



2019 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, 2019

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Directory of Officials

Mayor

	Expires
Carol Benson	12/31/2021

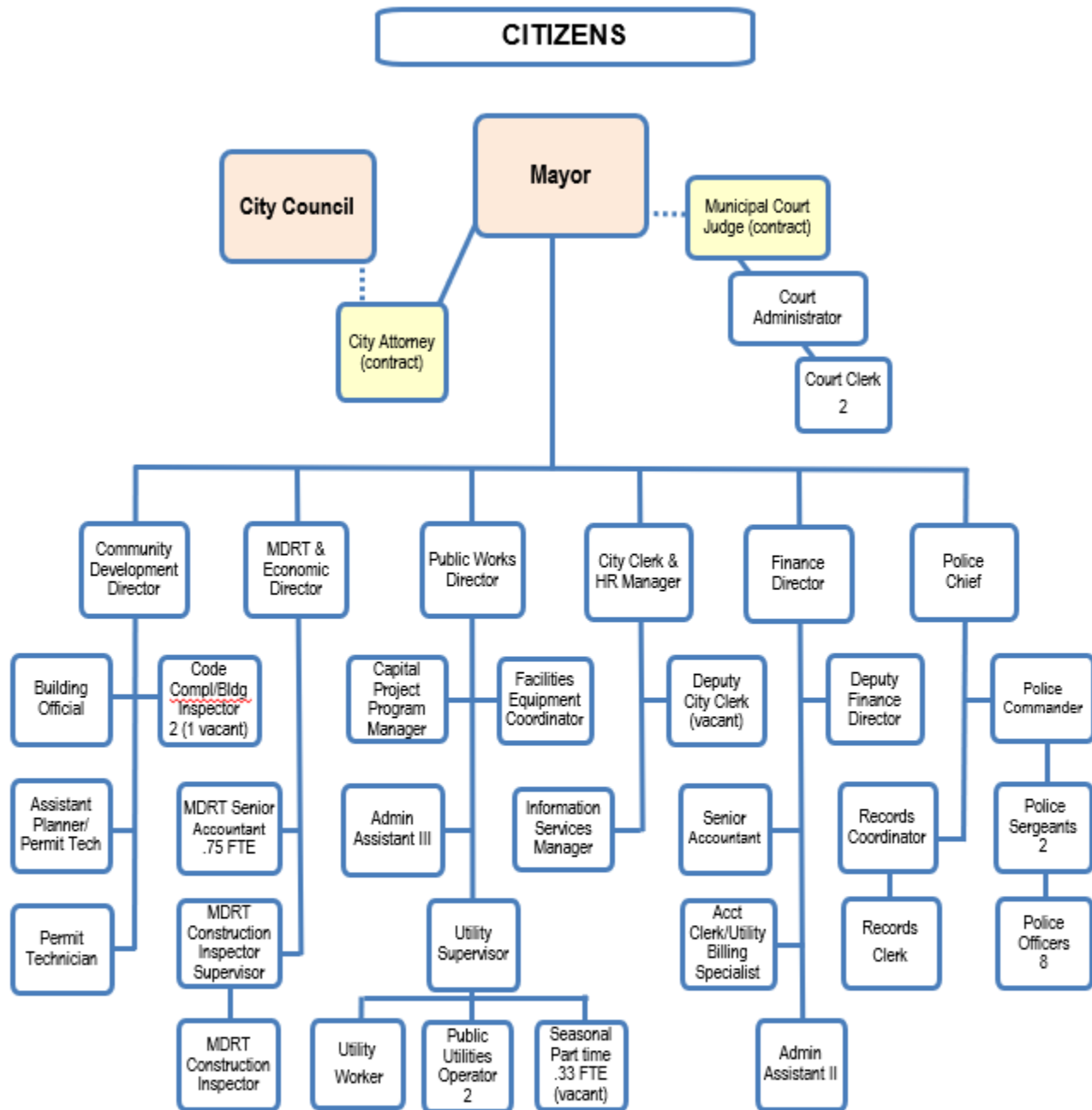
Council Members

Tamie Deady	12/31/2023
Melissa Oglesbee	12/31/2021
Chris Wisnoski	Appointment ends when the November 2021 election is certified
Erin Stout – Mayor Pro Tem	12/31/2021
Kristiana de Leon	12/31/2023
Patrick Nelson	Appointment end when the November 2021 election is certified
Steven Paige	Appointment end when the November 2021 election is certified



Mayor Benson

City of Black Diamond 2019 Organization Chart



This Chart represents budgeted positions for 2019 = 43.1 FTE

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

Black Diamond is served by Mountain View Fire and Rescue

Elected Positions

Contract

MCAG 0379
City of Black Diamond
Notes to Financial Statements
December 31, 2019

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 types are presented, rather than a focus on major funds. Managerial funds are rolled into the statements for clarity.
- 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 type 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 type is reported as a separate column in the financial statements, except for fiduciary funds, which are presented by fund types. Managerial funds are rolled into the statements for clarity. The total column is presented as "memo only" because any interfund activities are not eliminated. 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 on 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.

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.



Public Works Staff

C. Cash and Investments

See Note 3, Deposits and Investments

D. Capital Assets

Capital assets are assets with an initial individual cost of more than \$5,000 and have an estimated useful life in excess of three years. Capital assets and inventory are recorded as Capital expenditures when purchased.

E. Compensated Absences

Vacation leave 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 staff are unable to take a leave time due to unforeseen circumstances.*

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

SICK LEAVE		
0	Years	0% cash-out
1 - 5	Years	10% cash-out
6-12	Years	20% cash-out
13-20	Years	30% cash-out
21-24	Years	40% cash-out
Over 25	Years	50% cash-out

Sick leave for retiring Police Officers Association employees is cashed out at 25% of accumulated hours at their current rate of pay if 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 is paid at 100%.

The following table illustrates the potential total liability if all compensated absences were paid as of December 31, 2019. The total includes the liability costs of required taxes. The total of \$241,077 represents a \$16,625 decrease from 2018. Compensated absence liabilities are shown in the following chart and on Schedule 9.

	Police	Gen Govt	Street	Water	Sewer	Storm	Total
Total	\$63,063	\$96,305	\$14,959	\$22,897	\$18,972	\$19,881	\$241,077

Payments are recognized as expenditures when paid.

F. Long-term Debt

See note 6 Debt Service Requirements

G. 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 Ending Reserved Fund Balances:

- General Fund has a reserve of \$15,137.36 -the State requires that Police drug investigation Funds can only be used for drug related purposes.
- 101 - Street Special Revenue Fund - \$76,743.04 - the State requires that the gas tax resources only be used for Street purposes.
- 107 - Fire Impact Fees - \$936,626.92 - restricted by State RCW 82.02 and Ordinance 12-980 for Fire Facilities and Equipment.
- 108 - Traffic Mitigation Fund - \$136,539.41 - restricted by Resolutions 16-1118 and Developer agreements for designated improvements.
- 109 - Transportation Benefit District Fund - \$22,429.09 – established by Ordinance 15-1057, and assumed in Ordinance 15-1059 only to be used for Street Expenditures.
- 311 – REET I - \$349,426.73 Restricted by State RCW 82.46.010.
- 321 – REET II \$432,054.94 Restricted by State RCW 82.46.035.
- Water Utility Fund - \$251,484.48 - Developer pre-funding of Capital Projects per the Water Facility Funding Agreement with the Developers.

Note 2. Budget Compliance

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 re-appropriation. Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting. The appropriations (excluding ending fund balance) and actual expenditures for the legally adopted budgets for 2019 were as follows:

	Description	Final Appropriated Amounts 2019	Actual Expenditures 2019	Variance Over (Under)
001	General Fund Total	\$7,294,898	\$6,382,947	(\$911,950)
101	Street Fund	\$311,852	\$295,960	(\$15,892)
107	Fire Impact Fee Fund	\$600,000	\$0	(\$600,000)
108	Transportation Benefit District Fund	\$120,000	\$85,000	(\$35,000)
109	Traffic Mitigation Fund	\$198,005	\$0	(\$198,005)
31X	Gen Government Capital Funds	\$1,479,019	\$459,723	(\$1,019,296)
32X	Street Capital Projects Funds	\$1,636,723	\$992,732	(\$643,991)
40X	Water Operating/Capital Funds	\$5,055,358	\$1,901,419	(\$3,153,940)
40X	Sewer Operating/Capital Funds	\$1,372,345	\$1,221,784	(\$150,561)
410	Stormwater Operating/Capital Funds	\$1,625,439	\$818,685	(\$806,754)
510	Internal Service & Equipment Repl Fund	\$389,679	\$222,026	(\$167,653)
	Total All Funds	\$20,083,318	\$12,380,276	(\$7,703,042)

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.

Note 3. Deposits and Investments

The City of Black Diamond has a total deposit and investment amount of \$8,397,334.87 as of December 31, 2019. Including Investments of \$7,879,749.81 and a bank balance of \$517,585.06. This includes:

CASH - It is the City's policy to invest all temporary cash surpluses. At December 31, 2019 the City had an ending cash balance of \$517,585.06 in short term cash. This total includes \$950 in change funds and petty cash.

INVESTMENTS - All investments are held by the General/State Investment Pool (LGIP). Investment interest earned is distributed monthly to the various funds in proportion to their investment amounts. The balance in the State Local Investment Pool saving account as of December 31, 2019 was \$7,879,749.81. Investments are reported at original cost value.

Type of Investment	COBD's Own Investments	Investments held for other Entities	Total
L.G.I.P.	\$7,879,749.81	\$0	\$7,879,749.81

NOTE 4. Property Tax

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

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 2019 was \$1.90542 per \$1,000 on an assessed valuation of \$865,017,265 for a total regular levy of \$1,648,224.

NOTE 5. Internal Loans

In 2016, Council adopted Ordinance 16-1078 approving a 2017 loan from the Sewer Capital Reserve Fund to the Equipment Replacement Fund for \$160,000 to be used to replace four police vehicles. The first payment for the loan was from the General Fund in 2018, with continued annual payments due until paid in full 2022. Interest is paid each year based on the current LGIP Pool rate. The following table displays interfund loan activity from origination with the 2018 principal payment and balance as of December 31, 2019:

Receiving Fund	Loaning Fund	2019 Balance	2019 Issued	2019 Repayment	12/31/2019 Balance
Equip. Replace Fund	Sewer Reserves	\$128,000	\$0	\$32,000	\$96,000

Note 6. Debt Service Requirements

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the City of Black Diamond and summarizes the City's debt transactions for year ended December 31, 2019. The City of Black Diamond has no General Obligation or Revenue bonds debt.

The Water Fund has Long Term Debt for two 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 provides a listing of the outstanding long-term debt of the Water Fund which includes both Principal and Interest.

Water Fund Other Long Term Debt is as Follows:

Year	Principal	Interest	Total
2020	\$306,738	\$7,556	\$314,294
2021	\$306,738	\$6,023	\$312,761
2022	\$306,738	\$4,455	\$311,193
2023	\$295,488	\$2,955	\$298,443
2024	\$295,488	\$1,477	\$296,965

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 9.

Note 7. Pension Plans**State Sponsored Pension Plans**

Substantially all 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 publicly 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 to:

Department of Retirement Systems
Communications Unit
P.O. Box 48380
Olympia, WA 98540-8380

Also, the DRS CAFR may be downloaded from the DRS website at www.drs.wa.gov.

The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly 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, 2019, the City of Black Diamond's PERS 1, 2 & 3's proportionate share of the collective net pension liabilities, as reported on Schedule 9, were as follows:

Pension Liability	Employer Contributions	Allocation %	Black Diamond's Liability (Asset)
Pers 1	91,471	0.012757%	490,552
Pers 2 & 3	134,596	0.016480%	160,077
Leoff 1	0	0.000796%	(14,451)
Leoff 2	44,481	0.025651%	(520,771)

LEOFF Plan 1

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

LEOFF Plan 2

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

Note 8. Risk Management

The City of Black Diamond is a member of the Association of Washington Cities Risk Management Service Agency (AWC RMSA). 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 by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2019, 100 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, with the exception of pollution liability, 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, pollution liability, cyber liability, and equipment breakdown insurance coverage. Equipment breakdown is included with the property insurance carrier and fidelity (crime), pollution liability, and cyber liability coverages are stand-alone policies, which the AWC RMSA procures for its members. The AWC RMSA also allows members with airports to group purchase airport liability coverage.

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 \$15 million in both per occurrence and aggregate liability limits. For the first \$1 million in liability limits, AWC RMSA is self-insured for its Self-Insured Retention (SIR) of \$250,000, per occurrence, and is reinsured by Great American for the additional \$750,000. The \$9 million in excess liability coverage limits is provided through an excess liability policy purchased from Argonaut Insurance Company. The \$5 million in excess liability coverage limits above the first layer of excess coverage is purchased from Allied World National Assurance Company. Since AWC RMSA is a cooperative program, there is joint liability among the participating members. The excess property coverage is purchased through Lexington Insurance Company and in 2019, AWC RMSA carried a retention of \$200,000 and limits up to \$250 million. All commercial policies have been purchased through the Pool's Broker of Record, Aon.

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.

Note 9 OPEB**LEOFF 1 Retiree Medical Plan**

The LEOFF I Retiree Medical Plan is a closed, single-employer, defined-benefit OPEB plan administered by the City of Black Diamond as required by the State of Washington. The plan pays for 100% of eligible retirees' healthcare costs on a pay-as-you-go basis. As of December 31, 2019, the plan had one member. As of December 31, 2019, the City of Black Diamond's total OPEB liability was \$546,405, as calculated using the alternative measurement method. For the year ended December 31, 2019, the City of Black Diamond paid \$16,839.84 in benefits.

Note 10. Other Disclosures

In 2019 the State of Washington redefined Custodial Funds to clarify custodial fund effective for 2019. This resulted in a cumulative effect of the accounting change which moved Retainage held for Capital Project from Custodial Funds to Capital Projects funds in the amount of \$38,757 and moving deposits held for Medical Insurance and not due until 2020 from Custodial funds to the General Fund in the amount of \$161,565.



Green River Gorge

2019 CITY OF BLACK DIAMOND ANNUAL FINANCIAL REPORT

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STATEMENT C-4

City of Black Diamond

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FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2019

BARS CODE		Total for	001	101
		All Funds 1/	CURRENT EXPENSE FUND	CITY STREET FUND
		Total Amount	Actual Amount	Actual Amount
Beginning Cash and Investments				
30810	Beg Fund Bal-Reserved	\$1,460,815.86	\$0.00	\$114,449.06
30880	Beg Fund Bal-Unreserved	\$4,177,474.38	\$1,857,461.47	\$0.00
38880/58880	Prior Period Adjustments, net	\$0.00	\$0.00	\$0.00
Operating Revenues				
310	Taxes	\$4,222,094.45	\$3,292,784.77	\$0.00
320	Licenses and Permits	\$1,194,639.83	\$1,185,960.83	\$8,679.00
330	Intergovernmental Revenues	\$1,122,853.44	\$209,542.49	\$97,956.24
340	Charges for Goods and Services	\$4,753,196.01	\$1,919,983.98	\$20,958.71
350	Fines and Penalties	\$140,531.59	\$140,531.59	\$0.00
360	Miscellaneous Revenues	\$2,077,027.52	\$929,998.81	\$1,445.86
Total Operating Revenues:		\$13,510,342.84	\$7,678,802.47	\$129,039.81
Operating Expenditures:				
510	General Government	\$1,179,080.77	\$1,171,165.16	\$0.00
520	Public Safety	\$2,467,877.46	\$2,467,877.46	\$0.00
530	Utilities	\$2,315,338.21	\$13,090.25	\$0.00
540	Transportation	\$295,657.68	\$0.00	\$285,960.46
550	Economic Environment	\$2,395,704.57	\$2,380,704.57	\$0.00
560	Social Services	\$1,189.47	\$1,189.47	\$0.00
570	Culture And Recreation	\$91,496.12	\$81,360.62	\$0.00
598	Intergovernmental Payments	\$0.00	\$0.00	\$0.00
Total Operating Expenditures:		\$8,746,344.28	\$6,115,387.53	\$285,960.46
Net Operating Increase (Decrease):		\$4,763,998.56	\$1,563,414.94	(\$156,920.65)
Nonoperating Revenues				
370,380,395,398	Other Financing Sources	\$473,208.13	\$348,143.39	\$9,214.63
391-393	Debt Proceeds	\$0.00	\$0.00	\$0.00
397	Transfers-In	\$347,000.00	\$0.00	\$120,000.00
Total Nonoperating Revenues:		\$820,208.13	\$348,143.39	\$129,214.63
Nonoperating Expenditures				
580,596,599	Other Financing Uses	\$177,948.78	\$163,264.30	\$0.00
591-593	Debt Service	\$350,708.13	\$34,880.00	\$0.00
594-595	Capital Expenditures	\$1,951,146.20	\$2,415.98	\$0.00
597	Transfers-Out	\$347,000.00	\$67,000.00	\$10,000.00
Total Nonoperating Expenditures:		\$2,826,803.11	\$267,560.28	\$10,000.00
Increase (Decrease in Cash and Investments		\$2,757,403.58	\$1,643,998.05	(\$37,706.02)
Ending Cash and Investments				
50810	End Fund Bal-Reserved	\$2,220,441.97	\$15,137.36	\$76,743.04
50880	End Fund Balance-Unreserved	\$6,175,251.85	\$3,486,322.16	\$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.

2019 CITY OF BLACK DIAMOND ANNUAL FINANCIAL REPORT

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STATEMENT C-4

City of Black Diamond

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FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2019

BARS CODE		107	108	109
		IMPACT MITIGATION FEE FUND	TRANSPORTATION BENEFIT DISTRICT FUND	TRAFFIC MITIGATION FUND
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments				
30810	Beg Fund Bal-Reserved	\$497,098.77	\$2,155.43	\$133,404.28
30880	Beg Fund Bal-Unreserved	\$0.00	\$0.00	\$0.00
38880/58880	Prior Period Adjustments, net	\$0.00	\$0.00	\$0.00
Operating Revenues				
310	Taxes	\$0.00	\$104,801.40	\$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	\$424,050.78	\$0.00	\$0.00
350	Fines and Penalties	\$0.00	\$0.00	\$0.00
360	Miscellaneous Revenues	\$15,477.37	\$472.26	\$3,135.13
Total Operating Revenues:		\$439,528.15	\$105,273.66	\$3,135.13
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):		\$439,528.15	\$105,273.66	\$3,135.13
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	\$0.00	\$0.00
Total Nonoperating Revenues:		\$0.00	\$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	\$0.00	\$0.00	\$0.00
597	Transfers-Out	\$0.00	\$85,000.00	\$0.00
Total Nonoperating Expenditures:		\$0.00	\$85,000.00	\$0.00
Increase (Decrease in Cash and Investments		\$439,528.15	\$20,273.66	\$3,135.13
Ending Cash and Investments				
50810	End Fund Bal-Reserved	\$936,626.92	\$22,429.09	\$136,539.41
50880	End Fund Balance-Unreserved	\$0.00	\$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.

2019 CITY OF BLACK DIAMOND ANNUAL FINANCIAL REPORT

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STATEMENT C-4

City of Black Diamond

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FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2019

BARS CODE		310	320	401
		CIP FUND GENERAL GOVERNMENT	CIP FUND- STREETS	WATER FUND
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments				
30810	Beg Fund Bal-Reserved	\$192,219.58	\$249,002.64	\$272,486.10
30880	Beg Fund Bal-Unreserved	\$291,327.41	\$113,621.24	\$911,073.04
38880/58880	Prior Period Adjustments, net	\$0.00	\$0.00	\$0.00
Operating Revenues				
310	Taxes	\$412,511.64	\$411,996.64	\$0.00
320	Licenses and Permits	\$0.00	\$0.00	\$0.00
330	Intergovernmental Revenues	\$34,128.01	\$482,731.00	\$0.00
340	Charges for Goods and Services	\$20,950.00	\$12,000.00	\$937,946.51
350	Fines and Penalties	\$0.00	\$0.00	\$0.00
360	Miscellaneous Revenues	\$4,085.51	\$6,123.25	\$877,929.34
Total Operating Revenues:		\$471,675.16	\$912,850.89	\$1,815,875.85
Operating Expenditures:				
510	General Government	\$7,915.61	\$0.00	\$0.00
520	Public Safety	\$0.00	\$0.00	\$0.00
530	Utilities	\$0.00	\$0.00	\$823,230.57
540	Transportation	\$0.00	\$9,697.22	\$0.00
550	Economic Environment	\$15,000.00	\$0.00	\$0.00
560	Social Services	\$0.00	\$0.00	\$0.00
570	Culture And Recreation	\$10,135.50	\$0.00	\$0.00
598	Intergovernmental Payments	\$0.00	\$0.00	\$0.00
Total Operating Expenditures:		\$33,051.11	\$9,697.22	\$823,230.57
Net Operating Increase (Decrease):		\$438,624.05	\$903,153.67	\$992,645.28
Nonoperating Revenues				
370,380,395,398	Other Financing Sources	\$0.00	\$81,685.17	\$2,164.94
391-393	Debt Proceeds	\$0.00	\$0.00	\$0.00
397	Transfers-In	\$0.00	\$0.00	\$0.00
Total Nonoperating Revenues:		\$0.00	\$81,685.17	\$2,164.94
Nonoperating Expenditures				
580,596,599	Other Financing Uses	\$0.00	\$14,684.48	\$0.00
591-593	Debt Service	\$0.00	\$0.00	\$315,828.13
594-595	Capital Expenditures	\$167,281.74	\$622,934.44	\$515,036.97
597	Transfers-Out	\$55,000.00	\$110,000.00	\$10,000.00
Total Nonoperating Expenditures:		\$222,281.74	\$747,618.92	\$840,865.10
Increase (Decrease in Cash and Investments		\$216,342.31	\$237,219.92	\$153,945.12
Ending Cash and Investments				
50810	End Fund Bal-Reserved	\$349,426.73	\$432,054.94	\$251,484.48
50880	End Fund Balance-Unreserved	\$350,462.57	\$167,788.86	\$1,086,019.78

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

2019 CITY OF BLACK DIAMOND ANNUAL FINANCIAL REPORT

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STATEMENT C-4

City of Black Diamond

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FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2019

BARS CODE		407	410	510
		SEWER FUND	STORMWATER FUND	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	\$498,192.85	\$141,250.32	\$364,548.05
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	\$298,495.70	\$0.00
340	Charges for Goods and Services	\$929,667.92	\$487,638.11	\$0.00
350	Fines and Penalties	\$0.00	\$0.00	\$0.00
360	Miscellaneous Revenues	\$68,070.57	\$157,264.44	\$13,024.98
Total Operating Revenues:		\$997,738.49	\$943,398.25	\$13,024.98
Operating Expenditures:				
510	General Government	\$0.00	\$0.00	\$0.00
520	Public Safety	\$0.00	\$0.00	\$0.00
530	Utilities	\$1,023,360.08	\$455,657.31	\$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:		\$1,023,360.08	\$455,657.31	\$0.00
Net Operating Increase (Decrease):		(\$25,621.59)	\$487,740.94	\$13,024.98
Nonoperating Revenues				
370,380,395,398	Other Financing Sources	\$32,000.00	\$0.00	\$0.00
391-393	Debt Proceeds	\$0.00	\$0.00	\$0.00
397	Transfers-In	\$75,000.00	\$0.00	\$152,000.00
Total Nonoperating Revenues:		\$107,000.00	\$0.00	\$152,000.00
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	\$58,423.62	\$363,027.39	\$222,026.06
597	Transfers-Out	\$10,000.00	\$0.00	\$0.00
Total Nonoperating Expenditures:		\$68,423.62	\$363,027.39	\$222,026.06
Increase (Decrease in Cash and Investments		\$12,954.79	\$124,713.55	(\$57,001.08)
Ending Cash and Investments				
50810	End Fund Bal-Reserved	\$0.00	\$0.00	\$0.00
50880	End Fund Balance-Unreserved	\$511,147.64	\$265,963.87	\$307,546.97

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

The Accompanying Notes Are An Integral Part Of This Statement.

2019 CITY OF BLACK DIAMOND ANNUAL FINANCIAL REPORT

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STATEMENT C-5

City of Black Diamond

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FIDUCIARY FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2019

BARS Code		Total for	633	634	635	637	
		All Funds 1/	TREASURER'S TRUST FUND	TREASURER'S TRUST-RETAINAGE	TREASURER'S TRUST-COURT	SCHOOL MITIGATION FEES	
308	Beginning Cash and Investments	\$204,177.41	\$163,369.93	\$38,757.48	\$2,050.00	\$0.00	\$0.00
388 and 588	Prior Period Adjustments, net	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
310-360	Revenues	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
380-390	Other Increases and Financing Sources	\$2,322,479.58	\$138,237.18	\$0.00	\$378,586.40	\$1,805,656.00	\$0.00
510-570	Expenditures	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
580-590	Other Decreases and Financing Uses	\$2,525,215.94	\$300,628.86	\$38,757.48	\$380,173.60	\$1,805,656.00	\$0.00
	Increase (Decrease) in Cash and Investments	(\$202,736.36)	(\$162,391.68)	(\$38,757.48)	(\$1,587.20)	\$0.00	\$0.00
508	Ending Cash and Investments	\$1,441.05	\$978.25	\$0.00	\$462.80	\$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

Schedule 07

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SCHEDULE OF DISBURSEMENT ACTIVITY

For the Year Ending December 31, 2019

Fund No.	Fund Title	Beginning Outstanding Items 01/01/2019	Issued During the Year	Redeemed During the Year	Canceled During the Year	Ending Outstanding Items 12/31/2019	Prior Year Open Period Items	Current Year Open Period Items	Disbursements 12/31/2019
001	CURRENT EXPENSE FUND	\$496,335	\$3,222,275	\$2,966,644	\$0	\$751,966	\$0	\$0	\$3,222,275
101	CITY STREET FUND	\$22,471	\$145,486	\$122,992	\$0	\$44,964	\$0	\$0	\$145,486
310	CIP FUND GENERAL GOVERNMENT	\$4,895	\$28,843	\$32,764	\$0	\$973	\$0	\$0	\$28,843
320	CIP FUND-STREETS	\$41,337	\$170,358	\$102,549	\$0	\$109,146	\$0	\$0	\$170,358
401	WATER FUND	\$158,449	\$1,082,181	\$603,981	\$0	\$636,650	\$0	\$0	\$1,082,181
407	SEWER FUND	\$19,718	\$547,418	\$360,435	\$0	\$206,701	\$0	\$0	\$547,418
410	STORMWATER FUND	\$17,718	\$164,988	\$136,526	\$0	\$46,180	\$0	\$0	\$164,988
510	INTERNAL SERVICE FUND	\$875	\$64,902	\$50,225	\$0	\$15,552	\$0	\$0	\$64,902
633	TREASURER'S TRUST FUND	\$20,523	\$286,530	\$288,185	\$0	\$18,869	\$0	\$0	\$286,530
637	SCHOOL MITIGATION FEES	\$163,443	\$843,009	\$694,243	\$0	\$312,209	\$0	\$0	\$843,009
TOTAL		\$945,764	\$6,555,990	\$5,358,544	\$0	\$2,143,210	\$0	\$0	\$6,555,990

2019 CITY OF BLACK DIAMOND ANNUAL FINANCIAL REPORT

City of Black Diamond

Schedule 09

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SCHEDULE OF LIABILITIES

For the Year Ending December 31, 2019

ID. No.	Description	Maturity Payment Due Date	Beginning Balance 01/01/2019	Additions	Reductions	BARS Code for Redemption of Debt Only	Ending Balance 12/31/2019
263.88	Water Purchase 2005	1/1/2024	\$1,772,932		\$295,488	591.34	\$1,477,444
263.88	Corrosion Control 2006	1/1/2022	\$45,000		\$11,250	591.34	\$33,750
259.12	Compensated Absences GF/Street	12/31/2019	\$203,977		\$24,650		\$179,327
259.12	Compensated Absences Water	12/31/2019	\$18,046	\$4,851			\$22,897
259.12	Compensated Absences Sewer	12/31/2019	\$17,909	\$1,063			\$18,972
259.12	Compensated Absences Storm	12/31/2019	\$17,770	\$2,110			\$19,880
264.3	Pension Liabilities	12/31/2019	\$715,405		\$64,776		\$650,629
			\$2,791,039	\$8,024	\$396,164		\$2,402,899

The accompanying notes are an integral part of this Statement

2019 CITY OF BLACK DIAMOND ANNUAL FINANCIAL REPORT

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SCHEDULE 11

City of Black Diamond

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SCHEDULE OF CASH ACTIVITY

For the Year Ended December 31, 2019

Fund Number	Fund Title	Beginning Cash and Investments	Receipts	Transfers-In	Other Revenue	Netted Transactions
001	CURRENT EXPENSE FUND	\$1,857,461.47	\$8,386,635.90	\$0.00	(\$325,924.72)	\$33,765.32
101	CITY STREET FUND	\$114,449.06	\$124,097.08	\$120,000.00	\$14,156.38	(\$0.98)
107	IMPACT MITIGATION FEE FUND	\$497,098.77	\$439,528.15	\$0.00	\$0.00	\$0.00
108	TRANSPORTATION BENEFIT	\$2,155.43	\$105,273.66	\$0.00	\$0.00	\$0.00
109	TRAFFIC MITIGATION FUND	\$133,404.28	\$3,135.13	\$0.00	\$0.00	\$0.00
310	CIP FUND GENERAL GOVERNMENT	\$483,546.99	\$59,819.99	\$0.00	\$411,996.64	\$141.47
320	CIP FUND-STREETS	\$362,623.88	\$543,104.11	\$0.00	\$451,431.95	\$0.00
401	WATER FUND	\$1,183,559.14	\$1,783,531.60	\$0.00	\$40,308.87	\$5,799.68
407	SEWER FUND	\$498,192.85	\$984,000.48	\$75,000.00	\$45,736.38	(\$1.63)
410	STORMWATER FUND	\$141,250.32	\$1,198,585.32	\$0.00	\$9,908.37	\$265,095.44
510	INTERNAL SERVICE FUND	\$364,548.05	\$13,024.98	\$152,000.00	\$0.00	\$0.00
633	TREASURER'S TRUST FUND	\$163,369.93	\$138,280.43	\$0.00	\$0.00	\$43.25
634	TREASURER'S TRUST-RETAINAGE	\$38,757.48	\$677.83	\$0.00	(\$677.83)	\$0.00
635	TREASURER'S TRUST-COURT	\$2,050.00	\$378,586.40	\$0.00	\$0.00	\$0.00
637	SCHOOL MITIGATION FEES	\$0.00	\$1,805,656.00	\$0.00	\$0.00	\$0.00
TOTAL		\$5,842,467.65	\$15,963,937.06	\$347,000.00	\$646,936.04	\$304,842.55

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SCHEDULE 11

City of Black Diamond

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SCHEDULE OF CASH ACTIVITY

For the Year Ended December 31, 2019

Fund Number	Fund Title	Total Increase (4+5+6-7)	Disbursements	Transfers-Out	Other Expenditures	Total Decrease (9+10+11-7)	Ending Cash & Investments (3+8-12)
001	CURRENT EXPENSE FUND	\$8,026,945.86	\$6,293,595.11	\$67,000.00	\$56,118.02	\$6,382,947.81	\$3,501,459.52
101	CITY STREET FUND	\$258,254.44	\$296,916.86	\$10,000.00	(\$10,957.38)	\$295,960.46	\$76,743.04
107	IMPACT MITIGATION FEE FUND	\$439,528.15	\$0.00	\$0.00	\$0.00	\$0.00	\$936,626.92
108	TRANSPORTATION BENEFIT	\$105,273.66	\$0.00	\$85,000.00	\$0.00	\$85,000.00	\$22,429.09
109	TRAFFIC MITIGATION FUND	\$3,135.13	\$0.00	\$0.00	\$0.00	\$0.00	\$136,539.41
310	CIP FUND GENERAL GOVERNMENT	\$471,675.16	\$190,338.82	\$55,000.00	\$10,135.50	\$255,332.85	\$699,889.30
320	CIP FUND-STREETS	\$994,536.06	\$621,773.89	\$110,000.00	\$25,542.25	\$757,316.14	\$599,843.80
401	WATER FUND	\$1,818,040.79	\$1,501,515.51	\$10,000.00	\$158,379.84	\$1,664,095.67	\$1,337,504.26
407	SEWER FUND	\$1,104,738.49	\$996,362.37	\$10,000.00	\$85,419.70	\$1,091,783.70	\$511,147.64
410	STORMWATER FUND	\$943,398.25	\$963,609.44	\$0.00	\$120,170.70	\$818,684.70	\$265,963.87
510	INTERNAL SERVICE FUND	\$165,024.98	\$222,026.06	\$0.00	\$0.00	\$222,026.06	\$307,546.97
633	TREASURER'S TRUST FUND	\$138,237.18	\$137,302.18	\$0.00	\$163,369.93	\$300,628.86	\$978.25
634	TREASURER'S TRUST-RETAINAGE	\$0.00	\$0.00	\$0.00	\$38,757.48	\$38,757.48	\$0.00
635	TREASURER'S TRUST-COURT	\$378,586.40	\$380,173.60	\$0.00	\$0.00	\$380,173.60	\$462.80
637	SCHOOL MITIGATION FEES	\$1,805,656.00	\$1,805,656.00	\$0.00	\$0.00	\$1,805,656.00	\$0.00
TOTAL		\$16,653,030.55	\$13,409,269.84	\$347,000.00	\$646,936.04	\$14,098,363.33	\$8,397,134.87

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Schedule 15

City of Black Diamond
SCHEDULE OF STATE FINANCIAL ASSISTANCE
For the Year Ended December 31, 2019

State Agency BARS Account	Program Title	Identification #	Amount
334-03-80	Roberts Dr. Rehab	6-P-800-002	\$ 482,731
334-03-10	Stormwater Capacity	WQSWCAP-1719	\$ 24,902
334-01-20	Public Defense	GRT 18490	\$ 4,000
334-01-22	Court Judicial Alloc		\$ 1,292
334-03-10	DOE Shoreline	SEASMP-1719-BlaDia-00001	\$ 8,985
334-01-20	Records / Archive	G-6206	\$ 8,561
Total State Financial Assistance			\$530,471

City of Black Diamond

Schedule 16

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SCHEDULE OF LIABILITIES
For the Year Ending December 31, 2019

CFDA #	Federal Agency Name	Federal Program Name	Pass-Through Agency	Other Award Number	Total	Footnote Ref.
16.607	Office of Justice Programs, Justice, Department of	Bulletproof Vest Partnership Program	Washington State Patrol		\$ 1,412	1
20.600	National Highway Traffic Safety Administration, Transportation, Department of	State and Community Highway Safety	WA Assoc of Police Sheriffs and Chiefs	USCG 97-012	\$ 10,336	1
20.616	National Highway Traffic Safety Administration, Transportation, Department of	Motorcycle Safety	WA Assoc of Police Sheriffs and Chiefs		\$ 1,255	1
97.012	U.S. Coast Guard, Homeland Security, Department of	Boating Safety Financial Assistance	Washington Parks		\$ 11,704	1, 2
Total					\$ 24,707	

Note 1 – Basis of Accounting

This Schedule is prepared on the same basis of accounting as the City of Black Diamond's financial statements. The City of Black Diamond 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 of Black Diamond's portion, are more than shown. Such expenditures are recognized following, as applicable, either the cost principles in the OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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City of Black Diamond

Schedule 19

**Labor Relations Consultant(S)
For the Year Ended December 31, 2019**

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 and staff
Business address: 315 5 th Avenue S., Suite 1000 Seattle, Washington 981404-2682
Amount paid to consultant during fiscal year: \$25,594.18
Terms and conditions, as applicable, including: Rates (e.g., hourly, etc.) \$275 per Hour Maximum compensation allowed – Per Annual Budget Duration of services- Continuing Services provided- Employment and Labor Services

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City of Black Diamond

Schedule 21

LOCAL GOVERNMENT RISK-ASSUMPTION

For the Year Ended December 31, 2019

Program Manager: Brenda Martinez

Address: PO Box 599
Black Diamond, WA 98050

Phone: (360) 886-5700

Email: bmartinez@blackdiamondwa.gov

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

For the Fiscal Year Ended December 31, 2019

PO Box 599
Black Diamond, WA 98010

WEBSITE: ci.blackdiamond.wa.us

mmiller@blackdiamondwa.gov

Telephone (360) 851-4500

AUDIT CONTACT or PREPARER INFORMATION and CERTIFICATION:

Preparer Name and Title: Mayene Miller, Finance Director

I certify the 8th day of July, 2019, 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: _____