

Comprehensive Annual Financial Report

Fiscal year ended December 31, 2020



FINANCIAL & MANAGEMENT SERVICES

Natasha Ramras, CFO

Report Prepared By:

Accounting Staff

ACCOUNTING MANAGER

Rebecca Harder, CPA

Anna Diaz

Georgiana McNees

Joshua Francis

LaVonne Steiner-Weigel

Micah Elliott

Mike Anderson

Other Staff

TREASURY MANAGER

Carrie Lewellen

Michael Conjugacion



City of Vancouver
Comprehensive Annual Financial Report
December 31, 2020

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal	1
Certificate of Achievement	5
Organization Chart	6
City of Vancouver Elected Officials	7

FINANCIAL SECTION

Independent Auditor's Report	8
Management's Discussion and Analysis	12

Basic Financial Statements

Government-Wide Financial Statements

Statement of Net Position	24
Statement of Activities	25

Fund Financial Statements

Balance Sheet – Governmental Funds	28
Reconciliation of the Balance Sheet of Governmental Fund to the Government Wide Statements of Net Position	30
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	32
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Government Wide Statement of Activities	34
Statement of Revenues, Expenditures, and Changes in Fund Balances – Compared to Budget	
Consolidated General Fund	36
Consolidated Fire Fund	37
Consolidated Street Fund	38
Statement of Net Position - Proprietary Funds	40
Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds	42
Statement of Cash Flows - Proprietary Funds	43
Statement of Fiduciary Net Position	46
Statement of Changes in Fiduciary Net Position	47

Notes to the Basic Financial Statements

Note 1. Summary of Significant Accounting Policies	49
Note 2. Accounting and Reporting Changes	56
Note 3. Deposits and Investments	57
Note 4. Capital Assets	59
Note 5. Interfund Balances and Transfers	62
Note 6. Leases	63
Note 7. Long-Term Debt	64
Note 8. Changes in Long-Term Liabilities	67
Note 9. Contingencies and Litigations	68
Note 10. Other Significant Commitments	68
Note 11. Joint Ventures and Jointly Governed Organizations	69
Note 12. Related Party Transactions	69
Note 13. Risk Management	70
Note 14. Property Tax	71
Note 15. Tax Abatement	71
Note 16. Pension Plans	72
Note 17. Pension and Other Post-Employment (OPEB) Plans	82
Note 18. Special and Extraordinary Items	84
Note 19. Prior Period Adjustments/ Restatements and Changes In Accounting Principles	85
Note 20. Subsequent Events	85
Note 21. Unique and Unusual Transactions and Changes in Operations	86
Note 22. Asset Retirement Obligations	87

Required Supplementary Information

Fire & Police OPEB Schedules	90
State Sponsored Pension Schedules	92
Single Employer Fire & Police Pension Schedules	97

Combining Non-Major Fund Statements

Non-Major Governmental Funds

Combining Balance Sheet – Nonmajor Governmental Funds	102
Combining Statement of Revenues, Expenditures and Fund Balances - Nonmajor Governmental Funds	103
Combining Balance Sheet – Nonmajor Special Revenue Funds	106
Combining Statement of Revenues, Expenditures, and Fund Balances – Nonmajor Special Revenue Funds	110
Combining Balance Sheet – Nonmajor Debt Service Funds	115
Combining Statement of Revenues, Expenditures, and Fund Balances – Nonmajor Debt Service Funds	116
Combining Balance Sheet – Nonmajor Capital Project Funds	118
Combining Statement of Revenues, Expenditures, and Fund Balances – Nonmajor Capital Project Funds	119
Governmental Budget and Actual Schedules	
Investigative Fund	121
Drug Enforcement Fund	122
CED Grants Fund	123
Tourism Fund	124
VNHR Properties Fund	125
Criminal Justice Fund	126
Senior Messenger Fund	127
Parks & Recreation Fund	128
Affordable Housing Fund	129
Affordable Housing State Sales Tax Credit	130
Parkhill Cemetery Fund	131
REET I Fund	132
Downtown Initiatives Fund	133
City/County Cable TV Fund	134
Transportation Benefit District Fund	135
GO Debt Service Fund	136
L.I.D. Debt Service Fund	137
L.I.D. Debt Service Guaranty Fund	138
Transportation Debt Service Fund	139
Parks Construction Fund	140
Transportation Capital Fund	141
2011 Bond Capital Fund	142
Consolidated Transportation Impact Fee Fund	143
School Impact Fee Fund	144
Consolidated Capital Improvement Fund	145
Consolidated Park Impact Fee Fund	146

Non-Major Enterprise Funds

Combining Statement of Net Position – Nonmajor Enterprise Funds	148
Combining Statement of Revenues, Expenses, and Net Position – Nonmajor Enterprise Funds	149
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	150

Internal Service Funds

Combining Statement of Net Position – Internal Service Funds	152
Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds	154
Combining Statement of Cash Flows – Internal Service Funds	156

STATISTICAL SECTION

<u>Financial Trends</u>	159
1. Net Position by Component	160
2. Changes in Expenses, Revenues, and Net Position	
Changes in Expenses by Function	161
Changes in Revenues by Function	162
Changes in Net Position	163
3. General Governmental Tax Revenues by Source	164
4. General Governmental Revenues by Source	165
5. General Governmental Expenditures by Function and Changes in Fund Balance	166
6. Fund Balances Governmental Funds	167
<u>Revenue Capacity</u>	168
7. Assessed and Estimated Actual Value of Taxable Property	169
8. Property Tax Rates - Direct and Overlapping Governments	170
9. Property Tax Levies and Collections	171
10. Principal Property Tax Payers	172

<u>Debt Capacity</u>	173
11. Ratio of Outstanding Debt by Type	174
12. Direct and Overlapping Governmental Activities Debt	175
13. Legal Debt Margin Information	176
14. Pledged – Revenue Coverage	177
<u>Demographic and Economic Information</u>	178
15. Demographic and Economic Statistics	179
16. Principal Employers	180
<u>Operating Information</u>	181
17. Full-Time Equivalent City Governmental Positions by Function	182
18. Operating Indicators by Function	183
19. Capital Assets Statistics by Function	185
Expenditures of Federal Awards	
Notes to the Schedule of Expenditures of Federal Awards	187
Schedule of Expenditures of Federal Awards	188



May 1, 2021

**To the Honorable Anne McEnerney-Ogle, Mayor
Members of the City Council
Mr. Eric Holmes, City Manager
Citizens of the City of Vancouver**

I am pleased to submit to you the 2020 Comprehensive Annual Financial Report (Annual Report) of the City of Vancouver, Washington.

The report consists of management's representations concerning the finances of the City of Vancouver (City). Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented within this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient and reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by the Office of the Washington State Auditor in accordance with generally accepted governmental auditing standards. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2020, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is included in the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The City's Single Audit Report is issued separately and is available upon request.

Another state mandate requires the Office of the Washington State Auditor to perform control testing and additional tests of compliance with state laws and regulations as detailed in *Revised Code of Washington* (RCW) 43.09.260. This statute requires the State Auditor to inquire as to whether the City complied with the laws and the *Constitution of the State of Washington*, its own ordinances and orders, and the requirements of the State Auditor's Office. The City's Accountability report is also available separately upon request.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with that document. The City's MD&A can be found immediately following the report of the independent auditor.

Profile of the Government

The City was incorporated on January 23, 1857. The City sits on the north bank of the Columbia River directly across from Portland, Oregon. The Pacific coast is less than 90 miles to the west. The Cascade Mountain Range rises on the east. Mount St. Helens National Volcanic Monument and Mt. Hood are less than two hours away. The spectacular Columbia River Gorge National Scenic Area lies 30 minutes to the east. Vancouver combines the excitement of a major metropolitan area with small-town charm and abundant recreational opportunities. The City serves a population of over 185,000 and occupies a land area of 51.84 square miles.

The City has operated under the Council-Manager form of government and provides services per its charter adopted February 20, 1952, and last amended by a vote of the people, November 3, 2015. This system empowers the citizens of Vancouver and provides responsive, progressive leadership and a vision for the community. City Council is presided over by the Mayor, who is elected every four years. The six Council Members are elected for four year terms via City-wide vote. Three Council members are elected during each biennial municipal election. Among its primary duties, the City Council makes laws, sets policies, adopts budgets and oversees a wide-ranging agenda for the community. The City Manager, who is appointed by City Council, heads the administrative branch of City government and directs all City operations, projects and programs.

The City of Vancouver provides a balanced array of services. The City builds and repairs roads, builds and maintains water, sewer and drainage infrastructure, provides fire and police protection services, administers land use policy and takes an active role in Vancouver's commercial and industrial development. The City also designs and maintains Vancouver's many parks and green spaces. The City coordinates recreation activities, fosters neighborhood livability and works to preserve the City's environmental quality and historic legacy. The City is also the fiscal agent for two development authorities, which are reported discretely in the City's financial report and for a Transportation Benefits District. Additional information on separate legal entities can be found in Note 1, Reporting Entity, in the notes to the financial statements.

Accounting and Budgeting Procedures under State Law

Cities and counties of the State of Washington must comply with the Budgeting, Accounting, and Reporting System (BARS) prescribed by the Office of the State Auditor as authorized under RCW 43.09.200 and RCW 43.09.230. State law also provides for annual independent audits by the Office of the State Auditor and requires timely submission of annual financial reports to the state for review. The financial system of the City incorporates a system of financial and administrative controls that ensure the safeguarding of assets and the reliability of financial reports. Consequently, controls are designed to provide reasonable assurance that transactions are executed in accordance with management authorization and recorded in conformity with GAAP. In addition, these controls ensure that accountability over assets and obligations exists, and that sufficient reporting and review exist to provide adequate information for analysis and comparability of data. Internal control is an area of audit by the State Auditor as well, and City management receives and takes action based on their recommendations.

The City prepares budgets in accordance with RCW 35.34. To provide directional guidance to the process, the City prepares a multi-year financial forecast of its revenues and expenditures. Biennial budgets (in which calendar year allocations lapse at year-end) are adopted by the City council for all city funds. All increases in total budgeted appropriations of funds are authorized by the City Council through the budget process. Changes in appropriations within a fund may be authorized by the City Manager. All budgets, for management purposes, are accounted for on a line-item basis with control at the object level grouping. Estimated purchase order amounts are encumbered prior to the release of the order to the vendor. Such encumbrances also serve to provide budgetary control. Open encumbrances lapse at year-end and must be re-appropriated or absorbed in the next year's operating budget.

Information Useful in Assessing the Government's Economic Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local economy

Vancouver is located within a metropolitan area that has a diverse economy with a broad base of manufacturing, high technology, retail, plus governmental and business services. Relatively low development costs and a strong labor force have attracted investments to the City. High technology companies, such as Hewlett-Packard, SEH America, and Kyocera have located in the City over the past twenty years. The role of manufacturing jobs in the economy has been decreasing over time. Recently, large employers in the healthcare business and software development have located within the City, including Peace Health, Banfield and a number of smaller startup companies in the tech sector.

Retail trade in the City is hampered by the sales tax in Washington and the lack of sales tax in Oregon. It is estimated that between 25% and 30% of the City's retail expenditures occur in Portland, Oregon. As a result, the City is losing an estimated \$10-\$15 million per year in uncollected sales taxes. Gradual economic improvement has been occurring in Vancouver since the end of the last recession. Private construction activity has significantly picked up over the last five years as did the auto sales and general retail.

Many people and businesses are relocating to this region for its natural beauty and many recreational opportunities. Home prices reflect this desirability with an increase of 10.9% over 2019 home prices and are not showing any downturn within this sector. Vancouver combines the excitement of a major metropolitan area with small-town charm and abundant recreational opportunities. As the economy recovers from the recession, modest in-migration will likely contribute to employment growth and help spur new construction.

Long-term financial planning

The City's 2021-2022 Biennial Budget was created during an unprecedented year in which the world-wide COVID-19 pandemic affected the City's operations. During 2020, the City found itself implementing telework for some departments, adopting safe operating practices for departments that remained open to the public, implementing furloughs, and following directives from the Governor on business hours of operations, closures, and reopening procedures. Services continued to be provided to residents through online activity and encouragement of service through appointments. Additionally, social justice issues came to the forefront, and resulted in implementation of various measures pertaining to criminal justice, law enforcement, and rental assistance.

The city has indicated its priority for future planning to include climate action, preparation of properties for future development, and continued development along the Vancouver waterfront, which will lay the groundwork for revenue enhancement in years to come.

City residents have indicated in the last Community Services Survey that they remain generally satisfied with the quality of life in the City. To maintain this high level of satisfaction, City staff and City Council will continue to focus on service prioritization in light of community priorities while continuing to evaluate expense reductions and explore additional revenue sources in order to put in place a permanent structural solution. The City Manager, under the direction of City Council and pursuant to the City's Financial Policy, has maintained a consistent strategy of restraining on-going costs within existing on-going revenues.

Relevant Financial Policies

In addition to following all laws related to budgeting as outlined by RCW 35, the City has internal financial management policies that are adopted by City Council and reviewed every two years during the budget development process. The policies ensure that the City maintains a healthy financial foundation into the future. The goal of these policies is to promote:

- An extended financial planning horizon to increase awareness of future potential challenges and opportunities.
- Setting aside reserves for contingencies, replacement of capital equipment and facilities, and other similar needs.
- Maintaining the effective buying power of fees and charges and increasing cost recovery where directed to do so.
- Accountability for meeting standards for financial management and efficiency in providing services.
- Planning for the capital needs of the community.
- Maintaining manageable levels of debt while maintaining quality bond ratings.
- Communication to residents and customers on how the community goals are being addressed.

Major Initiatives

Over the last biennium, the City found itself as a major partner during the COVID-19 pandemic by providing city-owned sites as locations for testing and subsequent vaccination locations for the public. As more residents receive vaccinations, the city's focus is now towards recovery efforts for the local economy in the areas of economic development, housing, social equity and inclusion. Approval of major development plans and sale of property for further development continues the city's path forward as a vibrant and attractive location for future employers and a desirable place to live.

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Vancouver for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2019. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial report. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The Annual Report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Vancouver has received a Certificate of Achievement for the last 35 years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

The preparation of this report could not have been accomplished without the efficient and dedicated staff of the Financial & Management Services Team. I would also like to express my thanks to the administrators and employees of the City, and the citizens of Vancouver whose continued cooperation, support, and assistance have contributed greatly to the financial stability of the City of Vancouver.

Finally, I want to point out that the pictures included in this year's Annual Report demonstrate Vancouver's energetic, dynamic, and cultural heritage. Every citizen, from the young to the young-at-heart, can enjoy events and activities that entertain and enlighten. We are fortunate to be able to call such a lively community our home.

Respectfully submitted,



Rebecca Harder, CPA
Accounting Manager



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Vancouver
Washington**

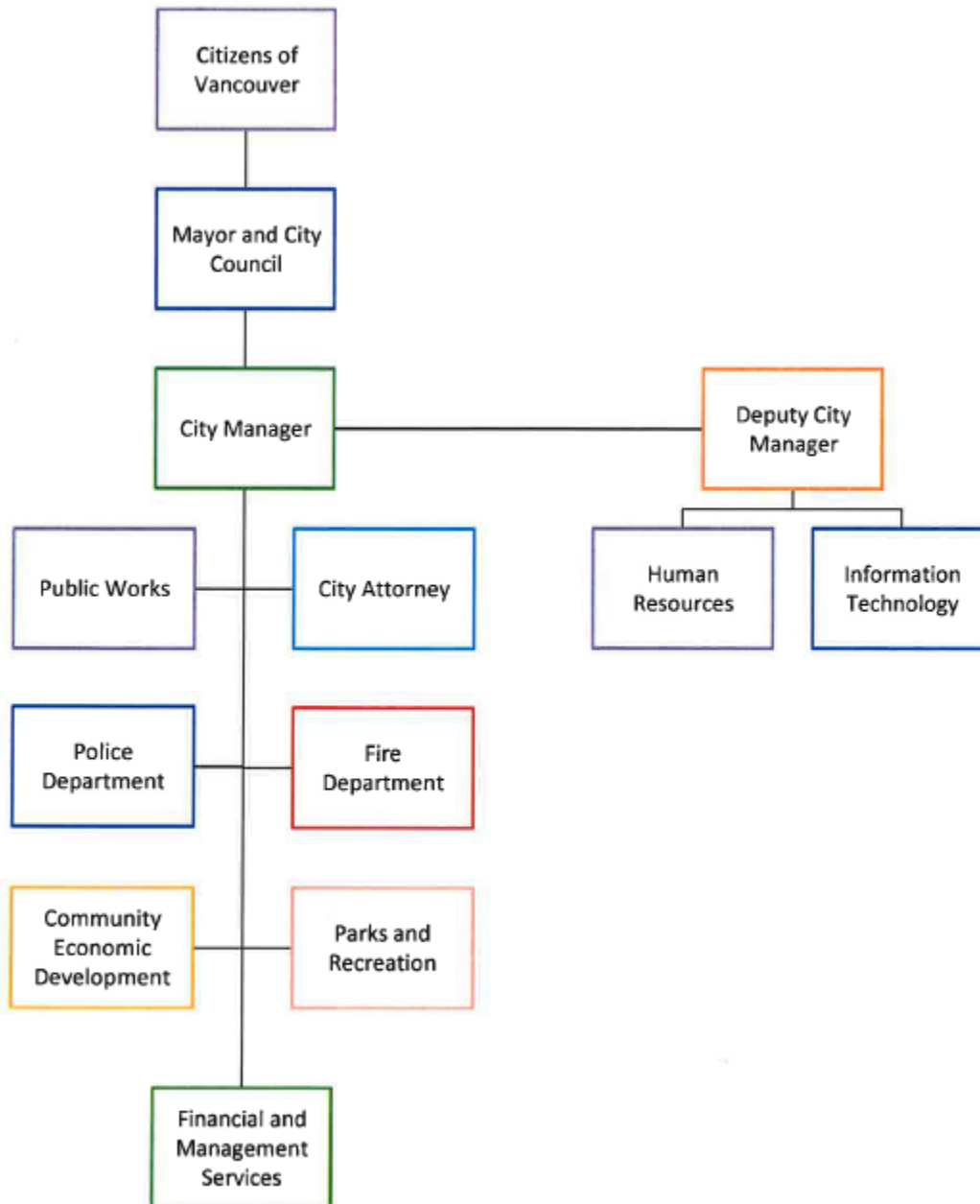
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO

City of Vancouver Organizational Chart



CITY OF VANCOUVER

Elected Officials

As of December 31, 2020

Section 2.01 of the Vancouver City Charter provides for a seven-member council, including a mayor, nominated and elected from the city at large. Commencing in the 1971 municipal election, three persons shall be elected to four-year terms as council members at each biennial municipal election and; provided further, commencing in the 2005 biennial municipal election, one person shall be elected to a four-year term as mayor.

Elected Officials Serving During 2020

Council Members

Anne McEnerny-Ogle, Mayor
Bart Hansen
Erik Paulsen
Laurie Lebowsky
Linda Glover
Sarah J. Fox
Ty Stober

Expiration of Term

December 31, 2021
December 31, 2023
December 31, 2021
December 31, 2021
December 31, 2021
December 31, 2024
December 31, 2023

City Management Team

(As of December 31, 2020)

Eric Holmes
Brian Carlson

City Manager
Interim City Manager

Brennan Blue
Chad Eiken
Dan Swensen
James McElvain
Jonathan Young
Julie Hannon
Lisa Takach
Natasha Ramras
Patrick Gilbride

Fire Chief
Community Economic Development Director
Interim Public Works Director
Police Chief
City Attorney
Parks and Recreation Director
Human Resources Director
Chief Financial Officer
Information Technology Director



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

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Mayor and City Council
City of Vancouver
Vancouver, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Vancouver, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Vancouver Hotel and Convention Center Project (the Project), which is included in the City's financial statements as part of the Downtown Redevelopment Authority component unit and which represents 3 percent and 100 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Project, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Project were not audited in accordance with Government Auditing Standards.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Vancouver, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the Consolidated General, Consolidated Fire and Consolidated Street funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Matters of Emphasis

As discussed in Note 20 to the 2020 financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the City is unknown. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The combining and individual fund statements and schedules and the Expenditures of Federal Awards section are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Introductory and Statistical Sections are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated August 27, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the City's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial

reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,

A handwritten signature in black ink, reading "Pat McCarthy". The signature is written in a cursive style with a large, stylized "P" and "M".

Pat McCarthy, State Auditor

Olympia, WA

August 27, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis is a narrative overview of the City of Vancouver's (the City's) financial activities for the fiscal year ended December 31, 2020. The information presented here should be read in conjunction with the letter of transmittal, the financial statements, and the related notes to the financial statements. The net increase or decrease in activity since the prior year is shown as a positive or (negative) number respectively.

FINANCIAL HIGHLIGHTS

- City of Vancouver assets plus deferred outflows exceeded its liabilities plus deferred inflows at fiscal yearend (FYE) by over \$1.52 billion.
- Net investment in capital assets accounts for 72.7% of the total net position, with a value of \$1.11 billion.
- Of the remaining net position, \$270.9 million may be used to meet the government's ongoing obligations to citizens and creditors, without legal restrictions.
- The City's total net position showed a net change of \$101.2 million in current operations since the prior FYE.
- Total program revenues were \$267.8 million, a net change of \$27.0 million from the prior FYE. The change is comprised of a \$30.0 million change in Charges for Services, Fees, Fines and Forfeitures and a \$(3.0) million change in Operating and Capital Grants and Contributions.
- Program expenses were \$355.5 million, a net change of \$36.1 million since the prior FYE.
- General revenues, special items, extraordinary items and transfers were \$182.1 million, a net change of \$(4.4) million since the prior FYE.
- The City of Vancouver's governmental funds report a combined ending fund balance of \$278.5 million, which was a net change of \$45.5 million since the prior FYE. Of that, \$137.7 million is unrestricted by external parties or formal commitments - comprised of assigned and unassigned fund balances of \$74.8 million for the General Fund and \$62.9 million for all other governmental funds.
- The City of Vancouver's total bonded debt was \$57.02 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis provides an introduction and overview to the City's basic financial statements. This information will assist users in interpreting the basic statements. We will also provide other financial discussion and analysis of certain plans, projects and trends necessary for understanding the full context of the financial condition of the City.

Basic Financial Statements

The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The financial section of this report also contains required supplementary information, in addition to the basic financial statements.

Government-wide Financial Statements

Government-wide financial statements provide readers with a broad overview of the City of Vancouver's finances in a manner similar to a private-sector business. Functions of the City of Vancouver that are principally supported by taxes and intergovernmental revenues (referred to as "governmental activities") are distinguished from functions that are intended to recover all or a significant portion of their costs through user fees and charges (referred to as "business-type activities").

The governmental activities of the City of Vancouver provide a full range of local government services to the public. Programs include law enforcement and public safety; fire protection; road construction and maintenance; community economic development; parks and recreation; and the issuance of permits and licenses. In addition, other general government activities include neighborhood support, a senior newsletter, and the revitalization of the downtown core area to name a few. The business-type activities of the City of Vancouver include water, sewer, storm water management and control, downtown parking, an airport, solid waste, building inspection, and a tennis center.

The Statement of Net Position presents information on all City of Vancouver's assets, deferred outflows, liabilities and deferred inflows, with the difference being reported as net position. This statement serves a purpose similar to that of the balance sheet of a private-sector business. Over time, increases or decreases in net position may serve as one indicator of whether the financial position of the City is improving or deteriorating. Some other indicators include the condition of the City's infrastructure systems (roads, drainage systems, bridges, etc.), changes in property tax base, and general economic conditions within the City.

The Statement of Activities presents information showing how the government's revenues and expenses impacted net position during 2020. This statement separates program revenue (revenue generated by specific programs through charges for services, grants, and contributions) from general revenue (revenue provided by taxes and other sources not tied to a particular program). This shows the extent to which each program relies on general revenue for funding. All changes in net position are reported using the accrual basis of accounting which requires that revenues are reported when they are earned and expenses are reported as soon as liabilities are incurred. The City has identified five entities as component units in the government-wide financial statements. Two of these entities will be shown in the government-wide financial statements as discretely presented component unit funds, Vancouver Downtown Redevelopment Authority (DRA) and Vancouver Public Facilities District (PFD). One, Vancouver Transportation Benefit District (TBD) is treated as a blended component unit presented as a special revenue fund. The City Center Redevelopment Authority (CCRA) and the Culture, Arts and Heritage Commission are component units of the City, however they have no activity and are not shown on the statements. The City has a joint venture, Clark Regional Emergency Services Agency (CRESA), and a jointly governed organization, the Council for the Homeless. See Note 11 for additional information on these organizations.

Fund Financial Statements

A fund is a self-balancing grouping of related accounts that is used to maintain control over resources that are segregated for specific activities or objectives. The City of Vancouver, like other state and local governments, uses fund accounting for compliance with finance-related legal requirements. All of the funds of the City of Vancouver fall into one of three categories: governmental funds, proprietary funds, or fiduciary funds. Governmental funds account for most, if not all, of a government's tax-supported activities. Proprietary funds account for a government's business-type activities where all or part of the costs of activities are supported by fees and charges paid directly by those who benefit from the activities. Fiduciary funds account for resources held by the government as a trustee or agent for parties outside of the government. The resources of fiduciary funds cannot be used to support the government's own programs.

Governmental Funds

The Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances present separate columns of financial data for the General Fund, Street Fund, Consolidated Fire Fund, Park Impact Fee Fund and Capital Improvement Fund. These are considered major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Governmental funds financial statements focus on near-term inflows and outflows of spendable resources and on balances of spendable resources available at the end of the fiscal year. Such information is useful in evaluating a government's near-term financing requirements in comparison to near-term resources available.

To get a longer term perspective of financial balances and results of operations, the City presents full accrual information in the government wide financial statements. This gives readers a better understanding of the long-term impact of the government's near-term financing decisions. The Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The City maintains budgetary controls over all city funds. Budgetary controls ensure compliance with legal provisions embodied in the biennial appropriated budget. Governmental fund budgets are established in accordance with state law, and most are adopted on a fund level. The General Fund budget is adopted on a fund level. Personnel services are budgeted by full-time positions. Budgetary variances are discussed later in this section.

Proprietary Funds

The City has two types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water/sewer/drainage utility, solid waste utility, airport, building inspection, parking, and tennis center operations. Internal service funds accumulate and allocate costs among the City's various functions. The City uses internal service funds to account for its facilities replacement, grounds and maintenance activities, rolling stock repair and replacement, computer repair and replacement, self-insurance, administrative services, benefits, health insurance benefits and mail room services.

Those revenues and expenses of internal service funds that are duplicated in other funds are eliminated in the government-wide

statements. The remaining balances are allocated and included in the governmental type activities columns. Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail, since both apply the accrual basis of accounting.

In comparing the Proprietary Fund Statement of Net Position to the business-type column on the government-wide Statement of Net Position, the total net position amounts agree, needing no reconciliation. In comparing the total assets and total liabilities between the same two statements, you will notice slightly different amounts. This is because the "Internal balances" line on the government-wide statement combines the "Due from other funds" (assets) and the "Due to other funds" (liabilities) from the proprietary fund statement in a single line in the asset section of the government-wide statement.

The proprietary fund financial statements provide separate information for the Water/Sewer and Parking Services Funds as these are considered major funds. All other enterprise funds are aggregated into a single presentation. Internal Service Funds are also aggregated into a single presentation, but are not included in the totals.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Vancouver's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided, and are an integral part of the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Vancouver's progress in funding its obligations to the citizenry and its employees. Required supplementary information can be found beginning on page 91 of this report.

The aggregated statements for *nonmajor* governmental and proprietary funds are presented immediately following the required supplementary information. Combining fund statements can be found on pages 101-157 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of Net Position

As noted earlier, changes in net position may serve as a useful indicator of a government's financial position. The City of Vancouver's net position totals \$1,519,460,986 at December 31, 2020. The following is a condensed and comparative version of the Government-wide Statement of Net Position.

City of Vancouver's Net Position

	Governmental Activities		Business-type Activities		Total Activities	
	2019	2020	2019	2020	2019	2020
Current and other assets	\$ 357,187,673	\$ 408,492,912	\$ 140,048,861	\$ 154,243,588	\$ 497,236,534	\$ 562,736,500
Capital assets (net of accumulated depreciation)	729,391,879	733,218,180	424,813,162	444,407,966	1,154,205,041	1,177,626,146
TOTAL ASSETS	1,086,579,552	1,141,711,092	564,862,023	598,651,554	1,651,441,575	1,740,362,646
 DEFERRED OUTFLOWS OF RESOURCES	 11,702,591	 12,058,860	 3,179,748	 3,651,050	 14,882,339	 15,709,910
Long-term liabilities	165,613,674	168,330,918	20,260,530	17,944,843	185,874,204	186,275,761
Other liabilities	28,201,149	26,071,414	11,218,176	12,829,626	39,419,325	38,901,040
TOTAL LIABILITIES	193,814,823	194,402,332	31,478,706	30,774,469	225,293,529	225,176,801
 DEFERRED INFLOWS OF RESOURCES	 18,828,615	 9,305,491	 3,972,367	 2,129,278	 22,800,982	 11,434,769
 NET POSITION						
Net investment in capital assets	659,169,955	666,081,836	415,085,644	439,247,966	1,074,255,599	1,105,329,802
Restricted	128,395,605	136,357,084	8,936,671	6,920,655	137,332,276	143,277,739
Unrestricted	98,073,145	147,623,209	108,568,383	123,230,236	206,641,528	270,853,445
TOTAL NET POSITION	\$ 885,638,705	\$ 950,062,129	\$ 532,590,698	\$ 569,398,857	\$ 1,418,229,403	\$ 1,519,460,986

During 2020, the City's total assets changed by \$88.9 million and deferred outflows of resources changed by \$0.8 million, while total liabilities changed by \$(0.1) million and deferred inflows of resources changed by \$(11.4) million, primarily related to the recording of GASB 68 pension activity. The net result is a change in total net position of \$101.2 million, or 7.1%.

Of the City's total assets, cash changed by \$56.3 million and restricted cash changed by \$(1.2) million; receivables changed by \$10.2 million, capital assets changed by \$23.4 million, and other assets changed by \$5.32 million from 2019.

The largest portion of the City's net position, 72.7%, reflects its investment in capital, less any related debt still outstanding that was used to acquire those assets. The City's capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Net position representing resources that are subject to external restrictions on how they may be used is 8.8% of the total, and net position that is unrestricted represents the remaining 17.8%.

At December 31, 2020, the City of Vancouver reports positive balances in all three categories of net position, for the government as a whole.

Analysis of Changes in Net Position

Total change in net position from prior year was \$101.2 million, inclusive of the impact of prior period adjustments and changes in accounting principles. This is split between governmental change of \$64.4 million and business-type activities change of \$36.8 million. The Statement of Activities depicts the relationship of revenues and expenses for the City's governmental activities and proprietary funds. A condensed and comparative version of the Statement of Activities is shown below.

Revenues	Governmental Activities		Business-Type Activities		Total Primary Government	
Program revenues:	2019	2020	2019	2020	2019	2020
Charges for Services, Fees, Fines & Forfeitures	\$ 57,540,769	\$ 84,784,919	\$ 124,969,083	\$ 127,727,430	\$ 182,509,852	\$ 212,512,349
Operating Grants & Contributions	8,060,222	26,157,964	77,136	2,011,168	8,137,358	28,169,132
Capital Grants & Contributions	25,469,967	8,627,310	24,692,739	18,498,695	50,162,706	27,126,005
General Revenues						
Property Taxes Levied for General Purposes	55,787,730	57,131,009	-	-	55,787,730	57,131,009
Sales & Use Taxes	49,513,857	50,535,448	-	-	49,513,857	50,535,448
Utility, Excise, Lodging & Other Taxes	66,268,160	72,008,615	-	-	66,268,160	72,008,615
Unrestricted Investment Earnings	6,436,552	-	3,225,922	1,245,490	9,662,474	1,245,490
Miscellaneous	2,542,488	918,395	2,543,964	224,366	5,086,452	1,142,761
Total Revenues	271,619,745	300,163,660	155,508,844	149,707,149	427,128,589	449,870,809
Program Expenses						
Governmental Activities:						
General Government	35,056,021	74,483,729	-	-	35,056,021	74,483,729
Security/Persons & Property	99,143,086	110,845,165	-	-	99,143,086	110,845,165
Physical Environment	89,531	24,797	-	-	89,531	24,797
Transportation	27,469,791	18,469,689	-	-	27,469,791	18,469,689
Social Services	585,604	452,449	-	-	585,604	452,449
Economic Environment	13,514,444	17,014,712	-	-	13,514,444	17,014,712
Intergovernmental Facilities	5,698,948	6,588,049	-	-	5,698,948	6,588,049
Culture & Recreation	16,940,568	7,444,989	-	-	16,940,568	7,444,989
Interest on Long-Term Debt	2,206,372	789,091	-	-	2,206,372	789,091
Business-Type Activities:						
Water Sewer	-	-	104,891,094	106,812,396	104,891,094	106,812,396
Parking	-	-	3,190,832	3,005,276	3,190,832	3,005,276
Airport	-	-	691,335	990,225	691,335	990,225
Building Inspection	-	-	6,359,292	5,756,406	6,359,292	5,756,406
Solid Waste	-	-	2,230,304	1,756,152	2,230,304	1,756,152
Tennis Center	-	-	1,278,646	1,035,785	1,278,646	1,035,785
Total Expenses	200,704,365	236,112,670	118,641,503	119,356,240	319,345,868	355,468,910
Excess (deficiency) of revenues over expenses	70,915,380	64,050,990	36,867,341	30,350,909	107,782,721	94,401,899
Transfers - Governmental	909,053	707,721	-	-	909,053	707,721
Transfers - Business-Type	-	-	(909,053)	(707,721)	(909,053)	(707,721)
Income (loss) before special & extra	71,824,433	64,758,711	35,958,288	29,643,188	107,782,721	94,401,899
Special Items: Remove pension liability due to change in operations	-	-	167,687	-	-	-
Annexation	-	-	-	-	-	-
Total Special Items	-	-	167,687	-	-	-
Change in Net Position	71,824,433	64,758,711	36,125,975	29,643,188	107,950,408	94,401,899
Net Position - Beginning	807,591,339	885,638,705	495,922,401	532,590,698	1,303,513,740	1,418,229,403
Prior year adjustments	6,222,933	(335,287)	542,322	7,164,971	6,765,255	6,829,684
Change in accounting principles	-	-	-	-	-	-
Net Position - Ending	\$ 885,638,705	\$ 950,062,129	\$ 532,590,698	\$ 569,398,857	\$ 1,418,229,403	\$ 1,519,460,986

Governmental Activity Analysis

Governmental net position changed by \$64.8 million in 2020 from operations.

Revenues from Charges for Services, Fees, and Fines and Forfeitures saw a change from the prior year of \$27.2 million, or 47.3%; while revenues from Property Taxes changed by \$1.3 million, or 2.4%. A continued improving local economy is the driving force behind the tax increase. The Washington State Constitution limits the total regular property taxes to 1% of assessed valuation plus new constructions. Total governmental activities revenues changed by \$28.5 million, or 10.5%, including a change of \$5.7 million, or 8.7%, in revenues associated with Utility, Excise, Lodging and Other Taxes received by the City in 2020 compared to 2019.

Governmental activities expenses in total changed by \$35.4 million, or 17.6%. The major influencing factors of this change are as follows:

- Security/Persons and Property expense increased due to increased personnel costs within the police and fire departments, along with an increase in supplies including protective clothing and minor tools and equipment, as well as an increase in the indirect cost allocation for police.

Business-Type Activities Analysis

Business-type net position changed by \$38.1 million in 2020 from operations.

The Business-Type Activity revenue and expenses experienced a change of \$(5.8) million and \$0.7 million, respectively. As depicted in the graphs that follow, the Water/Sewer activity is the largest business-type activity in the City. As a result, the financial position of the City's business-type activities is strongly influenced by the Water/Sewer activity. This year, Water/Sewer had a change from prior year of \$(2.9) million in operating revenue and a \$1.9 million in operating expenses. Revenue increased primarily from the increase in water and sewer rates, along with an increase in usage. Water and sewer expenses increased as a result of increase in taxes on utilities both at the state and local level, along with an increase in professional services relating to the increased cost of treatment plant operations and maintenance projects performed throughout the year.

Other business-type activities had changes in expenses, including the Building Inspection fund at \$(603) thousand, and the Solid Waste fund at \$(474) thousand compared to last year due to increase in city-wide cost allocation and professional services.

<u>Share of Business-Type Program Expenses & Revenues by Function</u>			
Total Business-Type Program Expenses		Total Business-Type Program Revenues	
119,356,240		148,237,293	
Program Expense by Function	Portion of Total	Program Revenue by Function	Portion of Total
Water/Sewer	89.5%	Water/Sewer	88.6%
Parking	2.5%	Parking	2.8%
Airport	0.8%	Airport	1.8%
Building Inspection	4.8%	Building Inspection	4.8%
Solid Waste	1.5%	Solid Waste	1.3%
Tennis Center	0.9%	Tennis Center	0.7%
100.0%		100.0%	

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds Analysis

The City's governmental funds are categorized into four types consisting of Consolidated General, Special Revenue, Debt Service, and Capital Project funds. Each fund type has a unique purpose. Consolidated General Fund, Consolidated Fire Fund, Consolidated Street Fund, Consolidated Capital Improvement Fund and Park Impact Fees Fund are classified as major funds for the purposes of this report, based on criteria set forth by the Government Accounting Standards Board (GASB).

The Consolidated General Fund is the primary governmental fund. Consolidated General Fund revenues experienced a net change of (1.1)% over the prior year. During 2020 the City's recreation center remained largely closed due to the restrictions placed on operations by the Washington Governor's emergency declarations. This resulted in the shortfall in Charges for Services of approximately (\$3.5 mil) during the year. The City also suspended the Business License Surcharge program due to the pandemic, resulting in an additional loss of revenue of (\$1.8) million in the General Fund. These losses were partially offset by the increased taxes on the City owned utilities to fund an increase in police presence in the City and Sales and Use tax increases.

Consolidated General Fund expenditures accounted for 46.6% of total governmental funds' expenditures for the year, and experienced a change of \$(13.0) million or (12.1)% from the prior year. Ending fund balance of the Consolidated General Fund changed by \$17.2 million. Its fund balance includes a number of non-cash activity. The ending cash balance of the fund changed by \$10.2 million.

The Consolidated Fire Fund is a special revenue fund that encompasses both the operations and the equipment for the City's fire departments and Clark County Fire Protection District No. 5. Services provided by this fund include firefighting, emergency medical services, rescue, and public safety education. As reported in the Statement of Revenues, Expenditures and Changes in Fund

Balances, major funding for the Consolidated Fire Fund is provided by Clark County Fire District No. 5 for services the City provides to its service district and transfers from the City's Consolidated General Fund. The Consolidated Fire Fund in 2020 accounted for 23.4% of the governmental funds expenditures - a change of \$1.5 million from the prior year due primarily to an increase in personnel costs and supplies. The fund balance changed by \$(0.2) million as expenses were slightly higher than revenues and transfers in.

The Consolidated Street Fund is a special revenue fund comprised of the two City funds that provide for street maintenance and pavement management. Revenues have historically been derived from tax contributions distributed from the Consolidated General Fund, state shared gasoline tax, an excise tax of $\frac{1}{4}$ of 1% of property value of transferred property and rents and royalties. In 2016, after the City spent a great deal of time finding a long-term solution to the street infrastructure funding, an intensive community engagement process took place resulting in a new revenue package to fund enhancements in the service level. A total of 9.4% of governmental fund expenditures was attributable to the Street fund in 2020; with a change due primarily to capital outlay, of \$(8.7) million from last year. Fund balance changed by approximately \$4.7 million.

The Consolidated Capital Improvement Fund, established in 1977 to fund major capital projects in the City, is being reported as a major fund in 2019 due to the amount of capital projects during the year. Fund expenditures accounted for 1.36% of total governmental fund expenditures, a change of \$(761) thousand from 2019. Fund balance changed by \$12.7 million.

The Consolidated Park Impact Fees Fund was established in 1995 to account for the accumulation and disposition of impact fees assessed against new development under the Growth Management Act of 1990. Fund expenditures accounted for 0.03%, less than 1% of total governmental operating expenditures. Fund balance changed by \$0.1 million from last year due to participation in the impact fee credit program and transfers of impact fee revenue to support related projects.

All other non-major governmental operating, debt service and capital construction funds comprise the remaining governmental expenditures.

Business-Type Funds Analysis

Proprietary, or business-type, funds are those funds that account for government operations where the intent is for the costs to be primarily paid by user charges. Enterprise funds are those funds that provide services primarily to external users, and the internal service funds provide their services primarily within the City. The City has twelve business-type funds: six enterprise funds, and six internal service funds.

The Consolidate Water Sewer Fund is the largest business-type fund in the City, accounting for 94.59% of net position for the enterprise funds at \$538.6 million. This fund encompasses three legally consolidated utilities: water, sewer, and drainage operations. The Water Sewer Fund's net position changed by \$24.1 million in 2020. This fund also reported operating income of \$7.6 million in 2020, a change of \$1.15 million from the prior year. Of that, operating revenue changed \$4.8 million or 4.4% from the prior year due to an increase in utility rates, and operating expenses also changed \$3.7 million or 3.5%, related to an increase in taxes and professional services for maintenance. Additionally, Water Sewer Fund net capital assets were \$426.0 million.

The Parking Services Fund reported a change in net position of \$1.1 million. Operating income totaled \$1.3 million.

The non-major business-type funds present a total operating income of \$2.6 million. The Building Inspection, Solid Waste and Tennis Center funds reported operating income while the Airport reported an operating loss. The Building Inspection Fund had \$2.6 million in operating income, which was a change of \$1.2 million from the prior year. The Tennis Center broke even on net position due to required contributions by the contracted management company. Solid Waste had \$53 thousand in operating income, which was a change of \$664 thousand from the prior year. The Airport fund reported a \$(107) thousand net operating loss which was a change of \$(153) thousand from the prior year. The non-major business-type funds represent \$1.1 million of the Net Pension Liability in 2020.

Internal Service Funds operate similar to enterprise funds, but perform services primarily for other funds within the City. Because of the nature of these funds, they are charged with operating as close as possible to a break-even point. They bill other funds based on estimated costs which are reconciled to actual annually or biennially depending on the fund. City Internal Service funds as reported in 2020 realized a net position change of \$8.1 million, reflective of the change to move some plans from a biennial reconciliation of rates to an annual one. In total Internal Service funds reported an operating income of \$5.5 million. The Internal Service Funds proportionate share of the Pension Liability is \$4.6 million at the end of 2020.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City has been enjoying several years of revenues in the General Fund coming in above forecasts mostly due to elevated levels of Sales Tax revenue. On an on-going basis, the budget anticipates an ongoing structural deficit each biennium that is a result of growth in on-going expenditures outpacing growth in on-going revenues. Contributing factors to this deficit include the following:

- Voters' passage of Initiative 695, which eliminated the motor vehicle excise tax in 2000.
- Initiative 747, which beginning in 2002 limited increases in property taxes to the lower of 1 percent or the implicit price deflator.
- The phase out and elimination of the city's Business and Occupation Tax beginning in 1993.
- Significantly greater City reliance on revenues that fluctuate with the economy.

The City has had relative financial stability from 2011 through 2019 fiscal year. There were no service-level or staffing reductions taken during this period of time. The City has taken this time to evaluate and reinforce its Financial Policies for the General Fund and other funds and re-build its General Fund balance to allow for future fluctuations of the economy. These policies are reviewed every two years during the budget development process. The policies ensure that the City maintains a healthy financial foundation into the future. These policies address such items as debt, future capital needs, and adequate reserves to build a stable and sustainable future and guide creation of City budgets.

In 2020 City experienced the impact of the COVID-19 caused pandemic. Most services provided by the city changed as a direct result of the pandemic. City recreation centers remained closed for majority of the year. A number of services migrated to being transacted in an on-line environment, protocols for safety of city staff and the customers has been changed, most office functions moved to a tele-commuting environment. Early in the pandemic the city froze a number of vacant positions and paused capital projects. As the financial impact of the pandemic on the City became clear, the capital projects were re-started, but due to the weather patterns of the Pacific, many were postponed until 2021. The impact on the pandemic on the sales tax and property tax revenues has proven to be not as large as originally anticipated due to large federal fiscal programs that helped to support families and businesses in 2020 and 2021.

The final 2019-2020 biennial budget totals \$1.26 billion in operating and capital expenditures, including 1,114 employee positions.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City of Vancouver's investment in capital assets, including construction in progress, for its governmental and business type activities as of December 31, 2020, amounts to \$1.11 billion (net of accumulated depreciation).

The table that follows is a comparison of the summary information for year-end 2019 and 2020 capital assets.

Capital Assets, Net of Depreciation

	Governmental Activities		Business-type Activities		Total Activities	
	2019	2020	2019	2020	2019	2020
Land and land improvements	\$ 123,344,999	\$ 129,055,729	\$ 35,959,472	\$ 40,174,811	\$ 159,304,471	\$ 169,230,540
Capital artwork	96,920	96,920	-	-	96,920	96,920
Intangible - Easements	8,985,207	9,147,847	14,187,750	15,570,250	23,172,957	24,718,097
Buildings and systems	104,991,771	100,583,176	17,724,302	16,884,130	122,716,073	117,467,306
Machinery and equipment	23,902,767	26,301,215	2,339,205	1,824,189	26,241,972	28,125,404
Infrastructure	446,391,250	441,230,556	330,643,513	340,425,167	777,034,763	781,655,723
Intangible assets	7,870,139	7,017,105	946,970	582,336	8,817,109	7,599,441
Construction in progress	13,808,826	19,785,632	23,011,950	28,947,083	36,820,776	48,732,715
Total	<u>\$ 729,391,879</u>	<u>\$ 733,218,180</u>	<u>\$ 424,813,162</u>	<u>\$ 444,407,966</u>	<u>\$ 1,154,205,041</u>	<u>\$ 1,177,626,146</u>

Total net capital assets changed 2.0% from prior year. Land assets changed \$9.9 million, or 6.2%, Intangible assets \$(1.2) million, or (13.8)%, and infrastructure changed \$4.6 million or 0.6%. Some of the major capital projects and acquisitions that took place during the year include the Workday software system, continued development of the downtown waterfront, purchase of fleet vehicles, and infrastructure additions related to the City's utility funds. Additional information on City of Vancouver's capital assets can be found in Note 4 of this report. As of fiscal year end, the City had \$48.7 of capital projects in various stages of completion. Of this amount, 40.6% are related to Governmental Activities with the remaining 59.4% benefiting Business-type Activities.

Long-Term Debt

At December 31, 2020, the City of Vancouver had total bonded debt outstanding of \$57.0 million. Of this amount, \$53.8 million is General Obligation debt, which is backed by the full faith and credit of the government. The remainder of the City's debt of \$3.2 million represents issuance premiums and discounts. The table below is a comparison of the summary information for year-end 2019 and 2020 bonded debt. The City of Vancouver's total bonded debt changed by \$(11.8) million, the result of scheduled principal payments made throughout 2020.

City of Vancouver Outstanding Bonded Debt (in thousands)

	Governmental Activities		Business-Type Activities		Total Activities	
	2019	2020	2019	2020	2019	2020
General obligation bonds	\$ 54,367	\$ 48,627	\$ 6,120	\$ 5,160	\$ 60,487	\$ 53,787
Revenue bonds	-	-	3,840	-	3,840	-
Net Amounts for:						
Issuance premiums						
(discounts)	4,232	3,233	307	-	4,539	3,233
Total	<u>\$ 58,598</u>	<u>\$ 51,859</u>	<u>\$ 10,267</u>	<u>\$ 5,160</u>	<u>\$ 68,866</u>	<u>\$ 57,019</u>

The City of Vancouver maintains an "AA2"/"AA+" issuer rating from Moody's/Standard and Poor's (S & P) rating services, respectively. The City's LTGO bonds are rated AA3/AA+. Additional information on the City's long-term debt can be found in Note 7 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

At the end of 2020, revenue projections for 2021 indicate that revenues are anticipated to continue increasing over the projected time period, driven mostly by the economic stabilization. Despite the COVID-19 pandemic, the city experienced a lesser than anticipated impact to revenue, as sales and property taxes remained elevated, and customers continued to pay their utility charges. The City suspended the business license fee and surcharge program for 2020 to support local businesses. After a brief contraction at the beginning of the pandemic, housing prices increased within the city and overall region and construction activity expansion in single family, commercial and affordable housing sectors. Federal funding received through the Coronavirus Aid, Relief and Economic Security Act (CARES Act), lessened the impact of the pandemic on city's operations. The city took proactive measures as well, including furloughs and halting planned improvement projects. Future financial impacts will be dependent on the length of time social distancing and stay at home measures are necessary and in place. The City continues working with its partners at the state, federal and local level to understand the potential economic impacts related to the pandemic. The City has enjoyed several years of stability and was able to set aside funding for several high priority capital projects, such as the Replacement Operations Center, remodel of the new Police Headquarters building, major maintenance of the City's buildings, including roof replacements and future Tower Mall redevelopment.

City management continues its commitment to seeking out and implementing new cost containment and service delivery options to ensure the most efficient and effective way of service delivery and savings over the long run. The City agencies have continued on a process of developing their business plans and priorities at the same time as City Council is developing the vision and strategic plan for the City of Vancouver over the long term.

Year 2020 was the last year of revenue increases, mostly in the utility tax rate increase on City owned utilities, with the purpose of funding for increased staffing levels in Police. The outcome of this process was community support for additional staffing in Police, adding a total of 62 positions between 2016 and 2020. The staffing increase was funded by increases in the Utility tax revenue, and business license surcharge.

Requests for Information

This financial report is designed to provide a general overview of City of Vancouver's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to Financial and Management Services, City of Vancouver, P.O. Box 1995, Vancouver, WA, 98668-1995.



Anne McEnereny-Ogle
2014–Present



Bart Hansen
2010–Present



Ty Stober
2015–Present



Linda Glover
2018–Present



Laurie Lebowsky
2018–Present



Erik Paulsen
2019–Present



Sarah J. Fox
2020–Present

Government-Wide Financial Statements

CITY OF VANCOUVER
STATEMENT OF NET POSITION
December 31, 2020

	Primary Government				
	Governmental Activities	Business-type Activities	Total Primary Government	Vancouver Downtown Redevelopment Authority	Vancouver Public Facilities District
ASSETS					
Cash and cash equivalents	\$ 331,252,537	\$ 116,984,411	\$ 448,236,948	\$ 92,064	\$ 164,759
Cash with fiscal/escrow agents	-	-	-	5,944,713	-
Restricted assets					
Accrued interest receivable	-	3,198	3,198	-	-
Cash with fiscal/escrow agent	-	7,758,022	7,758,022	4,944,735	-
Receivables (net of allowance for uncollectible accounts)	30,427,353	24,035,731	54,463,084	1,789,147	331,786
Inventories	508,521	896,319	1,404,840	39,724	-
Prepaid items	216,292	-	216,292	116,846	-
Internal Balances	(4,684)	4,684	-	-	-
Due from other governmental units	2,727,297	174,230	2,901,527	-	439,588
Noncurrent capital assets held for resale	846,035	4,386,993	5,233,028	-	-
Net pension asset	42,519,561	-	42,519,561	-	-
Capital assets (net of accumulated depreciation)					
Land & land improvements	129,055,729	40,174,811	169,230,540	-	3,603,691
Capital artwork	96,920	-	96,920	-	-
Easements	9,147,847	15,570,250	24,718,097	-	-
Buildings	100,583,176	16,884,130	117,467,306	31,606,135	-
Machinery and equipment	26,301,215	1,824,189	28,125,404	2,246,936	-
Infrastructure	441,230,556	340,425,167	781,655,723	-	-
Intangible assets	7,017,105	582,336	7,599,441	-	-
Construction work in progress	19,785,632	28,947,083	48,732,715	32,775	-
Total assets	1,141,711,092	598,651,554	1,740,362,646	46,813,075	4,539,824
DEFERRED OUTFLOWS OF RESOURCES					
Related to unamortized loss on refunding	828,034	-	828,034	904,050	-
Related to pensions	11,130,452	2,530,729	13,661,181	-	-
Related to asset retirement obligations	100,374	1,120,321	1,220,695	-	-
Total deferred outflows of resources	12,058,860	3,651,050	15,709,910	904,050	-
LIABILITIES					
Accounts payable and other current liabilities	15,878,296	12,585,338	28,463,634	367,183	2,601
Accrued interest payable	-	-	-	1,166,731	-
Unearned revenue	10,050,088	148,980	10,199,068	491,956	-
Custodial accounts	143,030	95,308	238,338	-	-
Noncurrent liabilities					
Special assessment debt with governmental commitments due within one year	5,000	-	5,000	-	-
Net Pension Liability	11,096,351	7,109,755	18,206,106	-	-
Total OPEB liabilities due in one year	1,655,000	-	1,655,000	-	-
Total OPEB liabilities due in more than one year	47,040,087	-	47,040,087	-	-
Asset retirement obligations	450,000	2,468,200	2,918,200	-	-
Due within one year	21,052,980	3,871,200	24,924,180	2,187,117	-
Due in more than one year	87,031,500	4,495,688	91,527,188	56,691,524	926,985
Total liabilities	194,402,332	30,774,469	225,176,801	60,904,511	929,586
DEFERRED INFLOWS OF RESOURCES					
Amounts related to pension	9,305,491	2,129,278	11,434,769	-	-
Total deferred inflows of resources	9,305,491	2,129,278	11,434,769	-	-
NET POSITION					
Net investment in capital assets	666,081,836	439,247,966	1,105,329,802	(19,440,073)	3,603,691
Restricted for					
Capital purposes	33,564,084	6,920,655	40,484,739	852,853	-
Culture & recreation	9,636,871	-	9,636,871	-	-
Debt service	51,027	-	51,027	4,091,881	-
Economic environment	29,396,036	-	29,396,036	-	-
Grants	68,675	-	68,675	-	-
Intergovernmental facilities	459	-	459	-	-
Pension and OPEB	61,522,943	-	61,522,943	-	-
Security of persons & property	2,116,989	-	2,116,989	-	-
Unrestricted	147,623,209	123,230,236	270,853,445	1,307,953	6,547
Total net position	\$ 950,062,129	\$ 569,398,857	\$ 1,519,460,986	\$ (13,187,386)	\$ 3,610,238

The notes to the financial statements are an integral part of this statement

CITY OF VANCOUVER
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services, Fees, Fines and Forfeitures	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-type Activities	Total	Vancouver Downtown Redevelopment Authority	Vancouver Public Facilities District
PRIMARY GOVERNMENT									
Governmental Activities:									
General government	\$ 74,483,729	\$ 47,885,582	\$ 8,196,802	\$ 284,046	\$ (18,117,299)	\$ -	\$ (18,117,299)	\$ -	\$ -
Security/persons & property	110,845,165	14,689,646	8,227,288	542,329	(87,385,902)	-	(87,385,902)	-	-
Physical environment	24,797	38,413	-	-	13,616	-	13,616	-	-
Transportation	18,469,689	7,707,715	3,814,265	7,052,936	105,227	-	105,227	-	-
Social Services	452,449	-	-	-	(452,449)	-	(452,449)	-	-
Economic environment	17,014,712	3,757,164	5,520,745	-	(7,736,803)	-	(7,736,803)	-	-
Intergovernmental facilities	6,588,049	6,588,273	-	-	224	-	224	-	-
Culture and recreation	7,444,989	4,118,126	398,864	747,999	(2,180,000)	-	(2,180,000)	-	-
Interest/fiscal charges	789,091	-	-	-	(789,091)	-	(789,091)	-	-
Total governmental activities	236,112,670	84,784,919	26,157,964	8,627,310	(116,542,477)	-	(116,542,477)	-	-
Business-type Activities:									
Water/Sewer	106,812,396	113,369,185	1,355,870	16,561,124	-	24,473,783	24,473,783	-	-
Parking	3,005,276	4,026,986	70,310	-	-	1,092,020	1,092,020	-	-
Airport	990,225	707,803	1,537	1,937,571	-	1,656,686	1,656,686	-	-
Building Inspection	5,756,406	7,130,792	26,099	-	-	1,400,485	1,400,485	-	-
Solid Waste	1,756,152	1,798,333	159,893	-	-	202,074	202,074	-	-
Tennis Center	1,035,785	694,331	397,459	-	-	56,005	56,005	-	-
Total business-type activities	119,356,240	127,727,430	2,011,168	18,498,695	-	28,881,053	28,881,053	-	-
Total Primary Government	\$ 355,468,910	\$ 212,512,349	\$ 28,169,132	\$ 27,126,005	(116,542,477)	28,881,053	(87,661,424)	-	-
COMPONENT UNITS									
Downtown Redevelopment Authority	13,022,628	7,541,014	-	-				(5,481,614)	-
Public Facilities District	1,738,099	-	-	-				-	(1,738,099)
Total Component Units	\$ 14,760,727	\$ 7,541,014	\$ -	\$ -				(5,481,614)	(1,738,099)
General Revenues:									
Taxes:									
Property Taxes Levied for General Purposes					57,131,009	-	57,131,009	-	-
Sales and Use Taxes					50,535,448	-	50,535,448	2,407,185	1,728,754
B&O Taxes					55,613,369	-	55,613,369	-	-
Excise, Lodging and Other Taxes					16,395,246	-	16,395,246	-	-
Unrestricted Investment Earnings (loss)					-	1,245,490	1,245,490	42,875	257
Miscellaneous					918,395	224,366	1,142,761	-	-
Special Item - Gain on extinguishment of debt					-	-	-	107,813	-
Extraordinary Item - Bankruptcy settlement					-	-	-	681	-
Transfers					707,721	(707,721)	-	-	-
Total General Revenues, Special Items, Extraordinary Items and Transfers					181,301,188	762,135	182,063,323	2,558,554	1,729,011
Change in Net Position					64,758,711	29,643,188	94,401,899	(2,923,060)	(9,088)
Net Position - Beginning					885,638,705	532,590,698	1,418,229,403	(10,264,326)	3,619,326
Prior period adjustment					(335,287)	7,164,971	6,829,684	-	-
Net Position - Ending					\$ 950,062,129	\$ 569,398,857	\$ 1,519,460,986	\$ (13,187,386)	\$ 3,610,238

Fund Financial Statements

Consolidated General Fund

This fund was previously reported as "General Fund." The name has changed but the composition of the fund remains the same. In the City of Vancouver, this fund accounts for all receipt and disbursement transactions that are not specifically accounted for in other funds and which are generally considered to represent the ordinary operations of a municipality. This fund is both tax and general revenue supported. Expenditures are budgeted bi-annually on the modified accrual basis and its appropriations lapse at year-end.

The primary sources of revenues for the General Fund are: property tax, sales tax, utility taxes, licenses and permits, the state shared liquor and vehicle excise tax, court fines, and reimbursements from other funds of the City for pro-rating the costs of management and overhead.

Consolidated Fire Fund

This fund was established as a result of an agreement between the City of Vancouver and Fire District 5 to provide fire services. Two fire departments were consolidated and are now under the direction of the City. The fund will account for money received and expenditures made in providing fire services to the combined City and Fire District 5 service area.

Consolidated Street Fund

This fund was previously reported as "Street Fund." The name has changed but the composition of the fund remains the same. This is a general government service fund established in accordance with State RCW 35A.37.010 for the administration of street-oriented maintenance and construction. Revenues are derived from tax contributions distributed from the Consolidated General Fund, state shared gasoline tax, fines and fees.

Consolidated Capital Improvement Fund

This fund was previously reported as "Capital Improvement Fund." The name has changed but the composition of the fund remains the same. This fund was created in 1977 to fund major capital improvement projects. Funding came primarily from Revenue Sharing monies until 1987. Current revenues are interest earning, grants, proceeds from the sale of relevant assets and contributions from the general and the asset management funds.

Consolidated Parks Impact Fees Fund

This fund was previously reported as "Parks Impact Fees Fund." The name has changed but the composition of the fund remains the same. The parks impact fee funds were first established in 1995 to account for the accumulation and disposition of impact fees assessed against new development under the Growth Management Act of 1990.

Consolidated Water Sewer Fund

This fund was previously reported as "Water/Sewer Fund." The name has changed but the composition of the fund remains the same. It receives its revenue from service charges and from the sales of materials and supplies. Expenditures are for maintenance and extensions of drainage, water and sewer service facilities, operating a water supply system, maintaining sewer treatment plants, and operating a water drainage system. This fund also reflects the operation of revenue bonds outstanding, the funds available for redemption bonds, accumulative reserve, and construction funds.

Parking Services Fund

The Parking Services Fund was created in October 1981. It receives revenues from operations of City owned or operated public parking lots. Its expenses are directly related to the operation and maintenance of those facilities.

CITY OF VANCOUVER
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2020

	Major Funds				
	Consolidated General Fund	Consolidated Fire Fund	Consolidated Street Fund	Consolidated Capital Improvement Fund	Consolidated Parks Impact Fees
ASSETS					
Cash and cash equivalents	\$ 104,733,879	\$ 17,974,880	\$ 17,425,466	\$ 50,973,699	\$ 10,831,571
Receivables (net)					
Taxes/assessments	14,163,351	-	1,265,420	-	-
Accounts	788,759	199,398	75,636	252,263	-
Interest	53,449	8,371	8,104	23,656	5,038
Notes	-	-	-	-	-
Due from other funds	1,412,561	85,655	743,531	38	-
Due from interfund advances	1,175,393	-	-	-	-
Due from other governmental units	349,557	99,910	-	-	-
Prepaid items	116,292	-	-	-	-
Inventory	774	-	-	-	-
Total assets	<u>122,794,015</u>	<u>18,368,214</u>	<u>19,518,157</u>	<u>51,249,656</u>	<u>10,836,609</u>
DEFERRED OUTFLOWS OF RESOURCES					
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 122,794,015</u>	<u>\$ 18,368,214</u>	<u>\$ 19,518,157</u>	<u>\$ 51,249,656</u>	<u>\$ 10,836,609</u>
LIABILITIES					
Accounts payable	\$ 2,061,069	\$ 89,101	\$ 485,566	\$ 714,882	\$ -
Due to other funds	615,500	479,184	545,414	-	98,477
Due to interfund advances	-	-	-	-	1,159,202
Due to other governmental units	1,198,597	9,414	-	-	-
Accrued interest payable	-	-	-	-	-
Accrued liabilities	3,525,799	779,571	126,220	-	-
Custodial accounts	124,519	17	22	-	-
Unearned revenue	519,758	64,089	2,052	9,375,434	-
Total liabilities	<u>8,045,242</u>	<u>1,421,376</u>	<u>1,159,274</u>	<u>10,090,316</u>	<u>1,257,679</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	609,946	-	-	-	-
Unavailable revenue-grants and other	376,244	230,297	26,554	252,262	-
Total deferred inflows of resources	<u>986,190</u>	<u>230,297</u>	<u>26,554</u>	<u>252,262</u>	<u>-</u>
FUND BALANCES					
Nonspendable	1,276,267	-	-	-	-
Restricted	19,179,958	-	-	-	9,578,930
Committed	18,467,230	15,098,752	5,524,691	2,719,018	-
Assigned	1,347,342	1,617,789	12,807,638	38,188,060	-
Unassigned	73,491,786	-	-	-	-
Total fund balances	<u>113,762,583</u>	<u>16,716,541</u>	<u>18,332,329</u>	<u>40,907,078</u>	<u>9,578,930</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 122,794,015</u>	<u>\$ 18,368,214</u>	<u>\$ 19,518,157</u>	<u>\$ 51,249,656</u>	<u>\$ 10,836,609</u>

The notes to the financial statements are an integral part of this statement

CITY OF VANCOUVER
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2020

	Non-Major Governmental Funds	Total Governmental Funds
ASSETS		
Cash and cash equivalents	\$ 69,775,204	\$ 271,714,699
Receivables (net)		
Taxes/assessments	1,853,341	17,282,112
Accounts	583,399	1,899,455
Interest	32,464	131,082
Notes	10,843,762	10,843,762
Due from other funds	292,953	2,534,738
Due from interfund advances	-	1,175,393
Due from other governmental units	1,231,585	1,681,052
Prepaid items	-	116,292
Inventory	-	774
Total assets	<u>84,612,708</u>	<u>307,379,359</u>
DEFERRED OUTFLOWS OF RESOURCES		
Total deferred outflows of resources	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 84,612,708</u>	<u>\$ 307,379,359</u>
LIABILITIES		
Accounts payable	\$ 3,651,431	\$ 7,002,049
Due to other funds	723,953	2,462,528
Due to interfund advances	16,192	1,175,394
Due to other governmental units	156,151	1,364,162
Accrued interest payable	209	209
Accrued liabilities	21,765	4,453,355
Custodial accounts	17,654	142,212
Unearned revenue	31,637	9,992,970
Total liabilities	<u>4,618,992</u>	<u>26,592,879</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue-property taxes	70,661	680,607
Unavailable revenue-grants and other	749,327	1,634,684
Total deferred inflows of resources	<u>819,988</u>	<u>2,315,291</u>
FUND BALANCES		
Nonspendable	-	1,276,267
Restricted	64,718,636	93,477,524
Committed	4,163,461	45,973,152
Assigned	10,291,631	64,252,460
Unassigned	-	73,491,786
Total fund balances	<u>79,173,728</u>	<u>278,471,189</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 84,612,708</u>	<u>\$ 307,379,359</u>

The notes to the financial statements are an integral part of this statement

CITY OF VANCOUVER
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE
GOVERNMENT WIDE STATEMENT OF NET POSITION**
December 31, 2020
Fund Balance - Total Governmental Funds
Fund Balance - Total Internal Service Funds
\$ 278,471,189
\$ 66,851,478

Amounts reported for governmental activities in the statement of net position are different because the following activities are not current financial resources or uses. These balances are added to the statements, removed or adjusted as noted below.

Increase (Decrease) of Reported Assets, Liabilities and Deferred Balances	Effect to Governmental Fund Balance
---	---

Amounts for Assets reported, changed due to:

The addition of long-lived capital assets, net of accumulated depreciation.

710,068,851 Increase

The addition of net pension assets which represent the fair value of pension assets is greater than the present value of pension benefits to be paid. Local governments report a net pension liability or asset, deferred outflows and deferred inflows for their share of the Washington State pension plans amounts, measured as of June 30.

Police single employer plan

3,122,625 Increase

Fire single employer plan

7,458,278 Increase

Multi-employer plans

31,938,658 Increase

Amounts for Deferred Outflows reported, changed due to:

The addition of the unamortized loss on debt refunding which will be amortized as an interest expense. Noncurrent liability amounts, such as long-lived debt are excluded from the current resources measurement.

828,034 Increase

The addition of net pension deferred outflows. Local governments report a net pension liability or asset, deferred outflows and deferred inflows for their share of the Washington State pension plans amounts, measured as of June 30. Additionally, deferred outflows represent the City's contributions subsequent to the pension plan measurement date and up to the end of the City's reporting period, December 31.

9,485,575 Increase

Amounts for Liabilities reported, changed due to:

The addition of long-lived liabilities (payables), including the portion due within one year after yearend.

Special assessment debt

5,000 Decrease

GO Bonds

48,626,500 Decrease

Issuance Premium/discount

2,314,946 Decrease

Governmental loans

5,898,113 Decrease

Impact Fee Credit

18,925,596 Decrease

Capital Lease Payable

11,119,819 Decrease

Accrued Interest Payable

199,372 Decrease

The addition of net pension liabilities which represent the fair value of pension assets that are less than the present value of pension benefits to be paid. Local governments report a net pension liability or asset, deferred outflows and deferred inflows for their share of the Washington State pension plans amounts, measured as of June 30.

6,475,282 Decrease

The addition of OPEB liabilities which represent the fair value of OPEB assets that are less than the present value of OPEB benefits to be paid. These liabilities are related to the single employer plans.

48,695,087 Decrease

The addition of compensated absence liabilities which represent the future potential cost of paying employees' accrued leave hours.

10,296,594 Decrease

Amounts for Deferred Inflows reported, changed due to:

The removal of unavailable revenue. Under the current resources approach, accounts receivable that will be received more than 60 days beyond yearend are considered earned but not available as a liquid resource. Therefore the receivable recorded is offset with a deferred inflow for unavailable revenue. For full accrual reporting the unavailable revenue is converted to revenue.

(2,315,291) Increase

The addition of net pension deferred inflows. Local governments report a net pension liability or asset, deferred outflows and deferred inflows for their share of the Washington State pension plans amounts, measured as of June 30.

7,921,541 Decrease

Eliminations:

When reported separately, City funds can have payables and receivables to other City funds. When those funds are rolled together to be presented as governmental activities the activity between them must be removed. This will not result in a net change to the fund balance.

Remove due to other funds between governmental and internal service funds

(2,399,397) No net effect

Remove due from other funds between governmental and internal service funds

(2,399,397) No net effect

Remove advances receivable between governmental funds

(1,175,394) No net effect

Remove advances payable between governmental funds

(1,175,394) No net effect

Total net position of government-wide governmental activities
\$ 950,062,129

The notes to the financial statements are an integral part of this statement

CITY OF VANCOUVER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2020

	Major Funds				
	Consolidated General Fund	Consolidated Fire Fund	Consolidated Street Fund	Consolidated Capital Improvement Fund	Consolidated Parks Impact Fees
REVENUES					
Property taxes	\$ 51,125,423	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	48,420,040	-	-	-	-
Business & Occupation Taxes	55,613,369	-	-	-	-
Excise Taxes	660,663	-	4,952,390	-	-
License and permits	792,803	966,783	805,991	-	-
Intergovernmental	9,142,261	2,966,758	3,833,648	91,235	-
Charges for services	5,256,680	11,943,206	682,456	117,636	2,380,654
Fines and penalties	1,148,586	22,425	-	-	-
Investment earnings	855,246	123,322	126,010	279,372	86,226
Rents and royalties	3,016,654	-	312,435	-	-
Contributions/donations	107,900	15,467	-	-	-
Miscellaneous	206,905	11,742	322	26,000	-
Total revenues	176,346,530	16,049,703	10,713,252	514,243	2,466,880
EXPENDITURES					
Current					
General government	10,651,396	-	-	2,064,032	-
Security of persons & property	62,687,354	45,651,120	-	452,887	-
Physical environment	-	-	-	-	24,169
Transportation	-	-	15,180,105	-	-
Economic environment	6,968,131	-	-	-	-
Social services	779,308	-	-	-	-
Culture and recreation	10,528,901	-	-	-	-
Intergovernmental facilities	-	-	-	-	-
Capital outlay	3,227,910	1,974,919	3,919,102	253,866	-
Debt service					
Principal retirement	-	-	-	-	-
Interest/fiscal charges	-	-	-	-	-
Investment Losses	-	-	-	-	-
Total expenditures	94,843,000	47,626,039	19,099,207	2,770,785	24,169
Excess (deficiency) of revenues over (under) expenditures	81,503,530	(31,576,336)	(8,385,955)	(2,256,542)	2,442,711
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	-	10,000	-	-	-
Proceeds and premiums from debt issuance	-	-	-	-	-
Proceeds from refunding of debt	-	-	-	-	-
Payments for refunding of debt	-	-	-	-	-
Transfers in	1,500,848	33,096,032	14,882,558	14,913,085	-
Transfers out	(65,817,209)	(1,740,287)	(1,810,669)	-	(2,355,215)
Total other financing sources (uses)	(64,316,361)	31,365,745	13,071,889	14,913,085	(2,355,215)
Net change in fund balances	17,187,169	(210,591)	4,685,934	12,656,543	87,496
FUND BALANCES - BEGINNING	96,575,414	16,927,132	13,646,395	28,250,535	9,491,434
Prior Period Adjustment	-	-	-	-	-
FUND BALANCES - ENDING	<u>\$ 113,762,583</u>	<u>\$ 16,716,541</u>	<u>\$ 18,332,329</u>	<u>\$ 40,907,078</u>	<u>\$ 9,578,930</u>

The notes to the financial statements are an integral part of this statement

CITY OF VANCOUVER
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2020

	Non-Major Governmental Funds	Total Governmental Funds
REVENUES		
Property taxes	\$ 5,972,000	\$ 57,097,423
Sales and use taxes	2,115,408	50,535,448
Business & Occupation Taxes	-	55,613,369
Excise Taxes	10,782,193	16,395,246
License and permits	749,167	3,314,744
Intergovernmental	6,112,095	22,145,997
Charges for services	9,479,100	29,859,732
Fines and penalties	46,577	1,217,588
Investment earnings	534,529	2,004,705
Rents and royalties	314,799	3,643,888
Contributions/donations	636,230	759,597
Miscellaneous	649,140	894,109
Total revenues	<u>37,391,238</u>	<u>243,481,846</u>
EXPENDITURES		
Current		
General government	1,225,521	13,940,949
Security of persons & property	122,519	108,913,880
Physical environment	3,176	27,345
Transportation	3,494,110	18,674,215
Economic environment	9,555,467	16,523,598
Social services	-	779,308
Culture and recreation	580,968	11,109,869
Intergovernmental facilities	6,588,049	6,588,049
Capital outlay	9,792,165	19,167,962
Debt service		
Principal retirement	5,574,740	5,574,740
Interest/fiscal charges	2,313,836	2,313,836
Investment Losses	229	229
Total expenditures	<u>39,250,780</u>	<u>203,613,980</u>
Excess (deficiency) of revenues over (under) expenditures	(1,859,542)	39,867,866
OTHER FINANCING SOURCES (USES)		
Sale of capital assets	3,330,000	3,340,000
Proceeds and premiums from debt issuance	3,773,312	3,773,312
Proceeds from refunding of debt	7,046,534	7,046,534
Payments for refunding of debt	(7,850,065)	(7,850,065)
Transfers in	15,873,946	80,266,469
Transfers out	(9,205,549)	(80,928,929)
Total other financing sources (uses)	<u>12,968,178</u>	<u>5,647,321</u>
Net change in fund balances	11,108,636	45,515,187
FUND BALANCES - BEGINNING	68,065,092	232,956,002
Prior Period Adjustment	-	-
FUND BALANCES - ENDING	<u>\$ 79,173,728</u>	<u>\$ 278,471,189</u>

The notes to the financial statements are an integral part of this statement

CITY OF VANCOUVER
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE OF GOVERNMENTAL FUNDS TO THE GOVERNMENT WIDE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2020

Net Change in Fund Balance - Total Governmental Funds	\$ 45,515,187
Net Change in Fund Balance - Total Internal Service Funds	\$ 8,051,703

Amounts reported for governmental activities in the statement of activities are different because the following activities are not current financial resources or uses. These balances are added to the statements, removed or adjusted as noted below.

Increase (Decrease) of Reported Revenue, Expenditure	Effect to Change in Fund Balance
--	--

Amounts for Revenues reported, changed due to:

Related to changes in Assets:

Long-lived capital assets, are presented on the government-wide statements. The addition of capital assets that are donated to the City from outside sources represent a non-cash revenue.	8,569,337	Increase
Long-lived pension assets are presented on the government-wide statement. Contributions to the asset are reported as revenue.	1,684,366	Increase

Related to changes in Liabilities:

Long-lived liabilities, such as debt, are presented on the government-wide statements. The proceeds or gain from debt issuance or re-finance convert from revenue proceeds reported as a current resource to changes in the long-lived liability balances.	(10,818,311)	Decrease
The long-lived impact fee credit liabilities are added to the government-wide statements. The changes in the liability balance represent changes in revenue as the credit is granted to and used by participants in the program.	(1,851,557)	Decrease

Related to changes in Deferred Inflows:

The removal of unavailable revenue. Under the current resources approach, accounts receivable that will be received more than 60 days beyond yearend are considered earned but not available as a liquid resource. Therefore the receivable recorded is offset with a deferred inflow for unavailable revenue. For full accrual reporting the unavailable revenue is converted to revenue.	1,703,545	Increase
--	-----------	----------

Amounts for Expenditures reported, changed due to:

Related to changes in Assets:

Current expenditures related to the construction or acquisition of long-lived capital assets are converted to increases in capital assets.	(20,419,199)	Increase
Long-lived capital assets, net of accumulated depreciation, are presented on the government-wide statements. The change in the accumulated depreciation balance is added to the statements as depreciation expense.	25,371,909	Decrease

Related to changes in Deferred Outflows:

Premiums and discounts related long-lived liabilities are decreased through amortization expense.	(1,243,974)	Increase
---	-------------	----------

Related to changes in Liabilities:

Debt payments convert to decreases of long-lived liabilities.	(13,477,323)	Increase
The long-lived compensated absence liabilities are added to the government-wide statements. The changes in the liability balance represent changes in expenditures.	1,319,624	Decrease
The long-lived OPEB liabilities are added to the government-wide statements. The changes in the liability balance represent changes in expenditures.	4,246,121	Decrease
The long-lived pension liabilities, deferred inflows and outflows are added to the government-wide statements. The changes in the those balances represent changes in expenditures.	(7,473,346)	Increase
The addition of interest payables related to long-lived liabilities also represent an expense.	3,962	Decrease
Payments of other long-lived payables converted to decreases of those liabilities.	(232,215)	Increase

Eliminations:

Various City funds provide internal services to other funds. When reported separately, they show revenues and expenditures related to these services. Additionally, City funds transfer cash to other funds. When those funds are rolled together to be presented as governmental activities, the activity between them must be removed. This will not result in a net change to the Change in Fund Balance.

Remove internal service revenue for funds rolled together for governmental activities	(33,226,512)	No net effect
Remove internal service expenditures for funds rolled together for governmental activities	(33,226,512)	
Remove transfer in balances for funds rolled together for governmental activities	(81,060,527)	No net effect
Remove transfer out balances for funds rolled together for governmental activities	(81,060,527)	

Total net position of government-wide governmental activities	\$ 63,057,902
--	----------------------

CITY OF VANCOUVER
CONSOLIDATED GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
COMPARED TO BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended December 31, 2020

	Budget Amounts		Actual Biennium To-Date Thru 12/31/20	Variance Thru 12/31/20
	Original 2019-20 Biennium	Final 2019-20 Biennium		
REVENUES				
Property taxes	\$ 100,082,469	\$ 100,082,469	\$ 101,023,270	\$ 940,801
Sales and use taxes	91,211,686	91,211,686	95,273,519	4,061,833
Business & Occupation Taxes	108,326,265	109,837,900	106,971,260	(2,866,640)
Excise Taxes	1,315,802	1,315,802	1,324,582	8,780
License and permits	4,415,516	4,415,516	3,495,937	(919,579)
Intergovernmental	9,260,804	14,037,392	14,712,085	674,693
Charges for services	18,470,215	18,470,215	14,013,048	(4,457,167)
Fines and penalties	3,045,500	3,045,500	2,732,008	(313,492)
Investment earnings	1,775,000	1,780,000	2,942,826	1,162,826
Rents and royalties	6,015,751	6,050,066	6,874,896	824,830
Contributions/donations	8,887	183,487	227,837	44,350
Prior period cost allocation adjustment	-	-	4,539,109	4,539,109
Miscellaneous	9,880,530	9,941,530	465,877	(9,475,653)
Total revenues	353,808,425	360,371,563	354,596,254	(5,775,309)
EXPENDITURES				
Current:				
General government	28,880,846	24,992,657	21,655,071	3,337,586
Security of persons & property	150,516,829	146,209,937	125,966,752	20,243,185
Economic environment	16,174,148	16,660,192	14,315,026	2,345,166
Social services	778,463	2,097,816	1,364,912	732,904
Culture and recreation	30,615,332	30,055,272	24,403,177	5,652,095
Capital outlay	30,000	5,957,777	15,025,173	(9,067,396)
Total expenditures	226,995,618	225,973,651	202,730,111	23,243,540
Excess (deficiency) of revenues over expenditures	126,812,807	134,397,912	151,866,143	17,468,231
OTHER FINANCING SOURCES (USES)				
Capital Lease Issuance	-	-	11,352,034	11,352,034
Transfers in	1,831,469	3,088,068	2,074,646	(1,013,422)
Transfers out	(125,644,008)	(135,218,690)	(133,550,502)	1,668,188
Total other financing sources (uses)	(123,812,539)	(132,130,622)	(120,123,822)	12,006,800
Net change in fund balance	3,000,268	2,267,290	31,742,321	29,475,031
FUND BALANCES - BEGINNING RESTATED	79,774,377	79,774,377	79,774,377	-
Prior Period Adjustment	-	-	2,245,887	2,245,887
FUND BALANCES - ENDING	\$ 82,774,645	\$ 82,041,667	\$ 113,762,585	\$ 31,720,918

The notes to the financial statements are an integral part of this statement

CITY OF VANCOUVER
CONSOLIDATED FIRE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
COMPARED TO BUDGET (GAAP BASIS) AND ACTUAL
For the Year ended December 31, 2020

	Budget Amounts		Actual Biennium To-Date Thru 12/31/20	Variance Thru 12/31/20
	Original 2019-20 Biennium	Final 2019-20 Biennium		
REVENUES				
License and permits	\$ 1,390,500	\$ 1,390,500	\$ 1,849,275	\$ 458,775
Intergovernmental	112,000	2,105,614	3,435,338	1,329,724
Charges for services	24,963,729	25,739,467	22,870,734	(2,868,733)
Fines and penalties	70,000	70,000	66,500	(3,500)
Investment earnings	215,000	215,000	598,560	383,560
Rents and royalties	66,954	66,954	-	(66,954)
Contributions/donations	32,000	51,692	30,192	(21,500)
Prior period cost allocation adjustment	-	-	6,618	6,618
Miscellaneous	-	7,721	39,553	31,832
Total revenues	26,850,183	29,646,948	28,896,770	(750,178)
EXPENDITURES				
Security of persons & property	89,768,082	92,848,006	90,441,908	2,406,098
Capital outlay	5,069,019	6,366,580	3,310,524	3,056,056
Total expenditures	94,837,101	99,214,586	93,752,432	5,462,154
Excess (deficiency) of revenues over expenditures	(67,986,918)	(69,567,638)	(64,855,662)	4,711,976
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	46,742	46,742
Transfers in	70,792,094	74,983,344	70,406,506	(4,576,838)
Transfers out	(4,521,265)	(4,969,571)	(2,593,619)	2,375,952
Total other financing sources (uses)	66,270,829	70,013,773	67,859,629	(2,154,144)
Net change in fund balance	(1,716,089)	446,135	3,003,967	2,557,832
FUND BALANCES - BEGINNING	13,670,238	13,670,238	13,670,238	-
Prior Period Adjustment	-	-	42,337	42,337
FUND BALANCES - ENDING	\$ 11,954,149	\$ 14,116,373	\$ 16,716,542	\$ 2,600,169

The notes to the financial statements are an integral part of this statement

CITY OF VANCOUVER
CONSOLIDATED STREET FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
COMPARED TO BUDGET (GAAP BASIS) AND ACTUAL
For the Year ended December 31, 2020

	Budget Amounts		Actual	
	Original	Final	Biennium	Variance
	2019-20	2019-20	To-Date	
	Biennium	Biennium	Thru 12/31/20	Thru 12/31/20
REVENUES				
Excise Taxes	\$ 6,100,000	\$ 6,100,000	\$ 9,701,589	\$ 3,601,589
License and permits	2,795,000	2,181,928	2,273,961	92,033
Intergovernmental	8,250,000	9,585,627	9,667,933	82,306
Charges for services	1,557,346	1,557,346	1,622,003	64,657
Investment earnings	310,000	310,000	478,811	168,811
Rents and royalties	842,500	842,500	652,282	(190,218)
Miscellaneous	-	-	5,323	5,323
Total revenues	19,854,846	20,577,401	24,401,902	3,824,501
EXPENDITURES				
Transportation	35,726,214	36,879,002	32,686,756	4,192,246
Capital outlay	13,150,124	17,410,276	14,166,630	3,243,646
Total expenditures	48,876,338	54,289,278	46,853,386	7,435,892
Excess (deficiency) of revenues over expenditures	(29,021,492)	(33,711,877)	(22,451,484)	11,260,393
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	2,384	2,384
Transfers in	30,681,370	29,704,463	29,843,456	138,993
Transfers out	(4,971,927)	(3,543,056)	(2,729,632)	813,424
Total other financing sources (uses)	25,709,443	26,161,407	27,116,208	954,801
Net change in fund balance	(3,312,049)	(7,550,470)	4,664,724	12,215,194
FUND BALANCES - BEGINNING	13,667,604	13,667,604	13,667,604	-
FUND BALANCES - ENDING	\$ 10,355,555	\$ 6,117,134	\$ 18,332,328	\$ 12,215,194

The notes to the financial statements are an integral part of this statement

CITY OF VANCOUVER
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2020

	Consolidated Water Sewer Fund	Parking Services	Non-Major Enterprise Funds	Total	(Govtl Activities) Internal Service Funds
ASSETS					
Current assets					
Cash and cash equivalents	\$ 98,529,015	\$ 4,156,295	\$ 14,299,101	\$ 116,984,411	\$ 59,537,838
Restricted cash, cash equivalents and investments:					
Cash and cash equivalents	7,758,022	-	-	7,758,022	-
Accrued interest receivable	3,198	-	-	3,198	-
Receivables (net)					
Accounts	18,422,144	1,542,667	152,077	20,116,888	243,279
Interest	46,185	1,930	6,643	54,758	27,663
Due from other funds	435,730	517	-	436,247	296,222
Due from other governmental units	97,693	-	76,537	174,230	1,046,245
Inventory	896,319	-	-	896,319	507,747
Prepaid expenses	-	-	-	-	100,000
Total current assets	<u>126,188,306</u>	<u>5,701,409</u>	<u>14,534,358</u>	<u>146,424,073</u>	<u>61,758,994</u>
Noncurrent assets					
Contracts receivable	3,864,085	-	-	3,864,085	-
Noncurrent capital assets held for resale	4,386,993	-	-	4,386,993	-
Capital assets					
Land and land improvements	39,221,952	468,657	484,202	40,174,811	-
Intangible - Easements	15,570,250	-	-	15,570,250	-
Construction in progress	28,947,083	-	-	28,947,083	703,699
Infrastructure and other improvements	634,185,675	78,937	2,942,564	637,207,176	-
Buildings	7,867,941	16,984,573	9,517,252	34,369,766	-
Intangible assets	9,930,732	128,712	1,837,338	11,896,782	7,744,372
Machinery and equipment	24,655,516	2,053,216	324,321	27,033,053	43,229,479
Accumulated depreciation	<u>(334,332,271)</u>	<u>(9,155,542)</u>	<u>(7,303,142)</u>	<u>(350,790,955)</u>	<u>(27,682,186)</u>
Capital assets (net)	<u>426,046,878</u>	<u>10,558,553</u>	<u>7,802,535</u>	<u>444,407,966</u>	<u>23,995,364</u>
Total noncurrent assets	<u>434,297,956</u>	<u>10,558,553</u>	<u>7,802,535</u>	<u>452,659,044</u>	<u>23,995,364</u>
Total assets	<u>560,486,262</u>	<u>16,259,962</u>	<u>22,336,893</u>	<u>599,083,117</u>	<u>85,754,358</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Out Flows Related to Asset Retirement Obligations	1,107,278	-	13,043	1,120,321	100,374
Amounts related to pension	2,058,744	72,367	399,618	2,530,729	1,644,877
Total deferred outflows of resources	<u>3,166,022</u>	<u>72,367</u>	<u>412,661</u>	<u>3,651,050</u>	<u>1,745,251</u>

The notes to the financial statement are an integral part of this statement

CITY OF VANCOUVER
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2020

	Consolidated Water Sewer Fund	Parking Services	Non-Major Enterprise Funds	Total	(Govtl Activities) Internal Service Funds
LIABILITIES					
Current liabilities					
Accounts payable	11,706,797	70,229	195,120	11,972,146	1,684,701
Claims and judgments payable	-	-	-	-	3,194,078
Due to other funds	348,499	13,437	69,628	431,564	373,116
Accrued interest payable	-	11,253	-	11,253	-
Accrued liabilities	490,132	12,646	99,161	601,939	419,994
Custodial accounts	25,264	12,925	57,119	95,308	818
Unearned revenues	16,012	112,165	20,803	148,980	57,118
Bonds, notes and loans payable	-	985,000	-	985,000	-
Total current liabilities	12,586,704	1,217,655	441,831	14,246,190	5,729,825
Noncurrent liabilities					
Bonds, notes and loan payable	-	4,175,000	-	4,175,000	-
Claims and judgments	-	-	-	-	6,538,153
Accrued employee benefits	2,662,367	64,907	479,614	3,206,888	1,925,135
Net pension liability	5,783,778	203,305	1,122,672	7,109,755	4,621,069
Asset Retirement Obligations	2,318,200	-	150,000	2,468,200	450,000
Total noncurrent liabilities	10,764,345	4,443,212	1,752,286	16,959,843	13,534,357
Total liabilities	23,351,049	5,660,867	2,194,117	31,206,033	19,264,182
DEFERRED INFLOWS OF RESOURCES					
Amounts related to pension	1,732,165	60,887	336,226	2,129,278	1,383,949
Total deferred inflows of resources	1,732,165	60,887	336,226	2,129,278	1,383,949
NET POSITION					
Net investment in capital assets	426,046,877	5,398,554	7,802,535	439,247,966	23,995,362
Restricted for capital purposes	6,920,655	-	-	6,920,655	360,000
Unrestricted	105,601,538	5,212,021	12,416,676	123,230,235	42,496,116
Total net position	\$ 538,569,070	\$ 10,610,575	\$ 20,219,211	\$ 569,398,856	\$ 66,851,478

The notes to the financial statement are an integral part of this statement

CITY OF VANCOUVER
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2020

	Consolidated Water Sewer Fund	Parking Services	Non-Major Enterprise Funds	Total	(Govtl Activities) Internal Service Funds
OPERATING REVENUES					
Charges for services	\$ 113,694,036	\$ 186,051	\$ 11,209,893	\$ 125,089,980	\$ 64,803,638
Fines and penalties	203,384	304,206	50	507,640	-
Rents and royalties	459,112	3,540,929	924,254	4,924,295	8,301,280
Operating grants and contributions	1,355,870	70,310	584,988	2,011,168	2,119,274
Miscellaneous	213,753	10,208	405	224,366	24,286
Total operating revenues	<u>115,926,155</u>	<u>4,111,704</u>	<u>12,719,590</u>	<u>132,757,449</u>	<u>75,248,478</u>
OPERATING EXPENSES					
Personnel services	21,523,907	825,172	4,482,713	26,831,792	18,942,142
Supplies and contractual services	23,141,693	871,325	2,806,412	26,819,430	41,590,189
Interfund services	13,130,723	392,070	2,427,627	15,950,420	4,942,970
Intergovernmental payments	35,813,846	63,862	4,580	35,882,288	161,936
Depreciation	14,637,009	669,595	393,941	15,700,545	4,128,001
Amortization of ARO deferred outflows	37,085	-	3,261	40,346	14,339
Total operating expenses	<u>108,284,263</u>	<u>2,822,024</u>	<u>10,118,534</u>	<u>121,224,821</u>	<u>69,779,577</u>
Operating income (loss)	7,641,892	1,289,680	2,601,056	11,532,628	5,468,901
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	1,115,930	34,723	94,837	1,245,490	490,372
Capital grants and contributions	119,108	-	1,937,571	2,056,679	-
Interest and fiscal charges	(432,084)	(183,252)	(18)	(615,354)	-
Gain (Loss) on disposal of capital assets	(137,223)	-	(173,327)	(310,550)	169,414
Non-capital insurance recoveries	-	-	-	-	552,835
Total nonoperating revenues (expenses)	<u>665,731</u>	<u>(148,529)</u>	<u>1,859,063</u>	<u>2,376,265</u>	<u>1,212,621</u>
Income (loss) before contributions and transfers	8,307,623	1,141,151	4,460,119	13,908,893	6,681,522
Capital contributions	16,442,016	-	-	16,442,016	-
Transfers in	46,056	-	150,000	196,056	1,697,836
Transfers out	<u>(705,347)</u>	<u>(2,130)</u>	<u>(196,301)</u>	<u>(903,778)</u>	<u>(327,655)</u>
Change in net position	24,090,348	1,139,021	4,413,818	29,643,187	8,051,703
TOTAL NET POSITION - BEGINNING	507,215,233	9,471,554	15,903,911	532,590,698	59,135,062
Prior Period Adjustment	<u>7,263,489</u>	<u>-</u>	<u>(98,518)</u>	<u>7,164,971</u>	<u>(335,287)</u>
TOTAL NET POSITION - ENDING	<u>\$ 538,569,070</u>	<u>\$ 10,610,575</u>	<u>\$ 20,219,211</u>	<u>\$ 569,398,856</u>	<u>\$ 66,851,478</u>

The notes to the financial statements are an integral part of this statement

CITY OF VANCOUVER
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2020

Page 1 of 2

	Business-Type Activities - Enterprise Funds				(Governmental Activities)
	Major Fund		Non-Major Enterprise Funds	Total	Internal Service Funds
	Consolidated Water Sewer	Parking Services			
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 113,153,154	\$ 2,833,968	\$ 12,072,292	\$ 128,059,414	\$ 73,168,584
Cash received from other operating activities	429,883	309,115	(8,155)	730,843	9,285
Receipt of operating grants and contributions	1,404,794	70,310	586,306	2,061,410	1,073,029
Cash payments for goods and services	(56,527,178)	(978,502)	(3,491,177)	(60,996,857)	(40,554,241)
Internal activity - payments from other funds	(235,704)	(517)	-	(236,221)	-
Internal activity - payments to other funds	(13,273,477)	(379,750)	(2,409,542)	(16,062,769)	(4,542,163)
Cash payments to employees	(22,703,824)	(909,309)	(4,629,104)	(28,242,237)	(19,979,559)
Net cash provided by operating activities	<u>22,247,648</u>	<u>945,315</u>	<u>2,120,620</u>	<u>25,313,583</u>	<u>9,174,935</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Unrestricted funds received	-	-	-	-	-
Non-capital insurance recoveries	-	-	-	-	552,836
Contracts receivable	310,184	-	-	310,184	-
Contributions from contracted service provider	-	-	-	-	-
Transfers from other funds	46,056	-	150,000	196,056	1,697,836
Transfers to other funds	(705,347)	(2,130)	(196,301)	(903,778)	(327,656)
Net cash provided by noncapital financing activities	<u>(349,107)</u>	<u>(2,130)</u>	<u>(46,301)</u>	<u>(397,538)</u>	<u>1,923,016</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Receipt of capital grant funds	119,108	-	1,937,571	2,056,679	-
Principal paid on capital debt	(3,840,000)	(960,000)	-	(4,800,000)	-
Interest paid on capital debt	(244,400)	(156,213)	(18)	(400,631)	-
Purchase of capital assets	(27,398,742)	-	(1,396,486)	(28,795,228)	(4,312,709)
Proceeds from sale of capital assets	-	-	-	-	169,414
Capital contributions	9,765,038	-	-	9,765,038	-
Net cash used by capital and related financing activities	<u>(21,598,996)</u>	<u>(1,116,213)</u>	<u>541,067</u>	<u>(22,174,142)</u>	<u>(4,143,295)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment earnings (losses)	1,266,307	40,970	110,269	1,417,546	561,944
Net cash provided by investing activities	<u>1,266,307</u>	<u>40,970</u>	<u>110,269</u>	<u>1,417,546</u>	<u>561,944</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,565,852	(132,058)	2,725,655	4,159,449	7,516,600
CASH AND CASH EQUIVALENTS - BEGINNING	104,721,185	4,288,351	11,573,446	120,582,982	52,021,238
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 106,287,037</u>	<u>\$ 4,156,293</u>	<u>\$ 14,299,101</u>	<u>\$ 124,742,431</u>	<u>\$ 59,537,838</u>
Cash and cash equivalents	\$ 98,529,015	\$ 4,156,295	\$ 14,299,101	\$ 116,984,411	\$ 59,537,838
Restricted cash and cash equivalents	7,758,022	-	-	7,758,022	-
Cash and cash equivalents - ending	<u>\$ 106,287,037</u>	<u>\$ 4,156,295</u>	<u>\$ 14,299,101</u>	<u>\$ 124,742,433</u>	<u>\$ 59,537,838</u>

The notes to the financial statements are an integral part of this statement

CITY OF VANCOUVER
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2019

Page 2 of 2

	Business-Type Activities - Enterprise Funds				(Governmental Activities)
	Major Fund		Non-Major Enterprise Funds	Total	Internal Service Funds
	Water/Sewer	Parking Services			
Reconciliation of operating income (loss) to net cash used by operating activities:					
Net operating income (loss)	\$ 7,641,892	\$ 1,289,680	\$ 2,601,056	\$ 11,532,628	\$ 5,468,901
Adjustments to reconcile net operating income (loss) to net cash provided by operations:					
Depreciation and ARO expense	14,674,094	669,595	397,202	15,740,891	4,142,340
Decrease (increase) in receivables	(2,345,460)	(870,773)	(197,836)	(3,414,069)	(68,867)
Increase (Decrease) in deposits	12,746	(5,299)	(8,610)	(1,163)	-
Decrease (increase) in inventories	40,544	-	-	40,544	71,691
Decrease (increase) in prepaid assets	500	-	4,278	4,778	-
Increase (decrease) in current payables	2,356,206	(39,910)	(677,317)	1,638,979	(612,419)
Increase (decrease) in accrued liabilities	(1,083,754)	(89,509)	(182,378)	(1,355,641)	(852,515)
Decrease (increase) in receivable from other funds	(235,704)	(517)	-	(236,221)	169,681
Decrease (increase) in receivable from other government	48,924	-	99,836	148,760	(1,046,245)
Increase (decrease) in payables due to other funds	(142,754)	12,320	18,085	(112,349)	231,126
Increase (decrease) in payable to other government	-	-	-	-	-
Increase (decrease) in claims and judgments payable	-	-	-	-	1,675,745
Increase (decrease) in pension liability	106,577	(20,272)	66,304	152,609	(4,503)
Total adjustments	13,431,919	(344,365)	(480,436)	12,607,118	3,706,034
Net cash provided by operating activities	<u>\$ 21,073,811</u>	<u>\$ 945,315</u>	<u>\$ 2,120,620</u>	<u>\$ 24,139,746</u>	<u>\$ 9,174,935</u>
Noncash, investing, financing and capital activities					
Capital assets donated	\$ 6,676,978	\$ -	\$ -	\$ 6,676,978	\$ -
Net change in fair value of investments	\$ (9,332)	\$ 2,847	\$ 4,694	\$ (1,791)	\$ 26,330
Capital assets financed with accounts payable	\$ 3,902,456	\$ -	\$ -	\$ 3,902,456	\$ -

The notes to the financial statements are an integral part of this statement

CITY OF VANCOUVER
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2020

	Custodial Funds
ASSETS	
Cash and cash equivalents	\$ 1,177,418
Receivables:	
Accounts	-
Taxes	180,554
Interest	547
Due from other governmental units	283
NOT CODED	-
Total assets	<u>1,358,802</u>
LIABILITIES	
Accounts and accrued employee payables	8,852
Due to other governmental units	41,216
Total liabilities	<u>50,068</u>
NET POSITION	
Restricted for:	
Restricted for intergovernmental contracts	1,308,734
Total net position	<u><u>\$ 1,308,734</u></u>

The notes to the financial statements are an integral part of this statement

CITY OF VANCOUVER
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended December 31, 2020

	Custodial Funds
ADDITIONS	
Licenses & Permits	\$ 737,362
Net increase in fair value of investments	251
Investment Interest	10,146
Total additions	<u>747,759</u>
DEDUCTIONS	
Intergovernmental services	<u>861,924</u>
Total deductions	<u>861,924</u>
Change in net position	(114,165)
Net position - beginning	<u>1,422,899</u>
Net position - ending	<u><u>\$ 1,308,734</u></u>

The notes to the financial statements are an integral part of this statement

CITY OF VANCOUVER
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Vancouver (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below.

A. REPORTING ENTITY

The City was incorporated January 23, 1857 and operates under a Council-Manager form of government. Services are provided per its charter adopted February 10, 1952, as last amended November, 2019.

As required by the generally accepted accounting principles (GAAP) the financial statements present the City, the primary government, and its component units. The component units discussed below are included with the City because of the significance of their operational or financial relationships with the City.

Discretely Presented Component Units

The *Vancouver Public Facilities District* (PFD) is a special purpose government established to participate in the development of the Hotel/Convention Center in downtown Vancouver. The PFD board is comprised of five (5) members appointed by the City Council of Vancouver. The City is able to impose its will on the district; however, PFD's services do not exclusively or almost exclusively benefit the City of Vancouver. Therefore, financial statements are discretely presented as a business-type activity in the City's annual financial report on the government-wide statements.

The *Downtown Redevelopment Authority* (DRA) is a special purpose government established in 1997 to plan, design, finance, acquire, construct, equip, own, maintain, operate, repair, remodel, expand, and promote the Vancouver Convention Center and Hotel Project. The DRA Board is composed of seven (7) members who are appointed by the City Council of Vancouver to four-year terms. The City is able to impose its will on the authority; however, the DRA's services do not exclusively or almost exclusively benefit the City of Vancouver. Therefore, financial statements are discretely presented as a business-type activity in the City's annual financial report on the government-wide statements.

The *City Center Redevelopment Authority* (CCRA) is an independent legal entity. On February 27, 2006, the Vancouver City Council passed Ordinance M-3739 creating the CCRA. The CCRA board is responsible for overseeing downtown redevelopment consistent with the Vancouver City Center Vision (VCCV) plan. The board advises the mayor and city council on public-private partnerships, public assistance to private developments, and the business aspects of redevelopment projects and agreements in downtown Vancouver. However, since it has no employees and only provides advisory services, it does not have any reportable assets or operational transactions and therefore is not shown in the financial statement portion of this report.

The *Culture, Arts and Heritage Commission* was created in September 2019. Its purpose is to undertake and facilitate the development and promotion of a cultural, arts and heritage environment in the City of Vancouver through programs, community partnerships and advisory services to the City. It is managed by a nine member board appointed by the City Council. During 2020, the commission did not have any reportable assets, operational transactions nor a separate fund.

Blended Component Unit

The *Vancouver Transportation Benefit District* (TBD) is presented as a blended component unit of the City and reported as a special revenue fund. On November 2, 2015, the Vancouver City Council passed Ordinance M-4139 creating the TBD. Boundaries for TBD are identical to the City limits. TBD is a separate legal entity, but has the same governance as the City of Vancouver. Through an Interlocal agreement, funds generated from a vehicle registration fee will be passed to the City and used for transportation improvements that construct, reconstruct, preserve, maintain and operate the existing transportation infrastructure of the City of Vancouver consistent with the Revised Code of Washington (RCW) 36.73.

The Culture, Arts and Heritage Commission was created in September 2019. Its purpose is to undertake and facilitate the development and promotion of cultural, arts and heritage environment in the City of Vancouver through programs, community partnerships and advisory services to the City. It is managed by a nine member board appointed by the City Council. During 2020, the commission did not have any reportable assets, operational transaction or a separate fund.

Unless noted otherwise in this report, the accounting policies of the component units are consistent with those described for the primary government. PFD, DRA and TBD issue separate financial statements which can be obtained from the City of Vancouver, Financial and Management Services, PO Box 1995, Vancouver, WA 98668-1995.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-wide financial statements (Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate component units for which the primary government is financially accountable.

CITY OF VANCOUVER

NOTES TO THE BASIC FINANCIAL STATEMENTS

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Our policy is to allocate indirect costs to specific functions. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Separate fund financial statements are provided for governmental funds, enterprise funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. Starting for 2020 reporting, reported funds that include multiple budgeted funds used in daily accounting have the word "consolidated" added to their title.

The City reports the following major governmental funds:

The *Consolidated General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Consolidated Fire Fund* accounts for money received and the expenditures made in providing fire services to the combined City fire departments and Clark County Fire Protection District No. 5 service area. The significant resources accounted for in this fund are intergovernmental revenue from Fire District No. 5, charges for services, licenses and permits and an operating transfer from the City's General Fund.

The *Consolidated Street Fund* is a general government service fund established in accordance pursuant to Revised Code of Washington (RCW) 35A.37.010 for the administration of street-oriented maintenance and construction. Revenues are derived from tax contributions distributed from the General Fund, state shared gasoline tax, fines and fees.

The *Consolidated Capital Improvement Fund* is to fund major capital improvement projects. Funding is currently derived from interest income, grants and contributions from the General Fund.

The *Consolidated Parks Impact Fees Fund* was established in 1995 to account for the accumulation and disposition of impact fees assessed against new development under the Growth Management Act of 1990.

The City reports the following major proprietary funds:

The *Consolidated Water Sewer Fund* accounts for the City's utility activities. Revenues are received from water and sewer services provided. Expenses are comprised of maintenance and extensions of drainage, water and sewer service facilities, operating a water supply system, maintaining sewer treatment plants and operating a water drainage system. This fund also encompasses the accounting for revenue bonds outstanding, the funds available for redemption of bonds, cumulative reserve and construction funds.

The *Parking Services Fund* accounts for revenues received from operations of City owned or operated public parking spaces. Expenses are directly related to the operations and maintenance of those facilities.

Additionally, the City reports the following fund types:

Special revenue funds account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditures for specified purposes.

Debt service funds account for the accumulation of resources for and payments of general long-term debt principal and interest, except those required to be accounted for in another fund.

Capital project funds account for the acquisition or development of capital facilities for governmental activities. Their major sources of revenues are from proceeds from general obligation bonds, grants from other agencies and contributions from other funds.

Internal service funds account for services provided to other departments or agencies of the government, or to other governments on a cost reimbursement basis. The internal service funds account for the activities of health insurance for employees, fleet, facilities replacement, mail distribution, liability insurance, workers' compensation insurance, and technology services.

Fiduciary funds represent assets held in a trustee or custodial capacity for others and do not report results of operations. The City acts as the collection and disbursing agent for the PEG Capital Support Fund.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING

Government-wide and Governmental Funds

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses

CITY OF VANCOUVER

NOTES TO THE BASIC FINANCIAL STATEMENTS

are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met.

Governmental fund financial statements report the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The City considers property taxes available if they are collected within 60 days after year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Proprietary Funds

The proprietary statements are reported using the economic resources measurement focus and full-accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liability is incurred regardless of the timing of the cash flows.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water/Sewer and non-major enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. BUDGETARY INFORMATION

1. Scope of Budget

Biennially appropriated budgets are adopted for all funds on the accrual basis of accounting. Budgets for debt service and capital project funds are adopted at the level of the individual debt issue or project and for fiscal periods that correspond to the lives of debt issues or projects.

Other budgets are adopted at the level of the fund, except in the general (current expense) fund, where expenditures may not exceed appropriations at the department level and the budgets constitute the legal authority for expenditures at that level.

Appropriations for general and special revenue funds lapse at year-end (except for appropriations for capital outlays, which are carried forward from year to year until fully expended or the purpose of the appropriation has been accomplished or abandoned).

Encumbrances accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as reservation of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

2. Amending the Budget

The City Manager or his designee is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that increase the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, or other conditions of employment must be approved by the City Council.

When the City Council determines that it is in the best interest of the City to increase or decrease the appropriation for a particular fund or department, it may do so by ordinance approved by one more than the majority after holding public hearings.

The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

The financial statements contain the original and final budget information. The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable for the fiscal year.

3. Excess of Expenditures over Appropriations

The City has not had any occurrences of excesses of expenditures over appropriations as of December 31, 2020.

4. Deficit Fund Net Position

At December 31, 2020, Vancouver Downtown Redevelopment Authority (DRA), a component unit of the City, had a deficit in the fund net position of \$(13.19) million. The DRA activities involve the operation of a hotel and convention center in the City's central downtown area. This is a cashflow based project and the negative net position balance is primarily attributed to accumulated depreciation, a non-cash item. Additionally, during the recession the economic environment had a negative impact on the convention and lodging business which is also reflected in the net position change. Deep cost-cutting measures have been put in place now for many years. The Board and the management of the DRA as well as the project monitor activities monthly. A series of revenue

CITY OF VANCOUVER

NOTES TO THE BASIC FINANCIAL STATEMENTS

generating guidelines and on-going expense reductions have been implemented. The impact of COVID-19 significantly affected operations in 2020 resulting in a larger deficit fund net position when compared to 2019.

E. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

1. Cash and Cash Equivalents

It is the City's policy to invest all temporary cash surpluses. At December 31, 2020, the treasurer was holding \$448.5 million for the primary government and component units in short-term residual investments of surplus cash. This amount is classified on the balance sheet as cash and cash equivalents in various funds. The interest on these investments is prorated to the various funds and component units.

For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

2. Investments

See Note 3, *Deposits and Investments*

3. Receivables

Taxes receivable consists of property taxes and related interest and penalties (See Note 14, *Property Tax*). Accrued interest receivable consists of amounts earned on investments, notes, and contracts at the end of the year.

Special assessments are recorded when levied. Special assessments receivable consists of current and delinquent assessments and related interest and penalties. As of December 31, 2020, \$4,451 of special assessments receivable were delinquent.

Customer accounts receivable consist of amounts owed from private individuals or organizations for goods and services including amounts owed for which billings have not been prepared. Notes and contracts receivable consist of amounts owed on open account from private individuals or organizations for goods and services rendered. Unbilled utility service receivables and special assessments that are liens against property are recorded at year end.

4. Amounts Due to and from Other funds and Government's, Interfund Loans and Advances Receivable

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either interfund loans receivable/payable or advances to/from other funds. All other outstanding balances between funds are reported as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances. A separate schedule of interfund loans receivable and payable is furnished in Note 5, *Interfund Balances and Transfers*.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

5. Inventories

Inventories in governmental funds consist of expendable supplies held for consumption. The cost is recorded as expenditure at the time individual inventory items are purchased. The reserve for inventory is equal to the ending amount of inventory to indicate that a portion of the fund balance is not available for future expenditures. A comparison to market value is not considered necessary. Inventories in proprietary funds are valued by the weighted average method (which approximates the market value).

6. Restricted Assets and Liabilities

Reported in *Restricted cash, cash equivalents and investments* and *Restricted accrued interest receivable*, these accounts contain resources for construction and debt service, including current and delinquent special assessments receivable. The specific debt service reserve requirements, restricting the assets, are described in Note 7, *Long-Term Debt*.

As of the financial statement presentation date, the proprietary funds' restricted assets consist of \$7.76 million restricted cash and equivalents, \$3,198 in restricted interest receivable. These funds are restricted for debt service.

7. Capital Assets

Capital assets include property, plant, equipment (PP&E) and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$10,000 for PP&E, \$100,000 for infrastructure and \$5,000

CITY OF VANCOUVER

NOTES TO THE BASIC FINANCIAL STATEMENTS

for federally funded assets that have an estimated useful life in excess of one (1) year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Costs for additions or improvements to capital assets are capitalized when they increase the effectiveness or efficiency of the asset. However, buildings are not componentized.

The costs for normal maintenance and repairs are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

PP&E of the primary government, as well as the component units, is depreciated using the straight-line method over the following estimated useful lives:

Asset Category	Useful Life
Buildings	40
Infrastructure Structures	15-40
Leasehold Improvements	20
Utility Improvements	5
Other Improvements	5-60
Rolling Stock	5-30
Information Tech Equipment	5-15
Equipment	4
Software (Intangibles)	5-15
	5

For additional detail, see Note 4, *Capital Assets*.

8. Deferred Outflows/Inflows of Resources

The purpose of deferred items is shown on the face of the financial statements.

9. Compensated absences

Compensated absences are absences for which employees will be paid upon resignation and/or retirement or death, such as vacation leave. All compensated absences are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements.

Depending on the bargaining unit or exempt status and years of service, City employees can accumulate certain amounts of earned but unused absence time. They payoff amount for PTO and vacation at separation is limited by schedule based on longevity of the incumbent. The City also reports a liability for certain types of sick leave accrual equal to 50% of the accrued balance. Sick leave that is payable is limited to 50% of their accrual or 25% depending on their standing when they leave the City. See Note 8, *Changes in Long Term Liabilities*.

10. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

11. Other Accrued Liabilities

These accounts consist of accrued wages and employee related benefits and liabilities.

12. Long-term Debt

See Note 8, *Changes in Long Term Liabilities*.

13. Unearned revenues

This includes amounts recognized as receivables but not revenues in governmental funds because the revenue recognition criteria have not been met.

CITY OF VANCOUVER

NOTES TO THE BASIC FINANCIAL STATEMENTS

14. Miscellaneous revenues

Reported on several statements, miscellaneous revenues represent operating and nonoperating immaterial revenues that have not been separately identified on the face of the statements. For the City, these mostly represent employer trust contributions, contracted contributions towards debt service from external parties, sale of non-capital surplus, confiscated and forfeited property, small judgements and settlements, unclaimed money and property, nonsufficient funds (NSF) fees, and cashier over/short adjustments

15. Fund Balance Classification and Net Position

Governmental funds report fund equity as fund balance where proprietary funds and government-wide statements report fund equity as net position. Fund balance is either the net investment in capital assets, nonspendable, restricted, committed, assigned and/or unassigned.

Net investment in capital assets represents total capital assets plus deferred outflows of unamortized amounts on refunding less accumulated depreciation less debt directly related to capital assets less unspent bond proceeds.

Restricted net position/fund balance represents resource whose use is *not* subject solely to the government's own discretion. Restrictions may be placed on net position by an external third party that provided the resources, by laws or regulations of other governments, by enabling legislation, by endowment agreements, or by the nature of the asset.

Unrestricted net position represents amounts not included in other net position categories and is shown as either surplus or a deficit.

Nonspendable fund balance represents resources that are either in a nonspendable form or are legally or contractually required to be maintained intact, such as inventories and prepaid items.

Restricted fund balance represents resources that are either: (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed fund balance represents resources that can be used only for specific purposes with constraints imposed by resolutions and ordinances approved by the highest level of decision-making authority, the City Council.

Assigned fund balance represents amounts not included in other fund balance categories for all funds except the General Fund. For the General Fund, assigned fund balance represents surplus remaining that is intended for a specific use but has not been committed as described above. Per the City's fund balance administrative policy, the City Manager, Assistant City Manager and the Finance Director have the authority to assign amounts.

Unassigned fund balance represents the deficient balance resulting from overspending for specific purposes for all funds except the General Fund. For the General Fund, assigned fund balance represents amounts not included in other fund balance categories and is shown as a surplus or deficit.

When expenditures are incurred for purposes for which both restricted and unrestricted net position are available, restricted monies are applied to the cost first in the calculation of net position. When expenditures are incurred for purposes for which restricted, committed, assigned and/or unassigned fund balance are available, monies are applied to the cost in that order for the calculation of ending fund balance.

CITY OF VANCOUVER
NOTES TO THE BASIC FINANCIAL STATEMENTS

16. Fund Balance Details

The specific purpose of the nonspendable, restricted, committed and assigned governmental fund balances is presented below:

Fund Balance Classifications	Consolidated General Fund	Consolidated Fire Fund	Consolidated Street Fund	Consolidated Capital Improvement Fund	Consolidated Park Impact Fees Fund	Non-major Governmental Funds	Total Governmental Funds
Nonspendable							
Inventory	\$ 774	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 774
Long-term Receivables	\$ 1,159,201	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,159,201
Prepays	\$ 116,292	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 116,292
	<u>1,276,267</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,276,267</u>
Restricted							
Federal grants	68,675	-	-	-	-	7,263,065	7,331,740
Capital purposes	49,959	-	-	-	-	32,740,429	32,790,388
Economic Development	-	-	-	-	-	22,132,970	22,132,970
Security/safety services	-	-	-	-	-	2,116,990	2,116,990
Security Pension & OPEB	19,003,383	-	-	-	-	-	19,003,383
Debt service	-	-	-	-	-	51,027	51,027
Culture and recreation	57,941	-	-	-	9,578,930	-	9,636,871
Intergovernmental facilities						463	463
	<u>19,179,958</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,578,930</u>	<u>64,718,636</u>	<u>93,477,524</u>
Committed							
Working capital	76,091	15,098,752	-	-	-	-	15,174,843
Debt Service	-	-	-	-	-	378,019	378,019
Capital purposes	-	-	-	-	-	-	-
Emergency reserves	13,950,094	-	-	-	-	-	13,950,094
Revenue stabilization	4,441,045	-	-	-	-	-	4,441,045
Economic Programs	-	-	-	-	-	3,330,000	3,330,000
Cemetery	-	-	-	-	-	455,442	455,442
Street-oriented Maintenance and construction	-	-	5,524,691	2,719,018	-	-	8,243,709
	<u>18,467,230</u>	<u>15,098,752</u>	<u>5,524,691</u>	<u>2,719,018</u>	<u>-</u>	<u>4,163,461</u>	<u>45,973,152</u>
Assigned							
Federal grants	-	-	-	-	-	-	-
Capital purposes	-	-	-	38,188,060	-	5,040,881	43,228,941
Debt service	-	-	-	-	-	3,671	3,671
Economic development	-	-	-	-	-	961,477	961,477
Cemetery	-	-	-	-	-	28,513	28,513
Security/safety services	434,613	1,617,789	-	-	-	120,468	2,172,870
Street-oriented maintenance and construction	-	-	12,807,638	-	-	2,287,095	15,094,733
Culture and recreation	912,729	-	-	-	-	1,849,526	2,762,255
Compensated absences	-	-	-	-	-	-	-
	<u>1,347,342</u>	<u>1,617,789</u>	<u>12,807,638</u>	<u>38,188,060</u>	<u>-</u>	<u>10,291,631</u>	<u>64,252,460</u>
Unassigned	<u>73,491,786</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>73,491,786</u>
Total	<u>\$ 113,762,583</u>	<u>\$ 16,716,541</u>	<u>\$ 18,332,329</u>	<u>\$ 40,907,078</u>	<u>\$ 9,578,930</u>	<u>\$ 79,173,728</u>	<u>\$ 278,471,189</u>

*Minor differences may exist due to rounding.

CITY OF VANCOUVER
NOTES TO THE BASIC FINANCIAL STATEMENTS

Additionally, the reported General Fund is composed of the general fund from the ledger and several smaller funds. The following table shows the breakout of the general fund from the other funds of the reported fund on the statements:

Fund Balance	General fund from ledger	Other funds included in roll-up	Total
Nonspendable	1,216,267	60,000	1,276,267
Restricted	176,575	19,003,383	19,179,958
Committed	18,391,139	76,091	18,467,230
Assigned	912,728	434,613	1,347,341
Unassigned	73,491,887	(101)	73,491,786
	\$ 94,188,596	\$ 19,573,986	\$ 113,762,582

*Minor differences may exist due to rounding.

17. Minimum Fund Balance

The City has a minimum target policy for operating funds, equal to 60-90 days of the cost of operations.

18. Stabilization Arrangements

The city reports two stabilization arrangements, both as Consolidated General Fund committed fund balances, emergency reserves and revenue stabilization. These reserves were committed by Council Resolution M-3370 and adopted on May 7, 2012. The Financial Policies are reviewed with City Council every two years, during the budget adoption process, and are re-affirmed at budget adoption.

The emergency reserve is specifically to be used for large-scale events where damage in excess of \$1 million is incurred, and immediate, remedial action must be taken to protect the health and safety of residents (e.g. major flood, earthquake, etc.).

Revenue stabilization funds are specifically used to provide funding to temporarily offset the cost of unexpected external mandates and/or reductions in City revenues to ensure the City has adequate time to restructure its operations in a deliberate manner to ensure continuance of critical city activities.

19. Use of Estimates

These financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. Generally accepted accounting principles (GAAP), requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from those estimates and assumptions.

NOTE 2. ACCOUNTING AND REPORTING CHANGES

For the fiscal year ended December 31, 2020, the following GASB pronouncements have been issued and were effective during the current fiscal year, however they did not apply to the City:

- **GASB Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Payments**
- **GASB Statement No. 97, Certain Component Unit Criteria (paragraphs 4 and 5 only)**

The following GASB pronouncements have been issued, but are not yet effective as of December 31, 2020, some as a result of GASB 95 postponement of certain effective dates:

- **GASB Statement No. 96, Subscription-based Information Technology Arrangements**
- **GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements.**
- **GASB Statement No. 93, Replacement of Interbank Offered Rates**
- **GASB Statement No. 92, Omnibus 2020**
- **GASB Statement No. 91, Conduit Debt Obligations**
- **GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period**
- **GASB Statement No. 87, Leases**

The City of Vancouver will implement the new GASB pronouncements in the fiscal year no later than the required effective date. The City has not yet determined if the above listed new GASB pronouncements will have a significant financial impact to the City or in issuing its financial statements.

CITY OF VANCOUVER
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 3. DEPOSITS AND INVESTMENTS

A. Deposits

The carrying amount of the City's deposits, including certificates of deposit, was \$4,927,979 and the bank balance was \$5,660,032.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in event of a failure of a depository financial institution, the City would not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The City's deposits are covered by federal depository insurance (FDIC) and by the Washington Public Deposit Protection Commission (PDPC). The City has a policy for deposit custodial credit risk. All of the City's funds as of fiscal yearend are held within insured bank accounts.

B. Investments

Investments are subject to the following risks.

Interest Rate Risk: Interest rate risk is the risk the City may face should interest rate variances affect the fair value of investments. In accordance with its investment policy, the City manages its exposure to declines in fair values by keeping the average maturity of its investment portfolio to less than two years.

		Investment Maturities (in Years)			
		amounts in thousands			
Investment Type	Fair Value	Less Than 1	1 to 5	6 to 10	More than 10
Debt Securities					
U.S. Agencies	89,959	-	89,959	-	-
Municipals	41,710	8,585	33,125	-	-
Total Debt Securities	\$ 131,669	\$ 8,585	\$ 123,084	-	-
Other Securities					
Local Government Investment Pool	320,732	320,732	-	-	-
Total Investments	\$ 452,401	\$ 329,317	\$ 123,084	-	-

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. To limit risk, Washington State law and the City of Vancouver's investment policy limits the amount of the portfolio invested in commercial paper, banker's acceptances, and corporate bonds. It is the City's policy to limit its credit risk by only investing in commercial paper or banker's acceptances with a credit rating of A1 or P1, and investing in corporate bonds for the pension fund, with a credit rating of "A" or better (or equivalent) by nationally recognized statistical rating organizations.

At December 31, 2020, the City's investments (in thousands) had the following credit quality distribution for securities with credit exposure:

Investment Type	Fair Value	Not Rated	AAA	AA	A
U.S. Government Agencies	89,959	-	89,959	-	-
Municipal Bonds	41,710	4,661	7,765	14,079	15,205
State Pool	320,732	320,732	-	-	-
Total	\$ 452,401	\$ 325,393	\$ 97,724	\$ 14,079	15,205

Concentration of Credit Risk: Concentration of credit risk is the risk of loss attributable to the magnitude of an investment in a single issuer. The City places limits on the amount it may invest in any one issuer depending on the security type of the investment. At the end of 2020, the City's portfolio had the following concentration of securities in it:

- 2.20% of Federal National Mortgage Association
- 4.40% of Federal Farm Credit Bank
- 13.30% of Federal Home Loan Mortgage Corporation
- 70.90% of Washington State LGIP
- 9.20% in various Municipal Bonds

The City has several investments in government-sponsored enterprises which are not explicitly backed by the federal government. However, the federal government has provided significant support by increasing its investments in Federal National Mortgage Association and Federal Home Loan Mortgage Corporation and stated they would not allow these enterprises to fail.

CITY OF VANCOUVER
NOTES TO THE BASIC FINANCIAL STATEMENTS

Investments in Local Government Investment Pool (LGIP)

The City is a participant in the Local Government Investment Pool was authorized by Chapter 294, Laws of 1986, and is managed and operated by the Washington State Treasurer. The State Finance Committee is the administrator of the statute that created the pool and adopts rules. The State Treasurer is responsible for establishing the investment policy for the pool and reviews the policy annually and proposed changes are reviewed by the LGIP advisory Committee.

Investments in the LGIP, a qualified external investment pool, are reported at amortized cost which approximates fair value. The LGIP is an unrated external investment pool. The pool portfolio is invested in a manner that meets the maturity, quality, diversification and liquidity requirements set forth by the GASBS 79 for external investments pools that elect to measure, for financial reporting purposes, investments at amortized cost. The LGIP does not have any legally binding guarantees of share values. The LGIP does not impose fees on participant withdrawals.

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

Investments Measured at Fair Value

The Washington State Investment Pool operates within the parameters outlined in GASB 79, and qualifies to report investments at amortized cost. The City measures and records its other investments at fair value using the valuation input hierarchy established by generally accepted accounting principles, as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: These are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable. The values are provided by US Bank, the City's trust bank.
- Level 3: Unobservable inputs for an asset or liability. Securities are valued using the rates and values provided by the State of Washington LGIP.

At December 31, 2020, the City had the following recurring fair value and amortized cost measurement investments (in thousands):

Investment Type	Level 1	Level 2	Level 3	Amortized Cost	Total Value
State Pool	-	-	-	320,732	320,732
Federal Agency Coupon Securities	-	89,959	-	-	89,959
Municipal Bonds	-	41,710	-	-	41,710
Total Fair Value	-	\$ 131,669	-	\$ 320,732	\$ 452,401

* Fair value of pooled investments does not include adjustments made for accrued interest distributed to pooled participants.

Investment Type	Fair Value	Amortized Cost	Total Value	Weighted Average Maturity (Years)	Percent of Portfolio
State Pool	-	320,732	320,732	0.002778	70.90%
Federal Agency Coupon Securities	89,959	-	89,959	1.890000	19.88%
Municipal Bonds	41,710	-	41,710	0.422222	9.22%
Total Fair Value	\$ 131,669	\$ 320,732	\$ 452,401		100.0%
Portfolio Weighted Average Maturity				2.315000	

* Fair value of pooled investments does not include adjustments made for accrued interest distributed to pooled participants

CITY OF VANCOUVER
NOTES TO THE BASIC FINANCIAL STATEMENTS

C. Summary of Deposits and Investment Balances

The City's deposit and investment statement balances of the fiscal year end reconcile to the balances on the financial statements as follows. For financial reporting, investments in the State and Clark County Investment Pool are classified as cash equivalents.

Bank Statement Balances

Account	Balance as of FYE
Investments	452,401,889
Bank of America	4,927,979
Key Bank	14,064
DRA Operating Account	32,852
DRA Petty cash	20,000
Equipment services	2,500
Change funds	22,775
Utility postage	40,000
USB DRA	10,856,595
Total	468,318,654

Government-wide Financial Statement Balances

Account	Balance as of FYE
Cash and equivalents - City	455,994,970
Cash with Fiscal Agent/Trustee	256,823
Cash with Fiscal Agent/Trustee - Component	10,889,448
Fiduciary Cash	1,177,418
Fiduciary Investments	-
Total	468,318,659

NOTE 4. CAPITAL ASSETS

A. Capital Assets – Governmental Activities

Capital asset activity for the year ended December 31, 2020, is as follows:

	Beginning Balance 01/01/2020	Increases	Decreases	Ending Balance 12/31/2020
Governmental activities:				
Capital assets, not being depreciated				
Land and land improvements	\$ 122,978,360	\$ 5,761,303	\$ 47,000	\$ 128,692,663
Construction in progress	13,808,826	27,412,316	21,435,504	19,785,638
Intangible - easements and right of way	8,985,207	162,640	-	9,147,847
Artwork	96,920	-	-	96,920
Total capital assets, not being depreciated	145,869,313	33,336,259	21,482,504	157,723,068
Capital assets, being depreciated/depleted:				
Cemetery land	1,101,047	-	-	1,101,047
Buildings	152,718,454	-	36,566	152,681,888
Machinery and equipment	66,087,537	7,332,516	2,032,176	71,387,877
Computer and IT equipment	4,072,705	110,768	89,912	4,093,561
Intangible - Software	12,149,579	-	14,762	12,134,817
Intangible - Other	1,974,976	-	-	1,974,976
Improvements other than buildings	45,106,864	43,983	81,259	45,069,588
Infrastructure	689,381,915	14,266,419	-	703,648,334
Total capital assets, being depreciated/depleted	972,593,077	21,753,686	2,254,675	992,092,088
Less accumulated depreciation for:				
Cemetery land	734,408	3,573	-	737,981
Buildings	47,726,685	4,381,528	9,500	52,098,713
Machinery and equipment	43,626,100	4,251,508	1,841,844	46,035,764
Computer and IT equipment	2,631,374	570,812	57,728	3,144,458
Intangible - Software	4,279,440	853,034	14,762	5,117,712
Intangible - Other	1,974,976	-	-	1,974,976
Improvements other than buildings	18,594,040	828,595	81,259	19,341,376
Infrastructure	269,503,489	18,642,500	-	288,145,989
Total accumulated depreciation	389,070,512	29,531,550	2,005,093	416,596,969
Total capital assets, being depreciated, net	583,522,565	(7,777,864)	249,582	575,495,119
Governmental activities capital assets, net	\$ 729,391,878	\$ 25,558,395	\$ 21,732,086	733,218,187

CITY OF VANCOUVER
NOTES TO THE BASIC FINANCIAL STATEMENTS

B. Capital Assets – Business-Type Activities

	Beginning Balance 01/01/20	Increases	Decreases	Ending Balance 12/31/20
<i>Business-type activities:</i>				
Capital assets, not being depreciated:				
Land and land improvements	35,959,472	4,215,339	-	40,174,811
Construction in progress	23,011,950	32,558,572	26,623,439	28,947,083
Intangible - easements and right of way	14,187,750	1,382,500	-	15,570,250
Total capital assets, not being depreciated	73,159,172	38,156,411	26,623,439	84,692,144
Capital assets, being depreciated:				
Buildings and system	34,369,767	-	-	34,369,767
Machinery and equipment	26,664,758	-	124,625	26,540,133
Computer and IT equipment	492,921	-	-	492,921
Intangible - software	11,255,387	-	-	11,255,387
Intangible - other	641,396	-	-	641,396
Improvements other than buildings	2,224,138	29,772	-	2,253,910
Infrastructure	613,026,681	24,152,429	2,225,842	634,953,268
Total capital assets, being depreciated	688,675,048	24,182,201	2,350,467	710,506,782
Less accumulated depreciation for:				
Buildings and system	16,645,467	840,169	-	17,485,636
Machinery and equipment	24,346,837	506,576	124,625	24,728,788
Computer and IT equipment	471,637	8,438	-	480,075
Intangible - software	10,308,417	364,634	-	10,673,051
Intangible - other	641,396	-	-	641,396
Improvements other than buildings	2,242,236	2,920	-	2,245,156
Infrastructure	282,365,073	13,977,808	1,806,024	294,536,857
Total accumulated depreciation	337,021,063	15,700,545	1,930,649	350,790,959
Total capital assets, being depreciated, net	351,653,985	8,481,656	419,818	359,715,823
Business-type activities capital assets, net	\$ 424,813,157	\$ 46,638,067	\$ 27,043,257	\$ 444,407,967

C. Noncurrent Capital Assets Held for Resale

Retired capital assets that have been surplus by the City Council are recorded separately on the statements. The reclassification to this category will cause decreases on the capital asset tables. As of December 31, 2020 these amounts totaled:

	Amount
Governmental activities	846,035
Business-type activities	4,386,993
TOTAL	\$ 5,233,028

Parcels designated as surplus for governmental activities were mostly land assets originally acquired for future transportation purposes and for the waterfront development project. These parcels are no longer needed due to project completion and progression, respectively. Additionally, the land and building assets of the original fire stations one and two were surplus previously and remain outstanding, after they were replaced with new fire stations in other locations. All of these assets were reported at the net book value at the time of retirement.

Assets as surplus for business-type activities were land parcels acquired during 2006, in anticipation of constructing a new operations center in east Vancouver. In 2019, the City cancelled its planned construction of the east-side Operations Center in favor of a larger, more centrally located Operations Center. Consequently, the land parcels were designated as surplus. All of these assets were reported at the net book value at the time of retirement.

CITY OF VANCOUVER
NOTES TO THE BASIC FINANCIAL STATEMENTS

D. Depreciation by Function

Depreciation was charged to functions/programs of the primary government as follows:

Governmental Activities:

General government	1,133,407
Security of persons & property	2,908,410
Transportation, including depreciation of general infrastructure	18,203,320
Physical Environment	45,146
Economic Environment	664,689
Culture and recreation	2,416,937
Capital assets held by the government's internal service funds are charged to various functions based on their usage of the assets	4,127,999
Total depreciation expense - Governmental Activities	\$ 29,499,908

Business-type Activities:

Water/Sewer	14,637,009
Airport	275,116
Building Inspection	110,263
Solid Waste	8,562
Parking	669,595
Total depreciation expense - Business-type Activities	\$ 15,700,545

E. Discretely Presented Component Units

A summary of capital asset activity for component units for the year ended December 31, 2020, is as follows:

	Beginning Balance 1/1/2020	Increases	Decreases	Ending Balance 12/31/2020
Vancouver Downtown Redevelopment Authority				
<i>Business-type activities:</i>				
Capital assets, not being depreciated:				
Construction in progress	93,784	401,698	462,707	32,775
Capital assets, being depreciated:				
Buildings and system	51,479,895	-	116,998	51,362,897
Machinery and equipment	7,859,302	491,617	569,237	7,781,682
Total capital assets, being depreciated	59,339,197	491,617	686,235	59,144,579
Less accumulated depreciation for:				
Buildings and system	18,100,380	1,699,038	42,655	19,756,763
Machinery and equipment	5,560,465	537,141	562,860	5,534,746
Total accumulated depreciation	23,660,845	2,236,179	605,515	25,291,509
Total capital assets, being, depreciated, net	35,678,352	(1,744,562)	80,720	33,853,070
Business-type activities capital assets, net	\$ 35,772,136	\$(1,342,864)	\$ 543,427	\$ 33,885,845

The Vancouver Downtown Redevelopment Authority (DRA) for the year ending December 31, 2020 had depreciation expense of \$2,236,179.

	Beginning Balance 01/01/20	Increases	Decreases	Ending Balance 12/31/20
Vancouver Public Facilities District				
<i>Business-type activities:</i>				
Capital assets, not being depreciated:				
Land and improvements	\$ 3,603,691	-	-	\$ 3,603,691

The Vancouver Public Facilities District (PFD) does not have any depreciable assets.

CITY OF VANCOUVER
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 5. INTERFUND BALANCES AND TRANSFERS

A Interfund Balances

Interfund transactions represent activity other than transfers and loans that happen between funds after the cash function in the general ledger is frozen at year-end. These can be for any types of internal service transactions, adjustments, or other activity where a due-to or due-from are recorded instead of moving cash. The due-to/from balances will be cleared immediately the following year. Interfund balances at December 31, 2020 were as follows:

		Due From other Funds								
		Consolidated General	Consolidated Fire	Consolidated Street	Consolidated Capital Improvement	Other Governmental	Consolidated Water/Sewer	Parking Services	Internal Service	Total Due To
Due to other Funds	Consolidated General	-	30,025	43,374	38	194,476	119,383	517	227,687	615,500
	Consolidated Fire	477,074	-	-	-	-	-	-	2,109	479,183
	Consolidated Street	199,579	24,221	-	-	-	310,933	-	10,681	545,414
	Consolidated Parks Impact Fees	-	-	-	-	98,477	-	-	-	98,477
	Other Governmental	24,290	-	699,023	-	-	-	-	639	723,952
	Consolidated Water/Sewer	314,239	24,221	1,134	-	-	-	-	8,905	348,499
	Parking Services	13,350	-	-	-	-	-	-	87	13,437
	Other Enterprise	59,912	7,187	-	-	-	-	-	2,528	69,627
	Internal Service	324,118	-	-	-	-	5,414	-	43,586	373,118
Total Due From		1,412,562	85,654	743,531	38	292,953	435,730	517	296,222	3,267,207

**Minor differences may exist due to rounding.*

B. Interfund Transfers

Interfund transfers at December 31, 2020 were as follows:

		Transfers In								
		Consolidated General	Consolidated Fire	Consolidated Street	Consolidated Capital Improvement	Nonmajor Govt'l	Consolidated Water/Sewer	Nonmajor Enterprise	Other Internal Service	Total Transfers Out
Transfers Out	Consolidated General	-	33,040,403	14,764,558	13,447,818	3,784,882	-	150,000	629,548	65,817,209
	Consolidated Fire	1,327	-	-	1,434,210	304,750	-	-	-	1,740,287
	Consolidated Street	-	24,221	-	-	1,736,128	-	-	50,319	1,810,668
	Consolidated Parks Impact Fees	-	-	-	-	2,355,214	-	-	-	2,355,214
	Nonmajor Govt'l	1,484,368	-	-	28,210	7,692,972	-	-	-	9,205,550
	Consolidated Water/Sewer	12,346	24,221	-	-	-	-	-	668,779	705,346
	Parking Services	1,480	-	-	-	-	-	-	650	2,130
	Nonmajor Enterprise	1,327	7,187	118,000	2,846	-	-	-	66,941	196,301
	Other Internal Service	-	-	-	-	-	46,056	-	281,560	327,616
Total Transfers In		1,500,848	33,096,032	14,882,558	14,913,084	15,873,946	46,056	150,000	1,697,797	82,160,321

**Minor differences may exist due to rounding.*

C. Interfund Loans/Advances

Interfund loans/advances at December 31, 2020 were as follows:

		Due From		Total Due To
		Nonmajor Gov't'l Funds	Parks Impact Fees	
Due To	General	16,192	1,159,202	1,175,394

**Minor differences may exist due to rounding.*

CITY OF VANCOUVER
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 6. LEASES

A. Operating Leases

The City leases the office building and other equipment under noncancelable operating leases. Total cost for such leases was \$548,232 for the year ended December 31, 2020. The future minimum lease payments for these leases are as follows:

	Governmental Activities	Business-type Activities
2021	214,037	-
2022	215,847	-
2023	221,466	-
2024	227,866	-
2025	234,451	-
2026-2030	626,632	-
2031-2035	443,870	-
	<u>\$ 2,184,169</u>	<u>\$ -</u>

The City is the lessor for some non-cancelable operating leases for facilities and property located within the City limits. Expiration dates range between 2021 and 2108. Leases for facilities have a total cost of \$36 million, with accumulated depreciation of \$14.3 million. Leases for property have a total cost of \$1.25 million.

The following is a schedule of the minimum future rental income required under these leases:

	Governmental Activities	Business-type Activities
2021	1,446,628	6,453
2022	769,300	-
2023	724,176	-
2024	358,206	-
2025	291,427	-
2026-2030	761,371	-
2031-2035	144,278	-
2036-2040	144,278	-
2041-2045	144,278	-
2046-2050	144,278	-
2051-2055	144,278	-
2056-2108	28,908	-
	<u>\$ 5,101,406</u>	<u>\$ 6,453</u>

B. Capital Leases

The City has entered into a lease agreement for leasing the new police headquarters building with a purchase option after three years of \$10.46 million.

The lease agreement qualifies as a capital lease for accounting purposes. It has been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

Asset	Governmental Activities
Police HQ	\$ 11,352,034
Less: Accumulated Depreciation	\$ 448,633
Total	\$ 10,903,401

The future minimum lease obligation payments as of December 31, 2020 were as follows:

Year Ending December 31	Governmental Activities
2021	640,872
2022	10,124,100
Total Minimum Lease Payments	10,764,972
Present Value of Minimum Lease Payments	10,764,972

CITY OF VANCOUVER
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 7. LONG-TERM DEBT

A. Long-Term Debt

The City issues general obligation and revenue bonds to finance the acquisition or construction of major capital projects. Bonded indebtedness has also been entered into (currently and in prior years) to advance refund several general obligation and revenue bonds. General obligation bonds have been issued for both general government and business-type activities and are being repaid from the applicable resources. In 2020, the final outstanding revenue bond was repaid in full by proprietary fund revenues.

General obligation bonds currently outstanding (in thousands) are as follows:

<u>Name of Issuance</u>	<u>Purpose</u>	<u>Original Debt</u>	<u>Issuance Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Gov't Debt Outstanding</u>	<u>Business Debt Outstanding</u>
2011 LTGO Bond	Governmental Activities	10,515	6/1/2011	12/1/2035	3.93%	7,670	-
2012A LTGO Bond	Governmental Activities Refunding	15,945	1/12/2012	12/1/2029	3.26%	10,765	-
2012 B&C LTGO Bond Refunding	Governmental Activities Refunding and Business Type Activities Refunding	9,515	1/12/2021	12/1/2025	2.36%	-	5,160
2015A LTGO Bond	Governmental Activities	1,297	6/15/2015	12/1/2028	4.33%	1,297	-
2015B LTGO Bond	Governmental Activities & Refunding	23,100	6/15/2015	12/1/2034	2.72%	15,620	-
2016 LTGO Bond	Governmental Activities Refunding	7,810	6/22/2016	12/1/2028	1.89%	6,340	-
2020 LTGO Bond	Governmental Activities Refunding	7,045	9/10/2020	12/1/2035	1.56%	\$ 6,935	-
Total General Obligation Bonds		\$ 75,227				\$ 48,627	\$ 5,160

The annual debt service requirements (in thousands) to maturity for general obligation bonds are as follows:

	<u>Governmental Activities</u>			<u>Business Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2021	4,695	1,944	6,639	985	135	1,120
2022	4,890	1,744	6,634	1,010	112	1,122
2023	5,090	1,548	6,638	1,025	88	1,113
2024	5,248	1,399	6,647	1,055	61	1,116
2025	5,435	1,211	6,646	1,085	31	1,116
2026-2030	16,145	3,282	19,427	-	-	-
2031-2035	7,125	814	7,939	-	-	-
Total	\$ 48,628	\$ 11,942	\$ 60,570	\$ 5,160	\$ 427	\$ 5,587

Revenue bond debt service requirements to maturity are (in thousands) as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2020	3,840	96	3,936
	\$ 3,840	\$ 96	\$ 3,936

At December 31, 2020, the City had \$0 available in debt service funds to service the general bonded debt. Several other funds are responsible for payment of the GO bonded debt. Through the budget appropriation process, arrangements are made for transfers from those funds to the debt service funds prior to payment of the debt.

CITY OF VANCOUVER
NOTES TO THE BASIC FINANCIAL STATEMENTS

B. Refunded Debt

The city issued \$7,045,000 of general obligation refunding bonds to provide resources to purchase U.S. Government and State and Local Government securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on \$7,655,000 of refunded debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. This advance refunding was undertaken to reduce total debt service payments over the next 15 years by \$2,470,518 and resulted in an economic gain of 29.6%.

C. Governmental Loans

The City is also liable for notes that were entered into for the construction of capital projects. These notes are considered obligations of the general government and are being repaid with general governmental revenue sources. Governmental loans outstanding (in thousands) at year-end are as follows:

Name of Issuance	Purpose	Original Debt	Issuance Date	Maturity Date	Interest Rate	Debt Outstanding
2006 PWTF	Governmental Activities	2,200	11/30/2006	7/1/2026	1%	699
Section 108 HUD Loan	Governmental Activities	5,419	7/7/2010	8/1/2029	3.70%	2,305
Clark County - Annexation Obligation	Governmental Activities	344	8/1/2017	4/1/2022	0%	126
2018 PWTF	Governmental Activities	\$ 2,855	5/22/2018	6/1/2038	1.16%	\$ 2,768
		\$ 10,818				\$ 5,898

Governmental loan debt service requirements to maturity (in thousands) are as follows:

Governmental Activities			
	Principal	Interest	Total
2021	568	115	683
2022	568	108	676
2023	510	100	610
2024	520	90	610
2025	525	79	604
2026-2030	1,975	231	2,206
2031-2035	769	77	846
2036-2038	461	15	476
Total	\$ 5,896	\$ 815	\$ 6,711

D. Special Assessments

The City also issues special assessment debt to provide funds for the construction of street safety improvements in connection with a train noise quiet zone. Special assessment bonds are created by ordinance, adopted by the City Council, and financed by assessments on property owners within the special assessment area. Special assessment bonds are serial bonds and are called yearly based on assessments received. The amount of delinquent receivables at December 31, 2020, was \$3,903. A separate guarantee fund is available to cover most outstanding delinquencies at the end of the assessment period.

Special assessment debt with a governmental commitment reported at year end (in thousands) is as follows:

Name of Issuance	Original Debt	Issuance Date	Maturity Date	Interest Rate	Debt Outstanding
LID 545 Assessment Bond	\$ 312	9/23/2014	9/23/2036	3.45%	\$ 5
Total Assessment Debt	\$ 312				\$ 5

Annual debt service requirements to maturity for special assessment bonds are (in thousands) as follows:

Governmental Activities			
	Principal	Interest	Total
2021	\$ -	\$ -	\$ -
2022	-	-	-
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026 - 2030	-	1	1
2031 - 2035	-	1	1
2036	5	-	5
Total	\$ 5	\$ 2	\$ 7

CITY OF VANCOUVER
NOTES TO THE BASIC FINANCIAL STATEMENTS

The City is not required, but has the authority, to call them annually if deemed financially prudent to do so. The City is recording a \$5,000 current portion on the special assessment debt in 2020 since the City anticipates calling up to that amount during the 2021 fiscal year.

The City has a Local Improvement District (LID) Guarantee Fund to finance any uncollectible special assessment debt. The LID 545 assessment is secured by a pledge of the assessments levied by the City against the benefited properties within LID 545 and is not a general obligation of the City. The LID Service Fund and the LID Guaranty Debt Service Fund have cash balances of \$10,991 and \$35,378, respectively, to service the local improvement district bonds.

The first required principal payment for the LID debt is due in 2036. Payment of the principal and interest on the Bonds is, dependent on the ability of property owners within LID 545 to pay the assessments levied on their properties. The City does not and cannot make any representations as to the ability of the current or subsequent property owners in LID 545 to pay their assessments. Bondholders' remedies against the City are confined to mandating City officials to perform their statutory duties in enforcing the assessments and applying the proceeds thereof and, if necessary, any money on deposit in the Guaranty Fund to the payment of the principal of and interest on the bonds.

E. Impact Fee Credits

In 1995, the City of Vancouver adopted an impact fee ordinance to ensure that adequate facilities are available to serve new growth and development. An impact fee is charged at the issuance of a building permit. In addition, the developer may be entitled to a non-refundable "credit" against the applicable impact fee component for the fair market value of appropriate dedications of land, improvements or new construction of system improvements provided by the developer. In the event that the amount of the "credit" is calculated to be greater than the amount of the impact fee due, the developer may apply the excess "credit" toward future impact assessment on other developments within the same service district.

As of December 31, 2020, the amount of credits that may be applied against future impact fees is \$18,925,596. This is recorded as a governmental activity in the government-wide financial statements.

F. Debt Of Discretely Presented Component Units

In 2003, the DRA issued bonds in which it pledged income derived from the acquired or constructed assets to pay debt service. The revenue bonds were authorized by resolution adopted by the DRA Board, and financed from operating revenues. The revenue bonds were issued to finance construction of the Conference Center and Hotel capital project. In June 2013, the remaining outstanding balance of \$63,105,000 of the 2003 DRA Revenue bonds were refunded by issuing two series of revenue refunding bonds.

DRA Revenue Refunding bonds outstanding at year-end are as follows:

Name of Issuance	Original Debt	Issuance Date	Maturity Date	Interest Rate	Debt Outstanding
2013 DRA Conference Center Project Refunding Revenue Bonds	\$ 41,185,000	6/27/2013	1/1/2044	4.38%	\$ 38,730,000
2013 DRA Conference Center Project Sales & Lodging Tax Refunding Revenue Bonds	\$ 18,045,000	6/27/2013	1/1/2034	4.05%	\$ 13,680,000
Total Revenue Bonds	\$ 59,230,000				\$ 52,410,000

In order to make the 2013 refunding economically viable, ACA Financial Guaranty Corporation (ACA) contributed \$4,000,000 to the Authority, \$1,430,555 of which is in consideration of the execution of a Note issued by the Authority to ACA, and the balance of which is in consideration for the elimination of any exposure ACA may have in respect to the Series 2003A Bonds. This Note is subordinate to the Project Revenue and Tax Revenue Bonds. There is a note associated with this contribution. Depending on the cash flows of the project, payments may start on 1/1/2033.

DRA 2013 Project Revenue Bonds and the DRA 2013 Tax Revenue Bonds debt service requirements to maturity are as follows:

2013 Project Revenue Refunding Bonds				2013 Tax Revenue Refunding Bonds		
	Principal	Interest	Total Requirements	Principal	Interest	Total Requirements
2021	920,000	1,700,612	2,620,612	1,130,000	581,600	1,711,600
2022	965,000	1,653,486	2,618,486	1,230,000	522,600	1,752,600
2023	1,015,000	1,603,988	2,618,988	1,340,000	458,350	1,798,350
2024	1,070,000	1,551,863	2,621,863	1,455,000	395,750	1,850,750
2025	1,120,000	1,479,113	2,599,113	1,565,000	335,350	1,900,350
2026-2030	6,465,000	6,625,963	13,090,963	4,895,000	894,813	5,789,813
2031-2035	7,920,000	5,145,563	13,065,563	2,065,000	207,413	2,272,413
2036-2040	9,755,000	3,263,281	13,018,281	-	-	-
2041-2044	9,500,000	878,625	10,378,625	-	-	-
Total	\$ 38,730,000	\$ 23,902,494	\$ 62,632,494	\$ 13,680,000	\$ 3,395,876	\$ 17,075,876

CITY OF VANCOUVER
NOTES TO THE BASIC FINANCIAL STATEMENTS

The subordinate note to ACA, as described above, debt service requirements to maturity are estimated as follows:

Other long-term loans and notes payable			
	Principal	Interest	Total Requirements
2021	-	-	-
2022	-	-	-
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026-2030	-	-	-
2031-2035	146,097	132,917	279,014
2036-2040	506,828	557,885	1,064,713
2041-2045	777,629	1,001,805	1,779,434
Total	\$ 1,430,554	\$ 1,692,607	\$ 3,123,161

G. City Debt Guarantee of the DRA

The City is contractually obligated to guarantee the bond debt of the DRA if the DRA is unable to make payments. As of the end of 2020, the City does not foresee the obligation to pay any portion of their debt in 2021. The DRA's reserves are expected to be sufficient to make those payments.

NOTE 8. CHANGES IN LONG TERM LIABILITIES

A. During the year ended December 31, 2020, the following changes occurred in long-term liabilities:

	Balance 1/1/20	Additions	Reductions	Balance 12/31/20	Due Within One Year
Governmental activities					
Bonds payable:					
General obligation bonds	\$ 54,366,500	\$ 7,045,000	\$ 12,785,000	\$ 48,626,500	\$ 4,695,000
Issuance premiums	4,255,169	917,849	1,940,223	3,232,795	521,675
Issuance discounts	(23,353)	-	(23,353)	-	-
Total GO bonds payable	58,598,316	7,962,849	14,701,870	51,859,295	5,216,675
Special assessment debt with governmental commitment	15,000	-	10,000	5,000	5,000
Governmental loans	3,539,908	2,855,462	497,258	5,898,112	568,464
Claims and judgements	8,056,486	1,062,667	141,376	8,977,777	2,439,624
Total OPEB Liability	44,448,966	5,846,351	1,600,230	48,695,087	1,655,000
Net Pension Liability	11,506,746	168,635	579,031	11,096,351	-
Compensated absences	10,572,178	2,106,179	456,630	12,221,727	9,266,935
Asset Retirement Obligations	450,000	-	-	450,000	-
Capital Lease Payable	11,352,034	-	232,215	11,119,819	343,931
Impact Fee Credit	17,074,039	5,018,799	3,167,242	18,925,596	3,217,351
Governmental activity long-term liabilities	<u>\$ 165,613,673</u>	<u>\$ 25,020,942</u>	<u>\$ 21,385,852</u>	<u>\$ 169,248,764</u>	<u>\$ 22,712,980</u>
Business-type activities					
Bonds payable:					
General obligation bonds	\$ 6,120,000	\$ -	\$ 960,000	\$ 5,160,000	\$ 985,000
Revenue bonds	3,840,000	-	3,840,000	-	-
Issuance premiums (discounts)	307,238	-	307,238	-	-
Total bonds payable	10,267,238	-	5,107,238	5,160,000	985,000
Net Pension Liability	6,957,146	232,793	80,183	7,109,755	-
Compensated absences	2,711,146	544,082	48,340	3,206,888	2,886,200
Asset Retirement Obligations	325,000	2,143,200	-	2,468,200	-
Business-type activity long-term liabilities	<u>\$ 20,260,530</u>	<u>\$ 2,920,075</u>	<u>\$ 5,235,761</u>	<u>\$ 17,944,843</u>	<u>\$ 3,871,200</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. For the governmental activities, claims and judgments and compensated absences are generally liquidated by operating funds, such as the General Fund, Consolidated Fire and the Street funds. The General Fund provides funding for the payment of benefits related to OPEB.

CITY OF VANCOUVER
NOTES TO THE BASIC FINANCIAL STATEMENTS

B. Compensated Absences

Accumulated amounts of vacation leave are accrued as expenses when incurred in the government-wide and enterprise fund financial statements. At year end, the compensated absences liability was \$12,221,727 in governmental activities (which includes the internal service funds) and \$3,206,888 in business-type activities. For the governmental activities, compensated absences are generally liquidated by operating funds, such as the Consolidated General Fund and Consolidated Fire funds. See additional details about compensated absences in Note 1.

C. Discretely Presented Component Units

The following is a summary of long-term debt changes of DRA for the year:

	Beginning Balance 1/1/20	Additions	Reductions	Ending Balance 12/31/20	Due Within One Year
Bonds payable:					
Revenue bonds	\$ 54,340,000	\$ -	\$ 1,930,000	\$ 52,410,000	\$ 2,050,000
Premiums (discounts)	418,718	-	29,304	389,414	29,304
Total bonds payable	54,758,718	-	1,959,304	52,799,414	2,079,304
Due to other governments	5,527,498	2,174,472	3,322,830	4,379,140	-
Other long-term loans and notes	1,430,555	-	-	1,430,555	-
Subordinate management fee	377,345	-	107,813	269,532	107,813
Component units long term liabilities	\$ 62,094,116	\$ 2,174,472	\$ 5,389,947	\$ 58,878,641	\$ 2,187,117

NOTE 9. CONTINGENCIES AND LITIGATIONS

The City has recorded in its financial statements all material liabilities, including an estimate for situations which are not yet resolved but where, based on available information, management believes it is probable that the City will have to make payment. In the opinion of management, the City's insurance policies and/or self-insurance reserves are adequate to pay all known or pending claims.

The City is contingently liable in pending litigation claims which are not yet resolved but where, based on available information, management believes it is reasonably possible that a liability has been incurred but cannot be estimated and so are not reflected in the financial statements.

The City participates in a number of federal- and state-assisted programs. These grants are subject to audit by the grantors or their representatives. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. City management believes that such disallowances, if any, will be immaterial.

NOTE 10. OTHER SIGNIFICANT COMMITMENTS

Related Party Commitments

1. Commitment to Downtown Redevelopment Authority (DRA), with respect to the Vancouver Conference Center

The City signed an agreement on December 1, 2003, to participate in the construction and operation of the Vancouver Conference Center, using tourism funds. In June 2013 DRA refinanced the debt associated with the Center with a guarantee from the City.

If the DRA has insufficient funds in their debt service and reserve accounts to cover a principal and interest payment, the City has guaranteed to cover the insufficient amount, if prior notice is provided. Any coverage the City provides shall be construed as an interest-bearing loan to the DRA.

During 2020, the City made no payments under its contingent payment obligation. The City has no current expectation of having to make any such payments, as it expects project revenues and tax revenues to be sufficient for such purposes, unless the pandemic related business shut downs continue to impact project revenues for a period longer than 12 months.

2. Commitment to Clark County, with respect to the Exhibition Hall

Per a 2004 interlocal agreement, the City supports the Clark County Exhibition Hall, a tourism-related facility. The agreement will be terminated once the bonds that financed the building are redeemed or defeased - no later than 2027.

If the County has insufficient funds from its dedicated revenue stream to cover its semi-annual debt service obligation, the City has pledged to cover the insufficient amount, if prior notice is provided. The contract has various maximum limits on City contributions depending on the year. Since 2017 through termination, the maximum is \$150,000. Under the terms of the interlocal agreement, the City's pledge is reduced by the amount of any rental reduction the County grants to the amphitheater lessee. Since July 2008, the County reduced the rental rates for the amphitheater to such an extent that this commitment has been reduced to zero.

To date, the City has made no payments under its contingent payment obligation.

CITY OF VANCOUVER

NOTES TO THE BASIC FINANCIAL STATEMENTS

3. Commitment to Hilton Hotel, with respect to the Subordinate and Super-subordinate Management Fees

Since 2003, DRA, the City's component unit, operates the Vancouver Conference Center, using a contracted manager, Hilton Hotels. Between 2009 and 2013 DRA was obligated to pay Hilton Hotels a subordinate management fee for its services, as funds were available in the Subordinate Management Fee Fund, but was unable to pay the fee since funds were not available.

In June 2013, DRA and Hilton Hotels revised their agreement, allowing for the forgiveness of the 2009-2013 subordinate fees. The amount will be forgiven gradually over a ten year period. DRA reports the forgiveness as a Special Item, Gain on Extinguishment of Debt, calculated on a straight-line basis.

During 2020, \$107,813 was recorded as forgiven with an outstanding obligation reported on the Statement of Net Position.

NOTE 11. JOINT VENTURES & JOINTLY GOVERNED ORGANIZATIONS

Joint Ventures

Clark Regional Emergency Services Agency (CRESA)

The City is involved in a joint venture with ongoing financial responsibilities with other governmental entities in the establishment and operation of the CRESA. CRESA was created under the Interlocal Cooperation Act (RCW 39.4) by agreement between the City and other governmental units and political districts. Its purpose is to provide a consolidated public safety communications service to participating cities, political districts, and Clark County. Participating governmental entities have representation on the CRESA board. Clark County maintains the accounting records for CRESA. Detailed financial statements for this entity can be obtained from Clark Regional Emergency Services Agency at 710 W 13th St, Vancouver, WA 98660-2810.

In October 2017, Clark County passed Ordinance 2017-10-08 which created Clark Regional Emergency Services Agency Public Authority (CRESA-PA) under RCW35.21.730-759. That agreement is not currently valid and the City and CRESA continue to operate under their interlocal agreement.

Jointly Governed Organizations

Council for the Homeless

The City, Clark County, and the Vancouver Housing Authority entered into an Intergovernmental Cooperation Act (RCW 39.4) on December 20, 1989, for the establishment of the Council for the Homeless (Council) as a collaborative effort to address issues of homelessness. Each jurisdiction appoints one board member. The remaining 12 members of the Council are selected by the Council's bylaws. Clark County and Vancouver Housing Authority provides annual fiscal support for operations. The City only provides funding to the Council as a grant subrecipient if applicable. For the year ending December 31, 2020, the City made subrecipient grant payments to the Council totaling \$55,350. The relationship between the City and the Council does not create an ongoing financial interest or financial responsibility.

Related Organizations

Vancouver Housing Authority

Vancouver Housing Authority is a municipal corporation created under Washington State Chapter 35.82 RCW in 1942 by the City of Vancouver and governed by a six member Board appointed by the Mayor of the City of Vancouver.

NOTE 12. RELATED PARTY TRANSACTIONS

DRA, a component unit of the City of Vancouver, constructed the Vancouver Conference Center and a hotel in downtown Vancouver. The project was funded by proceeds from the sale of tax exempt bonds issued by the DRA. The bonds were secured by project revenues, together with a credit from the State of Washington equal to 0.033% of 1% of the sales and use tax collected within the City and Clark County, and a dedication of 50% of the lodging taxes collected within the City.

During 2020, the City recognized \$678,433 in expenditures associated with lodging tax revenues dedicated to the project.

CITY OF VANCOUVER
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 13. RISK MANAGEMENT

The City self-insures for general liability, property, certain employees' healthcare coverage, workers' compensation, and unemployment coverage as a qualified self-insurer. The City maintains self-insurance internal service funds to account for and finance its insured and uninsured risks of loss. The City does not include non-incremental claims adjustment expenses in the reported accrued claims liabilities. Settlements did not exceed insurance coverage in any of the prior three fiscal years.

A. General Liability and Property

The self-insurance cost for liability claims and claims administration through December 31, 2020, is \$756,753, a decrease of \$1.079 million from 2019. The fund pays the majority of claims involving general liability, but has other liability coverage through specific policies. Currently, specific policies include the airport liability. Coverage totals \$10,000,000 for liability and \$10,000,000 for hangar keepers legal. In addition, the City purchases excess liability insurance for all City operations including auto, for a limit of \$10,000,000 plus \$10,000,000. The excess policy provides \$1,000,000 for self-insured retention, this is unchanged from 2019. The City also purchases liability on specific vehicles up to \$1,000,000 and inland marine coverage for the equipment fleet. The deductible for fleet physical damage is 5% subject to \$10,000 minimum.

Property claim costs in 2020 were \$79,116, an increase of 4% from 2019, with new first party property and vehicle claims reported in 2020. The City carries fire damage insurance (buildings and business personal property), earth movement, equipment breakdown, valuable papers, computer virus, accounts receivable and flood insurance coverage. Policy coverage for property damage is up to \$550 million with adjustable deductibles based on specific event types. This represents replacement cost for City buildings and contents.

B. Workers' Compensation

The cost for claims and claims administration was \$1,132,853 in 2020, a 38.7% reduction from 2019, with new claims processed. In addition to self-insurance, the City also maintains an excess coverage policy with a \$1,000,000 deductible.

C. Self-Insured Workers' Compensation and Liability Fund

Both workers' compensation and liability self-insurance are reported in the same fund. The City contributions to the fund are determined using information from the contributing funds past claims experience and loss exposures. The claims liability reported in the fund totaled \$8,977,777 at December 31, 2020.

The claims liability, as reported in the fund, is based on the requirements of GASB Statement 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and that the amount of the loss can be reasonably estimated. The following was prepared based on an actuarial analysis by Bickmore. These are actuarial estimated amounts reflecting expected losses - actual losses may vary. Changes in the fund's liabilities from claims in 2020, 2019 and 2018, are as follows:

Year	Beginning of Fiscal Year Liability	Current Year Claims	Change in Estimates for Claims of Prior Periods	Claim Payments	Balance at Fiscal Year End
2020	\$ 8,056,486	\$ 1,248,637	\$ 1,446,000	\$ (1,773,346)	\$ 8,977,777
2019	\$ 7,787,000	\$ 3,376,941	\$ 195,000	\$ (3,302,455)	\$ 8,056,486
2018	\$ 6,836,000	\$ 2,065,258	\$ 773,000	\$ (1,887,258)	\$ 7,787,000

D. Employee Healthcare

Beginning January 2015, the City established an internal service fund for the purpose of self-insuring employee medical costs. The City pays claims and expenses for employees choosing this plan and contracts with a third-party administrator to process claims. The plan carries reinsurance coverage with a \$250,000 individual stop loss, and an aggregate stop loss of 125% of claims, with one named covered person with a \$275,000 deductible. Any outstanding claims liabilities existing at the end of the fiscal year were deemed immaterial and were not booked in the financial statements.

The City is obligated to establish and has maintained a 16 week contingency reserve for the internal service fund. As of December 31, 2020, net position for the self-insured health insurance fund is \$5,307,172.

CITY OF VANCOUVER
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 14. PROPERTY TAX

The Clark County Treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities.

Property Tax Calendar

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

Property tax is recorded as a receivable and revenue when levied. Property tax collected in advance of the fiscal year to which it applies is recorded as a deferred inflow and recognized as revenue of the period to which it applies. The balance of taxes receivable includes related interest and penalties. No allowance for uncollectible tax is established because delinquent taxes are considered fully collectible. Prior year tax levies were recorded using the same principal, and delinquent taxes are evaluated annually.

The City may levy up to \$3.10 and \$0.225 per \$1,000 of assessed valuation for general governmental services and local Fire Pension Funds respectively, for a maximum levy rate of \$3.325/\$1,000.

For 2020, the City's regular tax levy was \$2.038 per \$1,000 on a total taxable assessed valuation of \$25,204,698 for a total regular levy of \$51,357,181

Special levies approved by the voters are not subject to the limitations above. In 2020, the City levied an additional \$0.238 per \$1,000 for the Affordable Housing Levy resulting in a total additional levy of \$6,000,000.

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

NOTE 15. TAX ABATEMENT

Multifamily Tax Exemption Program

Washington State RCW 84.14 and Vancouver Municipal Code Chapter 3.22 allow for multiple-family residential building property tax exemptions. The program's purpose is to increase residential opportunities, including affordable housing, in designated urban centers. The City may grant abatements up to eight, 10 or 12 years for newly constructed or rehabbed residential units, depending on eligibility and City Council approval.

Program eligibility includes:

- An eight year exemption is available for market-rate projects with an approved development agreement.
- Three tax exemption options are available for housing projects with an affordability component:
 - Eight-year exemption for projects with 20% of units affordable to households earning up to 100% of area median income (AMI).
 - 10-year exemption for projects with 20% of units affordable to households earning up to 80% AMI.
 - 12-year exemption for projects with 20% of units affordable to households earning up to 60% AMI.
- Additionally, households in income-restricted units must pay no more than 30% of their income for rent and utilities.

Property owners have three years from the agreement date to obtain an occupancy permit and a Certificate of Tax Exemption. Exemptions begin January 1 of the year following the issuance of the Final Certificate of Tax Exemption. The new residential improvements are not added to the tax rolls until the exemption expires. Land and other non-residential improvements remain subject to property taxes.

The City completes annual or more frequent compliance reviews of all approved tax exemption projects. Non-compliance may result in the cancellation of the exemption.

As of December 31, 2020, there are 14 approved, ongoing agreements under this program. 11 of the projects have completed construction and are currently renting. 14 projects were in the abatement period for which the City abated approximately \$392,623 in property taxes, an increase of 96.5% due to an increase in assessed value for these properties in 2019 for 2020 taxes.

CITY OF VANCOUVER NOTES TO THE BASIC FINANCIAL STATEMENTS

High Unemployment County Sales & Use Tax Deferral for Manufacturing Facilities

The state administers this tax deferral program under Washington State RCW 82.60. The purpose of the program is to promote economic stimulation, create new employment opportunities in distressed areas, and reduce poverty in certain distressed counties in the state. During the year ended December 31, 2020 the state issued tax deferrals which reduced the City's revenue of \$1,850 under this program.

Multi-unit Urban Housing Exemption

The state administers this tax deferral program under Washington State RCW 84.14.020. During the year ended December 31, 2020 the state issued tax deferrals which reduced the City's revenue of \$350,881 under this program.

NOTE 16 . PENSION PLANS

The following table represents the aggregate pension amounts for all plans for the year 2020:

Aggregate Pension Amounts - All Plans	
Pension Liabilities	\$ 18,206,106
Pension Assets	42,519,561
Deferred outflows of resources	13,661,181
Deferred inflows of resources	11,434,769
Pension expense/expenditures	3,415,283

A. State Sponsored Pension Plans

Substantially all City full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans. The state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (report) that includes financial statements and required supplementary information for each plan. The DRS report may be obtained by writing to:

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

The DRS report can also be downloaded from the DRS website at: www.drs.wa.gov.

B. Public Employees' Retirement System (PERS)

PERS members include elected officials; state employees; employees of the Supreme, Appeals and Superior Courts; employees of the legislature; employees of district and municipal courts; employees of local governments; and higher education employees not participating in higher education retirement programs. PERS is comprised of three separate pension plans for membership purposes. PERS plans 1 and 2 are defined benefit plans, and PERS plan 3 is a defined benefit plan with a defined contribution component.

PERS Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

C. Contributions

The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2020 were as follows:

CITY OF VANCOUVER
NOTES TO THE BASIC FINANCIAL STATEMENTS

PERS Plan 1 Actual Contribution Rates:	Employer	Employee*
January - August 2020		
PERS Plan 1	7.92%	6.00%
PERS Plan 1 UAAL	4.76%	
Administrative Fee	0.18%	
Total	12.86%	6.00%
September - December 2020		
PERS Plan 1	7.92%	6.00%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
Total	12.97%	6.00%

PERS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service for Plan 2 and 1 percent of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by three percent for each year before age 65; or
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2/3 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service credit. PERS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other PERS Plan 2/3 benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty related death benefit, if found eligible by the Department of Labor and Industries. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

PERS Plan 3 defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. PERS Plan 3 members choose their contribution rate upon joining membership and have a chance to change rates upon changing employers. As established by statute, Plan 3 required defined contribution rates are set at a minimum of 5 percent and escalate to 15 percent with a choice of six options. Employers do not contribute to the defined contribution benefits. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

Contributions

The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates.

The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2020 were as follows:

PERS Plan 2/3 Actual Contribution Rates	Employer 2/3	Employee 2*
January – August 2020		
PERS Plan 2/3	7.92%	7.90%
PERS Plan 1 UAAL	4.76%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
Total	12.86%	7.90%
September – December 2020		
PERS Plan 2/3	7.92%	7.90%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
Total	12.97%	7.90%

* For employees participating in JBM, the contribution rate was 19.75%

The City's actual PERS plan contributions were \$2.49 million to PERS Plan 1 and \$4.10 million to PERS Plan 2/3 for the year ended December 31, 2020.

CITY OF VANCOUVER NOTES TO THE BASIC FINANCIAL STATEMENTS

C. Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF)

LEOFF membership includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters, and as of July 24, 2005, emergency medical technicians. LEOFF is comprised of two separate defined benefit plans.

LEOFF Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined per year of service calculated as a percent of final average salary (FAS) as follows:

- 20+ years of service – 2.0% of FAS
- 10-19 years of service – 1.5% of FAS
- 5-9 years of service – 1% of FAS

The FAS is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest consecutive 24 months' salary within the last ten years of service. Members are eligible for retirement with five years of service at the age of 50. Other benefits include duty and non-duty disability payments, a cost-of living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions

Starting on July 1, 2000, **LEOFF Plan 1** employers and employees contribute zero percent, as long as the plan remains fully funded. The LEOFF Plan 1 had no required employer or employee contributions for fiscal year 2020. Employers paid only the administrative expense of 0.18 percent of covered payroll.

LEOFF Plan 2 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the final average salary (FAS) per year of service (the FAS is based on the highest consecutive 60 months). Members are eligible for retirement with a full benefit at 53 with at least five years of service credit. Members who retire prior to the age of 53 receive reduced benefits. If the member has at least 20 years of service and is age 50, the reduction is three percent for each year prior to age 53. Otherwise, the benefits are actuarially reduced for each year prior to age 53. LEOFF 2 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF 2 members are vested after the completion of five years of eligible service.

Contributions

The **LEOFF Plan 2** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The employer rate included an administrative expense component set at 0.18 percent. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board.

Effective July 1, 2017, when a LEOFF employer charges a fee or recovers costs for services rendered by a LEOFF 2 member to a non-LEOFF employer, the LEOFF employer must cover both the employer and state contributions on the LEOFF 2 basic salary earned for those services. The state contribution rate (expressed as a percentage of covered payroll) was 3.44% in 2020.

The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2020 were as follows:

LEOFF Plan 2		
Actual Contribution Rates	Employer	Employee
January - December 2020		
State and local governments	5.15%	8.59%
Administrative fee	0.18%	
Total	5.33%	8.59%
Ports and Universities	8.59%	8.59%
Administrative Fee	0.18%	
Total	8.77%	8.59%

The City's actual contributions to the plan were \$2.70 million for the year ended December 31, 2020.

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. For the state fiscal year ending June 30, 2020, the state contributed \$76.30 million to LEOFF Plan 2. The amount recognized by the City as its proportionate share of this amount is \$0.68 million.

D. Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2020 with a valuation date of June 30, 2019. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) 2013-2018 Experience Study and the 2019 Economic Experience Study.

CITY OF VANCOUVER

NOTES TO THE BASIC FINANCIAL STATEMENTS

Additional assumptions for subsequent events and law changes are current as of the 2019 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2020. Plan liabilities were rolled forward from June 30, 2019, to June 30, 2020, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.50% salary inflation
- **Salary increases:** In addition to the base 3.50% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.4%

Mortality rates were developed using the Society of Actuaries' Pub. H-2020 mortality rates, which vary by member status, as the base table. The OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society Actuaries, to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime

There were changes in methods and assumptions since the last valuation.

- OSA updated its demographic assumptions based on the results of its latest demographic experience study. See OSA's 2013-2018 Demographic Experience Study at leg.wa.gov/osa.
- OSA updated the Early Retirement Factors and Joint-and-Survivor factors used in its model to match the ones implemented by DRS on October 1, 2020. These factors are used to value benefits for members who elect to retire early and for survivors of members that die prior to retirement.
- The valuation includes liabilities and assets for Plan 3 members purchasing Total Allocation Portfolio annuities when determining contribution rates and funded status.
- OSA simplified its modeling of medical premium reimbursements for survivors of duty-related deaths in LEOFF 2.
- OSA changed its method of updating certain data items that change annually, including the public safety duty-related death lump sum and Washington state average wage. OSA set these values at 2018 and will project them into the future using assumptions until the next Demographic Experience Study in 2025. See leg.wa.gov/osa for more information on this method change

E. Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.4 percent.

To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on OSA's assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.4 percent was used to determine the total liability

Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7.4 percent was determined using a building-block-method. In selecting this assumption, the Office of the State Actuary (OSA) reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMA's) and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the CMA's and their target asset allocation to simulate future investment returns at various future times.

Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020, are summarized in the table below. The inflation component used to create the table is 2.2 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.

CITY OF VANCOUVER
NOTES TO THE BASIC FINANCIAL STATEMENTS

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	2.2%
Tangible Assets	7%	5.1%
Real Estate	18%	5.8%
Global Equity	32%	6.3%
Private Equity	23%	9.3%
	100%	

Sensitivity of Net Pension Liability

The table below presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.4 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.4 percent) or 1-percentage point higher (8.4 percent) than the current rate.

	1% Decrease 6.4%	Current Rate 7.4%	1% Increase 8.4%
PERS 1	\$ 15,517,109	\$ 12,388,347	\$ 9,659,745
PERS 2/3	\$ 36,199,650	\$ 5,817,758	\$ (19,201,746)
LEOFF 1	\$ (3,638,588)	\$ (4,470,290)	\$ (5,189,853)
LEOFF 2	\$ (543,791)	\$ (27,468,368)	\$ (49,514,227)

Pension Plan Fiduciary Net Position

Detailed information about the State's pension plans' fiduciary net position is available in the separately issued DRS financial report.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2020, the City reported a total pension liability of \$18.21 million for its proportionate share of the net pension liabilities and \$31.94 million for its proportionate share of net pension assets as follows:

Plan	
PERS 1	\$ 12,388,347
PERS 2/3	\$ 5,817,758
Total liabilities	\$ 18,206,105
LEOFF 1	\$ 4,470,290
LEOFF 2	\$ 27,468,368
Total (assets)	\$ 31,938,658

The amount of the asset reported above for LEOFF Plans 1 and 2 reflects a reduction for State pension support provided to the City. The amount recognized by the City as its proportionate share of the net pension asset, the related State support, and the total portion of the net pension asset that was associated with the City were as follows:

	LEOFF 1 Asset	LEOFF 2 Asset
LEOFF - Employer's proportionate share	\$ (4,470,290)	\$ (27,468,368)
LEOFF - State's proportionate share of the net pension associated with the employer	(30,236,928)	(17,563,940)
TOTAL	\$ (34,707,218)	\$ (45,032,308)

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

	Proportionate Share 6/30/19	Proportionate Share 6/30/20	Change in Proportionate
PERS 1	0.36241%	0.35089%	(0.01152)%
PERS 2/3	0.46615%	0.45489%	(0.01126)%
LEOFF 1	0.23514%	0.23671%	0.00157%
LEOFF 2	1.37677%	1.34659%	(0.03019)%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the *Schedules of Employer and Nonemployer Allocations* for all plans except LEOFF 1.

CITY OF VANCOUVER
NOTES TO THE BASIC FINANCIAL STATEMENTS

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2020. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2020, the state of Washington contributed 87.12 percent of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88 percent of employer contributions. LEOFF 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. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

In fiscal year 2020, the state of Washington contributed 39 percent of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 61 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2020, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2019, with update procedures used to roll forward the total pension liability to the measurement date.

Pension Expense

For the year ended December 31, 2020, the City recognized pension expense as follows:

Pension Expense		
PERS 1	\$	114,257
PERS 2/3		784,640
LEOFF 1		(257,494)
LEOFF 2		1,022,706
Total		1,664,109

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
PERS 1				
Net difference between projected and actual investment earnings on pension plan investments	\$	-	\$	(68,974)
Contributions subsequent to the measurement date		1,238,441		-
TOTAL	\$	1,238,441	\$	(68,974)
PERS 2/3				
Differences between expected and actual experience	\$	2,082,673	\$	(729,104)
Net difference between projected and actual investment earnings on pension plan investments		-		(295,458)
Changes of assumptions		82,861		(3,974,032)
Changes in proportion and differences between contributions and proportionate share of contributions		1,047,621		(384,925)
Contributions subsequent to the measurement date		2,028,896		-
TOTAL	\$	5,242,051	\$	(5,383,519)
LEOFF 1				
Net difference between projected and actual investment earnings on pension plan investments	\$	-	\$	(46,759)
TOTAL	\$	-	\$	(46,759)
LEOFF 2				
Difference between expected and actual experience	\$	3,800,702	\$	(487,176)
Net difference between projected and actual investment earnings on pension plan investments		-		(306,158)
Changes of assumptions		39,794		(4,253,320)
Changes in proportion and differences between contributions and proportionate share of contributions		1,350,503		(888,864)
Contributions subsequent to the measurement date		1,357,328		-
TOTAL	\$	6,548,327	\$	(5,935,518)
TOTAL ALL PLANS				
Differences between expected and actual experience	\$	5,883,375	\$	(1,216,280)
Net difference between projected and actual investment earnings on pension plan investments		-		(717,349)
Changes of assumptions		122,655		(8,227,352)
Changes in proportion and differences between contributions and propotionate share of contributions		2,398,124		(1,273,789)
Contributions subsequent to the measurement date		4,624,665		-
TOTAL	\$	13,028,819	\$	(11,434,770)

CITY OF VANCOUVER
NOTES TO THE BASIC FINANCIAL STATEMENTS

Deferred outflows of resources related to pensions resulting from the City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	PERS 1	PERS 2/3	LEOFF 1	LEOFF 2
2021	\$ (313,004)	\$ (2,208,163)	\$ (166,916)	\$ (2,043,575)
2022	(9,845)	(371,176)	(8,702)	(223,691)
2023	95,506	309,260	47,450	454,631
2024	158,368	656,383	81,408	967,135
2025	-	(242,909)	-	(136,536)
Thereafter	-	(313,760)	-	237,518
Total	\$ (68,975)	\$ (2,170,365)	\$ (46,760)	\$ (744,518)

Police Officers and Firefighters' Pension Funds

Plan Description

Plan administration. The City administers the Fire and Police Pension Funds single-employer defined benefit pension plans. These funds were established by the City in compliance with requirements of the Revised Code of Washington 41.20 and 41.18. The plans are limited to police officers, firefighters and their beneficiaries for individuals employed before March 1, 1970, the effective date of LEOFF. The LEOFF laws were subsequently amended by the Pension Reform Act, which took effect October 1, 1977. Through the LEOFF Act, the state undertook to provide the bulk of police and fire pensions; however, the municipalities continue to be responsible for all or part of pension benefits for employees hired before March 1, 1970, as discussed later. The plans are closed plans that provide pension and medical benefits, some of which can be in excess of LEOFF benefits.

The Policemens' Pension Board is composed of seven members as follows: The mayor or his designate; the mayor pro-tem; the City clerk who acts as secretary; the City treasurer; and three police members who may be either active or retired City employees.

The Firemens' Pension Board is composed of five members as follows: The mayor or his designate; the City clerk who acts as secretary; the City treasurer; and two fire members who may be either active or retired City employees.

The financial activity of the Police and Fire Pension Trust Funds are presented in the General Fund. No separate stand-alone financial reports are issued for the plans.

Plan membership. At December 31, 2020, pension plan membership consisted of only inactive plan members or beneficiaries currently receiving benefits. Of the 42 members, 28 are fire members and 14 are police members. The police and fire plans entitle the employees to the greater of the state pension plan or City pension plan benefit. If the City plan benefit exceeds the state benefit, the City must pay the benefit difference. The City benefit amount changes based on current police and fire salaries and other factors.

Benefit Provisions

The LEOFF Act requires a varying obligation of the City for benefits paid to police officers and firefighters.

- Pension and medical expenses for police officers and firefighters retired prior to March 1, 1970, continue to be paid in their entirety by the City under the old pension laws.
- Police officers and firefighters hired before, but not retired on March 1, 1970, received at retirement the greater of the pension benefit provided under the old pension laws and under the LEOFF Act. Any excess of the old benefit over the LEOFF benefit is provided by the City. The City also pays the reasonable cost of necessary medical expenses of the retiree for life.
- For police officers and firefighters hired on or after March 1, 1970, and prior to October 1, 1977, the City is obligated for lifetime medical expenses only. The LEOFF system pays the entire retirement allowance.
- Police officers and firefighters hired on or after October 1, 1977, are covered entirely by the LEOFF system with no City obligation for either retirement allowance or medical expenses.
- The benefits are directly correlated to the salaries of active employees. Cost of Living Adjustments (COLAs) provided at the state level do not impact the total pension benefits provided to the members. The City's obligation under the Plan consists of paying the difference between pension and medical benefits provided by LEOFF and those provided by the City's Plan. There were no changes in benefit provisions in the current year.

CITY OF VANCOUVER

NOTES TO THE BASIC FINANCIAL STATEMENTS

Contributions

Firemen Plan contributions are required by RCW 41.18, while Policemen Plan contributions are required by RCW 41.20. These Plans are closely tied to the LEOFF plan contributions. Any increases to the LEOFF plans decreases the contributions required by the City's Police and Firemen Pension Plan. Any decreases to the LEOFF plan increase the contributions required by the Plans. Retirement benefit provisions are established in state statute and may only be amended by the State Legislature. Amendments to each of the Plans are authorized by the separate Police and Fire Pension Boards.

Funding for the Police Pension Fund comes from annual transfers from the General Fund that are budgeted and approved by the City Council. Sources of funding for the Firefighters Pension Fund include donations, distributions from the state from fire insurance premium collections, and a property tax levy of up to \$.225 per \$1,000 of assessed valuation.

Contributions are determined on a pay-as-you-go basis. Milliman Consultants and Actuaries completed actuarial studies of the two funds as of December 31, 2020; however, no actuarially determined contributions are provided. The General Fund is responsible for the costs of administering the plans, however the valuations assume this is coming from plan assets. If assets are depleted, the General Fund is responsible for the costs. There have been no required employee contributions to the plans since March 1, 1970 because the plan is closed to new entrants. For the year ended December 31, 2020, contributions made by the general fund to the Police and Fire Pension Funds were \$2.08 million and \$2.79 million, respectively.

The state contributes 25% of taxes on fire insurance premiums to the Fire Pension Fund and is considered a non-employer contributing entity. The amount contributed in 2020 to the Fire Pension Fund was \$208,254.

As of December 31, 2020, the Firefighters Pension Fund and the Police Pension Fund reported net position held in trust for pension and OPEB benefits of \$14,581,192 and \$4,913,768, respectively.

Investments

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the City Council. It is the policy of the City Council to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. City Council reviews the investment policy as part of the financial policies adopted as part of the biennial budget process.

As of December 31, 2020, the Firefighters Pension fund had an investment portfolio with fair value of \$1,908,538 which was invested in Corporate Bonds, and in Municipal Bonds on behalf of the Firemen's Pension Fund. In addition to these investments, the Firefighters Pension fund had cash and cash equivalents invested in the City's internal investment pool totaling \$12,633,615. Investments in the City's internal investment pool are invested in the Washington State Treasurer Local Government Investment Pool (LGIP), which operates within the parameters outlined in GASB 79, and qualifies to report investments at amortized cost. The State Investment Pool's investment objective is to effectively maximize the yield while maintaining liquidity and a stable share price of \$1. The State Pool portfolio's average maturity was 49 days on December 31, 2019. The State Investment Pool is an unrated fund. The City's internal investment pool also invests in the Clark County Local Government Investment Pool, which is unrated, and in US Agencies and Municipal Bonds. All investments are valued at fair value. The average maturity of the Clark County Local Government Investment Pool is 15.6 months. The fair value of the investment portfolio is obtained using the market approach. Pricing is obtained through the City's third-party safekeeping custodian, US Bank Corporate Trust Services, who obtains pricing on Federal Agencies and Corporate Bonds through IDC Institutional Bond Quotes, and uses Standard & Poor's for pricing Municipal Bonds. Investments are reported at fair value or amortized costs as described above.

The Police Pension fund reported no investments at December 31, 2020, but did have \$4,888,357 invested in the City's internal investment pool.

The City does not hold an investment in any one corporation or organization exceeding 5% of net position available for benefits. Additionally, the City does not have any long-term contract for contributions and any amounts outstanding at the report date.

Rate of return. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was as follows:

Year ending December 31, 2020	Net Money - Weighted Rate of Return
Fire Pension Trust Fund	1.06%
Police Pension Trust Fund	0.00%

CITY OF VANCOUVER
NOTES TO THE BASIC FINANCIAL STATEMENTS

Net Pension Liability

The components of the net pension liability of the City at December 31, 2020, were as follows:

	Fire	Police
Total pension liability	\$ 7,122,914	\$ 1,791,143
Plan fiduciary net position	14,581,192	4,913,768
Net pension liability (asset)	\$ (7,458,278)	\$ (3,122,625)
Fiduciary net position as a % of total pension liability	204.71%	274.34%
Covered payroll	0	0
Net pension liability as a % of covered payroll	N/A	N/A

Changes in net pension liability for each plan are as follows:

FIRE PENSION TRUST FUND			
		Increase (Decrease)	
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset
Changes in Net Pension Liability (Asset)			
Balances as of December 31, 2019:	\$ 7,003,328	\$ 12,628,289	\$ (5,624,961)
Changes for the year:			
Prior period adjustment	-	-	-
Interest on total pension liability	185,787	-	185,787
Effect of economic/demographic gains or losses	-	-	-
Effect of assumptions, changes or inputs	432,070	-	432,070
Benefit payments	(498,271)	(498,271)	-
Medical payments from fund	-	(652,145)	652,145
Employer contributions	-	2,791,527	(2,791,527)
Contributions from state fire insurance premium tax	-	208,254	(208,254)
Net investment income	-	138,833	(138,833)
Administrative expenses	-	(35,295)	35,295
Balance as of December 31, 2020	\$ 7,122,914	\$ 14,581,192	\$ (7,458,278)

POLICE PENSION TRUST FUND			
		Increase (Decrease)	
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset
Changes in Net Pension Liability (Asset)			
Balances as of December 31, 2019:	\$ 1,890,067	\$ 3,751,197	\$ (1,861,130)
Changes for the year:			
Prior period adjustment	-	-	-
Service cost	-	-	-
Interest on total pension liability	48,609	-	48,609
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	-	-	-
Effect of assumptions, changes or inputs	99,101	-	99,101
Benefit payments	(246,634)	(246,634)	-
Medical payments from fund	-	(653,561)	653,561
Employer contributions	-	2,083,738	(2,083,738)
Police auction income	-	6,306	(6,306)
Net investment income	-	30	(30)
Administrative expenses	-	(27,308)	27,308
Balance as of December 31, 2020	\$ 1,791,143	\$ 4,913,768	\$ (3,122,625)

Actuarial assumptions. The total pension liability for each plan was determined by an actuarial valuation as of December 31, 2020, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date. There were no significant changes during this period. The following actuarial assumptions were applied to all periods included in the measurement:

Discount rate	2.00%
Long-term expected rate of return, net of investment expense	2.00%
Municipal bond rate	2.00%
Inflation	2.25%
Salary increases including inflation	3.25%
Actuarial cost method	Entry Age Normal

CITY OF VANCOUVER
NOTES TO THE BASIC FINANCIAL STATEMENTS

Mortality rates were based on the RP-2000 Mortality Table (combined healthy) with generational projection using 100% of Projection Scale BB, with ages set back one year for males and forward one year for females (set forward two years for disabled members). The best-estimate range for the long-term expected rate of return is determined by combining expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's investment consulting practice as of December 31, 2020.

The Police and Fire Pension plans are separately invested, but assume the same expected rate of real return. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2020 are summarized in the following table:

Asset Class	Index	Long-term Expected Rate of Real Return
Cash	BAML 90 day T-bills	-0.49%
Short-term bonds	Barclays 1-3 Year Gov/Cred	0.45%
Long-term bonds	Barclays Long Gov/Cred	1.87%
Assumed inflation - Mean		2.25%
Long-term expected rate of return		2.00%

Discount rate. GASB 67 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the Plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 will often require that the actuary perform complex projections of future benefit payments and asset values.

The assumption of 2.00% as of December 31, 2020 is an appropriate long-term expected rate of return on investments such as those in the City's trust. The Bond Buyer General Obligation municipal bond index for bonds that mature in 20 years is 2.12% as of December 31, 2020. Rounding this to the nearest 1/4% results in a discount rate of 2.00%. Using 2.00% for both the long-term expected rate of return and the bond index will mean that 2.00% could be used as the single discount rate. This will need to be re-evaluated as of later valuation dates. External cash flows are determined on a monthly basis and are assumed to occur at the beginning of each month.

The discount rate as of December 31, 2020 was 2.00%. The discount rate at December 31, 2020 represents a 0.75% decrease in the rate from December 31, 2019 which was 2.75%.

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the County, calculated using the discount rate of 2.00%, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Net pension liability (asset)		
	1% Decrease	Current Rate	1% Increase
	1.00%	2.00%	3.00%
Fire	(6,804,391)	(7,458,278)	(8,024,546)
Police	(2,974,423)	(3,122,625)	(3,252,713)

Pension Expense

Pension expense recognized related to the City's own pension trust funds for the year ended December 31, 2020, was as follows:

Plan	Pension expense
Police Pension Trust Fund	807,158
Fire Pension Trust Fund	944,016
Total	\$ 1,751,174

Deferred Outflows of Resources

The City does not report deferred outflows or inflows on fiduciary fund statements. The following information is provided in accordance with GASB 67/68 criteria. At December 31, 2020, the deferred outflows of resources related to pension trust funds were from the following sources:

Source of Deferred Outflows of Resources	Fire Pension Trust Fund	Police Pension Trust Fund
Net difference between projected and actual investment earnings on pension plan investments	\$ 410,211	\$ 222,150

CITY OF VANCOUVER
NOTES TO THE BASIC FINANCIAL STATEMENTS

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Fire Pension Trust Fund	Police Pension Trust Fund
2021	\$ 170,079	\$ 83,008
2022	113,719	66,249
2023	79,770	49,093
2024	46,643	23,800
2025	-	-
Thereafter	-	-

NOTE 17. OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS – NO QUALIFYING TRUST

Fire and Police OPEB Plans

The City administers the Fire and Police Funds single-employer defined benefit pension plans that are reported together with an OPEB component within the General Fund. These funds do not meet any of the requirements of GASB 75.

- Contributions do not meet the irrevocable definition because they are not in a separate bank account from the City.
- The pension and OPEB components are not accounted for separately.
- Funds are not in a qualifying trust.
- Plan assets are not legally protected from creditors.

The following table represents the aggregate OPEB amounts the Fire and Police plans for the year 2020:

Aggregate OPEB Amounts - All Plans	
OPEB liabilities	\$ 48,695,087
OPEB assets	\$ -
Deferred outflows of resources	\$ -
Deferred inflows of resources	\$ -
OPEB expenditures	\$ 5,846,351

OPEB Plan Description

In addition to the benefits described above, the City administers two single employer defined benefit plans covering postretirement healthcare and long term care in accordance with state statute to retired police and fire employees who are eligible under the Police Relief and Pension Fund and Firefighter's Pension Fund through Law Enforcement Officers & Fire Fighters Plan 1(LEOFF-1). The activity of the plan is reported in the City's Police and Fire Pension Trust Funds. LEOFF retirement benefit provisions are established in state statute and may be amended only by the State Legislature. A separate audited GAAP-basis Postemployment benefit plan report is not available.

Funding Policy

The City reimburses 100 percent of the amount of validated claims for medical and hospitalization costs incurred by eligible retirees. The City pays for the retiree's monthly insurance premium and also picks up the balance owing after insurance and Medicare payments are made. The pension board performs an annual survey to determine the limit of optical and chiropractic care to be covered. The City also reimburses a monthly fixed amount equal to the Medicare premium for each retiree eligible for Medicare. The methods used to determine the contribution rates are established under state statute in accordance with chapters 41.26 and 41.45 of the RCW.

Under RCW law, medical, hospital, and nursing care are covered as long as a disability exists for any active fire fighter or police hired prior to March 1, 1970.

Membership

Membership in this program includes Plan 1 participants of LEOFF who joined the system by September 30, 1977. This is considered a closed group. There were no active employees, and no retired employees not yet receiving a benefit, as of December 31, 2020.

CITY OF VANCOUVER
NOTES TO THE BASIC FINANCIAL STATEMENTS

Employees covered by benefit terms: At December 31, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	
Fire	59
Police	39
Total	98

The plan is funded on a pay-as-you-go basis and there are no assets accumulated in a qualifying trust. Total expenditures for postretirement health in 2020 were \$1,364,841.

Assumptions and Other Inputs

The actuarial assumptions used in the January 1, 2019, OPEB actuarial valuations include techniques that are designed to estimate the future experience of the members, reduce short term volatility in actuarial accrued liabilities, consistent with the long term perspective of the calculations. In the January 1, 2019 actuarial valuation, the entry age normal cost method was used. The assumptions included a 2.00% discount rate, 2.00% investment rate of return, 2.25% inflation rate, and 3.25% salary increase rate, which includes inflation.

Actuarial valuations of an ongoing plan involve estimates of the value of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, service retirement, disability, mortality and healthcare cost trends. Amounts determined regarding the OPEB liability are subject to continual revision, as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Changes in Total OPEB Liability and Related Ratios, presented as required supplementary information following the notes to the financial statements presents the results of OPEB valuations as of December 31, 2020 and looking forward, the schedule will eventually provide multiyear trend information about the actuarial values of OPEB liability. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and the plan members to that point.

The following presents the total OPEB liability of the City for each plan calculated using the current healthcare cost trend rate, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate.

Fire OPEB Current Trend				
	1% Decrease		Rates	1% Increase
Total OPEB Liability	\$ 26,108,840	\$	30,013,119	\$ 34,675,777

Police OPEB Current Trend				
	1% Decrease		Rates	1% Increase
Total OPEB Liability	\$ 16,450,277	\$	18,681,968	\$ 21,306,381

The following presents the total OPEB liability of the City for each plan calculated using the discount rate of 2.00%, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.0%) or 1-percentage point higher (3.0%) than the current rate.

Fire OPEB Current Discount Rate				
	1% Decrease 1.00%		2.00%	1% Increase 3.00%
Total OPEB Liability	\$ 34,733,657	\$	30,013,119	\$ 26,164,523

Police OPEB Current Discount Rate				
	1% Decrease 1.00%		2.00%	1% Increase 3.00%
Total OPEB Liability	\$ 21,340,563	\$	18,681,968	\$ 16,480,134

CITY OF VANCOUVER
NOTES TO THE BASIC FINANCIAL STATEMENTS

Changes in the Total OPEB Liability:

The following presents a schedule of changes for each plan's total OPEB Liability during 2020.

Fire OPEB		
Total OPEB Liability at 01/01/2020	\$	27,321,538
Service cost		-
Interest		736,413
Changes of benefit terms		-
Economic/demographic gains and losses		-
Changes of assumptions		2,957,077
Benefit Payments		(911,909)
Other Changes		-
Total OPEB Liability at 12/31/2020	\$	30,103,119

Police OPEB		
Total OPEB Liability at 01/01/2020	\$	17,217,428
Service cost		-
Interest		464,079
Changes of benefit terms		-
Economic/demographic gains and losses		-
Changes of assumptions		1,688,782
Benefit Payments		(688,321)
Other Changes		-
Total OPEB Liability at 12/31/2020	\$	18,681,968

The Valuation Date, or the date as of which the actuarial evaluation was performed, was January 1, 2019. The Measurement Date, or date as of which the total OPEB liability and schedule of changes to the total OPEB liability under GASB 75 was determined, was December 31, 2020.

Since the prior measurement date, the discount rate and investment rate of return decreased from 2.75% to 2.00%. No other significant changes were made to the assumptions or other inputs. No changes of benefits that affected the measurement of the total OPEB liability occurred since the prior measurement date.

Total OPEB expenditures for the City were a \$5,846,351 adjustment for 2020, largely due to the recognition of assumption changes or inputs noted previously.

At December 31, 2020, the City did not have any reportable deferred outflows of resources or deferred inflows of resources related to OPEB. Therefore, there are no outflows of resources resulting from payments subsequent to the measurement date to recognized as a reduction of the total OPEB liability and in future years.

NOTE 18. SPECIAL AND EXTRAORDINARY ITEMS

Special item: Forgiveness of Debt (Component Unit)

As part of the refinancing of the DRA debt in June 2013, a new agreement was signed with Hilton, the Manager of the Vancouver Conference Center hotel that provides for forgiveness of the subordinate management fee over a 10-year period, on a straight-line basis. The forgiveness of this fee is recorded as a Special Item, Forgiveness of Debt on the Statement of Revenues, Expenses and Changes in Fund Net Position. During December 31, 2020, \$107,813 had been forgiven. The outstanding obligation recorded on the Statement of Net Position as of December 31, 2020, is \$269,532.30. If the Operating Agreement is terminated early, then the amount owing at the time becomes fully payable.

Extraordinary item: Bankruptcy settlement (Component Unit)

On January 2, 2009, Lehman Brothers Special Finance Inc. failed to tender for sale to the Downtown Redevelopment Authority the Qualified Securities pursuant to the terms of the Forward Purchase Agreement (FPA) and did not correct the issue in the Cure Period. Based on this, the Authority reinvested the investment balance held with the Trustee for 6-months in qualified investments, which matured on July 1, 2009, and was reinvested thereafter with maturities to coincide with the semi-annual interest and principal payments. The rate of return on the reinvestment was substantially below the 5.05% guaranteed by Lehman Brothers. The Authority pursued a claim with the Bankruptcy Court against Lehman Brothers Inc., and Lehman Brothers Special Finance Inc. for the difference between the fixed rate of 5.05% and the rate that alternative investments would generate. During 2020, the Authority received a distribution in the amount of \$681 as a result of the bankruptcy claim. If the Lehman bankruptcy estate receives additional funds, more distributions are possible.

CITY OF VANCOUVER
NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 19. PRIOR PERIOD ADJUSTMENTS/ RESTATEMENTS AND CHANGES IN ACCOUNTING

PRINCIPLES

The City reported the following prior period adjustments on the fund-level statements:

Purpose of Adjustment	Effect on Prior Year Change in Net Position	Reported Fund	Net Increase or (Decrease) to PY Net Position
The City utility bills cross multiple months including those of the calendar yearend. Historically the City has recorded the revenues related to bills with service dates beginning in November or December and ending in the following year in the following year. Starting in 2020 we have determined the portion of those bills that is related to the current reporting year. We reported a yearend receivable and related revenue for those amounts. When this is practiced every year, there would be amounts accrued at the beginning of each year to the prior yearend and the net effect of the adjustment at the beginning and end of each reported year would not be material to the activity of the fund. However, since this is the first year the City is performing this accrual and due to the significant size of the accrual, we retroactively accrued the amount of revenue we reported at the beginning of 2020 back to 2019 using the new method, through a prior period adjustment.	This adjustment increases the beginning fund balance to correspond with the movement of revenue recorded in 2020 back to 2019.	Consolidated Water Sewer	8,437,326
The City received unforeseen grant funds related to 2018 grant expenditures during 2020. The cash receipt represents revenues of a prior year.	This adjustment increases the beginning fund balance to correspond with the movement of revenue recorded in 2020 back to 2019.	Airport	35,178
GASB 83 retroactively applies the amortization of the deferred outflows related to ARO's to the point the tangible capital asset was obtained. See Note 22 for additional information.	This adjustment reduces beginning fund balance to record the DO from prior period.	Consolidated Water Sewer	79,484
		Airport	98,518
		Equipment Services Operations	335,287
GASB 83 retroactively applies the amortization of the deferred outflows related to ARO's to the point the tangible capital asset was obtained. See Note 22 for additional information.	This adjustment reduces beginning fund balance to record the DO from prior period.	Consolidated Water Sewer	1,094,353

**Minor differences from the statements due to rounding may exist.*

On the government-wide statements, the same adjustments identified above are reported together under Business-type Activities.

NOTE 20. SUBSEQUENT EVENTS AND OTHER DISCLOSURES

Bond Refundings

The City has two bond issues that are eligible for refunding at lower rates. In July of 2020, the City Council approved the refinancing of two bond issues, one of them with a delivery date in 2020 and the second one with the delivery date in September 2021. The 2021A LTGO Refunding bonds will total \$7,495,000 and will settle in September 2021. The proceeds will be used to refinance \$7.3 million of the callable maturities of the 2011 Limited Tax General Obligation bonds which were issued to provide funding to for transportation projects associated with the Waterfront Access Project. The bonds have an average interest rate of 1.58%. Overall, by refinancing the bond issue, the City will realize more than \$1.6 million in debt service savings over the life of the bond issue, or about \$112,000 per year. General tax revenues in the General Fund support the debt service payments for this bond issue. The final maturity of this bond issue is December 1, 2035. This refunding bond will be issued as a private placement with Kitsap Bank which is expected to occur during 2021.

The City is also considering refunding the callable maturities of the 2012A LTGO Refunding bonds. The 2021B LTGO Refunding bonds will total approximately \$10 million and will settle in September 2021. The proceeds will be used to refinance approximately \$9.8 million of the callable maturities of the 2012A LTGO refunding bonds that were originally issued to refinance the 2003 LTGO bonds used to construct and build the Firstenburg Community Center. The bonds are anticipated to have an average interest rate of approximately 1.4%. The City is anticipating debt service savings of approximately \$900 thousand over the life of the bond issue or \$119,000 per year. The final maturity is December 1, 2029. This refunding bond is contingent on Council approval, and is planned to be issued as a private placement.

Sale of Capital Assets Held for Resale

Fire stations one and two have been recorded as assets held for sale. They were sold in May and April 2021 respectively.

Navigation Center Discontinued Operations

The Navigation Center closed due to pandemic related measures during 2020. During 2021 the City decided to discontinue operations and the building has been made available for sale.

CITY OF VANCOUVER

NOTES TO THE BASIC FINANCIAL STATEMENTS

Purchase of Fourth Plain Commons

During the second quarter of 2021, the City purchased a yet-to-be-constructed commercial unit in a condominium building referred to as Fourth Plain Commons. Through the contract, the seller intends to construct on the property certain improvements, including a six story building with 106 apartment units and approximately 9,758 square feet of non-residential space which will be used as a community center overseen by the City. The housing units will be used for affordable housing programs. The City shall pay \$2 million and later another \$2 million towards the purchase price on or before March 2022, plus costs related to space improvements.

Receipt of American Rescue Plan Act Funding

In 2021 the American Rescue Plan Act was approved and the City was awarded funds through the new Coronavirus State and Local Fiscal Recovery Funds. The City is estimated to receive approximately \$33 million through this funding.

Closure of Senior Messenger Fund

The Senior Messenger Fund, which is reported within the non-major governmental funds is closed for budget purposes on January 1, 2021. The activity of the fund will continue but will now be included as a cost center of the Consolidated General Fund.

COVID-19

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of a deadly new virus. In the weeks following the declaration, precautionary measures to slow the spread of the virus have been ordered. These measures include closing schools, colleges and universities, canceling public events, prohibiting public and private gatherings, and requiring people to stay home unless they are leaving for an essential function.

Our experience is that revenues continued to improve in the first and second quarters of 2021. Sales tax is coming in significantly stronger than it did in 2020, other revenues are coming in consistent with historical projections. The Governor of the state of Washington fully reopened the economy on July 1. As a result, the City expects it will continue seeing the improvements in the economy and its revenues. The full extent of impacts of COVID-19 are still unknown.

Building Sale

In June 2021, the City expects to close the sale of the Columbia Bank parking structure to a private party for approximately \$3.4 million. The proceeds will be used to clear the outstanding debt related to the construction of the parking structure and the balance will be utilized for parking capital needs.

NOTE 21. UNIQUE AND UNUSUAL TRANSACTIONS OR CHANGES IN OPERATIONS

Tennis Center Operations

Starting 2018, the City contracts operations to a third party, USTA, and the fund no longer had assigned City employees during 2019. The City continues to report revenues and expenses from operations. Any shortfall or loss from operations will be covered by the contractor.

Navigation Center Operations

The City opened the Navigation Center in 2019. The Navigation Center provides services to those in the community experiencing homelessness. It was managed by a contracted service provider until February 2020 when the City took over management of the facility on an interim basis. The center temporarily closed in March 2020 in response to the state declaration of emergency related to the COVID-19 pandemic and later permanently closed.

Reported Estimates

The financial statements presented contain these estimates:

- County Jail Services: The County did not provide bills for 2020 jail services at the time of the annual report preparation. While we would normally estimate the cost based on an average of prior years' expenditures, the jail reduced capacity and moved to house primarily felony cases due to the COVID-19 pandemic restrictions. The City only pays for jail bed days for misdemeanor cases. Using jail population analysis provided by the County we estimated the jail bed days of misdemeanors and used it to apply a handicap to our historical average of past jail costs. An estimated liability and corresponding expense of \$1.2 million was recorded in the Consolidated General Fund.

New and Closed Funds

- Affordable Housing State Sales Tax Credit - Shown as a nonmajor special revenue fund in the combining statements, this was a new fund and revenue stream in 2019 and was referred to as "Affordable Housing Sales Tax Fund." Its name was changed in 2020 to distinguish it from the new Affordable Housing Local Sales Tax Fund. The City imposed a sales tax for affordable housing, in accordance with SHB 1406 established 2019.
- Affordable Housing Local Sales Tax - This fund was created during 2020 to implement a 0.1% sales tax for affordable housing in accordance with HB 2263. It will be reported as a nonmajor special revenue fund in the combining statements in the future. It is not shown with the other 2020 funds currently since it had no financial activity during the reporting year.
- Parks & Recreation, a nonmajor special revenue fund, closed December 31, 2020 and its assets and liabilities were transferred to the Consolidated General Fund where that activity will continue and now be reported through the use of a cost center.

CITY OF VANCOUVER

NOTES TO THE BASIC FINANCIAL STATEMENTS

- 2011 Bond Capital Fund, a nonmajor capital projects fund, closed December 31, 2020 and its assets and liabilities were transferred to the nonmajor Transportation Capital Fund where that activity will continue and now be reported through the use of a cost center.
- One of the various transportation improvement impact fee funds that are reported together as the Consolidated Transportation Impact Fees Fund, I205/Mill Plain Overlay Fund, closed December 31, 2020 and its assets and liabilities were transferred to the nonmajor Transportation Capital Fund where it will be used for its intended purpose of transportation street design operations and capital improvements.

Change in Allowance for Doubtful Accounts Methodology

The allowance for doubtful accounts is an accounting estimate of the percentage of outstanding accounts receivable at yearend that are expected to be uncollectable. These are contra-receivable and revenue accounts. The receivables and revenues reported on the statements are net of these amounts.

For 2020 reporting, the City re-evaluated the rates and exclusions used for these calculations, comparing to and considering the recent history of actual write-offs of uncollectable accounts. Based on this review, some accounts previously considered not subject to write-offs were included in the calculation. Additionally, the estimated rates of uncollectable accounts were adjusted to reflect a four-year weighted average of actual write-offs at the time the re-evaluation was completed.

Change in Amortization of Premium and Discount Methodology

When debt is sold at a premium or discount, those amounts must be reported separately and amortized over the life of the debt. For 2020 reporting, the City moved from the straight-line method to the effective interest method for amortization.

NOTE 22. ASSET RETIREMENT OBLIGATIONS

The City started reporting asset retirement obligations per the implementation of GASB 83. The City does not share the liability with any other entities and has not restricted funds for the payment of the liabilities. The reported items included:

- One Radioactive Machine: Held by the Water/Sewer Fund, radioactive machines are considered hazardous waste and must be disposed of in accordance with state guidelines. The liabilities reported were based upon the professional evaluation of employees managing its operations and input from related suppliers as of April 2020. The expected disposal year is 2034.
- 15 Underground Fuel Storage Tanks: Held by the Airport, Water/Sewer and Internal Service funds, the fuel storage tanks require decommissioning by WAC 173-360A-0810. The assets are scheduled to be replaced, depending on the asset, from 2023 up to 2041. The liabilities reported were based upon a quote from an external supplier and evaluation by City staff as of April 2020 and reaffirmed in 2021.
- 44 Wells: There are 44 wells considered to be capital assets, 40 active and four unused but not yet decommissioned wells. These asset retirement obligations were added as of January 1, 2020. Decommissioning requirements are required per the state WAC 173-160. While some of the wells are scheduled to be replaced in the current capital project plan, the remaining assets will be replaced after about 100 years of life. The assets are scheduled to be replaced, depending on the asset, from 2023 up to 2097. The value of the ARO liability is based on the overseeing engineer's professional judgement establishing this methodology:
 - A flat rate for mobilization of equipment
 - + \$100 per unit of volume of the well
 - + \$8,000 per 100 square foot of depth of the well

Required Supplementary Information

CITY OF VANCOUVER

Required Supplementary Information

Fire OPEB

December 31, 2020

Schedule of Changes in Total OPEB Liability and Related Ratios

Last Fiscal Year

(in thousands)

	2018	2019	2020
Total OPEB liability			
Service cost	\$ -	\$ -	\$ -
Interest on total OPEB liability	995	1,062	736
Changes in benefit terms	-	-	-
Effect on economic/demographic gains or (losses)	-	(1,297)	-
Effect of assumption changes or inputs	(1,952)	1,325	2,957
Expected benefit payments	(979)	(828)	(912)
Net change in total OPEB liability	(1,936)	262	2,781
Total OPEB liability, beginning	28,905	26,969	27,231
Total OPEB liability - ending (a)	26,969	27,231	30,012
 Covered-employee payroll	 -	 -	 -
 Net pension liability as a % of covered employee payroll	 N/A	 N/A	 N/A

* The actuarial updates on this information are done on a biennial basis.

* The City implemented GASB 75 for the year ended December 31, 2018, therefore there is no data available for years prior to 2018. Until a full 10-year trend is compiled, only information for those years available is presented.

* No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

* There are no active employees participating in the City-sponsored plans, therefore, there is no covered payroll.

CITY OF VANCOUVER

Required Supplementary Information

Police OPEB

December 31, 2020

Schedule of Changes in Total OPEB Liability and Related Ratios

Last Fiscal Year

(in thousands)

	2018	2019	2020
Total OPEB liability			
Service cost	\$ -	\$ -	\$ -
Interest on total OPEB liability	661	707	464
Changes in benefit terms	-	-	-
Effect on economic/demographic gains or (losses)	-	(1,072)	-
Effect of assumption changes or inputs	(1,188)	253	1,689
Expected benefit payments	(726)	(664)	(688)
Net change in total OPEB liability	(1,253)	(776)	1,465
Total OPEB liability, beginning	19,248	17,994	17,217
Total OPEB liability - ending (a)	17,995	17,218	18,682
 Covered-employee payroll	 -	 -	 -
 Net pension liability as a % of covered employee payroll	 N/A	 N/A	 N/A

* The actuarial updates on this information are done on a biennial basis.

* The City implemented GASB 75 for the year ended December 31, 2018, therefore there is no data available for years prior to 2018. Until a full 10-year trend is compiled, only information for those years are available is presented.

* No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

* There are no active employees participating in the City-sponsored plans, therefore, there is no covered payroll.

CITY OF VANCOUVER

Required Supplementary Information

State Sponsored PERS Plan

June 30, 2020

Schedule of Proportionate Share of the Net Pension Liability

Last Ten Fiscal Years*

<u>Year Ended June 30,</u>	<u>Employer's proportion of the net pension liability (asset)</u>	<u>Employer's proportionate share of the net pension liability (asset)</u>	<u>Covered payroll</u>	<u>Employer's proportionate share of the net pension liability as a percentage of covered employee payroll</u>	<u>Plan net position as a percentage of the total pension liability</u>
PERS Plan 1					
2020	0.350891%	\$ 12,388,347	\$ 53,114,551	23.32%	68.64%
2019	0.362411%	13,935,990	51,020,090	27.31%	67.12%
2018	0.371448%	16,588,994	47,541,579	34.89%	63.22%
2017	0.347124%	16,471,305	43,908,733	37.51%	61.24%
2016	0.336733%	18,084,148	40,455,469	44.70%	57.03%
2015	0.325010%	17,001,046	36,931,559	46.03%	59.10%
2014	0.321349%	16,188,107	35,499,566	45.60%	61.19%
PERS Plan 2/3					
2020	0.454888%	\$ 5,817,758	\$ 53,028,802	10.97%	97.22%
2019	0.466150%	4,527,901	50,934,387	8.89%	97.77%
2018	0.471332%	8,047,574	47,410,326	16.97%	95.77%
2017	0.442055%	15,359,298	43,718,782	35.13%	90.97%
2016	0.424266%	21,361,458	40,195,751	53.14%	85.82%
2015	0.413288%	14,767,016	36,685,226	40.25%	89.20%
2014	0.406638%	8,219,622	35,219,137	23.34%	93.29%

Notes to Schedule:

*Until a full 10-year trend is compiled, only information for those years available is presented.

CITY OF VANCOUVER

Required Supplementary Information

State Sponsored LEOFF Plans

June 30, 2020

Schedule of Proportionate Share of the Net Pension Liability

Last Ten Fiscal Years*

Notes to Schedule:

*Until a full 10-year trend is compiled, only information for those years available is presented.

Schedule of Proportionate Share of the Net Pension Liability

Last Ten Fiscal Years*

Year Ended June 30,	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	State's proportionate share of the net pension liability (asset) associated with the employer	TOTAL	Covered payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of covered employee payroll	Plan net position as a percentage of the total pension liability
LEOFF 1							
2020	0.236710%	\$ (4,470,290)	\$ (30,236,928)	\$ (34,707,218)	NA	NA	146.88%
2019	0.235144%	(4,647,882)	(31,438,160)	(36,086,042)	NA	NA	148.78%
2018	0.237386%	(4,309,748)	(29,151,026)	(33,460,774)	NA	NA	144.42%
2017	0.239277%	(3,630,358)	(24,555,655)	(28,186,013)	NA	NA	135.96%
2016	0.243781%	(2,511,642)	(16,988,681)	(19,500,323)	NA	NA	123.74%
2015	0.246609%	(2,972,183)	(20,103,772)	(23,075,955)	NA	NA	127.36%
2014	0.248167%	(3,009,747)	(20,357,854)	(23,367,601)	NA	NA	126.91%
LEOFF 2							
2020	1.346585%	\$ (27,468,368)	\$ (17,563,940)	\$ (45,032,308)	\$ 46,843,003	-58.64%	115.83%
2019	1.376774%	(31,895,627)	(20,887,362)	(52,782,989)	48,482,225	-65.79%	119.43%
2018	1.452364%	(29,486,155)	(19,091,729)	(48,577,884)	46,357,460	-63.61%	118.50%
2017	1.358889%	(18,856,977)	(12,232,168)	(31,089,145)	42,714,489	-44.15%	113.36%
2016	1.339828%	(7,792,842)	(5,080,366)	(12,873,208)	40,833,703	-19.08%	106.04%
2015	1.297652%	(13,337,267)	(8,818,610)	(22,155,877)	37,663,087	-35.41%	111.67%
2014	128.166200%	(17,008,206)	(11,112,842)	(28,121,048)	35,655,019	-47.70%	116.75%

Notes to Schedule:

*Until a full 10-year trend is compiled, only information for those years available is presented.

CITY OF VANCOUVER

Required Supplementary Information

State Sponsored PERS Plan

December 31, 2020

Schedule of Employer Contributions

Last Ten Fiscal Years*

Year Ended December 31,	Statorily or contractually required contributions	Contributions in relation to the statorily or contractually required contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered employee payroll
PERS Plan 1					
2020	\$ 2,485,888	\$ (2,485,888)	\$ -	\$ 51,766,813	4.80%
2019	2,604,750	(2,604,750)	-	52,526,841	4.96%
2018	2,504,897	(2,504,897)	-	49,529,583	5.06%
2017	2,266,259	(2,266,259)	-	45,983,171	4.93%
2016	2,002,066	(2,002,066)	-	41,693,085	4.80%
2015	1,745,867	(1,745,867)	-	39,026,260	4.47%
2014	1,548,817	(1,548,817)	-	37,320,879	4.15%

PERS Plan 2/3

2020	\$ 4,097,303	\$ (4,097,303)	\$ -	\$ 51,732,598	7.92%
2019	4,051,757	(4,051,757)	-	52,437,339	7.73%
2018	3,695,812	(3,695,812)	-	49,440,314	7.48%
2017	3,145,115	(3,145,115)	-	45,800,870	6.87%
2016	2,583,884	(2,583,884)	-	41,477,314	6.23%
2015	2,202,444	(2,202,444)	-	38,756,185	5.68%
2014	1,888,244	(1,888,244)	-	37,065,498	5.09%

Note to Schedule:

*Until a full 10-year trend is compiled, only information for those years available is presented.

CITY OF VANCOUVER

Required Supplementary Information

State Sponsored LEOFF Plans

December 31, 2020

Schedule of Employer Contributions

Last Ten Fiscal Years*

Year Ended December 31,	Statutorily or contractually required contributions	Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered employee payroll
LEOFF 2					
2020	\$ 2,697,399	\$ (2,697,399)	\$ -	\$ 52,374,908	5.15%
2019	2,586,044	(2,586,044)	-	49,735,616	5.20%
2018	2,472,686	(2,472,686)	-	47,103,109	5.25%
2017	2,303,750	(2,303,750)	-	44,722,208	5.15%
2016	2,134,670	(2,134,670)	-	42,270,438	5.05%
2015	2,042,874	(2,042,874)	-	39,060,712	5.23%
2014	2,007,877	(2,007,877)	-	38,390,731	5.23%

Note to Schedule:

*Until a full 10-year trend is compiled, only information for those years available is presented.

CITY OF VANCOUVER

Notes to Required Supplemental Information - Pension

All Multi Employer State Sponsored Plans

December 31, 2020

Note 1: Information Provided

The City implemented GASB 68 for the year ended December 31, 2015, therefore there is no data available for years prior to 2014.

Note 2: Significant Factors

- There were no changes of benefit terms and no significant changes in the employees covered under the benefit terms. However, actuarial results that OSA provided within this publication reflect the following changes in assumptions and methods. For all active members in TRS, OSA increased the assumed salary inflation of 3.50% for 2020 and total economic inflation of 2.75%.
- OSA updated modeling to reflect providing benefit payments to the date of initial retirement eligibility for terminated vested members who delay application for retirement benefits.
- OSA updates cost-of-living adjustment (COLA) programming, to reflect legislation signed during the 2018 Legislative Session (C151 L18). This law provides PERS and TRS Plan 1 annuitants who are not receiving a basic minimum, alternate minimum, or temporary disability benefit with a one-time permanent 1.5 percent increase to their monthly retirement benefit, not to exceed a maximum of \$62.50 per month.

Note 3: Change in contribution rate

The employer contribution rates for both PERS 1 and PERS 2/3 were 12.86% from January to August 2020. Both plans increased to 12.97% from September through December 2020.

Note 4: Employer Contributions

For LEOFF 1, there is a net pension asset for the City; however, there are no active employees participating in the plan, and no required contributions because the plan is fully funded. Therefore, covered payroll and contributions are displayed as N/A.

Note 5: Covered Payroll

Covered payroll has been presented in accordance with GASB 82, *Pension Issues*. Covered payroll now includes all payroll on which a contribution is based.

CITY OF VANCOUVER

Required Supplementary Information - Single Employer

Fire Pension

December 31, 2020

Schedule of Changes in Net Pension Liability and Related Ratios

Last Ten Fiscal Years*

(in thousands)

	2020	2019	2018	2017	Restated 2016	2015	2014
Total pension liability							
Interest	\$ 186	\$ 231	\$ 224	\$ 248	\$ 255	\$ 265	\$ 272
Effect of economic/demographic (gains) or losses	-	598	-	-	(185)	-	-
Effect of assumptions, changes or inputs	432	684	(264)	145	(156)	-	-
Benefit payments, including refunds of contributions	(498)	(538)	(655)	(586)	(562)	(526)	(477)
Net change in total pension liability	120	975	(695)	(193)	(648)	(261)	(205)
Total pension liability - beginning	7,003	6,029	6,724	6,917	7,565	7,826	8,031
Total pension liability - ending (a)	7,123	7,004	6,029	6,724	6,917	7,565	7,826
Plan net position							
Contributions - employer	2,792	2,792	1,800	1,800	1,756	1,756	1,756
Contributions - state fire insurance premium tax	208	202	200	187	183	172	185
Net investment income	139	291	181	84	61	35	35
Prior period adjustment	-	17	-	(15)	-	-	17
Benefit payments, including refunds of contributions	(498)	(538)	(655)	(586)	(562)	(526)	(477)
Medical payments from fund	(652)	(583)	(720)	(689)	(815)	(836)	(924)
Administrative expense	(35)	(54)	(58)	(76)	(69)	(56)	(29)
Net change in plan net position	1,954	2,127	748	705	554	545	563
Plan net position - beginning	12,628	10,502	9,753	9,048	8,494	7,949	7,386
Plan net position - ending (b)	14,582	12,629	10,501	9,753	9,048	8,494	7,949
Net pension liability ending (a) - (b)	\$ (7,459)	\$ (5,625)	\$ (4,472)	\$ (3,029)	\$ (2,131)	\$ (929)	\$ (123)
Plan net position as a % of total pension liability (b)/(a)	204.72%	180.31%	174.17%	145.05%	130.81%	112.28%	101.57%
Covered-employee payroll	-	-	-	-	-	-	-
Net pension liability as a % of covered employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule

*Until a full 10-year trend is compiled, only information for those years available is presented.

CITY OF VANCOUVER

Required Supplementary Information - Single Employer

Police Pension

December 31, 2020

Schedule of Changes in Net Pension Liability and Related Ratios

Last Ten Fiscal Years *

(in thousands)

	2020	2019	2018	2017	Restated 2016	2015	2014
Total pension liability							
Interest	\$ 49	\$ 83	\$ 81	\$ 91	\$ 83	\$ 88	\$ 93
Effect of economic/demographic (gains) or losses	-	(323)	-	-	296	-	-
Effect of assumptions, changes or inputs	99	161	(80)	45	(49)	-	-
Benefit payments, including refunds of contributions	(247)	(236)	(230)	(250)	(285)	(217)	(301)
Net change in total pension liability	(99)	(315)	(229)	(114)	45	(129)	(208)
Total pension liability - beginning	1,890	2,204	2,434	2,548	2,503	2,632	2,841
Total pension liability - ending (a)	1,791	1,889	2,205	2,434	2,548	2,503	2,633
Plan net position							
Contributions - employer	2,084	2,084	1,100	1,100	1,080	1,080	1,080
Police Auction Income	6	36	15	9	10	8	2
Net investment income	-	-	-	-	1	-	-
Prior period adjustment	-	12	-	1	-	-	9
Benefit payments, including refunds of contributions	(247)	(236)	(230)	(250)	(285)	(218)	(301)
Medical payments from fund	(654)	(681)	(601)	(652)	(612)	(475)	(587)
Administrative expense	(27)	(40)	(41)	(49)	(47)	(48)	(36)
Net change in plan net position	1,162	1,175	243	159	147	347	167
Plan net position - beginning	3,751	2,576	2,334	2,175	2,029	1,682	1,515
Plan net position - ending (b)	4,913	3,751	2,577	2,334	2,176	2,029	1,682
Net pension liability ending (a) - (b)	<u>\$ (3,122)</u>	<u>\$ (1,862)</u>	<u>\$ (372)</u>	<u>\$ 100</u>	<u>\$ 372</u>	<u>\$ 474</u>	<u>\$ 951</u>
Plan net position as a % of total pension liability (b)/(a)	274.32%	198.57%	116.87%	95.89%	85.40%	81.06%	63.88%
Covered-employee payroll	-	-	-	-	-	-	-
Net pension liability as a % of covered employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

*Until a full 10-year trend is compiled, only information for those years available is presented.

CITY OF VANCOUVER

Required Supplementary Information - Single Employer

Police and Fire Pensions

December 31, 2020

Schedule of Investment Returns

Last Ten Fiscal Years*

Retirement System	Year	Annual money-weighted rate of return, net of investment expense
Fire Pension Trust Fund	2020	1.06%
	2019	2.54%
	2018	1.79%
	2017	0.73%
	2016	0.70%
	2015	0.42%
	2014	0.46%
Police Pension Trust Fund	2020	0.00%
	2019	0.00%
	2018	0.00%
	2017	0.03%
	2016	0.03%
	2015	0.00%
	2014	0.02%

Notes to Schedule:

*Until a full 10-year trend is compiled, only information for those years available is presented.

CITY OF VANCOUVER

Notes to Required Supplementary Information

Police and Fire Pensions

December 31, 2020

Note 1: Information Provided

The City implemented GASB 68 for the year ended December 31, 2015, therefore there is no data available for years prior to 2014.

Note 2: Significant Factors

There were no changes of benefit terms, significant changes in the employees covered under the benefit terms or in the use of different assumptions. Under the Police and Fire Pension funds requirement of State law, most adjustments are based on the change in salary for the rank of the members held at retirement or based on the Consumer Price Index. Adjustments are determined in accordance with RCW 41.18.150, RCW 41.20 and RCW 41.26.

Note 3: Covered Payroll

There are no active employees participating in the City-sponsored plans, therefore, there is no covered payroll.

Note 4: Significant Assumptions

Valuation date: January 1, 2020

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Asset valuation method	Fair Value
Inflation	2.25%
Salary increases	3.25%
Discount rate	2.00%
Investment rate of return	2.75%, net of pension plan investment expense, including inflation
Municipal bond rate	2.00%
Mortality	RP-2000 Mortality Table (combined healthy)
Amortization method *	Entry Age Normal

* Omissions:

1. Amortization method & Remaining amortization period: Since the value of assets for both funds was larger than the actuarial present value of benefits at the time of the 2020 valuation, there is no amortization period.
2. Retirement Age: Every member has retired, therefore retirement age does not factor into these calculations.

Combining Nonmajor Governmental Funds

CITY OF VANCOUVER
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2020

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 42,688,771	\$ 2,152,408	\$ 24,934,025	\$ 69,775,204
Receivables (net)				
Taxes/assessments	1,853,341	-	-	1,853,341
Accounts	543,857	39,542	-	583,399
Interest	19,815	991	11,658	32,464
Notes	10,843,762	-	-	10,843,762
Due from other funds	-	-	292,953	292,953
Due from other governmental units	500,002	-	731,583	1,231,585
Total assets	<u>56,449,548</u>	<u>2,192,941</u>	<u>25,970,219</u>	<u>84,612,708</u>
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 56,449,548</u>	<u>\$ 2,192,941</u>	<u>\$ 25,970,219</u>	<u>\$ 84,612,708</u>
LIABILITIES				
Accounts payable	\$ 1,671,373	\$ -	\$ 1,980,058	\$ 3,651,431
Due to other funds	24,930	-	699,023	723,953
Due to interfund advances	16,192	-	-	16,192
Due to other governmental units	156,151	-	-	156,151
Accrued interest payable	-	-	209	209
Accrued liabilities	21,765	-	-	21,765
Custodial accounts	17,654	-	-	17,654
Unearned revenue	-	31,637	-	31,637
Total liabilities	<u>1,908,065</u>	<u>31,637</u>	<u>2,679,290</u>	<u>4,618,992</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	70,661	-	-	70,661
Unavailable revenue-grants and other	328,279	-	421,048	749,327
Total deferred inflows of resources	<u>398,940</u>	<u>-</u>	<u>421,048</u>	<u>819,988</u>
FUND BALANCES				
Restricted	46,784,861	51,027	17,882,748	64,718,636
Committed	4,163,461	-	-	4,163,461
Assigned	3,194,221	2,110,277	4,987,133	10,291,631
Total fund balance	<u>54,142,543</u>	<u>2,161,304</u>	<u>22,869,881</u>	<u>79,173,728</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 56,449,548</u>	<u>\$ 2,192,941</u>	<u>\$ 25,970,219</u>	<u>\$ 84,612,708</u>

CITY OF VANCOUVER**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES****NONMAJOR GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2020

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES				
Property taxes	\$ 5,972,000	\$ -	\$ -	\$ 5,972,000
Sales and use taxes	2,115,408	-	-	2,115,408
Excise Taxes	10,616,479	-	165,714	10,782,193
License and permits	-	749,167	-	749,167
Intergovernmental	3,149,557	-	2,962,538	6,112,095
Charges for services	298,193	-	9,180,907	9,479,100
Fines and penalties	44,891	1,586	100	46,577
Investment earnings	329,208	29,952	175,369	534,529
Rents and royalties	314,799	-	-	314,799
Contributions/donations	51,510	-	584,720	636,230
Miscellaneous	637,302	11,838	-	649,140
Total revenues	23,529,347	792,543	13,069,348	37,391,238
EXPENDITURES				
Current				
General government	1,225,521	-	-	1,225,521
Security of persons & property	122,519	-	-	122,519
Physical environment	3,176	-	-	3,176
Transportation	-	17,729	3,476,381	3,494,110
Economic environment	9,555,467	-	-	9,555,467
Culture and recreation	31,660	-	549,308	580,968
Intergovernmental facilities	-	-	6,588,049	6,588,049
Capital outlay	-	-	9,792,165	9,792,165
Debt service				
Principal retirement	-	5,574,740	-	5,574,740
Interest/fiscal charges	-	2,313,836	-	2,313,836
Investment Losses	229	-	-	229
Total expenditures	10,938,572	7,906,305	20,405,903	39,250,780
Excess (deficiency) of revenues over (under) expenditures	12,590,775	(7,113,762)	(7,336,555)	(1,859,542)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	3,330,000	-	-	3,330,000
Proceeds and premiums from debt issuance	-	917,850	2,855,462	3,773,312
Proceeds from refunding of debt	-	7,046,534	-	7,046,534
Payments for refunding of debt	-	(7,850,065)	-	(7,850,065)
Transfers in	515,000	7,762,582	7,596,364	15,873,946
Transfers out	(4,557,172)	(1,934,129)	(2,714,248)	(9,205,549)
Total other financing sources (uses)	(712,172)	5,942,772	7,737,578	12,968,178
Net change in fund balances	11,878,603	(1,170,990)	401,023	11,108,636
FUND BALANCES - BEGINNING	42,263,940	3,332,294	22,468,858	68,065,092
FUND BALANCES - ENDING	\$ 54,142,543	\$ 2,161,304	\$ 22,869,881	\$ 79,173,728

Special Revenue Funds

Special Revenue Funds are established to account for the earmarked proceeds of specific revenue sources (other than special assessments) to finance specific activities as required by law or administrative regulation. They are created by local ordinance and are often mandated by state statutes. Special revenue classified funds are reported under the modified accrual basis of accounting.

Investigative Fund

In 1983, the Investigative Fund was established pursuant to state statute [RCW 10.105.010](#), to receive monies or property seized by city police when used in criminal activities. The funds are to be used by the police department for investigative purposes.

Drug Enforcement Fund

In 1983, the Drug Enforcement Fund was established to receive court-ordered “contribution” made by persons convicted of criminal drug offenses, and from monies or property seized by city police when used in criminal activities relating to controlled substances under state statute RCW 69.50.505. Monies paid into the funds are to be used by the police department for drug enforcement purposes.

CED Grants Fund

Revenues received from HUD federal grants are used for neighborhood improvements and housing. Improvements include construction of affordable housing, services to the underserved population, home rehabilitation, street paving, curbs and sidewalks, water and sewer lines, and park development.

Tourism Fund

Four percent of revenue derived from the Hotel-Motel tax is returned by the state to the city for the purpose of promoting tourism or building/leasing stadium/convention facilities, pursuant to state statute RCW 67.28.180. Half of the revenue is dedicated to supporting the tax bonds issued for construction of the hotel and convention center.

VNHR Properties Fund

Effective January 1, 2006 this fund was created to account for the revenues and expenses associated with the properties on the Vancouver National Historic Reserve.

Criminal Justice Fund

Established in 1991, RCW 82.14.333 provides funding from the state based on a formula by population and crime statistics. Funding is to be used exclusively for criminal justice purposes.

Senior Messenger Fund

This fund was originally established to account for Federal grant monies used to publish a newsletter directed toward senior citizens. As of 1985, the federal grants stopped, and the fund became self-supporting through the sale of advertising space and donations.

Parks & Recreation Fund

A separate City special revenue fund is created as of January 1, 2006 to account for the donation revenues and related expenses associated with Parks and Recreation scholarship program.

Affordable Housing Fund

Established 2017, under RCW 84.52.105, allows the city to impose property tax levies to help create larger number of affordable housing units for low-income households, and develop or preserve publicly or privately owned housing under RCW 35.21.685.

Affordable Housing State Sales Tax Credit Fund

In 2019 the City imposed a sales tax for affordable housing, in accordance with SHB 1406. Funds in the fund will help fund additional housing units for very low-income residents.

Parkhill Cemetery Improvement Fund

This fund receives 25% from the sales of city-owned grave sites to improve and maintain the city cemetery.

REET I

This fund was previously reported as “REET 2002.” This fund accounts for revenue generated by the 0.25% in Real Estate Excise Tax received from real estate sale transactions. The revenue is dedicated to funding planning, acquisition, construction, and repair of parks, recreation facilities, public infrastructure related to economic development and the traffic calming program at the City.

Downtown Initiatives Fund

This fund was established in May of 1997 to account for money used to facilitate the redevelopment of under-utilized property in the City's downtown core.

City/County Cable TV Fund

The City/County Cable TV is a separate entity jointly operated by the City and Clark County. The purpose of the fund is to provide staff support in matters relating to the administration of the joint city/county urban area cable television franchises.

Transportation Benefit District Fund

In 2015, The City established the Transportation Benefit District in accordance with RCW 36.73 to provide funding for transportation improvements that preserve, maintain, and construct or reconstruct the transportation infrastructure within the City limits.

CITY OF VANCOUVER
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 30, 2020

	Investigative	Drug Enforcement	CED Grants	Tourism
ASSETS				
Cash and cash equivalents	\$ 204,820	\$ 748,623	\$ 3,429	\$ 6,313,031
Receivables (net)				
Taxes/assessments	-	2,978	-	191,258
Accounts	-	-	344,987	-
Interest	96	349	3	2,927
Notes	-	-	7,375,037	-
Due from other governmental units	-	-	500,002	-
Total assets	<u>204,916</u>	<u>751,950</u>	<u>8,223,458</u>	<u>6,507,216</u>
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 204,916</u>	<u>\$ 751,950</u>	<u>\$ 8,223,458</u>	<u>\$ 6,507,216</u>
LIABILITIES				
Accounts payable	\$ 15,737	\$ -	\$ 494,294	\$ -
Due to other funds	-	-	4,340	7,814
Due to interfund advances	-	-	16,192	-
Due to other governmental units	-	-	-	156,151
Accrued liabilities	-	-	5,399	-
Custodial accounts	-	-	-	-
Total liabilities	<u>15,737</u>	<u>-</u>	<u>520,225</u>	<u>163,965</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	-	-	-	-
Unavailable revenue-grants and other	-	-	271,687	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>271,687</u>	<u>-</u>
FUND BALANCES				
Restricted	171,703	691,618	7,263,065	6,030,175
Committed	-	-	-	-
Assigned	17,476	60,332	168,481	313,076
Total fund balances	<u>189,179</u>	<u>751,950</u>	<u>7,431,546</u>	<u>6,343,251</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 204,916</u>	<u>\$ 751,950</u>	<u>\$ 8,223,458</u>	<u>\$ 6,507,216</u>

CITY OF VANCOUVER
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 30, 2020

	VNHR Properties	Criminal Justice	Senior Messenger	Parks & Recreation
ASSETS				
Cash and cash equivalents	\$ 632,525	\$ 1,083,117	\$ 430,976	\$ -
Receivables (net)				
Taxes/assessments	-	212,704	-	-
Accounts	34,857	-	-	-
Interest	293	504	200	-
Notes	-	-	-	-
Due from other governmental units	-	-	-	-
Total assets	<u>667,675</u>	<u>1,296,325</u>	<u>431,176</u>	<u>-</u>
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 667,675</u>	<u>\$ 1,296,325</u>	<u>\$ 431,176</u>	<u>\$ -</u>
LIABILITIES				
Accounts payable	\$ 6,034	\$ -	\$ 3,553	\$ -
Due to other funds	-	-	-	-
Due to interfund advances	-	-	-	-
Due to other governmental units	-	-	-	-
Accrued liabilities	-	-	-	-
Custodial accounts	-	-	-	-
Total liabilities	<u>6,034</u>	<u>-</u>	<u>3,553</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	-	-	-	-
Unavailable revenue-grants and other	17,429	-	-	-
Total deferred inflows of resources	<u>17,429</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	46,204	1,253,668	-	-
Committed	378,019	-	-	-
Assigned	219,989	42,657	427,623	-
Total fund balances	<u>644,212</u>	<u>1,296,325</u>	<u>427,623</u>	<u>-</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 667,675</u>	<u>\$ 1,296,325</u>	<u>\$ 431,176</u>	<u>\$ -</u>

CITY OF VANCOUVER
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 30, 2020

	Affordable Housing	Affordable Housing State Sales Tax Credit	Parkhill Cemetery	REET I
ASSETS				
Cash and cash equivalents	\$ 13,481,885	\$ 612,364	\$ 483,804	\$ 6,154,386
Receivables (net)				
Taxes/assessments	86,338	145,559	-	782,254
Accounts	2,771	-	-	-
Interest	6,247	285	225	2,865
Notes	3,468,725	-	-	-
Due from other governmental units	-	-	-	-
Total assets	<u>17,045,966</u>	<u>758,208</u>	<u>484,029</u>	<u>6,939,505</u>
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 17,045,966</u>	<u>\$ 758,208</u>	<u>\$ 484,029</u>	<u>\$ 6,939,505</u>
LIABILITIES				
Accounts payable	\$ 1,146,371	\$ -	\$ 74	\$ -
Due to other funds	1,933	-	-	-
Due to interfund advances	-	-	-	-
Due to other governmental units	-	-	-	-
Accrued liabilities	3,493	-	-	-
Custodial accounts	-	-	-	-
Total liabilities	<u>1,151,797</u>	<u>-</u>	<u>74</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	70,661	-	-	-
Unavailable revenue-grants and other	-	-	-	-
Total deferred inflows of resources	<u>70,661</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted	15,298,384	758,208	-	6,783,768
Committed	-	-	455,442	-
Assigned	525,124	-	28,513	155,737
Total fund balances	<u>15,823,508</u>	<u>758,208</u>	<u>483,955</u>	<u>6,939,505</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 17,045,966</u>	<u>\$ 758,208</u>	<u>\$ 484,029</u>	<u>\$ 6,939,505</u>

CITY OF VANCOUVER
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 30, 2020

	Downtown Initiatives	City/County Cable TV	Transportation Benefit District	Total Nonmajor Special Revenue Funds
ASSETS				
Cash and cash equivalents	\$ 3,613,079	\$ 694,248	\$ 8,232,484	\$ 42,688,771
Receivables (net)				
Taxes/assessments	-	-	432,250	1,853,341
Accounts	42,178	119,064	-	543,857
Interest	1,679	321	3,821	19,815
Notes	-	-	-	10,843,762
Due from other governmental units	-	-	-	500,002
Total assets	<u>3,656,936</u>	<u>813,633</u>	<u>8,668,555</u>	<u>56,449,548</u>
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 3,656,936</u>	<u>\$ 813,633</u>	<u>\$ 8,668,555</u>	<u>\$ 56,449,548</u>
LIABILITIES				
Accounts payable	\$ 2,276	\$ 3,034	\$ -	\$ 1,671,373
Due to other funds	-	10,843	-	24,930
Due to interfund advances	-	-	-	16,192
Due to other governmental units	-	-	-	156,151
Accrued liabilities	-	12,873	-	21,765
Custodial accounts	17,632	22	-	17,654
Total liabilities	<u>19,908</u>	<u>26,772</u>	<u>-</u>	<u>1,908,065</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	-	-	-	70,661
Unavailable revenue-grants and other	39,163	-	-	328,279
Total deferred inflows of resources	<u>39,163</u>	<u>-</u>	<u>-</u>	<u>398,940</u>
FUND BALANCES				
Restricted	-	-	8,488,068	46,784,861
Committed	3,330,000	-	-	4,163,461
Assigned	267,865	786,861	180,487	3,194,221
Total fund balances	<u>3,597,865</u>	<u>786,861</u>	<u>8,668,555</u>	<u>54,142,543</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 3,656,936</u>	<u>\$ 813,633</u>	<u>\$ 8,668,555</u>	<u>\$ 56,449,548</u>

CITY OF VANCOUVER
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2020

	Investigative	Drug Enforcement	CED Grants	Tourism
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	-	-	-	1,358,449
Excise Taxes	-	-	-	-
Intergovernmental	-	-	1,705,462	-
Charges for services	-	-	103	-
Fines and penalties	-	44,891	-	-
Investment earnings	1,417	6,191	61,559	46,770
Rents and royalties	-	-	-	-
Contributions/donations	14,640	-	-	-
Miscellaneous	16,269	220,325	38,963	-
Total revenues	32,326	271,407	1,806,087	1,405,219
EXPENDITURES				
Current				
General government	-	-	-	-
Security of persons & property	18,820	101,690	-	-
Physical environment	-	-	-	-
Economic environment	-	-	1,934,812	1,202,371
Culture and recreation	-	-	-	-
Investment Losses	-	-	-	-
Total expenditures	18,820	101,690	1,934,812	1,202,371
Excess (deficiency) of revenues over expenditures	13,506	169,717	(128,725)	202,848
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(131,650)	(7,988)	(7,814)
Total other financing sources (uses)	-	(131,650)	(7,988)	(7,814)
Net change in fund balances	13,506	38,067	(136,713)	195,034
FUND BALANCES - BEGINNING	175,673	713,883	7,568,259	6,148,217
FUND BALANCES - ENDING	<u>\$ 189,179</u>	<u>\$ 751,950</u>	<u>\$ 7,431,546</u>	<u>\$ 6,343,251</u>

CITY OF VANCOUVER
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2020

	VNHR Properties	Criminal Justice	Senior Messenger	Parks & Recreation
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	-	-	-	-
Excise Taxes	-	-	-	-
Intergovernmental	-	704,049	200	-
Charges for services	-	-	199,759	-
Fines and penalties	-	-	-	-
Investment earnings	4,675	6,420	2,792	-
Rents and royalties	209,142	-	-	-
Contributions/donations	-	-	34,868	2,002
Miscellaneous	360,590	-	-	1,155
Total revenues	574,407	710,469	237,619	3,157
EXPENDITURES				
Current				
General government	-	-	-	-
Security of persons & property	-	2,009	-	-
Physical environment	-	-	-	-
Economic environment	134,446	-	264,843	-
Culture and recreation	-	-	-	346
Investment Losses	-	-	-	229
Total expenditures	134,446	2,009	264,843	575
Excess (deficiency) of revenues over expenditures	439,961	708,460	(27,224)	2,582
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(378,019)	(198,246)	-	(32,880)
Total other financing sources (uses)	(378,019)	(198,246)	-	(32,880)
Net change in fund balances	61,942	510,214	(27,224)	(30,298)
FUND BALANCES - BEGINNING	582,270	786,111	454,847	30,298
FUND BALANCES - ENDING	\$ 644,212	\$ 1,296,325	\$ 427,623	\$ -

CITY OF VANCOUVER
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2020

	Affordable Housing	Affordable Housing State Sales Tax Credit	Parkhill Cemetery	REET I
REVENUES				
Property taxes	\$ 5,972,000	\$ -	\$ -	\$ -
Sales and use taxes	-	756,959	-	-
Excise Taxes	-	-	-	4,760,821
Intergovernmental	725	-	-	-
Charges for services	129	-	34,924	-
Fines and penalties	-	-	-	-
Investment earnings	104,704	316	3,489	34,662
Rents and royalties	-	-	-	-
Contributions/donations	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	6,077,558	757,275	38,413	4,795,483
EXPENDITURES				
Current				
General government	-	-	-	-
Security of persons & property	-	-	-	-
Physical environment	-	-	3,176	-
Economic environment	5,899,456	-	-	-
Culture and recreation	-	-	-	31,314
Investment Losses	-	-	-	-
Total expenditures	5,899,456	-	3,176	31,314
Excess (deficiency) of revenues over expenditures	178,102	757,275	35,237	4,764,169
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	(1,800,575)
Total other financing sources (uses)	-	-	-	(1,800,575)
Net change in fund balances	178,102	757,275	35,237	2,963,594
FUND BALANCES - BEGINNING	15,645,406	933	448,718	3,975,911
FUND BALANCES - ENDING	\$ 15,823,508	\$ 758,208	\$ 483,955	\$ 6,939,505

CITY OF VANCOUVER
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2020

	Downtown Initiatives	City/County Cable TV	Transportation Benefit District	Total Nonmajor Special Revenue Funds
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ 5,972,000
Sales and use taxes	-	-	-	2,115,408
Excise Taxes	-	-	5,855,658	10,616,479
Intergovernmental	-	739,121	-	3,149,557
Charges for services	-	63,278	-	298,193
Fines and penalties	-	-	-	44,891
Investment earnings	7,763	4,332	44,118	329,208
Rents and royalties	105,657	-	-	314,799
Contributions/donations	-	-	-	51,510
Miscellaneous	-	-	-	637,302
Total revenues	113,420	806,731	5,899,776	23,529,347
EXPENDITURES				
Current				
General government	-	1,225,521	-	1,225,521
Security of persons & property	-	-	-	122,519
Physical environment	-	-	-	3,176
Economic environment	119,539	-	-	9,555,467
Culture and recreation	-	-	-	31,660
Investment Losses	-	-	-	229
Total expenditures	119,539	1,225,521	-	10,938,572
Excess (deficiency) of revenues over expenditures	(6,119)	(418,790)	5,899,776	12,590,775
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	3,330,000	-	-	3,330,000
Transfers in	-	515,000	-	515,000
Transfers out	-	-	(2,000,000)	(4,557,172)
Total other financing sources (uses)	3,330,000	515,000	(2,000,000)	(712,172)
Net change in fund balances	3,323,881	96,210	3,899,776	11,878,603
FUND BALANCES - BEGINNING	273,984	690,651	4,768,779	42,263,940
FUND BALANCES - ENDING	<u>\$ 3,597,865</u>	<u>\$ 786,861</u>	<u>\$ 8,668,555</u>	<u>\$ 54,142,543</u>

Debt Service Funds

Debt Service Funds are accounted for and budgeted annually on the modified accrual basis and all appropriations lapse at year-end.

Debt Service Funds in the City of Vancouver account for the principal and interest on the general obligation bonds of the city. General obligation bonds are those bonds for which the full faith and credit of the city are pledged for payment. They are generally payable from general property taxes and other general revenues. These funds exclude debt service payments for debt issued for the benefit of a governmental enterprise from those revenues it will be servicing.

GO Debt Service Fund

This fund was established to accumulate monies for the payment of general obligation debt of the City of Vancouver.

L.I.D. Fund

This fund was established in November of 1988 in accordance with GASB Statement 6 to accumulate monies for the payment of special assessment bonds and notes issued to pay construction costs in providing special benefits to a particular area of the city. Revenue is derived from special assessments levied against property receiving the benefit or improvements.

L.I.D. Guaranty Fund

This fund is authorized by law to ensure that no bonds or notes will be left unpaid when all of the assessments from approved local government districts have been received. Revenue is from money remaining on L.I.D.s after all debt obligations have been met.

Transportation Debt Service Fund

This fund was created in 2006 to accommodate a new business license fee surcharge approved by Council effective January 1, 2007, dedicated to providing funds for debt services that are used for funding transportation capital projects.

CITY OF VANCOUVER
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
December 31, 2020

	G.O. Debt Service	L.I.D. Debt	L.I.D. Guaranty	Transportation Debt Service	Total Nonmajor Debt Service Funds
ASSETS					
Cash and cash equivalents	\$ -	\$ 10,971	\$ 35,901	\$ 2,105,536	\$ 2,152,408
Receivables (net)					
Accounts	-	39,442	-	100	39,542
Interest	-	5	16	970	991
Total assets	-	50,418	35,917	2,106,606	2,192,941
DEFERRED OUTFLOWS OF RESOURCES					
Total deferred outflows of resources	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ -</u>	<u>\$ 50,418</u>	<u>\$ 35,917</u>	<u>\$ 2,106,606</u>	<u>\$ 2,192,941</u>
LIABILITIES					
Unearned revenue	-	31,637	-	-	31,637
Total liabilities	-	31,637	-	-	31,637
DEFERRED INFLOWS OF RESOURCES					
Total deferred inflows of resources	-	-	-	-	-
FUND BALANCES					
Restricted	-	18,000	33,027	-	51,027
Assigned	-	781	2,890	2,106,606	2,110,277
Unassigned	-	-	-	-	-
Total fund balance	-	18,781	35,917	2,106,606	2,161,304
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 50,418</u>	<u>\$ 35,917</u>	<u>\$ 2,106,606</u>	<u>\$ 2,192,941</u>

CITY OF VANCOUVER**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES****NONMAJOR DEBT SERVICE FUNDS**

For the Year Ended December 31, 2020

	G.O. Debt Service	L.I.D. Debt	L.I.D. Guaranty	Transportation Debt Service	Total Nonmajor Debt Service Funds
REVENUES					
License and permits	\$ -	\$ -	\$ -	\$ 749,167	\$ 749,167
Fines and penalties	-	149	-	1,437	1,586
Investment earnings	-	2,222	331	27,399	29,952
Miscellaneous	-	11,838	-	-	11,838
Total revenues	-	14,209	331	778,003	792,543
EXPENDITURES					
Current					
Transportation	-	-	-	17,729	17,729
Debt service					
Principal retirement	5,563,740	11,000	-	-	5,574,740
Interest/fiscal charges	2,313,161	675	-	-	2,313,836
Total expenditures	7,876,901	11,675	-	17,729	7,906,305
Excess (deficiency) of revenues over (under) expenditures	(7,876,901)	2,534	331	760,274	(7,113,762)
OTHER FINANCING SOURCES (USES)					
Proceeds and premiums from debt issuance	917,850	-	-	-	917,850
Proceeds from refunding of debt	7,046,534	-	-	-	7,046,534
Payments for refunding of debt	(7,850,065)	-	-	-	(7,850,065)
Transfers in	7,762,582	-	-	-	7,762,582
Transfers out	-	-	-	(1,934,129)	(1,934,129)
Total other financing sources (uses)	7,876,901	-	-	(1,934,129)	5,942,772
Net change in fund balances	-	2,534	331	(1,173,855)	(1,170,990)
FUND BALANCES - BEGINNING	-	16,247	35,586	3,280,461	3,332,294
FUND BALANCES - ENDING	\$ -	\$ 18,781	\$ 35,917	\$ 2,106,606	\$ 2,161,304

Capital Projects Funds

Capital Project funds account for the acquisition or development of capital facilities by a government unit, except those financed by assessment and enterprise funds. Their major sources of revenue are from proceeds from general obligation bonds, grants from other agencies, and contributions from other funds.

The budgeting for capital project funds differs from that of the general and some of the special revenue funds. A capital budget is adopted which consists of a plan of proposed capital outlays and the means of financing them. The appropriations do not lapse at yearend but continue until the project is finalized. Bond funds receive appropriations equal to the proceeds received, and are increased for expenditures supported from only additional revenues received.

Though most of the capital project funds in the city represent individual projects, a number of them incorporate subsidiary project control for all projects related to the legal existence of the fund.

The city utilizes the modified accrual method of accounting for capital project funds. The expenditures incurred are capitalized upon completion of the project to general fixed assets unless proprietary fund related.

Parks Construction Fund

This fund was created in January of 1981 to acquire or improve the public parks and recreation facilities of the city.

Consolidated Transportation Capital Fund

This fund was previously reported as "Transportation Capital Fund." The name has changed but the composition of the fund remains the same. This fund was created in 1998 to account for all capital projects in the Transportation Department. The funding for the projects is primarily from grants, bonds, and developer agreements as well as other public and private funding sources.

2011 Bond Capital Fund

This fund was established to account for bond money used to 1) partially fund the improvements for the Waterfront Access Project, and 2) pay issuance costs of the Bonds.

Consolidated Transportation Impact Fees Fund

This fund was previously reported as "Transportation Impact Fees Fund." The name has changed but the composition of the fund remains the same. The fund was established in 1995 to account for the accumulation and disposition of impact fees assessed against new development under the Growth Management Act of 1990. These fees are required to be used for public streets and roads in accordance with the approved Comprehensive Plan.

School Impact Fees Fund

The fund was established to account for the accumulation and disposition of impact fees assessed against new development growth Management Act of 1990. These fees are required to be used for capital school facilities. Using interlocal agreements, the City disburses funds to regional school districts to use in accordance with the approved Comprehensive Plan. Before 2019, the fund was reported as part of the General Fund.

CITY OF VANCOUVER
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
December 31, 2020

	Parks Construction	Transportation Capital	2011 Bond Capital	Consolidated Transportation Impact Fees	School Impact Fees	Total Nonmajor Capital Projects Funds
ASSETS						
Cash and cash equivalents	\$ 1,377,331	\$ 10,392,989	\$ -	\$ 12,116,887	\$ 1,046,818	\$ 24,934,025
Receivables (net)						
Interest	696	4,848	-	5,628	486	11,658
Due from other funds	243,062	49,891	-	-	-	292,953
Due from other governmental units	211,874	519,709	-	-	-	731,583
Total assets	<u>1,832,963</u>	<u>10,967,437</u>	<u>-</u>	<u>12,122,515</u>	<u>1,047,304</u>	<u>25,970,219</u>
DEFERRED OUTFLOWS OF RESOURCES						
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 1,832,963</u>	<u>\$ 10,967,437</u>	<u>\$ -</u>	<u>\$ 12,122,515</u>	<u>\$ 1,047,304</u>	<u>\$ 25,970,219</u>
LIABILITIES						
Accounts payable	\$ 243,797	\$ 689,625	\$ -	\$ -	\$ 1,046,636	\$ 1,980,058
Due to other funds	94,372	604,651	-	-	-	699,023
Accrued interest payable	-	-	-	-	209	209
Total liabilities	<u>338,169</u>	<u>1,294,276</u>	<u>-</u>	<u>-</u>	<u>1,046,845</u>	<u>2,679,290</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-grants and other	211,874	209,174	-	-	-	421,048
Total deferred inflows of resources	<u>211,874</u>	<u>209,174</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>421,048</u>
FUND BALANCES						
Restricted	394,068	5,365,706	-	12,122,515	459	17,882,748
Assigned	888,852	4,098,281	-	-	-	4,987,133
Total fund balance	<u>1,282,920</u>	<u>9,463,987</u>	<u>-</u>	<u>12,122,515</u>	<u>459</u>	<u>22,869,881</u>
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCES	<u>\$ 1,832,963</u>	<u>\$ 10,967,437</u>	<u>\$ -</u>	<u>\$ 12,122,515</u>	<u>\$ 1,047,304</u>	<u>\$ 25,970,219</u>

CITY OF VANCOUVER**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES****NONMAJOR CAPITAL PROJECTS FUNDS**

For the Year Ended December 31, 2020

	Parks Construction	Transportation Capital	2011 Bond Capital	Consolidated Transportation Impact Fees	School Impact Fees	Total Nonmajor Capital Projects Funds
REVENUES						
Excise Taxes	\$ -	\$ 165,714	\$ -	\$ -	\$ -	\$ 165,714
Intergovernmental	-	2,962,538	-	-	-	2,962,538
Charges for services	-	502,581	-	2,094,020	6,584,306	9,180,907
Fines and penalties	-	100	-	-	-	100
Investment earnings	13,458	37,983	33,125	86,836	3,967	175,369
Contributions/donations	584,720	-	-	-	-	584,720
Total revenues	598,178	3,668,916	33,125	2,180,856	6,588,273	13,069,348
EXPENDITURES						
Current						
Transportation	-	3,476,381	-	-	-	3,476,381
Culture and recreation	549,308	-	-	-	-	549,308
Intergovernmental facilities	-	-	-	-	6,588,049	6,588,049
Capital outlay	2,431,593	7,360,572	-	-	-	9,792,165
Total expenditures	2,980,901	10,836,953	-	-	6,588,049	20,405,903
Excess (deficiency) of revenues over (under) expenditures	(2,382,723)	(7,168,037)	33,125	2,180,856	224	(7,336,555)
OTHER FINANCING SOURCES (USES)						
Proceeds and premiums from debt issuance	-	2,855,462	-	-	-	2,855,462
Transfers in	2,549,243	5,047,121	-	-	-	7,596,364
Transfers out	(1,134,000)	(393,038)	(331,451)	(855,759)	-	(2,714,248)
Total other financing sources (uses)	1,415,243	7,509,545	(331,451)	(855,759)	-	7,737,578
Net change in fund balances	(967,480)	341,508	(298,326)	1,325,097	224	401,023
FUND BALANCE - BEGINNING	2,250,400	9,122,479	298,326	10,797,418	235	22,468,858
FUND BALANCES - ENDING	\$ 1,282,920	\$ 9,463,987	\$ -	\$ 12,122,515	\$ 459	\$ 22,869,881

Governmental Budget and Actual Schedules

CITY OF VANCOUVER
INVESTIGATIVE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended December 31, 2020

	Budget Amounts		Actual Biennium To-Date Thru 12/31/20	Variance Thru 12/31/20
	Original 2019-20 Biennium	Final 2019-20 Biennium		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 5,522	\$ 5,522
Contributions/donations	40,000	40,000	27,710	(12,290)
Prior period cost allocation adjustment	-	-	2,616	2,616
Miscellaneous	10,000	10,000	16,269	6,269
Total revenues	50,000	50,000	52,117	2,117
EXPENDITURES				
Current:				
Security of persons & property	72,878	72,878	27,757	45,121
Capital outlay	50,000	50,000	-	50,000
Total expenditures	122,878	122,878	27,757	95,121
Excess (deficiency) of revenues over expenditures	(72,878)	(72,878)	24,360	97,238
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	1,900	1,900
Total other financing sources (uses)	-	-	1,900	1,900
Net change in fund balance	(72,878)	(72,878)	26,260	99,138
FUND BALANCES - BEGINNING	162,918	162,918	162,918	-
Prior Period Adjustment	-	-	-	-
FUND BALANCES - ENDING	<u>\$ 90,040</u>	<u>\$ 90,040</u>	<u>\$ 189,178</u>	<u>\$ 99,138</u>

CITY OF VANCOUVER
DRUG ENFORCEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended December 31, 2020

	Budget Amounts		Actual	
	Original	Final	Biennium	Variance
	2019-20	2019-20	To-Date	
	Biennium	Biennium	Thru 12/31/20	Thru 12/31/20
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 5,217	\$ 5,217
Fines and penalties	200,000	200,000	87,816	(112,184)
Investment earnings	20,000	20,000	27,543	7,543
Prior period cost allocation adjustment	-	-	839	839
Miscellaneous	240,000	240,000	310,193	70,193
Total revenues	460,000	460,000	431,608	(28,392)
EXPENDITURES				
Current:				
Security of persons & property	305,254	305,254	222,741	82,513
Total expenditures	305,254	305,254	222,741	82,513
Excess (deficiency) of revenues over expenditures	154,746	154,746	208,867	54,121
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	11,574	11,574
Transfers out	(318,314)	(384,988)	(339,817)	45,171
Total other financing sources (uses)	(318,314)	(384,988)	(328,243)	56,745
Net change in fund balance	(163,568)	(230,242)	(119,376)	110,866
FUND BALANCES - BEGINNING	871,325	871,325	871,325	-
Prior Period Adjustment	-	-	-	-
FUND BALANCES - ENDING	<u>\$ 707,757</u>	<u>\$ 641,083</u>	<u>\$ 751,949</u>	<u>\$ 110,866</u>

CITY OF VANCOUVER
CED GRANTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended December 31, 2020

	Budget Amounts		Actual Biennium To-Date Thru 12/31/20	Variance Thru 12/31/20
	Original 2019-20 Biennium	Final 2019-20 Biennium		
REVENUES				
Intergovernmental	\$ 4,265,743	\$ 5,535,214	\$ 3,664,060	\$ (1,871,154)
Charges for services	-	-	103	103
Investment earnings	-	-	112,561	112,561
Prior period cost allocation adjustment	-	-	26,611	26,611
Miscellaneous	-	-	61,890	61,890
Total revenues	4,265,743	5,535,214	3,865,225	(1,669,989)
EXPENDITURES				
Current:				
Economic environment	4,080,251	5,152,335	2,753,461	2,398,874
Total expenditures	4,080,251	5,152,335	2,753,461	2,398,874
Excess (deficiency) of revenues over expenditures	185,492	382,879	1,111,764	728,885
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(212,228)	(86,772)	125,456
Total other financing sources (uses)	-	(212,228)	(86,772)	125,456
Net change in fund balance	185,492	170,651	1,024,992	854,341
FUND BALANCES - BEGINNING	5,128,689	5,128,689	5,128,689	-
Prior Period Adjustment	-	-	1,277,864	1,277,864
FUND BALANCES - ENDING	<u>\$ 5,314,181</u>	<u>\$ 5,299,340</u>	<u>\$ 7,431,545</u>	<u>\$ 2,132,205</u>

CITY OF VANCOUVER**TOURISM FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES****BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2020

	Budget Amounts		Actual Biennium To-Date Thru 12/31/20	Variance Thru 12/31/20
	Original 2019-20 Biennium	Final 2019-20 Biennium		
REVENUES				
Sales and use taxes	\$ 5,800,000	\$ 5,800,000	\$ 4,017,894	\$ (1,782,106)
Investment earnings	100,000	100,000	180,228	80,228
Prior period cost allocation adjustment	-	-	11,624	11,624
Total revenues	5,900,000	5,900,000	4,209,746	(1,690,254)
EXPENDITURES				
Current:				
Economic environment	3,954,452	3,937,694	3,015,773	921,921
Total expenditures	3,954,452	3,937,694	3,015,773	921,921
Excess (deficiency) of revenues over expenditures	1,945,548	1,962,306	1,193,973	(768,333)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(88,093)	(64,832)	23,261
Total other financing sources (uses)	-	(88,093)	(64,832)	23,261
Net change in fund balance	1,945,548	1,874,213	1,129,141	(745,072)
FUND BALANCES - BEGINNING	5,214,111	5,214,111	5,214,111	-
Prior Period Adjustment	-	-	-	-
FUND BALANCES - ENDING	<u>\$ 7,159,659</u>	<u>\$ 7,088,324</u>	<u>\$ 6,343,252</u>	<u>\$ (745,072)</u>

CITY OF VANCOUVER
VNHR PROPERTIES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended December 31, 2020

	Budget Amounts		Actual	
	Original	Final	Biennium	Variance
	2019-20	2019-20	To-Date	
	Biennium	Biennium	Thru 12/31/20	Thru 12/31/20
REVENUES				
Intergovernmental	\$ 760,000	\$ 760,000	\$ -	\$ (760,000)
Investment earnings	-	-	19,537	19,537
Rents and royalties	400,000	400,000	413,209	13,209
Contributions/donations	-	-	5,000	5,000
Miscellaneous	-	-	738,809	738,809
Total revenues	1,160,000	1,160,000	1,176,555	16,555
EXPENDITURES				
Current:				
Economic environment	744,233	1,209,204	327,127	882,077
Total expenditures	744,233	1,209,204	327,127	882,077
Excess (deficiency) of revenues over expenditures	415,767	(49,204)	849,428	898,632
OTHER FINANCING SOURCES (USES)				
Transfers in	-	488,800	-	(488,800)
Transfers out	(756,238)	(771,238)	(771,238)	-
Total other financing sources (uses)	(756,238)	(282,438)	(771,238)	(488,800)
Net change in fund balance	(340,471)	(331,642)	78,190	409,832
FUND BALANCES - BEGINNING	566,022	566,022	566,022	-
Prior Period Adjustment	-	-	-	-
FUND BALANCES - ENDING	<u>\$ 225,551</u>	<u>\$ 234,380</u>	<u>\$ 644,212</u>	<u>\$ 409,832</u>

CITY OF VANCOUVER
CRIMINAL JUSTICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended December 31, 2020

	Budget Amounts		Actual Biennium To-Date Thru 12/31/20	Variance Thru 12/31/20
	Original 2019-20 Biennium	Final 2019-20 Biennium		
REVENUES				
Intergovernmental	\$ 500,000	\$ 500,000	\$ 984,730	\$ 484,730
Investment earnings	20,000	20,000	24,669	4,669
Total revenues	520,000	520,000	1,009,399	489,399
EXPENDITURES				
Current:				
Security of persons & property	6,112	6,112	5,477	635
Total expenditures	6,112	6,112	5,477	635
Excess (deficiency) of revenues over expenditures	513,888	513,888	1,003,922	490,034
OTHER FINANCING SOURCES (USES)				
Transfers out	(414,453)	(414,453)	(392,978)	21,475
Total other financing sources (uses)	(414,453)	(414,453)	(392,978)	21,475
Net change in fund balance	99,435	99,435	610,944	511,509
FUND BALANCES - BEGINNING	685,382	685,382	685,382	-
Prior Period Adjustment	-	-	-	-
FUND BALANCES - ENDING	\$ 784,817	\$ 784,817	\$ 1,296,326	\$ 511,509

CITY OF VANCOUVER
SENIOR MESSENGER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended December 31, 2020

	Budget Amounts		Actual	
	Original	Final	Biennium	Variance
	2019-20	2019-20	To-Date	
	Biennium	Biennium	Thru 12/31/20	Thru 12/31/20
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 200	\$ 200
Charges for services	500,000	500,000	473,781	(26,219)
Investment earnings	8,000	8,000	12,839	4,839
Contributions/donations	74,000	74,000	67,451	(6,549)
Prior period cost allocation adjustment	-	-	10,038	10,038
Total revenues	582,000	582,000	564,309	(17,691)
EXPENDITURES				
Current:				
Economic environment	696,432	695,903	551,611	144,292
Total expenditures	696,432	695,903	551,611	144,292
Net change in fund balance	(114,432)	(113,903)	12,698	126,601
FUND BALANCES - BEGINNING	414,924	414,924	414,924	-
Prior Period Adjustment	-	-	-	-
FUND BALANCES - ENDING	\$ 300,492	\$ 301,021	\$ 427,622	\$ 126,601

CITY OF VANCOUVER
PARKS & RECREATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended December 31, 2020

	Budget Amounts		Actual	
	Original	Final	Biennium	Variance
	2019-20	2019-20	To-Date	
	Biennium	Biennium	Thru 12/31/20	Thru 12/31/20
REVENUES				
Investment earnings	\$ -	\$ -	\$ 1,032	\$ 1,032
Contributions/donations	20,000	22,000	13,830	(8,170)
Miscellaneous	-	1,546	1,155	(391)
Total revenues	20,000	23,546	16,017	(7,529)
EXPENDITURES				
Current:				
Culture and recreation	460	560	576	(16)
Investment Losses	-	-	229	(229)
Total expenditures	460	560	805	(245)
Excess (deficiency) of revenues over expenditures	19,540	22,986	15,212	(7,774)
OTHER FINANCING SOURCES (USES)				
Transfers out	(20,000)	(53,000)	(52,880)	120
Total other financing sources (uses)	(20,000)	(53,000)	(52,880)	120
Net change in fund balance	(460)	(30,014)	(37,668)	(7,654)
FUND BALANCES - BEGINNING	37,667	37,667	37,667	-
FUND BALANCES - ENDING	<u>\$ 37,207</u>	<u>\$ 7,653</u>	<u>\$ (1)</u>	<u>\$ (7,654)</u>

CITY OF VANCOUVER
AFFORDABLE HOUSING
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended December 31, 2020

	Budget Amounts		Actual	
	Original	Final	Biennium	Variance
	2019-20	2019-20	To-Date	
	Biennium	Biennium	Thru 12/31/20	Thru 12/31/20
REVENUES				
Property taxes	\$ 12,000,000	\$ 12,000,000	\$ 11,949,475	\$ (50,525)
Intergovernmental	-	-	725	725
Charges for services	-	-	129	129
Investment earnings	90,000	90,000	370,476	280,476
Total revenues	12,090,000	12,090,000	12,320,805	230,805
EXPENDITURES				
Current:				
Economic environment	12,070,524	14,445,904	8,208,796	6,237,108
Total expenditures	12,070,524	14,445,904	8,208,796	6,237,108
Net change in fund balance	19,476	(2,355,904)	4,112,009	6,467,913
FUND BALANCES - BEGINNING	9,066,572	9,066,572	9,066,572	-
Prior Period Adjustment	-	-	2,644,929	2,644,929
FUND BALANCES - ENDING	\$ 9,086,048	\$ 6,710,668	\$ 15,823,510	\$ 9,112,842

CITY OF VANCOUVER**AFFORDABLE HOUSING STATE SALES TAX CREDIT****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES****BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2020

	Budget Amounts		Actual Biennium To-Date Thru 12/31/20	Variance Thru 12/31/20
	Original 2019-20 Biennium	Final 2019-20 Biennium		
REVENUES				
Sales and use taxes	\$ -	\$ 650,000	\$ 757,892	\$ 107,892
Investment earnings	-	-	316	316
Total revenues	-	650,000	758,208	108,208
Net change in fund balance	-	650,000	758,208	108,208
FUND BALANCES - BEGINNING	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ 650,000	\$ 758,208	\$ 108,208

CITY OF VANCOUVER
PARKHILL CEMETARY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended December 31, 2020

	Budget Amounts		Actual Biennium To-Date Thru 12/31/20	Variance Thru 12/31/20
	Original 2019-20 Biennium	Final 2019-20 Biennium		
REVENUES				
Charges for services	\$ 40,000	\$ 40,000	\$ 52,451	\$ 12,451
Investment earnings	-	-	16,587	16,587
Total revenues	40,000	40,000	69,038	29,038
EXPENDITURES				
Current:				
Physical environment	1,687,757	822,291	65,976	756,315
Total expenditures	1,687,757	822,291	65,976	756,315
Excess (deficiency) of revenues over expenditures	(1,647,757)	(782,291)	3,062	785,353
OTHER FINANCING SOURCES (USES)				
Transfers in	1,453,200	-	-	-
Total other financing sources (uses)	1,453,200	-	-	-
Net change in fund balance	(194,557)	(782,291)	3,062	785,353
FUND BALANCES - BEGINNING	480,893	480,893	480,893	-
Prior Period Adjustment	-	-	-	-
FUND BALANCES - ENDING	\$ 286,336	\$ (301,398)	\$ 483,955	\$ 785,353

CITY OF VANCOUVER**REET I****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES****BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2020

	Budget Amounts		Actual Biennium To-Date Thru 12/31/20	Variance Thru 12/31/20
	Original 2019-20 Biennium	Final 2019-20 Biennium		
REVENUES				
Excise Taxes	\$ 6,000,000	\$ 6,000,000	\$ 9,348,348	\$ 3,348,348
Investment earnings	70,000	70,000	105,492	35,492
Total revenues	6,070,000	6,070,000	9,453,840	3,383,840
EXPENDITURES				
Culture and recreation	270	270	77,374	(77,104)
Total expenditures	270	270	77,374	(77,104)
Excess (deficiency) of revenues over expenditures	6,069,730	6,069,730	9,376,466	3,306,736
OTHER FINANCING SOURCES (USES)				
Transfers out	(4,108,951)	(4,136,408)	(3,993,769)	142,639
Total other financing sources (uses)	(4,108,951)	(4,136,408)	(3,993,769)	142,639
Net change in fund balance	1,960,779	1,933,322	5,382,697	3,449,375
FUND BALANCES - BEGINNING	1,556,808	1,556,808	1,556,808	-
Prior Period Adjustment	-	-	-	-
FUND BALANCES - ENDING	\$ 3,517,587	\$ 3,490,130	\$ 6,939,505	\$ 3,449,375

CITY OF VANCOUVER
DOWNTOWN INITIATIVES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended December 31, 2020

	Budget Amounts		Actual	
	Original	Final	Biennium	Variance
	2019-20	2019-20	To-Date	
	Biennium	Biennium	Thru 12/31/20	Thru 12/31/20
REVENUES				
Investment earnings	\$ -	\$ -	\$ 14,129	\$ 14,129
Rents and royalties	370,000	370,000	252,347	(117,653)
Prior period cost allocation adjustment	-	-	2,126	2,126
Total revenues	370,000	370,000	268,602	(101,398)
EXPENDITURES				
Current:				
Economic environment	260,569	257,114	235,023	22,091
Total expenditures	260,569	257,114	235,023	22,091
Excess (deficiency) of revenues over expenditures	109,431	112,886	33,579	(79,307)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	3,330,000	3,330,000
Total other financing sources (uses)	-	-	3,330,000	3,330,000
Net change in fund balance	109,431	112,886	3,363,579	3,250,693
FUND BALANCES - BEGINNING	234,285	234,285	234,285	-
Prior Period Adjustment	-	-	-	-
FUND BALANCES - ENDING	<u>\$ 343,716</u>	<u>\$ 347,171</u>	<u>\$ 3,597,864</u>	<u>\$ 3,250,693</u>

CITY OF VANCOUVER
CITY/COUNTY CABLE TV FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended December 31, 2020

	Budget Amounts		Actual	
	Original	Final	Biennium	Variance
	2019-20	2019-20	To-Date	
	Biennium	Biennium	Thru 12/31/20	Thru 12/31/20
REVENUES				
Intergovernmental	\$ 1,097,000	\$ 1,679,758	\$ 1,399,650	\$ (280,108)
Charges for services	-	-	105,068	105,068
Investment earnings	-	-	15,138	15,138
Prior period cost allocation adjustment	-	-	155,654	155,654
Miscellaneous	-	-	24	24
Total revenues	1,097,000	1,679,758	1,675,534	(4,224)
EXPENDITURES				
Current:				
General government	2,331,206	2,757,013	2,408,752	348,261
Capital outlay	-	90,000	65,993	24,007
Total expenditures	2,331,206	2,847,013	2,474,745	372,268
Excess (deficiency) of revenues over expenditures	(1,234,206)	(1,167,255)	(799,211)	368,044
OTHER FINANCING SOURCES (USES)				
Transfers in	1,030,000	1,030,000	1,030,000	-
Transfers out	-	-	(205)	(205)
Total other financing sources (uses)	1,030,000	1,030,000	1,029,795	(205)
Net change in fund balance	(204,206)	(137,255)	230,584	367,839
FUND BALANCES - BEGINNING	575,692	575,692	575,692	-
Prior Period Adjustment	-	-	(19,415)	(19,415)
FUND BALANCES - ENDING	\$ 371,486	\$ 438,437	\$ 786,861	\$ 348,424

CITY OF VANCOUVER**TRANSPORTATION BENEFIT DISTRICT FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES****BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2020

	Budget Amounts		Actual Biennium To-Date Thru 12/31/20	Variance Thru 12/31/20
	Original 2019-20 Biennium	Final 2019-20 Biennium		
REVENUES				
Excise Taxes	\$ 9,600,000	\$ 9,600,000	\$ 10,664,203	\$ 1,064,203
Investment earnings	30,000	30,000	140,322	110,322
Total revenues	9,630,000	9,630,000	10,804,525	1,174,525
EXPENDITURES				
Transportation	-	-	39,584	(39,584)
Total expenditures	-	-	39,584	(39,584)
Excess (deficiency) of revenues over expenditures	9,630,000	9,630,000	10,764,941	1,134,941
OTHER FINANCING SOURCES (USES)				
Transfers out	(4,248,226)	(5,948,226)	(4,824,843)	1,123,383
Total other financing sources (uses)	(4,248,226)	(5,948,226)	(4,824,843)	1,123,383
Net change in fund balance	5,381,774	3,681,774	5,940,098	2,258,324
FUND BALANCES - BEGINNING	2,728,457	2,728,457	2,728,457	-
Prior Period Adjustment	-	-	-	-
FUND BALANCES - ENDING	\$ 8,110,231	\$ 6,410,231	\$ 8,668,555	\$ 2,258,324

CITY OF VANCOUVER**G.O. DEBT SERVICE FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES****BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2020

	Budget Amounts		Actual Biennium To-Date Thru 12/31/20	Variance Thru 12/31/20
	Original 2019-20 Biennium	Final 2019-20 Biennium		
REVENUES				
Investment earnings	\$ 4	\$ 4	\$ -	\$ (4)
Total revenues	4	4	-	(4)
EXPENDITURES				
Debt service:				
Principal retirement	13,319,492	13,319,492	11,535,211	1,784,281
Interest/fiscal charges	5,007,111	13,057,111	4,836,120	8,220,991
Total expenditures	18,326,603	26,376,603	16,371,331	10,005,272
Excess (deficiency) of revenues over expenditures	(18,326,599)	(26,376,599)	(16,371,331)	10,005,268
OTHER FINANCING SOURCES (USES)				
Proceeds and premiums from debt issuance	-	1,100,000	917,850	(182,150)
Proceeds from refunding of debt	-	6,950,000	7,046,534	96,534
Payments for refunding of debt	-	-	(7,850,065)	(7,850,065)
Transfers in	18,326,601	16,431,081	16,257,012	(174,069)
Total other financing sources (uses)	18,326,601	24,481,081	16,371,331	(8,109,750)
Net change in fund balance	2	(1,895,518)	-	1,895,518
FUND BALANCES - BEGINNING	-	-	-	-
FUND BALANCES - ENDING	\$ 2	\$ (1,895,518)	\$ -	\$ 1,895,518

CITY OF VANCOUVER**L.I.D. DEBT SERVICE FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES****BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2020

	Budget Amounts		Actual Biennium To-Date Thru 12/31/20	Variance Thru 12/31/20
	Original 2019-20 Biennium	Final 2019-20 Biennium		
REVENUES				
Fines and penalties	\$ -	\$ -	\$ 313	\$ 313
Investment earnings	-	-	4,841	4,841
Miscellaneous	-	-	28,956	28,956
Total revenues	-	-	34,110	34,110
EXPENDITURES				
Debt service:				
Principal retirement	35,000	35,000	31,000	4,000
Interest/fiscal charges	4,900	4,900	2,250	2,650
Total expenditures	39,900	39,900	33,250	6,650
Net change in fund balance	(39,900)	(39,900)	860	40,760
FUND BALANCES - BEGINNING	17,920	17,920	17,920	-
FUND BALANCES - ENDING	<u>\$ (21,980)</u>	<u>\$ (21,980)</u>	<u>\$ 18,780</u>	<u>\$ 40,760</u>

CITY OF VANCOUVER**L.I.D. DEBT SERVICE GUARANTY FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES****BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2020

	Budget Amounts		Actual Biennium To-Date Thru 12/31/20	Variance Thru 12/31/20
	Original 2019-20 Biennium	Final 2019-20 Biennium		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 1,437	\$ 1,437
Total revenues	-	-	1,437	1,437
Net change in fund balance	-	-	1,437	1,437
FUND BALANCES - BEGINNING	34,480	34,480	34,480	-
FUND BALANCES - ENDING	<u>\$ 34,480</u>	<u>\$ 34,480</u>	<u>\$ 35,917</u>	<u>\$ 1,437</u>

CITY OF VANCOUVER**TRANSPORTATION DEBT SERVICE FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES****BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2020

	Budget Amounts		Actual Biennium To-Date Thru 12/31/20	Variance Thru 12/31/20
	Original 2019-20 Biennium	Final 2019-20 Biennium		
REVENUES				
License and permits	\$ 5,400,000	\$ 5,400,000	\$ 3,277,471	\$ (2,122,529)
Fines and penalties	-	-	3,484	3,484
Investment earnings	75,000	75,000	117,726	42,726
Prior period cost allocation adjustment	-	-	267,987	267,987
Total revenues	5,475,000	5,475,000	3,666,668	(1,808,332)
EXPENDITURES				
Current:				
Transportation	37,680	37,680	36,569	1,111
Total expenditures	37,680	37,680	36,569	1,111
Excess (deficiency) of revenues over expenditures	5,437,320	5,437,320	3,630,099	(1,807,221)
OTHER FINANCING SOURCES (USES)				
Transfers out	(4,590,083)	(5,691,122)	(4,659,490)	1,031,632
Total other financing sources (uses)	(4,590,083)	(5,691,122)	(4,659,490)	1,031,632
Net change in fund balance	847,237	(253,802)	(1,029,391)	(775,589)
FUND BALANCES - BEGINNING	3,135,998	3,135,998	3,135,998	-
Prior Period Adjustment	-	-	-	-
FUND BALANCES - ENDING	\$ 3,983,235	\$ 2,882,196	\$ 2,106,607	\$ (775,589)

CITY OF VANCOUVER
PARKS CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended December 31, 2020

	Budget Amounts		Actual	
	Original	Final	Biennium	Variance
	2019-20	2019-20	To-Date	
	Biennium	Biennium	Thru 12/31/20	Thru 12/31/20
REVENUES				
Intergovernmental	\$ 500,000	\$ 845,000	\$ 805,666	\$ (39,334)
Investment earnings	-	-	53,960	53,960
Contributions/donations	15,500	1,355,500	1,596,720	241,220
Total revenues	515,500	2,200,500	2,456,346	255,846
EXPENDITURES				
Current:				
Culture and recreation	855,517	1,171,584	1,396,153	(224,569)
Capital outlay	7,826,523	14,295,001	9,613,439	4,681,562
Total expenditures	8,682,040	15,466,585	11,009,592	4,456,993
Excess (deficiency) of revenues over expenditures	(8,166,540)	(13,266,085)	(8,553,246)	4,712,839
OTHER FINANCING SOURCES (USES)				
Transfers in	7,798,779	10,944,959	5,933,000	(5,011,959)
Transfers out	-	(1,000,000)	(1,134,000)	(134,000)
Total other financing sources (uses)	7,798,779	9,944,959	4,799,000	(5,145,959)
Net change in fund balance	(367,761)	(3,321,126)	(3,754,246)	(433,120)
FUND BALANCES - BEGINNING	5,037,166	5,037,166	5,037,166	-
Prior Period Adjustment	-	-	1	1
FUND BALANCES - ENDING	<u>\$ 4,669,405</u>	<u>\$ 1,716,040</u>	<u>\$ 1,282,921</u>	<u>\$ (433,119)</u>

CITY OF VANCOUVER
TRANSPORTATION CAPITAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended December 31, 2020

	Budget Amounts		Actual Biennium To-Date Thru 12/31/20	Variance Thru 12/31/20
	Original 2019-20 Biennium	Final 2019-20 Biennium		
REVENUES				
Excise Taxes	\$ 260,000	\$ 260,000	\$ 327,386	\$ 67,386
Intergovernmental	3,581,100	12,081,015	4,580,590	(7,500,425)
Charges for services	25,000	430,000	586,434	156,434
Fines and penalties	-	-	100	100
Investment earnings	80,000	80,000	231,369	151,369
Contributions/donations	700,000	700,000	395,833	(304,167)
Total revenues	4,646,100	13,551,015	6,121,712	(7,429,303)
EXPENDITURES				
Current:				
Transportation	412,669	542,669	6,878,153	(6,335,484)
Capital outlay	20,990,896	35,534,403	11,200,738	24,333,665
Total expenditures	21,403,565	36,077,072	18,078,891	17,998,181
Excess (deficiency) of revenues over expenditures	(16,757,465)	(22,526,057)	(11,957,179)	10,568,878
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	850,000	850,000	848,000	(2,000)
Proceeds and premiums from debt issuance	4,815,500	4,815,500	2,855,462	(1,960,038)
Transfers in	9,841,809	14,808,325	10,340,798	(4,467,527)
Transfers out	(1,453,734)	(1,487,274)	(714,030)	773,244
Total other financing sources (uses)	14,053,575	18,986,551	13,330,230	(5,656,321)
Net change in fund balance	(2,703,890)	(3,539,506)	1,373,051	4,912,557
FUND BALANCES - BEGINNING	8,090,936	8,090,936	8,090,936	-
Prior Period Adjustment	-	-	-	-
FUND BALANCES - ENDING	<u>\$ 5,387,046</u>	<u>\$ 4,551,430</u>	<u>\$ 9,463,987</u>	<u>\$ 4,912,557</u>

CITY OF VANCOUVER**2011 CAPITAL BOND FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES****BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2020

	Budget Amounts		Actual Biennium To-Date Thru 12/31/20	Variance Thru 12/31/20
	Original 2019-20 Biennium	Final 2019-20 Biennium		
REVENUES				
Investment earnings	\$ 60,000	\$ 60,000	\$ 68,447	\$ 8,447
Total revenues	60,000	60,000	68,447	8,447
EXPENDITURES				
General government	-	-	638	(638)
Total expenditures	-	-	638	(638)
Excess (deficiency) of revenues over expenditures	60,000	60,000	67,809	7,809
OTHER FINANCING SOURCES (USES)				
Transfers out	(2,037,729)	(2,170,985)	(2,097,549)	73,436
Total other financing sources (uses)	(2,037,729)	(2,170,985)	(2,097,549)	73,436
Net change in fund balance	(1,977,729)	(2,110,985)	(2,029,740)	81,245
FUND BALANCES - BEGINNING	2,029,740	2,029,740	2,029,740	-
Prior Period Adjustment	-	-	-	-
FUND BALANCES - ENDING	\$ 52,011	\$ (81,245)	\$ -	\$ 81,245

CITY OF VANCOUVER
CONSOLIDATED TRANSPORTATION IMPACT FEES
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended December 31, 2020

	Budget Amounts		Actual Biennium To-Date Thru 12/31/20	Variance Thru 12/31/20
	Original 2019-20 Biennium	Final 2019-20 Biennium		
REVENUES				
Charges for services	\$ 3,712,000	\$ 3,712,000	\$ 4,334,422	\$ 622,422
Investment earnings	73,000	73,000	328,865	255,865
Total revenues	<u>3,785,000</u>	<u>3,785,000</u>	<u>4,663,287</u>	<u>878,287</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,243,636)	(3,114,768)	(1,275,762)	1,839,006
Total other financing sources (uses)	<u>(1,243,636)</u>	<u>(3,114,768)</u>	<u>(1,275,762)</u>	<u>1,839,006</u>
Net change in fund balance	2,541,364	670,232	3,387,525	2,717,293
FUND BALANCES - BEGINNING	8,734,989	8,734,989	8,734,989	-
FUND BALANCES - ENDING	<u>\$ 11,276,353</u>	<u>\$ 9,405,221</u>	<u>\$ 12,122,514</u>	<u>\$ 2,717,293</u>

CITY OF VANCOUVER
SCHOOL IMPACT FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended December 31, 2020

	Budget Amounts		Actual	Variance
	Original 2019-20 Biennium	Final 2019-20 Biennium	Biennium To-Date Thru 12/31/20	
REVENUES				
Charges for services	\$ -	\$ 12,839,063	\$ 12,274,836	\$ (564,227)
Investment earnings	-	16,836	14,424	(2,412)
Total revenues	-	12,855,899	12,289,260	(566,639)
EXPENDITURES				
Intergovernmental facilities	-	12,847,481	12,286,997	560,484
Total expenditures	-	12,847,481	12,286,997	560,484
Net change in fund balance	-	8,418	2,263	(6,155)
FUND BALANCES - BEGINNING	(1,804)	(1,804)	(1,804)	-
FUND BALANCES - ENDING	<u>\$ (1,804)</u>	<u>\$ 6,614</u>	<u>\$ 459</u>	<u>\$ (6,155)</u>

CITY OF VANCOUVER
CONSOLIDATED CAPITAL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the Year ended December 31, 2020

	Budget Amounts		Actual Biennium To-Date Thru 12/31/20	Variance Thru 12/31/20
	Original 2019-20 Biennium	Final 2019-20 Biennium		
REVENUES				
Intergovernmental	\$ -	\$ 373,476	\$ 260,211	\$ (113,265)
Charges for services	-	-	883,397	883,397
Investment earnings	130,000	130,000	1,108,890	978,890
Rents and royalties	14,166	14,166	472,177	458,011
Contributions/donations	-	5,000	-	(5,000)
Prior period cost allocation adjustment	-	-	55,110	55,110
Miscellaneous	-	-	26,000	26,000
Total revenues	144,166	522,642	2,805,785	2,283,143
EXPENDITURES				
General government	7,404,295	8,811,815	2,911,547	5,900,268
Security of persons & property	1,866,526	1,884,049	918,094	965,955
Capital outlay	15,110,481	16,095,195	2,473,087	13,622,108
Total expenditures	24,381,302	26,791,059	6,302,728	20,488,331
Excess (deficiency) of revenues over expenditures	(24,237,136)	(26,268,417)	(3,496,943)	22,771,474
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	1,700,000	1,700,000	-	(1,700,000)
Transfers in	26,584,134	41,385,923	24,806,737	(16,579,186)
Transfers out	(11,710,754)	(13,324,497)	-	13,324,497
Total other financing sources (uses)	16,573,380	29,761,426	24,806,737	(4,954,689)
Net change in fund balance	(7,663,756)	3,493,009	21,309,794	17,816,785
FUND BALANCES - BEGINNING	19,597,284	19,597,284	19,597,284	-
Prior Period Adjustment	-	-	-	-
FUND BALANCES - ENDING	<u>\$ 11,933,528</u>	<u>\$ 23,090,293</u>	<u>\$ 40,907,078</u>	<u>\$ 17,816,785</u>

CITY OF VANCOUVER
CONSOLIDATED PARKS IMPACT FEE
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the Year ended December 31, 2020

	Budget Amounts		Actual	
	Original	Final	Biennium	Variance
	2019-20	2019-20	To-Date	
	Biennium	Biennium	Thru 12/31/20	Thru 12/31/20
REVENUES				
Charges for services	\$ 1,335,000	\$ 1,335,000	\$ 4,408,684	\$ 3,073,684
Investment earnings	266,000	266,000	364,181	98,181
Total revenues	1,601,000	1,601,000	4,772,865	3,171,865
EXPENDITURES				
Physical environment	-	314,716	50,782	263,934
Total expenditures	-	314,716	50,782	263,934
Excess (deficiency) of revenues over expenditures	1,601,000	1,286,284	4,722,083	3,435,799
OTHER FINANCING SOURCES (USES)				
Transfers out	(6,495,779)	(10,117,502)	(5,710,697)	4,406,805
Total other financing sources (uses)	(6,495,779)	(10,117,502)	(5,710,697)	4,406,805
Net change in fund balance	(4,894,779)	(8,831,218)	(988,614)	7,842,604
FUND BALANCES - BEGINNING	10,567,542	10,567,542	10,567,542	-
Prior Period Adjustment	-	-	-	-
FUND BALANCES - ENDING	\$ 5,672,763	\$ 1,736,324	\$ 9,578,928	\$ 7,842,604

Nonmajor Enterprise Funds

The accounting for Enterprise Funds generally follows the accounting principles and procedures used in commercial accounting very closely. Since operating results are a primary concern for enterprise funds, the accrual method of accounting must be used. In the City of Vancouver, all enterprise funds are budgeted annually as required by state law for the purpose of providing expense control.

The Enterprise Funds in the City of Vancouver are established to account for self-supporting services carried on by this governmental unit. Most services are provided to the general public whose user fees are used to support the activities of the specific enterprises.

Airport

The Airport Fund receives its revenue from hangar rental and from per gallon fees charged on all fuel sold at the airport. Expenses are for the redemption of bonds sold to construct hangars, provide maintenance of the facility, and service to its customers.

Building Inspection Fund

The Building Inspection Fund was created in 1987. Its revenues come from fees paid for building inspections, permit fees, zoning changes, and building demolition. Expenses are costs to provide inspection services.

Solid Waste

The Solid Waste fund contracts for garbage and trash services, and receives a franchise fee from the contractor. Revenues are used for the payment of city expenses related to monitoring the contract, funding for recycling programs, and general fund administrative expenses.

Tennis Center Fund

The majority of revenues are received through court use fees and instruction fees. The facility operated by US Tennis Association. Expenses represent operating costs related to the facility and programs.

CITY OF VANCOUVER
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
December 31, 2020

	Airport	Building Inspection	Solid Waste	Tennis Center	Total Nonmajor Enterprise Funds
ASSETS					
Current assets					
Cash and cash equivalents	\$ 950,050	\$ 10,694,917	\$ 2,654,034	\$ 100	\$ 14,299,101
Receivables (net)					
Accounts	14,405	1,760	98,115	37,797	152,077
Interest	441	4,975	1,227	-	6,643
Due from other governmental units	47,250	-	29,287	-	76,537
Total current assets	1,012,146	10,701,652	2,782,663	37,897	14,534,358
Noncurrent assets					
Capital assets					
Land and land improvements	484,202	-	-	-	484,202
Infrastructure and other improvements	2,942,564	-	-	-	2,942,564
Buildings	6,774,163	2,538,759	204,330	-	9,517,252
Intangible assets	-	1,837,338	-	-	1,837,338
Machinery and equipment	-	315,183	9,138	-	324,321
Accumulated depreciation	(4,441,498)	(2,677,248)	(184,396)	-	(7,303,142)
Capital assets net of accumulated depreciation	5,759,431	2,014,032	29,072	-	7,802,535
Total noncurrent assets	5,759,431	2,014,032	29,072	-	7,802,535
TOTAL ASSETS	6,771,577	12,715,684	2,811,735	37,897	22,336,893
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Out Flows Related to Asset Retirement					
Obligations	13,043	-	-	-	13,043
Amounts related to pension	15,296	344,988	39,334	-	399,618
TOTAL DEFERRED OUTFLOWS OF RESOURCES	28,339	344,988	39,334	-	412,661
LIABILITIES					
Current liabilities					
Accounts payable	21,519	16,189	149,191	8,221	195,120
Due to other funds	2,153	60,218	7,257	-	69,628
Accrued liabilities	3,224	80,041	7,695	8,201	99,161
Custodial accounts	50,370	6,077	-	672	57,119
Unearned revenues	-	-	-	20,803	20,803
Total current liabilities	77,266	162,525	164,143	37,897	441,831
Noncurrent liabilities					
Accrued employee benefits	10,146	413,083	56,385	-	479,614
Net pension liability	42,973	969,196	110,503	-	1,122,672
Asset Retirement Obligations	150,000	-	-	-	150,000
Total noncurrent liabilities	203,119	1,382,279	166,888	-	1,752,286
TOTAL LIABILITIES	280,385	1,544,804	331,031	37,897	2,194,117
DEFERRED INFLOWS OF RESOURCES					
Amounts related to pension	12,870	290,262	33,094	-	336,226
TOTAL DEFERRED INFLOWS OF RESOURCES	12,870	290,262	33,094	-	336,226
NET POSITION					
Net investment in capital assets	5,759,431	2,014,032	29,072	-	7,802,535
Unrestricted	747,230	9,211,574	2,457,872	-	12,416,676
TOTAL NET POSITION	\$ 6,506,661	\$ 11,225,606	\$ 2,486,944	\$ -	\$ 20,219,211

CITY OF VANCOUVER
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2020

	Airport	Building Inspection	Solid Waste	Tennis Center	Total Nonmajor Enterprise Funds
OPERATING REVENUES					
Charges for services	\$ 6,195	\$ 8,711,084	\$ 1,798,283	\$ 694,331	\$ 11,209,893
Fines and penalties	-	-	50	-	50
Rents and royalties	701,608	222,646	-	-	924,254
Operating grants and contributions	1,537	26,099	159,893	397,459	584,988
Miscellaneous	405	-	-	-	405
Total operating revenues	709,745	8,959,829	1,958,226	1,091,790	12,719,590
OPERATING EXPENSES					
Personnel services	162,663	3,873,173	446,877	-	4,482,713
Supplies and contractual services	217,184	389,562	1,163,881	1,035,785	2,806,412
Interfund services	158,656	1,987,186	281,785	-	2,427,627
Intergovernmental payments	-	-	4,580	-	4,580
Depreciation	275,116	110,263	8,562	-	393,941
Amortization of ARO deferred outflows	3,261	-	-	-	3,261
Total operating expenses	816,880	6,360,184	1,905,685	1,035,785	10,118,534
Operating income (loss)	(107,135)	2,599,645	52,541	56,005	2,601,056
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	4,835	68,478	21,522	2	94,837
Capital grants and contributions	1,937,571	-	-	-	1,937,571
Interest and fiscal charges	(18)	-	-	-	(18)
Gain (Loss) on disposal of capital assets	(173,327)	-	-	-	(173,327)
Total nonoperating revenues (expenses)	1,769,061	68,478	21,522	2	1,859,063
Income (loss) before transfers	1,661,926	2,668,123	74,063	56,007	4,460,119
Transfers in	150,000	-	-	-	150,000
Transfers out	-	(10,033)	(186,268)	-	(196,301)
Change in net position	1,811,926	2,658,090	(112,205)	56,007	4,413,818
TOTAL NET POSITION - BEGINNING	4,793,253	8,567,516	2,599,149	(56,007)	15,903,911
Prior Period Adjustment	(98,518)	-	-	-	(98,518)
TOTAL NET POSITION - ENDING	<u>\$ 6,506,661</u>	<u>\$ 11,225,606</u>	<u>\$ 2,486,944</u>	<u>\$ -</u>	<u>\$ 20,219,211</u>

CITY OF VANCOUVER
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2020

	Airport	Building Inspection	Solid Waste	Tennis Center	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 710,044	\$ 8,932,694	\$ 1,783,264	\$ 646,290	\$ 12,072,292
Cash received from other operating activities	(1,067)	(926)	12	(6,174)	(8,155)
Receipt of operating grants and contributions	32,142	26,099	130,606	397,459	586,306
Cash payments for goods and services	(845,830)	(414,932)	(1,192,938)	(1,037,477)	(3,491,177)
Internal activity-payments from other funds	-	-	-	-	-
Internal activity-payments to other funds	(167,349)	(1,967,548)	(274,645)	-	(2,409,542)
Cash payments to employees	(146,555)	(4,026,129)	(456,420)	-	(4,629,104)
Net cash provided (used) by operating activities	(418,615)	2,549,258	(10,121)	98	2,120,620
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Unrestricted funds received	-	-	-	-	-
Contributions from contracted service provider	-	-	-	-	-
Transfers from other funds	150,000	-	-	-	150,000
Transfers to other funds	-	(10,033)	(186,268)	-	(196,301)
Net cash provided by noncapital financing activities	150,000	(10,033)	(186,268)	-	(46,301)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Receipt of capital grant funds	1,937,571	-	-	-	1,937,571
Principal paid on capital debt	-	-	-	-	-
Interest paid on capital debt	(18)	-	-	-	(18)
Purchase of capital assets	(1,396,486)	-	-	-	(1,396,486)
Net cash used by capital and related financing activities	(1,396,504)	-	-	-	(1,396,504)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment earnings (losses)	5,673	78,935	25,659	2	110,269
Net cash provided in investing activities	5,673	78,935	25,659	2	110,269
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,659,446)	2,618,160	(170,730)	100	788,084
CASH AND CASH EQUIVALENTS - BEGINNING	671,925	8,076,757	2,824,764	-	11,573,446
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ (987,521)</u>	<u>\$ 10,694,917</u>	<u>\$ 2,654,034</u>	<u>\$ 100</u>	<u>\$ 12,361,530</u>
Reconciliation of operating income (loss) to net cash used by operating activities:					
Net operating income (loss)	<u>\$ (107,135)</u>	<u>\$ 2,599,645</u>	<u>\$ 52,541</u>	<u>\$ 56,005</u>	<u>\$ 2,601,056</u>
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operations:					
Depreciation and amortization expense	278,377	110,263	8,562	-	397,202
Decrease (increase) in receivables	(103,360)	(36,134)	(20,945)	(37,397)	(197,836)
Decrease (increase) in deposits	(1,472)	(926)	(38)	(6,174)	(8,610)
Decrease (increase) in prepaid assets	4,278	-	-	-	4,278
Increase (decrease) in current payables	(633,165)	(26,759)	(21,194)	3,801	(677,317)
Increase (decrease) in accrued liabilities	5,141	(154,379)	(17,003)	(16,137)	(182,378)
Decrease (increase) in receivable from other funds	-	-	-	-	-
Decrease (increase) in receivable from other government	129,123	-	(29,287)	-	99,836
Increase (decrease) in payables due to other funds	(8,693)	19,638	7,140	-	18,085
Increase (decrease) in pension liability	18,291	37,910	10,103	-	66,304
Total adjustments	(311,480)	(50,387)	(62,662)	(55,907)	(480,436)
Net cash provided by operating activities	<u>\$ (418,615)</u>	<u>\$ 2,549,258</u>	<u>\$ (10,121)</u>	<u>\$ 98</u>	<u>\$ 2,120,620</u>
Noncash investing, financing and capital activities					
Net change in fair value of investments	\$ 1,619	\$ (10,415)	\$ 13,723	\$ (233)	\$ 4,694

Internal Service Funds

The Internal Service Funds in the City of Vancouver are service funds for the departments within this governmental entity. The services provided are reimbursed by transfers from the budget appropriations of the recipient departments, later reconciled to actual costs and bases. An internal service fund must recover its complete cost of operations without producing any significant profit.

Though the operations of the Internal Service Funds do not theoretically require budgeting, budgets are prepared to assure proper expense control.

Consolidated Equipment Services Repair & Replacement Fund

This fund was previously reported as "Equipment Services Repair & Replacement Fund." The name has changed but the composition of the fund remains the same. RCW 35.21.088 requires that all cities whose population exceeds 8,000 must establish an Equipment Rental Fund, charging rates adequate to the using departments for the replacement, operation, and maintenance of equipment. The Equipment R & R Fund is a working capital fund. Fixed assets are maintained with depreciation reserves programmed for each individual piece of equipment or other fixed assets.

Computer Repair and Replacement Fund

This fund was established in 1996 to account for the replacement of information-technology related equipment originally purchased by user departments and collect funds for the future replacement of City's major software programs. Revenues are derived from monthly charges to city departments based on their technology usage.

Grounds and Facilities Fund

The fund was established in 2019 to break these services out of the General Fund as a separate internal service operation. Revenues are derived charges to city departments based on their utilization of services.

Self-Insured Worker's Comp & Liability Fund

The City has been self-insured for workers compensation and liability claims since 1977. Revenues are derived from the operating funds based on their claims history and the likelihood of generating additional claims. Expenditures relate to claims servicing.

Internal Administrative Services Fund

This fund was established in 2015 to account for the revenues and expenses associated with providing administrative internal services to all City departments, including Finance, Human Resources, Information Technology, Civil Legal and General Services.

Benefits Fund

The Benefits fund pays premiums for non-self insured health and benefits - related costs including medical, dental, vision, life, and long-term disability insurance. All operating funds are currently being charged a set monthly rate per full-time employee.

Self-Insured Health Insurance Fund

This fund was established in 2015 to account for the revenues and expenses associated with providing self-insured health, dental and vision care to City employees.

CITY OF VANCOUVER
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2020

	Consolidated Equipment Repair & Replacement	Computer Repair & Replacement	Grounds & Facilities Services	Self-Insured Worker's Comp & Liability
ASSETS				
Current assets				
Cash and cash equivalents	\$ 22,623,371	\$ 7,127,935	\$ 1,551,116	\$ 10,249,267
Receivables (net)				
Accounts	200,824	-	-	5,195
Interest	10,521	3,321	719	4,754
Due from other funds	45,899	-	102,025	86,061
Due from other governmental units	-	40,214	1,006,031	-
Inventory	507,747	-	-	-
Prepaid expenses	-	-	-	100,000
Total current assets	<u>23,388,362</u>	<u>7,171,470</u>	<u>2,659,891</u>	<u>10,445,277</u>
Noncurrent assets				
Construction in progress	674,904	28,795	-	-
Intangible assets	48,591	7,581,496	-	92,140
Machinery and equipment	40,277,332	2,896,026	-	-
Accumulated depreciation	(24,759,530)	(2,829,992)	-	(38,392)
Total noncurrent assets	<u>16,241,297</u>	<u>7,676,325</u>	<u>-</u>	<u>53,748</u>
TOTAL ASSETS	<u>39,629,659</u>	<u>14,847,795</u>	<u>2,659,891</u>	<u>10,499,025</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Out Flows Related to Asset Retirement Obligations	100,374	-	-	-
Amounts related to pension	203,828	-	357,367	42,969
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>304,202</u>	<u>-</u>	<u>357,367</u>	<u>42,969</u>
LIABILITIES				
Current liabilities				
Accounts payable	312,892	180,679	436,515	350,901
Claims and judgments payable	-	-	-	2,439,624
Due to other funds	23,339	2,191	45,187	60,566
Accrued liabilities	46,911	-	92,560	9,791
Custodial accounts	196	-	622	-
Unearned revenues	-	-	-	-
Total current liabilities	<u>383,338</u>	<u>182,870</u>	<u>574,884</u>	<u>2,860,882</u>
Noncurrent liabilities				
Claims and judgments	-	-	-	6,538,153
Accrued employee benefits	232,937	-	357,978	38,524
Net pension liability	572,626	-	1,003,977	120,716
Asset Retirement Obligations	450,000	-	-	-
Total noncurrent liabilities	<u>1,255,563</u>	<u>-</u>	<u>1,361,955</u>	<u>6,697,393</u>
TOTAL LIABILITIES	<u>1,638,901</u>	<u>182,870</u>	<u>1,936,839</u>	<u>9,558,275</u>
DEFERRED INFLOWS OF RESOURCES				
Amounts related to pension	171,494	-	300,677	36,153
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>171,494</u>	<u>-</u>	<u>300,677</u>	<u>36,153</u>
NET POSITION				
Net investment in capital assets	16,241,299	7,676,321	-	53,748
Restricted for capital purposes	-	360,000	-	-
Unrestricted	21,882,167	6,628,604	779,742	893,818
TOTAL NET POSITION	<u>\$ 38,123,466</u>	<u>\$ 14,664,925</u>	<u>\$ 779,742</u>	<u>\$ 947,566</u>

CITY OF VANCOUVER
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2020

	Internal Administrative Services	Benefits	Self-Insured Health Insurance	Total Internal Service Funds
ASSETS				
Current assets				
Cash and cash equivalents	\$ 7,843,398	\$ 4,059,379	\$ 6,083,372	\$ 59,537,838
Receivables (net)				
Accounts	1,374	23,622	12,264	243,279
Interest	3,643	1,879	2,826	27,663
Due from other funds	2,700	16,181	43,356	296,222
Due from other governmental units	-	-	-	1,046,245
Inventory	-	-	-	507,747
Prepaid expenses	-	-	-	100,000
Total current assets	<u>7,851,115</u>	<u>4,101,061</u>	<u>6,141,818</u>	<u>61,758,994</u>
Noncurrent assets				
Construction in progress	-	-	-	703,699
Intangible assets	22,145	-	-	7,744,372
Machinery and equipment	56,121	-	-	43,229,479
Accumulated depreciation	(54,272)	-	-	(27,682,186)
Total noncurrent assets	<u>23,994</u>	<u>-</u>	<u>-</u>	<u>23,995,364</u>
TOTAL ASSETS	<u>7,875,109</u>	<u>4,101,061</u>	<u>6,141,818</u>	<u>85,754,358</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Out Flows Related to Asset Retirement Obligations	-	-	-	100,374
Amounts related to pension	1,040,713	-	-	1,644,877
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,040,713</u>	<u>-</u>	<u>-</u>	<u>1,745,251</u>
LIABILITIES				
Current liabilities				
Accounts payable	145,993	226,056	31,665	1,684,701
Claims and judgments payable	-	-	754,454	3,194,078
Due to other funds	223,274	1,172	17,387	373,116
Accrued liabilities	270,732	-	-	419,994
Custodial accounts	-	-	-	818
Unearned revenues	542	25,436	31,140	57,118
Total current liabilities	<u>640,541</u>	<u>252,664</u>	<u>834,646</u>	<u>5,729,825</u>
Noncurrent liabilities				
Claims and judgments	-	-	-	6,538,153
Accrued employee benefits	1,295,696	-	-	1,925,135
Net pension liability	2,923,750	-	-	4,621,069
Asset Retirement Obligations	-	-	-	450,000
Total noncurrent liabilities	<u>4,219,446</u>	<u>-</u>	<u>-</u>	<u>13,534,357</u>
TOTAL LIABILITIES	<u>4,859,987</u>	<u>252,664</u>	<u>834,646</u>	<u>19,264,182</u>
DEFERRED INFLOWS OF RESOURCES				
Amounts related to pension	875,625	-	-	1,383,949
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>875,625</u>	<u>-</u>	<u>-</u>	<u>1,383,949</u>
NET POSITION				
Net investment in capital assets	23,994	-	-	23,995,362
Restricted for capital purposes	-	-	-	360,000
Unrestricted	3,156,216	3,848,397	5,307,172	42,496,116
TOTAL NET POSITION	<u>\$ 3,180,210</u>	<u>\$ 3,848,397</u>	<u>\$ 5,307,172</u>	<u>\$ 66,851,478</u>

CITY OF VANCOUVER
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2020

	Consolidated Equipment Repair & Replacement	Computer Repair & Replacement	Grounds & Facilities Services	Self-Insured Worker's Comp & Liability
OPERATING REVENUES				
Charges for services	\$ 7,590,938	\$ 13,639	\$ 11,318,931	\$ 6,591,226
Rents and royalties	4,340,251	3,958,352	2,677	-
Operating grants and contributions	145,119	162,945	1,430,014	215,232
Miscellaneous	20,114	-	668	-
Total operating revenues	12,096,422	4,134,936	12,752,290	6,806,458
OPERATING EXPENSES				
Personnel services	2,432,663	6,037	3,801,381	822,890
Supplies and contractual services	2,900,205	3,143,867	5,587,340	6,030,978
Interfund services	821,204	119,438	2,013,172	380,125
Intergovernmental payments	2	-	-	103,982
Depreciation	2,856,798	1,222,766	-	30,713
Amortization of ARO deferred outflows	14,339	-	-	-
Total operating expenses	9,025,211	4,492,108	11,401,893	7,368,688
Operating income (loss)	3,071,211	(357,172)	1,350,397	(562,230)
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	142,295	48,392	7,655	71,178
Gain (Loss) on disposal of capital assets	174,797	(5,383)	-	-
Non-capital insurance recoveries	-	-	-	552,835
Total nonoperating revenues (expenses)	317,092	43,009	7,655	624,013
Income (loss) before contributions and transfers	3,388,303	(314,163)	1,358,052	61,783
Transfers in	1,630,895	-	66,941	-
Transfers out	-	-	(281,599)	-
Change in net position	5,019,198	(314,163)	1,143,394	61,783
TOTAL NET POSITION - BEGINNING	33,439,555	14,979,088	(363,652)	885,783
Prior Period Adjustment	(335,287)	-	-	-
TOTAL NET POSITION - ENDING	<u>\$ 38,123,466</u>	<u>\$ 14,664,925</u>	<u>\$ 779,742</u>	<u>\$ 947,566</u>

CITY OF VANCOUVER
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2020

	Internal Administrative Services	Benefits	Self-Insured Health Insurance	Total Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 16,560,236	\$ 11,817,725	\$ 10,910,943	\$ 64,803,638
Rents and royalties	-	-	-	8,301,280
Operating grants and contributions	165,964	-	-	2,119,274
Miscellaneous	3,504	-	-	24,286
Total operating revenues	<u>16,729,704</u>	<u>11,817,725</u>	<u>10,910,943</u>	<u>75,248,478</u>
OPERATING EXPENSES				
Personnel services	11,845,986	20,813	12,372	18,942,142
Supplies and contractual services	1,982,932	10,761,903	11,182,964	41,590,189
Interfund services	1,185,627	225,377	198,027	4,942,970
Intergovernmental payments	57,952	-	-	161,936
Depreciation	17,724	-	-	4,128,001
Amortization of ARO deferred outflows	-	-	-	14,339
Total operating expenses	<u>15,090,221</u>	<u>11,008,093</u>	<u>11,393,363</u>	<u>69,779,577</u>
Operating income (loss)	1,639,483	809,632	(482,420)	5,468,901
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	156,347	20,846	43,659	490,372
Gain (Loss) on disposal of capital assets	-	-	-	169,414
Non-capital insurance recoveries	-	-	-	552,835
Total nonoperating revenues (expenses)	<u>156,347</u>	<u>20,846</u>	<u>43,659</u>	<u>1,212,621</u>
Income (loss) before contributions and transfers	1,795,830	830,478	(438,761)	6,681,522
Transfers in	-	-	-	1,697,836
Transfers out	(46,056)	-	-	(327,655)
Change in net position	<u>1,749,774</u>	<u>830,478</u>	<u>(438,761)</u>	<u>8,051,703</u>
TOTAL NET POSITION - BEGINNING	1,430,436	3,017,919	5,745,933	59,135,062
Prior Period Adjustment	-	-	-	(335,287)
TOTAL NET POSITION - ENDING	<u>\$ 3,180,210</u>	<u>\$ 3,848,397</u>	<u>\$ 5,307,172</u>	<u>\$ 66,851,478</u>

CITY OF VANCOUVER
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2020

	Consolidated Equipment Repair & Replacement	Computer Repair & Replacement	Grounds & Facilities Services	Self-Insured Worker's Comp & Liability
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 11,987,136	\$ 3,972,505	\$ 11,321,608	\$ 6,601,213
Cash received from other operating activities	9,107	(126)	64	(2,402)
Cash from operating grants and contributions	145,119	122,731	423,983	215,232
Cash payment for goods and services	(2,982,414)	(3,204,273)	(5,614,015)	(4,953,606)
Internal activity - payments to/from other funds	(895,435)	(141,131)	(2,090,883)	(268,855)
Cash payments to employees	(2,675,729)	(10,192)	(3,949,614)	(813,191)
Net cash provided (used) by operating activities	<u>5,587,784</u>	<u>739,514</u>	<u>91,143</u>	<u>778,391</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Payments to other governments	-	-	-	-
Non-capital insurance recoveries	-	-	-	552,836
Transfers from other funds	1,630,895	-	66,941	-
Transfers to other funds	-	-	(281,599)	-
Net cash used by noncapital financing activities	<u>1,630,895</u>	<u>-</u>	<u>(214,658)</u>	<u>552,836</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(4,205,328)	(107,381)	-	-
Proceeds from sale of capital assets	174,797	(5,383)	-	-
Capital contributions	-	-	-	-
Net cash provided (used) by capital and related financing activities	<u>(4,030,531)</u>	<u>(112,764)</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment earnings (losses)	<u>168,566</u>	<u>57,400</u>	<u>10,103</u>	<u>83,245</u>
Net cash provided (used) in investing activities	<u>168,566</u>	<u>57,400</u>	<u>10,103</u>	<u>83,245</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>3,356,714</u>	<u>684,150</u>	<u>(113,412)</u>	<u>1,414,472</u>
CASH BALANCE AT BEGINNING OF YEAR	<u>19,266,657</u>	<u>6,443,785</u>	<u>1,664,528</u>	<u>8,834,795</u>
CASH BALANCE AT END OF YEAR	<u>\$ 22,623,371</u>	<u>\$ 7,127,935</u>	<u>\$ 1,551,116</u>	<u>\$ 10,249,267</u>
Reconciliation of operating income (loss) to net cash used by operating activities:				
Operating income (loss)	<u>\$ 3,071,211</u>	<u>\$ (357,172)</u>	<u>\$ 1,350,397</u>	<u>\$ (562,230)</u>
Adjustments to reconcile operating income (loss) to net cash provided by operations:				
Depreciation expense	2,871,137	1,222,766	-	30,713
Decrease (increase) in receivables	56,052	1,631	(56,227)	1,694
Decrease (increase) in inventories	71,691	-	-	-
Increase (decrease) in current payables	(151,175)	(60,406)	(49,157)	260,577
Increase (decrease) in accrued liabilities	(216,666)	(2,042)	(169,113)	(1,429)
Decrease (increase) in receivable from other funds	(44,134)	3,035	(102,025)	71,736
Decrease (increase) in receivable from other government	-	(40,214)	(1,006,031)	-
Increase (decrease) in payables due to other funds	(30,097)	(24,728)	24,314	39,534
Increase (decrease) in claims and judgments payable	-	-	-	921,291
Increase (Decrease) in pension liability	(40,235)	(3,356)	98,985	16,505
Total adjustments	<u>2,516,573</u>	<u>1,096,686</u>	<u>(1,259,254)</u>	<u>1,340,621</u>
Net cash provided (used) by operating activities	<u>\$ 5,587,784</u>	<u>\$ 739,514</u>	<u>\$ 91,143</u>	<u>\$ 778,391</u>
Non cash investing, financing and capital activities				
Contribution of capital assets from government	-	-	-	-
Net change in fair value of investments	(12,113)	\$ (15,708)	\$ 5,189	\$ 21,677

CITY OF VANCOUVER
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2020

	Internal Administrative Services	Benefits	Self-Insured Health Insurance	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 16,561,465	\$ 11,803,194	\$ 10,921,463	\$ 73,168,584
Cash received from other operating activities	2,642	-	-	\$ 9,285
Cash from operating grants and contributions	165,964	-	-	\$ 1,073,029
Cash payment for goods and services	(2,194,816)	(10,611,991)	(10,993,126)	\$ (40,554,241)
Internal activity - payments to/from other funds	(681,477)	(240,386)	(223,996)	\$ (4,542,163)
Cash payments to employees	(12,497,648)	(20,813)	(12,372)	\$ (19,979,559)
Net cash provided (used) by operating activities	1,356,130	930,004	(308,031)	9,174,935
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Payments to other governments	-	-	-	\$ -
Non-capital insurance recoveries	-	-	-	\$ 552,836
Transfers from other funds	-	-	-	\$ 1,697,836
Transfers to other funds	(46,057)	-	-	\$ (327,656)
Net cash used by noncapital financing activities	(46,057)	-	-	1,923,016
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	-	-	-	\$ (4,312,709)
Proceeds from sale of capital assets	-	-	-	\$ 169,414
Capital contributions	-	-	-	\$ -
Net cash provided (used) by capital and related financing activities	-	-	-	(4,143,295)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment earnings (losses)	164,845	24,861	52,924	\$ 561,944
Net cash provided (used) in investing activities	164,845	24,861	52,924	561,944
				0
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,474,918	954,865	(255,107)	\$ 7,516,600
CASH BALANCE AT BEGINNING OF YEAR	6,368,480	3,104,514	6,338,479	\$ 52,021,238
CASH BALANCE AT END OF YEAR	7,843,398	4,059,379	6,083,372	59,537,838
Reconciliation of operating income (loss) to net cash used by operating activities:				
Operating income (loss)	1,639,483	809,632	(482,420)	5,468,901
Adjustments to reconcile operating income (loss) to net cash provided by operations:				
Depreciation expense	17,724	-	-	\$ 4,142,340
Decrease (increase) in receivables	(41,367)	(23,622)	(7,028)	\$ (68,867)
Decrease (increase) in inventories	-	-	-	\$ 71,691
Increase (decrease) in current payables	(198,061)	149,912	(564,109)	\$ (612,419)
Increase (decrease) in accrued liabilities	(489,397)	9,091	17,041	\$ (852,515)
Decrease (increase) in receivable from other funds	300,606	(16,181)	(43,356)	\$ 169,681
Decrease (increase) in receivable from other government	-	-	-	(1,046,245)
Increase (decrease) in payables due to other funds	203,544	1,172	17,387	231,126
Increase (decrease) in claims and judgments payable	-	-	754,454	1,675,745
Increase (Decrease) in pension liability	(76,402)	-	-	(4,503)
Total adjustments	(283,353)	120,372	174,389	3,706,034
Net cash provided (used) by operating activities	1,356,130	930,004	(308,031)	9,174,935
Non cash investing, financing and capital activities				
Contribution of capital assets from government	-	-	-	
	7,430	16,445	3,410	
Net change in fair value of investments				\$ 26,330

Statistical Section

This part of the City of Vancouver's (The City) comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents	Page
Financial Trends	159
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	168
These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.	
Debt Capacity	173
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
Demographic and Economic Information	178
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	181
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

Note: Amounts are presented using the full accrual basis of accounting unless otherwise noted.

Statistical Financial Trends

CITY OF VANCOUVER
GOVERNMENT-WIDE NET POSITION BY COMPONENT
 Last Ten Fiscal Years
 (Amounts expressed in thousands)

Table 1

	FISCAL YEAR									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
Net Investment in capital assets	\$ 494,576	\$ 500,452	\$ 521,171	\$ 500,548	\$ 510,481	\$ 536,394	\$ 612,778	\$ 680,671	\$ 659,170	\$ 666,082
Restricted	35,482	65,339	53,828	43,880	47,882	48,397	80,534	107,509	128,396	136,357
Unrestricted	79,721	62,904	84,272	121,863	123,886	126,378	85,332	19,411	98,073	147,623
Total Governmental Activities Net Position	<u>\$ 609,779</u>	<u>\$ 628,695</u>	<u>\$ 659,271</u>	<u>\$ 666,291</u>	<u>\$ 682,249</u>	<u>\$ 711,169</u>	<u>\$ 778,644</u>	<u>\$ 807,591</u>	<u>\$ 885,639</u>	<u>\$ 950,062</u>
Business-type Activities										
Net Investment in capital assets	\$ 288,493	\$ 294,317	\$ 292,461	\$ 302,611	\$ 319,491	\$ 330,001	\$ 360,952	\$ 391,430	\$ 415,086	\$ 439,248
Restricted	5,406	7,746	5,575	7,554	9,209	10,500	6,224	8,597	8,937	6,921
Unrestricted	74,882	74,709	87,173	90,325	78,179	82,442	86,959	95,895	108,568	123,230
Total Business-type Activities Net Position	<u>\$ 368,781</u>	<u>\$ 376,772</u>	<u>\$ 385,209</u>	<u>\$ 400,490</u>	<u>\$ 406,879</u>	<u>\$ 422,943</u>	<u>\$ 454,135</u>	<u>\$ 495,922</u>	<u>\$ 532,591</u>	<u>\$ 569,399</u>
Primary Government										
Net Investment in capital assets	\$ 783,069	\$ 794,769	\$ 813,632	\$ 803,159	\$ 829,972	\$ 866,395	\$ 973,730	\$ 1,072,101	\$ 1,074,256	\$ 1,105,330
Restricted	40,888	73,085	59,403	51,434	57,091	58,897	86,758	116,106	137,333	143,278
Unrestricted	154,603	137,613	171,445	212,188	202,065	208,820	172,291	115,306	206,642	270,853
Total Primary Government Net Position	<u>\$ 978,560</u>	<u>\$ 1,005,467</u>	<u>\$ 1,044,480</u>	<u>\$ 1,066,781</u>	<u>\$ 1,089,128</u>	<u>\$ 1,134,112</u>	<u>\$ 1,232,779</u>	<u>\$ 1,303,513</u>	<u>\$ 1,418,230</u>	<u>\$ 1,519,461</u>

CITY OF VANCOUVER
GOVERNMENT-WIDE EXPENSES BY FUNCTION
 Last Ten Fiscal Years
 (Amounts expressed in thousands)

Table 2

	FISCAL YEAR									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities:										
General Government	\$ 25,992	\$ 24,741	\$ 20,448	\$ 23,192	\$ 19,325	\$ 22,022	\$ 20,209	\$ 20,777	\$ 35,056	\$ 74,484
Security Persons & Property	65,156	67,724	70,511	73,922	78,427	87,571	95,627	94,440	99,143	110,845
Physical Environment	315	474	515	474	667	569	696	293	90	25
Transportation	26,830	29,713	33,012	29,205	34,932	32,491	40,884	45,456	27,470	18,470
Mental and Physical Health	265	386	339	369	375	405	467	367	-	452
Economic Environment	9,201	8,389	7,132	7,657	8,954	9,868	10,495	13,300	13,514	17,015
Intergovernmental Facilities	-	-	-	-	-	-	-	-	-	6,588
Culture and Recreation	12,773	10,924	11,796	11,258	9,989	11,454	11,124	11,348	16,941	7,445
Interest on Long-Term Debt	4,933	4,747	4,506	3,963	3,542	3,736	2,925	2,620	2,206	789
Total Governmental Activities Expenses*	<u>145,465</u>	<u>147,098</u>	<u>148,259</u>	<u>150,040</u>	<u>156,211</u>	<u>168,116</u>	<u>182,427</u>	<u>188,601</u>	<u>194,420</u>	<u>236,113</u>
Business-type Activities:										
Water/Sewer	71,883	73,306	75,592	75,245	82,687	83,502	92,720	96,312	104,891	106,812
Parking	3,637	3,372	2,964	2,902	2,974	2,989	2,945	3,038	3,191	3,005
Airport	702	697	586	631	650	846	836	894	691	990
Building Inspection	3,764	3,642	3,761	4,180	5,174	5,203	5,406	5,688	6,359	5,756
Solid Waste	2,006	1,912	2,132	2,076	2,279	2,251	2,523	2,779	2,230	1,756
Tennis Center	1,033	1,124	1,036	1,076	1,103	1,083	1,088	2,605	1,279	1,036
Total Business-type Activities Expenses*	<u>83,025</u>	<u>84,053</u>	<u>86,071</u>	<u>86,110</u>	<u>94,867</u>	<u>95,874</u>	<u>105,518</u>	<u>111,316</u>	<u>118,642</u>	<u>119,356</u>
Total Primary Government Expenses*	<u>\$ 228,490</u>	<u>\$ 231,151</u>	<u>\$ 234,330</u>	<u>\$ 236,150</u>	<u>\$ 251,078</u>	<u>\$ 263,990</u>	<u>\$ 287,945</u>	<u>\$ 299,917</u>	<u>\$ 313,061</u>	<u>\$ 355,469</u>

*Minor differences due to rounding.

CITY OF VANCOUVER
GOVERNMENT-WIDE CHANGES IN REVENUES BY FUNCTION
(Amounts expressed in thousands)

Table 2

	FISCAL YEAR									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Program Revenues										
Governmental Activities:										
Charges for Services, Fees, Fines & Forfeitures										
General Government	\$ 10,733	\$ 10,432	\$ 9,169	\$ 6,613	\$ 11,870	\$ 14,098	\$ 14,856	\$ 17,957	\$ 14,632	\$ 47,886
Security Persons & Property	10,923	11,681	13,101	11,911	12,342	15,970	13,950	13,363	17,054	14,690
Physical Environment	127	161	1,944	108	132	108	100	132	138	38
Transportation	2,343	1,073	3,792	5,115	8,634	8,082	8,506	11,209	9,420	7,708
Economic Environment	3,641	3,111	333	890	2,939	2,767	2,583	3,105	11,663	3,757
Intergovernmental Facilities	-	-	-	-	-	-	-	-	-	6,588
Culture and Recreation	5,303	7,234	5,789	6,929	4,615	4,620	4,493	4,716	4,633	4,118
Operating Grants and Contributions	6,942	7,419	6,257	3,625	4,712	5,100	4,371	5,878	8,060	26,158
Capital Grants and Contributions	14,175	9,474	28,745	12,981	22,186	12,356	26,654	21,516	25,470	8,627
Total Governmental Activities Revenues*	54,187	50,585	69,130	48,172	67,430	63,101	75,513	77,876	91,071	119,570
Business-type Activities:										
Charges for Services										
Water/Sewer	70,000	73,410	76,983	80,904	86,785	89,361	97,488	104,155	109,666	113,369
Parking	2,129	2,082	2,146	1,771	2,005	2,214	3,261	4,156	4,497	4,027
Airport	630	621	628	697	690	693	665	664	692	708
Building Inspection	4,057	4,021	4,703	3,654	4,566	4,227	4,167	6,168	7,663	7,131
Solid Waste	3,286	2,805	2,558	2,275	1,718	1,808	1,975	1,712	1,588	1,798
Tennis Center	867	954	878	856	818	822	744	690	863	694
Fire Shop	-	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	625	442	323	1	233	59	240	86	77	2,011
Capital Grants and Contributions	5,425	6,737	9,873	8,771	14,909	15,240	14,580	25,666	24,693	18,499
Total Business-type Activities Revenues*	87,019	91,072	98,092	98,929	111,724	114,424	123,120	143,297	149,739	148,237
Total Primary Government Revenues	<u>\$ 141,206</u>	<u>\$ 141,657</u>	<u>\$ 167,222</u>	<u>\$ 147,101</u>	<u>\$ 179,154</u>	<u>\$ 177,525</u>	<u>\$ 198,633</u>	<u>\$ 221,173</u>	<u>\$ 240,810</u>	<u>\$ 267,807</u>

*Minor differences due to rounding.

CITY OF VANCOUVER
GOVERNMENT-WIDE CHANGES IN NET POSITION
 Last Ten Fiscal Years
 (Amounts expressed in thousands)

Table 2

	FISCAL YEAR									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (Expense)/Revenue										
Governmental Activities	\$ (91,278)	\$ (96,512)	\$ (79,129)	\$ (101,868)	\$ (88,781)	\$ (105,015)	\$ (106,913)	\$ (114,030)	\$ (109,633)	\$ (116,542)
Business-type Activities	3,995	7,019	12,021	12,818	16,857	18,550	17,603	31,982	31,097	28,881
Total Primary Government										
Net(Expense)/Revenue	<u>\$ (87,283)</u>	<u>\$ (89,493)</u>	<u>\$ (67,108)</u>	<u>\$ (89,050)</u>	<u>\$ (71,924)</u>	<u>\$ (86,465)</u>	<u>\$ (89,310)</u>	<u>\$ (82,048)</u>	<u>\$ (78,536)</u>	<u>\$ (87,661)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes	\$ 112,298	\$ 112,816	\$ 119,075	\$ 124,193	\$ 125,174	\$ 132,121	\$ 150,461	\$ 159,801	\$ 171,570	\$ 179,675
Intergovernmental Revenues not Restricted to a specific program	-	-	-	-	-	-	-	-	-	-
Investment Earnings	1,096	799	462	838	1,031	1,153	2,107	4,372	6,437	-
Miscellaneous	2	2,410	530	296	535	944	640	3,900	2,542	918
Transfers	(2,258)	(1,167)	(1,099)	(1,148)	(1,443)	(1,344)	(448)	(601)	909	708
Special Item	-	-	-	-	-	-	34,575	34,575	34,575	-
Extraordinary Item	-	-	(10,699)	-	-	-	-	-	-	-
Total Governmental Activities	<u>111,138</u>	<u>114,858</u>	<u>108,269</u>	<u>124,179</u>	<u>125,297</u>	<u>132,874</u>	<u>187,335</u>	<u>202,047</u>	<u>216,033</u>	<u>181,301</u>
Business-type Activities:										
Investment Earnings	670	516	316	518	644	622	1,043	2,060	3,226	1,245
Miscellaneous	46	51	1,052	110	2,694	266	795	687	2,544	224
Special Item	-	-	(3,682)	-	-	-	3,943	6,457	-	-
Transfers	2,258	1,167	1,099	1,148	1,442	1,344	448	601	(909)	(708)
Total Business-type Activities	<u>2,974</u>	<u>1,734</u>	<u>(1,215)</u>	<u>1,776</u>	<u>4,780</u>	<u>2,232</u>	<u>6,229</u>	<u>9,805</u>	<u>4,861</u>	<u>762</u>
Total Primary Government	<u>\$ 114,112</u>	<u>\$ 116,592</u>	<u>\$ 107,054</u>	<u>\$ 125,955</u>	<u>\$ 130,077</u>	<u>\$ 135,106</u>	<u>\$ 193,564</u>	<u>\$ 211,852</u>	<u>\$ 220,894</u>	<u>\$ 182,063</u>
Change in Net Position										
Governmental Activities	\$ 19,860	\$ 18,345	\$ 29,141	\$ 22,311	\$ 36,516	\$ 27,860	\$ 80,422	\$ 53,442	\$ 71,824	\$ 64,759
Business-type Activities	6,969	8,754	10,805	14,594	21,637	20,781	23,831	41,788	36,126	29,643
Total Primary Government	<u>\$ 26,829</u>	<u>\$ 27,099</u>	<u>\$ 39,946</u>	<u>\$ 36,905</u>	<u>\$ 58,153</u>	<u>\$ 48,641</u>	<u>\$ 104,253</u>	<u>\$ 95,230</u>	<u>\$ 107,950</u>	<u>\$ 94,402</u>

CITY OF VANCOUVER
GOVERNMENTAL TAX REVENUES BY SOURCE
 Last Ten Fiscal Years
 (Modified accrual basis of accounting)
 (Amounts expressed in thousands)

Table 3

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Sales and Use Taxes</u>	<u>Other Taxes</u>	<u>Total Taxes</u>
2011	40,334	31,342	34,521	106,197
2012	40,948	26,735	38,901	106,584
2013	42,133	29,060	41,819	113,012
2014	43,344	31,299	43,390	118,033
2015	44,231	35,034	46,097	125,362
2016	44,917	36,738	50,663	132,318
2017	52,700	40,357	57,341	150,398
2018	54,668	43,911	61,190	159,769
2019	55,875	49,514	66,268	171,657
2020	57,097	50,535	72,009	179,641

CITY OF VANCOUVER
GOVERNMENTAL REVENUES BY SOURCE
 Last Ten Fiscal Years
 (Modified accrual basis of accounting)
 (Amounts expressed in thousands)

Table 4

Year	REVENUES						Total Revenues
	Taxes	Licenses and Permits	Intergovernmental	Charges for Services	Fines and Penalties	Miscellaneous	
2011	106,197	3,610	34,089	14,787	1,592	4,719	164,994
2012	106,584	3,842	27,797	15,402	1,657	5,598	160,880
2013	113,012	3,853	20,343	24,756	1,487	6,107	169,558
2014	118,033	3,713	18,041	24,939	1,786	6,592	173,104
2015	125,362	4,579	17,795	22,428	1,566	7,465	179,195
2016	132,318	5,266	17,009	24,632	1,542	6,958	187,725
2017	150,398	5,909	26,182	28,118	1,341	8,667	220,615
2018	159,769	6,910	15,515	28,500	1,487	17,016	229,197
2019	171,570	7,582	17,370	31,765	1,673	12,782	242,742
2020	179,641	3,315	22,146	29,860	1,218	7,302	243,482

Year	OTHER FINANCING SOURCES (USES)						Total Revenues and Other Sources
	Sale of Capital Assets	Proceeds and Premiums from Debt Issued	Refunding of Debt	Capital Lease Issuance	Net Transfers In (Out)	Total Financing Sources (Uses)	
2011	54	10,988	-	-	(2,648)	8,394	173,388
2012	320	172	-	-	(1,167)	(675)	160,205
2013	100	1,496	-	-	(8,899)	(7,303)	162,255
2014	(380)	312	-	-	(7,522)	(7,590)	165,514
2015	331	5,097	-	-	(3,771)	1,657	180,852
2016	108	117	-	-	(4,960)	(4,735)	182,990
2017	252	-	-	-	(1,782)	(1,530)	219,085
2018	123	-	-	-	(1,120)	(997)	228,200
2019	901	-	-	11,352	(3,638)	8,615	251,357
2020	3,340	3,773	7,047	-	(662)	13,497	256,979

CITY OF VANCOUVER
GOVERNMENTAL FUND BALANCES
 Last Ten Fiscal Years
 (Modified accrual basis of accounting)

Table 5

Year	General Govt	Security of Persons & Property	Physical Environ-ment	Trans- portation	Social Services	Economic Environ- ment	Intergovt'l Facilities	Culture and Recreation	Capital Outlay	Debt Service		Total Expenditures
										Principal	Interest	
2011	25,051	64,092	301	13,573	265	8,734	-	9,814	25,261	6,277	5,039	158,407
2012	24,355	66,523	474	11,993	386	7,798	-	8,485	21,438	7,167	4,903	153,522
2013	24,485	71,083	504	13,125	339	6,434	-	9,672	24,564	7,366	4,534	162,106
2014	26,300	72,668	537	14,143	369	6,843	-	7,240	13,506	7,673	4,251	153,530
2015	19,597	80,813	616	14,868	375	9,026	-	10,531	18,834	10,226	3,961	168,847
2016	21,676	85,142	561	15,062	405	9,244	-	9,975	22,894	7,960	3,605	176,524
2017	23,538	91,897	679	17,307	467	10,394	-	10,268	59,312	7,240	3,154	224,256
2018	23,057	96,966	287	18,086	3,670	13,898	-	11,041	32,452	7,436	2,845	209,738
2019	13,035	108,669	89	20,967	586	12,883	5,699	14,767	36,688	5,991	2,525	221,900
2020	13,941	108,914	27	18,674	779	16,524	6,588	11,110	19,168	5,575	2,314	203,614

Year	Net Changes in Fund Balance	Other Changes in Fund Balance	Total Change in Fund Balance	Debt Service % of non-capital Exp
2011	14,983	(102)	14,881	9.29%
2012	6,683	139	6,822	10.06%
2013	(10,549)	2,325	(8,224)	9.47%
2014	11,984	309	12,293	9.31%
2015	12,006	103	12,109	10.44%
2016	6,466	1,061	7,527	8.14%
2017	(5,171)	-	(5,171)	6.73%
2018	18,460	-	18,460	6.16%
2019	34,684	6,192	40,876	4.82%
2020	45,515	-	45,515	4.47%

Changes in fund balance net the results of Table 5 and 6.

Other changes in fund balance can include prior period adjustments and special items.

Table 6

CITY OF VANCOUVER
GOVERNMENTAL FUND BALANCES
 Last Ten Fiscal Years
 (Modified accrual basis of accounting)

FISCAL YEAR	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable	\$ 1,028,400	\$ 913,400	\$ 228,400	\$ 236,595	\$ 316,748	\$ 228,400	\$ -	\$ 500	\$ 1,463,880	\$ 1,276,267
Restricted	415,377	1,064,707	241,331	152,808	78,647	76,535	23,943	13,144,875	16,098,889	19,179,958
Committed	889,198	40,276,519	41,095,993	43,119,624	44,944,108	20,850,443	21,745,949	17,085,753	17,882,109	18,467,230
Assigned	-	3,893,165	4,148,166	4,156,542	3,787,063	34,261,088	35,793,920	2,491,592	1,147,744	1,347,342
Unassigned	34,528,923	4,788,967	12,787,935	13,911,641	7,896,174	9,810,728	9,814,947	47,049,853	59,982,792	73,491,786
Total General Fund	<u>\$ 36,861,898</u>	<u>\$ 50,936,758</u>	<u>\$ 58,501,825</u>	<u>\$ 61,577,210</u>	<u>\$ 57,022,740</u>	<u>\$ 65,227,194</u>	<u>\$ 67,378,759</u>	<u>\$ 79,772,573</u>	<u>\$ 96,575,414</u>	<u>\$ 113,762,583</u>
All Other Governmental Funds										
Nonspendable	\$ 10,262,643	\$ 10,367,595	\$ 10,761,381	\$ 37,707	\$ 7,593	\$ 7,593	\$ -	\$ -	\$ 8,464	\$ -
Restricted	63,930,034	59,540,775	42,102,683	48,493,146	57,101,943	50,333,478	58,656,596	57,666,860	67,937,117	74,297,566
Committed	12,495,574	10,262,185	10,749,039	17,385,057	15,097,234	20,359,287	21,548,619	14,974,675	17,319,501	27,505,922
Assigned	3,105,111	2,370,033	3,138,231	10,053,891	20,426,917	30,776,573	13,948,788	39,666,107	51,115,506	62,905,118
Unassigned	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 89,793,362</u>	<u>\$ 82,540,588</u>	<u>\$ 66,751,334</u>	<u>\$ 75,969,801</u>	<u>\$ 92,633,687</u>	<u>\$ 101,476,931</u>	<u>\$ 94,154,003</u>	<u>\$ 112,307,642</u>	<u>\$ 136,380,588</u>	<u>\$ 164,708,606</u>
Total Fund Balance Governmental Funds	<u><u>\$ 126,655,260</u></u>	<u><u>\$ 133,477,346</u></u>	<u><u>\$ 125,253,159</u></u>	<u><u>\$ 137,547,011</u></u>	<u><u>\$ 149,656,427</u></u>	<u><u>\$ 166,704,125</u></u>	<u><u>\$ 161,532,762</u></u>	<u><u>\$ 192,080,215</u></u>	<u><u>\$ 232,956,002</u></u>	<u><u>\$ 278,471,189</u></u>

Statistical Revenue Capacity

CITY OF VANCOUVER
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years
(Amounts expressed in thousands)

Table 7

Assessed Year	Collection Year	Real Property Assessed Value (a)			Total Assessed Value of Real Property	Personal Property Assessed Value	Less: Exemptions Real Property	Total		Total Direct Tax Rate per \$1000 of Assessed Value	Ratio of Total Assessed Value to Estimated Actual Value (b)
		Residential	Commercial	Industrial				Assessed Value	Estimated Actual Value		
2011	2012	9,497,266	2,681,228	812,821	12,991,315	712,908	167,377	13,536,846	14,416,236	2.99	93.9%
2012	2013	8,914,482	2,714,244	895,670	12,524,396	697,870	162,939	13,059,327	14,102,945	3.17	92.6%
2013	2014	9,874,748	2,824,685	918,608	13,618,041	708,137	168,760	14,157,418	14,778,098	3.02	95.8%
2014	2015	11,248,985	2,878,956	944,978	15,072,919	739,235	173,478	15,638,676	16,172,364	2.80	96.7%
2015	2016	12,153,668	2,929,835	934,561	16,018,064	805,156	136,567	16,686,653	17,436,419	2.67	95.7%
2016	2017	13,835,723	2,983,629	967,265	17,786,617	856,088	164,449	18,478,256	19,369,241	2.79	95.4%
2017	2018	15,640,828	3,259,836	1,166,945	20,067,609	912,003	191,972	20,787,640	22,400,474	2.61	92.8%
2018	2019	17,723,273	3,571,719	1,353,575	22,648,567	1,010,424	219,076	23,439,915	24,467,552	2.37	95.8%
2019	2020	18,836,456	3,850,730	1,422,097	24,109,283	1,095,415	193,823	25,010,875	26,410,639	2.28	94.7%
2020	2021	20,088,518	3,863,111	1,470,845	25,422,474	1,142,441	264,481	26,300,434	28,680,953	2.20	91.7%

(a) The breakdown of Real Property became available 2005. Data from prior years is not available.

(b) Ratio was provided by State of Washington Department of Revenue, Research and Statistics for Clark County.

Note: The Clark County Treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Taxes are levied annually before December 15, and became a lien as of January 1, on property value listed as of the prior May 31. Assessed values are established by the Clark County Assessor at 100 percent of fair market value. A revaluation of all property is required every six years.

CITY OF VANCOUVER
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
 Last Ten Fiscal Years
 (Per \$1,000 of Assessed Value)

Table 8

Assessed Year	Collection Year	Direct Tax Rate		Total Direct Tax Rate	Overlapping Tax Rate						Total Overlapping Tax Rate
		General Fund	Affordable Housing		School Districts (a)	Port of Vancouver	Clark County	State of Washington	Public Library	Parks	
2011	2012	2.99	-	2.99	5.52	0.40	1.55	2.36	0.75	0.27	10.85
2012	2013	3.17	-	3.17	6.05	0.44	1.64	2.49	0.76	0.16	11.54
2013	2014	3.02	-	3.02	5.82	0.40	1.52	2.35	0.74	0.25	11.08
2014	2015	2.80	-	2.80	5.39	0.36	1.40	2.22	0.71	0.23	10.31
2015	2016	2.67	-	2.67	5.20	0.34	1.33	2.08	0.67	0.21	9.83
2016	2017	2.47	0.32	2.79	4.83	0.30	1.22	1.98	0.61	0.21	9.15
2017	2018	2.32	0.29	2.61	4.80	0.28	1.15	2.89	0.57	0.20	9.89
2018	2019	2.11	0.25	2.36	3.32	0.24	1.05	2.51	0.51	0.18	7.81
2019	2020	2.04	0.24	2.28	3.75	0.27	1.03	2.85	0.46	0.53	8.90
2020	2021	1.98	0.23	2.20	3.88	0.27	1.00	2.94	0.47	0.51	9.07

(a) The School District tax rate is the weighted average of the districts within the City of Vancouver.

Note: Overlapping rates are those of local and county governments that apply to property owners within the City of Vancouver. Not all overlapping rates apply to all Vancouver property owners.

CITY OF VANCOUVER
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Table 9

Fiscal Year	Certified Taxable Assessed Value	Total Direct Tax Rate	Certified Total Tax Levy	Collected within the Fiscal Year of the Levy		Collection of Delinquent Tax Levy (a)	Total Collections to Date		Outstanding Delinquent Taxes
				Amount	% of Levy		Amount	% of Levy (a)	
2011	13,884,845,470	2.90	40,266,052	39,455,229	98.0	867,751	40,322,980	100.1	1,372,475
2012	13,704,224,212	2.99	40,975,630	40,152,853	98.0	670,906	40,823,759	99.6	1,241,427
2013	13,222,265,791	3.17	41,914,583	41,485,605	99.0	620,674	42,106,279	100.5	1,120,733
2014	14,326,177,779	3.02	43,265,057	42,664,769	98.6	663,005	43,327,774	100.1	998,590
2015	15,812,154,819	2.80	44,274,033	43,704,833	98.7	560,203	44,265,036	100.0	900,974
2016	16,823,220,855	2.67	44,918,000	44,240,830	98.5	622,387	44,863,217	99.9	784,011
2017	18,642,704,534	2.79	52,013,146	52,227,941	100.4	487,059	52,715,000	101.3	886,939
2018	20,979,612,099	2.61	54,756,788	54,144,067	98.9	547,555	54,691,622	99.9	820,287
2019	23,658,991,510	2.37	56,021,774	55,389,126	98.9	502,467	55,891,593	99.8	774,342
2020	25,204,697,845	2.28	57,466,711	56,618,526	98.5	450,616	57,069,142	99.3	831,175

(a) Total collections include both current and delinquent taxed owned. It has not been practical to break out delinquent tax collections by assessment year, based on the way the information was presented to us by the tax assessor's office.

(b) 100.4% of taxes were collected in 2017 due to an annexation that happened after the Certified Tax Levy.

CITY OF VANCOUVER
PRINCIPAL PROPERTY TAX PAYERS
Current Year and Nine Years Ago
(Taxable value expressed in thousands)

Table 10

Taxpayer	Type of Business	2011			2020		
		2010 Assessed Taxable Value	Rank	Percentage of Total Taxable Assessed Value	2019 Assessed Taxable Value	Rank	Percentage of Total Taxable Assessed Value
Columbia Tech Center LLC	Property investment	\$ 181,563	2	1.31%	\$ 438,798	1	1.65%
SEH America	Microelectronic Mfg.	224,750	1	1.62%	312,316	2	1.18%
Comcast IP Phone II LLC	Mass Media				90,785	3	0.34%
Mission Hills LLC	Property investment				85,796	4	0.32%
US Centennial Vancouver Mall LLC *	Retail	62,779	4	0.45%	79,968	5	0.30%
AUK-Brookside LLC	Property investment				70,028	6	0.26%
Vancouver Clinic Inc. PS	Medical buildings	49,971	7	0.36%	68,156	7	0.26%
Wal-Mart Real Est Bus Trust	Retail	47,002	8	0.34%	63,506	8	0.24%
CBC 1 LLC 19%	Property investment				61,029	9	0.23%
Sterling Heights LLC	Property investment				60,226	10	0.23%
SE-E Inc.	Property investment	46,571	9	0.34%			
Angelo Prop Company LP	Property investment	63,700	3	0.46%			
Frito Lay Inc.	Food processing	54,754	5	0.39%			
Park Plaza Inc	Property investment	44,666	10	0.32%			
Cafaro Northwest Ptnsp	Property investment	51,784	6	0.37%			
Subtotal - Principal Property Tax Payers		827,540		5.97%	1,330,608		5.01%
All Other City Taxpayers		13,057,305		94.03%	25,234,307		94.99%
Total City Taxpayers		<u>\$ 13,884,845</u>		<u>100.00%</u>	<u>\$ 26,564,915</u>		<u>100.00%</u>

Assessed Taxable Value does not include exemptions for real property

Statistical Debt Capacity

CITY OF VANCOUVER
RATIO OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
(Amounts expressed in thousands, except per capita)

Table 11

Fiscal Year	GOVERNMENTAL ACTIVITIES			BUSINESS-TYPE ACTIVITIES				Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)	Total General Obligation Debt	Percentage of Actual Property Value (b)	General Obligation Debt per Capita (a)
	General Obligation Debt	Gov't and Bank Loans	Special Assessment Debt	General Obligation Debt	Gov't and Bank Loans	Revenue Bonds Water/Sewer	Solid Waste						
2011	106,903	5,664	12	14,187	356	71,785	-	198,907	3.11%	1,226	121,090	0.87%	746
2012	100,725	5,554	9	13,375	356	61,140	-	181,159	2.69%	1,110	114,100	0.83%	699
2013	93,479	6,933	6	12,346	342	49,990	-	163,096	2.30%	991	105,825	0.80%	643
2014	89,421	6,817	312	11,453	258	42,702	-	150,963	2.06%	902	100,874	0.70%	603
2015	86,887	4,700	170	10,261	173	32,635	-	134,826	1.73%	791	97,148	0.61%	570
2016	73,924	4,365	110	9,025	87	22,128	-	109,639	1.31%	632	82,949	0.49%	478
2017	71,847	4,346	75	8,064	-	15,003	-	99,335	1.20%	563	79,911	0.43%	453
2018	64,253	3,945	75	7,065	-	7,490	-	82,828	0.84%	451	71,318	0.34%	389
2019	58,598	3,540	15	6,120	-	3,840	-	72,113	0.73%	389	64,718	0.27%	349
2020	51,859	5,898	5	5,160	-	-	-	62,922	0.73%	389	57,019	0.27%	349

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(a) See Table 15 for personal income and population data. There ratios were calculated using personal income and population for the calendar year.

(b) See Table 9 for taxable property value data.

(c) The City entered into a lease agreement for leasing the new police headquarters building with a purchase option after three years of \$10.46 million. Inclusion of the capital lease has no material effect on the Percentage of Personal Income or Per Capita calculations. The City is not required to exercise the purchase option.

CITY OF VANCOUVER
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of December 31, 2019

Table 12

Property Valuation (2019 Assessment for 2020 Revenue)					<u>\$ 26,564,915,000</u>
Governmental Activities Direct Debt:					
Outstanding direct debt					
General obligation debt				\$ 51,859,295	
Government and bank loans				5,898,112	
Special assessment debt				5,000	
Capital Leases				<u>11,119,819</u>	
Total outstanding direct debt					\$ 68,882,226
Overlapping Debt:					
	Direct Debt	Less		Estimated	Estimated
	Outstanding	Reserves	Net	Percentage	Share of
				Estimated	Estimated
				Applicable	Overlapping
				to City (a)	Debt
Debt repaid with property taxes					
Vancouver School District #37					
General obligation debt	\$ 320,927,706	\$ (3,814,288)	\$ 317,113,418	49.50%	\$ 156,971,142
Evergreen School District #114					
General obligation debt	545,170,000	(14,506,324)	530,663,676	71.85%	381,281,851
Camas School District #117					
General obligation debt	142,810,000	(1,961,134)	140,848,866	3.50%	4,929,710
Battle Ground School District #119					
General obligation debt	21,110,000	(698,339)	20,411,661	1.53%	312,298
Port of Vancouver					
General obligation debt	30,772,067	-	30,772,067	57.82%	17,792,409
Vancouver Library					
General obligation debt	21,215,000	(3,355)	21,211,645	100.00%	21,211,645
Clark County					
General obligation debt	64,206,328	-	64,206,328	36.39%	23,364,683
Subtotal- overlapping debt repaid with property taxes					<u>605,863,740</u>
Total governmental direct and overlapping debt					<u>\$ 674,745,966</u>
Ratio of direct and overlapping debt repaid with property taxes to property valuation					Per thousand \$ 0.03
Ratio of direct debt to population (2020: 189,700)					Per capita
Governmental activities direct debt					\$ 306.93
Overlapping and direct debt					\$ 3,576.57
Estimated actual valuation					\$ 143,361.66

(a) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Vancouver. This process recognizes that, when considering the city's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

CITY OF VANCOUVER
LEGAL DEBT MARGIN INFORMATION
 Last Ten Fiscal Years
 (Amounts expressed in thousands)

Table 13

Legal General Debt Margin Calculation for Fiscal Year 2020

Assessed value (2018 Assessment for 2019 Revenue)	\$ 25,204,698
Debt Limit with vote (1% of assessed value)	252,047
Debt Limit without vote (1 1/2% of assessed value)	378,070
Debt applicable to without vote limit:	
General obligation bonds	\$ 51,859
Less: Amount set aside for repayment of	-
Total net debt applicable to limit without vote	<u>51,859</u>
Total general purpose legal debt margin	\$ 578,258

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>* 2019</u>	<u>2020</u>
General purpose debt limit	\$ 347,121	\$ 342,606	\$ 330,557	\$ 358,155	\$ 395,304	\$ 420,581	\$ 466,068	\$ 524,490	\$ 591,475	\$ 630,117
Total net debt applicable to limit	<u>121,090</u>	<u>113,141</u>	<u>105,825</u>	<u>85,929</u>	<u>86,887</u>	<u>79,284</u>	<u>71,847</u>	<u>64,253</u>	<u>58,598</u>	<u>51,859</u>
Legal debt margin	<u>\$ 226,031</u>	<u>\$ 229,465</u>	<u>\$ 224,732</u>	<u>\$ 272,226</u>	<u>\$ 308,417</u>	<u>\$ 341,297</u>	<u>\$ 394,221</u>	<u>\$ 460,237</u>	<u>\$ 532,877</u>	<u>\$ 578,258</u>
Total net debt applicable to the limit as a percentage of debt limit	34.88%	33.02%	32.01%	23.99%	21.98%	18.85%	15.42%	12.25%	9.91%	8.23%

* For 2019, the year is restated from previous year for corrections to supporting data.

Note: The City's 2 1/2% general purpose assessed property value legal limit of indebtedness is allocated between debt outstanding without a vote and debt outstanding with a vote of the taxpayer. General purpose debt outstanding 1 1/2% to without a vote and 1% to with a vote.

Note: The City reserves 10% of its non voted debt capacity as a contingency against unforeseen emergencies requiring the issuance of debt.

CITY OF VANCOUVER
PLEDGED - REVENUE COVERAGE
 Last Ten Fiscal Years
 (Amounts expressed in thousands)

Table 14

Fiscal Year	Water/Sewer Revenue Bonds						Solid Waste Revenue Bonds						Special Assessment Debt			
	Gross Revenue (1)	Expense (2)	Net Revenue Available for Debt Service	Debt Service		Coverage (3)	Gross Revenue	Expense	Net Revenue Available for Debt Service	Debt Service		Coverage	Special Assessment Collections	Debt Service		
				Principal	Interest					Principal	Interest			Principal	Interest	Coverage
2011	71,039	36,487	34,552	10,155	3,807	2.47	3,358	1,996	1,362	-	-	N/A	2.13	3.00	1.03	0.53
2012	74,277	38,797	35,480	10,645	3,322	2.54	2,871	1,902	969	-	-	N/A	4.00	3.00	0.83	1.00
2013	77,389	42,166	35,223	11,150	2,812	2.52	2,610	2,122	488	-	-	N/A	4.00	3.00	0.63	1.10
2014	81,415	42,146	39,269	9,095	2,331	3.44	2,334	2,065	269	-	-	N/A	54	6.33	0.25	8.20
2015	90,198	50,093	40,105	9,550	1,868	3.51	1,826	2,268	(442)	-	-	N/A	118	141.83	11.25	0.77
2016	90,951	51,253	39,698	10,045	1,369	3.48	1,903	2,241	(338)	-	-	N/A	37	60.00	7.33	0.55
2017	99,271	56,710	42,561	6,720	932	5.56	2,116	2,513	(397)	-	-	N/A	37	35.00	4.93	0.93
2018	106,371	57,044	49,327	7,090	564	6.44	1,873	2,769	(896)	-	-	N/A	32	40.00	3.38	0.74
2019	114,603	61,519	53,084	3,650	283	13.50	1,701	2,220	(519)	-	-	N/A	23	20.00	1.58	1.05
2020	117,024	64,562	52,462	3,840	96	13.33	1,980	1,897	83	-	-	N/A	16	10.00	0.68	1.51

(1) Gross Revenue is defined as all operating and nonoperating revenues of the Water/Sewer Enterprise Fund. This does not include systems development revenue.

(2) Expense is defined as requiring a payment to an outside entity but not including debt service interest and fiscal charges. Therefore, expense does not include depreciation, amortization, or tax payments made to the City of Vancouver.

(3) Debt coverage is calculated by using current net revenues available for debt service divided by current debt service requirements. Water/Sewer Bond covenants require a minimum coverage of 1.3%.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Statistical Demographic and Economic Information

CITY OF VANCOUVER
DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Fiscal Years

Table 15

Fiscal		Personal Income ¹	Per Capita	School	Local
Year	Population	(thousands of dollars)	Income ²	Enrollment	Unemployment Rate %
2011	162,300	6,392,023	39,384	48,153	12.7
2012	163,200	6,740,486	41,302	48,737	10.7
2013	164,500	7,090,444	43,103	49,138	10.1
2014	167,400	7,320,067	43,728	49,146	8.0
2015	170,400	7,803,298	45,794	49,842	6.6
2016	173,500	8,401,217	48,422	49,587	6.4
2017	176,400	8,304,559	47,078	49,887	5.3
2018	183,500	9,863,309	53,751	49,360	5.0
2019	185,300	9,899,282	53,423	48,817	4.0
2020	189,700	10,699,270	56,401	45,648	9.2

¹ Personal income is calculated by multiplying population by per capita income.

² Per capita income listed for Clark County, WA. Amount is from 2018.

CITY OF VANCOUVER
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

Table 16

<u>Employer</u>	<u>Type of Business</u>	2011			2020		
		Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
PeaceHealth (SW WA Medical Center)	Healthcare	2,660	1	3.68%	4,482	1	5.24%
Vancouver School District	Public Education	2,254	3	3.11%	3,029	2	3.54%
Evergreen School District	Public Education	2,612	2	3.61%	2,716	3	3.17%
Vancouver Clinic	Healthcare	846	8	1.17%	1,659	4	1.94%
Clark County	Government	1,502	4	2.08%	1,563	5	1.83%
City of Vancouver	Government	999	6	1.38%	1,196	6	1.40%
Camas School District No. 117	Public Education				800	7	0.93%
Dick Hannah	Retail	650	10	0.90%	630	8	0.74%
Washington State University	University				451	9	0.53%
Columbia Machine	Microelectronic Mfg.				441	10	0.52%
Fred Meyer	Retail	1,500	5	2.07%			
Clark College	Community College	974	7	1.35%			
SEH America Inc.	Microelectronic Mfg.	705	9	0.97%			
Subtotal of Ten Largest Employers		14,702		20.32%	16,967		19.82%
All Other Employers		57,660		79.68%	68,646		80.18%
Total Vancouver Employment		72,362		100.00%	85,613		100.00%

Statistical Operating Information

CITY OF VANCOUVER
FULL-TIME EQUIVALENT CITY GOVERNMENT POSITIONS BY FUNCTION
Last Ten Fiscal Years

Table 17

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
City Council	7	7	7	7	7	7	7	7	7	7
City Management	16	14	15	15	13	13	14	15	19	19
Support Services	83	83	84	82	85	91	92	99	101	103
Community Services	5	5	5	4	4	3	5	5	5	5
Media & Technology Services	25	25	24	25	28	28	37	37	39	40
Equipment Services	21	21	22	22	22	27	26	26	26	26
Public Safety										
Police	216	212	213	213	221	245	261	278	291	297
Fire	203	198	198	198	206	206	211	211	217	230
Judicial	28	25	26	29	29	29	32	32	32	32
Physical Environment	1	1	1	1	0	0	0	0	0	0
Transportation	40	40	41	41	47	49	50	55	59	60
Economic Environment	53	51	53	54	58	58	66	66	73	75
Culture and Recreation	61	41	41	41	39	39	40	39	41	41
Water/Sewer	222	222	219	219	217	217	224	224	241	242
Parking	7	7	8	8	9	9	10	10	11	11
Airpark	1	1	1	1	1	1	1	1	2	2
Sanitation	5	5	5	5	5	5	5	5	6	6
Tennis Center	5	4	4	4	4	4	4	4	-	-
Fire Shop	-	0	0	0	0	0	-	-	-	-
Total	<u>999</u>	<u>962</u>	<u>967</u>	<u>969</u>	<u>995</u>	<u>1,031</u>	<u>1,085</u>	<u>1,114</u>	<u>1,170</u>	<u>1,196</u>

Note: Information presented has been revised to reflect approved, full-time-equivalent positions as of December 31 of the year shown.

CITY OF VANCOUVER
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

Table 18

Governmental Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Change (a)
General Government / Other											
Total FTE of general governmental employees	157	155	157	155	159	169	181	189	197	200	2%
Number of unions represented	10	10	10	10	10	10	10	10	10	10	0%
Number of external job applications processed	6,284	6,876	4,220	6,454	7,341	10,552	10,892	9,622	10,664	7,124	-33%
Number of desktop & laptop computer systems in use	1,060	1,165	1,046	1,095	1,313	1,367	1,490	1,517	1,563	1,636	5%
Number of calls for service to help desk	12,427	13,705	13,297	13,911	13,351	14,774	16,791	18,338	23,389	23,218	-1%
Number of CVTV programs produced per year	399	434	450	444	425	460	433	396	337	304	-10%
Public Safety											
Police											
Number of commissioned FTEs	193	193	187	186	187	196	202	206	218	211	-3%
Number of filled support FTEs (includes temps)	23	23	23	22	23	43	52	53	52	52	0%
										131,374	
Number of calls for service (excludes officer initiated)	91,509	93,834	98,458	94,113	90,134	101,649	112,652	115,710	124,264		6%
Number of officer-initiated responses	42,129	36,560	36,595	36,641	47,417	43,516	40,059	43,221	51,980	37,313	-28%
Number of traffic stops	21,097	17,037	17,187	17,138	14,809	13,427	14,142	13,807	18,092	9,875	-45%
FBI Crime Index - Violent crimes per 1,000 residents *	3.8										
FBI Crime Index - Property crimes per 1,000 residents *	41.9										
NIBRS - Crimes against Persons/Property per 1,000 residents		71.9	63.2	57.3	64.5	65.5	64.4	70.7	75.7	76.0	0%
NIBRS - Crimes against Society per 1,000 residents		4.0	3.5	3.6	3.7	3.5	2.9	2.9	3.7	2.8	-24%
Number of impaired driving arrests	291	306	396	382	344	324	403	492	497	437	-12%
Number of false alarms	1,216	1,237	1,251	1,531	1,731	1,775	1,820	1,907	1,911	1,825	-5%
Fire											
Number of commissioned FTEs	189	189	189	188	188	188	188	188	188	188	0%
Number of filled non commissioned (support) FTEs	11	11	11	14	16	18	28	28	28	28	0%
Number of fire apparatus	21	21	21	22	22	27	26	26	26	26	0%
Number of EMS dedicated vehicles	0	0	0	0	2	2	2	2	2	2	0%
Number of fire specific responses	740	897	821	866	1,232	856	962	907	784	935	19%
Number of medical responses	17,562	16,667	16,261	16,631	17,945	15,543	16,740	17,347	17,450	17,024	-2%
Transportation											
Lane miles of pavement under management	1,810	1,810	1,812	1,812	1,815	1,816	1,875	1,906	1,906	1,906	0%
Lane miles of streets swept	13,315	13,525	13,373	13,170	12,032	11,251	13,396	14,186	16,300	15,807	-3%
Total filled FTEs (includes temps)									55	60	9%
Culture and Recreation											
Total FTEs of employees	48	45	44	42	43	41	41	42	39	35	-10%
Total acreage of managed city park space	2,138	2,138	2,138	1,600	1,587	1,580	1,580	1,607	1,600	1,600	0%
Miles of trails	23	23	23	23	20	20	20	21	21	21	0%

(a) The change column compares the difference between the two most recent years.

* The FBI Crime Index was a summary-based system called UCR (Uniform Crime Reporting) and is replaced by the National Incident-Based Reporting System (NIBRS) - a more detailed than the UCR system.

CITY OF VANCOUVER
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

Table 18
Continued

<u>Business-type Function</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u> <u>Restated</u>	<u>2016</u> <u>Restated</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Change</u>
Water											
Number of residential water connections	65,067	65,360	66,231	66,858	71,907	73,110	73,507	70,563	71,110	72,105	1%
Number of non-residential water connections	3,596	3,489	3,514	3,537	3,688	3,762	3,813	3,917	3,976	4,032	1%
Number of new water connections	154	186	896	650	1,382	1,203	397	1,500	816	1,051	29%
Daily average water consumption (gallons)	24,521,899	25,470,150	20,327,323	18,931,903	20,550,000	22,056,000	18,790,065	19,141,710	22,535,830	22,500,000	-0.2%
Sewer											
Number of total waste connections	55,533	55,964	56,836	57,520	58,588	59,448	59,678	60,656	64,876	61,614	-5%
Number of non-residential waste water connections	2,739	2,750	2,781	2,815	2,654	2,680	2,736	2,776	2,955	2,841	-4%
Number of new waste connections	230	431	868	684	1,066	860	230	1,435	3,116	2,978	-4%
Daily average treated	21,950,000	21,960,000	20,180,000	20,300,000	20,550,000	22,056,000	21,987,000	20,370,000	19,231,000	18,836,000	-2%
Surface Water											
Number of drain basins cleaned	10,478	13,267	14,012	9,814	10,942	10,112	10,122	14,152	12,592	10,903	-13%
Miles of drainage mains cleaned	8.6	8.8	36.1	11.7	6.7	9.2	6.1	16.0	23.0	13.8	-40%
Parking											
Number of parking violations issued per year	26,473	27,583	24,133	20,608	24,529	25,040	31,369	34,155	31,057	11,442	-63%
Building Inspection											
Total code violation cases initiated	1,187	1,041	1,009	1,184	1,308	1,256	1,329	1,202	1,273	1,068	-16%
Number of new residential units	182	578	922	819	1,087	716	1,546	1,191	1,374	1,569	14%
Number of total building permits issued	7,223	7,654	8,464	8,133	9,679	9,642	9,440	10,468	10,322	10,068	-2%
Number of total building inspections conducted	24,738	31,574	32,110	30,154	37,487	42,511	35,653	45,271	43,341	44,832	3%

CITY OF VANCOUVER
CAPITAL ASSET STATISTICS BY FUNCTION
 Last Ten Fiscal Years

Table 19

Governmental Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Change
General Government / Other											
Total city light vehicle fleet (no marked patrol)	368	363	329	320	320	332	351	446	303	412	36%
										212,76	
Square ft. of administrative space	252,550	252,550	252,550	166,877	266,840	167,953	167,953	167,953	167,953	6	27%
Square ft. of warehouse space	84,116	84,116	84,116	43,505	39,881	23,148	23,148	23,148	23,148	23,148	0%
Public Safety											
Police											
Number of marked police patrol	77	90	87	74	74	79	75	97	127	101	-20%
Number of total police facilities	4	4	4	3	4	4	4	4	4	5	25%
Fire											
Number of total response vehicles	21	21	21	22	22	34	34	34	34	34	0%
Number of stations	10	10	10	10	10	10	10	10	10	10	0%
Number of total fire fleet vehicles (includes apparatus)	68	68	68	69	69	68	69	69	69	69	0%
Transportation											
Number of signaled intersections	234	237	237	241	241	258	258	261	261	261	0%
Number of bridges	10	10	10	10	10	10	11	11	11	11	0%
Miles of roads	580.0	580.3	581.0	581.0	582.0	582.0	604.0	605.0	610.0	610.0	0%
Culture and Recreation											
Parks											
Number of neighborhood parks	70	67	76	76	76	76	77	78	79	79	0%
Number of community parks	11	12	13	15	14	14	14	14	14	14	0%
Indoor Recreation Facilities	3	3	3	3	3	3	3	3	3	3	0%
Museums	2	1	1	1	1	1	1	1	1	1	0%
Business-Type Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Change
Water											
Total miles of water mains	999	1,001	1,009	1,012	1,020	1,031	1,041	1,054	1,063	1,071	1%
Miles of supply and transmission mains 12" and larger	191	192	194	194	195	195	200	201	203	203	0%
Hydrants in use	7,394	7,443	7,512	7,564	7,633	7,738	7,831	7,953	8,054	8,111	1%
Storage (mg)	25	25	25	25	25	24	24	24	23	23	0%
Sewer											
Miles of sewage mains	725	728	735	741	753	755	767	773	774	775	0%
Treatment Plants	2	2	2	2	2	2	2	2	2	2	0%
Capacity (mgd)	37.4	37.4	37.4	37.4	37.4	44.4	44.4	44.4	44.4	44.4	0%
Parking											
Lots	6	7	7	7	7	7	7	7	9	9	0%
Garages	4	3	2	2	2	2	2	2	2	2	0%
Meters, on and off street	1,546	1,575	1,595	1,595	1,595	1,403	1,115	748	720	676	-6%
Pay Stations	28	30	30	30	32	62	103	188	190	194	2%
Airpark											
Hangars	150	150	150	150	150	150	150	150	150	150	0%
Tie-Downs	12	12	12	12	12	12	12	12	12	12	0%
Land (acres)	62	62	62	62	62	62	62	62	62	62	0%
Tennis Center											
Indoor Courts	9	9	9	9	9	9	9	9	9	9	0%
Outdoor Courts	4	4	4	4	4	4	4	4	4	4	0%
Racquetball Courts	2	2	2	2	2	2	2	2	2	2	0%
										207,94	
Square feet of recreation centers in use (non-pool)	209,545	209,545	209,545	209,545	209,545	209,545	209,545	209,545	209,545	5	-1%

Note 2020: Square feet of recreation centers in use (racquetball courts, a combined 1600 sqft) were closed due to the COVID-19 pandemic. The City still retains the courts, but they were not in use for most of 2020.

Note: Asset information for areas are not shown are under evaluation

Expenditures of Federal Awards

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2020

1) Basis of Accounting

This schedule is prepared on the same basis of accounting as the City's financial statements. The City of Vancouver uses the accrual basis of accounting

2) Indirect Cost Rate

The City does not use the 10% de minimis cost rate as covered in 2 CFR §200.414 Indirect (F&A) costs.

3) Program Income

The City has a revolving loan program for low income housing. Under this federal program, repayments to the City are considered program revenue (income) and loans of such funds to eligible recipients are considered federal expenditures.

4) Program Costs

The amounts shown as current year expenditures represent only general award portions of the program costs. Entire program costs, including the City's portion may be more than shown.

5) Subrecipient Reporting

Disbursements of funds to subrecipients is reported on the SEFA in the fiscal year they are paid to the subrecipient.

6) FEMA Disaster Assistance 97.036

The City incurred costs during 2020 that have been submitted for the FEMA public assistance COVID-19 project, classified to 97.036. Our project application was approved 4/9/21. We have submitted for reimbursement of \$460,945, which represented 75% of the federal match. There were no subrecipients and the funds were passed through from the Washington State Military.

Per the BARS Manual, these costs are being recorded on the 2020 SEFA because 1) the application was approved on 4/9/21 and 2) costs have been incurred.

**City of Vancouver
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
CDBG - Entitlement Grants Cluster								
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Community Development Block Grants/Entitlement Grants	14.218	B-16-MC-53-0013	-	2,930	2,930	-	4
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Community Development Block Grants/Entitlement Grants	14.218	B-17-MC-53-0013	-	62,828	62,828	-	4
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Community Development Block Grants/Entitlement Grants	14.218	B-18-MC-53-0013	-	266,500	266,500	85,034	4
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Community Development Block Grants/Entitlement Grants	14.218	B-19-MC-53-0013	-	552,698	552,698	387,088	3,4
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Community Development Block Grants/Entitlement Grants	14.218	B-20-MC-53-0013	-	299,432	299,432	47,024	3,4
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	COVID 19 - Community Development Block Grants/Entitlement Grants	14.218	B-20-MW-53-0013	-	217,284	217,284	50,406	4
Total CDBG - Entitlement Grants Cluster:				-	1,401,672	1,401,672	569,552	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Home Investment Partnerships Program	14.239	M-18-MC-53-0208	-	6,405	6,405	6,220	4
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Home Investment Partnerships Program	14.239	M-19-MC-53-0208	-	246,030	246,030	234,151	3,4
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Home Investment Partnerships Program	14.239	M-20-MC-53-0208	-	128,226	128,226	74,482	3,4
Total CFDA 14.239:				-	380,661	380,661	314,853	

**City of Vancouver
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA 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 (via International Association of Chiefs of Police)	Crime Victim Assistance/Discretionary Grants	16.582	2019-V3-GX- K142	7,687	-	7,687	-	
OFFICE ON VIOLENCE AGAINST WOMEN (OVW), JUSTICE, DEPARTMENT OF (via Clark County)	Violence Against Women Formula Grants	16.588	F-19-31103- 044	4,074	-	4,074	-	
COMMUNITY ORIENTED POLICING SERVICE, JUSTICE, DEPARTMENT OF	Public Safety Partnership and Community Policing Grants	16.710	2016-UL- WX-0047	-	479,202	479,202	-	
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via Clark County)	Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-DJ-BX- 0327	16,691	-	16,691	-	
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF	Edward Byrne Memorial Justice Assistance Grant Program	16.738	2018-DJ-BX- 4201	-	5,345	5,345	-	
Total CFDA 16.738:				16,691	5,345	22,036	-	
FEDERAL AVIATION ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF	Airport Improvement Program	20.106	3-53-0139- 011-2018	-	47,113	47,113	-	
FEDERAL AVIATION ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF	Airport Improvement Program	20.106	3-53-0139- 012-2018	-	1,037	1,037	-	
FEDERAL AVIATION ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF	Airport Improvement Program	20.106	3-53-0139- 013-2019	-	662,588	662,588	-	
FEDERAL AVIATION ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF	Airport Improvement Program	20.106	3-53-0139- 014-2020	-	1,185,669	1,185,669	-	
Total CFDA 20.106:				-	1,896,407	1,896,407	-	
Highway Planning and Construction Cluster								
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	STPUL- 1350(027)	5,145	-	5,145	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	HSIP- 4242(025)	1,676,759	-	1,676,759	-	

**City of Vancouver
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	STPUL- 4421(004)	543,155	-	543,155	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	CM- 4242(027)	19,382	-	19,382	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	TAP- 4228(002)	4,003	-	4,003	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	STPUL- 4266(002)	669,260	-	669,260	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	CM- 1350(028)	50,628	-	50,628	-	
Total Highway Planning and Construction Cluster:				2,968,332	-	2,968,332	-	
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA Association of Sheriff's & Police Chiefs)	State and Community Highway Safety	20.600	Traffic Safety Equipment Grant	4,759	-	4,759	-	
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via State of Washington Traffic Safety Commission)	State and Community Highway Safety	20.600	Section 402- Distracted Driving	5,773	-	5,773	-	
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via State of Washington Traffic Safety Commission)	State and Community Highway Safety	20.600	PT19-02	1,381	-	1,381	-	
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via State of Washington Traffic Safety Commission)	State and Community Highway Safety	20.600	2019-AG- 2814 Region 6 sustainability	2,174	-	2,174	-	
Total Highway Safety Cluster:				14,087	-	14,087	-	
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via WA State Department of Commerce)	COVID 19 - Coronavirus Relief Fund	21.019	20-6541C- 355	8,338,500	-	8,338,500	-	

**City of Vancouver
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
ENVIRONMENTAL PROTECTION AGENCY, ENVIRONMENTAL PROTECTION AGENCY (via WA State Department of Ecology)	Columbia River Basin Restoration (CRBR) Program	66.962	C2100029	6,076	-	6,076	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via WA State Military Department)	COVID 19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4481- DR-WA	460,945	-	460,945	-	6
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF	Assistance to Firefighters Grant	97.044	EMW-2018- FO-00832	-	763,772	763,772	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF	Assistance to Firefighters Grant	97.044	EMW-2018- FP-00224	-	213,758	213,758	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF	Assistance to Firefighters Grant	97.044	EMW-2019- FG-03555	-	19,789	19,789	-	
Total CFDA 97.044:				-	997,319	997,319	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Clark Regional Emergency Services)	Homeland Security Grant Program	97.067	E19-108	55,970	-	55,970	-	
Total Federal Awards Expended:				11,872,362	5,160,606	17,032,968	884,405	

