	\$0.00	\$237,820.94	\$317.35
\$8,277,512.25	\$7,716,638.24	\$269,585.00	\$455,242.77	\$8,421,331.48	\$3,911,583.59

CITY OF BLACK DIAMOND	Schedule 15-State	WASHINGTON STATE GRANT AWARDS		2014
Grantor	Program Title	Identification Number	Amount	
Department of Ecology	Phase II Stormwater Pass-Through Grant	G1400243	39,472	
State Department of Transportation-TIB	Lawson Street Sidewalk-Phase 1	P-P-800(P05)-1	284,640	
State Department of Transportation-TIB	Roberts Drive-Engineering	G1200433	9,314	
State Department of Transportation-TIB	SE 288th Street Overlay	2-P-800(003)-1	7025	
Department of Conservation	Comp Plan Update	G1463200-005	9000	

CITY OF BLACK DIAMOND	SCHEDULE 16: FEDERAL GRANT AWARDS			2014		
CFDA #	Federal Agency Name	Federal Program Name	Pass-Through Agency Name	Other Award I.D. Number ARRA	Total	Footnote Ref
16.607	US Dept of Justice	Bulletproof Vest Partnership	WA State Patrol	OMB #1121-0235	1855.11	1
20.601	NHTSA , DOT	Alcohol Impaired Driving Countermeasures	WA Traffic Safety Commission		1503.96	1
20.602	NHTSA , DOT	Occupant Protection Incentive	WA Traffic Safety Commission		624.56	1
20.600	NHTSA , DOT	State and Community Highway Safety	WA Assoc Sheriffs and Police Chiefs		1525.58	1

CITY OF BLACK DIAMOND WASHINGTON

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2014**

NOTE 1 - BASIS OF ACCOUNTING

This schedule is prepared on the same basis of accounting as the City financial statements. The City uses the Cash Basis of Accounting.

NOTE 2 - PROGRAM COSTS

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the city portion, are more than shown.

NOTE 3 - REVOLVING LOAN - PROGRAM INCOME

The City has a revolving loan program for low income housing renovation. Under this federal program, repayments to the City are considered program revenues (income) and loans of such funds to eligible recipients are considered expenditures. The amount of loan funds disbursed to program participants for the year was \$ _____ and is presented in this schedule. The amount of principal and interest received in loan repayments for the year was \$ _____.

NOTE 4 - FEDERAL LOANS

(a) The City was approved by the USDA Rural Utilities Service to receive a loan totaling \$ _____ to build a sewer treatment plant.

(b) The City was approved by the EPA and the PWB to receive a loan totaling \$ _____ to improve its drinking water system.

The amount listed for each loan includes the proceeds received during the year and the outstanding loan balance from prior years. Both the current and prior year loans are also reported on the City Schedule of Long-Term Liabilities.

NOTE 5 - NONCASH AWARDS - VACCINATIONS

The amount of (vaccine/dental items/commodities/surplus property/etc.) reported on the schedule is the value of (vaccine/dental items/commodities/surplus property/etc.) received by the City during current year and priced as prescribed by _____.

NOTE 6 - NONCASH AWARDS - EQUIPMENT

The City received equipment and supplies that were purchased with federal Homeland Security funds by the state of Washington. The amount reported on the schedule is the value of the property on the date it was received by the City and priced by the state of Washington.

NOTE 7 - INDIRECT COST RATE

The amount expended includes \$ _____ claimed as an indirect cost recovery using an approved indirect cost rate of ____percent.

NOTE 8 - AMOUNTS AWARDED TO SUBRECIPIENTS

Included in the total amount expended for this program is \$ _____ that was passed through to a subrecipient that administered its own project.

NOTE 9 - AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) of 2009

Expenditures for this program were funded by ARRA.

**Labor Relations Consultant(S)
For the Year Ended December 31, 2014**

Has your government engaged labor relations consultants? Yes ___ No

If yes, please provide the following information for each consultant:

Name of firm: Summit Law Group
Name of consultant: Various Partners & Staff
Business address: 315 5 th Avenue S, Suite 1000 Seattle, WA 98104-2682
Amount paid to consultant during fiscal year: \$46,270.34
Terms and conditions, as applicable, including: Hourly Billing, Billed Monthly as needed. Rates (e.g., hourly, etc.) Various with standard partner rate of \$225.00/Hr. Maximum compensation allowed N/A Duration of services: Hourly Services provided: Collective Bargaining Contract Negotiation, Terminated Employee Complaint

**LOCAL GOVERNMENT RISK-ASSUMPTION
For the Year Ended December 31, 2014**

Program Manager: Brenda Martinez

Address: PO Box 599
Black Diamond, WA 98050

Phone: (360) 886-5700

Email: bmartinez@ci.blackdiamond.wa.us