



**ANNUAL REPORT**

**City of Black Diamond, WA**

**MCAG # 0379**

**FINANCE DEPARTMENT  
PO Box 599  
Black Diamond, WA 98010**

**<http://www.ci.blackdiamond.wa.us>**

***Submitted pursuant to RCW 43.09.230***

***To The***  
**STATE AUDITOR'S OFFICE**

***FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015***

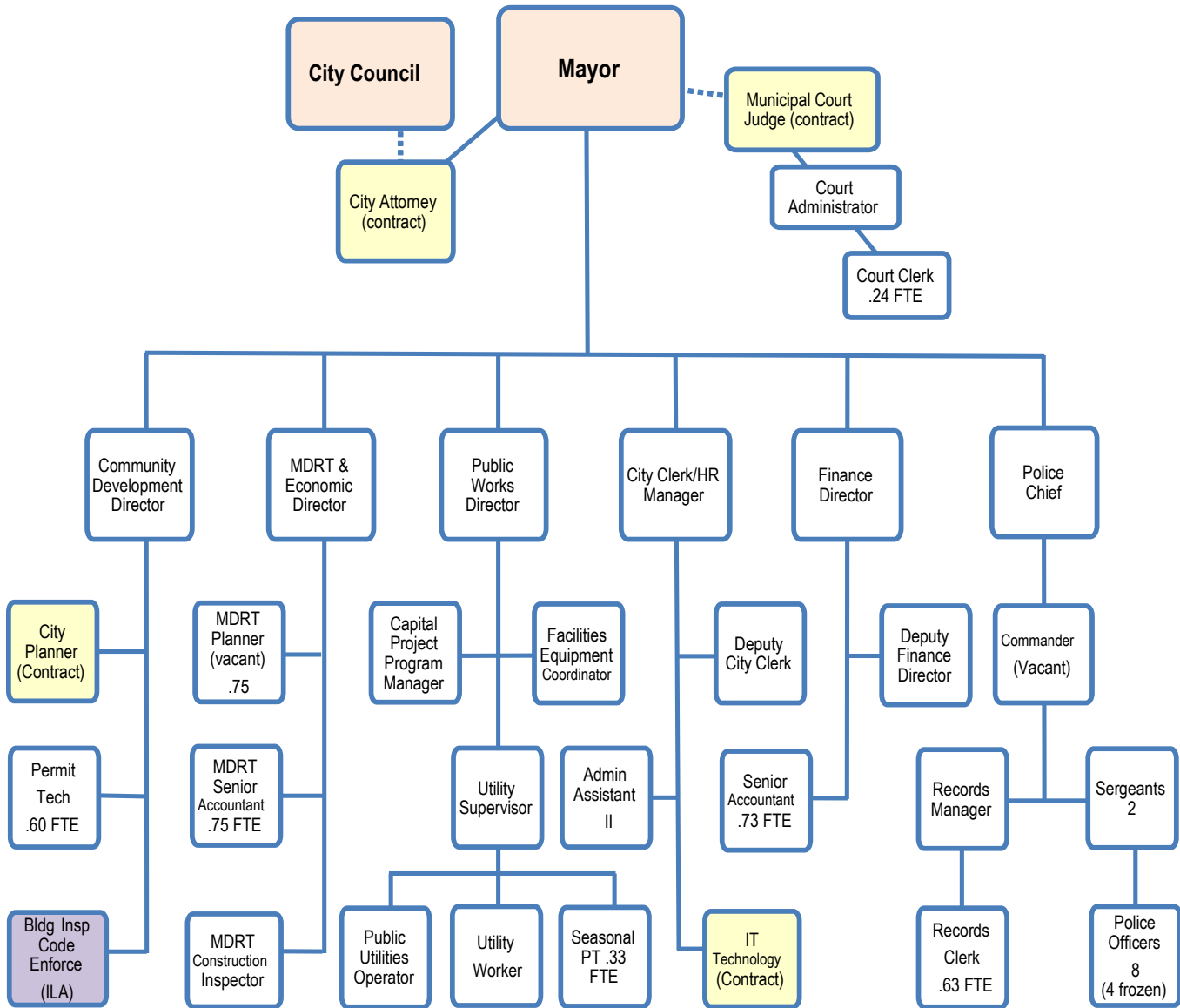
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## *Directory of Officials*

| Mayor                       | EXPIRATION |
|-----------------------------|------------|
| Carol Benson                | 12/31/2017 |
| Council Members             |            |
| Tamie Deady – Mayor Pro-tem | 12/31/2019 |
| Erika Morgan                | 12/31/2017 |
| Janie Edelman               | 12/31/2019 |
| Brian Weber                 | 12/31/2017 |
| Ron Taylor                  | 12/31/2019 |

# CITIZENS



This Chart represents budgeted positions for 2015.

Each position is filled by 1 FTE, unless otherwise noted.

Black Diamond is served by Mountain View Fire and Rescue.

- Elected Positions
- Consultant

AUDIT CONTACT or PREPARER INFORMATION and CERTIFICATION:

Audit Contact or Preparer Name and Title                      May Miller, Finance Director

Contact Phone Number        (360) 886-5707

Contact E-mail Address        mmiller@ci.blackdiamond.wa.us

I certify 29th day of May, 2016, that annual report information is complete, accurate and in conformity with the Budgeting, Accounting and Reporting Systems Manual, to the best of my knowledge and belief, having reviewed this information and taken all appropriate steps in order to provide such certification. I acknowledge and understand our responsibility for the design and implementation of controls to ensure accurate financial reporting, comply with applicable laws and safeguard public resources, including controls to prevent and detect fraud. Finally, I acknowledge and understand our responsibility for immediately submitting corrected annual report information if any errors or an omission in such information is subsequently identified.

Audit Contact or Preparer Signature: \_\_\_\_\_

**MCAG 0379**  
**City of Black Diamond**  
**Notes to Financial Statements**  
**December 31, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Black Diamond was incorporated in February 1959 and operates under the laws of the State of Washington applicable to a Non-charter Code City in 1990 with a Mayor-Council form of government. The City is a general purpose government and provides a broad range of general government services including a law enforcement, planning and community development, street maintenance and improvements, parks and recreation, public works, and general administrative services. Fire services are provided through a partnership with Mountain View Fire and Rescue. In addition, the City owns and operates water, sewer and storm water utility systems. The City uses single-entry, cash basis accounting which is a departure from Generally Accepted Accounting Principles (GAAP).

The City of Black Diamond 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 are not presented using the classifications defined in GAAP.

**A. Fund Accounting**

Financial transactions of the City of Black Diamond 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 City’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. The following fund types are used by the City of Black Diamond:

**GOVERNMENTAL FUND TYPES:**

**General Fund**

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

**Special Revenue Funds**

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

**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 City of Black Diamond a cost reimbursement basis.

**FIDUCIARY FUND TYPES:**

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

**Agency Funds**

These funds are used to account for assets that the City of Black Diamond 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 of Black Diamond 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 of Black Diamond adopts annual appropriated budgets for all governmental funds except for 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 operating funds lapse at the fiscal year end. Per Washington State RCW 35a.33.150, budgets for capital projects are established for a special purpose or purposes and shall not lapse, but be carried forward from year to year until fully expended or the purpose has been accomplished or abandoned, without necessity of reappropriation. 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 follows:

| 2015 Budget                          |                      |                          |                  |
|--------------------------------------|----------------------|--------------------------|------------------|
| Fund                                 | Adjusted Budget 2015 | Actual Expenditures 2015 | Variance         |
| General Fund                         | 5,831,995            | 4,260,486                | 1,571,509        |
| Street Fund                          | 325,613              | 210,307                  | 115,306          |
| Fire Impact Fee Fund                 | 47,982               | -                        | 47,982           |
| Transportation Benefit Fund          | -                    | -                        | -                |
| General Government CIP Fund Projects | 375,151              | 209,339                  | 165,812          |
| REET Fund General Government         | 277,271              | 142,277                  | 134,994          |
| Street CIP Fund                      | 1,623,018            | 136,706                  | 1,486,312        |
| REET Fund Street Projects            | 246,857              | 130,000                  | 116,857          |
| Water Fund                           | 1,000,292            | 808,656                  | 191,636          |
| Water Supply and Facility Fund       | 260,000              | 106,827                  | 153,173          |
| Water Capital Fund                   | 753,666              | 133,141                  | 620,525          |
| Sewer Fund                           | 986,892              | 846,329                  | 140,563          |
| Sewer Capital Fund                   | 854,133              | 157,319                  | 696,814          |
| Stormwater Fund                      | 788,626              | 450,831                  | 337,795          |
| Internal Service Fund                | 707,959              | 62,196                   | 645,763          |
| <b>Total All Funds</b>               | <b>14,079,455</b>    | <b>7,654,414</b>         | <b>6,425,041</b> |

A Transportation Benefit District (TBD) was created on August 30, 2015 by Council passage of Ordinance 15-1057. Resolution 15-01 established a \$20 car tab fee to fund transportation. Another ordinance, 15-1059 allowed the City to assume all responsibility of the TBD special revenue fund created in 2015, however no revenue or expenditures occurred until 2016.

Budgeted amounts are authorized to be transferred between departments within any fund; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the City of Black Diamond's legislative body. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year by ordinance by a majority vote of the City Council.

#### D. Cash and Investments

**CASH** - It is the City's policy to invest all temporary cash surpluses. At December 31, 2015 the City had an ending cash balance of \$332,663.06 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. All other 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, 2015 was \$3,658,793.19. 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* |
|-------------------|---------------|----|--|------------------|
| 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 Yrs | 40% |
| Over 25 Yrs | 50% |

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. 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, 2015. The total includes the liability costs of required taxes. The total of \$262,052 represents a \$10,948 decrease from 2014. Compensated absence liabilities are shown in the following chart and on Schedule 9.

|              | Police            | GenGovt          | Street           | Water            | Sewer            | Storm            | Total             |
|--------------|-------------------|------------------|------------------|------------------|------------------|------------------|-------------------|
| Comp         | 4,468             | 1,674            | 166              | 305              | 305              | 305              | 7,223             |
| Sick         | 41,833            | 17,839           | 8,979            | 8,002            | 8,002            | 8,002            | 92,656            |
| Vacation     | 77,823            | 39,217           | 10,147           | 11,653           | 11,678           | 11,653           | 162,172           |
| <b>Total</b> | <b>\$ 124,125</b> | <b>\$ 58,730</b> | <b>\$ 19,292</b> | <b>\$ 19,960</b> | <b>\$ 19,985</b> | <b>\$ 19,960</b> | <b>\$ 262,052</b> |

## **G. Long-Term Debt**

See Note 4 - *Debt Service Requirements*.

## **H. Other Financing Sources or Uses**

The City of Black Diamond's *Other Financing Sources or Uses* consist of all interfund receivables and payables, interfund transactions and closing of Payroll and Claims Clearing Funds. The ending fund balance for clearing funds was reported in 2014, and in 2015 the State was notified of unclaimed property, and the balances of clearing funds were remitted as unclaimed property or returned to originating funds. No remaining clearing fund balances remained at the end of 2015. Per the State Auditor's Office, the Payroll and Claims Clearing Funds were removed from the Annual Report. A separate schedule of interfund loans receivable and payable is furnished in Note 5 – *Interfund Loans*.

## **I. Risk Management**

The City of Black Diamond was from January 2015 to November 2015, a member of Cities Insurance Association of Washington (CIAW). The insurance premium Black Diamond paid for 11 months in 2015 was \$117,706.21 and with Resolution 15-1042, Council authorized changing cities insurance from CIAW to AWC–RMSA with the cost of \$12,015 for the month of December, 2015. The total cost of insuring the City for the year was \$129,731.

### **CIAW Insurance**

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, 2015, there are 210 members in the program. The program provides the following forms of joint self-insurance and reinsurance coverage for its members: Property, including Automobile Comprehensive and Collision, Equipment Breakdown, and Crime Protection; and Liability, including General, Automobile, and Wrongful Acts, which are included to fit members' various needs.

The program acquires liability insurance through their Administrator, Clear Risk Solutions, which is subject to a per-occurrence self-insured retention of \$100,000, with the exception of Wrongful Acts and Law Enforcement Liability which have a self-insured retention of \$25,000. 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 as another layer of protection to its membership, with an attachment point of \$2,140,107.

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 December 1, to terminate participation the following December 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.

The program has no employees. Claims are filed by members/brokers with Clear Risk Solutions, who has been contracted to perform program administration, claims adjustment and loss prevention for the program. Fees paid to the third party administrator under this arrangement for the year ending December 1, 2015, were \$627,702.49. The City cancelled insurance with CIAW November 30, 2015.

### **AWC- RMSA Insurance**

The City of Black Diamond is currently a member of the Association of Washington Cities Risk Management Service Agency (AWC RMSA) which began on December 1, 2015. The insurance costs for that month was \$12,014.67.

Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool 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 AWC RMSA was formed on January 1, 1989 when 32 municipalities 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 31, 2015, 95 municipalities/entities participate in the AWC RMSA pool.

The AWC RMSA allows members to establish a program of joint insurance and provides risk management services to all members. All coverages are on an occurrence basis. The AWC RMSA provides all risk property, comprehensive crime, general liability, automobile liability, police liability, public officials' liability, employee fidelity and faithful performance, and equipment breakdown insurance coverage. Equipment breakdown is included with the property insurance carrier and fidelity (crime) coverage is a stand-alone policy which the AWC RMSA procures for its members. Members pay an annual assessment to the AWC RMSA. The AWC RMSA is responsible for payment of all covered causes of loss against the jurisdiction above the stated retention. All members in the AWC RMSA have \$10 million in both per occurrence and aggregate liability limits. For the first \$1 million, AWC RMSA is self-insured for its Self-Insured Retention (SIR) of \$250,000, per occurrence, and is reinsured by Berkley Public Entity for the additional \$750,000. For the \$9 million in excess coverage limits, an excess liability policy is purchased from Starr Indemnity & Liability Company. The excess property coverage is purchased through Lexington Insurance Company using the Pool's broker, Arthur J. Gallagher Risk Management Services.

In 2014, AWC RMSA carried retention of \$50,000 and limits up to \$250 million. Since AWC RMSA is a cooperative program, there is joint liability among the participating members. Members contract to remain in the AWC RMSA pool for a minimum of one year and must give a one-year notice before terminating participation. Even after termination, a member is still responsible for contributions to the Pool for any unresolved, unreported, and in-process claims for the period they were signatory to the Interlocal Governmental Agreement. The AWC RMSA establishes a loss fund for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. In accordance with WAC 200.100.02023, the AWC RMSA is governed by a board of directors which is comprised of elected officials of participating members.

## 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 - \$118,373.67 - the State requires that the gas tax resources only be used for Street purposes.
- Fire Impact Fees - \$48,570.26 - restricted by State RCW 82.02 and Ordinance 12-980 for Future Fire Facilities.
- Water Utility Fund - \$75,679.11 - 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 2015 was \$2.418 per \$1,000 on an assessed valuation of \$552,587,146 for a total collected regular levy of \$1,460,777, including taxes on new construction.

## NOTE 3 – Deposits and Investments

It is the City of Black Diamond's policy to invest temporary cash surpluses with the State Local Investment Pool. 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.

The City of Black Diamond's Investments are reported at original cost. Investments by type as of December 31, 2015 are as follows:

| Type of Investment | COBD's Own Investments | Investments held for other Entities | Total          |
|--------------------|------------------------|-------------------------------------|----------------|
| L.G.I.P            | \$3,658,793.19         | \$0                                 | \$3,658,793.19 |

#### 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, 2015. The City of Black Diamond has no General Obligation or Revenue bonds.

The Water fund has other Long Term Debt for three Public Works Trust Fund Loans for Water Projects. The final payment was made on one Public Works Trust Fund loan in May 2015, leaving two PWTF loans outstanding at year end. 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 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 Principle & 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                        |

Private developers reimburse the City annually for their portion of Public Works trust debt payment. A developer line of credit covers 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.

| #  | Water Fund Debt                   | Original Date of Debt | Year of Final Payment | Original Amount | Interest Rate | Purpose of Loan   | Principal Only Debt Balance as of 12/31/2015 |
|--|-----------------------------------|-----------------------|-----------------------|-----------------|---------------|---|--|
| 1  | PW Trust Loan<br>5-95-791-ELP 061 | 1995                  | 2015                  | \$200,000       | 5%            | Emergency Water Repair  | \$0  |
| 2  | PW Trust Loan<br>02-691-005       | 2006                  | 2022                  | \$180,000       | .5%           | Corrosion Control   | \$78,750                                     |
| 3  | PW Trust Loan<br>5-691-006        | 2005                  | 2025                  | \$5,447,820     | .5%           | \$3,407,063- 500 mp Tacoma Water<br>\$2,040,757 Reservoir Pump & Waterline<br>*Developer reimburses \$2,053,160 plus interest. Letter of credit held for security | \$2,659,396                                  |
| Total Water Debt (principal only)                                |                                   |                       |                       | \$5,827,820     |               |   | \$2,738,146                                  |
| Less *Public Works Trust Fund Loan – Developer Reimbursed Loan 3 |                                   |                       |                       |                 |               |   | (\$847,368)                                  |
| Net City Debt Responsibility                                     |                                   |                       |                       |                 |               |   | <b>\$1,890,778</b>                           |

**NOTE 5 – Interfund Loan**

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 was paid back with five annual installments of \$46,000 plus interest at the current LGIP pool rate. The final payment was made in 2015. All internal loans charge interest at the current LGIP rate at the time of payments. The City had no outstanding interfund loans at 12/31/2015.

| Loan Originated & Amount | Term of Loan | Lending Fund | Receiving Fund | Loan Reason  | Balance of Loan 2015 | Repayment 2015 | Balance as of 12/31/2015 |
|--------------------------|--------------|--------------|----------------|--------------|----------------------|----------------|--------------------------|
| 2010<br>\$230,000        | 5 years      | Sewer        | Stormwater     | Water Meters | \$46,000             | \$46,000       | \$0                      |

## NOTE 6 - Pension Plans

### A. State Sponsored Pension Plans

Substantially all of Black Diamond's 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. They are PERS 1, PERS 2, PERS 3, LEOFF 1 and 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 publically available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing the Department of Retirement Systems Communications Unit, PO Box 48380 Olympia, WA 98540-8380. Also the DRS CAFR may be downloaded from the drs.wa.gov website.

At June 30, 2015, the City of Black Diamond's proportionate share of the collective net pension liabilities, as reported on Schedule 9, were as follows:

|                            | Allocation % | DRS's Collective Liabilities | Black Diamond's Liability |
|----------------------------|--------------|------------------------------|---------------------------|
| <b>PERS 1</b>              | .00001894    | \$5,230,930,000              | \$99,073.81               |
| <b>PERS 2&amp;3</b>        | .00013472    | \$3,573,057,000              | \$481,362.24              |
| <b>Plan 1 UAAL</b>         | .00010434    | \$5,230,930,000              | \$545,795.24              |
| <b>Total Net Liability</b> |              |                              | <b>\$1,126,231.29</b>     |

Plan 1 UAAL is the Unfunded Actuarial Accrued Liability (UAAL) for pension commitment to retirees on PERS 1 and TRS 1. Per GASB 68, the Department of Retirement Systems overall pension liability is reported at the City level beginning in 2015.

#### LEOFF Plan 1

The City of Black Diamond also participates in the LEOFF 1 plan. The LEOFF 1 plan 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 July 1, 2000, employers and employees contribute zero percent.

#### LEOFF Plan 2

The City of Black Diamond also participates in the LEOFF 2 plan. 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.

## **Other Disclosures**

### **Compliance and Accountability**

The City of Black Diamond's two year State Audit for 2013 and 2014 were completed in May, 2016 and provided a "clean audit". The Audit found no material violations of finance related or legal or contractual provisions in any of the Funds of the City of Black Diamond.

### **Water Utility**

On July 11, 2013 with Ordinance 13-1006, Council authorized three rate increases for the Water Utility Fund. Each increased the Water rate by 15%, on January 1, 2014, on January 1, 2015 and on January 1, 2016. The water rate increases were found to be necessary to meet revenue requirements to cover the costs necessary to maintain a self-supporting Water Utility Fund.

**Transportation Benefit District** - In 2015 the Black Diamond City Council enacted Ordinance 15-1057 establishing the Black Diamond Transportation Benefit District (TBD) and Resolution 15-01 establishing the \$20 car tab fee. This revenue was needed to maintain street maintenance, as State gas tax revenues had continued to decline. On October 1, 2015 City Council assumed the rights, powers, functions and obligations of the TBD as allowed by SSB 5987. There is a six month delay in processing the fee through the State, so no revenues or expenditures were reported in 2015.



City of Black Diamond

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2015

| BARS<br>CODE                                       |                                | Total for             | 001                     | 101                 |
|--|--------------------------------|-----------------------|-------------------------|---------------------|
|  |                                | All Funds (info only) | CURRENT<br>EXPENSE FUND | CITY STREET<br>FUND |
|  |                                | Total Amount          | Actual Amount           | Actual Amount       |
| <b>Beginning Cash and Investments</b>              |                                |                       |                         |                     |
| 30810  | Beg Fund Bal-Reserved          | \$339,854.69          | \$0.00                  | \$153,589.40        |
| 30880  | Beg Fund Bal-Unreserved        | \$3,532,887.99        | \$1,032,627.01          | \$0.00              |
| 38880/58880  | Prior Period Adjustments, net  | \$0.00                | \$0.00                  | \$0.00              |
| <b>Operating Revenues</b>                          |                                |                       |                         |                     |
| 310  | Taxes                          | \$2,635,229.49        | \$2,463,520.26          | \$0.00              |
| 320  | Licenses and Permits           | \$193,712.66          | \$178,475.88            | \$15,236.78         |
| 330  | Intergovernmental Revenues     | \$573,033.70          | \$232,374.14            | \$88,080.86         |
| 340  | Charges for Goods and Services | \$2,527,364.13        | \$639,282.74            | \$2,902.75          |
| 350  | Fines and Penalties            | \$112,562.66          | \$112,562.66            | \$0.00              |
| 360  | Miscellaneous Revenues         | \$828,016.12          | \$804,826.60            | \$18,870.57         |
| <b>Total Operating Revenues:</b>                   |                                | \$6,869,918.76        | \$4,431,042.28          | \$125,090.96        |
| <b>Operating Expenditures:</b>                     |                                |                       |                         |                     |
| 510  | General Government             | \$929,114.27          | \$905,049.27            | \$0.00              |
| 520  | Public Safety                  | \$2,063,885.23        | \$2,063,885.23          | \$0.00              |
| 530  | Utilities                      | \$1,697,141.78        | \$31,256.99             | \$0.00              |
| 540  | Transportation                 | \$210,244.69          | \$0.00                  | \$200,306.69        |
| 550  | Economic Environment           | \$1,320,218.86        | \$1,160,847.52          | \$0.00              |
| 560  | Social Services                | \$962.13              | \$962.13                | \$0.00              |
| 570  | Culture And Recreation         | \$57,241.19           | \$57,241.19             | \$0.00              |
| 598  | Intergovernmental Payments     | \$0.00                | \$0.00                  | \$0.00              |
| <b>Total Operating Expenditures:</b>               |                                | \$6,278,808.15        | \$4,219,242.33          | \$200,306.69        |
| <b>Net Operating Increase (Decrease):</b>          |                                | \$591,110.61          | \$211,799.95            | (\$75,215.73)       |
| <b>Nonoperating Revenues</b>                       |                                |                       |                         |                     |
| 370,380,395,398                                    | Other Financing Sources        | \$236,399.60          | \$34,892.19             | \$0.00              |
| 391-393  | Debt Proceeds                  | \$0.00                | \$0.00                  | \$0.00              |
| 397  | Transfers-In                   | \$112,366.00          | \$0.00                  | \$50,000.00         |
| <b>Total Nonoperating Revenues:</b>                |                                | \$348,765.60          | \$34,892.19             | \$50,000.00         |
| <b>Nonoperating Expenditures</b>                   |                                |                       |                         |                     |
| 580,596,599  | Other Financing Uses           | \$46,000.00           | \$0.00                  | \$0.00              |
| 591-593  | Debt Service                   | \$332,292.48          | \$0.00                  | \$0.00              |
| 594-595  | Capital Expenditures           | \$508,790.26          | \$41,243.33             | \$0.00              |
| 597  | Transfers-Out                  | \$112,366.00          | \$0.00                  | \$10,000.00         |
| <b>Total Nonoperating Expenditures:</b>            |                                | \$999,448.74          | \$41,243.33             | \$10,000.00         |
| <b>Increase (Decrease in Cash and Investments)</b> |                                | (\$59,572.53)         | \$205,448.81            | (\$35,215.73)       |
| <b>Ending Cash and Investments</b>                 |                                |                       |                         |                     |
| 50810  | End Fund Bal-Reserved          | \$242,623.04          | \$0.00                  | \$118,373.67        |
| 50880  | End Fund Balance-Unreserved    | \$3,570,547.11        | \$1,238,075.82          | \$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

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2015

| BARS<br>CODE                                       |                                | 107                              | 310                               | 320                  |
|--|--------------------------------|----------------------------------|-----------------------------------|----------------------|
|  |                                | IMPACT<br>MITIGATION FEE<br>FUND | CIP FUND<br>GENERAL<br>GOVERNMENT | CIP FUND-<br>STREETS |
|  |                                | Actual Amount                    | Actual Amount                     | Actual Amount        |
| <b>Beginning Cash and Investments</b>              |                                |                                  |                                   |                      |
| 30810  | Beg Fund Bal-Reserved          | \$13,616.29                      | \$0.00                            | \$0.00               |
| 30880  | Beg Fund Bal-Unreserved        | \$0.00                           | \$387,707.63                      | \$296,232.61         |
| 38880/58880  | Prior Period Adjustments, net  | \$0.00                           | \$0.00                            | \$0.00               |
| <b>Operating Revenues</b>                          |                                |                                  |                                   |                      |
| 310  | Taxes                          | \$0.00                           | \$85,854.61                       | \$85,854.62          |
| 320  | Licenses and Permits           | \$0.00                           | \$0.00                            | \$0.00               |
| 330  | Intergovernmental Revenues     | \$0.00                           | \$9,804.38                        | \$65,153.97          |
| 340  | Charges for Goods and Services | \$19,281.70                      | \$0.00                            | \$0.00               |
| 350  | Fines and Penalties            | \$0.00                           | \$0.00                            | \$0.00               |
| 360  | Miscellaneous Revenues         | \$306.27                         | \$172.09                          | \$152.37             |
| <b>Total Operating Revenues:</b>                   |                                | \$19,587.97                      | \$95,831.08                       | \$151,160.96         |
| <b>Operating Expenditures:</b>                     |                                |                                  |                                   |                      |
| 510  | General Government             | \$0.00                           | \$11,572.50                       | \$12,492.50          |
| 520  | Public Safety                  | \$0.00                           | \$0.00                            | \$0.00               |
| 530  | Utilities                      | \$0.00                           | \$0.00                            | \$0.00               |
| 540  | Transportation                 | \$0.00                           | \$0.00                            | \$9,938.00           |
| 550  | Economic Environment           | \$0.00                           | \$159,371.34                      | \$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               |
| <b>Total Operating Expenditures:</b>               |                                | \$0.00                           | \$170,943.84                      | \$22,430.50          |
| <b>Net Operating Increase (Decrease):</b>          |                                | \$19,587.97                      | (\$75,112.76)                     | \$128,730.46         |
| <b>Nonoperating Revenues</b>                       |                                |                                  |                                   |                      |
| 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                   | \$15,366.00                      | \$0.00                            | \$0.00               |
| <b>Total Nonoperating Revenues:</b>                |                                | \$15,366.00                      | \$0.00                            | \$0.00               |
| <b>Nonoperating Expenditures</b>                   |                                |                                  |                                   |                      |
| 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                           | \$38,395.44                       | \$82,186.87          |
| 597  | Transfers-Out                  | \$0.00                           | \$7,000.00                        | \$50,000.00          |
| <b>Total Nonoperating Expenditures:</b>            |                                | \$0.00                           | \$45,395.44                       | \$132,186.87         |
| <b>Increase (Decrease in Cash and Investments)</b> |                                | \$34,953.97                      | (\$120,508.20)                    | (\$3,456.41)         |
| <b>Ending Cash and Investments</b>                 |                                |                                  |                                   |                      |
| 50810  | End Fund Bal-Reserved          | \$48,570.26                      | \$0.00                            | \$0.00               |
| 50880  | End Fund Balance-Unreserved    | \$0.00                           | \$267,199.43                      | \$292,776.20         |

The Accompanying Notes Are An Integral Part Of This Statement.

City of Black Diamond

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2015

| BARS<br>CODE                                       |                                | 401                  | 407                  | 410                 |
|--|--------------------------------|----------------------|----------------------|---------------------|
|  |                                | WATER FUND           | SEWER FUND           | STORMWATER<br>FUND  |
|  |                                | Actual Amount        | Actual Amount        | Actual Amount       |
| <b>Beginning Cash and Investments</b>              |                                |                      |                      |                     |
| 30810  | Beg Fund Bal-Reserved          | \$157,283.00         | \$0.00               | \$0.00              |
| 30880  | Beg Fund Bal-Unreserved        | \$491,968.22         | \$932,933.66         | \$111,025.52        |
| 38880/58880  | Prior Period Adjustments, net  | \$0.00               | \$0.00               | \$0.00              |
| <b>Operating Revenues</b>                          |                                |                      |                      |                     |
| 310  | Taxes                          | \$0.00               | \$0.00               | \$0.00              |
| 320  | Licenses and Permits           | \$0.00               | \$0.00               | \$0.00              |
| 330  | Intergovernmental Revenues     | \$33,829.07          | \$0.00               | \$143,791.28        |
| 340  | Charges for Goods and Services | \$752,435.74         | \$756,154.66         | \$357,306.54        |
| 350  | Fines and Penalties            | \$0.00               | \$0.00               | \$0.00              |
| 360  | Miscellaneous Revenues         | \$732.01             | \$2,312.74           | \$199.08            |
| <b>Total Operating Revenues:</b>                   |                                | <b>\$786,996.82</b>  | <b>\$758,467.40</b>  | <b>\$501,296.90</b> |
| <b>Operating Expenditures:</b>                     |                                |                      |                      |                     |
| 510  | General Government             | \$0.00               | \$0.00               | \$0.00              |
| 520  | Public Safety                  | \$0.00               | \$0.00               | \$0.00              |
| 530  | Utilities                      | \$474,356.49         | \$853,573.93         | \$337,954.37        |
| 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              |
| <b>Total Operating Expenditures:</b>               |                                | <b>\$474,356.49</b>  | <b>\$853,573.93</b>  | <b>\$337,954.37</b> |
| <b>Net Operating Increase (Decrease):</b>          |                                | <b>\$312,640.33</b>  | <b>(\$95,106.53)</b> | <b>\$163,342.53</b> |
| <b>Nonoperating Revenues</b>                       |                                |                      |                      |                     |
| 370,380,395,398                                    | Other Financing Sources        | \$145,957.41         | \$55,550.00          | \$0.00              |
| 391-393  | Debt Proceeds                  | \$0.00               | \$0.00               | \$0.00              |
| 397  | Transfers-In                   | \$0.00               | \$0.00               | \$0.00              |
| <b>Total Nonoperating Revenues:</b>                |                                | <b>\$145,957.41</b>  | <b>\$55,550.00</b>   | <b>\$0.00</b>       |
| <b>Nonoperating Expenditures</b>                   |                                |                      |                      |                     |
| 580,596,599  | Other Financing Uses           | \$46,000.00          | \$0.00               | \$0.00              |
| 591-593  | Debt Service                   | \$332,292.48         | \$0.00               | \$0.00              |
| 594-595  | Capital Expenditures           | \$146,974.36         | \$50,283.67          | \$102,876.15        |
| 597  | Transfers-Out                  | \$10,000.00          | \$10,000.00          | \$10,000.00         |
| <b>Total Nonoperating Expenditures:</b>            |                                | <b>\$535,266.84</b>  | <b>\$60,283.67</b>   | <b>\$112,876.15</b> |
| <b>Increase (Decrease in Cash and Investments)</b> |                                | <b>(\$76,669.10)</b> | <b>(\$99,840.20)</b> | <b>\$50,466.38</b>  |
| <b>Ending Cash and Investments</b>                 |                                |                      |                      |                     |
| 50810  | End Fund Bal-Reserved          | \$75,679.11          | \$0.00               | \$0.00              |
| 50880  | End Fund Balance-Unreserved    | \$496,903.01         | \$833,093.46         | \$161,491.90        |

The Accompanying Notes Are An Integral Part Of This Statement.

## City of Black Diamond

## FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2015

| BARS<br>CODE                                       |                                | 510                                       |
|--|--------------------------------|---|
|  |                                | INTERNAL<br>SERVICE FUND<br>Actual Amount |
| <b>Beginning Cash and Investments</b>              |                                |   |
| 30810  | Beg Fund Bal-Reserved          | \$15,366.00                               |
| 30880  | Beg Fund Bal-Unreserved        | \$280,393.34                              |
| 38880/58880  | Prior Period Adjustments, net  | \$0.00                                    |
| <b>Operating Revenues</b>                          |                                |   |
| 310  | Taxes                          | \$0.00                                    |
| 320  | Licenses and Permits           | \$0.00                                    |
| 330  | Intergovernmental Revenues     | \$0.00                                    |
| 340  | Charges for Goods and Services | \$0.00                                    |
| 350  | Fines and Penalties            | \$0.00                                    |
| 360  | Miscellaneous Revenues         | \$444.39                                  |
| <b>Total Operating Revenues:</b>                   |                                | \$444.39                                  |
| <b>Operating Expenditures:</b>                     |                                |   |
| 510  | General Government             | \$0.00                                    |
| 520  | Public Safety                  | \$0.00                                    |
| 530  | Utilities                      | \$0.00                                    |
| 540  | Transportation                 | \$0.00                                    |
| 550  | Economic Environment           | \$0.00                                    |
| 560  | Social Services                | \$0.00                                    |
| 570  | Culture And Recreation         | \$0.00                                    |
| 598  | Intergovernmental Payments     | \$0.00                                    |
| <b>Total Operating Expenditures:</b>               |                                | \$0.00                                    |
| <b>Net Operating Increase (Decrease):</b>          |                                | \$444.39                                  |
| <b>Nonoperating Revenues</b>                       |                                |   |
| 370,380,395,398                                    | Other Financing Sources        | \$0.00                                    |
| 391-393  | Debt Proceeds                  | \$0.00                                    |
| 397  | Transfers-In                   | \$47,000.00                               |
| <b>Total Nonoperating Revenues:</b>                |                                | \$47,000.00                               |
| <b>Nonoperating Expenditures</b>                   |                                |   |
| 580,596,599  | Other Financing Uses           | \$0.00                                    |
| 591-593  | Debt Service                   | \$0.00                                    |
| 594-595  | Capital Expenditures           | \$46,830.44                               |
| 597  | Transfers-Out                  | \$15,366.00                               |
| <b>Total Nonoperating Expenditures:</b>            |                                | \$62,196.44                               |
| <b>Increase (Decrease in Cash and Investments)</b> |                                | (\$14,752.05)                             |
| <b>Ending Cash and Investments</b>                 |                                |   |
| 50810  | End Fund Bal-Reserved          | \$0.00                                    |
| 50880  | End Fund Balance-Unreserved    | \$281,007.29                              |

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, 2015**

| BARS Code                                   |                                | Total for         | 633                       | 634                                | 635                        |
|---|--------------------------------|-------------------|---------------------------|------------------------------------|----------------------------|
|   |                                | Total (info only) | TREASURER'S<br>TRUST FUND | TREASURER'S<br>TRUST-<br>RETAINAGE | TREASURER'S<br>TRUST-COURT |
| 308   | Beginning Cash and Investments | \$30,643.78       | \$7,569.56                | \$22,756.87                        | \$317.35                   |
| 388 and 588                                 | Prior Period Adjustments, net  | \$0.00            | \$0.00                    | \$0.00                             | \$0.00                     |
| 310-360                                     | Revenues                       | \$0.00            | \$0.00                    | \$0.00                             | \$0.00                     |
| 380-390                                     | Other Increases and Financing  | \$509,049.26      | \$262,523.53              | \$0.00                             | \$246,525.73               |
| 510-570                                     | Expenditures                   | \$0.00            | \$0.00                    | \$0.00                             | \$0.00                     |
| 580-590                                     | Other Decreases and Financing  | \$361,806.94      | \$123,763.86              | \$0.00                             | \$238,043.08               |
| Increase (Decrease) in Cash and Investments |                                | \$147,242.32      | \$138,759.67              | \$0.00                             | \$8,482.65                 |
| 508   | Ending Cash and Investments    | \$177,886.10      | \$146,329.23              | \$22,756.87                        | \$8,800.00                 |

The Accompanying Notes Are An Integral Part Of This Statement.

MCAG NO. 0379

**SCHEDULE OF DISBURSEMENT ACTIVITY**  
**For the Year Ending December 31, 2015**

| Fund No.     | Fund Title              | Beginning Outstanding Items 01/01/2015 | Issued During the Year | Redeemed During the Year | Canceled During the Year | Ending Outstanding Items 12/31/2015 | Prior Year Open Period Items | Current Year Open Period Items | Disbursements 12/31/2015 |
|--------------|-------------------------|--|------------------------|--------------------------|--------------------------|-------------------------------------|------------------------------|--------------------------------|--------------------------|
| 001          | CURRENT EXPENSE FUND    | 247,373                                | 4,285,492              | 4,299,465                | -                        | 233,399                             | -                            | -                              | 4,285,492                |
| 101          | CITY STREET FUND        | 7,594                                  | 217,472                | 213,208                  | -                        | 11,858                              | -                            | -                              | 217,472                  |
| 310          | CIP FUND GENERAL        | 34,489                                 | 203,692                | 228,970                  | -                        | 9,211                               | -                            | -                              | 203,692                  |
| 320          | CIP FUND-STREETS        | 12,783                                 | 82,209                 | 87,789                   | -                        | 7,203                               | -                            | -                              | 82,209                   |
| 401          | WATER FUND              | 16,150                                 | 836,689                | 819,711                  | -                        | 33,128                              | -                            | -                              | 836,689                  |
| 407          | SEWER FUND              | 7,515                                  | 813,529                | 805,542                  | -                        | 15,503                              | -                            | -                              | 813,529                  |
| 410          | STORMWATER FUND         | 27,522                                 | 353,255                | 365,469                  | -                        | 15,307                              | -                            | -                              | 353,255                  |
| 510          | INTERNAL SERVICE FUND   | 16,039                                 | 46,830                 | 62,821                   | -                        | 48                                  | -                            | -                              | 46,830                   |
| 633          | TREASURER'S TRUST FUND  | 8,705                                  | 123,764                | 123,627                  | -                        | 8,843                               | -                            | -                              | 123,764                  |
| 635          | TREASURER'S TRUST-COURT | -                                      | 238,043                | 238,043                  | -                        | -                                   | -                            | -                              | 238,043                  |
| <b>TOTAL</b> |                         | <b>\$ 386,367</b>                      | <b>\$ 7,192,777</b>    | <b>\$ 7,244,645</b>      | <b>\$ -</b>              | <b>\$ 334,499</b>                   | <b>\$ -</b>                  | <b>\$ -</b>                    | <b>\$ 7,192,777</b>      |

**City of Black Diamond**  
**SCHEDULE OF LIABILITIES**

For the year ending December 31, 2015

Schedule 9

| ID. No.                  | Description                    | Maturity Payment Due Date | Beginning Balance 01/01/2015 | Additions          | Reductions       | BARS Code for Redemption of Debt Only | Ending Balance 12/31/2015 |
|--------------------------|--------------------------------|---------------------------|------------------------------|--------------------|------------------|---------------------------------------|---------------------------|
| 263.82                   | Water Purchase 2005            | 1/1/2024                  | \$2,954,885                  |                    | \$295,488        | 58234                                 | \$2,659,396               |
| 263.82                   | Corrosion Control 2006         | 1/1/2022                  | \$90,000                     |                    | \$11,250         | 58234                                 | \$78,750                  |
| 263.82                   | 1995 PWTF Loan 595 791         | 1/1/2015                  | \$10,650                     |                    | \$10,650         | 58234                                 | \$0                       |
| 259.11                   | Compensated Absences GF/Street | As of 12/31/2015          | \$214,780                    |                    | \$12,633         |                                       | \$202,147                 |
| 259.11                   | Compensated Absences Water     | As of 12/31/2015          | \$19,735                     | \$225              |                  |                                       | \$19,960                  |
| 259.11                   | Compensated Absences Sewer     | As of 12/31/2015          | \$19,956                     | \$29               |                  |                                       | \$19,985                  |
| 259.11                   | Compensated Absences Storm     | As of 12/31/2015          | \$18,529                     | \$1,431            |                  |                                       | \$19,960                  |
| 264.30                   | Pension Liabilities            | As of 12/31/2015          |                              | \$1,126,231        |                  |                                       | \$1,126,231               |
| <b>Total Liabilities</b> |                                |                           | <b>\$3,328,535</b>           | <b>\$1,127,916</b> | <b>\$330,021</b> |                                       | <b>\$4,126,429</b>        |

City of Black Diamond

SCHEDULE OF CASH ACTIVITY

For the Year Ended December 31, 2015

| Fund Number  | Fund Title                  | Beginning Cash and Investments | Receipts           | Transfers-In     | Other Revenue    | Netted Transactions | Total Increase (4+5+6-7) |
|--------------|-----------------------------|--------------------------------|--------------------|------------------|------------------|---------------------|--------------------------|
| 001          | CURRENT EXPENSE FUND        | \$1,032,627                    | \$4,499,995        | \$0              | \$34,492         | \$22,885            | \$4,511,602              |
| 101          | CITY STREET FUND            | \$153,589                      | \$123,672          | \$50,000         | \$4,524          | \$0                 | \$178,197                |
| 107          | IMPACT MITIGATION FEE FUND  | \$13,616                       | \$19,337           | \$15,366         | \$251            | \$0                 | \$34,954                 |
| 310          | CIP FUND GENERAL GOVERNMENT | \$387,708                      | \$19,622           | \$0              | \$85,855         | \$9,645             | \$95,831                 |
| 320          | CIP FUND-STREETS            | \$296,233                      | \$65,306           | \$0              | \$85,855         | \$0                 | \$151,161                |
| 401          | WATER FUND                  | \$649,251                      | \$936,326          | \$0              | \$2,080          | \$5,451             | \$932,956                |
| 407          | SEWER FUND                  | \$932,934                      | \$767,854          | \$0              | \$48,540         | \$2,376             | \$814,019                |
| 410          | STORMWATER FUND             | \$111,026                      | \$499,892          | \$0              | \$2,314          | \$674               | \$501,532                |
| 510          | INTERNAL SERVICE FUND       | \$295,759                      | \$444              | \$47,000         | \$0              | \$0                 | \$47,444                 |
| 633          | TREASURER'S TRUST FUND      | \$7,570                        | \$101,439          | \$0              | \$161,084        | \$0                 | \$262,524                |
| 634          | TREASURER'S TRUST-RETAINAGE | \$22,757                       | \$33               | \$0              | (\$33)           | \$0                 | \$0                      |
| 635          | TREASURER'S TRUST-COURT     | \$317                          | \$246,526          | \$0              | \$0              | \$0                 | \$246,526                |
| <b>TOTAL</b> |                             | <b>\$3,903,386</b>             | <b>\$7,280,447</b> | <b>\$112,366</b> | <b>\$424,963</b> | <b>\$41,031</b>     | <b>\$7,776,745</b>       |
|              |                             |                                | 4                  | 5                | 6                | 7                   |                          |

| Fund Number  | Fund Title                  | Disbursements      | Transfers-Out    | Other Expenditures | Total Decrease (9+10+11-7) | Ending Cash & Investments (3+8-12) |
|--------------|-----------------------------|--------------------|------------------|--------------------|----------------------------|------------------------------------|
| 001          | CURRENT EXPENSE FUND        | \$4,285,492        | \$0              | \$43,548           | \$4,306,154                | \$1,238,076                        |
| 101          | CITY STREET FUND            | \$217,472          | \$10,000         | (\$14,059)         | \$213,412                  | \$118,374                          |
| 107          | IMPACT MITIGATION FEE FUND  | \$0                | \$0              | \$0                | \$0                        | \$48,570                           |
| 310          | CIP FUND GENERAL GOVERNMENT | \$203,692          | \$7,000          | \$15,292           | \$216,339                  | \$267,199                          |
| 320          | CIP FUND-STREETS            | \$82,209           | \$50,000         | \$22,409           | \$154,617                  | \$292,776                          |
| 401          | WATER FUND                  | \$836,689          | \$10,000         | \$168,387          | \$1,009,625                | \$572,582                          |
| 407          | SEWER FUND                  | \$813,529          | \$10,000         | \$92,705           | \$913,859                  | \$833,093                          |
| 410          | STORMWATER FUND             | \$353,255          | \$10,000         | \$88,485           | \$451,665                  | \$161,492                          |
| 510          | INTERNAL SERVICE FUND       | \$46,830           | \$15,366         | \$0                | \$62,196                   | \$281,007                          |
| 633          | TREASURER'S TRUST FUND      | \$123,764          | \$0              | \$0                | \$123,764                  | \$146,329                          |
| 634          | TREASURER'S TRUST-RETAINAGE | \$0                | \$0              | \$0                | \$0                        | \$22,757                           |
| 635          | TREASURER'S TRUST-COURT     | \$238,043          | \$0              | \$0                | \$238,043                  | \$8,800                            |
| <b>TOTAL</b> |                             | <b>\$7,200,974</b> | <b>\$112,366</b> | <b>\$416,766</b>   | <b>\$7,689,075</b>         | <b>\$3,991,056</b>                 |
|              |                             | 9                  | 10               | 11                 |                            |                                    |



City of Black Diamond

SCHEDULE OF STATE FINANCIAL ASSISTANCE

For the year ending December 31, 2015

Schedule 15

| Grantor                                 | Program Title             | Identification Number | Amount            |
|---|---------------------------|-----------------------|-------------------|
| Department of Ecology                   | Stormwater Capacity Grant | G1400243              | 143,791.28        |
| Transportation Improvement Board        | Roberts Drive Rehab       | 6-P-800-002-1         | 65,153.97         |
| <b>Total State Financial Assistance</b> |                           |                       | <b>208,945.25</b> |

**City of Black Diamond**  
**FEDERAL GRANT AWARDS**  
**For the year ending December 31, 2015**

**Schedule 16**

| CFDA #       | Federal Agency Name           | Federal Program Name         | Pass-Through Agency Name               | Other Award I.D. Number | Total              | Footnote Ref. |
|--------------|-------------------------------|------------------------------|--|-------------------------|--------------------|---------------|
| 16.607       | Dept of Transportation/NHTSA  | Bulletproof Vests            | Washington State Patrol                |                         | 440                | 1             |
| 20.601       | Dept of Transportation/NHTSA  | DUI Patrol Grant             | WA Traffic Safety Commission           |                         | 2,366.93           | 1             |
| 20.6         | Dept of Transportation/NHTSA  | Traffic Safety Equipment     | WA Assoc of Police Sheriffs and Chiefs |                         | 1,288.13           | 1             |
| 20.616       | Dept of Transportation/NHTSA  | Distracted Driving Grant     | WA Assoc of Police Sheriffs and Chiefs |                         | 1,058.84           | 1             |
| 14.247       | Dept of Housing and Urban Dev | CDGB Asbestos Watermain Repl | King County                            | 5ED09                   | 33,829.07          | 1,2           |
| <b>Total</b> |                               |                              |  |                         | <b>\$38,982.97</b> |               |

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2015

Note 1 – Basis of Accounting

This schedule is prepared on the same basis of accounting as the Black Diamond 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’s portion, are more than shown. Such expenditures are recognized following, as applicable, either the cost principles in 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.

**LABOR RELATIONS CONSULTANT  
For the Year Ended December 31, 2015**

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 <sup>th</sup> Avenue S, Suite 1000<br>Seattle, WA 98104-2682 |
| Amount paid to consultant during fiscal year: \$25,543.30                            |
|  |

**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](mailto:bmartinez@ci.blackdiamond.wa.us)

1. **NO** Does the entity self-insure for any class of risk, including liability, property, health and welfare, unemployment compensation, workers' compensation?