

CITY OF VANCOUVER WASHINGTON



City Hall, 415 W 6th Street

COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended December 31, 2012

FINANCIAL & MANAGEMENT SERVICES

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June 20, 2013

To the Honorable Timothy D. Leavitt, 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 2012 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 Washington State Auditor's Office in accordance with generally accepted 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, 2012, 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, 2012, 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.

CITY OF VANCOUVER

Another state mandate requires the Washington State Auditor's Office 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 163,200 as of April 1, 2012 and occupies a land area of 48.8 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, 2009. 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 every four years via City-wide vote. 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, including the City's vital infrastructure and urban services. The City builds and repairs roads, maintains water and sewer services, provides fire and police protection, administers land use policy and takes an active role in Vancouver's commercial and industrial development. The City designs and oversees Vancouver's and Clark County's many parks and green spaces. The City provides Clark County park services through an interlocal agreement. 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. 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.

CITY OF VANCOUVER

The City prepares budgets in accordance with RCW 35.33. 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. Transfers of appropriations within a fund may be authorized by the City Manager. All budgets are accounted for on a line-item basis with control at the object level. 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.

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 almost 30% of the City's retail expenditures occur in Portland, Oregon. As a result, the City is losing an estimated \$10 million per year in uncollected sales taxes. The region has also been severely impacted by the recession and the effects of high unemployment.

Many people and businesses are relocating to this region for its natural beauty and many 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 may contribute to employment growth and help spur new construction.

Long-term financial planning

The City's 2011-12 Biennial Budget was created in a time of unprecedented economic struggle. This is compounded by the structural deficit, whereby expenses are rising faster than revenues. The City, therefore, will have to continue to prioritize how scarce resources are allocated and continue the City's constant quest for efficiencies.

Since the end of 2008, the City has been impacted by the global recession. The City has been diligent with regard to implementing departmental and program efficiencies for several biennia and, as a result, has a "lean" structure. Inevitably, a slow deterioration of the current levels of services will ensue unless permanent solutions to shortfalls are found.

City residents have indicated in the last Community Services Survey that they remain 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 to address the City's structural deficit. The City Manager, under the direction of City Council and pursuant to legal requirements, has maintained a consistent strategy of restraining costs within existing 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

The City of Vancouver has dealt with structural deficit in its General, Street and Fire funds, addressing shortfalls by cutting staff and service levels, improving efficiency, and increasing fees and taxes. In preparation for the 2011-12 Biennial Budget, the City utilized a collaborative priority-based budgeting process that involved the city leadership team. The process was named Horizons and was a process to refocus and realign City services and programs based upon what the community values and supports:

- achieving outcomes or buying results,
- that citizens value most,
- at a price citizens are willing to pay.

While the Horizon process was beneficial, the City as an organization continues to struggle with the structural deficit that has been present for more than a decade, balancing the budget on a biennial basis, to return to the same set of challenges two years later. The 2013-14 budget adoption, however, did not require the City to either raise new taxes or cut employees, providing a window of relative stability and an opportunity to raise our sights to focus on the longer term. This focus on the longer-term is a new initiative introduced by the City Manager named Legacy 2020.

Legacy 2020 is a 6-year approach to a deficit solution that is built around the Council's priority goals and long range financial policies that eliminates the City's forecasted deficit for years 2015 through 2020. The plan, which will be developed over the next two years, will serve as the policy framework to guide budgeting for the next three biennia, deliberately and proactively charting policy decisions to maintain balanced budgets. Legacy2020 is premised on maintaining a balanced set of services, balanced workforce and balanced financial forecast through the end of the decade.

The main fundamentals of the Legacy2020 effort are:

- The City will maintain a balance set of core services – Police, Fire, Parks & Recreation, Streets, Utilities, Community and Economic Development - through the end of the decade.
- No increases in City tax rates are to be anticipated over the six-year period. Though there are voted tools still available to raise revenue, our analysis suggests that these will not be viable within the six-year horizon.
- The City's strategic plan will be updated to reflect the realities of a fundamentally changed future economy since the plan's adoption in 2008.

CITY OF VANCOUVER

The City has an unprecedented opportunity to set a course for fiscal health and stability by the end of the decade. The Legacy2020 plan will allow us to do so in a way that transcends traditional cycles and aligns better with our forecasting horizon. Though there is much work to do in the coming year, leadership is optimistic about the 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, 2011. 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 27 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 GASB statements through number 64, with the exception of GASB statement number 61 which is not required to be implemented until future years.

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 illustrate the "Legacy" that the City's efforts will have on our future community and the artistic interpretation of those efforts by some of our youngest citizens.

Respectfully submitted,



R. Lloyd Tyler
Chief Financial Officer

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, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Christopher P. Mouill

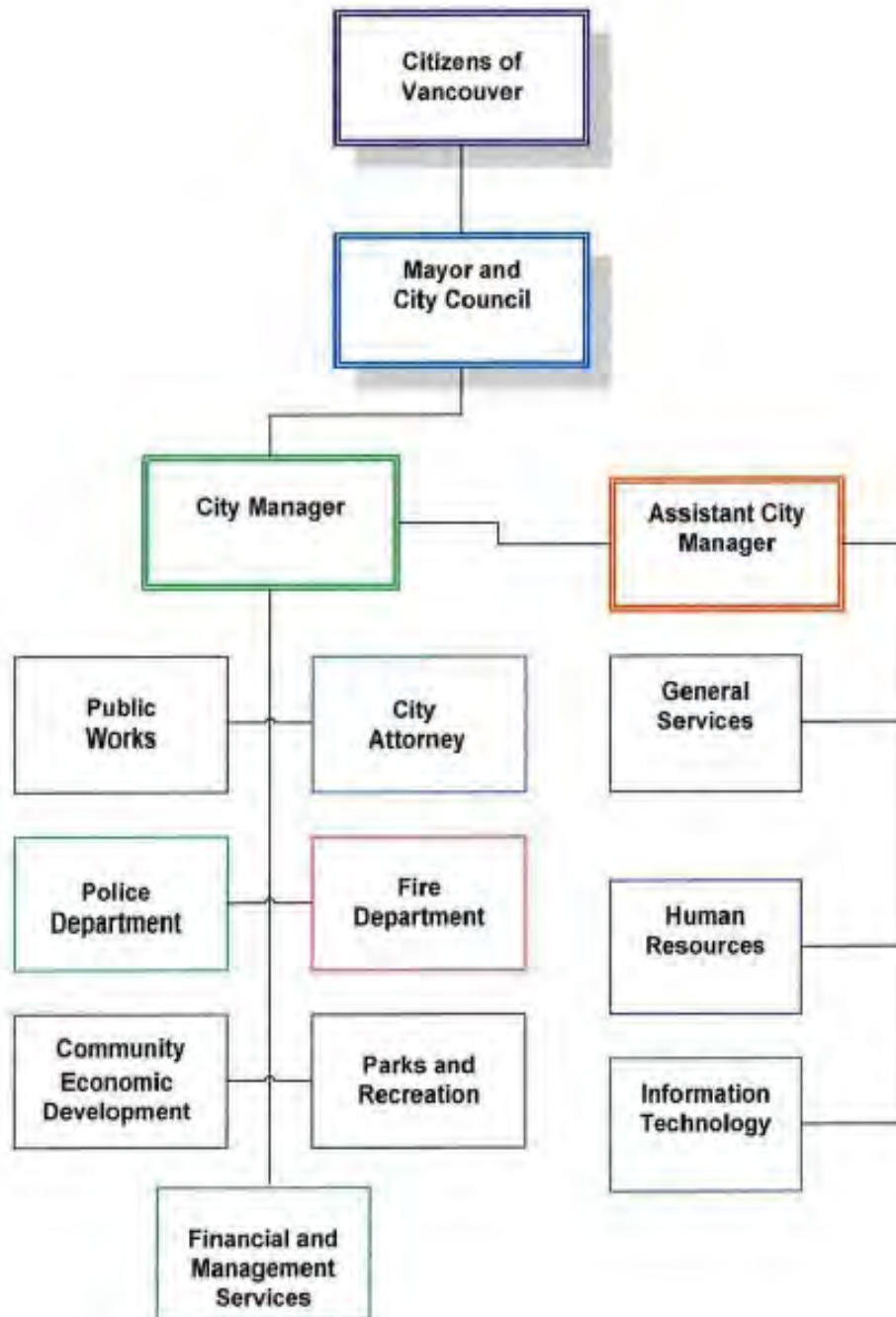
President

Jeffrey R. Emer

Executive Director

City of Vancouver

Organizational Chart



CITY OF VANCOUVER

Elected Officials

As of December 31, 2012

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 2012

<u>Council Members</u>	<u>Expiration of Term</u>
Tim Leavitt, Mayor	December 31, 2013
Jeanne Harris	December 31, 2013
Jeanne Stewart	December 31, 2013
Larry Smith	December 31, 2015
Jack Burkman	December 31, 2013
Bart Hansen	December 31, 2015
Bill Turley	December 31, 2015

City Management Team

(As of December 31, 2012)

Eric Holmes	City Manager
Ted Gathe	City Attorney
Brian Carlson	Public Works Director
Chris Sutter	Police Chief
Joe Molina	Fire Chief
Lloyd Tyler	Chief Financial Officer
Chad Eiken	Community Economic Development Director
Laura Hudson	Parks and Recreation Director (interim)
Dave Mercier	Assistant City Manager
Tim Haldeman	General Services Director
Bill Kolden	Human Resources Director (interim)
Patrick Gilbride	Information Technology Manager



Washington State Auditor Troy Kelley

INDEPENDENT AUDITOR'S REPORT

June 20, 2013

Mayor and City Council
City of Vancouver
Vancouver, Washington

REPORT ON 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, Clark County, Washington, as of and for the year ended December 31, 2012, 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 .8 percent, 4.1 percent, 72.5 percent and 53.1 percent respectively, of the assets, net position, operating revenues and operating expenses of the aggregate discretely presented component units. Those financial 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 the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from

material misstatement. The financial statements of the 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, Clark County, Washington, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General and Consolidated Fire funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Matters of Emphasis

As described in Note 1, during the year ended December 31, 2012, the City has implemented the Governmental Accounting Standards Board Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position. 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 on pages 13 through 21 and pension trust fund information on pages 81 through 83 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The accompanying information listed as combining financial statements and supplementary information on pages 86 through 155 is presented for purposes of additional analysis and is 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 information identified in the table of contents as the Introductory and Statistical sections is presented for purposes of additional analysis and is 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 June 20, 2013, 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 cursive script that reads "Troy X. Kelley".

TROY KELLEY
STATE AUDITOR



Columbia River
Our River, Our City, Our Future



Drawing by: Elaina Vogel, Age 11
Daughter of City of Vancouver Senior Procurement Specialist, Anna Vogel

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, 2012. 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 exceeded its liabilities at December 31, 2012 by \$1 billion.
- Net position invested in capital assets (net of related debt) accounts for over 79.0% of this amount, with a value of \$794.8 million.
- Of the remaining net position, \$137.6 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 \$27 million from current operations in 2012. Beginning net position was restated with prior period adjustments of \$191,899. This is explained in detail in Note V.I. The government's net capital assets decreased by \$2.0 million during 2012.
- Total program revenues were \$146 million in 2012, up by \$1 million from 2011, due to increases in Charges for Services, Fees, and Fines and Forfeitures and offset by decreases in capital grant revenues and contributions. Program expenses were \$231.2 million, up by \$2.7 million from 2011. General revenues and transfers were \$116.6 million, down by \$2.5 million from last year.
- As of December 31, 2012, the City of Vancouver's governmental funds reported combined ending fund balances of \$133.8 million, which was \$6.8 million more than the prior year. About 46.1% of this total amount, or \$61.6 million, is available for spending at the government's discretion. The unassigned fund balance for the General Fund was \$4.8 million at December 31, 2012.
- The City of Vancouver's total bonded debt at December 31, 2012 was \$176.7 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, drainage management and control, downtown parking, an airpark, solid waste, building inspection, and a tennis center.

The Statement of Net Position presents information on all City of Vancouver's assets and liabilities, with the difference between the two 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 2012. 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 certain entities as component units in the government-wide financial statements. These entities are the Vancouver Downtown Redevelopment Authority (DRA) and the Vancouver Public Facilities District (PFD). These two entities are shown in the government-wide financial statements as discretely presented component unit funds. For additional information, see note V.A. The City has also reported its investment in one governmental joint venture: Clark Regional Emergency Services Agency (CRESA); see note V.C.

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, the Consolidated Fire Fund, GO Debt Service, and Transportation Capital 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, we present 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. Reconciliations are provided for the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to illustrate comparisons to the governmental activities column in the government-wide statements.

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, airpark, building inspection, parking, tennis center, and fire shop operations. Internal service funds accumulate and allocate costs among the City's various functions. The City uses internal service funds to account for its computer repair and replacement, rolling stock repair and replacement, self-insurance, print shop and mailroom services, and insurance benefits.

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 "Advances to other funds" line on the government-wide statement combines the "Advances from other funds" (assets) and the "Advances 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 Fund and Parking Services 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 contains certain required supplementary information concerning the City of Vancouver's funding of its Fire and Police employee pension obligation.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement 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 total \$1,005,466,871 at December 31, 2012. 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	
	2011 Restated	2012	2011 Restated	2012	2011 Restated	2012
Current and other assets	\$ 175,301,318	\$ 182,856,758	\$ 86,774,301	\$ 88,460,449	\$ 262,075,619	\$ 271,317,207
Capital assets (net of accumulated depreciation)	590,963,673	594,375,442	374,798,978	369,379,507	965,762,651	963,754,949
TOTAL ASSETS	766,074,065	777,232,200	461,899,139	457,839,956	1,227,838,270	1,235,072,156
Long-term liabilities	141,508,339	135,440,553	88,745,810	77,317,322	230,254,149	212,757,875
Other liabilities	14,786,184	13,097,051	4,372,182	3,750,359	19,158,366	16,847,410
TOTAL LIABILITIES	156,294,523	148,537,604	93,117,992	81,067,681	249,412,515	229,605,285
NET POSITION						
Net investment in capital assets	494,576,336	500,451,612	288,493,306	294,317,397	783,069,642	794,769,009
Restricted	75,636,451	65,339,206	5,405,918	7,745,715	81,042,369	73,084,921
Unrestricted	39,566,755	62,903,778	74,881,923	74,709,163	114,448,678	137,612,941
TOTAL NET POSITION	\$ 609,779,542	\$ 628,694,596	\$ 368,781,147	\$ 376,772,275	\$ 978,425,755	\$ 1,005,466,871

The 2011 values were restated for prior period adjustments to capital assets and recording of revenue in correct period. Please see Note V.I. The largest portion of the City's net position, 79%, 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.

Total assets increased in 2012 by \$7.2 million and total liabilities decreased by \$19.8 million resulting in an increase in total net position of \$27 million, or 2.8%.

Net position representing resources that are subject to external restrictions on how they may be used are 7.3% of the total. The remainder of the net position balance of \$137.6 million (unrestricted net position), represents the amount that may be used to meet the City's ongoing obligations.

At December 31, 2012, 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

The change in net position increase in 2012 of \$27 million is split between governmental increase of \$18.9 million and business-type activities increase of \$8 million. A condensed version of the Statement of Activities for the past two years is shown in the following table. The full statement is a tabular depiction of the relationship of revenues and expenses for the City's governmental activities and proprietary funds. The graphs that follow illustrate the sources of revenue and the balance of governmental vs. business type expenses for 2012.

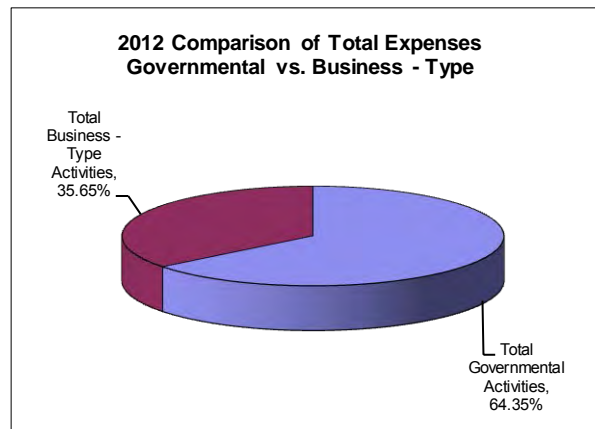
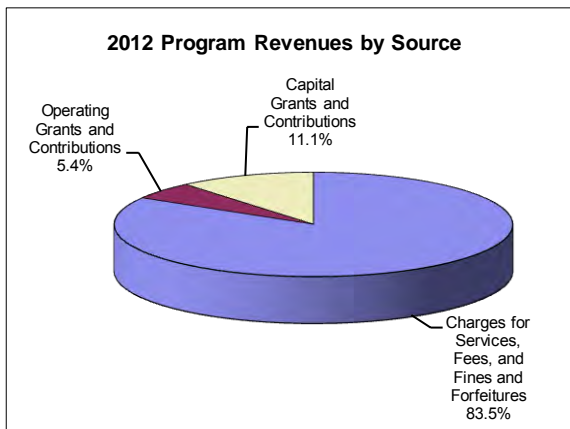
The increase in net position is primarily due to decrease in bonded debt. The City of Vancouver's total bonded debt decreased by \$43 million offset by new additions of \$25.5 million during 2012, the result of scheduled principal payments made throughout 2012 and the City refinanced two bond issues due to the low interest rate environment. During the year the City issued \$15.9 million and \$9.5 million in LTGO Refunding bonds, saving \$933,000 and \$1.9 million respectively in future debt service savings. Capital asset growth net of related debt totaled \$11.7 million, restricted net position decrease of \$8 million; unrestricted net position increase of \$23.1 million to equal \$27.0 million total increase in government's net position.

Governmental activities revenue decreased by 0.2% while governmental expenses increased by 1.5%. The major decrease in governmental activities revenue from Capital Grant and Contribution by 33.2% due to reduction in capital funding and in new projects; decrease in Utility and Other Taxes revenue by 4.3% mainly due to onetime payment of natural gas taxes in 2011. This decrease in revenue was offset by an increase from Charges for Services, Fees, and Fines and Forfeitures by 3.3% mainly due to program revenue consolidation.

The Business-Type Activity revenue increased by 4.4% while expenses increased by 1.2%. The major increase in Business-Type Activity revenue was from Charges for Services, Fees, and Fines and Forfeitures by 3.6% and Capital Grants and Contribution by 24.2%. Changes for Charges for Services and Fee are due to a water rate increase of 5%, 4.2% increase in water pumped, sewer rate increase of 6.5%, and increased in business activities for one of the city's largest industrial customers. Changes in Capital Grant and Contribution mainly due to State Grants from Department of Ecology and significant increase in amount of private development contributions received resulting from the increasing development activity in the City.

**City of Vancouver
Summary of Changes in Net Position
Comparative 2011-2012**

Revenues	Governmental Activities		Business-Type Activities		Total Primary Government	
	2011	2012	2011	2012	2011	2012
Program revenues:						
Charges for Services, Fees, and Fines and Forfeitures	\$ 37,113,193	\$ 38,331,011	\$ 80,969,889	\$ 83,893,237	\$ 118,083,082	\$ 122,224,248
Operating Grants and Contributions	6,941,995	7,418,742	624,583	442,482	7,566,578	7,861,224
Capital Grants and Contributions	14,175,444	9,474,400	5,425,419	6,736,733	19,600,863	16,211,133
General Revenues						-
Taxes:						-
Property Taxes Levied for General Purposes	40,145,943	40,685,824	-	-	40,145,943	40,685,824
Sales and Use Taxes	24,700,968	26,735,128	-	-	24,700,968	26,735,128
Utility and Other Taxes	47,450,677	45,394,633	-	-	47,450,677	45,394,633
Intergovernmental Revenues not Restricted to Specific Programs	-	-	-	-	-	-
Unrestricted Investment Earnings	1,096,185	799,449	669,651	516,036	1,765,836	1,315,485
Miscellaneous	2,471	2,409,636	46,173	51,440	48,644	2,461,076
Total Revenues	171,626,876	171,248,823	87,735,715	91,639,928	259,362,591	262,888,751
Program Expenses						
Governmental Activities:						
General Government	30,035,434	29,380,303	-	-	30,035,434	29,380,303
Judicial	1,750,281	1,588,106	-	-	1,750,281	1,588,106
Security/Persons & Property	63,405,526	66,136,402	-	-	63,405,526	66,136,402
Physical Environment	315,426	474,343	-	-	315,426	474,343
Transportation	26,830,253	29,712,758	-	-	26,830,253	29,712,758
Health and Human Services	264,823	385,797	-	-	264,823	385,797
Economic Environment	9,201,330	8,388,707	-	-	9,201,330	8,388,707
Culture and Recreation	12,772,816	10,924,436	-	-	12,772,816	10,924,436
Interest on Long-Term Debt	4,932,951	4,746,812	-	-	4,932,951	4,746,812
Business-Type Activities:						
Water Sewer	-	-	71,882,823	73,305,642	71,882,823	73,305,642
Parking	-	-	3,637,263	3,372,113	3,637,263	3,372,113
Airpark	-	-	702,277	696,973	702,277	696,973
Building Inspection	-	-	3,763,539	3,641,964	3,763,539	3,641,964
Sanitation	-	-	2,005,789	1,912,012	2,005,789	1,912,012
Tennis Center	-	-	1,032,844	1,124,302	1,032,844	1,124,302
Fire Shop	-	-	132	-	132	-
Total Expenses	149,508,840	151,737,664	83,024,667	84,053,006	232,533,507	235,790,670
Excess (deficiency) of revenues over expenses	22,118,036	19,511,159	4,711,048	7,586,922	26,829,084	27,098,081
Transfers - Governmental	(2,257,553)	(1,167,108)	-	-	(2,257,553)	(1,167,108)
Transfers - Business-Type	-	-	2,257,553	1,167,108	2,257,553	1,167,108
Change in Net Position	19,860,483	18,344,051	6,968,601	8,754,030	26,829,084	27,098,081
Net Position- Beginning	590,775,405	609,779,542	361,989,200	368,781,147	952,764,605	978,560,689
Prior year adjustments	(856,346)	571,003	(176,654)	(762,902)	(1,033,000)	(191,899)
Net Position - Ending	\$ 609,779,542	\$ 628,694,596	\$ 368,781,147	\$ 376,772,275	\$ 978,560,689	\$ 1,005,466,871

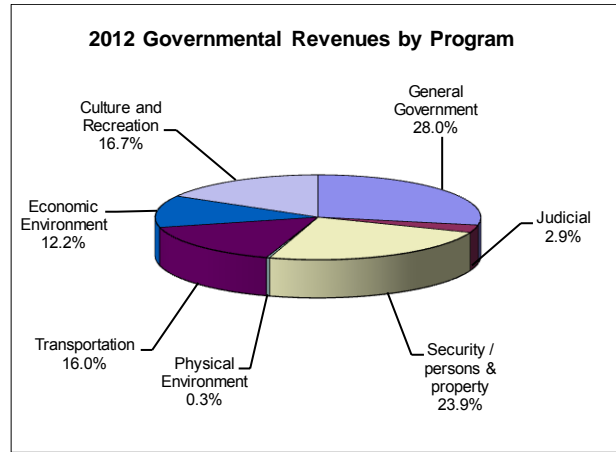
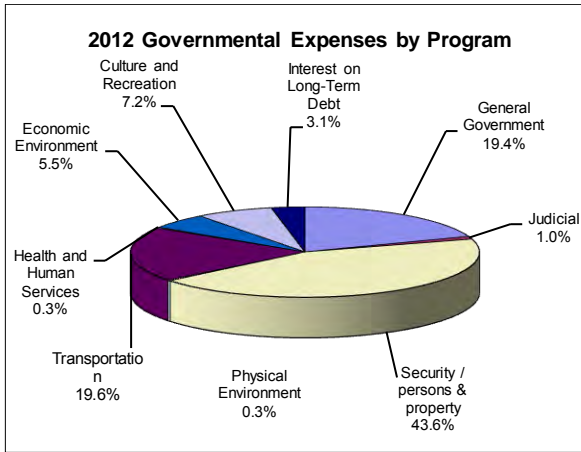


Governmental Activity Analysis

Governmental net position increased by \$18.3 million in 2012 from operations and by \$571,003 from prior year adjustments. This 3.1% increase corresponds to an \$11.1 million increase in total assets with \$7.8 million decrease in total liabilities. During 2012, the City's cash balances increased by \$7.4 million, capital assets increased by \$6.8 million, and receivables and other assets decreased by \$815,479.

Governmental revenues slightly decreased from 2011 by \$378,053 or 0.2% due to moderate decrease in program revenues by \$3.0 million and increase in general revenues by \$2.6 million.

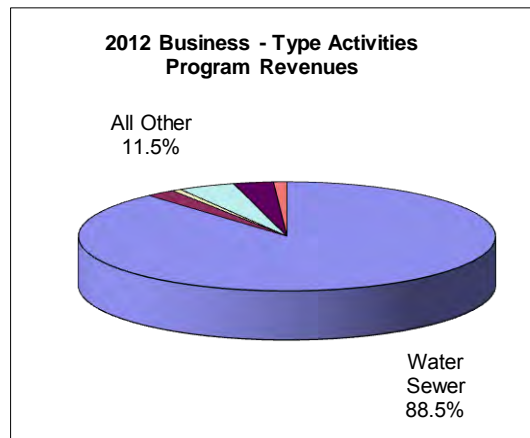
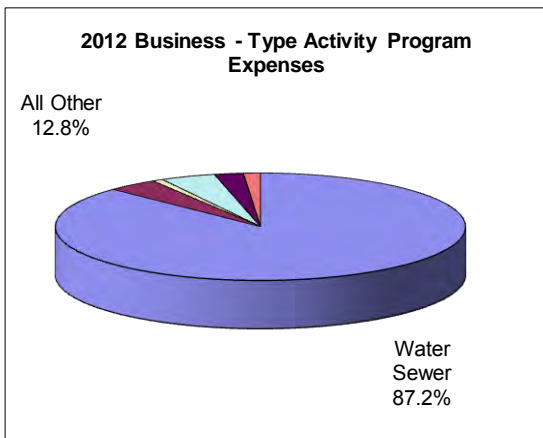
General Government expenses were down by \$655,131, due to various vacant positions. Transportation expenses increase by \$2.9 million from 2011 to 2012, primarily due to higher level of maintenance to transportation infrastructure. Council approved funding pavement management to 100% of policy level to insure existing infrastructures are maintained and constrain future maintenance cost. Security/Persons & Property expenses increased \$2.7 million in several areas, the largest included expenses for Fire Station 6 that was opened full year. Culture and Recreation expenses decrease by 1.8 million due to reduction in recreation staff and consolidation programs. In total, expenses for Governmental activities increased by \$2.2 million

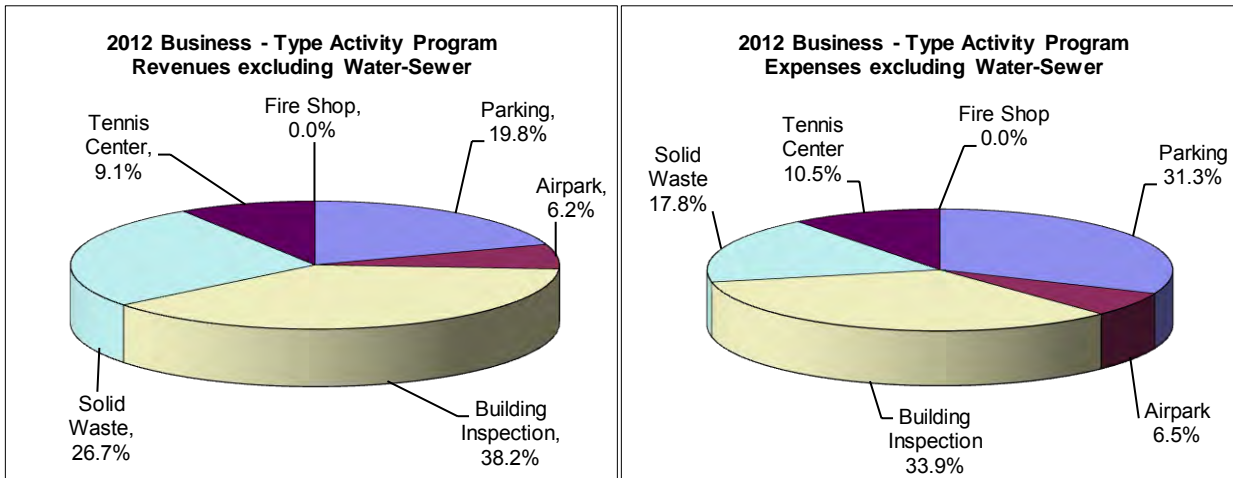


Business-Type Activities Analysis

As depicted in the graphs below, the Water/Sewer activity is the largest business-type activity in the City. As a result, the financial position of the City's business-type activities is strongly influenced by the Water/Sewer activity. This year, Water/Sewer had a \$3.5 million increase in charges for services, a \$1.3 million increase in Capital Grants and Contributions and a \$1.9 million increase in operating expenses.

The other business-type activities had moderate gains and losses. Solid Waste had \$893,239 net operating income due to solid waste and recycling collection rates increase of 1.5%. Parking Activity had \$566,990 net operating loss. The General Fund support of the Parking Fund remained at the \$1.3 million. Building Inspection Activity had \$379,448 net increase, largely led by the multifamily component. On a year over year basis, housing numbers show a significant increase of 30% over the last year's numbers.





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, General Obligation Debt Service (GO), and Transportation Capital 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 1% over 2011 due primarily to increase in charges for services by \$493,008 and decreased in intergovernmental revenue by \$208,992. Comparing property tax and sales and use tax collections from 2011, 2012 saw an increase of approximately 1.5% and decrease 2.2%, respectively, in these revenue sources due to new construction and delinquency rates. By Council action, there was 1% property tax levy increase for 2012 taxes. The decrease in sales and use taxes is due primarily to a deferred amount from 2009 and 2010 that was received in 2011. Rent and royalties revenues increase due to the collection from tenants of the purchased 415 building. General Fund expenditures accounted for 49.3% of total governmental fund expenditures for 2012. General Fund expenditures decreased by approximately 3%, primarily due decentralization of the transportation function, reduction in culture and recreation program, and economic environment expenditures.

The Consolidated Fire Fund is a special revenue fund that encompasses both the operations and the equipment for the City's and Fire District 5's fire department. Services provided by this fund include not only firefighting, but emergency medical services, rescue, and public safety education. As reported in the Fund Financial Statement of Revenues, Expenditures and Statement of Changes in Fund Balances, major funding for the Consolidated Fire fund is intergovernmental revenues and a transfer from the City's General fund. The Consolidated Fire fund in 2012 accounted for 19.1% of the governmental funds' expenditures, an increase of \$1.9 million from 2011 primarily related to increase in security/persons & property expenditures. In 2012, the Consolidated Fire Fund Balance increased by \$2 million.

The Transportation Capital Fund is a capital projects fund. It 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. The Transportation Capital Fund in 2012 accounted for 10.6% of the governmental funds' expenditures, a decrease of \$1.6 million from 2011 due to completion two projects Mill Plain Blvd and 18th St Extension in 2011. In 2012, the Transportation Capital fund balance decreased by \$1.9 million due to a large capital outlay for the Waterfront Access Project.

GO Debt Service Fund accounts for the principal and interest on the general obligation bonds of the City of Vancouver. This fund was established to accumulate monies for the payment of general obligation debt of the city. General obligation bonds are those bonds for which the full faith and credit of the city are pledged for payment. During 2012 the City refinanced two bond issues due to the low interest rate environment. GO Debt Service fund in 2012 accounted for 7.9% of the governmental funds' expenditures, an increase of \$843,540 from 2011. During the year the City issued \$15.9 million and \$9.5million in LTGO Refunding bonds, saving \$933,000 and \$1.9 million respectfully in future debt service savings.

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 for 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: seven are enterprise funds, and five are internal service funds.

The Water/Sewer Fund is the largest business-type fund in the City, accounting for 94.7% of net position for the enterprise funds at \$356.8 million. Water/Sewer Fund net position increase by \$7.5 million in 2012 mainly due to the increase in utility plant assets and capital contributions and decrease bonded indebtedness. This fund encompasses three legally consolidated utilities: water, sewer, and stormwater operations.

Water/Sewer, the utility, reported operating income of \$3.4 million in 2012, and their operating revenue increased 4.9% primarily due to a water rate increase of 5% implemented January 1, 2012 and 4.2% increases in water pumped, sewer rates also increased by 6.5% in 2012, increased in business activities for the largest city customers, and grant revenue. Utility operating expenses increased by \$1.9 million from 2011, mainly related to increased costs for personnel and professional & contracted services and utility tax expenses. Additionally, depreciation of utility capital assets increased by \$12.7 million and its bonded indebtedness decreased \$11.3 million in 2012.

The Parking Services Fund reported an operating loss of \$566,990 in 2012. Operating expenses decreased by \$240,630 from 2011 due to a decrease in personnel and professional & contracted services and leases. Parking Services changes in net position decreased by \$41,888 from 2011. The General Fund support of the Parking Services Fund remained at the \$1.3 million level in 2012. Over time, the fund is anticipated to become self-supporting.

In the non-major business funds, the Solid Waste and Building Inspection Funds accounted for the majority of the increase in total net position of the non-major business funds. The Solid Waste fund reported \$893,239 in operating income and accounted for \$757,613 of the increase in total net net position of the non-major business funds. This increase can be attributed to increasing solid waste and recycling collection rates by 1.5%. The second biggest non-major business fund is the Building Inspection Fund, which reported \$379,448 in operation income and accounted for \$415,673 of the increase in total net position of the non-major business funds. At the national level, housing is recovering at moderate levels, led by starts for multi-family units.

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 fund net position increased \$2.7 million from 2011. Operating income of all City Internal Service funds totaled \$1.3 million, an increase of \$2.0 million due to operating income related to the Self-insurance fund as a result of decreased claims expense during 2012.

GENERAL FUND BUDGETARY HIGHLIGHTS

Since 2001, the City has addressed an ongoing structural deficit each biennium that is a result of growth in expenditures outpacing growth in revenues. Contributing factors to this deficit include the 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, and significantly greater City reliance on revenues that fluctuate with the economy.

In light of the permanent downward adjustment in revenues driven by the recession, the City has determined that it would not have the financial capacity to maintain 2010 levels of services in 2011 and beyond. As a result, the 2011-2012 Budget incorporates approximately \$9.1 million in annual budget reductions in the General, Street and Fire Funds. The reductions were achieved largely through employee layoffs, cuts in programs, service levels and employee compensation. This reduction reflects the City's practice of pro-actively constraining on-going expenditures to match the on-going revenues, while maintaining appropriate reserves and fund balances.

The Strategic Commitment of a Safe and Prepared Community remains the city's highest priority in the 2011-2012 Budget. Both Police and Fire departments reflect significantly lower level of reductions proportionate to General Fund resources supporting these areas. Across all city services, their proportionate reduction increased as priority decreased. Citywide, all recommended reductions will result in service level reductions across all areas, ranging from cuts in parks and median maintenance to slower emergency response in certain areas of the City.

The General Fund stayed within budget for the biennium. Revenues were below the forecast for the biennium by \$4.9 million. Of that amount, approximately \$3.7 million relates to the City's delayed spending on several large grants in Police and Community Development Department. Actual expenses were below budget in almost all expenditure functions.

Adjustments for the City's Operating and Capital funds included in the fall 2012 Supplemental Budget have an increase of \$11.3 million on the City's expenditure appropriation. Of that amount, \$11.3 million related to an increase in the operating budget, offset by a \$30,000 increase in capital budget. The total appropriation change in the General, Street, and Fire Funds is \$665,000.

CAPITAL ASSET 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, 2012, amounts to \$963.8 million (net of accumulated depreciation).

The table on the next page is a comparison of the summary information for year-end 2011 and 2012 capital asset. Balance of 2011 capital assets was restated to Prior Period Adjustments.

	Governmental Activities		Business-Type Activities		Total Activities	
	2011 Restated	2012	2011 Restated	2012	2011 Restated	2012
Land	\$ 60,781,763	\$ 63,847,569	\$ 29,235,379	\$ 30,146,794	\$ 90,017,142	\$ 93,994,363
Intangible - Easements	7,260,900	8,048,566	1,591,679	2,346,345	8,852,579	10,394,911
Buildings and systems	90,769,321	89,376,133	21,528,472	20,087,536	112,297,793	109,463,669
Machinery and equipment	13,689,290	14,054,341	4,446,281	3,668,213	18,135,571	17,722,554
Infrastructure	375,448,458	372,467,320	307,107,280	300,412,037	682,555,738	672,879,357
Intangible assets	42,182	620,366	1,013,767	298,164	1,055,949	918,530
Construction in progress	42,780,833	45,961,147	10,201,981	12,420,418	52,982,814	58,381,565
Total	\$ 590,772,747	\$ 594,375,442	\$ 375,124,838	\$ 369,379,507	\$ 965,897,585	\$ 963,754,949

The major changes for assets were in construction in progress (CIP), land and infrastructure for both Governmental and Business - Type Activities categories. The increase in CIP for Governmental Activities relates to ramp up of various parks, infrastructure projects, and Artillery Barracks.

Additional information on City of Vancouver's capital assets can be found in note IV.B of this report.

Long-Term Debt

At December 31, 2012, the City of Vancouver had total bonded debt outstanding of \$176.7 million. Of this amount, \$114.1 million is General Obligation debt, which is debt backed by the full faith and credit of the government. The remainder of the City's debt of \$61.1 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 2011 and 2012 bonded debt.

The City of Vancouver's total bonded debt decreased by \$43.0 million offset by new additions of \$25.5 million during 2012, the result of scheduled principal payments made throughout 2012 and the City refinanced two bond issues due to the low interest rate environment. During the year the City issued \$15.9 million and \$9.5 million in LTGO Refunding bonds, saving \$933,000 and \$1.9 million respectfully in future debt service savings. The City's remaining capacity for non-voted debt is approximately \$118 million.

City of Vancouver Outstanding Bonded Debt

	(in thousands)					
	Governmental Activities		Business-Type Activities		Total Activities	
	2011	2012	2011	2012	2011	2012
General obligation bonds	\$ 106,903	\$ 100,725	\$ 14,187	\$ 13,375	\$ 121,090	\$ 114,100
Revenue bonds	-	-	71,785	61,140	71,785	61,140
Net of Deferred Amounts for:						
Issuance premiums (discounts)	4,104	3,735	4,064	3,244	8,168	6,979
Refunding	(1,650)	(2,476)	(3,761)	(3,053)	(5,411)	(5,529)
Total	\$ 109,357	\$ 101,984	\$ 86,275	\$ 74,706	\$ 195,632	\$ 176,690

The City of Vancouver maintains an "Aa3"/"AA" rating from Moody's/Standard and Poor's (S & P) rating services, respectively for general obligation debt. Additional information on the City's long-term debt can be found in Note IV.F of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The 2013-14 biennial budget totals \$752.4 million in operating and capital expenditures, including 963.6 positions. The recommended budget is balanced without the implementation of new taxes or tax increases other than the annual 1% authorized increase to property taxes. Other fees and rates, including utility rates and fees for services are recommended to be adjusted for anticipated inflation as reflected in the forecast.

Unlike the past two biennia, there are no forecast-based budget reductions in 2013-2014. Conversely, there are no new additional FTE's included in the budget that are not accompanied by commensurate new funding. The preliminary forecast for the 2013-2014 Biennium indicates no deficit in the next biennium. The second year of the biennium reflects a projected deficit, but the budget policy direction for 2013-14 is to utilize some of the first year surplus to balance the budget over the biennium and to address the budget deficit during the development of the 2015-16 biennial budget.

In preparation of the 2013-2014 Budget, the City underwent a thorough review and prioritization of all the programs the City provides. Using the six Strategic Commitments detailed in the City's Strategic Plan as the guiding framework, the City of Vancouver embarked on Horizons, a collaborative approach to meeting budget challenges and creating a more efficient organization. The City used a combination of reforms, such as organizational flattening, coupled with major reorganizations and service level reductions in most City services to address the budget shortfall.

The City's management continues its commitment to seeking out and implementing new cost containment and service delivery options that will address aspects of the ongoing structural deficit beyond this biennium. Projections for 2013-2016 show that revenues are anticipated to continue increasing at a slower pace than expenditures, but the projected gap is significantly smaller than the gap addressed during 2009-2012. The City Manager has announced a budgeting initiative called Legacy 2020 that would result in developing a long term solution for the City's ongoing budget challenges. Developing and implementing a balanced six year budget – the City of Vancouver's Legacy 2020 project, will take us from a position of long term financial deficit to long term financial sustainability. Today's new economy has forever changed the face of governments and we must change with the times.

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 Timothy D. Leavitt
2008-present



Jeanne Harris
1997-present



Jeanne E. Stewart
2001-present



Larry Smith
2004-present

Vancouver City Council



Jack Burkman
2009-present



Bart Hansen
2010-present



Bill Turlay
2012-present

Government-Wide Financial Statements

CITY OF VANCOUVER
STATEMENT OF NET POSITION
December 31, 2012

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total Primary Government	Vancouver Downtown Redevelopment Authority	Vancouver Public Facilities District
ASSETS					
Cash, cash equivalents and pooled investments	\$ 145,941,748	\$ 71,062,801	\$ 217,004,549	\$ 92,661	\$ 115,978
Cash with fiscal/escrow agent	3,512,422	-	3,512,422	9,697,453	-
Restricted assets					
Cash	-	7,743,175	7,743,175	-	-
Accrued interest receivable	-	4,837	4,837	-	-
Receivables (net of allowance for uncollectible accounts)	14,101,958	8,246,735	22,348,693	799,917	368,096
Inventories	515,503	693,211	1,208,714	37,372	-
Capital assets held for resale	5,801,535	512,875	6,314,410	-	-
Prepaid Items	50,000	-	50,000	107,388	-
Internal balances	940,687	(940,687)	-	-	-
Investment in joint venture	2,009,259	-	2,009,259	-	-
Due from other governmental units	3,320,628	350,773	3,671,401	-	-
Net pension asset	5,718,997	-	5,718,997	-	-
Deferred charge	944,021	786,729	1,730,750	4,213,152	-
Capital assets (net of accumulated depreciation)					
Land	63,847,569	30,146,794	93,994,363	-	3,603,691
Easements	8,048,566	2,346,345	10,394,911	-	-
Buildings	89,376,133	20,087,536	109,463,669	42,144,087	-
Machinery and equipment	14,054,341	3,668,213	17,722,554	447,061	-
Infrastructure	372,467,320	300,412,037	672,879,357	-	-
Intangible assets	620,366	298,164	918,530	-	-
Construction work in progress	45,961,147	12,420,418	58,381,565	-	-
Total Assets	<u>777,232,200</u>	<u>457,839,956</u>	<u>1,235,072,156</u>	<u>57,539,091</u>	<u>4,087,765</u>
LIABILITIES					
Accounts payable and other current liabilities	10,432,215	2,841,425	13,273,640	976,442	-
Accrued interest payable	370,853	296,611	667,464	2,619,794	-
Unearned revenue	1,963,336	192,276	2,155,612	74,091	-
Custodial accounts	330,647	402,873	733,520	-	444,568
Environmental remediation	-	21,000	21,000	-	-
Noncurrent liabilities:					
Environmental remediation	-	399,000	399,000	-	-
Special assessment debt with governmental commitments due within one year	3,000	-	3,000	-	-
Special assessment debt with governmental commitments due in more than one year	6,327	-	6,327	-	-
Due within one year	16,413,584	13,715,479	30,129,063	765,464	-
Due in more than one year	119,017,642	63,199,017	182,216,659	72,075,724	-
Total Liabilities	<u>148,537,604</u>	<u>81,067,681</u>	<u>229,605,285</u>	<u>76,511,515</u>	<u>444,568</u>
NET POSITION					
Net investment in capital assets	500,451,612	294,317,397	794,769,009	(19,938,597)	3,603,691
Restricted for:					
Capital purposes	45,252,498	3,733,077	48,985,575	1,091,377	-
Debt service	6,285	4,012,638	4,018,923	-	-
Grant purposes	4,882,162	-	4,882,162	-	-
Security purposes	14,571,036	-	14,571,036	-	-
Economic purposes	597,422	-	597,422	-	-
Parks & Recreation purposes	29,803	-	29,803	-	-
Unrestricted	62,903,778	74,709,163	137,612,941	(125,204)	39,506
Total Net Position	<u>\$ 628,694,596</u>	<u>\$ 376,772,275</u>	<u>\$ 1,005,466,871</u>	<u>\$ (18,972,424)</u>	<u>\$ 3,643,197</u>

CITY OF VANCOUVER
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2012

Functions/Programs	Program Revenues							Net (Expense) Revenue and Changes in Net Position				Component Units	
	Expenses	Indirect Expense Allocation	Charges for Services, Fees, Fines and Forfeitures	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Primary Government		Vancouver Downtown Redevelopment Authority	Vancouver Public Facilities District	
									Governmental Activities	Business-type Activities			
PRIMARY GOVERNMENT													
Governmental Activities:													
General Government	\$ 29,380,303	\$ (4,639,311)	\$ 10,432,157	\$ 131,436	\$ 231,010	\$ (13,946,389)	\$ -	\$ (13,946,389)	\$ -	\$ -	\$ -	\$ -	\$ -
Judicial	1,556,398	31,708	1,518,824	87,395	-	18,113	-	18,113	-	-	-	-	-
Security/ persons & property	65,173,835	962,467	10,161,521	2,970,867	93,537	(52,910,477)	-	(52,910,477)	-	-	-	-	-
Physical Environment	466,503	7,840	160,792	-	-	(313,551)	-	(313,551)	-	-	-	-	-
Transportation	29,162,085	550,673	1,073,343	-	7,670,804	(20,968,611)	-	(20,968,611)	-	-	-	-	-
Mental and Physical Health	385,797	-	-	-	-	(385,797)	-	(385,797)	-	-	-	-	-
Economic Environment	8,279,624	109,083	3,111,281	3,047,430	588,241.00	(1,641,755)	-	(1,641,755)	-	-	-	-	-
Culture and Recreation	10,769,713	154,723	7,233,781	1,181,614	890,808	(1,618,233)	-	(1,618,233)	-	-	-	-	-
Interest on Long-Term Debt	4,746,812	-	-	-	-	(4,746,812)	-	(4,746,812)	-	-	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	149,921,170	(2,822,817)	33,691,700	7,418,742	9,474,400	(96,513,511)	-	(96,513,511)	-	-	-	-	-
Business Type Activities:													
Water/Sewer	71,411,236	1,894,406	73,409,516	409,620	6,736,733	-	7,250,227	7,250,227	-	-	-	-	-
Parking	2,962,378	409,735	2,082,435	-	-	-	(1,289,678)	(1,289,678)	-	-	-	-	-
Airpark	655,504	41,469	620,778	32,862	-	-	(43,333)	(43,333)	-	-	-	-	-
Building Inspection	3,348,947	293,017	4,021,412	-	-	-	379,448	379,448	-	-	-	-	-
Solid Waste	1,814,442	97,571	2,805,252	-	-	-	893,239	893,239	-	-	-	-	-
Tennis Center	1,037,683	86,619	953,844	-	-	-	(170,458)	(170,458)	-	-	-	-	-
TOTAL BUSINESS-TYPE ACTIVITIES	81,230,190	2,822,817	83,893,237	442,482	6,736,733	-	7,019,445	7,019,445	-	-	-	-	-
Total Primary Government	\$ 231,151,360	\$ -	\$ 117,584,937	\$ 7,861,224	\$ 16,211,133	\$ (96,513,511)	\$ 7,019,445	\$ (89,494,066)	\$ -	\$ -	\$ -	\$ -	\$ -
Component Units													
Downtown Redevelopment Authority	\$ 16,705,569	\$ -	\$ 11,912,316	\$ 2,821,928	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,971,325)	\$ -	\$ -	\$ -
Public Facilities District	1,681,009	-	-	1,677,540	-	-	-	-	-	(1,971,325)	(3,469)	-	(3,469)
TOTAL COMPONENT UNITS	\$ 18,386,578	\$ -	\$ 11,912,316	\$ 4,499,468	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,971,325)	\$ (3,469)	\$ -	\$ (3,469)
General Revenues:													
Taxes:													
Property Taxes Levied for General Purposes						\$ 40,685,824	\$ -	\$ 40,685,824	\$ -	\$ -	\$ -	\$ -	\$ -
Sales and Use Taxes						26,735,128	-	26,735,128	-	-	-	-	-
Utility Taxes						35,435,916	-	35,435,916	-	-	-	-	-
Excise, Lodging and Other Taxes						9,958,718	-	9,958,718	-	-	-	-	-
Unrestricted Investment Earnings						799,449	516,036	1,315,485	31,508	-	-	179	-
Miscellaneous						2,409,636	51,440	2,461,076	-	-	-	-	-
Transfers						(1,167,109)	1,167,109	-	-	-	-	-	-
Total General Revenues and Transfers						114,857,562	1,734,585	116,592,147	31,508	-	-	179	-
Change in Net Position						18,344,051	8,754,030	27,098,081	(1,939,817)	(3,290)	(3,290)		
Net Position - Beginning						609,779,542	368,781,147	978,560,689	(16,989,857)	4,074,321	4,074,321		
Prior period adjustments						571,003	(762,902)	(191,899)	(42,750)	(42,750)	(42,750)		
Net Position - Ending						628,694,596	376,772,275	1,005,466,871	18,972,424	3,643,191	3,643,191		



Esther Short Park

A five-acre gem in the heart of downtown; it is the oldest public square in the state.



Drawing by: Brooke Lehto, Age 5

Daughter of City of Vancouver Management Analyst, Kristin Lehto

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.

GO Debt Service Fund

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

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.

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, 2012

	Major Funds				Other Non-Major Governmental Funds	Total Governmental Funds
	General Fund	Consolidated Fire	GO Debt Service	Transportation Capital		
ASSETS						
Cash, cash equivalents and pooled investments	\$ 48,729,732	\$ 14,765,819	\$ 958	\$ 2,121,647	\$ 55,078,473	\$ 120,696,629
Cash with fiscal/escrow agent	-	-	-	3,308,496	203,926	3,512,422
Receivables (net)						
Taxes/assessments	6,032,800	-	-	319	767,067	6,800,186
Accounts	916,090	260,432	-	18,286	605,748	1,800,556
Interest	31,287	9,276	-	1,321	34,608	76,492
Notes	-	-	-	261,250	4,577,210	4,838,460
Due from other funds	406,521	-	475,372	2,071,207	760,676	3,713,776
Interfund loan receivable	338,947	-	-	-	-	338,947
Due from other governmental units	421,618	443,001	-	1,028,660	1,427,349	3,320,628
Capital assets held for resale	228,400	-	-	-	5,529,135	5,757,535
Advances to other funds	685,000	-	-	-	-	685,000
TOTAL ASSETS	\$ 57,790,395	\$ 15,478,528	\$ 476,330	\$ 8,811,186	\$ 68,984,192	\$ 151,540,631
LIABILITIES						
Accounts payable	\$ 2,675,440	\$ 314,714	\$ -	\$ 3,022,241	\$ 826,914	\$ 6,839,309
Due to other funds	564,476	17,974	475,372	10,486	2,275,853	3,344,161
Interfund loan payable	-	-	-	-	338,947	338,947
Accrued interest payable	-	-	-	-	30	30
Accrued liabilities	1,630,345	952,410	-	26,535	148,737	2,758,027
Revenues collected in advance	332,032	-	-	-	109,798	441,830
Custodial accounts	149,550	5,317	-	11	211,182	366,060
Deferred revenues	1,501,794	1,616,560	-	6,264	850,303	3,974,921
Total liabilities	<u>6,853,637</u>	<u>2,906,975</u>	<u>475,372</u>	<u>3,065,537</u>	<u>4,761,764</u>	<u>18,063,285</u>
FUND BALANCES						
Fund balances						
Nonspendable	913,400	-	-	261,250	10,106,345	11,280,995
Restricted	1,064,707	12,571,553	958	3,308,496	43,659,768	60,605,482
Committed	40,276,519	-	-	2,175,903	8,086,282	50,538,704
Assigned	3,893,165	-	-	-	2,370,033	6,263,198
Unassigned	4,788,967	-	-	-	-	4,788,967
Total fund balance	<u>50,936,758</u>	<u>12,571,553</u>	<u>958</u>	<u>5,745,649</u>	<u>64,222,428</u>	<u>133,477,346</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 57,790,395	\$ 15,478,528	\$ 476,330	\$ 8,811,186	\$ 68,984,192	\$ 151,540,631

Amounts reported for governmental activities in the statement of net position are different because (See Note II also):

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	\$ 588,518,074
Capital Assets Held for Resale used in governmental activities that are not financial resources and therefore are not reported in the funds	44,000
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	11,163,039
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	27,951,214
Long-term liabilities that are not due and payable in the current period and are not reported in the funds	(132,459,077)
Net position of governmental activities	<u>\$ 628,694,596</u>

CITY OF VANCOUVER

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year ended December 31, 2012

	Major Funds				Other	Total
	General Fund	Consolidated	GO Debt	Transportation	Non-Major	
		Fire	Service	Capital	Governmental	
					Funds	Governmental
						Funds
REVENUES						
Property taxes	\$ 40,947,711	\$ -	\$ -	\$ -	\$ -	\$ 40,947,711
Sales and use taxes	26,735,128	-	-	-	-	26,735,128
Other taxes	34,911,965	-	-	78,916	3,910,067	38,900,948
License and permits	899,275	436,603	-	-	2,506,408	3,842,286
Intergovernmental	6,374,695	9,481,101	-	3,811,523	8,129,801	27,797,120
Charges for services	13,208,740	183,603	-	36,956	1,972,810	15,402,109
Fines and forfeits	1,539,961	5,000	-	500	111,445	1,656,906
Investment earnings	337,788	62,735	-	18,884	274,988	694,395
Rents and royalties	1,352,038	54,194	-	4,500	603,304	2,014,036
Contributions/donations	172,803	236,879	-	350,228	285,612	1,045,522
Miscellaneous	1,744,116	2,874	5,323	-	91,354	1,843,667
Total revenues	<u>128,224,220</u>	<u>10,462,989</u>	<u>5,323</u>	<u>4,301,507</u>	<u>17,885,789</u>	<u>160,879,828</u>
EXPENDITURES						
Current						
General government	23,940,429	-	-	-	414,615	24,355,044
Judicial	1,662,015	-	-	-	-	1,662,015
Security/persons & property	35,858,489	28,873,852	-	-	128,623	64,860,964
Physical environment	465,754	-	-	-	8,046	473,800
Transportation	1,378,618	-	-	1,914,269	8,699,636	11,992,523
Economic environment	4,280,736	-	-	-	3,517,662	7,798,398
Mental and physical health	385,797	-	-	-	-	385,797
Culture and recreation	7,525,446	-	-	-	959,894	8,485,340
Capital outlay	156,376	451,215	-	14,318,512	6,512,091	21,438,194
Debt service						
Principal retirement	-	-	7,163,577	-	3,000	7,166,577
Bond issuance cost	-	-	165,629	-	-	165,629
Interest/fiscal charges	-	-	4,736,504	264	895	4,737,663
Total expenditures	<u>75,653,660</u>	<u>29,325,067</u>	<u>12,065,710</u>	<u>16,233,045</u>	<u>20,244,462</u>	<u>153,521,944</u>
Excess (deficiency) of revenues over (under) expenditures	52,570,560	(18,862,078)	(12,060,387)	(11,931,538)	(2,358,673)	7,357,884
OTHER FINANCING SOURCES (USES)						
Capital related debt issued	-	-	-	6,000	-	6,000
Sale of capital assets	89,299	228,247	-	-	2,951	320,497
Refunding bond issued	-	-	18,114,676	-	-	18,114,676
Payment to refunded bond escrow account	-	-	(18,563,912)	-	-	(18,563,912)
Premium on debt issued	-	-	614,865	-	-	614,865
Transfers in	324,834	21,726,637	11,895,716	11,559,489	11,219,086	56,725,762
Transfers out	(40,020,520)	(1,370,511)	-	(26,742)	(16,475,098)	(57,892,871)
Total other financing sources and uses	<u>(39,606,387)</u>	<u>20,584,373</u>	<u>12,061,345</u>	<u>11,538,747</u>	<u>(5,253,061)</u>	<u>(674,983)</u>
Net change in fund balances	12,964,173	1,722,295	958	(392,791)	(7,611,734)	6,682,901
FUND BALANCES - BEGINNING	36,862,005	10,610,287	-	7,637,438	71,545,531	126,655,261
Prior period adjustments	1,110,580	238,971	-	(1,498,998)	288,631	139,184
FUND BALANCES - ENDING	<u>\$ 50,936,758</u>	<u>\$ 12,571,553</u>	<u>\$ 958</u>	<u>\$ 5,745,649</u>	<u>\$ 64,222,428</u>	<u>\$ 133,477,346</u>

CITY OF VANCOUVER

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND

For the Year Ended December 31, 2012

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

Net changes in fund balances - total governmental funds:	\$	6,682,901
 Governmental funds report capital outlays 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. This is the amount by which capital outlays exceeded depreciation in the current period.		(2,361,099)
 The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) not reported in governmental funds.		5,254,624
 Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(891,482)
 The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. 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. This amount is the net effect of these differences in the treatment of long-term debt and related items.		7,011,713
 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 governmental funds.		(4,093)
 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.		2,651,487
 Change in Net Position of Governmental Activities	\$	<u>18,344,051</u>

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, 2012

	Budget Amounts		Actual Biennium To- Date Thru 12/31/12	Variance Thru 12/31/12
	Original	Final		
	2011-2012 Biennium	2011-2012 Biennium		
REVENUES				
Property tax	\$ 80,770,694	\$ 80,770,694	\$ 81,281,739	\$ (511,045)
Sales and use taxes	50,924,487	52,819,059	54,063,694	(1,244,635)
Other taxes	73,410,004	72,744,156	69,433,038	3,311,118
License and permits	1,872,961	1,952,461	1,750,196	202,265
Intergovernmental	13,204,799	16,698,623	12,958,382	3,740,241
Charges for services	27,497,937	26,396,457	25,924,472	471,985
Fines and forfeitures	2,922,548	3,100,548	3,034,329	66,219
Investment earnings	950,000	950,000	721,894	228,106
Rents and royalties	2,401,724	2,667,459	2,591,415	76,044
Contributions/donations	10,000	88,000	401,945	(313,945)
Miscellaneous	1,280,000	1,889,678	2,971,974	(1,082,296)
Total revenues	255,245,154	260,077,135	255,133,078	4,944,057
EXPENDITURES				
Current:				
General government	55,623,458	56,731,604	48,075,265	8,656,339
Judicial	4,369,453	4,449,453	3,404,815	1,044,638
Security/persons & property	77,154,159	78,232,064	71,797,579	6,434,485
Physical environment	1,272,292	1,257,292	761,025	496,267
Transportation	2,185,587	4,067,108	3,083,302	983,806
Economic environment	10,999,853	10,012,611	9,523,514	489,097
Mental and physical health	751,485	751,485	650,620	100,865
Culture and recreation	18,477,574	17,374,351	16,378,308	996,043
Capital outlay	3,333	679,419	195,690	483,729
Total expenditures	170,837,194	173,555,387	153,870,118	19,685,269
Excess (deficiency) of revenues over expenditures	84,407,960	86,521,748	101,262,960	(14,741,212)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	103,738	(103,738)
Transfers in	1,046,046	977,380	736,476	240,904
Transfers out	(85,912,843)	(89,322,163)	(85,919,119)	(3,403,044)
Total other financing sources (uses)	(84,866,797)	(88,344,783)	(85,078,905)	(3,265,878)
Net change in fund balance	(458,837)	(1,823,035)	16,184,055	(18,007,090)
FUND BALANCES AT BEGINNING OF BIENNIUM	33,413,723	33,413,723	33,413,723	-
Prior period adjustments	-	-	1,338,980	(1,338,980)
FUND BALANCES AT END OF BIENNIUM	\$ 32,954,886	\$ 31,590,688	\$ 50,936,758	\$ (19,346,070)

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, 2012

	Budget Amounts		Actual Biennium To- Date Thru 12/31/12	Variance Thru 12/31/12
	Original 2011-2012 Biennium	Final 2011-2012 Biennium		
REVENUES				
License and permits	\$ 852,176	\$ 852,176	\$ 902,943	\$ (50,767)
Intergovernmental	15,333,260	18,489,154	18,065,066	424,088
Charges for services	381,000	395,000	287,143	107,857
Fines and forfeitures	-	-	5,500	(5,500)
Investment earnings	280,000	280,000	144,165	135,835
Rents and royalties	114,755	114,755	108,388	6,367
Contributions/donations	-	-	236,879	(236,879)
Miscellaneous	-	-	3,300	(3,300)
Total revenues	16,961,191	20,131,085	19,753,384	377,701
EXPENDITURES				
Current:				
Security/persons & property	56,579,577	59,260,913	55,104,804	4,156,109
Capital outlay	2,824,000	2,824,000	1,689,672	1,134,328
Total expenditures	59,403,577	62,084,913	56,794,476	5,290,437
Excess (deficiency) of revenues over expenditures	(42,442,386)	(41,953,828)	(37,041,092)	(4,912,736)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	180,000	229,974	(49,974)
Transfers in	50,126,089	50,431,058	43,643,961	6,787,097
Transfers out	(6,466,314)	(6,474,110)	(3,175,295)	(3,298,815)
Total other financing sources (uses)	43,659,775	44,136,948	40,698,640	3,438,308
Net change in fund balance	1,217,389	2,183,120	3,657,548	(1,474,428)
FUND BALANCES AT BEGINNING OF BIENNIUM	8,675,034	8,675,034	8,675,034	-
FUND BALANCES AT END OF BIENNIUM	\$ 9,892,423	\$ 10,858,154	\$ 12,571,553	\$ (1,713,399)

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CITY OF VANCOUVER
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2012

	Business-Type Activities - Enterprise Funds				(Governmental Activities) Internal Service Funds
	Major Fund		Other Non- Major Enterprise Funds	Total	
	Water/Sewer	Parking Services			
ASSETS					
Current assets					
Cash, cash equivalents and pooled investments	\$ 54,820,291	\$ 699,571	\$ 15,542,939	\$ 71,062,801	\$ 25,245,119
Restricted cash, cash equivalents and investments:					
Cash and cash equivalents	7,743,175	-	-	7,743,175	-
Accrued interest receivable	4,837	-	-	4,837	-
Receivables (net)					
Accounts	4,303,450	219,907	35,720	4,559,077	570,440
Interest	34,391	436	9,737	44,564	15,824
Notes	9,327	-	-	9,327	-
Due from other funds	23,126	50	2,296	25,472	14,963
Due from other governmental units	339,776	-	10,997	350,773	-
Inventory	693,211	-	-	693,211	515,503
Capital assets held for resale	512,875	-	-	512,875	-
Prepaid expenses	-	-	-	-	50,000
Total current assets	<u>68,484,459</u>	<u>919,964</u>	<u>15,601,689</u>	<u>85,006,112</u>	<u>26,411,849</u>
Noncurrent assets					
Contracts receivable	3,633,767	-	-	3,633,767	-
Deferred charge	635,153	130,583	20,993	786,729	-
Capital assets					
Land and improvements	28,829,935	832,657	484,202	30,146,794	-
Intangible - Easements	2,346,345	-	-	2,346,345	-
Construction in progress	11,699,276	-	721,142	12,420,418	66,871
Other improvements	500,880,888	49,165	1,973,862	502,903,915	-
Buildings	9,141,661	19,003,673	10,872,270	39,017,604	-
Intangible assets	8,341,534	128,712	705,027	9,175,273	-
Machinery and equipment	23,276,386	655,216	889,251	24,820,853	26,848,014
Accumulated depreciation	(233,579,051)	(10,602,243)	(7,270,401)	(251,451,695)	(21,057,517)
Capital assets net of accumulated depreciation	<u>350,936,974</u>	<u>10,067,180</u>	<u>8,375,353</u>	<u>369,379,507</u>	<u>5,857,368</u>
Total noncurrent assets	<u>355,205,894</u>	<u>10,197,763</u>	<u>8,396,346</u>	<u>373,800,003</u>	<u>5,857,368</u>
TOTAL ASSETS	<u>423,690,353</u>	<u>11,117,727</u>	<u>23,998,035</u>	<u>458,806,115</u>	<u>32,269,217</u>
LIABILITIES					
Current liabilities					
Accounts payable	1,767,119	29,712	223,338	2,020,169	626,823
Claims and judgments payable	-	-	-	-	1,096,912
Environmental remediation	21,000	-	-	21,000	-
Due to other funds	15,744	9,873	255,542	281,159	128,891
Due to other governmental units	-	1,873	-	1,873	-
Accrued interest payable	255,944	34,105	6,562	296,611	-
Accrued liabilities	1,954,172	37,802	309,318	2,301,292	503,103
Custodial accounts	317,653	11,589	73,631	402,873	1,934
Unearned revenues	28,576	8,279	155,421	192,276	-
Bonds, notes and loans payable	11,150,000	710,000	318,530	12,178,530	-
Total current liabilities	<u>15,510,208</u>	<u>843,233</u>	<u>1,342,342</u>	<u>17,695,783</u>	<u>2,357,663</u>
Noncurrent liabilities					
Due to other governmental units	356,033	-	-	356,033	-
Advances from other funds	-	685,000	-	685,000	-
Bonds, notes and loan payable	50,315,806	10,950,190	1,261,551	62,527,547	-
Claims and judgments	-	-	-	-	1,886,578
Environmental remediation	399,000	-	-	399,000	-
Accrued employee benefits	321,216	3,633	45,628	370,477	73,762
Total noncurrent liabilities	<u>51,392,055</u>	<u>11,638,823</u>	<u>1,307,179</u>	<u>64,338,057</u>	<u>1,960,340</u>
TOTAL LIABILITIES	<u>66,902,263</u>	<u>12,482,056</u>	<u>2,649,521</u>	<u>82,033,840</u>	<u>4,318,003</u>
NET POSITION					
Net investment in capital assets	289,115,135	(1,593,010)	6,795,272	294,317,397	5,857,368
Restricted for capital purposes	3,733,077	-	-	3,733,077	120,000
Restricted for Debt	4,012,638	-	-	4,012,638	-
Unrestricted	59,927,240	228,681	14,553,242	74,709,163	21,973,846
TOTAL NET POSITION	<u>\$ 356,788,090</u>	<u>\$ (1,364,329)</u>	<u>\$ 21,348,514</u>	<u>\$ 376,772,275</u>	<u>\$ 27,951,214</u>

CITY OF VANCOUVER
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2012

	Business-Type Activities - Enterprise Funds				(Governmental
	Major Fund		Other Non-	Total	Activities)
	Water/Sewer	Parking Services	Major Enterprise Funds		Internal Service Funds
OPERATING REVENUES					
Intergovernmental	\$ 264,617	\$ 6,939	\$ -	\$ 271,556	\$ 56,229
Charges for services	71,692,971	26,665	7,571,491	79,291,127	24,220,333
Fines and forfeitures	518,712	528,724	79,920	1,127,356	-
Rents and royalties	525,858	1,511,023	619,827	2,656,708	-
Miscellaneous	407,358	9,084	130,048	546,490	2,510,838
Total operating revenues	<u>73,409,516</u>	<u>2,082,435</u>	<u>8,401,286</u>	<u>83,893,237</u>	<u>26,787,400</u>
OPERATING EXPENSES					
Personnel services	16,742,500	603,296	3,179,993	20,525,789	3,390,505
Supplies and contractual services	16,885,819	528,619	2,081,065	19,495,503	18,897,128
Interfund services	7,534,885	567,598	1,492,728	9,595,211	980,721
Intergovernmental payments	16,114,118	18,993	68,749	16,201,860	255,049
Depreciation	12,707,302	930,919	466,369	14,104,590	2,008,829
Total operating expenses	<u>69,984,624</u>	<u>2,649,425</u>	<u>7,288,904</u>	<u>79,922,953</u>	<u>25,532,232</u>
Operating income (loss)	3,424,892	(566,990)	1,112,382	3,970,284	1,255,168
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	448,259	2,250	65,527	516,036	105,055
State and federal grants	409,620	-	32,862	442,482	-
Interest and fiscal charges	(3,321,018)	(722,688)	(86,348)	(4,130,054)	-
Gain (Loss) on disposal of capital assets	-	-	-	-	418,723
Miscellaneous revenue (expense)	9,518	-	41,922	51,440	400,118
Total nonoperating revenues (expenses)	<u>(2,453,621)</u>	<u>(720,438)</u>	<u>53,963</u>	<u>(3,120,096)</u>	<u>923,896</u>
Income (loss) before contributions and transfers	971,271	(1,287,428)	1,166,345	850,188	2,179,064
Capital contributions	6,736,733	-	-	6,736,733	472,423
Transfers in	1,063,794	1,245,540	174,793	2,484,127	-
Transfers out	(486,364)	-	(830,654)	(1,317,018)	-
Change in net position	<u>8,285,434</u>	<u>(41,888)</u>	<u>510,484</u>	<u>8,754,030</u>	<u>2,651,487</u>
TOTAL NET POSITION - BEGINNING	349,294,691	(1,322,441)	20,808,897	368,781,147	25,300,647
Prior period adjustments	(792,035)	-	29,133	(762,902)	(920)
TOTAL NET POSITION - ENDING	<u>\$ 356,788,090</u>	<u>\$ (1,364,329)</u>	<u>\$ 21,348,514</u>	<u>\$ 376,772,275</u>	<u>\$ 27,951,214</u>

CITY OF VANCOUVER
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2012

	Business-Type Activities - Enterprise Funds				(Governmental Activities)
	Major Fund		Other		Internal Service Funds
	Water/Sewer	Parking Services	Non-Major Enterprise Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 72,974,800	\$ 2,052,283	\$ 8,472,089	\$ 83,499,172	\$ 26,826,866
Cash received from other operating activities	407,435	9,084	130,083	546,602	587,769
Cash payments for goods and services	(33,653,363)	(558,986)	(2,175,638)	(36,387,987)	(21,408,866)
Internal activity - between funds	(7,536,303)	(557,770)	(2,303,231)	(10,397,304)	(880,120)
Cash payments to employees	(16,731,997)	(605,173)	(3,164,586)	(20,501,756)	(3,354,214)
Net cash provided by operating activities	<u>15,460,572</u>	<u>339,438</u>	<u>958,717</u>	<u>16,758,727</u>	<u>1,771,435</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Principal paid on debt	-	(115,000)	-	(115,000)	-
Unrestricted gifts received	9,518	-	41,922	51,440	-
Receipt of grant funds	91,871	-	85,861	177,732	-
Payments to other governments	-	(61)	-	(61)	-
Transfers from other funds	872,273	1,245,540	174,793	2,292,606	5,976
Transfers to other funds	(486,364)	-	(830,655)	(1,317,019)	-
Net cash provided by noncapital financing activities	<u>487,298</u>	<u>1,130,479</u>	<u>(528,079)</u>	<u>1,089,698</u>	<u>5,976</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Increase in receivables	118,997	-	-	118,997	-
Principal paid on capital debt	(10,729,372)	(510,305)	(314,000)	(11,553,677)	-
Interest paid on capital debt	(3,356,152)	(741,770)	(85,432)	(4,183,354)	-
Purchase of capital assets	(5,583,119)	-	(378,063)	(5,961,182)	(2,106,305)
Proceeds from sale of capital assets	-	-	-	-	255,445
Proceeds from capital debt	-	4,343	-	4,343	-
Payment of debt issuance costs	-	(13,698)	-	(13,698)	-
Capital contributions	3,595,204	-	-	3,595,204	25,095
Net cash used by capital and related financing activities	<u>(15,954,443)</u>	<u>(1,261,430)</u>	<u>(777,495)</u>	<u>(17,993,367)</u>	<u>(1,825,765)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipt of investment earnings	443,582	2,086	64,583	510,251	103,243
Receipt (payment) of notes receivable or interfund loan	134,211	-	2,865	137,076	-
Issuance of notes receivable or interfund loan	(126,961)	-	-	(126,961)	-
Loans made to others	3,000	-	-	3,000	-
Net cash provided by investing activities	<u>453,832</u>	<u>2,086</u>	<u>67,448</u>	<u>523,366</u>	<u>103,243</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	447,259	210,573	(279,409)	378,423	54,889
CASH AND CASH EQUIVALENTS - BEGINNING	62,116,207	488,998	15,822,348	78,427,553	25,190,230
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 62,563,466</u>	<u>\$ 699,571</u>	<u>\$ 15,542,939</u>	<u>\$ 78,805,976</u>	<u>\$ 25,245,119</u>

CITY OF VANCOUVER
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2012

	Business-Type Activities - Enterprise Funds				(Governmental Activities)
	Major Fund		Other 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)	\$ 3,424,892	\$ (566,990)	\$ 1,112,382	\$ 3,970,284	\$ 1,255,168
Adjustments to reconcile net operating income (loss) to net cash provided by operations:					
Depreciation expense	12,707,302	930,919	466,369	14,104,590	2,008,829
(Increase) Decrease in receivables	(52,984)	(29,347)	45,141	(37,190)	37,962
Increase (Decrease) in deposits	25,703	-	138,430	164,133	-
(Increase) Decrease in inventories	60,402	-	-	60,402	(9,031)
Increase (Decrease) in current payables	(713,828)	(11,374)	(12,149)	(737,351)	(152,798)
Increase (Decrease) in accrued liabilities	9,085	(1,877)	14,453	21,661	70,831
(Increase) Decrease in receivables from other funds	-	(45)	(2,074)	(2,119)	(14,958)
Increase (Decrease) in payables due to other funds	-	9,873	(820,826)	(810,953)	73,491
Increase (Decrease) in claims and judgments payable	-	-	-	-	(2,085,828)
Increase (Decrease) revenue collected in advance	-	8,279	16,991	25,270	-
Receipt of non-operating revenues	-	-	-	-	587,769
Total adjustments	<u>12,035,680</u>	<u>906,428</u>	<u>(153,665)</u>	<u>12,788,443</u>	<u>516,267</u>
Net cash provided by operating activities	<u>\$ 15,460,572</u>	<u>\$ 339,438</u>	<u>\$ 958,717</u>	<u>\$ 16,758,727</u>	<u>\$ 1,771,435</u>
Noncash investing, financing and capital activities					
Capital assets donated	\$ 3,141,529	\$ -	\$ -	\$ 3,141,529	\$ 447,328
Net change in fair value of investments	\$ (6,489)	\$ (72)	\$ (2,039)	\$ (8,600)	\$ (2,618)

CITY OF VANCOUVER
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
December 31, 2012

	Pension Trust Funds	Agency Funds
	<u> </u>	<u> </u>
ASSETS		
Cash, cash equivalents and pooled investments	\$ 6,597,667	\$ 767,187
Investments: (at fair value)		
Federal Agency Coupon Securities	1,526,619	-
Receivables:		
Accounts	-	310,196
Interest	19,766	479
Prepaid expenses	58,334	-
Property, plant, and equipment (net)	<u>-</u>	<u>430,771</u>
TOTAL ASSETS	<u>8,202,386</u>	<u>1,508,633</u>
LIABILITIES		
Accounts and accrued employee payables	1,691	121,875
Custodial accounts	-	2,969
Due to other governmental units	-	1,383,789
TOTAL LIABILITIES	<u>1,691</u>	<u>1,508,633</u>
NET POSITION		
Held in trust for Pension and OPEB Benefits	<u>\$ 8,200,695</u>	<u>\$ -</u>

CITY OF VANCOUVER
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 Fiduciary Funds
 For The Year Ended December 31, 2012

	Pension Trust Funds
Additions:	
Employer Contributions	
For pension benefits	\$ 1,152,980
For postemployment healthcare benefits	1,683,020
Other Sources	<u>159,223</u>
Total Contributions	<u>2,995,223</u>
Investment Income	
Interest earnings	<u>37,857</u>
Total Investment Income	<u>37,857</u>
Total Additions	3,033,080
Deductions:	
Pension benefits	820,252
Healthcare premium subsidies	1,683,020
Administrative expense	<u>72,228</u>
Total Deductions	<u>2,575,500</u>
Change in fiduciary net position	457,580
Net position - beginning	<u>7,743,115</u>
Net position - ending	<u><u>\$ 8,200,695</u></u>



Vancouver Fire Department
Providing fire protection since April 1, 1867



Drawing by: Eli Smith, Age 5
Son of City of Vancouver Accounting Manager, Christine Smith

NOTE I. 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:

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, 2009.

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 a separate column 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.

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 February 27, 2006, the Vancouver City Council passed Ordinance M-3739 creating the City Center Redevelopment Authority (CCRA). CCRA is chartered with facilitating the redevelopment of property thereby promoting economic growth and urban livability within the Vancouver City Center Vision plan area. The CCRA will complement the work of the Downtown Redevelopment Authority (DRA) which is limited by indenture for construction and operation of the Hotel and Convention Center project. The CCRA is an independent legal entity, and its financial activities will be reported as a discretely presented component unit of the City; however, there was no financial information to report for fiscal year ending December 31, 2012.

Unless noted otherwise in this report, the accounting policies of the component units are consistent with those described for the primary government. PFD and DRA 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 Christine Smith, Accounting Manager, at christine.smith@cityofvancouver.us.

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. 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.

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.

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.

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. Agency funds only report assets and liabilities, using the accrual basis of accounting to recognize receivables and payables.

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.

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 *Consolidated Fire Fund* accounts for money received and the expenditures made in providing fire services to the combined City and Fire District 5 service area. The significant resources accounted for in this fund are intergovernmental revenue from Fire District 5, charges for services, licenses and permits and an operating transfer from the City's General Fund

The *Transportation Capital fund* was established to account for all capital projects in the transportation department. The significant resources accounted for in this fund are grants and developer contributions and operating transfers from bond proceeds or other special revenue sources.

The *GO Debt Service fund* was established to accumulate monies for the payment of general obligation debt of the City. The significant resources accounted for in this fund are operating transfers and bond proceeds.

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:

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.

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.

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 *Trust funds* account for the activities of the Police and Firemen's Pension funds, which accumulate resources for pension benefit payments to qualified public safety employees.

Agency funds represent assets held in a trustee or agency capacity for others and do not report results of operations.

The City now follows the standards set by GASB Statement No.62 Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.

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.

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 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.

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 2012. The Pension Trust 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.

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 pool is the same as the fair value of the pool shares. As of December 31, 2012, the City had \$112,229,188 in the Washington State local investment pool and \$51,518,758 in the Clark County Local Government Investment Pool, which were both classified as cash equivalents. Interest on these investments are 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.

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

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "Interfund 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 IV.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 revenue 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 V. 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 assessments consist 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.

3. Inventories and prepaid items

The inventory carried by the Water/Sewer Fund is valued at average cost. A cycle count protocol is used to verify inventory amounts throughout the year and at year end.

Inventories of governmental funds are recorded as expenditures when purchased rather than when consumed.

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 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 restricted assets of the enterprise funds consists of \$7,743,175 which is cash and investments held for debt service.

The current portion of related liabilities is shown as Payables from Restricted Assets. Specific debt service reserve requirements are described in Note IV.F.3.

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 4 years or more. 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 estimated fair market value at the date of donation.

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

The cost for normal maintenance and repairs are 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:

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

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 IV. F.2, for more information.

7. 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, as well as issuance costs are deferred and 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 IV.F for more detail.

8. Deferred revenues

This includes amounts recognized as receivables but not revenues in governmental funds because the revenue recognition criteria have not been met. See Note IV. D, for more discussion.

9. 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.

10. Net position and fund balances

In the financial statements, assets in excess of liabilities 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 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

CITY OF VANCOUVER NOTES TO THE BASIC FINANCIAL STATEMENTS

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 as determined by a formal action of the City Council, the City's highest level of decision-making authority. City Council can, by adoption of an ordinance or resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance or resolution remains in place until a similar action is taken (the adoption of another ordinance or resolution) to remove or revise the limitation.

Resources that are constrained by the City's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as **Assigned** fund balance. The City has not established a policy regarding the assignment of funds, so this category of fund balance represents the residual amounts not otherwise reported as non-spendable, restricted, or committed in governmental funds outside of the General Fund. The City Manager, the Chief Financial Officer, and the Deputy Finance Director are the decision making authorities over the assigned category of fund balance. This authority is provided for in the Vancouver Municipal Code (VMC).

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 IV.G.

E. ADOPTION OF NEW GASB PRONOUNCEMENTS

For the fiscal year ended December 31, 2012, the City implemented the following GASB Pronouncements

GASB Statement No. 57 OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans

Issued December 2009, the objective of this Statement is to address issues related to the use of the alternative measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit (OPEB) plans. The City does not participate as or in an agent employer or an agent multiple-employer OPEB plan, therefore no changes were required.

Statement No. 60 Accounting and Financial Reporting for Service Concession Arrangements

Issued November 2010, the objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. The requirements of this Statement establish recognition, measurement, and disclosure requirements for SCAs for both transferors and governmental operators, requiring governments to account for and report SCAs in the same manner, which improves the comparability of financial statements. The City does not participate in any SCAs, therefore no changes were required.

Statement No. 62 Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements

Issued December 2010, the objective of this Statement is to improve financial reporting by contributing to the GASB's efforts to codify all sources of generally accepted accounting principles for state and local governments, so they derive from a single source. This effort brings the authoritative accounting and financial reporting literature together in one place,

determine which Financial Accounting Standards Board (FASB) and American Institute of Certified Public Accountants (AICPA) pronouncement provisions apply to state and local governments, thereby resulting in a more consistent application of applicable guidance in financial statements of state and local governments. There is no material impact to the City for implementing the standard.

Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*

Issued June 2011, the objective of this Statement is to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on a government's net position. It alleviates uncertainty about reporting those financial statement elements by providing guidance where none previously existed. There is no material impact to the City for implementing the standard.

Statement No. 64 *Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 53*

Issued June 2011, the objective of this Statement is to enhance comparability and improve financial reporting by clarifying the circumstances in which hedge accounting should continue when a swap counterparty or a swap counterparty's credit support provider is replaced. The City is involved in no hedging activities, so no changes were required.

F. FUTURE ADOPTION OF GASB PRONOUNCEMENTS

The following GASB pronouncements have been issued, but are not yet effective at December 31, 2012:

- GASB Statement No. 61 The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34
- GASB Statement No. 65 Items Previously Reported as Assets and Liabilities
- GASB Statement No. 66 Technical Corrections—2012—an amendment of GASB Statements No. 10 and No. 62
- GASB Statement No. 67 Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25
- GASB Statement No. 68 Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27
- GASB Statement No. 69 Government Combinations and Disposals of Government Operations
- GASB Statement No. 70 Accounting and Financial Reporting for Nonexchange Financial Guarantees

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 II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION

The governmental fund balance sheet includes reconciliation between *fund balances—total governmental funds* and *net position—governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this difference are as follows:

Bonds Payable	\$	100,725,480
Less: Deferred charge on refunding (to be amortized as interest expense)		(2,476,617)
Less: Issuance discount (to be amortized as interest expense)		(19,408)
Plus: Issuance premium (to be amortized as interest income)		3,754,513
Accrued interest payable		370,823
Government loans		5,553,588
Special assessment debt		9,327
Net OPEB obligation		4,817,425
Compensated absences for non-Internal Service Funds		7,786,329
Impact fee credits		<u>11,937,617</u>
Net adjustment to reduce fund balance-total government funds to arrive at net position-governmental activities	\$	<u><u>132,459,077</u></u>

Another element of that reconciliation explains that “other long-term assets are not available to pay current-period expenditures and, therefore, are deferred in the funds, or other long-term assets of the City.” The details of this difference are as follows:

Deferred charges, debt issuance costs	\$	944,021
Earned but unavailable revenues		2,490,762
Investments in joint ventures		2,009,259
Net pension asset		<u>5,718,997</u>
Net adjustment to increase fund balance - total governmental funds to arrive at net position - governmental activities	\$	<u><u>11,163,039</u></u>

B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances—total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays 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.” The details of this difference are as follows:

Capital outlay	\$	17,262,265
Depreciation expense		<u>(19,623,364)</u>
Net adjustment to decrease <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$	<u><u>(2,361,099)</u></u>

Another element of that reconciliation states that "Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds." The details of this difference are as follows:

Earned Taxes	\$ (258,724)
Earned Special Assessments	(3,163)
Earned Revenue considered unavailable at fund level	713,026
Miscellaneous Revenues related to Joint Venture	644,474
Contributions related to Impact Fee Credits	<u>(1,987,095)</u>
Net adjustment to increase <i>net changes in fund balances - total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ <u>(891,482)</u>

Another element of that reconciliation states that "The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt 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." The details of this difference are as follows:

Debt issued or incurred	\$ (18,126,000)
Premium (discounts)	(614,865)
Debt issue costs	113,152
Deferred portion of refunding	1,163,196
Principal repayments:	
General obligation debt	24,297,106
Governmental loans	116,471
Special assessment debt	3,000
Retirement of premium	354,886
Retirement of debt issuance	<u>(295,233)</u>
Net adjustment to decrease net changes in fund balance-total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 7,011,713</u>

Another element of that reconciliation states that "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 governmental funds." The details are as follows:

Compensated absences	\$ (96,203)
Pension and OPEB cost	(171,470)
Accrued interest	(9,149)
Amortization of issuance costs/deferred amount on refunding	(356,505)
Amortization of bond discounts/premiums	<u>629,234</u>
Net adjustment to increase <i>net changes in fund balances—total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	\$ <u>(4,093)</u>

NOTE III. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

The City prepares a biennial budget for all funds in accordance with the Municipal Code 35.33 of the Revised Code of Washington (RCW) that is on a basis consistent with accounting principles generally accepted in the United States of America. 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, except in the general fund, where expenditures may not exceed appropriations at the function level and the budgets constitute the legal authority for expenditures at that 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. 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 2012 is the last year of the 2011-2012 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, it 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 2011-2012 Biennial Budget.

January-March 2010

- Completed a Community Survey – a statistically valid random sample survey of residents.

April-June 2010

- Prepared the preliminary revenue and expenditure forecast for 2011-2016.
- Identified the direction of the budget process and outlined specific guidelines for departmental submission.
- The budget direction anticipated the need to take further budget reductions.
- Utilized a variation of the Budgeting by Priorities approach to prioritize all city programs.
- Utilized a large scale community involvement program to provide an educational opportunity and to solicit input on prioritization of City services and City's Strategic Commitments.
- Utilized community input in preparation of the budget reduction proposals city-wide. The 2011-2012 budgeting process utilized a collaborative process that took into account program prioritization city-wide and focused on service level reductions in lower priority programs.

July-September 2010

- 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 2011-2016 revenue and expenditure forecast.
 - Input from the public on priority of City services and programs.

October-November 2010

- 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 1st of 2010.

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.

B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The Vancouver Public Facilities District, a component unit, had excess expenditures over biennial appropriations for the year ending December 31, 2012. A supplemental budget to remedy this will be recorded in early June 2013.

C. DEFICIT NET POSITION/NET FUND BALANCE

At December 31, 2012, the Parking Services fund had a deficit in the fund net position of \$1,364,329. The Parking Services fund accounts for operations of City owned or operated public parking spaces. Depreciation expense (a non-cash item) for the period ending December 31, 2011 and 2012 was \$1,888,023. The City has increased collection efforts in 2012 by seeking judgments from delinquent payers. In addition, the City notifies the Department of Licensing of repeat offenders ("scofflaw" accounts with three or more unpaid citations). Those affected will be unable to renew their vehicle registration without payment in full.

At December 31, 2012, Vancouver Downtown Redevelopment Authority (DRA), a component unit of the City, had a deficit in the fund net position of \$18,972,424. 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 asset balance is primarily attributed to accumulated depreciation and accumulated amortization of deferred charges, both of which are non-cash items. Additionally, the economic environment has had a negative impact on the convention and lodging business since the beginning of the great recession, and this is also reflected in the net position change. Deep cost-cutting measures have been put in place. 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.

NOTE IV. DETAILED NOTES ON ALL FUNDS

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."

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.

A reconciliation of cash, cash equivalents (including pooled investments) and investments as shown in the government-wide and fund financial statements is as follows:

<u>Notes</u>	
Investments	\$ 232,599,153
Deposits	1,248,683
Deposits w/fiscal agent, escrow, trust **	13,209,875
Total	<u>\$ 247,057,711</u>
 <u>Financial Statements</u>	
Cash and cash equivalents	\$ 224,747,724
Cash and cash equivalents – component units	208,639
Cash with fiscal agent/trustee	3,512,422
Cash with fiscal agent/trustee – component units	9,697,453
Fiduciary cash	7,364,854
Fiduciary investments	1,526,619
Total	<u>\$ 247,057,711</u>

** The bank balance with deposits with the trustee are \$589 higher than reported here due to timing issues with the bank posting transactions over year-end.

1. Deposits

At year-end, the City's carrying amount of deposits was \$1,248,683 and bank balance was \$1,452,414. 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, 2012. 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 June 30, 2009, the State of Washington Public Deposit Protection Commission Act of 1969 was amended to require all public depositories within the State of Washington to fully collateralize their uninsured public deposits at 100%.

2. Investments

The City maintains an Internal Investment Pool. The Pool has an average maturity of approximately one year. 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. Because we are a government, at this point, we do not need any other type of regulatory oversight.

As of December 31, 2012 the fair value of the City's investment portfolio was \$232,599,152 of which \$1,526,619 was invested on behalf of the Firemen's Pension Fund, and \$231,072,532 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.

As of December 31, 2012, the City had the following investments:

Investment Type	Fair Value (in thousands)	Weighted Average Maturity (Years)
Federal Agency Coupon Securities	\$ 66,807	0.29
Corporate Bond	500	0.00
Municipal Bonds	1,544	0.01
Washington State Investment Pool	112,229	0.48
Clark County Investment Pool	51,519	0.22
Total Fair Value	\$ 232,599	
Portfolio Weighted Average Maturity		1.00

* 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 2 years.

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Washington State Investment Pool, a 2a7-like pool, is unrated. The Clark County Investment Pool is also an unrated fund and has oversight by the Clark County Finance Committee.

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. The ratings of debt securities as of December 31, 2012 are:

Fannie Mae (Federal National Mortgage Association)	AA
Freddie Mac (Federal Home Loan Mortgage Corporation)	AA
Federal Home Loan Bank	AA
Federal Farm Credit Bank	AA

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 2012, the City's portfolio had the following concentration of securities in it: 4.3% of Federal Home Loan Bank, 15% of Federal National Mortgage Association, 4.3% of Federal Farm Credit Bank, and 5% 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.

B. CAPITAL ASSETS

A summary of capital asset activity for the year ended December 31, 2012 is as follows:

	Restated Beginning Balance 01/01/12	Increases	Decreases	Ending Balance 12/31/12
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 60,397,856	\$ 3,066,152	\$ -	\$ 63,464,008
Intangible - Easements	7,260,900	787,666	-	8,048,566
Construction in progress	42,971,758	20,960,599	17,971,210	45,961,147
Total capital assets, not being depreciated	<u>110,630,514</u>	<u>24,814,417</u>	<u>17,971,210</u>	<u>117,473,721</u>
Capital assets, being depreciated/depleted:				
Cemetery land	1,101,047	-	-	1,101,047
Buildings	117,227,219	2,020,540	1,808,404	117,439,355
Machinery and equipment	47,425,195	4,128,812	2,447,620	49,106,387
Infrastructure	534,964,467	11,920,994	-	546,885,461
Intangible	6,697,864	635,524	-	7,333,388
Total capital assets being depreciated/depleted	<u>707,415,792</u>	<u>18,705,870</u>	<u>4,256,024</u>	<u>721,865,638</u>
Less accumulated depreciation for:				
Cemetery land	717,140	346	-	717,486
Buildings	26,457,898	3,087,451	1,482,127	28,063,222
Machinery and equipment	33,735,905	3,584,924	2,268,783	35,052,046
Infrastructure	159,516,009	14,902,132	-	174,418,141
Intangible	6,655,682	57,340	-	6,713,022
Total accumulated depreciation	<u>227,082,634</u>	<u>21,632,193</u>	<u>3,750,910</u>	<u>244,963,917</u>
Total capital assets, being depreciated, net	<u>480,333,158</u>	<u>(2,926,323)</u>	<u>505,114</u>	<u>476,901,721</u>
Governmental activities capital assets, net	<u>\$ 590,963,672</u>	<u>\$ 21,888,094</u>	<u>\$ 18,476,324</u>	<u>\$ 594,375,442</u>
Governmental activities, capital assets held for resale	<u>\$ 5,801,535</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,801,535</u>
	Restated Beginning Balance 01/01/12	Increases	Decreases	Ending Balance 12/31/12
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 29,235,379	\$ 1,015,915	\$ 104,500	\$ 30,146,794
Intangible - Easements	1,591,679	754,666	-	2,346,345
Construction in progress	9,876,121	8,920,771	6,376,474	12,420,418
Total capital assets, not being depreciated	<u>40,703,179</u>	<u>10,691,352</u>	<u>6,480,974</u>	<u>44,913,557</u>
Capital assets, being depreciated:				
Buildings and system	39,187,842	275,262	445,500	39,017,604
Infrastructure	498,590,046	4,313,869	-	502,903,915
Machinery and equipment	24,574,510	293,985	47,642	24,820,853
Intangible	9,175,273	-	-	9,175,273
Total capital assets, being depreciated	<u>571,527,671</u>	<u>4,883,116</u>	<u>493,142</u>	<u>575,917,645</u>
Less accumulated depreciation for:				
Buildings and system	17,659,370	1,307,822	37,124	18,930,068
Infrastructure	191,482,766	11,009,112	-	202,491,878
Machinery and equipment	20,128,229	1,072,053	47,642	21,152,640
Intangible	8,161,506	715,603	-	8,877,109
Total accumulated depreciation	<u>237,431,871</u>	<u>14,104,590</u>	<u>84,766</u>	<u>251,451,695</u>
Total capital assets, being depreciated, net	<u>334,095,799</u>	<u>(9,221,474)</u>	<u>408,376</u>	<u>324,465,950</u>
Business-type activities capital assets, net	<u>\$ 374,798,978</u>	<u>\$ 1,469,878</u>	<u>\$ 6,889,350</u>	<u>\$ 369,379,507</u>
Business-type, capital assets held for resale	<u>\$ -</u>	<u>\$ 512,875</u>	<u>\$ -</u>	<u>\$ 512,875</u>

The beginning balance of the Governmental and Business-type activities were restated as described in Note V.I. Prior Period Adjustments. The Governmental Construction in progress at December 31, 2011, was reported as \$42,780,833 and restated at January 1, 2012, to \$42,971,758. The Business-type Construction in progress at December 31, 2011, was reported at \$10,201,981 and restated at January 1, 2012, to \$9,876,121.

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

Governmental Activities:

General government	\$	703,505
Security of persons & property		1,918,049
Transportation, including depreciation of general infrastructure assets		13,579,658
Physical Environment		1,324
Economic Environment		757,518
Culture and recreation		2,663,310
Capital assets held by the government's internal service funds are charged to various functions based on their usage of the assets		2,008,829
Total depreciation expense — Governmental Activities	\$	<u><u>21,632,193</u></u>

Business-type Activities:

Water/Sewer	\$	12,707,302
Airpark		219,707
Building Inspection		214,127
Sanitation		10,216
Parking		930,919
Tennis Center		22,319
Total depreciation expense — Business-type Activities	\$	<u><u>14,104,590</u></u>

Component Units

A summary of capital asset activity for component units for the year ended December 31, 2012 is as follows:

	Beginning Balance 01/01/12	Increases	Decreases	Ending Balance 12/31/12
Vancouver Downtown Redevelopment Authority				
<i>Business-type activities:</i>				
Capital assets, being depreciated:				
Buildings and system	\$ 51,605,004	\$ -	\$ -	\$ 51,605,004
Machinery and equipment	6,265,226	188,569	-	6,453,795
Total capital assets, being depreciated	<u>57,870,230</u>	<u>188,569</u>	<u>-</u>	<u>58,058,799</u>
Less accumulated depreciation for:				
Buildings and system	8,170,792	1,290,125	-	9,460,917
Machinery and equipment	5,884,916	121,818	-	6,006,734
Total accumulated depreciation	<u>14,055,708</u>	<u>1,411,943</u>	<u>-</u>	<u>15,467,651</u>
Total capital assets, being depreciated, net	<u>43,814,522</u>	<u>(1,223,374)</u>	<u>-</u>	<u>42,591,148</u>
Business-type activities capital assets, net	<u><u>\$ 43,814,522</u></u>	<u><u>\$ (1,223,374)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 42,591,148</u></u>
 Vancouver Public Facilities District				
<i>Business-type activities:</i>				
Capital assets, not being depreciated:				
Land and improvements	\$ 3,603,691	\$ -	\$ -	\$ 3,603,691

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. An advance from the General Fund to the Parking Services Fund for \$685,000 was made to reduce refunding debt.

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, 2012:

	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>
Governmental Activities		
General Fund	\$ 406,521	\$ 564,476
Consolidated Fire Funds	-	17,974
Transportation Capital	2,071,207	10,486
GO Debt Service	475,372	475,372
Non-Major Governmental Funds	760,676	2,275,853
Subtotal Governmental Activities	<u>3,713,776</u>	<u>3,344,161</u>
Internal Service Funds	14,963	128,891
Governmental Activities	<u><u>3,728,739</u></u>	<u><u>3,473,052</u></u>
Business Activities		
Water/Sewer	23,126	15,744
Parking Services	50	9,873
Non-Major Business Type Activities	2,296	255,542
Subtotal Business Activities	<u>25,472</u>	<u>281,159</u>
Total Government Wide	<u><u>\$ 3,754,211</u></u>	<u><u>\$ 3,754,211</u></u>

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 Out								
Transfers In	General Fund	Fire	Transp Capital	GO Debt Service	Non-Major Govt Funds	Water Sewer	Non-Major Enterprise Funds	Total
General Fund	\$ -	\$ 17,474	\$ -	\$ -	\$ 108,023	\$ 66,400	\$ 132,937	\$ 324,834
Consolidated Fire	21,097,673	-	-	-	-	-	628,964	21,726,637
Transp Capital	67,963	-	-	-	11,491,526	-	-	11,559,489
GO Debt Service	7,433,826	376,781	26,742	-	4,058,367	-	-	11,895,716
Non-Major Govt Funds	9,944,488	-	-	-	791,009	419,964	63,625	11,219,086
Water/Sewer	56,237	976,256	-	-	26,173	-	5,128	1,063,794
Parking Services	1,245,540	-	-	-	-	-	-	1,245,540
Enterprise Funds	174,793	-	-	-	-	-	-	174,793
Total	<u><u>\$ 40,020,520</u></u>	<u><u>\$ 1,370,511</u></u>	<u><u>\$ 26,742</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 16,475,098</u></u>	<u><u>\$ 486,364</u></u>	<u><u>\$ 830,654</u></u>	<u><u>\$ 59,209,889</u></u>

There were no significant transfers made during 2012 that do not occur on a routine basis or are inconsistent with the activities of the fund making the transfer.

D. DEFERRED REVENUE

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but have not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	Unavailable	Unearned
Delinquent property taxes receivable (General Fund)	\$ 1,113,751	\$ -
Revenues not applied (General Fund)	182,659	205,384
Revenues not applied (Consolidated Fire Fund)	300,438	1,316,122
Revenues not applied (Transportation Capital)	6,264	-
Revenues not applied (Non-major Governmental Funds)	850,303	-
Special assessments not yet due (Non-major Governmental)	37,347	-
Totals	<u>\$ 2,490,762</u>	<u>\$ 1,521,506</u>

E. 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, 2012, the costs for such leases were \$1,238,140 and \$724,260 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, 2012:

	Governmental Activities	Business-type Activities
2013	\$ 178,702	\$ 4,800
2014	183,384	4,800
2015	188,669	4,800
2016	194,106	4,800
2017	199,701	-
2018-2022	896,174	-
2023-2027	584,669	-
2028-2032	669,606	-
2033-2037	269,471	-
	<u>\$ 3,364,482</u>	<u>\$ 19,200</u>

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 2013 and 2057.

The following is a schedule of the minimum future rental income required under these leases. They all are considered governmental activities.

	Governmental Activities
2013	\$ 1,545,287
2014	1,339,365
2015	1,067,876
2016	652,937
2017	628,278
2018-2022	493,016
2023-2027	112,537
2028-2032	112,537
2033-2037	112,531
2038-2042	112,527
2043-2047	112,527
2048-2052	112,527
2053-2057	112,527
	<u>\$ 6,514,472</u>

F. LONG-TERM DEBT

1. 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. During the year, general obligation refunding bonds totaling \$25,460,000 were issued to partially refund the 2002 and 2003 outstanding LTGO bonds. Bond proceeds were also used to pay the costs of issuance of the refunding bonds.

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:

<u>Name of Issuance</u>	<u>Purpose</u>	<u>Original Debt</u>	<u>Issuance Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Debt Outstanding</u>
2002 LTGO Bond	Governmental Activities & Refunding	\$ 39,365	10/23/2002	12/1/2018	2%-5.25%	\$ 17,810
2003 LTGO Bond	Governmental Activities	18,520	6/3/2003	12/1/2013	2%-5%	510
2005 LTGO Bond	Governmental Activities & Refunding	18,090	7/15/2005	12/1/2026	3%-5%	13,405
2006 LTGO Bond	Governmental Activities	14,785	10/11/2006	12/1/2025	3.75%-5%	11,820
2008 LTGO Bond	Governmental Activities	14,570	6/30/2008	12/1/2027	3.5%-5%	11,295
2009 LTGO Bond	Governmental Activities	12,970	6/1/2009	12/1/2028	3.5%-5%	11,245
2010 LTGO Bond	Governmental Activities	13,410	12/1/2010	12/1/2035	2.0%-5.125%	12,425
2011 LTGO Bond	Governmental Activities	10,515	6/1/2011	12/1/2035	2.0%-5.125%	10,220
2012A LTGO Bond	Governmental Activities Refunding	15,945	1/12/2012	12/1/2029	2.0%-3.75%	15,855
2012B&C LTGO Bond	Governmental Activities Refunding	9,515	12/12/2012	12/1/2025	0.61%-2.89%	9,515
<i>Total General Obligation Bonds</i>		<u>\$ 167,685</u>				<u>\$ 114,100</u>

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
2013	\$ 7,246	\$ 4,450	\$ 11,696	\$ 1,029	\$ 488	\$ 1,516
2014	7,550	4,153	11,703	1,080	442	1,522
2015	7,872	3,828	11,700	1,133	387	1,520
2016	7,319	3,465	10,785	1,181	329	1,510
2017	6,663	3,112	9,775	922	269	1,191
2018-2022	26,550	11,568	38,118	4,865	799	5,664
2023-2027	24,285	6,051	30,336	3,165	180	3,345
2028-2032	9,285	1,962	11,247	-	-	-
2033-2035	3,955	387	4,342	-	-	-
	<u>\$ 100,725</u>	<u>\$ 38,976</u>	<u>\$ 139,701</u>	<u>\$ 13,375</u>	<u>\$ 2,894</u>	<u>\$ 16,268</u>

The City's legal limit of indebtedness is 1 ½% of assessed property value without a vote of the taxpayers and an additional 1% with a vote of the taxpayers. At December 31, 2012 the remaining non-voted and voted remaining capacity for indebtedness was \$118,001,484 and \$132,222,658 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%	\$ 1,631
Section 108 HUD Loan	Governmental-Type Activities	3,923	7/7/2010	8/1/2015	3-month LIBOR plus 20 bp	3,923
Dept of Ecology Revolving Fund Loan	Business-Type Activites	356	1/11/2010	12/1/2034	2.9%	356
		<u>\$ 6,479</u>				<u>\$ 5,910</u>

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

	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2013	\$ 116	\$ 83	\$ 200	\$ -	\$ -	\$ -
2014	116	158	274	18	10	28
2015	4,039	132	4,171	18	10	28
2016	116	6	123	18	9	27
2017	116	6	122	18	9	27
2018-2022	582	20	603	89	36	125
2023-2027	466	6	472	89	23	112
2028-2032	-	-	-	89	10	99
2033-2037	-	-	-	18	1	18
	<u>\$ 5,554</u>	<u>\$ 411</u>	<u>\$ 5,965</u>	<u>\$ 356</u>	<u>\$ 108</u>	<u>\$ 464</u>

The Section 108 Loan was approved for a total of \$6.8 million, however through the 12/31/12 only \$3,923,000 was drawn down on the loan. The loan has quarterly interest-only payments, with the total principal balance due on August 1, 2015. The Washington State Department of Ecology loan is authorized for \$1.1 million. As of December 31, 2012, only \$356,033 was expended. City staff has determined that no additional draws will be drawn. This loan has a delayed repayment schedule. The first payment is due in 2014. At that time the loan will have even payments due twice per year. The table above reflects debt service estimated debt service payments on these loans based on balances outstanding on December 31, 2012.

At December 31, 2012, the City had \$958 available in 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.

Special Assessment Debt

The government also issues special assessment debt to provide funds for the construction of water and sewer utilities in residential areas without existing infrastructure. 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 is (in thousands) as follows:

Name of Issuance	Original Debt	Issuance Date	Maturity Date	Interest Rate	Debt Outstanding
Assessment Notes Receivable	\$ 213	8/31/1996	8/31/2016	6.75%	\$ 9
<i>Total Assessment Debt</i>	<u>\$ 213</u>				<u>\$ 9</u>

Special assessment bonds are serial bonds but are called yearly based on assessments received. Annual debt service requirements to maturity for special assessment bonds are (in thousands) as follows:

Governmental Activities			
	Principal	Interest	Total Requirements
2013-2016	\$ 9	\$ 1	\$ 10
Total	<u>\$ 9</u>	<u>\$ 1</u>	<u>\$ 10</u>

The Local Improvement District Debt Service Fund and the Local Improvement District Guaranty Debt Service Fund have \$1,388 and \$1,094 respectively, to service the local improvement district bonds.

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
1993 Water Sewer	\$ 35,155	8/9/1993	6/1/2013	2.65%-5.5%	\$ 3,285
2004 Water Sewer Refunding	26,250	2/26/2004	6/1/2020	2%-5%	21,030
2005 Water Sewer Refunding	42,520	4/4/2005	6/1/2018	3%-5.5%	25,345
2008 Water Sewer Refunding	20,230	6/3/2008	6/1/2016	3.25%-5%	11,480
<i>Total Revenue Bonds</i>	<u>\$ 124,155</u>				<u>\$ 61,140</u>

Business Type Activities:

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

	Principal	Interest	Total Requirements
2013	\$ 11,150	\$ 2,812	\$ 13,962
2014	9,095	2,331	11,426
2015	9,550	1,868	11,418
2016	10,045	1,369	11,414
2017-2020	21,300	1,875	23,175
	<u>\$ 61,140</u>	<u>\$ 10,255</u>	<u>\$ 71,395</u>

The reserve and redemption accounts of the Water/Sewer enterprise funds have \$4,012,638 available to service the revenue debt, plus the city has purchased surety dollars in addition to meet debt service reserve requirements.

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 1. The City remains in compliance with that provision with a current ratio of 2.21 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.

Advance refunding

In prior years, the City has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase US Government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been removed as a liability from the Governmental Activities column of the Statement of Net Position. The excess balance in the table below is available to pay interest on the outstanding bonds.

The following is a schedule of outstanding bonds (in thousands) that are either refunded or defeased:

Name of Issue	Year Issue Defeased	Cash on Deposit With Trustee	Investment With Trustee	Bonds Payable	Fund Balance (Deficit)
<i>General Obligation Bonds</i>					
2002 LTGO & Refunding Bonds	2012	\$ 12	\$ 9,527	\$ (9,480)	\$ 59
2003 LTGO Bonds	2012	0	15,959	(14,985)	974
		\$ 12	\$ 25,486	(24,465)	1,033

2. COMPENSATED ABSENCES AND IMPACT FEE CREDITS:

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, 2012, the recorded liability for compensated absences amounted to \$10,007,524 with \$8,155,139 recorded in governmental activities and \$1,852,385 recorded in business-type activities. City employees receive personal time off (PTO), vacation and sick leave time at monthly rates established by City ordinance or union agreement. PTO is accrued semi-monthly by employees at an annual rates ranging from 22.5 to 39.5 days depending upon tenure. Vacation is accrued semi-monthly by employees at annual rates ranging from 15 to 35 days depending upon tenure and union agreements. Accumulated PTO and vacation carryover between years is limited 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 pay off 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.

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, 2012, the amount of credits that may be applied against future impact fees is \$11,937,617. This is recorded as a governmental activity in the Government-wide Financial Statements.

3. CHANGES IN LONG TERM LIABILITIES:

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

	Restated Beginning Balance 1/1/12	Additions	Reductions	Ending Balance 12/31/12	Due Within One Year
Governmental activities					
Bonds payable:					
General obligation bonds	\$ 106,903	\$ 18,120	\$ 24,298	\$ 100,725	\$ 7,246
Less deferred amounts					
For issuance premiums	4,127	615	988	3,754	407
For issuance discounts	(23)	-	(4)	(19)	(3)
On refunding	<u>(1,650)</u>	<u>(1,163)</u>	<u>(337)</u>	<u>(2,476)</u>	<u>(260)</u>
Total bonds payable	109,357	17,572	24,945	101,984	7,390
Special assessment debt with governmental commitment	12	-	3	9	3
Government loans	5,664	6	116	5,554	116
Claims and judgements	5,069	229	2,315	2,983	1,097
Net OPEB Obligation (See Note V.G for details)	3,841	2,659	1,683	4,817	-
Compensated absences	7,998	6,556	6,399	8,155	6,524
Impact Fee Credit	9,951	2,825	838	11,938	1,286
Governmental activity long term liabilities	<u>\$ 141,892</u>	<u>\$ 29,847</u>	<u>\$ 36,299</u>	<u>\$ 135,440</u>	<u>\$ 16,416</u>
Business-type activities					
Bonds payable					
General obligation bonds	\$ 14,187	\$ 7,340	\$ 8,152	\$ 13,375	\$ 1,029
Revenue bonds	71,785	-	10,645	61,140	11,150
Less deferred amounts					
For issuance premiums (discounts)	4,064	133	953	3,244	568
On refunding	<u>(3,761)</u>	<u>178</u>	<u>(530)</u>	<u>(3,053)</u>	<u>(513)</u>
Total bonds payable	86,275	7,651	19,220	74,706	12,234
Government loans	356	-	-	356	-
Environmental remediation	399,000	21,000	21,000	399,000	21,000
Compensated absences	<u>1,775</u>	<u>1,497</u>	<u>1,420</u>	<u>1,852</u>	<u>1,482</u>
Business-type activity long term liabilities	<u>\$ 487,406</u>	<u>\$ 30,148</u>	<u>\$ 41,640</u>	<u>\$ 475,914</u>	<u>\$ 34,716</u>

The beginning balances of the governmental activities Impact Fee Credits were restated as described in Note V.I. Prior Period Adjustments. The beginning balance was reported at December 31, 2011 as \$9,566 (in thousands) and has been restated to \$9,951 (in thousands) at January 1, 2012.

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 \$368,809 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,

4. COMPONENT UNIT DEBT:

In 2003, the Downtown Redevelopment Authority (DRA), a component unit of the City, issued bonds in which it pledged income derived from the acquired or constructed assets to pay debt service. Revenue bonds are created by ordinance, 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. Revenue bonds outstanding at year-end are as follows:

The 2003A Revenue Bonds were issued in the amount of \$65,855,000 in December 2003. Annual principal installments range from \$550,000 to \$9,510,000. Interest rates on this issue range from 4.0% to 6.0%. The amount of outstanding principal at December 31, 2012 is \$63,855,000.

The 2003B Subordinate Revenue Bonds are capital appreciation revenue bonds received in two installments. The authorized amount of these revenue bonds is \$2,420,000. The first installment was issued in the amount of \$155,000 in December 2003, of which \$99,784 was received and accreted to the face value of \$155,000 over the last five years. The second installment \$2,265,000 was issued on June 1, 2005. DRA received \$1,652,204 and the \$612,796 difference was accreted to the face value over the last three and one-half years. The interest rate on this issue is 9.00% beginning January 1, 2009. There are mandatory sinking fund payments. However, failure to redeem or to pay at maturity for any reason while any senior bonds are outstanding shall not constitute default. There have been no sinking fund payments made. On December 31, 2012, \$2,420,000 is outstanding.

Under an interlocal agreement with the Clark County Public Facilities District (PFD), DRA is liable to the Clark County PFD for state sales credit monies received by the DRA. Payments under this agreement are received by Clark County PFD monthly and forwarded to the DRA. This creates a liability for the DRA to repay these funds via three methods. The first is a predetermined tax cap in the 2003A Bond indenture which changes each year through 2034, for Clark County PFD, Vancouver PFD, and City of Vancouver lodging taxes, so that the funds in excess of the tax cap are returned to the Clark County PFD. The second method occurs after funds flow through the 2003A bond indenture distribution requirements. The monies available in the end are return to Clark County PFD. A third method is, if the City of Vancouver makes payments to the Clark County PFD, these amounts decrease the DRA liability to Clark County PFD after each payment.

DRA 2003A and 2003B Revenue bond debt service requirements to maturity are as follows:

	Revenue Bonds		
	Principal	Interest	Total Requirements
2013 \$	750,000	\$ 4,570,250	\$ 5,320,250
2014	1,220,000	3,664,731	4,884,731
2015	1,095,000	3,587,100	4,682,100
2016	1,130,000	3,525,013	4,655,013
2017	1,315,000	3,456,338	4,771,338
2018-2022	9,495,000	15,942,650	25,437,650
2023-2027	14,550,000	12,750,444	27,300,444
2028-2032	21,630,000	7,632,113	29,262,113
2033-2034	15,090,000	1,001,719	16,091,719
	<u>\$ 66,275,000</u>	<u>\$ 56,130,356</u>	<u>\$ 122,405,356</u>

Principal payment dates are on January 1 in the calendar year immediately following.

\$4,070,000 from the original bond proceeds still remains available in the senior debt service account to service revenue debt. This balance is presented as cash with fiscal agents in the balance sheet.

**CITY OF VANCOUVER
NOTES TO THE BASIC FINANCIAL STATEMENTS**

Component Units Changes in Long Term Liabilities

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

	Restated Beginning Balance 1/1/12	Additions	Reductions	Ending Balance 12/31/12	Due Within One Year
Bonds payable:					
Revenue bonds	\$ 66,920	\$ -	\$ 645	\$ 66,275	\$ 750
Less deferred amounts					
For issuance premiums (discounts)	340	0	15	325	15
Due to other governments	4,541	981	202	5,320	-
Total bonds payable	71,801	981	862	71,920	765
Subordinate bond interest	678	193	-	871	-
Subordinate management fee	617	305	-	922	-
Component units long term liabilities	<u>\$ 73,096</u>	<u>\$ 1,479</u>	<u>\$ 862</u>	<u>\$ 73,713</u>	<u>\$ 765</u>

G. FUND BALANCE 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:

Non-spendable – Amounts that cannot be spent either due to the physical form or as a result of a legal or contractual obligation (such as the corpus of an endowment fund).

Restricted – Amounts constrained due to specific purposes by either a third party (such as grantors, bondholders, and creditors) or by law through constitutional provision or enabling legislation.

Committed- Amounts constrained to specific purposes by formal action (adoption of an ordinance) by the government's highest level of decision-making authority (City Council). Committed amounts do not lapse nor can they be used for any other purpose unless the government takes the same level of action (adoption of another ordinance) to remove it.

Assigned- Amounts constrained by the City's expressed intent to use the resources for specific purposes. With the exception of the General Fund, this is the residual fund balance of all governmental funds with positive fund balance.

Unassigned – Amounts that are residual classification for the General Fund only.

Fund balances by classification for the year ended December 31, 2012 are as follows:

Fund Balance Classifications:	General Fund	Consolidated Fire Fund	GO Debt Service	Transportation Capital	Non-major Governmental Funds	Total Governmental Funds
Nonspendable						
Long Term Notes Receivable	\$ 685,000	\$ -	\$ -	\$ 261,250	\$ 4,577,210	\$ 5,523,460
Capital assets held for resale	228,400	-	-	-	5,529,135	5,757,535
	<u>913,400</u>	<u>-</u>	<u>-</u>	<u>261,250</u>	<u>10,106,345</u>	<u>11,280,995</u>
Restricted						
Grants received in advance	304,952	-	-	-	-	304,952
Capital purposes	-	-	-	3,308,496	41,943,900	45,252,396
Economic development	-	-	-	-	441,010	441,010
Security	759,755	12,571,553	-	-	1,239,727	14,571,035
Debt Service	-	-	958	-	5,327	6,285
Culture and recreation	-	-	-	-	29,804	29,804
	<u>1,064,707</u>	<u>12,571,553</u>	<u>958</u>	<u>3,308,496</u>	<u>43,659,768</u>	<u>60,605,482</u>
Committed						
Capital purposes	879,497	-	-	2,175,903	1,366,845	4,422,245
Emergency reserves	9,894,592	-	-	-	-	9,894,592
Revenue Stabilization	3,196,438	-	-	-	-	3,196,438
Working capital	26,305,992	-	-	-	-	26,305,992
Economic development	-	-	-	-	757,087	757,087
Cemetery	-	-	-	-	427,194	427,194
Transportation Operations	-	-	-	-	5,535,156	5,535,156
	<u>40,276,519</u>	<u>-</u>	<u>-</u>	<u>2,175,903</u>	<u>8,086,282</u>	<u>50,538,704</u>
Assigned						
Capital purposes	-	-	-	-	2,270,033	2,270,033
Economic development	-	-	-	-	100,000	100,000
Compensated absences	3,893,165	-	-	-	-	3,893,165
	<u>3,893,165</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,370,033</u>	<u>6,263,198</u>
Unassigned	4,788,967	-	-	-	-	4,788,967
Total	<u>\$ 50,936,758</u>	<u>\$ 12,571,553</u>	<u>\$ 958</u>	<u>\$ 5,745,649</u>	<u>\$ 64,222,428</u>	<u>\$ 133,477,346</u>

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.

An Emergency Reserve will be maintained in the General Fund equal to 7% of actual external revenues in the preceding fiscal year in the General Fund, Street and Consolidated Fire Funds. The Emergency Reserve is for unexpected, 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.). In the event these "Emergency Reserve" funds are utilized, the City shall restore the reserve to the full 7% level within a reasonable amount of time as necessitated by the scale of emergency. A clear plan will be developed to refill the reserve and the first significant deposit will occur the following fiscal year after the event.

The City maintains a "Revenue Stabilization" reserve with a goal of reaching 2.5% of the current year's budget in the General fund. This reserve may be used to provide funding to temporarily offset unanticipated fluctuations in on-going revenues or unanticipated events, such as unexpected external mandates, reductions in state shared revenues, etc. The reserve funds will provide time for the City to restructure its operations in a deliberate manner to ensure continuance of critical city activities. If the reserve is spent down, it shall be restored within the following two years. This reserve could be utilized if there is an identified 3-6 month trend of reduced revenues.

NOTE V. OTHER DISCLOSURES

A. RELATED PARTY TRANSACTIONS

In December 2003, 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 2012, the City contributed \$469,959 to the project in lodging tax revenues.

B. CONTINGENCIES AND COMMITMENTS

Litigation

The City is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. It is the opinion of City management and the City Attorney that any losses which may ultimately be incurred as a result of the suits and claims will not be material.

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, 2012. 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 \$46,424,980.

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. This is further discussed in Notes 1 and IV.F.

Under this agreement the City has pledged Guaranteed Revenues and Guaranteed Reserve amounts. The tax related revenue refers to the aggregate amount of City Sales and Use taxes, County Sales and Use taxes, and City Lodging Taxes for each calendar year to a minimum amount, as follows:

Schedule of Guaranteed Revenue

<u>Year</u>	<u>Guaranteed Amt</u>	<u>Year</u>	<u>Guaranteed Amt</u>
2013	\$ 2,000,000	2024	\$ 2,200,000
2014	2,000,000	2025	2,200,000
2015	2,100,000	2026	2,200,000
2016	2,100,000	2027	1,700,000
2017	2,200,000	2028	1,200,000
2018	2,200,000	2029	1,000,000
2019	2,200,000	2030	1,000,000
2020	2,200,000	2031	1,000,000
2021	2,200,000	2032	1,000,000
2022	2,200,000	2033	1,000,000
2023	2,200,000		

The tax revenues have exceeded the guaranteed revenue amounts every year.

The Guaranteed Reserve is an amount the City agrees to pay if the DRA has not accumulated enough funds to pay debt service up to the limits noted below. In 2012, the City made guarantee payments of \$469,959.

Schedule of Guaranteed Reserves

Year	Guaranteed Amount	Year	Guaranteed Amount
2013	650,000	2024	\$ 440,000
2014	650,000	2025	440,000
2015	550,000	2026	800,000
2016	550,000	2027	1,400,000
2017	550,000	2028	1,400,000
2018	550,000	2029	1,400,000
2019	550,000	2030	1,400,000
2020	440,000	2031	1,400,000
2021	440,000	2032	1,400,000
2022	440,000	2033	1,400,000
2023	440,000		

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 2012-2016, the maximum amount is \$200,000, and from 2017 through termination, the maximum is \$150,000.

However, since the County reduced the rental rates for the Exhibition Hall to such an extent in July of 2008, this commitment no longer applies, per terms of the interlocal agreement.

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 Supersubordinate 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 will be paid subject to the availability of amounts in the Subordinate Management Fee Fund. Also, during the sixth full year of operation, a supersubordinate management fee for its services. These fees will be paid subject to the availability of amounts in the Supersubordinate Management Fee Fund. Since there was no available balance in either funds during 2009, 2010, 2011 or 2012, the amount of \$921,611 has been accrued, and is also shown in the Component Units summary of long term debt changes in Note IV.F.4.

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, 2012, the City has no arbitrage rebate liability.

C. JOINT VENTURES

The City is involved in a joint operation with other governmental entities in the establishment and operation of the Clark Regional Emergency Services Agency. Control of the entity is shared equitably by the controlling organizations. For reporting purposes, this entity is shown as a governmental activities joint venture. The City's share of ownership is reported as "Investment in joint venture" in the government-wide statement of net position. Control in this entity, by participating governmental entities, is by board representation.

Clark Regional Emergency Services Agency

Clark Regional Emergency Services Agency (the Agency) 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. The City has a 40% interest in the equity and operations of the Agency. Given the timing of available information, the City is reporting its investment in the joint venture at the 2011 values. In 2011, the Agency had an increase in net position totaling \$1,611,186. The City's share of 2011 operations was a gain of \$644,474 over 2010 balances for a total equity interest of \$2,009,259 at the end of 2011. Current liabilities are comprised of amounts owed to vendors, other governments, and accrued employee leave liabilities. The entity's long-term debt consists mainly of deferred compensation and accrued liabilities. The entity's long-term debt is unsecured. Clark County maintains the accounting records for Clark Regional Emergency Services Agency. Detailed financial statements for this entity can be obtained from Clark Regional Emergency Services Agency at 710 W 13th St, Vancouver, WA 98660-2810.

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, workers' compensation, unemployment, and property. Commercial insurance is purchased to handle risk of loss. In the past three years, no settlement has exceeded the City's insurance limits.

General liability and Property

The self-insurance cost for liability claims and claims administration through December 31, 2012, is \$794,633 with 89 new claims filed for 2012. The fund pays the majority of claims involving general liability, but has other liability coverage through specific policies. Currently, specific policies include airport liability at an annual cost of \$4,535. 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 excess at an annual cost of \$377,099. The excess policy provides \$1,000,000 for self-insured retention. The City also purchases liability on specific vehicles up to \$1,000,000 at an annual cost of \$9,295 and inland marine coverage for the equipment fleet at an annual cost of \$41,396. The deductible for fleet physical damage is 5% subject to \$10,000 minimum.

Property claim costs in 2012 were \$385,236, with 29 new first party property and vehicle claims reported in 2012. 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 at an annual cost of \$377,099 for all City buildings and contents. Policy coverage for property damage is up to \$400 million with adjustable deductibles based on specific event types. This represents replacement cost for City buildings and contents.

Worker's compensation

The cost for Workers' Compensation claims and claims administration was \$1,134,637 in 2012, with 76 new claims processed. Reportable claims costs for 2012 are \$173,747 with 48 open claims. The City is self-insured through the fund for workers' compensation; however, an excess coverage policy is carried at an annual premium cost of \$69,014. The policy has a \$750,000 deductible.

Contributions and reserves

City fund contributions to the Self-Insurance Fund are determined using information from the contributing funds past claims experience and loss exposures. The claims liability reported in the fund totaled \$2,983,490 at December 31, 2012.

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 dated April 3, 2013. These are actuarial estimated amounts

reflecting expected losses; actual losses may vary slightly. Changes in the fund's claims liability amount in 2012, 2011, and 2010 are as follows:

Year	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2012	\$ 5,069,318	\$ 228,678	\$ 2,314,506	\$ 2,983,490
2011	4,777,835	2,773,416	2,481,933	5,069,318
2010	4,518,225	2,061,679	1,802,069	4,777,835

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 \$.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 \$5.90/\$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 2012, the City's regular tax levy was \$2.989 per \$1,000 on a total taxable 2012 assessed valuation of \$13,704,224,212 for a total regular levy of \$40,957,344.

Outstanding property taxes at December 31, 2012 amount to \$1,241,427. The City does not establish an allowance for doubtful accounts since state law has authorized sales of taxed property to satisfy delinquent property taxes.

All property taxes are received into the General, Fire and Street funds. 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.

F. EMPLOYEE RETIREMENT SYSTEMS AND 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 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 98504-8380. The following disclosures are made pursuant to GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*.

1. PUBLIC EMPLOYEES' RETIREMENT SYSTEM (PERS) Plans 1, 2, and 3

Plan Description:

PERS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a combination defined benefit/defined contribution plan. Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior Courts (other than judges in a judicial retirement system); employees of legislative committees; community and technical colleges, college and university employees not in national higher education retirement programs; judges of district and municipal court; and employees of local governments. PERS participants who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 and by either, February 28, 2002 for state and higher education employees, or August 31, 2002 for local government employees are Plan 2 members unless they exercise an option to transfer their membership to Plan 3. PERS participants joining the system on or after March 1, 2002 for state and higher education employees, or September 1, 2002 for local government employees have the option of choosing membership in either PERS Plan 2 or PERS Plan 3. The option must be exercised within 90 days of employment. An employee is reported in Plan 2 until a choice is made. Employees who fail to choose within 90 days default to PERS Plan 3. PERS defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. PERS retirement benefit provisions are established in state statute and may be amended only by the State Legislature.

Plan 1 retirement benefits are vested after an employee completes five years of eligible service. Plan 1 members are eligible for retirement at any age after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. The annual pension is 2 percent of the average final compensation per year of service, capped at 60 percent. The average final compensation is based on the greatest compensation during any 24 eligible consecutive compensation months. If qualified, after reaching the age of 66 a cost-of-living allowance is granted based on years of service credit and is capped at 3 percent annually.

Plan 2 retirement benefits are vested after an employee completes five years of eligible service. Plan 2 members may retire at the age of 65 with five years of service, or at 55 with 20 years of service, with an allowance of 2 percent of the average final compensation per year of service. The average final compensation is based on the greatest compensation during any eligible consecutive 60-month period. Plan 2 retirements prior to the age of 65 receive reduced benefits. If retirement is at age 55 or older with at least 30 years of service, a 3 percent per year reduction applies; otherwise an actuarial reduction will apply. There is no cap on years of service credit; and a cost-of-living allowance is granted (indexed to the Seattle Consumer Price Index) and capped at 3 percent annually.

Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance a defined contribution component. The defined benefit portion provides a benefit calculated at 1 percent of the average final compensation per year of service. The average final compensation is based on the greatest compensation during any eligible consecutive 60-month period. Plan 3 members become eligible for retirement if they have: at least ten years of service; or five years including twelve months that were earned after age 44; or five service credit years earned in PERS Plan 2 prior to June 1, 2003. Plan 3 retirements prior to the age of 65 receive reduced benefits. If retirement is at age 55 or older with at least 30 years of service, a 3 percent per year reduction applies; otherwise an actuarial reduction will apply. There is no cap on years of service credit; and Plan 3 provides the same cost-of-living allowance as Plan 2. The defined contribution portion can be distributed in accordance with an option selected by the member, either as a lump sum or pursuant to other options authorized by the Employee Retirement Benefits Board.

There are 1,184 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2011:

Retirees and Beneficiaries Receiving Benefits	79,363
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	29,925
Active Plan Members Vested	105,578
Active Plan Members Non-vested	<u>46,839</u>
Total	<u>261,705</u>

Funding Policy:

Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute at 6 percent for state agencies and local government unit employees, and at 7.5 percent for state government elected officers and do not vary from year to year. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. All employers are required to contribute at the level established by the Legislature. PERS Plan 3 defined contribution is a non-contributing plan for employers. Employees who participate in the defined contribution portion of PERS Plan 3 do not contribute to the defined benefit portion of PERS Plan 3. The Employee Retirement Benefits Board sets Plan 3 employee contribution rates. Six rate options are available ranging from 5 to 15 percent; two of the options are graduated rates dependent on the employee's age. The methods used to determine the contribution requirements are established under state statute in accordance with Chapters 41.40 and 41.45 of the RCW.

The required contribution rates expressed as a percentage of current-year covered payrolls, as of December 31, 2011, were as follows:

	<u>PERS Plan 1</u>	<u>PERS Plan 2</u>	<u>PERS Plan 3</u>
Employer*	7.21%**	7.21%**	7.21%***
Employee	6.00%****	4.64%****	*****

* The employer rates include the employer administrative expense fee currently set at 0.16%.

** The employer rate for state elected officials is 10.74% for Plan 1 and 7.21% for Plan 2 and Plan 3.

*** Plan 3 defined benefit portion only.

**** The employee rate for state elected officials is 7.50% for Plan 1 and 4.64% for Plan 2.

***** Variable from 5.0% minimum to 15.0% maximum based on rate selected by the PERS 3 member.

Both the City and its employees made the required contributions. The City's required contributions for the years ended December 31 were as follows:

	<u>PERS Plan 1</u>	<u>PERS Plan 2</u>	<u>PERS Plan 3</u>
2012	\$ 31,363	\$2,155,620	\$337,306
2011	26,343	1,876,386	322,831
2010	30,084	1,707,495	282,769

2. LAW ENFORCEMENT OFFICERS' & FIRE FIGHTERS' RETIREMENT SYSTEM (LEOFF) Plans 1 and 2

Plan Description:

LEOFF is a cost-sharing multiple-employer retirement system comprised of two separate defined benefit plans. Membership in the system includes all full-time, fully compensated, local law enforcement officers, and firefighters. LEOFF is comprised primarily of non-state employees. LEOFF participants who joined the system by September 30, 1977, are Plan 1 members. Those who joined on or after October 1, 1977 are Plan 2 members. Effective January 1, 2003, fire fighter emergency medical technicians (EMTs) may transfer Public Employees' Retirement System (PERS) Plan 1 or Plan 2 service credit to LEOFF Plan 2 if while employed for a city, town, county or district, the EMT's job was relocated to a fire department from another city, town, county or district. LEOFF defined benefit retirement benefits are financed from a combination of investment earnings, employer and employee contributions, and a special funding situation in which the state pays through state legislative appropriations. LEOFF retirement benefit provisions are established in state statute and may be amended only by the State Legislature.

Plan 1 retirement benefits are vested after an employee completes five years of eligible service. Plan 1 members are eligible to retire with five years of service at the age of 50. The benefit per year of service is calculated as a percent of final average salary is as follows:

<u>Term of Service</u>	<u>Percent of Final Average Salary</u>
20 or more years	2.0%
10 but less than 20 years	1.5%
5 but less than 10 years	1.0%

The final average salary 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 10 years of service. If membership was established in LEOFF after February 18, 1974, the service retirement benefit is capped at 60 percent of final average salary. A cost-of-living allowance is granted (indexed to the Seattle Consumer Price Index).

Plan 2 retirement benefits are vested after an employee completes five years of eligible service. Plan 2 members may retire at the age of 50 with 20 years of service, or at the age of 53 with five years of service, with an allowance of 2 percent of the final average salary per year of service. The final average salary is based on the highest consecutive 60 months. Plan 2 retirements prior to the age of 53 are reduced 3 percent for each year that the benefit commences prior to age 53. There is no cap on years of service credit; and a cost-of-living allowance is granted (indexed to the Seattle Consumer Price Index), capped at 3 percent annually.

There are 373 participating employers in LEOFF. Membership in LEOFF consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2011:

Retirees and Beneficiaries Receiving Benefits	9,947
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	656
Active Plan Members Vested	13,942
Active Plan Members Nonvested	<u>3,113</u>
Total	<u>27,658</u>

Funding Policy:

Starting on July 1, 2000, Plan 1 employers and employees will contribute zero percent as long as the plan remains fully funded. Employer and employee contribution rates are developed by the Office of the State Actuary to fully fund the plan. Plan 2 employers and employees are required to pay at the level adopted by the Department of Retirement Systems in accordance with 41.45 RCW. All employers are required to contribute at the level required by state law. The Legislature, by means of a special funding arrangement, appropriated money from the state General Fund to supplement the current service liability and fund the prior service costs of Plans 1 and 2 in accordance with the requirements of the Pension Funding Council. However, this special funding situation is not mandated by the state constitution and this funding requirement could be returned to the employers by a change of statute. 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.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2012, were as follows:

	<u>LEOFF Plan 1</u>	<u>LEOFF Plan 2</u>
Employer*	0.16%	5.24%**
Employee	0.00%	8.46%
State	N/A	3.38%

*The employer rates include the employer administrative expense fee currently set at 0.16%.

** The employer rate for ports and universities is 8.62%.

Both City and its employees made the required contributions. The City's required contributions for the years ended December 31 were:

	<u>LEOFF Plan 1</u>	<u>LEOFF Plan 2</u>
2012	\$0	\$1,759,338.56
2011	22	1,695,890
2010	549	1,661,149

3. POLICE OFFICERS AND FIREFIGHTERS' PENSION FUNDS

The City administers two single employer defined benefit pension plans, Police Pension Fund and Fire Pension Fund. 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.

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.

There were no changes in benefit provisions in the current year.

Summary of Significant Accounting Policies

The Police and Fire plans are shown as trust funds in the financial statements of the City. The financial statements are prepared using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The City follows GASB Statement No. 50, "Pension Disclosures," which amends GASB statements No. 25, "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures" and GASB Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers." As such, we will be reporting funding progress of the pensions, as required.

As of December 31, 2012, the Firefighters Pension fund had an investment portfolio with fair value of \$1,526,619, which was invested in U.S. Governmental Agencies, a Corporate Bond, 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 \$5.4 million. Investments in the City's internal investment pool are invested in the Washington State Treasurer Local Government Investment Pool (LGIP), a Rule 2a-7 money market type fund with an average portfolio maturity of less than 91 days, the Clark County Local Government Investment Pool, US Agencies and in Municipal Bonds. All investments are valued at fair value. The Police Pension fund reported no investments at December 31, 2012, but did have \$1,191,560 invested in the City's internal investment pool. Investments are reported at fair value.

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

Contributions and Reserves

Each Plan receives funding as detailed in section A of this note. Funding for the Police Pension Fund comes from annual transfers from the General Fund that are budgeted and approved by 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 \$.45 per \$1,000 of assessed valuation. Milliman Consultants and Actuaries completed actuarial studies of the two funds as of December 31, 2012. The General Fund is responsible for the costs of administering the plans. Obligations for medical expenses are funded for the most part by group insurance. There have been no required employee contributions to the plans since March 1, 1970. As of December 31, 2012, the Police Pension Funds and the Firefighters Pension Fund reported net position reserved for payment of future claims of \$1,222,364 and \$6,980,331, respectively.

Police and Fire Pension Funds Annual Pension Cost and Net Pension Obligation

	Police Pension	Fire Pension
Amortized of Unfunded Actuarial Liability (UAAL)	\$ 162,780	\$ 99,269
Interest to December 31, 2012	6,511	3,971
Actuarial Required Contribution (ARC) 12/31/12	169,291	103,240
Interest on Net Pension Obligation (NPO)	(53,986)	(142,604)
Adjustment to Net Pension Obligation	(98,807)	(261,002)
Annual Pension Cost (APC)	214,112	221,638
Employer Contributions	474,003	766,006
Increase (Decrease) in NPO	(259,891)	(544,368)
Net Pension Obligation (Asset) January 1, 2012	(1,349,638)	(3,565,100)
Net Pension Obligation (Asset) December 31, 2012	\$ (1,609,529)	\$ (4,109,468)

The negative net pension obligation is a result of the City over paying its required annual pension cost; the resulting net pension asset has been recorded in the Governmental Activities, Statement of Net Position.

Three Year Trend Information

Police Pension Fund:

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Contribution as a Percentage of APC</u>	<u>Net Pension Obligation (Asset)</u>
December 31, 2012	\$ 214,112	221%	\$ (1,609,529)
December 31, 2011	203,747	212%	(1,349,638)
December 31, 2010	319,050	151%	(1,120,449)

Firefighters Pension Fund:

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Contribution as a Percentage of APC</u>	<u>Net Pension Obligation (Asset)</u>
December 31, 2012	\$ 221,638	346%	\$ (4,109,468)
December 31, 2011	192,816	438%	(3,565,100)
December 31, 2010	336,546	213%	(2,912,862)

Schedule of Funding Progress

GASB 50 requires that the current funded status of the plan is shown, so that users of the financial statements can determine if the funding status is improving or worsening over time. These amounts are shown in thousands below:

Police Pension Fund:

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liabilities (AAL)</u>	<u>Unfunded Actuarial Liabilities (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
January 1, 2013	\$ 1,220	\$ 2,398	\$ 1,178	51%	\$ -	N/A
January 1, 2011	774	3,074	2,300	25%	-	N/A
January 1, 2009	569	4,784	4,215	12%	149	2829%

Fire Pension Fund:

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liabilities (AAL)</u>	<u>Unfunded Actuarial Liabilities (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
January 1, 2013	\$ 6,978	\$ 6,556	\$ (422)	106%	\$ -	N/A
January 1, 2011	6,491	7,895	1,404	82%	-	N/A
January 1, 2009	6,225	10,043	3,818	62%	-	N/A

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due. Six-year trend information is presented as required supplementary information following the Notes to the Financial Statements.

Actuarial assumptions are shown below:

	<u>Police Pension</u>	<u>Fire Pension</u>
Valuation Date	1/1/2013	1/1/2013
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
	30 Year closed period	30 Year closed period as
Amortization Method	as of 1/1/2001	of 1/1/2001
Remaining Amortization Period	18 Years	18 Years
Asset Valuation Method	Fair Value	Fair Value
 Actuarial Assumptions		
Investment Rate of Return	3.75%	3.75%
Projected Salary Increases	3.50%	3.50%
Inflation Rate	2.50%	2.50%
Cost of Living Adjustments	Varies*	Varies*

*Under the Police and Fire Pension fund requirements 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 and RCW 41.26.

Separate financial statements are not issued for the police and fire pension plan. The statement of net position and the statement of changes in fiduciary net position for the police and fire pension plans can be found in the Fiduciary Fund Section of these financial statements.

G. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description:

In addition to the pension benefits described in Note V.F.3, 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.

Membership:

Membership in this program includes Plan 1 participants of LEOFF who joined the system by September 30, 1977. Currently, 125 retirees meet those eligibility requirements. This is considered a closed group with no new members. There were no active employees who had not retired as of December 31, 2012.

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.

Employer contributions are financed on a pay-as-you-go basis. Expenditures for postretirement health in 2012 were \$1,683,020.

Annual OPEB costs and Net OPEB Obligation:

The city's annual other post employment benefit (OPEB) cost for each plan is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The city's annual OPEB cost for the current year and the related information for each plan are as follows:

	<u>Police</u>	<u>Fire</u>
Annual required contribution	\$ 1,080,668	\$ 1,660,869
Interest on net OPEB obligation	56,789	96,879
Adjustment to annual required contribution	<u>(87,384)</u>	<u>(149,073)</u>
Annual OPEB cost	1,050,073	1,608,675
Contributions made	<u>(569,248)</u>	<u>(1,113,771)</u>
Increase in net OPEB obligation	480,825	494,904
Net OPEB obligation - beginning of year	<u>1,419,719</u>	<u>2,421,977</u>
Net OPEB obligation - end of year	<u><u>\$ 1,900,544</u></u>	<u><u>\$ 2,916,881</u></u>

The city's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 and the two preceding years for each were as follows:

	<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB obligation</u>
Police	December 31, 2012	\$ 1,050,073	54%	\$ 1,900,544
	December 31, 2011	1,061,545	56%	1,419,719
	December 31, 2010	886,133	63%	948,486
Fire	December 31, 2012	\$ 1,608,675	69%	\$ 2,916,881
	December 31, 2011	1,624,007	63%	2,421,977
	December 31, 2010	1,340,109	73%	1,828,416

Funding Status and Funding Progress:

The actuarial updates on the funding status is as follows:

Police:

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liabilities (AAL)</u>	<u>Unfunded Actuarial Liabilities (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a percentage of Covered Payroll</u>
January 1, 2013	\$ -	\$ 17,048	\$ 17,048	0%	N/A	N/A
January 1, 2011	-	17,272	17,272	0%	N/A	N/A
January 1, 2009	-	14,518	14,518	0%	N/A	N/A

Fire:

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liabilities (AAL)</u>	<u>Unfunded Actuarial Liabilities (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a percentage of Covered Payroll</u>
January 1, 2013	\$ -	\$ 27,794	\$ 27,794	0%	N/A	N/A
January 1, 2011	-	26,545	26,545	0%	N/A	N/A
January 1, 2009	-	21,587	21,587	0%	N/A	N/A

Actuarial Methods and Assumptions:

The actuarial assumptions used in the January 1, 2013 OPEB actuarial valuations include techniques that are designed to estimate the future experience of the members, reduce short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long term perspective of the calculations. In the January 1, 2013 actuarial valuation, the entry age normal cost method was used. The assumptions included a 3.75% investment rate of return, a medical inflation rate that ranges between 5.4-7.5% over the next 16 years, and a long-term care inflation rate of 4.75% for both plans. The plans unfunded actuarial accrued liability is being amortized over 30 years as a level percentage of projected payrolls on a closed basis. The remaining amortization period at December 31, 2012 is twenty-four years.

Actuarial valuations of an ongoing plan involve estimates of the value of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, service retirement, disability, mortality and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision, as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements presents the results of OPEB valuations as of December 31, 2012 and looking forward, the schedule of funding progress will eventually provide multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. 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 schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

H. POLLUTION REMEDIATION OBLIGATION

Dry cleaning solvent had been dumped down a catch basin on a regular basis which subsequently caused perchloroethylene (PCE) to leak into the aquifer at Water Station No.4. The City is using aeration towers to treat this ground water. The towers remove trace volatile organic compounds, and carbon dioxide which occurs naturally. The environmental liability is expected to cost \$420,000 over the next 20 years, with a current portion of \$21,000. This estimate is based on prior year actual costs, and is subject to changes in price, technology or changes in applicable laws and regulations.

I. PRIOR PERIOD ADJUSTMENTS

The City has recorded prior period adjustments (PPA), which includes:

Government-wide : Governmental Activities (not affecting the Fund Statements)

Capital asset corrections	\$ 190,925
Recording of revenue in correct period	626,636
Impact fee liability correction	(384,822)
	<u>\$ 432,739</u>

Government-wide : Governmental Funds

	General Fund	Consolidated Fire Fund	Transportation Capital	Non-Major Governmental Funds	Internal Service Funds	Total
Refunding of transfer in excess of project needs	\$979,546	\$ -	\$ (1,498,998)	\$ 286,593	\$ -	\$ (232,859)
Recording of revenue and expense transactions in correct fund	162,842	-	-	(28,262)	(920)	133,660
Refunding of indirect cost allocation expense from prior years	(31,808)	-	-	-	-	(31,808)
Recording of revenue and expenses in correct period	-	238,971	-	30,300	-	269,271
	<u>\$1,110,580</u>	<u>\$238,971</u>	<u>\$ (1,498,998)</u>	<u>\$ 288,631</u>	<u>\$ (920)</u>	<u>\$ 138,264</u>

Combined Government Wide Prior Period Adjustments

\$ 571,003

Government-wide : Business Type Activities

	Water Sewer Fund	Non-Major Enterprise Funds	Total
Recording of revenue and expenses in correct period	\$ (829,456)	\$ (14,995)	\$ (844,451)
Correction to estimate of pollution remediation	(63,000)	-	(63,000)
Recording of revenue and expense transactions in correct fund	-	(181,311)	(181,311)
Capital asset corrections	100,421	225,439	325,860
	<u>\$ (792,035)</u>	<u>\$ 29,133</u>	<u>\$ (762,902)</u>

Component Units

	Downtown Redevelopment Authority	Vancouver Public Facilities District	Total
Interest Expense Correction	\$ (42,750)	\$ -	\$ (42,750)
Recording of revenue and expenses in correct period	-	(427,834)	(427,834)
	<u>\$ (42,750)</u>	<u>\$ (427,834)</u>	<u>\$ (470,584)</u>

J. SUBSEQUENT EVENTS

The Downtown Redevelopment Authority Board has approved actions to actively restructure, if market conditions allow, the Bonds and the various accrued deferrals with respect to the Conference Center. Those efforts are continuing. There are a number of parties whose cooperation and/or participation would be required with respect to such a restructuring, and cooperation and participation is being secured.

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. In April 2013, the Authority received a distribution in the amount of \$251,493 as a result of the bankruptcy claim. This amount included distributions made for the quarter and included a catch-up for prior quarters. If the Lehman bankruptcy estate receives additional funds, more distributions are possible.

The Vancouver Public Facilities District, a component unit, had excess expenditures over biennial appropriations for the year ending December 31, 2012. A supplemental budget to remedy this will be recorded in early.

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CITY OF VANCOUVER

Required Supplementary Information

Police and Fire Pension Funds

December 31, 2012

GASB Statement No. 25 and 27

Schedule of Funding Progress

(in thousands)

Six year trend Information

Retirement System	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Police Relief and Pension Fund	1/1/2013	\$ 1,220	\$ 2,398	\$ 1,178	51%	\$ -	N/A
	1/1/2011	774	3,074	2,300	25%	-	N/A
	1/1/2009	569	4,784	4,215	12%	-	N/A
	1/1/2007	498	3,973	3,475	13%	-	N/A
	1/1/2005	344	3,781	3,437	9%	-	N/A
	1/1/2003	468	3,760	3,292	12%	-	N/A
Fireman's Pension Fund	1/1/2013	\$ 6,978	\$ 6,556	\$ (422)	106%	\$ -	N/A
	1/1/2011	6,491	7,895	1,404	82%	-	N/A
	1/1/2009	6,225	10,043	3,818	62%	-	N/A
	1/1/2007	5,458	9,505	4,047	57%	-	N/A
	1/1/2005	5,620	9,224	3,604	61%	-	N/A
	1/1/2003	5,993	9,233	3,240	65%	-	N/A

* Information unavailable

GASB Statement No. 25

Schedule of Employer Contributions #

Six year trend Information

Retirement System	Fiscal Year Ending	Actual **Employer Contribution	Police Auction Income / Fire Insurance Premiums	Annual Required Contribution (ARC)	Percentage of ARC Contributed
Police Relief and Pension Fund	12/31/2012	\$ 471,529	\$ 2,474	\$ 169,291	280%
	12/31/2011	431,680	1,256	169,291	256%
	12/31/2010	480,192	889	291,698	165%
	12/31/2009	377,246	2,124	291,698	130%
	12/31/2008	437,206	1,167	251,853	174%
	12/31/2007	416,758	1,992	251,853	166%
Fireman's Pension Fund	12/31/2012	\$ 609,258	\$ 156,748	\$ 103,240	742%
	12/31/2011	684,858	160,196	103,240	819%
	12/31/2010	555,028	160,133	264,222	271%
	12/31/2009	684,887	143,225	264,222	313%
	12/31/2008	860,815	151,037	293,278	345%
	12/31/2007	739,430	141,234	293,278	300%

** Employer contributions for pensions are total contributions to the Fund net of disbursements from the Fund for medical expenses under RCW 41.26.150 and administrative expenses.

Prior information used to determine funding requirements for Police Relief and Pension and Firefighters' Pension Funds do not meet the parameters for actuarial calculations for defined benefit pension plans and so historical data prior to 1997 is not shown. The City's plan is valued every two years..

CITY OF VANCOUVER

Required Supplementary Information
 Police and Fire OPEB Pension Funds
 December 31, 2012

Schedule of Funding Progress

(in thousands)

Six year trend *

Retirement System	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities	Unfunded Actuarial Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
Police Relief and Pension Fund	1/1/2013	\$ -	\$ 17,048	\$ 17,048	0%	N/A	N/A
	1/1/2011	-	17,272	17,272	0%	N/A	N/A
	1/1/2009	-	14,518	14,518	0%	N/A	N/A
	1/1/2007	-	9,734	9,734	0%	N/A	N/A
Fireman's Pension Fund	1/1/2013	\$ -	\$ 27,794	\$ 27,794	0%	N/A	N/A
	1/1/2011	-	26,545	26,545	0%	N/A	N/A
	1/1/2009	-	21,587	21,587	0%	N/A	N/A
	1/1/2007	-	16,244	16,244	0%	N/A	N/A

* This is the fourth year of OPEB implementation. The actuarial updates on this information is done on a biennial basis.

City of Vancouver
Notes to Required Supplementary Information
Police and Fire Pension Funds

	<u>Police Pension</u>	<u>Fire Pension</u>
Valuation Date	1/1/2013	1/1/2013
Actuarial Cost Method	Entry age normal	Entry age normal
Amortization Method	30-year, closed as of 01/01/01	30-year, closed as of 01/01/01
Remaining Amortization Period	18 years	18 years
Asset Valuation method	Fair Value	Fair Value
Actuarial Assumptions:		
Investment rate of return	3.75%	3.75%
Projected Salary Increases	3.50%	3.50%
Includes Inflation at	2.50%	2.50%

*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.

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Combining Nonmajor Governmental Funds

CITY OF VANCOUVER
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2012

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash, cash equivalents and pooled investments	\$ 36,890,659	\$ 3,040	\$ 18,184,774	\$ 55,078,473
Cash with fiscal/escrow agent	203,926	-	-	203,926
Receivables (net)				
Taxes/assessments	767,067	-	-	767,067
Accounts	304,735	39,633	261,380	605,748
Interest	23,128	1	11,479	34,608
Notes	4,577,210	-	-	4,577,210
Due from other funds	596,043	-	164,633	760,676
Due from other governmental units	307,101	-	1,120,248	1,427,349
Capital assets held for resale	-	-	5,529,135	5,529,135
TOTAL ASSETS	\$ 43,669,869	\$ 42,674	\$ 25,271,649	\$ 68,984,192
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts payable	\$ 256,002	\$ -	\$ 570,912	\$ 826,914
Due to other funds	196,619	-	2,079,234	2,275,853
Interfund loan payable	-	-	338,947	338,947
Accrued interest payable	30	-	-	30
Accrued liabilities	147,982	-	755	148,737
Revenues collected in advance	8,715	-	101,083	109,798
Custodial accounts	173,827	37,347	8	211,182
Deferred revenues	7,473	-	842,830	850,303
Total liabilities	<u>790,648</u>	<u>37,347</u>	<u>3,933,769</u>	<u>4,761,764</u>
Fund balance				
Nonspendable	4,577,210	-	5,529,135	10,106,345
Restricted	30,115,729	5,327	13,538,712	43,659,768
Committed	8,086,282	-	-	8,086,282
Assigned	100,000	-	2,270,033	2,370,033
Total fund balance	<u>42,879,221</u>	<u>5,327</u>	<u>21,337,880</u>	<u>64,222,428</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 43,669,869	\$ 42,674	\$ 25,271,649	\$ 68,984,192

CITY OF VANCOUVER

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2012

	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES				
Other taxes	\$ 3,910,067	\$ -	\$ -	3,910,067
License and permits	2,506,408	-	-	2,506,408
Intergovernmental	7,079,666	-	1,050,135	8,129,801
Charges for services	1,972,810	-	-	1,972,810
Fines and forfeits	111,445	-	-	111,445
Investment earnings	187,277	858	86,853	274,988
Rents and royalties	336,694	-	266,610	603,304
Contributions/donations	107,415	-	178,197	285,612
Miscellaneous	86,329	3,163	1,862	91,354
Total revenues	<u>16,298,111</u>	<u>4,021</u>	<u>1,583,657</u>	<u>17,885,789</u>
EXPENDITURES				
Current				
General government	-	-	414,615	414,615
Security/persons & property	128,623	-	-	128,623
Physical environment	8,046	-	-	8,046
Transportation	8,699,636	-	-	8,699,636
Economic environment	3,375,558	-	142,104	3,517,662
Culture and recreation	46,523	-	913,371	959,894
Capital outlay	4,496,931	-	2,015,160	6,512,091
Debt service				
Principal retirement	-	3,000	-	3,000
Interest/fiscal charges	3	832	60	895
Total expenditures	<u>16,755,320</u>	<u>3,832</u>	<u>3,485,310</u>	<u>20,244,462</u>
Excess (deficiency) of revenues over expenditures	(457,209)	189	(1,901,653)	(2,358,673)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	2,951	-	-	2,951
Transfers in	9,967,444	-	1,251,642	11,219,086
Transfers out	(9,719,732)	-	(6,755,366)	(16,475,098)
Total other financing sources and uses	<u>250,663</u>	<u>-</u>	<u>(5,503,724)</u>	<u>(5,253,061)</u>
Net change in fund balances	(206,546)	189	(7,405,377)	(7,611,734)
FUND BALANCES - BEGINNING	43,031,035	5,138	28,509,358	71,545,531
Prior period adjustments	54,732	-	233,899	288,631
FUND BALANCES - ENDING	<u>\$ 42,879,221</u>	<u>\$ 5,327</u>	<u>\$ 21,337,880</u>	<u>\$ 64,222,428</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 69.50.505](#), to receive monies or property seized by city police when used in criminal activities relating to controlled substances. The funds are to be used by the police department for investigative purposes related to state statute [RCW 69.50](#).

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.

Drug Enforcement Fund

In 1983, the drug enforcement fund was established to receive court-ordered "contribution" pursuant to state laws under [RCW 9.95.210](#) made by persons convicted of criminal drug offenses. Monies paid into the funds are to be used by the police department for drug enforcement purposes.

Small Cities Fund

Revenues received from HUD federal grants were 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.

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

The Second Executive session of 1990 ([RCW 82.44](#)) provided funding for law enforcement purposes from the state general fund until April of 1991 and from automobile excise taxes until January of 1994. Monies are distributed based on population and must be used for law enforcement only.

Transportation Fund

This fund was created in 2006 to accommodate new 0.2% sales tax revenue approved by Council effective January 1, 2006 and dedicated to funding capital projects in Transportation.

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.

Transportation/Parks Impact Fees

The Transportation/Parks Impact Fee 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. Each is shown in separate legal funds.

Parks Construction Fund

This fund was established in 1996 to account for the revenues derived from a ¼ of 1% real estate tax imposed by the city on all transfers of property within the City of Vancouver. Funds are to be utilized for the construction of city parks.

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.

Riverwest RDA Fund

This fund is used to account for money received from the Local Infrastructure Financing Tool (LIFT) to facilitate purchases in the Riverwest Development Area.

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 OF VANCOUVER
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2012

	Investigative	Street Fund	Drug Enforcement	Small Cities
ASSETS				
Cash, cash equivalents and pooled investments	\$ 163,516	\$ 5,257,387	\$ 578,159	\$ 84,603
Cash with fiscal/escrow agent	-	-	-	203,926
Receivables (net)				
Taxes/assessments	-	531,874	-	-
Accounts	-	35,594	-	378
Interest	103	3,306	362	54
Notes	-	-	-	4,577,210
Due from other funds	-	10,314	1,703	15,397
Due from other governmental units	-	-	-	307,101
TOTAL ASSETS	\$ 163,619	\$ 5,838,475	\$ 580,224	\$ 5,188,669
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts payable	\$ 1,364	\$ 109,964	\$ 6,044	\$ 134,868
Due to other funds	-	25	15,397	157,509
Accrued interest payable	-	-	-	-
Accrued liabilities	-	119,289	1,372	10,679
Revenues collected in advance	-	2,514	-	-
Custodial accounts	-	71,527	-	-
Deferred revenues	-	-	-	7,473
Total liabilities	<u>1,364</u>	<u>303,319</u>	<u>22,813</u>	<u>310,529</u>
Fund balance				
Nonspendable	-	-	-	4,577,210
Restricted	162,255	-	557,411	-
Committed	-	5,535,156	-	200,930
Assigned	-	-	-	100,000
Total fund balance	<u>162,255</u>	<u>5,535,156</u>	<u>557,411</u>	<u>4,878,140</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 163,619	\$ 5,838,475	\$ 580,224	\$ 5,188,669

CITY OF VANCOUVER
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2012

(Page 1 of 2)

	Tourism	VNHR Properties	Criminal Justice	Transportation
ASSETS				
Cash, cash equivalents and pooled investments	\$ 262,426	\$ 159,451	\$ 467,993	\$ 1,363,661
Cash with fiscal/escrow agent	-	-	-	-
Receivables (net)				
Taxes/assessments	178,427	-	51,774	-
Accounts	-	-	-	2,339
Interest	157	99	294	845
Notes	-	-	-	-
Due from other funds	-	-	-	-
Due from other governmental units	-	-	-	-
TOTAL ASSETS	\$ 441,010	\$ 159,550	\$ 520,061	\$ 1,366,845
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts payable	\$ -	\$ 216	\$ -	\$ -
Due to other funds	-	-	-	-
Accrued interest payable	-	-	-	-
Accrued liabilities	-	2,903	-	-
Revenues collected in advance	-	18	-	-
Custodial accounts	-	-	-	-
Deferred revenues	-	-	-	-
Total liabilities	-	3,137	-	-
Fund balance				
Nonspendable	-	-	-	-
Restricted	441,010	-	520,061	-
Committed	-	156,413	-	1,366,845
Assigned	-	-	-	-
Total fund balance	441,010	156,413	520,061	1,366,845
TOTAL LIABILITIES AND FUND BALANCES	\$ 441,010	\$ 159,550	\$ 520,061	\$ 1,366,845

CITY OF VANCOUVER
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2012

	Senior Messenger	Parks & Recreation	Transportation Impact Fees	Parks Impact Fees
ASSETS				
Cash, cash equivalents and pooled investments	\$ 260,845	\$ 29,785	\$ 9,215,698	\$ 18,012,718
Cash with fiscal/escrow agent	-	-	-	-
Receivables (net)				
Taxes/assessments	-	-	-	-
Accounts	14,789	-	1,369	250,349
Interest	163	19	5,776	11,301
Notes	-	-	-	-
Due from other funds	-	-	3,674	-
Due from other governmental units	-	-	-	-
TOTAL ASSETS	\$ 275,797	\$ 29,804	\$ 9,226,517	\$ 18,274,368
LIABILITIES AND FUND BALANCE				
Liabilities				
Accounts payable	\$ 3,546	\$ -	\$ -	\$ -
Due to other funds	-	-	3,674	-
Accrued interest payable	-	-	1	29
Accrued liabilities	1,303	-	-	-
Revenues collected in advance	380	-	-	-
Custodial accounts	942	-	1,700	94,808
Deferred revenues	-	-	-	-
Total liabilities	<u>6,171</u>	<u>-</u>	<u>5,375</u>	<u>94,837</u>
Fund balance				
Nonspendable				
Restricted	-	29,804	9,221,142	18,179,531
Committed	269,626	-	-	-
Assigned	-	-	-	-
Total fund balance	<u>269,626</u>	<u>29,804</u>	<u>9,221,142</u>	<u>18,179,531</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 275,797	\$ 29,804	\$ 9,226,517	\$ 18,274,368

CITY OF VANCOUVER
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
December 31, 2012

(Page 2 of 2)

	Parks Construction	Parkhill Cemetery	REET 2002	Downtown Initiatives	Total Nonmajor Special Revenue Funds
ASSETS					
Cash, cash equivalents and pooled investments	\$ 80,220	\$ 425,933	\$ 375,070	\$ 153,194	\$ 36,890,659
Cash with fiscal/escrow agent	-	-	-	-	203,926
Receivables (net)					
Taxes/assessments	-	-	4,992	-	767,067
Accounts	-	-	-	(83)	304,735
Interest	41	267	245	96	23,128
Notes	-	-	-	-	4,577,210
Due from other funds	68,575	21,008	475,372	-	596,043
Due from other governmental units	-	-	-	-	307,101
TOTAL ASSETS	\$ 148,836	\$ 447,208	\$ 855,679	\$ 153,207	\$ 43,669,869
LIABILITIES AND FUND BALANCE					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 256,002
Due to other funds	-	20,014	-	-	196,619
Accrued interest payable	-	-	-	-	30
Accrued liabilities	-	-	-	12,436	147,982
Revenues collected in advance	-	-	-	5,803	8,715
Custodial accounts	-	-	-	4,850	173,827
Deferred revenues	-	-	-	-	7,473
Total liabilities	<u>-</u>	<u>20,014</u>	<u>-</u>	<u>23,089</u>	<u>790,648</u>
Fund balance					
Nonspendable					4,577,210
Restricted	148,836	-	855,679	-	30,115,729
Committed	-	427,194	-	130,118	8,086,282
Assigned	-	-	-	-	100,000
Total fund balance	<u>148,836</u>	<u>427,194</u>	<u>855,679</u>	<u>130,118</u>	<u>42,879,221</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 148,836	\$ 447,208	\$ 855,679	\$ 153,207	\$ 43,669,869

CITY OF VANCOUVER
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2012

	Investigative	Street Fund	Drug Enforcement	Small Cities
REVENUES				
Other taxes	\$ -	\$ 1,315,273	\$ -	\$ -
License and permits	-	169,858	-	-
Intergovernmental	6,406	3,316,804	-	2,675,674
Charges for services	15,273	325,894	-	-
Fines and forfeits	-	-	111,445	-
Investment earnings	649	29,529	2,200	16,690
Rents and royalties	-	10,355	-	-
Contributions/donations	21,594	-	-	-
Miscellaneous	20,472	(3,305)	69,162	-
Total revenues	64,394	5,164,408	182,807	2,692,364
EXPENDITURES				
Current:				
Security/persons & property	46,201	-	78,930	-
Physical environment	-	-	-	-
Transportation	-	8,576,599	-	-
Economic environment	-	-	-	1,651,283
Culture and recreation	-	-	-	-
Capital outlay	-	4,496,931	-	-
Debt service:				
Interest/fiscal charges	-	-	-	2
Total expenditures	46,201	13,073,530	78,930	1,651,285
Excess (deficiency) of revenues over expenditures	18,193	(7,909,122)	103,877	1,041,079
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	2,213	-	-	-
Transfers in	-	9,847,688	-	-
Transfers out	-	(3,114,442)	-	(702,001)
Total other financing sources (uses)	2,213	6,733,246	-	(702,001)
Net change in fund balances	20,406	(1,175,876)	103,877	339,078
FUND BALANCES - BEGINNING	141,849	6,723,856	453,534	4,508,762
Prior period adjustments	-	(12,824)	-	30,300
FUND BALANCES - ENDING	\$ 162,255	\$ 5,535,156	\$ 557,411	\$ 4,878,140

Tourism	VNHR Properties	Criminal Justice	Transportation
\$ 1,358,437	\$ -	\$ -	\$ -
-	-	-	2,336,550
-	-	205,869	-
-	73,022	-	-
-	-	-	-
1,632	486	1,824	7,860
-	170,337	-	-
-	-	-	-
-	-	-	-
<u>1,360,069</u>	<u>243,845</u>	<u>207,693</u>	<u>2,344,410</u>
-	-	3,492	-
-	-	-	-
-	-	-	123,037
1,143,903	223,647	-	-
-	-	-	-
-	-	-	-
1	-	-	-
<u>1,143,904</u>	<u>223,647</u>	<u>3,492</u>	<u>123,037</u>
216,165	20,198	204,201	2,221,373
-	738	-	-
-	60,226	-	-
-	-	(103,023)	(2,072,120)
<u>-</u>	<u>60,964</u>	<u>(103,023)</u>	<u>(2,072,120)</u>
216,165	81,162	101,178	149,253
224,845	75,251	418,883	1,217,592
-	-	-	-
<u>\$ 441,010</u>	<u>\$ 156,413</u>	<u>\$ 520,061</u>	<u>\$ 1,366,845</u>

CITY OF VANCOUVER
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2012

	Senior Messenger	Parks & Recreation	Transportation Impact Fees	Parks Impact Fees
REVENUES				
Other taxes	\$ -	\$ -	\$ -	\$ -
License and permits	-	-	-	-
Intergovernmental	-	-	-	874,913
Charges for services	262,919	-	394,259	889,197
Fines and forfeits	-	-	-	-
Investment earnings	1,026	126	42,803	73,845
Rents and royalties	-	-	-	-
Contributions/donations	43,483	42,338	-	-
Miscellaneous	-	-	-	-
Total revenues	307,428	42,464	437,062	1,837,955
EXPENDITURES				
Current:				
Security/persons & property	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Economic environment	263,217	-	-	-
Culture and recreation	-	46,523	-	-
Capital outlay	-	-	-	-
Debt service:				
Interest/fiscal charges	-	-	-	-
Total expenditures	263,217	46,523	-	-
Excess (deficiency) of revenues over expenditures	44,211	(4,059)	437,062	1,837,955
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	5,000	-	-
Transfers out	-	(5,000)	(1,532,710)	(531,344)
Total other financing sources (uses)	-	-	(1,532,710)	(531,344)
Net change in fund balances	44,211	(4,059)	(1,095,648)	1,306,611
FUND BALANCES - BEGINNING	225,415	37,247	10,293,826	16,843,190
Prior period adjustments	-	(3,384)	22,964	29,730
FUND BALANCES - ENDING	\$ 269,626	\$ 29,804	\$ 9,221,142	\$ 18,179,531

	Parks Construction	Parkhill Cemetery	REET 2002	Downtown Initiatives	Total Nonmajor Special Revenue Funds
\$	-	\$ -	\$ 1,236,357	\$ -	\$ 3,910,067
	-	-	-	-	2,506,408
	-	-	-	-	7,079,666
	-	12,246	-	-	1,972,810
	-	-	-	-	111,445
	848	1,895	5,392	472	187,277
	-	-	-	156,002	336,694
	-	-	-	-	107,415
	-	-	-	-	86,329
	<u>848</u>	<u>14,141</u>	<u>1,241,749</u>	<u>156,474</u>	<u>16,298,111</u>
	-	-	-	-	128,623
	-	8,046	-	-	8,046
	-	-	-	-	8,699,636
	-	-	-	93,508	3,375,558
	-	-	-	-	46,523
	-	-	-	-	4,496,931
	-	-	-	-	3
	-	<u>8,046</u>	-	<u>93,508</u>	<u>16,755,320</u>
	848	6,095	1,241,749	62,966	(457,209)
	-	-	-	-	2,951
	-	-	54,530	-	9,967,444
	<u>(165,307)</u>	<u>(20,000)</u>	<u>(1,473,785)</u>	-	<u>(9,719,732)</u>
	<u>(165,307)</u>	<u>(20,000)</u>	<u>(1,419,255)</u>	-	<u>250,663</u>
	(164,459)	(13,905)	(177,506)	62,966	(206,546)
	313,295	441,099	1,045,239	67,152	43,031,035
	-	-	(12,054)	-	54,732
\$	<u>148,836</u>	<u>\$ 427,194</u>	<u>\$ 855,679</u>	<u>\$ 130,118</u>	<u>\$ 42,879,221</u>

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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.

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. Payments range from \$5,000 to \$200,000 at interest rates ranging from 5.875% to 10.125%. 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.

CITY OF VANCOUVER
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
December 31, 2012

	<u>L.I.D. Debt</u>	<u>L.I.D. Guaranty</u>	<u>Total Nonmajor Debt Service Funds</u>
ASSETS			
Cash, cash equivalents and pooled investments	\$ 1,433	\$ 1,607	\$ 3,040
Receivables (net)			
Accounts	39,633	-	39,633
Interest	1	-	1
TOTAL ASSETS	<u>\$ 41,067</u>	<u>\$ 1,607</u>	<u>\$ 42,674</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Deferred revenues	<u>37,347</u>	\$ -	<u>37,347</u>
Total liabilities	<u>37,347</u>	<u>-</u>	<u>37,347</u>
Fund balance			
Restricted	3,720	1,607	5,327
Total fund balance	<u>3,720</u>	<u>1,607</u>	<u>5,327</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 41,067</u>	<u>\$ 1,607</u>	<u>\$ 42,674</u>

CITY OF VANCOUVER
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
For the Year Ended December 31, 2012

	L.I.D. Debt	L.I.D. Guaranty	Total Nonmajor Debt Service Funds
REVENUES			
Investment earnings	\$ 842	\$ 16	\$ 858
Miscellaneous	3,163	-	3,163
Total revenues	<u>4,005</u>	<u>16</u>	<u>4,021</u>
EXPENDITURES			
Debt service			
Principal retirement	3,000	-	3,000
Interest	832	-	832
Total expenditures	<u>3,832</u>	<u>-</u>	<u>3,832</u>
Excess (deficiency) of revenues over expenditures	173	16	189
OTHER FINANCING SOURCES (USES)			
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
SPECIAL ITEMS			
Net change in fund balances	173	16	189
FUND BALANCES - BEGINNING	3,547	1,591	5,138
FUND BALANCES - ENDING	<u>\$ 3,720</u>	<u>\$ 1,607</u>	<u>\$ 5,327</u>

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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. This project is being paid for by voter approved G.O. bonds issued in 1981.

Real Estate Excise Tax (R.E.E.T.) County Fund

This fund was created in December of 1997 for the purpose of accounting for money received by the city from the county for regional development of parks. The money received in this fund is from a ¼ of 1% real estate excise tax collected by the county from real estate sales.

Conservation Futures Fund

This fund was created in December of 1997 for the purpose of accounting for money received by the city from the county for regional acquisition of open-space parks property. The money received in this fund is from a local property tax levy for the acquisition of parks land assessed and collected by the county.

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.

2009 Bond Capital Fund

This fund was established per Ordinance M-3916 which required deposit of the 2009 General Obligation Bond proceeds in a separate legal fund. The bonds were issued to 1) fund Transportation Capital Projects; 2) pay the cost of issuance; and 3) if any proceeds remain after all of the costs are expended for the approved Transportation projects, remaining proceeds may be used for any capital purpose of the City as authorized by Council through the budget process.

2010 Bond Capital Fund

This fund was established to account for bond money used to 1) reimburse the City for purchase of a new City Hall building and pay for tenant improvements; 2) refund a portion of outstanding debt to obtain the benefit of savings in annual and total debt service requirements; and 3) pay issuance costs of the Bonds.

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.

CITY OF VANCOUVER
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
December 31, 2012

	Parks <u>Construction</u>	R.E.E.T. <u>County Fund</u>	Conservation <u>Futures</u>	Capital <u>Improvements</u>
ASSETS				
Cash, cash equivalents and pooled investments	\$ 47,199	\$ 1,568,892	\$ -	\$ 2,614,939
Receivables (net):				
Accounts	-	134,290	-	127,090
Interest	98	973	-	1,626
Due from other funds	127,980	-	-	26,167
Due from other governmental units	532,007	-	-	588,241
Capital assets held for resale	-	-	-	5,529,135
	<u>707,284</u>	<u>1,704,155</u>	<u>-</u>	<u>8,887,198</u>
TOTAL ASSETS	\$ 707,284	\$ 1,704,155	\$ -	\$ 8,887,198
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ 115,014	\$ 47,721	\$ -	\$ 408,177
Due to other funds	68,575	-	-	21,008
Interfund loan payable	189,807	-	-	149,140
Accrued liabilities	161	-	-	594
Revenues collected in advance	-	101,083	-	-
Custodial accounts	8	-	-	-
Deferred revenues	124,040	-	-	718,790
	<u>497,605</u>	<u>148,804</u>	<u>-</u>	<u>1,297,709</u>
Total Liabilities	497,605	148,804	-	1,297,709
Fund balance:				
Nonspendable	-	-	-	5,529,135
Restricted	-	1,555,351	-	-
Assigned	209,679	-	-	2,060,354
	<u>209,679</u>	<u>1,555,351</u>	<u>-</u>	<u>7,589,489</u>
Total fund balances	209,679	1,555,351	-	7,589,489
	<u>707,284</u>	<u>1,704,155</u>	<u>-</u>	<u>8,887,198</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 707,284	\$ 1,704,155	\$ -	\$ 8,887,198

CITY OF VANCOUVER
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
December 31, 2012

	2009 Bond Capital	2010 Bond Capital	2011 Bond Capital	Total Nonmajor Capital Projects Funds
ASSETS				
Cash, cash equivalents and pooled investments	\$ 3,076,111	\$ 6,167	\$ 10,871,466	\$ 18,184,774
Receivables (net):				
Accounts	-	-	-	261,380
Interest	1,950	-	6,832	11,479
Due from other funds	10,486	-	-	164,633
Due from other governmental units	-	-	-	1,120,248
Capital assets held for resale	-	-	-	5,529,135
TOTAL ASSETS	\$ 3,088,547	\$ 6,167	\$ 10,878,298	\$ 25,271,649
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 570,912
Due to other funds	378,848	6,167	1,604,636	2,079,234
Interfund loan payable	-	-	-	338,947
Accrued liabilities	-	-	-	755
Revenues collected in advance	-	-	-	101,083
Custodial accounts	-	-	-	8
Deferred revenues	-	-	-	842,830
Total Liabilities	378,848	6,167	1,604,636	3,933,769
Fund balance:				
Nonspendable	-	-	-	5,529,135
Restricted	2,709,699	-	9,273,662	13,538,712
Assigned	-	-	-	2,270,033
Total fund balances	2,709,699	-	9,273,662	21,337,880
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,088,547	\$ 6,167	\$ 10,878,298	\$ 25,271,649

CITY OF VANCOUVER
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
For the Year Ended December 31, 2012

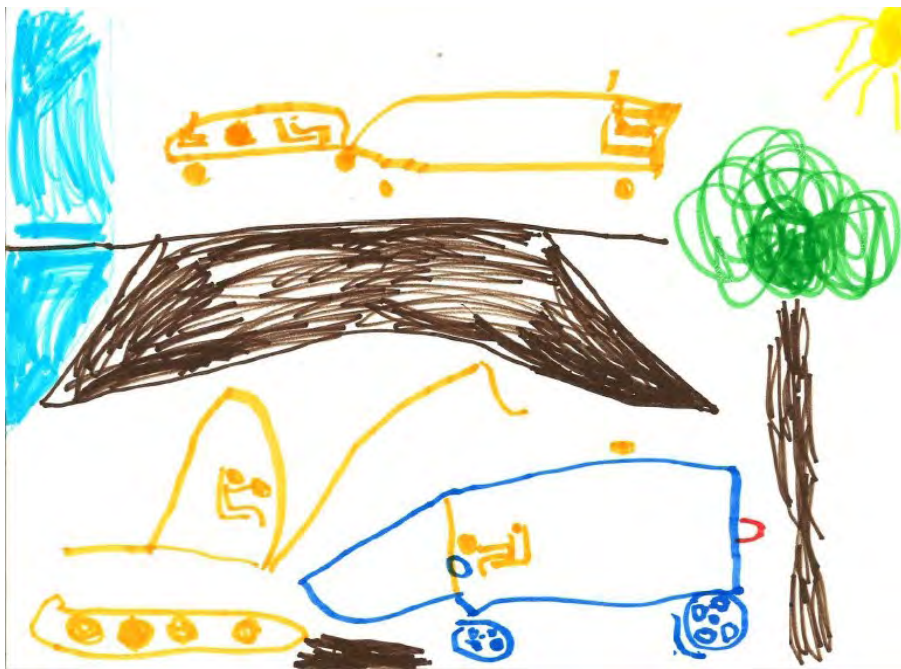
	Parks Construction	R.E.E.T. County Fund	Conservation Futures	Capital Improvements
REVENUES				
Intergovernmental	\$ 407,967	\$ 414,618	\$ -	\$ 227,550
Investment earnings	724	5,048	14	-
Rents and royalties	-	-	-	266,610
Contributions/donations	178,197	-	-	-
Miscellaneous	-	(4,646)	-	6,508
Total revenues	<u>586,888</u>	<u>415,020</u>	<u>14</u>	<u>500,668</u>
EXPENDITURES				
Current				
General government	-	-	-	414,615
Economic environment	-	-	-	142,104
Culture and recreation	702,697	206,157	4,517	-
Capital outlay	527,553	276,601	-	1,211,006
Debt service				
Interest/fiscal charges	-	-	-	60
Total expenditures	<u>1,230,250</u>	<u>482,758</u>	<u>4,517</u>	<u>1,767,785</u>
Excess (deficiency) of revenues over expenditures	(643,362)	(67,738)	(4,503)	(1,267,117)
OTHER FINANCING SOURCES (USES)				
Transfers in	759,278	69,415	-	422,949
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>759,278</u>	<u>69,415</u>	<u>-</u>	<u>422,949</u>
Net change in fund balances	115,916	1,677	(4,503)	(844,168)
FUND BALANCES - BEGINNING				
Prior period adjustment	93,763	1,553,674	4,503	8,433,657
	-	-	-	-
FUND BALANCES - ENDING	<u>\$ 209,679</u>	<u>\$ 1,555,351</u>	<u>\$ -</u>	<u>\$ 7,589,489</u>

CITY OF VANCOUVER
COMBINING STATEMENT OF REVENUES
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
For the Year Ended December 31, 2012

	2009 Bond Capital	2010 Bond Capital	2011 Bond Capital	Total Nonmajor Capital Projects Funds
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ 1,050,135
Investment earnings	30,329	4,307	46,431	86,853
Rents and royalties	-	-	-	266,610
Contributions/donations	-	-	-	178,197
Miscellaneous	-	-	-	1,862
Total revenues	<u>30,329</u>	<u>4,307</u>	<u>46,431</u>	<u>1,583,657</u>
EXPENDITURES				
Current				
General government	-	-	-	414,615
Economic environment	-	-	-	142,104
Culture and recreation	-	-	-	913,371
Capital outlay	-	-	-	2,015,160
Debt service				
Interest/fiscal charges	-	-	-	60
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,485,310</u>
Excess (deficiency) of revenues over expenditures	30,329	4,307	46,431	(1,901,653)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	1,251,642
Transfers out	(5,144,559)	(6,171)	(1,604,636)	(6,755,366)
Total other financing sources (uses)	<u>(5,144,559)</u>	<u>(6,171)</u>	<u>(1,604,636)</u>	<u>(5,503,724)</u>
Net change in fund balances	(5,114,230)	(1,864)	(1,558,205)	(7,405,377)
FUND BALANCES - BEGINNING				
	7,590,030	1,864	10,831,867	28,509,358
Prior period adjustment	233,899	-	-	233,899
FUND BALANCES - ENDING				
	<u>\$ 2,709,699</u>	<u>\$ -</u>	<u>\$ 9,273,662</u>	<u>\$ 21,337,880</u>



Waterfront Access Construction Project
Reconnecting Downtown Vancouver to the vital Columbia River



Drawing by: Dallen Hartshorn, Age 5
Son of City of Vancouver Accounts Payable Clerk, Shaina Bone

Governmental Budget and Actual Schedules

CITY OF VANCOUVER
INVESTIGATIVE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
COMPARED TO BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended December 31, 2012

	Budget Amounts		Actual Biennium To- Date Thru 12/31/12	Variance Thru 12/31/12
	Original 2011-2012 Biennium	Final 2011-2012 Biennium		
REVENUES				
Intergovernmental	\$ -	\$ 25,000	\$ 6,406	\$ 18,594
Charges for services	-	11,500	36,331	(24,831)
Investment earnings	2,000	2,000	1,519	481
Contributions/donations	-	21,504	21,714	(210)
Miscellaneous	60,000	63,000	26,110	36,890
Total revenues	62,000	123,004	92,080	30,924
EXPENDITURES				
Current:				
Security/persons & property	29,493	111,146	76,326	34,820
Total expenditures	29,493	111,146	76,326	34,820
Excess (deficiency) of revenues over expenditures	32,507	11,858	15,754	(3,896)
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	-	-	2,027	(2,027)
Total other financing sources (uses)	-	-	2,027	(2,027)
Net change in fund balance	32,507	11,858	17,781	(5,923)
FUND BALANCES AT BEGINNING OF BIENNIUM	144,474	144,474	144,474	-
FUND BALANCES AT END OF BIENNIUM	\$ 176,981	\$ 156,332	\$ 162,255	\$ (5,923)

CITY OF VANCOUVER

STREET FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
COMPARED TO BUDGET (GAAP BASIS) AND ACTUAL**

For the Year Ended December 31, 2012

	Budget Amounts		Actual Biennium To- Date Thru 12/31/12	Variance Thru 12/31/12
	Original 2011-2012 Biennium	Final 2011-2012 Biennium		
REVENUES				
Other taxes	\$ 2,613,600	\$ 2,613,600	\$ 2,689,218	\$ (75,618)
License and permits	318,652	318,652	322,486	(3,834)
Intergovernmental	7,919,519	7,980,025	6,749,183	1,230,842
Charges for services	180,000	180,000	694,855	(514,855)
Investment earnings	60,000	60,000	68,535	(8,535)
Rents and royalties	-	-	18,090	(18,090)
Miscellaneous	50,000	50,000	20,327	29,673
Total revenues	<u>11,141,771</u>	<u>11,202,277</u>	<u>10,562,694</u>	<u>639,583</u>
EXPENDITURES				
Current:				
Transportation	19,513,853	19,593,804	17,396,645	2,197,159
Capital projects	<u>6,271,084</u>	<u>7,870,918</u>	<u>8,128,989</u>	<u>(258,071)</u>
Total expenditures	<u>25,784,937</u>	<u>27,464,722</u>	<u>25,525,634</u>	<u>1,939,088</u>
Excess (deficiency) of revenues over expenditures	(14,643,166)	(16,262,445)	(14,962,940)	(1,299,505)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	18,201,894	18,613,858	19,091,726	(477,868)
Operating transfers out	<u>(3,508,825)</u>	<u>(5,044,325)</u>	<u>(5,030,892)</u>	<u>(13,433)</u>
Total other financing sources (uses)	<u>14,693,069</u>	<u>13,569,533</u>	<u>14,060,834</u>	<u>(491,301)</u>
Net change in fund balance	49,903	(2,692,912)	(902,106)	(1,790,806)
FUND BALANCES AT BEGINNING OF BIENNIUM				
Prior period adjustment	-	-	(12,824)	12,824
FUND BALANCES AT END OF BIENNIUM	<u>\$ 6,499,989</u>	<u>\$ 3,757,174</u>	<u>\$ 5,535,156</u>	<u>\$ (1,777,982)</u>

CITY OF VANCOUVER

DRUG ENFORCEMENT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

COMPARED TO BUDGET (GAAP BASIS) AND ACTUAL

For the Year Ended December 31, 2012

	Budget Amounts		Actual Biennium To- Date Thru 12/31/12	Variance Thru 12/31/12
	Original 2011-2012 Biennium	Final 2011-2012 Biennium		
REVENUES				
Charges for services	\$ -	\$ -	\$ 240	\$ (240)
Fines and forfeits	360,000	360,000	208,964	151,036
Investment earnings	-	-	4,517	(4,517)
Miscellaneous	50,000	50,000	160,104	(110,104)
Total revenues	410,000	410,000	373,825	36,175
EXPENDITURES				
Current:				
Security/persons & property	234,978	245,438	192,457	52,981
Total expenditures	234,978	245,438	192,457	52,981
Excess (deficiency) of revenues over expenditures	175,022	164,562	181,368	(16,806)
OTHER FINANCING SOURCES (USES):				
Operating transfers in	-	26,531	26,531	-
Transfers out	(47,200)	(47,200)	-	(47,200)
Total other financing sources (uses)	(47,200)	(20,669)	26,531	(47,200)
Net change in fund balance	127,822	143,893	207,899	(64,006)
FUND BALANCES AT BEGINNING OF BIENNIUM	349,512	349,512	349,512	-
FUND BALANCES AT END OF BIENNIUM	\$ 477,334	\$ 493,405	\$ 557,411	\$ (64,006)

CITY OF VANCOUVER

SMALL CITIES FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

COMPARED TO BUDGET (GAAP BASIS) AND ACTUAL

For the Year Ended December 31, 2012

	Budget Amounts		Actual Biennium To- Date Thru 12/31/12	Variance Thru 12/31/12
	Original 2011-2012 Biennium	Final 2011-2012 Biennium		
REVENUES				
Intergovernmental	\$ 4,923,538	\$ 6,266,553	\$ 4,838,759	\$ 1,427,794
Charges for services	-	-	798	(798)
Investment earnings	-	-	29,425	(29,425)
Miscellaneous	-	-	49,352	(49,352)
Total revenues	4,923,538	6,266,553	4,918,334	1,348,219
EXPENDITURES				
Current:				
Economic environment	4,266,038	4,798,307	2,829,110	1,969,197
Interest/fiscal charges	-	-	3	(3)
Total expenditures	4,266,038	4,798,307	2,829,113	1,969,194
Excess (deficiency) of revenues over expenditures	657,500	1,468,246	2,089,221	(620,975)
OTHER FINANCING SOURCES (USES)				
Transfers out	(657,500)	(1,494,949)	(1,200,050)	(294,899)
Total other financing sources (uses)	(657,500)	(1,494,949)	(1,200,050)	(294,899)
Net change in fund balance	-	(26,703)	889,171	(915,874)
FUND BALANCES AT BEGINNING OF BIENNIUM	2,586,991	2,586,991	2,586,991	-
Prior year adjustments	-	-	1,401,978	(1,401,978)
FUND BALANCES AT END OF BIENNIUM	\$ 2,586,991	\$ 2,560,288	\$ 4,878,140	\$ (2,317,852)

CITY OF VANCOUVER

TOURISM FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

COMPARED TO BUDGET (GAAP BASIS) AND ACTUAL

For the Year Ended December 31, 2012

	Budget Amounts		Actual Biennium To- Date Thru 12/31/12	Variance Thru 12/31/12
	Original 2011-2012 Biennium	Final 2011-2012 Biennium		
REVENUES				
Other taxes	\$ 2,154,420	\$ 2,154,420	\$ 2,624,287	\$ (469,867)
Investment earnings	30,000	30,000	9,117	20,883
Total revenues	<u>2,184,420</u>	<u>2,184,420</u>	<u>2,633,404</u>	<u>(448,984)</u>
EXPENDITURES				
Current:				
Economic environment	<u>2,458,602</u>	<u>2,458,806</u>	<u>1,775,774</u>	<u>683,032</u>
Total expenditures	<u>2,458,602</u>	<u>2,458,806</u>	<u>1,775,775</u>	<u>683,031</u>
Net change in fund balance	(274,182)	(274,386)	857,629	(1,132,015)
FUND BALANCES AT BEGINNING OF BIENNIUM	1,326,245	1,326,245	1,326,245	-
Prior period adjustment	-	-	(1,742,864)	1,742,864
FUND BALANCES AT END OF BIENNIUM	<u>\$ 1,052,063</u>	<u>\$ 1,051,859</u>	<u>\$ 441,010</u>	<u>\$ 610,849</u>

CITY OF VANCOUVER

VNHR PROPERTIES FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

COMPARED TO BUDGET (GAAP BASIS) AND ACTUAL

For the Year Ended December 31, 2012

	Budget Amounts		Actual Biennium To- Date Thru 12/31/12	Variance Thru 12/31/12
	Original 2011-2012 Biennium	Final 2011-2012 Biennium		
REVENUES				
Intergovernmental	\$ -	\$ 67,914	\$ 67,914	\$ -
Charges for services	147,642	147,642	150,690	(3,048)
Investment earnings	2,000	2,000	1,657	343
Rents and royalties	676,629	676,629	336,400	340,229
Total revenues	826,271	894,185	556,661	337,524
EXPENDITURES				
Current:				
Economic environment	680,072	745,173	498,905	246,268
Total expenditures	680,072	745,173	498,905	246,268
Excess (deficiency) of revenues over expenditures	146,199	149,012	57,756	91,256
OTHER FINANCING SOURCES (USES)				
Sale of fixed assets	-	-	1,383	(1,383)
Transfers in	155,311	155,107	106,531	48,576
Transfers out	(339,000)	(339,000)	(339,000)	-
Total other financing sources (uses)	(183,689)	(183,893)	(231,086)	47,193
Net change in fund balance	(37,490)	(34,881)	(173,330)	138,449
FUND BALANCES AT BEGINNING OF BIENNIUM	329,743	329,743	329,743	-
FUND BALANCES AT END OF BIENNIUM	\$ 292,253	\$ 294,862	\$ 156,413	\$ 138,449

CITY OF VANCOUVER
CRIMINAL JUSTICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
COMPARED TO BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended December 31, 2012

	Budget Amounts		Actual Biennium To- Date Thru 12/31/12	Variance Thru 12/31/12
	Original 2011-2012 Biennium	Final 2011-2012 Biennium		
REVENUES				
Intergovernmental	\$ 435,415	\$ 425,710	\$ 411,271	\$ 14,439
Investment earnings	8,000	8,000	3,773	4,227
Total revenues	<u>443,415</u>	<u>433,710</u>	<u>415,044</u>	<u>18,666</u>
EXPENDITURES				
Current:				
Security/persons & property	<u>13,949</u>	<u>13,812</u>	<u>13,812</u>	<u>-</u>
Total expenditures	<u>13,949</u>	<u>13,812</u>	<u>13,812</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	429,466	419,898	401,232	18,666
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(206,046)</u>	<u>(206,046)</u>	<u>(206,046)</u>	<u>-</u>
Total other financing sources (uses)	<u>(206,046)</u>	<u>(206,046)</u>	<u>(206,046)</u>	<u>-</u>
Net change in fund balance	223,420	213,852	195,186	18,666
FUND BALANCES AT BEGINNING OF BIENNIUM	<u>324,875</u>	<u>324,875</u>	<u>324,875</u>	<u>-</u>
FUND BALANCES AT END OF BIENNIUM	<u>\$ 548,295</u>	<u>\$ 538,727</u>	<u>\$ 520,061</u>	<u>\$ 18,666</u>

CITY OF VANCOUVER
TRANSPORTATION SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
COMPARED TO BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended December 31, 2012

	Budget Amounts		Actual Biennium To- Date Thru 12/31/12	Variance Thru 12/31/12
	Original 2011-2012 Biennium	Final 2011-2012 Biennium		
REVENUES				
License and permits	\$ 4,220,987	\$ 4,406,487	\$ 4,477,319	\$ (70,832)
Investment earnings	8,000	8,000	23,493	(15,493)
Total revenues	<u>4,228,987</u>	<u>4,414,487</u>	<u>4,500,612</u>	<u>(86,125)</u>
EXPENDITURES				
Current:				
Transportation	511,556	511,714	511,714	-
Total expenditures	<u>511,556</u>	<u>511,714</u>	<u>511,714</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	3,717,431	3,902,773	3,988,898	(86,125)
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(5,248,660)</u>	<u>(5,880,937)</u>	<u>(4,853,773)</u>	<u>(1,027,164)</u>
Total other financing sources (uses)	<u>(5,248,660)</u>	<u>(5,880,937)</u>	<u>(4,853,773)</u>	<u>(1,027,164)</u>
Net change in fund balance	(1,531,229)	(1,978,164)	(864,875)	(1,113,289)
FUND BALANCES AT BEGINNING OF BIENNIUM	<u>2,231,720</u>	<u>2,231,720</u>	<u>2,231,720</u>	<u>-</u>
FUND BALANCES AT END OF BIENNIUM	<u>\$ 700,491</u>	<u>\$ 253,556</u>	<u>\$ 1,366,845</u>	<u>\$ (1,113,289)</u>

CITY OF VANCOUVER
SENIOR MESSENGER FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
COMPARED TO BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended December 31, 2012

	Budget Amounts		Actual Biennium To- Date Thru 12/31/12	Variance Thru 12/31/12
	Original 2011-2012 Biennium	Final 2011-2012 Biennium		
REVENUES				
Charges for services	\$ 570,714	\$ 570,714	\$ 517,485	\$ 53,229
Investment earnings	-	-	2,186	(2,186)
Contributions/donations	-	-	82,325	(82,325)
Total revenues	<u>570,714</u>	<u>570,714</u>	<u>601,996</u>	<u>(31,282)</u>
EXPENDITURES				
Current:				
Economic environment	<u>562,596</u>	<u>601,380</u>	<u>534,237</u>	<u>67,143</u>
Total expenditures	<u>562,596</u>	<u>601,380</u>	<u>534,237</u>	<u>67,143</u>
Net change in fund balance	8,118	(30,666)	67,759	(98,425)
FUND BALANCES AT BEGINNING OF BIENNIUM	<u>201,867</u>	<u>201,867</u>	<u>201,867</u>	<u>-</u>
FUND BALANCES AT END OF BIENNIUM	<u>\$ 209,985</u>	<u>\$ 171,201</u>	<u>\$ 269,626</u>	<u>\$ (98,425)</u>

CITY OF VANCOUVER

PARKS & RECREATION FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

COMPARED TO BUDGET (GAAP BASIS) AND ACTUAL

For the Year Ended December 31, 2012

	Budget Amounts		Actual Biennium To- Date Thru 12/31/12	Variance Thru 12/31/12
	Original 2011-2012 Biennium	Final 2011-2012 Biennium		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 246	\$ (246)
Contributions/donations	30,000	134,000	109,922	24,078
Total revenues	30,000	134,000	110,168	23,832
EXPENDITURES				
Current:				
Culture and recreation	8,064	129,105	97,220	31,885
Total expenditures	8,064	129,105	97,220	31,885
Excess (deficiency) of revenues over expenditures	21,936	4,895	12,948	(8,053)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	10,000	5,000	5,000
Transfers out	(40,000)	(5,000)	(5,000)	-
Total other financing sources (uses)	(40,000)	5,000	-	5,000
Net change in fund balance	(18,064)	9,895	12,948	(3,053)
FUND BALANCES AT BEGINNING OF BIENNIUM	20,240	20,240	20,240	-
Prior period adjustments	-	-	(3,384)	3,384
FUND BALANCES AT END OF BIENNIUM	\$ 2,176	\$ 30,135	\$ 29,804	\$ 331

CITY OF VANCOUVER
TRANSPORTATION IMPACT FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
COMPARED TO BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended December 31, 2012

	Budget Amounts		Actual Biennium To- Date Thru 12/31/12	Variance Thru 12/31/12
	Original 2011-2012 Biennium	Final 2011-2012 Biennium		
REVENUES				
Charges for services	\$ 676,000	\$ 676,000	\$ 809,739	\$ (133,739)
Investment earnings	240,400	240,400	103,800	136,600
Total revenues	916,400	916,400	913,539	2,861
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	916,400	916,400	913,539	2,861
OTHER FINANCING SOURCES (USES):				
Transfers in	-	192,000	191,859	141
Transfers out	(3,127,059)	(6,143,433)	(2,119,498)	(4,023,935)
Total other financing sources (uses)	(3,127,059)	(5,951,433)	(1,927,639)	(4,023,794)
Net change in fund balance	(2,210,659)	(5,035,033)	(1,014,100)	(4,020,933)
FUND BALANCES AT BEGINNING OF BIENNIUM	10,251,849	10,251,849	10,251,849	-
Prior period adjustments	-	-	(16,607)	16,607
FUND BALANCES AT END OF BIENNIUM	<u>\$ 8,041,190</u>	<u>\$ 5,216,816</u>	<u>\$ 9,221,142</u>	<u>\$ (4,004,326)</u>

CITY OF VANCOUVER

PARKS IMPACT FEE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

COMPARED TO BUDGET (GAAP BASIS) AND ACTUAL

For the Year Ended December 31, 2012

	Budget Amounts		Actual Biennium To- Date Thru 12/31/12	Variance Thru 12/31/12
	Original 2011-2012 Biennium	Final 2011-2012 Biennium		
REVENUES				
Intergovernmental	\$ 140,000	\$ 308,598	\$ 1,484,613	\$ (1,176,015)
Charges for services	577,500	577,500	1,229,357	(651,857)
Investment earnings	491,572	431,900	190,370	241,530
Miscellaneous	-	-	3,496	(3,496)
Total revenues	<u>1,209,072</u>	<u>1,317,998</u>	<u>2,907,836</u>	<u>(1,589,838)</u>
EXPENDITURES				
Debt service:				
Principal retirement	69,430	-	-	-
Interest/fiscal charges	<u>59,672</u>	<u>-</u>	<u>18,534</u>	<u>(18,534)</u>
Total expenditures	<u>129,102</u>	<u>-</u>	<u>18,534</u>	<u>(18,534)</u>
Excess (deficiency) of revenues over expenditures	1,079,970	1,317,998	2,889,302	(1,571,304)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	-	102,988	-	102,988
Operating transfers out	<u>(12,695,000)</u>	<u>(12,428,839)</u>	<u>(1,425,635)</u>	<u>(11,003,204)</u>
Total other financing sources (uses)	<u>(12,695,000)</u>	<u>(12,325,851)</u>	<u>(1,425,635)</u>	<u>(10,900,216)</u>
Net change in fund balance	(11,615,030)	(11,007,853)	1,463,667	(12,471,520)
FUND BALANCES AT BEGINNING OF BIENNIUM				
Prior period adjustments	<u>-</u>	<u>-</u>	<u>109,866</u>	<u>(109,866)</u>
FUND BALANCES AT END OF BIENNIUM	<u>\$ 4,990,968</u>	<u>\$ 5,598,145</u>	<u>\$ 18,179,531</u>	<u>\$ (12,581,386)</u>

CITY OF VANCOUVER

PARKS CONSTRUCTION FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

COMPARED TO BUDGET (GAAP BASIS) AND ACTUAL

For the Year Ended December 31, 2012

	Budget Amounts		Actual Biennium To- Date Thru 12/31/12	Variance Thru 12/31/12
	Original 2011-2012 Biennium	Final 2011-2012 Biennium		
REVENUES				
Investment earnings	\$ 6,000	\$ 6,000	\$ 5,279	\$ 721
Total revenues	<u>6,000</u>	<u>6,000</u>	<u>5,279</u>	<u>721</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	6,000	6,000	5,279	721
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(730,000)</u>	<u>(775,000)</u>	<u>(654,898)</u>	<u>(120,102)</u>
Total other financing sources (uses)	<u>(730,000)</u>	<u>(775,000)</u>	<u>(654,898)</u>	<u>(120,102)</u>
Net change in fund balance	(724,000)	(769,000)	(649,619)	(119,381)
FUND BALANCES AT BEGINNING OF BIENNIUM	<u>798,455</u>	<u>798,455</u>	<u>798,455</u>	<u>-</u>
FUND BALANCES AT END OF BIENNIUM	\$ <u><u>74,455</u></u>	\$ <u><u>29,455</u></u>	\$ <u><u>148,836</u></u>	\$ <u><u>(119,381)</u></u>

CITY OF VANCOUVER
PARKHILL CEMETERY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
COMPARED TO BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended December 31, 2012

	Budget Amounts		Actual Biennium To- Date Thru 12/31/12	Variance Thru 12/31/12
	Original 2011-2012 Biennium	Final 2011-2012 Biennium		
REVENUES				
Charges for services	\$ 30,000	\$ 30,000	\$ 24,115	\$ 5,885
Investment earnings	-	-	4,491	(4,491)
Contributions/donations	-	-	75	(75)
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>28,681</u>	<u>1,319</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Physical environment	13,742	13,770	13,790	(20)
Capital outlay	-	1,008	-	1,008
Total expenditures	<u>13,742</u>	<u>14,778</u>	<u>13,790</u>	<u>988</u>
Net change in fund balance	16,258	15,222	14,891	331
OTHER FINANCING SOURCES (USES):				
Operating transfers out	-	(20,000)	(20,000)	-
Total other financing sources (uses)	<u>-</u>	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	16,258	(4,778)	(5,109)	331
FUND BALANCES AT BEGINNING OF BIENNIUM	<u>432,303</u>	<u>432,303</u>	<u>432,303</u>	<u>-</u>
FUND BALANCES AT END OF BIENNIUM	<u>\$ 448,561</u>	<u>\$ 427,525</u>	<u>\$ 427,194</u>	<u>\$ 331</u>

CITY OF VANCOUVER

REET 2002 FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
COMPARED TO BUDGET (GAAP BASIS) AND ACTUAL

For the Year Ended December 31, 2012

	Budget Amounts		Actual Biennium To- Date Thru 12/31/12	Variance Thru 12/31/12
	Original 2011-2012 Biennium	Final 2011-2012 Biennium		
REVENUES				
Other taxes	\$ 2,613,600	\$ 2,718,600	\$ 2,527,866	\$ 190,734
Investment earnings	8,000	8,000	14,659	(6,659)
Total revenues	<u>2,621,600</u>	<u>2,726,600</u>	<u>2,542,525</u>	<u>184,075</u>
EXPENDITURES				
Current:				
Culture and recreation	1,689	1,689	-	1,689
Total expenditures	<u>1,689</u>	<u>1,689</u>	<u>-</u>	<u>1,689</u>
Excess (deficiency) of revenues over expenditures	2,619,911	2,724,911	2,542,525	182,386
OTHER FINANCING SOURCES (USES):				
Operating transfers in	206,348	206,348	201,025	5,323
Operating transfers out	(4,161,106)	(4,060,001)	(3,119,485)	(940,516)
Total other financing sources (uses)	<u>(3,954,758)</u>	<u>(3,853,653)</u>	<u>(2,918,460)</u>	<u>(935,193)</u>
Net change in fund balance	(1,334,847)	(1,128,742)	(375,935)	(752,807)
FUND BALANCES AT BEGINNING OF BIENNIUM	1,243,668	1,243,668	1,243,668	-
Prior period adjustments	-	-	(12,054)	12,054
FUND BALANCES AT END OF BIENNIUM	<u>\$ (91,179)</u>	<u>\$ 114,926</u>	<u>\$ 855,679</u>	<u>\$ (740,753)</u>

CITY OF VANCOUVER
DOWNTOWN INITIATIVES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
COMPARED TO BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended December 31, 2012

	Budget Amounts		Actual Biennium To- Date Thru 12/31/12	Variance Thru 12/31/12
	Original 2011-2012 Biennium	Final 2011-2012 Biennium		
REVENUES				
Investment earnings	\$ -	\$ -	784	\$ (784)
Rents and royalties	269,843	269,843	296,557	(26,714)
Total revenues	269,843	269,843	297,341	(27,498)
EXPENDITURES				
Current:				
Economic environment	194,932	194,505	186,495	8,010
Total expenditures	194,932	194,505	186,495	8,010
Excess (deficiency) of revenues over expenditures	74,911	75,338	110,846	(35,508)
OTHER FINANCING SOURCES (USES):				
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	74,911	75,338	110,846	(35,508)
FUND BALANCES AT BEGINNING OF BIENNIUM	19,272	19,272	19,272	-
FUND BALANCES AT END OF BIENNIUM	\$ 94,183	\$ 94,610	\$ 130,118	\$ (35,508)

CITY OF VANCOUVER

GO DEBT SERVICE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

COMPARED TO BUDGET (GAAP BASIS) AND ACTUAL

For the Year Ended December 31, 2012

	Budget Amounts		Actual Biennium To- Date Thru 12/31/12	Variance Thru 12/31/12
	Original 2011-2012 Biennium	Final 2011-2012 Biennium		
REVENUES				
Miscellaneous				
Interest earnings	\$ -	\$ -	\$ -	\$ -
Other miscellaneous	-	11,365	5,323	6,042
Total revenues	-	11,365	5,323	6,042
EXPENDITURES				
Debt service				
Principal retirement	15,772,507	14,708,922	13,437,478	1,271,444
Refunding bond issuance cost	-	142,270	165,629	(23,359)
Interest/fiscal charges	8,383,155	9,350,000	9,686,959	(336,959)
Total expenditures	24,155,662	24,201,192	23,290,066	911,126
Excess (deficiency) of revenues under expenditures	(24,155,662)	(24,189,827)	(23,284,743)	(905,084)
OTHER FINANCING SOURCES (USES)				
Refunding bond issued	-	15,940,635	18,114,675	(2,174,040)
Payment to refunded bond escrow agent	-	(16,287,885)	(18,563,912)	2,276,027
Premium (discount) on debt issued	-	489,521	614,865	(125,344)
Transfers in	25,175,661	24,345,642	23,117,887	1,227,755
Total other financing sources (uses)	25,175,661	24,487,913	23,283,515	1,204,398
Net change in fund balance	1,019,999	298,086	(1,228)	299,314
FUND BALANCES AT BEGINNING OF BIENNIUM	2,186	2,186	2,186	-
FUND BALANCES AT END OF BIENNIUM	\$ 1,022,185	\$ 300,272	\$ 958	\$ 299,314

CITY OF VANCOUVER

L.I.D. DEBT

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

COMPARED TO BUDGET (GAAP BASIS) AND ACTUAL

For the Year Ended December 31, 2012

	Budget Amounts		Actual Biennium To- Date Thru 12/31/12	Variance Thru 12/31/12
	Original 2011-2012 Biennium	Final 2011-2012 Biennium		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 1,462	\$ (1,462)
Miscellaneous	-	-	4,677	(4,677)
Total revenues	-	-	6,139	(6,139)
EXPENDITURES				
Debt service				
Principal retirement	6,000	6,000	6,000	-
Interest/fiscal charges	1,868	1,868	1,867	1
Total expenditures	7,868	7,868	7,867	1
Net change in fund balance	(7,868)	(7,868)	(1,728)	(6,140)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	7,918	7,918	-	7,918
Total other financing uses	7,918	7,918	-	7,918
Excess (deficiency) of revenues and other sources over expenditures and other uses	50	50	(1,728)	1,778
FUND BALANCES AT BEGINNING OF BIENNIUM	<u>5,448</u>	<u>5,448</u>	<u>5,448</u>	<u>-</u>
FUND BALANCES AT END OF BIENNIUM	<u>\$ 5,498</u>	<u>\$ 5,498</u>	<u>\$ 3,720</u>	<u>\$ 1,778</u>

CITY OF VANCOUVER

L.I.D. GUARANTY

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

COMPARED TO BUDGET (GAAP BASIS) AND ACTUAL

For the Year Ended December 31, 2012

	Budget Amounts		Actual Biennium To- Date Thru 12/31/12	Variance Thru 12/31/12
	Original 2011-2012 Biennium	Final 2011-2012 Biennium		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 47	\$ (47)
Total revenues	-	-	47	(47)
EXPENDITURES				
Total expenditures	-	-	-	-
Net change in fund balance	-	-	47	(47)
OTHER FINANCING SOURCES (USES)				
Operating transfers in	7,918	7,918	-	7,918
Operating transfers out	(7,918)	(7,918)	-	(7,918)
Total other financing uses	-	-	-	-
Excess (deficiency) of revenues and other sources over other uses	-	-	47	(47)
FUND BALANCES AT BEGINNING OF BIENNIUM	<u>1,560</u>	<u>1,560</u>	<u>1,560</u>	<u>-</u>
FUND BALANCES AT END OF BIENNIUM	<u>\$ 1,560</u>	<u>\$ 1,560</u>	<u>\$ 1,607</u>	<u>\$ (47)</u>

CITY OF VANCOUVER

PARKS CONSTRUCTION

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

COMPARED TO BUDGET (GAAP BASIS) AND ACTUAL

For the Year Ended December 31, 2012

	Budget Amounts		Actual Biennium To- Date Thru 12/31/12	Variance Thru 12/31/12
	Original 2011-2012 Biennium	Final 2011-2012 Biennium		
REVENUES				
Intergovernmental	\$ -	\$ 484,999	\$ 407,967	\$ 77,032
Investment earnings	-	-	3,016	(3,016)
Contributions/donations	1,105,000	815,000	470,377	344,623
Total revenues	1,105,000	1,299,999	881,360	418,639
EXPENDITURES				
Current:				
Culture and recreation	-	-	1,079,290	(1,079,290)
Capital projects	7,395,000	7,696,225	1,448,116	6,248,109
Total expenditures	7,395,000	7,696,225	2,527,406	5,168,819
Excess (deficiency) of revenues over expenditures	(6,290,000)	(6,396,226)	(1,646,046)	(4,750,180)
OTHER FINANCING SOURCES (USES):				
Transfers in	6,290,000	6,408,421	1,549,612	4,858,809
Total other financing sources (uses)	6,290,000	6,408,421	1,549,612	4,858,809
Net change in fund balance	-	12,195	(96,434)	108,629
FUND BALANCES AT BEGINNING OF BIENNIUM	306,113	306,113	306,113	-
FUND BALANCES AT END OF BIENNIUM	\$ 306,113	\$ 318,308	\$ 209,679	\$ 108,629

CITY OF VANCOUVER
R.E.E.T. COUNTY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
COMPARED TO BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended December 31, 2012

	Budget Amounts		Actual Biennium To- Date Thru 12/31/12	Variance Thru 12/31/12
	Original 2011-2012 Biennium	Final 2011-2012 Biennium		
REVENUES				
Intergovernmental	\$ 2,345,000	\$ 2,957,000	\$ 2,481,053	\$ 475,947
Investment earnings	-	-	27,051	(27,051)
Miscellaneous	-	-	(4,646)	4,646
Total revenues	<u>2,345,000</u>	<u>2,957,000</u>	<u>2,503,458</u>	<u>453,542</u>
EXPENDITURES				
Current:				
Culture and recreation	-	-	740,319	(740,319)
Capital projects	<u>10,030,000</u>	<u>9,864,008</u>	<u>2,486,506</u>	<u>7,377,502</u>
Total expenditures	<u>10,030,000</u>	<u>9,864,008</u>	<u>3,226,826</u>	<u>6,637,182</u>
Excess (deficiency) of revenues over expenditures	(7,685,000)	(6,907,008)	(723,368)	(6,183,640)
OTHER FINANCING SOURCES (USES):				
Operating transfers in	<u>7,435,000</u>	<u>6,938,000</u>	<u>745,959</u>	<u>6,192,041</u>
Total other financing sources (uses)	<u>7,435,000</u>	<u>6,938,000</u>	<u>745,959</u>	<u>6,192,041</u>
Net change in fund balance	(250,000)	30,992	22,591	8,401
FUND BALANCES AT BEGINNING OF BIENNIUM	1,533,246	1,533,246	1,533,246	-
Prior year adjustments	-	-	(486)	486
FUND BALANCES AT END OF BIENNIUM	<u>\$ 1,283,246</u>	<u>\$ 1,564,238</u>	<u>\$ 1,555,351</u>	<u>\$ 8,887</u>

CITY OF VANCOUVER
CONSERVATION FUTURES
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
COMPARED TO BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended December 31, 2012

	Budget Amounts		Actual Biennium To- Date Thru 12/31/12	Variance Thru 12/31/12
	Original 2011-2012 Biennium	Final 2011-2012 Biennium		
REVENUES				
Investment earnings	\$ -	\$ 50	\$ 41	\$ 9
Total revenues	-	50	41	9
EXPENDITURES				
Current:				
Culture and recreation	-	4,525	4,517	8
Total expenditures	-	4,525	4,517	8
Net change in fund balance	-	(4,475)	(4,476)	1
FUND BALANCES AT BEGINNING OF BIENNIUM	4,476	4,476	4,476	-
FUND BALANCES AT END OF BIENNIUM	\$ 4,476	\$ 1	\$ (0)	\$ 1

CITY OF VANCOUVER
CAPITAL IMPROVEMENTS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
COMPARED TO BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended December 31, 2012

	Budget Amounts		Actual Biennium To- Date Thru 12/31/12	Variance Thru 12/31/12
	Original 2011-2012 Biennium	Final 2011-2012 Biennium		
REVENUES				
Intergovernmental	\$ 1,987,111	\$ 1,951,554	\$ 1,721,477	\$ 230,077
Rents and royalties	-	294,650	411,260	(116,610)
Contributions/donations	-	-	9,975	(9,975)
Miscellaneous	-	85,825	6,565	79,260
Total revenues	1,987,111	2,332,029	2,149,277	182,752
EXPENDITURES				
Current:				
General government	1,105,111	558,936	1,288,518	(729,582)
Security/persons & property	-	25,850	25,051	799
Economic environment	339,000	1,390,779	1,184,037	206,742
Capital projects	7,678,332	9,983,558	3,238,104	6,745,454
Debt service:				
Interest/fiscal charges	-	-	6,212	(6,212)
Total expenditures	9,122,443	11,959,123	5,741,921	6,217,202
Excess (deficiency) of revenues over expenditures	(7,135,332)	(9,627,094)	(3,592,644)	(6,034,450)
OTHER FINANCING SOURCES (USES):				
Sale of fixed assets	5,750,000	3,855,428	-	3,855,428
Operating transfers in	1,138,999	14,069,902	10,290,925	3,778,977
Total other financing sources (uses)	6,888,999	17,925,330	10,290,925	7,634,405
Net change in fund balance	(246,333)	8,298,236	6,698,281	1,599,955
FUND BALANCES AT BEGINNING OF BIENNIUM	891,208	891,208	891,208	-
FUND BALANCES AT END OF BIENNIUM	\$ 644,875	\$ 9,189,444	\$ 7,589,489	\$ 1,599,955

CITY OF VANCOUVER

2009 BOND - CAPITAL

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

COMPARED TO BUDGET (GAAP BASIS) AND ACTUAL

For the Year Ended December 31, 2012

	Budget Amounts		Actual Biennium To- Date Thru 12/31/12	Variance Thru 12/31/12
	Original 2011-2012 Biennium	Final 2011-2012 Biennium		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 92,168	\$ (92,168)
Total revenues	-	-	92,168	(92,168)
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	92,168	(92,168)
OTHER FINANCING SOURCES (USES):				
Transfers out	(8,623,026)	(10,050,852)	(8,718,330)	(1,332,522)
Total other financing sources (uses)	(8,623,026)	(10,050,852)	(8,718,330)	(1,332,522)
Net change in fund balance	(8,623,026)	(10,050,852)	(8,626,163)	(1,424,689)
FUND BALANCES AT BEGINNING OF BIENNIUM				
Prior year adjustments	-	-	233,899	(233,899)
FUND BALANCES AT END OF BIENNIUM	\$ 2,478,937	\$ 1,051,111	\$ 2,709,699	\$ (1,658,588)

CITY OF VANCOUVER

2010 BOND - CAPITAL

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

COMPARED TO BUDGET (GAAP BASIS) AND ACTUAL

For the Year Ended December 31, 2012

	Budget Amounts		Actual Biennium To- Date Thru 12/31/12	Variance Thru 12/31/12
	Original 2011-2012 Biennium	Final 2011-2012 Biennium		
REVENUES				
Investment earnings	\$ -	\$ 17,999	\$ 21,225	\$ (3,226)
Total revenues	-	17,999	21,225	(3,226)
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	17,999	21,225	(3,226)
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(3,565,000)	(3,571,171)	6,171
Total other financing sources (uses)	-	(3,565,000)	(3,571,171)	6,171
Net change in fund balance	-	(3,547,001)	(3,549,946)	2,945
FUND BALANCES AT BEGINNING OF BIENNIUM	-	3,549,946	3,549,946	-
FUND BALANCES AT END OF BIENNIUM	\$ -	\$ 2,945	\$ 0	\$ 2,945

CITY OF VANCOUVER

2011 BOND - CAPITAL

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

COMPARED TO BUDGET (GAAP BASIS) AND ACTUAL

For the Year Ended December 31, 2012

	Budget Amounts		Actual Biennium To- Date Thru 12/31/12	Variance Thru 12/31/12
	Original 2011-2012 Biennium	Final 2011-2012 Biennium		
REVENUES				
Investment earnings	\$ -	\$ -	\$ 72,438	\$ (72,438)
Total revenues	-	-	72,438	(72,438)
EXPENDITURES				
Current:				
General government	-	-	41,875	(41,875)
Bond Issue Costs	327,000	327,000	63,032	263,968
Total expenditures	327,000	327,000	104,907	222,093
Excess (deficiency) of revenues over expenditures	(327,000)	(327,000)	(32,470)	(294,530)
OTHER FINANCING SOURCES (USES):				
Long-term debt proceeds	11,227,000	11,227,000	10,515,000	712,000
Premium (discount) on debt issued	-	-	395,767	(395,767)
Transfers in	-	-	-	-
Transfers out	(10,900,000)	(10,900,000)	(1,604,636)	(9,295,364)
Total other financing sources (uses)	327,000	327,000	9,306,131	(8,979,131)
Net change in fund balance	-	-	9,273,662	(9,273,662)
FUND BALANCES AT BEGINNING OF BIENNIUM	-	-	-	-
FUND BALANCES AT END OF BIENNIUM	\$ -	\$ -	\$ 9,273,662	\$ (9,273,662)

CITY OF VANCOUVER
TRANSPORTATION CAPITAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
COMPARED TO BUDGET (GAAP BASIS) AND ACTUAL
For the Year Ended December 31, 2012

	Budget Amounts		Actual Biennium To- Date Thru 12/31/12	Variance Thru 12/31/12
	Original 2011-2012 Biennium	Final 2011-2012 Biennium		
REVENUES				
Other taxes	\$ 156,816	\$ 156,816	\$ 161,353	\$ (4,537)
Intergovernmental	11,033,357	25,339,166	12,694,775	12,644,391
Charges for services	909,274	925,570	513,947	411,623
Fines and forfeits	-	-	500	(500)
Investment earnings	4,000	4,000	47,791	(43,791)
Rents and royalties	-	-	29,235	(29,235)
Contributions/donations	-	-	350,228	(350,228)
Assessment revenue	-	-	-	-
Miscellaneous	-	439,165	-	439,165
Total revenues	12,103,447	26,864,717	13,797,829	13,066,888
EXPENDITURES				
Current:				
Transportation	-	-	4,573,874	(4,573,874)
Capital outlay	45,040,260	68,879,203	29,512,424	39,366,779
Debt service:				
Interest/fiscal charges	-	-	367	(367)
Total expenditures	45,040,260	68,879,203	34,086,664	34,792,539
Excess (deficiency) of revenues over expenditures	(32,936,813)	(42,014,486)	(20,288,835)	(21,725,651)
OTHER FINANCING SOURCES (USES):				
Capital related debt issued	-	2,960,000	83,000	2,877,000
Sale of capital assets	-	-	37,850	(37,850)
Transfers in	27,468,250	34,839,958	18,486,378	16,353,580
Transfers out	(31,865)	(31,865)	(46,057)	14,192
Total other financing sources (uses)	27,436,385	37,768,093	18,561,171	19,206,922
Net change in fund balance	(5,500,428)	(4,246,393)	(1,727,664)	(2,518,729)
FUND BALANCES AT BEGINNING OF BIENNIUM	8,972,311	8,972,311	8,972,311	-
Prior period adjustments	-	-	(1,498,998)	1,498,998
FUND BALANCES AT END OF BIENNIUM	\$ 3,471,883	\$ 4,725,918	\$ 5,745,649	\$ (1,019,731)

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.

Airpark

The Airpark 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 sanitary 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.

Fire Shop Fund

This fund was established in 1998. It receives revenues from billings to the City and other local municipal fire departments. Its expenses are directly related to the operation of the shop and maintenance of equipment.

CITY OF VANCOUVER
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
December 31, 2012

	<u>Airpark</u>	<u>Building Inspection</u>	<u>Solid Waste</u>
ASSETS			
Current assets			
Cash, cash equivalents and pooled investments	\$ 569,379	\$ 8,648,121	\$ 6,228,103
Receivables (net)			
Accounts	671	8,490	26,176
Interest	356	5,430	3,890
Due from other funds	-	2,178	118
Due from other governmental units	10,997	-	-
Total current assets	<u>581,403</u>	<u>8,664,219</u>	<u>6,258,287</u>
Noncurrent assets			
Deferred charge	20,993	-	-
Capital assets			
Land and improvements	484,202	-	-
Construction in progress	-	714,547	6,595
Other improvements	1,973,862	-	-
Buildings	6,466,748	2,387,292	204,330
Intangible assets	-	705,027	-
Machinery and equipment	-	863,829	25,422
Accumulated depreciation	(4,209,027)	(1,666,272)	(120,602)
Capital assets net of accumulated depreciation	<u>4,715,785</u>	<u>3,004,423</u>	<u>115,745</u>
Total noncurrent assets	<u>4,736,778</u>	<u>3,004,423</u>	<u>115,745</u>
TOTAL ASSETS	<u>5,318,181</u>	<u>11,668,642</u>	<u>6,374,032</u>
LIABILITIES			
Current liabilities			
Accounts payable	5,586	110,074	106,141
Due to other funds	2,519	235,549	17,474
Accrued interest payable	6,562	-	-
Accrued liabilities	9,106	190,500	57,522
Custodial accounts	68,693	1,761	-
Unearned revenue	13,165	35	138,395
Bonds, notes and loans payable	318,530	-	-
Total current liabilities	<u>424,161</u>	<u>537,919</u>	<u>319,532</u>
Noncurrent liabilities			
Bonds, notes and loan payable	1,261,551	-	-
Accrued employee benefits	1,451	28,858	10,087
Total noncurrent liabilities	<u>1,263,002</u>	<u>28,858</u>	<u>10,087</u>
TOTAL LIABILITIES	<u>1,687,163</u>	<u>566,777</u>	<u>329,619</u>
NET POSITION			
Net investment in capital assets	3,135,704	3,004,423	115,745
Unrestricted	495,314	8,097,442	5,928,668
TOTAL NET POSITION	<u>\$ 3,631,018</u>	<u>\$ 11,101,865</u>	<u>\$ 6,044,413</u>

	<u>Tennis Center</u>	<u>Fire Shop</u>	<u>Total Nonmajor Enterprise Funds</u>
\$	97,336	\$ -	\$ 15,542,939
	383	-	35,720
	61	-	9,737
	-	-	2,296
	-	-	10,997
	<u>97,780</u>	<u>-</u>	<u>15,601,689</u>
	-	-	20,993
	-	-	484,202
	-	-	721,142
	-	-	1,973,862
	1,813,900	-	10,872,270
	-	-	705,027
	-	-	889,251
	(1,274,500)	-	(7,270,401)
	<u>539,400</u>	<u>-</u>	<u>8,375,353</u>
	<u>539,400</u>	<u>-</u>	<u>8,396,346</u>
	<u>637,180</u>	<u>-</u>	<u>23,998,035</u>
	1,537	-	223,338
	-	-	255,542
	-	-	6,562
	52,190	-	309,318
	3,177	-	73,631
	3,826	-	155,421
	-	-	318,530
	<u>60,730</u>	<u>-</u>	<u>1,342,342</u>
	-	-	1,261,551
	<u>5,232</u>	<u>-</u>	<u>45,628</u>
	<u>5,232</u>	<u>-</u>	<u>1,307,179</u>
	<u>65,962</u>	<u>-</u>	<u>2,649,521</u>
	539,400	-	6,795,272
	31,818	-	14,553,242
\$	<u><u>571,218</u></u>	<u><u>-</u></u>	<u><u>21,348,514</u></u>

CITY OF VANCOUVER

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

NONMAJOR ENTERPRISE FUNDS

For the Year Ended December 31, 2012

	Airpark	Building Inspection	Solid Waste
OPERATING REVENUES			
Charge for services	\$ 3,298	\$ 3,831,181	\$ 2,795,527
Fines and forfeits	450	74,220	5,250
Rents and royalties	613,099	-	-
Miscellaneous	3,931	116,011	4,475
Total operating revenues	<u>620,778</u>	<u>4,021,412</u>	<u>2,805,252</u>
OPERATING EXPENSES			
Personnel services	86,298	1,860,188	403,173
Supplies and contractual services	200,843	432,066	1,342,366
Interfund services	89,382	1,087,295	156,251
Intergovernmental payments	8,043	48,288	7
Depreciation	219,707	214,127	10,216
Total operating expenses	<u>604,273</u>	<u>3,641,964</u>	<u>1,912,013</u>
Operating income (loss)	16,505	379,448	893,239
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	3,140	36,225	24,742
State and federal grants	32,862	-	-
Interest and fiscal charges	(92,700)	-	-
Miscellaneous revenue	-	-	41,322
Total nonoperating revenues (expenses)	<u>(56,698)</u>	<u>36,225</u>	<u>66,064</u>
Income (loss) before contributions and transfers	(40,193)	415,673	959,303
Transfers in	49,884	-	-
Transfers out	-	-	(201,690)
Change in net position	<u>9,691</u>	<u>415,673</u>	<u>757,613</u>
TOTAL NET POSITION - BEGINNING	3,617,266	10,645,663	5,302,257
Prior period adjustments	4,061	40,529	(15,457)
TOTAL NET POSITION - ENDING	<u>\$ 3,631,018</u>	<u>\$ 11,101,865</u>	<u>\$ 6,044,413</u>

	<u>Tennis Center</u>		<u>Fire Shop</u>		<u>Total Nonmajor Enterprise Funds</u>
\$	941,485	\$	-	\$	7,571,491
	-		-		79,920
	6,728		-		619,827
	5,631		-		130,048
	<u>953,844</u>		<u>-</u>		<u>8,401,286</u>
	830,334		-		3,179,993
	105,790		-		2,081,065
	159,800		-		1,492,728
	12,411		-		68,749
	22,319		-		466,369
	<u>1,130,654</u>		<u>-</u>		<u>7,288,904</u>
	(176,810)		-		1,112,382
	684		736		65,527
	-		-		32,862
	6,352		-		(86,348)
	600		-		41,922
	<u>7,636</u>		<u>736</u>		<u>53,963</u>
	(169,174)		736		1,166,345
	124,909		-		174,793
	-		(628,964)		(830,654)
	<u>(44,265)</u>		<u>(628,228)</u>		<u>510,484</u>
	615,483		628,228		20,808,897
	-		-		29,133
\$	<u><u>571,218</u></u>	\$	<u><u>-</u></u>	\$	<u><u>21,348,514</u></u>

CITY OF VANCOUVER
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2012

	Airpark	Building Inspection	Solid Waste
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$ 641,443	\$ 3,898,195	\$ 2,980,492
Cash received from other operating activities	3,931	116,046	4,475
Cash payments for goods and services	(235,032)	(437,198)	(1,383,746)
Internal activity-between funds	(89,382)	(1,920,797)	(133,252)
Cash payments to employees	(80,278)	(1,859,021)	(402,626)
Net cash provided (used) by operating activities	<u>240,682</u>	<u>(202,775)</u>	<u>1,065,343</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Unrestricted gifts received	-	-	41,322
Receipt of grant funds	85,861	-	-
Transfers from other funds	49,884	-	-
Transfers to other funds	-	-	(201,691)
Net cash provided (used) by noncapital financing activities	<u>135,745</u>	<u>-</u>	<u>(160,369)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal paid on capital debt	(304,784)	-	-
Interest paid on capital debt	(91,784)	-	-
Purchase of capital assets	-	(375,067)	(2,996)
Net cash used by capital and related financing activities	<u>(396,568)</u>	<u>(375,067)</u>	<u>(2,996)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipt of investment earnings	3,110	35,914	23,787
Receipt of notes receivable or interfund loan	-	-	-
Net cash provided in investing activities	<u>3,110</u>	<u>35,914</u>	<u>23,787</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(17,031)	(541,928)	925,765
CASH AND CASH EQUIVALENTS - BEGINNING	<u>586,410</u>	<u>9,190,049</u>	<u>5,302,338</u>
CASH AND CASH EQUIVALENTS - ENDING	<u>\$ 569,379</u>	<u>\$ 8,648,121</u>	<u>\$ 6,228,103</u>

<u>Tennis Center</u>	<u>Fire Shop</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ 951,959	\$ -	\$ 8,472,089
5,631	-	130,083
(119,662)	-	(2,175,638)
(159,800)	-	(2,303,231)
<u>(822,661)</u>	<u>-</u>	<u>(3,164,586)</u>
<u>(144,533)</u>	<u>-</u>	<u>958,717</u>
600	-	41,922
-	-	85,861
124,909	-	174,793
	<u>(628,964)</u>	<u>(830,655)</u>
<u>125,509</u>	<u>(628,964)</u>	<u>(528,079)</u>
(9,216)	-	(314,000)
6,352	-	(85,432)
<u>-</u>	<u>-</u>	<u>(378,063)</u>
<u>(2,864)</u>	<u>-</u>	<u>(777,495)</u>
687	1,085	64,583
<u>2,865</u>	<u>-</u>	<u>2,865</u>
<u>3,552</u>	<u>1,085</u>	<u>67,448</u>
(18,336)	(627,879)	(279,409)
<u>115,672</u>	<u>627,879</u>	<u>15,822,348</u>
<u>\$ 97,336</u>	<u>\$ -</u>	<u>\$ 15,542,939</u>

CITY OF VANCOUVER
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2012

	<u>Airpark</u>	<u>Building Inspection</u>	<u>Solid Waste</u>
Reconciliation of operating income (loss) to net cash used by operating activities:			
Net operating income (loss)	\$ 16,505	\$ 379,448	\$ 893,239
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operations:			
Depreciation and amortization expense	219,707	214,127	10,216
(Increase) Decrease in receivables	11,106	(7,206)	41,321
(Increase) Decrease in deposits		35	138,395
(Increase) Decrease in inventories	-	-	-
Increase (Decrease) in current payables	(27,386)	52,646	(35,948)
Increase (Decrease) in accrued liabilities	5,066	1,167	547
(Increase) Decrease in receivables from other funds	-	(2,173)	99
Increase (Decrease) in payables due to other funds	2,519	(840,819)	17,474
Payment of claim settlement	-	-	-
Increase(Decrease) in unearned revenue	13,165	-	-
Total adjustments	<u>224,177</u>	<u>(582,223)</u>	<u>172,104</u>
Net cash provided by operating activities	<u>240,682</u>	<u>(202,775)</u>	<u>1,065,343</u>
Noncash investing, financing and capital activities			
Net change in fair value of investments	\$ (59)	\$ (72)	\$ (643)

<u>Tennis Center</u>	<u>Fire Shop</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ <u>(176,810)</u>	\$ <u>-</u>	\$ <u>1,112,382</u>
22,319	-	466,369
(80)	-	45,141
-	-	138,430
-	-	-
(1,461)	-	(12,149)
7,673	-	14,453
-	-	(2,074)
-	-	(820,826)
-	-	-
<u>3,826</u>	<u>-</u>	<u>16,991</u>
<u>32,277</u>	<u>-</u>	<u>(153,665)</u>
<u>(144,533)</u>	<u>-</u>	<u>958,717</u>
\$ (10)	\$ (1,255)	\$ (2,039)



Historic Pearson Airfield
Pearson Field is one of the oldest operating airfields in the US



Drawing by: Ben Young, Age 6
Son of City of Vancouver Assistant City Attorney, Jonathan Young

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.

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.

Equipment Services Fund

RCW 35.21.088 requires that all cities whose population exceeds 8,000 must establish an Equipment Services Fund, charging rates adequate to the using departments for the replacement, operation, and maintenance of equipment. The Equipment Services Fund is a working capital fund. Fixed assets are maintained with depreciation reserves programmed for each individual piece of equipment or other fixed assets.

Self Insurance Fund

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

Self Insurance Benefits

During 1992, the city began a program to consolidate the payment of premium costs out of one central point, the Self Insurance 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.

Print Shop and Mail Services Fund

Established in 1999, the Print shop and Mail services fund provides in-house mail and printing services for city departments funded through interfund charges.

CITY OF VANCOUVER
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2012

	Computer Repair and Replacement	Equipment Repair & Replacement	Self Insurance	Self Insurance Benefits	Print Shop and Mail Services	Total Internal Service Funds
ASSETS						
Current assets						
Cash, cash equivalents and pooled investments	\$ 2,087,438	\$ 14,358,157	\$ 6,625,470	\$ 2,041,101	\$ 132,953	\$ 25,245,119
Receivables (net)						
Accounts	-	4,162	-	566,278	-	570,440
Interest	1,311	9,006	4,153	1,271	83	15,824
Due from other funds	-	14,620	118	-	225	14,963
Inventory	-	515,503	-	-	-	515,503
Prepaid expenses	-	-	50,000	-	-	50,000
Total current assets	<u>2,088,749</u>	<u>14,901,448</u>	<u>6,679,741</u>	<u>2,608,650</u>	<u>133,261</u>	<u>26,411,849</u>
Noncurrent assets						
Capital assets						
Construction in progress	-	66,871	-	-	-	66,871
Machinery and equipment	1,778,348	24,981,501	-	-	88,165	26,848,014
Accumulated depreciation	(1,366,591)	(19,615,485)	-	-	(75,441)	(21,057,517)
Total noncurrent assets	<u>411,757</u>	<u>5,432,887</u>	<u>-</u>	<u>-</u>	<u>12,724</u>	<u>5,857,368</u>
TOTAL ASSETS	<u>2,500,506</u>	<u>20,334,335</u>	<u>6,679,741</u>	<u>2,608,650</u>	<u>145,985</u>	<u>32,269,217</u>
LIABILITIES						
Current liabilities						
Accounts payable	235,994	221,103	155,847	11,881	1,998	626,823
Claims and judgments payable	-	-	1,096,912	-	-	1,096,912
Due to other funds	93,091	11,076	13,854	6,639	4,231	128,891
Accrued liabilities	73,877	221,357	165,262	33,140	9,467	503,103
Custodial accounts	1,201	730	3	-	-	1,934
Total current	<u>404,163</u>	<u>454,266</u>	<u>1,431,878</u>	<u>51,660</u>	<u>15,696</u>	<u>2,357,663</u>
Noncurrent liabilities						
Claims and judgments payable	-	-	1,886,578	-	-	1,886,578
Accrued employee benefits	9,457	37,731	16,545	8,285	1,744	73,762
Total noncurrent liabilities	<u>9,457</u>	<u>37,731</u>	<u>1,903,123</u>	<u>8,285</u>	<u>1,744</u>	<u>1,960,340</u>
TOTAL LIABILITIES	<u>413,620</u>	<u>491,997</u>	<u>3,335,001</u>	<u>59,945</u>	<u>17,440</u>	<u>4,318,003</u>
NET POSITION						
Net investment in capital assets	411,757	5,432,887	-	-	12,724	5,857,368
Restricted for capital purposes	120,000	-	-	-	-	120,000
Unrestricted	1,555,129	14,409,451	3,344,740	2,548,705	115,821	21,973,846
TOTAL NET POSITION	<u>\$ 2,086,886</u>	<u>\$ 19,842,338</u>	<u>\$ 3,344,740</u>	<u>\$ 2,548,705</u>	<u>\$ 128,545</u>	<u>\$ 27,951,214</u>

CITY OF VANCOUVER

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2012

	Computer Repair and Replacement	Equipment Repair & Replacement	Self Insurance	Self Insurance Benefits	Print Shop and Mail Services	Total Internal Service Funds
OPERATING REVENUES						
Intergovernmental	\$ 52,668	\$ -	\$ 3,561	\$ -	\$ -	\$ 56,229
Charge for services	2,133,173	4,605,448	3,888,663	13,349,636	243,413	24,220,333
Miscellaneous	-	2,510,838	-	-	-	2,510,838
Total operating revenues	<u>2,185,841</u>	<u>7,116,286</u>	<u>3,892,224</u>	<u>13,349,636</u>	<u>243,413</u>	<u>26,787,400</u>
OPERATING EXPENSES						
Personnel services	761,469	1,720,203	546,065	293,296	69,472	3,390,505
Supplies and contractual services	1,304,210	2,389,355	1,652,731	13,467,374	83,458	18,897,128
Interfund services	232,781	555,676	86,367	70,899	34,998	980,721
Intergovernmental pymts	-	3,530	251,519	-	-	255,049
Depreciation	110,481	1,894,878	-	-	3,470	2,008,829
Total operating expenses	<u>2,408,941</u>	<u>6,563,642</u>	<u>2,536,682</u>	<u>13,831,569</u>	<u>191,398</u>	<u>25,532,232</u>
Operating income (loss)	(223,100)	552,644	1,355,542	(481,933)	52,015	1,255,168
NONOPERATING REVENUES (EXPENSES)						
Investment earnings	8,143	58,856	29,244	8,387	425	105,055
(Loss) on disposal of capital assets	-	213,954	204,769	-	-	418,723
Miscellaneous revenue (expense)	17,118	-	383,000	-	-	400,118
Total nonoperating revenues (expenses)	<u>25,261</u>	<u>272,810</u>	<u>617,013</u>	<u>8,387</u>	<u>425</u>	<u>923,896</u>
Income (loss) before contributions and transfers	(197,839)	825,454	1,972,555	(473,546)	52,440	2,179,064
Capital contributions	25,095	447,328	-	-	-	472,423
Change in net position	<u>(172,744)</u>	<u>1,272,782</u>	<u>1,972,555</u>	<u>(473,546)</u>	<u>52,440</u>	<u>2,651,487</u>
TOTAL NET POSITION - BEGINNING	2,259,630	18,569,556	1,373,105	3,022,251	76,105	25,300,647
Prior period adjustments	-	-	(920)	-	-	(920)
TOTAL NET POSITION - ENDING	<u>\$ 2,086,886</u>	<u>\$ 19,842,338</u>	<u>\$ 3,344,740</u>	<u>\$ 2,548,705</u>	<u>\$ 128,545</u>	<u>\$ 27,951,214</u>

CITY OF VANCOUVER
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2012

	Computer Repair and Replacement	Equipment Repair & Replacement	Self Insurance	Self Insurance Benefits	Print Shop and Mail Services	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	\$ 2,185,847	\$ 7,115,758	\$ 3,902,590	\$ 13,379,483	\$ 243,188	\$ 26,826,866
Cash received from other operating activities	-	-	587,769	-	-	587,769
Cash payment for goods and services	(1,114,020)	(2,787,569)	(3,957,540)	(13,466,069)	(83,668)	(21,408,866)
Internal activity - payments to other funds	(139,690)	(561,498)	(75,568)	(72,598)	(30,766)	(880,120)
Cash payments to employees	(744,377)	(1,737,474)	(510,669)	(293,590)	(68,104)	(3,354,214)
Payments for operating expenses	-	-	-	-	-	-
Net cash provided (used) by operating activities	<u>187,760</u>	<u>2,029,217</u>	<u>(53,418)</u>	<u>(452,774)</u>	<u>60,650</u>	<u>1,771,435</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers from other funds	5,976	-	-	-	-	5,976
Net cash used by noncapital financing activities	<u>5,976</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,976</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Purchase of capital assets	(217,172)	(1,889,133)	-	-	-	(2,106,305)
Proceeds from sale of capital assets	11,142	244,303	-	-	-	255,445
Capital contributions	25,095	-	-	-	-	25,095
Net cash provided (used) by capital and related financing activities	<u>(180,935)</u>	<u>(1,644,830)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,825,765)</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Receipt of investment earnings	7,981	57,594	28,789	8,498	381	103,243
Net cash provided (used) in investing activities	<u>7,981</u>	<u>57,594</u>	<u>28,789</u>	<u>8,498</u>	<u>381</u>	<u>103,243</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS						
	20,782	441,981	(24,629)	(444,276)	61,031	54,889
CASH BALANCE AT BEGINNING OF YEAR						
	2,066,656	13,916,176	6,650,099	2,485,377	71,922	25,190,230
CASH BALANCE AT END OF YEAR						
	<u>\$ 2,087,438</u>	<u>\$ 14,358,157</u>	<u>\$ 6,625,470</u>	<u>\$ 2,041,101</u>	<u>\$ 132,953</u>	<u>\$ 25,245,119</u>
Reconciliation of operating income (loss) to net cash used by operating activities:						
Operating income (loss)	\$ (223,100)	\$ 552,644	\$ 1,355,542	\$ (481,933)	\$ 52,015	\$ 1,255,168
Adjustments to reconcile operating income (loss) to net cash provided by operations:						
Depreciation expense	110,481	1,894,878	-	-	3,470	2,008,829
Decrease (increase) in receivables	-	(528)	8,642	29,848	-	37,962
Decrease in inventories	-	(9,031)	-	-	-	(9,031)
Increase (decrease) in current payables	190,190	(376,621)	32,538	1,304	(209)	(152,798)
Increase (decrease) in accrued liabilities	17,092	17,271	35,395	(295)	1,368	70,831
Decrease (increase) in receivable from other funds	5	(14,620)	(118)	-	(225)	(14,958)
Increase (decrease) in payables due to other funds	93,092	(34,776)	12,642	(1,698)	4,231	73,491
Increase (decrease) in claims and judgments payable	-	-	(2,085,828)	-	-	(2,085,828)
Receipt of non-operating revenues	-	-	587,769	-	-	587,769
Total adjustments	410,860	1,476,573	(1,408,960)	29,159	8,635	516,267
Net cash provided (used) by operating activities	<u>187,760</u>	<u>\$ 2,029,217</u>	<u>\$ (53,418)</u>	<u>\$ (452,774)</u>	<u>\$ 60,650</u>	<u>\$ 1,771,435</u>
Non cash investing, financing and capital activities						
Contribution of capital assets from government	\$ -	\$ 447,328	\$ -	\$ -	\$ -	\$ 447,328
Net change in fair value of investments	(217)	(1,490)	(687)	(210)	(14)	(2,618)

Fiduciary Funds

Trust Funds are used to account for assets held in a trustee capacity, and Agency Funds are used to account for individuals, private organizations, other governments, and/or other funds. Such funds are classified as Pension Trust, Non-Expendable Trust, Expendable Trust, Agency, and Clearing Funds. Though Trust Funds normally do not require a budget, the city does budget annually the Police and Fire Pension Funds in order to comply with state mandated expenditure controls.

Trust Funds

Police Pension Fund

The Police Pension Fund is supported by annual contributions from the General Fund. Expenditures are for retired uniformed personnel pensions, their medical expenses, and expense of prescription drugs for currently employed uniformed personnel. The state assumed a major portion of pension expense for retirees terminating after March 1, 1970.

Fire Pension Fund

The Firemen's Pension Fund is supported by annual contributions and interest earnings from monies in the trust fund. Expenditures are for retired uniformed personnel pensions, their medical expenses and expense of prescription drugs for currently employed uniformed personnel. The state assumed a major portion of pension expense for retirees terminating after March 1, 1970.

Agency Funds

Southwest Washington Regional SWAT Team Fund

The Southwest Washington Regional SWAT Team Fund is a separate entity jointly operated by various municipal entities in Clark County. The purpose of this agency is to provide support for SWAT Team operations countywide via a cooperative agreement. The City acts as the fiscal agent for this agency.

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 agency is to provide staff support in matters relating to the administration of the joint city/county urban area cable television franchises. The city acts as a collection and dispersing agent.

CITY OF VANCOUVER
COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS
PENSION TRUST FUNDS
December 31, 2012

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Total Fiduciary Pension Trust Funds</u>
ASSETS			
Cash, cash equivalents and pooled investments	\$ 1,191,560	\$ 5,406,107	\$ 6,597,667
Investments (at fair value)			
Federal Agency Coupon Securities	-	1,526,619	1,526,619
Receivables (net):			
Interest	-	19,766	19,766
Prepaid expenses	29,417	28,917	58,334
TOTAL ASSETS	<u>\$ 1,220,977</u>	<u>\$ 6,981,409</u>	<u>\$ 8,202,386</u>
LIABILITIES			
Accounts and accrued employee payables	\$ 613	\$ 1,078	\$ 1,691
TOTAL LIABILITIES	<u>613</u>	<u>1,078</u>	<u>1,691</u>
NET POSITION			
Pension benefits	<u>\$ 1,220,364</u>	<u>\$ 6,980,331</u>	<u>\$ 8,200,695</u>

CITY OF VANCOUVER
COMBINING STATEMENT OF NET POSITION
FIDUCIARY FUNDS
AGENCY FUNDS
December 31, 2012

	SW WA Regional SWAT Team	City/County Cable TV	Total Fiduciary Agency Funds
ASSETS			
Cash, cash equivalents and pooled investments	\$ 82,973	\$ 684,214	\$ 767,187
Receivables (net):			
Accounts	3,056	307,140	310,196
Interest	52	427	479
Property, plant, and equipment (net)		430,771	430,771
TOTAL ASSETS	\$ 86,081	\$ 1,422,552	\$ 1,508,633
LIABILITIES			
Accounts and accrued employee payables	\$ 5,345	\$ 116,530	\$ 121,875
Custodial accounts	14	2,955	2,969
Due to other governmental units from restricted assets	80,722	1,303,067	1,383,789
TOTAL LIABILITIES	\$ 86,081	\$ 1,422,552	\$ 1,508,633

CITY OF VANCOUVER
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
For the Year Ended December 31, 2012

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Total Pension Trust Funds</u>
Additions:			
Employer Contributions			
For pension benefits	\$ 510,751	\$ 642,229	\$ 1,152,980
For postemployment healthcare benefits	569,249	1,113,771	1,683,020
Other Sources	<u>2,475</u>	<u>156,748</u>	<u>159,223</u>
Total Contributions	<u>1,082,475</u>	<u>1,912,748</u>	<u>2,995,223</u>
Investment Income			
Interest earnings	<u>-</u>	<u>37,857</u>	<u>37,857</u>
Total Investment Income	<u>-</u>	<u>37,857</u>	<u>37,857</u>
Total Additions	<u>1,082,475</u>	<u>1,950,605</u>	<u>3,033,080</u>
Deductions:			
Pension benefits	219,776	600,476	820,252
Healthcare premium subsidies	569,249	1,113,771	1,683,020
Administrative expense	<u>39,224</u>	<u>33,004</u>	<u>72,228</u>
Total Deductions	<u>828,249</u>	<u>1,747,251</u>	<u>2,575,500</u>
Change in net position	254,226	203,354	457,580
NET POSITION HELD IN TRUST FOR PENSION AND OPEB BENEFITS			
BEGINNING OF YEAR	<u>966,138</u>	<u>6,776,977</u>	<u>7,743,115</u>
END OF YEAR	<u>\$ 1,220,364</u>	<u>\$ 6,980,331</u>	<u>\$ 8,200,695</u>

CITY OF VANCOUVER
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
For The Year Ended December 31, 2012

	Restated Balance 01/01/12	Additions	Deductions	Balance 12/31/12
SW WA REGIONAL SWAT TEAM				
Assets				
Cash and cash equivalents	\$ 95,570	\$ 182,888	\$ 195,485	\$ 82,973
Accounts Receivable	-	109,885	106,829	3,056
Interest receivable	53	52	53	52
Total assets	<u>\$ 95,623</u>	<u>\$ 292,825</u>	<u>\$ 302,367</u>	<u>\$ 86,081</u>
Liabilities				
Accounts payable	\$ 10,056	\$ 202,142	206,853	\$ 5,345
Custodial accounts	150	4,158	4,294	14
Due to other governmental units	85,417	222,515	227,210	80,722
Total liabilities	<u>\$ 95,623</u>	<u>\$ 428,815</u>	<u>\$ 438,357</u>	<u>\$ 86,081</u>
CITY/COUNTY CABLE TV				
Assets				
Cash, cash equivalents and pooled investments	\$ 761,581	\$ 1,756,176	\$ 1,833,543	\$ 684,214
Accounts receivable	228,824	710,552	632,236	307,140
Interest receivable	422	427	422	427
Due from other funds	5	2,540	2,545	-
Property, plant, and equipment (net)	371,647	188,602	129,478	430,771
Total assets	<u>\$ 1,362,479</u>	<u>\$ 2,658,297</u>	<u>\$ 2,598,224</u>	<u>\$ 1,422,552</u>
Liabilities				
Accounts and accrued employee payables	\$ 73,662	\$ 1,317,690	\$ 1,274,822	\$ 116,530
Due to other funds	96,003	214,425	310,428	-
Custodial accounts	3,367	1,764	2,176	2,955
Due to other governmental units	1,189,447	2,928,710	2,815,090	1,303,067
Total liabilities	<u>\$ 1,362,479</u>	<u>\$ 4,462,589</u>	<u>\$ 4,402,516</u>	<u>\$ 1,422,552</u>
TOTAL - ALL AGENCY FUNDS				
Assets				
Cash and cash equivalents	\$ 857,151	\$ 1,939,064	\$ 2,029,028	\$ 767,187
Accounts receivable	228,824	820,437	739,065	310,196
Interest receivable	475	479	475	479
Due from other funds	5	2,540	2,545	-
Property, plant, and equipment (net)	371,647	188,602	129,478	430,771
Total assets	<u>\$ 1,458,102</u>	<u>\$ 2,951,122</u>	<u>\$ 2,900,591</u>	<u>\$ 1,508,633</u>
Liabilities				
Accounts payable	\$ 83,718	\$ 1,519,832	\$ 1,481,675	\$ 121,875
Due to Other Funds	96,003	214,425	310,428	-
Custodial accounts	3,517	5,922	6,470	2,969
Due to other governmental units	1,274,864	3,151,225	3,042,300	1,383,789
Total liabilities	<u>\$ 1,458,102</u>	<u>\$ 4,891,404</u>	<u>\$ 4,840,873</u>	<u>\$ 1,508,633</u>



Fort Vancouver

Fort Vancouver was headquarters and primary supply depot for fur trading operations.



Drawing by: Kennedy Holben, Age 5
Daughter of City of Vancouver Senior Accountant, Kim Holben

Statistical Section

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in 2001; schedules presenting government-wide information include information beginning in that year. The City implemented GASB Statement 44 in 2004; schedules presenting government-wide information include information beginning in that 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.

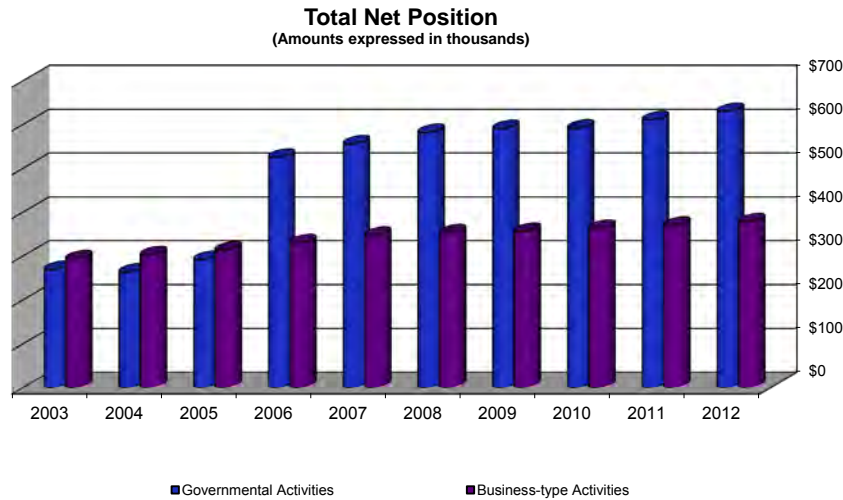
Net Position by Component		Table 1
Changes in Expenses, Revenues, and Net Position		Table 2
Changes in Expenses by Function	Page 1 of 3	
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General Governmental Tax Revenues by Source		Table 3
General Governmental Revenues by Source		Table 4
General Governmental 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									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities										
Net Investment in capital assets	\$ 122,202	\$ 162,027	\$ 195,835	\$ 410,526	\$ 452,964	\$ 459,834	\$ 452,249	\$ 485,600	\$ 494,576	\$ 500,452
Restricted	306	44	10,548	37	43,530	46,340	56,751	35,422	35,482	65,339
Unrestricted	<u>145,824</u>	<u>100,586</u>	<u>84,925</u>	<u>113,753</u>	<u>58,416</u>	<u>74,653</u>	<u>80,769</u>	<u>69,753</u>	<u>79,721</u>	<u>62,904</u>
Total Governmental Activities Net Position	<u>\$ 268,332</u>	<u>\$ 262,657</u>	<u>\$ 291,309</u>	<u>\$ 524,316</u>	<u>\$ 554,910</u>	<u>\$ 580,827</u>	<u>\$ 589,769</u>	<u>\$ 590,775</u>	<u>\$ 609,780</u>	<u>\$ 628,695</u>
Business-type Activities										
Net Investment in capital assets	\$ 198,364	\$ 204,648	\$ 209,364	\$ 232,116	\$ 249,333	\$ 259,587	\$ 269,568	\$ 279,590	\$ 288,493	\$ 294,317
Restricted	184	454	8,461	-	59	1,825	4,161	5,261	5,406	7,746
Unrestricted	<u>94,065</u>	<u>96,685</u>	<u>95,012</u>	<u>97,061</u>	<u>96,796</u>	<u>90,526</u>	<u>81,432</u>	<u>77,139</u>	<u>74,882</u>	<u>74,709</u>
Total Business-type Activities Net Position	<u>\$ 292,613</u>	<u>\$ 301,787</u>	<u>\$ 312,837</u>	<u>\$ 329,177</u>	<u>\$ 346,188</u>	<u>\$ 351,938</u>	<u>\$ 355,161</u>	<u>\$ 361,989</u>	<u>\$ 368,781</u>	<u>\$ 376,772</u>
Primary Government										
Net Investment in capital assets	\$ 320,566	\$ 366,675	\$ 405,199	\$ 642,642	\$ 702,297	\$ 719,421	\$ 721,817	\$ 765,190	\$ 783,070	\$ 794,769
Restricted	490	498	19,009	37	43,589	48,165	60,912	40,683	40,888	73,085
Unrestricted	<u>239,889</u>	<u>197,271</u>	<u>179,937</u>	<u>210,814</u>	<u>155,213</u>	<u>165,179</u>	<u>162,201</u>	<u>146,892</u>	<u>154,603</u>	<u>137,613</u>
Total Primary Government Net Position	<u>\$ 560,945</u>	<u>\$ 564,444</u>	<u>\$ 604,146</u>	<u>\$ 853,493</u>	<u>\$ 901,099</u>	<u>\$ 932,765</u>	<u>\$ 944,930</u>	<u>\$ 952,765</u>	<u>\$ 978,561</u>	<u>\$ 1,005,467</u>

The City implemented GASB 44 in 2004 and has reported the information above retroactively from GASB 34 implementation during 2001.

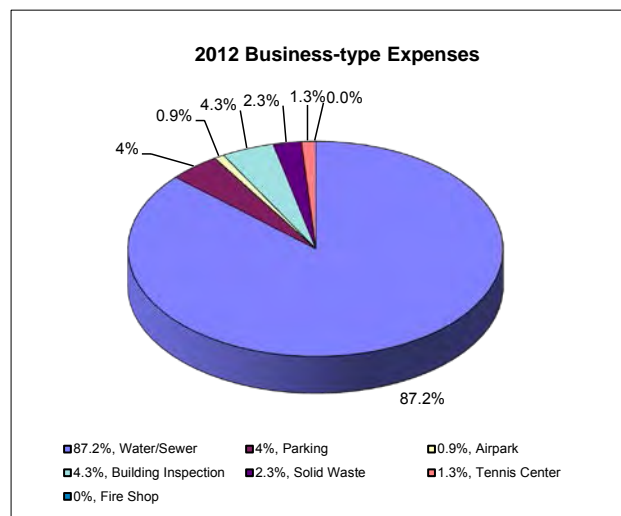
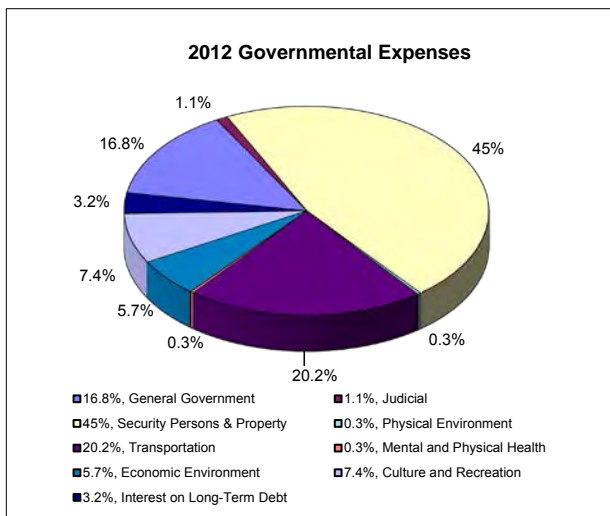


CITY OF VANCOUVER
Changes in Expenses by Function
 Last Ten Fiscal Years
 (Amounts expressed in thousands)

Table 2
 Page 1 of 3

Expenses	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities										
General Government	\$ 18,194	\$ 17,976	\$ 18,048	\$ 25,840	\$ 27,030	\$ 27,457	\$ 26,611	\$ 36,530	\$ 25,992	\$ 24,741
Judicial	1,432	1,559	1,341	1,656	1,961	1,665	1,829	1,868	1,750	1,588
Security Persons & Property	48,477	49,332	53,384	57,752	66,075	66,334	68,436	67,126	63,406	66,136
Physical Environment	338	582	531	34	448	564	530	521	315	474
Transportation	15,615	20,464	19,819	23,554	32,684	34,934	30,588	30,895	26,830	29,713
Mental and Physical Health	205	209	188	294	494	319	355	384	265	386
Economic Environment	7,204	5,847	7,857	7,796	7,977	8,810	10,013	11,096	9,201	8,389
Culture and Recreation	17,490	15,167	20,989	18,486	19,403	20,917	18,924	18,033	12,773	10,924
Interest on Long-Term Debt	3,298	3,685	2,934	3,858	4,028	4,109	4,590	4,566	4,933	4,747
Total Governmental Activities Expenses	112,253	114,821	125,091	139,270	160,100	165,109	161,877	171,020	145,465	147,098
Business-type Activities										
Water/Sewer	55,648	55,835	60,837	63,660	67,215	70,344	71,886	70,561	71,883	73,306
Parking	2,598	3,460	4,129	3,892	3,440	3,830	3,772	3,572	3,637	3,372
Airpark	618	626	615	605	591	671	575	581	702	697
Building Inspection	2,840	3,671	3,773	4,261	6,087	5,928	4,755	4,298	3,764	3,642
Solid Waste	4,698	3,431	3,752	4,031	4,174	4,592	3,899	1,825	2,006	1,912
Tennis Center	1,012	1,036	1,216	1,181	1,104	1,164	1,143	1,072	1,033	1,124
Fire Shop	985	955	915	964	1,013	968	980	921	-	-
Total Business-type Activities Expenses	68,399	69,014	75,237	78,594	83,624	87,496	87,010	82,830	83,025	84,053
Total Primary Government Expenses	\$ 180,652	\$ 183,835	\$ 200,328	\$ 217,864	\$ 243,724	\$ 252,605	\$ 248,886	\$ 253,850	\$ 228,490	\$ 231,151

The City implemented GASB 44 in 2004 and has reported the information above retroactively from GASB 34 implementation during 2001.

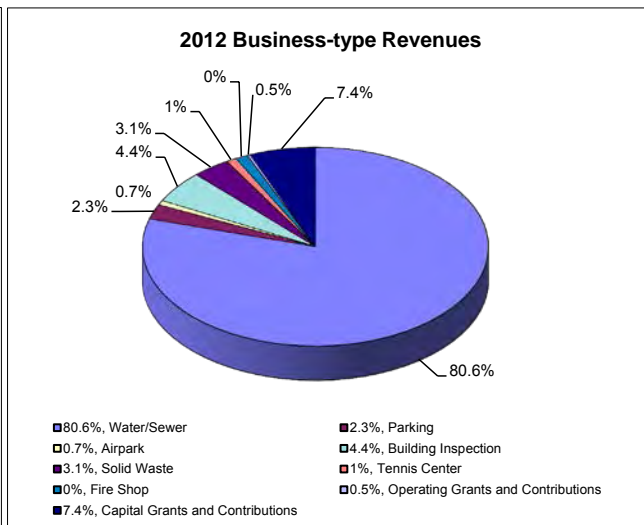
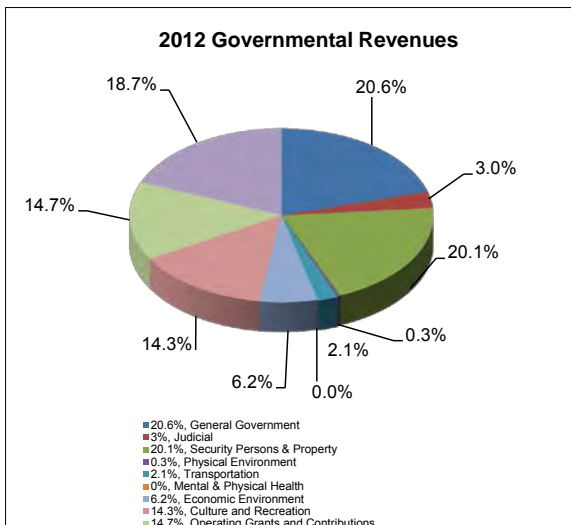


CITY OF VANCOUVER
Changes in Revenues by Function
 Last Ten Fiscal Years
 (Amounts expressed in thousands)

Table 2
 Page 2 of 3

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Program Revenues										
Governmental Activities										
Charges for Services, Fees, Fines & Forfeitures										
General Government	\$ 7,779	\$ 7,500	\$ 7,674	\$ 8,113	\$ 14,715	\$ 12,070	\$ 12,715	\$ 20,732	\$ 10,733	\$ 10,432
Judicial	1,379	1,456	1,543	1,303	2,175	1,837	1,680	1,550	1,486	1,519
Security Persons & Property	6,696	7,824	7,761	8,347	9,069	9,349	9,877	9,370	9,437	10,162
Physical Environment	86	99	87	89	125	103	119	108	127	161
Transportation	1,807	6,735	2,026	5,157	3,571	4,171	1,717	1,117	2,343	1,073
Mental & Physical Health	-	-	-	-	47	-	-	-	-	-
Economic Environment	7,652	8,857	11,509	4,008	8,905	5,356	4,855	5,022	3,641	3,111
Culture and Recreation	4,806	6,767	10,368	11,112	5,055	6,933	6,022	6,178	5,303	7,234
Operating Grants and Contributions	4,511	3,074	3,754	3,289	4,748	7,252	11,426	9,915	6,942	7,419
Capital Grants and Contributions	9,574	14,199	15,824	10,724	32,443	22,771	13,057	6,646	14,175	9,474
Total Governmental Activities Revenues	44,290	56,511	60,546	52,142	80,853	69,842	61,469	60,639	54,187	50,585
Business-type Activities										
Charges for Services										
Water/Sewer	48,915	52,063	55,643	59,938	63,158	63,779	67,994	67,424	70,000	73,410
Parking	1,352	1,892	2,153	1,876	2,211	1,899	2,116	2,060	2,129	2,082
Airpark	499	499	502	529	573	609	609	622	630	621
Building Inspection	5,069	4,929	6,546	5,128	5,597	4,717	3,820	4,438	4,057	4,021
Solid Waste	2,909	2,953	3,869	5,327	5,690	5,498	2,542	2,996	3,286	2,805
Tennis Center	684	709	803	860	905	863	873	816	867	954
Fire Shop	948	1,007	1,054	1,118	1,052	966	1,063	978	-	-
Operating Grants and Contributions	253	146	-	-	270	89	19	242	625	442
Capital Grants and Contributions	11,651	10,595	15,051	14,609	14,934	11,467	8,430	5,231	5,425	6,737
Total Business-type Activities Revenues	72,280	74,793	85,621	89,385	94,390	89,887	87,465	84,807	87,020	91,072
Total Primary Government Revenues	\$ 116,570	\$ 131,304	\$ 146,167	\$ 141,527	\$ 175,243	\$ 159,729	\$ 148,934	\$ 145,446	\$ 141,207	\$ 141,657

The City implemented GASB 44 in 2004 and has reported the information above retroactively from GASB 34 implementation during 2001.

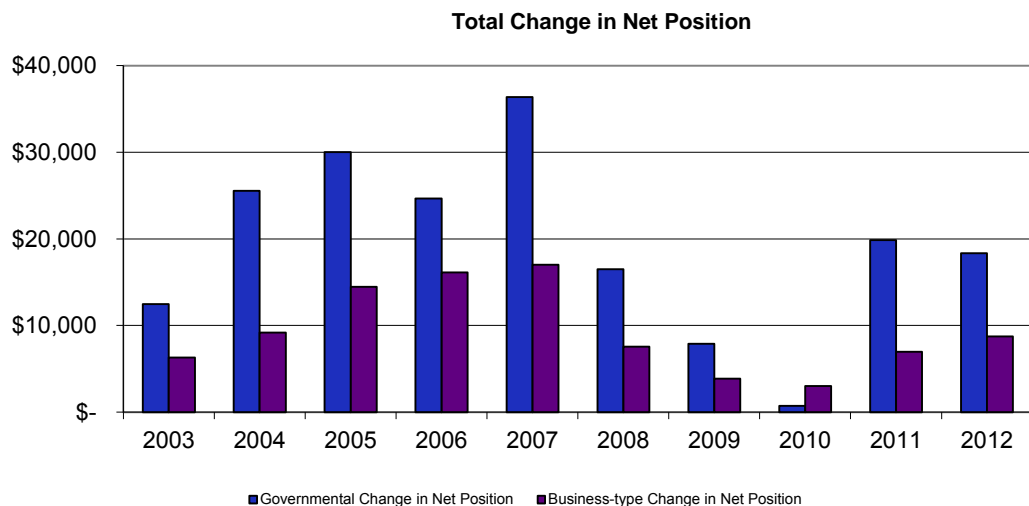


CITY OF VANCOUVER
Changes in Net Position
 Last Ten Fiscal Years
 (Amounts expressed in thousands)

Table 2
 Page 3 of 3

	FISCAL YEAR									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Net (Expense)/Revenue										
Governmental Activities	\$ (67,963)	\$ (58,310)	\$ (64,545)	\$ (87,128)	\$ (79,247)	\$ (95,267)	\$ (100,408)	\$ (110,381)	\$ (91,278)	\$ (96,514)
Business-type Activities	3,881	5,779	10,384	10,791	10,766	2,391	456	1,977	3,995	7,019
Total Primary Government Net (Expense)/Revenue	\$ (64,082)	\$ (52,531)	\$ (54,161)	\$ (76,337)	\$ (68,481)	\$ (92,876)	\$ (99,953)	\$ (108,404)	\$ (87,283)	\$ (89,494)
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes	\$ 76,142	\$ 80,500	\$ 90,270	\$ 105,133	\$ 106,494	\$ 100,670	\$ 107,397	\$ 107,992	\$ 112,298	\$ 112,816
Intergovernmental Revenues not Restricted to a specific program	2,367	2,568	2,631	2,608	2,863	7,100	-	-	-	-
Investment Earnings	1,717	1,521	2,880	4,822	6,094	4,926	2,271	1,312	1,096	799
Miscellaneous	184	-	125	6	939	114	-	1,980	2	2,410
Transfers	40	(736)	(1,341)	(789)	(767)	(1,056)	(1,362)	(163)	(2,258)	(1,167)
Total Governmental Activities	80,450	83,853	94,565	111,780	115,623	111,755	108,306	111,121	111,139	114,858
Business-type Activities										
Investment Earnings	2,448	2,659	2,725	4,557	5,294	4,076	1,613	840	670	516
Miscellaneous	-	-	-	-	185	23	454	53	46	51
Transfers	(40)	736	1,341	789	767	1,056	1,362	163	2,258	1,167
Total Business-type Activities	2,408	3,395	4,066	5,346	6,246	5,155	3,430	1,056	2,973	1,735
Total Primary Government	\$ 82,858	\$ 87,248	\$ 98,631	\$ 117,126	\$ 121,869	\$ 116,909	\$ 111,736	\$ 112,177	\$ 114,112	\$ 116,592
Change in Net Position										
Governmental Activities	\$ 12,487	\$ 25,543	\$ 30,020	\$ 24,652	\$ 36,376	\$ 16,487	\$ 7,898	\$ 740	\$ 19,860	\$ 18,344
Business-type Activities	6,289	9,174	14,450	16,137	17,012	7,546	3,886	3,034	6,969	8,754
Total Primary Government	\$ 18,776	\$ 34,717	\$ 44,470	\$ 40,789	\$ 53,388	\$ 24,034	\$ 11,784	\$ 3,774	\$ 26,829	\$ 27,098

The City implemented GASB 44 in 2004 and has reported the information above retroactively from GASB 34 implementation during 2001.

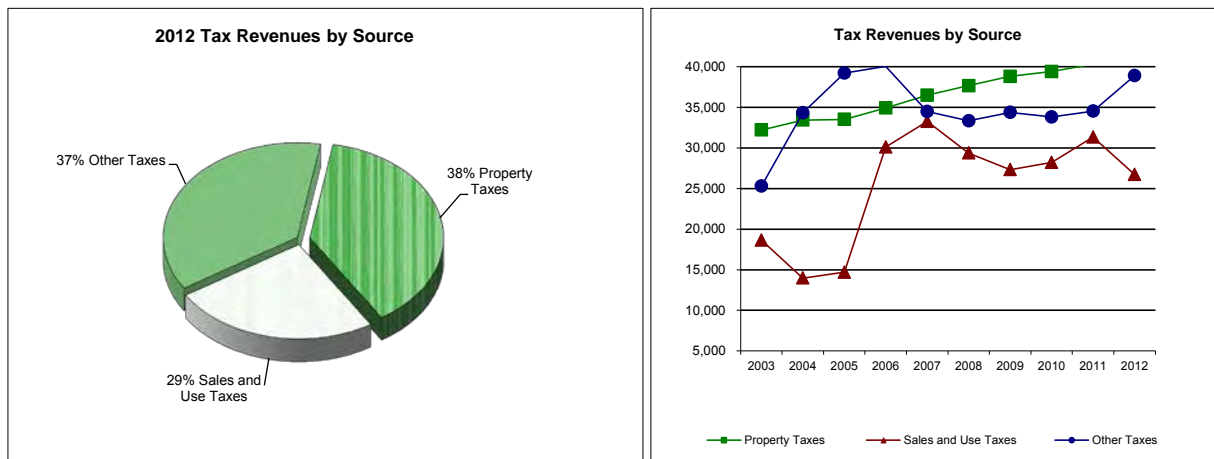


CITY OF VANCOUVER
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
 Last Ten Fiscal Years
 (Amounts expressed in thousands)
 (Modified accrual basis of accounting)

Table 3

<u>Fiscal Year</u>	<u>Property Taxes</u>	<u>Sales and Use Taxes</u>	<u>Other Taxes</u>	<u>Total Taxes</u>
2003	\$ 32,206	\$ 18,645	\$ 25,291	\$ 76,142
2004	33,433	13,975	34,319	81,727
2005	33,507	14,694	39,219	87,420
2006	34,928	30,118	40,027	105,073
2007	36,488	33,262	34,471	104,221
2008	37,661	29,380	33,333	100,375
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

The City implemented GASB 44 in 2004 and has reported the information above retroactively.

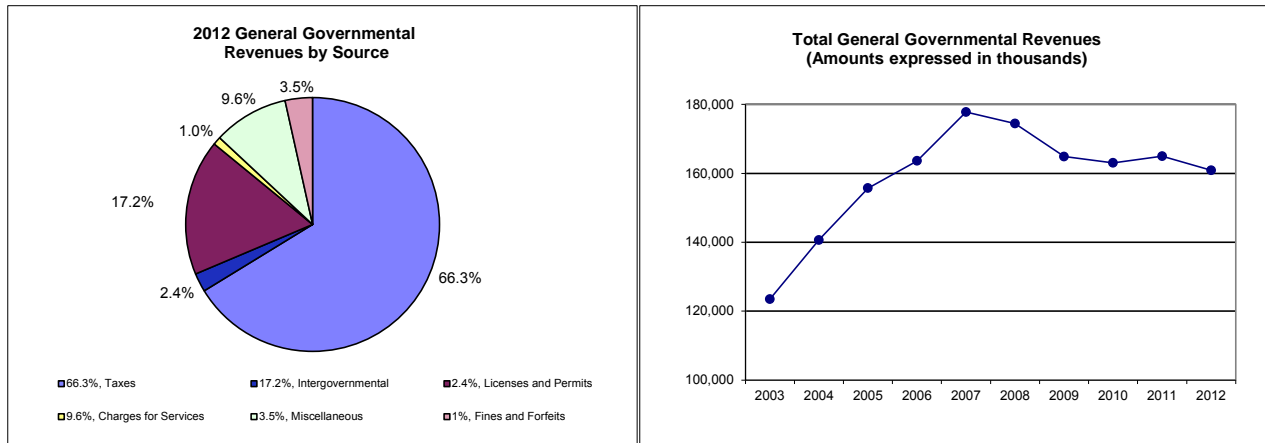


CITY OF VANCOUVER
GENERAL GOVERNMENTAL REVENUES BY SOURCE
 Last Ten Fiscal Years
 (Modified accrual basis of accounting)
 (Amounts expressed in thousands)

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 Forfeits	Miscellaneous	Total Revenues	Capital Related Debt Issued	Sale of Capital Assets	Net Transfers In/Out	Financing Sources (Uses)	
2003	\$ 75,279	\$ 1,226	\$ 26,636	\$ 15,196	\$ 1,474	\$ 3,691	\$ 123,502	\$ 18,747	\$ 304	\$ 34	\$ 19,085	\$ 142,587
2004	80,544	1,049	33,120	20,700	1,430	3,790	140,633	-	-	(735)	(735)	139,898
2005	87,421	1,108	36,542	20,658	1,514	8,471	155,714	4,952	141	(1,341)	3,752	159,466
2006	105,073	1,465	25,906	22,779	1,715	6,676	163,614	16,578	2	(2,039)	14,541	178,155
2007	104,221	1,243	33,858	27,606	2,153	8,691	177,772	1,100	2,971	(3,892)	179	177,951
2008	100,375	3,656	38,038	24,064	1,995	6,333	174,460	14,634	1,094	(2,131)	13,597	188,057
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

The City implemented GASB 44 in 2004 and has reported the information above retroactively.

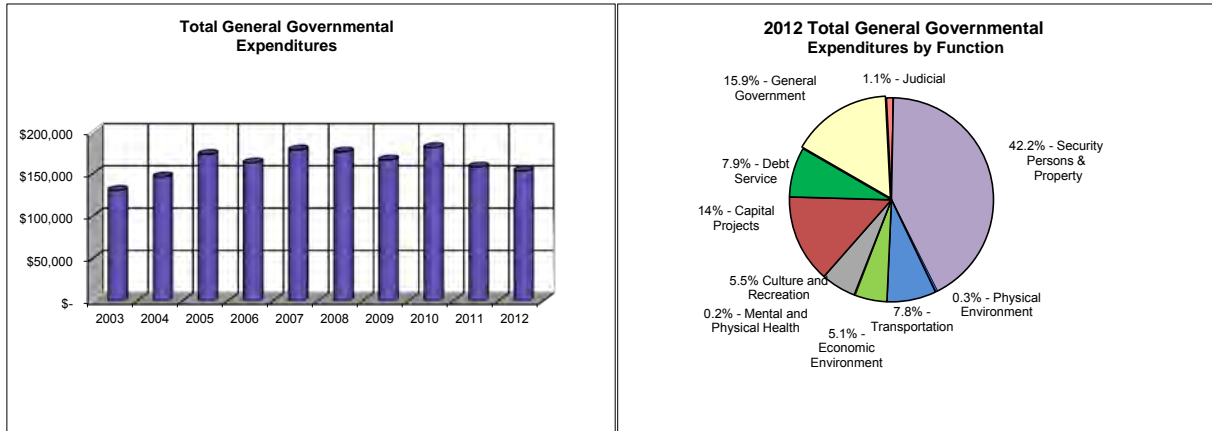


CITY OF VANCOUVER
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
AND CHANGES IN FUND BALANCE
 Last Ten Fiscal Years
 (Modified accrual basis of accounting)
 (Amounts expressed in thousands)

Table 5

Fiscal Year	General Government	Judicial	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
										Principal	Interest					
2003	\$ 16,175	\$ 1,432	\$ 48,113	\$ 534	\$ 18,375	\$ 7,035	\$ 205	\$ 17,123	\$ 15,817	\$ 2,631	\$ 3,226	\$ 130,666	\$ 11,921	\$ (178)	\$ 11,743	5.10%
2004	18,132	1,559	48,531	612	18,906	7,379	209	16,119	28,974	2,741	3,504	146,666	(6,768)	5	(6,763)	5.31%
2005	16,887	1,341	56,722	945	17,326	8,487	188	18,087	46,429	3,250	3,514	173,176	(13,710)	(1,367)	(15,077)	5.34%
2006	23,799	1,656	57,493	493	19,357	7,586	294	14,508	31,002	3,304	3,666	163,158	14,997	(83)	14,914	5.27%
2007	25,873	1,961	63,784	457	20,794	7,377	500	16,894	32,986	3,767	4,090	178,483	(532)	-	(532)	5.40%
2008	26,730	1,665	65,179	955	22,196	8,781	318	15,979	25,455	4,574	4,339	176,171	11,886	993	12,879	5.91%
2009	25,362	1,829	67,176	528	18,931	9,132	392	16,275	16,681	5,720	4,664	166,690	(2,203)	344	(1,859)	6.92%
2010	24,789	1,785	64,572	536	15,624	10,239	384	14,082	38,431	6,111	4,717	181,269	(3,971)	(99)	(4,070)	7.58%
2011	25,051	1,743	62,349	301	13,573	8,734	265	9,814	25,261	6,277	5,039	158,407	14,983	(102)	14,881	8.50%
2012	24,355	1,662	64,861	474	11,993	7,798	386	8,485	21,438	7,167	4,903	153,522	6,683	139	6,822	9.14%

The City implemented GASB 44 in 2004 and has reported the information above retroactively. Changes in fund balance nets the results of Tables 5 and 6.



CITY OF VANCOUVER
FUND BALANCES GOVERNMENTAL FUNDS

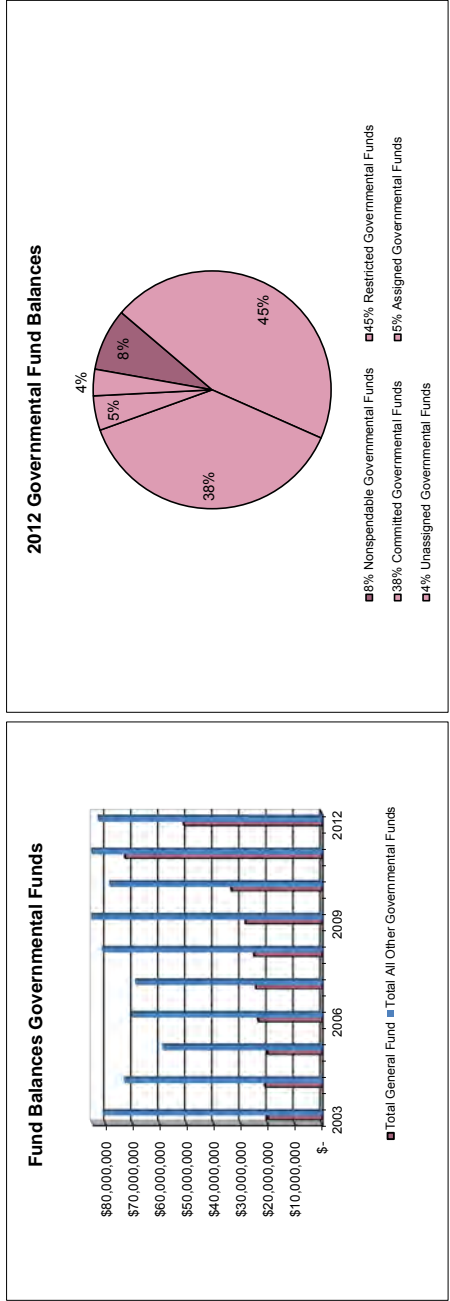
Last Ten Fiscal Years
 (Modified accrual basis of accounting)

Table 6

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General Fund										
Reserved	\$ 8,012,054	\$ 7,980,579	\$ 10,504,868	\$ 2,228,016	\$ 10,134,641	\$ 2,796,253	\$ 1,061,735	\$ 955,735		
Unreserved	11,800,943	12,888,501	9,486,204	21,184,989	14,161,873	22,193,539	27,125,784	32,395,545		
* Nonspendable									\$ 415,377	\$ 913,400
* Restricted									889,198	1,064,707
* Committed									-	40,276,519
* Assigned									34,528,923	3,893,165
* Unassigned									36,861,898	4,785,967
Total General Fund	\$ 19,812,997	\$ 20,869,080	\$ 19,991,072	\$ 23,413,005	\$ 24,296,514	\$ 24,989,792	\$ 28,187,519	\$ 33,351,280	\$ 72,695,396	\$ 50,936,758
All Other Governmental Funds										
Reserved	\$ 1,603,102	\$ 1,345,486	\$ 43,203	\$ 36,691	\$ 9,036	\$ 4,799	\$ 3,151,350	\$ 28,128,422		
Unreserved										
Special Revenue Funds	45,890,745	46,946,654	47,558,690	50,760,088	54,532,614	55,411,540	50,893,960	23,933,985		
Capital Project Funds	33,183,389	24,565,354	11,056,607	19,354,430	14,173,948	25,483,759	33,810,705	26,359,262		
Debt Service Funds	-	-	-	-	19,323	20,379	1,518	1,560		
* Nonspendable									\$ 63,930,034	\$ 10,367,595
* Restricted									12,495,574	59,540,775
* Committed									3,105,111	10,262,185
* Assigned									-	2,370,033
* Unassigned									89,793,362	-
Total All Other Governmental Funds	\$ 80,677,236	\$ 72,857,494	\$ 58,658,500	\$ 70,151,209	\$ 68,734,921	\$ 80,920,476	\$ 87,857,533	\$ 78,423,229	\$ 169,324,081	\$ 82,540,588
Total Fund Balance Governmental Funds	\$ 100,490,233	\$ 93,726,574	\$ 78,649,572	\$ 93,564,214	\$ 93,031,435	\$ 105,910,269	\$ 115,845,052	\$ 111,774,509	\$ 242,019,477	\$ 133,477,346

The City implemented GASB 44 in 2004 and has reported the information above retroactively.

* The City implemented GASB 54 in 2011 and the new reclassifications will be shown in future years.



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

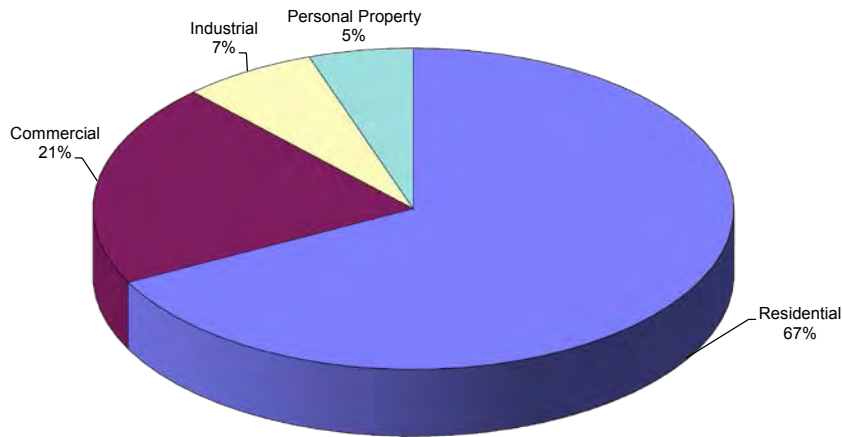
Assessed Year	Collection Year	Real Property Assessed Value (a)			Total Assessed Value of Real Property	Personal Property Assessed Value	Less: Exemptions Real Property	Total		Total Direct Tax Rate per \$1000 of Assessed Value	Ratio of Total Assessed Value to Estimated Actual Value (b)
		Residential	Commercial	Industrial				Assessed Value	Estimated Actual Value		
2003	2004	\$ -	\$ -	\$ -	\$ 9,623,636	\$ 551,090	\$ 83,426	\$10,091,300	\$10,446,480	3.18	96.6%
2004	2005	-	-	-	10,292,022	518,946	135,309	10,675,659	10,971,900	3.10	97.3%
2005	2006	8,109,740	2,560,885	908,640	11,579,265	519,101	132,358	11,966,008	12,649,057	2.90	94.6%
2006	2007	11,208,991	2,253,933	802,692	14,265,616	595,260	125,827	14,735,049	15,827,120	2.45	93.1%
2007	2008	11,506,945	3,511,234	1,230,956	16,249,135	703,435	128,249	16,824,321	17,691,189	2.26	95.1%
2008	2009	11,801,001	3,274,472	1,136,600	16,212,073	810,254	127,308	16,895,019	18,225,479	2.32	92.7%
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%

(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

2012 Assessed Value of Property for Collections in 2013



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

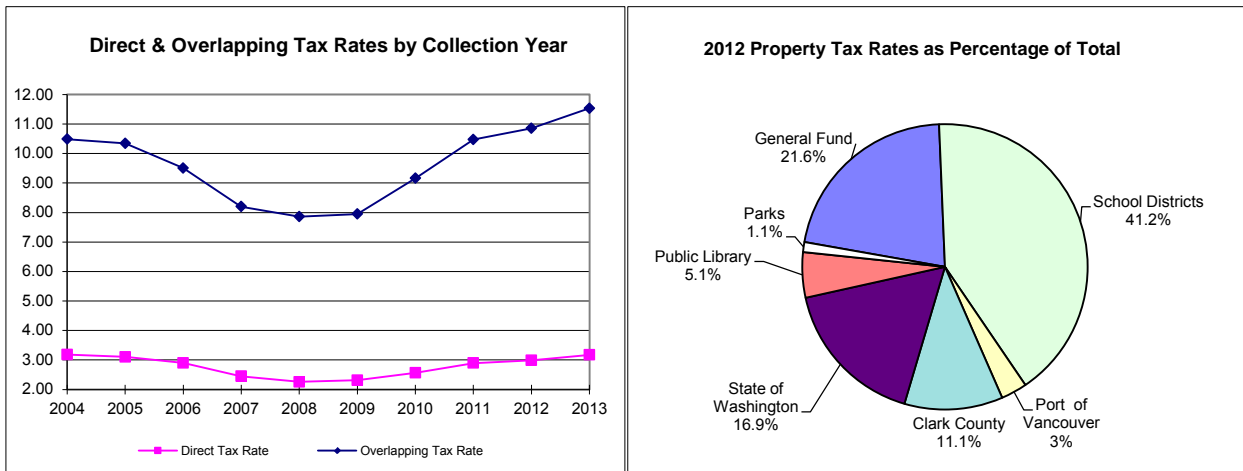
Table 8

Assessed Year	Collection Year	Direct Tax Rate			Overlapping Tax Rate						Total Overlapping Tax Rate
		General Fund	General Obligation	Total Direct Tax Rate	School Districts (a)	Port of Vancouver	Clark County	State of Washington	Public Library	Parks	
2003	2004	3.18		3.18	5.20	0.44	1.62	2.77	0.47		10.49
2004	2005	3.10		3.10	5.14	0.43	1.58	2.73	0.46		10.34
2005	2006	2.90		2.90	4.77	0.40	1.45	2.47	0.42		9.50
2006	2007	2.45		2.45	4.10	0.34	1.22	2.18	0.36		8.20
2007	2008	2.26		2.26	3.90	0.31	1.13	1.92	0.38	0.21	7.86
2008	2009	2.32		2.32	3.95	0.32	1.18	1.89	0.39	0.22	7.95
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

(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

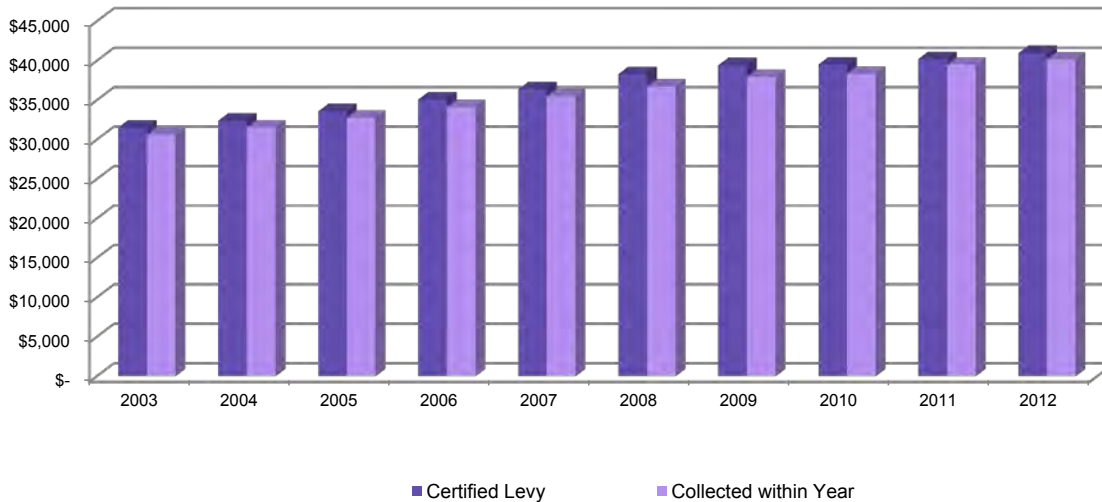
Fiscal Year	Certified Taxable Assessed Value	Direct Tax Rate General Fund	Certified Total Tax Levy	Collected within the Fiscal Year of the Levy		Collection of Delinquent Tax Levy (a)	Total Collections to Date		Outstanding Delinquent Taxes
				Amount	% of Levy		Amount	% of Levy (a)	
2003	\$ 9,701,147,000	3.25	\$ 31,522,519	\$ 30,616,593	97.1	\$ 861,949	\$ 31,478,542	99.9	\$ 1,165,424
2004	10,174,726,000	3.18	32,384,118	31,554,120	97.4	690,324	32,244,444	99.6	1,121,498
2005	10,810,968,000	3.10	33,567,083	32,769,625	97.6	691,518	33,461,143	99.7	1,157,844
2006	12,098,366,000	2.90	35,071,590	34,108,734	97.3	730,563	34,839,297	99.3	1,106,201
2007	14,860,876,000	2.45	36,362,632	35,505,729	97.6	648,659	36,154,388	99.4	1,267,215
2008	16,952,570,000	2.26	38,287,888	36,721,939	95.9	765,343	37,487,282	97.9	1,573,018
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

Note: Revenue received from taxes is recorded as revenue within the General Fund. General Obligation Debt are distributed to the various Debt Service Funds in full, as levied. Consequently, all prior year outstanding taxes are a potential revenue for the General Fund.

(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. Information presented for the fiscal year 2012 will include delinquent tax collections by assessment year.

Source: City of Vancouver, Treasurer's Office

Certified Total Tax Levy and Collections
(in thousands)



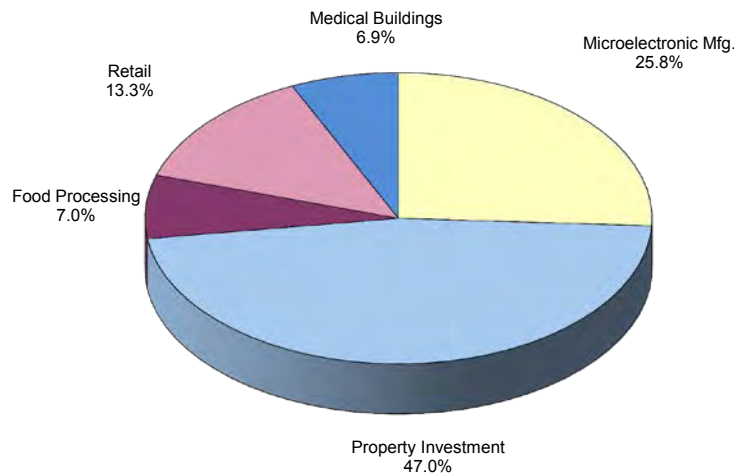
CITY OF VANCOUVER
PRINCIPAL PROPERTY TAX PAYERS
 Current Year and Nine Years Ago
 (Taxable value expressed in thousands)

Table 10

Taxpayer	Type of Business	2003			2012		
		2002 Assessed Taxable Value	Rank	Percentage of Total Taxable Assessed Value	2011 Assessed Taxable Value	Rank	Percentage of Total Taxable Assessed Value
SEH America	Microelectronic Mfg.	\$ 208,816	1	2.15%	\$ 202,824	1	1.48%
Columbia Tech Center LLC	Property investment	83,167	3	0.86%	189,658	2	1.38%
Vancouver Mall	Retail				59,711	3	0.44%
Frito Lay Inc.	Food processing	51,648	6	0.53%	55,372	4	0.40%
Vancouver Clinic Inc. PS	Medical buildings				54,320	5	0.40%
Angelo Prop Company LP	Property investment	64,980	5	0.67%	48,728	6	0.36%
S-E Inc.	Property investment				46,573	7	0.34%
Wal-Mart Real Est Bus Trust	Retail				45,424	8	0.33%
Park Plaza Inc.	Property investment	30,925	9	0.32%	44,405	9	0.32%
CBC 1 LLC 19%	Property investment				40,890	10	0.30%
Hewlett Packard	Computers & e-services	86,037	2	0.89%			
Electric Lightwave	Telecommunications	79,091	4	0.82%			
Schnitzer Investment Corp.	Property investment	47,393	7	0.49%			
US West Communications	Telecommunications	39,654	8	0.41%			
Cafaro Northwest Ptnsp	Property investment	30,431	10	0.31%			
Subtotal - Principal Property Tax Payers		722,142		7.45%	787,905		5.75%
All Other City Taxpayers		8,979,005		92.55%	12,916,319		94.25%
Total City Taxpayers		<u>\$ 9,701,147</u>		<u>100.00%</u>	<u>\$ 13,704,224</u>		<u>100.00%</u>

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

2012 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

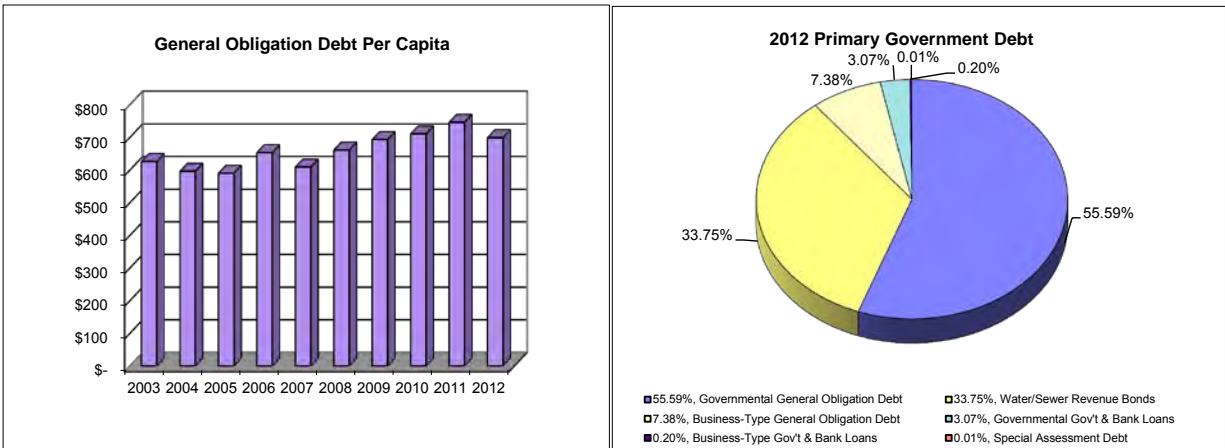
Fiscal Year	GOVERNMENTAL ACTIVITIES			BUSINESS-TYPE ACTIVITIES				Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)	Total General Obligation Debt	Percentage of Actual Property Value (b)	General Obligation Debt per Capita (a)
	General Obligation Debt	Gov't and Bank Loans	Special Assessment Debt	General Obligation Debt	Gov't and Bank Loans	Revenue Bonds							
						Water/Sewer	Solid Waste						
2003	\$ 74,676	\$ 296	\$ 128	\$ 19,664	\$ 705	\$ 141,955	\$ 960	\$ 238,384	4.78%	\$ 1,582	\$ 94,340	0.97%	\$ 626
2004	72,061	190	107	19,108	589	135,825	660	228,540	4.43%	1,495	91,169	0.90%	596
2005	72,793	157	98	18,542	504	126,630	340	219,064	4.07%	1,415	91,335	0.84%	590
2006	84,325	1,112	81	17,990	418	118,540	-	222,466	3.93%	1,421	102,315	0.85%	653
2007	80,603	2,173	74	17,332	332	110,095	-	210,609	3.41%	1,310	97,935	0.66%	609
2008	90,751	2,023	72	16,629	244	100,930	-	210,649	3.25%	1,297	107,380	0.63%	661
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

The City implemented GASB 44 in 2004 and has reported the information above retroactively from GASB 34 implementation during 2001.

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, 2012

Table 12

Property Valuation (2011 Assessment for 2012 Revenue) \$ 13,704,224,212

Governmental Activities Direct Debt:		
Outstanding direct debt		
General obligation debt	\$114,100,000	
Government and bank loans	5,909,622	
Special assessment debt	9,327	
Total outstanding direct debt		\$ 120,018,948
Less cash reserve		(8,918,228)
Subtotal -Net governmental activities direct debt		\$ 111,100,720

Overlapping Debt:	Direct Debt	Less	Estimated	Estimated	
Debt repaid with property taxes	Outstanding	Reserves	Percentage	Share of	
	Outstanding	Reserves	Applicable to City(a)	Overlapping Debt	
Vancouver School District #37					
General obligation debt	\$ 105,286,795	\$(1,527,357)	\$ 103,759,438	47.12%	\$ 48,891,447
Evergreen School District #114					
General obligation debt	191,494,282	(2,941,698)	188,552,584	74.46%	140,396,254
Camas School District #117					
General obligation debt	111,230,000	(1,816,900)	109,413,100	3.34%	3,654,398
Port of Vancouver					
General obligation debt	60,545,000	-	60,545,000	57.01%	34,516,705
Government and bank loans	25,000,000	-	25,000,000		14,252,500
Vancouver Library					
General obligation debt	39,075,000	(15,913)	39,059,087	100.00%	39,059,087
Clark County					
General obligation debt	132,969,203	-	132,969,203	36.69%	48,786,401
Subtotal- overlapping debt repaid with property taxes					329,556,791
Total governmental direct and overlapping debt					\$ 440,657,511

Ratio of direct and overlapping debt repaid with property taxes to property valuation	<u>Per thousand</u> \$ 0.03
Ratio of direct debt to population (2012: 163,200)	
Governmental activities direct debt	<u>Per capita</u> \$ 680.76
Overlapping and direct debt	\$ 2,700.11
Estimated actual valuation	\$ 83,971.96

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

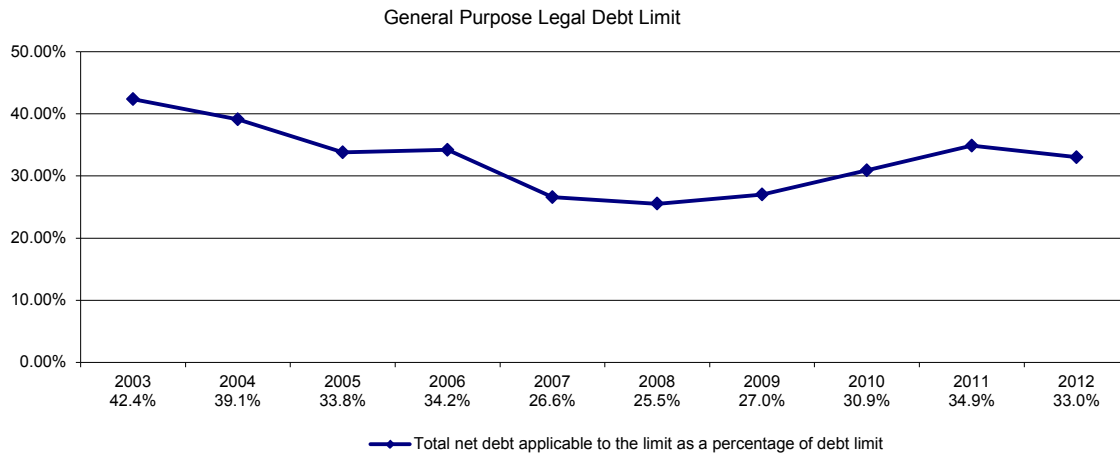
Legal General Debt Margin Calculation for Fiscal Year 2012

Assessed value (2011 Assessment for 2012 Revenue)	\$ 13,704,224
Debt Limit	
Debt Limit with vote (1 % of assessed value)	137,042
Debt Limit without vote (1 1/2% of assessed value)	205,563
Debt applicable to without vote limit:	
General obligation bonds	\$ 114,100
Less: Amount set aside for repayment of gen	(959)
Total net debt applicable to limit without vote	<u>113,141</u>
Total general purpose legal debt margin	<u>\$ 229,464</u>

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General purpose debt limit	\$ 242,528	\$ 254,368	\$ 270,274	\$ 299,150	\$ 368,376	\$ 420,608	\$ 422,375	\$ 380,459	\$ 347,121	\$ 342,606
Total net debt applicable to limit	<u>102,795</u>	<u>99,476</u>	<u>91,335</u>	<u>102,311</u>	<u>97,935</u>	<u>107,380</u>	<u>114,105</u>	<u>117,635</u>	<u>121,090</u>	<u>113,141</u>
Legal debt margin	<u>\$ 139,733</u>	<u>\$ 154,892</u>	<u>\$ 178,939</u>	<u>\$ 196,839</u>	<u>\$ 270,441</u>	<u>\$ 313,228</u>	<u>\$ 308,270</u>	<u>\$ 262,824</u>	<u>\$ 226,031</u>	<u>\$ 229,464</u>
Total net debt applicable to the limit as a percentage of debt limit	42.38%	39.11%	33.79%	34.20%	26.59%	25.53%	27.02%	30.92%	34.88%	33.02%

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
PLEGDED-REVENUE COVERAGE
 Last Ten Fiscal Years
 (Amounts expressed in thousands)

Table 14

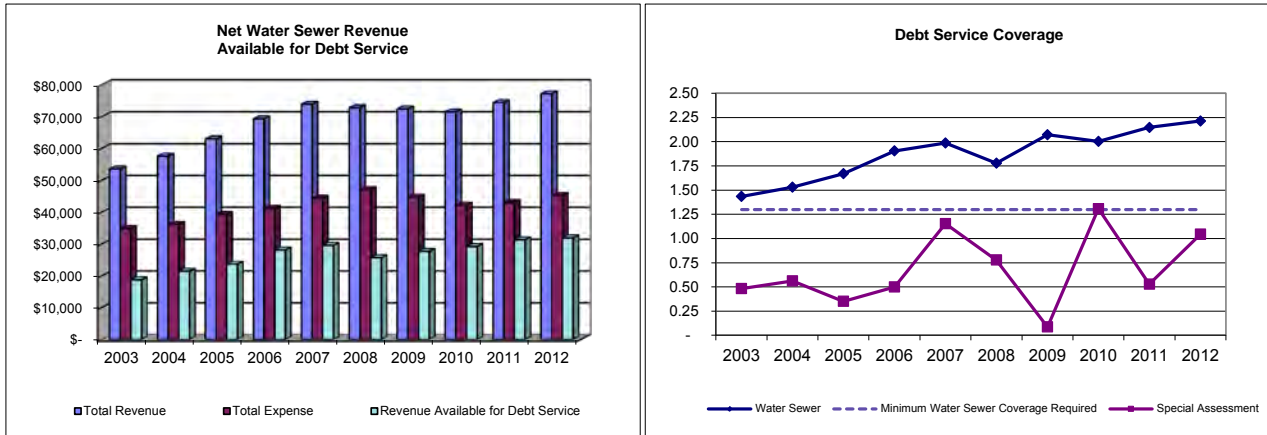
Fiscal Year	Water/Sewer Revenue Bonds						Solid Waste Revenue Bonds						Special Assessment Debt			
	Gross Revenue (1)	Expense (2)	Net Revenue Available For Debt Service		Coverage (3)		Gross Revenue	Expense	Net Revenue Available For Debt Service		Coverage		Special Assessment Collections	Debt Service		Coverage
			Principal	Interest					Principal	Interest				Principal	Interest	
2003	\$ 50,583	\$ 30,196	\$ 20,387	\$ 6,855	\$ 7,354	1.43	\$ 2,985	\$ 4,627	\$ (1,641)	\$ 285	\$ 88	(4.40)	\$ 28	\$ 45	\$ 13	0.48
2004	54,632	32,854	21,778	7,225	7,013	1.53	2,984	3,366	(383)	300	71	(1.03)	27	38	10	0.56
2005	59,082	35,628	23,454	8,440	5,611	1.67	3,911	3,710	201	320	52	0.54	13	30	7	0.35
2006	63,874	37,167	26,707	8,090	5,928	1.91	5,411	4,010	1,401	340	33	3.76	12	17	7	0.50
2007	68,010	40,174	27,836	8,445	5,569	1.99	5,872	4,174	1,698	-	11	154.36	15	7	6	1.15
2008	67,273	42,497	24,776	8,785	5,154	1.78	5,498	4,592	906	-	-	N/A	7	3	6	0.78
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	6	3	1	1.31
2011	71,039	41,048	29,991	10,155	3,807	2.15	3,358	1,996	1,363	-	-	N/A	2	3	1	0.53
2012	74,277	43,357	30,920	10,645	3,322	2.21	2,871	1,902	970	-	-	N/A	4	3	1	1.05

The City implemented GASB 44 in 2004 and reports retroactively from GASB 34 implementation in 2001.

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

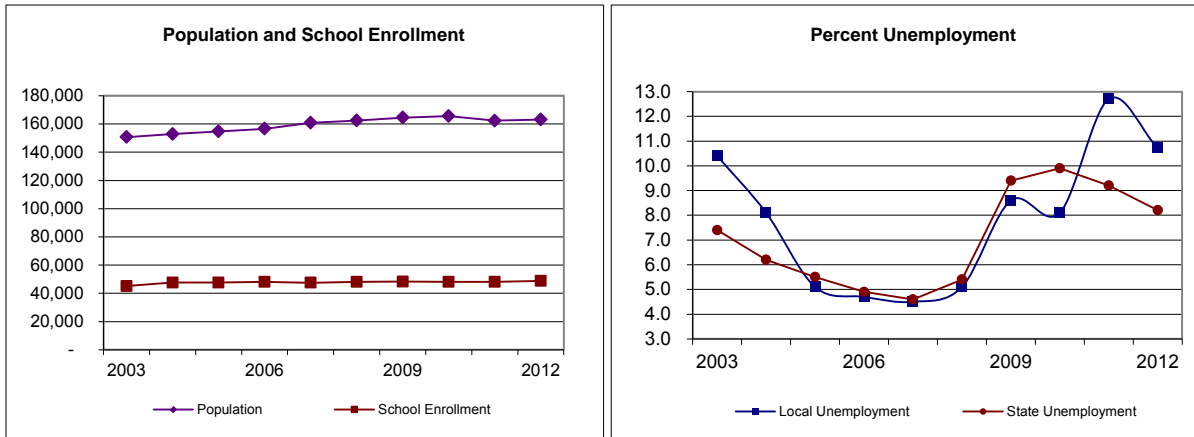
CITY OF VANCOUVER
DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Fiscal Years

Table 15

Fiscal Year	Population	Personal Income ¹ (thousands of dollars)	Per Capita Income ²	School Enrollment	Unemployment Rate %
2003	150,700	\$ 4,988,321	\$ 33,101	45,093	10.4
2004	152,900	5,153,495	33,705	47,578	8.1
2005	154,800	5,383,944	34,780	47,624	5.1
2006	156,600	5,662,343	36,158	48,080	4.7
2007	160,800	6,177,293	38,416	47,516	4.5
2008	162,400	6,480,247	39,903	48,051	5.1
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

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 2011.

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**

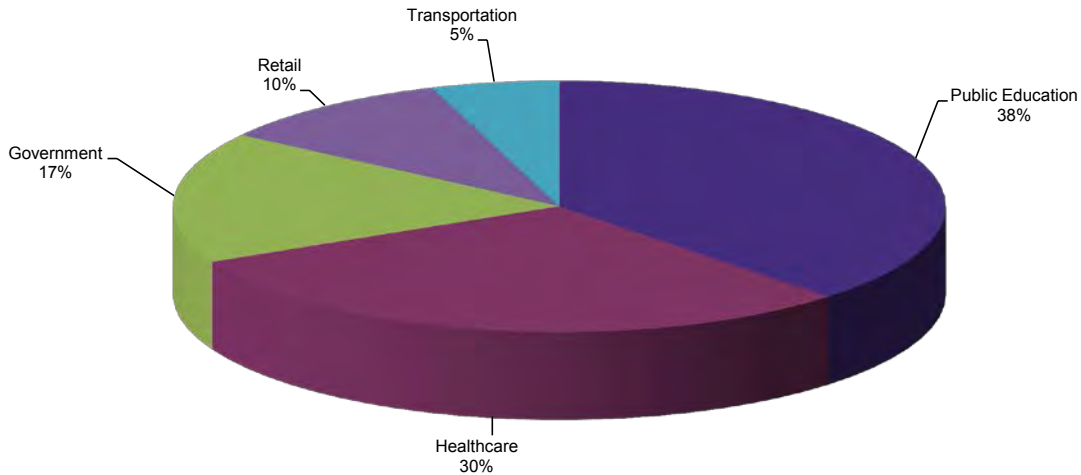
Table 16

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2003</u>			<u>2012</u>		
		<u>Employees</u>	<u>Rank</u>	<u>Percent of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percent of Total City Employment</u>
PeaceHealth SW Medical Center	Healthcare	3,150	1	4.45%	2,841	1	3.97%
Evergreen School District	Public Education	2,950	2	4.17%	2,455	2	3.43%
Vancouver School District	Public Education	2,676	3	3.78%	2,203	3	3.07%
Clark County	Government	1,643	5	2.32%	1,561	4	2.18%
Fred Meyer	Retail	1,300	7	1.84%	1,500	5	2.09%
Clark College	Public Education	1,479	6	2.09%	985	6	1.37%
City of Vancouver	Government	1,025	8	1.45%	962	7	1.34%
Vancouver Clinic Inc. PS	Healthcare				912	8	1.27%
BNSF Railway Railroad	Transportation	980	9	1.39%	800	9	1.12%
Kaiser Permanente NW	Healthcare				724	10	1.01%
Hewlett Packard	Computers & e-services	1,900	4	2.69%			
SEH America	Microelectronic Mfg.	832	10	1.18%			
Subtotal of Ten Largest Employers		17,935		25.36%	14,943		20.85%
All Other Employers		52,817		74.64%	56,705		79.15%
Total Vancouver Employment		70,752		100.00%	71,648		100.00%

Sources:

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

2012 Top Ten Principal Employers



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 Employees 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 Seven Fiscal Years

Table 17

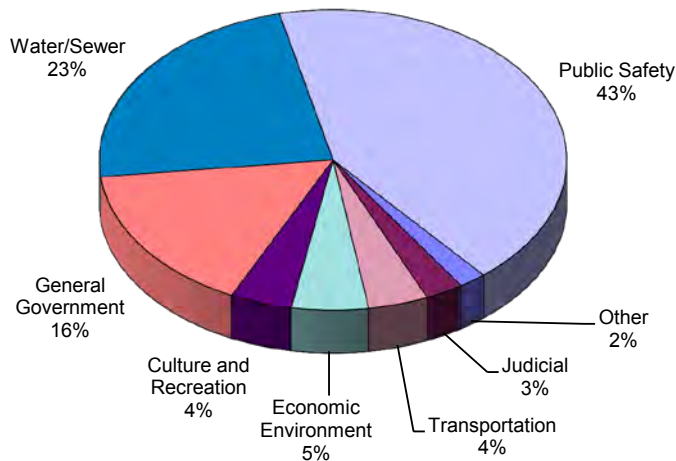
<u>Function</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General Government							
City Council	7	7	7	7	7	7	7
City Management	11	11	10	13	11	16	14
Support Services	109	115	116	110	104	83	83
Community Services	9	9	9	7	7	5	5
Media & Technology Services	34	32	32	38	36	25	25
Equipment Services	23	22	22	17	16	21	21
Public Safety							
Police	234	245	247	251	223	216	212
Fire	207	209	222	226	216	203	198
Judicial	29	29	31	30	29	28	25
Physical Environment	4	4	4	1	1	1	1
Transportation	82	81	81	75	66	40	40
Economic Environment	98	104	103	74	60	53	51
Culture and Recreation	83	84	84	78	72	61	41
Water/Sewer	190	210	217	223	223	222	222
Parking	9	12	12	11	7	7	7
Airpark	1	1	1	1	1	1	1
Sanitation	6	8	8	8	5	5	5
Tennis Center	5	5	5	5	5	5	4
Fire Shop	9	9	9	9	7	-	-
Total	1,148	1,195	1,217	1,181	1,093	999	962

The City implemented GASB 44 in 2004, prior year data is not readily available.

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

2012 Positions By Function



CITY OF VANCOUVER
OPERATING INDICATORS BY FUNCTION
 Last Seven Years

Table 18
 Page 1 of 2

Governmental Function	2006	2007	2008	2009	2010	2011	2012	Change
General Government / Other								
Total number of employees, general governmental only	154	148	144	137	138	129	127	-2%
Number of telephone translations to serve citizens	638	677	688	377	381	348	416	20%
Number of City FTEs (includes temps)	1,249	1,271	1,312	1,455	1,283	1,198	1,274	6%
Number of unions represented	10	10	10	10	12	10	10	0%
Number of external job applications processed	2,225	3,519	2,189	416	369	6,284	6,876	9%
Number of desktop & laptop computer systems in use	890	1,047	1,042	1,167	1,086	1,060	1,165	10%
Number of calls for service to help desk	8,236	7,804	7,834	7,786	9,420	12,427	13,705	10%
Number of CVTV programs produced per year	626	593	606	583	465	399	434	9%
Public Safety								
Police								
Number of commissioned FTEs	201	209	210	206	200	193	193	0%
Number of support FTEs	33	36	36	43	22	23	23	0%
Number of calls for service (excludes officer initiated)	104,109	105,507	107,321	105,879	103,077	91,509	93,834	3%
Number of officer-initiated responses	55,149	54,663	51,665	48,746	42,982	42,129	36,560	-13%
Number of traffic stops	40,642	38,838	34,407	31,512	23,784	21,097	17,037	-19%
FBI Crime Index - Violent crimes per 1,000 residents *	3.8	4.0	3.7	4.0	4.1	3.8		0%
FBI Crime Index - Property crimes per 1,000 residents *	42.0	45.1	38.2	36.1	39.5	41.9		0%
NIBRS - Crimes against Persons/Property per 1,000 residents **							71.9	N/A
NIBRS - Crimes against Society per 1,000 residents ***							4.0	N/A
Number of impaired driving arrests	552	516	383	277	231	291	306	5%
Number of false alarms	2,145	1,990	1,887	1,597	1,154	1,216	1,237	2%
Fire								
Number of commissioned FTEs	184	194	194	192	189	189	189	0%
Number of non commissioned (support) FTEs	25	25	25	34	11	11	11	0%
Number of fire apparatus	22	23	23	22	23	21	21	0%
Number of EMS dedicated vehicles	3	3	2	1	0	0	0	0%
Number of fire specific responses	627	582	857	877	658	740	897	21%
Number of medical responses	18,834	18,970	14,263	17,743	18,810	17,562	16,667	-5%
Transportation								
Lane miles of pavement under management	1,715	1,782	1,789	1,798	1,806	1,810	1,810	0%
Lane miles of streets swept	16,322	16,991	16,342	16,871	13,860	13,315	13,525	2%
Culture and Recreation								
Total FTEs of employees	91	91	84	72	58	48	45	-6%
Total acreage of managed city park space	7,371	7,658	6,836	3,195	3,197	2,138	2,138	0%
Miles of trails	54	54	54	66	66	23	23	-2%

The City implemented GASB 44 in 2004, prior year data is not readily available.
 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 Seven Years

Table 18
 Page 2 of 2

<u>Business-type Function</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Change</u>
Water								
Number of residential water connections	62,208	64,276	64,488	64,680	64,924	65,067	68,320	5%
Number of non-residential water connections	3,398	3,490	3,498	3,310	3,585	3,596	3,626	1%
Number of new water connections	1,620	586	204	428	628	154	3,283	2032%
Daily average water consumption (gallons)	28,082,191	25,753,425	26,301,370	25,782,833	23,287,671	24,521,899	25,470,150	4%
Sewer								
Number of total waste connections	52,168	51,510	54,462	54,935	55,303	55,533	58,703	6%
Number of non-residential waste water connections	2,326	2,537	2,586	2,487	2,495	2,739	2,752	0%
Number of new waste connections	1,104	1,060	400	513	496	230	3,170	1278%
Daily average treated	19,622,000	21,420,000	20,274,000	19,398,907	21,095,000	21,950,000	21,960,000	0%
Surface Water								
Number of drain basins cleaned	9,066	8,144	11,038	10,453	3,242	10,478	13,267	27%
Miles of drainage mains cleaned	3.9	2.7	7.9	12.7	13.8	8.6	8.8	2%
Parking								
Number of parking violations issued per year	39,840	43,251	35,458	33,863	24,633	26,473	27,583	4%
Building Inspection								
Total code violation cases initiated	5,083	1,852	2,371	2,094	1,300	1,187	1,041	-12%
Number of new residential building permits issued	1,569	1,460	1,081	527	821	787	1,039	32%
Number of total building permits issued	8,104	8,266	6,847	7,141	7,031	7,223	7,654	6%
Number of total building inspections conducted	52,314	46,603	42,725	28,141	26,577	24,738	31,574	28%

CITY OF VANCOUVER
CAPITAL ASSETS STATISTICS BY FUNCTION
 Last Seven Years

Table 19

<u>Governmental Function</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Change</u>
General Government / Other								
Total city light vehicle fleet (no marked patrol)	346	333	350	379	393	368	363	-1%
Square ft. of administrative space	459,654	217,591	169,949	198,672	321,561	252,550	252,550	0%
Square ft. of warehouse space	153,188	51,075	50,575	50,575	84,116	84,116	84,116	0%
Public Safety								
Police								
Number of marked police patrol	96	94	88	81	77	77	90	17%
Number of total police facilities	6	6	6	6	6	4	4	0%
Fire								
Number of total response vehicles	25	26	25	23	23	21	21	0%
Number of stations	10	9	9	10	10	10	10	0%
Number of total fire fleet vehicles (includes apparatus)	92	98	100	79	72	68	68	0%
Transportation								
Number of signaled intersections	210	224	233	228	234	234	237	1%
Number of bridges	10	10	10	10	10	10	10	0%
Miles of roads	540.0	569.0	575.0	575.0	579.0	580.0	580.3	0%
Culture and Recreation								
Parks								
Number of neighborhood parks	69	70	68	68	70	70	67	-4%
Number of community parks	15	15	14	11	11	11	12	9%
Indoor Recreation Facilities	3	3	3	3	3	3	3	0%
Museums	2	2	2	2	2	2	1	-50%
<u>Business-Type Function</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>Change</u>
Water								
Total miles of water mains	939	961	976	982	985	999	1,001	0%
Miles of supply and transmission mains 12" and larger	60	63	63	63	187	191	192	1%
Hydrants in use	6,680	6,944	7,099	7,197	7,275	7,394	7,443	1%
Storage (mg)	25	25	25	25	25	25	25	0%
Sewer								
Miles of sewage mains	665	693	703	707	714	725	728	0%
Treatment Plants	2	2	2	2	2	2	2	0%
Capacity (mg)	37.0	37.4	37.4	37.4	37.4	37.4	37.4	0%
Parking								
Lots	7	7	6	6	6	6	7	17%
Garages	4	4	4	4	4	4	3	-25%
Meters, on and off street	1,547	1,563	1,562	1,538	1,546	1,546	1,575	2%
Pay Stations	16	24	26	28	28	28	30	7%
Airpark								
Hangars	150	150	150	150	150	150	150	0%
Tie-Downs	12	12	12	12	12	12	12	0%
Land (acres)	62	62	62	62	62	62	62	0%
Tennis Center								
Indoor Courts	9	9	9	9	9	9	9	0%
Outdoor Courts	4	4	4	4	4	4	4	0%
Racquetball Courts	3	3	2	2	2	2	2	0%
Square feet of recreation centers in use (non-pool)	129,545	209,545	209,545	209,545	209,545	209,545	209,545	0%

The City implemented GASB 44 in 2004, prior year data is not readily available.
 The % change column compares the difference between the two most recent years.

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

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Schedule of Federal Awards

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

Schedule of Expenditures of Federal Awards (SEFA)

Table 20

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND STATE/LOCAL FINANCIAL ASSISTANCE

NOTE 1 **BASIS OF ACCOUNTING**

The Schedule of Financial Assistance is prepared on the same basis of accounting as the City's financial statements. The City uses the modified 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 **REVOLVING LOAN - PROGRAM INCOME**

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

NOTE 4 **FEDERAL LOANS**

The City was approved by the Department of Housing and Urban Development to receive a loan under the Community Development Block Grants (CDBG) - Section 108 Loan Guarantees program to be used in conjunction with the CDBG/Brownfields Economic Development Initiative (BEDI) grant. The amount listed loan includes proceeds received during the year. The liability for this loan is reported in the City's financial statements as a component of long-term debt.

NOTE 5 **AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) OF 2009**

The City has received Federal awards made under the Recovery Act which have been identified separately on the Schedule of Expenditures of Federal Awards (SEFA). These awards are entered by CFDA number and have included the prefix "ARRA" to identify the name of the Federal program.

NOTE 6 **NONCASH AWARDS - EQUIPMENT**

The City received equipment and supplies that were purchased with federal Homeland Security funds by the City of Portland, Oregon. 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.

CITY OF VANCOUVER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2012

Table 20
Page 1 of 2

Grantor/ Pass-Through Grantor Program Title	CFDA Number	Other Identification Number	Direct Federal Expenditures	Indirect Federal Expenditures	Total Federal Expenditures
Department of Agriculture:					
<i>Passed through Office of Superintendent of Public Instruction:</i>					
Child and Adult Care Food Program	10.558	06-07-0504		\$ 4,697	
Total Department of Agriculture:				4,697	\$ 4,697
Department of Housing and Urban Development:					
Community Development Block Grants/Entitlement Grants	14.218	B-12-MC-53-0013	\$ 178,024		
Community Development Block Grants/Entitlement Grants	14.218	B-11-MC-53-0013	952,497		
Community Development Block Grants/Entitlement Grants	14.218	B-10-MC-53-0013	186,237		
Community Development Block Grants/Entitlement Grants	14.218	B-09-MC-53-0013	72,728		
Community Development Block Grants/Entitlement Grants	14.218	Program Income	157,659		
Total CFDA 14.218			1,549,145		
<i>Passed through Department of Commerce:</i>					
CDBG/State's Program & Non-Entitlement Grants in Hawaii	14.228	08-F6401-024		7,473	
HOME Investment Partnerships Program	14.239	M-09-MC-53-0208	72,156		
HOME Investment Partnerships Program	14.239	M-10-MC-53-0208	23,662		
HOME Investment Partnerships Program	14.239	M-11-MC-53-0208	633,116		
HOME Investment Partnerships Program	14.239	M-12-MC-53-0208	42,659		
Total CFDA 14.239			771,594		
Community Development Block Grants_Brownfields Economic Development Initiative	14.246	B-06-BD-53-0011	425,038		
Community Development Block Grants_Section 108 Loan Guarantees	14.248	B-06-MC-53-0013	3,000		
Total Department of Housing and Urban Development:				2,748,777	7,473
					2,756,250
Department of Justice:					
<i>Grants to Encourage Arrest Policies and Enforcement of Protection Orders</i>					
	16.590	2005-WE-AX-0028	101,609		
<i>Public Safety Partnership & Community Policing Grants</i>					
	16.710	2010-CS-WX-0015	71,838		
<i>Congressionally Recommended Awards</i>					
	16.753	2010-DD-BX-0508	400		
<i>Passed through Clark County:</i>					
Drug Court Discretionary Grant Program	16.585	2010-DC-BX-0097		11,779	
<i>Passed through Clark County:</i>					
Violence Against Women Formula Grant	16.588	F-11-31103-073		10,463	
<i>Passed through Clark County:</i>					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2009-DJ-BX-0618		60,919	
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2010-DJ-BX-0198		17,088	
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Program Income	787		
Total CFDA 16.738				78,795	
Total Department of Justice:				173,847	101,037
					274,884
Department of Transportation:					
Airport Improvement Program	20.106	3-53-0139-008	31,779		
<i>Passed through Washington State Department of Transportation:</i>					
Highway Planning and Construction	20.205	STPD-TSCP-HLP-09WA9(003)		626,867	
Highway Planning and Construction	20.205	POMVIP-000S(230)		46,689	
Highway Planning and Construction	20.205	STPUL-4221(004)		2,838	
Highway Planning and Construction	20.205	STPH-000S(171)		288,231	
Highway Planning and Construction	20.205	CM-4401(006)		113,259	
Highway Planning and Construction	20.205	CM-1350(007)		14,524	
Highway Planning and Construction	20.205	CM-4371(012)		18,689	
Highway Planning and Construction	20.205	CM-9906(025)		82,828	
Highway Planning and Construction	20.205	CM-4242(023)		599	
Highway Planning and Construction	20.205	HSIP-000S(314)		159	
Highway Planning and Construction	20.205	STPE-4228(001)		41,282	
Highway Planning and Construction	20.205	HPP-4254(004)		9,028	
Highway Planning and Construction	20.205	STPUL-4421(003)		830,071	
Highway Planning and Construction	20.205	CM-4451(012)		842,059	
Highway Planning and Construction	20.205	STPUL-4266(002)		7,402	
Highway Planning and Construction	20.205	CM-1350(021)		18,351	
Highway Planning and Construction	20.205	STPUL-1350(017)		226	
Highway Planning and Construction	20.205	HSIP-4330(002)		8,523	
Highway Planning and Construction	20.205	CM-1350(013)		72,387	
Highway Planning and Construction	20.205	CM-1350(022)		21,041	
Total CFDA 20.205				3,045,054	
<i>Passed through Washington Association of Sheriffs & Police Chiefs:</i>					
State and Community Highway Safety	20.600	Traffic Safety Equipment Grant		1,598	
<i>Passed through State of Washington Traffic Safety Commission:</i>					
Alcohol Impaired Driving Countermeasures Incentive Grant	20.601	DUI Emphasis		4,819	
<i>Passed through State of Washington Traffic Safety Commission:</i>					
Safety Belt Performance Grants	20.609	Safety Belt Performance Grant		547	
Total Department of Transportation:				31,779	3,052,018
					3,083,797
Department of Health and Human Services:					
<i>Passed through Oregon Health & Science University:</i>					
Occupational Safety and Health Program	93.262	AHPMS0020VPD		1,732	
Total Department of Health and Human Services:				1,732	1,732

CITY OF VANCOUVER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2012

Table 20

Page 2 of 2

Department of Homeland Security:

<i>Passed through Clark County Regional Services Agency:</i>					
Interoperable Emergency Communications Grant Program	97.001	E12-196		6,138	
<i>Passed through Clark County:</i>					
Non-Profit Security Program	97.008	UA09-0088		362,225	
Non-Profit Security Program	97.008	UA09-0132		11,428	
Non-Profit Security Program	97.008	UA09-0133		13,931	
Non-Profit Security Program	97.008	UA09-0160		3,540	
Non-Profit Security Program	97.008	UA09-0162		57,613	
Non-Profit Security Program	97.008	UA10-0098		45,025	
Non-Profit Security Program	97.008	UA10-0120		95,433	
Non-Profit Security Program	97.008	UA10-170		<u>3,056</u>	
Total CFDA	97.008			592,251	
<i>Passed through Clark Regional Emergency Services Agency:</i>					
Homeland Security Grant Program	97.067	E11-108		120,744	
Homeland Security Grant Program	97.067	E12-246		<u>25,557</u>	
Total CFDA	97.067			146,300	
<i>Passed through Portland Office of Emergency Management:</i>					
Metropolitan Medical Response System	97.071	09-181		30,256	
<i>Passed through Portland Office of Emergency Management:</i>					
State Homeland Security Program	97.071	04-031 B		6,459	
<i>Passed through Washington State Military Department:</i>					
Buffer Zone Protection Program (BZPP)	97.078	E11-276		48,156	
Buffer Zone Protection Program (BZPP)	97.078	E12-206		<u>16,658</u>	
Total CFDA	97.078			64,815	
Assistance to Firefighters Grant	97.044	EMW-2010-FH-00862	1,100,680		
Assistance to Firefighters Grant	97.044	EMW-2011-FO-08242	<u>349,635</u>		
Total CFDA	97.044		1,450,315		
Staffing for Adequate Fire and Emergency Response (SAFER)	97.083	EMW-2008-FF-00494	30,700		
Total Department of Homeland Security:			1,481,015	846,219	2,327,233

Department of Energy:

ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	DE-SC0003385	275,170		
<i>Passed through Department of Commerce</i>					
ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	F10-52110-013		57,622	
ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	F10-52110-063		15,591	
<i>Passed through Clark County</i>					
ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	DE-EE0000856		15,420	
Total Department of Energy:			275,170	88,633	363,803

Department of Housing and Urban Development:

ARRA - CDBG ARRA Entitlement Grants (CDBG-R)	14.253	B-09-MY-53-0013	25,398		
ARRA - Homelessness Prevention & Rapid Re-Housing Program	14.257	S-09-MY-53-0004	62,158		
Total Department of Housing and Urban Development:			87,556		87,556

Department of Justice, Office of Community Oriented Policing Services (COPS)

ARRA - Public Safety Partnership & Community Policing Grants	16.710	2009-RJ-WX-0086	33,231		
Total Department of Justice, Office of Community Oriented Policing Services (COPS)			33,231		33,231

Department of Justice:

ARRA - Edward Byrne Memorial Competitive Grant Program	16.808	2009-SC-B9-0139	605,679		
<i>Passed through Clark County</i>					
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG)	16.804	2009-SB-B9-1974		124,712	
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG)	16.804	Program Income		<u>812</u>	
Total CFDA	16.804			125,524	
Total Department of Justice:			605,679	125,524	731,203

TOTAL FEDERAL EXPENDITURES **\$ 9,664,387**

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