



Comprehensive Annual Financial Report

Fiscal year ended
December 31, 2018



Get out and play!

FINANCIAL & MANAGEMENT SERVICES

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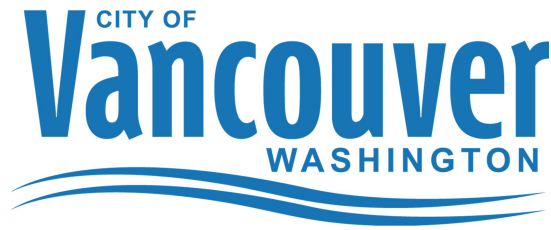
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July 30, 2019

To the Honorable Anne McEnerny-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 2018 Comprehensive Annual Financial Report (CAFR) 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 in 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, 2018, 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, 2018, 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 183,500 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 I. A. 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 in 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. 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 2019-20 Biennial Budget was created during a period of continued economic improvement. While the City anticipated relative financial stability over the biennium, it continues to prioritize allocation of its scarce resources and hold back increases in workforce. Over the last four years, the City worked with the community to better define and fund the increased service level in street maintenance and police department. To fund the increased service levels in both these areas, City Council approved revenue increases in utility tax and business license surcharge.

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 has found long-term solutions to street infrastructure funding and addressed both service and staffing levels in Police. During 2017 and into 2018, the City continued to work closely with community and business leaders to identify potential shortfalls in other City's service levels and determine additional funding sources to fund these service gaps. Though there is much work to do in the coming year, leadership is optimistic about the exciting possibilities for the City's future.

Awards and Acknowledgements

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, 2017. 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 CAFR 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 33 years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA. The report includes, where applicable, the implementation of new GASB statements 75, 85 and 86.

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 CAFR 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**

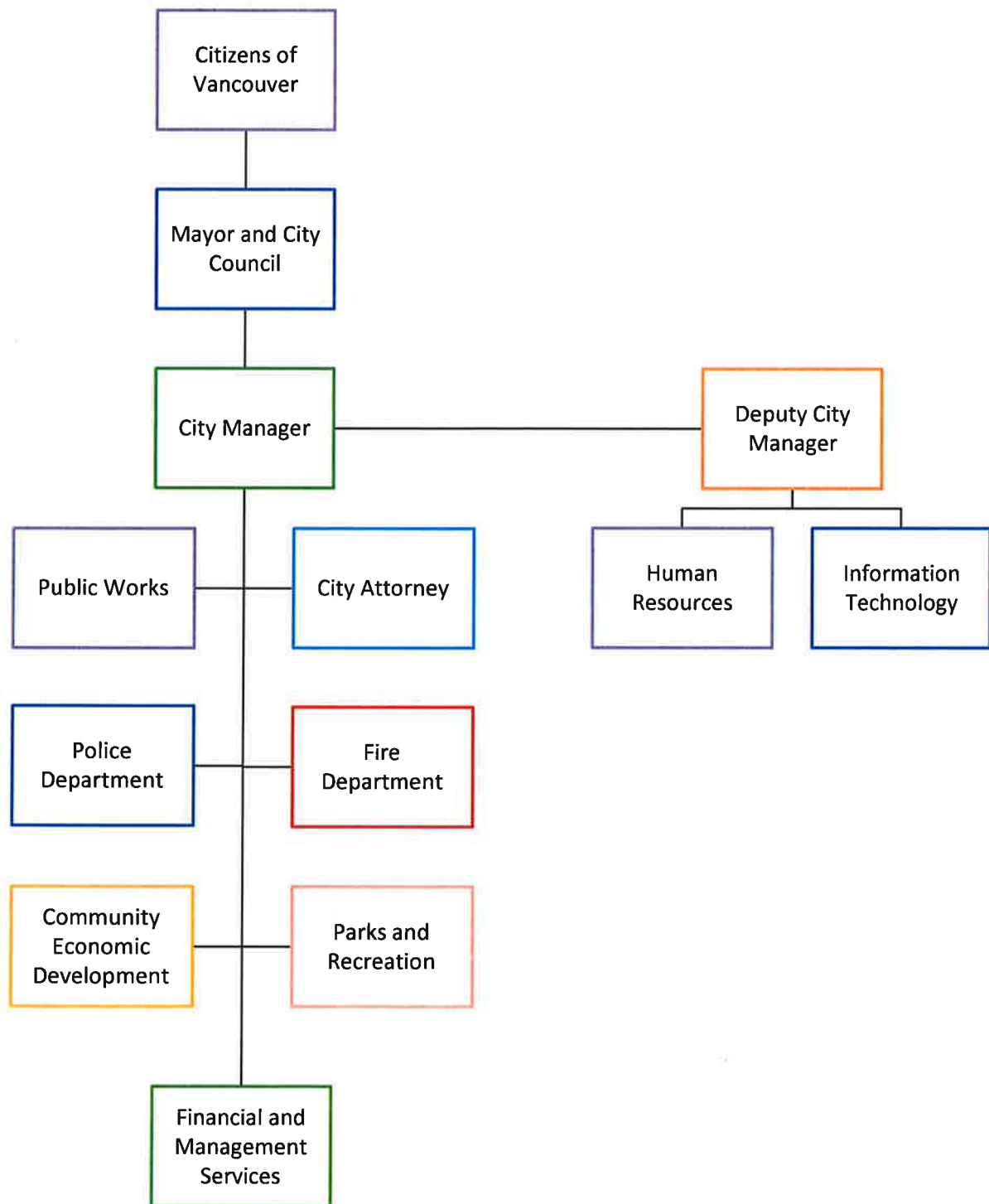
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morill

Executive Director/CEO

City of Vancouver Organizational Chart



CITY OF VANCOUVER

Elected Officials

As of December 31, 2018

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 2018

Council Members

Anne McEnerny-Ogle, Mayor
Bart Hansen
Bill Turlay
Alishia Topper
Ty Stober
Linda Glover
Laurie Lebowsky

Expiration of Term

December 31, 2021
December 31, 2019
December 31, 2019
December 31, 2018
December 31, 2019
December 31, 2021
December 31, 2021

City Management Team

(As of December 31, 2018)

Eric Holmes
Bronson Potter
Brian Carlson
James McElvain
Joe Molina
Natasha Ramras
Chad Eiken
Julie Hannon

City Manager
City Attorney
Public Works Director
Police Chief
Fire Chief
Chief Financial Officer
Community Economic Development Director
Parks and Recreation Director

Lenda Crawford
Lisa Takach
Patrick Gilbride

Deputy City Manager
Human Resources Director
Information Technology Director



Historic Lantern Tour



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

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

July 30, 2019

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, 2018, 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, which is included in the City's financial information as part of the Downtown Redevelopment Authority component unit and which represents one percent, 17 percent and 80 percent, respectively, of the assets, net position and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Vancouver Hotel and Convention Center Project, is based solely on the report of 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 Vancouver Hotel and Convention Center 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.

Opinion

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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General, Consolidated Fire, and 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 1 to the financial statements, in 2018, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

As discussed in Note 4 to the financial statements, the City's 2017 financial statements have been restated to correct a misstatement. 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. 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 July 30, 2019, 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, flowing style.

Pat McCarthy

State Auditor

Olympia, WA

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, 2018. 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.

FINANCIAL HIGHLIGHTS

- City of Vancouver assets and deferred outflows exceeded its liabilities and deferred inflows at December 31, 2018, by over \$1.3 billion.
- Net investment in capital assets accounts for 82% of the total net position, with a value of \$1,072 million.
- Of the remaining net position, \$115.3 million may be used to meet the government's ongoing obligations to citizens and creditors, without legal restriction.
- The City's total net position showed an increase of \$70 million from current operations in 2018. This includes a \$95 million change in net position.
- Total program revenues were \$221 million in 2018, which represents an increase in Charges for Services, Fees, Fines and Forfeitures of \$15 million and Operating and Capital Grants and Contributions of approximately \$7 million respectively for a net increase in total program revenues from 2017 of \$22 million.
- Program expenses were \$303 million, up \$15 million from 2017.
- General revenues and special items were \$177 million, down by \$16 million from last year.
- As of December 31, 2018, the City of Vancouver's governmental funds reported combined ending fund balances of \$192 million, which was \$31 million more than the prior year. Approximately 24.5% of this total amount, or \$47.0 million, is available for spending at the government's discretion. The unassigned fund balance for the General Fund was \$47.0 million at December 31, 2018.
- The City of Vancouver's total bonded debt at December 31, 2018, was \$79 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 inflows, liabilities and deferred outflows, 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 2018. 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 four entities as component units in the government-wide financial statements. When there is financial activity to report, three of these entities will be shown in the government-wide financial statements as discretely presented component unit funds. These entities are the Vancouver Downtown Redevelopment Authority (DRA), Vancouver Public Facilities District (PFD) and City Center Redevelopment Authority (CCRA). The fourth component unit, Vancouver Transportation Benefit District (TBD), is treated as a blended component unit presented as a special revenue fund. For additional information, see Note I.A and Note IV.A. The City has also reported two jointly governed organizations: Clark Regional Emergency Services Agency (CRESA) and Council for the Homeless; see Note IV.C 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 that are 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, 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, rolling stock repair and replacement, computer repair and replacement, self-insurance, administrative services, benefits, health insurance benefits and mailroom 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 93 of this report.

The aggregated statements for *nonmajor* governmental and proprietary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 105 - 163 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 \$1,303,513,740 at December 31, 2018. 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	
	2017	2018	2017	2018	2017	2018
Current and other assets	\$ 262,408,397	\$ 308,235,973	\$ 115,346,191	\$ 124,395,413	\$ 377,754,588	\$ 432,631,386
Capital assets (net of accumulated depreciation)	683,108,097	699,972,611	383,509,553	406,010,099	1,066,617,650	1,105,982,710
TOTAL ASSETS	945,516,494	1,008,208,584	498,855,744	530,405,512	1,444,372,238	1,538,614,096
 DEFERRED OUTFLOWS OF RESOURCES	 8,387,859	 9,111,065	 2,690,783	 2,445,145	 11,078,642	 11,556,210
Long-term liabilities	142,525,746	164,498,923	37,846,220	26,721,003	180,371,966	191,219,926
Other liabilities	23,832,502	27,797,485	7,538,073	6,655,854	31,370,575	34,453,339
TOTAL LIABILITIES	166,358,248	192,296,408	45,384,293	33,376,857	211,742,541	225,673,265
 RESOURCES	 8,902,337	 17,431,902	 2,027,534	 3,551,399	 10,929,871	 20,983,301
 NET POSITION						
Net investment in capital assets	612,778,399	680,671,242	360,952,055	391,430,492	973,730,454	1,072,101,734
Restricted	80,533,806	107,509,290	6,223,731	8,597,014	86,757,537	116,106,304
Unrestricted	85,331,563	19,410,807	86,958,914	95,894,895	172,290,477	115,305,702
TOTAL NET POSITION	\$ 778,643,768	\$ 807,591,339	\$ 454,134,700	\$ 495,922,401	\$ 1,232,778,468	\$ 1,303,513,740

During 2018, the City's total assets increased \$94.2 million and deferred outflows of resources increased \$0.5 million, while total liabilities increased \$13.9 million and deferred inflows of resources increased \$10.0 million, primarily related to the continued impacts of the GASB 68 implementation effective December 31, 2015 and the implementation of GASB 75 effective December 31, 2018. The net result is an increase in total net position of \$70.7million, or 5.7%.

Of the City's total assets, cash increased by \$40.8million and restricted cash increased \$2.4 million respectively; receivables increased \$2.8 million, capital assets increased \$39.4 million, and other assets increased \$8.9 million from 2017.

The largest portion of the City's net position, 82%, 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 9% of the total, and net position that is unrestricted represents the remaining 9%.

At December 31, 2018, 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

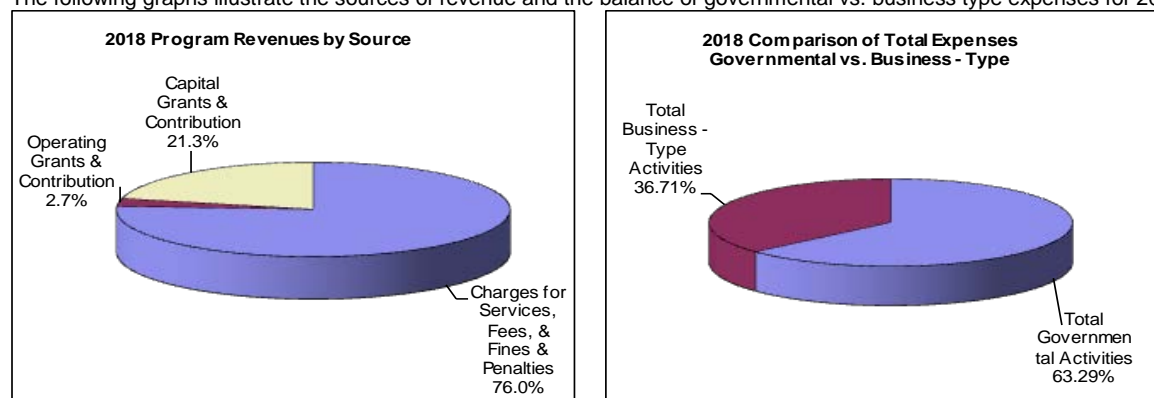
Total net position increased in 2018 by \$70.8 million, inclusive of the impact of prior period adjustments and changes in accounting principles. This is split between governmental increase of \$28.9 million and business-type activities increase of \$41.8 million. The Statement of Activities depicts 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.

Summary of Changes in Net Position

Revenues	Governmental Activities		Business-Type Activities		Total Primary Government	
Program revenues:	2017	2018	2017	2018	2017	2018
Charges for Services, Fees, Fines & Forfeitures	\$ 44,488,750	\$ 50,481,540	\$ 108,300,374	\$ 117,545,540	\$ 152,789,124	\$ 168,027,080
Operating Grants & Contributions	4,370,857	5,877,556	240,219	86,186	4,611,076	5,963,742
Capital Grants & Contributions	26,653,998	21,515,909	14,579,884	25,666,397	41,233,882	47,182,306
General Revenues						
Property Taxes Levied for General Purposes	52,791,146	54,726,879	-	-	52,791,146	54,726,879
Sales & Use Taxes	40,357,473	43,910,649	-	-	40,357,473	43,910,649
Utility, Excise, Lodging & Other Taxes	57,312,088	61,163,162	-	-	57,312,088	61,163,162
Unrestricted Investment Earnings	2,107,348	4,371,966	1,043,201	2,060,437	3,150,549	6,432,403
Miscellaneous	640,154	3,899,769	794,406	686,676	1,434,560	4,586,445
Total Revenues	228,721,814	245,947,430	124,958,084	146,045,236	353,679,898	391,992,666
Program Expenses						
Governmental Activities:						
General Government	20,209,275	20,777,062	-	-	20,209,275	20,777,062
Security/Persons & Property	95,626,705	94,439,914	-	-	95,626,705	94,439,914
Physical Environment	696,060	293,331	-	-	696,060	293,331
Transportation	40,884,091	45,456,332	-	-	40,884,091	45,456,332
Mental & Physical Health	466,762	3,670,072	-	-	466,762	3,670,072
Economic Environment	10,495,402	13,300,235	-	-	10,495,402	13,300,235
Culture & Recreation	11,123,786	11,347,659	-	-	11,123,786	11,347,659
Interest on Long-Term Debt	2,924,804	2,620,128	-	-	2,924,804	2,620,128
Business-Type Activities:						
Water Sewer	-	-	92,720,005	96,312,293	92,720,005	96,312,293
Parking	-	-	2,945,303	3,037,896	2,945,303	3,037,896
Airport	-	-	836,199	893,541	836,199	893,541
Building Inspection	-	-	5,405,890	5,688,006	5,405,890	5,688,006
Solid Waste	-	-	2,522,823	2,779,319	2,522,823	2,779,319
Tennis Center	-	-	1,087,504	2,604,840	1,087,504	2,604,840
Total Expenses	182,426,885	191,904,733	105,517,724	111,315,895	287,944,609	303,220,628
Excess (deficiency) of revenues over	46,294,929	54,042,697	19,440,360	34,729,341	65,735,289	88,772,038
Transfers - Governmental	(448,225)	(600,861)	-	-	(448,225)	(600,861)
Transfers - Business-Type	-	-	448,225	600,861	448,225	600,861
Income (loss) before special & extraor	45,846,704	53,441,836	19,888,585	35,330,202	65,735,289	88,772,038
Special Items:						
Annexation	34,574,972	-	3,942,708	6,457,499	38,517,680	6,457,499
Total Special Items	34,574,972	-	3,942,708	6,457,499	38,517,680	6,457,499
Change in Net Position	80,421,676	53,441,836	23,831,293	41,787,701	104,252,969	95,229,537
Net Position- Beginning	711,169,862	790,730,951	422,943,451	454,134,700	1,134,113,313	1,244,865,651
Prior year adjustments	(12,947,770)	-	7,359,956	-	(5,587,814)	-
Change in accounting principles	-	(36,581,448)	-	-	-	-
Net Position - Ending	\$ 778,643,768	\$ 807,591,339	\$ 454,134,700	\$ 495,922,401	\$ 1,232,778,468	\$ 1,340,095,188

***The beginning balance is restated.*

The following graphs illustrate the sources of revenue and the balance of governmental vs. business type expenses for 2018.



Governmental Activity Analysis

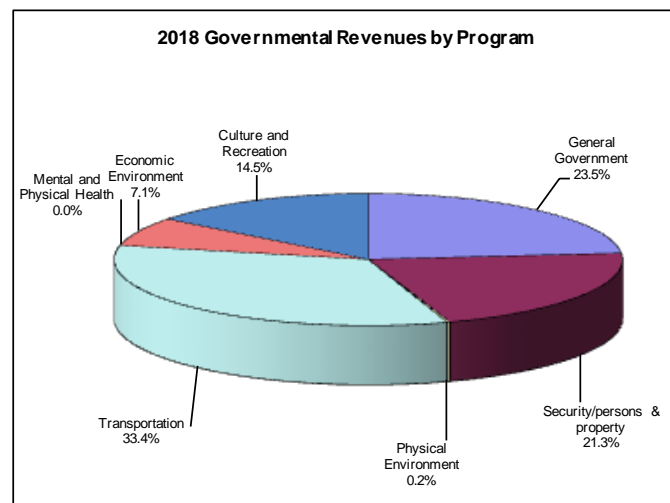
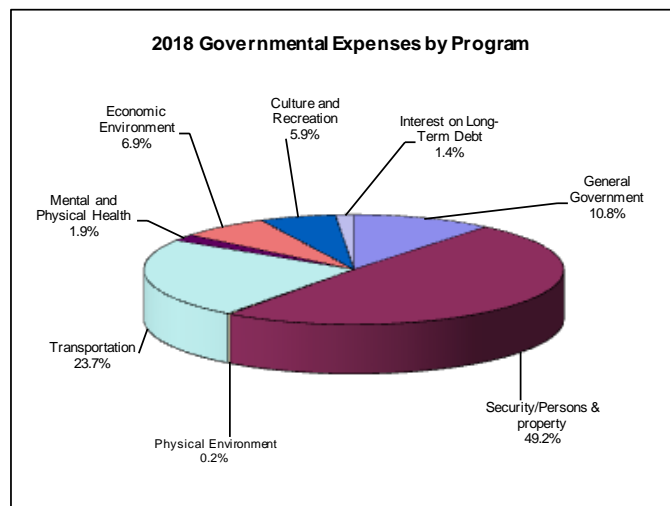
Governmental net position increased by \$107.3 million in 2018 from operations.

Revenues from Charges for Services, Fees, and Fines and Forfeitures increased from 2017 by \$6 million, or 13.5%; while revenues from taxes increased by \$1.9 million, or 3.7%. 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 increased \$17.2 million, or 7.5%, including an increase of \$3.9 million, or 6.7%, in revenues associated with Utility, Excise, Lodging and Other Taxes received by the City in 2018 compared to 2017.

In 2016, the Vancouver City Council identified Van Mall North as an area ready for annexation. It is located in Vancouver's Urban Growth Area (UGA), and was slated for annexation by the City and County in the Annexation Blueprint Plan (2007). Annexation of Van Mall North was underway in 2008, when all annexation activities were halted due to the economic recession. It resumed and was mostly completed in August, 2017, with the remainder of the annexation completed in January 2018. The Van Mall North area is already served by City of Vancouver water, sewer and emergency fire services. . The majority of the assets were received during 2017 with the remainder, \$6.46 million, received during January 2018. The assets received in 2018 were utility assets which the City reported in the Water/Sewer fund.

Governmental activities expenses increased in total by \$9.5 million, or 5.2%. The major influencing factors of this increase 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 in increase in the indirect cost allocation for police.
- The increase in Transportation expense was due to increased personnel costs, repairs and maintenance, operating supplies, and professional services related to construction projects.

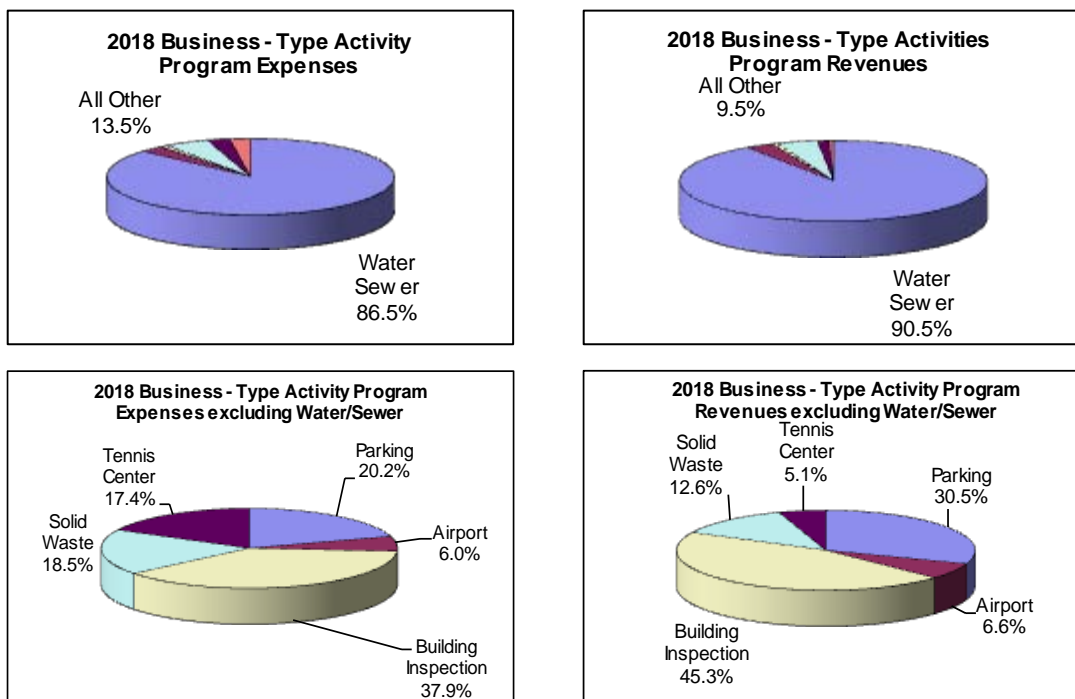


Business-Type Activities Analysis

Business-type net position increased by \$21 million in 2018 from operations.

The Business-Type Activity revenue and expenses in total increased by \$21.0 million and \$5.8 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 an \$17.6 million increase in operating revenue and a \$3.6 million increase 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 increases in expenses, including the Building Inspection fund increase of \$282 thousand, and the Solid Waste fund at \$256 thousand compared to 2017 due to increase in city-wide cost allocation and professional services.



The City acquired capital property (assets) from Clark County relating to the Van-Mall North annexation, which is reported as a special item on the Statement of Changes in Net Position. The special item, which resulted in an increase in net position in the business-type activities, totaled \$6.5 million.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

Governmental Funds Analysis

The City's governmental funds are categorized into four types consisting of General, Special Revenue, Debt Service, and Capital Project Funds. Each fund type has a unique purpose. General Fund, Consolidated Fire Fund, Street Fund, Transportation Capital Fund, 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 General Fund is the primary governmental fund. General Fund revenues were up 10.5% over 2017 due primarily to an increase in Sales and Use taxes and Other Taxes for \$3.6 million and \$2.3 million, respectively. The increase associated with Sales and Use taxes is based on an increase in sales construction and sales activity, a direct result of an improving economy. The increase in other taxes of \$2.3 million is primarily due to an increase in taxes paid to the general fund from utilities operating within the city limits.

General Fund expenditures accounted for 49.0% of total governmental fund expenditures for 2018, and increased by \$7.5 million or 7.8%. Ending fund balance of the General Fund increased by \$5.8 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 Charges for Services and a transfer from the City's General Fund. The Consolidated Fire Fund in 2018 accounted for 20.2% of the governmental funds expenditures; an increase of \$0.7 million from 2017 due to increased personnel costs and supplies. The fund balance decreased by \$663 thousand as expenses were slightly higher than revenues and transfers in.

The Street Fund is a special revenue fund established in accordance with State RCW 35A.37.010 for the administration of street-oriented maintenance and construction. Revenues have historically been derived from tax contributions distributed from the 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. The total of 11.7% of governmental fund expenditures was attributable to the Street fund in 2018; with an increase, primarily capital outlay, of \$1.9 million from 2017. Fund balance increased \$1 million.

The Capital Improvement Fund, established in 1977 to fund major capital projects in the City, is being reported as a major fund in 2018 due to the amount of capital projects during the year. Fund expenditures accounted for 1.7% of total governmental fund expenditures, a decrease of \$16.5 million from 2017. Fund balance increased by \$10.1 million.

The Park Impact Fees Fund, is a new major fund in 2018. It 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 2% of total governmental operating expenditures. Fund balance decreased by \$1.4 million from 2017.

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 Water/Sewer Fund is the largest business-type fund in the City, accounting for 95.5% of net position for the enterprise funds at \$473.8 million. This fund encompasses three legally consolidated utilities: water, sewer, and drainage operations. The Water/Sewer Fund's net position increased by \$41.7 million in 2018. This fund also reported operating income of \$8.9 million in 2018, an increase of \$3.2 million from 2017; of which operating revenue increased \$6.7 million or 6.9% over 2017 primarily due to an increase in water and sewer rates, while operating expenses also increased \$3.5 million or 3.8% from 2017 related to an increase in taxes and professional services for maintenance. Additionally, Water/Sewer total net capital assets increased to \$473.8 million and its bonded indebtedness decreased by \$8.3 million in 2018.

The Parking Services Fund reported a positive net position of \$7.6 million. Operating income was \$1.4 million in 2018 which is a large increase from the \$630 thousand operating income reported in 2017. Operating revenues increased by \$894 thousand due to parking permit rate increases and pay station rate increases in 2018, along with the addition of new pay stations and active enforcement. Operating expenses increased only \$148 thousand.

The non-major business-type funds present an operating loss of \$2.1 million, with all funds except the building inspection fund making up this balance operating at a loss in 2018. The Tennis Center and Solid Waste Fund had the most significant operating losses which also accounts for the decrease in total net position. The Tennis Center Fund reported a \$1.5 million operating loss, which increased from the 2017 loss of \$344 thousand due to a significant increase in operating expenses related to supplies and contractual services. The Solid Waste fund presented an operating loss of \$1.1 million, which is higher than the \$548 thousand operating loss reported in 2017 a result of an increase in operating expenses related to Supplies and Contractual services and Interfund Services in 2018 with an offsetting decrease in operating revenues charges for services.

The Airport fund (formerly named the Airpark fund) reported a \$228 thousand net operating loss which was a \$63 thousand increase from 2017, primarily due to an increase in overall operating expenses.

The Building Inspection Fund had a \$480 thousand operating income, which was significantly higher than 2017 operating loss of \$1.2 million. The increase was primarily due to an increase in charges for services.

The non-major business-type funds represent \$1.6 million of the Net Pension Liability in 2018.

Internal Service Funds operate like the 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 breakeven point. City Internal Service funds as reported in 2018 realized a net position increase of \$5.8 million. In total Internal Service funds reported an operating income of \$2.6 million. The Internal Service Funds proportionate share of the Pension Liability is \$4.3 million at the end of 2018.

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 2016 fiscal year with continued stability noted reinforced through the 2017-2018 Budget. 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.

Some significant changes between the original and final budget in 2018 include a total of 29 FTEs added during various budget actions of the City. Staffing has been added in various departments to support the Van Mall North Annexation that took place in August of 2017 and January of 2018, and staffing in Police to fund the increased Business License Surcharge and Utility Tax revenues authorized by Council in response to recommendations from the extended community engagement process. A corresponding increase in purchases of police vehicles occurred in relation to the increase in staff. There were two large property purchases funded by the general fund; one near the Operations Center and the Homeless Day Center.

The final 2017-2018 biennial budget totals \$204.7 billion in operating and capital expenditures, including 1,114 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, 2018, amounts to \$1.1 billion (net of accumulated depreciation).

The table that follows is a comparison of the summary information for year-end 2017 and 2018 capital assets.

	Capital Assets, Net of Depreciation					
	Governmental Activities		Business-Type Activities		Total Activities	
	2017	2018	2017	2018	2017	2018
Land	\$ 100,099,842	\$ 107,571,133	\$ 36,591,729	\$ 40,021,567	\$ 136,691,571	\$ 147,592,700
Intangible - Easements	8,532,500	8,776,071	9,097,838	11,680,926	17,630,338	20,456,997
Buildings and systems	88,850,958	100,659,053	19,342,501	18,543,781	108,193,459	119,202,834
Machinery and equipment	16,024,278	18,408,920	2,599,617	2,906,152	18,623,895	21,315,072
Infrastructure	415,043,298	447,526,563	295,012,651	300,290,664	710,055,949	747,817,227
Intangible assets	668,851	538,986	1,812,488	1,311,604	2,481,339	1,850,590
Construction in progress	53,888,370	16,491,885	19,052,733	0	72,941,103	16,491,885
Total	<u>\$ 683,108,097</u>	<u>\$ 699,972,611</u>	<u>\$ 383,509,556</u>	<u>\$ 374,754,694</u>	<u>\$ 1,066,617,653</u>	<u>\$ 1,074,727,304</u>

Total net capital assets increased 1% due to a with the most significant change being a decrease in Construction in progress (CIP) of \$56.5 million or 77% for both Governmental and Business-Type Activities. Land increased \$10.9 million, or 8.0%, Buildings and systems increased \$11 million, or 10.2%, and infrastructure increased \$37.8 million or 5.3%. Some of the major capital projects and acquisitions that took place during the year include the continued development of the downtown waterfront, the annexation of public works infrastructure from Clark County, construction of the Vancouver Navigation Center, purchase of Tower Mall for future development, the purchase and development of a new enterprise resource planning software, Workday, purchase of fleet vehicles, and the installation of new parking meters. Additional information on City of Vancouver's capital assets can be found in Note 3.B of this report.

Long-Term Debt

At December 31, 2018, the City of Vancouver had total bonded debt outstanding of \$79.0 million. Of this amount, \$23.1 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 \$14.7 million represents bonds secured solely by specific revenue sources (i.e., revenue bonds). The below table is a comparison of the summary information for year-end 2017 and 2018 bonded debt. The City of Vancouver's total bonded debt decreased by \$15.9 million, the result of scheduled principal payments made throughout 2018.

City of Vancouver Outstanding Bonded Debt							
(in thousands)							
	Governmental Activities		Business-Type Activities		Total Activities		
	2017	2018	2017	2018	2017	2018	
General obligation bonds \$	67,056	\$ 59,997	\$ 8,030	\$ 7,065	\$ 75,086	\$ 67,062	
Revenue bonds	-	-	14,580	7,490	14,580	7,490	
Net Amounts for:							
Issuance premiums							
(discounts)	4,791	4,256	456	183	5,247	4,440	
Total	\$ 71,847	\$ 64,253	\$ 23,066	\$ 14,738	\$ 94,913	\$ 78,991	

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 III.E of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Revenue projections for 2019 indicate that revenues are anticipated to continue increasing over the projected time period, driven mostly by the economic stabilization. Some tempering in the rate of growth of sales tax is anticipated in 2019. The City has enjoyed several years of stability and was able to set aside funding for several high priority capital projects, such as the Waterfront Park, Navigation Center and future Tower Mall redevelopment.

The City's 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 embarked 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.

The City has had a very successful year in finding a long-term solution to the street infrastructure funding. An intensive community engagement process took place during 2015 resulting in a recommendation to Council on the desired service level in city street maintenance and a new revenue package to fund the enhancements in the service level. As the result of the process, a number of new funding sources and revenue increases was approved that would ultimately improve the City's roads from "fair" to "good" over the next 20-year period. A similar process took place in 2016 in relation to the service and 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.



Mayor Anne McEnerny-Ogle
2014-Present



Bart Hansen
2010-Present



Bill Turlay
2012-Present



Alishia Topper
2014-2018



Ty Stober
2016-Present



Linda Glover
2018-Present



Laurie Lebowsky
2018-Present

Government-Wide Financial Statements



Hoops on the River at Propstra Square

CITY OF VANCOUVER
STATEMENT OF NET POSITION
December 31, 2018

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total Primary Government	Vancouver Downtown Redevelopment Authority	Vancouver Public Facilities District
ASSETS					
Cash and cash equivalents	\$ 242,063,383	\$ 104,491,676	\$ 346,555,059	\$ 89,798	\$ 147,771
Cash with fiscal/escrow agent	-	-	-	8,475,031	-
Restricted assets					
Cash	-	8,568,840	8,568,840	-	-
Accrued interest receivable	-	24,236	24,236	-	-
Cash with fiscal/escrow agent	-	-	-	6,544,856	-
Receivables (net of allowance for uncollectible accounts)	24,928,235	10,110,164	35,038,399	1,292,426	294,142
Inventories	439,053	769,247	1,208,300	39,203	-
Capital assets held for resale	74,066	-	74,066	-	-
Prepaid Items	168,737	-	168,737	173,467	-
Internal balances	(79,159)	79,159	-	-	-
Due from other governmental units	2,000,742	352,091	2,352,833	-	353,193
Net pension asset	38,640,916	-	38,640,916	-	-
Capital assets (net of accumulated depreciation)					
Land	107,571,133	40,021,567	147,592,700	-	3,603,691
Easements	8,776,071	11,680,926	20,456,997	-	-
Buildings	100,659,053	18,543,781	119,202,834	35,068,894	-
Machinery and equipment	18,408,920	2,906,152	21,315,072	2,496,758	-
Infrastructure	447,526,563	300,290,664	747,817,227	-	-
Intangible assets	538,986	1,311,604	1,850,590	-	-
Construction work in progress	16,491,885	31,255,405	47,747,290	33,154	-
Total Assets	1,008,208,584	530,405,512	1,538,614,096	54,213,587	4,398,797
DEFERRED OUTFLOWS OF RESOURCES					
Unamortized loss on refunding	1,945,004	158,658	2,103,662	1,043,134	-
Amounts related to pension	7,166,061	2,286,487	9,452,548	-	-
Total deferred outflows of resources	9,111,065	2,445,145	11,556,210	1,043,134	-
LIABILITIES					
Accounts payable and other current liabilities	16,793,309	6,345,022	23,138,331	1,571,853	781,450
Accrued interest payable	210,866	45,628	256,494	1,240,756	-
Unearned revenue	10,531,677	156,532	10,688,209	617,787	-
Custodial accounts	261,633	108,672	370,305	-	-
Noncurrent liabilities:					
Special assessment debt with governmental commitments due within one year	15,000	-	15,000	-	-
Special assessment debt with governmental commitments due in more than one year	20,000	-	20,000	-	-
Net pension liability	15,225,400	9,411,168	24,636,568	-	-
Total OPEB Liability	44,962,717	-	44,962,717	-	-
Due within one year	17,831,474	7,066,497	24,897,971	1,822,117	-
Due in more than one year	86,444,332	10,243,338	96,687,670	63,565,323	-
Total Liabilities	192,296,408	33,376,857	225,673,265	68,817,836	781,450
DEFERRED INFLOWS OF RESOURCES					
Amounts related to pension	17,431,902	3,551,399	20,983,301	-	-
Total deferred inflows of resources	17,431,902	3,551,399	20,983,301	-	-
NET POSITION					
Net investment in capital assets	680,671,242	391,430,492	1,072,101,734	(19,261,637)	3,603,691
Restricted for:					
Capital	34,741,555	3,963,664	38,705,219	-	-
Debt service	50,502	4,633,350	4,683,852	5,304,100	-
Grants	5,121,884	-	5,121,884	-	-
Security	14,744,023	-	14,744,023	-	-
Economic	14,173,785	-	14,173,785	-	-
Parks & Recreation	36,625	-	36,625	-	-
Pension	38,640,916	-	38,640,916	-	-
Unrestricted	19,410,807	95,894,895	115,305,702	396,422	13,656
Total Net Position	\$ 807,591,339	\$ 495,922,401	\$ 1,303,513,740	\$ (13,561,115)	\$ 3,617,348

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

CITY OF VANCOUVER
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2018

Functions/Programs	Expenses	Program Revenues		
		Charges for Services, Fees, Fines and Forfeitures	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities:				
General Government	\$ 20,777,062	\$ 17,956,878	\$ 150,742	\$ 208,169
Security/ persons & property	94,439,914	13,362,533	3,007,503	186,422
Physical Environment	293,331	131,624	900	-
Transportation	45,456,332	11,208,933	5,855	14,805,697
Mental and Physical Health	3,670,072	-	-	-
Economic Environment	13,300,235	3,105,491	2,452,307	20,000
Culture and Recreation	11,347,659	4,716,081	260,249	6,295,621
Interest on Long-Term Debt	2,620,128	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	191,904,733	50,481,540	5,877,556	21,515,909
Business Type Activities:				
Water/Sewer	96,312,293	104,154,785	27,544	25,494,815
Parking	3,037,896	4,156,001	-	-
Airport	893,541	664,004	58,642	171,582
Building Inspection	5,688,006	6,168,264	-	-
Solid Waste	2,779,319	1,712,113	-	-
Tennis Center	2,604,840	690,373	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	111,315,895	117,545,540	86,186	25,666,397
Total Primary Government	\$ 303,220,628	\$ 168,027,080	\$ 5,963,742	\$ 47,182,306
COMPONENT UNITS				
Downtown Redevelopment Authority	\$ 19,875,355	\$ 18,056,956	\$ -	\$ -
Public Facilities District	1,577,556	-	8,611	-
TOTAL COMPONENT UNITS	\$ 21,452,911	\$ 18,056,956	\$ 8,611	\$ -

CITY OF VANCOUVER
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2018

	Net (Expense) Revenue and Changes in Net Position				
	Primary Government			Component Units	
	Governmental Activities	Business -type Activities	Total	Vancouver Downtown Redevelopment Authority	Vancouver Public Facilities District
PRIMARY GOVERNMENT					
Governmental Activities:					
General Government	\$ (2,461,273)	\$ -	\$ (2,461,273)	\$ -	\$ -
Security/ persons & property	(77,883,456)	-	(77,883,456)	-	-
Physical Environment	(160,807)	-	(160,807)	-	-
Transportation	(19,435,847)	-	(19,435,847)	-	-
Mental and Physical Health	(3,670,072)	-	(3,670,072)	-	-
Economic Environment	(7,722,437)	-	(7,722,437)	-	-
Culture and Recreation	(75,708)	-	(75,708)	-	-
Interest on Long-Term Debt	(2,620,128)	-	(2,620,128)	-	-
TOTAL GOVERNMENTAL ACTIVITIES	(114,029,728)	-	(114,029,728)	-	-
Business Type Activities:					
Water/Sewer	-	33,364,851	33,364,851	-	-
Parking	-	1,118,105	1,118,105	-	-
Airpark	-	687	687	-	-
Building Inspection	-	480,258	480,258	-	-
Solid Waste	-	(1,067,206)	(1,067,206)	-	-
Tennis Center	-	(1,914,467)	(1,914,467)	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	-	31,982,228	31,982,228	-	-
Total Primary Government	(114,029,728)	31,982,228	(82,047,500)	-	-
COMPONENT UNITS					
Downtown Redevelopment Authority	-	-	-	(1,818,399)	-
Public Facilities District	-	-	-	-	(1,568,945)
TOTAL COMPONENT UNITS	-	-	-	(1,818,399)	(1,568,945)
General Revenues:					
Taxes:					
Property Taxes Levied for General Purposes	\$ 54,726,879	\$ -	\$ 54,726,879	\$ -	\$ -
Sales and Use Taxes	43,910,649	-	43,910,649	2,808,892	1,568,452
Utility Taxes	46,405,408	-	46,405,408	-	-
Excise, Lodging and Other Taxes	14,757,754	-	14,757,754	-	-
Unrestricted Investment Earnings (loss)	4,371,966	2,060,437	6,432,403	202,203	605
Miscellaneous	3,899,769	686,676	4,586,445	37,221	-
Special Items:					
Gain on extinguishment of debt	-	-	-	107,813	-
Annexation	-	6,457,499	6,457,499	-	-
Extraordinary Item:					
Bankruptcy settlement	-	-	-	13,993	-
Transfers	(600,861)	600,861	-	-	-
Total General Revenues, Special Items, Extraordinary Items and Transfers	167,471,564	9,805,473	177,277,037	3,170,122	1,569,057
Change in Net Position	53,441,836	41,787,701	95,229,537	1,351,723	112
Net Position - Beginning (restated)	790,730,951	454,134,700	1,244,865,651	(14,124,243)	3,617,236
Prior period adjustments	-	-	-	(788,595)	-
Change in accounting principles	(36,581,448)	-	(36,581,448)	-	-
Net Position - Ending	\$ 807,591,339	\$ 495,922,401	\$ 1,303,513,740	\$ (13,561,115)	\$ 3,617,348

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



Stroll along the waterfront

Fund Financial Statements

General Fund

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.

Street Fund

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 General Fund, state shared gasoline tax, an excise tax of ¼ of 1% of property value of transferred property, fines and fees.

Capital Improvement Fund

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, and contributions from the general fund.

Parks Impact Fees Funds

The Transportation/Parks Impact Fees funds were established in 1995 to account for the accumulation and disposition of impact fees assessed against new development under the Growth Management Act of 1990. Each is shown in separate legal funds.

Water/Sewer Fund

Water/Sewer Fund 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, 2018

	Major Funds				
	General Fund	Consolidated Fire Fund	Street Fund	Capital Improvement Fund	Parks Impact Fees
ASSETS					
Cash and cash equivalents	\$ 76,183,547	\$ 15,021,656	\$ 13,448,306	\$ 28,608,028	\$ 14,020,978
Receivables (net)					
Taxes/assessments	12,439,154	-	941,167	-	-
Accounts	1,472,829	210,577	147,700	576,171	-
Interest	217,934	42,752	38,201	81,033	39,793
Notes	-	-	-	-	-
Due from other funds	170,476	97,629	30,016	-	8,000
Due from other governmental units	240,134	150,403	-	122,024	-
Capital assets held for resale	-	-	-	74,066	-
Prepaid items	60,500	-	-	-	-
TOTAL ASSETS	\$ 90,784,574	\$ 15,523,017	\$ 14,605,390	\$ 29,461,322	\$ 14,068,771
DEFERRED OUTFLOWS OF RESOURCES					
Total deferred outflows of resources	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF	\$ 90,784,574	\$ 15,523,017	\$ 14,605,390	\$ 29,461,322	\$ 14,068,771
LIABILITIES					
Accounts payable	\$ 6,212,074	\$ 231,928	\$ 562,325	\$ 849,116	\$ -
Due to other funds	96,967	-	75,172	-	3,501,229
Due to other governmental units	445	-	-	-	-
Accrued interest payable	488	-	-	-	-
Accrued liabilities	3,265,872	1,363,713	222,923	-	-
Revenues collected in advance	424,578	122,219	-	8,818,832	-
Custodial accounts	234,385	75	2,263	-	-
Unearned revenue	-	8,750	75,103	122,024	-
Total liabilities	10,234,809	1,726,685	937,786	9,789,972	3,501,229
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	668,061	-	-	-	-
Unavailable revenue-special assessments	-	-	-	-	-
Unavailable revenue-grants and other	109,131	126,094	-	74,066	-
Total deferred inflows of resources	777,192	126,094	-	74,066	-
FUND BALANCES					
Nonspendable	500	-	-	-	-
Restricted	13,144,875	-	-	-	10,240,239
Committed	17,085,753	12,759,863	587,241	865,206	-
Assigned	2,491,592	910,375	13,080,363	18,732,078	327,303
Unassigned	47,049,853	-	-	-	-
Total fund balances	79,772,573	13,670,238	13,667,604	19,597,284	10,567,542
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$90,784,574	\$15,523,017	\$14,605,390	\$29,461,322	\$14,068,771

CITY OF VANCOUVER
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2018

	Non-Major Governmental Funds	Total Governmental Funds
ASSETS		
Cash and cash equivalents	\$ 45,666,668	\$ 192,949,183
Receivables (net)		
Taxes/assessments	1,208,944	14,589,265
Accounts	1,438,832	3,846,109
Interest	129,886	549,599
Notes	4,955,929	4,955,929
Due from other funds	3,585,697	3,891,818
Due from other governmental units	1,488,181	2,000,742
Capital assets held for resale	-	74,066
Prepaid items	8,237	68,737
TOTAL ASSETS	\$ 58,482,374	\$ 222,925,448
DEFERRED OUTFLOWS OF RESOURCES		
Total deferred outflows of resources	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF	\$ 58,482,374	\$ 222,925,448
LIABILITIES		
Accounts payable	\$ 1,871,821	\$ 9,727,264
Due to other funds	171,104	3,844,472
Due to other governmental units	260,000	260,445
Accrued interest payable	-	488
Accrued liabilities	75,396	4,927,904
Revenues collected in advance	2,324	9,367,953
Custodial accounts	22,894	259,617
Unearned revenue	956,454	1,162,331
Total liabilities	3,359,993	29,550,474
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue-property taxes	66,557	734,618
Unavailable revenue-special assessments	60,593	60,593
Unavailable revenue-grants and other	190,257	499,548
Total deferred inflows of resources	317,407	1,294,759
FUND BALANCES		
Nonspendable	-	500
Restricted	47,426,621	70,811,735
Committed	762,365	32,060,428
Assigned	6,615,988	42,157,699
Unassigned	-	47,049,853
Total fund balances	54,804,974	192,080,215
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$58,482,374	\$222,925,448



Native American Indian Heritage Festival

CITY OF VANCOUVER**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE
GOVERNMENT WIDE STATEMENT OF NET POSITION**

December 31, 2018

Fund Balance - Total Governmental Funds **\$ 192,080,215**

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds 680,682,374

Long-term liabilities that are not due and payable in the current period and are not reported in the funds

Bonds Payable	(59,996,500)
Plus: Issuance (Premium)/Discount (to be amortized as interest income)	(4,256,300)
Special assessment debt	(35,000)
Accrued interest payable	(210,378)
Government loans	(3,945,209)
Compensated absences for non-Internal Service Funds	(8,467,314)
Impact fee credits	(18,711,831)
Net OPEB obligation	(44,962,717)
Net Pension Liability Mulit-Employer Plan	(10,889,364)

Other long-term assets are not available to pay for current-period expenditures and, therefore are deferred in the funds, or other long-term assets of the City

Deferred amounts eliminated for government-wide	1,294,759
Net Pension Assets Multi-Employer Plan	33,795,903
Net pension Asset - Single Employer Plan	4,845,013

Deferred outflows/(inflows) required to be recognized on government-wide

Deferred outflows - unamortized loss on refunding (to be amortized as interest expense)	1,945,004
Deferred outflows - related to pensions	6,112,601
Deferred inflows - related to pensions	(15,795,655)

Internal service funds are used to charge the costs of services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position

54,105,738

Total net position of governmental activities **\$ 807,591,339**

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

For the Year ended December 31, 2018

	Major Funds				
	General Fund	Consolidated Fire Fund	Street Fund	Capital Improvement Fund	Parks Impact Fees
REVENUES					
Property taxes	\$ 48,695,067	\$ 175	\$ 204	\$ -	\$ -
Sales and use taxes	43,910,649	-	-	-	-
Other taxes	47,202,269	-	3,856,969	-	-
License and permits	2,152,374	759,105	1,422,705	-	-
Intergovernmental	5,429,744	319,922	4,207,471	-	-
Charges for services	13,304,550	10,001,951	647,339	181,168	1,967,122
Fines and penalties	1,365,133	68,875	-	-	-
Investment earnings	1,571,396	271,282	239,029	269,836	228,131
Rents and royalties	3,989,002	54,481	431,888	865,206	-
Contributions/donations	275,427	16,000	-	49,279	-
Miscellaneous	3,158,419	4	-	9,600	-
Total revenues	<u>171,054,030</u>	<u>11,491,795</u>	<u>10,805,605</u>	<u>1,375,089</u>	<u>2,195,253</u>
EXPENDITURES					
Current					
General government	21,548,890	-	-	370,580	-
Security/persons & property	54,919,237	41,410,308	-	379,598	-
Physical environment	283,357	-	-	-	-
Transportation	1,042	-	15,805,333	-	-
Economic environment	6,860,034	-	-	-	-
Mental and physical health	3,670,072	-	-	-	-
Culture and recreation	10,073,328	-	-	-	-
Capital outlay	5,355,087	1,048,257	8,777,750	2,797,849	-
Debt service					
Principal retirement	-	-	-	-	-
Interest/fiscal charges	-	-	-	-	-
Total expenditures	<u>102,711,047</u>	<u>42,458,565</u>	<u>24,583,083</u>	<u>3,548,027</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	68,342,983	(30,966,770)	(13,777,478)	(2,172,938)	2,195,253
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	28,857	10,000	3,202	-	-
Transfers in	2,734,212	30,892,630	15,927,958	12,340,243	-
Transfers out	(65,329,424)	(599,328)	(1,174,940)	(108,313)	(3,575,617)
Total other financing sources and uses	<u>(62,566,355)</u>	<u>30,303,302</u>	<u>14,756,220</u>	<u>12,231,930</u>	<u>(3,575,617)</u>
Net change in fund balances	5,776,628	(663,468)	978,742	10,058,992	(1,380,364)
FUND BALANCES - BEGINNING (RESTATED)	<u>73,995,945</u>	<u>14,333,706</u>	<u>12,688,862</u>	<u>9,538,292</u>	<u>11,947,906</u>
FUND BALANCES - ENDING	<u>\$ 79,772,573</u>	<u>\$ 13,670,238</u>	<u>\$ 13,667,604</u>	<u>\$ 19,597,284</u>	<u>\$ 10,567,542</u>

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

For the Year ended December 31, 2018

	Non-Major Governmental Funds	Total Governmental Funds
REVENUES		
Property taxes	\$ 5,972,861	\$ 54,668,307
Sales and use taxes	-	43,910,649
Other taxes	10,130,765	61,190,003
License and permits	2,575,330	6,909,514
Intergovernmental	5,558,027	15,515,164
Charges for services	2,397,925	28,500,055
Fines and penalties	52,815	1,486,823
Investment earnings	843,627	3,423,301
Rents and royalties	364,715	5,705,292
Contributions/donations	3,647,285	3,987,991
Miscellaneous	731,746	3,899,769
Total revenues	<u>32,275,096</u>	<u>229,196,868</u>
EXPENDITURES		
Current		
General government	1,137,264	23,056,734
Security/persons & property	257,295	96,966,438
Physical environment	3,748	287,105
Transportation	2,280,115	18,086,490
Economic environment	7,037,511	13,897,545
Mental and physical health	-	3,670,072
Culture and recreation	968,095	11,041,423
Capital outlay	14,473,444	32,452,387
Debt service		
Principal retirement	7,436,007	7,436,007
Interest/fiscal charges	2,845,330	2,845,330
Total expenditures	<u>36,438,809</u>	<u>209,739,531</u>
Excess (deficiency) of revenues over (under) expenditures	(4,163,713)	19,457,337
OTHER FINANCING SOURCES (USES)		
Sale of capital assets	80,850	122,909
Transfers in	21,524,553	83,419,596
Transfers out	(13,751,950)	(84,539,572)
Total other financing sources and uses	<u>7,853,453</u>	<u>(997,067)</u>
Net change in fund balances	3,689,740	18,460,270
FUND BALANCES - BEGINNING (RESTATED)	<u>51,115,234</u>	<u>173,619,945</u>
FUND BALANCES - ENDING	<u>\$ 54,804,974</u>	<u>\$ 192,080,215</u>

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, 2018

Net Change in fund balances - total governmental funds	\$ 18,460,270
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Outlay	\$ 21,213,097	
Depreciation Expense	(24,142,939)	(2,929,842)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) not reported in governmental funds.	12,278,425
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Earned taxes	58,572	
Earned special assessments	(26,841)	
Earned revenue considered available at fund level	(540,261)	
Contributions related to impact fee credits	451,482	
Contributions related to pension	1,630,705	1,573,657

Long-term liabilities, including the issuance of bonds, provides current financial resources to governmental funds, while the repayment of the principal of long-term debt/ loans consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts are the result of the differences in the treatment of long-term debt and related items.

General obligation debt payments	7,059,536	
Governmental loan payments	336,471	
Special assessment debt payments	40,000	
Other governmental loan related to 2017 Annexation	64,143	7,500,150

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Compensated absences	(456,735)	
OPEB Cost	3,189,548	
Pension - single employer plan	1,919,007	
Pension Cost - multiple employer plan	5,854,976	
Accrued Interest	26,733	
Amortization of deferred amount on refunding	(336,156)	
Amortization of discounts/premiums	534,625	10,731,998

Internal service funds are used by management to charge the costs of equipment, insurance and printing to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.

5,827,178

Changes in Net Position of Governmental Activities	\$ 53,441,836
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Reconciling prior period adjustment and change in accounting principles

GASB 75 change in accounting principle	(36,581,448)
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Change in calculation of the police and fire pension and OPEB funds and reclassification to governmental funds from fiduciary. OPEB is not reported on the fund-level statements.

CITY OF VANCOUVER
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
COMPARED TO BUDGET (GAAP BASIS) AND ACTUAL
For the Year ended December 31, 2018

	Budget Amounts		Actual Biennium To- Date Thru 12/31/18	Variance Thru 12/31/18
	Original 2017-18 Biennium	Final 2017-18 Biennium		
REVENUES				
Property tax	\$ 92,729,863	\$ 94,531,560	\$ 94,623,384	\$ (91,824)
Sales and use taxes	68,076,111	76,019,315	84,268,122	(8,248,807)
Other taxes	80,069,244	91,853,338	92,153,028	(299,690)
License and permits	2,373,318	3,925,568	4,003,926	(78,358)
Intergovernmental	7,738,071	9,955,286	9,930,381	24,905
Charges for services	22,004,966	24,348,620	23,906,753	441,867
Fines and forfeitures	3,146,800	3,187,767	2,586,179	601,588
Investment earnings	943,997	943,997	2,098,235	(1,154,238)
Rents and royalties	4,916,962	4,294,462	7,248,250	(2,953,788)
Contributions/donations	101,664	413,027	554,058	(141,031)
Miscellaneous	30,141	30,141	473,246	(443,105)
Total revenues	<u>282,131,137</u>	<u>309,503,081</u>	<u>321,845,562</u>	<u>(12,342,481)</u>
EXPENDITURES				
Current:				
General government	44,410,696	44,831,047	41,710,486	3,120,561
Security/persons & property	98,813,888	105,354,181	101,672,909	3,681,272
Physical environment	316,923	885,748	820,780	64,968
Transportation	-	3,600	1,042	2,558
Economic environment	10,887,562	14,380,459	12,516,268	1,864,191
Mental and physical health	9,503,304	7,732,915	7,526,126	206,789
Culture and recreation	19,457,810	19,724,625	19,378,056	346,569
Capital outlay	308,500	11,766,711	11,484,100	282,611
Total expenditures	<u>183,698,683</u>	<u>204,679,286</u>	<u>195,109,767</u>	<u>9,569,519</u>
Excess (deficiency) of revenues over expenditures	98,432,454	104,823,795	126,735,795	(21,912,000)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	29,398	(29,398)
Transfers in	1,617,514	5,304,917	3,748,092	1,556,825
Transfers out	(103,026,812)	(123,624,116)	(123,586,674)	(37,442)
Total other financing sources (uses)	<u>(101,409,298)</u>	<u>(118,319,199)</u>	<u>(119,809,184)</u>	<u>1,489,985</u>
Net change in fund balance	(2,976,844)	(13,495,404)	6,926,611	(20,422,015)
FUND BALANCES - BEGINNING RESTATED	<u>70,988,696</u>	<u>70,988,696</u>	<u>70,988,696</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 68,011,852</u>	<u>\$ 57,493,292</u>	<u>\$ 77,915,307</u>	<u>\$ (20,422,015)</u>
Adjustment to generally accepted accounting principles (GAAP) basis:				
Riverwest RDA Fund budgeted as separate fund			14	
School District Impact Fees budgeted as separate fund			(1,998)	
SW Washington Regional SWAT Team budgeted as separate fund			(10,521)	
Police Pension Trust Fund			400,144	
Fire Pension Trust Fund			1,469,627	
Fund Balance GAAP basis:			<u>\$ 79,772,573</u>	

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, 2018

	Budget Amounts		Actual Biennium To- Date Thru 12/31/18	Variance Thru 12/31/18
	Original 2017-18 Biennium	Final 2017-18 Biennium		
REVENUES				
Property taxes	\$ -	\$ -	\$ 369,927	\$ (369,927)
License and permits	1,554,636	1,554,636	1,417,478	137,158
Intergovernmental	-	782,332	676,612	105,720
Charges for services	22,988,399	21,844,166	21,034,155	810,011
Fines and forfeitures	32,000	32,000	111,539	(79,539)
Investment earnings	162,000	162,000	414,910	(252,910)
Rents and royalties	223,768	231,131	112,136	118,995
Contributions/donations	-	71,960	87,960	(16,000)
Miscellaneous	-	-	42,310	(42,310)
Total revenues	<u>24,960,803</u>	<u>24,678,225</u>	<u>24,267,027</u>	<u>411,198</u>
EXPENDITURES				
Current				
Security/persons & property	76,371,577	82,539,467	81,625,741	913,726
Capital outlay	1,905,034	3,957,933	2,612,133	1,345,800
Total expenditures	<u>78,276,611</u>	<u>86,497,400</u>	<u>84,237,874</u>	<u>2,259,526</u>
Excess (deficiency) of revenues over (under) expenditures	(53,315,808)	(61,819,175)	(59,970,847)	(1,848,328)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	62,815	(62,815)
Transfers in	56,434,425	59,937,369	60,028,547	(91,178)
Transfers out	(1,688,357)	(1,666,857)	(1,503,465)	(163,392)
Total other financing sources and uses	<u>54,746,068</u>	<u>58,270,512</u>	<u>58,587,897</u>	<u>(317,385)</u>
Net change in fund balances	1,430,260	(3,548,663)	(1,382,950)	(2,165,713)
FUND BALANCES - BEGINNING	<u>15,053,188</u>	<u>15,053,188</u>	<u>15,053,188</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 16,483,448</u>	<u>\$ 11,504,525</u>	<u>\$ 13,670,238</u>	<u>\$ (2,165,713)</u>

CITY OF VANCOUVER**STREET FUND****STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES****COMPARED TO BUDGET (GAAP BASIS) AND ACTUAL**

For the Year ended December 31, 2018

	Budget Amounts		Actual	Variance
	Original 2017-18 Biennium	Final 2017-18 Biennium	Biennium To- Date Thru 12/31/18	
REVENUES				
Property tax	\$ -	\$ 462,849	\$ 452,123	\$ 10,726
Other taxes	4,683,131	6,273,131	7,619,582	(1,346,451)
License and permits	2,220,000	2,220,000	2,229,024	(9,024)
Intergovernmental	7,917,354	8,052,839	8,229,144	(176,305)
Charges for services	1,119,083	1,119,083	1,334,919	(215,836)
Investment earnings	69,000	69,000	338,390	(269,390)
Rents and royalties	336,012	336,012	822,907	(486,895)
Miscellaneous	13,720	13,720	30	13,690
Total revenues	<u>16,358,300</u>	<u>18,546,634</u>	<u>21,026,119</u>	<u>(2,479,485)</u>
EXPENDITURES				
Current:				
Transportation	27,585,436	31,688,920	30,456,418	1,232,502
Capital outlay	17,179,054	17,686,994	16,837,917	849,077
Total expenditures	<u>44,764,490</u>	<u>49,375,914</u>	<u>47,294,335</u>	<u>2,081,579</u>
Excess (deficiency) of revenues over expenditures	(28,406,190)	(30,829,280)	(26,268,216)	(4,561,064)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	16,974	(16,974)
Transfers in	29,145,397	30,036,224	30,807,313	(771,089)
Transfers out	(1,420,076)	(2,223,001)	(2,205,595)	(17,406)
Total other financing sources (uses)	<u>27,725,321</u>	<u>27,813,223</u>	<u>28,618,692</u>	<u>(805,469)</u>
Net change in fund balance	(680,869)	(3,016,057)	2,350,476	(5,366,533)
FUND BALANCES - BEGINNING	<u>11,317,128</u>	<u>11,317,128</u>	<u>11,317,128</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 10,636,259</u>	<u>\$ 8,301,071</u>	<u>\$ 13,667,604</u>	<u>\$ (5,366,533)</u>

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

CITY OF VANCOUVER
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2018

	Business-Type Activities - Enterprise Funds				(Governmental Activities)
	Major Fund			Total	Internal Service Funds
	Water/Sewer	Parking Services	Non-Major Enterprise Funds		
ASSETS					
Current assets					
Cash and cash equivalents	\$ 90,930,108	\$ 2,797,775	\$ 10,763,793	\$ 104,491,676	\$ 49,114,200
Restricted cash, cash equivalents and investments:					
Cash and cash equivalents	8,568,840	-	-	8,568,840	-
Accrued interest receivable	24,236	-	-	24,236	-
Receivables (net)					
Accounts	5,234,233	610,730	190,202	6,035,165	847,964
Interest	258,099	7,945	30,542	296,586	139,369
Other	-	4,446	-	4,446	-
Due from other funds	112,483	-	4,811	117,294	507,244
Due from other governmental units	146,956	-	205,135	352,091	-
Inventory	769,247	-	-	769,247	439,053
Prepaid expenses	-	-	-	-	100,000
Total current assets	106,044,202	3,420,896	11,194,483	120,659,581	51,147,830
Noncurrent assets					
Contracts receivable	3,773,967	-	-	3,773,967	-
Capital assets					
Land and improvements	39,068,709	468,657	484,202	40,021,568	-
Intangible - Easements	11,680,926	-	-	11,680,926	-
Construction in progress	31,255,405	-	-	31,255,405	9,637,983
Other improvements	569,289,416	49,165	2,677,135	572,015,716	-
Buildings	7,867,941	16,984,573	9,209,836	34,062,350	-
Intangible assets	9,930,732	128,712	1,837,338	11,896,782	70,736
Machinery and equipment	24,813,548	2,053,216	324,322	27,191,086	34,046,892
Accumulated depreciation	(306,102,241)	(7,818,941)	(8,192,550)	(322,113,732)	(24,465,374)
Capital assets (net)	387,804,436	11,865,382	6,340,283	406,010,101	19,290,237
Total noncurrent assets	391,578,403	11,865,382	6,340,283	409,784,068	19,290,237
TOTAL ASSETS	497,622,605	15,286,278	17,534,766	530,443,649	70,438,067
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	254,671	(96,013)	-	158,658	-
Amounts related to pension	1,831,584	71,827	383,076	2,286,487	1,053,460
Total deferred outflows of resources	2,086,255	(24,186)	383,076	2,445,145	1,053,460

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

CITY OF VANCOUVER
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2018

	Business-Type Activities - Enterprise Funds				(Governmental Activities)
	Major Fund				
	Water/Sewer	Parking Services	Non-Major Enterprise Funds	Total	Internal Service Funds
LIABILITIES					
Current liabilities					
Accounts payable	4,733,927	82,319	408,938	5,225,184	1,387,975
Claims and judgments payable	-	-	-	-	2,150,375
Due to other funds	29,700	-	8,437	38,137	633,749
Accrued interest payable	31,208	14,420	-	45,628	-
Accrued liabilities	2,841,240	84,176	508,833	3,434,249	1,490,207
Custodial accounts	9,480	20,768	78,424	108,672	2,016
Unearned revenues	10,217	10,895	135,420	156,532	1,393
Bonds, notes and loans payable	3,807,086	945,000	-	4,752,086	-
Total current liabilities	11,462,858	1,157,578	1,140,052	13,760,488	5,665,715
Noncurrent liabilities					
Bonds, notes and loan payable	3,866,181	6,120,000	-	9,986,181	-
Claims and judgments	-	-	-	-	5,636,625
Accrued employee benefits	215,294	5,408	36,455	257,157	111,166
Net pension liability	7,538,789	295,639	1,576,740	9,411,168	4,336,036
Total noncurrent liabilities	11,620,264	6,421,047	1,613,195	19,654,506	10,083,827
Total liabilities	23,083,122	7,578,625	2,753,247	33,414,994	15,749,542
DEFERRED INFLOWS OF RESOURCES					
Amounts related to pension	2,844,838	111,562	594,999	3,551,399	1,636,247
Total deferred inflows of resources	2,844,838	111,562	594,999	3,551,399	1,636,247
NET POSITION					
Net investment in capital assets	380,385,840	4,704,369	6,340,283	391,430,492	19,290,237
Restricted for capital purposes	3,963,664	-	-	3,963,664	300,000
Restricted for debt	4,633,350	-	-	4,633,350	-
Unrestricted	84,798,046	2,867,536	8,229,313	95,894,895	34,515,501
TOTAL NET POSITION	\$ 473,780,900	\$ 7,571,905	\$ 14,569,596	\$ 495,922,401	\$ 54,105,738

The notes to the financial statements 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, 2018

	Business-Type Activities - Enterprise Funds				(Governmental Activities)
	Major Fund				Internal Service Funds
	Water/Sewer	Parking Services	Non-Major Enterprise Funds	Total	
OPERATING REVENUES					
Charges for services	\$ 102,531,026	\$ 6,591	\$ 8,473,926	\$ 111,011,543	\$ 46,385,181
Fines and penalties	776,626	916,264	11,400	1,704,290	-
Rents and royalties	763,141	3,145,366	748,395	4,656,902	5,853,395
Miscellaneous	83,992	87,780	1,033	172,805	3,670
Total operating revenues	104,154,785	4,156,001	9,234,754	117,545,540	52,242,246
OPERATING EXPENSES					
Personnel services	20,789,704	868,993	4,213,976	25,872,673	12,142,328
Supplies and contractual services	20,451,463	634,184	4,575,575	25,661,222	32,576,320
Interfund services	12,716,146	657,097	2,029,501	15,402,744	2,304,496
Intergovernmental payments	28,081,609	41,043	15,842	28,138,494	197,319
Depreciation	13,261,505	577,972	541,536	14,381,013	2,386,118
Total operating expenses	95,300,427	2,779,289	11,376,430	109,456,146	49,606,581
Operating income (loss)	8,854,358	1,376,712	(2,141,676)	8,089,394	2,635,665
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	1,811,087	55,620	193,730	2,060,437	948,665
State and federal grants	208,738	-	230,224	438,962	-
Interest and fiscal charges	(567,481)	(258,607)	(1,879)	(827,967)	-
Gain (Loss) on disposal of capital assets	(444,385)	-	(587,397)	(1,031,782)	171,450
Miscellaneous revenue (expense)	195,981	-	490,695	686,676	(3,794)
Total nonoperating revenues (expenses)	1,203,940	(202,987)	325,373	1,326,326	1,116,321
Income (loss) before contributions and transfers	10,058,298	1,173,725	(1,816,303)	9,415,720	3,751,986
Capital contributions	25,313,621	-	-	25,313,621	1,556,077
Transfers in	4,933	-	946,854	951,787	957,807
Transfers out	(159,192)	-	(191,734)	(350,926)	(438,692)
Change in net position	35,217,660	1,173,725	(1,061,183)	35,330,202	5,827,178
Special item - Annexation	6,457,499	-	-	6,457,499	-
Change in net position	41,675,159	1,173,725	(1,061,183)	41,787,701	5,827,178
TOTAL NET POSITION - BEGINNING	432,105,741	6,398,180	15,630,779	454,134,700	48,278,560
TOTAL NET POSITION - ENDING	\$ 473,780,900	\$ 7,571,905	\$ 14,569,596	\$ 495,922,401	\$ 54,105,738

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, 2018

Page 1 of 2

	Business-Type Activities - Enterprise Funds				(Governmental Activities) Internal Service Funds
	Major Fund		Non-Major Enterprise Funds	Total	
	Water/Sewer	Parking Services			
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 104,105,200	\$ 4,027,970	\$ 9,385,507	\$ 117,518,677	\$ 52,179,571
Cash received from other operating activities	83,992	87,780	1,033	172,805	3,670
Cash payments for goods and services	(47,415,379)	(651,678)	(4,387,315)	(52,454,372)	(31,948,136)
Internal activity - between funds	(12,935,061)	(662,729)	(2,083,172)	(15,680,962)	(1,947,449)
Cash payments to employees	(21,762,891)	(888,885)	(4,565,591)	(27,217,367)	(12,732,551)
Net cash provided by operating activities	22,075,861	1,912,458	(1,649,538)	22,338,781	5,555,105
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Receipt of grant funds	208,738	-	108,413	317,151	-
Unrestricted funds received	195,981	-	490,695	686,676	-
Payments to other governments	-	-	-	-	(3,794)
Contracts receivable	(323,923)	-	-	(323,923)	-
Transfers from other funds	4,933	-	946,854	951,787	957,807
Transfers to other funds	(159,192)	-	(191,734)	(350,926)	(438,692)
Net cash provided by noncapital financing activities	(73,463)	-	1,354,228	1,604,688	515,321
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal paid on capital debt	(7,090,000)	(900,000)	(65,464)	(8,055,464)	-
Interest paid on capital debt	(563,712)	(218,723)	(3,600)	(786,035)	-
Purchase of capital assets	(13,546,677)	(743,953)	(43,658)	(14,334,288)	(9,858,050)
Proceeds from sale of capital assets	(444,385)	-	-	(444,385)	171,450
Capital contributions	6,356,245	-	-	6,356,245	1,556,077
Net cash used by capital and related financing activities	(15,288,529)	(1,862,676)	(112,722)	(17,263,927)	(8,130,523)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment earnings (losses)	1,694,762	52,590	183,203	1,930,555	900,874
Net cash provided by investing activities	1,694,762	52,590	183,203	1,930,555	900,874
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS					
	8,408,631	102,372	(224,829)	8,286,174	(1,159,223)
CASH AND CASH EQUIVALENTS - BEGINNING					
	91,090,317	2,695,403	10,988,622	104,774,342	50,273,423
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 99,498,948</u>	<u>\$ 2,797,775</u>	<u>\$ 10,763,793</u>	<u>\$ 113,060,516</u>	<u>\$ 49,114,200</u>
Cash and cash equivalents	\$ 90,930,108	\$ 2,797,775	\$ 10,763,793	\$ 104,491,676	\$ 49,114,200
Restricted cash and cash equivalents	8,568,840	-	-	8,568,840	-
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 99,498,948</u>	<u>\$ 2,797,775</u>	<u>\$ 10,763,793</u>	<u>\$ 113,060,516</u>	<u>\$ 49,114,200</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, 2018

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)	\$ 8,854,358	\$ 1,376,712	\$ (2,141,676)	\$ 8,089,394	\$ 2,635,665
Adjustments to reconcile net operating income (loss) to net cash provided by operations:					
Depreciation expense	13,261,505	577,972	541,536	14,381,013	2,386,118
Decrease (increase) in receivables	34,407	(40,251)	151,786	145,942	(59,005)
Decrease (increase) in deposits	(252,548)	17,449	1,188	(233,911)	-
Decrease (increase) in inventories	46,099	-	-	46,099	168,258
Decrease (increase) in prepaid assets	-	-	-	-	-
Increase (decrease) in current payables	1,324,142	9,663	202,914	1,536,719	(330,755)
Increase (decrease) in accrued liabilities	178,693	11,406	12,288	202,387	(13,879)
Decrease (increase) in receivable from other funds	1,884	-	(2,075)	(191)	(272,949)
Decrease (increase) in receivable from other government	-	-	-	-	37,000
Increase (decrease) in payables due to other funds	(220,799)	(5,632)	(51,596)	(278,027)	629,996
Increase (decrease) in payable to other government	-	(3,563)	-	(3,562)	-
Increase (decrease) in claims and judgments payable	-	-	-	-	951,000
Increase (decrease) in pension liability	(1,151,880)	-	(363,903)	(1,547,081)	(576,344)
Total adjustments	13,221,503	535,746	492,138	14,249,387	2,919,440
Net cash provided by operating activities	\$ 22,075,861	\$ 1,912,458	\$ (1,649,538)	\$ 22,338,781	\$ 5,555,105
Noncash investing, financing and capital activities					
Capital assets donated	\$ 5,346,773	\$ -	\$ -	\$ 5,346,773	\$ -
Net change in fair value of investments	\$ 166,844	\$ 4,695	\$ 18,049	\$ 189,587	\$ 82,360
Capital assets financed with accounts payable	\$ 1,919,107	\$ -	\$ -	\$ 1,919,107	\$ -

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

CITY OF VANCOUVER
STATEMENT OF FIDUCIARY NET POSITION
December 31, 2018

	Agency Funds
ASSETS	
Cash and cash equivalents	\$ 1,220,386
Receivables:	
Accounts	189,120
Interest	3,461
Due from other governmental units	445
TOTAL ASSETS	<u>1,413,412</u>
LIABILITIES	
Accounts and accrued employee payables	2,860
Due to other governmental units	1,410,552
TOTAL LIABILITIES	<u>1,413,412</u>
NET POSITION	<u>\$ -</u>

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



Enjoying a concert in the park

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) conform to generally accepted accounting principles as applied to City governments. The following is a summary of the more significant policies:

1.A. REPORTING ENTITY

The City of Vancouver was incorporated January 23, 1857. The City operates under a Council-Manager form of government and provides services per its charter adopted February 10, 1952, as last amended November 3, 2015.

The Comprehensive Annual Financial Report of the City of Vancouver includes the primary government and its component units, entities for which the City is considered to be financially accountable. The discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the primary government.

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.

On February 27, 2006, the Vancouver City Council passed Ordinance M-3739 creating the City Center Redevelopment Authority (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. The CCRA is an independent legal entity, and is a discretely presented component unit of the City. However, since it has no employees, is overseen by a board of volunteers and only provides advisory services, it does not have any reportable assets or operational activity.

Blended Component Unit

On November 2, 2015, the Vancouver City Council passed Ordinance M-4139 creating the Vancouver Transportation Benefit District (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 TBD is presented as a blended component unit of the City and reported as a special revenue 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, or electronically by contacting Monie Holmes, Sr. Accountant at monie.holmes@cityofvancouver.us.

1.B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-wide financial statements (i.e., the 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. For the most part, the effect of interfund activity has been removed from these statements. *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.

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. Certain indirect costs are included in the program expense reported for individual functions and activities. 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.

CITY OF VANCOUVER NOTES TO THE BASIC FINANCIAL STATEMENTS

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.

Fund financial statements are separate financial statements provided for governmental funds, proprietary 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.

The City reports the following major governmental funds:

The *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 composition of the General Fund changed for 2018. Note: the reclassification of three funds during 2018 is reflected in the restated beginning balance of the General Fund. The fire and police pension and OPEB funds were reclassified from fiduciary funds to governmental funds and roll into the General Fund. Additionally, Facilities Asset Management was removed from the General Fund roll-up and reclassified with the Capital Improvement 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 *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, an excise tax of ¼ of 1% of property value of transferred property, fines and fees.

The *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 *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 *Water/Sewer Fund* accounts for the activities of the City's utility. 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 agency 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.

1.C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. Basis relates to the timing of the measurements made, regardless of the measurement focus applied.

CITY OF VANCOUVER

NOTES TO THE BASIC FINANCIAL STATEMENTS

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 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.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 enterprise fund, of the non-major enterprise funds, and of the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service 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.

1.D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

1. Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash resources of individual funds are invested directly into government securities with interest accruing for the benefit of the specific fund. This policy covers all funds operated by the City. Cash resources required for immediate reasons (within the next month) are invested to the extent possible in short-term investments such as money market/Washington State Local Government Investment Pool (LGIP) accounts with interest accruing to the benefit of each individual fund based on the monthly average cash balance of each fund.

Statutes authorize the City to invest in obligations of the U.S. Treasury, U.S. Agencies, and instrumentalities, banker's acceptances, repurchase agreements, and the state treasurer's investment pool. The City is also authorized to enter into reverse repurchase agreements, but did not participate in these investments during 2018. The Pension Trust Fund, which is reported as part of the General Fund, is also authorized to invest in corporate bonds rated "A" or better by Standard & Poor's Corporation, or "A" or better by Moody's Bond Ratings. Since the City maintains an internal investment pool, regulatory oversight is performed by the CFO, the Treasurer, and the Treasury accountant. Since the City is a governmental unit, at this point, no other type of regulatory oversight is required.

For the most part, investments for the City, as well as for its component units, are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the State pool is the same as the amortized value of the pool shares. As of December 31, 2018, the City had \$58.6 million in the Washington State local investment pool and \$522 thousand in the Clark County Local Government Investment Pool. The reported value of the County pool is the same as the fair value of the pool. Funds held by the City in both pools were classified as cash equivalents. Interest on these investments is prorated to the various funds.

For purposes of the statement of cash flows, the City considers the assets within the state and local government investment pools and all highly liquid investments with a maturity of three months or less to be cash equivalents.

CITY OF VANCOUVER

NOTES TO THE BASIC FINANCIAL STATEMENTS

2. Amounts Due to and from Other Funds and Governments, Interfund Loans and Advances

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "Interfund loan payable" (for the current portion of interfund loans) or "advances to/from other funds" (for the non-current portion of interfund loans). 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 receivable and payables is furnished in Note 3.C.

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.

All trade accounts receivable are shown net of an allowance for uncollectible accounts.

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 become 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.

Taxes are due in two equal installments on April 30 and October 31. The Clark County Treasurer remits collections monthly to the appropriate district. Property taxes are recorded as a receivable and revenue in the period for which they are levied. Property taxes collected in advance of the fiscal year to which they apply are recorded as deferred inflows and recognized as revenue of the period to which they apply. No allowance for uncollectible taxes receivable is established because delinquent taxes are considered fully collectible and in the event of nonpayment, create a lien against the associated property. Prior year tax levies were recorded using the same principle as discussed previously, and delinquent taxes are evaluated annually. Taxes receivable also contains related interest and penalties. See Note 4.E for more discussion.

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, related interest, and penalties. Deferred inflow for special assessments consists of unbilled special assessments that are liens against the property benefited.

Customer accounts receivable consists 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 consists of amounts owed on open account from private individuals or organizations for goods and services rendered.

The City receives federal grant funding from the Department of Housing and Urban Development (HUD). The City utilizes these grant funds in part to operate a loans program in support of low income residents within the City of Vancouver. Loans and respective loan agreements are established with both low income individuals and sub-recipient agencies. The loans receivables balance is \$5,242,678 at December 31, 2018. The majority of these loans are issued with deferred repayment conditions with certain criterion and time commitments triggering immediate repayment of the original loan.

3. Inventories and prepaid items

Inventories in governmental funds consist of expendable supplies held for consumption. The costs are recorded as expenditures when purchased rather than when consumed.

Inventories in proprietary funds are valued by the weighted average cost method (which approximates the market value). A cycle count protocol is used to verify inventory amounts throughout the year and at year end.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted assets

These accounts contain resources for construction and debt service, including any special assessments receivable, in enterprise funds. Certain proceeds of the enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they may be maintained in separate bank accounts and their use is limited by applicable bond covenants. The enterprise funds' restricted assets consist of \$8,568,840 restricted cash and equivalents, \$24,236 in restricted interest receivable, and portions of other receivable balances which include \$1,779 of net receivables of accounts and \$2,159 of contracts receivable. Specific debt service reserve requirements are described in Note 3.E.1.

5. Capital assets

Capital assets are generally considered property, plant, and equipment owned by the City costing \$10,000 or more, and having an estimated useful life of 1 or more years. Additionally, new infrastructure construction (e.g. roads, bridges, sidewalks, etc.) of \$100,000 or more is also reported as capital. Assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if the actual cost is not available. Donated capital assets are recorded at acquisition value at the date of donation.

CITY OF VANCOUVER

NOTES TO THE BASIC FINANCIAL STATEMENTS

Costs for additions or improvements to capital assets are capitalized when they increase the effectiveness or efficiency of the asset.

The cost for normal maintenance and repairs is not capitalized.

Major outlays for capital assets and improvements are recorded in Construction in Progress as they are constructed, and capitalized upon completion. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Assets are depreciated using the straight line method over the following estimated useful lives:

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

The City has acquired certain assets with funding provided by federal financial assistance programs. Depending on the terms of the agreements involved, the federal government could retain an equity interest in these assets. However, the City has sufficient legal interest to accomplish the purposes for which the assets were acquired, and has included such assets within the applicable column in the statement of net position.

Easements with indefinite lives are considered non-depreciable assets. Other intangible assets with limited useful lives will be depreciated.

6. Compensated absences

City employees can accumulate a certain amount of earned but unused vacation and sick leave benefits. All vacation pay is accrued when incurred in the government-wide, proprietary and fiduciary fund financial statements. The City also reports a liability for sick leave accrual earned by certain employees. See Note 3.E.2, for more information.

7. Other Accrued Liabilities

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

8. Long-term obligations

Long-term debt and other long-term obligations are reported as liabilities in all statements other than those statements prepared on the modified accrual basis of accounting (the governmental fund statements). Bond premiums and discounts, are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premium and discounts, as well as bond issuance costs, during the current period as other financing sources or uses. The face amount of debt issued is reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. See Note 3.E for more detail.

9. 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.

10. Unearned revenues

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

11. 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.

CITY OF VANCOUVER

NOTES TO THE BASIC FINANCIAL STATEMENTS

12. Net position and fund balances

In the financial statements, assets and deferred outflows in excess of liabilities and deferred inflows are presented in one of two ways depending on the measurement focus of the statement.

On the *Statement of Net Position* for government-wide reporting and for the proprietary funds and on the fiduciary funds' *Statement of Fiduciary Net Position*, net position is segregated into three categories: net investment in capital assets; restricted net position; and unrestricted net position.

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 is that component 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. Unspent bond proceeds for capital projects are used in the calculation of restricted net position.

Unrestricted surplus (deficit) net position represents amounts not included in other categories.

On the *Balance Sheet – Governmental Funds*, assets in excess of liabilities are reported as fund balances and are segregated into separate classifications indicating the extent to which the City is bound to honor constraints on the specific purposes for which those funds can be spent.

Fund balance is reported as **Nonspendable** when the resources cannot be spent because they are either in a nonspendable form or are legally or contractually required to be maintained intact. Resources in nonspendable form include inventories and prepaid items.

Fund balance is reported as **Restricted** when the constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, the City's policy is to use restricted resources first, and then unrestricted resources, as they are needed.

Fund balance is reported as **Committed** for amounts that can be used only for specific purposes with constraints imposed by the highest level of decision-making authority. The City Council meets weekly to conduct legislative business that may impose, modify, or rescind fund balance commitments. Once adopted, the limitation imposed by Council's legislative action remains in place until a similar action is taken to remove or revise the limitation.

The City has established policies requiring that governmental funds be created by the City Council and that each fund in the City shall be adopted by ordinance of the City Council. The City has adopted policies that follow the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, paragraphs 13 to 16. Fund balance amounts outside the General Fund, which are neither nonspendable, restricted, nor committed, are reported as **Assigned** fund balance in the governmental balance sheet. The City Council, or its designee, will designate **Assigned** when necessary. The assignment of fund balance in the General Fund may not result in a deficit in unassigned fund balance.

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that is not otherwise reported as non-spendable, restricted, or committed within the General Fund. This classification is also used to report any negative fund balance amounts in other governmental funds.

When expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used, the City intends to reduce committed amounts first, followed by assigned amounts, and then unassigned amounts. See more detail in Note 3.F.

CITY OF VANCOUVER NOTES TO THE BASIC FINANCIAL STATEMENTS

1.E. ADOPTION OF NEW GASB PRONOUNCEMENTS

For the fiscal year ended December 31, 2018, the City implemented the following GASB Pronouncements:

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- GASB Statement No. 85, *Omnibus 2017*
- GASB Statement No. 86, *Certain Debt Extinguishments Issues* – The City had no applicable activity in 2018.

1.F FUTURE ADOPTION OF GASB PRONOUNCEMENTS

The following GASB pronouncements have been issued, but are not yet effective as of December 31, 2018:

- GASB Statement No. 83, *Certain Asset Retirement Obligations*
- GASB Statement No. 84, *Fiduciary Activities*
- GASB Statement No. 87, *Leases*
- GASB Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Payments*
- GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- GASB Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*
- GASB Statement No. 91, *Conduit Debt Obligations*

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.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

2.A. BUDGETARY INFORMATION

The City prepares a biennial budget for all funds in accordance with the Revised Code of Washington (RCW) chapter 35.33. The budget is prepared on a basis consistent with accounting principles generally accepted in the United States of America, with the exception of proprietary funds which includes an appropriation for capital outlays and principal payments but does not include appropriations for depreciation expense and pension liability adjustments. All funds except custodial agency funds are budgeted to the fund level. Biennially appropriated budgets are adopted for all funds and lapse at the end of each biennium. However, some of the Special Revenue and Capital funds may carry forward budgeted amounts beyond the biennium for completion of certain projects.

Budgets are adopted at the level of the fund for a biennium, representing the legal expenditure authority. The budget appropriations in the general fund are set at the function level.

Budget amounts shown in the basic financial statements include the original budget amounts and all appropriation transfers and adjustments approved by the City Manager or City Council, as required during the biennium. The City Manager or his designee is authorized as the chief executive officer to approve intra-fund budget transfers from one department to another or between line items of the same department. Only the City Council has the authority to increase a given fund's biennial budget. This is executed by City ordinance.

Year 2018 is the second year of the 2017-2018 Biennium.

Amending the budget increases to total budget expenditures of the City that affect the number of authorized employee positions or salary ranges must be approved by City Council. When it is determined that it is in the best interest of the City to increase the appropriation for a particular fund or department within general fund, the City may do so by resolution approved by one more than the majority after holding public hearings.

The calendar below outlines the general time frame followed to prepare, review and adopt 2017-2018 Biennial Budget.

January- February 2016

- Prepared the preliminary revenue and expenditure forecast for 2017-2022.
- Reviewed the forecast and the specific assumptions with City Council.
- Identified the direction of the budget process and outlined specific guidelines for departmental submission.
- The budget direction anticipated stability in the immediate future, but potential shortfalls developing in later years of the forecast.

CITY OF VANCOUVER NOTES TO THE BASIC FINANCIAL STATEMENTS

July-September 2016

- Reviewed the departmental proposals and prepared budget recommendations for the City Manager.
- Held televised workshops with City Council to review:
 - The budget process and provided a budget reductions overview.
 - The 2017-2022 revenue and expenditure forecast.
 - Input from the public on priority of City services and programs.

October-November 2016

- The City Manager's Preliminary Recommended budget was published for public and Council review.
- Filed the City's Preliminary Budget with the City Clerk and made copies available to the public.
- Presented the Preliminary Recommended Budget to City Council in televised workshop sessions and provided Council members with detailed information on the proposed budget.
- A public hearing on the Recommended Budget and related ordinances for fee increases was held on November 7, 2016.

The final budget as adopted is published within the first three months of the new budget year. The City of Vancouver Biennial Budget is distributed to various agencies such as neighborhood associations and the Chamber of Commerce, and is made available to all interested citizens in paper format and on the Web.

State statutes provide for a mid-biennial review and modification of the biennial budget to allow flexibility for addressing issues unanticipated during the budget process. Modifications to the original adopted budget are proposed by departments and reviewed by the Budget Office staff in conjunction with the City Manager and his/her management team. Adoption by the City Council requires a public hearing. There are usually two supplemental appropriations during any fiscal year. These procedures are in accordance with RCW's.

2.B. DEFICIT NET POSITION/NET FUND BALANCE

At December 31, 2018, Vancouver Downtown Redevelopment Authority (DRA), a component unit of the City, had a deficit in the fund net position of \$13,561,115. The DRA activities involve the operation of a hotel and convention center in the City's central downtown area. This is a cash flow 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 generating guidelines and on-going expense reductions have been implemented. The fund continues to improve slightly, while still remaining in a deficit position.

At December 31, 2018, the Self-Insurance Workers Compensation and Liability had a deficit in the fund net position of \$1,565,616. Self-Insurance Workers Compensation and Liability fund accounts for operations of insured and uninsured claims in four areas of risk that include general liability, workers' compensation, unemployment and property. This fund continues to experience expenses that exceed revenues which results in drawing down the net position. This fund first experienced a deficit in 2015. The deficit increased \$1.3 million in 2016, and decreased \$637,339 during the past two years. The City budgeted rate increases throughout 2017 and 2018, and expects this fund's deficit will continue to decrease over the next few years and will return to a positive net position by 2020.

At December 31, 2018, the Vancouver Tennis Center Fund had a deficit in fund net position of \$272,977. Starting September 2018, the tennis center is managed by a contracted service provider who will cover operational losses with their own resources.

NOTE 3. DETAILED NOTES ON ALL FUNDS

3.A. DEPOSITS AND INVESTMENTS

The City maintains a cash and investment pool that is available for use by all funds. Cash and investments are presented on the balance sheet in the basic financial statements at fair value or amortized cost, which approximates fair value, in accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools.", and in accordance with GASB Statement 72, "Fair Value Measurement and Application".

Activities undertaken by the pool on behalf of the proprietary funds are not part of the operating, capital, investing, or financing activities of the proprietary funds, and details of these transactions are not reported in the Statement of Cash Flows. In general, interest earned from the pooled investments is allocated to each fund based on the average earnings and daily cash balance of each fund. Investments in the State and Clark County Investment Pool are classified as cash equivalents on the financial statements. Any changes in fair value of investments are recognized as an increase or decrease to investment assets and income.

CITY OF VANCOUVER

NOTES TO THE BASIC FINANCIAL STATEMENTS

Deposits

At year-end, the City's carrying amount of deposits was \$6,587,064 and bank balance was \$7,847,881. The Federal Deposit Insurance Corporation (FDIC) provides unlimited insurance for the City's non-interest bearing deposits and up to \$250,000 insurance on interest bearing deposit and investments through December 31, 2018. All deposits and bank balances not covered by FDIC are covered under the State of Washington Public Deposit Protection Commission Act of 1969. As of May 31, 2016, the State of Washington Public Deposit Protection Commission Act of 1969 was amended adopting Resolution 2016-1. This resolution was enacted to ease collateral requirements on uninsured public deposits held by Well Capitalized public depositories. This resolution states that well capitalized public depositories may collateralize uninsured public deposits at no less than fifty percent. Public depositories pledging less than one hundred percent collateral on uninsured public deposits shall have their maximum liability increased to twenty-five percent. As a note, Public depositories not categorized as Well Capitalized pursuant to the Federal Deposit Insurance Act are required to continue to fully collateralize uninsured public deposits.

Investments

The City maintains an Internal Investment Pool. The Pool has an average maturity of approximately seven months. Some funds are invested for the benefit of the respective fund. Remaining monies are aggregated in a residual account, and invested in the pool for the benefit of all funds. As required by state law, all investments of the City funds are obligations of the U.S. Government, U.S. agency issues, the State Treasurer's Investment Pool, or the Clark County Investment Pool. Regulatory oversight is performed by the CFO, the Treasurer, and the Treasury accountant. At the times when City funds are invested in the State Treasurer's Investment Pool or the Clark County Investment Pool, the only limitation on withdrawal is a 24 hour notice for withdrawal of amounts. For the State Treasurer's Investment Pool the notice is required for amounts in excess of \$10 million. However the County has no dollar threshold. Given our governmental status and other factors, we do not need any other type of regulatory oversight.

As of December 31, 2018, the fair value of the City's investment portfolio was \$350,049,568, of which \$718,131 was invested on behalf of the Fire Pension Fund, and \$349,331,437 was invested in the City's Internal Investment Pool for the benefit of all funds. Investments of pension funds are not subject to the preceding limitations under state law. The fair value of the investment portfolio 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 ICE Intercontinental Exchange Quotes, and uses Standard & Poor's for pricing Municipal Bonds.

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 using the fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered value hierarchy, as follows:

- Level 1: Quoted prices in active markets for identical securities.
- Level 2: Securities are valued using observable inputs and quoted prices in active markets for identical securities. The values are provided by US Bank, the City's trust bank.
- Level 3: Securities are valued using the rates and values provided by the State of Washington LGIP.

CITY OF VANCOUVER
NOTES TO THE BASIC FINANCIAL STATEMENTS

As of December 31, 2018, 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
County Pool	\$ -	\$ 522	\$ -	\$ -	\$ 522
State Pool	-	-	-	58,630	58,630
Federal Agency Coupon Securities	-	290,179	-	-	290,179
Municipal Bonds	-	718	-	-	718
Total Fair Value	\$ -	\$ 291,420	\$ -	\$ 58,630	\$ 350,050

* 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
County Pool	\$ 522	\$ -	\$ 522	0.000050	0.15%
State Pool	-	58,630	58,630	0.005583	16.75%
Federal Agency Coupon Securities	290,179	-	290,179	6.969580	82.90%
Municipal Bonds	718	-	718	0.035423	0.21%
Total Fair Value	\$ 291,420	\$ 58,630	\$ 350,050		100.0%
Portfolio Weighted Average Maturity				7.010636	

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

Interest Rate Risk:

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 less than two years.

Credit Risk:

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The State Investment Pool's investment objective is to effectively maximize the yield while maintaining liquidity and a stable share price of \$1 per share. The State Pool's portfolio's average maturity was 42 days on December 31, 2018. The State Investment Pool is in an unrated fund. The Clark County Investment Pool is an unrated fund and has oversight by the Clark County Finance Committee. The County Pool's average maturity on December 31, 2018 was 240 days however the City can withdraw its balance on a daily basis.

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.

CITY OF VANCOUVER
NOTES TO THE BASIC FINANCIAL STATEMENTS

The ratings of debt securities as of December 31, 2018, are (in thousands):

Investment Type	Fair Value	Not Rated	Aaa	Aa	A
U.S. Government Agencies	\$ 288,682	\$ -	\$ 288,682	\$ -	\$ -
Municipal Bonds	2,215	-	-	2,215	-
State Pool	58,630	58,630	-	-	-
Clark County Investment Pool	522	522	-	-	-
Total	\$ 350,050	\$ 59,152	\$ 288,682	\$ 2,215	\$ -

Concentration of Credit Risk:

Concentration risk is the risk of loss attributed to the magnitude of a government's 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 2018, the City's portfolio had the following concentration of securities in it: 19% of Federal Home Loan Bank, 20% of Federal National Mortgage Association, 23% of Federal Farm Credit Bank, and 12% of Federal Home Loan Mortgage Corporation. 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.

3.B. CAPITAL ASSETS

A summary of capital asset activity for the year ended December 31, 2018, is as follows:

	Restated Beginning Balance 01/01/18	Increases	Decreases	Ending Balance 12/31/18
Governmental activities:				
Capital assets, not being depreciated				
Land and improvements	\$ 99,661,509	\$ 7,655,458	\$ 114,431	\$ 107,202,536
Intangible - easements	8,532,500	244,344	773	8,776,071
Construction in progress	53,735,918	24,469,016	61,713,049	16,491,885
Total capital assets, not being depreciated	161,929,927	32,368,818	61,828,253	132,470,492
Capital assets, being depreciated/depleted:				
Cemetery land	1,101,047	-	-	1,101,047
Buildings	129,790,685	16,158,184	1,552,052	144,396,817
Machinery and equipment	62,018,439	6,793,234	4,455,785	64,355,888
Infrastructure	666,421,465	50,221,630	-	716,643,095
Intangible	9,044,918	55,365	9,283	9,091,000
Total capital assets being depreciated/depleted	868,376,554	73,228,413	6,017,120	935,587,847
Less accumulated depreciation for:				
Cemetery land	728,328	4,122	-	732,450
Buildings	40,939,727	4,028,449	1,230,412	43,737,764
Machinery and equipment	45,976,633	4,248,677	4,278,342	45,946,968
Infrastructure	251,378,167	17,738,365	-	269,116,532
Intangible	8,267,996	293,300	9,282	8,552,014
Total accumulated depreciation	347,290,851	26,312,913	5,518,036	368,085,728
Total capital assets, being depreciated, net	521,085,703	46,915,500	499,084	567,502,119
Governmental activities capital assets, net	\$ 683,015,630	\$ 79,284,318	\$ 62,327,337	\$ 699,972,611

CITY OF VANCOUVER
NOTES TO THE BASIC FINANCIAL STATEMENTS

	Restated Beginning Balance 01/01/18	Increases	Decreases	Ending Balance 12/31/18
Business-type activities:				
Capital assets, not being depreciated:				
Land and improvements	\$ 37,956,604	\$ 2,064,963	\$ -	\$ 40,021,567
Intangible - Easements	9,097,838	2,583,088	-	11,680,926
Construction in progress	18,538,535	18,238,201	5,521,331	31,255,405
Total capital assets, not being depreciated	<u>65,592,977</u>	<u>22,886,252</u>	<u>5,521,331</u>	<u>82,957,898</u>
Capital assets, being depreciated:				
Buildings and system	33,898,679	471,087	-	34,369,766
Infrastructure	552,911,317	19,216,531	419,545	571,708,303
Machinery and equipment	26,447,132	743,954	-	27,191,086
Intangible	11,853,124	43,658	-	11,896,782
Total capital assets, being depreciated	<u>625,110,252</u>	<u>20,475,230</u>	<u>419,545</u>	<u>645,165,937</u>
Less accumulated depreciation for:				
Buildings and system	14,965,318	860,667	-	15,825,985
Infrastructure	258,984,740	12,482,563	49,664	271,417,639
Machinery and equipment	23,791,692	493,242	-	24,284,934
Intangible	10,040,637	544,541	-	10,585,178
Total accumulated depreciation	<u>307,782,387</u>	<u>14,381,013</u>	<u>49,664</u>	<u>322,113,736</u>
Total capital assets, being depreciated, net	<u>317,327,865</u>	<u>6,094,217</u>	<u>369,881</u>	<u>323,052,201</u>
Business-type activities capital assets, net	<u>\$ 382,920,842</u>	<u>\$ 28,980,469</u>	<u>\$ 5,891,212</u>	<u>\$ 406,010,099</u>

CITY OF VANCOUVER
NOTES TO THE BASIC FINANCIAL STATEMENTS

The beginning balances of the governmental and business-type activities were restated due to prior period corrections found during the year ending December 31, 2018, that were more appropriately reflected as expenses in prior years. In part, it was determined that the Vancouver School District owns the Tennis Center building, previously reported by the City in a non-major enterprise fund. The assets, \$1.91 million, and associated accumulated depreciation, \$1.32 million, were removed from the City's annual report in 2018:

	As Previously Reported 12/31/17	Prior Period Adjustment Net	As Restated 1/1/2018
<i><u>Governmental activities:</u></i>			
Land and improvements	\$ 99,727,123	\$ (65,614)	\$ 99,661,509
Construction in progress	53,888,370	\$ (152,452)	\$ 53,735,918
 Machinery and equipment	62,051,809	(33,370)	62,018,439
Intangible	8,683,819	361,099	9,044,918
Less accumulated depreciation			
Machinery and equipment	46,027,531	(50,898)	45,976,633
Intangible	8,014,968	253,028	8,267,996
Net capital assets subject to adjustment	<u>\$ 170,308,622</u>	<u>\$ (92,467)</u>	<u>\$ 170,216,155</u>
 <i><u>Business-type activities:</u></i>			
Land and improvements	\$ 36,591,729	\$ 1,364,875	\$ 37,956,604
Construction in progress	19,052,733	(514,198)	18,538,535
 Buildings and system	35,639,755	(1,741,076)	33,898,679
Infrastructure	553,997,436	(1,086,119)	552,911,317
Machinery and equipment	26,419,759	27,373	26,447,132
Less accumulated depreciation			
Buildings and system	16,297,256	(1,331,938)	14,965,318
Infrastructure	258,984,786	(46)	258,984,740
Machinery and equipment	23,820,142	(28,450)	23,791,692
Net capital assets subject to adjustment	<u>\$ 372,599,228</u>	<u>\$ (588,711)</u>	<u>\$ 372,010,517</u>

CITY OF VANCOUVER
NOTES TO THE BASIC FINANCIAL STATEMENTS

Depreciation expense as of December 31, 2018, was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General government	\$ 1,219,658
Security of persons & property	2,865,610
Transportation, including depreciation of general infrastructure assets	17,381,449
Physical Environment	5,800
Economic Environment	748,194
Culture and recreation	1,706,085
Capital assets held by the government's internal service funds are charged to various functions based on their usage of the assets	2,386,117
Total depreciation expense — Governmental Activities	<u>\$ 26,312,913</u>
Business-type Activities:	
Water/Sewer	\$ 13,261,505
Airport	241,389
Building Inspection	289,931
Solid Waste	10,216
Parking	577,972
Total depreciation expense — Business-type Activities	<u>\$ 14,381,013</u>

Component Units

A summary of capital asset activity for component units for the year ended December 31, 2018, is as follows:

	Restated Beginning Balance 01/01/18	Increases	Decreases	Ending Balance 12/31/18
Vancouver Downtown Redevelopment Authority				
Business-type activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 944,370	\$ 1,296,881	\$ 2,208,097	\$ 33,154
Capital assets, being depreciated:				
Buildings and system	51,462,201	1,538,892	1,486,802	51,514,291
Machinery and equipment	7,369,548	669,205	301,284	7,737,469
Total capital assets, being depreciated	58,831,749	2,208,097	1,788,086	59,251,760
Less accumulated depreciation for:				
Buildings and system	15,219,952	1,758,305	532,860	16,445,397
Machinery and equipment	5,022,191	480,315	261,795	5,240,711
Total accumulated depreciation	20,242,143	2,238,620	794,655	21,686,108
Total capital assets, being depreciated, net	38,589,606	(30,523)	993,431	37,565,652
Business-type activities capital assets, net	<u>\$ 39,533,976</u>	<u>\$ 1,266,358</u>	<u>\$ 3,201,528</u>	<u>\$ 37,598,806</u>

CITY OF VANCOUVER
NOTES TO THE BASIC FINANCIAL STATEMENTS

	Beginning Balance 01/01/18	Increases	Decreases	Ending Balance 12/31/18
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 Downtown Redevelopment Authority (DRA) for the year ending December 31, 2018 had depreciation expense of 2,238,620. The beginning asset balances of DRA were restated due to prior period corrections found during the year ending December 31, 2018, that were more appropriately reflected as expenses in prior years. Since these are significant to the fund, they are reported as a prior period adjustment on the government-wide statements. Beginning asset-related balances were restated as follows:

	As Previously Reported 12/31/17	Prior Period Adjustment Net	As Restated 01/01/2018
<u>Downtown Redevelopment Authority</u>			
Changes in capital assets			
Construction in progress	\$1,241,541	\$(297,171)	\$944,370
Machinery and equipment	7,085,863	283,685	7,369,548
Changes in accumulated depreciation			
Buildings and system	14,637,727	582,225	15,219,952
Machinery and equipment	4,995,746	26,445	5,022,191
Total prior period adjustment to beginning fund balance		\$ (622,156)	

3.C. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Loans between funds are classified as interfund loans receivable or payable or as advances to and from other funds on the statement of net position. Within the City, one fund may borrow from another when specifically authorized by the City Council resolution. The interfund balances are in place to eliminate a temporary negative cash position.

Due to other funds and due from other funds result from goods issued, work performed or services rendered to or for the benefit of another fund of the same government. The following table displays Due to and Due from activity outstanding as of December 31, 2018:

	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>
<i>Governmental Activities</i>		
General Fund	\$ 170,476	\$ 96,967
Consolidated Fire Fund	97,629	-
Street Fund	30,016	75,172
Capital Improvement Fund	-	-
Parks Impact Fees Fund	8,000	3,501,229
Non-Major Governmental Funds	3,585,697	171,104
Subtotal Governmental Activities	3,891,818	3,844,472
Internal Service Funds	507,244	633,749
Governmental Activities	4,399,062	4,478,221
<i>Business Activities</i>		
Water/Sewer Funds	112,483	29,700
Parking Services Fund	-	-
Non-Major Business Type Activities	4,811	8,437
Subtotal Business Activities	117,294	38,137
Total Governmental and Business Activities*	\$ 4,516,356	\$ 4,516,358

*Minor differences due to rounding

CITY OF VANCOUVER

NOTES TO THE BASIC FINANCIAL STATEMENTS

Interfund transfers are the flow of assets without a reciprocal return of assets, goods or services. These are transfers to support other funds without a requirement for repayment. The interfund transfer activity for the year is as follows:

Transfers In	Transfers Out									Total
	General Fund	Fire Fund	Street Fund	Capital Improvement Fund	Parks Impact Fees Fund	Non-Major Govt Funds	Water Sewer Funds	Non-Major Enterprise Funds	Internal Service Funds	
General Fund	\$ -	\$ -	\$ -	\$ 108,313	\$ -	\$ 2,521,263	\$ 9,896	\$ 93,877	\$ 863	\$ 2,734,212
Consolidated Fire Funds	30,838,430	-	21,372	-	-	-	21,700	6,703	4,425	30,892,630
Street Fund	14,646,171	-	-	-	-	1,206,386	-	75,401	-	15,927,958
Capital Improvement Fund	12,033,745	294,178	-	-	-	-	-	12,320	-	12,340,243
Non-Major Govt Funds	6,498,710	305,150	1,120,775	-	3,575,617	10,024,301	-	-	-	21,524,553
Water/Sewer Funds	1,500	-	-	-	-	-	-	3,433	-	4,933
Non-Major Enterprise Funds	946,854	-	-	-	-	-	-	-	-	946,854
Internal Service Funds	364,014	-	32,793	-	-	-	127,596	-	433,404	957,807
Total	\$ 65,329,424	\$ 599,328	\$ 1,174,940	\$ 108,313	\$ 3,575,617	\$ 13,751,950	\$ 159,192	\$ 191,734	\$ 438,692	\$ 85,329,190

There were no significant transfers made during 2018 that do not occur on a routine basis or are inconsistent with the activities of the fund making the transfer. Transfers are used to 1) fund construction and maintenance projects, 2) move certain revenue source to debt service funds for principal and interest payments and 3) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with laws, regulations or contracts.

3.D. LEASE AGREEMENTS

1. Operating Leases

The City is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore the results of the lease agreements are not reflected in City's statement of net position. For the year ended December 31, 2018, the costs for such leases were \$386,606 and \$122,517 for governmental and business-type activities, respectively.

The following is a schedule of minimum future rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of December 31, 2018:

	Governmental Activities	Business-type Activities
2019	\$ 205,190	\$ 6,000
2020	211,114	6,000
2021	146,654	3,500
2022	100,413	-
2023	103,174	-
2024-2028	560,023	-
2029-2033	641,380	-
2034-2038	69,525	-
	<u>\$ 2,037,473</u>	<u>\$ 15,500</u>

CITY OF VANCOUVER NOTES TO THE BASIC FINANCIAL STATEMENTS

2. City as Lessor

The City is the lessor for some non-cancelable operating leases for facilities and property located within the City limits. Expiration dates range between 2019 and 2056.

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

	Governmental Activities	Business Type Activities
2019	\$ 2,034,240	\$ 360,060
2020	1,918,580	53,537
2021	961,405	8,604
2022	289,879	-
2023	281,857	-
2024-2028	2,451,368	-
2029-2033	924,387	-
2034-2038	213,803	-
2039-2043	144,278	-
2044-2048	144,278	-
2049-2053	144,278	-
2054-2057	86,568	-
	<u>\$ 9,594,921</u>	<u>\$ 422,201</u>

3.E. LONG-TERM DEBT

BONDS AND DEBT

General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital projects. General obligation bonds have been issued for both governmental and business-type activities.

General obligation bonds are direct obligations and are pledged by the full faith and credit of the government. These bonds generally are issued as 20-year serial bonds with fixed payments maturing each year. General obligation bonds are either created by 3/5 majority vote of the people and, therefore, financed by a special tax levy; or are created by ordinance, adopted by the City Council, and normally financed from general revenues (councilmanic bonds).

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

Name of Issuance	Purpose	Original Debt	Issuance Date	Maturity Date	Interest Rate	Gov't'l Debt Outstanding	Business Debt Outstanding
2010 LTGO Bond	Governmental Activities	13,410	12/1/2010	12/1/2035	2.0%-5.125%	8,315	-
2011 LTGO Bond	Governmental Activities	10,515	6/1/2011	12/1/2035	2.0%-5.125%	8,370	-
2012A LTGO Bond	Governmental Activities Refunding Governmental Activities Refunding and	15,945	1/12/2012	12/1/2029	2.0%-3.75%	12,530	-
2012B&C LTGO Bond	Business Type Activities Refunding	9,515	12/12/2012	12/1/2025	0.61%-2.89%	2,175	7,065
2015A LTGO Bond	Governmental Activities	1,297	6/15/2015	12/1/2028	3.64% - 4.7%	1,297	-
2015B LTGO Bond	Governmental Activities & Refunding	23,100	6/15/2015	12/1/2034	2.0% - 5.0%	19,600	-
2016 LTGO Bond	Governmental Activities Refunding	7,810	6/22/2016	12/1/2028	2.0% - 4.0%	7,710	-
<i>Total General Obligation Bonds</i>		<u>\$ 81,592</u>				<u>\$ 59,997</u>	<u>7,065</u>

CITY OF VANCOUVER
NOTES TO THE BASIC FINANCIAL STATEMENTS

City management provides for cash to fund current debt service requirements as a part of the biennial budgeting process. Annual debt service requirements to maturity for general obligation bonds (in thousands) are as follows:

	Governmental Activities			Business Type Activities		
	Principal	Interest	Total Requirements	Principal	Interest	Total Requirements
2019	5,630	2,442	8,072	945	173	1,118
2020	5,020	2,268	7,288	960	156	1,116
2021	4,675	2,126	6,801	985	135	1,120
2022	4,875	1,919	6,794	1,010	112	1,122
2023	5,085	1,717	6,801	1,025	88	1,113
2024-2028	22,843	5,841	28,683	2,140	92	2,232
2029-2033	8,810	1,844	10,654	-	-	-
2034-2035	3,060	210	3,270	-	-	-
	<u>\$ 59,997</u>	<u>\$ 18,366</u>	<u>\$ 78,362</u>	<u>\$ 7,065</u>	<u>\$ 756</u>	<u>\$ 7,821</u>

The City's legal limit of indebtedness is 1½% of assessed property value without a vote of the taxpayers and an additional 1% with a vote of the taxpayers. At December 31, 2018, the remaining non-voted and voted remaining capacity for indebtedness was \$358,881,475 and \$236,589,915 respectively.

The City has also received governmental loans to provide for construction of capital projects. 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-Type Activities	\$ 2,200	11/30/2006	7/1/2026	1%	\$ 932
Section 108 HUD Loan	Governmental-Type Activities	5,419	7/7/2010	8/1/2029	0.28%-3.70%	2,760
Clark County-Annexation Obligation	Governmental-Type Activities	344	8/1/2017	4/1/2022	0%	253
		<u>\$ 7,963</u>				<u>\$ 3,945</u>

Government and bank loan debt service requirements to maturity (in thousands) are as follows:

	Governmental Activities		
	Principal	Interest	Total
2019	405	81	486
2020	410	76	486
2021	415	71	486
2022	414	65	479
2023	356	59	415
2024-2028	1,659	176	1,836
2029	285	10	295
	<u>\$ 3,945</u>	<u>\$ 538</u>	<u>\$ 4,484</u>

At December 31, 2018, the City had \$0 available in the G.O. debt service fund balance. 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

Special Assessment Debt

The government 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 Council, and financed by assessments on property owners. A separate guaranty fund is available to cover most outstanding delinquencies at the end of the assessment period. The City's obligation doesn't extend beyond the guaranty fund assets. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the government must provide resources to cover the deficiency until other resources, for example, foreclosure proceeds, are received. The City has a Local Improvement District Guaranty Fund to finance any uncollectible special assessment debt. 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%	\$ 35
<i>Total Assessment Debt</i>	<u>\$ 312</u>				<u>\$ 35</u>

The amount of delinquent receivables at December 31, 2018, was \$3,491.

Special assessment bonds are serial bonds and are called yearly based on assessments received. The City is recording a \$15,000 current portion on the Special Assessment (LID) debt in 2019 out of financial due diligence. The City is not required to call these bonds in 2019; however, has the authority to call these bonds annually if deemed financially prudent to do so. Annual debt service requirements to maturity for special assessment bonds are (in thousands) as follows:

	Governmental activities		
	Principal	Interest	Total Requirements
2019 \$	0	\$ 2	\$ 2
2020	0	2	2
2021	0	2	2
2022	0	2	2
2023	0	2	2
2024-2028	0	8	8
2029-2033	0	8	8
2034-2036	35	5	40
Total \$	<u>35</u>	<u>\$ 31</u>	<u>\$ 66</u>

The Local Improvement District Debt Service Fund and the Local Improvement District Guaranty Debt Service Fund have cash balances of \$5,372 and \$34,384 respectively, to service the local improvement district bonds.

The first required principal payment for the LID debt is due in 2036. The City, however, is anticipating calling \$15,000 or more during the fiscal year ending December 31, 2019, as funds become available.

The LID bonds are secured by a pledge of the Assessments levied by the City against the benefited properties within LID 545. In addition, the Bonds and any other local improvement bonds heretofore or hereafter issued by the City are secured by funds on deposit in the Guaranty Fund.

The Bonds are not obligations of the State of Washington or any other municipal corporation other than the City and are payable solely from the sources specified in the Bond Ordinance. Neither the full faith and credit nor the taxing power of the City are pledged to the payment of the Bonds. The Bonds are not general obligations of the City. Neither the holder nor the owner of any Bond or warrant issued against the Guaranty Fund shall have any claim therefor against the City, except for payment from the Assessments and except also for payment from the Guaranty Fund. The City shall not be liable to the holder or owner of any Bond or warrant for any loss to the Guaranty Fund occurring in the lawful operation thereof.

Payment of the principal and interest on the Bonds is, in the first instance, 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.

CITY OF VANCOUVER NOTES TO THE BASIC FINANCIAL STATEMENTS

Revenue Bonds

The City also issues bonds where the government pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds are created by ordinance, adopted by the City Council, and financed from enterprise fund revenues. The Water/Sewer revenue bonds are issued to finance capital projects.

Revenue bonds outstanding at year-end are (in thousands) as follows:

Name of Issuance	Original Debt	Issuance Date	Maturity Date	Interest Rate	Debt Outstanding
2004 Water Sewer Refunding	26,250	2/26/2004	6/1/2020	2%-5%	7,490
Total Revenue Bonds	<u>\$ 26,250</u>				<u>\$ 7,490</u>

Business Type Activities:

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

	Principal	Interest	Total Requirements
2019	3,650	283	3,933
2020	3,840	96	3,936
	<u>\$ 7,490</u>	<u>\$ 379</u>	<u>\$ 7,869</u>

The reserve and redemption accounts of the Water/Sewer enterprise funds have \$4,639,250 available to service the revenue debt.

Water/Sewer revenue bond covenants require that revenue available for debt service (defined as operating and non-operating revenues less expenses requiring payment to outside entities) exceed the annual debt payment of both principal and interest by a ratio of 1.3 to one. The City remains in compliance with that provision with a current ratio of 5 to 1 coverage. There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

COMPENSATED ABSENCES

Accumulated amounts of vacation leave are accrued as expenses when incurred in the government-wide and proprietary fund financial statements. At December 31, 2018, the recorded liability for compensated absences amounted to \$12,150,534, with \$9,578,966 recorded in governmental activities and \$2,571,568 recorded in business-type activities. City employees receive personal time off (PTO), vacation and sick leave time at rates established by City policy or union agreement. PTO is accrued semi-monthly by employees at an annual rates ranging from 22.5 to 49.7 days depending upon tenure. Vacation is accrued semi-monthly by employees at annual rates ranging from 15 to 36 days depending upon tenure and union agreements. Accumulated PTO and vacation carryover between years is limited, generally, to twice an employee's current year accrual. Sick leave accruals vary, depending upon union agreement, between 10 and 24 hours per month. City Policy and all contracts provide for a payoff of sick leave in some instances. Employees who are not covered by contract and were age 50 or who had more than 14 years of service as of January 1, 1980 may qualify for payoff of up to 50% of their sick leave balance at retirement. Employees who are covered by either the Joint Labor Coalition, AFSCME or OPEIU contracts and were hired prior to January 1, 1980 may qualify for 50% payoff of their sick leave balance at retirement. Employees covered under law enforcement contracts and who were hired prior to January 1, 1981, and employees covered by fire suppression and command contracts and who were hired prior to January 1, 1983, may qualify for 50% payoff of their sick leave balance at retirement, or 25% upon leaving the employer in good standing for reasons other than retirement. For the governmental activities, compensated absences are generally liquidated by operating funds, such as the General Fund and Consolidated Fire funds.

CITY OF VANCOUVER
NOTES TO THE BASIC FINANCIAL STATEMENTS

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, 2018, the amount of credits that may be applied against future impact fees is \$18,711,831. This is recorded as a governmental activity in the Government-Wide Financial Statements.

CHANGES IN LONG TERM LIABILITIES

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

	Balance 1/1/18	Additions	Reductions	Balance 12/31/18	Due Within One Year
Governmental activities					
Bonds payable:					
General obligation bonds	\$ 67,056,036	\$ 5,630,000	\$ 12,689,536	\$ 59,996,500	\$ 5,630,000
Issuance premiums	4,815,746	-	536,093	4,279,653	318,734
Issuance discounts	(24,820)	-	(1,467)	(23,353)	(1,467)
Total GO bonds payable	71,846,962	5,630,000	13,224,162	64,252,800	5,947,267
Special assessment debt with governmental commitment	75,000	-	40,000	35,000	15,000
Government loans	4,345,824	405,301	805,916	3,945,209	405,301
Claims and judgements	6,836,000	2,838,258	1,887,258	7,787,000	2,150,375
Total OPEB Liability	11,570,817	38,237,195	4,845,295	44,962,717	-
Net Pension Liability	19,552,612	-	4,327,212	15,225,400	-
Compensated absences	9,135,218	8,666,744	8,222,996	9,578,966	8,621,067
Impact Fee Credit	19,163,313	495,456	946,938	18,711,831	707,464
Governmental activity long-term liabilities	<u>\$ 142,525,746</u>	<u>\$ 56,272,954</u>	<u>\$ 34,299,777</u>	<u>\$ 164,498,923</u>	<u>\$ 17,846,474</u>
Business-type activities					
Bonds payable:					
General obligation bonds	\$ 8,030,464	\$ -	\$ 965,464	\$ 7,065,000	\$ 945,000
Revenue bonds	14,580,000	-	7,090,000	7,490,000	3,650,000
Issuance premiums (discounts)	456,215	-	272,948	183,267	157,086
Total bonds payable	23,066,679	-	8,328,412	14,738,267	4,752,086
Net Pension Liability	12,377,229	-	2,966,061	9,411,168	-
Compensated absences	2,398,749	2,158,873	1,986,054	2,571,568	2,314,411
Business-type activity long-term liabilities	<u>\$ 37,842,657</u>	<u>\$ 2,158,873</u>	<u>\$ 13,280,527</u>	<u>\$ 26,721,003</u>	<u>\$ 7,066,497</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. At year-end \$1,111,652 of internal service funds compensated absences are included in the above amounts. 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

COMPONENT UNIT DEBT

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:

Outstanding DRA Revenue Bond Debt

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%	\$ 40,365,000
2013 DRA Conference Center Project Sales & Lodging Tax Refunding Revenue Bonds	\$ 18,045,000	6/27/2013	1/1/2034	4.05%	\$ 15,660,000
<i>Total Revenue Bonds</i>	<u>\$ 59,230,000</u>				<u>\$ 56,025,000</u>

In order to make the 2013 refunding economically viable, 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
2019 \$	740,000	\$ 1,761,562	\$ 2,501,562	\$ 945,000	\$ 685,225	\$ 1,630,225
2020	895,000	1,737,037	2,632,037	1,035,000	635,725	1,670,725
2021	920,000	1,700,612	2,620,612	1,130,000	581,600	1,711,600
2022	965,000	1,653,487	2,618,487	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
2024-2028	5,900,000	7,190,813	13,090,813	6,915,000	1,380,950	8,295,950
2029-2033	7,315,000	5,770,725	13,085,725	2,500,000	438,700	2,938,700
2034-2038	8,960,000	4,078,131	13,038,131	565,000	13,675	578,675
2039-2043	11,120,000	1,865,700	12,985,700	-	-	-
2044	2,535,000	57,038	2,592,038	-	-	-
	<u>\$ 40,365,000</u>	<u>\$ 27,419,092</u>	<u>\$ 67,784,095</u>	<u>\$ 15,660,000</u>	<u>\$ 4,716,825</u>	<u>\$ 20,376,825</u>

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
2019 \$	-	\$ -	\$ -
2020	-	-	-
2021	-	-	-
2022	-	-	-
2023	-	-	-
2024-2028	-	-	-
2029-2033	21,055	18,158	39,213
2034-2038	370,772	372,135	742,907
2039-2043	812,798	997,628	1,810,426
2044	225,929	304,686	530,615
	<u>\$ 1,430,555</u>	<u>\$ 1,692,606</u>	<u>\$ 3,123,161</u>

The 2013 Project Revenue Bonds require a debt service coverage ratio of 1.05 to 1. The DRA remains in compliance with that provision with a 2018 ratio of 1.714 to 1 coverage. There are a number of limitations and restrictions contained in the bond indentures. The DRA is in compliance with these requirements.

DRA Changes in Long Term Liabilities

The following is a summary of long-term debt changes of the Downtown Redevelopment Authority for the year (in thousands):

	Beginning Balance 1/1/18	Additions	Reductions	Ending Balance 12/31/18	Due Within One Year
Bonds payable:					
Revenue bonds	\$ 57,245,000	\$ -	\$ 1,220,000	\$ 56,025,000	\$ 1,685,000
Premiums (discounts)	477,326	-	29,304	448,022	29,304
Total bonds payable	57,722,326	-	1,249,304	56,473,022	1,714,304
Due to other governments	7,897,878	1,725,767	2,624,940	6,998,705	-
Other long-term loans and notes	1,430,555	-	-	1,430,555	-
Subordinate management fee	592,971	-	107,813	485,158	107,813
Component units long term liabilities	<u>\$ 67,643,730</u>	<u>\$ 1,725,767</u>	<u>\$ 3,982,057</u>	<u>\$ 65,387,440</u>	<u>\$ 1,822,117</u>

3.F. FUND BALANCE AND NET POSITION REPORTING

The City of Vancouver implemented GASB Statement no 54, Fund Balance Reporting and Governmental Fund Type Definitions. The objective of this statement is to improve the usefulness and understandability of governmental fund balance information. It provides more clearly defined categories to make the nature and extent of constraints placed on a government's fund balance more transparent. It also clarifies the existing fund type definitions to improve the comparability of governmental fund financial statements and help users better understand the purpose for which governments have chosen to use particular funds for financial reporting. Categories of fund balance are described in Note 1.D.12

CITY OF VANCOUVER

NOTES TO THE BASIC FINANCIAL STATEMENTS

Fund balances by classification for the year ended December 31, 2018, are as follows:

Fund Balance Classifications	General Fund	Consolidated Fire Fund	Street Fund	Capital Improvement Fund	Park Impact Fees	Non-major Governmental Funds	Total Governmental Funds
Nonspendable							
Prepays	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500
	500	-	-	-	-	-	500
Restricted							
Per Grants	66,625	-	-	-	-	5,055,259	5,121,884
Capital purposes	-	-	-	-	10,240,239	26,444,677	36,684,916
Economic development	-	-	-	-	-	14,173,785	14,173,785
Security/ safety services	13,078,250	-	-	-	-	1,665,773	14,744,023
Debt service	-	-	-	-	-	50,502	50,502
Culture and recreation	-	-	-	-	-	36,625	36,625
	13,144,875	-	-	-	10,240,239	47,426,621	70,811,735
Committed							
Capital purposes	854,312	-	587,241	865,206	-	-	2,306,759
Emergency reserves	11,863,919	-	-	-	-	-	11,863,919
Revenue stabilization	4,367,522	-	-	-	-	-	4,367,522
Debt service	-	-	-	-	-	96,426	96,426
Economic development	-	-	-	-	-	196,972	196,972
Security/ safety services	-	12,759,863	-	-	-	-	12,759,863
Cemetery	-	-	-	-	-	468,967	468,967
	17,085,753	12,759,863	587,241	865,206	-	762,365	32,060,428
Assigned							
Capital purposes	-	-	-	18,732,078	-	1,636,993	20,369,071
Debt service	-	-	-	-	-	3,137,896	3,137,896
Economic development	-	-	-	-	-	1,774,279	1,774,279
Cemetery	-	-	-	-	-	11,926	11,926
Security/ safety services	111,709	910,375	-	-	-	53,852	1,075,936
Capital purposes	-	-	13,080,363	-	327,303	-	13,407,666
Culture and recreation	-	-	-	-	-	1,042	1,042
Compensated absences	2,379,883	-	-	-	-	-	2,379,883
	2,491,592	910,375	13,080,363	18,732,078	327,303	6,615,988	42,157,699
Unassigned	47,049,853	-	-	-	-	-	47,049,853
Total	\$ 79,772,573	\$ 13,670,238	\$ 13,667,604	\$ 19,597,284	\$ 10,567,542	\$ 54,804,974	\$ 192,080,215

Stabilization Arrangements

There are two stabilization arrangements within the City, for which the City is disclosing as committed fund balance within the General Fund: Emergency Reserves and Revenue Stabilization. These reserves were committed by Council Resolution M-3370 and adopted on May 7, 2012.

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 unexpected external mandates and reductions in state shared revenues to ensure the City has adequate time to restructure its operations in a deliberate manner to ensure continuance of critical city activities.

Restricted Component of Net Position

The government-wide Statement of Net Position reports \$116,106,304 of restricted net position, of which \$46,534,041 is restricted by enabling legislation.

CITY OF VANCOUVER NOTES TO THE BASIC FINANCIAL STATEMENTS

NOTE 4. OTHER DISCLOSURES

4.A. RELATED PARTY TRANSACTIONS

In December 2004, the Downtown Redevelopment Authority, a component unit of the City of Vancouver, began construction of a Convention Center and Hotel in downtown Vancouver. The project was funded by proceeds from the sale of tax exempt bonds issued by the Vancouver Downtown Redevelopment Authority. 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 2018, the City recognized \$1,240,440 in expenditures associated with lodging tax revenues dedicated to the project.

4.B. CONTINGENCIES AND COMMITMENTS

Litigation

The City has recorded in its financial statement all material liabilities. The City is contingently liable in nine 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. There are four employment related claims and five public and property claims. However, the effect of the liabilities has not been reflected in the financial statements because they cannot be estimated at this time.

Grants

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.

Contract Commitments

The City has active contracts for professional services and construction projects as of December 31, 2018. The professional services contracts are primarily for operations of a sewer treatment facility, architectural, engineering and technology contracts. These construction projects include large transportation and infrastructure projects and facility projects. Significant City commitments to contracts as of fiscal year end totals approximately \$67,297,000.

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, the DRA refinanced the debt associated with the construction of the Vancouver Conference Center. As a part of the refinancing, the City agreed that, if, prior to each Interest Payment Date or Principal Payment Date, the amounts on deposit with the Trustee in the Project Revenue Bonds Debt Service Account and in the Authority Reserve Account are insufficient to pay the principal and interest due on the 2013 Project Revenue Bonds, upon notice of such deficiency from the Trustee, the City shall pay to the Trustee an amount equal to the deficiency; the maximum obligation on that payment date being the debt service amount of the 2013 Project Revenue Bonds due on such date, as described in Note III.E.

Any payment by the City of this conditional payment amount shall constitute a loan by the City to the DRA, with interest payable on such amounts at the rate or rates on the 2013 Project Revenue bonds.

During 2018, 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.

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

The City signed an interlocal agreement on September 14, 2004, for support of the Exhibition Hall. This hall is considered a tourism related facility which would benefit both the County and City. Beginning in 2005, the City pledges it will pay an amount of money (up to certain maximum amounts) which would be necessary to enable the County to meet its semi-annual debt service obligation, should they fall short from revenues dedicated for this purpose. For 2017 through termination, the maximum amount is \$150,000.

Under the terms of the interlocal, the amount of the City's pledge is reduced by the amount of any rental reduction the County grants to the amphitheater lessee. In July of 2008, the County reduced the rental rates for the amphitheater to such an extent that this commitment has been reduced to zero.

CITY OF VANCOUVER NOTES TO THE BASIC FINANCIAL STATEMENTS

To date, no such payments have been made against this agreement since the dedicated revenues have been adequate to cover the debt service. This agreement will be terminated once the bonds issued to finance the Exhibition Hall have been redeemed or defeased, no later than 2027.

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

The DRA signed an agreement on December 1, 2003, for the operation of the Vancouver Conference Center. In that agreement, during the fourth full year of operation, which was 2009, the Manager of the Vancouver Conference Center (Hilton Hotels) would earn a subordinate management fee for its services. These fees would be paid subject to the availability of amounts in the Subordinate Management Fee Fund. Also, during the sixth full year of operation, the Manager would earn a super-subordinate management fee for its services. These fees would be paid subject to the availability of amounts in the Super-subordinate Management Fee Fund. Hotel operating results prior to the DRA debt refinancing completed in June 2013, were not sufficient to funds these fees.

As part of the refinancing of the DRA debt in June 2013, a new agreement was signed with the Manager of the Vancouver Conference Center (Hilton Hotels) that provides for forgiveness of the above fee amounts over a 10-year period, on a straight-line basis. The forgiveness of these fees is recorded as a Special Item, Gain on Extinguishment of Debt on the Statement of Activities. During 2018, \$107,813 had been forgiven. The outstanding obligation recorded on the Statement of Net Position as of December 31, 2018, is \$485,158.

4. Commitment to the IRS, with respect to Arbitrage

Rebatable arbitrage is defined by the Internal Revenue Service Code Section 148 as earnings on investments purchased from the gross proceeds of a bond issue that are in excess of the amount that would have been earned if the investments were invested at a yield equal to the yield on the bond issue. The rebatable arbitrage must be paid to the federal government. The City of Vancouver carefully monitors its investments to restrict earnings to a yield less than the bond issue, and therefore limit any arbitrage liability. As of December 31, 2018, the City has no arbitrage rebate liability.

4.C. JOINT VENTURES AND 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. The City and other participating governments have representation on the CRESA-PA board. The City has not signed the service agreement with CRESA-PA as of the date of this report.

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, 2018, the City made subrecipient grant payments to the Council totaling \$50,000. The relationship between the City and the Council does not create an ongoing financial interest or financial responsibility.

CITY OF VANCOUVER

NOTES TO THE BASIC FINANCIAL STATEMENTS

4.D. RISK MANAGEMENT

During 1977, the City became a qualified self-insurer for workers' compensation as an alternative to the state program. In 1978, all local governments within Washington State were brought under the state unemployment tax coverage, which also allowed qualified cities to become self-insured. The City qualified and became self-insured for unemployment in 1978. The City established a Self-Insurance Internal Service fund to account for and finance its insured and uninsured risks of loss. The fund addresses claims in four areas of risk that include general liability, property, workers' compensation, and unemployment. Commercial insurance is purchased to handle risk of loss. In the past three years, no settlement has exceeded the City's insurance limits. Beginning in 2015, the City also became self-insured for certain employees' healthcare coverage. The City provides insurance coverage deemed as adequate and appropriate. In the case of City self-insurance activity, non-incremental claims adjustment expenses are not included as a part of the accrued claims liabilities in the financial statements.

General Liability and Property

The self-insurance cost for liability claims and claims administration through December 31, 2018, is \$61,664. The fund pays the majority of claims involving general liability, but has other liability coverage through specific policies. Currently, specific policies include airport liability. Coverage totals \$5,000,000 for liability and \$5,000,000 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. 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 2018 were \$80,954, with new first party property and vehicle claims reported in 2018. 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 \$500 million with adjustable deductibles based on specific event types. This represents replacement cost for City buildings and contents. Additional information about the liability and claims is in the table below.

Worker's Compensation

The cost for Workers' Compensation claims and claims administration was \$1,744,639 in 2018. The City is self-insured through the fund for workers' compensation, but also maintains an excess coverage policy with a \$1,000,000 deductible. Additional information about the liability and claims is in the table below.

Self-Insured Worker's Compensation and Liability Fund

Both worker's compensation and liability self-insurance are reported in the same fund. 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 \$7,787,000 at December 31, 2018.

Claims Liability All Programs

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 2018, 2017, and 2016 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
2018	\$ 6,836,000	\$ 2,065,258	\$ 773,000	\$ 1,887,258	\$ 7,787,000
2017	5,464,000	1,968,630	1,317,000	1,913,630	6,836,000
2016	5,169,177	3,044,854	220,000	2,970,031	5,464,000

CITY OF VANCOUVER NOTES TO THE BASIC FINANCIAL STATEMENTS

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 \$150,000 individual stop loss, and an aggregate stop loss of 125% of claims. No settlements have exceeded coverage to date. 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, 2018, net position for the self-insured health insurance fund is \$4,418,295.

4.E. PROPERTY TAXES

The Clark County Treasurer acts as an agent to collect property taxes levied in the County for the City and all other taxing authorities. (See Note I: D.2 receivables and payables for additional discussions).

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.

Cities are permitted to levy up to \$3.60 per \$1,000 of assessed valuation for general governmental services and \$0.225 per \$1,000 for local Fire Pension Funds. However, a separate library district was formed in 1981 for the tax year 1982, and this district annexed the City thus reducing the City's levy rate by \$.50 per \$1,000 of assessed valuation to \$3.10/\$1,000. Because the City has a local Fire and Police Pension Funds, the City is able to add \$0.225 to the levy rate per \$1,000 of assessed valuation which makes the City's maximum levy rate at \$3.325/\$1,000. This amount may be reduced for any of the following reasons:

- The Washington State Constitution limits the total regular property taxes to one percent of assessed valuation or \$10 per \$1,000 of value, except for port districts and public utility districts. Within the one percent limitation, RCW 84.52.043(2) imposes an aggregate limitation on regular levies by all taxing districts, other than the State, of \$.90/\$1,000 of assessed value, except for levies for any port or public utility district; excess levies authorized in Article VII, Section 2 of the State Constitution; and certain levies for acquiring conservation futures, for emergency medical services or care, and to finance affordable housing.
- The regular property tax increase limitation (chapter 84.55 RCW), as amended most recently by Initiative No. 747 (which was passed by voters in 2001), limits the total dollar amount of regular property taxes levied by an individual local taxing district such as the City to the amount of such taxes levied in the highest of the three most recent years multiplied by a limit factor, plus an adjustment to account for taxes on new construction, annexations, improvements and State-assessed property at the previous year's rate. The limit factor is the lesser of 101 percent of the highest levy in the three previous years (excluding new construction, improvements, and State-assessed property) or 100 percent plus inflation, unless a greater amount is approved by a simple majority of the voters. With a supermajority vote of the Council, the limit factor is a flat 101 percent. On November 8, 2007, the Washington Supreme Court ruled Initiative 747 unconstitutional. On November 29, 2007, the Legislature approved a bill reinstating the 101 percent property tax limit factor approved by the voters under Initiative 747.
- The City may voluntarily levy taxes below the legal limit.

Special levies approved by the voters are not subject to the above limitations.

For 2018, the City's regular tax levy was \$2.325 per \$1,000 on a total taxable 2018 assessed valuation of \$20,979,612,099 for a total regular levy of \$48,770,484.

In November 2016, voters approved an Affordable Housing Levy which authorized \$6,000,000 in property taxes to be levied and collected annually beginning in 2017 for a total of seven years. This tax levy was \$.286 on the 2018 assessed value. This revenue was deposited in a separate special revenue fund, specifically for programs associated with this levy.

CITY OF VANCOUVER

NOTES TO THE BASIC FINANCIAL STATEMENTS

Outstanding property taxes at December 31, 2018 amounted to \$739,653 for regular taxes and \$80,635 for the Affordable Housing Levy. The City does not establish an allowance for doubtful accounts since state law has authorized sales of taxed property to satisfy delinquent property taxes.

Property taxes are deposited into the General Fund. Transfers are then made into the general obligation debt service funds as required by the bond ordinances. Any shortages due to delinquent property taxes are absorbed by the General Fund.

4.F. TAX ABATEMENT

Multifamily Tax Exemption Program

The City enters into property tax abatement agreements with local businesses under the Multifamily Tax Exemption Program, which is authorized under Washington State RCW 84.14 and codified in Chapter 3.22 of the Vancouver Municipal code. Under the RCW, the City may grant property tax abatements of up to an approved period of eight, ten or twelve years for the approved value of newly constructed or rehabbed residential units. The purpose of this tax exempt program is to increase residential opportunities, including affordable housing, in designated urban centers.

Tax abatement eligibility is as follows:

- 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:
 - 8-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.

In addition to the above requirements, households in income-restricted units must pay no more than 30% of their income for rent and utilities.

For projects approved under this program, the owner has three years from the agreement being approved by council to obtain an occupancy permit. A Certificate of Tax Exemption is obtained by the property owner, which details the total exemption. The duration of the tax exemption is measured beginning January 1 of the year immediately following the calendar year after issuance of the Final Certificate of Tax Exemption. The new residential improvements are not added to the tax rolls until the exemption expires. However, land and other non-residential improvements are subject to property taxes.

All approved tax exemption projects are reviewed annually to ensure compliance with the program. If it is determined that the property owner is not complying with the terms of the agreement, the tax exemption will be canceled. This can occur in conjunction with the annual review or at any other time when the non-compliance has been determined. Additionally, owners of tax exemption projects are required to submit annual information to the City.

As of December 31, 2018, there are 22 approved, ongoing agreements under this program. Nine of the projects have completed construction and are currently renting. Three projects were in the abatement period for which the City abated property taxes totaling approximately \$113,100.

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, 2018 the state issued tax deferrals which reduced the City's revenue totaling approximately \$160,000 under this program.

CITY OF VANCOUVER

NOTES TO THE BASIC FINANCIAL STATEMENTS

4.G. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

The following table represents the aggregate pension amounts for all plans for the year 2018:

Aggregate Pension Amounts - All Plans	
Pension Liabilities	\$ 24,636,568
Pension Assets	38,640,916
Deferred outflows of resources	9,452,546
Deferred inflows of resources	20,983,303
Pension expense / expenditures	1,690,550

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 (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

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

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

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.

CITY OF VANCOUVER

NOTES TO THE BASIC FINANCIAL STATEMENTS

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 2018 were as follows:

PERS Plan 1		
Actual Contribution Rates:	Employer	Employee*
January – August 2018		
PERS Plan 1	7.49%	6.00%
PERS Plan 1 UAAL	5.03%	
Administrative Fee	0.18%	
Total	12.70%	6.00%
September – December 2018:		
PERS Plan 1	7.52%	6.00%
PERS Plan 1 UAAL	5.13%	
Administrative Fee	0.18%	
Total	12.83%	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.

CITY OF VANCOUVER NOTES TO THE BASIC FINANCIAL STATEMENTS

The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2018 were as follows:

PERS Plan 2/3		
Actual Contribution Rates:	Employer 2/3	Employee 2*
January – August 2018		
PERS Plan 2/3	7.49%	7.38%
PERS Plan 1 UAAL	5.03%	
Administrative Fee	0.18%	
Employee PERS Plan 3		varies
Total	12.70%	7.38%
September – December 2018:		
PERS Plan 2/3	7.52%	7.41%
PERS Plan 1 UAAL	5.13%	
Administrative Fee	0.18%	
Employee PERS Plan 3		varies
Total	12.83%	7.41%

The City's actual PERS plan contributions were \$2,504,897 to PERS Plan 1 and \$3,695,812 to PERS Plan 2/3 for the year ended December 31, 2018.

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 2018. 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.

CITY OF VANCOUVER NOTES TO THE BASIC FINANCIAL STATEMENTS

The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2018 were as follows:

LEOFF Plan 2		
Actual Contribution Rates	<u>Employer</u>	<u>Employee</u>
State and local governments	5.25%	8.75%
Administrative Fee	0.18%	
Total	5.43%	8.75%
Ports and Universities	8.75%	8.75%
Administrative Fee	0.18%	
Total	8.93%	8.79%

The City's actual contributions to the plan were \$2,472,686 for the year ended December 31, 2018.

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, 2018, the state contributed \$68,152,127 to LEOFF Plan 2. The amount recognized by the City as its proportionate share of this amount is \$1,630,705.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2018 with a valuation date of June 30, 2017. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2007-2012 Experience Study* and the *2017 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2017 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2018. Plan liabilities were rolled forward from June 30, 2017, to June 30, 2018, 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 based on the RP-2000 report's Combined Healthy Table and Combined Disabled Table, published by the Society of Actuaries. The OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100 percent Scale BB. 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.

- Lowered the valuation interest rate from 7.70% to 7.50% for all systems except LEOFF 2. For LEOFF 2 the valuation interest rate was lowered from 7.50% to 7.40%.
- Lowered the assumed general salary growth from 3.75% to 3.50% for all systems.
- Lowered assumed inflation from 3.00% to 2.75% for all systems.
- Modified how the valuation software calculates benefits paid to remarried duty-related death survivors of LEOFF 2 members.
- Updated the trend that the valuation software uses to project medical inflation for LEOFF 2 survivors of a duty-related death, and for certain LEOFF 2 medical-related duty disability benefits.

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 included an assumed 7.5 percent long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. (All plans use 7.5 percent except LEOFF 2, which has assumed 7.4 percent). Consistent with the long-term expected rate of return, a 7.4 percent future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue being made at contractually required rates (including PERS 2/3, PSERS 2, SERS 2/3, and TRS 2/3 employers, whose rates include a component for the PERS 1, and TRS 1 plan liabilities). Based on these assumptions, the pension

CITY OF VANCOUVER

NOTES TO THE BASIC FINANCIAL STATEMENTS

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 and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the capital market assumptions and their target asset allocation to simulate future investment returns at various time horizons.

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, 2018, 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.

Asset Class	Target Allocation	% Long-Term Expected Real Rate
		of Return Arithmetic
Fixed Income	20%	1.7%
Tangible Assets	7%	4.9%
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	\$	20,386,838	\$ 16,588,994	\$ 13,299,294
PERS 2/3	\$	36,809,794	\$ 8,047,574	\$ (15,534,235)
LEOFF 1	\$	(3,428,488)	\$ (4,309,748)	\$ (5,068,462)
LEOFF 2	\$	(3,921,107)	\$ (29,486,155)	\$ (50,337,426)

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.

CITY OF VANCOUVER

NOTES TO THE BASIC FINANCIAL STATEMENTS

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

At June 30, 2018, the City reported a total pension liability of \$24,636,568 for its proportionate share of the net pension liabilities and \$33,795,903 for its proportionate share of net pension assets as follows:

Plan	
PERS 1	\$ 16,588,994
PERS 2/3	\$ 8,047,574
Total liabilities	\$ 24,636,568
LEOFF 1	\$ (4,309,748)
LEOFF 2	\$ (29,486,155)
Total (assets)	\$ (33,795,903)

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	\$ (4,309,748)	\$ (29,486,155)
LEOFF - State's proportionate share of the net pension associated with the employer	(29,151,026)	(19,091,729)
TOTAL	\$ (33,460,774)	\$ (48,577,884)

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

	Proportionate Share 6/30/17	Proportionate Share 6/30/18	Change in Proportionate
PERS 1	0.34712%	0.37145%	0.02433%
PERS 2/3	0.44206%	0.47133%	0.02927%
LEOFF 1	0.23928%	0.23739%	-0.00189%
LEOFF 2	1.35889%	1.45236%	0.09347%

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.

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 2018. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2018, 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 2018, the state of Washington contributed 39.30 percent of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 60.70 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2018, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2017, with update procedures used to roll forward the total pension liability to the measurement date.

Pension Expense

For the year ended December 31, 2018, the City recognized pension expense as follows:

Pension Expense	
PERS 1	\$ 2,563,372
PERS 2/3	150,811
LEOFF 1	(666,845)
LEOFF 2	(1,352,340)
TOTAL	\$ 694,998

CITY OF VANCOUVER
NOTES TO THE BASIC FINANCIAL STATEMENTS

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2018, 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	\$ -	\$ (659,237)
Contributions subsequent to the measurement date	1,279,398	-
TOTAL	\$ 1,279,398	\$ (659,237)
PERS 2/3		
Differences between expected and actual experience	\$ 986,422	\$ (1,408,982)
Net difference between projected and actual investment earnings on pension plan investments	-	(4,938,364)
Changes of assumptions	94,143	(2,290,275)
Changes in proportion and differences between contributions and proportionate share of contributions	1,746,097	-
Contributions subsequent to the measurement date	1,879,506	-
TOTAL	\$ 4,706,168	\$ (8,637,621)
LEOFF 1		
Net Difference between projected and actual investment earnings on pension plan investments	\$ -	\$ (349,889)
TOTAL	\$ -	\$ (349,889)
LEOFF 2		
Differences between expected and actual experience	\$ 1,579,516	\$ (684,672)
Net Difference between projected and actual investment earnings on pension plan investments	-	(5,160,474)
Changes of assumptions	16,691	(4,231,796)
Changes in proportion and differences between contributions and proportionate share of contributions	-	(1,259,614)
Contributions subsequent to the measurement date	1,256,471	-
TOTAL	\$ 2,852,678	\$ (11,336,556)
TOTAL ALL PLANS		
Differences between expected and actual experience	\$ 2,565,938	\$ (2,093,654)
Net Difference between projected and actual investment earnings on pension plan investments	-	(11,107,964)
Changes of assumptions	110,834	(6,522,071)
Changes in proportion and differences between contributions and proportionate share of contributions	1,746,097	(1,259,614)
Contributions subsequent to the measurement date	4,415,375	-
TOTAL	\$ 8,838,244	\$ (20,983,303)

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, 2019. 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
2019	\$ 28,842	\$ (384,588)	\$ 334	\$ (802,382)
2020	(144,113)	(1,340,478)	(78,932)	(1,583,709)
2021	(432,443)	(2,738,453)	(214,979)	(3,225,554)
2022	(111,523)	(835,060)	(56,312)	(1,267,432)
2023	-	(130,027)	-	(535,826)
Thereafter	-	(382,354)	-	(2,325,445)
Total	\$ (659,237)	\$ (5,810,960)	\$ (349,889)	\$ (9,740,348)

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 Policemen's 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 Firemen's 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.

Plan Set-up

There are no assets accumulated in a qualifying trust. The plans did not meet the requirements for 1) irrevocable contributions, 2) maintain OPEB and pension in separate accounts from each other, or 3) legally protected from creditors.

Plan membership. At December 31, 2018, pension plan membership consisted of only inactive plan members or beneficiaries currently receiving benefits. Of the 53 members, 35 are fire members and 18 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, 2018; 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, 2018, contributions made by the general fund to the Police and Fire Pension Funds were \$1,100,001 and \$1,800,000, 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 2018 to the Fire Pension Fund was \$200,026.

As of December 31, 2018, the Police Pension Fund and the Firefighters Pension Fund reported net position held in trust for pension and OPEB benefits of \$2,575,929 and \$10,502,321, 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, 2018, the Firefighters Pension fund had an investment portfolio with fair value of \$2,214,877, 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 \$8,202,367. 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 42 days on December 31, 2018. 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 7.9 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, 2018, but did have \$2,542,083 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, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was as follows:

<u>Year ending December 31, 2018</u>	<u>Net Money- Weighted Rate of Return</u>
Fire Pension Trust Fund	1.79%
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, 2018, were as follows:

	Fire	Police
Total pension liability	\$ 6,029,055	\$ 2,204,182
Plan fiduciary net position	10,502,321	2,575,929
Net pension liability (asset)	<u>\$ (4,473,266)</u>	<u>\$ (371,747)</u>
Fiduciary net position as a % of total pension liability	174.20%	116.87%
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)		
Changes in Net Pension Liability (Asset)	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Asset
Balances as of December 31, 2017	\$ 6,724,111	\$ 9,753,670	\$ (3,029,559)
Changes for the year:			
Interest on total pension liability	223,983	-	223,983
Effect of economic/demographic gains or losses	-	-	-
Effect of assumptions, changes or inputs	(264,209)	-	(264,209)
Benefit payments	(654,830)	(654,830)	-
Medical payments from fund	-	(720,334)	720,334
Employer contributions	-	1,800,000	(1,800,000)
Contributions from state fire insurance premium tax	-	200,026	(200,026)
Net investment income	-	181,475	(181,475)
Administrative expenses	-	(57,686)	57,686
Balance as of December 31, 2018	<u>\$ 6,029,055</u>	<u>\$ 10,502,321</u>	<u>\$ (4,473,266)</u>

POLICE PENSION TRUST FUND			
	Increase (Decrease)		
Changes in Net Pension Liability (Asset)	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of December 31, 2017	\$ 2,432,751	\$ 2,333,513	\$ 99,238
Changes for the year:			
Service Cost	-	-	-
Interest on total pension liability	81,158	-	81,158
Effect of plan changes	-	-	-
Effect of economic/demographic gains or losses	-	-	-
Effect of assumptions, changes or inputs	(79,841)	-	(79,841)
Benefit payments	(229,886)	(229,886)	-
Medical payments from fund	-	(601,282)	601,282
Employer contributions	-	1,100,001	(1,100,001)
Police auction income	-	14,557	(14,557)
Net investment income	-	103	(103)
Administrative expenses	-	(41,077)	41,077
Balance as of December 31, 2018	<u>\$ 2,204,182</u>	<u>\$ 2,575,929</u>	<u>\$ (371,747)</u>

Actuarial assumptions. The total pension liability for each plan was determined by an actuarial valuation as of December 31, 2018, 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:

CITY OF VANCOUVER

NOTES TO THE BASIC FINANCIAL STATEMENTS

Discount rate	4.00%
Long-term expected rate of return, net of investment expense	4.00%
Municipal bond rate	4.00%
Inflation	2.25%
Salary increases including inflation	3.25%
Actuarial cost method	Entry Age Normal

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, 2018.

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, 2018 are summarized in the following table:

Asset Class	Index	Long-term Expected Rate of Real Return
Cash	BAML 90 day T-bills	0.33%
Short-term bonds	Barclays 1-3 Year Gov/Cred	1.46%
Long-term bonds	Barclays Long Gov/Cred	2.23%
Assumed inflation - Mean		2.25%
Long-term expected rate of return		4.00%

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 3.5% as of December 31, 2018 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 4.10% as of December 31, 2018. Rounding this to the nearest 1/4% results in a discount rate of 4.0%. Using 3.5% for both the long-term expected rate of return and the bond index will mean that 3.5% 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, 201 was 3.50%. The discount rate at December 31, 2018 represents a 0.50% increase in rate.

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 4.0%, 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 3.00%	Current rate 4.00%	1% Increase 5.00%
Fire	(3,925,203)	(4,473,266)	(4,949,440)
Police	(206,716)	(371,747)	(517,058)

Pension Expense

Pension expense recognized related to the City's own pension trust funds for the year ended December 31, 2018, was as follows:

Plan	Pension expense
Fire Pension Trust Fund	376,264
Police Pension Trust Fund	619,288
Total	<u>\$ 995,552</u>

CITY OF VANCOUVER

NOTES TO THE BASIC FINANCIAL STATEMENTS

Deferred Outflows of Resources

These OPEB and pension plans are reported within the General Fund. The following information is provided in accordance with GASB 67/68 criteria. At December 31, 2018, 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	\$ 453,227	\$ 161,076

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 Fund	Police Pension Fund
2019	\$ 189,717	\$ 61,491
2020	139,254	48,518
2021	90,308	33,913
2022	33,948	17,154
2023	-	-
Thereafter	-	-

4.H. OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS

The following table represents the aggregate OPEB amounts for all plans subject to the requirements of the new GASB Statement 75 first implemented for the 2018 year:

Aggregate OPEB Amounts - All Plans	
OPEB liabilities	\$ (44,962,717)
OPEB assets	\$ -
Deferred outflows of resources	\$ -
Deferred inflows of resources	\$ -
OPEB expenditures	\$ (1,484,427)

OPEB Plan Description

In addition to the pension benefits described in Police Officers and Firefighters' Pension Funds section of Note IV.G, 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.

CITY OF VANCOUVER

NOTES TO THE BASIC FINANCIAL STATEMENTS

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 with no new members. There were no active employees, and no retired employees not yet receiving a benefit, as of December 31, 2018.

Employees covered by benefit terms: At December 31, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	
Fire	60
Police	41
Total	101

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 2018 was \$1,325,718.

Assumptions and Other Inputs

The actuarial assumptions used in the January 1, 2018, 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, 2018 actuarial valuation, the entry age normal cost method was used. The Bond Buyer General Obligation 20-bond municipal bond index for bonds that mature in 20 years was 4.10% as of December 27, 2018. Rounding this to the nearest ¼% results in a discount rate of 4.0% as of the December 31, 2018 measurement date. Other assumptions include a 4.0% 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.

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).

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, 2018, 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 of 6.8 percent, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.8 percent) or 1-percentage point higher (7.8 percent) than the current rate.

Fire OPEB			
	1% Decrease	Current Trend Rates	1% Increase
Total OPEB Liability	\$23,520,863	\$26,968,904	\$31,092,552

Police OPEB			
	1% Decrease	Current Trend Rates	1% Increase
Total OPEB Liability	\$15,876,613	\$17,993,813	\$20,487,846

The following presents the total OPEB liability of the City for each plan calculated using the discount rate of 4.0%, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.0%) or 1-percentage point higher (5.0%) than the current rate.

CITY OF VANCOUVER
NOTES TO THE BASIC FINANCIAL STATEMENTS

Fire OPEB			
	1% Decrease (3.0%)	Current Discount Rate (4.0%)	1% Increase (5.0%)
Total OPEB Liability	\$31,085,247	\$26,968,904	\$23,608,115

Police OPEB			
	1% Decrease (3.0%)	Current Discount Rate (4.0%)	1% Increase (5.0%)
Total OPEB Liability	\$20,490,000	\$17,993,813	\$15,924,711

Changes in the Total OPEB Liability:

The following presents a schedule of changes for each plan's total OPEB Liability during 2018.

Fire OPEB	
Total OPEB Liability at 01/01/2018	\$ 28,904,672
Service cost	-
Interest	994,684
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	(1,951,744)
Benefit Payments	(978,708)
Other Changes	-
Total OPEB Liability at 12/31/2018	\$ 26,968,904

Police OPEB	
Total OPEB Liability at 01/01/2018	\$ 19,247,593
Service cost	-
Interest	661,063
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	(1,188,430)
Benefit Payments	(726,413)
Other Changes	-
Total OPEB Liability at 12/31/2018	\$ 17,993,813

The Valuation Date, or the date as of which the actuarial evaluation was performed, was January 1, 2017. 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, 2018.

Since the prior measurement date, the discount rate and investment rate of return increased from 3.50% to 4.0%. 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 (\$1,484,427) for 2018, largely due to the recognition of assumption changes or inputs noted previously.

At December 31, 2018, 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.

CITY OF VANCOUVER

NOTES TO THE BASIC FINANCIAL STATEMENTS

4.I. SPECIAL AND EXTRAORDINARY ITEMS

Special Item: Annexation

In 2016, the Vancouver City Council identified Van Mall North as an area ready for annexation. It is located in Vancouver's Urban Growth Area (UGA), and was slated for annexation by the City and Clark County in the Annexation Blueprint Plan (2007). Annexation of Van Mall North was underway in 2008, when all annexation activities were halted due to the economic recession. It resumed and was completed August 1, 2017. The Van Mall North area is already served by City of Vancouver water, sewer and emergency fire services. The majority of the assets were received during 2017 with the remainder, \$6.46 million, received during January 2018. The assets received in 2018 were utility assets which the City reported in the Water/Sewer fund.

The City also has agreed to make annual payments to the County totaling \$344,445 through 2022. This is to assist the county in covering debt service requirements related to an asset annexed, in part, by the City. Additional details on this annexation can be found on the City's website through this link <https://www.Cityofvancouver.us/ced/page/van-mall-north-annexation>.

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 the Manager of the Vancouver Conference Center (Hilton Hotels) that provides for forgiveness of the above fee amounts over a 10-year period, on a straight-line basis. The forgiveness of these fees is recorded as a Special Item, Gain on Extinguishment of Debt on the Statement of Activities. During 2018, \$107,813 had been forgiven. The outstanding obligation recorded on the Statement of Net Position as of December 31, 2018, is \$485,158. Additional details on this ongoing arrangement can be found above in Note IV. B. Related Party Commitments. Section 3. Commitment to Hilton Hotel, with respect to the Subordinate and Super-subordinate Management Fees.

Extraordinary item: Bankruptcy settlement

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%. 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 a new Forward Purchase Agreement will generate. During 2018, the Authority received a distribution in the amount of \$13,993 as a result of the bankruptcy claim. If the Lehman bankruptcy estate receives additional funds, more distributions are possible.

4.J. PRIOR PERIOD ADJUSTMENTS/ RESTATEMENTS

The City's component unit, DRA had a prior period adjustment of \$788,595. It is comprised of the following adjustments:

\$	166,439	Corrections of transactions related to renegotiation of operating agreement.
	622,156	Corrections related to assets
	13,486	Corrections to construction in progress for expenditures that should have been expense versus capitalized
	608,670	Corrections to useful lives of applicable assets
	<hr/>	
	788,595	Total prior period adjustment

The fire and police pension and OPEB funds, used to accumulate and distribute resources for the LEOFF 1 plan were reclassified from fiduciary funds to governmental funds for 2018. Prior to this date, the City treated the funds as qualified trusts and they were reported separately on the fiduciary statements. However, the City determined that the funds do not meet the criteria of qualified trusts as clarified in GASB 75. As a result, the funds are now considered governmental and are rolled into the General Fund for presentation on the financial statements. The beginning balance of the General Fund was restated to reflect the change. This increased the restated beginning net position of the General Fund by \$12.1 million.

For 2018 the City also determined that the Facilities Asset Management fund did not qualify as a special revenue fund. Previously it was rolled into the general fund for presentation. It has been reclassified as capital project fund and is now reported within the Capital Improvement Fund. The beginning balances of these funds were restated as a result. This decreased the restated beginning net position of the General Fund by \$5.5 million.

CITY OF VANCOUVER
NOTES TO THE BASIC FINANCIAL STATEMENTS

4.K. CHANGE IN ACCOUNTING PRINCIPLE

The City adopted GASB 75, Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions (OPEB), in 2018 which resulted in a restatement of net position to reflect the City's increased OPEB liability. The restatement decreased the City's net position by \$36,581,448. See Note 4.H for additional information.



Kids at Play

Required Supplementary Information

CITY OF VANCOUVER

Required Supplementary Information

Fire OPEB Pension Funds

December 31, 2018

Schedule of Changes in Total OPEB Liability and Related Ratios

Last Fiscal Year

(In thousands)

	2018
Total OPEB liability	
Service cost	\$ -
Interest on total OPEB liability	995
Changes in benefit terms	-
Effect on economic/demographic gains or (losses)	-
Effect of assumption changes or inputs	(1,952)
Expected benefit payments	(979)
Net change in total OPEB liability	(1,936)
Total OPEB liability, beginning	28,905
Total OPEB liability - ending (a)	26,969
 Covered-employee payroll	 -
 Net pension liability as a % of covered employee payroll	 N/A

* The actuarial updates on this information are done on an 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 Pension Funds

December 31, 2018

Schedule of Changes in Total OPEB Liability and Related Ratios

Last Fiscal Year

(In thousands)

	2018
Total OPEB liability	
Service cost	\$ -
Interest on total OPEB liability	661
Changes in benefit terms	-
Effect on economic/demographic gains or (losses)	-
Effect of assumption changes or inputs	(1,188)
Expected benefit payments	(726)
Net change in total OPEB liability	(1,253)
Total OPEB liability, beginning	19,248
Total OPEB liability - ending (a)	17,995
 Covered-employee payroll	 -
 Net pension liability as a % of covered employee payroll	 N/A

* The actuarial updates on this information are done on an 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

State Sponsored PERS Plans

June 30, 2018

Schedule of Proportionate Share of the Net Pension Liability

Last Five 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					
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					
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%

CITY OF VANCOUVER

Required Supplementary Information

State Sponsored LEOFF Plans

June 30, 2018

Schedule of Proportionate Share of the Net Pension Liability

Last Five 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							
2018	0.237386%	\$ (4,309,748)	\$ (29,151,026)	\$ (33,460,773)	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							
2018	1.452364%	\$ (29,486,155)	\$ (19,091,729)	\$ (48,577,885)	\$ 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	1.281662%	(17,008,206)	(11,112,842)	(28,121,048)	35,655,019	-47.70%	116.75%

CITY OF VANCOUVER

Required Supplementary Information

State Sponsored PERS Plans

December 31, 2018

Schedule of Employer Contributions

Last Five 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 employer payroll	Contributions as a percentage of covered employee payroll
PERS Plan 1					
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					
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%

CITY OF VANCOUVER

Required Supplementary Information

State Sponsored LEOFF Plans

December 31, 2018

Schedule of Employer Contributions

Last Five Fiscal Years

<u>Year Ended December 31,</u>	<u>Statutorily or contractually required contributions</u>	<u>Contributions in relation to the statutorily or contractually required contributions</u>	<u>Contribution deficiency (excess)</u>	<u>Covered employer payroll</u>	<u>Contributions as a percentage of covered employee payroll</u>
LEOFF 2					
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%

CITY OF VANCOUVER

Notes to Required Supplemental Information - Pension

All Multi employer State Sponsored Plans

December 31, 2018

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.

Note 3: Change in contribution rate

The employer contribution rates for both PERS 1 and PERS 2/3 plans increased from 12.70% to 12.83% for pay periods beginning September 2018.

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 Trust Fund

December 31, 2018

Schedule of Changes in Net Pension Liability and Related Ratios

Last Five Fiscal Years

(In thousands)

	2018	2017	Restated 2016	2015	2014
Total pension liability					
Interest	\$ 224	\$ 248	\$ 255	\$ 265	\$ 272
Effect of economic/demographic (gains) or losses	-	-	(185)	-	-
Effect of assumptions, changes or inputs	(264)	145	(156)	-	-
Benefit payments, including refunds of contributions	(655)	(586)	(562)	(526)	(477)
Net change in total pension liability	(695)	(193)	(648)	(261)	(205)
Total pension liability - beginning	6,724	6,917	7,565	7,826	8,031
Total pension liability - ending (a)	6,029	6,724	6,917	7,565	7,826
Plan net position					
Contributions - employer	1,800	1,800	1,756	1,756	1,756
Contributions - state fire insurance premium tax	200	187	183	172	185
Net investment income	181	84	61	35	35
Prior period adjustment	-	(15)	-	-	17
Benefit payments, including refunds of contributions	(655)	(586)	(562)	(526)	(477)
Medical payments from fund	(720)	(689)	(815)	(836)	(924)
Administrative expense	(58)	(76)	(69)	(56)	(29)
Net change in plan net position	748	705	554	545	563
Plan net position - beginning	9,753	9,048	8,494	7,949	7,386
Plan net position - ending (b)	10,501	9,753	9,048	8,494	7,949
Net pension liability ending (a) - (b)	<u>\$ (4,472)</u>	<u>\$ (3,029)</u>	<u>\$ (2,131)</u>	<u>\$ (929)</u>	<u>\$ (123)</u>
Plan net position as a % of total pension liability (b)/(a)	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

CITY OF VANCOUVER

Required Supplementary Information - Single Employer

Police Pension Trust Fund

December 31, 2018

Schedule of Changes in Net Pension Liability and Related Ratios

Last Five Fiscal Years

(In thousands)

	2018	2017	Restated 2016	2015	2014
Total pension liability					
Interest	\$ 81	\$ 91	\$ 83	\$ 88	\$ 93
Effect of economic/demographic (gains) or losses	-	-	296	-	-
Effect of assumptions, changes or inputs	(80)	45	(49)	-	-
Benefit payments, including refunds of contributions	(230)	(250)	(285)	(217)	(301)
Net change in total pension liability	(229)	(114)	45	(129)	(208)
Total pension liability - beginning	2,434	2,548	2,503	2,632	2,841
Total pension liability - ending (a)	2,205	2,434	2,548	2,503	2,633
Plan net position					
Contributions - employer	1,100	1,100	1,080	1,080	1,080
Police Auction Income	15	9	10	8	2
Net investment income	-	-	1	-	-
Prior period adjustment	-	1	-	-	9
Benefit payments, including refunds of contributions	(230)	(250)	(285)	(218)	(301)
Medical payments from fund	(601)	(652)	(612)	(475)	(587)
Administrative expense	(41)	(49)	(47)	(48)	(36)
Net change in plan net position	243	159	147	347	167
Plan net position - beginning	2,334	2,175	2,029	1,682	1,515
Plan net position - ending (b)	2,577	2,334	2,176	2,029	1,682
Net pension liability ending (a) - (b)	\$ (372)	\$ 100	\$ 372	\$ 474	\$ 951
Plan net position as a % of total pension liability (b)/(a)	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

CITY OF VANCOUVER

Required Supplementary Information - Single Employer

Police and Fire Pension Trust Funds

December 31, 2018

Schedule of Investment Returns

Last Five Fiscal Years

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

CITY OF VANCOUVER

Notes to Required Supplementary Information
Police and Fire Pension Trust Funds
December 31, 2018

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, 2017

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	30 year closed
Remaining amortization period	16 years
Asset valuation method	Fair Value
Inflation	2.25%
Salary increases	3.25%
Investment rate of return	4.0%, net of pension plan investment expense, including inflation
Retirement age	53
Mortality	RP-2000 Mortality Table (combined healthy)

Combining Nonmajor Governmental Funds

CITY OF VANCOUVER
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2018

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 22,586,688	\$ 3,071,134	\$ 20,008,846	\$ 45,666,668
Receivables (net)			-	
Taxes/assessments	1,208,944	-	-	1,208,944
Accounts	321,944	171,781	945,107	1,438,832
Interest	64,013	8,666	57,207	129,886
Notes	4,955,929	-	-	4,955,929
Due from other funds	10,809	-	3,574,888	3,585,697
Due from other governmental units	280,184	-	1,207,997	1,488,181
Prepaid items	8,237	-	-	8,237
TOTAL ASSETS	\$ 29,436,748	\$ 3,251,581	\$ 25,794,045	\$ 58,482,374
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	29,436,748	3,251,581	25,794,045	58,482,374
LIABILITIES				
Accounts payable	\$ 1,019,322	\$ 2,590	\$ 849,909	\$ 1,871,821
Due to other funds	88,152	-	82,952	171,104
Due to other governmental units	260,000	-	-	260,000
Accrued liabilities	47,566	-	27,830	75,396
Revenues collected in advance	2,324	-	-	2,324
Custodial accounts	22,894	-	-	22,894
Unearned revenues	206,188	-	750,266	956,454
Total liabilities	<u>1,646,446</u>	<u>2,590</u>	<u>1,710,957</u>	<u>3,359,993</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	66,557	-	-	66,557
Unavailable revenue-special assessments	-	60,593	-	60,593
Unavailable revenue-grant funding	-	-	190,257	190,257
Total deferred inflows of resources	<u>66,557</u>	<u>60,593</u>	<u>190,257</u>	<u>317,407</u>
FUND BALANCES				
Restricted	25,126,297	50,502	22,249,822	47,426,621
Committed	665,939	-	96,426	762,365
Assigned	1,931,509	3,137,896	1,546,583	6,615,988
Total fund balance	<u>27,723,745</u>	<u>3,188,398</u>	<u>23,892,831</u>	<u>54,804,974</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 29,436,748	\$ 3,251,581	\$ 25,794,045	\$ 58,482,374

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

For the Year Ended December 31, 2018

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES				
Property taxes	\$ 5,972,861	\$ -	\$ -	\$ 5,972,861
Other taxes	9,973,954	-	156,811	10,130,765
License and permits	-	2,575,330	-	2,575,330
Intergovernmental	3,233,217	-	2,324,810	5,558,027
Charges for services	347,065	-	2,050,860	2,397,925
Fines and penalties	51,125	1,490	200	52,815
Investment earnings	399,438	63,105	381,084	843,627
Rents and royalties	364,715	-	-	364,715
Contributions/donations	85,237	-	3,562,048	3,647,285
Miscellaneous	704,905	26,841	-	731,746
Total revenues	<u>21,132,517</u>	<u>2,666,766</u>	<u>8,475,813</u>	<u>32,275,096</u>
EXPENDITURES				
Current				
General government	1,137,264	-	-	1,137,264
Security/persons & property	257,295	-	-	257,295
Physical environment	3,748	-	-	3,748
Transportation	-	150,478	2,129,637	2,280,115
Economic environment	7,037,511	-	-	7,037,511
Culture and recreation	278	-	967,817	968,095
Capital outlay	9,096	-	14,464,348	14,473,444
Debt service				
Principal retirement	-	7,436,007	-	7,436,007
Interest/fiscal charges	-	2,845,330	-	2,845,330
Total expenditures	<u>8,445,192</u>	<u>10,431,815</u>	<u>17,561,802</u>	<u>36,438,809</u>
Excess (deficiency) of revenues over (under) expenditures	12,687,325	(7,765,049)	(9,085,989)	(4,163,713)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	3,934	-	76,916	80,850
Transfers in	624,154	10,237,962	10,662,437	21,524,553
Transfers out	(7,991,462)	(1,969,763)	(3,790,725)	(13,751,950)
Total other financing sources and uses	<u>(7,363,374)</u>	<u>8,268,199</u>	<u>6,948,628</u>	<u>7,853,453</u>
Net change in fund balances	5,323,951	503,150	(2,137,361)	3,689,740
RESTATED FUND BALANCES - BEGINNING	22,399,794	2,685,248	26,030,192	51,115,234
FUND BALANCES - ENDING	<u>\$ 27,723,745</u>	<u>\$ 3,188,398</u>	<u>\$ 23,892,831</u>	<u>\$ 54,804,974</u>

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Special Revenue Funds

Special Revenue Funds are established to account for the proceeds of specific revenue sources (other than special assessments) to finance specific activities as required by law or administrative regulation. Their revenues are earmarked to finance particular activities or functions. Special Revenue Funds are created by local ordinance and are often mandated by state statutes. The funds are listed and briefly described below. Special revenue classified funds are accounted for and budgeted on the modified accrual basis of accounting and all related statements have been reported on this basis.

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. Improvements include 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.

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 revenues and expenses associated with Parks and Recreation that are required to be used for restricted purposes.

Affordable Housing Fund

Established 2017, under RCW 84.52.105, allows the city to impose property tax levies to finance affordable housing for very low-income households, and develop or preserve publicly or privately owned housing under RCW 35.21.685.

Parkhill Cemetery Improvement Fund

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

REET 2002

This fund is used to account for the Real Estate Excise Tax received for planning, acquisition, construction, and repair of streets and street related improvements.

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

Effective November 2, 2015 RCW 36.73 established 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 31, 2018

(Page 1 of 4)

	Investigative	Drug Enforcement	CED Grants	Tourism
ASSETS				
Cash and cash equivalents	\$ 175,170	\$ 883,269	\$ 123,151	\$ 5,189,003
Taxes/assessments	-	2,982	-	301,133
Accounts	-	-	282,760	-
Interest	501	2,510	355	14,690
Notes	-	-	4,955,929	-
Due from other funds	-	-	-	-
Due from other governmental units	-	-	280,184	-
Prepaid items	-	-	-	-
TOTAL ASSETS	175,671	888,761	5,642,379	5,504,826
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 175,671	\$ 888,761	\$ 5,642,379	\$ 5,504,826
LIABILITIES				
Accounts payable	\$ 11,654	\$ 16,702	\$ 231,010	\$ 30,715
Due to other funds	-	-	79,252	-
Due to other governmental units	-	-	-	260,000
Accrued liabilities	-	437	16,009	-
Revenues collected in advance	-	-	-	-
Custodial accounts	1,099	297	-	-
Unearned revenues	-	-	187,419	-
Total liabilities	12,753	17,436	513,690	290,715
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES				
Restricted	153,481	844,898	5,055,259	5,092,887
Committed	-	-	-	-
Assigned	9,437	26,427	73,430	121,224
Total fund balance	162,918	871,325	5,128,689	5,214,111
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 175,671	\$ 888,761	\$ 5,642,379	\$ 5,504,826

CITY OF VANCOUVER
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2018

(Page 2 of 4)

	VNHR Properties	Criminal Justice	Senior Messenger	Parks & Recreation
ASSETS				
Cash and cash equivalents	\$ 564,423	\$ 642,275	\$ 408,564	\$ 37,562
Taxes/assessments	-	68,338	-	-
Accounts	-	-	29,122	-
Interest	1,599	1,829	1,158	105
Notes	-	-	-	-
Due from other funds	-	-	-	-
Due from other governmental units	-	-	-	-
Prepaid items	-	-	-	-
TOTAL ASSETS	566,022	712,442	438,844	37,667
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 566,022	\$ 712,442	\$ 438,844	\$ 37,667
LIABILITIES				
Accounts payable	\$ -	\$ 27,060	\$ 669	\$ -
Due to other funds	-	-	-	-
Due to other governmental units	-	-	-	-
Accrued liabilities	-	-	2,158	-
Revenues collected in advance	-	-	2,324	-
Custodial accounts	-	-	-	-
Unearned revenues	-	-	18,769	-
Total liabilities	-	27,060	23,920	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES				
Restricted	168,595	667,394	-	36,625
Committed	196,972	-	-	-
Assigned	200,455	17,988	414,924	1,042
Total fund balance	566,022	685,382	414,924	37,667
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 566,022	\$ 712,442	\$ 438,844	\$ 37,667

CITY OF VANCOUVER
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2018

(Page 3 of 4)

	Affordable Housing	Parkhill Cemetery	REET 2002	Downtown Initiatives
ASSETS				
Cash and cash equivalents	\$ 9,720,489	\$ 479,556	\$ 1,148,980	\$ 242,515
Taxes/assessments	80,635	-	399,713	-
Accounts	675	-	-	4,315
Interest	27,496	1,362	3,306	690
Notes	-	-	-	-
Due from other funds	-	-	10,809	-
Due from other governmental units	-	-	-	-
Prepaid items	-	-	-	8,237
TOTAL ASSETS	9,829,295	480,918	1,562,808	255,757
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 9,829,295	\$ 480,918	\$ 1,562,808	\$ 255,757
LIABILITIES				
Accounts payable	\$ 688,520	\$ 25	\$ -	\$ -
Due to other funds	2,900	-	6,000	-
Due to other governmental units	-	-	-	-
Accrued liabilities	4,746	-	-	-
Revenues collected in advance	-	-	-	-
Custodial accounts	-	-	-	21,472
Unearned revenues	-	-	-	-
Total liabilities	696,166	25	6,000	21,472
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	66,557	-	-	-
Total deferred inflows of resources	66,557	-	-	-
FUND BALANCES				
Restricted	8,912,303	-	1,506,564	-
Committed	-	468,967	-	-
Assigned	154,269	11,926	50,244	234,285
Total fund balance	9,066,572	480,893	1,556,808	234,285
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 9,829,295	\$ 480,918	\$ 1,562,808	\$ 255,757

CITY OF VANCOUVER
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2018

(Page 4 of 4)

	City/County Cable TV	Transportation Benefit District	Total Nonmajor Special Revenue Funds
ASSETS			
Cash and cash equivalents	\$ 606,118	\$ 2,365,613	\$ 22,586,688
Taxes/assessments	-	356,143	1,208,944
Accounts	5,072	-	321,944
Interest	1,711	6,701	64,013
Notes	-	-	4,955,929
Due from other funds	-	-	10,809
Due from other governmental units	-	-	280,184
Prepaid items	-	-	8,237
TOTAL ASSETS	612,901	2,728,457	29,436,748
DEFERRED OUTFLOWS OF RESOURCES			
Total deferred outflows of resources	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 612,901	\$ 2,728,457	\$ 29,436,748
LIABILITIES			
Accounts payable	\$ 12,967	\$ -	\$ 1,019,322
Due to other funds	-	-	88,152
Due to other governmental units	-	-	260,000
Accrued liabilities	24,216	-	47,566
Revenues collected in advance	-	-	2,324
Custodial accounts	26	-	22,894
Unearned revenues	-	-	206,188
Total liabilities	37,209	-	1,646,446
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue-property taxes	-	-	66,557
Total deferred inflows of resources	-	-	66,557
FUND BALANCES			
Restricted	-	2,688,291	25,126,297
Committed	-	-	665,939
Assigned	575,692	40,166	1,931,509
Total fund balance	575,692	2,728,457	27,723,745
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 612,901	\$ 2,728,457	\$ 29,436,748

CITY OF VANCOUVER
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2018

(Page 1 of 4)

	Investigative	Drug Enforcement	CED Grants	Tourism
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	2,482,891
Intergovernmental	-	-	2,326,327	-
Charges for services	-	-	-	-
Fines and penalties	-	51,125	-	-
Investment earnings	3,433	15,996	47,504	85,733
Rents and royalties	-	-	-	-
Contributions/donations	22,047	-	-	-
Miscellaneous	5,247	172,932	148,707	-
Total revenues	<u>30,727</u>	<u>240,053</u>	<u>2,522,538</u>	<u>2,568,624</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Security/persons & property	41,438	183,860	-	-
Physical environment	-	-	-	-
Economic environment	-	-	1,912,835	1,862,042
Culture and recreation	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>41,438</u>	<u>183,860</u>	<u>1,912,835</u>	<u>1,862,042</u>
Excess (deficiency) of revenues over expenditures	(10,711)	56,193	609,703	706,582
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	3,934	-	-	-
Transfers in	-	-	-	-
Transfers out	(25,000)	(97,955)	(600,000)	(173,326)
Total other financing sources (uses)	<u>(21,066)</u>	<u>(97,955)</u>	<u>(600,000)</u>	<u>(173,326)</u>
Net change in fund balances	(31,777)	(41,762)	9,703	533,256
FUND BALANCES - BEGINNING	<u>194,695</u>	<u>913,087</u>	<u>5,118,986</u>	<u>4,680,855</u>
FUND BALANCES - ENDING	<u>\$ 162,918</u>	<u>\$ 871,325</u>	<u>\$ 5,128,689</u>	<u>\$ 5,214,111</u>

CITY OF VANCOUVER
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2018

(Page 2 of 4)

	VNHR Properties	Criminal Justice	Senior Messenger	Parks & Recreation
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Intergovernmental	-	272,339	-	-
Charges for services	-	-	263,350	-
Fines and penalties	-	-	-	-
Investment earnings	9,562	10,619	7,034	720
Rents and royalties	194,350	-	-	-
Contributions/donations	-	-	32,819	29,971
Miscellaneous	378,019	-	-	-
Total revenues	<u>581,931</u>	<u>282,958</u>	<u>303,203</u>	<u>30,691</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Security/persons & property	-	31,997	-	-
Physical environment	-	-	-	-
Economic environment	131,161	-	282,644	-
Culture and recreation	-	-	-	221
Capital outlay	-	-	-	-
Total expenditures	<u>131,161</u>	<u>31,997</u>	<u>282,644</u>	<u>221</u>
Excess (deficiency) of revenues over expenditures	450,770	250,961	20,559	30,470
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(378,019)	(124,167)	-	(39,194)
Total other financing sources (uses)	<u>(378,019)</u>	<u>(124,167)</u>	<u>-</u>	<u>(39,194)</u>
Net change in fund balances	72,751	126,794	20,559	(8,724)
FUND BALANCES - BEGINNING	<u>493,271</u>	<u>558,588</u>	<u>394,365</u>	<u>46,391</u>
FUND BALANCES - ENDING	<u>\$ 566,022</u>	<u>\$ 685,382</u>	<u>\$ 414,924</u>	<u>\$ 37,667</u>

CITY OF VANCOUVER
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2018

(Page 3 of 4)

	Affordable Housing	Parkhill Cemetery	REET 2002	Downtown Initiatives
REVENUES				
Property taxes	\$ 5,972,861	\$ -	\$ -	\$ -
Other taxes	-	-	3,700,158	-
Intergovernmental	-	-	-	-
Charges for services	-	21,877	-	20,000
Fines and penalties	-	-	-	-
Investment earnings	136,704	8,159	31,470	3,881
Rents and royalties	-	-	-	170,365
Contributions/donations	-	400	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>6,109,565</u>	<u>30,436</u>	<u>3,731,628</u>	<u>194,246</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Security/persons & property	-	-	-	-
Physical environment	-	3,748	-	-
Economic environment	2,728,144	-	-	120,685
Culture and recreation	-	-	57	-
Capital outlay	-	-	-	-
Total expenditures	<u>2,728,144</u>	<u>3,748</u>	<u>57</u>	<u>120,685</u>
Excess (deficiency) of revenues over expenditures	3,381,421	26,688	3,731,571	73,561
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(3,698,262)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(3,698,262)</u>	<u>-</u>
Net change in fund balances	3,381,421	26,688	33,309	73,561
FUND BALANCES - BEGINNING	<u>5,685,151</u>	<u>454,205</u>	<u>1,523,499</u>	<u>160,724</u>
FUND BALANCES - ENDING	<u>\$ 9,066,572</u>	<u>\$ 480,893</u>	<u>\$ 1,556,808</u>	<u>\$ 234,285</u>

CITY OF VANCOUVER
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2018

(Page 4 of 4)

	City/County Cable TV	Transportation Benefit District	Total Nonmajor Special Revenue Funds
REVENUES			
Property taxes	\$ -	\$ -	\$ 5,972,861
Other taxes	-	3,790,905	9,973,954
Intergovernmental	634,551	-	3,233,217
Charges for services	41,838	-	347,065
Fines and penalties	-	-	51,125
Investment earnings	8,392	30,231	399,438
Rents and royalties	-	-	364,715
Contributions/donations	-	-	85,237
Miscellaneous	-	-	704,905
Total revenues	<u>684,781</u>	<u>3,821,136</u>	<u>21,132,517</u>
EXPENDITURES			
Current:			
General government	1,137,264	-	1,137,264
Security/persons & property	-	-	257,295
Physical environment	-	-	3,748
Economic environment	-	-	7,037,511
Culture and recreation	-	-	278
Capital outlay	9,096	-	9,096
Total expenditures	<u>1,146,360</u>	<u>-</u>	<u>8,445,192</u>
Excess (deficiency) of revenues over expenditures	(461,579)	3,821,136	12,687,325
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	-	-	3,934
Transfers in	624,154	-	624,154
Transfers out	-	(2,855,539)	(7,991,462)
Total other financing sources (uses)	<u>624,154</u>	<u>(2,855,539)</u>	<u>(7,363,374)</u>
Net change in fund balances	162,575	965,597	5,323,951
FUND BALANCES - BEGINNING	<u>413,117</u>	<u>1,762,860</u>	<u>22,399,794</u>
FUND BALANCES - ENDING	<u>\$ 575,692</u>	<u>\$ 2,728,457</u>	<u>\$ 27,723,745</u>



Cruise the Couve, in front of the Clark County Historical Museum

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 insure 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 provide funds for debt services that are used for funding transportation capital projects.

CITY OF VANCOUVER
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
December 31, 2018

	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	\$ -	\$ 5,372	\$ 34,384	\$ 3,031,378	\$ 3,071,134
Receivables (net)					
Accounts	-	73,126	-	98,655	171,781
Interest	-	15	96	8,555	8,666
TOTAL ASSETS	<u>-</u>	<u>78,513</u>	<u>34,480</u>	<u>3,138,588</u>	<u>3,251,581</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>\$ -</u>	<u>\$ 78,513</u>	<u>\$ 34,480</u>	<u>\$ 3,138,588</u>	<u>\$ 3,251,581</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ 2,590	\$ 2,590
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,590</u>	<u>2,590</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-special assessments	-	60,593	-	-	60,593
Total deferred inflows of resources	<u>-</u>	<u>60,593</u>	<u>-</u>	<u>-</u>	<u>60,593</u>
FUND BALANCES					
Restricted	-	17,475	33,027	-	50,502
Assigned	-	445	1,453	3,135,998	3,137,896
Total fund balance	<u>-</u>	<u>17,920</u>	<u>34,480</u>	<u>3,135,998</u>	<u>3,188,398</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 78,513</u>	<u>\$ 34,480</u>	<u>\$ 3,138,588</u>	<u>\$ 3,251,581</u>

CITY OF VANCOUVER
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
For the Year Ended December 31, 2018

	G.O. Debt Service	L.I.D. Debt	L.I.D. Guaranty	Transportation Debt Service	Total Nonmajor Debt Service Funds
REVENUES					
License and permits	\$ -	\$ -	\$ -	\$ 2,575,330	\$ 2,575,330
Fines and forfeits	-	179	-	1,311	1,490
Investment earnings	-	3,595	899	58,611	63,105
Miscellaneous	-	26,841	-	-	26,841
Total revenues	-	30,615	899	2,635,252	2,666,766
EXPENDITURES					
Current					
Transportation	-	-	-	150,478	150,478
Debt service					
Principal retirement	7,396,007	40,000	-	-	7,436,007
Interest/fiscal charges	2,841,955	3,375	-	-	2,845,330
Total expenditures	10,237,962	43,375	-	150,478	10,431,815
Excess (deficiency) of revenues over (under) expenditures	(10,237,962)	(12,760)	899	2,484,774	(7,765,049)
OTHER FINANCING SOURCES (USES)					
Transfers in	10,237,962	-	-	-	10,237,962
Transfers out	-	-	-	(1,969,763)	(1,969,763)
Total other financing sources (uses)	10,237,962	-	-	(1,969,763)	8,268,199
Net change in fund balances	-	(12,760)	899	515,011	503,150
FUND BALANCES - BEGINNING	-	30,680	33,581	2,620,987	2,685,248
FUND BALANCES - ENDING	\$ -	\$ 17,920	\$ 34,480	\$ 3,135,998	\$ 3,188,398



Biking Vancouver

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 year-end, 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.

Transportation Capital Fund

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.

Transportation Impact Fees Funds

The Transportation/Parks Impact Fees funds were established in 1995 to account for the accumulation and disposition of impact fees assessed against new development under the Growth Management Act of 1990. Each is shown in separate legal funds.

CITY OF VANCOUVER
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
December 31, 2018

	Parks Construction	Transportation Capital	2011 Bond Capital	Transportation Impact Fees	Total Nonmajor Capital Projects Funds
ASSETS					
Cash and cash equivalents	\$ 1,070,123	\$ 8,140,554	\$ 2,023,919	\$ 8,774,250	\$ 20,008,846
Accounts	604,219	-	-	340,888	945,107
Interest	3,378	23,126	5,821	24,882	57,207
Due from other funds	3,507,229	67,659	-	-	3,574,888
Due from other governmental units	210,666	997,331	-	-	1,207,997
TOTAL ASSETS	5,395,615	9,228,670	2,029,740	9,140,020	25,794,045
DEFERRED OUTFLOWS OF RESOURCES					
Total deferred outflows of resources	-	-	-	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 5,395,615	\$ 9,228,670	\$ 2,029,740	\$ 9,140,020	\$ 25,794,045
LIABILITIES					
Accounts payable	\$ 157,776	\$ 692,133	\$ -	\$ -	\$ 849,909
Due to other funds	8,000	10,809	-	64,143	82,952
Accrued liabilities	2,416	25,414	-	-	27,830
Unearned revenue	-	409,378	-	340,888	750,266
Total liabilities	168,192	1,137,734	-	405,031	1,710,957
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-grant funding	190,257	-	-	-	190,257
Total deferred inflows of resources	190,257	-	-	-	190,257
FUND BALANCES					
Restricted	4,339,757	7,446,754	1,943,361	8,519,950	22,249,822
Committed	-	96,426	-	-	96,426
Assigned	697,409	547,756	86,379	215,039	1,546,583
Total fund balances	5,037,166	8,090,936	2,029,740	8,734,989	23,892,831
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 5,395,615	\$ 9,228,670	\$ 2,029,740	\$ 9,140,020	\$ 25,794,045

CITY OF VANCOUVER
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
For the Year Ended December 31, 2018

	Parks Construction	Transportation Capital	2011 Bond Capital	Transportation Impact Fees	Total Nonmajor Capital Projects Funds
REVENUES					
Other taxes	\$ -	\$ 156,811	\$ -	\$ -	\$ 156,811
Intergovernmental	1,067,812	1,256,998	-	-	2,324,810
Charges for services	-	6,000	-	2,044,860	2,050,860
Fines and penalties	-	200	-	-	200
Investment earnings	52,157	127,687	50,204	151,036	381,084
Contributions/donations	3,166,215	395,833	-	-	3,562,048
Total revenues	<u>4,286,184</u>	<u>1,943,529</u>	<u>50,204</u>	<u>2,195,896</u>	<u>8,475,813</u>
EXPENDITURES					
Current					
Transportation	-	2,129,637	-	-	2,129,637
Culture and recreation	967,817	-	-	-	967,817
Capital outlay	10,384,717	4,079,631	-	-	14,464,348
Total expenditures	<u>11,352,534</u>	<u>6,209,268</u>	<u>-</u>	<u>-</u>	<u>17,561,802</u>
Excess (deficiency) of revenues over (under) expenditures	(7,066,350)	(4,265,739)	50,204	2,195,896	(9,085,989)
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	-	76,916	-	-	76,916
Transfers in	4,907,748	5,754,689	-	-	10,662,437
Transfers out	-	(419,005)	(1,684,090)	(1,687,630)	(3,790,725)
Total other financing sources (uses)	<u>4,907,748</u>	<u>5,412,600</u>	<u>(1,684,090)</u>	<u>(1,687,630)</u>	<u>6,948,628</u>
Net change in fund balances	(2,158,602)	1,146,861	(1,633,886)	508,266	(2,137,361)
FUND BALANCES - BEGINNING RESTATED	<u>7,195,768</u>	<u>6,944,075</u>	<u>3,663,626</u>	<u>8,226,723</u>	<u>26,030,192</u>
FUND BALANCES - ENDING	<u>\$ 5,037,166</u>	<u>\$ 8,090,936</u>	<u>\$ 2,029,740</u>	<u>\$ 8,734,989</u>	<u>\$ 23,892,831</u>



Propstra Square - Recycled Art Fair

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, 2018

	Budget Amounts		Actual	
	Original	Final	Biennium	Variance
	2017-18	2017-18	To- Date	
	Biennium	Biennium	Thru 12/31/18	Thru 12/31/18
REVENUES				
Intergovernmental	\$ 40,000	\$ 40,000	\$ -	\$ 40,000
Investment earnings	2,800	2,800	5,503	(2,703)
Contributions/donations	-	-	38,917	(38,917)
Miscellaneous	-	-	9,979	(9,979)
Total revenues	<u>42,800</u>	<u>42,800</u>	<u>54,399</u>	<u>(11,599)</u>
EXPENDITURES				
Current:				
Security/persons & property	106,382	124,347	77,174	47,173
Capital outlay	11,252	11,252	-	11,252
Total expenditures	<u>117,634</u>	<u>135,599</u>	<u>77,174</u>	<u>58,425</u>
Excess (deficiency) of revenues over expenditures	(74,834)	(92,799)	(22,775)	(70,024)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	3,934	(3,934)
Transfers out	(50,000)	(62,650)	(62,650)	-
Total other financing sources (uses)	<u>(50,000)</u>	<u>(62,650)</u>	<u>(58,716)</u>	<u>(3,934)</u>
Net change in fund balance	(124,834)	(155,449)	(81,491)	(73,958)
FUND BALANCES - BEGINNING	<u>244,409</u>	<u>244,409</u>	<u>244,409</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 119,575</u>	<u>\$ 88,960</u>	<u>\$ 162,918</u>	<u>\$ (73,958)</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, 2018

	Budget Amounts		Actual	
	Original	Final	Biennium	Variance
	2017-18	2017-18	To- Date	
	Biennium	Biennium	Thru 12/31/18	Thru 12/31/18
REVENUES				
Fines and forfeitures	\$ 200,000	\$ 200,000	\$ 120,986	\$ 79,014
Investment earnings	7,000	7,000	24,428	(17,428)
Miscellaneous	-	-	291,962	(291,962)
Total revenues	<u>207,000</u>	<u>207,000</u>	<u>437,376</u>	<u>(230,376)</u>
EXPENDITURES				
Current:				
Security/persons & property	<u>372,158</u>	<u>438,218</u>	<u>344,842</u>	<u>93,376</u>
Total expenditures	<u>372,158</u>	<u>438,218</u>	<u>344,842</u>	<u>93,376</u>
Excess (deficiency) of revenues over expenditures	(165,158)	(231,218)	92,534	(323,752)
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(200,344)</u>	<u>(200,344)</u>	<u>(189,262)</u>	<u>(11,082)</u>
Total other financing sources (uses)	<u>(200,344)</u>	<u>(200,344)</u>	<u>(189,262)</u>	<u>(11,082)</u>
Net change in fund balance	(365,502)	(431,562)	(96,728)	(334,834)
FUND BALANCES - BEGINNING	<u>968,053</u>	<u>968,053</u>	<u>968,053</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 602,551</u>	<u>\$ 536,491</u>	<u>\$ 871,325</u>	<u>\$ (334,834)</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, 2018

	Budget Amounts		Actual Biennium To- Date Thru 12/31/18	Variance Thru 12/31/18
	Original 2017-18 Biennium	Final 2017-18 Biennium		
REVENUES				
Intergovernmental	\$ 2,899,757	\$ 6,087,160	\$ 3,801,317	\$ 2,285,843
Investment earnings	-	-	92,438	(92,438)
Miscellaneous	-	-	265,429	(265,429)
Total revenues	<u>2,899,757</u>	<u>6,087,160</u>	<u>4,159,184</u>	<u>1,927,976</u>
EXPENDITURES				
Current:				
Economic environment	1,986,542	4,020,100	3,702,760	317,340
Total expenditures	<u>1,986,542</u>	<u>4,020,100</u>	<u>3,702,760</u>	<u>317,340</u>
Excess (deficiency) of revenues over expenditures	913,215	2,067,060	456,424	1,610,636
OTHER FINANCING SOURCES (USES)				
Transfers in	120,000	120,000	56,905	63,095
Transfers out	-	(600,000)	(600,000)	-
Total other financing sources (uses)	<u>120,000</u>	<u>(480,000)</u>	<u>(543,095)</u>	<u>63,095</u>
Net change in fund balance	1,033,215	1,587,060	(86,671)	1,673,731
FUND BALANCES - BEGINNING	<u>5,215,360</u>	<u>5,215,360</u>	<u>5,215,360</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 6,248,575</u>	<u>\$ 6,802,420</u>	<u>\$ 5,128,689</u>	<u>\$ 1,673,731</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, 2018

	Budget Amounts		Actual Biennium To- Date Thru 12/31/18	Variance Thru 12/31/18
	Original 2018-18 Biennium	Final 2018-18 Biennium		
REVENUES				
Other taxes	\$ 3,756,572	\$ 4,458,572	\$ 4,922,553	\$ (463,981)
Investment earnings	20,000	20,000	121,223	(101,223)
Total revenues	<u>3,776,572</u>	<u>4,478,572</u>	<u>5,043,776</u>	<u>(565,204)</u>
EXPENDITURES				
Current:				
Economic environment	<u>2,981,404</u>	<u>4,135,234</u>	<u>3,726,829</u>	<u>408,405</u>
Total expenditures	<u>2,981,404</u>	<u>4,135,234</u>	<u>3,726,829</u>	<u>408,405</u>
Excess (deficiency) of revenues over expenditures	795,168	343,338	1,316,947	(973,609)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(559,477)	(268,151)	(291,326)
Total other financing sources (uses)	<u>-</u>	<u>(559,477)</u>	<u>(268,151)</u>	<u>(291,326)</u>
Net change in fund balance	795,168	(216,139)	1,048,796	(1,264,935)
FUND BALANCES - BEGINNING	<u>4,165,315</u>	<u>4,165,315</u>	<u>4,165,315</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 4,960,483</u>	<u>\$ 3,949,176</u>	<u>\$ 5,214,111</u>	<u>\$ (1,264,935)</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, 2018

	Budget Amounts		Actual Biennium To- Date Thru 12/31/18	Variance Thru 12/31/18
	Original 2017-18 Biennium	Final 2017-18 Biennium		
REVENUES				
Intergovernmental	\$ 715,438	\$ 715,438	\$ 15,000	\$ 700,438
Investment earnings	3,000	3,000	12,207	(9,207)
Rents and royalties	382,731	382,731	383,040	(309)
Miscellaneous	-	-	755,438	(755,438)
Total revenues	<u>1,101,169</u>	<u>1,101,169</u>	<u>1,165,685</u>	<u>(64,516)</u>
EXPENDITURES				
Current:				
Economic environment	<u>475,689</u>	<u>476,082</u>	<u>327,920</u>	<u>148,162</u>
Total expenditures	<u>475,689</u>	<u>476,082</u>	<u>327,920</u>	<u>148,162</u>
Excess (deficiency) of revenues over expenditures	625,480	625,087	837,765	(212,678)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	200,000	188,247	11,753
Transfers out	<u>(755,438)</u>	<u>(755,438)</u>	<u>(755,438)</u>	<u>-</u>
Total other financing sources (uses)	<u>(755,438)</u>	<u>(555,438)</u>	<u>(567,191)</u>	<u>11,753</u>
Net change in fund balance	(129,958)	69,649	270,574	(200,925)
FUND BALANCES - BEGINNING	<u>295,448</u>	<u>295,448</u>	<u>295,448</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 165,490</u>	<u>\$ 365,097</u>	<u>\$ 566,022</u>	<u>\$ (200,925)</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, 2018

	Budget Amounts		Actual	
	Original	Final	Biennium	Variance
	2017-18	2017-18	To- Date	
	Biennium	Biennium	Thru 12/31/18	Thru 12/31/18
REVENUES				
Intergovernmental	\$ 481,941	\$ 481,941	\$ 531,838	\$ (49,897)
Investment earnings	6,000	6,000	17,987	(11,987)
Total revenues	<u>487,941</u>	<u>487,941</u>	<u>549,825</u>	<u>(61,884)</u>
EXPENDITURES				
Current:				
Security/persons & property	237,557	237,617	111,292	126,325
Capital outlay	15,816	15,756	-	15,756
Total expenditures	<u>253,373</u>	<u>253,373</u>	<u>111,292</u>	<u>142,081</u>
Excess (deficiency) of revenues over expenditures	234,568	234,568	438,533	(203,965)
OTHER FINANCING SOURCES (USES)				
Transfers out	(255,878)	(721,252)	(675,690)	(45,562)
Total other financing sources (uses)	<u>(255,878)</u>	<u>(721,252)</u>	<u>(675,690)</u>	<u>(45,562)</u>
Net change in fund balance	(21,310)	(486,684)	(237,157)	(249,527)
FUND BALANCES - BEGINNING	<u>922,539</u>	<u>922,539</u>	<u>922,539</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 901,229</u>	<u>\$ 435,855</u>	<u>\$ 685,382</u>	<u>\$ (249,527)</u>

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, 2018

	Budget Amounts		Actual	
	Original	Final	Biennium	Variance
	2017-18	2017-18	To- Date	
	Biennium	Biennium	Thru 12/31/18	Thru 12/31/18
REVENUES				
Charges for services	\$ 500,000	\$ 500,000	\$ 475,810	\$ 24,190
Investment earnings	-	-	10,388	(10,388)
Contributions/donations	74,000	74,000	64,247	9,753
Total revenues	<u>574,000</u>	<u>574,000</u>	<u>550,445</u>	<u>23,555</u>
EXPENDITURES				
Current:				
Economic environment	709,792	709,792	545,102	164,690
Total expenditures	<u>709,792</u>	<u>709,792</u>	<u>545,102</u>	<u>164,690</u>
Net change in fund balance	(135,792)	(135,792)	5,343	(141,135)
FUND BALANCES - BEGINNING	<u>409,581</u>	<u>409,581</u>	<u>409,581</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 273,789</u>	<u>\$ 273,789</u>	<u>\$ 414,924</u>	<u>\$ (141,135)</u>

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, 2018

	Budget Amounts		Actual	
	Original	Final	Biennium	Variance
	2017-18	2017-18	To- Date	
	Biennium	Biennium	Thru 12/31/18	Thru 12/31/18
REVENUES				
Investment earnings	\$ 400	\$ 400	\$ 1,042	\$ (642)
Contributions/donations	30,000	30,000	61,799	(31,799)
Total revenues	<u>30,400</u>	<u>30,400</u>	<u>62,841</u>	<u>(32,441)</u>
EXPENDITURES				
Current:				
Culture and recreation	<u>428</u>	<u>428</u>	<u>591</u>	<u>(163)</u>
Total expenditures	<u>428</u>	<u>428</u>	<u>591</u>	<u>(163)</u>
Excess (deficiency) of revenues over expenditures	29,972	29,972	62,250	(32,278)
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(60,000)</u>	<u>(63,000)</u>	<u>(61,300)</u>	<u>(1,700)</u>
Total other financing sources (uses)	<u>(60,000)</u>	<u>(63,000)</u>	<u>(61,300)</u>	<u>(1,700)</u>
Net change in fund balance	(30,028)	(33,028)	950	(33,978)
FUND BALANCES - BEGINNING	<u>36,717</u>	<u>36,717</u>	<u>36,717</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 6,689</u>	<u>\$ 3,689</u>	<u>\$ 37,667</u>	<u>\$ (33,978)</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, 2018

	Budget Amounts		Actual	
	Original 2017-18 Biennium	Final 2017-18 Biennium	Biennium To- Date Thru 12/31/18	Variance Thru 12/31/18
REVENUES				
Property tax	\$ -	\$ 12,000,000	\$ 11,923,304	\$ 76,696
Investment earnings	-	-	154,269	(154,269)
Total revenues	-	12,000,000	12,077,573	(77,573)
EXPENDITURES				
Current:				
Economic environment	-	11,399,999	3,011,001	8,388,998
Total expenditures	-	11,399,999	3,011,001	8,388,998
Excess (deficiency) of revenues over expenditures	-	600,001	9,066,572	(8,466,571)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(600,000)	-	(600,000)
Total other financing sources (uses)	-	(600,000)	-	(600,000)
Net change in fund balance	-	1	9,066,572	(9,066,571)
FUND BALANCES - BEGINNING	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ 1	\$ 9,066,572	\$ (9,066,571)

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, 2018

	Budget Amounts		Actual Biennium To- Date Thru 12/31/18	Variance Thru 12/31/18
	Original 2017-18 Biennium	Final 2017-18 Biennium		
REVENUES				
Charges for services	\$ 32,000	\$ 32,000	\$ 38,762	\$ (6,762)
Investment earnings	3,000	3,000	11,926	(8,926)
Contributions/donations	-	-	400	(400)
Total revenues	<u>35,000</u>	<u>35,000</u>	<u>51,088</u>	<u>(16,088)</u>
EXPENDITURES				
Current:				
Physical environment	<u>7,125</u>	<u>14,625</u>	<u>7,424</u>	<u>7,201</u>
Total expenditures	<u>7,125</u>	<u>14,625</u>	<u>7,424</u>	<u>7,201</u>
Net change in fund balance	27,875	20,375	43,664	(23,289)
FUND BALANCES - BEGINNING	<u>437,229</u>	<u>437,229</u>	<u>437,229</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 465,104</u>	<u>\$ 457,604</u>	<u>\$ 480,893</u>	<u>\$ (23,289)</u>

CITY OF VANCOUVER

REET 2002 FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**BUDGET (GAAP BASIS) AND ACTUAL****For the Year Ended December 31, 2018**

	Budget Amounts		Actual Biennium To- Date Thru 12/31/18	Variance Thru 12/31/18
	Original 2017-18 Biennium	Final 2017-18 Biennium		
REVENUES				
Other taxes	\$ 4,402,143	\$ 6,957,918	\$ 7,312,281	\$ (354,363)
Investment earnings	18,000	18,000	50,245	(32,245)
Total revenues	<u>4,420,143</u>	<u>6,975,918</u>	<u>7,362,526</u>	<u>(386,608)</u>
EXPENDITURES				
Current:				
Culture and recreation	110	120	114	6
Total expenditures	<u>110</u>	<u>120</u>	<u>114</u>	<u>6</u>
Excess (deficiency) of revenues over expenditures	4,420,033	6,975,798	7,362,412	(386,614)
OTHER FINANCING SOURCES (USES)				
Transfers out	(4,318,840)	(7,018,830)	(6,940,567)	(78,263)
Total other financing sources (uses)	<u>(4,318,840)</u>	<u>(7,018,830)</u>	<u>(6,940,567)</u>	<u>(78,263)</u>
Net change in fund balance	101,193	(43,032)	421,845	(464,877)
FUND BALANCES - BEGINNING	<u>1,134,963</u>	<u>1,134,963</u>	<u>1,134,963</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 1,236,156</u>	<u>\$ 1,091,931</u>	<u>\$ 1,556,808</u>	<u>\$ (464,877)</u>

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, 2018

	Budget Amounts		Actual Biennium To- Date Thru 12/31/18	Variance Thru 12/31/18
	Original 2017-18 Biennium	Final 2017-18 Biennium		
REVENUES				
Charges for services	\$ -	\$ -	\$ 20,000	\$ (20,000)
Investment earnings	-	-	5,434	(5,434)
Rents and royalties	354,981	354,981	354,446	535
Total revenues	<u>354,981</u>	<u>354,981</u>	<u>379,880</u>	<u>(24,899)</u>
EXPENDITURES				
Current:				
Economic environment	217,029	245,029	235,125	9,904
Capital outlay	-	395,000	-	395,000
Debt service:				
Total expenditures	<u>217,029</u>	<u>640,029</u>	<u>235,125</u>	<u>404,904</u>
Excess (deficiency) of revenues over expenditures	137,952	(285,048)	144,755	(429,803)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	420,000	-	420,000
Transfers out	(45,000)	(57,000)	(39,516)	(17,484)
Total other financing sources (uses)	<u>(45,000)</u>	<u>363,000</u>	<u>(39,516)</u>	<u>402,516</u>
Net change in fund balance	92,952	77,952	105,239	(27,287)
FUND BALANCES - BEGINNING	<u>129,046</u>	<u>129,046</u>	<u>129,046</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 221,998</u>	<u>\$ 206,998</u>	<u>\$ 234,285</u>	<u>\$ (27,287)</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, 2018

	Budget Amounts		Actual Biennium To- Date Thru 12/31/18	Variance Thru 12/31/18
	Original 2017-18 Biennium	Final 2017-18 Biennium		
REVENUES				
Intergovernmental	\$ 966,842	\$ 1,321,669	\$ 1,328,904	\$ (7,235)
Charges for services	173,392	173,392	92,450	80,942
Investment earnings	-	-	10,768	(10,768)
Total revenues	<u>1,140,234</u>	<u>1,495,061</u>	<u>1,432,122</u>	<u>62,939</u>
EXPENDITURES				
Current:				
General government	2,129,931	2,452,706	2,195,129	257,577
Capital outlay	8,000	129,592	109,991	19,601
Total expenditures	<u>2,137,931</u>	<u>2,582,298</u>	<u>2,305,120</u>	<u>277,178</u>
Excess (deficiency) of revenues over expenditures	(997,697)	(1,087,237)	(872,998)	(214,239)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,023,040	1,060,670	1,135,678	(75,008)
Total other financing sources (uses)	<u>1,023,040</u>	<u>1,060,670</u>	<u>1,135,678</u>	<u>(75,008)</u>
Net change in fund balance	25,343	(26,567)	262,680	(289,247)
FUND BALANCES - BEGINNING	<u>313,012</u>	<u>313,012</u>	<u>313,012</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 338,355</u>	<u>\$ 286,445</u>	<u>\$ 575,692</u>	<u>\$ (289,247)</u>

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, 2018

	Budget Amounts		Actual	Variance
	Original 2017-18 Biennium	Final 2017-18 Biennium	Biennium To- Date Thru 12/31/18	
REVENUES				
Other taxes	\$ 7,000,000	\$ 7,000,000	\$ 6,216,041	\$ 783,959
Investment earnings	-	-	40,166	(40,166)
Total revenues	<u>7,000,000</u>	<u>7,000,000</u>	<u>6,256,207</u>	<u>743,793</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	7,000,000	7,000,000	6,256,207	743,793
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(5,875,626)</u>	<u>(4,586,704)</u>	<u>(4,586,704)</u>	-
Total other financing sources (uses)	<u>(5,875,626)</u>	<u>(4,586,704)</u>	<u>(4,586,704)</u>	-
Net change in fund balance	1,124,374	2,413,296	1,669,503	743,793
FUND BALANCES - BEGINNING	<u>1,058,954</u>	<u>1,058,954</u>	<u>1,058,954</u>	-
FUND BALANCES - ENDING	<u>\$ 2,183,328</u>	<u>\$ 3,472,250</u>	<u>\$ 2,728,457</u>	<u>\$ 743,793</u>

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, 2018

	Budget Amounts		Actual	Variance
	Original 2017-18 Biennium	Final 2017-18 Biennium	Biennium To- Date Thru 12/31/18	
REVENUES				
Total revenues	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Current:				
Principal retirement	14,600,688	16,100,688	14,600,688	1,500,000
Interest/fiscal charges	5,990,958	5,990,958	5,990,951	7
Total expenditures	20,591,646	22,091,646	20,591,639	1,500,007
Excess (deficiency) of revenues over expenditures	(20,591,646)	(22,091,646)	(20,591,639)	(1,500,007)
OTHER FINANCING SOURCES (USES)				
Transfers in	20,591,646	22,091,646	20,591,639	1,500,007
Total other financing sources (uses)	20,591,646	22,091,646	20,591,639	1,500,007
Net change in fund balance	-	-	-	-
FUND BALANCES - BEGINNING	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -

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, 2018

	Budget Amounts		Actual Biennium To- Date Thru 12/31/18	Variance Thru 12/31/18
	Original 2017-18 Biennium	Final 2017-18 Biennium		
REVENUES				
Fines and forfeitures	\$ -	\$ -	\$ 476	\$ (476)
Investment earnings	-	-	8,968	(8,968)
Miscellaneous	-	57,000	55,535	1,465
Total revenues	-	57,000	64,979	(7,979)
EXPENDITURES				
Debt service:				
Principal retirement	80,000	80,000	75,000	5,000
Interest/fiscal charges	8,925	8,925	8,300	625
Total expenditures	88,925	88,925	83,300	5,625
Net change in fund balance	(88,925)	(31,925)	(18,321)	(13,604)
FUND BALANCES - BEGINNING	36,241	36,241	36,241	-
FUND BALANCES - ENDING	<u>\$ (52,684)</u>	<u>\$ 4,316</u>	<u>\$ 17,920</u>	<u>\$ (13,604)</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, 2018

	Budget Amounts		Actual Biennium To- Date Thru 12/31/18	Variance Thru 12/31/18
	Original 2017-18 Biennium	Final 2017-18 Biennium		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 1,453	\$ (1,453)
Total revenues	-	-	1,453	(1,453)
EXPENDITURES				
Total expenditures	-	-	-	-
Net change in fund balance	-	-	1,453	(1,453)
FUND BALANCES - BEGINNING	33,027	33,027	33,027	-
FUND BALANCES - ENDING	<u>\$ 33,027</u>	<u>\$ 33,027</u>	<u>\$ 34,480</u>	<u>\$ (1,453)</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, 2018

	Budget Amounts		Actual Biennium To- Date Thru 12/31/18	Variance Thru 12/31/18
	Original 2017-18 Biennium	Final 2017-18 Biennium		
REVENUES				
License and permits	\$ 5,200,000	\$ 5,200,000	\$ 5,168,022	\$ 31,978
Fines and forfeitures	-	-	7,132	(7,132)
Investment earnings	20,000	20,000	87,491	(67,491)
Total revenues	<u>5,220,000</u>	<u>5,220,000</u>	<u>5,262,645</u>	<u>(42,645)</u>
EXPENDITURES				
Current:				
Transportation	292,246	297,246	300,956	(3,710)
Total expenditures	<u>292,246</u>	<u>297,246</u>	<u>300,956</u>	<u>(3,710)</u>
Excess (deficiency) of revenues over expenditures	4,927,754	4,922,754	4,961,689	(38,935)
OTHER FINANCING SOURCES (USES)				
Transfers out	(5,562,013)	(5,657,013)	(4,195,439)	(1,461,574)
Total other financing sources (uses)	<u>(5,562,013)</u>	<u>(5,657,013)</u>	<u>(4,195,439)</u>	<u>(1,461,574)</u>
Net change in fund balance	(634,259)	(734,259)	766,250	(1,500,509)
FUND BALANCES - BEGINNING	<u>2,369,748</u>	<u>2,369,748</u>	<u>2,369,748</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 1,735,489</u>	<u>\$ 1,635,489</u>	<u>\$ 3,135,998</u>	<u>\$ (1,500,509)</u>

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, 2018

	Budget Amounts		Actual	
	Original	Final	Biennium	Variance
	2017-18	2017-18	To- Date	
	Biennium	Biennium	Thru 12/31/18	Thru 12/31/18
REVENUES				
Intergovernmental	\$ 5,723,922	\$ 3,499,667	\$ 2,960,070	\$ 539,597
Investment earnings	8,000	8,000	126,409	(118,409)
Contributions/donations	6,231,000	5,431,672	3,166,887	2,264,785
Total revenues	<u>11,962,922</u>	<u>8,939,339</u>	<u>6,253,366</u>	<u>2,685,973</u>
EXPENDITURES				
Current:				
Culture and recreation	489,911	841,835	1,930,743	(1,088,908)
Capital outlay	24,961,058	33,547,297	20,638,029	12,909,268
Total expenditures	<u>25,450,969</u>	<u>34,389,132</u>	<u>22,568,772</u>	<u>11,820,360</u>
Excess (deficiency) of revenues over expenditures	(13,488,047)	(25,449,793)	(16,315,406)	(9,134,387)
OTHER FINANCING SOURCES (USES)				
Transfers in	3,988,095	17,072,085	10,222,848	6,849,237
Total other financing sources (uses)	<u>3,988,095</u>	<u>17,072,085</u>	<u>10,222,848</u>	<u>6,849,237</u>
Net change in fund balance	(9,499,952)	(8,377,708)	(6,092,558)	(2,285,150)
FUND BALANCES - BEGINNING	<u>11,129,724</u>	<u>11,129,724</u>	<u>11,129,724</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 1,629,772</u>	<u>\$ 2,752,016</u>	<u>\$ 5,037,166</u>	<u>\$ (2,285,150)</u>

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

For the Year Ended December 31, 2018

	Budget Amounts		Actual	
	Original	Final	Biennium	Variance
	2017-18	2017-18	To- Date	
	Biennium	Biennium	Thru 12/31/18	Thru 12/31/18
REVENUES				
Intergovernmental	\$ -	\$ 300,000	\$ 104,939	\$ 195,061
Charges for services	-	10,440,000	181,168	10,258,832
Investment earnings	20,000	20,000	414,243	(394,243)
Rents and royalties	-	1,114,166	870,088	244,078
Contributions/donations	-	209,740	1,310,740	(1,101,000)
Miscellaneous	-	-	9,600	(9,600)
Total revenues	<u>20,000</u>	<u>12,083,906</u>	<u>2,890,778</u>	<u>9,193,128</u>
EXPENDITURES				
Current:				
General government	643,944	1,766,804	913,454	853,350
Security/persons & property	-	542,500	724,715	(182,215)
Economic environment	3,785	3,785	149,147	(145,362)
Capital outlay	20,384,100	26,787,807	21,790,441	4,997,366
Total expenditures	<u>21,031,829</u>	<u>29,100,896</u>	<u>23,577,757</u>	<u>5,523,139</u>
Excess (deficiency) of revenues over expenditures	(21,011,829)	(17,016,990)	(20,686,979)	3,669,989
OTHER FINANCING SOURCES (USES)				
Transfers in	5,474,110	12,027,494	18,094,411	(6,066,917)
Transfers out	(278,890)	(478,890)	(450,255)	(28,635)
Total other financing sources (uses)	<u>5,195,220</u>	<u>11,548,604</u>	<u>17,644,156</u>	<u>(6,095,552)</u>
Net change in fund balance	(15,816,609)	(5,468,386)	(3,042,823)	(2,425,563)
FUND BALANCES - BEGINNING RESTATED	<u>22,640,107</u>	<u>22,640,107</u>	<u>22,640,107</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 6,823,498</u>	<u>\$ 17,171,721</u>	<u>\$ 19,597,284</u>	<u>\$ (2,425,563)</u>

CITY OF VANCOUVER
TRANSPORTATION CAPITAL
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended December 31, 2018

	Budget Amounts		Actual	
	Original	Final	Biennium	Variance
	2017-18	2017-18	To- Date	
	Biennium	Biennium	Thru 12/31/18	Thru 12/31/18
REVENUES				
Other taxes	\$ 260,000	\$ 260,000	\$ 307,301	\$ (47,301)
Intergovernmental	14,246,599	17,217,658	13,869,117	3,348,541
Charges for services	-	1,183,749	34,327	1,149,422
Fines and forfeitures	-	-	1,700	(1,700)
Investment earnings	38,000	38,000	180,730	(142,730)
Contributions/donations	-	-	745,833	(745,833)
Total revenues	<u>14,544,599</u>	<u>18,699,407</u>	<u>15,139,008</u>	<u>3,560,399</u>
EXPENDITURES				
Current:				
Transportation	1,168,490	1,260,741	4,589,427	(3,328,686)
Capital outlay	<u>32,417,991</u>	<u>41,187,007</u>	<u>18,337,742</u>	<u>22,849,265</u>
Total expenditures	<u>33,586,481</u>	<u>42,447,748</u>	<u>22,927,169</u>	<u>19,520,579</u>
Excess (deficiency) of revenues over expenditures	(19,041,882)	(23,748,341)	(7,788,161)	(15,960,180)
OTHER FINANCING SOURCES (USES)				
Capital related debt issued	-	4,815,500	-	4,815,500
Sale of capital assets	1,200,000	1,200,000	261,736	938,264
Transfers in	15,390,537	14,914,458	8,872,384	6,042,074
Transfers out	<u>(930,862)</u>	<u>(1,330,862)</u>	<u>(720,459)</u>	<u>(610,403)</u>
Total other financing sources (uses)	<u>15,659,675</u>	<u>19,599,096</u>	<u>8,413,661</u>	<u>11,185,435</u>
Net change in fund balance	(3,382,207)	(4,149,245)	625,500	(4,774,745)
FUND BALANCES - BEGINNING	<u>7,465,436</u>	<u>7,465,436</u>	<u>7,465,436</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 4,083,229</u>	<u>\$ 3,316,191</u>	<u>\$ 8,090,936</u>	<u>\$ (4,774,745)</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, 2018

	Budget Amounts		Actual Biennium To- Date Thru 12/31/18	Variance Thru 12/31/18
	Original 2017-18 Biennium	Final 2017-18 Biennium		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 86,379	\$ (86,379)
Total revenues	-	-	86,379	(86,379)
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	86,379	(86,379)
OTHER FINANCING SOURCES (USES)				
Transfers out	(4,200,128)	(4,343,208)	(2,399,847)	(1,943,361)
Total other financing sources (uses)	(4,200,128)	(4,343,208)	(2,399,847)	(1,943,361)
Net change in fund balance	(4,200,128)	(4,343,208)	(2,313,468)	(2,029,740)
FUND BALANCES - BEGINNING	4,343,208	4,343,208	4,343,208	-
FUND BALANCES - ENDING	\$ 143,080	\$ -	\$ 2,029,740	\$ (2,029,740)

CITY OF VANCOUVER**2015 CAPITAL BOND FUND****SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES****BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2018

	Budget Amounts		Actual Biennium To- Date Thru 12/31/18	Variance Thru 12/31/18
	Original 2017-18 Biennium	Final 2017-18 Biennium		
REVENUES				
Investment earnings	\$ -	\$ 1,670	\$ 1,669	\$ 1
Total revenues	-	1,670	1,669	1
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	1,670	1,669	1
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(41,182)	(41,181)	(1)
Total other financing sources (uses)	-	(41,182)	(41,181)	(1)
Net change in fund balance	-	(39,512)	(39,512)	-
FUND BALANCES - BEGINNING	39,512	39,512	39,512	-
FUND BALANCES - ENDING	\$ 39,512	\$ -	\$ -	\$ -

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

For the Year Ended December 31, 2018

	Budget Amounts		Actual Biennium To- Date Thru 12/31/18	Variance Thru 12/31/18
	Original 2017-18 Biennium	Final 2017-18 Biennium		
REVENUES				
Charges for services	\$ 2,985,592	\$ 2,985,592	\$ 4,517,304	\$ (1,531,712)
Investment earnings	30,000	30,000	215,041	(185,041)
Total revenues	<u>3,015,592</u>	<u>3,015,592</u>	<u>4,732,345</u>	<u>(1,716,753)</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	3,015,592	3,015,592	4,732,345	(1,716,753)
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(3,739,943)</u>	<u>(5,024,353)</u>	<u>(2,365,887)</u>	<u>(2,658,466)</u>
Total other financing sources (uses)	<u>(3,739,943)</u>	<u>(5,024,353)</u>	<u>(2,365,887)</u>	<u>(2,658,466)</u>
Net change in fund balance	(724,351)	(2,008,761)	2,366,458	(4,375,219)
FUND BALANCES - BEGINNING	<u>6,368,531</u>	<u>6,368,531</u>	<u>6,368,531</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 5,644,180</u>	<u>\$ 4,359,770</u>	<u>\$ 8,734,989</u>	<u>\$ (4,375,219)</u>

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

For the Year Ended December 31, 2018

	Budget Amounts		Actual Biennium To- Date Thru 12/31/18	Variance Thru 12/31/18
	Original 2017-18 Biennium	Final 2017-18 Biennium		
REVENUES				
Charges for services	\$ 2,420,000	\$ 3,005,370	\$ 4,444,393	\$ (1,439,023)
Investment earnings	35,800	32,000	327,304	(295,304)
Total revenues	<u>2,455,800</u>	<u>3,037,370</u>	<u>4,771,697</u>	<u>(1,734,327)</u>
EXPENDITURES				
Debt service:				
Principal retirement	240,848	-	-	-
Interest/fiscal charges	16,000	-	-	-
Total expenditures	<u>256,848</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	2,198,952	3,037,370	4,771,697	(1,734,327)
OTHER FINANCING SOURCES (USES)				
Transfers out	(3,388,095)	(11,670,975)	(5,001,588)	(6,669,387)
Total other financing sources (uses)	<u>(3,388,095)</u>	<u>(11,670,975)</u>	<u>(5,001,588)</u>	<u>(6,669,387)</u>
Net change in fund balance	(1,189,143)	(8,633,605)	(229,891)	(8,403,714)
FUND BALANCES - BEGINNING	<u>10,797,433</u>	<u>10,797,433</u>	<u>10,797,433</u>	<u>-</u>
FUND BALANCES - ENDING	<u>\$ 9,608,290</u>	<u>\$ 2,163,828</u>	<u>\$ 10,567,542</u>	<u>\$ (8,403,714)</u>

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 airpark. 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. Expenses are mainly for salaries of employees and debt payments on bonds to build the tennis/racquetball facility.

CITY OF VANCOUVER
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
December 31, 2018

	Airport	Building Inspection	Solid Waste	Tennis Center	Total Nonmajor Enterprise Funds
ASSETS					
Current assets					
Cash and cash equivalents	\$ 400,506	\$ 6,627,734	\$ 3,707,656	\$ 27,897	\$ 10,763,793
Receivables (net)					
Accounts	9,641	1,717	172,374	6,470	190,202
Interest	1,134	18,852	10,476	80	30,542
Due from other funds	-	4,811	-	-	4,811
Due from other governmental units	205,135	-	-	-	205,135
Total current assets	<u>616,416</u>	<u>6,653,114</u>	<u>3,890,506</u>	<u>34,447</u>	<u>11,194,483</u>
Noncurrent assets					
Capital assets					
Land and improvements	484,202	-	-	-	484,202
Other improvements	2,369,720	-	-	-	2,369,720
Buildings	6,774,163	2,538,758	204,330	-	9,517,251
Intangible assets	-	1,837,338	-	-	1,837,338
Machinery and equipment	-	315,184	9,138	-	324,322
Accumulated depreciation	(5,570,211)	(2,456,722)	(165,617)	-	(8,192,550)
Capital assets net of accumulated depreciation	<u>4,057,874</u>	<u>2,234,558</u>	<u>47,851</u>	<u>-</u>	<u>6,340,283</u>
Total noncurrent assets	<u>4,057,874</u>	<u>2,234,558</u>	<u>47,851</u>	<u>-</u>	<u>6,340,283</u>
TOTAL ASSETS	<u>4,674,290</u>	<u>8,887,672</u>	<u>3,938,357</u>	<u>34,447</u>	<u>17,534,766</u>
DEFERRED OUTFLOWS OF RESOURCES					
Amounts related to pension	5,986	305,264	35,913	35,913	383,076
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>5,986</u>	<u>305,264</u>	<u>35,913</u>	<u>35,913</u>	<u>383,076</u>
LIABILITIES					
Current liabilities					
Accounts payable	63,456	33,377	243,732	68,373	408,938
Due to other funds	-	6,703	-	1,734	8,437
Accrued liabilities	184	393,659	76,294	38,696	508,833
Custodial accounts	51,840	6,731	8	19,845	78,424
Unearned revenues	16,335	-	110,099	8,986	135,420
Total current liabilities	<u>131,815</u>	<u>440,470</u>	<u>430,133</u>	<u>137,634</u>	<u>1,140,052</u>
Noncurrent liabilities					
Accrued employee benefits	-	27,615	6,738	2,102	36,455
Net pension liability	24,637	1,256,465	147,819	147,819	1,576,740
Total noncurrent liabilities	<u>24,637</u>	<u>1,284,080</u>	<u>154,557</u>	<u>149,921</u>	<u>1,613,195</u>
TOTAL LIABILITIES	<u>156,452</u>	<u>1,724,550</u>	<u>584,690</u>	<u>287,555</u>	<u>2,753,247</u>
DEFERRED INFLOWS OF RESOURCES					
Amount related to pension	9,297	474,140	55,781	55,781	594,999
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>9,297</u>	<u>474,140</u>	<u>55,781</u>	<u>55,781</u>	<u>594,999</u>
NET POSITION					
Net investment in capital assets	4,057,874	2,234,558	47,851	-	6,340,283
Unrestricted	456,653	4,759,688	3,285,948	(272,976)	8,229,313
TOTAL NET POSITION	<u>\$ 4,514,527</u>	<u>\$ 6,994,246</u>	<u>\$ 3,333,799</u>	<u>\$ (272,976)</u>	<u>\$ 14,569,596</u>

CITY OF VANCOUVER
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
NONMAJOR ENTERPRISE FUNDS**
For the Year Ended December 31, 2018

□

	Airport	Building Inspection	Solid Waste	Tennis Center	Total Nonmajor Enterprise Funds
OPERATING REVENUES					
Charge for services	\$ 6,162	\$ 6,081,104	\$ 1,701,263	\$ 685,397	\$ 8,473,926
Fines and penalties	-	550	10,850	-	11,400
Rents and royalties	657,842	86,510	-	4,043	748,395
Miscellaneous	-	100	-	933	1,033
Total operating revenues	<u>664,004</u>	<u>6,168,264</u>	<u>1,712,113</u>	<u>690,373</u>	<u>9,234,754</u>
OPERATING EXPENSES					
Personnel services	60,259	3,432,942	407,205	313,570	4,213,976
Supplies and contractual services	465,239	478,256	2,072,823	1,559,257	4,575,575
Interfund services	124,775	1,486,877	280,117	137,732	2,029,501
Intergovernmental payments	-	-	8,958	6,884	15,842
Depreciation	241,389	289,931	10,216	-	541,536
Total operating expenses	<u>891,662</u>	<u>5,688,006</u>	<u>2,779,319</u>	<u>2,017,443</u>	<u>11,376,430</u>
Operating income (loss)	(227,658)	480,258	(1,067,206)	(1,327,070)	(2,141,676)
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	8,153	111,287	71,362	2,928	193,730
State and federal grants	230,224	-	-	-	230,224
Interest and fiscal charges	(1,879)	-	-	-	(1,879)
Miscellaneous revenue	-	-	89,233	401,462	490,695
Gain (loss) on disposal of assets	-	-	-	(587,397)	(587,397)
Total nonoperating revenues (expenses)	<u>236,498</u>	<u>111,287</u>	<u>160,595</u>	<u>(183,007)</u>	<u>325,373</u>
Income (loss) before transfers	8,840	591,545	(906,611)	(1,510,077)	(1,816,303)
Transfers in	-	-	-	946,854	946,854
Transfers out	-	(19,023)	(172,711)	-	(191,734)
Change in net position	<u>8,840</u>	<u>572,522</u>	<u>(1,079,322)</u>	<u>(563,223)</u>	<u>(1,061,183)</u>
TOTAL NET POSITION - BEGINNING	<u>4,505,687</u>	<u>6,421,724</u>	<u>4,413,121</u>	<u>290,247</u>	<u>15,630,779</u>
TOTAL NET POSITION - ENDING	<u>\$ 4,514,527</u>	<u>\$ 6,994,246</u>	<u>\$ 3,333,799</u>	<u>\$ (272,976)</u>	<u>\$ 14,569,596</u>

CITY OF VANCOUVER
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2018

	Airport	Building Inspection	Solid Waste	Tennis Center	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 662,096	\$ 6,166,585	\$ 1,873,385	\$ 683,441	\$ 9,385,507
Cash received from other operating activities	-	100	-	933	1,033
Cash payments for goods and services	(418,454)	(475,881)	(2,017,158)	(1,475,822)	(4,387,315)
Internal activity-between funds	(124,775)	(1,537,555)	(280,117)	(140,725)	(2,083,172)
Cash payments to employees	(102,358)	(3,548,285)	(405,005)	(509,943)	(4,565,591)
Net cash provided (used) by operating activities	<u>16,509</u>	<u>604,964</u>	<u>(828,895)</u>	<u>(1,442,116)</u>	<u>(1,649,538)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Receipt of grant funds	108,413	-	-	-	108,413
Unrestricted gifts received	-	-	89,233	401,462	490,695
Transfers from other funds	-	-	-	946,854	946,854
Transfers to other funds	-	(19,023)	(172,711)	-	(191,734)
Net cash provided (used) by noncapital financing activities	<u>108,413</u>	<u>(19,023)</u>	<u>(83,478)</u>	<u>1,348,316</u>	<u>1,354,228</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Principal paid on capital debt	(65,464)	-	-	-	(65,464)
Interest paid on capital debt	(3,600)	-	-	-	(3,600)
Purchase of capital assets	-	(43,658)	-	-	(43,658)
Net cash used by capital and related financing activities	<u>(69,064)</u>	<u>(43,658)</u>	<u>-</u>	<u>-</u>	<u>(112,722)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment earnings (losses)	<u>7,632</u>	<u>103,367</u>	<u>69,142</u>	<u>3,062</u>	<u>183,203</u>
Net cash provided in investing activities	<u>7,632</u>	<u>103,367</u>	<u>69,142</u>	<u>3,062</u>	<u>183,203</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	63,490	645,650	(843,231)	(90,738)	(224,829)
CASH AND CASH EQUIVALENTS - BEGINNING	<u>337,016</u>	<u>5,982,084</u>	<u>4,550,887</u>	<u>118,635</u>	<u>10,988,622</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 400,506</u>	<u>\$ 6,627,734</u>	<u>\$ 3,707,656</u>	<u>\$ 27,897</u>	<u>\$ 10,763,793</u>
Reconciliation of operating income (loss) to net cash used by operating activities:					
Net operating income (loss)	<u>\$ (227,658)</u>	<u>\$ 480,258</u>	<u>\$ (1,067,206)</u>	<u>\$ (1,327,070)</u>	<u>\$ (2,141,676)</u>
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operations:					
Depreciation and amortization expense	241,389	289,931	10,216	-	541,536
Decrease (increase) in receivables	(1,908)	(1,579)	161,272	(5,999)	151,786
Decrease (increase) in deposits	962	-	(8,749)	8,975	1,188
Increase (decrease) in current payables	45,823	2,375	73,372	81,344	202,914
Increase (decrease) in accrued liabilities	(19,513)	38,891	11,070	(18,160)	12,288
Decrease (increase) in receivable from other funds	-	(2,075)	-	-	(2,075)
Increase (decrease) in payables due to other funds	-	(48,603)	-	(2,993)	(51,596)
Increase (decrease) in pension liability	(22,586)	(154,234)	(8,870)	(178,213)	(363,903)
Total adjustments	<u>244,167</u>	<u>124,706</u>	<u>238,311</u>	<u>(115,046)</u>	<u>492,138</u>
Net cash provided by operating activities	<u>\$ 16,509</u>	<u>\$ 604,964</u>	<u>\$ (828,895)</u>	<u>\$ (1,442,116)</u>	<u>\$ (1,649,538)</u>
Noncash investing, financing and capital activities					
Net change in fair value of investments	\$ 670	\$ 11,140	\$ 6,191	\$ 47	\$ 18,049

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 departments served. 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.

Equipment Services Repair & Replacement Fund

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 computer equipment originally purchased by user departments. Revenues are derived from monthly charges to city departments based on their technology usage.

Self-Insured Worker's Comp & Liability Fund

During 1977, the city began a program of becoming self-insured except for major claims over the amounts specified in the insurance policies. The different operating funds are currently being charged on the basis of past insurance payments and actual claim history accumulated since 1977.

Internal Administrative Services Fund

This fund was established January 2015 to account for the revenues and expenses associated with providing administrative internal services to all City departments.

Benefits Fund

During 1992, the city began a program to consolidate the payment of premium costs out of one central point, the Benefits Fund. This fund pays premiums for all insurance including medical, dental, vision, life, and long-term disability. The fund pays administration costs, both internal and external, including the city Wellness Program. All operating funds are currently being charged a set monthly rate per full-time employee.

Self-Insured Health Insurance Fund

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

CITY OF VANCOUVER
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2018

	Equipment Repair & Replacement	Computer Repair & Replacement	Self-Insured Worker's Comp & Liability	Internal Administrative Services
ASSETS				
Current assets				
Cash, cash equivalents	\$ 19,274,159	\$ 7,169,496	\$ 6,658,222	\$ 10,867,472
Receivables (net)				
Accounts	59,087	-	11,646	-
Interest	54,743	20,391	18,859	30,789
Due from other funds	1,868	1,392	5,906	498,078
Inventory	439,053	-	-	-
Prepaid expenses	-	-	100,000	-
Total current assets	<u>19,828,910</u>	<u>7,191,279</u>	<u>6,794,633</u>	<u>11,396,339</u>
Noncurrent assets				
Construction in progress	3,273,674	6,364,309	-	-
Intangible assets	48,591	-	-	22,145
Machinery and equipment	30,653,606	3,266,350	-	126,936
Accumulated depreciation	(22,507,943)	(1,852,282)	-	(105,149)
Capital assets net of accumulated depreciation	<u>11,467,928</u>	<u>7,778,377</u>	<u>-</u>	<u>43,932</u>
Total noncurrent assets	<u>11,467,928</u>	<u>7,778,377</u>	<u>-</u>	<u>43,932</u>
TOTAL ASSETS	<u>31,296,838</u>	<u>14,969,656</u>	<u>6,794,633</u>	<u>11,440,271</u>
DEFERRED OUTFLOWS OF RESOURCES				
Amounts related to pension	<u>203,509</u>	<u>-</u>	<u>29,928</u>	<u>820,023</u>
Total deferred outflows of resources	<u>203,509</u>	<u>-</u>	<u>29,928</u>	<u>820,023</u>
LIABILITIES				
Current liabilities				
Accounts payable	388,920	312,003	254,563	391,058
Claims and judgments payable	-	-	2,150,375	-
Due to other funds	3,075	434,000	153,969	37,000
Accrued liabilities	317,062	-	23,506	1,149,639
Custodial accounts	1,589	322	24	81
Unearned revenues	-	-	-	-
Total current liabilities	<u>710,646</u>	<u>746,325</u>	<u>2,582,437</u>	<u>1,577,778</u>
Noncurrent liabilities				
Claims and judgments	-	-	5,636,625	-
Accrued employee benefits	23,932	-	1,448	85,786
Net pension liability	837,643	-	123,183	3,375,210
Total noncurrent liabilities	<u>861,575</u>	<u>-</u>	<u>5,761,256</u>	<u>3,460,996</u>
TOTAL LIABILITIES	<u>1,572,221</u>	<u>746,325</u>	<u>8,343,693</u>	<u>5,038,774</u>
DEFERRED INFLOWS OF RESOURCES				
Amounts related to pension	<u>316,093</u>	<u>-</u>	<u>46,484</u>	<u>1,273,670</u>
Total deferred inflows of resources	<u>316,093</u>	<u>-</u>	<u>46,484</u>	<u>1,273,670</u>
NET POSITION				
Net investment in capital assets	11,467,928	7,778,377	-	43,932
Restricted for capital purposes	-	300,000	-	-
Unrestricted	18,144,105	6,144,954	(1,565,616)	5,903,918
TOTAL NET POSITION	<u>\$ 29,612,033</u>	<u>\$ 14,223,331</u>	<u>\$ (1,565,616)</u>	<u>\$ 5,947,850</u>

CITY OF VANCOUVER
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2018

	Benefits	Self-Insured Health Insurance	Total Internal Service Funds
ASSETS			
Current assets			
Cash, cash equivalents	\$ 1,032,186	\$ 4,112,665	\$ 49,114,200
Receivables (net)			
Accounts	468,421	308,810	847,964
Interest	2,902	11,685	139,369
Due from other funds	-	-	507,244
Inventory	-	-	439,053
Prepaid expenses	-	-	100,000
Total current assets	<u>1,503,509</u>	<u>4,433,160</u>	<u>51,147,830</u>
Noncurrent assets			
Construction in progress	-	-	9,637,983
Intangible assets	-	-	70,736
Machinery and equipment	-	-	34,046,892
Accumulated depreciation	-	-	(24,465,374)
Capital assets net of accumulated depreciation	<u>-</u>	<u>-</u>	<u>19,290,237</u>
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>19,290,237</u>
TOTAL ASSETS	<u>1,503,509</u>	<u>4,433,160</u>	<u>70,438,067</u>
DEFERRED OUTFLOWS OF RESOURCES			
Amounts related to pension	-	-	1,053,460
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>1,053,460</u>
LIABILITIES			
Current liabilities			
Accounts payable	33,664	7,767	1,387,975
Claims and judgments payable	-	-	2,150,375
Due to other funds	-	5,705	633,749
Accrued liabilities	-	-	1,490,207
Custodial accounts	-	-	2,016
Unearned revenues	-	1,393	1,393
Total current liabilities	<u>33,664</u>	<u>14,865</u>	<u>5,665,715</u>
Noncurrent liabilities			
Claims and judgments	-	-	5,636,625
Accrued employee benefits	-	-	111,166
Net pension liability	-	-	4,336,036
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>10,083,827</u>
TOTAL LIABILITIES	<u>33,664</u>	<u>14,865</u>	<u>15,749,542</u>
DEFERRED INFLOWS OF RESOURCES			
Amounts related to pension	-	-	1,636,247
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>1,636,247</u>
NET POSITION			
Net investment in capital assets	-	-	19,290,237
Restricted for capital purposes	-	-	300,000
Unrestricted	1,469,845	4,418,295	34,515,501
TOTAL NET POSITION	<u>\$ 1,469,845</u>	<u>\$ 4,418,295</u>	<u>\$ 54,105,738</u>

CITY OF VANCOUVER
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2018

	Equipment Repair & Replacement	Computer Repair & Replacement	Self-Insured Worker's Comp & Liability	Internal Administrative Services
OPERATING REVENUES				
Charges for services	\$ 6,809,475	\$ 80,802	\$ 6,045,101	\$ 15,052,558
Fines and forfeitures	-	-	-	-
Rents and royalties	3,052,366	2,801,029	-	-
Miscellaneous	3,561	109	-	-
Total operating revenues	<u>9,865,402</u>	<u>2,881,940</u>	<u>6,045,101</u>	<u>15,052,558</u>
OPERATING EXPENSES				
Personnel services	2,523,969	-	512,618	9,086,391
Supplies and contractual services	3,580,879	893,838	5,267,632	3,267,013
Interfund services	816,054	37,369	395,229	788,602
Intergovernmental payments	23,713	147	73,191	100,268
Depreciation	2,018,452	357,697	-	9,969
Total operating expenses	<u>8,963,067</u>	<u>1,289,051</u>	<u>6,248,670</u>	<u>13,252,243</u>
Operating income (loss)	902,335	1,592,889	(203,569)	1,800,315
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	334,035	143,499	107,856	265,990
Gain (Loss) on disposal of capital assets	133,362	1,748	31,979	4,361
Miscellaneous revenue (expense)	-	-	(3,794)	-
Total nonoperating revenues (expenses)	<u>467,397</u>	<u>145,247</u>	<u>136,041</u>	<u>270,351</u>
Income (loss) before contributions and transfers	1,369,732	1,738,136	(67,528)	2,070,666
Capital contributions	1,325,965	230,112	-	-
Transfers in	364,014	-	-	593,793
Transfers out	-	(438,692)	-	-
Change in net position	<u>3,059,711</u>	<u>1,529,556</u>	<u>(67,528)</u>	<u>2,664,459</u>
Change in net position	<u>3,059,711</u>	<u>1,529,556</u>	<u>(67,528)</u>	<u>2,664,459</u>
TOTAL NET POSITION - BEGINNING	26,552,322	12,693,775	(1,498,088)	3,283,391
TOTAL NET POSITION - ENDING	<u>\$ 29,612,033</u>	<u>\$ 14,223,331</u>	<u>\$ (1,565,616)</u>	<u>\$ 5,947,850</u>

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

For the Year Ended December 31, 2018

	Benefits	Self-Insured Health Insurance	Total Internal Service Funds
OPERATING REVENUES			
Charges for services	\$ 10,752,359	\$ 7,644,886	\$ 46,385,181
Fines and forfeitures	-	-	-
Rents and royalties	-	-	5,853,395
Miscellaneous	-	-	3,670
Total operating revenues	<u>10,752,359</u>	<u>7,644,886</u>	<u>52,242,246</u>
OPERATING EXPENSES			
Personnel services	19,350	-	12,142,328
Supplies and contractual services	11,118,139	8,448,819	32,576,320
Interfund services	173,162	94,080	2,304,496
Intergovernmental payments	-	-	197,319
Depreciation	-	-	2,386,118
Total operating expenses	<u>11,310,651</u>	<u>8,542,899</u>	<u>49,606,581</u>
Operating income (loss)	(558,292)	(898,013)	2,635,665
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	18,429	78,856	948,665
Gain (Loss) on disposal of capital assets	-	-	171,450
Miscellaneous revenue (expense)	-	-	(3,794)
Total nonoperating revenues (expenses)	<u>18,429</u>	<u>78,856</u>	<u>1,116,321</u>
Income (loss) before contributions and transfers	(539,863)	(819,157)	3,751,986
Capital contributions	-	-	1,556,077
Transfers in	-	-	957,807
Transfers out	-	-	(438,692)
Change in net position	<u>(539,863)</u>	<u>(819,157)</u>	<u>5,827,178</u>
Change in net position	<u>(539,863)</u>	<u>(819,157)</u>	<u>5,827,178</u>
TOTAL NET POSITION - BEGINNING (RESTATED)	<u>2,009,708</u>	<u>5,237,452</u>	<u>48,278,560</u>
TOTAL NET POSITION - ENDING	<u>\$ 1,469,845</u>	<u>\$ 4,418,295</u>	<u>\$ 54,105,738</u>

CITY OF VANCOUVER
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2018

	Equipment Repair & Replacement	Computer Repair & Replacement	Self-Insured Worker's Comp & Liability	Internal Administrative Services
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$ 9,804,175	\$ 2,881,831	\$ 6,079,084	\$ 15,052,558
Cash received from other operating activities	3,561	109	-	-
Cash payment for goods and services	(3,596,289)	(1,099,190)	(4,307,144)	(3,408,925)
Internal activity - payments to other funds	(816,964)	405,542	(242,896)	(1,031,594)
Cash payments to employees	(2,614,274)	-	(391,393)	(9,707,534)
Net cash provided (used) by operating activities	<u>2,780,209</u>	<u>2,188,292</u>	<u>1,137,651</u>	<u>904,505</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Payments to other governments	-	-	(3,794)	-
Transfers from other funds	364,014	-	-	593,793
Transfers to other funds	-	(438,692)	-	-
Net cash used by noncapital financing activities	<u>364,014</u>	<u>(438,692)</u>	<u>(3,794)</u>	<u>593,793</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of capital assets	(4,954,418)	(4,903,631)	-	(1)
Proceeds from sale of capital assets	133,362	1,748	31,979	4,361
Capital contributions	1,325,965	230,112	-	-
Net cash provided (used) by capital and related financing activities	<u>(3,495,091)</u>	<u>(4,671,771)</u>	<u>31,979</u>	<u>4,360</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment earnings (losses)	<u>314,502</u>	<u>141,243</u>	<u>98,811</u>	<u>251,786</u>
Net cash provided (used) in investing activities	<u>314,502</u>	<u>141,243</u>	<u>98,811</u>	<u>251,786</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(36,366)</u>	<u>(2,780,928)</u>	<u>1,264,647</u>	<u>1,754,444</u>
CASH BALANCE AT BEGINNING OF YEAR (RESTATED)	<u>19,310,525</u>	<u>9,950,424</u>	<u>5,393,575</u>	<u>9,113,028</u>
CASH BALANCE AT END OF YEAR	<u>\$ 19,274,159</u>	<u>\$ 7,169,496</u>	<u>\$ 6,658,222</u>	<u>\$ 10,867,472</u>

**Reconciliation of operating income (loss) to
net cash used by operating activities:**

Operating income (loss)	\$ 902,335	\$ 1,592,889	\$ (203,569)	\$ 1,800,315
Adjustments to reconcile operating income (loss) to net cash provided by operations:				
Depreciation expense	2,018,452	357,697	-	9,969
Decrease (increase) in receivables	(57,666)	-	33,983	-
Decrease (increase) in inventories	168,258	-	-	-
Increase (decrease) in current payables	(159,955)	(205,205)	82,679	(78,644)
Increase (decrease) in accrued liabilities	20,523	-	(18,514)	(15,888)
Decrease (increase) in receivable from other funds	(1,868)	8,911	-	(279,992)
Decrease (increase) in receivable from other government	-	-	-	37,000
Increase (decrease) in payables due to other funds	958	434,000	152,333	37,000
Increase (decrease) in claims and judgments payable	-	-	951,000	-
Increase (Decrease) in pension liability	(110,828)	-	139,739	(605,255)
Total adjustments	<u>1,877,874</u>	<u>595,403</u>	<u>1,341,220</u>	<u>(895,810)</u>
Net cash provided (used) by operating activities	<u>\$ 2,780,209</u>	<u>\$ 2,188,292</u>	<u>\$ 1,137,651</u>	<u>\$ 904,505</u>

Non cash investing, financing and capital activities

Contribution of capital assets from government	\$ -	\$ -	\$ -	\$ -
Net change in fair value of investments	32,350	12,050	11,145	18,195

CITY OF VANCOUVER
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2018

	Benefits	Self-Insured Health Insurance	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 10,736,409	\$ 7,625,514	\$ 52,179,571
Cash received from other operating activities	-	-	3,670
Cash payment for goods and services	(11,088,971)	(8,447,617)	(31,948,136)
Internal activity - payments to other funds	(173,162)	(88,375)	(1,947,449)
Cash payments to employees	(19,350)	-	(12,732,551)
Net cash provided (used) by operating activities	(545,074)	(910,478)	5,555,105
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Payments to other governments	-	-	(3,794)
Transfers from other funds	-	-	957,807
Transfers to other funds	-	-	(438,692)
Net cash used by noncapital financing activities	-	-	515,321
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	-	-	(9,858,050)
Proceeds from sale of capital assets	-	-	171,450
Capital contributions	-	-	1,556,077
Net cash provided (used) by capital and related financing activities	-	-	(8,130,523)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment earnings (losses)	18,346	76,186	900,874
Net cash provided (used) in investing activities	18,346	76,186	900,874
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(526,728)	(834,292)	(1,159,223)
CASH BALANCE AT BEGINNING OF YEAR (RESTATED)	1,558,914	4,946,957	50,273,423
CASH BALANCE AT END OF YEAR	<u>\$ 1,032,186</u>	<u>\$ 4,112,665</u>	<u>\$ 49,114,200</u>

**Reconciliation of operating income (loss) to
net cash used by operating activities:**

Operating income (loss)	\$ (558,292)	\$ (898,013)	\$ 2,635,665
Adjustments to reconcile operating income (loss) to net cash provided by operations:			
Depreciation expense	-	-	2,386,118
Decrease (increase) in receivables	(15,950)	(19,372)	(59,005)
Decrease (increase) in inventories	-	-	168,258
Increase (decrease) in current payables	29,168	1,202	(330,755)
Increase (decrease) in accrued liabilities	-	-	(13,879)
Decrease (increase) in receivable from other funds	-	-	(272,949)
Decrease (increase) in receivable from other government	-	-	37,000
Increase (decrease) in payables due to other funds	-	5,705	629,996
Increase (decrease) in claims and judgments payable	-	-	951,000
Increase (Decrease) in pension liability	-	-	(576,344)
Total adjustments	13,218	(12,465)	2,919,440
Net cash provided (used) by operating activities	<u>\$ (545,074)</u>	<u>\$ (910,478)</u>	<u>\$ 5,555,105</u>

Non cash investing, financing and capital activities

Contribution of capital assets from government	\$ -	\$ -	\$ -
Net change in fair value of investments	1,715	6,905	82,360



Full and Half Marathon

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.

<u>Contents</u>	<u>Page</u>
Financial Trends	166
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	175
These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.	
Debt Capacity	180
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	185
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	188
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.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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

Financial Trends

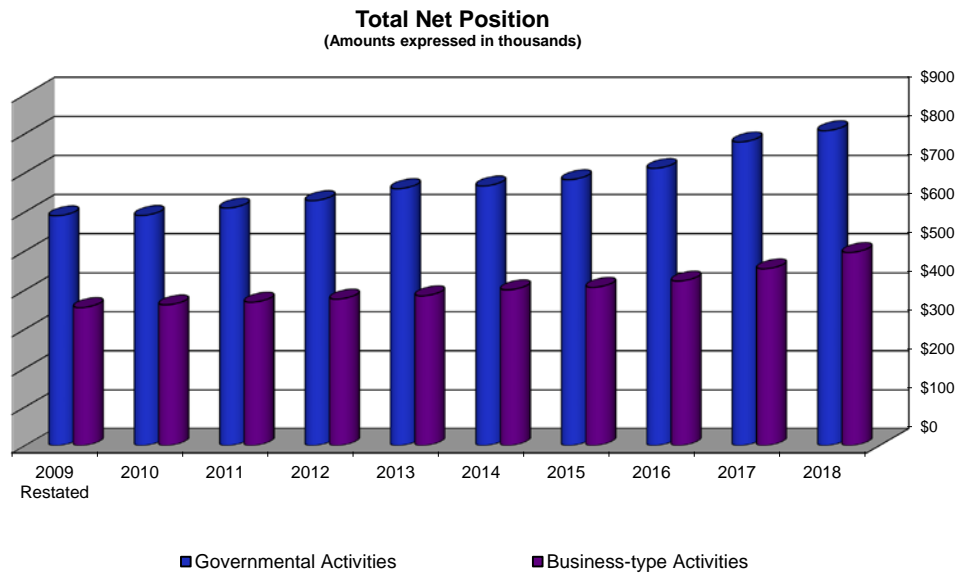
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Net Position by Component		Table 1
Changes in Expenses, Revenues, and Net Position		Table 2
Changes in Expenses by Function	Page 1 of 3	
Changes in Revenues by Function	Page 2 of 3	
Changes in Net Position	Page 3 of 3	
General Governmental Tax Revenues by Source		Table 3
General Governmental Revenues by Source		Table 4
General Governmental Expenditures by Function		Table 5
Fund Balances Governmental Funds		Table 6

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

Table 1

	FISCAL YEAR									
	2009 Restated	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities										
Net Investment in capital assets	\$ 452,249	\$ 485,600	\$ 494,576	\$ 500,452	\$ 521,171	\$ 500,548	\$ 510,481	\$ 536,394	\$ 612,778	\$ 680,671
Restricted	56,751	35,422	35,482	65,339	53,828	43,880	47,882	48,397	80,534	107,509
Unrestricted	80,769	69,753	79,721	62,904	84,272	121,863	123,886	126,378	85,332	19,411
Total Governmental Activities Net Position	\$ 589,769	\$ 590,775	\$ 609,780	\$ 628,695	\$ 659,271	\$ 666,291	\$ 682,249	\$ 711,170	\$ 778,644	\$ 807,591
Business-type Activities										
Net Investment in capital assets	\$ 269,568	\$ 279,590	\$ 288,493	\$ 294,317	\$ 292,461	\$ 302,611	\$ 319,491	\$ 330,001	\$ 360,952	\$ 391,431
Restricted	4,161	5,261	5,406	7,746	5,575	7,554	9,209	10,500	6,224	8,597
Unrestricted	81,432	77,139	74,882	74,709	87,173	90,325	78,179	82,442	86,959	95,895
Total Business-type Activities Net Position	\$ 355,161	\$ 361,990	\$ 368,781	\$ 376,772	\$ 385,210	\$ 400,490	\$ 406,879	\$ 422,943	\$ 454,135	\$ 495,923
Primary Government										
Net Investment in capital assets	\$ 721,817	\$ 765,190	\$ 783,070	\$ 794,769	\$ 813,633	\$ 803,159	\$ 829,972	\$ 866,395	\$ 973,730	\$ 1,072,102
Restricted	60,912	40,683	40,888	73,085	59,403	51,433	57,091	58,897	86,758	116,106
Unrestricted	162,201	146,892	154,603	137,613	171,445	212,188	202,065	208,820	172,291	115,306
Total Primary Government Net Position	\$ 944,930	\$ 952,765	\$ 978,561	\$ 1,005,467	\$ 1,044,480	\$ 1,066,781	\$ 1,089,128	\$ 1,134,113	\$ 1,232,779	\$ 1,303,514

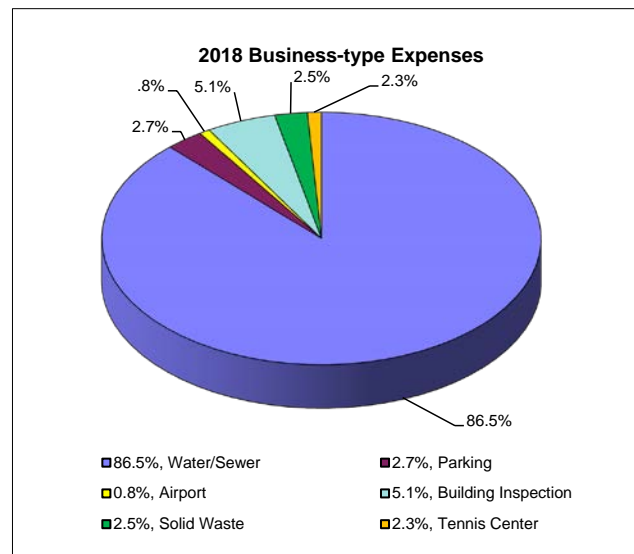
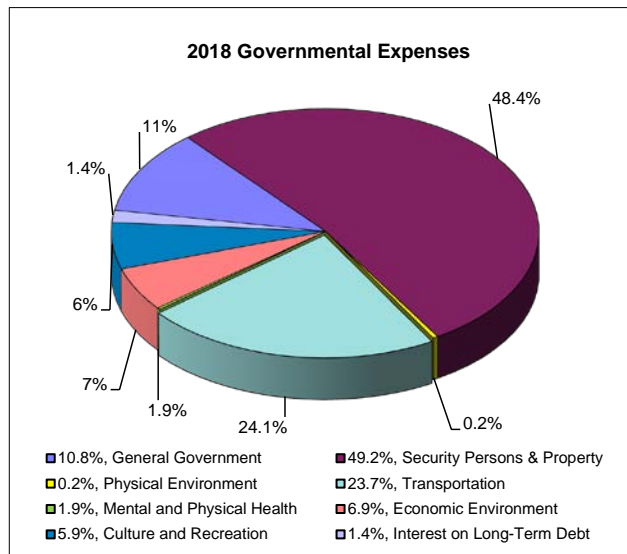


CITY OF VANCOUVER
Changes in Expenses by Function
 Last Ten Fiscal Years
 (Amounts expressed in thousands)

Table 2
 Page 1 of 3

	FISCAL YEAR									
Expenses	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities:										
General Government	\$ 26,611	\$ 36,530	\$ 25,992	\$ 24,741	\$ 20,448	\$ 23,192	\$ 19,325	\$ 22,022	\$ 20,209	\$ 20,777
Security Persons & Property	70,266	68,995	65,156	67,724	70,511	73,922	78,427	87,571	95,627	94,440
Physical Environment	530	521	315	474	515	474	667	569	696	293
Transportation	30,588	30,895	26,830	29,713	33,012	29,205	34,932	32,491	40,884	45,457
Mental and Physical Health	355	384	265	386	339	369	375	405	467	3,670
Economic Environment	10,013	11,096	9,201	8,389	7,132	7,657	8,954	9,868	10,495	13,300
Culture and Recreation	18,924	18,033	12,773	10,924	11,796	11,258	9,989	11,454	11,124	11,348
Interest on Long-Term Debt	4,590	4,566	4,933	4,747	4,506	3,963	3,542	3,736	2,925	2,620
Total Governmental Activities Expenses*	161,877	171,020	145,465	147,098	148,259	150,040	156,211	168,116	182,427	191,905
Business-type Activities:										
Water/Sewer	71,886	70,561	71,883	73,306	75,592	75,245	82,687	83,502	92,720	96,312
Parking	3,772	3,572	3,637	3,372	2,964	2,902	2,974	2,989	2,945	3,038
Airport	575	581	702	697	586	631	650	846	836	894
Building Inspection	4,755	4,298	3,764	3,642	3,761	4,180	5,174	5,203	5,406	5,688
Solid Waste	3,899	1,825	2,006	1,912	2,132	2,076	2,279	2,251	2,523	2,779
Tennis Center	1,143	1,072	1,033	1,124	1,036	1,076	1,103	1,083	1,088	2,605
Fire Shop	980	921	-	-	-	-	-	-	-	-
Total Business-type Activities Expenses*	87,010	82,830	83,025	84,053	86,071	86,110	94,867	95,874	105,518	111,316
Total Primary Government Expenses	\$ 248,887	\$ 253,850	\$ 228,490	\$231,151	\$ 234,330	\$ 236,150	\$ 251,078	\$ 263,990	\$ 287,945	\$ 303,221

*Minor differences due to rounding.

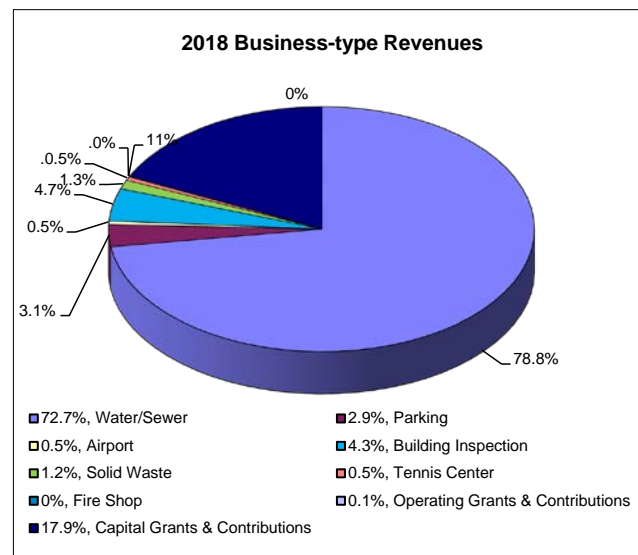
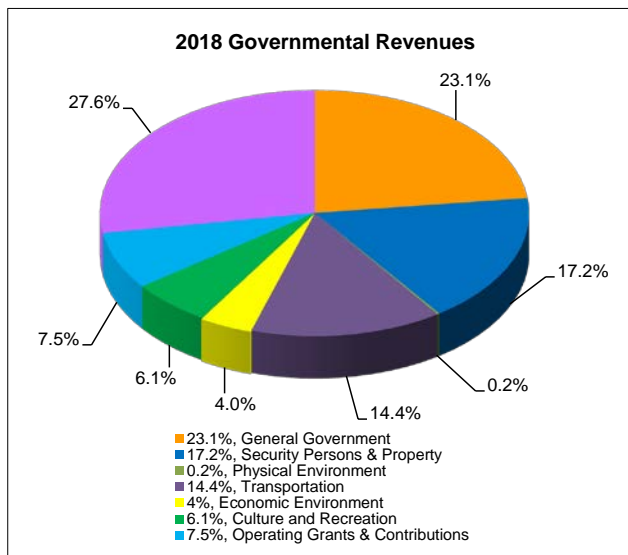


CITY OF VANCOUVER
Changes in Revenues by Function
 Last Ten Fiscal Years
 (Amounts expressed in thousands)

Table 2
 Page 2 of 3

	FISCAL YEAR									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Program Revenues										
Governmental Activities:										
Charges for Services, Fees, Fines & Forfeitures										
General Government	\$ 12,715	\$ 20,732	\$ 10,733	\$ 10,432	\$ 9,169	\$ 6,613	\$ 11,870	\$ 14,098	\$ 14,856	\$ 17,957
Security Persons & Property	11,557	10,920	10,923	11,681	13,101	11,911	12,342	15,970	13,950	13,362
Physical Environment	119	108	127	161	1,944	108	132	108	100	132
Transportation	1,717	1,117	2,343	1,073	3,792	5,115	8,634	8,082	8,506	11,209
Economic Environment	4,855	5,022	3,641	3,111	333	890	2,939	2,767	2,583	3,105
Culture and Recreation	6,022	6,178	5,303	7,234	5,789	6,929	4,615	4,620	4,493	4,716
Operating Grants and Contributions	11,426	9,915	6,942	7,419	6,257	3,625	4,712	5,100	4,371	5,878
Capital Grants and Contributions	13,057	6,646	14,175	9,474	28,745	12,981	22,186	12,356	26,654	21,516
Total Governmental Activities Revenues*	61,468	60,639	54,187	50,585	69,130	48,172	67,430	63,101	75,514	77,875
Business-type Activities:										
Charges for Services										
Water/Sewer	67,994	67,424	70,000	73,410	76,983	80,904	86,785	89,361	97,488	104,155
Parking	2,116	2,060	2,129	2,082	2,146	1,771	2,005	2,214	3,261	4,156
Airport	609	622	630	621	628	697	690	693	665	664
Building Inspection	3,820	4,438	4,057	4,021	4,703	3,654	4,566	4,227	4,167	6,168
Solid Waste	2,542	2,996	3,286	2,805	2,558	2,275	1,718	1,808	1,975	1,712
Tennis Center	873	816	867	954	878	856	818	822	744	690
Fire Shop	1,063	978	-	-	-	-	-	-	-	-
Operating Grants and Contributions	19	242	625	442	323	1	233	59	240	86
Capital Grants and Contributions	8,430	5,231	5,425	6,737	9,873	8,771	14,909	15,240	14,580	25,667
Total Business-type Activities Revenues*	87,465	84,807	87,020	91,072	98,092	98,928	111,724	114,424	123,121	143,298
Total Primary Government Revenues	\$ 148,933	\$ 145,446	\$ 141,207	\$ 141,658	\$ 167,222	\$ 147,100	\$ 179,154	\$ 177,525	\$ 198,634	\$ 221,173

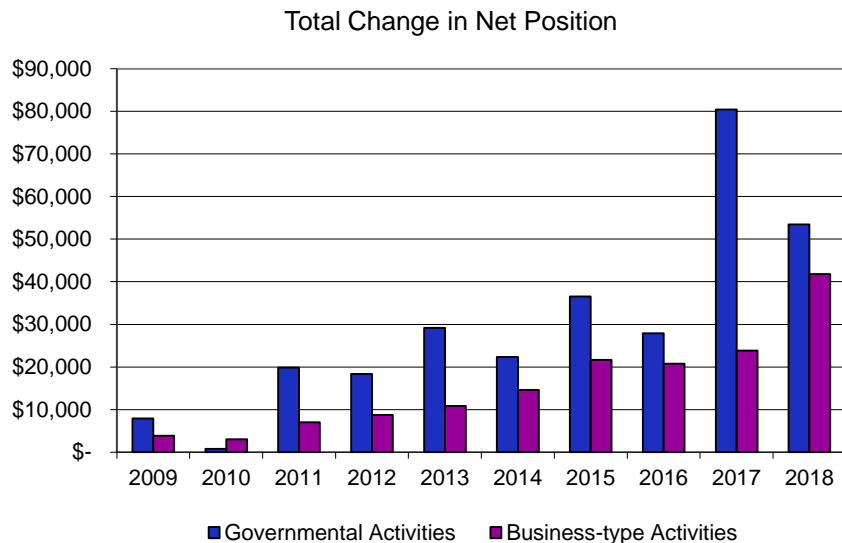
*Minor differences due to rounding.



CITY OF VANCOUVER
Changes in Net Position
 Last Ten Fiscal Years
 (Amounts expressed in thousands)

Table 2
 Page 3 of 3

	FISCAL YEAR									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net (Expense)/Revenue										
Governmental Activities	\$ (100,409)	\$ (110,381)	\$ (91,278)	\$ (96,512)	\$ (79,129)	\$ (101,868)	\$ (88,781)	\$ (105,015)	\$ (106,913)	\$ (114,030)
Business-type Activities	456	1,977	3,995	7,019	12,021	12,818	16,857	18,550	17,603	31,982
Total Primary Government										
Net(Expense)/Revenue	<u>\$ (99,953)</u>	<u>\$ (108,404)</u>	<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>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes	\$ 107,397	\$ 107,992	\$ 112,298	\$ 112,816	\$ 119,075	\$ 124,193	\$ 125,174	\$ 132,121	\$ 150,461	\$ 159,801
Intergovernmental Revenues not Restricted to a specific program	-	-	-	-	-	-	-	-	-	-
Investment Earnings	2,271	1,312	1,096	799	462	838	1,031	1,153	2,107	4,372
Miscellaneous	-	1,980	2	2,410	530	296	535	944	640	3,900
Transfers	(1,362)	(163)	(2,258)	(1,167)	(1,099)	(1,148)	(1,443)	(1,344)	(448)	(601)
Special Item	-	-	-	-	-	-	-	-	34,575	-
Extraordinary Item	-	-	-	-	(10,699)	-	-	-	-	-
Total Governmental Activities	<u>108,306</u>	<u>111,121</u>	<u>111,139</u>	<u>114,858</u>	<u>108,270</u>	<u>124,179</u>	<u>125,297</u>	<u>132,874</u>	<u>187,335</u>	<u>167,472</u>
Business-type Activities:										
Investment Earnings	1,613	840	670	516	316	518	644	622	1,043	2,060
Miscellaneous	454	53	46	51	1,052	110	2,694	266	795	687
Special Item	-	-	-	-	(3,682)	-	-	-	3,943	6,458
Transfers	1,362	163	2,258	1,167	1,099	1,148	1,442	1,344	448	601
Total Business-type Activities	<u>3,430</u>	<u>1,056</u>	<u>2,973</u>	<u>1,735</u>	<u>(1,215)</u>	<u>1,776</u>	<u>4,780</u>	<u>2,232</u>	<u>6,228</u>	<u>9,806</u>
Total Primary Government	<u>\$ 111,736</u>	<u>\$ 112,177</u>	<u>\$ 114,112</u>	<u>\$ 116,592</u>	<u>\$ 107,055</u>	<u>\$ 125,955</u>	<u>\$ 130,077</u>	<u>\$ 135,106</u>	<u>\$ 193,563</u>	<u>\$ 177,278</u>
Change in Net Position										
Governmental Activities	\$ 7,897	\$ 740	\$ 19,860	\$ 18,345	\$ 29,141	\$ 22,311	\$ 36,516	\$ 27,860	\$ 80,422	\$ 53,442
Business-type Activities	3,886	3,034	6,969	8,754	10,805	14,594	21,637	20,781	23,831	41,788
Total Primary Government	<u>\$ 11,783</u>	<u>\$ 3,774</u>	<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>



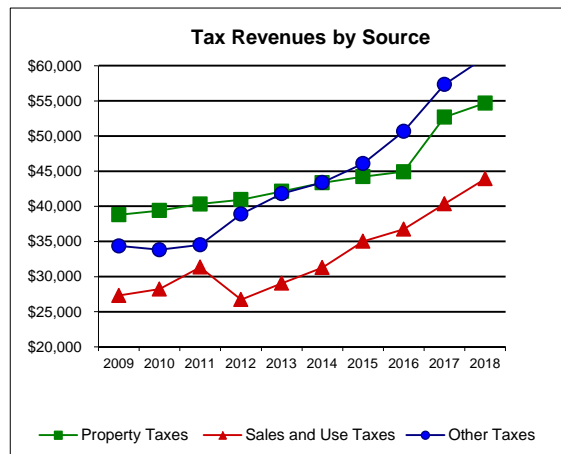
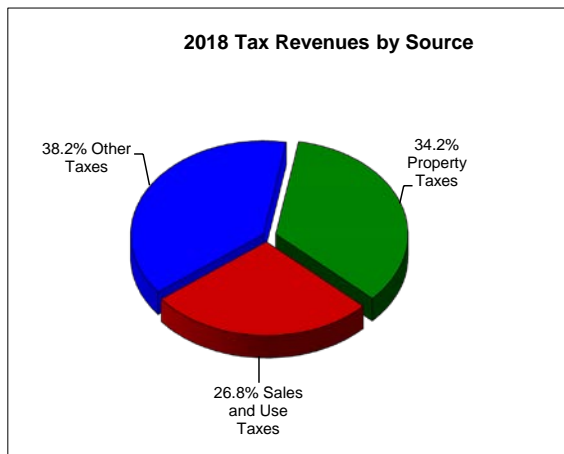
CITY OF VANCOUVER

GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE

Last Ten Fiscal Years
(Modified accrual basis of accounting)
(Amounts expressed in thousands)

Table 3

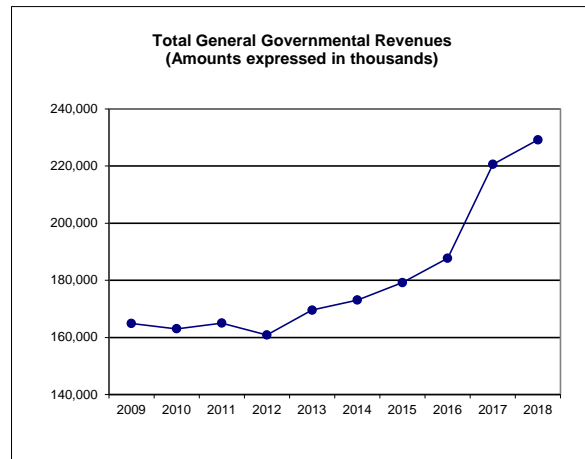
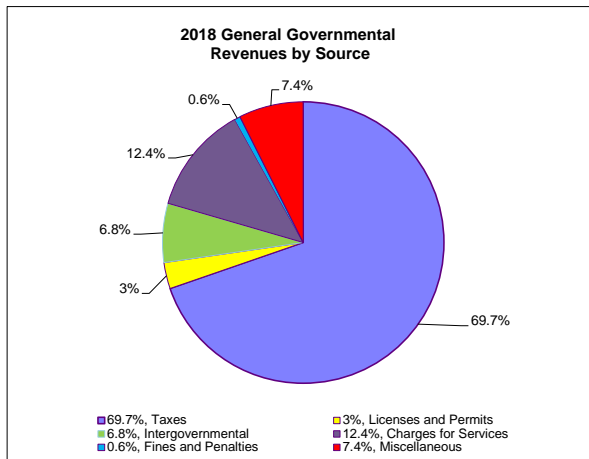
<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Sales and Use Taxes</u>	<u>Other Taxes</u>	<u>Total Taxes</u>
2009	\$ 38,803	\$ 27,327	\$ 34,373	\$ 100,503
2010	39,404	28,208	33,807	101,420
2011	40,334	31,342	34,521	106,197
2012	40,948	26,735	38,901	106,584
2013	42,133	29,060	41,819	113,012
2014	43,344	31,299	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



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

Table 4

Fiscal Year	REVENUES							OTHER FINANCING SOURCES (USES)					Total Revenues and Other Sources
	Taxes	Licenses and Permits	Inter-governmental	Charges for Services	Fines and Penalties	Miscellaneous	Total Revenues	Capital Related Debt Issued	Sale of Capital Assets	Net Transfers In (Out)	Total Financing Sources (Uses)		
2009	\$ 100,503	\$ 3,604	\$ 35,437	\$ 19,334	\$ 1,834	\$ 4,173	\$ 164,885	\$ 13,480	\$ 192	\$ (2,276)	\$ 11,396	\$ 176,280	
2010	101,419	3,527	31,094	19,422	1,649	5,919	163,031	14,439	501	(673)	14,267	177,298	
2011	106,197	3,610	34,089	14,787	1,592	4,719	164,995	10,988	54	(2,648)	8,394	173,390	
2012	106,584	3,842	27,797	15,402	1,657	5,598	160,880	172	320	(1,167)	(675)	160,205	
2013	113,012	3,853	20,343	24,756	1,487	6,107	169,557	1,496	100	(8,899)	(7,303)	162,254	
2014	118,033	3,713	18,041	24,939	1,786	6,592	173,104	312	(380)	(7,522)	(7,590)	165,514	
2015	125,362	4,579	17,795	22,428	1,566	7,465	179,195	5,097	331	(3,771)	1,657	180,852	
2016	132,318	5,266	17,009	24,632	1,542	6,958	187,725	117	108	(4,960)	(4,735)	182,990	
2017	150,398	5,909	26,182	28,118	1,341	8,667	220,615	-	252	(1,782)	(1,530)	219,085	
2018	159,769	6,910	15,515	28,500	1,487	17,016	229,197	-	123	(1,120)	(997)	228,200	



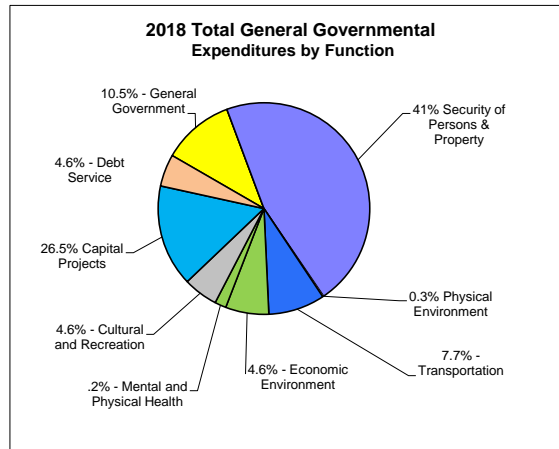
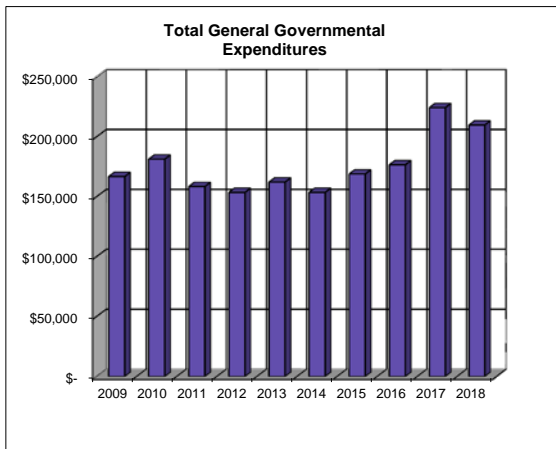
CITY OF VANCOUVER
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
AND CHANGES IN FUND BALANCE

Last Ten Fiscal Years
(Modified accrual basis of accounting)
(Amounts expressed in thousands)

Table 5

Fiscal Year	General Government	Security of Persons & Property	Physical Environment	Transportation	Economic Environment	Mental and Physical Health	Culture and Recreation	Capital Projects	Debt Service		Total Expenditures	Net Changes in Fund Balance	Other Changes in Fund Balance	Total Change in Fund Balance	Debt Service % of Non-capital Expenditures (restated)
									Principal	Interest					
2009	\$ 25,362	\$ 69,006	\$ 528	\$ 18,931	\$ 9,132	\$ 392	\$ 16,275	\$ 16,681	\$ 5,720	\$ 4,664	\$ 166,690	\$ (2,203)	\$ 344	\$ (1,859)	7.03%
2010	24,789	66,356	536	15,624	10,239	384	14,082	38,431	6,111	4,717	181,269	(3,971)	(99)	(4,070)	7.25%
2011	25,051	64,092	301	13,573	8,734	265	9,814	25,261	6,277	5,039	158,407	14,983	(102)	14,881	8.61%
2012	24,355	66,523	474	11,993	7,798	386	8,485	21,438	7,167	4,903	153,522	6,683	139	6,822	8.86%
2013	24,485	71,083	504	13,125	6,434	339	9,672	24,564	7,366	4,534	162,105	(10,549)	2,325	(8,224)	8.65%
2014	26,300	72,668	537	14,143	6,843	369	7,240	13,506	7,673	4,251	153,530	11,984	309	12,294	8.45%
2015	19,597	80,813	616	14,868	9,026	375	10,531	18,834	10,226	3,961	168,846	12,006	103	12,109	9.45%
2016	21,676	85,142	561	15,062	9,244	405	9,975	22,894	7,960	3,605	176,524	6,466	1,061	7,527	7.48%
2017	23,538	91,897	679	17,307	10,394	467	10,268	59,312	7,240	3,154	224,256	(5,171)	-	(5,171)	5.97%
2018	23,057	96,967	287	18,087	13,898	3,670	11,041	32,452	7,436	2,845	209,740	18,460	-	18,460	6.45%

Changes in fund balance nets the results of Tables 5 and 6.

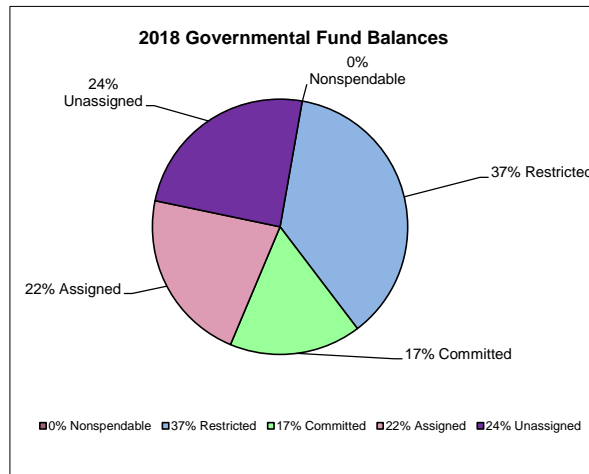
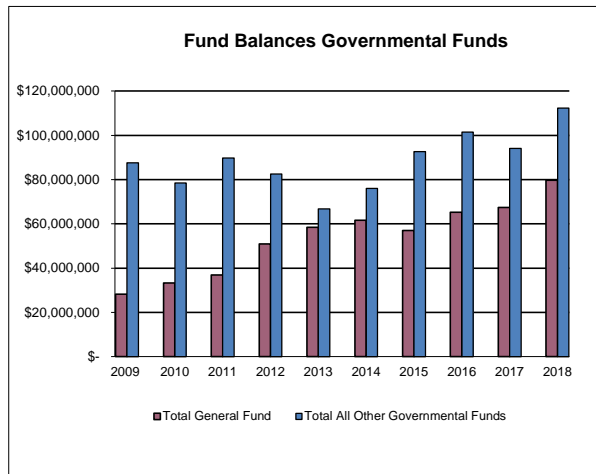


CITY OF VANCOUVER
FUND BALANCES GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
 (Modified accrual basis of accounting)

Table 6

	FISCAL YEAR									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 1,061,735	\$ 955,735								
Unreserved	27,125,784	32,395,545								
* Nonspendable			\$ 1,028,400	\$ 913,400	\$ 228,400	\$ 236,595	\$ 316,748	\$ 228,400	\$ -	\$ 500
* Restricted			415,377	1,064,707	241,331	152,808	78,647	76,535	23,943	13,144,875
* Committed			889,198	40,276,519	41,095,993	43,119,624	44,944,108	20,850,443	21,745,949	17,085,753
* Assigned			-	3,893,165	4,148,166	4,156,542	3,787,063	34,261,088	35,793,920	2,491,592
* 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
Total General Fund	\$ 28,187,519	\$ 33,351,280	\$ 36,861,898	\$ 50,936,758	\$ 58,501,825	\$ 61,577,210	\$ 57,022,740	\$ 65,227,194	\$ 67,378,759	\$ 79,772,573
All Other Governmental Funds										
Reserved	\$ 3,151,350	\$ 28,128,422								
Unreserved										
Special Revenue Funds	50,693,960	23,933,985								
Capital Project Funds	33,810,705	26,359,262								
Debt Service Funds	1,518	1,560								
* Nonspendable			\$ 10,262,643	\$ 10,367,595	\$ 10,761,381	\$ 37,707	\$ 7,593	\$ 7,593	\$ -	\$ -
* 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
* 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
* 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
* Unassigned			-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 87,657,533	\$ 78,423,229	\$ 89,793,362	\$ 82,540,588	\$ 66,751,334	\$ 75,969,801	\$ 92,633,687	\$ 101,476,931	\$ 94,154,003	\$ 112,307,642
Total Fund Balance Governmental Funds	\$ 115,845,052	\$ 111,774,509	\$ 126,655,260	\$ 133,477,346	\$ 125,253,159	\$ 137,547,011	\$ 149,656,427	\$ 166,704,125	\$ 161,532,762	\$ 192,080,215

* The City implemented GASB 54 in 2011.



Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, property taxes.

Assessed and Estimated Actual Value of Taxable Property	Table 7
Property Tax Rates - Direct and Overlapping Governments	Table 8
Property Tax Levies and Collections	Table 9
Principal Property Tax Payers	Table 10

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

Table 7

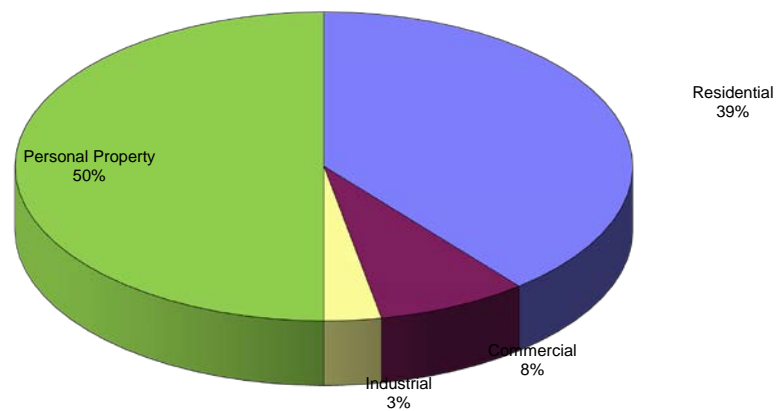
Assessed Year	Collection Year	Real Property Assessed Value (a)			Total Assessed Value of Real Property	Personal Property Assessed Value	Less: Exemptions Real Property	Total		Total Direct Tax Rate per \$1000 of Assessed Value	Ratio of Total Assessed Value to Estimated Actual Value (b)
		Residential	Commercial	Industrial				Assessed Value	Estimated Actual Value		
2009	2010	\$ 10,535,645	\$ 3,092,670	\$ 932,112	\$ 14,560,427	\$ 823,680	\$ 165,765	\$15,218,341	\$16,559,675	2.57	91.9%
2010	2011	9,702,583	2,658,791	809,992	13,171,366	713,480	166,647	13,718,199	14,959,868	2.90	91.7%
2011	2012	9,497,266	2,681,228	812,821	12,991,316	712,908	167,377	13,536,847	14,416,238	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	13,618,040	708,137	168,760	14,157,417	14,778,097	3.02	95.8%
2014	2015	11,248,985	2,878,956	944,978	15,072,920	739,235	173,478	15,638,677	16,172,365	2.80	96.7%
2015	2016	12,153,668	2,929,835	934,561	16,018,064	805,156	136,567	16,686,654	17,436,420	2.67	95.7%
2016	2017	13,835,723	2,983,629	967,265	17,786,617	856,088	164,449	18,478,255	19,369,240	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%

(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 become 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.

Source: Clark County Department of Assessment and GIS

2018 Assessed Value of Property for Collections in 2019



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

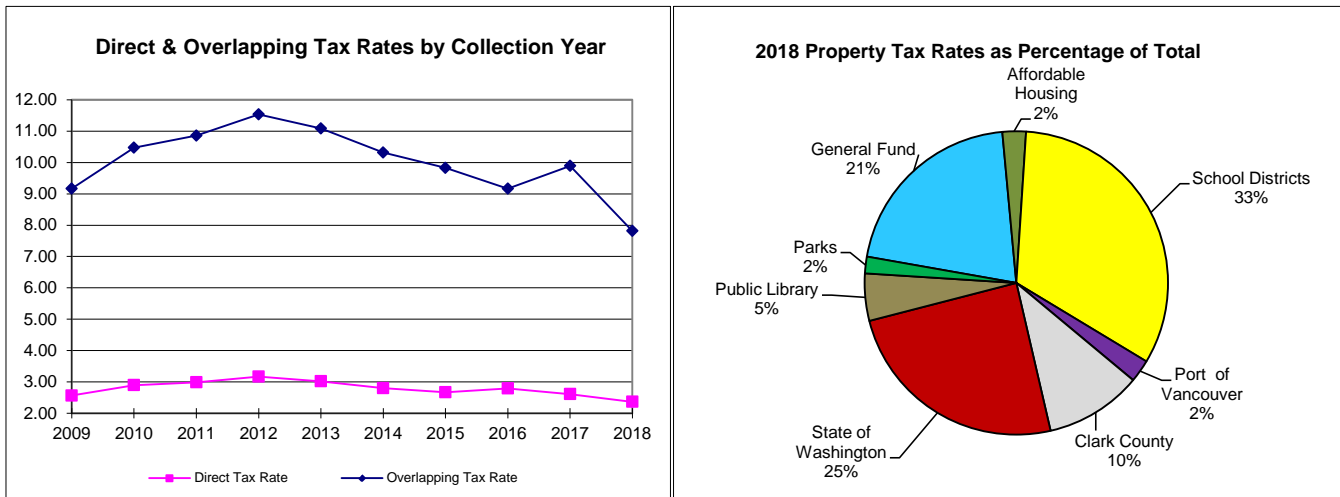
Table 8

Assessed Year	Collection Year	Direct Tax Rate			Overlapping Tax Rate						Total Overlapping Tax Rate
		General Fund	Affordable Housing	Total Direct Tax Rate	School Districts (a)	Port of Vancouver	Clark County	State of Washington	Public Library	Parks	
2009	2010	2.57	-	2.57	4.56	0.36	1.37	2.02	0.59	0.26	9.17
2010	2011	2.90	-	2.90	5.29	0.41	1.51	2.26	0.75	0.27	10.47
2011	2012	2.99	-	2.99	5.52	0.40	1.55	2.36	0.75	0.27	10.86
2012	2013	3.17	-	3.17	6.05	0.44	1.64	2.49	0.76	0.16	11.53
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	9.16
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	2.37	3.32	0.24	1.05	2.51	0.51	0.18	7.82

(a) The School District tax rate is the weighted average of the districts within the City of Vancouver.

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.

Source: Clark County Department of Assessment and GIS



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)	
2009	\$ 17,022,327,000	2.32	\$ 39,415,028	\$ 37,917,601	96.2	\$ 851,497	\$ 38,769,098	98.4	\$ 1,758,265
2010	15,384,106,717	2.57	39,506,232	38,333,709	97.0	1,072,342	39,406,051	99.7	1,560,560
2011	13,884,845,470	2.90	40,213,881	39,455,229	98.1	867,751	40,322,979	100.3	1,372,475
2012	13,704,224,212	2.99	40,957,344	40,152,853	98.0	670,906	40,823,759	99.7	1,241,427
2013	13,222,265,791	3.17	41,943,790	41,485,605	98.9	620,674	42,106,280	100.4	1,120,733
2014	14,326,177,779	3.02	43,295,235	42,664,769	98.5	663,005	43,327,773	100.1	998,590
2015	15,812,154,819	2.80	44,267,755	43,704,833	98.7	560,203	44,265,036	100.0	900,974
2016	16,823,220,855	2.67	44,861,498	44,240,830	98.6	622,387	44,863,217	100.0	784,011
2017	18,642,704,534	2.79	52,844,824	52,227,941	98.8	487,059	52,714,999	99.8	886,939
2018	20,979,612,099	2.61	54,776,104	54,144,067	98.8	547,555	54,691,622	99.8	820,287

(a) Total collections include both current and delinquent taxed owed. 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.

Source: City of Vancouver, Treasurer's Office



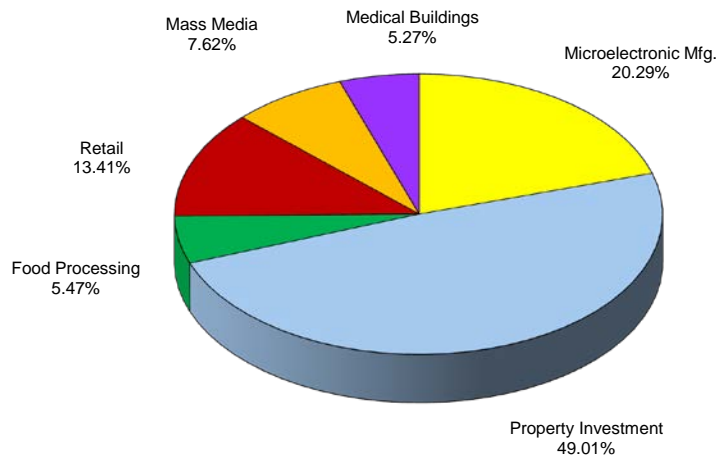
CITY OF VANCOUVER
PRINCIPAL PROPERTY TAX PAYERS
 Current Year and Nine Years Ago
 (Taxable value expressed in thousands)

Table 10

Taxpayer	Type of Business	2009			2018		
		2008 Assessed Taxable Value	Rank	Percentage of Total Taxable Assessed Value	2017 Assessed Taxable Value	Rank	Percentage of Total Taxable Assessed Value
Columbia Tech Center LLC	Property investment	\$ 208,560	2	1.36%	\$ 350,171	1	1.48%
SEH America	Microelectronic Mfg.	312,950	1	2.03%	230,147	2	0.97%
Comcast IP Phone II LLC	Mass Media				86,410	3	0.37%
US Centennial Vancouver Mall LLC	Retail				79,968	4	0.34%
Mission Hills LLC	Property investment				77,995	5	0.33%
Angelo Prop Company LP	Property investment	70,802	4	0.46%	65,171	6	0.28%
CBC 1 LLC	Property investment	61,703	5	0.40%	62,556	7	0.26%
Frito Lay Inc.	Food processing	55,201	8	0.36%	61,986	8	0.26%
Wal-Mart Real Est Bus Trust	Retail				59,972	9	0.25%
Vancouver Clinic Inc. PS	Medical buildings	53,507	9	0.35%	59,792	10	0.25%
Vancouver Mall	Retail	73,567	3	0.48%			
Cafaro Northwest Ptnsp	Property investment	59,374	7	0.39%			
Northwest Natural Gas	Utility	61,197	6	0.40%			
Park Plaza Inc	Property investment	49,163	10	0.32%			
Subtotal - Principal Property Tax Payers		1,006,024		6.55%	1,134,169		4.79%
All Other City Taxpayers		14,378,083		93.45%	22,524,823		95.21%
Total City Taxpayers		\$ 15,384,107		100.00%	\$ 23,658,992		100.00%

Assessed Taxable Value does not include exemptions for real property
 Source: Clark County Department of Assessment and GIS

2018 Top Ten Taxpayers by Type of Business



Debt Capacity

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.

Ratio of Outstanding Debt by Type	Table 11
Direct and Overlapping Governmental Activities Debt	Table 12
Legal Debt Margin Information	Table 13
Pledged - Revenue Coverage	Table 14

CITY OF VANCOUVER
RATIO OF OUTSTANDING DEBT BY TYPE
 Last Ten Fiscal Years
 (Amounts expressed in thousands, except per capita)

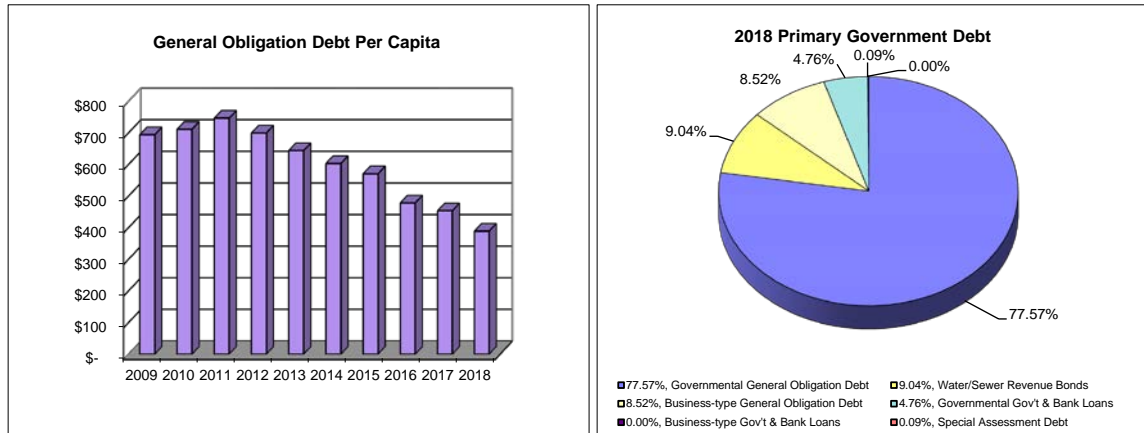
Table 11

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		Solid Waste						
						Water/Sewer								
2009	\$ 98,207	\$ 1,980	\$ 18	\$ 15,898	\$ 158	\$ 91,655	\$ -	\$ 207,916	3.05%	\$ 1,264	\$ 114,105	0.67%	\$ 694	
2010	102,545	5,704	15	15,090	430	81,940	-	205,724	3.22%	1,243	117,635	0.76%	711	
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	-	134,827	1.73%	791	97,149	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	-	99,334	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	

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. These ratios were calculated using personal income and population for the calendar year.

(b) See Table 9 for taxable property value data.



CITY OF VANCOUVER
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
As of December 31, 2018

Table 12

Property Valuation (2017 Assessment for 2018 Revenue) \$ 20,979,612,099

Governmental Activities Direct Debt:

Outstanding direct debt			
General obligation debt		\$ 64,252,800	
Government and bank loans		3,945,209	
Special assessment debt		<u>35,000</u>	
Total outstanding direct debt			\$ 68,233,009

Overlapping Debt:

	Direct Debt Outstanding	Less Reserves	Net	Estimated Percentage Applicable to City (a)	Estimated Share of Overlapping Debt
Vancouver School District #37					
General obligation debt	\$ 182,672,940	\$(4,514,940)	\$ 178,158,000	49.25%	\$ 87,742,815
Evergreen School District #114					
General obligation debt	185,085,000	(1,748,758)	183,336,242	72.60%	133,102,112
Camas School District #117					
General obligation debt	162,920,000	(1,933,743)	160,986,257	3.11%	5,006,673
Battle Ground School District #119					
General obligation debt	32,695,000	(607,452)	32,087,548	1.45%	465,269
Port of Vancouver					
General obligation debt	37,895,000	-	37,895,000	58.23%	22,066,259
Vancouver Library					
General obligation debt	25,630,000	(416)	25,629,584	39.53%	10,131,375
Clark County					
General obligation debt	104,030,136	-	104,030,136	36.66%	38,137,448
Subtotal- overlapping debt repaid with property taxes					<u>296,651,951</u>
Total governmental direct and overlapping debt					<u><u>\$ 364,884,960</u></u>

	<u>Per thousand</u>
Ratio of direct and overlapping debt repaid with property taxes to property valuation	\$ 0.02

	<u>Per capita</u>
Ratio of direct debt to population (2017: 183,500)	
Governmental activities direct debt	\$ 371.84
Overlapping and direct debt	\$ 1,988.47
Estimated actual valuation	\$ 114,330.31

Source: Debt outstanding: Clark County Treasurer's Office
Assessed value data used to estimate applicable percentages: Clark County Department of Assessment and GIS

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.

(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.

CITY OF VANCOUVER
LEGAL DEBT MARGIN INFORMATION
 Last Ten Fiscal Years
 (Amounts expressed in thousands)

Table 13

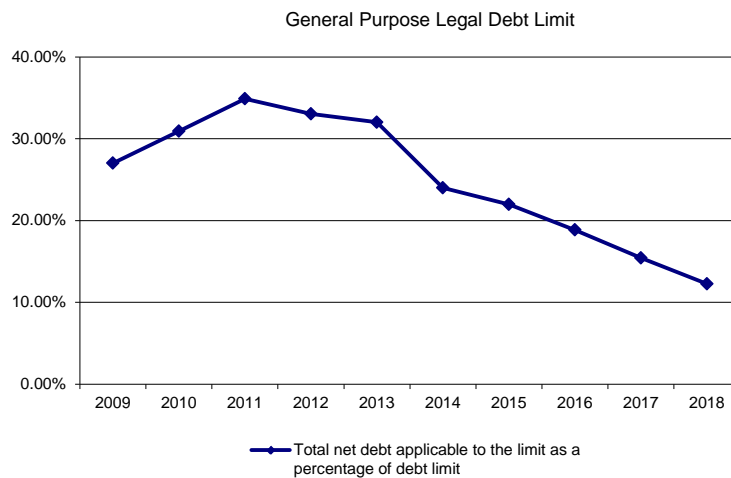
Legal General Debt Margin Calculation for Fiscal Year

Assessed value (2017 Assessment for 2018 Revenue)	\$ 20,979,612
Debt Limit with vote (1% of assessed value)	209,796
Debt Limit without vote (1 1/2% of assessed value)	314,694
Debt applicable to without vote line	
General obligation bonds	\$ 64,253
Less: Amount set aside for repayment	-
Total net debt applicable to limit without vote	<u>64,253</u>
Total general purpose legal debt margin	\$ 460,238

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General purpose debt limit	\$ 422,375	\$ 380,459	\$ 347,121	\$ 342,606	\$ 330,557	\$ 358,155	\$ 395,304	\$ 420,581	\$ 466,068	\$ 524,490
Total net debt applicable to limit	114,105	117,635	121,090	113,141	105,825	85,929	86,887	79,284	71,847	64,253
Legal debt margin	<u>\$ 308,270</u>	<u>\$ 262,824</u>	<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>\$ 460,238</u>
Total net debt applicable to the limit as a percentage of debt limit	27.02%	30.92%	34.88%	33.02%	32.01%	23.99%	21.98%	18.85%	15.42%	12.25%

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 is allocated 1 1/2 % to without a vote and 1% to with a vote.

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		Gross Revenue	Expense	Net Revenue Available For Debt Service		Debt Service		Special Assessment Collections	Debt Service		
			Principal	Interest	Principal	Interest			Principal	Interest	Principal	Interest		Principal	Interest	Coverage
2009	\$ 69,785	\$ 40,865	\$ 28,920	\$ 9,275	\$ 4,685	2.07	\$ 2,652	\$ 3,899	\$ (1,247)	\$ -	\$ -	N/A	\$ 5	\$ 53	\$ 5	0.09
2010	68,394	40,416	27,978	9,715	4,253	2.00	3,064	1,813	1,250	-	-	N/A	5.55	3.00	1.24	1.31
2011	71,039	36,487	34,551	10,155	3,807	2.47	3,358	1,996	1,363	-	-	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	970	-	-	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	268	-	-	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	(337)	-	-	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	49,326	7,090	564	6.44	1,873	2,769	(896)	-	-	N/A	32	40.00	3.38	0.74

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) Gross Revenue is defined as all operating and nonoperating revenues of the Water/Sewer Enterprise Fund. This does not include systems development revenue.

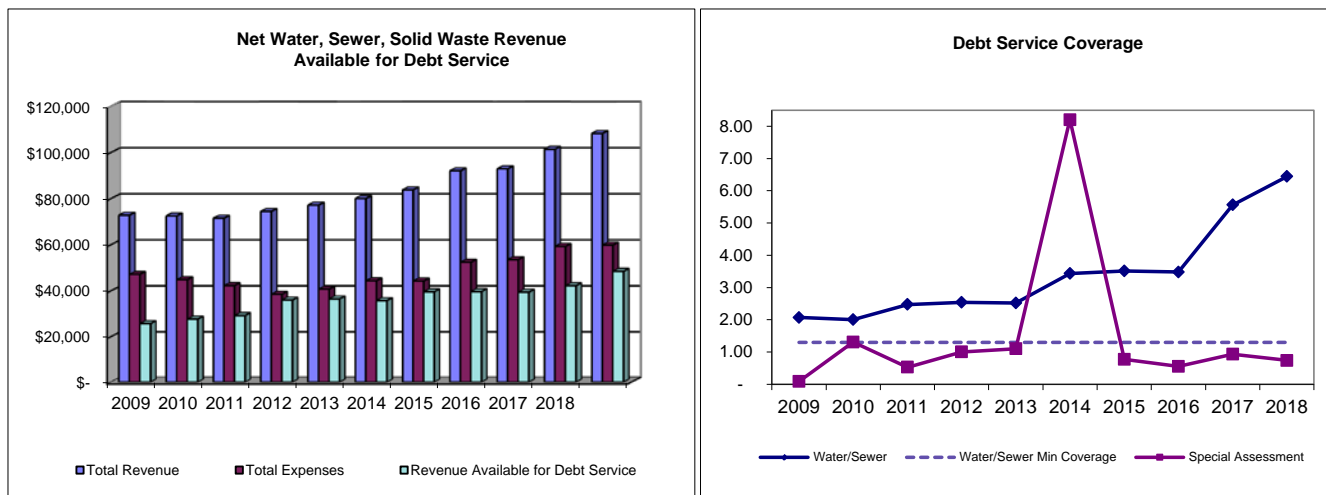
(2) Expense is defined as requiring a payment to an outside entity but not including debt service interest and fiscal charges.

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%.

Special assessment debt is repaid by assessment on property owners.



Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Demographic and Economic Statistics
Principal Employers

Table 15
Table 16

CITY OF VANCOUVER
DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Fiscal Years

Table 15

Fiscal Year	Population	Personal Income ¹ (thousands of dollars)	Per Capita Income ²	School Enrollment	Local Unemployment Rate %
2009	164,500	\$ 6,811,945	\$ 41,410	48,305	8.6
2010	165,500	6,382,508	38,565	48,084	8.1
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

¹ Personal income is calculated by multiplying population by per capita income.

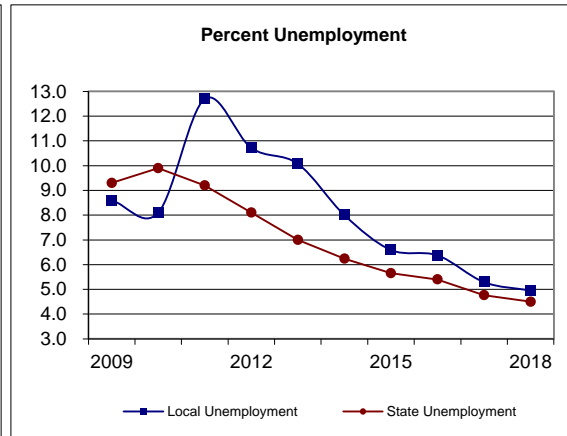
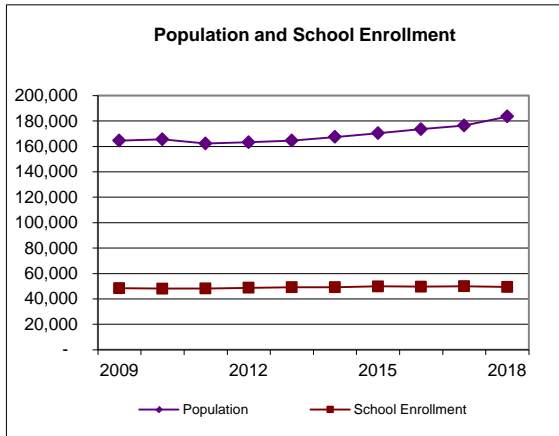
² Per capita income listed for Clark County, WA. Amount is estimated for 2017.

Source: Population - State of Washington Office of Financial Management

Per Capita Income - U.S. Bureau of Economic Analysis, and State of Washington Office of Financial Management

School Enrollment - Office of Superintendent of Public Instruction, Washington State Report Card

Unemployment - U.S. Department of Labor, Bureau of Labor Statistics



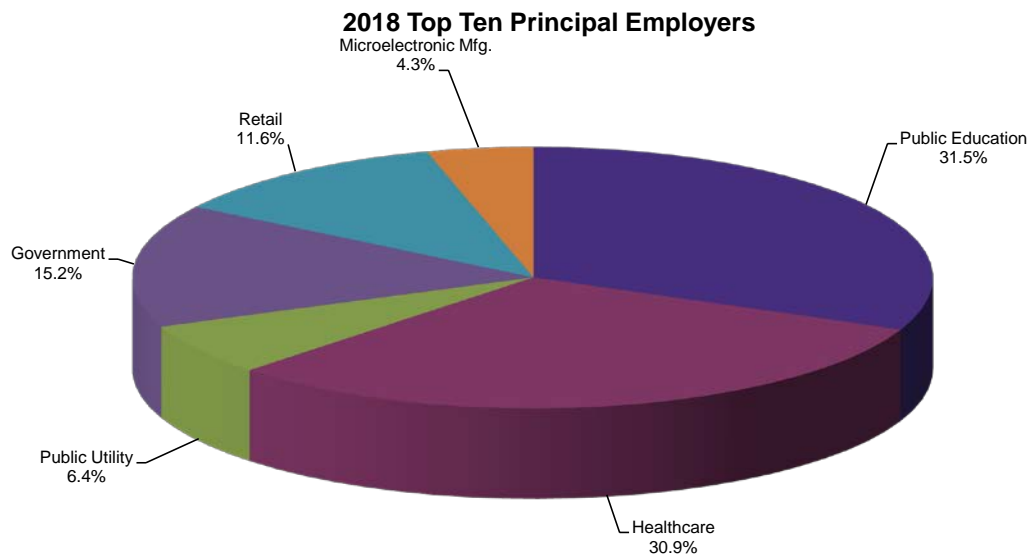
CITY OF VANCOUVER
PRINCIPAL EMPLOYERS
Current Year and Nine Years Ago

Table 16

Employer	Type of Business	2009			2018		
		Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
PeaceHealth (SW WA Medical Center)	Healthcare	2,556	3	3.52%	4,571	1	5.56%
Vancouver School District	Public Education	3,358	1	4.63%	2,987	2	3.63%
Evergreen School District	Public Education	3,076	2	4.24%	2,577	3	3.13%
Clark County	Government	1,925	4	2.65%	1,570	4	1.91%
Fred Meyer	Retail	1,543	6	2.13%	1,222	5	1.48%
Bonneville Power Administration	Public Utility			0.00%	1,124	6	1.37%
City of Vancouver	Government	1,097	8	1.51%	1,114	7	1.35%
Kaiser Permanente	Healthcare	785	10	1.08%	887	8	1.08%
SEH America Inc.	Microelectronic Mfg.	1,190	7	1.64%	757	9	0.92%
Dick Hannah Dealerships	Retail			0.00%	830	10	1.01%
Hewlett Packard	Computers & e-services	1,800	5	2.48%			
Wells Fargo	Financial/Banking	840	9	1.16%			
Subtotal of Ten Largest Employers		18,170		25.03%	17,639		21.45%
All Other Employers		54,435		74.97%	64,582		78.55%
Total Vancouver Employment		72,605		100.00%	82,221		100.00%

Sources:

Employees - Vancouver Business Journal Book of Lists
Employment - US Department of Labor, Bureau of Labor Statistics



Operating Information

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 perform

Full-Time Equivalent City Government Positions by Function	Table 17
Operating Indicators by Function	Table 18
Capital Assets Statistics by Function	Table 19

CITY OF VANCOUVER
FULL-TIME EQUIVALENT CITY GOVERNMENT POSITIONS BY FUNCTION
 Last Ten Fiscal Years

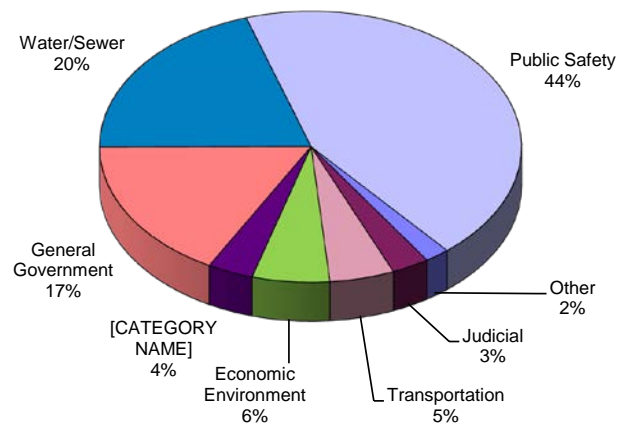
Table 17

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
City Council	7	7	7	7	7	7	7	7	7	7
City Management	13	11	16	14	15	15	13	13	14	15
Support Services	110	104	83	83	84	82	85	91	92	99
Community Services	7	7	5	5	5	4	4	3	5	5
Media & Technology Services	38	36	25	25	24	25	28	28	37	37
Equipment Services	17	16	21	21	22	22	22	27	26	26
Public Safety										
Police	251	223	216	212	213	213	221	245	261	278
Fire	226	216	203	198	198	198	206	206	211	211
Judicial	30	29	28	25	26	29	29	29	32	32
Physical Environment	1	1	1	1	1	1	0	0	0	0
Transportation	75	66	40	40	41	41	47	49	50	55
Economic Environment	74	60	53	51	53	54	58	58	66	66
Culture and Recreation	78	72	61	41	41	41	39	39	40	39
Water/Sewer	223	223	222	222	219	219	217	217	224	224
Parking	11	7	7	7	8	8	9	9	10	10
Airpark	1	1	1	1	1	1	1	1	1	1
Sanitation	8	5	5	5	5	5	5	5	5	5
Tennis Center	5	5	5	4	4	4	4	4	4	4
Fire Shop	9	7	0	0	0	0	0	0	-	-
Total	1,181	1,093	999	962	967	969	995	1,031	1,085	1,114

Note: Information presented has been revised to reflect approved, full-time-equivalent positions as of December 31 of the year shown.

Source: City of Vancouver, Budget Office

2018 Positions By Function



CITY OF VANCOUVER
OPERATING INDICATORS BY FUNCTION
 Last Ten Fiscal Years

Table 18
 Page 1 of 2

Governmental Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	Change
General Government / Other											
Total number of employees, general governmental only	137	138	129	127	120	123	136	159	165	152	-8%
Number of telephone translations to serve citizens	377	381	348	416	766	590	504	620	693	699	1%
Number of City FTEs (includes temps)	1,455	1,283	1,198	1,274	1,214	1,207	1,240	1,342	1,394	1,637	17%
Number of unions represented	10	12	10	10	10	10	10	10	10	10	0%
Number of external job applications processed	416	369	6,284	6,876	4,220	6,454	7,341	10,552	10,892	9,622	-12%
Number of desktop & laptop computer systems in use	1,167	1,086	1,060	1,165	1,046	1,095	1,313	1,367	1,490	1,517	2%
Number of calls for service to help desk	7,786	9,420	12,427	13,705	13,297	13,911	13,351	14,774	16,791	18,338	9%
Number of CVTV programs produced per year	583	465	399	434	450	444	425	460	433	396	-9%
Public Safety											
Police											
Number of commissioned FTEs	206	200	193	193	187	186	187	196	202	206	2%
Number of support FTEs	43	22	23	23	23	22	23	43	52	53	2%
Number of calls for service (excludes officer initiated)	105,879	103,077	91,509	93,834	98,458	94,113	90,134	101,649	112,652	115,710	3%
Number of officer-initiated responses	48,746	42,982	42,129	36,560	36,595	36,641	47,417	43,516	40,059	43,221	8%
Number of traffic stops	31,512	23,784	21,097	17,037	17,187	17,138	14,809	13,427	14,142	13,807	-2%
FBI Crime Index - Violent crimes per 1,000 residents *	4.0	4.1	3.8								
FBI Crime Index - Property crimes per 1,000 residents *	36.1	39.5	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	10%
NIBRS - Crimes against Society per 1,000 residents ***				4.0	3.5	3.6	3.7	3.5	2.9	2.9	0%
Number of impaired driving arrests	277	231	291	306	396	382	344	324	403	492	22%
Number of false alarms	1,597	1,154	1,216	1,237	1,251	1,531	1,731	1,775	1,820	1,907	5%
Fire											
Number of commissioned FTEs	192	189	189	189	189	188	188	188	188	188	0%
Number of non commissioned (support) FTEs	34	11	11	11	11	14	16	18	28	28	0%
Number of fire apparatus	22	23	21	21	21	22	22	27	26	26	0%
Number of EMS dedicated vehicles	1	0	0	0	0	0	2	2	2	2	0%
Number of fire specific responses	877	658	740	897	821	866	1,232	856	962	907	-6%
Number of medical responses	17,743	18,810	17,562	16,667	16,261	16,631	17,945	15,543	16,740	17,347	4%
Transportation											
Lane miles of pavement under management	1,798	1,806	1,810	1,810	1,812	1,812	1,815	1,816	1,875	1,906	2%
Lane miles of streets swept	16,871	13,860	13,315	13,525	13,373	13,170	12,032	11,251	13,396	14,186	6%
Culture and Recreation											
Total FTEs of employees	72	58	48	45	44	42	43	41	41	42	2%
Total acreage of managed city park space	3,195	3,197	2,138	2,138	2,138	1,600	1,587	1,580	1,580	1,607	2%
Miles of trails	66	66	23	23	23	23	20	20	20	21	5%

The % change column compares the difference between the two most recent years.

Public Safety

* The FBI Crime Index was a summary-based system called UCR (Uniform Crime Reporting) and is replaced by NIBRS.

NIBRS (National Incident-Based Reporting System) is more detailed than the UCR system.

** NIBRS Group "A" Offenses against Persons and Property

*** NIBRS Group "A" Offenses against Society (Drugs, Narcotics, other activities prohibited by society's rules)

Source: International City/County Management Association (ICMA) annual data collection, and City of Vancouver Performance Analysis Office

CITY OF VANCOUVER
OPERATING INDICATORS BY FUNCTION
Last Ten Fiscal Years

Table 18
Page 2 of 2

<u>Business-type Function</u>	<u>2009</u>	<u>2010</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>Change</u>
Water											
Number of residential water connections	64,680	64,924	65,067	65,360	66,231	66,858	71,907	73,110	73,507	70,563	-4%
Number of non-residential water connections	3,310	3,585	3,596	3,489	3,514	3,537	3,688	3,762	3,813	3,917	3%
Number of new water connections	428	628	154	186	896	650	1,382	1,203	397	1,500	278%
Daily average water consumption (gallons)	25,782,833	23,287,671	24,521,899	25,470,150	20,327,323	18,931,903	20,550,000	22,056,000	18,790,065	19,141,710	2%
Sewer											
Number of total waste connections	54,935	55,303	55,533	55,964	56,836	57,520	58,588	59,448	59,678	60,656	2%
Number of non-residential waste water connections	2,487	2,495	2,739	2,750	2,781	2,815	2,654	2,680	2,736	2,776	1%
Number of new waste connections	513	496	230	431	868	684	1,066	860	230	1,435	524%
Daily average treated	19,398,907	21,095,000	21,950,000	21,960,000	20,180,000	20,300,000	20,550,000	22,056,000	21,987,000	20,370,000	-7%
Surface Water											
Number of drain basins cleaned	10,453	3,242	10,478	13,267	14,012	9,814	10,942	10,112	10,122	14,152	40%
Miles of drainage mains cleaned	12.7	13.8	8.6	8.8	36.1	11.7	6.7	9.2	6.1	16.0	162%
Parking											
Number of parking violations issued per year	33,863	24,633	26,473	27,583	24,133	20,608	24,529	25,040	31,369	34,155	9%
Building Inspection											
Total code violation cases initiated	2,094	1,300	1,187	1,041	1,009	1,184	1,308	1,256	1,329	1,202	-10%
Number of new residential building permits issued	527	821	787	1,039	1,498	1,485	1,859	1,378	2,279	1,939	-15%
Number of total building permits issued	7,141	7,031	7,223	7,654	8,464	8,133	9,679	9,642	9,440	10,468	11%
Number of total building inspections conducted	28,141	26,577	24,738	31,574	32,110	30,154	37,487	42,511	35,653	45,271	27%

CITY OF VANCOUVER
CAPITAL ASSET STATISTICS BY FUNCTION
 Last Ten Fiscal Years

Table 19

<u>Governmental Function</u>	<u>2009</u>	<u>2010</u>	<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>Change</u>
General Government / Other											
Total city light vehicle fleet (no marked patrol)	379	393	368	363	329	320	320	332	351	446	27%
Square ft. of administrative space	198,672	321,561	252,550	252,550	252,550	166,877	266,840	167,953	167,953	167,953	0%
Square ft. of warehouse space	50,575	84,116	84,116	84,116	84,116	43,505	39,881	23,148	23,148	23,148	0%
Public Safety											
Police											
Number of marked police patrol	81	77	77	90	87	74	74	79	75	97	29%
Number of total police facilities	6	6	4	4	4	3	4	4	4	4	0%
Fire											
Number of total response vehicles	23	23	21	21	21	22	22	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)	79	72	68	68	68	69	69	68	69	69	0%
Transportation											
Number of signaled intersections	228	234	234	237	237	241	241	258	258	261	1%
Number of bridges	10	10	10	10	10	10	10	10	11	11	0%
Miles of roads	575.0	579.0	580.0	580.3	581.0	581.0	582.0	582.0	604.0	605.0	0%
Culture and Recreation											
Parks											
Number of neighborhood parks	68	70	70	67	76	76	76	76	77	78	1%
Number of community parks	11	11	11	12	13	15	14	14	14	14	0%
Indoor Recreation Facilities	3	3	3	3	3	3	3	3	3	3	0%
Museums	2	2	2	1	1	1	1	1	1	1	0%
<u>Business-Type Function</u>	<u>2009</u>	<u>2010</u>	<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>Change</u>
Water											
Total miles of water mains	982	985	999	1,001	1,009	1,012	1,020	1,031	1,041	1,054	1%
Miles of supply and transmission mains 12" and larger	63	187	191	192	194	194	195	195	200	201	0%
Hydrants in use	7,197	7,275	7,394	7,443	7,512	7,564	7,633	7,738	7,831	7,953	2%
Storage (mg)	25	25	25	25	25	25	25	24	24	24	0%
Sewer											
Miles of sewage mains	707	714	725	728	735	741	753	755	767	773	1%
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	37.4	37.4	44.4	44.4	44.4	0%
Parking											
Lots	6	6	6	7	7	7	7	7	7	7	0%
Garages	4	4	4	3	2	2	2	2	2	2	0%
Meters, on and off street	1,538	1,546	1,546	1,575	1,595	1,595	1,595	1,403	1,115	748	-33%
Pay Stations	28	28	28	30	30	30	32	62	103	188	83%
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%
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	209,545	0%

The % change column compares the difference between the two most recent years.

Note 1: Asset information for areas not shown are under evaluation

Source: Various city departments.

City of Vancouver

This schedule contains information about expenditures of federal grant awards to help the reader understand the contributions the City receives from the Federal Government.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended December 31, 2018

NOTE 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.

NOTE 2 PROGRAM COSTS

The amounts shown as current year expenditures represent only federal grant portions of the program costs. Entire program costs, including the City's portion may be more than shown.

NOTE 3 PROGRAM INCOME

Revolving Loan - The City operates a revolving loan program for low income housing. Under this federal program, repayments to the City are considered program revenues (income) and loans of such funds to eligible recipients are considered expenditures.

NOTE 4 NONCASH AWARDS - EQUIPMENT

The City received equipment that was purchased with federal Homeland Security funds by the City of Portland who had a pass-through contract with Clark County. The County passed the award through to the City. The amount reported on the schedule is the value of the property on the date it was received by the City and priced by the City of Portland, Oregon.

NOTE 5 SUBRECIPIENT REPORTING

Per Uniform Guidance, disbursements of funds to subrecipients is reported on the SEFA in the fiscal year it is paid to the subrecipient.

NOTE 6 INDIRECT COST RATE

The City has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

City of Vancouver
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

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-14-MC-53- 0013	-	76	76	-	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Community Development Block Grants/Entitlement Grants	14.218	B-15-MC-53- 0013	-	205,912	205,912	196,291	3,5
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	-	212,495	212,495	24,202	3,5
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	-	1,130,678	1,130,678	352,749	3,5
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	-	249,831	249,831	83,395	3,5
Total CDBG - Entitlement Grants Cluster:				-	1,798,992	1,798,992	656,637	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Home Investment Partnerships Program	14.239	M-16-MC-53- 0208	-	195,785	195,785	179,230	3,5

The accompanying notes are an integral part of this schedule.

City of Vancouver
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

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		
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Home Investment Partnerships Program	14.239	M-17-MC-53- 0208	-	417,295	417,295	368,495	3,5
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF	Home Investment Partnerships Program	14.239	M-18-MC-53- 0208	-	332,357	332,357	278,887	3,5
Total CFDA 14.239:				-	945,437	945,437	826,612	
OFFICE ON VIOLENCE AGAINST WOMEN (OVW), JUSTICE, DEPARTMENT OF (via Clark College)	Grants to Reduce Domestic Violence, Dating Violence, Sexual Assault, and Stalking on Campus	16.525	1718-VPD-Y1	3,300	-	3,300	-	
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via Seattle Police Department)	Missing Children's Assistance	16.543	2015-MC-FX- K039	15,030	-	15,030	-	
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via International Association of Chiefs of Police)	Crime Victim Assistance/Discretionar y Grants	16.582	2016-VF-GX- K024	90,675	-	90,675	-	
OFFICE ON VIOLENCE AGAINST WOMEN (OVW), JUSTICE, DEPARTMENT OF (via Department of Commerce)	Violence Against Women Formula Grants	16.588	F17-31103-109	32,363	-	32,363	-	

The accompanying notes are an integral part of this schedule.

City of Vancouver
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

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 ON VIOLENCE AGAINST WOMEN (OVW), JUSTICE, DEPARTMENT OF (via Clark County)	Violence Against Women Formula Grants	16.588	F-17-31103-044	1,073	-	1,073	-	
			Total CFDA 16.588:	33,436	-	33,436	-	
OFFICE ON VIOLENCE AGAINST WOMEN (OVW), JUSTICE, DEPARTMENT OF	Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	2014-WE-AX- 0039	-	35,848	35,848	32,781	5
COMMUNITY ORIENTED POLICING SERVICE, JUSTICE, DEPARTMENT OF	Public Safety Partnership and Community Policing Grants	16.710	2016-UL-WX- 0047	-	243,848	243,848	-	
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via Clark County)	Edward Byrne Memorial Justice Assistance Grant Program	16.738	2015-DJ-BX- 0542	560	-	560	-	
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via Clark County)	Edward Byrne Memorial Justice Assistance Grant Program	16.738	2016-DJ-BX- 0123	10,706	-	10,706	-	
			Total CFDA 16.738:	11,266	-	11,266	-	
FEDERAL AVIATION ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF	Airport Improvement Program	20.106	3-53-0139-010- 2016	-	56,847	56,847	-	
FEDERAL AVIATION ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF	Airport Improvement Program	20.106	3-53-0139-011- 2018	-	171,583	171,583	-	

The accompanying notes are an integral part of this schedule.

City of Vancouver
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

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		
			Total CFDA 20.106:	-	228,430	228,430	-	
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)	41,086	-	41,086	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	STPUL-4221 (004)	2,317	-	2,317	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	CM-4253(013)	20,406	-	20,406	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	CM-9906(041)	39,992	-	39,992	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	CM-9906(047)	295,219	-	295,219	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	STPUL-4266 (002)	42,293	-	42,293	-	

The accompanying notes are an integral part of this schedule.

City of Vancouver
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

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-4254 (005)	354,295	-	354,295	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	CM-1350(028)	32,170	-	32,170	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via WA State Department of Transportation)	Highway Planning and Construction	20.205	TSCP-TAP- 12WA(003)	416,561	-	416,561	-	
Total CFDA 20.205:				1,244,339	-	1,244,339	-	
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF	Federal Lands Access Program	20.224	DTFH7016E000 35	-	135,857	135,857	-	
Total Highway Planning and Construction Cluster:				1,244,339	135,857	1,380,196	-	
Highway Safety Cluster								
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	4,695	-	4,695	-	
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via State of Washington Traffic Safety Commission)	State and Community Highway Safety	20.600	DUI Emphasis	10,073	-	10,073	-	

The accompanying notes are an integral part of this schedule.

City of Vancouver
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

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		
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via State of Washington Traffic Safety Commission)	State and Community Highway Safety	20.600	Sealt Belt Emphasis	1,573	-	1,573	-	
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via State of Washington Traffic Safety Commission)	State and Community Highway Safety	20.600	Section 402	12,204	-	12,204	-	
Total CFDA 20.600:				28,545	-	28,545	-	
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via State of Washington Traffic Safety Commission)	National Priority Safety Programs	20.616	M6X18-05	112,820	-	112,820	25,768	5
Total Highway Safety Cluster:				141,365	-	141,365	25,768	
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATON, TRANSPORTATION, DEPARTMENT OF (via Cowlitz County Sheriff's Office)	Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	E18-90	6,103	-	6,103	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF	Assistance to Firefighters Grant	97.044	EMW-2016-FO- 04308	-	57,423	57,423	-	

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City of Vancouver
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2018

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 EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF	Assistance to Firefighters Grant	97.044	EMW-2017-FO- 04584	-	66,873	66,873	-	
			Total CFDA 97.044:	-	124,296	124,296	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Clark Regional Emergency Services)	Homeland Security Grant Program	97.067	E17-069	72,158	-	72,158	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Clark Regional Emergency Services)	Homeland Security Grant Program	97.067	E18-158	30,326	-	30,326	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Clark Regional Emergency Services)	Homeland Security Grant Program	97.067	16-170	6,363	-	6,363	-	
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Clark County)	Homeland Security Grant Program	97.067	15-170	9,368	-	9,368	-	4
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Clark County)	Homeland Security Grant Program	97.067	15-170	787	-	787	-	
			Total CFDA 97.067:	119,002	-	119,002	-	
Total Federal Awards Expended:				1,664,516	3,512,708	5,177,224	1,541,798	

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Grateful for our Volunteers

