



Washington State Auditor's Office

Government that works for citizens

Financial Statements Audit Report

City of Blaine

Whatcom County

For the period January 1, 2014 through December 31, 2015

Published November 17, 2016

Report No. 1017958





Washington State Auditor's Office

November 17, 2016

Council
City of Blaine
Blaine, Washington

Report on Financial Statements

Please find attached our report on the City of Blaine's financial statements.

We are issuing this report in order to provide information on the City's financial condition.

Sincerely,

TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

**City of Blaine
Whatcom County
January 1, 2014 through December 31, 2015**

Council
City of Blaine
Blaine, Washington

We have audited, 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, the financial statements of the City of Blaine, Whatcom County, Washington, as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated November 8, 2016.

We issued an unmodified opinion on the fair presentation of the City's financial statements in accordance with its regulatory basis of accounting. We issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared by the City using accounting practices prescribed by Washington State statutes and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual described in Note 1, which is a basis of accounting other than GAAP. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audits of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However,

this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in black ink that reads "Troy X. Kelley". The signature is written in a cursive style with a large, stylized 'T' and 'K'.

TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

November 8, 2016

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

City of Blaine Whatcom County January 1, 2014 through December 31, 2015

Council
City of Blaine
Blaine, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the City of Blaine, Whatcom County, Washington, for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the City's financial statements, as listed on page 10.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Washington State statutes and the *Budgeting, Accounting and Reporting System (BARS)* manual prescribed by the State Auditor described in Note 1. This includes determining that the basis of accounting is acceptable for the presentation of the financial statements in the circumstances. Management is also responsible for 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 an opinion on these financial statements based on our audits. We conducted our audits 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.

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.

Unmodified Opinion on Regulatory Basis of Accounting (BARS Manual)

As described in Note 1, the City of Blaine has prepared these financial statements to meet the financial reporting requirements of Washington State statutes using accounting practices prescribed by the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual. Those accounting practices differ from accounting principles generally accepted in the United States of America (GAAP). The differences in these accounting practices are also described in Note 1.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the City of Blaine, for the years ended December 31, 2015 and 2014, on the basis of accounting described in Note 1.

Basis for Adverse Opinion on U.S. GAAP

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. The effects on the financial statements of the variances between GAAP and the accounting practices the City used, as described in Note 1, although not reasonably determinable, are presumed to be material. As a result, we are required to issue an adverse opinion on whether the financial statements are presented fairly, in all material respects, in accordance with GAAP.

Adverse Opinion on U.S. GAAP

The financial statements referred to above were not intended to, and in our opinion they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City of Blaine, as of December 31, 2015 and 2014, or the changes in financial position or cash flows for the years then ended, due to the significance of the matter discussed in the above "Basis for Adverse Opinion on U.S. GAAP" paragraph.

Other Matters

Supplementary and Other Information

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedules of Liabilities are presented for purposes of additional analysis, as required by the prescribed BARS manual. These schedules are not a required part of the 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. The information has been subjected to the auditing procedures applied in the audit of the 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 financial statements taken as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2016 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. 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.



TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

November 8, 2016

FINANCIAL SECTION

**City of Blaine
Whatcom County
January 1, 2014 through December 31, 2015**

FINANCIAL STATEMENTS

Fund Resources and Uses Arising from Cash Transactions – 2015
Fund Resources and Uses Arising from Cash Transactions – 2014
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2015
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2014
Notes to Financial Statements – 2015
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SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Liabilities – 2015
Schedule of Liabilities – 2014

City of Blaine
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2015

		<u>Total for All Funds (Memo Only)</u>	<u>001 General Fund</u>	<u>101 Street Fund</u>	<u>102 Traffic Impact Reserve</u>
Beginning Cash and Investments					
30810	Reserved	2,039,466	688,010	-	5,722
30880	Unreserved	12,198,879	1,410,842	94,021	-
388 & 588	Prior Period Adjustments, Net	-	-	-	-
Operating Revenues					
310	Taxes	4,637,622	2,974,376	319,335	-
320	Licenses and Permits	293,923	293,923	-	-
330	Intergovernmental Revenues	597,159	206,895	104,078	-
340	Charges for Goods and Services	13,310,751	1,408,926	875	53,907
350	Fines and Penalties	272,381	228,265	409	-
360	Miscellaneous Revenues	637,511	179,150	-	105
Total Operating Revenues:		<u>19,749,347</u>	<u>5,291,536</u>	<u>424,697</u>	<u>54,012</u>
Operating Expenditures					
510	General Government	3,023,485	2,255,767	-	-
520	Public Safety	1,717,575	1,717,575	-	-
530	Utilities	8,046,149	19,326	-	-
540	Transportation	514,414	-	507,805	-
550	Natural and Economic Environment	742,016	668,320	-	-
560	Social Services	110,263	110,263	-	-
570	Culture and Recreation	117,690	117,690	-	-
598	Miscellaneous Expenses	-	-	-	-
Total Operating Expenditures:		<u>14,271,592</u>	<u>4,888,940</u>	<u>507,805</u>	<u>-</u>
Net Operating Increase (Decrease):		<u>5,477,755</u>	<u>402,595</u>	<u>(83,108)</u>	<u>54,012</u>
Nonoperating Revenues					
370-380, 395 & 398	Other Financing Sources	324,614	40,088	-	-
391-393	Debt Proceeds	545,339	-	-	-
397	Transfers-In	1,698,454	339,884	119,189	-
Total Nonoperating Revenues:		<u>2,568,407</u>	<u>379,972</u>	<u>119,189</u>	<u>-</u>
Nonoperating Expenditures					
580, 596 & 599	Other Financing Uses	81,818	58,792	-	-
591-593	Debt Service	3,621,397	20,997	-	-
594-595	Capital Expenditures	3,241,569	44,233	49,189	-
597	Transfers-Out	1,739,954	344,390	-	-
Total Nonoperating Expenditures:		<u>8,684,737</u>	<u>468,413</u>	<u>49,189</u>	<u>-</u>
Net Increase (Decrease) in Cash and Investments:		(638,576)	314,155	(13,108)	54,012
Ending Cash and Investments					
5081000	Reserved	2,362,626	765,318	-	59,734
5088000	Unreserved	11,237,144	1,647,690	80,913	-
Total Ending Cash and Investments		<u>13,599,769</u>	<u>2,413,007</u>	<u>80,913</u>	<u>59,734</u>

The accompanying notes are an integral part of this statement.

City of Blaine
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2015

		<u>103 Park Impact Reserve</u>	<u>106 Parking Cumulative Reserve</u>	<u>110 Hotel/motel Fund</u>	<u>201 LTGO Bonds</u>
Beginning Cash and Investments					
30810	Reserved	8,284	-	56,890	-
30880	Unreserved	-	7,461	-	17,176
388 & 588	Prior Period Adjustments, Net	-	-	-	-
Operating Revenues					
310	Taxes	-	-	194,648	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	20,000	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	70	29	292	90
Total Operating Revenues:		<u>20,070</u>	<u>29</u>	<u>194,940</u>	<u>90</u>
Operating Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	73,696	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
598	Miscellaneous Expenses	-	-	-	-
Total Operating Expenditures:		<u>-</u>	<u>-</u>	<u>73,696</u>	<u>-</u>
Net Operating Increase (Decrease):		<u>20,070</u>	<u>29</u>	<u>121,244</u>	<u>90</u>
Nonoperating Revenues					
370-380, 395 & 398	Other Financing Sources	-	-	-	-
391-393	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	101,000
Total Nonoperating Revenues:		<u>-</u>	<u>-</u>	<u>-</u>	<u>101,000</u>
Nonoperating Expenditures					
580, 596 & 599	Other Financing Uses	-	-	-	-
591-593	Debt Service	-	-	-	117,505
594-595	Capital Expenditures	-	-	-	-
597	Transfers-Out	24,000	-	66,384	-
Total Nonoperating Expenditures:		<u>24,000</u>	<u>-</u>	<u>66,384</u>	<u>117,505</u>
Net Increase (Decrease) in Cash and Investments:		(3,930)	29	54,860	(16,415)
Ending Cash and Investments					
5081000	Reserved	4,354	-	111,750	-
5088000	Unreserved	-	7,490	-	761
Total Ending Cash and Investments		<u>4,354</u>	<u>7,490</u>	<u>111,750</u>	<u>761</u>

The accompanying notes are an integral part of this statement.

City of Blaine
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2015

		<u>202 2006</u> <u>Whatcom</u> <u>County EDI</u>	<u>204 2002 UTGO</u> <u>Bond - Fire</u> <u>Station</u>	<u>207 LTGO 2007</u> <u>& Refunding</u> <u>1994A</u>	<u>230 LID</u> <u>Guaranty Fund</u>
Beginning Cash and Investments					
30810	Reserved	-	-	-	-
30880	Unreserved	25,104	45,196	29,659	7,305
388 & 588	Prior Period Adjustments, Net	-	-	-	-
Operating Revenues					
310	Taxes	-	121,580	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	49	271	954	-
Total Operating Revenues:		49	121,851	954	-
Operating Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
598	Miscellaneous Expenses	-	-	-	-
Total Operating Expenditures:		-	-	-	-
Net Operating Increase (Decrease):		49	121,851	954	-
Nonoperating Revenues					
370-380, 395 & 398	Other Financing Sources	-	-	-	-
391-393	Debt Proceeds	-	-	-	-
397	Transfers-In	50,868	-	630,787	-
Total Nonoperating Revenues:		50,868	-	630,787	-
Nonoperating Expenditures					
580, 596 & 599	Other Financing Uses	-	-	-	-
591-593	Debt Service	50,868	131,623	631,212	-
594-595	Capital Expenditures	-	-	-	-
597	Transfers-Out	-	-	-	-
Total Nonoperating Expenditures:		50,868	131,623	631,212	-
Net Increase (Decrease) in Cash and Investments:		49	(9,772)	529	-
Ending Cash and Investments					
5081000	Reserved	-	-	-	-
5088000	Unreserved	25,153	35,424	30,188	7,305
Total Ending Cash and Investments		25,153	35,424	30,188	7,305

The accompanying notes are an integral part of this statement.

City of Blaine
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2015

		<u>236 CERB Loan- Odell RD</u>	<u>300 Municipal Capital Improve.</u>	<u>307 General Government CIP</u>	<u>308 Capital Facilities- Growth Mgmt</u>
Beginning Cash and Investments					
30810	Reserved	-	-	-	-
30880	Unreserved	9,037	65,482	-	254,971
388 & 588	Prior Period Adjustments, Net	-	-	-	-
Operating Revenues					
310	Taxes	-	159,354	-	159,350
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	35	164	10	705
Total Operating Revenues:		<u>35</u>	<u>159,518</u>	<u>10</u>	<u>160,055</u>
Operating Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
598	Miscellaneous Expenses	-	-	-	-
Total Operating Expenditures:		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Operating Increase (Decrease):		35	159,518	10	160,055
Nonoperating Revenues					
370-380, 395 & 398	Other Financing Sources	-	-	-	-
391-393	Debt Proceeds	-	-	-	-
397	Transfers-In	23,674	-	192,000	-
Total Nonoperating Revenues:		<u>23,674</u>	<u>-</u>	<u>192,000</u>	<u>-</u>
Nonoperating Expenditures					
580, 596 & 599	Other Financing Uses	-	-	-	-
591-593	Debt Service	23,674	-	-	-
594-595	Capital Expenditures	-	-	176,390	-
597	Transfers-Out	-	159,255	-	263,000
Total Nonoperating Expenditures:		<u>23,674</u>	<u>159,255</u>	<u>176,390</u>	<u>263,000</u>
Net Increase (Decrease) in Cash and Investments:		35	263	15,620	(102,945)
Ending Cash and Investments					
5081000	Reserved	-	-	-	-
5088000	Unreserved	9,072	65,744	15,620	152,025
Total Ending Cash and Investments		9,072	65,744	15,620	152,025

The accompanying notes are an integral part of this statement.

City of Blaine
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2015

	<u>314 Park CIP Fund</u>	<u>320 East Blaine CIP</u>	<u>330 Energy Efficiency Project (ESCO)</u>	<u>332 Street Overlays - Capital</u>
Beginning Cash and Investments				
30810	Reserved	-	-	-
30880	Unreserved	181,187	94	277,530
388 & 588	Prior Period Adjustments, Net	-	-	-
Operating Revenues				
310	Taxes	-	-	141,796
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	50,000	-	53,725
340	Charges for Goods and Services	-	-	-
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	249,906	-	27,793
	Total Operating Revenues:	<u>299,906</u>	<u>-</u>	<u>81,518</u>
Operating Expenditures				
510	General Government	-	-	-
520	Public Safety	-	-	-
530	Utilities	-	-	-
540	Transportation	-	-	-
550	Natural and Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
598	Miscellaneous Expenses	-	-	-
	Total Operating Expenditures:	<u>-</u>	<u>-</u>	<u>-</u>
	Net Operating Increase (Decrease):	<u>299,906</u>	<u>-</u>	<u>81,518</u>
Nonoperating Revenues				
370-380, 395 & 398	Other Financing Sources	-	-	-
391-393	Debt Proceeds	-	-	-
397	Transfers-In	115,527	-	-
	Total Nonoperating Revenues:	<u>115,527</u>	<u>-</u>	<u>-</u>
Nonoperating Expenditures				
580, 596 & 599	Other Financing Uses	-	-	-
591-593	Debt Service	-	-	191,250
594-595	Capital Expenditures	495,255	-	108,291
597	Transfers-Out	-	-	133,741
	Total Nonoperating Expenditures:	<u>495,255</u>	<u>-</u>	<u>299,540</u>
	Net Increase (Decrease) in Cash and Investments:	<u>(79,822)</u>	<u>-</u>	<u>(218,023)</u>
Ending Cash and Investments				
5081000	Reserved	-	-	-
5088000	Unreserved	101,364	94	59,507
	Total Ending Cash and Investments	<u>101,364</u>	<u>94</u>	<u>59,507</u>

The accompanying notes are an integral part of this statement.

City of Blaine
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2015

	<u>333 Residential Street Levy Improv</u>	<u>340 I-5 Access Study</u>	<u>401 Light Fund</u>	<u>410 Water Fund</u>
Beginning Cash and Investments				
30810	Reserved	-	481,520	78,958
30880	Unreserved	200,118	36,266	4,068,841
388 & 588	Prior Period Adjustments, Net	-	-	-
Operating Revenues				
310	Taxes	567,183	-	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	46,091	-	-
340	Charges for Goods and Services	-	5,351,988	1,346,754
350	Fines and Penalties	-	16,710	13,745
360	Miscellaneous Revenues	10,232	79,816	54,905
	Total Operating Revenues:	<u>623,506</u>	<u>-</u>	<u>5,448,514</u>
Operating Expenditures				
510	General Government	-	-	-
520	Public Safety	-	-	-
530	Utilities	-	4,900,642	1,059,160
540	Transportation	-	-	-
550	Natural and Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
598	Miscellaneous Expenses	-	-	-
	Total Operating Expenditures:	<u>-</u>	<u>4,900,642</u>	<u>1,059,160</u>
	Net Operating Increase (Decrease):	<u>623,506</u>	<u>547,872</u>	<u>356,245</u>
Nonoperating Revenues				
370-380, 395 & 398	Other Financing Sources	-	-	99,197
391-393	Debt Proceeds	-	-	5,000
397	Transfers-In	-	62,000	-
	Total Nonoperating Revenues:	<u>-</u>	<u>62,000</u>	<u>104,197</u>
Nonoperating Expenditures				
580, 596 & 599	Other Financing Uses	-	-	1,559
591-593	Debt Service	-	493,810	10,648
594-595	Capital Expenditures	75,759	658,978	672,175
597	Transfers-Out	529,184	31,500	102,500
	Total Nonoperating Expenditures:	<u>604,943</u>	<u>1,184,289</u>	<u>786,881</u>
	Net Increase (Decrease) in Cash and Investments:	<u>18,563</u>	<u>(574,416)</u>	<u>(326,439)</u>
Ending Cash and Investments				
5081000	Reserved	-	480,020	78,958
5088000	Unreserved	218,681	36,266	3,495,924
	Total Ending Cash and Investments	<u>218,681</u>	<u>36,266</u>	<u>3,975,943</u>

The accompanying notes are an integral part of this statement.

City of Blaine
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2015

		<u>420 Wastewater Fund</u>	<u>425 Storm Water Utility</u>	<u>430 Airport Fund</u>	<u>503 Public Works Administration</u>
Beginning Cash and Investments					
30810	Reserved	720,082	-	-	-
30880	Unreserved	929,430	380,694	25,982	89,727
388 & 588	Prior Period Adjustments, Net	-	-	-	-
Operating Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	136,369	-	-
340	Charges for Goods and Services	3,984,448	293,782	-	850,070
350	Fines and Penalties	10,989	2,263	-	-
360	Miscellaneous Revenues	6,296	1,360	16,118	565
Total Operating Revenues:		<u>4,001,733</u>	<u>433,774</u>	<u>16,118</u>	<u>850,636</u>
Operating Expenditures					
510	General Government	-	-	-	767,718
520	Public Safety	-	-	-	-
530	Utilities	1,867,655	199,367	-	-
540	Transportation	-	-	6,608	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
598	Miscellaneous Expenses	-	-	-	-
Total Operating Expenditures:		<u>1,867,655</u>	<u>199,367</u>	<u>6,608</u>	<u>767,718</u>
Net Operating Increase (Decrease):		<u>2,134,078</u>	<u>234,407</u>	<u>9,510</u>	<u>82,918</u>
Nonoperating Revenues					
370-380, 395 & 398	Other Financing Sources	175,364	8,497	-	-
391-393	Debt Proceeds	540,339	-	-	-
397	Transfers-In	-	63,525	-	-
Total Nonoperating Revenues:		<u>715,703</u>	<u>72,022</u>	<u>-</u>	<u>-</u>
Nonoperating Expenditures					
580, 596 & 599	Other Financing Uses	-	-	20,000	-
591-593	Debt Service	1,866,635	73,174	10,000	-
594-595	Capital Expenditures	774,920	177,464	-	-
597	Transfers-Out	-	70,000	-	-
Total Nonoperating Expenditures:		<u>2,641,555</u>	<u>320,638</u>	<u>30,000</u>	<u>-</u>
Net Increase (Decrease) in Cash and Investments:		208,226	(14,209)	(20,490)	82,918
Ending Cash and Investments					
5081000	Reserved	862,492	-	-	-
5088000	Unreserved	995,246	366,485	5,492	172,644
Total Ending Cash and Investments		1,857,738	366,485	5,492	172,644

The accompanying notes are an integral part of this statement.

City of Blaine
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2015

		505 Advance Travel	700 Cemetery Endowment
Beginning Cash and Investments			
30810	Reserved	-	-
30880	Unreserved	2,000	66,789
388 & 588	Prior Period Adjustments, Net	-	-
Operating Revenues			
310	Taxes	-	-
320	Licenses and Permits	-	-
330	Intergovernmental Revenues	-	-
340	Charges for Goods and Services	-	-
350	Fines and Penalties	-	-
360	Miscellaneous Revenues	-	218
Total Operating Revenues:		-	218
Operating Expenditures			
510	General Government	-	-
520	Public Safety	-	-
530	Utilities	-	-
540	Transportation	-	-
550	Natural and Economic Environment	-	-
560	Social Services	-	-
570	Culture and Recreation	-	-
598	Miscellaneous Expenses	-	-
Total Operating Expenditures:		-	-
Net Operating Increase (Decrease):		-	218
Nonoperating Revenues			
370-380, 395 & 398	Other Financing Sources	1,467	-
391-393	Debt Proceeds	-	-
397	Transfers-In	-	-
Total Nonoperating Revenues:		1,467	-
Nonoperating Expenditures			
580, 596 & 599	Other Financing Uses	1,467	-
591-593	Debt Service	-	-
594-595	Capital Expenditures	-	-
597	Transfers-Out	-	16,000
Total Nonoperating Expenditures:		1,467	16,000
Net Increase (Decrease) in Cash and Investments:		0	(15,782)
Ending Cash and Investments			
5081000	Reserved	-	-
5088000	Unreserved	2,000	51,007
Total Ending Cash and Investments		2,000	51,007

The accompanying notes are an integral part of this statement.

City of Blaine
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2014

		<u>Total for All Funds (Memo Only)</u>	<u>001 General Fund</u>	<u>101 Street Fund</u>	<u>102 Traffic Impact Reserve</u>
Beginning Cash and Investments					
30810	Reserved	1,909,594	709,299	-	3,375
30880	Unreserved	13,149,259	1,185,135	125,451	-
388 & 588	Prior Period Adjustments, Net	41,676	41,676	-	-
Operating Revenues					
310	Taxes	4,486,257	2,850,930	370,677	-
320	Licenses and Permits	240,631	240,631	-	-
330	Intergovernmental Revenues	1,308,686	307,924	98,702	-
340	Charges for Goods and Services	13,023,131	1,327,625	1,600	2,310
350	Fines and Penalties	323,164	275,332	954	-
360	Miscellaneous Revenues	472,492	198,470	496	37
Total Operating Revenues:		<u>19,854,360</u>	<u>5,200,912</u>	<u>472,429</u>	<u>2,348</u>
Operating Expenditures					
510	General Government	2,104,800	2,104,800	-	-
520	Public Safety	1,781,398	1,781,398	-	-
530	Utilities	8,741,454	19,518	-	-
540	Transportation	508,452	-	506,316	-
550	Natural and Economic Environment	688,423	621,370	-	-
560	Social Services	60,775	60,775	-	-
570	Culture and Recreation	175,868	175,868	-	-
Total Operating Expenditures:		<u>14,061,169</u>	<u>4,763,729</u>	<u>506,316</u>	<u>-</u>
Net Operating Increase (Decrease):		<u>5,793,192</u>	<u>437,183</u>	<u>(33,887)</u>	<u>2,348</u>
Nonoperating Revenues					
370-380, 395 & 398	Other Financing Sources	467,324	14,623	2,456	-
391-393	Debt Proceeds	2,390,539	-	-	-
397	Transfers-In	1,376,785	220,339	19,658	-
Total Nonoperating Revenues:		<u>4,234,648</u>	<u>234,962</u>	<u>22,114</u>	<u>-</u>
Nonoperating Expenditures					
580, 596 & 599	Other Financing Uses	53,741	52,378	-	-
591-593	Debt Service	6,005,531	15,997	-	-
594-595	Capital Expenditures	3,391,521	204,561	19,658	-
597	Transfers-Out	1,439,232	236,466	-	-
Total Nonoperating Expenditures:		<u>10,890,024</u>	<u>509,403</u>	<u>19,658</u>	<u>-</u>
Net Increase (Decrease) in Cash and Investments:		(862,186)	162,743	(31,431)	2,348
Ending Cash and Investments					
5081000	Reserved	2,039,466	688,010	-	5,722
5088000	Unreserved	12,198,879	1,410,842	94,021	-
Total Ending Cash and Investments		<u>14,238,345</u>	<u>2,098,853</u>	<u>94,021</u>	<u>5,722</u>

The accompanying notes are an integral part of this statement.

City of Blaine
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2014

	<u>103 Park Impact Reserve</u>	<u>106 Parking Cumulative Reserve</u>	<u>110 Hotel/motel Fund</u>	<u>201 LTGO Bonds</u>
Beginning Cash and Investments				
30810	Reserved	25,157	-	52,709
30880	Unreserved	-	7,395	-
388 & 588	Prior Period Adjustments, Net	-	-	73,120
Operating Revenues				
310	Taxes	-	-	137,956
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	-	-	-
340	Charges for Goods and Services	3,000	-	-
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	127	66	215
	Total Operating Revenues:	<u>3,127</u>	<u>66</u>	<u>138,171</u>
Operating Expenditures				
510	General Government	-	-	-
520	Public Safety	-	-	-
530	Utilities	-	-	-
540	Transportation	-	-	-
550	Natural and Economic Environment	-	-	67,052
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
	Total Operating Expenditures:	<u>-</u>	<u>-</u>	<u>67,052</u>
	Net Operating Increase (Decrease):	<u>3,127</u>	<u>66</u>	<u>71,119</u>
Nonoperating Revenues				
370-380, 395 & 398	Other Financing Sources	-	-	-
391-393	Debt Proceeds	-	-	-
397	Transfers-In	-	-	61,000
	Total Nonoperating Revenues:	<u>-</u>	<u>-</u>	<u>61,000</u>
Nonoperating Expenditures				
580, 596 & 599	Other Financing Uses	-	-	-
591-593	Debt Service	-	-	117,505
594-595	Capital Expenditures	-	-	-
597	Transfers-Out	20,000	-	66,938
	Total Nonoperating Expenditures:	<u>20,000</u>	<u>-</u>	<u>66,938</u>
	Net Increase (Decrease) in Cash and Investments:	<u>(16,873)</u>	<u>66</u>	<u>4,181</u>
Ending Cash and Investments				
5081000	Reserved	8,284	-	56,890
5088000	Unreserved	-	7,461	-
	Total Ending Cash and Investments	<u>8,284</u>	<u>7,461</u>	<u>56,890</u>
				<u>17,176</u>

The accompanying notes are an integral part of this statement.

City of Blaine
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2014

	<u>202 2006 Whatcom County EDI</u>	<u>204 2002 UTGO Bond - Fire Station</u>	<u>207 LTGO 2007 & Refunding 1994A</u>	<u>230 LID Guaranty Fund</u>
Beginning Cash and Investments				
30810	Reserved	-	-	-
30880	Unreserved	24,876	48,850	7,305
388 & 588	Prior Period Adjustments, Net	-	-	-
Operating Revenues				
310	Taxes	-	121,488	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	-	-	-
340	Charges for Goods and Services	-	-	-
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	228	801	2,670
Total Operating Revenues:		228	122,289	2,670
Operating Expenditures				
510	General Government	-	-	-
520	Public Safety	-	-	-
530	Utilities	-	-	-
540	Transportation	-	-	-
550	Natural and Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
Total Operating Expenditures:		-	-	-
Net Operating Increase (Decrease):		228	122,289	2,670
Nonoperating Revenues				
370-380, 395 & 398	Other Financing Sources	-	-	-
391-393	Debt Proceeds	-	-	-
397	Transfers-In	50,868	-	627,489
Total Nonoperating Revenues:		50,868	-	627,489
Nonoperating Expenditures				
580, 596 & 599	Other Financing Uses	-	-	-
591-593	Debt Service	50,868	125,943	627,165
594-595	Capital Expenditures	-	-	-
597	Transfers-Out	-	-	-
Total Nonoperating Expenditures:		50,868	125,943	627,165
Net Increase (Decrease) in Cash and Investments:		228	(3,654)	2,994
Ending Cash and Investments				
5081000	Reserved	-	-	-
5088000	Unreserved	25,104	45,196	7,305
Total Ending Cash and Investments		25,104	45,196	7,305

The accompanying notes are an integral part of this statement.

City of Blaine
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2014

	<u>236 CERB Loan- Odell RD</u>	<u>300 Municipal Capital Improve.</u>	<u>307 General Government CIP</u>	<u>308 Capital Facilities- Growth Mgmt</u>
Beginning Cash and Investments				
30810	Reserved	-	-	-
30880	Unreserved	12,850	-	233,241
388 & 588	Prior Period Adjustments, Net	-	-	-
Operating Revenues				
310	Taxes	-	149,705	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	-	-	-
340	Charges for Goods and Services	-	-	-
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	81	929	-
	Total Operating Revenues:	<u>81</u>	<u>150,634</u>	<u>-</u>
Operating Expenditures				
510	General Government	-	-	-
520	Public Safety	-	-	-
530	Utilities	-	-	-
540	Transportation	-	-	-
550	Natural and Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
	Total Operating Expenditures:	<u>-</u>	<u>-</u>	<u>-</u>
	Net Operating Increase (Decrease):	<u>81</u>	<u>150,634</u>	<u>-</u>
Nonoperating Revenues				
370-380, 395 & 398	Other Financing Sources	-	-	-
391-393	Debt Proceeds	-	-	-
397	Transfers-In	20,000	-	136,999
	Total Nonoperating Revenues:	<u>20,000</u>	<u>-</u>	<u>136,999</u>
Nonoperating Expenditures				
580, 596 & 599	Other Financing Uses	-	-	-
591-593	Debt Service	23,894	-	-
594-595	Capital Expenditures	-	-	136,999
597	Transfers-Out	-	231,454	-
	Total Nonoperating Expenditures:	<u>23,894</u>	<u>231,454</u>	<u>136,999</u>
	Net Increase (Decrease) in Cash and Investments:	<u>(3,813)</u>	<u>(80,820)</u>	<u>(0)</u>
Ending Cash and Investments				
5081000	Reserved	-	-	-
5088000	Unreserved	9,037	65,482	-
	Total Ending Cash and Investments	<u>9,037</u>	<u>65,482</u>	<u>-</u>

The accompanying notes are an integral part of this statement.

City of Blaine
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2014

	<u>314 Park CIP Fund</u>	<u>320 East Blaine CIP</u>	<u>330 Energy Efficiency Project (ESCO)</u>	<u>332 Street Overlays - Capital</u>
Beginning Cash and Investments				
30810	Reserved	-	-	-
30880	Unreserved	76,434	94	1,654,810
388 & 588	Prior Period Adjustments, Net	-	-	-
Operating Revenues				
310	Taxes	-	-	140,598
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	4,832	558,898	-
340	Charges for Goods and Services	-	-	-
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	22,171	-	6,304
	Total Operating Revenues:	<u>27,002</u>	<u>-</u>	<u>558,898</u>
Operating Expenditures				
510	General Government	-	-	-
520	Public Safety	-	-	-
530	Utilities	-	-	-
540	Transportation	-	-	-
550	Natural and Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
	Total Operating Expenditures:	<u>-</u>	<u>-</u>	<u>-</u>
	Net Operating Increase (Decrease):	<u>27,002</u>	<u>-</u>	<u>558,898</u>
Nonoperating Revenues				
370-380, 395 & 398	Other Financing Sources	-	93,578	-
391-393	Debt Proceeds	-	-	-
397	Transfers-In	90,000	-	-
	Total Nonoperating Revenues:	<u>90,000</u>	<u>-</u>	<u>93,578</u>
Nonoperating Expenditures				
580, 596 & 599	Other Financing Uses	-	-	-
591-593	Debt Service	-	196,364	-
594-595	Capital Expenditures	12,249	1,833,392	181,001
597	Transfers-Out	-	-	-
	Total Nonoperating Expenditures:	<u>12,249</u>	<u>2,029,756</u>	<u>181,001</u>
	Net Increase (Decrease) in Cash and Investments:	<u>104,753</u>	<u>(1,377,280)</u>	<u>(34,099)</u>
Ending Cash and Investments				
5081000	Reserved	-	-	-
5088000	Unreserved	181,187	94	277,530
	Total Ending Cash and Investments	<u>181,187</u>	<u>94</u>	<u>277,530</u>

The accompanying notes are an integral part of this statement.

City of Blaine
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2014

		<u>333 Residential Street Levy Improv</u>	<u>340 I-5 Access Study</u>	<u>401 Light Fund</u>	<u>410 Water Fund</u>
Beginning Cash and Investments					
30810	Reserved	-	-	483,966	78,958
30880	Unreserved	295,539	36,266	3,989,365	3,264,879
388 & 588	Prior Period Adjustments, Net	-	-	-	-
Operating Revenues					
310	Taxes	562,394	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	87,580	-	250,750	-
340	Charges for Goods and Services	-	-	5,473,273	1,223,752
350	Fines and Penalties	-	-	17,990	14,660
360	Miscellaneous Revenues	351	-	122,059	78,511
Total Operating Revenues:		<u>650,325</u>	<u>-</u>	<u>5,864,073</u>	<u>1,316,923</u>
Operating Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	4,915,695	1,022,261
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Operating Expenditures:		<u>-</u>	<u>-</u>	<u>4,915,695</u>	<u>1,022,261</u>
Net Operating Increase (Decrease):		<u>650,325</u>	<u>-</u>	<u>948,378</u>	<u>294,662</u>
Nonoperating Revenues					
370-380, 395 & 398	Other Financing Sources	-	-	12,759	138,949
391-393	Debt Proceeds	-	-	2,344,476	-
397	Transfers-In	-	-	27,000	-
Total Nonoperating Revenues:		<u>-</u>	<u>-</u>	<u>2,384,235</u>	<u>138,949</u>
Nonoperating Expenditures					
580, 596 & 599	Other Financing Uses	-	-	-	312
591-593	Debt Service	-	-	2,855,463	10,882
594-595	Capital Expenditures	101,319	-	325,674	138,167
597	Transfers-Out	644,427	-	74,446	12,500
Total Nonoperating Expenditures:		<u>745,746</u>	<u>-</u>	<u>3,255,583</u>	<u>161,861</u>
Net Increase (Decrease) in Cash and Investments:		(95,421)	-	77,030	271,750
Ending Cash and Investments					
5081000	Reserved	-	-	481,520	78,958
5088000	Unreserved	200,118	36,266	4,068,841	3,536,628
Total Ending Cash and Investments		200,118	36,266	4,550,360	3,615,586

The accompanying notes are an integral part of this statement.

City of Blaine
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2014

		<u>420 Wastewater Fund</u>	<u>425 Storm Water Utility</u>	<u>430 Airport Fund</u>	<u>503 Public Works Administration</u>
Beginning Cash and Investments					
30810	Reserved	556,131	-	-	-
30880	Unreserved	1,009,473	337,057	11,676	44,634
388 & 588	Prior Period Adjustments, Net	-	-	-	-
Operating Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	3,885,678	292,090	-	812,302
350	Fines and Penalties	11,776	2,451	-	-
360	Miscellaneous Revenues	15,030	3,539	16,443	596
Total Operating Revenues:		<u>3,912,485</u>	<u>298,080</u>	<u>16,443</u>	<u>812,899</u>
Operating Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	1,817,048	214,176	-	752,755
540	Transportation	-	-	2,137	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Operating Expenditures:		<u>1,817,048</u>	<u>214,176</u>	<u>2,137</u>	<u>752,755</u>
Net Operating Increase (Decrease):		<u>2,095,437</u>	<u>83,904</u>	<u>14,306</u>	<u>60,144</u>
Nonoperating Revenues					
370-380, 395 & 398	Other Financing Sources	189,027	14,881	-	-
391-393	Debt Proceeds	46,062	-	-	-
397	Transfers-In	37,000	60,525	-	25,607
Total Nonoperating Revenues:		<u>272,089</u>	<u>75,406</u>	<u>-</u>	<u>25,607</u>
Nonoperating Expenditures					
580, 596 & 599	Other Financing Uses	-	-	-	-
591-593	Debt Service	1,911,230	70,220	-	-
594-595	Capital Expenditures	372,389	27,453	-	38,658
597	Transfers-Out	-	18,000	-	2,000
Total Nonoperating Expenditures:		<u>2,283,619</u>	<u>115,673</u>	<u>-</u>	<u>40,658</u>
Net Increase (Decrease) in Cash and Investments:		83,907	43,637	14,306	45,093
Ending Cash and Investments					
5081000	Reserved	720,082	-	-	-
5088000	Unreserved	929,430	380,694	25,982	89,727
Total Ending Cash and Investments		1,649,512	380,694	25,982	89,727

The accompanying notes are an integral part of this statement.

City of Blaine
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2014

		505 Advance Travel	700 Cemetery Endowment
Beginning Cash and Investments			
30810	Reserved	-	-
30880	Unreserved	2,000	64,406
388 & 588	Prior Period Adjustments, Net	-	-
Operating Revenues			
310	Taxes	-	-
320	Licenses and Permits	-	-
330	Intergovernmental Revenues	-	-
340	Charges for Goods and Services	-	1,500
350	Fines and Penalties	-	-
360	Miscellaneous Revenues	-	584
Total Operating Revenues:		-	2,084
Operating Expenditures			
510	General Government	-	-
520	Public Safety	-	-
530	Utilities	-	-
540	Transportation	-	-
550	Natural and Economic Environment	-	-
560	Social Services	-	-
570	Culture and Recreation	-	-
Total Operating Expenditures:		-	-
Net Operating Increase (Decrease):		-	2,084
Nonoperating Revenues			
370-380, 395 & 398	Other Financing Sources	1,051	-
391-393	Debt Proceeds	-	-
397	Transfers-In	-	300
Total Nonoperating Revenues:		1,051	300
Nonoperating Expenditures			
580, 596 & 599	Other Financing Uses	1,051	-
591-593	Debt Service	-	-
594-595	Capital Expenditures	-	-
597	Transfers-Out	-	-
Total Nonoperating Expenditures:		1,051	-
Net Increase (Decrease) in Cash and Investments:		-	2,384
Ending Cash and Investments			
5081000	Reserved	-	-
5088000	Unreserved	2,000	66,789
Total Ending Cash and Investments		2,000	66,789

The accompanying notes are an integral part of this statement.

City of Blaine
Fiduciary Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2015

	Total for All Funds (Memo Only)	601 Unemployment Reserve	621 Community Utility Donations	622 LEOFF I Medical Reserve	
308	Beginning Cash and Investments	143,293	347	552	22,678
388 & 588	Prior Period Adjustments, Net	-	-	-	-
310-360	Revenues	3,308	1	2	100
380-390	Other Increases and Financing Sources	641,852	-	3,828	40,000
510-570	Expenditures	33,934	-	-	27,986
580-590	Other Decreases and Financing Uses	631,489	-	3,430	-
	Net Increase (Decrease) in Cash and Investments:	(20,263)	1	400	12,114
508	Ending Cash and Investments	123,030	348	951	34,792

	623 Wetland Mitigation Reserve	624 Miscellaneous Holding Fund	631 WIN Team Agency Fund	635 Small Cities Caucus	
308	Beginning Cash and Investments	22,140	-	8,652	7,829
388 & 588	Prior Period Adjustments, Net	-	-	-	-
310-360	Revenues	3,050	4	33	27
380-390	Other Increases and Financing Sources	-	-	-	-
510-570	Expenditures	5,948	-	-	-
580-590	Other Decreases and Financing Uses	-	-	-	-
	Net Increase (Decrease) in Cash and Investments:	(2,898)	4	33	27
508	Ending Cash and Investments	19,242	4	8,685	7,856

	641 State Building Code Fee	650 Unclaimed Property	653 Miscellaneous Deposits- Agency	661 Municipal Court Agency Fund	
308	Beginning Cash and Investments	59	964	15,618	64,455
388 & 588	Prior Period Adjustments, Net	-	-	-	-
310-360	Revenues	-	91	-	-
380-390	Other Increases and Financing Sources	360	-	41,196	556,469
510-570	Expenditures	-	-	-	-
580-590	Other Decreases and Financing Uses	322	-	42,358	585,379
	Net Increase (Decrease) in Cash and Investments:	39	91	(1,162)	(28,910)
508	Ending Cash and Investments	97	1,055	14,456	35,545

The accompanying notes are an integral part of this statement.

City of Blaine
Fiduciary Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2014

	Total for All Funds (Memo Only)	601 Unemployment Reserve	621 Community Utility Donations	622 LEOFF I Medical Reserve	
308	Beginning Cash and Investments	131,837	344	341	17,379
388 & 588	Prior Period Adjustments, Net	-	-	-	-
310-360	Revenues	9,838	3	5	179
380-390	Other Increases and Financing Sources	826,102	-	4,950	40,000
510-570	Expenditures	59,853	-	-	34,880
580-590	Other Decreases and Financing Uses	764,630	-	4,744	-
	Net Increase (Decrease) in Cash and Investments:	11,456	3	211	5,299
508	Ending Cash and Investments	143,293	347	552	22,678

	623 Wetland Mitigation Reserve	631 WIN Team Agency Fund	635 Small Cities Caucus	641 State Building Code Fee	
308	Beginning Cash and Investments	17,758	8,575	7,759	85
388 & 588	Prior Period Adjustments, Net	-	-	-	-
310-360	Revenues	9,354	77	69	-
380-390	Other Increases and Financing Sources	20,000	-	-	315
510-570	Expenditures	24,973	-	-	-
580-590	Other Decreases and Financing Uses	-	-	-	341
	Net Increase (Decrease) in Cash and Investments:	4,381	77	69	(26)
508	Ending Cash and Investments	22,140	8,652	7,829	59

	650 Unclaimed Property	653 Miscellaneous Deposits- Agency	661 Municipal Court Agency Fund	
308	Beginning Cash and Investments	814	21,647	57,134
388 & 588	Prior Period Adjustments, Net	-	-	-
310-360	Revenues	150	-	-
380-390	Other Increases and Financing Sources	-	34,332	726,505
510-570	Expenditures	-	-	-
580-590	Other Decreases and Financing Uses	-	40,361	719,184
	Net Increase (Decrease) in Cash and Investments:	150	(6,029)	7,321
508	Ending Cash and Investments	964	15,618	64,455

The accompanying notes are an integral part of this statement.

CITY OF BLAINE
NOTES TO FINANCIAL STATEMENTS
JANUARY 1, 2015 THROUGH DECEMBER 31, 2015

Note 1 - Summary of Significant Accounting Policies

The City of Blaine was incorporated in 1890 and operates under the laws of the state of Washington applicable to a non-charter code City with a council-manager form of government. The City of Blaine is a general purpose government and provides general administration, public safety, planning and zoning, permits and inspections, streets, parks, cemetery, tourist information, and public works administration. In addition, the City of Blaine owns and operates an electrical service, water system, wastewater system, and storm drainage system.

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

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

A. Fund Accounting

Financial transactions of the City of Blaine are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The City of Blaine's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements. The following are the fund types used by the City of Blaine:

GOVERNMENTAL FUND TYPES:

General (Current Expense) Fund

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

Special Revenue Funds

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

Debt Service Funds

These funds account for the financial resources that are restricted, committed, or assigned to expenditures for principal, interest and related costs on general long-term debt.

Capital Projects Funds

These funds account for financial resources which are restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets.

Permanent Funds

These funds account for financial resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support programs for the benefit of the government or its citizenry.

PROPRIETARY FUND TYPES:

Enterprise Funds

These funds account for operations that provide goods or services to the general public and are supported primarily through user charges.

Internal Service Funds

These funds account for operations that provide goods or services to other departments or funds of the City of Blaine on a cost reimbursement basis.

FIDUCIARY FUND TYPES:

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

Private-Purpose Trust Funds

These funds report all trust arrangements under which principal and income benefit individuals, private organizations or other governments.

Agency Funds

These funds are used to account assets that City of Blaine holds on behalf of others in a custodial capacity.

B. Basis of Accounting

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

In accordance with state law the City of Blaine also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

C. Budgets

The City of Blaine adopts annual appropriated budgets for the general fund, special revenue funds, capital funds, enterprise funds, and internal service funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

The appropriated and actual expenditures for the legally adopted budgets were as follow:

Fund	Final Appropriated Amounts	Actual Expenditures	Variance
General	\$5,416,434	5,179,532	\$236,902
Street Operations	603,256	556,994	46,262
Traffic Impact Reserve	-	-	-
Park Impact Reserve	24,000	24,000	-
Park	112,591	110,346	2,245
Cemetery	21,527	19,326	2,202
General Fund Reserve	-	-	-
Equipment Reserve	142,000	111,189	30,811
Hotel/Motel Fund	141,884	140,080	1,804
LTGO Bonds	117,505	117,505	-
Whatcom EDI Loan	50,868	50,868	-
2002 UTGO Fire Station Bond	131,623	131,623	-
LTGO 2007 Refunding	631,089	631,212	(123)
CERB Loan-Odell RD	23,674	23,674	-
Municipal Capital Improvement	159,255	159,255	(0)
General Government Capital Improvement	192,000	176,390	15,610
Capital Facilities	263,000	263,000	0
Park Capital Improvement	611,527	495,255	116,272
Transportation Capital Improvement	1,511,258	747,599	763,659
Electric	6,349,048	5,960,277	388,771
Electric Capital Improvement	345,000	144,654	200,346
Water	1,967,409	1,832,290	135,119
Water Capital Improvement	845,000	658,751	186,249
Wastewater	4,354,547	4,353,229	1,318
Wastewater Capital Improvement	1,059,000	573,289	485,711
Stormwater	458,391	425,419	32,972
Stormwater Capital Improvement	185,000	177,464	7,536
Public Works Administration	850,071	767,718	82,353
Advance Travel	2,000	1,467	533
LEOFF I Medical Reserve	45,000	27,986	17,014

Budgeted amounts are authorized to be transferred between departments within any fund; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the City of Blaine's legislative body.

D. Cash and Investments

See Note 2, *Deposits and Investments*

E. Capital Assets

Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of three (3) years. The capital assets of the City of Blaine are recorded as expenditures when purchased.

F. Compensated Absences

Vacation leave for the majority of employees may be accumulated up to 280 hours, but only 240 hours are payable upon separation or retirement. Select employees under individual contract may accumulate vacation leave with no limit. Only 240 hours are payable upon separation or retirement for individual contract employees under a PERS 1 retirement plan. Unlimited hours are payable upon separation or retirement for individual contract employees under a PERS 2 or 3 retirement plan. Sick leave for the majority of employees may be accumulated up to 1200 or 1500 hours, depending on the collective bargaining agreement. Upon separation or retirement, most employees meeting certain qualifications receive payment for unused sick leave in the amount of 10% of their accumulated sick bank. Select employees under individual contract may accumulate sick leave with no limit, subject to the provisions of their contract with regard to sick leave converted to a VEBA plan. Hours worked as overtime, but banked as "comp" time, may be accumulated up to a maximum of 40 hours and are payable upon separation or retirement. Uniformed employees are allowed 80 hours of time off in lieu of holidays per year. Any holidays that have transpired prior to separation, but have not been taken as time off, are compensated.

G. Long-Term Debt See note 5, *Debt Service Requirements*.

H. Other Financing Sources or Uses

The City of Blaine's *Other Financing Sources or Uses* consist of long-term debt, disposition of capital assets, transfers-in, and transfers-out.

I. Risk Management

The City of Blaine is a member of the Cities Insurance Association of Washington (CIAW). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a program or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The pool was formed on September 1, 1988

when 34 cities in the State of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 1, 2015, there are 210 members in the program.

The program provides the following forms of joint self-insurance and reinsurance coverage for its members: Property, including automobile comprehensive and collision, equipment breakdown and crime protection, and liability, including general, automobile and wrongful acts, is included to fit members' various needs.

The program acquires liability insurance through their Administrator, Clear Risk Solutions, which is subject to a per-occurrence self-insured retention of \$100,000, with the exception of Wrongful Acts and Law Enforcement Liability which have a self-insured retention of \$25,000. The standard member deductible is \$1,000 for each claim (deductible may vary per member), while the program is responsible for the \$100,000 self-insured retention. Insurance carriers cover insured losses over \$101,000 to the limits of each policy. Since the program is a cooperative program, there is a joint liability among the participating members toward the sharing of the \$100,000 of the self-insured retention. The program also purchases a Stop Loss Policy as another layer of protection to its membership, with an attachment point of \$2,140,107.

Property insurance is subject to a per-occurrence self-insured retention of \$25,000. Members are responsible for a \$1,000 deductible for each claim. The program bears the \$25,000 self-insured retention in addition to the deductible.

Equipment breakdown insurance is subject to a per-occurrence deductible of \$2,500, which may vary per member, with the exception of Pumps & Motors, which is \$10,000. Members are responsible for the deductible amount of each claim. There is no program self-insured retention on this coverage, with the exception of Pumps & Motors which is \$15,000 and is covered by the CIAW.

Members contract to remain in the program for a minimum of one year, and must give notice before December 1, to terminate participation the following December 1. The Interlocal Agreement is renewed automatically each year. In the event of termination, a member is still responsible for contributions to the program for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Agreement.

A board of ten members is selected by the membership from three geographic areas of the state on a staggered term basis and is responsible for conducting the business affairs of the program.

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

J. Reserved Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments is reported as reserved when it is subject to restrictions on use imposed by external parties or due to internal commitments established by ordinance or resolution of the City Council. When expenditures that meet restrictions are incurred, the City of Blaine intends to use reserved resources first before using unreserved amounts.

Reservations of Ending Cash and Investments consist of the following:

1. Of the total ending reserved fund balance in the General Fund, \$765,318 is reserved for future equipment purchases per City Ordinance No. 95-2219.
2. Of the total ending reserved fund balance in the Traffic and Park Impact Reserve funds, all of the fund balances (\$59,734-Traffic; \$4,354-Park) are restricted as these funds can only be used for the construction of public facilities as identified in the City's capital facilities plan.
3. Of the total ending reserved fund balance in the Hotel/Motel Fund, all of the fund balance of \$111,750 is restricted as these funds can only be used for paying tourism promotion and for the acquisition and/or operation of tourism-related facilities. All of the revenue in this fund comes from the Hotel/Motel tax. (Chapter 67.28 RCW)
4. Of the total ending reserved fund balance in the Electric Fund, \$13,575 is restricted to use for Community Utility Assistance, \$421,000 is restricted as guaranty for the 2004 Electric Refunding Bonds, and \$45,445 is restricted for customer deposits.
5. Of the total ending reserved fund balance in the Water Fund, \$25,958 is restricted as guaranty for the 2003 Water/Sewer Refunding Bonds, and \$53,000 is restricted for customer deposits.
6. Of the total ending reserved fund balance in the Wastewater Fund, \$53,000 is restricted as guaranty for the 2003 Water/Sewer Refunding Bonds and \$809,492 is restricted as guaranty for the 2010 United States Department of Agriculture (USDA) Rural Development Water/Sewer Revenue Bonds.

Note 2 – Deposits and Investments

It is the City of Blaine's policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds.

All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission. All investments are insured, registered or held by the City of Blaine or its agent in the government's name.

Investments are presented at cost.

Investments by type on December 31, 2015 are as follows:

Type of Investment	City's own investments	Investments held by City as an agent for other local governments, individuals or private organizations	Total
L.G.I.P.	\$3,495,918	\$26,575	\$3,522,493
U.S. Government Securities	9,771,719	74,281	9,846,000
Certificates of Deposit	343,390	2,610	346,000
Other	0	0	0
Total	\$13,611,027	\$103,466	\$13,714,493

Note 3 - Property Tax

The county treasurer acts as an agent to collect property tax levied in the county for all taxing authorities. Collections are distributed after the end of each month.

Property tax revenues are recognized when cash is received by the City. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

The City of Blaine's regular levy for the year 2015 was \$1.4068 per \$1,000 on an assessed valuation of \$772,392,221 for a total regular levy of \$1,086,606.48.

The City also levied \$0.1721 per \$1,000 on assessed valuation of \$764,709,283 for the 2002 General Obligation Fire Station Bond for a total excess levy of \$131,622.

Note 4 - Interfund Loans

The following table displays interfund loan activity during 2015:

Borrowing Fund	Lending Fund	Balance 1/1/15	New Loans	Repayments	Balance 12/31/15
Airport	General Fund Reserve	\$ 273,274	-	20,000	\$ 253,274
General Government Capital	Water	\$ 159,494	-	20,000	\$ 139,494
Totals		\$ 432,768	-	40,000	\$ 392,768

Note 5 – Debt Service Requirements

The accompanying Schedule of Long-Term Liabilities (09) provides more details of the outstanding debt and liabilities of the City of Blaine and summarizes the City's debt transactions for year ended December 31, 2015.

The debt service requirements for general obligation bonds, revenue bonds, and other debt, including both principle and interest, are as follows:

	Principal	Interest	Total
2016	2,883,583	561,621	3,445,204
2017	2,815,994	509,829	3,325,823
2018	2,056,450	449,800	2,506,250
2019	2,059,626	421,662	2,481,288
2020	1,754,730	393,830	2,148,559
2021-2025	8,772,814	1,558,833	10,331,647
2026-2030	4,136,256	1,139,385	5,275,641
2031-2035	942,771	912,150	1,854,921
2036-2040	1,026,295	716,238	1,742,533
2041-2045	1,246,252	483,793	1,730,045
2046-2050	1,527,692	198,133	1,725,825
Totals	\$ 29,222,462	\$ 7,345,273	\$ 36,567,735

Note 6 - Pension Plans

Substantially all of the City's full-time and qualifying part-time employees participate in following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under the cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans, specifically, Public Employees' Retirement System (PERS) and Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF).

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publically available comprehensive annual financial (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
PO Box 48380
Olympia, WA 98504-8380

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

At June 30, 2015 (the measurement date of the plans), the City of Blaine's proportionate share of the collective net pension liabilities, as reported on the Schedule 09, was as follows:

	Allocation %	Liability (Asset)
PERS 1	0.005714%	\$ 298,895
PERS 1 UAAL	0.023905%	1,250,454
PERS 2/3	0.030878%	1,103,289
LEOFF 1	0.005341%	(64,371)
LEOFF 2	0.025842%	(265,604)

LEOFF Plan 1

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

LEOFF Plan 2

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

Note 7 - Other Disclosures

OPEB (Other Post Employment Benefits)

The City of Blaine has a commitment to pay for post employment benefits for employees that belong to the LEOFF 1 (Law Enforcement Officers' and Fire Fighters' Retirement System). These benefits include medical, vision, and nursing care. The City has three retirees that received benefits during the year and \$27,986 was paid out for those benefits during 2015.

CITY OF BLAINE
NOTES TO FINANCIAL STATEMENTS
JANUARY 1, 2014 THROUGH DECEMBER 31, 2014

Note 1 - Summary of Significant Accounting Policies

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In accordance with state law the City of Blaine also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

C. Budgets

The City of Blaine adopts annual appropriated budgets for the general fund, special revenue funds, capital funds, enterprise funds, and internal service funds. Budgets for debt service and capital project funds are adopted at the level of the individual debt issue or project and for fiscal periods that correspond to the lives of debt issues or projects. The City's budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

The appropriated and actual expenditures for the legally adopted budgets were as follow:

Fund	Final Appropriated	Actual	Variance
	Amounts	Expenditures	
General Fund	\$5,619,567	5,599,365	\$20,203
Street Fund	584,275	525,974	58,301
Park Impact Reserve	20,000	20,000	-
Park Fund	102,392	95,354	7,038
Cemetery Fund	22,204	19,818	2,386
Equipment Reserve	154,000	128,166	25,834
Hotel/Motel Fund	160,625	158,990	1,635
LTGO Bonds	117,811	117,505	306
Whatcom EDI Loan	50,868	50,868	-
2002 UTGO Fire Station Bond	125,943	125,943	0
LTGO 2007 Refunding	627,486	627,165	321
CERB Loan-Odell RD	23,894	23,894	0
Municipal Capital Improvement	236,455	231,454	5,001
General Government Capital Improvement	142,000	136,999	5,001
Capital Facilities	133,000	133,000	0
Park Capital Improvement	129,000	12,249	116,751
Energy Efficiency Project	2,345,792	2,029,756	316,036
Transportation Capital Improvement	1,089,427	926,748	162,679
Electric Fund	8,796,409	8,257,039	539,371
Electric Capital Improvement	900,000	264,240	635,760
Water Fund	1,329,018	1,202,930	126,088
Water Capital Improvement	480,000	126,192	353,808
Wastewater Fund	4,018,219	4,018,219	-
Wastewater Capital Improvement	800,000	282,592	517,408
Stormwater Fund	430,959	412,396	18,563
Stormwater Capital Improvement	205,000	27,453	177,547
Public Works Administration	862,217	793,413	68,804
Advance Travel	2,700	1,051	1,649
LEOFF 1 Medical Reserve	42,000	34,880	7,120
Wetland Mitigation	\$50,000	\$24,973	\$25,027

Budgeted amounts are authorized to be transferred between departments within any fund; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the City of Blaine's legislative body.

D. Cash and Investments

See Note 2, *Deposits and Investments*

E. Capital Assets

Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of three (3) years. The capital assets of the City of Blaine are recorded as expenditures when purchased.

F. Compensated Absences

Vacation leave may be accumulated up to 280 hours, but only 240 hours are payable upon separation or retirement. Sick leave may be accumulated up to 1500 hours. Upon separation or retirement employees do not receive payment for unused sick leave. Hours worked as overtime, but banked as “comp” time, may be accumulated up to a maximum of 40 hours and are payable upon separation or retirement. Uniformed employees are allowed 80 hours of time off in lieu of holidays per year. Any holidays that have transpired prior to separation, but have not been taken as time off, are compensated.

G. Long-Term Debt See note 5, *Debt Service Requirements*.

H. Other Financing Sources or Uses

The City of Blaine’s *Other Financing Sources or Uses* consist of long-term debt, disposition of capital assets, transfers-in, and transfers-out.

I. Risk Management

The City of Blaine is a member of the Cities Insurance Association of Washington (CIAW). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a program or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The pool was formed on September 1, 1988 when 34 cities in the State of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 1, 2014, there are 223 members in the program.

The program provides the following forms of joint self-insurance and reinsurance coverage for its members: Property, including automobile comprehensive and collision, equipment breakdown and crime protection, and liability, including general, automobile and wrongful acts, is included to fit members’ various needs.

The program acquires liability insurance through their Administrator, Canfield, which is subject to a per-occurrence self-insured retention of \$100,000. The standard member deductible is \$1,000 for each claim (deductible may vary per member), while the program is responsible for the \$100,000 self-insured retention. Insurance carriers cover insured losses over \$101,000 to the limits of each policy. Since the program is a cooperative program, there is a joint liability among the participating members toward the sharing of the \$100,000 of the self-insured retention. The program also purchases a Stop Loss Policy with an attachment point of \$3,259,396 to cap the total claims paid by the program in any one policy term.

Property insurance is subject to a per-occurrence self-insured retention of \$25,000. Members are responsible for a \$1,000 deductible for each claim. The program bears the \$25,000 self-insured retention in addition to the deductible.

Equipment breakdown insurance is subject to a per-occurrence deductible of \$2,500, which may vary per member with the exceptions of pumps and motors, which is \$10,000. Members are responsible for the

deductible amount of each claim. There is no program self-insured retention on this coverage, with the exception of pumps and motors which is \$15,000 and is covered by the CIAW.

Members contract to remain in the program for a minimum of one year, and must give notice before August 31 termination participation the following September 1. The Interlocal Agreement is renewed automatically each year. In the event of termination, a member is still responsible for contributions to the pool for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Agreement.

A board of ten members is selected by the membership from three geographic areas of the state on a staggered term basis and is responsible for conducting the business affairs of the program. On July 21, 2014, the Board passed a resolution changing the CIAW's renewal date from September 1st to December 1st beginning with the 2014-15 policy term. An endorsement was added to the 2013-14 Memorandum of Coverage, extending coverage to December 1, 2014. The next full policy year will begin on December 1, 2014. Premiums were prorated for the extension period. Invoices and certificates were issued.

The program has no employees. Claims are filed by members/brokers with Canfield, who has been contracted to perform program administrations, claims adjustment, administrations, and loss prevention for the program. Fees paid to the third party administrator under this arrangement for the year ending December 1, 2014, were \$1,817,654.59.

A copy of CIAW's financial statements can be obtained from its website at <http://ciaw.us> or by writing to:

CIAW
451 Diamond Drive
Ephrata, WA 98823

J. Reserved Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments is reported as reserved when it is subject to restrictions on use imposed by external parties or due to internal commitments established by ordinance or resolution of the City Council. When expenditures that meet restrictions are incurred, the City of Blaine intends to use reserved resources first before using unreserved amounts.

Reservations of Ending Cash and Investments consist of the following:

1. Of the total ending reserved fund balance in the General Fund, \$14,315 is restricted as a developer deposit and \$673,695 reserved for future equipment purchases.
2. Of the total ending reserved fund balance in the Traffic and Park Impact Reserve funds, all of the fund balances (\$5,722-Traffic; \$8,284-Park) are restricted as these funds can only be used for the construction of public facilities as identified in the City's capital facilities plan.
3. Of the total ending reserved fund balance in the Hotel/Motel Fund, all of the fund balance of \$56,890 is restricted as these funds can only be used for paying tourism promotion and for the acquisition and/or operation of tourism-related facilities. All of the revenue in this fund comes from the Hotel/Motel tax.
4. Of the total ending reserved fund balance in the Electric Fund, \$15,075 is restricted to use for Community Utility Assistance, \$421,000 is restricted as guaranty for the 2004 Electric Refunding Bonds, and \$45,445 is restricted for customer deposits.

5. Of the total ending reserved fund balance in the Water Fund, \$53,000 is restricted as guaranty for the 2003 Water/Sewer Refunding Bonds, and \$25,958 is restricted for customer deposits.
6. Of the total ending reserved fund balance in the Wastewater Fund, \$53,000 is restricted as guaranty for the 2003 Water/Sewer Refunding Bonds and \$667,082 is restricted as guaranty for the 2010 United States Department of Agriculture (USDA) Rural Development Water/Sewer Revenue Bonds.

Note 2 – Deposits and Investments

It is the City of Blaine’s policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds.

All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation and/or the Washington Public Deposit Protection Commission. All investments are insured, registered or held by the City of Blaine or its agent in the government’s name.

Investments are presented at cost.

Investments by type at December 31, 2014 are as follows:

Type of Investment	City’s own investments	Investments held by City as an agent for other local governments, individuals or private organizations	Total
Local Government Investment Pool	\$4,623,593	\$38,378	\$4,661,971
U.S. Government Securities	9,276,997	77,003	9,354,000
Certificates of Deposit	352,078	2,922	355,000
Total	\$14,252,668	\$118,303	\$14,370,971

Note 3 - Property Tax

The county treasurer acts as an agent to collect property tax levied in the county for all taxing authorities. Collections are distributed after the end of each month.

Property tax revenues are recognized when cash is received by the City. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

The City of Blaine’s regular levy for the year 2014 was \$1.33 per \$1,000 on an assessed valuation of \$784,554,379 for a total regular levy of \$1,040,694.

The City also levied \$0.16 per \$1,000 on an assessed valuation of \$777,860,271 for the 2002 General Obligation Fire Station Bond for a total excess levy of \$125,943.

Note 4 - Interfund Loans

The following table displays interfund loan activity during 2014:

Borrowing Fund	Lending Fund	Balance 1/1/14	New Loans	Repayments	Balance 12/31/14
Airport	General Fund Reserve	\$ 273,274	-	-	\$ 273,274
General Government Capital	Water	\$ 170,767	-	11,273	\$ 159,494
Totals		\$ 444,041	-	11,273	\$ 432,768

Note 5 – Debt Service Requirements

The accompanying Schedule of Long-Term Liabilities (09) provides more details of the outstanding debt and liabilities of the City of Blaine and summarizes the City’s debt transactions for year ended December 31, 2014.

The debt service requirements for general obligation bonds, revenue bonds, and other debt, including both principle and interest, are as follows:

	General Obligation Bonds	Revenue Bonds	Other Debt	Total Debt
2015	1,222,903	860,689	1,524,920	3,608,512
2016	1,117,050	841,999	1,501,339	3,460,389
2017	1,139,698	677,909	1,493,755	3,311,362
2018	438,705	674,522	1,375,108	2,488,334
2019	415,031	675,709	1,369,080	2,459,820
2020-2024	2,070,346	1,730,045	6,711,356	10,511,748
2025-2029	594,206	1,730,045	4,033,318	6,357,568
2030-2034		1,730,045	81,386	1,811,431
2035-2039		1,730,045		1,730,045
2040-2044		1,730,045		1,730,045
2045-2049		1,730,045		1,730,045
2050-2054		341,789		341,789
Totals	\$ 6,997,938	\$ 14,452,888	\$ 18,090,262	\$ 39,541,087

Note 6 - Pension Plans

Substantially all City of Blaine’s full-time and qualifying part-time employees participate in the Public Employees’ Retirement System (PERS 1, 2, or 3) or the Law Enforcement Officers’ and Fire Fighters’ Retirement System (LEOFF 1 or 2) administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. Actuarial information is on a system-wide basis and is not considered pertinent to the City of Blaine’s financial statements. Contributions to the systems by both employee and employer are based upon gross wages covered by plan benefits.

Historical trend or other information regarding each plan is presented in the Washington State Department of Retirement Systems annual financial report. A copy of this report may be obtained by writing to:

Department of Retirement Systems
Communications Unit
PO Box 48380
Olympia, WA 98504-8380

Note 7 - Other Post Employment Benefits (OPEB)

The City of Blaine has a commitment to pay for post employment benefits for employees that belong to the LEOFF 1 (Law Enforcement Officers' and Fire Fighters' Retirement System). These benefits include medical, vision, and nursing care. The City has three retirees that received benefits during the year and \$34,880 was paid out for those benefits during 2014.

City of Blaine
Schedule of Liabilities
For the Year Ended December 31, 2015

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.12	UTGO Refunding 2012 (UTGO 2002 Fire Station)	12/1/2021	866,074		106,940	759,134
263.81	Community Economic Revitalization Loan (O'Dell Street 2000)	1/31/2019	175,367		21,921	153,447
251.11	LTGO Bond 2003	12/1/2018	84,506		21,673	62,833
263.81	Whatcom County Economic Development Initiative Loan 2006	3/28/2026	554,840		42,545	512,295
251.11	LTGO Bond 2007	12/1/2017	1,675,000		515,000	1,160,000
251.11	LTGO Bond 2007 (Proprietary-Stormwater)	12/1/2017	170,000		55,000	115,000
251.11	LTGO Bond 2007 ('94 Annex Refunding)	12/1/2017	30,180		30,180	(0)
251.11	LTGO Bond 2007 ('96 Sewer Refunding)	12/1/2017	84,820		84,820	0
263.96	State of Washington LOCAL Program 2010	12/1/2015	15,382		15,382	(0)
251.11	LTGO Bond 2012 (Banner Bank Building)	12/1/2021	1,166,955		56,395	1,110,559
251.11	LTGO Bond 2013 (Qualified Energy Conservation Bond)	10/15/2028	1,580,050		94,077	1,485,973
Total General Obligation Debt/Liabilities:			6,403,173	-	1,043,933	5,359,241

Revenue and Other (non G.O.) Debt/Liabilities

263.98	Compensated Absences (G.O. Liability)		247,566	65,572		313,138
	Electric Compensated Absences					
259.12	(Revenue Liability)		38,849	12,130		50,979
	Water Compensated Absences (Revenue					
259.12	Liability)		12,001	12,454		24,455
	Wastewater Compensated Absences					
259.12	(Revenue Liability)		20,350	15,818		36,168
	Stormwater Compensated Absences					
259.12	(Revenue Liability)		5,189	2,727		7,916
	Public Works Administration					
	Compensated Absences (Revenue					
259.12	Liability)		48,453	15,362		63,815
252.11	Water/Sewer Refund 2003	6/2/2015	10,000		10,000	-
252.11	Water/Sewer Refund 2003	6/2/2015	10,000		10,000	-
252.11	Electric Revenue Refunding 2014	12/1/2019	1,878,224		457,185	1,421,039
	Public Works Trust Fund Loan 97001					
263.82	1997	7/1/2017	66,844		22,281	44,562
	Public Works Trust Fund Loan 97002					
263.82	1997	7/1/2017	247,571		82,524	165,047
	Public Works Trust Fund Loan 97016					
263.82	1997	7/1/2017	18,774		6,258	12,516
	Public Works Trust Fund Loan 04133					
263.82	2005	7/1/2024	533,626		53,363	480,263
	Public Works Trust Fund Loan 05005					
263.82	2006	7/1/2025	1,630,647	10	148,242	1,482,415
	Public Works Trust Fund Loan 05005					
263.82	2006	7/1/2025	100,609		9,146	91,463
	Public Works Trust Fund Loan 06116					
263.82	2006	7/1/2026	631,579		52,632	578,947
	Public Works Trust Fund Loan 07003					
263.82	2008	7/1/2027	4,467,647	350,000	370,588	4,447,059
	Public Works Trust Fund Loan 08003					
263.82	2008	7/1/2028	6,888,889	500,000	527,778	6,861,111
	Department of Ecology Revolving Loan					
263.82	2009	7/20/2030	1,126,471		61,309	1,065,162
252.11	USDA Rural Development 2010	10/28/2050	1,471,981		17,098	1,454,884
252.11	USDA Rural Development 2010	10/28/2050	4,881,142		61,325	4,819,817
263.98	Net Pension Liability (G.O. Liability)		-	1,671,162	-	1,671,162
264.30	Net Pension Liability (Revenue Liability)		-	981,476	-	981,476
	Total Revenue and Other (non G.O.) Debt/Liabilities:		24,336,412	3,626,711	1,889,727	26,073,396
	Assessment Debt/Liabilities (with commitments)					
	Public Works Trust Fund Loan 13006					
253.98	2012	6/1/2032	-	427,740	3,583	424,157
	Department of Ecology Revolving Loan					
253.98	2014	5/31/2036	-	405,281	-	405,281
	Total Assessment Debt/Liabilities (with					
	commitments):		-	833,021	3,583	829,438
	Total Liabilities:		30,739,586	4,459,732	2,937,243	32,262,074

**City of Blaine
Schedule of Liabilities
For the Year Ended December 31, 2014**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
259.11	Compensated Absences (G.O. Liability) UTGO Refunding 2012 (UTGO 2002 Fire		219,848	27,718		247,566
251.14	Station)	12/1/2021	970,188		104,114	866,074
	Community Economic Revitalization					
263.81	Loan (O'Dell Street 2000)	1/31/2019	197,288		21,921	175,367
251.11	LTGO Bond 2003 Whatcom County Economic	12/1/2018	103,339		18,833	84,506
263.81	Development Initiative Loan 2006	3/28/2026	596,757		41,917	554,840
251.11	LTGO Bond 2007	12/1/2017	2,155,000		480,000	1,675,000
251.19	LTGO Bond 2007 (Proprietary- Stormwater)	12/1/2017	220,000		50,000	170,000
251.11	LTGO Bond 2007 ('94 Annex Refunding)	12/1/2017	70,857		40,677	30,180
251.19	LTGO Bond 2007 ('96 Sewer Refunding) State of Washington LOCAL Program	12/1/2017	199,143		114,323	84,820
263.96	2010	12/1/2015	30,172		14,790	15,382
251.11	LTGO Bond 2012 (Banner Bank Building) LTGO Bond 2013 (Qualified Energy	12/1/2021	1,228,668		61,713	1,166,955
251.11	Conservation Bond)	10/15/2028	1,670,000		89,950	1,580,050
	Total General Obligation Debt/Liabilities:		7,661,260	27,718	1,038,238	6,650,739

Revenue and Other (non G.O.) Debt/Liabilities

	Electric Compensated Absences				
259.12	(Revenue Liability)	40,037		1,188	38,849
	Water Compensated Absences				
259.12	(Revenue Liability)	12,658		657	12,001
	Wastewater Compensated Absences				
259.12	(Revenue Liability)	17,763	2,587		20,350
	Stormwater Compensated Absences				
259.12	(Revenue Liability)	4,204	985		5,189
	Public Works Administration				
	Compensated Absences (Revenue				
259.12	Liability)	43,502	4,951		48,453
252.11	Water/Sewer Refund 2003	6/2/2015	20,000	10,000	10,000
252.11	Water/Sewer Refund 2003	6/2/2015	20,000	10,000	10,000
252.11	Electric Refund 2004	12/1/2019	2,305,000	2,305,000	-
252.11	Electric Revenue Refunding 2014	12/1/2019		2,324,360	446,136
	Public Works Trust Fund Loan 97001				1,878,224
263.82	1997	7/1/2017	89,125	22,281	66,844
	Public Works Trust Fund Loan 97002				
263.82	1997	7/1/2017	330,095	82,524	247,571
	Public Works Trust Fund Loan 97016				
263.82	1997	7/1/2017	25,032	6,258	18,774
	Public Works Trust Fund Loan 04133				
263.82	2005	7/1/2024	586,988	53,363	533,626
	Public Works Trust Fund Loan 05005				
263.82	2006	7/1/2025	1,778,888	148,242	1,630,647
	Public Works Trust Fund Loan 05005				
263.82	2006	7/1/2025	109,756	9,146	100,609
	Public Works Trust Fund Loan 06116				
263.82	2006	7/1/2026	684,210	52,632	631,579
	Public Works Trust Fund Loan 07003				
263.82	2008	7/1/2027	4,838,235	370,588	4,467,647
	Public Works Trust Fund Loan 08003				
263.82	2008	7/1/2028	7,416,667	527,778	6,888,889
	Department of Ecology Revolving Loan				
263.82	2009	7/20/2030	1,186,687	60,216	1,126,471
252.11	USDA Rural Development 2010	10/28/2050	1,488,343	16,362	1,471,981
252.11	USDA Rural Development 2010	10/28/2050	4,940,038	58,895	4,881,142
Total Revenue and Other (non G.O.)					
	Debt/Liabilities:		25,937,228	2,332,883	4,181,265
	Total Liabilities:		33,598,488	2,360,601	5,219,503
					24,088,846
					30,739,586

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

Contact information for the State Auditor's Office	
Public Records requests	PublicRecords@sao.wa.gov
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov