



2022 ANNUAL REPORT

City of Black Diamond, WA

MCAG # 0379

FINANCE DEPARTMENT

PO Box 599

Black Diamond, WA 98010

www.blackdiamondwa.gov

Has Been Submitted pursuant to RCW 43.09.230

To The

STATE AUDITOR'S OFFICE

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022

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Directory of Officials

Mayor

Carol Benson

Council Members

Tamie Deady

Kristiana de Leon

Brad Douglass

Leih Mulvihill

Bernie O'Donnell

Debbie Page

Therron Smith

Patricia Stallard

**All Council members who served during 2022*



Mayor Benson

MCAG 0379
City of Black Diamond
Notes to Financial Statements
December 31, 2022

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 contract with Mountain View Fire and Rescue. In addition, the city owns and operates water, sewer and storm water utility systems.

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

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

A. Fund Accounting

Financial transactions of the City 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. The total column is presented as “memo only” because any interfund activities are not eliminated. The following fund types are used by the City:

GOVERNMENTAL FUND TYPES:**General Fund**

This fund is the primary operating fund of the City. 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, committed, or assigned to expenditures for specified purposes of the City.

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 on a cost reimbursement basis.

FIDUCIARY FUND TYPES:

Fiduciary funds account for assets held by the City 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 also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

C. Cash and Investments

See Note 3, Deposits and Investments

D. Capital Assets

Capital assets are assets with an initial individual cost of more than \$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
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

0-1 Years	0%
1-5 Years	10%
6-12 Years	20%
13-20 Years	30%
21-24 Years	40%
25+ Years	50%

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%.

Compensated absence liabilities as of December 31, 2022 are shown in the following chart and on the Schedule 9.

	Police	Gen Govt	Street	Water	Sewer	Storm	Total
Total	\$114,704	\$118,683	\$14,333	\$23,926	\$20,594	\$20,712	\$312,952.14

Payments are recognized as expenditures when paid.

F. Long-term Debt

See note 6 Debt Service Requirements

G. Restricted and Committed Portion of Ending Cash and Investments

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

On December 31, 2022, the City reported the following restricted fund balances:

- 001: General Fund - \$19,411 - police drug funds restricted per RCW.
- 101: Street Special Revenue Fund – \$229,070 – motor vehicle fuel taxes and TBD transfers in restricted per RCW and grant funds restricted by grantors.
- 108: Transportation Benefit District Fund - \$78,497 restricted per RCW.
- 110: ARPA Fiscal Recovery Fund - \$151,212 Restricted per Federal Government
- 310: CIP Fund- \$1,269,956 restricted REET revenues per RCW 82.46.010.
- 320: CIP Street Fund- \$991,239 restricted REET revenues RCW 82.46.035.
- 401: Water Utility Fund - \$257,340 - Developer pre-funding of Capital Projects per the Water Facility Funding Agreement with the Developers.
- 63X: Treasure’s Trust - \$2,475 – per State requirement

On December 31, 2022, the City reported the following committed fund balances:

- 107: Fire Impact Fee Fund - \$1,239,869 committed for fire facilities and equipment per Ordinance 12-890.
- 112: Traffic Impact Fee Fund - \$5,012 committed for new street capacity adding projects per Ordinance 21-1165.



Public Works Staff

Note 2. Budget Compliance

The City 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 2022 were as follows:

	Description	Final Appropriated Amounts 2022	Actual Expenditures 2022	Variance Over (Under)
001	General Fund Total	\$14,168,819	\$10,953,227	\$3,215,592
101	Street Fund	\$546,977	\$470,513	\$76,464
107	Fire Impact Fee Fund	\$2,037,891	\$732,560	\$1,305,331
108	Transportation Benefit District Fund	\$100,000	\$100,000	\$0
109	Traffic Mitigation Fund	\$240,700	\$0	\$240,700
110	ARPA Fiscal Recovery	\$1,236,256	\$1,090,000	\$146,256
111	School Impact Fees	\$2,500,000	\$633,102	\$1,866,898
112	Traffic Impact Fees	\$130,200	\$0	\$130,200
31X	Gen Government Capital Funds	\$6,674,982	\$2,230,449	\$4,444,532
32X	Street Capital Projects Funds	\$6,841,762	\$1,720,417	\$5,121,345
40X	Water Operating/Capital Funds	\$6,218,231	\$3,131,212	\$3,087,019
40X	Sewer Operating/Capital Funds	\$2,224,568	\$1,864,663	\$359,905
41X	Stormwater Operating/Capital Funds	\$1,664,187	\$994,364	\$669,823
510	Internal Service & Equipment Repl Fund	\$710,597	\$478,550	\$232,047
	Total All Funds	\$45,295,170	\$24,399,057	\$20,896,113

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'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

CASH - On December 31, 2022 the City had an ending cash balance of \$1,818,398 in short term cash. This total includes \$950 in change funds and petty cash.

INVESTMENTS – It is the City’s policy to invest all temporary cash surpluses. Investment interest earned is prorated to the various funds. Investments are reported at original cost value.

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

The Office of the State Treasurer prepares a stand-alone financial report for the pool. A copy of the report is available from the Office of the State Treasurer, PO Box 402000, Olympia, Washington 98504-0200 or online at www.tre.wa.gov.

The balance in the Local Government Investment Pool as of December 31, 2022, was as follows:

Type of Investment	City’s Own Investments	Investments held for other Entities	Total
L.G.I.P.	\$17,942,865	\$0	\$17,942,865

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 2022 was \$1.66408 per \$1,000 on an assessed valuation of \$1,480,851,007 for a total regular levy of \$2,106,447.

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, 2022:

Receiving Fund	Loaning Fund	2022 Beginning Balance	2022 Issued	2022 Repayment	2022 Ending Balance
Equip. Replace Fund	Sewer Reserves	\$32,000	\$0	\$32,000	\$0

Note 6. Long-Term Debt (Debt Service Requirements)

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities and summarizes the City's debt transactions for year ended December 31, 2022

Debt service requirements for outstanding loans are as follows:

Year	Principal	Interest	Total
2022	\$306,738	\$4,455	\$311,193
2023	\$295,488	\$2,955	\$298,443
2024	\$295,488	\$1,477	\$296,965
Total	\$897,714	\$8,887	\$906,601

Note 7. Leases

During the year ended 2022, the City of Black Diamond adopted guidance for the presentation and disclosure of leases, as required by the BARS manual. This requirement resulted in the addition of a lease liability reported on the Schedule of Liabilities.

The City of Black Diamond leases land and buildings from Sorci Family, LLC. & Williams Scotsman, Inc. for \$18,183.65 per month under lease agreements that continue for 5 years. The leases began in July of 2022 and will end June of 2027 and include options to cancel after the 5 years.

The total amount paid for leases in 2022 was \$166,819.68. As of December 31, 2022, the future lease payments are as follows:

Year ended December 31	Total
2023	\$225,863.42
2024	\$233,906.03
2025	\$242,350.76
2026	\$251,217.74
2027	\$151,974.70
Total	\$1,105,312.65

Note 8. Pension Plans

State Sponsored Pension Plans

Substantially all the City'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 that includes financial statements and required supplementary information for each plan. The DRS financial report may be obtained by writing to:

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

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

On June 30, 2022, the City'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	\$102,329	0.016697%	\$464,906
PERS 2/3	\$174,585	0.021586%	(\$805,992)
LEOFF 1	\$0	0.000856%	(\$24,555)
LEOFF 2	\$68,317	0.032998%	(\$896,786)

LEOFF Plan 1

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

LEOFF Plan 2

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

Note 9. Other Postemployment Benefits (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 as required by RCW. The plan pays for 100% of eligible retirees' healthcare costs on a pay-as-you-go basis. As of December 31, 2022, the plan had one retired member. As of December 31, 2022, the City's OPEB liability was \$297,969, as calculated using the alternative measurement method. For the year ended December 31, 2022, the City of Black Diamond paid \$74,836.00 in benefits.

Note 10. 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, 2021, 105 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. Pollution, and cyber liability coverages are stand-alone policies, which the AWC RMSA procures for its members. The AWC RMSA allows members with airports to group purchase airport liability coverage, and members with drones to group purchase property and 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 National League of Cities Mutual Insurance Company (NLC MIC) 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 Hallmark Specialty Insurance Company. Since AWC RMSA is a cooperative program, there is joint liability among the participating members. The reinsurance coverage is purchased through NLC MIC and excess property coverage is purchased through AIG Specialty Insurance Company, and CHUBB in 2021, AWC RMSA carried a retention of \$200,000, NLC MIC reinsures up to \$3 million, AIG Specialty Insurance Company provides excess insurance up to \$50 million, and CHUBB provides 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 11. AWC Health and Welfare Note

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

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

As of December 31, 2022, 262 cities/towns/non-city entities participate and have enrollment in the AWC Trust HCP.

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

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

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

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. In 2022, the AWC Trust HCP purchased medical stop loss insurance for Regence/Asuris and Kaiser plans at an Individual Stop Loss (ISL) of \$1.5 million through United States Fire Insurance Company. The aggregate policy is for 200% of expected medical claims.

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

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

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



Green River Gorge

City of Black Diamond
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		Total for All Funds (Memo Only)	001 CURRENT EXPENSE FUND	101 CITY STREET FUND	107 FIRE IMPACT MIT. FEE FUND
Beginning Cash and Investments					
308	Beginning Cash and Investments	17,190,572	8,346,574	292,205	1,623,301
388 / 588	Net Adjustments	(13,413)	(13,413)	-	-
Revenues					
310	Taxes	7,276,690	5,197,475	-	-
320	Licenses and Permits	1,204,784	1,190,582	14,202	-
330	Intergovernmental Revenues	1,633,654	280,289	106,865	-
340	Charges for Goods and Services	7,257,962	1,891,760	38,253	317,400
350	Fines and Penalties	93,187	93,187	-	-
360	Miscellaneous Revenues	1,659,507	1,118,083	4,434	31,727
Total Revenues:		19,125,784	9,771,376	163,754	349,127
Expenditures					
510	General Government	2,356,125	1,723,023	-	-
520	Public Safety	3,587,041	3,517,597	-	-
530	Utilities	3,969,590	38,484	-	-
540	Transportation	460,880	-	459,512	-
550	Natural/Economic Environment	2,778,253	2,765,311	-	-
560	Social Services	16,602	16,602	-	-
570	Culture and Recreation	186,393	186,393	-	-
Total Expenditures:		13,354,884	8,247,410	459,512	-
Excess (Deficiency) Revenues over Expenditures:		5,770,900	1,523,966	(295,758)	349,127
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	5,144,560	-	340,000	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	148,151	-	478	-
Total Other Increases in Fund Resources:		5,292,711	-	340,478	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	2,585,171	150	-	-
591-593, 599	Debt Service	478,047	166,820	-	-
597	Transfers-Out	5,144,560	2,152,000	11,000	732,560
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	274,208	32,100	-	-
Total Other Decreases in Fund Resources:		8,481,986	2,351,070	11,000	732,560
Increase (Decrease) in Cash and Investments:		2,581,625	(827,104)	33,720	(383,433)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	2,996,725	19,411	229,070	-
50841	Committed	1,244,881	-	-	1,239,869
50851	Assigned	8,030,534	-	96,854	-
50891	Unassigned	7,486,648	7,486,648	-	-
Total Ending Cash and Investments		19,758,788	7,506,059	325,924	1,239,869

City of Black Diamond
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		108 TRANSPORTATI ON BENEFIT	109 TRAFFIC MITIGATION FUND	110 ARPA Recvry Fed Funds
Beginning Cash and Investments				
308	Beginning Cash and Investments	53,427	216,654	568,288
388 / 588	Net Adjustments	-	-	-
Revenues				
310	Taxes	123,651	-	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	-	-	667,955
340	Charges for Goods and Services	-	62,257	-
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	1,419	4,515	4,969
Total Revenues:		125,070	66,772	672,924
Expenditures				
510	General Government	-	-	-
520	Public Safety	-	-	65,000
530	Utilities	-	-	-
540	Transportation	-	-	-
550	Natural/Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
Total Expenditures:		-	-	65,000
Excess (Deficiency) Revenues over Expenditures:		125,070	66,772	607,924
Other Increases in Fund Resources				
391-393, 596	Debt Proceeds	-	-	-
397	Transfers-In	-	-	-
385	Special or Extraordinary Items	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-
Total Other Increases in Fund Resources:		-	-	-
Other Decreases in Fund Resources				
594-595	Capital Expenditures	-	-	-
591-593, 599	Debt Service	-	-	-
597	Transfers-Out	100,000	-	1,025,000
585	Special or Extraordinary Items	-	-	-
581, 582, 589	Other Uses	-	-	-
Total Other Decreases in Fund Resources:		100,000	-	1,025,000
Increase (Decrease) in Cash and Investments:		25,070	66,772	(417,076)
Ending Cash and Investments				
50821	Nonspendable	-	-	-
50831	Restricted	78,497	-	151,212
50841	Committed	-	-	-
50851	Assigned	-	283,426	-
50891	Unassigned	-	-	-
Total Ending Cash and Investments		78,497	283,426	151,212

City of Black Diamond
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		111 School Impact Fees Fund	112 Traffic Impact Fees	310 CIP FUND GENERAL GOVERNMENT	320 CIP FUND- STREETS
Beginning Cash and Investments					
308	Beginning Cash and Investments	-	-	1,606,887	1,275,957
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	979,267	976,297
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	115,080	116,958
340	Charges for Goods and Services	633,102	4,983	25,050	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	29	3,912	12,979
Total Revenues:		633,102	5,012	1,123,309	1,106,234
Expenditures					
510	General Government	633,102	-	-	-
520	Public Safety	-	-	4,444	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	1,368
550	Natural/Economic Environment	-	-	12,942	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		633,102	-	17,386	1,368
Excess (Deficiency) Revenues over Expenditures:		-	5,012	1,105,923	1,104,866
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	2,567,560	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	80,103
Total Other Increases in Fund Resources:		-	-	2,567,560	80,103
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	912,374	214,191
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	1,091,000
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	121,250	120,858
Total Other Decreases in Fund Resources:		-	-	1,033,624	1,426,049
Increase (Decrease) in Cash and Investments:		-	5,012	2,639,859	(241,080)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	1,269,956	991,239
50841	Committed	-	5,012	-	-
50851	Assigned	-	-	2,976,792	43,639
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		-	5,012	4,246,748	1,034,878

City of Black Diamond
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		401 WATER FUND	407 SEWER FUND	410 STORMWATER FUND
Beginning Cash and Investments				
308	Beginning Cash and Investments	1,646,786	819,937	441,546
388 / 588	Net Adjustments	-	-	-
Revenues				
310	Taxes	-	-	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	270,337	-	50,000
340	Charges for Goods and Services	1,642,379	1,895,895	746,883
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	328,986	102,151	43,419
Total Revenues:		2,241,702	1,998,046	840,302
Expenditures				
510	General Government	-	-	-
520	Public Safety	-	-	-
530	Utilities	1,409,044	1,838,663	683,399
540	Transportation	-	-	-
550	Natural/Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
Total Expenditures:		1,409,044	1,838,663	683,399
Excess (Deficiency) Revenues over Expenditures:		832,658	159,383	156,903
Other Increases in Fund Resources				
391-393, 596	Debt Proceeds	-	-	-
397	Transfers-In	1,946,000	-	-
385	Special or Extraordinary Items	-	-	-
381, 382, 389, 395, 398	Other Resources	-	32,000	-
Total Other Increases in Fund Resources:		1,946,000	32,000	-
Other Decreases in Fund Resources				
594-595	Capital Expenditures	889,940	-	89,966
591-593, 599	Debt Service	311,227	-	-
597	Transfers-Out	11,000	11,000	11,000
585	Special or Extraordinary Items	-	-	-
581, 582, 589	Other Uses	-	-	-
Total Other Decreases in Fund Resources:		1,212,167	11,000	100,966
Increase (Decrease) in Cash and Investments:		1,566,491	180,383	55,937
Ending Cash and Investments				
50821	Nonspendable	-	-	-
50831	Restricted	257,340	-	-
50841	Committed	-	-	-
50851	Assigned	2,955,934	1,000,320	497,485
50891	Unassigned	-	-	-
Total Ending Cash and Investments		3,213,274	1,000,320	497,485

City of Black Diamond
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		<u>510 INTERNAL SERVICE FUND</u>
Beginning Cash and Investments		
308	Beginning Cash and Investments	299,010
388 / 588	Net Adjustments	-
Revenues		
310	Taxes	-
320	Licenses and Permits	-
330	Intergovernmental Revenues	26,170
340	Charges for Goods and Services	-
350	Fines and Penalties	-
360	Miscellaneous Revenues	2,884
Total Revenues:		<u>29,054</u>
Expenditures		
510	General Government	-
520	Public Safety	-
530	Utilities	-
540	Transportation	-
550	Natural/Economic Environment	-
560	Social Services	-
570	Culture and Recreation	-
Total Expenditures:		<u>-</u>
Excess (Deficiency) Revenues over Expenditures:		29,054
Other Increases in Fund Resources		
391-393, 596	Debt Proceeds	-
397	Transfers-In	291,000
385	Special or Extraordinary Items	-
381, 382, 389, 395, 398	Other Resources	35,570
Total Other Increases in Fund Resources:		<u>326,570</u>
Other Decreases in Fund Resources		
594-595	Capital Expenditures	478,550
591-593, 599	Debt Service	-
597	Transfers-Out	-
585	Special or Extraordinary Items	-
581, 582, 589	Other Uses	-
Total Other Decreases in Fund Resources:		<u>478,550</u>
Increase (Decrease) in Cash and Investments:		<u>(122,926)</u>
Ending Cash and Investments		
50821	Nonspendable	-
50831	Restricted	-
50841	Committed	-
50851	Assigned	176,084
50891	Unassigned	-
Total Ending Cash and Investments		<u>176,084</u>

City of Black Diamond
Fiduciary Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2022

		Total for All Funds (Memo Only)	Custodial
308	Beginning Cash and Investments	8,215	8,215
388 & 588	Net Adjustments	-	-
310-390	Additions	282,140	282,140
510-590	Deductions	287,880	287,880
	Net Increase (Decrease) in Cash and Investments:	(5,740)	(5,740)
508	Ending Cash and Investments	2,475	2,475

2022 CITY OF BLACK DIAMOND ANNUAL FINANCIAL REPORT

MCAG No 0379

City of Black Diamond

SCHEDULE SUMMARY OF BANK RECONCILIATION For the Fiscal Period Ending December 31, 2022

[CASH BARS Schedule 06 Instructions Link](#)

Bank & Investment Account name (1)	FROM BANK STATEMENTS					
	Beginning Bank Balance (2)	Deposits		Withdrawals		Ending Bank Balance (7)
		Receipts (3)	Inter-bank transfers In (4)	Disbursements (5)	Inter-bank transfers out (6)	
Columbia Bank	\$ 2,771,031	\$ 19,582,096	\$ 1,000,000	\$ 18,153,435	\$ 2,000,000	\$ 3,199,692
LGIP 1	\$ 16,650,751	\$ 292,114	\$ 2,000,000	\$ -	\$ 1,000,000	\$ 17,942,865
Court	\$ 6,830	\$ 188,532	\$ -	\$ 194,562	\$ -	\$ 800
						\$ -
						\$ -
						\$ -
Bank Totals	\$ 19,428,612	\$ 20,062,742	\$ 3,000,000	\$ 18,347,997	\$ 3,000,000	\$ 21,143,357

RECONCILING ITEMS					
Beginning Deposits in Transit (8)	\$ 18,356	\$ (18,356)			
Year-end Deposits in Transit (9)		\$ 14,633			\$ 14,633
Beginning Outstanding & Open Period Items (10)	\$ (2,249,131)		\$ (2,249,131)		
Year-end Outstanding & Open Period Items (11)			\$ 1,397,677		\$ (1,397,677)
NSF Checks (12)		\$ (13,496)	\$ (13,496)		
Cancellation of unredeemed checks/warrants (13)		+			
Interfund transactions (14)		\$ 5,939,000	\$ 5,939,000		
Netted Transactions (15)		\$ -	\$ -		
Authorized balance of revolving, petty cash and change funds (16)	\$ 950				\$ 950
Other Reconciling Items, net (17)	\$ -				+ / -
Reconciling Items Totals	\$ (2,229,825)	\$ 5,921,781	\$ 5,074,051		\$ (1,382,094)

FROM GENERAL LEDGER					
	Beginning Cash & Investment Balance (19)	Revenues & Other Increases (20)		Expenditures & Other Decreases (21)	Ending Cash & Investment Balance (22)
C4/C5 or Trial Balance Totals (18)	\$ 17,198,788	\$ 25,836,411		\$ 23,273,936	\$ 19,761,263
Unreconciled Variance (23)	\$ -	\$ 148,112		\$ 148,112	\$ 0

**City of Black Diamond
Schedule of Liabilities
For the Year Ended December 31, 2022**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
263.56	City Hall Building Lease	6/30/2027	772,511	-	80,016	692,495
263.56	Land Lease	6/30/2027	136,642	-	21,792	114,850
263.56	Modular Lease	6/30/2027	362,980	-	65,011	297,969
Total General Obligation Debt/Liabilities:			1,272,133	-	166,819	1,105,314
Revenue and Other (non G.O.) Debt/Liabilities						
263.88	Water Purchase 2005	1/1/2024	886,468	-	295,488	590,980
263.88	Corrosion Control 2006	1/1/2022	11,250	-	11,250	-
259.12	Compensated Absences GF/Street	12/31/2022	291,199	-	43,479	247,720
259.12	Compensated Absences Water	12/31/2022	25,091	-	1,165	23,926
259.12	Compensated Absences Sewer	12/31/2022	21,671	-	1,077	20,594
259.12	Compensated Absences Storm	12/31/2022	21,909	-	1,197	20,712
264.30	Pension Liabilities	12/31/2022	173,403	291,503	-	464,906
264.40	OPEB	12/31/2022	572,038	-	119,684	452,354
Total Revenue and Other (non G.O.) Debt/Liabilities:			2,003,029	291,503	473,340	1,821,192
Total Liabilities:			3,275,162	291,503	640,159	2,926,506

**City of Black Diamond
Schedule of Expenditures of State Financial Assistance
For the Year Ended December 31, 2022**

State Agency Name	Program Title	Identification Number	Total
Capital Contributions - State Grant from Other Judicial Agencies	Therapeutic Grant	GRT 18490	30,326
Capital Contributions - State Grant from Other Judicial Agencies	Court Interpreter	GRT 18490	1,308
Capital Contributions - State Grant from Other Judicial Agencies	Court Technology Improvement	GRT 18490	11,757
Sub-Total:			43,391
State Grant from Department of Ecology	Stormwater Capacity	WQSWCAP	50,000
Sub-Total:			50,000
Total State Grants Expended:			93,391

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City of Black Diamond Schedule of Expenditures of Federal Awards For the Year Ended December 31, 2022

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF	Bulletproof Vest Partnership Program	16.607		-	449	449	-	1
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF	National Sexual Assault Kit Initiative	16.833		-	1,093	1,093	-	1
Highway Safety Cluster								
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF	State and Community Highway Safety	20.600		-	5,765	5,765	-	1
	Total Highway Safety Cluster:			-	5,765	5,765	-	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE	COVID 19 - Coronavirus Relief Fund	21.019		-	184,085	184,085	-	1
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE	COVID 19 - Coronavirus Relief Fund	21.019		-	65,000	65,000	65,000	1
	Total ALN 21.019:			-	249,085	249,085	65,000	
U.S. COAST GUARD, HOMELAND SECURITY, DEPARTMENT OF	Boating Safety Financial Assistance	97.012		-	14,289	14,289	-	1
	Total Federal Awards Expended:			-	270,681	270,681	65,000	

The accompanying notes are an integral part of this Statement.

Note 1 – Basis of Accounting (*Required*)

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

Note 2 – Federal De Minimis Indirect Cost Rate

The City of Black Diamond has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

ANNUAL REPORT CERTIFICATION

City of Black Diamond
(Official Name of Government)

0379
MCAG No.

Submitted pursuant to RCW 43.09.230 to the Washington State Auditor's Office
For the Fiscal Year Ended 12/31/2022



GOVERNMENT INFORMATION:

Official Mailing Address PO Box 599
Black Diamond, WA 98010
Official Website Address <https://www.blackdiamondwa.gov/>
Official E-mail Address mmiller@blackdiamondwa.gov
Official Phone Number (360) 851-4500

AUDIT CONTACT or PREPARER INFORMATION and CERTIFICATION:

Audit Contact or Preparer Name and Title Shane O'Neill Deputy Finance Director
Contact Phone Number _____
Contact E-mail Address soneill@blackdiamondwa.gov

I certify 24th day of May, 2023, 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.

Signatures

Shane O'Neill (soneill@blackdiamondwa.gov)

Shane C. O'Neill

05/24/2023