



For the year ended 2016

The City of Ellensburg
Washington
Comprehensive Annual
FINANCIAL REPORT

THIS PAGE INTENTIONALLY LEFT BLANK



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Finance Director
Jerica Pascoe

Accounting Manager
Holly Conti

Sr. Financial Analyst/Budget Officer
Keith Bassett, CGFM

Accountant II
Gloria Lanphere

Application Specialist
Brent Myrick

For The Fiscal Year
Ended December 31, 2016

Prepared by the Finance Department

CITY OF ELLENSBURG, WASHINGTON
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended December 31, 2015

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION:

List of Elected and Appointed Officials	I
Administrative Staff	II
Organization Chart	III

FINANCIAL SECTION:

Independent Auditor's Report	1
Management's Discussion and Analysis	2

Basic Financial Statements:

Government-wide Financial Statements	
Statement of Net Position	17
Statement of Activities	18
Description - Fund Financial Statements	19
Balance Sheet - Governmental Funds	21
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	22
Statement of Revenue, Expenditures, and Changes in Fund Balances Governmental Funds	23
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	24
Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - General Fund	25
Budget and Actual - Arterial Street Fund	27
Statement of Net Position - Proprietary Funds	28
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	30
Statement of Cash Flows - Proprietary Funds	31
Statement of Fiduciary Net Position	33
Statement of Changes in Fiduciary Net Position- Fiduciary Funds	34
Notes to the Basic Financial Statements	35

Required Supplemental Information:

Other Post Employment Benefits - Schedule of Funding Progress	89
Pension Funds - Schedule of Employer Contributions	90
Pension Funds - Schedule of Money Weighted Rate of Return	91
Pension Funds - Long-term Expected Rate of Return	92
Pension Funds - Statement of Net Position Liability	93
Pension Funds - Schedule of Changes in Net Pension Liability and Related Ratios	94
Pension Funds - Schedule of Proportionate Share of the Net Pension Liability	95
Pension Funds - Schedule of Employer Contributions State Sponsored Plan	96

Combining and Individual Fund Statements and Schedules:

Description - Nonmajor Governmental Funds	97
Combining Balance Sheet - Nonmajor Governmental Funds	100
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Nonmajor Governmental Funds	103

Description - Nonmajor Enterprise Funds	125
Combining Statement of Net Position - Nonmajor Enterprise Funds	126
Combining Statement of Revenues, Expenses, and Changes in Net Position - Nonmajor Enterprise Funds	127
Combining Statement of Cash Flows- Nonmajor Enterprise Funds	128
Description - Internal Service Funds	129
Combining Statement of Net Position- Internal Service Funds	130
Combining Statement of Revenue, Expenses, and Changes in Net Position - Internal Service Funds	131
Combining Statement of Cash Flows- Internal Service Funds	132
Description - Agency Funds	133
Combining Statement of Fiduciary Net Position - Agency Funds	134
Combining Statement of Changes in Assets and Liabilities - Agency Funds	135
<u>Supplemental Schedules:</u>	
Schedule of Expenditures of Federal Awards	136
Schedule of State/Local Governmental Financial Assistance	137
Notes to the Schedule of Expenditures of Federal Awards	138
<u>Other Supplemental Schedules for GASB 54:</u>	
Budget to Actual - Street	139
Budget to Actual - Sales Tax	140
Budget to Actual - Police Vehicles	141
Budget to Actual - Geddis	142
Budget to Actual - Special Projects	143
<u>STATISTICAL SECTION:</u>	
Statistical Index	144
Schedule of Changes in Net Position/Net Position by Component	145
General Governmental Revenues by Source	147
Fund Balances of Governmental Funds	148
Changed in Fund Balance, Governmental Funds	149
Net Position by Component	150
Summary of Sales Tax Revenue	151
Property Taxes Levies and Collections	152
Fund Composite Report	153
Direct and Overlapping Tax Rate	154
Principal Taxpayers	155
Direct and Overlapping Governmental Activities Debt	156
Outstanding General Obligation Debt to the Debt Limit	157
Ratio of Net General Obligation Bonded Debt	158
Ratios of Outstanding Debt by Type	159
Ratio of Annual Debt Service Expenditures	160
Revenue Bond Coverage- Sewer	161
Revenue Bond Coverage- Water	162
Revenue Bond Coverage- Gas	163
Revenue Bond Coverage- Light	164
Demographic and Economic Statistics	165
Principal Employers	166
Miscellaneous Statistics	167
Full-Time Equivalent City Government Employees by Function/Program	168

THIS PAGE INTENTIONALLY LEFT BLANK



Introductory Section

City Council



Nancy Lillquist
City Council Member
Term Expires: 12/31/17



Rich Elliott, Mayor
Mayoral Term Expires: 12/31/17



Bruce Tabb
City Council Member
Term Expires: 12/31/19



David Miller
City Council Member
Term Expires: 12/31/19



Mary Morgan
City Council Member
Term Expires: 12/31/17



Chris Herion
City Council Member
Term Expires: 12/31/19



Jill Scheffer
City Council Member
Term Expires: 12/31/19

Administrative Staff



Terry Weiner
City Attorney



John Akers
City Manager



Ryan Lyyski
Public Works Director



Cindy Smith
Human Resource Director



Josephine Camarillo
Library Director



Brad Case
Parks & Recreation Director



Larry Dunbar
Energy Services Director



Jerica Pascoe
Finance Director

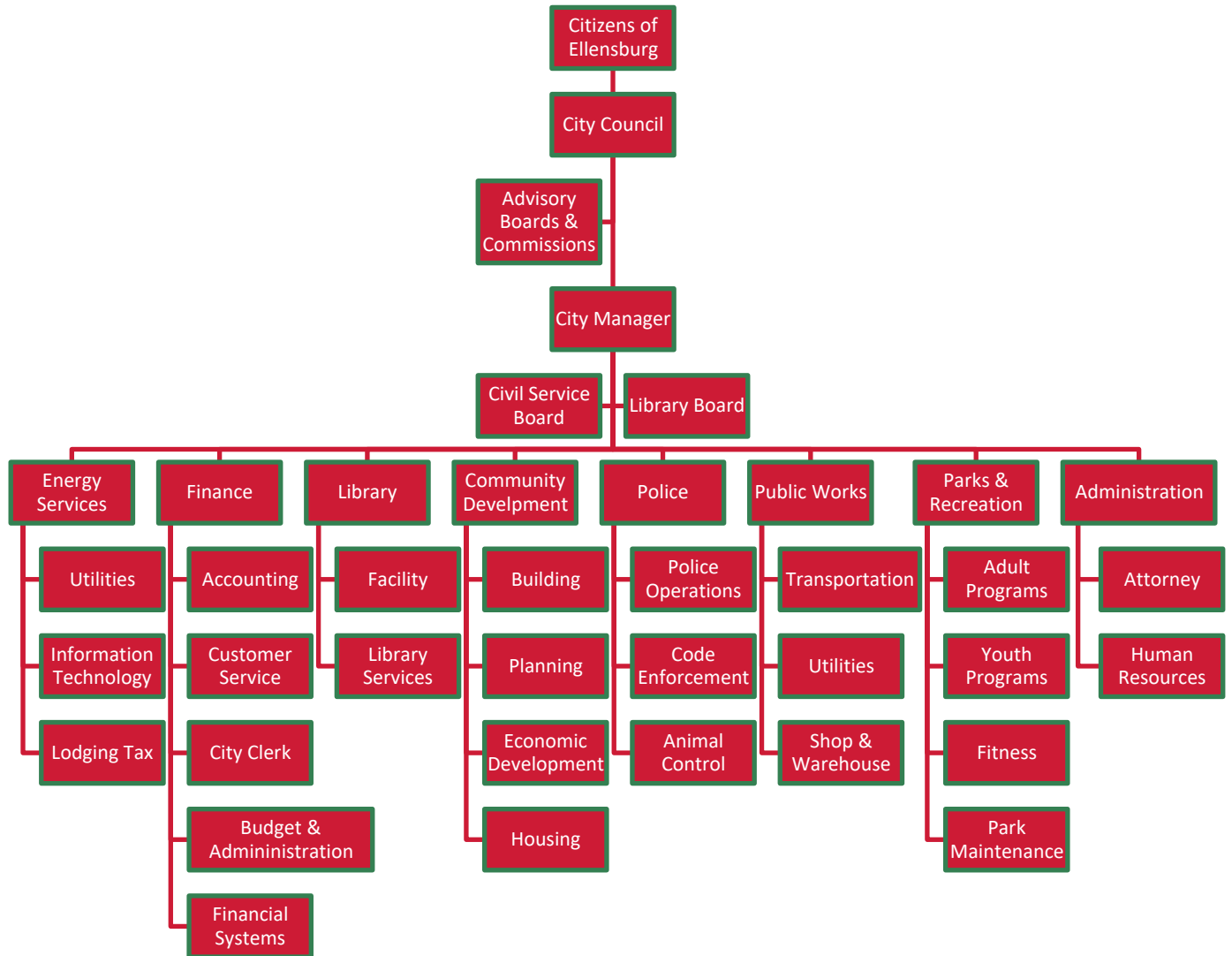


Dale Miller
Chief of Police



Kirsten Sackett
Community Development Director

Organization Chart 2017 & 2018





Financial Section



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

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

September 25, 2017

Mayor and City Council
City of Ellensburg
Ellensburg, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Ellensburg, Kittitas County, Washington, as of and for the year ended December 31, 2016, 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 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.

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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Ellensburg, Kittitas County, Washington, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General and Arterial Streets funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 2 through 16, information on postemployment benefits other than pensions on page 89 and pension plan information on pages 90 through 96 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying information listed as combining financial statements and supplementary information on pages 97 through 143 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 September 25, 2017, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive style with a large initial "P" and "M".

Pat McCarthy

State Auditor

Olympia, WA



Management's Discussion & Analysis

Management's Discussion and Analysis

As management of the City of Ellensburg, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City of Ellensburg for the fiscal year ended December 31, 2016. The purpose is to highlight significant financial issues, major financial activities and resulting changes in financial position, and economic factors affecting the city. We encourage readers to consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal in the introductory section and the City's financial statements and accompanying notes following the narrative. All amounts, unless otherwise indicated, are expressed in millions of dollars.

Financial Highlights

- The assets and deferred outflows of the City of Ellensburg exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$115.45 million (net position). Of this amount, \$21.08 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors. In addition, \$7.58 million (restricted net position) is dedicated to specific purposes and \$86.79 million is for net investment in capital assets.
- The government's total net position increased by \$1.34 million. The governmental activities increased by \$.385 million and the business-type activities increased by \$.954 million. The majority of the increase to governmental activities is attributable to the increase in sales and use taxes received. The majority of the increase to business type activities is attributable to operating income in Water, Sewer, and Stormwater funds as well as capital contributions in the Water and Sewer funds.
- As of the close of the current fiscal year, the City of Ellensburg's governmental funds reported a combined ending fund balance of \$10.78 million, an increase of \$1.71 million over the prior year. The City saw an increase in construction in 2016, resulting in additional sales tax and building permits fees.
- The City of Ellensburg's enterprise funds reported a combined ending net position of \$55.22 million, an increase of \$.191 million over the prior year. The majority of this increase is attributable to the increase in charges for services in the Water, Sewer and Stormwater funds. Gas and Electric funds saw a decrease in net position.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of Ellensburg's basic financial statements which are comprised of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the

financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements. The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of the City of Ellensburg’s financial position in a manner similar to that of a private-sector business.

The *Statement of Net Position* presents information on all of the City of Ellensburg’s assets, liabilities, and deferred inflows/outflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Ellensburg is improving or deteriorating.

The *Statement of Activities* presents information showing how the government’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., uncollected taxes and earned/unused vacation leave). The statement also identifies the amount of general revenues needed to fully fund each governmental function.

Both of the government-wide financial statements distinguish functions of the City of Ellensburg that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Ellensburg include general government, public safety, transportation, economic development, and culture and recreation. The business-type activities of City of Ellensburg include gas distribution, electric distribution, water distribution, sewer collection and treatment, telecommunications, and stormwater.

The *Government-Wide Financial Statements* can be found on pages 17 - 18 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City of Ellensburg, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Ellensburg can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

These statements focus on major governmental funds and proprietary funds separately. The city’s major governmental funds are presented in their own column and the remaining funds are combined into a column titled “Other Governmental Funds.” Statements for the city’s proprietary funds and fiduciary funds follow the governmental

funds and include net position, revenues, expenses, and changes in fund net position and cash flow.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements, and its capacity to finance its programs in the near future.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental funds balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Ellensburg maintains 19 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund and Arterial Street Fund, which are considered major funds. Data from the other 17 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Ellensburg adopts an annual appropriated budget for its General Fund and Arterial Street Fund. This report includes a budgetary comparison statement to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 21-24 of this report.

Proprietary funds. The City of Ellensburg maintains two different types of proprietary funds; Enterprise 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 of Ellensburg uses enterprise funds to account for telecommunications, gas distribution operations, electric distribution operations, water distribution operations, wastewater treatment operations, and stormwater operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Ellensburg's various functions. City of Ellensburg uses

internal service funds to account for its information technology system, fleet of equipment, health and benefits, and risk management. The fleet of equipment, information technology system and risk management predominantly benefit business-type functions rather than governmental functions, therefore they have been included within the business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for the Gas, Electric, Water, and Sewer funds, which are considered major funds of the City of Ellensburg. Conversely, Information Technology (IT), Equipment Repair and Replacement (ER&R), Health and Benefits, and Risk Management funds in the internal service funds are combined into single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 28 - 32 of this report.

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

The basic fiduciary fund financial statements can be found on pages 33 – 34 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 35 – 88 of this report.

Other information. In addition to the basic financial statements and the accompanying notes, this report also presents certain *required supplementary information* concerning the City of Ellensburg's progress in funding its obligations to provide pension benefits to its employees.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information (RSI). The schedules can be found right before the combining and individual fund statements.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets exceeded liabilities by \$115.45 million at the close of the 2016 fiscal year. The City's fiscal condition remains stable and is relatively better than last year.

The largest portion of City of Ellensburg's net position (75% (86.79/115.45)) reflects its investment in capital assets (e.g., land, buildings, improvements, machinery and equipment), less any related debt used to acquire those assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Ellensburg's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Ellensburg's Statement of Net Position December 31, 2016 (In Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Assets:						
Current and Other Assets	\$ 14.48	\$ 12.95	\$ 30.96	\$ 30.73	\$ 45.44	\$ 43.68
Capital Assets	48.82	50.41	59.55	57.74	108.36	108.16
Total Assets	63.30	63.36	90.51	88.48	153.80	151.84
Deferred Outflow of Resources						
Def. Outflow of Res. Pension	1.23	0.61	1.08	0.29	2.31	0.90
Total Deferred Charges	1.23	0.61	1.08	0.29	2.31	0.90
Liabilities						
Other Liabilities	1.16	0.86	3.49	3.71	4.65	4.57
Long-Term Liabilities	11.97	11.18	23.85	21.39	35.83	32.57
Total Liabilities	13.14	12.04	27.34	25.10	40.47	37.14
Deferred Outflow of Resources						
Deferred Gain on Refunding	-	-	0.05	0.06	0.05	0.06
Deferred: Pension	0.08	1.00	0.07	0.43	0.15	
Total Deferred Outflows of Resources	0.08	1.00	0.12	0.49	0.19	0.06
Net Position						
Net Investment in Capital	45.40	47.08	41.39	39.95	86.79	87.03
Restricted	5.16	3.92	2.42	2.09	7.58	6.02
Unrestricted	0.74	(0.08)	20.33	21.14	21.08	21.06
Total Net Position	\$ 51.31	\$ 50.92	\$ 64.14	\$ 63.18	\$ 115.45	\$ 114.11

An additional portion of the City of Ellensburg's net position (\$7.58 million) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$21.08 million) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Ellensburg is able to report positive balances in all categories of net position. The government's net investment in capital assets decreased by .2 % (from \$87.03 million to \$86.79 million) The government's restricted net position increased by 25.9% (from \$6.02 million to \$7.58 million), and the unrestricted increased by less than .01% (from \$21.065 million to \$21.077 million). The

decrease in net investment in capital assets is due to depreciation, while the increase in the restricted net position is due mainly to capital contributions.

The governmental activities increased the City of Ellensburg's net position by \$.385 million, thereby accounting for 28.76% of the total growth in the net position. Key elements of this increase are as follows:

City of Ellensburg's Statement of Activities

For the Years Ended December 31, 2016 and 2015

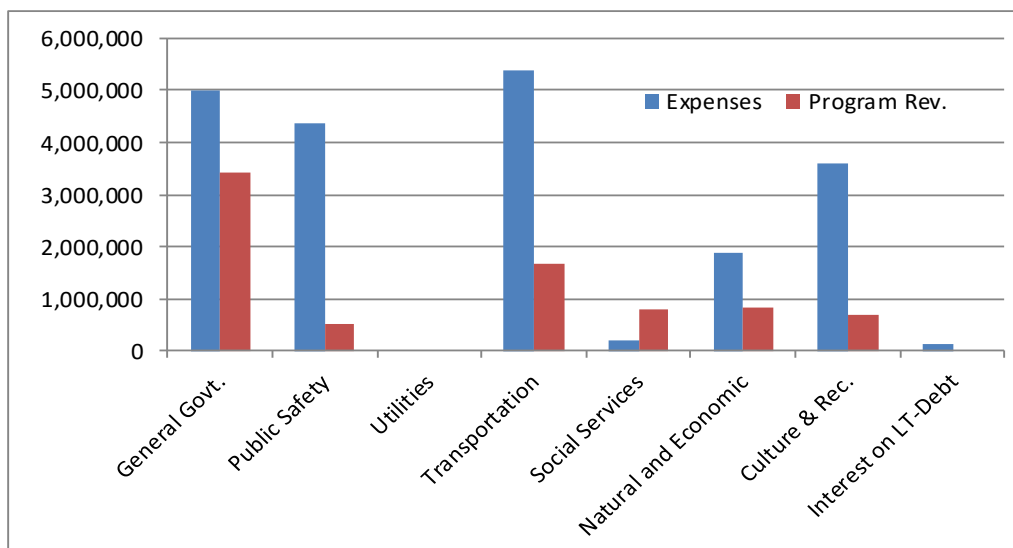
(In Millions)

Revenues:	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Program Revenues						
Charges for Services	\$ 5.38	\$ 4.61	\$ 30.98	\$ 31.66	\$ 36.36	\$ 36.28
Operating Grants & Contributions	0.85	0.85	0.33	0.11	1.18	0.97
Capital Grants & Contributions	1.66	2.10	0.80	0.63	2.46	2.73
General Revenues						
Property Taxes	2.97	2.86	-	-	2.97	2.86
Retail Sales & Use Tax	6.05	5.23	-	-	6.05	5.23
Other Taxes	3.26	3.27	-	-	3.26	3.27
Investment Earnings	0.07	0.03	0.12	0.06	0.19	0.09
Other Income	0.57	0.34	0.35	0.05	0.92	0.40
Total Revenues	20.82	19.31	32.58	32.51	53.39	51.82
Expenses:						
General Government	4.99	4.50			4.99	4.50
Public Safety	4.35	4.59			4.35	4.59
Transportation	5.38	4.35			5.38	4.35
Social Services	0.19	0.21			0.19	0.21
Natural and Economic	1.88	1.77			1.88	1.77
Culture & Recreation	3.60	3.49			3.60	3.49
Interest on LT Debt	0.14	0.15			0.14	0.15
Utilities	-	-	31.53	28.25	31.53	28.25
Others	-	-			-	-
Total Expenses	20.52	19.05	31.53	28.25	52.05	47.30
Inc(Dec) in Net Assets before Transfer:	0.29	0.26	1.04	4.26	1.34	4.52
Special Items - Gain (Loss)	0.00	(0.06)		(0.00)	0.00	(0.06)
Transfers	0.09	0.12	(0.09)	(0.12)	-	
Change in Net Position	0.39	0.32	0.95	4.14	1.34	4.46
Net Position - Beginning	50.92	54.52	63.18	61.74	114.11	116.27
Cumulative Effect of a Change in Accounting Principle	-	(3.92)	-	(2.70)	-	(6.62)
Beginning Net Position as Restated	50.92	50.60	63.18	59.04	114.11	109.64
Prior Period Adjustments	-	-	-	-	-	-
Net Position at Year End	\$ 51.31	\$ 50.92	\$ 64.14	\$ 63.18	\$ 115.45	\$ 114.11

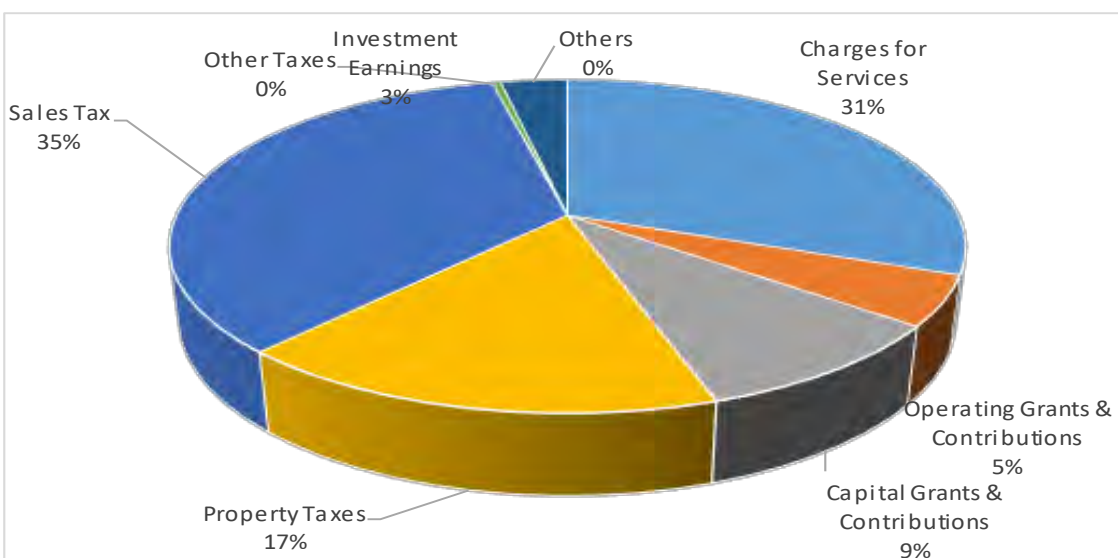
Governmental Activities

There is not a significant change in net position for Governmental Activities from December 31, 2015 to December 31, 2016. This is attributed to the increase in general government, transportation, and culture and recreation expenditures being relatively close to the increase in sales and use tax and charges for services.

2016 Expenses and Program Revenues - Governmental Activities



2016 Revenues by Source – Governmental Activities

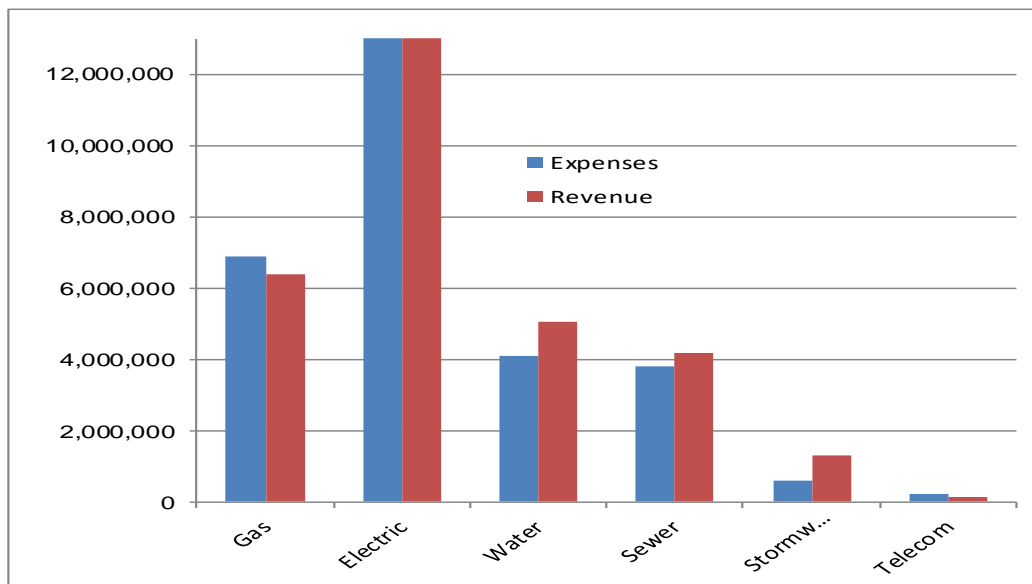


Business-type activities

The business-type activities increased the City of Ellensburg's net position by \$.95 million, accounting for 71.24% percent of the total growth in the government's net position. Key elements of this increase are as follows:

The increase in net position for the Water, Sewer, and Stormwater funds contributed approximately \$1.71 million. This increase is due to a combination of utility rate increases, weather, and capital contributions.

2016 Expenses and Program Revenues – Business-type Activities



Financial Analysis of the Government's Funds

As noted earlier, the City of Ellensburg uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Ellensburg's governmental funds is to provide information on near-term inflows, outflows, and balances of spending resources. Such information is useful in assessing the City of Ellensburg's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Ellensburg's governmental funds reported a combined ending fund balance of \$10.78 million (see page 21). This is an increase of \$1.71 million from the prior year. Of this amount, \$3.94 million constitutes

unassigned fund balance, which is available for spending at the government's discretion. The remainder of the fund balance is nonspendable, restricted, committed, or assigned to indicate it is not available for new spending because it has already been committed or designated to pay for contracts or special programs (\$6.72 million) or to pay debt service (\$0.12 million).

- The General Fund is the chief operating fund of the City of Ellensburg. At the end of the current fiscal year, the General Fund had a fund balance of \$3.96 million; the majority of this amount is classified as unassigned funds. The increase in fund balance from the prior year is a result of a prior period adjustment and increase in sales tax and building permits. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 30.35% (3,935,838/12,971,458) of the total General Fund expenditures. The General Fund reported \$1.56 million in interfund loans used to defease GO Bonds. The loan is reported on the face of the basic financial statements; however, the asset is only reported in the government-wide financial statements.
- Arterial Street Fund is a major fund of the governmental funds. Arterial Street Fund includes both the 123 (Arterial) and the 120 (Street) funds. At the end of the current fiscal year, Arterial Street had a fund balance of \$2.015 million, an increase of \$.05 million from 2015. A majority of this fund balance is classified as assigned (\$1.97 million). The assigned amount is to be used for street construction and maintenance. During the current year, the City of Ellensburg began design work and continued additional work on major projects such as the Vantage/Pfenning road intersection, 7th Avenue bike boulevard development, and the Capital Avenue project. The remainder of the expenditures were for street maintenance.

Proprietary funds

The City of Ellensburg's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Restricted net position of the proprietary funds at the end of the year amounted to \$2.42 million including \$1.40 million in debt service and \$1.02 million in construction.

Unrestricted net position was \$21.88 million, and the total net position for all proprietary funds was \$65.69 million. Of the \$21.88 million of unrestricted net position, there is \$20.25 million in cash and cash equivalents.

- The Gas Fund had an ending fund balance of \$7.80 million in 2016. This is a decrease of \$.653 million from 2015. The majority of this decrease is due to a decrease in gas rates to its customers to reflect the decrease in natural gas purchasing costs resulting in a decrease in net position.

- The Electric Fund had an ending balance of \$16.064 million, a decrease of \$1.073 million over 2015. The majority of this decrease is due to the timing of power purchases, a large increase in net pension liability, and increased operating expenditures resulting in a decrease in net position. The increase in net pension liability and the offsetting increase in the adjustment to pension expenses are a result of a combination of factors found in the DRS CAFR RSI and notes. There was an increase in overall services costs (referred to as service credits in the DRS CAFR) and the expected rate of return on investments was lower than projected. We are following the SAO suggested allocation methods. However because we have such a small pool of individuals in PERS, any retirement or addition of PERS 1 employees can and did swing the allocation from governmental to utilities.
- The Water Fund had an ending fund balance of \$14.858 million, an increase of \$.907 million over 2015. This increase is attributed to the excess of revenues over expenditures and the addition of capital contributions resulting in an increase in net position.
- The Sewer Fund had an ending fund balance of \$12.554 million, which was an increase of \$.28 over 2015. The increase is attributed to the excess of revenues over expenditures and the addition of capital contributions resulting in an increase in net position.

General Fund Budgetary Highlights: Actual General Fund revenues were higher than the final budgeted revenues by \$.86 million during fiscal year 2016. This increase is mostly due to an increase in retail sales and use tax revenue and an increase in building licenses and permits. The reduction in charges for services was a result of the unplanned closure of the pool. The closure was due to wall repairs resulting in 90 days of uncollectable fees for pool use and swimming lessons. The departments within the General Fund spent \$1.57 million less than their final annual budget.

Budget amendments and supplemental appropriations were made during the year to prevent budget overruns and to increase appropriations for unanticipated expenditures after adoption of the original budget.

The following are the significant supplemental appropriations during the year.

General Fund	BUDGET			ACTUAL		
	Original	Supplemental	Final	General	Other Funds	Total
Revenues						
Taxes	\$ 10.03	\$ -	\$ 10.03	\$ 6.12	\$ 4.37	\$ 10.48
Licenses & Permits	0.38	\$ -	0.38	0.88	-	0.88
Intergovernmental Revenues	0.26	\$ 0.03	0.29	0.45	-	0.45
Charges for Goods & Services	3.84	\$ 0.01	3.85	3.60	-	3.60
Fines & Penalties	0.29	\$ -	0.29	0.28	-	0.28
Miscellaneous Revenues	0.21	\$ 0.00	0.21	0.31	0.01	0.31
Other Financing Sources	1.91	\$ 0.03	1.94	1.84	-	1.84
Total Revenues	16.92	0.08	16.99	13.48	4.37	17.85
Expenditures						
City General	1.15	0.02	1.17	1.17	-	1.17
Finance	1.65	0.05	1.71	1.58	-	1.58
City Manager	0.91	0.05	0.95	0.90	-	0.90
Police	4.67	(0.02)	4.66	4.16	0.00	4.16
Community Development	0.99	0.08	1.07	0.95	-	0.95
Engineering	0.94	0.01	0.95	0.93	-	0.93
Parks & Rec	2.28	0.03	2.31	2.21	-	2.21
Library	1.03	0.05	1.08	0.97	-	0.97
Debt Service	0.29		0.29	0.02	-	0.02
Capital Outlay- General	0.05		0.05	0.04	0.05	0.09
Other Financing Uses	3.76	0.34	4.10	0.06	3.75	3.81
Total expenditures	17.73	0.62	18.35	12.98	3.80	16.78
Change to fund balance	\$ (0.82)	\$ (0.54)	\$ (1.36)	\$ 0.50	\$ 0.57	\$ 1.07

The difference between the original budget and final budget calculated to a \$1.36 million decrease to fund balance. However, because of increase in revenues and underspending budget in other areas, the budgeted decrease to fund balance was not used and the increase to fund balance was \$1.07 million.

The City of Ellensburg's net investment in capital assets for governmental and business type activities as of December 31, 2016 amounts to \$86.79 million (net of accumulated depreciation) (see page 17). This investment in capital assets includes land, building, and systems improvements, machinery and equipment, park facilities, roads, highways and bridges. The total decrease in the City of Ellensburg net investment in capital assets for the current year included a 3.56% (1,675,758/47,078,164) decrease for governmental activities and an increase of 3.61% (1,439,102/39,948,326) for business type activities.

At the end of the fiscal year 2016, the City of Ellensburg's net investment in capital assets for its governmental activities was \$45.4 million (see page 17). Major capital asset events during the current fiscal year included the following:

Change in Capital Assets (millions)

Governmental	12/31/2015	Additions	Retirements	12/31/2016
Land	\$ 12.81	\$ -	\$ -	\$ 12.81
Construction in Progress	0.19	0.32	0.04	0.47
Infrastructure	64.98	0.53	-	65.52
Building	11.53	-	-	11.53
Non-Building Improvements	3.50	0.11		3.62
Machinery & Equipment	1.03	0.16	0.04	1.15
Total	94.05	1.12	0.08	95.10
Less Accumulated Depreciation	43.64	2.68	0.04	46.28
Total Capital Assets Net of Depreciation	\$ 50.41	\$ (1.56)	\$ (0.04)	\$ 48.82

The significant increase in construction in progress is due to the start of the Vantage/Pfenning signal project.

The \$.53 million addition in infrastructure is from the donation of roads and sidewalks, from developers.

The increase of \$.06 million for non-building improvements is attributed to the off leash dog park.

The \$.04 million decrease in machinery and equipment is the retirement of a police vehicle, police canine, and ICOP equipment. The \$.16 million increase is the addition of two police vehicles, police video equipment, audio/video equipment for the council chambers, and equipment for the off-leash dog park including fencing and fountains.

At the end of the fiscal year 2016, the City of Ellensburg's net investment in capital assets for its business type activities was \$41.39 million (see page 17). The major capital asset events during the current fiscal year included the following:

Change in Capital Assets (millions)

Business Type activities	12/31/2015	Additions	Retirements	12/31/2016
Land	\$ 1.15			\$ 1.15
Construction in Progress	5.22	1.55	3.42	3.34
Building	10.51	2.41		12.92
Non-Building Improvements	70.51	3.31	0.05	73.77
Machinery & Equipment	20.39	1.03	0.33	21.08
Total	107.77	8.29	3.80	112.26
Less Accumulated Depreciation	50.03	3.01	0.32	52.71
Total Capital Assets Net of Depreciation	\$ 57.74	\$ 5.28	\$ 3.48	\$ 59.55

The \$3.8 million in retirement of capital assets includes: \$3.41 million for the completion of the Helena substation project (moved from construction in progress), two street

sweepers, and various retired meters and small equipment. A majority of these retirements were already completely depreciated. Additions to construction in progress include the following projects: Reecer Creek flood restoration, backup server and generator, telecommunications pilot project, bull road extension, gas main relocation, Vantage/Pfenning intersection, Airport Road well-house, Mt Stuart replacement well, Waste Water Treatment Plan dredge, UV Distribution, electrical system analysis, electrical upgrades, and Anderson Road access to the city shop. Additions to non-building improvements included: parking lot improvements at the city shop and public safety building, telecom infrastructure, new mains and services, solar project phase II, and the Helena substation infrastructure additions. Additions to machinery and equipment included; new meters, security cameras, well pumps, servers and routers, two street sweepers and various other vehicles.

See Note 5 for detail information on Capital Asset

Long-term Debt

At year-end, the City had \$35.83 million in long-term debt.

Outstanding Debt, at Year-End (millions)

Governmental activities	2015	Addition	Deletion	2016
Bond Payable	\$ 3.35	\$ 0.29	\$ 0.24	\$ 3.40
Premium	\$ 0.14	\$ -	\$ 0.01	\$ 0.13
Comp	0.55	0.22	-	0.77
OPEB Liability	2.91	0.49	-	3.40
Net Pension Liability	4.26	0.02		4.28
Total	\$ 11.20	\$ 1.03	\$ 0.25	\$ 11.97
Enterprise activities:				
Bond Payable	\$ 17.55	\$ 7.85	\$ 7.24	\$ 18.16
Premium	\$ 0.89	\$ -	\$ 0.29	\$ 0.61
Comp	0.55	0.11	0.00	0.65
Net Pension Liability	1.19	3.25	-	4.44
Total	20.18	11.20	7.53	23.85
Total Long-Term Debt	\$ 31.38	\$ 12.23	\$ 7.78	\$ 35.83

See Note 8 for more detail on Long-Term Debt.

In 2016, the City sold \$.859 million in revenue bonds for capital projects in the Gas fund, and \$.29 million in taxable GO bonds for the refunding of the Telecom interfund loan, and \$6.99 million in revenue bonds for the refunding of previous 1999/2010 Water and Sewer revenue bonds.

The state law limits the amount of general obligation debt the City can issue without the vote of the people to 1.5% of the total assessed value. As of the end of the fiscal year, the City has \$16.78 million remaining in debt capacity (non-voted). More detail information on capital assets and long-term debt are provided in the notes to the financial statements (Note 5 & 8).

The City also has an outstanding interfund loan in the total amount of \$1.56 million. This loan is from the Electric Fund to General Fund to defease the 2001 & 2002 G.O. bonds. This loan is not part of the Long-Term Debt; it is reported under interfund loans payable.

Economic Factors and Next Year's Budgets and Rate

The economy of the City is based mostly on government services and agriculture. The top major employers in the City of Ellensburg are government agencies and government support companies. A few of the City of Ellensburg's major employers are Central Washington University, Kittitas County, City of Ellensburg, and Twin City Foods, Inc.

Contacting the City's Finance Department

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives.

If you have questions about this report or need additional financial information, contact:

Finance Department

City of Ellensburg

501 N Anderson Street

Ellensburg, Washington 98926

or visit the City web site at www.ci.ellensburg.wa.us



Basic Financial Statements

CITY OF ELLENSBURG, WASHINGTON

Statement of Net Position December 31, 2016

	Governmental Activities	Business-type Activities	Primary Government Total
ASSETS			
Cash and cash equivalents	\$ 10,435,593	\$ 15,353,472	\$ 25,789,065
Deposits with fiscal agents	612,412	2,413	614,825
Investments	2,642,175	4,038,579	6,680,753
Receivables(net)			
Property taxes	190,950	-	190,950
Accounts	194,156	4,261,079	4,455,236
Internal balances	(1,176,675)	1,176,675	-
Due from other governments	727,264	345,931	1,073,195
Inventories	40,702	1,675,262	1,715,965
Restricted assets:			
Cash and cash equivalents	-	4,091,154	4,091,154
Deposits with fiscal agents	-	-	-
Net pension asset	814,646	-	814,646
Unamortized bond insurance premium	-	15,481	15,481
Capital assets, not being depreciated			
Land	12,814,618	1,149,114	13,963,732
Construction in progress	466,883	3,343,223	3,810,106
Capital assets, net (see note 5)			
Infrastructure	28,371,666	-	28,371,666
Buildings	5,392,909	8,064,512	13,457,421
Improvements & other buildings	1,457,120	39,400,407	40,857,526
Machinery & equipment	311,980	7,589,468	7,901,447
Total Assets	<u>63,296,400</u>	<u>90,506,769</u>	<u>153,803,169</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows debt refunding	-	402,153	402,153
Deferred outflows of resources pension	1,225,991	682,115	1,908,106
Total Deferred Outflows of Resources	<u>1,225,991</u>	<u>1,084,268</u>	<u>2,310,259</u>
LIABILITIES			
Accounts payable and accrued expenses	1,008,141	2,802,788	3,810,930
Due to other governments	9,123	-	9,123
Other liabilities	145,365	683,125	828,490
Non current liabilities (Note 8):			
Due within one year	787,601	1,388,240	2,175,841
Due in more than one year	6,901,122	18,029,007	24,930,129
Net pension liability	4,283,683	4,435,355	8,719,038
Total Liabilities	<u>13,135,035</u>	<u>27,338,515</u>	<u>40,473,551</u>
DEFERRED INFLOW OF RESOURCES			
Deferred gain on refunding	-	46,994	46,994
Deferred inflows of resources: pension	77,394	68,632	146,026
Total Deferred Inflows of Resources	<u>77,394</u>	<u>115,626</u>	<u>193,020</u>
NET POSITION			
Net investment in capital assets	45,402,406	41,387,428	86,789,834
Restricted:			
Net Pension Asset	814,646	-	814,646
Capital projects	490,842	-	490,842
Construction	-	1,016,656	1,016,656
Debt service	68,071	1,399,862	1,467,933
Transportation	1,398,696	-	1,398,696
Public Safety	673,765	-	673,765
Natural and Economic	488,882	-	488,882
Culture and Recreation	1,228,288	-	1,228,288
Unrestricted	744,366	20,332,952	21,077,317
Total Net Position	<u>\$ 51,309,961</u>	<u>\$ 64,136,898</u>	<u>\$ 115,446,859</u>

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

CITY OF ELLENSBURG, WASHINGTON

Statement of Activities

For the Year Ended December 31, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Primary Government:							
Governmental Activities							
General government	\$ 4,987,387	\$ 3,221,360	\$ 516,308	\$ 404,437	\$ (845,282)	\$ -	\$ (845,282)
Public safety	4,351,681	188,799	322,020	-	(3,840,862)	-	(3,840,862)
Transportation	5,377,812	421,968	-	1,253,213	(3,702,631)	-	(3,702,631)
Social Services	192,697	51,321	-	-	(141,376)	-	(141,376)
Natural and Economic	1,877,176	829,968	-	-	(1,047,208)	-	(1,047,208)
Culture & recreation	3,597,689	668,505	11,431	-	(2,917,753)	-	(2,917,753)
Interest on long-term debt	136,780	-	-	-	(136,780)	-	(136,780)
Total governmental Activities	<u>20,521,222</u>	<u>5,381,922</u>	<u>849,759</u>	<u>1,657,651</u>	<u>(12,631,890)</u>	<u>-</u>	<u>(12,631,890)</u>
Business-type Activities							
Telecommunications	223,054	101,559	29,754	-	-	(91,740)	(91,740)
Stormwater	614,865	940,425	299,676	60,721	-	685,957	685,957
Gas	6,902,378	6,373,900	-	-	-	(528,477.82)	(528,478)
Light	15,870,961	15,059,595	-	-	-	(811,366)	(811,366)
Water	4,098,360	4,577,434	-	479,488	-	958,562	958,562
Sewer	3,821,961	3,925,393	-	260,452	-	363,885	363,885
Total business-type activities	<u>31,531,578</u>	<u>30,978,306</u>	<u>329,431</u>	<u>800,661</u>	<u>-</u>	<u>576,819</u>	<u>576,819</u>
Total Primary Government	<u>\$ 52,052,800</u>	<u>\$ 36,360,228</u>	<u>\$ 1,179,190</u>	<u>\$ 2,458,312</u>	<u>(12,631,890)</u>	<u>576,819</u>	<u>(12,055,071)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes					2,801,913	-	2,801,913
Property taxes, levied for debt service					172,638	-	172,638
Sales & use taxes					6,052,351	-	6,052,351
Other taxes					3,258,196	-	3,258,196
Investment earnings					72,201	116,373	188,574
Miscellaneous					568,782	350,527	919,309
Disposition of capital assets(gain)					1,376	-	1,376
Transfers					89,500	(89,500)	-
Total general revenues and transfers					<u>13,016,957</u>	<u>377,400</u>	<u>13,394,357</u>
Change in net position					<u>385,067</u>	<u>954,219</u>	<u>1,339,286</u>
Net position - beginning					<u>50,924,894</u>	<u>63,182,678</u>	<u>114,107,572</u>
Net position - ending					<u>\$ 51,309,961</u>	<u>\$ 64,136,897</u>	<u>\$ 115,446,858</u>

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

FUND FINANCIAL STATEMENTS

Unlike Government-Wide Financial Statements that report on the City as a whole, Fund Financial Statements focus on the individual major funds of the City.

- Balance Sheet- Governmental Funds
- Reconciliation of Governmental Fund Balance Sheet to the Statement of Net Position
- Statement of Revenues, Expenditures, and Changes in Fund Balance- Governmental Funds
- Reconciliation of Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
- Statement of Revenues, Expenditures, and Changes in Fund Balances- Budget and Actual- General Fund and Arterial Street Fund
- Statement of Fund Net Position- Proprietary Funds
- Statement of Revenues, Expenses, and Changes in Fund Net Position- Proprietary Funds
- Statement of Cash Flows- Proprietary Funds
- Statement of Fiduciary Net Position- Fiduciary Funds
- Statement of Changes in Fiduciary Net Position- Fiduciary Funds

MAJOR GOVERNMENTAL FUNDS

General Fund- Classified as a major fund and is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund. This fund includes our regular General Fund, Ellensburg Public Transit, Sales Tax, Police Vehicles, EURED RF and Special Projects Funds. See page 21.

Arterial Street- This fund accounts for maintenance of transportation improvements within the public right of way and the construction of streets, bridges, trails, and traffic signals. The majority of the revenue in this fund is from the receipt of grant revenues and fuel excise tax revenue restricted for the maintenance and construction of the City's streets. This fund includes are regular Arterial Street and our Street Fund. See page 21.

MAJOR ENTERPRISE FUNDS

Gas Fund- This fund accounts for the activities of the City's gas distribution operations. The major source of revenue is the charges for the sale of gas and the bulk of its expenses are the purchase of gas for resale.

Electric Fund- This fund accounts for the activities of the City's electric distribution operations. The major source of revenue is the sale of electricity and a major part of its expenses are the purchase of power from entities like Bonneville.

Water Fund- This fund accounts for operations that provide goods or services to the general public for receiving water services and are supported primarily through user charges.

Sewer Fund- This fund accounts for the activities of the City's sewer treatment plant, sewer pumping station, and collection system. The fund is supported through service charges.

City of Ellensburg, Washington

Balance Sheet

Governmental Funds

December 31, 2016

	General Fund*	Arterial Street**	Other Governmental Funds	Total Governmental Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
ASSETS				
Cash and cash equivalents	\$ 3,769,020	\$1,837,457	\$4,025,204	\$9,631,680
Deposits with other agents	134,223	-	402,552	536,775
Investments	1,724,793	269,644	397,738	2,392,175
Receivables (net)				
Property Taxes	183,847	-	7,104	190,950
Accounts	167,229	8,066	18,861	194,156
Due from other funds	3,614	6,418	-	10,032
Due from other governments	430,332	96,506	200,427	727,264
Inventory	-	40,702	-	40,702
Total Assets	6,413,057	2,258,793	5,051,886	13,723,735
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources	-	-	-	-
Total Assets and Deferred Outflows of Resources	6,413,057	2,258,793	5,051,886	13,723,735
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	539,540	220,742	228,794	989,077
Due to other funds	38,004	23,017	3,929	64,950
Due to other governments	-	-	9,123	9,123
Other liabilities	134,223	-	-	134,223
Interfund Loan	1,559,657	-	-	1,559,657
Total Liabilities	2,271,424	243,759	241,846	2,757,030
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	183,847	-	7,104	190,950
Total Deferred Inflows of Resources	183,847	-	7,104	190,950
FUND BALANCE				
Nonspendable	-	40,702	-	40,702
Restricted	-	-	4,348,544	4,348,544
Committed	-	-	149,815	149,815
Assigned	21,948	1,974,331	304,577	2,300,856
Unassigned	3,935,838	-	-	3,935,838
Total Fund Balance	3,957,786	2,015,034	4,802,936	10,775,755
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 6,413,057	\$ 2,258,793	\$ 5,051,886	\$ 13,723,735

* General Fund includes Funds 001 (General Fund), 140 (Sales Tax), 159 (Police Vehicles), 175 (Geddis) and 198 (Special Projects).

** Arterial Street includes Funds 123(Arterial Street) and 120 (Street). The revenue in Arterial Street is catagorized as assigned to only be spent on street related projects.

CITY OF ELLENSBURG
Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Position
For the Year End December 31, 2016

The governmental funds balance sheet includes a reconciliation between fund balance in governmental funds and net position-governmental activities as reported in the government-wide statement of net position.

Fund balance of governmental funds- page 21 \$10,775,755

The Internal Service Health and Benefit Fund (\$1,110,486) is used to charge the cost of health benefits. The assets and liabilities of this fund is included in the government activities column on the government wide statement of net position. In addition, the net effect of the intergovernmental revenue is removed from the fund balance. (\$2,107 for 2016). 1,108,379

Liabilities that are not due and payable in the current period are therefore not reported in the governmental funds balance sheet but are reported on the government wide statement of net position (page 17)

Bonds Payable (Page 77)	3,395,243
OPEB Liability	3,401,339
Compensated Absences	766,295
Bond Issuance Premium	125,847
Accrued Interest on Bonds	11,142

Net adjustment to reduce fund balance - total of governmental funds to fet position of governmental funds (7,699,866)

The reporting of net investment in capital assets for governmental activities are not financial resources and therefore are not reported in the funds. The detail of this \$48,815,176 difference is as follows: (page 17)

Land	12,814,618
Infrastructure	28,371,666
Building	5,392,909
Improvements	1,457,120
Machinery & Equipment	311,980
Construction in Progress	466,883
Net Adjustment to increase fund balance-total governmental funds to net position governmental funds	48,815,176

Other longterm assets are not available to be collected in current period revenues and therefore are deferred in the funds (deferred property tax \$190,950 (page 21) 190,950

The net pension asset is not an available resource and therefore is not reported in the funds (page 17) 814,645

Internal Service funds are used by management to charge the cost of ER&R, Management Information Systems (IT), Health Benefits and Risk Management to individual funds. The asset and liabilities of the internal service funds of ER&R,IT, and Risk Management are included in the governmental activities in the statement of net position. From 2010 - 2014, the net profit for internal service funds were allocated out to different activities based on the percentage of support (page 51). In 2015, the City made a change in accounting method to follow BARS 4.3.6.20 to report Health fund solely as a governmental activity. 440,007

GASB 68 adjustments

Contributions to the pension plan in the current fiscal year are deferred outflows of resources	1,225,991
Pension Liability	(4,283,683)
Pension related deferrals are inflows of resources	(77,394)
Net Adjustment to decrease fund balance-total governmental funds to net position governmental funds.	(3,135,086)

Net Position of Governmental Activities (page 17) \$51,309,961

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

City of Ellensburg, Washington

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2016

	General Fund*	Arterial Street**	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 2,780,681	\$ -	\$ 171,092	\$ 2,951,773
Retail sales & use taxes	4,766,342	-	1,686,812	6,453,154
Other taxes	2,936,621	-	321,575	3,258,196
Licenses and permits	878,489	4,163	-	882,652
Intergovernmental	446,924	1,657,362	2,321	2,106,607
Charges for services	3,604,509	98,428	513,363	4,216,300
Fines & forfeits	279,704	-	3,266	282,970
Investment earnings	37,943	11,290	18,856	68,089
Miscellaneous	275,796	4,508	18,802	299,105
Total Revenues	16,007,009	1,775,750	2,736,087	20,518,846
EXPENDITURES				
Current:				
General Government	3,941,593	52,066	22,330	4,015,989
Public Safety	4,328,605	-	715,036	5,043,641
Transportation	101,480	3,124,732	218,444	3,444,656
Social Services	192,697	-	-	192,697
Natural and Economic	1,293,319	-	638,072	1,931,391
Culture & Recreation	3,007,073	-	295,679	3,302,751
Debt service				
Principal	-	-	240,000	240,000
Interest and other charges	18,347	-	132,755	151,102
Capital outlay				
Total Expenditures	12,971,458	3,727,391	2,405,055	19,103,905
Excess (Deficiency) of Revenues Over Expenditures	3,035,550	(1,951,640)	331,031	1,414,941
OTHER FINANCING SOURCES (USES)				
Refunding bond proceeds	-	-	290,243	290,243
Disposition of capital assets	1,376	-	-	1,376
Transfers in	-	2,000,958	442,569	2,443,527
Transfers out	(1,965,966)	-	(678,304)	(2,644,270)
Compensation for Loss/Impairment of Capital Asset	-	-	200,000	200,000
Total other financing sources & uses	(1,964,590)	2,000,958	254,508	290,876
Net change in fund balance	1,070,960	49,318	585,539	1,705,817
Fund Balances-Beginning	2,964,143	1,965,716	4,140,080	9,069,939
Change in reporting (Note 17)	(77,317)	-	77,317	-
Fund Balances-Ending	\$ 3,957,786	\$ 2,015,034	\$ 4,802,936	\$ 10,775,756

* General Fund includes Funds 001 (General Fund), 140 (Sales Tax), 159 (Police Vehicles), 175 (Geddis) and 198(Special Projects).

** Arterial Street includes Funds 123 (Arterial Street) and 120 (Street). The revenue in Arterial Street is categorized as assigned to only be spent on street related projects.

CITY OF ELLENSBURG
Reconciliation of the Statement of Revenues, Expenditures
Statement of Activities
For the Year End December 31, 2016

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

Net Change in fund balance-total governmental funds (page 23)		\$1,705,817
<p>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</p>		
Capital Outlay	781,678	
Depreciation Expense	(2,682,591)	
		(1,900,913)
<p>The net effect of various miscellaneous transactions involving capital assets i.e. gain or loss on sales, trade ins, and donations (\$302,295) is to increase net position. The following is from donated assets.</p>		
		302,295
<p>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 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 following details the net change in long-term debt as reflected in government-wide reporting</p>		
Debt Issued or Incurred	(290,243)	
OPEB Liability	(493,844)	
Net Pension Liability/Net Pension Asset	(568,887)	
Compensated Absences	(221,196)	
Other Finance Sources, Uses, and expenditures resulting from debt issuance		
Bond Payments (Includes Refunded Amounts)	240,000	
Amortization of premiums	14,452	
Accrued Interest	(130)	
Debt Related Cost	254,322	
Net effect of Long-term Debt		(1,319,848)
<p>Revenues in the statement of activities that do not provide current financial resources are not recorded as revenues in the fund statements (current year deferred property tax).</p>		
		22,778
<p>GASB 68 related transactions involving change in pension assets, adjustments to pension expense and LEOFF 2 Intergovernmental Revenues in the statement of activities that do not provide current financial resources are not recorded as transactions in the fund statements.</p>		
GASB 68 Deferred Outflows	615,111	
GASB 68 Deferred Inflows	925,366	
		1,540,477
<p>Internal service funds are used by management to charge the cost of certain activities to individual funds. The net revenue is reported with the governmental activities. The net profit for internal service funds were allocated out to different activities based on the percentage of support.</p>		
		34,462
Change in net position of governmental activities (page 18)		\$385,067

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

City of Ellensburg, Washington

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016

	Budget- General Fund		Actual	*Other Funds	Total
	Original	Final			
REVENUES:					
Property taxes	\$ 2,850,856	\$ 2,850,856	\$ 2,780,681	\$ -	\$ 2,780,681
Retail sales & use taxes	329,824	\$ 329,824	400,803	4,365,540	4,766,342
Other taxes	3,206,004	3,206,004	2,936,621	-	2,936,621
Licenses and permits	376,250	376,250	878,489	-	878,489
Intergovernmental	259,369	290,983	446,924	-	446,924
Charges for services	3,843,606	3,852,099	3,604,509	-	3,604,509
Fines & forfeits	287,800	287,800	279,704	-	279,704
Investment earnings	13,000	13,000	30,297	7,646	37,943
Miscellaneous	191,224	194,224	275,796	-	275,796
Total Revenues	11,357,933	11,401,040	11,633,823	4,373,185	16,007,009
EXPENDITURES:					
Current:					
General Government					
City General	556,001	595,897	542,930	-	542,930
Finance	1,654,931	1,706,023	1,574,310	-	1,574,310
Managers	906,224	953,127	898,453	-	898,453
Engineering	944,118	952,118	925,900	-	925,900
Total General Government	4,061,274	4,207,165	3,941,593	-	3,941,593
Security of Person and Property					
City General	348,661	378,129	385,115	-	385,115
Police	4,436,707	4,421,207	3,943,395	96	3,943,490
Community Development	-	-	-	-	-
Total Security of Person and Property	4,785,368	4,799,336	4,328,510	96	4,328,605
Transportation					
City General	116,103	116,103	98,840	-	98,840
Finance	-	3,328	2,640	-	2,640
Total Transportation	116,103	119,431	101,480	-	101,480
Natural and Economic					
City General	60,537	60,537	128,700	-	128,700
Police	237,322	237,322	215,073	-	215,073
Community Development	987,272	1,070,442	949,547	-	949,547
Total Natural and Economic	1,285,131	1,368,301	1,293,319	-	1,293,319
Social Services					
City General	41,072	15,903	10,550	-	10,550
Parks and Recreation	156,604	156,604	182,147	-	182,147
Total Social Services	197,676	172,507	192,697	-	192,697
Culture & recreation					
City General	29,675	5,175	2,767	-	2,767
Parks and Recreation	2,121,630	2,154,867	2,029,383	-	2,029,383
Library	1,028,721	1,077,818	974,922	-	974,922
Total Culture and Recreation	3,180,026	3,237,860	3,007,073	-	3,007,073

Debt Service					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
City General	293,347	293,347	18,347	-	18,347
Total Debt Service	<u>293,347</u>	<u>293,347</u>	<u>18,347</u>	<u>-</u>	<u>18,347</u>
Capital outlay					
General	-	-	39,852	48,493	88,345
Total Expenditures	<u>13,918,925</u>	<u>14,197,947</u>	<u>12,922,870</u>	<u>48,589</u>	<u>12,971,458</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,560,992)</u>	<u>(2,796,907)</u>	<u>(1,289,047)</u>	<u>4,324,597</u>	<u>3,035,550</u>
OTHER FINANCING SOURCES (USES):					
Disposition of capital assets	-	-	-	1,376	1,376
Transfers in	1,856,000	1,888,280	1,844,520	-	1,844,520
Transfers out					
City General	-	(15,500)	(58,108)	(3,752,378)	(3,810,486)
Parks and Recreation	-	-	-	-	-
Total other financing sources & uses	<u>1,856,000</u>	<u>1,872,780</u>	<u>1,786,412</u>	<u>(3,751,002)</u>	<u>(1,964,590)</u>
Net change in fund balance	<u>(704,992)</u>	<u>(924,127)</u>	<u>497,365</u>	<u>573,594</u>	<u>1,070,960</u>
Fund Balance-Beginning	<u>2,729,333</u>	<u>2,355,099</u>	<u>1,215,388</u>	<u>1,671,438</u>	<u>2,886,826</u>
Fund Balances-Ending	<u>\$ 2,024,341</u>	<u>\$ 1,430,972</u>	<u>\$ 1,712,753</u>	<u>\$ 2,245,032</u>	<u>\$ 3,957,786</u>

* Other Funds include 140 (Sales Tax), 159 (Police Vehicles), 175 (Geddis Building), and 198 (Special Projects)
see workpaper page 128-132 for detail of budget for these funds

** Transfers In and Out are reported as adopted by council on the budget to actual statement and netted together
on the operating statement.

City of Ellensburg, Washington

Arterial Street Fund 123

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016

	Budget		Actual	*Other Funds	Total
	Original	Final			
REVENUES:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-	-
Other taxes	-	-	-	-	-
Licenses and permits	4,000	4,000	4,163	-	4,163
Intergovernmental	118,787	2,679,462	1,373,024	284,338	1,657,362
Charges for services	-	-	29,314	69,114	98,428
Fines & forfeits	-	-	-	-	-
Investment earnings	500	500	7,305	3,985	11,290
Miscellaneous	-	-	409	4,099	4,508
Total Revenues	123,287	2,683,962	1,414,215	361,535	1,775,750
EXPENDITURES:					
Current:					
General Government	-	-	-	52,066	52,066
Judicial Services	-	-	-	-	-
Public Safety	-	-	-	-	-
Utilities	-	-	-	-	-
Transportation	-	1,626,733	1,515,257	1,609,475	3,124,732
Social Services	-	-	-	-	-
Natural and Economic	-	-	-	-	-
Culture & Recreation	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-
Debt service	-	-	-	-	-
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital outlay	933,000	4,760,355	550,593	-	550,593
Total Expenditures	933,000	6,387,088	2,065,849	1,661,541	3,727,391
Excess (Deficiency) of Revenues Over Expenditures	(809,713)	(3,703,126)	(651,634)	(1,300,006)	(1,951,640)
OTHER FINANCING SOURCES (USES):					
Bond issue proceeds	-	-	-	-	-
Bond premiums	-	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-	-
Disposition of capital assets	-	-	-	-	-
Transfers in	757,000	2,377,086	680,958	1,320,000	2,000,958
Transfers out	-	-	-	-	-
Total Other Financing Sources & Uses	757,000	2,377,086	680,958	1,320,000	2,000,958
Net Change in Fund Balance	(52,713)	(1,326,040)	29,324	19,994	49,318
Fund Balances-Beginning	432,772	1,637,825	1,005,981	959,735	1,965,716
Fund Balances-Ending	\$ 380,059	\$ 311,785	\$ 1,035,305	\$ 979,729	\$ 2,015,034

* Other funds includes Fund 120 (Street), see page 138 for budget details

CITY OF ELLENSBURG, WASHINGTON

Statement of Fund Net Position
 Proprietary Funds
 December 31, 2016

ASSETS	Enterprise Funds						Internal Services Funds
	Major				Non-Major		
	Gas	Electric	Water	Sewer	Funds	Total	
Current assets:							
Cash and cash equivalents	\$ 1,480,885	\$ 3,171,635	\$ 1,896,338	\$ 2,148,845	\$ 794,114	\$ 9,491,818	\$ 6,665,567
Deposits with fiscal agents	-	-	1,251	1,162	-	2,413	75,637
Investments	339,977	500,000	1,161,199	848,471	235,361	3,085,008	1,203,570
Receivables(net)							
Accounts	1,300,370	2,061,496	370,074	413,835	115,233	4,261,007	72
Due from other funds	15,060	45,252	13,266	1,943	4,873	80,394	20,148
Due from other governments	-	1,948	-	-	340,873	342,821	3,110
Interfund loan receivable	-	1,559,657	-	-	-	1,559,657	-
Inventories	554,085	849,830	183,587	21,624	-	1,609,125	66,137
Restricted assets:							
Cash and cash equivalents	847,815	1,431,346	1,108,890	703,103	-	4,091,154	-
Total current assets	<u>4,538,191</u>	<u>9,621,164</u>	<u>4,734,605</u>	<u>4,138,983</u>	<u>1,490,455</u>	<u>24,523,397</u>	<u>8,034,241</u>
Noncurrent assets:							
Capital assets, net							
Land	124,208	522,268	29,623	32,290	-	708,389	440,725
Buildings	525,940	2,618,801	3,243,731	4,730,235	458,451	11,577,159	1,340,345
Improvements	12,951,850	22,231,760	19,950,839	15,555,578	2,753,771	73,443,798	323,678
Machinery & equipments	612,087	7,836,675	2,798,669	3,096,485	214,086	14,558,002	6,524,533
Construction In progress	18,083	393,561	1,655,138	737,902	371,510	3,176,194	167,029
Less accumulated depreciation	(8,374,016)	(15,920,017)	(11,011,939)	(11,178,897)	(435,910)	(46,920,778)	(5,792,350)
Unamortized bond insurance premium	-	15,481	-	-	-	15,481	-
Total noncurrent assets	<u>5,858,152</u>	<u>17,698,529</u>	<u>16,666,061</u>	<u>12,973,594</u>	<u>3,361,908</u>	<u>56,558,244</u>	<u>3,003,960</u>
Total Assets	<u>10,396,343</u>	<u>27,319,693</u>	<u>21,400,666</u>	<u>17,112,577</u>	<u>4,852,363</u>	<u>81,081,642</u>	<u>11,038,201</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred outflows debt refunding	-	-	208,476	193,677	-	402,153	-
Deferred outflows of resources pension	153,097	274,299	76,548	108,444	25,516	637,904	44,211
Total Deferred Outflows of Resources	<u>153,097</u>	<u>274,299</u>	<u>285,025</u>	<u>302,121</u>	<u>25,516</u>	<u>1,040,057</u>	<u>44,211</u>

Continue on Next Page

LIABILITIES

Current liabilities:

Accounts payable and accrued expenses	775,703	1,382,095	250,334	154,157	76,732	2,639,021	182,832
Due to other funds	351	2,229	8,623	25,755	153	37,111	8,513
Other liabilities	1,504	23,535	24,629	18,347	615,109	683,125	-
Due within one year	93,963	426,851	586,960	227,683	9,755	1,345,213	43,027
Total current liabilities	<u>871,521</u>	<u>1,834,712</u>	<u>870,546</u>	<u>425,942</u>	<u>701,749</u>	<u>4,704,470</u>	<u>234,372</u>

Non current liabilities:

Due in more than one year	896,182	7,866,016	5,456,028	3,716,193	19,775	17,954,195	74,812
Net pension liability	969,921	1,778,910	473,481	703,290	211,398	4,136,999	298,356
Total noncurrent liabilities	<u>1,866,103</u>	<u>9,644,926</u>	<u>5,929,509</u>	<u>4,419,483</u>	<u>231,173</u>	<u>22,091,195</u>	<u>373,168</u>

Total Liabilities

	<u>2,737,624</u>	<u>11,479,638</u>	<u>6,800,055</u>	<u>4,845,425</u>	<u>932,922</u>	<u>26,795,664</u>	<u>607,539</u>
--	------------------	-------------------	------------------	------------------	----------------	-------------------	----------------

DEFERRED INFLOWS OF RESOURCES

Deferred gain on refunding	-	22,442	20,378	4,174	-	46,994	-
Deferred pension inflows	15,404	27,599	7,702	10,911	2,567	64,184	4,448
Total Deferred Inflows of Resources	<u>15,404</u>	<u>50,041</u>	<u>28,080</u>	<u>15,085</u>	<u>2,567</u>	<u>111,178</u>	<u>4,448</u>

NET POSITION

Net investment in capital assets	4,999,137	10,108,048	10,750,963	9,163,412	3,361,908	38,383,468	3,003,960
Restricted:							
Debt service	-	604,525	510,518	284,818	-	1,399,862	-
Construction	-	-	598,372	418,284	-	1,016,656	-
Unrestricted	2,797,274	5,351,740	2,997,702	2,687,673	580,482	14,414,871	7,466,465
Total Net Position	<u>\$ 7,796,411</u>	<u>\$ 16,064,313</u>	<u>\$ 14,857,556</u>	<u>\$ 12,554,188</u>	<u>\$ 3,942,390</u>	<u>55,214,857</u>	<u>\$ 10,470,425</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.

Net position of business-type activities

8,922,041
\$ 64,136,898

CITY OF ELLENSBURG, WASHINGTON

Statement of Revenues, Expenses, and Changes in Fund Net Position
 Proprietary Funds
 For the Year Ended December 31, 2016

	Enterprise Funds						
	Major Funds				Non-Major		Internal Service Funds
	Gas	Electric	Water	Sewer	Funds	Total	
Operating revenues:							
Charges for services	\$ 6,373,412	\$ 15,015,255	\$ 4,572,244	\$ 3,919,004	\$ 1,041,984	\$ 30,921,898	\$ 2,084,211
Miscellaneous	488	44,340	5,190	6,390	-	56,408	3,641,636
Total operating revenues	6,373,900	15,059,595	4,577,434	3,925,393	1,041,984	30,978,306	5,725,847
Operating expenses:							
Operating expenses	5,251,734	11,891,673	2,140,560	1,794,070	621,643	21,699,680	4,453,613
Maintenance	580,338	1,597,338	425,217	933,224	108,198	3,644,315	524,152
Depreciation	464,753	880,025	603,500	490,042	156,698	2,595,017	413,908
Taxes	724,984	1,560,043	754,474	521,197	14,651	3,575,349	-
Total operating expenses	7,021,809	15,929,079	3,923,751	3,738,533	901,190	31,514,361	5,391,674
Operating income	(647,909)	(869,484)	653,683	186,860	140,794	(536,055)	334,173
Nonoperating revenue (expenses)							
Intergovernmental revenues	-	-	-	-	329,431	329,431	423,625
Interest and investment revenue	7,817	42,894	32,464	26,417	6,781	116,373	31,320
Interest expense	(12,704)	(245,809)	(258,108)	(193,600)	(8,908)	(719,130)	-
Miscellaneous expense	-	(450)	(373)	(77)	-	(900)	-
Gain/Loss on Assets	-	-	-	-	-	-	1,268
Total nonoperating revenue (expenses)	(4,888)	(203,365)	(226,017)	(167,260)	327,304	(274,226)	456,212
Income (loss) before contributions & transfers	(652,797)	(1,072,849)	427,666	19,600	468,098	(810,282)	790,385
Capital contributions	-	-	479,488	260,452	60,721	800,661	-
Transfers in	-	-	-	-	330,743	330,743	-
Transfers out	-	-	-	-	(130,000)	(130,000)	-
Change in net position	(652,797)	(1,072,849)	907,154	280,052	729,562	191,122	790,385
Total net position - beginning	8,449,208	17,137,161	13,950,402	12,274,136	3,212,829		9,680,039
Total net position - ending	\$ 7,796,411	\$ 16,064,313	\$ 14,857,556	\$ 12,554,188	\$ 3,942,391		\$ 10,470,424
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						763,096	
Change in net position of business-type activities (page 18)						\$ 954,219	

CITY OF ELLENSBURG, WASHINGTON

Statement of Cash Flows
 Proprietary Funds
 For the Year Ended December 31, 2016

	Enterprise Funds						Internal service Funds
	Major				Non Major		
	Gas	Electric	Water	Sewer	Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers	\$ 6,484,114	\$ 14,944,718	\$ 4,573,097	\$ 3,909,136	\$ 758,297	\$ 30,669,362	\$ 184,454
Receipts for interfund services provided	(2,765)	169,977	32,562	16,381	13,955	230,110	5,509,811
Payments to suppliers	(3,818,473)	(11,734,166)	(1,373,453)	(1,056,779)	(168,122)	(18,150,994)	(3,657,981)
Payment for interfund services used	(970,164)	(1,484,827)	(965,918)	(895,888)	(207,604)	(4,524,401)	(107,377)
Payments to employees	(1,280,536)	(1,811,173)	(733,491)	(1,003,364)	(257,678)	(5,086,242)	(1,045,108)
Other Operating Cash Receipts	-	-	-	-	-	-	21,423
Net Cash Provided by Operating Activities	412,175	84,528	1,532,797	969,485	138,849	3,137,835	905,223
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers in	-	-	-	-	330,743	330,743	-
Transfers out	-	-	-	-	(130,000)	(130,000)	-
Interfund loan receivable (payable)	-	275,000	-	-	(283,943)	(8,943)	283,943
Net Cash Provided (Used) by Noncapital Activities	-	275,000	-	-	(83,200)	191,800	283,943
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Capital contribution	-	-	359,618	190,248	-	549,866	423,625
Loan/grant proceeds	859,015	-	-	-	29,754	888,769	-
Proceeds from sales of assets	-	-	-	-	-	-	1,268
Purchases of capital assets	(310,360)	(1,506,146)	(788,504)	(692,107)	(179,269)	(3,476,386)	(787,261)
Principal paid on capital debt	-	(315,000)	(134,322)	199,292	-	(250,030)	-
Interest paid on capital debt	-	(288,725)	(601,694)	(495,183)	(2,603)	(1,388,205)	-
Debt cost on capital debt	(11,200)	(450)	(373)	-	(6,300)	(18,323)	-
Net Cash from Related Financing Activities	537,455	(2,110,321)	(1,165,275)	(797,750)	(158,418)	(3,694,309)	(362,369)
CASH FLOWS FROM INVESTING ACTIVITIES							
Proceeds from sales and maturities of investments	-	-	-	-	-	-	(250,000)
Net investment purchases	207	(500,000)	98,086	151,859	(35,361)	(285,209)	(100,043)
Interest and dividends	9,362	42,894	32,464	26,417	6,781	117,918	31,320
Net Cash Provided (Used) by Investing Activities	9,569	(457,106)	130,550	178,276	(28,580)	(167,291)	(318,723)
Net Increase (Decrease) in Cash and Cash Equivalents	959,200	(2,207,899)	498,072	350,011	(131,349)	(531,965)	508,074
Balances - Beginning of the Year	1,369,499	6,810,880	2,508,407	2,503,099	925,463	14,117,349	6,233,130
Balances - End of the Year	\$ 2,328,699	\$ 4,602,981	\$ 3,006,480	\$ 2,853,110	\$ 794,114	\$ 13,585,384	\$ 6,741,204

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

Operating income (loss)	\$ (647,909)	\$ (869,484)	\$ 653,683	\$ 186,860	\$ 140,794	\$ (536,055)	\$ 334,173
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation expense	464,753	880,025	603,500	490,042	156,698	2,595,017	413,908
Change in assets and liabilities:							
Receivables, net	122,509	92,261	18,157	(4,446)	(2,988)	225,492	(72)
Due from other funds	(15,060)	(35,827)	9,789	2,569	(4,873)	(43,401)	(9,478)
Due from other governments	-	(1,335)	280	2,000	(261,870)	(260,925)	2,142
Inventories	35,144	140,998	2,928	(2,700)	-	176,369	6,589
Accounts and other payables	184,814	(655,192)	90,654	56,892	61,888	(260,943)	(3,272)
Due to other funds	(3,562)	(2,408)	8,085	20,080	134	22,329	8,435
Employee benefits	(4,460)	43,284	7,134	23,595	5,734	75,288	29,186
Deferred outflows of resources	(91,009)	(158,220)	(46,854)	(62,552)	(9,319)	(367,954)	(21,151)
Deferred inflows of resources	(74,908)	(141,245)	(35,491)	(55,841)	(20,992)	(328,478)	(32,687)
Net pension liability	441,863	791,671	220,931	312,986	73,644	1,841,095	177,449
Net Cash Provided by Operating Activities	<u>\$ 412,175</u>	<u>\$ 84,528</u>	<u>\$ 1,532,797</u>	<u>\$ 969,485</u>	<u>\$ 138,849</u>	<u>\$ 3,137,834</u>	<u>\$ 905,223</u>

Noncash Investing, capital, and financing activities:

Contributions of capital assets	-	-	101,365	23,150	60,721	-	-
Purchase of equipment on account	310,360	1,506,146	788,504	692,107	46,019	-	-

The contribution of capital assets under noncash investing, capital and financing activities is from donated assets

There are differences between the December 31, 2016 Balances - Beginning of the Year compared to December 31, 2015 Balances - End of the Year due to uncorrected prior years balances. Prior year's statements included investments and cash and cash equivalents instead of cash and cash equivalents only.

City of Ellensburg, Washington

Statement of Fiduciary Net Position

Fiduciary Funds

December 31, 2016

	<u>Fire Relief and Pension Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash	\$ 364,447	\$ 208,565
Investments	24,971	-
Receivable (Net)	-	1,223
Special Assessments	-	288,020
Total Assets	<u>389,418</u>	<u>497,807</u>
LIABILITIES		
Accounts Payable	4,098	-
Notes Payable	-	288,020
Other Liabilities	-	209,787
Total Liabilities	<u>4,098</u>	<u>497,807</u>
NET POSITION		
Net Pension Restricted for Pensions - Beginning	332,744	-
Net Pension Restricted for Pensions - Ending	385,320	-
Total Net Position	<u>\$ 385,320</u>	<u>\$ -</u>

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

City of Ellensburg, Washington

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Year Ended December 31, 2016

	Fire Relief and Pension Fund
ADDITIONS	
Contributions:	
Employer	\$ 141,081
State	\$ 20,418
Total Contributions	<u>161,499</u>
Investment Earnings:	
Interest	1,855
Total Investment Earnings	<u>1,855</u>
Total Additions	<u>163,354</u>
 DEDUCTIONS	
Benefits	107,779
Administrative Expenses	3,000
Total Deductions	<u>110,779</u>
 CHANGE IN NET POSITION	52,576
Net Pension Restricted for Pensions - Beginning	332,744
Net Pension Restricted for Pensions - Ending	<u>385,320</u>
Total Net Position	<u>\$ 385,320</u>

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

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

Table of Contents

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	37
A. Reporting Entity	37
B. Government-Wide and Fund Financial Statements	37
C. Measurement focus, Basis of Accounting, and Financial Statement Presentation	40
D. Budgets and Budgetary Accounting	41
(1) Scope of Budget	41
(2) Amending the Budget	42
(3) Excess of Expenditures over Appropriations	42
E. Assets, Liabilities and Equities	42
(1) Cash and Equivalents	42
(2) Deposits and Investments - See Note 3	43
(3) Receivables	43
(4) Amounts Due to and from Other Funds and Governments, Interfund Loans, and Advances Receivable	43
(5) Inventories	44
(6) Restricted Assets and Liabilities	44
(7) Capital Assets and Depreciation	44
(8) Other Property and Investments - See Note 3	45
(9) Other Assets and Debits	45
(10) Custodial Accounts	45
(11) Deferred Inflows/Outflows of Resources	45
(12) Compensated Absences	46
(13) Pensions	46
(14) Other Accrued Liabilities	47
(15) Long-term Debt - See Note 8	47
(16) Fund Balance Classification	47
(17) Fund Balance Detail	50
(18) Minimum Fund Balance	50
2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS	51
A. Explanation of Certain Differences between the Governmental Funds Balance Sheet and the Government-Wide Statement of Net Position	51
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	51
3. DEPOSITS AND INVESTMENTS	52
A. Deposits	52
B. Investments	52
C. Gains and Losses on Investments	55
4. PROPERTY TAXES	56
5. CAPITAL ASSETS AND DEPRECIATION	57
A. Governmental Activities Capital Assets	57
B. Proprietary Fund Capital Assets	58
6. PENSION PLANS	60
A. Single Employer Defined Benefit Plan	70

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

7. RISK MANAGEMENT	74
A. Pool Insurance	74
B. Partial Self Insurance	75
8. LONG-TERM DEBT	76
A. Long-Term Debt	76
B. Changes in Long-Term Liabilities	80
9. UTILITY RATE SETTING POLICY	81
10. CONTINGENCIES AND LITIGATION	81
11. LEASES	81
A. Operating Leases	81
12. INTERGOVERNMENTAL GRANTS AND ENTITLEMENTS	82
13. INTERFUND BALANCES AND TRANSFER	82
14. FUND EQUITIES	83
15. JOINT OPERATION	83
16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFIT	84
A. Summary of Significant Accounting Policies	84
B. Plan Description	84
C. Funding Status and Funding Policy	85
17. ACCOUNTING AND REPORTING CHANGES	88
A. Implementation of GASB Statement No. 72	88
B. Change in Reporting	88
18. NON RECOGNIZED SUNSEQUENT EVENTS	88

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The City of Ellensburg voters elect seven Council members on a non-partisan basis to serve overlapping 4 year terms. The council is the legislative body and has a quasi-judicial role dealing with land use matters. Every two years, the body elects one of its members to serve as Mayor. The Council appoints a City Manager that is responsible for the day-to-day operations of the City.

A. Reporting Entity

The City of Ellensburg was incorporated on November 26, 1883 and operates under the laws of the state of Washington applicable to a Noncharter Code City. As required by the generally accepted accounting principles the financial statements present City of Ellensburg, the primary government and its component units. At this time, there are no component units to report.

The City is a general-purpose government and provides public safety, animal control, street improvement, transit services, parks and recreation, library services, planning and zoning, and general administration. In addition, the City owns and operates the following utilities: telecommunications, gas, electric, water, stormwater and wastewater collection and treatment. The accompanying financial statements present the government entity for which the government is considered to be financially accountable.

B. Government-Wide and Fund Financial Statements

The 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. 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Our policy is to allocate indirect costs to 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 or a particular function or segment. Internally dedicated

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

resources are reported as general revenues rather than program revenues. Taxes and other items not properly included among program revenues are reported instead as general revenues.

As a general rule, the effect of the interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's gas, water, electric, and sewer functions and other activities of the government. Elimination of these charges would distort the direct cost of program revenue reported for the various functions concerned. Amounts reported as program revenues include 1) charges to customers, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. General revenues include all taxes.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds even though the latter are excluded from government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

General Fund - The general fund is the operating fund of the City. It accounts for all financial resources of general government, except those required or elected to be accounted for in another fund. This fund includes the City's budgeted General Fund (001), Sales Tax fund (140), Police Vehicles (159), Geddis (175), and Special Projects (198).

Arterial Street Fund - This fund accounts for maintenance of transportation improvements within the public rights of way and the construction of streets, bridges, trails, and traffic signals. The majority of the revenue in this fund is from the receipt of grant revenues and fuel excise tax revenue restricted for the maintenance and construction of the City streets. This fund includes the City's budgeted Arterial Street (123) and Street (120).

The City reports the following major proprietary funds:

Gas Fund - This fund accounts for the activities of the City's gas distribution operations. The major source of revenue is the charges for the sale of gas and the bulk of its expenses are the purchase of gas for resale.

Electric Fund - This fund accounts for the activities of the City's electric distribution operations. The major source of revenue is the sale of electricity and a major part of the expenses are the purchase of power from entities like Bonneville.

Water Fund - This fund accounts for the activities of the City's water pumping and distribution operations. The major source of revenue is the sale of water and the major part of expenses are the water pumping, storage, and purification costs.

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

Sewer Fund - This fund accounts for the activities of the City's sewer treatment plant, sewer pumping station, and collection system. The fund is supported through service charges.

Additionally, the City reports the following fund types:

Special Revenue Funds- These funds account for revenue from specific taxes or other earmarked revenue sources that by law are designed to finance particular functions or activities of the city.

Traffic Impact Fees- This fund is used to account for the use of traffic impact fees.

Ellensburg Public Transit- A fund used to account for the monies derived from a voter approved 2/10 of one percent retail sales tax and the use thereof.

Criminal Justice Fund- This fund is used to account for the 3/10 of one percent sales taxes to be spent on criminal justice activities.

Drug Fund- A fund used to account for the monies derived from the forfeiture of property in connection with drug investigations.

CATV- A fund used to account for the University operation of the Ellensburg Community Television station.

CATV Capital Outlay- A fund used to account for the maintenance and purchase of capital expenditures relating to the CATV fund.

Park Acquisition- A fund used to account for the maintenance and construction of path and trail development, and the acquisition of new parks.

Art Acquisitions- A fund established in 2016 to fund public art acquisition and promotion.

Lodging Tax- A fund used to account for the use of lodging tax revenue.

C.H.I.P Reserve- A fund used to account for activities relating to CDBG guidelines.

Debt Service Funds- These funds account for the resources accumulated for the payment of interest and principal on long-term general obligation debt of governmental funds.

G.O. Maintenance Bond- A fund used to account for the payment of debt on various maintenance and capital projects through-out the city.

G.O. Bonded Library Debt- A fund used to account for the payment of debt on

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

the remodel and expansion of the City of Ellensburg Library.

G.O. Telecommunications Debt- A fund used to account for the payment of debt on the Telecommunications infrastructure.

Capital Projects Funds- These funds account for financial resources used for the construction and acquisition of major capital facilities other than those financed by special assessments or proprietary funds.

G.O. Maintenance Bond- A fund used to account for 2010 G.O. Bonds issued for the purpose of providing funds necessary to pay or reimburse a portion of costs for various capital and maintenance projects.

Capital Projects- A fund used to account for the purchase of regional and local general government capital outlays.

Sidewalk Construction- A fund used to account for the repairing of sidewalks in the City's residential areas and Central Business District.

Internal Service Funds - These funds account for operations that provide goods or services to other departments or funds of the City or to other governmental units on a cost-reimbursement basis. The ER&R, IT and Risk Management Fund are predominantly used by enterprise funds. Therefore, based on GASB 34 par 62 the internal service funds residual assets and liabilities should be reported in the business-type activities column of the statement of net assets. The Health and Benefits Fund is predominantly used by governmental funds therefore the assets and liabilities of the Health and Benefit Fund should be reported in the governmental-type activities.

Pension Trust Funds – This fund accounts for the activities of the Firefighters' Pension Fund (RCW 41.16.050), which accumulates resources for pension benefit and postretirement health care benefit payments to qualified public safety employees

Agency Funds - The City of Ellensburg has three agency funds. (1) The LID Guarantee Fund, (2) the LID Fund accounts for revenue to be used for debt payment of the outstanding debt on local improvement districts, (3) The Clearing Fund is used to account for payments in transit to other government that is not legally the City of Ellensburg money (i.e. state sales tax)

C. Measurement focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resource 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

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using 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 revenue to be available if they are collected within 30 days of the end of the current fiscal period. The City considers property taxes as 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, licenses, and interest associated within the current 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 assessment 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 proprietary fund statements are reported using the economic resources measurement focus and full-accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liability is incurred regardless of the timing of the cash flows.

Proprietary funds distinguish operating revenues and expenses from non-operating 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 storm water, water, sewer, gas, and light are charges to customers for sales and services. Operating expenses for enterprise funds and internal services funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Budgets and Budgetary Accounting

(1) Scope of Budget

Appropriated budgets are adopted on a biennial schedule for the general and special revenue funds on a modified accrual basis of accounting and for all proprietary funds on the accrual basis of accounting. There are no differences between the budgetary basis and generally accepted accounting principles. Budgetary accounts are integrated in fund ledgers for all budgeted funds, but the financial statements include budgetary comparisons for annually budgeted governmental funds only. Budgets for debt service and capital project funds are adopted at the level of the individual debt issue or project and for fiscal periods that correspond to the lives of debt issues or projects. Since these funds are not required to be budgeted on an

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

annual basis, budgetary comparisons are not presented. NCGA Statement 1 does not require, and the financial statements do not present, budgetary comparisons for proprietary fund types.

Appropriated budgets are adopted at the level of the fund, except in the General Fund, where the expenditure may not exceed appropriation at the department level, and the budgets constitute the legal authority for expenditures at that level. Subsidiary revenue and expenditure ledgers are used to compare the budgeted amounts with actual revenues and expenditures. As a management control device, the subsidiary ledgers monitor expenditures for individual functions and activities by object class.

(2) Amending the Budget

The City Manager is authorized to transfer budgeted amounts within an approved amount; however, any revisions that alter the total expenditures of a fund or a department in the case of general fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the City Council by a supplemental appropriation ordinance (in accordance with biennial budget requirements).

When the City determines that it is in the best interest of the city to increase or decrease the appropriation for a particular (fund/department/object class), it may do so by ordinance approved by one more than the majority after holding public hearing(s).

All appropriations expire at the end of the fiscal year and must be re-appropriated for the next fiscal year. Encumbrances are integrated into the accounting system, but are not reported in the financial statements.

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

(3) Excess of Expenditures over Appropriations

For the year ended December 31, 2016, in no department did expenditures exceed appropriations.

E. Assets, Liabilities, Fund Balance, Net Position

(1) Cash and Equivalents

It is the City's policy to invest all temporary cash surpluses. At December 31, 2016, the treasurer was holding \$ 30,495,044 in short-term residual investments of surplus cash. This amount is classified on the Statement of Net Position as cash and equivalents in various funds. The interest on these investments is prorated to the various funds.

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

The amounts reported as cash and cash equivalents also includes a compensating balance maintained with U.S. Bank in lieu of payments for services rendered. The average compensating balance maintained during 2016 was approximately \$2,444,268.36.

For purposes of the statement of cash flows, the City considers all highly liquid investments (including restricted assets) with maturity of three months or less when purchased to be cash equivalents (See Note 3).

The City's deposits are entirely covered by federal depository insurance (FDIC and FSLIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

(2) Deposits and Investments - See Note 3

(3) Receivables

Taxes receivable consists of property taxes and related interest and penalties (See Note 4). 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 consist of current and delinquent assessments and related interest and penalties. Deferred assessments on the fund financial statements consist of unbilled special assessments that are liens against the property benefited. As of December 31, 2016, the balance of special assessments receivable was \$288,020. The special assessments are not with government commitment; therefore, they are reported in the LID Agency Funds.

Special Assessments are reported in fiduciary funds and therefore are not included in the Government-Wide Statements.

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 consist of amounts owed on open accounts from private individuals or organizations for goods and services rendered.

(4) 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 either as interfund loans receivables/payables or advances to/from other funds. All other outstanding balances between funds are reported as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances. A separate schedule of interfund loans receivable and payable is furnished in Interfund Balances and Transfers Note 13.

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

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

(5) Inventories

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

Inventories in proprietary funds are valued by the weighted average method, (which approximates the market value).

(6) Restricted Assets and Liabilities

These accounts contain resources for construction and debt service including current and delinquent special assessments receivable in enterprise funds. The current portion of related liabilities is shown as Payables from Current Restricted Assets. Specific debt service reserve requirements are described in (Long-Term Debt Note 8).

The restricted assets of the enterprise funds are composed of the following:

Cash and Investments - Debt Service	1,551,977
Cash and Investments - Construction	2,539,177
Total Restricted Assets	\$ 4,091,154

(7) Capital Assets and Depreciation

General Policies

Major expenditures for capital assets, including capital leases and major repairs that increase useful lives, are capitalized. Maintenance, repairs, and minor renewals are accounted for as expenditures or expenses when incurred.

All capital assets are valued at historical cost or estimated cost, where historical cost is not known or fair market value for donated assets or the lower of cost or fair market value when transferred between proprietary funds and governmental funds.

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Infrastructure capital assets worth individual or system cost of \$50,000 or more are also capitalized. Such assets are recorded at historical cost or estimated historical

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

Assets are placed in service when they are ready and available for their intended use.

The cost for normal maintenance and repairs are not capitalized.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building/Improvements	20-50
Infrastructure	25-50
Machinery and Equipment	4-45
Vehicles	5-12
Land Improvements	25-50

(8) Other Property and Investments - See Note 3

(9) Other Assets and Debits

These accounts reflect future resources needed to retire general long-term debt principal and amounts currently available in debt service or other funds to retire general long-term debt.

(10) Custodial Accounts

This account reflects the liability for net monetary assets being held by the City in its trustee or agency capacity.

(11) Deferred Inflows/Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government only has two items that qualifies for reporting in this category. One is the deferred gain on refunding reported in the government-wide statement of net position. A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second, pension, is the recognition of the adjustments to prior

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

and current year contributions to satisfy the requirements in GASB Statement No. 68. The adjustment will be amortized over 4.4 years.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has three types of items, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported in the governmental funds balance sheet and the Business Activity statements. The government funds report unavailable revenues from one source, property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The Business Type reports unavailable revenues from one source, a deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The third is the recognition of the net effect of the change in proportion on beginning reported balances to prior and current year contributions to satisfy the requirements in GASB Statement No. 68. Deferred inflows account for the difference between expected and actual earnings.

(12) Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation and sick leave. Compensated absences are reported in governmental funds only if they have matured (i.e., unused reimbursable leave still outstanding following an employees' resignation or retirement.) All vacation and sick pay is accrued at year end in the government-wide, proprietary, and fiduciary fund financial statements. In government-wide statements, all governmental funds compensated absences that are expected to be liquidated with expendable available financial resources are reported as expenditures and fund liability in the fund that will pay for them. In proprietary funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

Vacation pay, which may be accumulated up to a maximum of 30 days, is payable upon resignation, retirement, or death. Sick leave may accumulate indefinitely. Fifty percent of a maximum of 960 hours of outstanding sick leave is payable upon resignation, retirement, or death to those employees hired prior to July 1, 1985. As of December 31, 2016 we have 4 employees employed prior to July 1st 1985. They have a total of 4,918 hours accumulated of which 1,325.93 hours is compensable at the current rate. Employees hired after July 1, 1985, do not receive a payout for outstanding sick leave upon resignation, retirement, or death.

(13) Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and the Fire Relief and Pension Fund, (a single employer defined benefit plan of which the City of Ellensburg is the administrator), and additions to/deductions from those plans'

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

Fund, (a single employer defined benefit plan of which the City of Ellensburg is the administrator), and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems, or in the case of the Fire Relief and Pension Fund, the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The Leoff's financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable. Investments are reported at fair value. The City has elected to calculate information of an actuarial nature using the alternative measurement method permitted by GASB Statement 45 for plans with fewer than one hundred employees.

(14) Other Accrued Liabilities

These accounts consist of accrued wages and accrued employee benefits.

(15) Long-term Debt - See Note 8

(16) Fund Balance Classification

Fund balance is classified as non-spendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the City is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented below:

Non-spendable- The non-spendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash. It also includes the long-term amount of Interfund loans.

Restricted- Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation.

Enabling legislation authorizes the City to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used for the specific purposes stipulated in the legislation. Legal enforceability means that the City can be compelled by an external party such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purpose specified by the legislation.

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

Fund	Amount Restricted	Reason for Restriction
Traffic Impact (125)	\$ 1,295,754	Restricted by third party (state law), revenue must be used for traffic purposes
Transportation Benefit District (127)	\$ 102,942	Restricted by third party (voted sales tax revenue, restricted by law), revenue must be used for public transportation
Criminal Justice (130)	\$ 655,079	Restricted by third party (voted sales tax revenue, restricted by law), revenue must be used for public safety purposes
Drug (137)	\$ 18,686	Restricted by third party (state law), revenue must be used for public safety drug investigation purposes
Park Acquisition (160)	\$ 483,132	Restricted by third party (state law), revenue must be used for the development of parks
Lodging Tax (165)	\$ 488,882	Restricted by third party (state law), revenue must be used for expenditures relating to tourism
Library Construction (230)	\$ 68,071	Restricted by third party (voted on by citizens), revenue must be used for the repayment of debt
Sidewalk Improvements (366)	\$ 490,842	Restricted by third party (state law), revenue must be used for sidewalk developments
Library Trust (605)	\$ 288,558	Restricted by third party (restricted donations), revenue must be used for the purpose of library operations
Hal Holmes Trust (621)	\$ 456,599	Restricted by third party (restricted donations), governed by a separate board, revenue must be used for the purpose of Hal Holmes and Library facilities

Committed - The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance) of City Council. Those committed amounts cannot be used for any other purpose unless City Council removes or changes the specified use by taking the same type of action (ordinance) it employed to previously commit those amounts. In contrast to fund balance in that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by City Council, separate from the authorization to raise the underlying revenue: therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

Assigned - Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City ordinance.

Unassigned - Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned. The City does not have a formal policy for authorizing the assignment of resources. The City uses the natural flow of revenue which implies the City will use restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available.

The flow assumption of the City is to reduce restricted amounts first, followed by committed, and then assigned and lastly unassigned.

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

(17) Fund Balance Detail

Balance Sheet	Fund Balance			
	Major			Total
	General Fund *	Arterial Street **	Other Funds	
Fund Balances				
Nonspendable		-		-
Inventory		\$40,702		\$ 40,702
Permannet Fund Principal				-
Total Nonspendable		40,702		40,702
Restricted for:				-
Transportation		-	1,398,696	1,398,696
Public Safety			673,765	673,765
Parks and Recreation			1,228,288	1,228,288
Economic Environment			488,883	488,883
Debt Service			68,071	68,071
Capital			490,842	490,842
Total Restricted		-	4,348,545	4,348,545
Committed to:				-
Economic Environment			149,815	149,815
Total Committed			149,815	149,815
Assigned to:				-
Transportation		1,974,331	187,847	2,162,178
Public Safety	21,948		10,662	32,610
Economic Environment			14,901	14,901
Parks and Recreation			17,460	17,460
Debt Service			51,392	51,392
Capital Projects			22,315	22,315
Total Assigned	21,948	1,974,331	304,577	2,300,856
Unassigned	3,935,838	-	-	3,935,838
Total Fund Balance	\$ 3,957,786	\$ 2,015,034	\$ 4,802,937	\$ 10,775,756

*General Fund includes the City 001, 140,159,175, and 198 funds

** Arterial Street includes the City 123 and 120 funds

(18) Minimum Fund Balance

It is essential that the City maintain adequate levels of unreserved fund balance to mitigate current and future risks and ensure stable tax rates. As such, unreserved ending fund balances, excluding contingency and cumulative reserve funds, for the operating funds (all funds except

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

the sales tax and proprietary funds) will be required to have a minimum of 15% of operating expenditures in unreserved ending fund balance.

Proprietary funds, such as utility funds and internal service funds will be required to have a 20% minimum unreserved.

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences between the Governmental Funds Balance Sheet and the Government-Wide Statement of Net Position

The governmental funds’ balance sheet includes a reconciliation of fund balance – total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. This reconciliation is necessary because of the differences in accounting basis, most significantly the differences in accounting for capital assets, debt, GASB 68 adjustment, and that portion of the Health Benefit internal service fund that is attributed to governmental activities. This information can be found on the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position form on page 22.

The proprietary funds’ Statement of Net Position reports a difference in the net position balance to the Government-wide Statement of Net Position due to internal service fund activity. Internal service funds are used by management to charge the cost of certain activities to individual fund. The net profit for Health Benefit Fund before investment income, gain on sale of asset and outside revenue source \$32,456. This amount was attributed to governmental activities. The governmental fund portion was treated as an interactivity payable for the ER&R, IT and Risk Management internal service funds and as an interactivity receivable for the Health and Benefits included in the internal balance on the Government-Wide Statement of Net position.

Internal Service Fund Net Position (Page 130)	\$10,470,425
Less: Health and Benefits Fund (Adjusted for 2016 Internal Service Allocation)	(\$1,108,377)
Internal Service Funds Governmental-Type Activities Portion (page 22)	(440,007)
Government-Wide Statement of Net Position for Business Type (page 29)	<u>\$8,922,041</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 funds’ Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between net changes in fund balances-total governmental funds to changes in net position of governmental activities as reported in the government-wide statements of activities. Elements of the reconciliation include: governmental funds reporting capital outlays as expenditures, however, in the statement of activities the cost is allocated over their estimated useful lives and reported as depreciation expense; the net effect of other

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

transactions involving capital assets (donations); issuance, repayment, and other costs associated with the long-term debt; GASB 68 pension expense; and the net revenue of the internal service funds which are allocated to the governmental funds. This information can be found on the reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities on page 24.

The proprietary funds' Statement of Revenues, Expenses, and Changes in Fund Net Position reports a difference in the net position balance to the Government-wide Statement of Activities. This information can be found on the reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities on page 24.

Proprietary Fund Statement of Revenues, Expenses, and Changes in Net Position for Internal Service Funds (page 130)	\$790,385
Internal Service Fund Governmental Type Activities Portion (page 24)	(34,462)
Internal Service Fund Allocated to Other Internal Service Funds	7,173
Government-Wide Statement of Changes in Net Position for Internal Service Funds (page 30)	<u>\$763,096</u>

3. DEPOSITS AND INVESTMENTS

A. Deposits

The City's deposits and certificates of deposit are entirely covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

At December 31, 2016, the bank balance was \$30,495,044; of the bank balance \$250,000 was covered by Federal Depository insurance. \$26,615,829 of the bank balance was covered by the State of Washington Public Deposit Protection Commission established by RCW 39.58 that also regulates depository financial institutions within the state. The Commission requires each public depository a pledge agreement with the commission and trustee. The deposit shall at all times maintain segregation from its other assets, eligible collateral in the form of securities described in RCW 39.58.050(5) & (6) and having a value at least equal to its maximum liability. Such collateral shall be segregated by deposit with the depository's trustee and shall be clearly designated as security for the benefit of public depositors. The collateral is used through the depositors, net of deposit insurance already received by them. The remaining bank balance includes uninsured and unregistered investments which are held by the counter party's trust department or agent in the city's name.

B. Investments

Cash and investments are managed under the guidance of the City's Investment Policy. Safety of principal is the foremost objective of the City's investment program. Investments are undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

As required by state law, all investments of the City of Ellensburg funds (except as noted below) are obligations of the U.S Government, U.S. Agency issues, obligations of the State of Washington, general obligations of Washington State municipalities, the State Treasurer’s Investment Pool, bankers’ acceptances, or certificates of deposit with Washington State banks and savings and loan institutions. Investments of pension trust funds are not subject to the preceding limitations. Other property and investments are shown on the statement of net position (other property consists of real estate held for future use).

Investments Measured at Amortized Cost

As of December 31, 2016, the City of Ellensburg held the following investments at amortized costs

Type of Investment	Maturities	City's own investments	Total
State Investment Pool	various	\$ 26,615,829	\$ 26,615,829

Custodial Credit Risk- Safety of principal is the foremost objective of the City’s investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The Washington State Investment Pool, a 2a7-like fund, managed by the State Treasurer’s Office is limited to high quality obligations with limited maximum and average maturities which will minimize both market and credit risk. The safekeeping and custody provided by the Local Government Investment Pool (LGIP) is dictated by RCW 39.58 and requires all purchased securities to be bought on a delivery versus payment basis. Additionally, withdrawals and deposits to the LGIP are conducted electronically through the State of Washington’s Secure Access Management system.

*Restrictions and Limitations-*To provide safety and liquidity of LGIP funds, the investment portfolio is subject to limitations and restrictions. The minimum transaction limitation for the investment pool is \$5,000 for deposits and withdrawals. There is no formal maximum transaction size; however, to more accurately project daily cash flows, the LGIP requests notification of a deposit or withdrawal of ten million dollars (\$10,000,000) or more at least a day prior to transfer. All restrictions are based on a settlement date basis. Eligible investments are only those securities and deposits authorized by statute. The investments of cash collateral and securities accepted as collateral by a securities lending agent are subject to the restrictions of RCW 39.58 and RCW 43.84.080. Additionally, the State Treasurer requires reimbursement for the administration and recovery of costs associated with the operation of the LGIP. The administrative fee accrues daily and is deducted from the earnings distributed to the participant. If there are no earnings, the fee is deducted from the principal. The pool is unrated.

Investments Measured at Fair Value

Fair Value Measurements- Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

measurement date. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market. The City measures and reports investments at fair value using the valuation input hierarchy established by generally accepted accounting principles, as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities;
- Level 2: These are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable;
- Level 3: Unobservable inputs for an asset or liability.

At December 31, 2016, the City had the following investments measured at fair value:

Hal Holmes trust fund securities of \$402,552, held by Bank of America, are valued using quoted market prices (Level 1 inputs);

U.S. Treasury securities of \$1,476,684 and the Federal Agency securities of \$5,190,396, held by the City's Safekeeping Operations at U.S. Bank, valued using a matrix pricing model (Level 2 inputs). The mortgage backed security, totaling \$4, also held by the City's Safekeeping Operations, valued using discounted cash flow techniques, was classified as a Level 3 input.

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

Investments and Derivative Instruments Measured at Fair Value

Fair Value Measurements Using

Investments by fair value level	12/31/2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Bankers' Acceptance	various			\$ -
Debt Securities				
U.S. Treasury Notes	1,476,684		1,476,684	
Federal Agency securities	5,190,396		5,190,396	
Mortgage Backed Securities	4			4
Held by Trustee:				
Hal Holmes Memorial Trust	402,552	402,552		
Total Investments	\$ 7,069,635	\$ 402,552	\$ 6,667,079	\$ 4

**Reconciliation of both
Amortized and FV**

	12/31/2016	investments	state pool
Governments	\$ 11,358,384	\$ 2,386,012	\$ 8,972,372
Business type activities	13,982,936	3,057,114	10,925,823
Internal Service	7,305,718	1,198,993	6,106,725
Fiduciary	1,038,426	427,516	610,910
	\$ 33,685,464	\$ 7,069,635	\$ 26,615,829

Concentration of Credit Risk- Concentration risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer. The City's policy states the City will assure that no single institution or security is invested to such an extent that a delay of liquidation at maturity is likely to cause a current cash flow emergency. With the exception of U.S. Treasury securities, the State Investment Pool, and certificates of deposit, the City will invest no more than twenty-five percent of its total investment portfolio in a single security type or with a single financial institution.

Custodial Credit Risk-investments- The City policy states that all security transactions will be settled "delivery versus payment" by the City's safekeeping bank.

C. Gains and Losses on Investments

The Hal Holmes Trust Fund had a gain in market value of investment in the amount of \$16,996. The Hal Holmes Trust Fund is held by a third party, Bank of America.

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

4. PROPERTY TAXES

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

Property Tax Calendar

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

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

The City may levy up to \$ 3.375 per \$1,000 of assessed valuation for general governmental services, subject to three limitations:

Washington State law in RCW 84.55.010 and RCW 84.55.0101 limits the growth of regular property taxes to 1 percent per year, after adjustments for new construction. If the assessed valuation increases by more than 1 percent due to revaluation, the levy rate will be decreased.

Chapter 84.52 RCW establishes a limitation on the levies for ports, public utilities, state schools, emergency medical services, counties, roads, cities, and towns. All other regular levies are proportionately reduced if a composite rate of \$5.90 per thousand is exceeded. The Washington State Constitution limits the total regular property taxes to 1 percent of assessed valuation or \$10 per \$1,000 of value. If the taxes of all districts exceed this amount, each is proportionately reduced until the total is at or below the 1 percent limit.

The City's regular levy for 2016 was \$ 2.231290 per \$1,000 on an assessed valuation of \$1,279,920,253 for a total regular levy of \$2,855,873. In addition, the levy for debt service on a voter approved bond issue was \$0.137978 per \$1,000 on an assessed valuation of \$1,268,315,853 for a total of \$175,000.

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

5. CAPITAL ASSETS AND DEPRECIATION

A. Governmental Activities Capital Assets

Asset	Beginning Balances 1/1/2016	Increase	Decrease	Ending Balance 12/31/2016
Capital assets, not being depreciated				
Land	\$ 12,814,618	\$ -		\$ 12,814,618
Construction In progress	188,056	319,701	40,874	466,883
Total	13,002,674	319,701	40,874	13,281,501
Capital assets, being depreciated				
Buildings	11,534,902	-		11,534,902
Improvements other than building	3,502,666	114,465		3,617,131
Machinery & equipment	1,029,519	156,193	37,164	1,148,548
Infrastructure	64,981,766	534,487	-	65,516,253
Total	81,048,853	805,145	37,164	81,816,834
Less accumulated depreciation for				
Buildings	5,843,601	298,392		6,141,993
Improvements other than buildings	1,950,804	296,907		2,247,711
Machinery & equipment	748,785	124,947	37,164	836,568
Infrastructure	35,094,543	1,962,345		37,056,888
Total	43,637,734	2,682,591	37,164	46,283,160
Total capital assets, being depreciated, net	37,411,119	(1,877,446)	-	35,533,674
Total	\$ 50,413,793	\$ (1,557,745)	\$ 40,874	\$ 48,815,176

- The significant increase in construction in progress is due to the start of the Vantage/Phenning signal project.
- The decrease in machinery and equipment is the surplus of Police vehicles. The increase is the addition of two police vehicles, police video equipment, audio video equipment for the council chambers, and dog park improvements including fencing, irrigation and fountains.
- The significant increase in Infrastructure was due to completions of bridges, streets, lighting, sidewalks and donated infrastructure.

Accumulated Depreciation & Depreciation Expense- Depreciation expense was charged to functions/programs of the primary governments as follows:

Governmental Activities	Amount
General Government	\$216,155
Security of Person	\$71,833
Culture and Recreation	\$418,282
Transportation	\$1,976,321
Total	\$2,682,591

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

Net Investment in Capital Assets

Governmental Activities

Capital assets not being depreciated	\$ 13,281,501
Capital assets being depreciated	81,816,834
Less accumulated depreciation	(46,283,160)
Less GO Bonds	(3,105,000)
Less LTGO Telecom Taxable	(290,243)
Less bond premium and accrued interest	(136,989)
Plus Bond Cash	119,463
Governmental Activities, net investment in capital assets	\$ 45,402,407

B. Proprietary Fund Capital Assets

Capital assets of proprietary funds are capitalized in their respective balance sheets. Maintenance and repairs of property and replacements and renewals of items determined to be less than units of property, are charged to operating and maintenance expense.

Internal Service Fund- Rolling stock and equipment in the Shop are depreciated using the straight-line method with useful lives of 4 to 45 years.

Business Type Assets	Beginning Balances 1/1/2016	Increase	Decrease	Ending Balance 12/31/2016
Capital Assets, not being depreciated				
Land	\$ 1,149,112	\$ -	\$ -	\$ 1,149,112
Construction in progress	5,215,122	1,549,461	3,421,357	3,343,223
Total	6,364,234	1,549,461	3,421,357	4,492,335
Capital Assets, being depreciated				
Building	10,507,683	2,409,822		12,917,505
Improvements other than building	70,508,453	3,305,608	46,585	73,767,476
Machinery & equipment	20,387,629	1,025,955	331,050	21,082,534
Total	101,403,765	6,741,385	377,635	107,767,515
Less accumulated depreciation for				
Building	4,514,245	338,748		4,852,993
Improvements other than building	32,678,896	1,734,756	46,585	34,367,067
Machinery & equipment	12,833,324	935,422	275,680	13,493,066
Total	50,026,465	3,008,925	322,265	52,713,126
Total capital assets, being depreciated,	51,377,300	3,732,460	55,371	55,054,390
Total	\$ 57,741,534	\$ 5,281,921	\$ 3,476,728	\$ 59,546,724

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

Accumulated Depreciation & Depreciation Expense- Depreciation expense was charged to proprietary funds as follows:

Business-Type Activities	Amount
Utilities	\$2,595,017
Internal Service	\$413,908
Total	\$3,008,925

Net Investment in Capital Assets

Enterprise Activities

	Telecommunications	Storm Water	Gas	Electric
Capital assets	\$ 1,789,150	\$ 2,008,668	\$ 14,232,168	\$ 33,603,065
Less accumulated depreciation	(230,672)	(205,238)	(8,374,016)	(15,920,017)
Less bond payable (current and L-T)			(859,015)	(7,575,000)
Enterprise Activities, net investment in capital assets	<u>\$ 1,558,479</u>	<u>\$ 1,803,430</u>	<u>\$ 4,999,137</u>	<u>\$ 10,108,048</u>

Net Investment in Capital Assets

Enterprise Activities

	Water	Sewer	Equipment and Revolving	Information Services
Capital assets	\$ 27,678,000	\$ 24,152,490	\$ 8,030,866	\$ 765,443
Less accumulated depreciation	(11,011,939)	(11,178,897)	(5,181,087)	(611,263)
Less bond payable (current and L-T)	(5,915,098)	(3,810,182)		
Enterprise Activities, net investment in capital assets	<u>\$ 10,750,963</u>	<u>\$ 9,163,412</u>	<u>\$ 2,849,779</u>	<u>\$ 154,181</u>

Internal service funds ER&R and IT predominately serves the enterprise funds. Accordingly, capital assets for them are part of the Business Activities.

There are no intangible assets to report for 2016 based on GASB 51 which states that if the intangible asset has an indefinite life or was internally generated then the entity is not required to retro back to previous years. All intangible assets received before 2016 either have an indefinite life or was internally generated (i.e. computer software). All intangible asset received in 2016 did not meet the threshold for reporting purposes.

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

6. PENSION PLANS

The following table represents the aggregate pension amounts for all plans subject to the requirements of the GASB Statement 68, *Accounting and Financial Reporting for Pensions* for the year 2016:

Aggregate Pension Amounts - All Plans	
Pension Liabilities	\$ 8,719,038
Pension Assets	\$ 814,646
Deferred Outflows of Resources	\$ 1,908,106
Deferred Inflows of Resources	\$ 146,026
Pension Expense	\$ 1,102,087

State Sponsored Pension Plans

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

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

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

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

Public Employees’ Retirement System (PERS)

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

PERS Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member’s average final compensation (AFC) times the member’s years of service. The AFC is the average of the member’s 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions

The **PERS Plan 1**-member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2016 were as follows:

PERS Plan 1			
Actual	Contribution	Employer	Employee*
Rates:			
PERS Plan 1		6.23%	6.00%
PERS Plan 1 UAAL		4.77%	6.00%
Administrative Fee		0.18%	
	Total	11.18%	6.00%

* For employees participating in JBM, the contribution rate was 12.26%

The City's actual contributions to the plan were \$17,561 for the year ended December 31, 2016.

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

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

PERS Plan 2/3 members hired on or after May 1, 2013 have the option to retire early by accepting a

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

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

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

Contributions

The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2016 were as follows:

PERS Plan 2/3		
Actual Contribution Rates:	Employer 2/3	Employee 2*
PERS Plan 2/3	6.23%	6.12%
PERS Plan 1 UAAL	4.77%	
Administrative Fee	0.18%	
Employee PERS Plan 3		varies
Total	11.18%	6.12%

* For employees participating in JBM, the contribution rate was 15.30%

The City's actual contributions to PERS Plan 2/3 the plan were \$523,831 for the year ended December 31, 2016.

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

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

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

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

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

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

Contributions

Starting on July 1, 2000, **LEOFF Plan 1** employers and employees contribute zero percent, as long as the plan remains fully funded. The LEOFF Plan I had no required employer or employee contributions for fiscal year 2016. Employers paid only the administrative expense of 0.18 percent of covered payroll.

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

Contributions

The **LEOFF Plan 2** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The employer rate included an administrative expense component set at 0.18 percent. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board. The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2016 were as follows:

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

LEOFF Plan 2				
Actual Rates:	Contribution		Employer	Employee
State and local governments			5.05%	8.41%
Administrative Fee			0.18%	
	Total		5.23%	8.41%
Ports and Universities			8.41%	8.41%
Administrative Fee			0.18%	
	Total		8.59%	8.41%

The City's actual contributions to the plan were \$110,389 for the year ended December 31, 2016.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For the state fiscal year ending June 30, 2016, the state contributed \$60,375,158 to LEOFF Plan 2. The amount recognized by the City as its proportionate share of this amount is \$42,179.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2016 with a valuation date of June 30, 2015. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2007-2012 Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2015 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2016. Plan liabilities were rolled forward from June 30, 2015, to June 30, 2016, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 3% total economic inflation; 3.75% salary inflation
- **Salary increases:** In addition to the base 3.75% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.5%

Mortality rates were based on the RP-2000 report's Combined Healthy Table and Combined Disabled Table, published by the Society of Actuaries. The OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100 percent Scale BB.

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime.

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

- For all systems, except LEOFF Plan 2, the assumed valuation interest rate was lowered from 7.8% to 7.7%. Assumed administrative factors were updated.
- Valuation software was corrected on how the nonduty disability benefits for LEOFF Plan 2 active members is calculated.
- New LEOFF Plan 2 benefit definitions were added within the OSA valuation software to model legislation signed into law during the 2015 legislative session.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.5 percent.

To determine that rate, an asset sufficiency test included an assumed 7.7 percent long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. (All plans use 7.7 percent except LEOFF 2, which has assumed 7.5 percent). Consistent with the long-term expected rate of return, a 7.5 percent future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue being made at contractually required rates (including PERS 2/3, PSERS 2, SERS 2/3, and TRS 2/3 employers, whose rates include a component for the PERS 1, and TRS 1 plan liabilities). Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.5 percent was used to determine the total liability.

Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7.5 percent was determined using a building-block-method. The Washington State Investment Board (WSIB) used a best estimate of expected future rates of return (expected returns, net of pension plan investment expense, including inflation) to develop each major asset class. Those expected returns make up one component of WSIB's capital market assumptions. The WSIB uses the capital market assumptions and their target asset allocation to simulate future investment returns at various future times. The long-term expected rate of return of 7.5 percent approximately equals the median of the simulated investment returns over a 50-year time horizon.

Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2016, are summarized in the table below. The inflation component used to create the table is 2.2 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	1.70%
Tangible Assets	5%	4.40%
Real Estate	15%	5.80%
Global Equity	37%	6.60%
Private Equity	23%	9.60%
	100%	

Sensitivity of NPL

The table below presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5 percent) or 1-percentage point higher (8.5 percent) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	(6.5%)	(7.5%)	(8.5%)
PERS 1	\$ 4,658,171	\$ 3,862,819	\$ 3,178,369
PERS 2/3	8,144,423	4,423,480	(2,302,677)
LEOFF 1	(242,554)	(408,313)	(549,999)
LEOFF 2	1,139,469	(406,333)	(1,571,418)

Pension Plan Fiduciary Net Position

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

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

At June 30, 2016, the City reported a total pension liability of \$ 8,286,299 for its proportionate share of the net pension liabilities as follows:

	Liability
PERS 1	\$3,862,819
PERS 2/3	4,423,480

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

At June 30, 2016, the City reported a total pension asset of \$ 814,645 for its proportionate share of the net pension asset as follows:

	LEOFF 1 Asset	LEOFF 2 Asset
Employer's proportionate share	\$408,313	\$406,333
State's proportionate share of the net pension asset associated with the employer	2,761,817	264,899
TOTAL	3,170,129	671,232

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

	Proportionate Share 6/30/15	Proportionate Share 6/30/16	Change in Proportion
PERS 1	0.069607%	0.071927%	0.002320%
PERS 2/3	0.084596%	0.087856%	0.003260%
LEOFF 1	0.039784%	0.039631%	-0.000153%
LEOFF 2	0.071938%	0.069861%	-0.002077%

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

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2016. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2016, the state of Washington contributed 87.12 percent of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88 percent of employer contributions. LEOFF 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

In fiscal year 2016, the state of Washington contributed 39.46 percent of LEOFF 2 employer contributions pursuant to RCW 41.27.726 and all other employers contributed the remaining 60.54 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2016, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2015, with update procedures used to roll forward the total pension liability to the measurement date.

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

Pension Expense

For the year ended December 31, 2016, the City recognized pension expense as follows:

	Pension Expense
PERS 1	\$335,775
PERS 2/3	681,025
LEOFF 1	(51,278)
LEOFF 2	136,566
TOTAL	\$1,102,088

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PERS Plan 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		
Net difference between projected and actual investment earnings on pension plan investments	\$97,260	
Changes of assumptions		
Changes in proportion and differences between contributions and proportionate share of contributions		
Contributions subsequent to the measurement date	214,593	
TOTAL	\$311,853	

PERS Plan 2-3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$235,547	(\$146,026)
Net difference between projected and actual investment earnings on pension plan investments	541,306	
Changes of assumptions	45,720	
Changes in proportion and differences between contributions and proportionate share of contributions	169,117	
Contributions subsequent to the measurement date	268,184	
TOTAL	\$1,259,874	(\$146,026)

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

LEOFF 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		
Net difference between projected and actual investment earnings on pension plan investments	\$41,504	
Changes of assumptions		
Changes in proportion and differences between contributions and proportionate share of contributions		
Contributions subsequent to the measurement date		
TOTAL	\$41,504	

LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$55,679	
Net difference between projected and actual investment earnings on pension plan investments	146,012	
Changes of assumptions	1,532	
Changes in proportion and differences between contributions and proportionate share of contributions	19,359	
Contributions subsequent to the measurement date	56,991	
TOTAL	\$279,573	

TOTAL	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$291,226	(\$146,026)
Net difference between projected and actual investment earnings on pension plan investments	\$826,082	\$0
Changes of assumptions	\$47,252	\$0
Changes in proportion and differences between contributions and proportionate share of contributions	\$188,476	\$0
Contributions subsequent to the measurement date	\$539,768	\$0
TOTAL	\$1,892,804	(\$146,026)

Deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as:

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

Year ended December 31:	PERS 1
2017	(\$23,947)
2018	(\$23,947)
2019	\$89,323
2020	\$55,832
2021	
Thereafter	\$97,260

Year ended December 31:	PERS 2/3
2017	\$62,806
2018	\$62,806
2019	\$457,076
2020	\$262,975
2021	
Thereafter	\$845,664

Year ended December 31:	LEOFF 1
2017	(\$8,577)
2018	(\$8,577)
2019	\$35,946
2020	\$22,713
2021	
Thereafter	\$41,504

Year ended December 31:	LEOFF 2
2017	\$2,094
2018	\$2,094
2019	\$124,725
2020	\$87,142
2021	\$6,527
Thereafter	\$222,581

A. Single Employer Defined Benefit Plan

Pension Amounts - Firefighter Pension Fund	
Pension Liabilities	\$ 432,739
Pension Assets	\$ -
Deferred Outflows of Resources	\$ 15,302
Deferred Inflows of Resources	\$ -
Pension Expense	\$ -

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

The City is also the administrator of a pension retirement system called the Fire Relief and Pension Fund, a single employer defined benefit plan. The system is shown as a trust fund in the financial reports of the City. The system provides retirement, disability, and death benefits to members and beneficiaries. The system is closed with no active members.

As of December 31, 2016 there were a total of 5 individuals (all retirees) covered by this system. Four of them are retirees, and one is a widow of a retiree.

Firefighters' Pension Fund (RCW 41.16.050) – The state contributes 25% of the taxes on fire insurance premiums to these plans and is considered a non-employer contributing entity. The amount of these contributions received in 2016 was \$20,418. This is not considered a special funding situation.

Plan Description. The Kittitas County Disability Board is governed by RCW 41.26.110. Each county shall establish a disability board composed of five members to be chosen as follows: one member to be a representative of the City of Ellensburg determined by council; one to be a representative of Kittitas County and is also a county commissioner; one to be active or retired firefighter employed by or retired from an employer within the county to be elected by the firefighters employed or retired from an employer within the county who are not employed by or retired from a city in which a disability board is established and who are subject to jurisdiction of that board; one to be active or retired law enforcement officer employed by or retired from an employer within the county to be elected by the law enforcement officers employed in or retired from an employer within the county who are not employed by or retired from a city in which a disability board is established and who are subject to the jurisdiction of that board; one member from the public at large who resides within the county but does not reside within a city which a city disability board is established, to be appointed by the other four members designated in this subsection. All members appointed or elected pursuant to this subsection shall serve for two year terms.

Investment Policy. The City's investments will be in compliance with all statutes governing the investment of public funds. This includes the Revised Code of Washington (RCW), the State's Budgeting, Accounting and Reporting System (BARS) Manual, the City's Investment Policy and corresponding administrative procedures. All investments of the City are made in compliance with Federal and State law and in accordance with applicable legal interpretations. The investment policy and future versions shall be adopted by resolution of the City Council, and when practicable will first be reviewed by the Certification Committee of the Washington Municipal Treasurers' Association (WMTA). The policy will be reviewed annually and any changes will be approved by a resolution of the City Council, and such record of adoption shall become a part of the document. The City will diversify its investments by security type and institution.

The most recent actuarial study of the system was done by Milliman Consultants and Actuaries to determine the funding requirements as of December 31, 2016. As of this date, the assets valued at market were \$ 0.385 million and the actuarial present value of future benefits was \$ 0.818 million with unfunded actuarial accrued liabilities of \$ 0.433 million. The assets of the fund, along with future revenues from state fire insurance taxes and investment earnings are

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

not sufficient to pay all future pension benefits, resulting in an actuarial deficiency. During the FY 2016 budget hearing, the City Council authorized allocating \$.141 million of 2016 property tax receipts to the Fire Relief and Pension fund. Based on the number of members in the City's plan, the City is only obligated to calculate the liability of pension cost every three years.

Assumptions and Other Inputs

The fact that excess benefits increased less than anticipated over the past two years led to a decrease in liability. Further decreasing liabilities was the change in economic assumptions. The discount rate was raised from 3.50% to 3.75%. A higher discount rate results in a lower present value of measured liabilities.

Actuarial Cost Method – The City uses the Entry Age Cost Method. This funding method meets the parameters required for GASB disclosure requirements.

The City's Firefighters' Pension Fund is a closed group. No new members are permitted.

Valuation of Assets – All assets are carried on a market value basis.

Investment Earnings – The future investment earnings of the assets of the City's Firefighters' Pension Fund are assumed to accrue at an annual rate of 3.75%.

Postretirement Benefit Increases – Certain benefits increase as the same rate as the salaries for active members of the same rank the retiree had attained at retirement. These salaries were assumed to increase at the rate of 3.25% per annum in the long term.

The following schedules show the City's changes in net pension liability as well as discloses the sensitivity analysis.

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

Changes in Net Pension Liability

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability (a)	Plan	
		Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of December 31, 2015	\$859,906	\$332,744	\$527,162
Charges for the year:			
Service Cost	-		-
Interest on total pension liability	29,424		29,424
Effect of plan changes	-		-
Effect of economic/demographic gains or losses	(11,766)		(11,766)
Effect of assumptions changes or inputs	(20,701)		(20,701)
Benefit Payments	(38,805)	(38,805)	-
Medical payments from fund		(68,974)	68,974
Employer contributions		141,081	(141,081)
Contributions from state fire insurance premium tax		20,418	(20,418)
Net investment income		1,855	(1,855)
Administrative expenses		(3,000)	3,000
Balances as of December 31, 2016	818,058	385,319	432,739

Sensitivity Analysis

The following presents the net pension liability of the City, calculated using a discount rate of 3.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.75%) or 1 percentage higher (4.75%) than the current rate.

	1% Decrease	Current Discount Rate 3.75%	1% Increase
	2.75%	Rate 3.75%	4.75%
Total pension liability	\$905,873	\$818,058	\$742,629
Fiduciary net position	385,319	385,319	385,319
Net pension liability	\$520,554	\$432,739	\$ 357,310

The schedule of funding progress for the post-employment defined benefit plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time. The City does not have active employees in this group therefore there is no covered payroll. The Actuarial value of the plan is decreasing.

The City of Ellensburg does not prepare a separate financial report for the single employer defined benefit plan. Therefore, a schedule of employer contributions is provided as RSI on page 89.

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

At December 31, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to the pension from the following sources:

Firefighters' Pension Fund	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		
Net difference between projected and actual investment earnings on pension plan investments	\$15,302	
Changes of assumptions		
Changes in proportion and differences between contributions and proportionate share of contributions		
TOTAL	\$15,302	

Deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	FPF
2017	\$4,389
2018	\$4,389
2019	\$4,389
2020	\$2,135
2021	
Thereafter	\$15,302

7. RISK MANAGEMENT

A. Pool Insurance

The City of Ellensburg is a member of the Washington Cities Insurance Authority (WCIA).

Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and/or jointly contracting for risk management services. WCIA has a total of 168 members.

New members initially contract for a three-year term, and thereafter automatically renew on annual basis. A one-year withdrawal notice is required before membership can be terminated. Termination does not relieve a former member from its unresolved loss history incurred during membership.

Liability coverage is written on an occurrence basis, without deductibles. Coverage includes

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

general, automobile, police, public officials' errors or omissions, stop gap, and employee benefits liability. Limits are \$4 million per occurrence self-insured layer, and \$16 million in limits above the self-insured layer is provided by reinsurance. Total limits are \$20 per occurrence subject to aggregates and sublimits. The Board of Directors determines the limits and terms of coverage annually.

Insurance for property, automobile physical damage, fidelity, inland marine, and boiler and machinery are purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded from the members' deductible to \$750,000, for all perils other than flood and earthquake, and insured above that to \$300 million per occurrence subject to aggregates and sublimits. Automobile physical damage coverage is self-funded from the members' deductible to \$250,000 and insured above that to \$100 million per occurrence subject to aggregates and sublimits.

In-house services include risk management consultation, loss control field services, and claims and litigation administration. WCIA contracts for certain claims investigations, consultants for personnel and land use issues, insurance brokerage, actuarial, and lobbyist services.

WCIA is fully funded by its members, who make annual assessments on a prospectively rated basis, as determined by an outside, independent actuary. The assessment covers loss, loss adjustment, and administrative expenses. As outlined in the interlocal, WCIA retains the right to additionally assess the membership for any funding shortfall.

An investment committee, using investment brokers, produces additional revenue by investment of WCIA's assets in financial instruments which comply with all State guidelines.

A Board of Directors governs WCIA, which is comprised of one designated representative from each member. The Board elects an Executive Committee and appoints a Treasurer to provide general policy direction for the organization. The WCIA Executive Director reports to the Executive Committee and is responsible for conducting the day to day operations of WCIA.

The City's settlements did not exceed the insurance coverage in the past four years.

B. Partial Self Insurance

As of December 31, 2016, the City is partially self-insured for its employee health and benefits program. The health insurance activities are funded and accounted for separately in the fund financial statements based upon the activities of the fund in an Internal Service Fund. The City purchased individual and aggregate stop loss insurance to limit its risk exposure. The City will pay up to \$ 75,000 in claims for an individual employee with an aggregating specific deductible of \$30,000 and up to 2 million for the entire group. Once the maximum amount is exceeded then the insurance companies takes over. To cover the 2 million, the City has million in operating revenues in 2016. In 2016 the City had \$ 0 in stop loss recoveries. The City has not exceeded the insurance coverage in the first 5 years of the program.

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

	2016	2015	2014	2013
Year to Date medical claims	\$1,184,859	\$ 942,510	\$1,866,557	\$930,996
Year to Date Pharmacy Claims	226,856	215,232	202,824	217,563
Run-out Claims*	-	-	-	-
Less Eligible Individual Stop Loss Recoveries	-	-	494,012	21,213
Less Prior Contract Year Service Date Claims	165,537	36,578	275,298	109,378
Less Vision Claims	25,278	3,856	26,194	26,889
Less Voids	236			
less Refunded Claims	5,077	18,207	3,347	6,239
Total Aggregate Stop Loss Claims	\$1,215,587	\$1,099,101	\$1,270,530	\$984,840

*Run-out Claim numbers were adjusted to reflect refunds given after the close of the year recovered in the following year.

8. LONG-TERM DEBT

A. Long-Term Debt

In the fund financial statements, governmental funds recognize bond premiums and discounts as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financial sources. Premiums received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds received are reported as debt service expenditures.

State law provides that debt cannot be incurred in excess of the following percentages of the value of the taxable property of the city:

1.5% - Without a vote of the people

2.5% - With a vote of the people

5.0% - With a vote of the people provided the indebtedness in excess of 2.5% is for utilities, parks, or open space development.

As of December 31, 2016, the debt limits of the City were as follows:

Assessed Value	1,279,920,253		
	Without a Vote	With a Vote	
		2.50%	5.00%
Legal Limit	\$ 19,198,804	\$ 31,998,006	\$ 63,996,013
Applicable Outstanding Debt	2,460,243	3,395,243	3,395,243
Available Assets	39,889	115,562	115,562
Margin Available	\$ 16,778,450	\$ 28,718,325	\$ 60,716,332

General Obligation Bonds

The City of Ellensburg issues general obligation and revenue bonds to finance the purchase of general government assets and the acquisition or construction of utility infrastructure. General

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

obligation and revenue bonds have been issued for both general government and business type activities and are being repaid from the applicable resources. Proprietary fund revenues are repaying the revenue bonds.

The general obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds are generally 20-year serial bonds with equal amounts of payment each year. General obligation bonds currently outstanding are as follows:

Purpose	Maturity Range	Interest Rate(s)	Original Amount	Amount of Installment	Outstanding Amount
2014 GO Bond - Library	2022	3.90%	1,310,000	120,000	935,000
2010 GO Bond - Maintenance	2030	3.00%	2,935,000	135,000	2,170,000
2016 LTGO Bond - Taxable Telecom	2036	2.80%	290,243	-	290,243
Total			\$ 4,535,243	\$ 255,000	\$ 3,395,243

The 2014 Unlimited Tax General Obligation Refunding Bonds were sold to provide funds with which to pay costs associated with remodeling, expanding, and equipping the Ellensburg Public Library and Hal Holmes Community Center in the City and making related capital improvements, and to levy those excess property taxes

The 2010 Limited Tax General Obligation Bonds were sold to provide funds necessary to pay and reimburse a portion of the costs necessary for several capital projects, including: roof replacement of various municipal buildings; renovations at the City's pool facility and various other recreational properties and facilities; upgrade of an audio system for the Council chamber; various transportation related improvements, including traffic signal and road projects, and parking improvements; and a flood plain improvement project.

The 2016 Limited Tax General Obligation Bonds were sold to provide funds necessary to repay an interfund loan and provide funds for long term financing of the City's telecommunications infrastructure.

The annual requirements to maturity, including interest for general obligation bonds are as follows:

Year Ending	Governmental Activities	
	Principal	Interest
2017	265,701	133,321
2018	271,324	123,848
2019	286,643	114,529
2020	301,971	104,701
2021	502,309	94,363
2022-2026	841,949	335,636
2027-2031	836,935	115,925
2032-2036	88,411	6,950
Total	\$ 3,395,243	\$ 1,029,273

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

Revenue Bonds

Revenue bonds are 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.

Annual principal and interest payments on the bonds are expected to require less than 5 percent of net revenues.

2010 Water/Sewer Ref (99) Bonds for the purpose of paying the cost of carrying out of the system or plan of addition to and betterments and extension of the waterworks utility. The bonds will mature in 2019 with a debt payment in 2017 of \$245,000 and operating revenue of \$8502,827 in 2016.

2010 Water/Sewer Revenue Bonds for the purpose of paying the cost of carrying out of the system or plan of addition to and betterments and extension of the waterworks utility. Drilling of deep wells, extend water and sewer mains and replace the bio-solid thickening equipment. The bonds will mature in 2029 with a debt payment in 2017 of \$205,000 and operating revenue of \$8,502,827 in 2016.

2013 Water Revenue Bonds for the purpose of paying the cost of carrying out of the system or plan of addition to and betterments and extension of the waterworks utility. Construction of two well houses and the installation of pumps, motors, and electronic control systems and if funds are available the City shall make other improvements to the Waterworks Utility. The bonds will mature in 2022 with a debt payment in 2017 of \$205,710 and operating revenue of \$4,577,434 in 2016.

2014 Electric Refunding/Revenue Bonds for the purpose of providing funds to refund outstanding electric revenue bonds of the City and to finance the cost of a new substation of the City's Electric Utility. The bonds will mature in 2032 with a debt payment in 2017 of \$310,000 and operating revenue of \$15,059,595 in 2016.

2016 Water/Sewer Refunding (2010) Bonds for the purpose of providing funds to refund outstanding water/sewer revenue bonds of the City. The bonds will mature in 2029 with a debt payment in 2017 of \$100,000 and operating revenue of \$8,502,827 in 2016.

2016 Gas Bonds for the purpose of providing funds to pay or reimburse the costs of certain capital improvements to and extensions of the Natural Gas Utility. The bonds will mature in 2036 with a debt payment in 2017 of \$34,879 and operating revenue of \$6,373,900 in 2016.

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

The Revenue bonds currently outstanding are as follows:

Purpose	Maturity Range	Interest Rates	Original Amount	Amount of Installment	Outstanding Amount
2010 Water/Sewer (ref 99) Bonds	12/1/2019	4.00%	2,290,000	245,000	755,000
2010 Water/Sewer Revenue Bonds	12/1/2019	4.00%	7,420,000	205,000	655,000
2013 Water Bonds	12/1/2022	2.82%	2,100,000	205,710	1,325,280
2014 Electric (refunding)	12/1/2025	2.00%	3,650,000	310,000	3,060,000
2014 Electric	12/1/2034	2.00%	4,540,000	10,000	4,515,000
Gas 2016	12/1/2036	1.950%	859,015	34,879	859,015
Water and Sewer Refunding 2016	12/1/2029	2.310%	6,990,000	100,000	6,990,000
Total			\$ 27,849,015	\$ 1,146,522	\$ 18,159,295

The Revenue bond debt service requirements to maturity are as follows:

Year Ending	Business-type Activities	
	Principal	Interest
December 31		
2017	1,110,589	825,601
2018	1,132,772	803,370
2019	1,169,490	766,923
2020	1,201,392	450,192
2021	1,238,483	419,040
2022-2026	5,675,165	1,634,153
2027-2031	4,729,277	819,490
2032-2036	1,902,128	164,420
Total	\$ 18,159,295	\$ 5,883,190

Local Improvement Funds

Local Improvement Bonds are used for debt payments of the outstanding debt on local improvement districts.

Special Assessments	Beginning Balance 1/1/2016	Amount Issued	Amount Redeemed	Ending Balance 12/31/2016
LID Notes & Bonds	\$ 342,065	\$ -	\$ 54,045	\$ 288,020
Total	\$ 342,065	\$ -	\$ 54,045	\$ 288,020

In the government-wide financial statements and proprietary fund financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental and business-type activities and proprietary financial statements as net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. In the fund financial statements, governmental fund types recognize bond premiums and discounts as bond issuance costs during the current period. Issuance costs whether or not withheld from the actual debt proceeds received are reported as debt service expenditure items.

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

At December 31, 2016, the City has \$119,463 available in debt service funds to service the general obligation bonded debt. Restricted assets in proprietary funds contain \$4,091,154 in sinking funds and reserves as required by bond indentures to service the revenue bonded debt.

The various bond indentures contain commitments and restrictions regarding tax levies and debt service requirements. The City is in compliance with all such significant commitments and restrictions.

Arbitrage-The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31st, 1986. Rebate arbitrage occurs when earnings on investments purchased from gross proceeds of a bond issue are in excess of the amount that would have been earned if the investment were invested at a yield equal to the yield on the bond issue. The rebate arbitrage must be paid to the federal government. The City of Ellensburg 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, 2016 the City has no arbitrage rebate liability.

B. Changes in Long-Term Liabilities

During the year ended December 31, 2016, the following changes occurred in long-term Liabilities reported as General Long-Term Debt.

	Balance 1/1/2016	Additions	Reductions	Balance 12/31/2016	Due Within One Year
Governmental Activities:					
Bonds payable					
General Obligation Debt	\$ 3,345,000	\$ 290,243.00	\$ 240,000	\$ 3,395,243	\$ 265,701
Less/add Deferred amounts for issuance discount and Premiums	140,300	-	14,452	125,848	14,452
Total Bonds Payable	3,485,300	290,243	254,452	3,521,091	280,153
Compensated Absences	545,098	221,196		766,294	521,900
OPEB Liability	2,907,495	493,844	-	3,401,339	-
Net Pension Liability	4,262,994	20,689		4,283,683	
Total Governmental LT Liabilities	11,200,887	1,025,972	254,452	11,972,407	802,053
Business-Type Activities					
Revenue Bonds	17,550,310	7,849,015	7,240,030	18,159,295	1,110,589
Less/add Deferred amounts for issuance discount and Premiums	892,311		285,453	606,858	
Total Bond Payable	18,442,621	7,849,015	7,525,483	18,766,153	1,110,589
Compensated Absences	546,620	108,934	4,460	651,093	277,651
Net Pension Liability	1,189,099	3,246,256	-	4,435,354	
Total Business-Type LT Liabilities	18,989,241	11,204,205	7,529,943	23,852,600	1,388,240
Total	\$ 30,190,128	\$ 12,230,177	\$ 7,784,395	\$ 35,825,008	\$ 2,190,293

Internal service funds predominately serve the enterprise funds, accordingly, long-term liabilities for them are included as part of the above Business-Type Activities i.e., compensated absences total in the amount of \$117,839. Also, for the governmental activities, claims,

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

judgments, and compensated absences are generally liquidated by the fund it is associated with. The net pension obligation OPEB liabilities are generally liquidated by the General Fund.

9. UTILITY RATE SETTING POLICY

The City operates six classified utilities: Gas, Electric, Water, Sewer, Stormwater and Telecommunications. The rates for these six utilities are approved by the City Council.

10. CONTINGENCIES AND LITIGATION

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

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.

11. LEASES

A. Operating Leases

The City leases equipment under non-cancelable operating leases. Total cost for such leases was \$33,591 for the year ended December 31, 2016. The future minimum lease payments for these leases are as follows; all leases are completed by 2020 as of December 31st 2016.

Year Ending December 31	Amount
2016	\$ 33,591
2017	\$ 38,155
2018	\$ 34,105
2019	\$ 7,978
2020	\$ 4,793
Total	<u>\$ 118,622</u>

Pension commitments are discussed in Note 6.

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

12. INTERGOVERNMENTAL GRANTS AND ENTITLEMENTS

The accompanying Schedule of Financial Assistance provides a listing of all federal, state, and local assistance programs in which the City participates and summarizes the City's grant transactions for 2016.

13. INTERFUND BALANCES AND TRANSFER

Classification of Interfund Transactions

Interfund transactions are classified as follows:

- A. Transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes, are similarly treated when they involve other funds of the City.
- B. Transfers to support the operations of other funds are recorded as "Transfers" and classified with "Other Financing Sources or Uses."
- C. Contributions to the capital of enterprise or internal service funds, transfers to establish or reduce working capital in other funds, and transfers of remaining balances when funds are closed are classified as transfers and reported as direct additions to or deductions from fund equity.
- D. Loans between funds are classified as interfund loans receivable and payable or as
 - a. advances to and from other funds on the combined balance sheet depending on the time
 - b. period for which the loan was made. Interfund loans do not affect total fund equity, but
 - c. advances to other funds are offset by a reservation of fund equity

The following table displays interfund transfer activity during 2016:

Transfer From	Transfer To Arterial and Street	Transfer To Non Major Gov	Transfer To Non Major Enterprise	Total
General Fund	1,540,000	385,466	40,500	1,965,966
Non Major Gov	330,958	57,103	290,243	678,304
Stormwater	130,000			130,000
Total	\$ 2,000,958	\$ 442,569	\$ 330,743	\$ 2,774,270

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

The following table displays interfund balances activity during 2016:

Due To	Due From	Due From	Due From	Due From	Due From	Due From	Due From	Due From	Due From	Due From	Total
	General Fund	Street/Art	Storm	Telecom	Gas	Light	Water	Sewer	Shop	All Others	
Arterial and Street	\$ 5,000	\$ 420						\$ 707		\$ 3,904	\$ 10,032
Storm	258	20	1	1	3	16	76	225	72		673
Sewer	347	732	1	1	4	354	103	304	97		1,943
Water	5,148	237	11	17	63	324	1,526	4,498	1,439	4	13,266
Gas	5,350	1,236	11	17	66	337	1,586	4,675	1,776	5	15,060
Light	17,559	809	37	56	215	1,102	5,205	15,345	4,908	15	45,252
Telecom	4,200										4,200
Internal Service Fund	142	19,562					96	126	221		20,148
Total	\$ 38,004	\$ 23,017	\$ 61	\$ 92	\$ 351	\$ 2,229	\$ 8,623	\$ 25,755	\$ 8,513	\$ 3,929	\$ 110,574

The following table displays interfund loan activity during 2016:

Interfund Loan Receivable	Beginning Balance 1/1/2016	Installment	Balance 12/31/16
Major funds:			
Light	\$ 1,834,657	\$ 275,000	\$ 1,559,657
Equipment Revolving	283,943	283,943	-
Total	\$ 2,118,600	\$ 558,943	\$ 1,559,657

14. FUND EQUITIES

The government -wide and proprietary fund financial statements utilize a net position presentation. Net positions are categorized as invested in capital assets (net of related debt), restricted, and unrestricted. Invested in capital assets (net of related debt) - this category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of the assets reduce the balance in this category.

It is essential that the City maintain adequate levels of unassigned fund balance to mitigate current and future risks and ensure stable tax rates. As such, unassigned ending fund balances, excluding contingency and cumulative reserve funds, for the operating funds (all funds except the sales tax and proprietary funds) will be required to have a minimum of 15% of operating expenditures in unreserved ending fund balance.

Proprietary funds, such as utility funds and internal service funds will be required to have a 20% minimum unrestricted.

15. JOINT OPERATION

The City of Ellensburg and Kittitas County entered into a cooperative service enterprise to purchase and operate the facility previously known as the City/County Community Center (currently known as the Adult Activity Center), effective July 19, 1977. The \$62,500 in initial costs of the facility

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

were split \$46,875 to the City and \$15,625 to the County. The City is responsible for operating and maintaining the facility.

The City accounts for the operations of the facility in the Recreation Department of the General Fund. The 2016 operations are as follows:

	Budget	Actual
Kittitas County	\$ 49,000	\$ 51,321
City of Ellensburg	80,504	90,868
Tour Fees	5,500	7,887
Other Revenues	21,600	32,070
Total Support	\$ 156,604	\$ 182,147

A copy of the agreement can be obtained from the City of Ellensburg Finance Department.

16. POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFIT

In addition to the pension benefits described in Note , the City of Ellensburg provides postretirement health care benefits, in accordance with Washington State law to 27 police and firefighters who retired or disabled under the LEOFF I Pension Act or the City's Fire Relief and Pension Plan. A single employer defined benefit plan.

A. Plan Description

The plan is directed and defined by the State of Washington Revised Code (RCW 41.26.150). Employers such as municipalities, counties, and fire districts are required to pay the costs for necessary medical services for any active or retired members of the Law Enforcement Officers' and Fire Fighters Retirement System Plan One (LEOFFI). Under subsection 4, the employer may provide for medical insurance through insurance carriers. The plan covers retirees who are on disability as well as those who are retired after reaching age requirements. To qualify for medical services, the employee needs to only be active or disability retired, or the employee's service retirement date is that day following separation from LEOFF employment with the City. To make this plainer, if the employee leaves the City and takes a job with another member of the Washington State Retirement System, regardless of the plan, then the member would then be liable for the employee's medical services. Employees may retire after 5 years of service after reaching age 50. Employees with 20 years of service who leave employment before retirement age are eligible for medical benefits upon reaching age 50. Insurance for retired individuals is provided through the employer's group plan, which covers both active and qualified retired members. The health insurance coverage and medical costs for retired firefighters are paid for out of the Fire Relief and Pension Fund and general government. For law enforcement officers, costs are paid out of the police department budget. The medical services cover active and retired members only. Spouses are not eligible.

B. Funding Status and Funding Policy

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

The plan has 23 retired members and zero active. Health insurance premiums are paid monthly. Other medical services are paid monthly as billings are presented for reimbursement. The pension board performs an annual survey to determine the care to be covered. The City of Ellensburg reimburses 100 percent of the amount of validated claims for medical, dental, and hospitalization costs incurred by pre-Medicare retirees.

Employer contributions are financed on a pay-as-you-go basis. Expenditures for postretirement health care benefits are recognized as retirees report claims. During the year 2016, expenditures of \$299,625 were recognized for postretirement health care.

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The City has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement No. 45 for employers in plans with fewer than one hundred total plan members. The City used the tool for this calculation set up by the State Actuary office.

A single retirement age of 55.3 years was assumed for all active members for the purpose of determining the actuarial accrued liability and normal cost. Retirement, disablement, termination, and mortality rates were assumed to follow the LEOFF 1 termination and mortality rates used in the June 30, 2014 actuarial valuation report issued by the Office of the State Actuary (OSA). Healthcare costs and trends were determined by Milliman and used by OSA in the state-wide LEOFF 1 medical study performed in 2013. The results were based on grouped data with 4 active and 4 inactive grouping. The actuarial cost method used to determine the actuarial accrued liability was Projected Unit Credit. The AAL and NOO are amortized on an open basis as a level dollar over 15 years. These assumptions are individually and collectively reasonable for the purpose of this valuation.

The following tables shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's OPEB obligation to the Retiree Health Plan. Based on the number of members in the City's plan, the City is only obligated to calculate the liability of OPEB every three years; however, the City has chosen to update the information as it becomes available.

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

Fiscal Year 2016	Fire	Pre leoff Fire	Police	Total
Medical Expenses	\$ 2,522,542	\$ 1,091,057	\$ 2,344,787	\$ 5,958,386
Longterm Care	1,481,538	963,936	1,591,223	4,036,697
Total Inactive	<u>4,004,080</u>	<u>2,054,993</u>	<u>3,936,010</u>	<u>9,995,083</u>
Arc				
Normal Cost	-	-	-	-
UAAI Amortization	360,131	184,828	354,009	898,968
ARC	<u>360,131</u>	<u>184,828</u>	<u>354,009</u>	<u>898,968</u>
Annual OPEB Cost				
ARC	360,131	184,828	354,009	898,968
NOO Interest	39,083	27,887	49,330	116,300
NOO Amortization	(87,879)	(62,704)	(110,920)	(261,503)
Annual OPEB Cost	<u>311,335</u>	<u>150,011</u>	<u>292,419</u>	<u>753,765</u>
NOO				
Starting NOO	977,074	697,166	1,233,255	2,907,495
Annual OPEB Cost	311,335	150,011	292,419	753,765
Contributions	(84,801)	(67,715)	(107,405)	(259,921)
NOO*	<u>\$ 1,203,608</u>	<u>\$ 779,462</u>	<u>\$ 1,418,269</u>	<u>\$ 3,401,340</u>

**Estimated (please see comment in Key Results above)

Funding Status and Funding Progress- As of December 2016, the actuarial accrued liability for benefits was \$9,995,083.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trends. Amounts determined regarding the funded status of the plan and 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.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

There are no active employees. The historical age of retirement for regular retirees is 55 years of age. The city average is 50 years of age. Employees who retired on disability were excluded from this calculation.

Life expectancies are based on mortality tables at the office of the State Actuary for Washington (osa.leg.wa.gov). Life expectancies that included partial years were rounded to the nearest whole year.

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

The calculation of postemployment health insurance coverage for each year in the worksheet is based on the assumption that all participants will live until their expected age displayed in the mortality tables.

The expected rate of increase in healthcare insurance premiums is based on projection of the office of the Actuary at the Centers for Medicare and Medicaid Services, as published in National Health Care Expenditures Projection Tables, Table 3: National Health Expenditures, Aggregate & Per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds: Selected Calendar Years 2003-2018, published March 2008 by the Health Care Financing Administration (www.cms.hhs.gov).

The assumed long term earning rate on current and expected investments that are expected to be used in financing the payment of benefits is 3%.

Inflation rate- The expected long-term inflation assumption for 2016 of 0.91 percent was based on projected changes in the Consumer Price Index for Urban Wage earners and Clerical Workers (SPI-W) from the office of the State Actuary for Washington (osa.leg.wa.gov).

Payroll growth-rate- The expected long-term payroll growth rate was assumed to equal the rate of inflation.

Based on the historical and expected returns of the City's short-term investment portfolio, a discount rate of 2.1 percent was used. In addition, the actuarial cost method used to determine the actuarial accrued liability was Projected Unit Credit. The funded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2016 was twenty-four years.

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2016

17. ACCOUNTING AND REPORTING CHANGES

A. Implementation of GASB Statement No. 72

During 2016 the City implemented GASB Statement No. 72 Fair Value Measurement and Application. As a result, the City is required to disclose in the notes of the financial statements, the fair value measurements, the level of fair value hierarchy, and valuation techniques. Effective date of this statement is for financial statements for periods beginning after June 15, 2015. This statement addresses accounting and financial reporting issues related to fair value measurements and also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

B. Change in Reporting

Also during 2016, voters approved a 0.2% sales tax increase in order to expand bus services. In previous financial statements, Ellensburg Public Transit (fund 127) had been included with the General Fund. However, due to the change in the 2015 Washington State laws regarding Transportation Benefit Districts and the voter approved sales tax increase, the City now includes the fund with Other Governmental Funds on the major Governmental Fund Statements. The following table reconciles the December 31, 2015 fund balances to the beginning 2016 fund balances.

	Statement of Revenues, Expenditures, and Changes in Fund Balances		
	December 31, 2015 Ending Fund Balance	December 31, 2016 Beginning Fund Balance	Adjustment
General Fund	\$ 2,964,143	\$ 2,886,826	\$ 77,317
Other Governmental Funds	4,140,080	4,217,397	(77,317)

18. NON RECOGNIZED SUNSEQUENT EVENTS

At the May 15, 2017 meeting of Ellensburg City Council, Nicole Klauss was appointed by the council to fill a vacancy left by the resignation of Chris Herion.

The 2016 Street Division was heavily impacted by a winter that brought prolonged periods of below freezing temperatures and above average snowfall. There was above average flooding that impacted the City for a second year in a row.



Required Supplementary Information

CITY OF ELLENSBURG
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFITS - SCHEDULE OF FUNDING PROGRESS
(Amount expressed in Thousands)
2016

Fund	Value of Assets	Actuarial Accrued Liability	Unfunded AAL	Funded Ratio	Covered payroll	UAAAL as a percentage of Covered Payroll
Pre leoff	-	2,054,992	2,054,992	0%	-	N/A
Leoff 1 Fire	-	4,004,079	4,004,079	0%	-	N/A
Leoff 1 Police	-	3,936,010	3,936,010	0%	-	N/A

The schedule of funding progress, presented as required presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. There are no active employees.

CITY OF ELLENSBURG
REQUIRED SUPPLEMENTARY INFORMATION
GASB Statement No. 67 Schedule of Employer Contributions
2016

Schedule of Employer Contributions for 10 years

Fire Relief and Pension Fund

Fiscal Year Ending	Actuarially Determined Contribution *	Actual Employer Contribution **	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
December 31st 2007	\$ 52,775	\$ (97,574)	\$ 150,349	0	N/A
December 31st 2008	77,535	143,574	(66,039)	0	N/A
December 31st 2009	77,535	149,853	(72,318)	0	N/A
December 31st 2010	64,903	199,940	(135,037)	0	N/A
December 31st 2011	64,903	184,471	(119,568)	0	N/A
December 31st 2012	59,924	202,238	(142,314)	0	N/A
December 31st 2013	59,924	76,923	(16,999)	0	N/A
December 31st 2014	43,646	89,679	(46,033)	0	N/A
December 31st 2015	27,000	(61,886)	88,886	0	N/A
December 31st 2016	27,000	92,525	(65,525)	0	N/A

* Equal to the ARC under GASB 27 for years prior to 2015. For 2015 and 2016, the ADC is equal to the budgeted contribution developed in the January 2015 actuarial report dated May 22, 2015.

** Employer Contributions for pensions are total contributions to the Fund net of disbursements from the Fund for medical expenses under RCW 41.26.150. It includes revenues from fire insurance premium taxes. Prior to 2014, administrative expenses were also subtracted from employer contributions.

CITY OF ELLENSBURG
REQUIRED SUPPLEMENTARY INFORMATION
GASB Statement No. 67 Schedule of Money Weighted Rate of Return
2016

Fiscal Year Ending	Net Money
December 31	Weighted Rate
2016	of Return
2016	0.56%

Calculation of Money Weighted Rate of Return

The money weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the beginning of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money weighted rate of return is calculated net of investment expenses.

	Net External Cash Flows	Periods Invested	Period Weight	Net External Cash Flows With Interest
Beginning Value January 1, 2016	\$332,744	12.00	1.00	\$334,594
Monthly net external cash flows:				
January	(8,898)	12.00	1.00	(8,947)
February	(10,457)	11.00	0.92	(10,510)
March	(11,107)	10.00	0.83	(11,158)
April	(12,659)	9.00	0.75	(12,712)
May	10,598	8.00	0.67	10,637
June	(525)	7.00	0.58	(527)
July	61,902	6.00	0.50	62,074
August	(8,367)	5.00	0.42	(8,387)
September	(9,048)	4.00	0.33	(9,065)
October	(10,030)	3.00	0.25	(10,044)
November	63,063	2.00	0.17	63,122
December	(13,752)	1.00	0.08	(13,758)
Ending Value December 31, 2016	385,319			385,319
 Money Weighted Rate of Return	 0.56%			

CITY OF ELLENSBURG
REQUIRED SUPPLEMENTARY INFORMATION
GASB Statement No. 67 Long-Term Expected Rate of Return
2016

The long-term expected rate of return is determined by combining expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's investment consulting practice as of December 31, 2016.

Asset Class	Index	Long-Term Expected Real Rate of Return
Cash	Citigroup 90-Day T-Bills	0.50%
Short-Term Bonds	Citigroup 1-3 Year Gov/Cred	1.41%
Long-Term Bonds	Barclays Long Gov/Cred	2.97%
Assumed Inflation - Mean		2.25%
Long-Term Expected Rate of Return		3.75%

CITY OF ELLENSBURG
REQUIRED SUPPLEMENTARY INFORMATION
GASB Statement No. 67 Net Pension Liability
2016

Net Pension Liability	December 31, 2014	December 31, 2015	December 31, 2016
Total pension liability	\$866,513	\$859,906	\$818,058
Fiduciary net position	439,985	332,744	385,319
Net pension liability	426,528	527,162	432,739
Fiduciary net position as a % of total pension liability	50.78%	38.70%	47.10%
Covered payroll	0	0	0
Net pension liability as a % of covered payroll	N/A	N/A	N/A

The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below. There were no significant changes during this period. Any significant changes would need to be reflected as prescribed by GASB 67.

Discount Rate

Discount rate	3.50%	3.50%	3.75%
Long-term expected rate of return, net of investment expense	3.50%	3.50%	3.75%
Municipal bond rate	3.50%	3.50%	3.75%

Other Key Actuarial Assumptions

Valuation Date	January 1, 2015	January 1, 2015	January 1, 2017
Measurement Date	December 31, 2014	December 31, 2015	December 31, 2016
Inflation	2.25%	2.25%	2.25%
Salary increases including inflation	3.25%	3.25%	3.25%
Mortality	RP-2000 Mortality Table (combined healthy) projected to 2019 using 50% of Projection Scale AA, with ages set back one year for males and forward one year for females (set forward two years for disabled members)	RP-2000 Mortality Table (combined healthy) with generational projection using 100% of Projection Scale BB, with ages set back one year for males and forward one year for females (set forward two years for disabled members)	
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal

CITY OF ELLENSBURG
REQUIRED SUPPLEMENTARY INFORMATION
GASB Statement No. 67 Schedule of Changes in Net Pension Liability and Related Ratios
2016

Fiscal Year Ending December 31

\$ Thousands

	2014	2015	2016
Total Pension Liability			
Service Cost	\$0	\$0	\$0
Interest on total pension liability	33	30	29
Effect of plan charges	0	0	0
Effect of economic /demographic gains or (losses)	(126)	0	(12)
Effect of assumption changes or inputs	107	0	(21)
Benefit payments	(52)	(36)	(39)
Net change in total pension liability	(37)	(7)	(42)
Total pension liability, beginning	904	867	860
Total pension liability, ending (a)	867	860	818
Fiduciary Net Position			
Employer contributions	\$141	\$0	\$141
Contributions from state fire insurance premium tax	21	20	20
Investment income net of investment expenses	1	2	2
Benefit payments	(52)	(36)	(39)
Medical payments from fund	(72)	(82)	(69)
Administrative expenses	(8)	(11)	(3)
Net change in plan fiduciary net position	30	(107)	53
Fiduciary net position, beginning	410	440	333
Fiduciary net position, ending (b)	440	333	385
Net pension liability, ending = (a) - (b)	\$427	\$527	\$433
Fiduciary net position as a % of total pension liability	50.78%	38.70%	47.10%
Covered payroll	\$0	\$0	\$0
Net pension liability as a % of covered payroll	N/A	N/A	N/A

This schedule is presented to illustrate the requirement to show information for 10 years. However, recalculations of prior years are not required, and if prior years are not reported in accordance with the current GASB standards, they should not be reported.

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

City of Ellensburg
 Schedule of Proportionate Share of the Net Pension Liability
 Pension Plans, PERS 1; PERS 2; LEOFF 1; LEOFF 2
 As of June 30 2016
 Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>
PERS 1		
Employer's proportion of the net pension liability (asset) %	0.069607%	0.071927%
Employer's proportionate share of the net pension liability \$	3,641,093	3,862,819
TOTAL \$	3,641,093	3,862,819
Employer's covered employee payroll \$	209,677	163,054
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll %	5.76%	4.22%
PERS 2 & 3		
Employer's proportion of the net pension liability (asset) %	0.084596%	0.087856%
Employer's proportionate share of the net pension liability \$	3,022,663	4,423,480
TOTAL \$	3,022,663	4,423,480
Employer's covered employee payroll \$	7,506,240	4,881,354
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll %	248.33%	110.35%
LEOFF 1		
Employer's proportion of the net pension liability (asset) %	0.039784%	0.039631%
Employer's proportionate share of the net pension asset \$	479,485	408,313
TOTAL \$	479,485	408,313
Employer's covered employee payroll \$	0	0
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll %	0.00%	0.00%
LEOFF 2		
Employer's proportion of the net pension liability (asset) %	0.071938%	0.069861%
Employer's proportionate share of the net pension asset \$	739,379	406,333
TOTAL \$	739,379	406,333
Employer's covered employee payroll \$	2,087,922	2,121,326
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll %	282.39%	522.07%
Plan fiduciary net position as a percentage of the total pension liability %	282.39%	522.07%

* Until a full 10-year trend is compiled, governments should present information only for those years for which information is available.

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

City of Ellensburg
 Schedule of Employer Contributions
 Pension Plans, PERS 1; PERS 2; LEOFF 1; LEOFF 2
 As of December 31 2016
 Last 10 Fiscal Years*

	<u>2015</u>	<u>2016</u>
PERS 1		
Statutorily or contractually required contributions	\$ 18,440	18,338
Contributions in relation to the statutorily or contractually required contributions	\$ (18,440)	(18,338)
Contribution deficiency (excess)	\$ <u>0</u>	<u>0</u>
Covered employer payroll	\$ 186,682	166,709
Contributions as a percentage of covered employee payroll	% 9.88%	11.00%
	<u>2015</u>	<u>2016</u>
PERS 2 & 3		
Statutorily or contractually required contributions	\$ 430,526	523,010
Contributions in relation to the statutorily or contractually required contributions	\$ (430,526)	(523,010)
Contribution deficiency (excess)	\$ <u>0</u>	<u>0</u>
Covered employer payroll	\$ 7,600,570	8,430,462
Contributions as a percentage of covered employee payroll	% 5.66%	6.20%
	<u>2015</u>	<u>2016</u>
LEOFF 1		
Statutorily or contractually required contributions	\$ 0	0
Contributions in relation to the statutorily or contractually required contributions	\$ 0	0
Contribution deficiency (excess)	\$ <u>0</u>	<u>0</u>
Covered employer payroll	\$ 0	0
Contributions as a percentage of covered employee payroll	% 0.00%	0.00%
	<u>2015</u>	<u>2016</u>
LEOFF 2		
Statutorily or contractually required contributions	\$ 106,850	110,566
Contributions in relation to the statutorily or contractually required contributions	\$ (106,850)	(110,566)
Contribution deficiency (excess)	\$ <u>0</u>	<u>0</u>
Covered employer payroll	\$ 2,115,847	2,189,421
Contributions as a percentage of covered employee payroll	% 5.05%	5.05%

* Until a full 10-year trend is compiled, governments should present information only for those years for which information is available.



Nonmajor Funds

Nonmajor Governmental Funds

1. Description
2. Combining Balance Sheet- Nonmajor Governmental Funds
3. Combining Statement of Revenues, Expenditures, and Changes in Fund Balance- Nonmajor Governmental Funds
4. Schedule of Revenues, Expenditures and Changes in Fund Balance- Budget and Actual – Nonmajor Funds

City of Ellensburg, Washington Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Traffic Impact Fees- This fund is used to account for the use of traffic impact fees.

Ellensburg Public Transit- A fund used to account for the monies derived from a voter approved 2/10 of a cent retail sales tax and the use thereof.

Criminal Justice Fund- This fund is used to account for the 3/10 of one percent sales tax to be spent on criminal justice activities.

Drug Fund- A fund used to account for the monies derived from the forfeiture of property in connection with drug investigations.

CATV- A fund used to account for the University operation of the Ellensburg Community Television station.

CATV Capital Outlay- A fund used to account for the maintenance and purchase of capital expenditures relating to the CATV fund.

Park Acquisition- A fund used to account for the maintenance and construction of path and trail development, and the acquisition of new parks.

Art Acquisitions- A fund established in 2016 to fund public art acquisition and promotion.

Lodging Tax- A fund used to account for the use of lodging tax revenue.

C.H.I.P Reserve- A fund used to account for activities relating to CDBG guidelines.

Debt Service Funds

A fund used to account for the debt service associated with various issues of general obligation bonds of the City.

G.O. Maintenance Bond- A fund used to account for the payment of debt on various maintenance and capital projects through-out the city.

G.O. Bonded Library Debt- A fund used to account for the payment of debt on the remodel and expansion of the City of Ellensburg Library.

G.O. Bonded Debt- A fund used to account for payment made to retire principal and interest due on the outstanding Public Works Trust Fund Loans received in 1988, the 1989 Public Works Trust Fund Loan for creek work, and the 1991 Public Works Trust Fund Loan for Capital Avenue improvements and the Youth Center building debt payment.

Capital Project Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

G.O. Maintenance Bond- Classified as a major fund and used to account for 2010 G.O. Bonds issued for the purpose of providing funds necessary to pay or reimburse a portion of costs for various capital and maintenance projects.

Capital Projects- A fund used to account for the purchase of regional and local general government capital outlays.

Sidewalk Construction- A fund used to account for the repairing of sidewalks in the City's residential areas and Central Business District.

Trust Funds

Library Trust Fund- A fund used to account for donations and bequests made to the Ellensburg Public Library.

Hal Holmes Trust Fund- A fund used to account for the last will and testament of Otis Halbert.

City of Ellensburg, Washington

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2016

	Special Revenue Funds					
	Traffic Impact Fee	Public Transit	Criminal Justice	Drug	CATV O & M	CATV Capital
	125	127	130	137	150	155
ASSETS						
Cash and cash equivalents	\$ 1,162,250	\$ 194,889	\$ 518,447	\$ 19,372	\$ 96,804	\$ 19,547
Deposits with other agents	-	-	-	-	-	-
Investments	149,466	-	99,942	-	-	-
Receivables (net)	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-
Accounts	-	-	-	-	18,861	-
Due from other governments	-	80,849	72,902	106	-	-
Interfund loan receivable	-	-	-	-	-	-
Total Assets	1,311,716	275,738	691,291	19,478	115,665	19,547
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	-	15,578	26,341	-	5,519	6
Due to other funds	3,433	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Total Liabilities	3,433	15,578	26,341	-	5,519	6
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue- property taxes	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-
Fund Balances						
Restricted	1,295,754	102,942	655,079	18,686	-	-
Committed	-	-	-	-	108,112	17,757
Assigned	12,529	157,218	9,870	792	2,034	1,784
Total Fund Balance	1,308,283	260,160	664,950	19,478	110,146	19,540
Total Liabilities & Fund Balances	\$ 1,311,716	\$ 275,738	\$ 691,291	\$ 19,478	\$ 115,665	\$ 19,547

Continued

Parks Acquisitions 160	Art Acquisitions 162	Lodging Tax 165	CHIP Reserve 170	Total Special Revenue	Debt Service			Total Debt Service
					G.O. Bond 225	Library Construction 230	G.O. Bond 240	
\$ 464,448	\$ 25,770	\$ 520,637	\$ 7,403	\$ 3,029,566	\$ 39,889	\$ 68,570	\$ 11,004	\$ 119,463
-	-	-	-	-	-	-	-	-
26,954	-	81,405	-	357,767	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	7,104	-	7,104
-	-	-	-	18,861	-	-	-	-
157	-	31,509	-	185,523	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>491,558</u>	<u>25,770</u>	<u>633,551</u>	<u>7,403</u>	<u>3,591,717</u>	<u>39,889</u>	<u>75,673</u>	<u>11,004</u>	<u>126,567</u>
2,854	-	133,665	-	183,964	-	-	-	-
-	-	24	-	3,457	-	-	-	-
-	9,123	-	-	9,123	-	-	-	-
<u>2,854</u>	<u>9,123</u>	<u>133,690</u>	<u>-</u>	<u>196,544</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	7,104	-	7,104
-	-	-	-	-	-	7,104	-	7,104
483,132	-	488,882	-	3,044,474	-	68,071	-	68,071
-	16,544	-	7,403	149,815	-	-	-	-
5,572	103	10,980	-	200,883	39,889	498	11,004	51,392
<u>488,704</u>	<u>16,647</u>	<u>499,862</u>	<u>7,403</u>	<u>3,395,172</u>	<u>39,889</u>	<u>68,570</u>	<u>11,004</u>	<u>119,463</u>
<u>\$ 491,558</u>	<u>\$ 25,770</u>	<u>\$ 633,551</u>	<u>\$ 7,403</u>	<u>\$ 3,591,717</u>	<u>\$ 39,889</u>	<u>\$ 75,673</u>	<u>\$ 11,004</u>	<u>\$ 126,567</u>

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2016

	Capital Projects			Trust Funds			Total Nonmajor Governmental Funds
	Capital Projects	Sidewalk Improvements	Total Capital Projects	Library Trust	Holmes Trust	Total Trust Funds	
	365	366		605	621		
ASSETS							
Cash and cash equivalents	\$ 62,855	\$ 458,827	\$ 521,682	\$ 300,446	\$ 54,046	\$ 354,493	\$ 4,025,204
Deposits with other agents	-	-	-	-	402,552	402,552	402,552
Investments	-	39,971	39,971	-	-	-	397,738
Receivables (net)	-	-	-	-	-	-	-
Property taxes	-	-	-	-	-	-	7,104
Accounts	-	-	-	-	-	-	18,861
Due from other governments	-	14,904	14,904	-	-	-	200,427
Interfund loan receivable	-	-	-	-	-	-	-
	<u>62,855</u>	<u>513,702</u>	<u>576,557</u>	<u>300,446</u>	<u>456,599</u>	<u>757,045</u>	<u>5,051,886</u>
Accounts payable	40,541	4,290	44,830	-	-	-	228,794
Due to other funds	-	472	472	-	-	-	3,929
Due to other governments	-	-	-	-	-	-	9,123
Total Liabilities	<u>40,541</u>	<u>4,761</u>	<u>45,302</u>	-	-	-	<u>241,846</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue- property ta	-	-	-	-	-	-	7,104
Total Deferred Inflows of Resour	-	-	-	-	-	-	<u>7,104</u>
FUND BALANCE							
Restricted	-	490,842	490,842	288,558	456,599	745,157	4,348,544
Committed	-	-	-	-	-	-	149,815
Assigned	22,315	18,100	40,414	11,888	-	11,888	304,577
	<u>22,315</u>	<u>508,941</u>	<u>531,256</u>	<u>300,446</u>	<u>456,599</u>	<u>757,045</u>	<u>4,802,936</u>
Total Liabilities & Fund Balance	<u>\$ 62,855</u>	<u>\$ 513,702</u>	<u>\$ 576,558</u>	<u>\$ 300,446</u>	<u>\$ 456,599</u>	<u>\$ 757,045</u>	<u>\$ 5,051,886</u>

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF ELLENSBURG, WASHINGTON

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

For the Year Ended December 31, 2016

	Special Revenue Funds						
	Traffic Impact Fee 125	Public Transit 127	Criminal Justice 130	Drug 137	CATV O & M 150	CATV Capital 155	Parks Acquisitions 160
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	162,109	917,447	-	96,111	-	-
Other taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	2,032
Charges for services	239,779	79,599	-	-	111	-	192,815
Fines & forfeits	-	-	-	3,266	-	-	-
Investment earnings	5,052	303	2,866	77	262	154	2,233
Miscellaneous	-	-	171	-	-	140	-
Total revenues	244,831	242,010	920,485	3,343	96,484	294	197,080
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	682,044	6,275	-	-	-
Transportation	3,853	86,899	-	-	-	-	-
Natural and economic	-	20,000	49,574	-	75,142	1,078	-
Culture & recreation	-	-	-	-	-	-	812
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Capital outlay	-	9,768	-	-	-	9,747	112,657
Total expenditures	3,853	116,667	731,618	6,275	75,142	10,825	113,469
Excess(deficiency) of revenues over expenditures	240,978	125,343	188,866	(2,932)	21,342	(10,531)	83,612
OTHER FINANCING SOURCES (USES):							
Transfers in	-	57,500	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Compensation for Loss/Impairment of Capital A	-	-	-	-	-	-	-
Total other financing sources & uses	-	57,500	-	-	-	-	-
Net change in fund balance	240,978	182,843	188,866	(2,932)	21,342	(10,531)	83,612
Fund balances-beginning	1,067,305	77,317	476,083	22,410	88,804	30,071	405,092
Fund balances-ending	\$ 1,308,283	\$ 260,160	\$ 664,950	\$ 19,478	\$ 110,146	\$ 19,540	\$ 488,704

Continued

Special Revenue Funds				Debt Funds				
Art Acquisitions 162	Lodging Tax 165	CHIP Reserve 170	Total Special Revenue	G.O. Bond 225	Library Construction 230	G.O. Bond 240	LT G.O. Bond 250	Total Debt Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 171,092	\$ -	\$ -	\$ 171,092
-	511,145	-	1,686,812	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	2,032	-	-	-	-	-
1,055	-	-	513,358	-	-	-	-	-
-	-	-	3,266	-	-	-	-	-
103	3,806	-	14,857	-	-	-	-	-
-	-	-	311	-	-	-	-	-
1,158	514,951	-	2,220,636	-	171,092	-	-	171,092
-	-	-	-	-	-	-	-	-
-	-	-	688,319	-	-	-	-	-
-	-	-	90,752	-	-	-	-	-
-	492,277	-	638,072	-	-	-	-	-
23,943	-	-	24,754	-	-	-	-	-
-	-	-	-	115,000	125,000	-	-	240,000
-	-	-	-	100,653	32,102	-	-	132,755
10,568	-	-	142,740	-	-	-	-	-
34,511	492,277	-	1,584,637	215,653	157,102	-	-	372,755
(33,353)	22,674	-	636,000	(215,653)	13,990	-	-	(201,663)
-	-	-	-	-	-	-	290,243	290,243
50,000	-	-	107,500	215,653	-	-	-	215,653
-	-	-	-	-	-	-	(290,243)	(290,243)
-	-	-	-	-	-	-	-	-
50,000	-	-	107,500	215,653	-	-	-	215,653
16,647	22,674	-	743,500	-	13,990	-	-	13,990
-	477,187	7,403	2,651,673	39,889	54,580	11,004	-	105,474
\$ 16,647	\$ 499,862	\$ 7,403	\$ 3,395,172	\$ 39,889	\$ 68,570	\$ 11,004	\$ -	\$ 119,463

	Capital Projects			Trust Funds			Total Nonmajor Governmental Funds	
	Maint Bond Projects-325	Capital Projects 365	Sidewalk Improvements 366	Total Capital Funds	Library Trust 605	Holmes Trust 621		Total Permanent Fund
REVENUES								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 171,092
Retail sales & use taxes	-	-	-	-	-	-	-	1,686,812
Other taxes	-	-	321,575	321,575	-	-	-	321,575
Intergovernmental	-	-	289	289	-	-	-	2,321
Charges for services	-	-	-	-	5	-	5	513,363
Fines & forfeits	-	-	-	-	-	-	-	3,266
Investment earnings	-	244	2,696	2,940	1,059	-	1,059	18,856
Miscellaneous	-	-	630	630	865	16,996	17,861	18,802
Total revenues	-	244	325,190	325,434	1,929	16,996	18,925	2,736,087
EXPENDITURES								
Current:								
General government	-	22,330	-	22,330	-	-	-	22,330
Public safety	-	26,717	-	26,717	-	-	-	715,036
Transportation	-	-	127,692	127,692	-	-	-	218,444
Natural and Economic	-	-	-	-	-	-	-	638,072
Culture & recreation	-	269,927	-	269,927	997	-	997	295,679
Principal	-	-	-	-	-	-	-	240,000
Interest and other charges	-	-	-	-	-	-	-	132,755
Capital outlay	-	-	-	-	-	-	-	142,740
Total expenditures	-	318,974	127,692	446,667	997	-	997	2,405,055
Excess(deficiency) of revenues over expenditures	-	(318,731)	197,498	(121,233)	932	16,996	17,928	331,031
OTHER FINANCING SOURCES (USES):								
Refunding bonds issued	-	-	-	-	-	-	-	290,243
Transfers in	-	119,416	-	119,416	-	-	-	442,569
Transfers out	(57,103)	-	(330,958)	(388,061)	-	-	-	(678,304)
Compensation for Loss/Impairment of	-	200,000	-	200,000	-	-	-	200,000
Total other financing sources & uses	(57,103)	319,416	(330,958)	(68,645)	-	-	-	254,508
Net change in fund balance	(57,103)	686	(133,461)	(189,878)	932	16,996	17,928	585,539
Fund balances-beginning	57,103	21,629	642,402	721,134	299,514	439,603	739,117	4,217,397
Fund balances-ending	\$ -	\$ 22,315	\$ 508,941	\$ 531,256	\$ 300,446	\$ 456,599	\$ 757,045	\$ 4,802,936

CITY OF ELLENSBURG, WASHINGTON

Traffic Impact Fee Fund 125

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	94,500	94,500	239,779	145,279
Fines & forfeits	-	-	-	-
Investment earnings	600	600	5,052	4,452
Miscellaneous	-	-	-	-
Total revenues	<u>95,100</u>	<u>95,100</u>	<u>244,831</u>	<u>149,731</u>
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	-	-	-	-
Utilities	-	-	-	-
Transportation	5,000	5,000	3,853	1,147
Social Services	-	-	-	-
Natural and Economic	-	-	-	-
Culture & Recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay				
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>3,853</u>	<u>1,147</u>
Excess(deficiency) of revenues over expenditures	<u>90,100</u>	<u>90,100</u>	<u>240,978</u>	<u>150,878</u>
OTHER FINANCING SOURCES (USES):				
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(922,315)	-	(922,315)
Total other financing sources & uses	<u>-</u>	<u>(922,315)</u>	<u>-</u>	<u>(922,315)</u>
Net change in fund balance	90,100	(832,215)	240,978	(771,437)
Fund balances-beginning	133,600	1,076,922	1,067,305	(9,617)
Fund balances-ending	<u>\$ 223,700</u>	<u>\$ 244,707</u>	<u>\$ 1,308,283</u>	<u>\$ (781,054)</u>

CITY OF ELLENSBURG, WASHINGTON

Ellensburg Public Transit Fund 127

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2016

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Retail sales & use taxes	-	-	162,109	162,109
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	75,000	75,000	79,599	4,599
Fines & forfeits	-	-	-	-
Investment earnings	-	-	303	303
Miscellaneous	-	-	-	-
Total revenues	<u>75,000</u>	<u>75,000</u>	<u>242,010</u>	<u>167,010</u>
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	-	-	-	-
Utilities	-	-	-	-
Transportation	132,500	132,500	86,899	45,601
Social Services	-	20,000	20,000	-
Natural and Economics	-	-	-	-
Culture & Recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	9,768	(9,768)
Total expenditures	<u>132,500</u>	<u>152,500</u>	<u>116,667</u>	<u>35,833</u>
Excess(deficiency) of revenues over expenditures	<u>(57,500)</u>	<u>(77,500)</u>	<u>125,343</u>	<u>202,843</u>
OTHER FINANCING SOURCES (USES):				
Disposition of capital assets	-	-	-	-
Transfers in	57,500	57,500	57,500	-
Transfers out	-	-	-	-
Total other financing sources & uses	<u>57,500</u>	<u>57,500</u>	<u>57,500</u>	<u>-</u>
Net change in fund balance	-	(20,000)	182,843	202,843
Fund balances-beginning	121,454	55,937	77,317	21,380
Fund balances-ending	<u>\$ 121,454</u>	<u>\$ 35,937</u>	<u>\$ 260,160</u>	<u>\$ 224,223</u>

CITY OF ELLENSBURG, WASHINGTON

Criminal Justice Fund 130

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	734,522	734,522	917,447	182,925
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	400	400	2,866	2,466
Miscellaneous	-	-	171	171
Total revenues	<u>734,922</u>	<u>734,922</u>	<u>920,485</u>	<u>185,563</u>
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	732,000	732,000	682,044	49,956
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	62,634	62,634	49,574	13,060
Culture & Recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay				
Total expenditures	<u>794,634</u>	<u>794,634</u>	<u>731,618</u>	<u>63,016</u>
Excess(deficiency) of revenues over expenditures	<u>(59,712)</u>	<u>(59,712)</u>	<u>188,866</u>	<u>248,578</u>
OTHER FINANCING SOURCES (USES):				
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(59,712)</u>	<u>(59,712)</u>	<u>188,866</u>	<u>248,578</u>
Fund balances-beginning	<u>250,757</u>	<u>319,137</u>	<u>476,083</u>	<u>156,946</u>
Fund balances-ending	<u>\$ 191,045</u>	<u>\$ 259,425</u>	<u>\$ 664,950</u>	<u>\$ 405,525</u>

CITY OF ELLENSBURG, WASHINGTON

Drug Fund 137

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	1,600	1,600	3,266	1,666
Investment earnings	-	-	77	77
Miscellaneous	-	-	-	-
Total revenues	<u>1,600</u>	<u>1,600</u>	<u>3,343</u>	<u>1,743</u>
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	9,745	9,745	6,275	3,470
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & Recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay				
Total expenditures	<u>9,745</u>	<u>9,745</u>	<u>6,275</u>	<u>3,470</u>
Excess(deficiency) of revenues over expenditures	<u>(8,145)</u>	<u>(8,145)</u>	<u>(2,932)</u>	<u>5,213</u>
OTHER FINANCING SOURCES (USES):				
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(8,145)</u>	<u>(8,145)</u>	<u>(2,932)</u>	<u>5,213</u>
Fund balances-beginning	<u>8,145</u>	<u>14,938</u>	<u>22,410</u>	<u>7,472</u>
Fund balances-ending	<u>\$ -</u>	<u>\$ 6,793</u>	<u>\$ 19,478</u>	<u>\$ 12,685</u>

CITY OF ELLENSBURG, WASHINGTON

CATV O & M Fund 150

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	93,200	93,200	96,111	2,911
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	111	111
Fines & forfeits	-	-	-	-
Investment earnings	-	-	262	262
Miscellaneous	-	-	-	-
Total revenues	93,200	93,200	96,484	3,284
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	96,228	96,228	75,142	21,086
Culture & Recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay				
Total expenditures	96,228	96,228	75,142	21,086
Excess(deficiency) of revenues over expenditures	(3,028)	(3,028)	21,342	24,370
OTHER FINANCING SOURCES (USES):				
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	(3,028)	(3,028)	21,342	24,370
Fund balances-beginning	34,336	59,282	88,804	29,522
Fund balances-ending	\$ 31,308	\$ 56,254	\$ 110,146	\$ 53,892

CITY OF ELLENSBURG, WASHINGTON

CATV Capital Fund 155

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2016

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	50	50	154	104
Miscellaneous	-	-	140	140
Total revenues	50	50	294	244
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	-	-	1,078	(1,078)
Culture & Recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	30,121	9,747	20,374
Total expenditures	-	30,121	10,825	19,296
Excess(deficiency) of revenues over expenditures	50	(30,071)	(10,531)	19,540
OTHER FINANCING SOURCES (USES):				
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	50	(30,071)	(10,531)	19,540
Fund balances-beginning	47,553	30,071	30,071	0
Fund balances-ending	\$ 47,603	\$ -	\$ 19,540	\$ 19,540

CITY OF ELLENSBURG, WASHINGTON

Park Acquisition Fund 160

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	1,800	1,921	2,032	111
Charges for services	35,000	35,000	192,815	157,815
Fines & forfeits	-	-	-	-
Investment earnings	-	-	2,233	2,233
Miscellaneous	-	-	-	-
Total revenues	36,800	36,921	197,080	160,159
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & Recreation	-	-	812	(812)
Interest on long-term debt	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	170,000	112,657	57,343
Total expenditures	-	170,000	113,469	56,531
Excess(deficiency) of revenues over expenditures	36,800	(133,079)	83,612	216,691
OTHER FINANCING SOURCES (USES):				
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	36,800	(133,079)	83,612	216,691
Fund balances-beginning	194,405	302,987	405,092	102,105
Fund balances-ending	\$ 231,205	\$ 169,908	\$ 488,704	\$ 318,796

CITY OF ELLENSBURG, WASHINGTON

Art Acquisition Fund 162

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2016

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	1,055	1,055
Fines & forfeits	-	-	-	-
Investment earnings	-	-	103	103
Miscellaneous	-	-	-	-
Total revenues	-	-	1,158	1,158
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	-	-	-	-
Public safety	-	-	-	-
Transportation	-	-	-	-
Transportation	-	-	-	-
Charges for services	-	-	-	-
Culture & Recreation	-	48,487	23,943	24,544
Interest on long-term debt	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	10,568	(10,568)
Total expenditures	-	48,487	34,511	13,976
Excess(deficiency) of revenues over expenditures	-	(48,487)	(33,353)	15,134
OTHER FINANCING SOURCES (USES):				
Disposition of capital assets	-	-	-	-
Transfers in	-	48,487	50,000	1,513
Transfers out	-	-	-	-
Total other financing sources & uses	-	48,487	50,000	1,513
Net change in fund balance	-	-	16,647	16,647
Fund balances-beginning	-	-	-	-
Fund balances-ending	\$ -	\$ -	\$ 16,647	\$ 16,647

CITY OF ELLENSBURG, WASHINGTON

Lodging Tax Fund 165

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	484,000	484,000	511,145	27,145
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	1,000	1,000	3,806	2,806
Miscellaneous	-	-	-	-
Total revenues	485,000	485,000	514,951	29,951
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	484,000	484,000	492,277	(8,277)
Culture & Recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	110,000	110,000	-	110,000
Total expenditures	594,000	594,000	492,277	101,723
Excess(deficiency) of revenues over expenditures	(109,000)	(109,000)	22,674	131,674
OTHER FINANCING SOURCES (USES):				
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	(109,000)	(109,000)	22,674	131,674
Fund balances-beginning	271,913	344,170	477,187	133,017
Fund balances-ending	\$ 162,913	\$ 235,170	\$ 499,862	\$ 264,692

CITY OF ELLENSBURG, WASHINGTON

CHIP Reserve Fund 170

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & Recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay				
Total expenditures	-	-	-	-
Excess(deficiency) of revenues over expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balances-beginning	-	-	7,403	7,403
Fund balances-ending	\$ -	\$ -	\$ 7,403	\$ 7,403

CITY OF ELLENSBURG, WASHINGTON

G.O. Bond Fund 225

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & Recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				
Principal	115,000	115,000	115,000	-
Interest and other charges	100,653	100,653	100,653	-
Capital outlay				
Total expenditures	215,653	215,653	215,653	-
Excess(deficiency) of revenues over expenditures	(215,653)	(215,653)	(215,653)	-
OTHER FINANCING SOURCES (USES):				
Disposition of capital assets	-	-	-	-
Transfers in	215,653	215,653	215,653	-
Transfers out	-	-	-	-
Total other financing sources & uses	215,653	215,653	215,653	-
Net change in fund balance	-	-	-	-
Fund balances-beginning	39,902	39,915	39,889	(26)
Fund balances-ending	\$ 39,902	\$ 39,915	\$ 39,889	\$ (26)

CITY OF ELLENSBURG, WASHINGTON

Library Construction Debt Fund 230

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ 150,000	\$ 150,000	\$ 171,092	\$ 21,092
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>150,000</u>	<u>150,000</u>	<u>171,092</u>	<u>21,092</u>
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & Recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				
Principal	140,900	125,000	125,000	-
Interest and other charges	16,202	32,102	32,102	-
Capital outlay				
Total expenditures	<u>157,102</u>	<u>157,102</u>	<u>157,102</u>	<u>-</u>
Excess(deficiency) of revenues over expenditures	<u>(7,102)</u>	<u>(7,102)</u>	<u>13,990</u>	<u>21,092</u>
OTHER FINANCING SOURCES (USES):				
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	(7,102)	(7,102)	13,990	21,092
Fund balances-beginning	51,084	51,159	54,580	3,421
Fund balances-ending	<u>\$ 43,982</u>	<u>\$ 44,057</u>	<u>\$ 68,570</u>	<u>\$ 24,513</u>

CITY OF ELLENSBURG, WASHINGTON

G.O. Bond Debt Fund 240

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & Recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay				
Total expenditures	-	-	-	-
Excess(deficiency) of revenues over expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balances-beginning	-	-	11,004	11,004
Fund balances-ending	\$ -	\$ -	\$ 11,004	\$ 11,004

CITY OF ELLENSBURG, WASHINGTON

Telecom LTGO Bond Fund 250

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Charges for services	-	-	-	-
Special assessments	-	-	-	-
Culture & Recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay				
Total expenditures	-	-	-	-
Excess(deficiency) of revenues over expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
Refunding bonds issued	-	-	290,243	290,243
Transfers in	-	-	-	-
Transfers out	-	-	(290,243)	(290,243)
Total other financing sources & uses	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balances-beginning	-	-	-	-
Fund balances-ending	\$ -	\$ -	\$ -	\$ -

City of Ellensburg, Washington

Maintenance Bond Fund 325

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the Year Ended December 31, 2016

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & Recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess(deficiency) of revenues over expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(57,103)	(57,103)	-
Total other financing sources & uses	-	(57,103)	(57,103)	-
Net change in fund balance	-	(57,103)	(57,103)	-
Fund balances-beginning	50	57,103	57,103	-
Fund balances-ending	\$ 50	\$ -	\$ -	\$ -

CITY OF ELLENSBURG, WASHINGTON

Capital Projects fund 365

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	-	-	244	244
Miscellaneous	-	-	-	-
Total revenues	-	-	244	244
EXPENDITURES:				
Current:				
General Government	-	42,608	22,330	20,278
Judicial Services	-	-	-	-
Public Safety	-	15,500	26,717	(11,217)
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & Recreation	-	282,937	269,927	13,010
Interest on long-term debt	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay				
Total expenditures	-	341,045	318,974	22,071
Excess(deficiency) of revenues over expenditures	-	(341,045)	(318,731)	22,314
OTHER FINANCING SOURCES (USES):				
Disposition of capital assets	-	-	-	-
Transfers in	-	319,416	119,416	-
Transfers out	-	-	-	-
Compensation for Loss/Impairment of Capital Asset	-	-	200,000	200,000
Total other financing sources & uses	-	319,416	319,416	-
Net change in fund balance	-	(21,629)	686	22,314
Fund balances-beginning	33,471	21,629	21,629	-
Fund balances-ending	\$ 33,471	\$ -	\$ 22,315	\$ 22,314

City of Ellensburg, Washington

Sidewalk Improvement Fund 366

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	150,000	225,000	321,575	96,575
Licenses and permits	-	-	-	-
Intergovernmental	-	-	289	289
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	400	400	2,696	2,296
Miscellaneous	-	-	630	630
Total revenues	<u>150,400</u>	<u>225,400</u>	<u>325,190</u>	<u>99,790</u>
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	127,692	(127,692)
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & Recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	146,000	146,000	-	146,000
Total expenditures	<u>146,000</u>	<u>146,000</u>	<u>127,692</u>	<u>18,308</u>
Excess(deficiency) of revenues over expenditures	<u>4,400</u>	<u>79,400</u>	<u>197,498</u>	<u>118,098</u>
OTHER FINANCING SOURCES (USES):				
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(257,000)	(712,009)	(330,958)	381,051
Total other financing sources & uses	<u>(257,000)</u>	<u>(712,009)</u>	<u>(330,958)</u>	<u>-</u>
Net change in fund balance	<u>(252,600)</u>	<u>(632,609)</u>	<u>(133,461)</u>	<u>118,098</u>
Fund balances-beginning	301,259	638,194	642,402	4,208
Fund balances-ending	<u>\$ 48,659</u>	<u>\$ 5,585</u>	<u>\$ 508,941</u>	<u>\$ 503,357</u>

City of Ellensburg, Washington

Library Trust Fund 605

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	5	5
Fines & forfeits	-	-	-	-
Investment earnings	1,400	1,400	1,059	(341)
Miscellaneous	6,100	6,100	865	(5,235)
Total revenues	7,500	7,500	1,929	(5,571)
EXPENDITURES:				
Current:				
Current:	-	-	-	-
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & Recreation	8,800	8,800	997	(7,803)
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	8,800	8,800	997	(7,803)
Excess(deficiency) of revenues over expenditures	(1,300)	(1,300)	932	2,232
OTHER FINANCING SOURCES (USES):				
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	(1,300)	(1,300)	932	2,232
Fund balances-beginning	288,349	275,449	299,514	24,065
Fund balances-ending	\$ 287,049	\$ 274,149	\$ 300,446	26,297

City of Ellensburg, Washington

Hal Holmes Trust Fund 621

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	16,996	16,996
Total revenues	-	-	16,996	16,996
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & Recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay				
Total expenditures	-	-	-	-
Excess(deficiency) of revenues over expenditures	-	-	16,996	16,996
OTHER FINANCING SOURCES (USES):				
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	-	-	16,996	16,996
Fund balances-beginning	-	-	439,603	439,603
Fund balances-ending	\$ -	\$ -	\$ 456,599	\$ 456,599

CITY OF ELLENSBURG, WASHINGTON

Nonmajor Enterprise Funds

Enterprise funds are used by the City of Ellensburg to account for operations that are financed and operated in a manner similar to a private business enterprise.

Utility Deposit- A fund used to account for customer utility deposits.

Telecommunications- A fund used to account for the collection and distributions associated with the operations, maintenance, and debt service of the electronics used to interconnect the City to other governmental entities.

Stormwater- A fund used to account for the collection and distributions associated with the operation and maintenance of a storm water utility. The fund is supported through service charge.

CITY OF ELLENSBURG, WASHINGTON

Combining Statement of Net Position
 Nonmajor Enterprise Funds
 December 31, 2016

	Enterprise Funds			
	Utility Deposit	Telecom	Storm Water	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 468,555	\$ 2,009	\$ 323,550	\$ 794,114
Investments	185,361	-	50,000	235,361
Accounts	-	-	115,233	115,233
Due from other funds	-	4,200	673	4,873
Due from other governments	-	40,616	300,257	340,873
Total current assets	<u>653,916</u>	<u>46,825</u>	<u>789,714</u>	<u>1,490,455</u>
Noncurrent assets:				
Capital assets, net (Note1)				
Land	-	-	-	-
Buildings	-	-	458,451	458,451
Improvements	-	1,538,301	1,215,470	2,753,771
Machinery & equipment	-	214,086	-	214,086
Construction in progress	-	36,763	334,746	371,510
Less accumulated depreciation	-	(230,672)	(205,238)	(435,910)
Total noncurrent assets	<u>-</u>	<u>1,558,479</u>	<u>1,803,430</u>	<u>3,361,908</u>
Total Assets	<u>653,916</u>	<u>1,605,304</u>	<u>2,593,144</u>	<u>4,852,363</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources pension	-	-	25,516	25,516
Total Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>25,516</u>	<u>25,516</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	-	7,384	69,348	76,732
Due to other funds	-	92	61	153
Other liabilities	615,109	-	-	615,109
Due within one year	-	-	9,755	9,755
Total current liabilities	<u>615,109</u>	<u>7,476</u>	<u>79,164</u>	<u>701,749</u>
Non current liabilities (Note 2):				
Due in more than one year	-	-	19,775	19,775
Net Pension Liability	-	-	211,398	211,398
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>231,173</u>	<u>231,173</u>
Total Liabilities	<u>615,109</u>	<u>7,476</u>	<u>310,337</u>	<u>932,922</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources pension	-	-	2,567	2,567
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>2,567</u>	<u>2,567</u>
NET POSITION				
Net Investment in capital assets	-	1,558,479	1,803,430	3,361,908
Unrestricted	38,808	39,349	502,325	580,482
Total Net Position	<u>\$ 38,808</u>	<u>\$ 1,597,828</u>	<u>\$ 2,305,755</u>	<u>\$ 3,942,390</u>

CITY OF ELLENSBURG, WASHINGTON

Combining Statement of Revenues, Expenses, and Changes in Fund Net position

Nonmajor Enterprise Funds

For the Year Ended December 31, 2016

	Enterprise Funds			
	Utility Deposit	Telecom	Storm Water	Total
Operating revenues:				
Charges for services	\$ -	\$ 101,559	\$ 940,425	\$ 1,041,984
Total operating revenues	-	101,559	940,425	1,041,984
Operating expenses:				
Operating expenses	-	123,163	498,480	621,643
Maintenance	-	-	108,198	108,198
Depreciation	-	92,116	64,582	156,698
Taxes	-	-	14,651	14,651
Total operating expenses	-	215,279	685,911	901,190
Operating income	-	(113,720)	254,514	140,794
Nonoperating revenue (expenses)				
Intergovernmental revenues	-	29,754	299,676	329,431
Interest and investment revenue	4,498	638	1,644	6,781
Interest expense	(5)	(8,903)	-	(8,908)
Total nonoperating expenses	4,494	21,489	301,321	327,304
Income (loss) before contributions & transfers	4,494	(92,230)	555,834	468,098
Capital contributions	-	-	60,721	60,721
Transfers in	-	290,243	40,500	330,743
Transfers out	-	-	(130,000)	(130,000)
Change in net position	4,494	198,013	527,055	729,562
Total net position - beginning	34,314	1,399,815	1,778,700	3,212,829
Total net position - ending	\$ 38,808	\$ 1,597,828	\$ 2,305,755	\$ 3,942,391

CITY OF ELLENSBURG, WASHINGTON

Combining Statement of Cash Flows
 Nonmajor Enterprise Funds
 For the Year Ended December 31, 2016

	Utility Deposit	Telecom	Storm Water	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 99	\$ 55,481	\$ 702,716	\$ 758,297
Receipts for interfund services provided	-	12,199	1,756	13,955
Payments to suppliers	10,522	(107,592)	(71,052)	(168,122)
Payment for interfund services used	-	92	(207,696)	(207,604)
Payments to employees	-	(27,813)	(229,864)	(257,678)
Net Cash Provided by Operating Activities	<u>10,621</u>	<u>(67,633)</u>	<u>195,861</u>	<u>138,849</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	290,243	40,500	330,743
Transfers out	-	-	(130,000)	(130,000)
Interfund loan receivable (payable)	-	(283,943)	-	(283,943)
Net Cash Provided (Used) by Noncapital Activities	<u>-</u>	<u>6,300</u>	<u>(89,500)</u>	<u>(83,200)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Loan/grant proceeds	-	29,754	-	29,754
Purchases of capital assets	-	(46,019)	(133,251)	(179,269)
Interest paid on capital debt	-	(2,603)	-	(2,603)
Debt Costs	-	(6,300)	-	(6,300)
Net Cash from Related Financing Activities	<u>-</u>	<u>(25,167)</u>	<u>(133,251)</u>	<u>(158,418)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Net investment purchases	14,639	-	(50,000)	(35,361)
Interest and dividends	4,498	638	1,644	6,781
Net Cash Provided (Used) by Investing Activities	<u>19,137</u>	<u>638</u>	<u>(48,356)</u>	<u>(28,580)</u>
Net Increase (decrease) in cash and cash equivalents	29,758	(85,862)	(75,245)	(131,349)
Balances - beginning of the year	438,797	87,871	398,795	925,463
Balances - end of the year	<u>\$ 468,555</u>	<u>\$ 2,009</u>	<u>\$ 323,550</u>	<u>\$ 794,114</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	-	(113,720)	254,514	140,794
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	-	92,116	64,582	156,698
Change in assets and liabilities:				
Receivables, net	99	3,133	(6,221)	(2,988)
DFOF	-	(4,200)	(673)	(4,873)
DFOG	-	(32,812)	(229,059)	(261,870)
Accounts and other payables	10,522	(12,242)	63,609	61,888
DTOF	-	92	42	134
Employee benefits	-	-	5,734	5,734
Deferred outflows of resources	-	-	(9,319)	(9,319)
Deferred inflows of resources	-	-	(20,992)	(20,992)
Net pension liability	-	-	73,644	73,644
Net Cash Provided by Operating Activities	<u>\$ 10,621</u>	<u>\$ (67,633)</u>	<u>\$ 195,861</u>	<u>\$ 138,849</u>

CITY OF ELLENSBURG, WASHINGTON

Internal Service Funds

Internal Service Funds are used by the City of Ellensburg to account for the financing of goods and services provided by a department or agency to other departments or agencies of the City of Ellensburg or to the other governmental units on a cost reimbursement basis.

Equipment Rental and Revolving Fund- A fund used to account for the operation of the City of Ellensburg vehicles and rental of equipment to other funds within the City.

Information Services- A fund used to account for the operation of data processing services to the City of Ellensburg departments, computer rentals, and GIS services etc.

Health and Benefits Fund – A fund used for the purpose of collecting and paying medical, dental, vision and life insurance premiums, insurance claims, administrative costs, and other related benefit costs.

Risk Management – This fund accounts for claims made against the City that is not covered by insurance and also for the allocation of property insurance expense.

CITY OF ELLENSBURG, WASHINGTON

Combining Statement of Net Position
Internal Service Funds
December 31, 2016

	Equipment Rental and Revolving	Information Services	Health & Benefits Fund	Risk Management Fund	Total
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 4,766,180	\$ 668,518	\$ 803,913	\$ 426,956	\$ 6,665,567
Deposits with fiscal agents	-	-	75,637	-	75,637
Investments	853,570	-	250,000	100,000	1,203,570
Receivables(net)	72	-	-	-	72
Due from other funds	20,148	-	-	-	20,148
Due from other governments	-	3,110	-	-	3,110
Inventories	66,137	-	-	-	66,137
Total Current Assets	<u>5,706,107</u>	<u>671,628</u>	<u>1,129,550</u>	<u>526,956</u>	<u>8,034,241</u>
Noncurrent Assets					
Land	440,725	-	-	-	440,725
Buildings	1,340,345	-	-	-	1,340,345
Improvements	323,678	-	-	-	323,678
Machinery & equipments	5,852,473	672,059	-	-	6,524,533
Less accumulated depreciation	(5,181,087)	(611,263)	-	-	(5,792,350)
Construction In progress	73,645	93,384	-	-	167,029
Net property plant & equipment	<u>2,849,779</u>	<u>154,181</u>	<u>-</u>	<u>-</u>	<u>3,003,960</u>
Total Assets	<u>8,555,887</u>	<u>825,808</u>	<u>1,129,550</u>	<u>526,956</u>	<u>11,038,201</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of resources pension	19,453	24,758	-	-	44,211
Total Deferred Outflows of Resources	<u>19,453</u>	<u>24,758</u>	<u>-</u>	<u>-</u>	<u>44,211</u>
LIABILITIES					
Current Liabilities					
Accounts payable and accrued expenses	33,470	130,298	19,064	-	182,832
Due to other funds	8,513	-	-	-	8,513
Due within one year	16,668	26,359	-	-	43,027
Total Current Liabilities	<u>58,651</u>	<u>156,656</u>	<u>19,064</u>	<u>-</u>	<u>234,372</u>
Long-Term Liabilities:					
Net Pension Liability	138,531	159,825	-	-	298,356
Due in more than one year	59,122	15,689	-	-	74,812
Total Long-Term Liabilities	<u>197,653</u>	<u>175,514</u>	<u>-</u>	<u>-</u>	<u>373,168</u>
Total Liabilities	<u>256,304</u>	<u>332,171</u>	<u>19,064</u>	<u>-</u>	<u>607,539</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred pension inflows	1,957	2,491	-	-	4,448
Total Deferred Inflows of Resources	<u>1,957</u>	<u>2,491</u>	<u>-</u>	<u>-</u>	<u>4,448</u>
NET POSITION					
Net Investment in capital assets,	2,849,779	154,181	-	-	3,003,960
Unrestricted	5,467,299	361,724	1,110,486	526,956	7,466,465
Total Net Position	<u>\$ 8,317,078</u>	<u>\$ 515,905</u>	<u>\$ 1,110,486</u>	<u>\$ 526,956</u>	<u>\$ 10,470,425</u>

CITY OF ELLENSBURG, WASHINGTON

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
 Internal Service Funds
 For the Year Ended December 31, 2016

	Equipment Rental and Revolving	Information Services	Health & Benefits Fund	Risk Management Fund	Total
Operating revenues:					
Charges for services	\$ 292,511	\$ 1,121,687	\$ -	\$ 670,013	\$ 2,084,211
Miscellaneous	1,585,953	-	2,034,260	21,423	3,641,636
Total operating revenues	<u>1,878,463</u>	<u>1,121,687</u>	<u>2,034,260</u>	<u>691,436</u>	<u>5,725,847</u>
Operating expenses:					
Operating expenses	526,612	1,196,172	2,001,804	729,026	4,453,613
Maintenance	524,152	-	-	-	524,152
Depreciation	393,229	20,680	-	-	413,908
Total operating expenses	<u>1,443,993</u>	<u>1,216,851</u>	<u>2,001,804</u>	<u>729,026</u>	<u>5,391,674</u>
Operating income	<u>434,471</u>	<u>(95,164)</u>	<u>32,456</u>	<u>(37,590)</u>	<u>334,173</u>
Nonoperating revenue (expenses)					
Intergovernmental revenues	423,625	-	-	-	423,625
Interest and investment rev.	23,072	2,146	4,113	1,990	31,320
Gain/Loss on sale of Assets	1,268	-	-	-	1,268
Total nonoperating revenue (expenses)	<u>447,964</u>	<u>2,146</u>	<u>4,113</u>	<u>1,990</u>	<u>456,212</u>
Income (loss) before contributions & transfers	<u>882,435</u>	<u>(93,018)</u>	<u>36,569</u>	<u>(35,600)</u>	<u>790,385</u>
Change in net assets	882,435	(93,018)	36,569	(35,600)	790,385
Total net position - beginning	<u>7,434,643</u>	<u>608,923</u>	<u>1,073,918</u>	<u>562,556</u>	<u>9,680,039</u>
Total net position - ending	<u>\$ 8,317,078</u>	<u>\$ 515,904</u>	<u>\$ 1,110,486</u>	<u>\$ 526,956</u>	<u>\$ 10,470,424</u>

CITY OF ELLENSBURG, WASHINGTON

Combining Statement of Cash Flows

Internal Service Funds

For the Year Ended December 31, 2016

	Equipment Rental and Revolving	Information Services	Health & Benefits Fund	Risk Management Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 49,192	\$ 23,699	\$ 111,563	\$ -	\$ 184,454
Receipt for interfund service provided	1,822,219	1,094,879	1,922,697	670,016	5,509,811
Payments to suppliers	(460,916)	(435,264)	(2,032,772)	(729,029)	(3,657,981)
Payment for interfund service used	(107,377)	-	-	-	(107,377)
Payments to employees	(415,033)	(630,074)	-	-	(1,045,108)
Other Operating Cash Receipts	-	-	-	21,423	21,423
Net Cash Provided (Used) by Operating Activities	888,086	53,239	1,487	(37,590)	905,223
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Interfund loan receivable (payable)	283,943	-	-	-	283,943
Net Cash Provided by Noncapital Activities	283,943	-	-	-	283,943
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contributions	423,625	-	-	-	423,625
Proceed from sale assets	1,268	-	-	-	1,268
Purchases of capital assets	(633,552)	(153,710)	-	-	(787,261)
Net Cash from Related Financing Activities	(208,659)	(153,710)	-	-	(362,369)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sales and maturities of investments	-	-	(250,000)	-	(250,000)
Net investment purchases	(43)	-	-	(100,000)	(100,043)
Interest and dividends	23,072	2,146	4,113	1,990	31,320
Net Cash Provided (Used) by Investing Activities	23,029	2,146	(245,887)	(98,010)	(318,723)
Net Increase (decrease) in cash and cash equivalents	986,399	(98,325)	(244,400)	(135,600)	508,074
Balances - beginning of the year	3,779,781	766,843	1,123,950	562,556	6,233,130
Balances - end of the year	4,766,180	668,518	879,550	426,956	6,741,204
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	434,471	(95,164)	32,456	(37,590)	334,173
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation expense	393,229	20,680	-	-	413,908
Change in assets and liabilities:					
Receivables, net	(72)	-	-	-	(72)
Due from other funds	(12,231)	2,753	-	-	(9,478)
Due from other governments	5,252	(3,110)	-	-	2,142
Inventories	6,589	-	-	-	6,589
Accounts and other payables	(6,208)	33,905	(30,969)	-	(3,272)
Due to other funds	8,435	-	-	-	8,435
Employee benefits	5,079	24,108	-	-	29,186
Deferred outflows of resources	(7,923)	(13,228)	-	-	(21,151)
Deferred inflows of resources	(16,610)	(16,076)	-	-	(32,687)
Net pension liability	78,078	99,372	-	-	177,449
Net Cash Provided by Operating Activities	\$ 888,086	\$ 53,239	\$ 1,487	\$ (37,590)	905,223

CITY OF ELLENSBURG, WASHINGTON

Agency Funds

Agency fund is used by a governmental entity to report assets that are held in a custodial relationship. In a typical custodial relationship, a governmental entity receiving assets may temporarily invest those assets and then remit those assets to individuals, private organizations, or other governments.

LID Guarantee Fund- A fund used to account for the monies reserved for the payment of the special improvement districts.

LID Fund- A fund used to account for the activity of the special improvement districts.

Clearing Fund – A fund used for the purpose of collecting and remitting payments to the State of Washington.

City of Ellensburg, Washington

Combining Statement of Fiduciary Net Position

Agency Funds

December 31, 2016

	<u>LID Guarantee Fund</u>	<u>LID Fund</u>	<u>Clearing Fund</u>	<u>Total Agency Funds</u>
ASSETS				
Cash	\$ 131,378	\$ 71,289	\$ 5,898	\$ 208,565
Receivable, (Net)		1,223		1,223
Special Assessments		288,020		288,020
Total Assets	<u>131,378</u>	<u>360,532</u>	<u>5,898</u>	<u>497,807</u>
LIABILITIES				
Accounts payable	-		-	-
Notes Payable		288,020		288,020
Other Liabilities	131,378	72,512	5,898	209,787
Total Liabilities	<u>\$ 131,378</u>	<u>\$ 360,532</u>	<u>\$ 5,898</u>	<u>\$ 497,807</u>

City of Ellensburg, Washington

Combining Statement of Changes in Assets and Liabilities

Agency Funds

December 31, 2016

	<u>Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u>
LID Guarantee Fund				
ASSETS				
Cash	\$ 130,916	\$ 462	\$ -	\$ 131,378
Total Assets	<u>130,916</u>	<u>462</u>	<u>-</u>	<u>131,378</u>
LIABILITIES				
Other Liabilities	<u>130,916</u>	<u>462</u>	<u>-</u>	<u>131,378</u>
Total Liabilities	<u>130,916</u>	<u>462</u>	<u>-</u>	<u>131,378</u>
LID Fund				
ASSETS				
Cash	47,495	74,921	51,127	71,289
Receivables (Net)	81	57,102	55,960	1,223
Special Assessments	<u>350,325</u>	<u>51,950</u>	<u>114,255</u>	<u>288,020</u>
Total Assets	<u>397,901</u>	<u>183,973</u>	<u>221,343</u>	<u>360,532</u>
LIABILITIES				
Notes Payable	350,372	251,830	189,478	288,020
Other Liabilities	<u>47,529</u>	<u>-</u>	<u>24,983</u>	<u>72,512</u>
Total Liabilities	<u>397,901</u>	<u>-</u>	<u>189,478</u>	<u>360,532</u>
Clearing Fund				
ASSETS				
Cash	2,458	8,789,040	8,785,600	5,898
Receivables (Net)	-	<u>555,345</u>	<u>555,345</u>	-
Total Assets	<u>2,458</u>	<u>9,344,385</u>	<u>9,340,945</u>	<u>5,898</u>
LIABILITIES				
Accounts Payable	-	-	-	-
Other Liabilities	<u>2,458</u>	<u>8,807,944</u>	<u>8,804,520</u>	<u>5,898</u>
Total Liabilities	<u>\$ 2,458</u>	<u>\$ 8,807,944</u>	<u>\$ 8,804,520</u>	<u>\$ 5,898</u>



Supplementary Information

City of Ellensburg
Schedule of Expenditures of State Awards
For the Year Ended December 31, 2016

Ellensburg Identifier	Fund	State Agency BARS Account	Program Title	Identification #	Amount
Parking Lot Construction	431	334031	PS bldg Parking Lot	WQC-2016-ELLENS-00025	168,476.76
Reecer Creek Restor	431	334031	Flood Hazard Reduction Grants	G1400637	128,282.82
Stormwater Capacity Grant	431	334031	FY2015-2017 Capacity Grant	WQSWCAP-1517-ELLEPW-00102	3,497.47
Street Sweeper	531	334031	ELSA - Environmental Legacy Stewardship Account	WQC-2016-ELLENS-00076	423,624.87
RTPO Grant	123	334036	WSDOT RTPO		10,937.89
University Way Overlay	123	334038	WSTIB	TIB3-E-175(002)-1	276,404.00
Vantage/Pfenning Signalization	123	334038	WSTIB	TIB8-4-175(018)-1	185,632.00
Bike Boulevard-Bicycle Safety	123	334036	HLP-PB15(013 Ellensburg Bike Boulevard	LA-8879	1,100.00
Capital/Sampson Ped Imp	123	334036	HLP-SR15(013)	LA-8830	165,000.00

City of Ellensburg
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016

Fund	Ellensburg Identifier	CFDA #	Federal Agency Name (Optional)	Federal Program Name (Optional)	Pass-Through Agency Name	Other Award I.D. Number	Total	Passed Through to Subrecipients	Footnote Ref.
123	University Way Overlay	20.205	FHWA		WSDOT	STPUS-6900(006)/LA-8876	594,513.00		1, 2
123	Alder St Overlay	20.205	FHWA		WSDOT	STPUS-6955(001)/TA-5600/LA-8546	90.77		1, 2
023	Digitize City Art Collection	45.31	Institute of museum and Library Services, National Foundation on the Arts and the Humanities		Washington State Library	Contract G-4976/ 15-WRH-003	2,074.22		1
023	2015-16 Digital Lit - Financial	45.31	Institute of museum and Library Services, National Foundation on the Arts and the Humanities		Washington State Library	Contract G-4966/ 15-DL-002	4,168.74		1
022	Senior Footcare	93.044	Administration for Community Living	Special Programs for the Aging	SW WA ALTC	6909-10762	3,144.00		1
016	Underage Dringking	93.276	Health Resources and Services Administration	Substance Abuse and Mental Health Services Administration	KC Community Public health & Safety Network/Traffic Safety		3,210.36		1
016	High Visibility Enforcement OT Grant	20.601	National Highway Traffic Safety Administration	Alcohol Impaired Driving Countermeasures Incentive Grant I	WA Traffic Safety Commission	0008367-00	2,140.11		1
016	Bulletproof Vest Partnership Grant	16.607	US Department of Justice	Bulletproof Vest Partnership		1121-0235	5,237.50		1

CITY OF ELLENSBURG, WASHINGTON

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2016**

Notes 1, 2 and 7 are required for all governments. Disclose other notes only if applicable to the government's circumstances.

NOTE 1 - BASIS OF ACCOUNTING

This schedule is prepared on the same basis of accounting as the City financial statements. The City uses the modified accrual basis of accounting for governmental funds and the accrual basis of accounting for the non-governmental funds.

NOTE 2 - PROGRAM COSTS

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the City's portion, are more than shown. Such expenditures are recognized following, as applicable, either the cost principles in the OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 7 – INDIRECT COST RATE

The amount expended includes \$0 claimed as an indirect cost recovery. The City has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.



Other Supplemental Schedules For GASB 54

CITY OF ELLENSBURG, WASHINGTON

Street Fund 120

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	253,585	269,961	284,338	14,377
Charges for services	81,000	81,000	69,114	(11,886)
Fines & forfeits	-	-	-	-
Investment earnings	600	600	3,985	3,385
Miscellaneous	500	500	4,099	3,599
Total revenues	<u>335,685</u>	<u>352,061</u>	<u>361,535</u>	<u>9,474</u>
EXPENDITURES:				
Current:				
General Government	53,000	53,000	52,066	934
Judicial Services	-	-	-	-
Public Safety	-	-	-	-
Utilities	-	-	-	-
Transportation	1,838,323	2,102,983	1,609,475	493,508
Social Services	-	-	-	-
Natural and Economic	-	-	-	-
Culture & Recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay				
Total expenditures	<u>1,891,323</u>	<u>2,155,983</u>	<u>1,661,541</u>	<u>494,442</u>
Excess(deficiency) of revenues over expenditures	<u>(1,555,638)</u>	<u>(1,803,922)</u>	<u>(1,300,006)</u>	<u>503,916</u>
OTHER FINANCING SOURCES (USES):				
Disposition of capital assets	-	-	-	-
Transfers in	1,320,000	1,320,000	1,320,000	-
Transfers out	-	-	-	-
Total other financing sources & uses	<u>1,320,000</u>	<u>1,320,000</u>	<u>1,320,000</u>	<u>-</u>
Net change in fund balance	<u>(235,638)</u>	<u>(483,922)</u>	<u>19,994</u>	<u>503,916</u>
Fund balances-beginning	270,504	837,711	959,735	122,024
Fund balances-ending	<u>\$ 34,866</u>	<u>\$ 353,789</u>	<u>\$ 979,729</u>	<u>\$ 625,939</u>

City of Ellensburg, Washington

Sales Tax Fund 140

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-
Retail sales & use taxes	3,646,000	3,646,000	4,365,540	719,540
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	5,000	5,000	7,646	2,646
Miscellaneous	-	-	-	-
Total revenues	<u>3,651,000</u>	<u>3,651,000</u>	<u>4,373,185</u>	<u>722,185</u>
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Health & human services	-	-	-	-
Economic environment	-	-	-	-
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess(deficiency) of revenues over expenditures	<u>3,651,000</u>	<u>3,651,000</u>	<u>4,373,185</u>	<u>722,185</u>
OTHER FINANCING SOURCES (USES):				
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(3,760,841)	(4,077,608)	(3,799,361)	278,247
Total other financing sources & uses	<u>(3,760,841)</u>	<u>(4,077,608)</u>	<u>(3,799,361)</u>	<u>278,247</u>
Net change in fund balance	(109,841)	(426,608)	573,824	1,000,432
Fund balances-beginning	983,383	1,265,729	1,649,260	383,531
Fund balances-ending	<u>\$ 873,542</u>	<u>\$ 839,121</u>	<u>\$ 2,223,084</u>	<u>\$ 1,383,963</u>

CITY OF ELLENSBURG, WASHINGTON

Police Vehicles Fund 159

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	-	-	96	(96)
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & Recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	51,500	51,500	48,493	3,007
Total expenditures	51,500	51,500	48,589	2,911
Excess(deficiency) of revenues over expenditures	(51,500)	(51,500)	(48,589)	2,911
OTHER FINANCING SOURCES (USES):				
Disposition of capital assets	-	-	1,376	1,376
Transfers in	51,188	51,188	51,188	-
Transfers out	-	-	-	-
Total other financing sources & uses	51,188	51,188	52,564	1,376
Net change in fund balance	(312)	(312)	3,975	4,287
Fund balances-beginning	5,889	9,684	17,972	8,288
Fund balances-ending	\$ 5,577	\$ 9,372	\$ 21,948	\$ 12,576

CITY OF ELLENSBURG, WASHINGTON

Geddis Fund 175

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & Recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay				
Total expenditures	-	-	-	-
Excess(deficiency) of revenues over expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balances-beginning	142,979	-	-	-
Fund balances-ending	\$ 142,979	\$ -	\$ -	\$ -

CITY OF ELLENSBURG, WASHINGTON

Special Project Fund 198

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2016

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES:				
Current:				
General Government	-	-	-	-
Judicial Services	-	-	-	-
Public Safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & Recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay				
Total expenditures	-	-	-	-
Excess(deficiency) of revenues over expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(4,205)	(4,205)	-
Total other financing sources & uses	-	(4,205)	(4,205)	-
Net change in fund balance	-	(4,205)	(4,205)	-
Fund balances-beginning	4,205	4,205	4,205	-
Fund balances-ending	\$ 4,205	\$ -	\$ -	\$ -



Statistical Information

**CITY OF ELLENSBURG, WASHINGTON
FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2016
INDEX**

STATISTICAL SECTION	Page
<u>Financial Trends</u>	144
<p>These schedules contain trend information to assist the reader in understanding how the City's financial performance and well being have changed over time.</p>	
<u>Revenue Capacity</u>	150
<p>These schedules contain information to assist the reader in assessing the City's significant local revenues source of property taxes.</p>	
<u>Debt Capacity</u>	155
<p>These schedules present information to assist the reader in assessing the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.</p>	
<u>Demographic and Economic Information</u>	164
<p>These schedules offer demographic and economic indicators to assist the reader in understanding the environment within which the government's financial activities take place.</p>	
<u>Operating Information</u>	166
<p>These Schedules contain service and infrastructure data to help the reader understand how the information in the government's financial reports relates to the services the government provide and the activities it performs.</p>	

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

CITY OF ELLENSBURG
Schedule of changes in Net Position/Net Position by Component
LAST NINE YEARS (*)

(amounts expressed in thousands)

	2008	2009	2010	2011	2012	2013	2014	2015	2016
Expenses									
Governmental Activities									
General governments	2,799	2,868	2,666	2,695	2,557	3,751	3,956	4,576	4,987
Public Safety	4,436	5,283	4,893	5,027	5,459	4,963	4,925	4,713	4,352
Utilities	936	970	988	995	1,035	-	-	-	-
Transportation	2,498	2,676	3,477	3,346	4,105	3,852	4,406	4,350	5,378
Social Services	-	17	6	6	6	196	199	205	193
Natural and Economic	829	791	965	1,077	1,223	1,967	1,826	1,766	1,877
Culture and Recreation	3,017	2,846	2,914	2,941	3,242	3,232	3,296	3,493	3,598
Interest on Longterm Debt	333	315	413	390	322	203	228	148	137
Total governmental expensess	14,848	15,765	16,322	16,476	17,949	18,164	18,834	19,252	20,521
Business Type Activities									
Deposits	5	-	-	-	-	-	-	-	-
I- Net	53	51	42	40	41	71	35	270	223
Stormwater	-	-	131	150	241	397	595	508	615
Gas	8,946	9,137	9,022	8,056	6,992	7,447	7,570	6,626	6,902
Light	11,577	13,202	12,875	12,249	13,260	13,788	14,308	13,819	15,871
Water	2,687	3,011	3,275	3,265	3,070	3,731	3,790	3,666	4,098
Sewer	2,573	2,689	3,006	3,217	3,207	3,199	3,507	3,358	3,822
Total Business Type Activities	25,840	28,091	28,351	26,976	26,811	28,633	29,806	28,249	31,532
Total Primary Government Expenses	40,689	43,856	44,671	43,452	44,760	46,797	48,640	47,500	52,053
Program Revenue									
Governmental Activities									
General governments	1,963	1,959	2,443	2,313	2,235	3,097	3,235	3,142	2,487
Public Safety	115	109	243	102	114	173	355	183	189
Utilities	663	640	671	683	712	-	-	-	-
Transportation	135	206	81	197	165	297	428	265	422
Social Services	-	-	-	-	-	-	48	52	786
Natural and Economic	853	449	435	265	288	631	500	369	830
Culture and Recreation	313	335	368	381	436	757	487	603	669
Operating Grants and Contributions									
General governments	552	318	352	306	300	269	-	351	516
Public Safety	63	113	86	71	74	11	275	281	322
Utilities	-	2	-	1	-	-	-	-	-
Transportation	1,765	420	394	548	860	231	-	-	-
Social Services	-	-	-	-	-	-	3	3	-
Natural and Economic	127	1	33	68	53	137	128	63	-
Culture and Recreation	282	193	201	198	248	11	10	156	11
Capital Grants and Contributions									
General governments	23	-	-	-	-	-	377	412	404
Public Safety	-	-	-	-	11	-	-	-	-
Physical Environment	-	-	-	-	-	-	-	-	-
Transportation	251	645	447	5,040	1,668	1,208	1,946	1,689	1,253
Health & Human Services	-	-	-	-	-	-	-	-	-
Natural and Economic	3	-	-	-	-	-	-	-	-
Culture and Recreation	7	-	-	30	75	-	-	-	-
Total Governmental program revenues	7,115	5,390	5,754	10,204	7,238	6,822	7,792	7,570	7,889
Business Type Activities									
Deposits	4	-	-	-	-	-	-	-	-
Telecommunications	80	80	31	30	31	61	485	365	102
Stormwater	-	-	559	574	569	663	703	940	940
Gas	9,519	9,633	9,393	8,482	7,316	7,327	7,528	6,819	6,374
Light	12,709	13,828	12,930	12,838	13,260	14,215	14,416	15,333	15,060
Water	2,864	2,876	3,112	3,391	3,805	3,874	3,995	4,499	4,577
Sewer	2,602	2,876	2,933	3,142	3,245	3,409	3,417	3,706	3,925
Operating Grants and Contributions									
Deposits	-	-	-	-	-	-	-	-	-
Telecommunications	-	-	49	49	125	-	-	-	30
Stormwater	-	-	-	1	-	-	81	112	300
Gas	-	4	-	59	-	-	-	-	-
Light	-	-	173	4	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-
Sewer	-	49	-	-	-	-	-	-	-
Capital Grants and Contributions									
Deposits	-	-	-	-	-	-	-	-	-
Telecommunications	-	-	-	-	-	-	461	-	-
Stormwater	-	-	130	271	189	408	121	-	61
Gas	-	-	-	-	-	-	-	-	-
Light	-	-	-	210	360	83	-	-	-
Water	-	-	-	795	363	359	545	419	479
Sewer	-	-	-	567	250	207	361	207	260
Total Business Type Activities Program Revenue	27,777	29,345	29,309	30,413	29,510	30,605	32,113	32,400	32,108
Total Primary Government Net Expenses	(5,197)	(9,123)	(9,607)	(2,835)	(8,011)	(9,370)	(8,735)	(7,530)	(12,055)
General Revenues									

Continued

Property Taxes	1,930	2,146	2,151	247	2,541	2,578	2,625	2,706	2,781
Property Taxes, Levied for Debt Services	125	142	147	147	147	152	162	151	171
Sales and Use Taxes	4,078	4,518	4,193	4,935	4,553	4,711	5,137	5,234	6,453
Other taxes	3,438	2,978	3,092	3,040	3,088	3,447	3,011	3,275	3,258
Grants and Contributions (not restricted)	99	1,934	611	-	-	-	-	-	-
Investment Earnings	349	195	239	7	0	130	64	91	68
Miscellaneous	52	412	247	252	835	347	357	327	299
Disposition of Capital Assets	209	11	-	-	772	(434)		(60)	1
Total Primary Governments General Revenues	10,280	12,336	10,680	8,628	11,937	10,930	11,356	11,724	13,032
Change in Net Position									
Governmental Activities	2,270	1,021	(407)	4,639	1,366	250	393	321	385
Business Type Activities	2,212	2,194	1,480	3,410	2,560	1,468	2,229	4,143	954
Total Change in Net Assets	4,482	3,215	1,073	8,048	3,926	1,719	2,621	4,464	1,339
Net Assets by component									
Invested in Capital Assets, net of related debt	66,725	75,108	73,681	81,423	88,306	87,271	87,047	87,026	86,790
Restricted									
Prepayment/Inventory	42	-	-	-	-	-	-	-	-
Net Pension Asset									815
Rate Stabilization	676	676	676	676	676	-	-	-	-
Capital Projects	317	242	2,204	535	354	492	426	679	491
Construction	377	259	2,572	246	318	530	556	693	1,017
Debt Service	2,196	1,817	2,292	1,337	1,332	1,330	1,509	1,452	1,468
Transportation		64	1,359	817	506	719	1,003	1,101	1,399
Public Safety			275	341	318	312	375	491	674
Natural and Economic			496	552	804	437	463	470	489
Cultural and Recreation			741	825	807	1,133	1,182	1,130	1,228
Unrestricted	17,367	20,462	15,403	20,994	18,734	21,414	23,872	21,065	21,077
Total Net Assets	87,699	98,627	99,699	107,748	112,156	113,637	116,432	114,108	115,447

* Data is presented since implementation of Full GASB 34

CITY OF ELLENSBURG
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE**
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

Description	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Property Tax	\$2,170	\$2,055	\$2,208	\$2,247	\$2,637	\$2,661	\$2,712	\$2,810	\$2,899	\$2,952
Sales Tax	2,993	3,441	3,138	2,980	3,190	3,263	3,337	3,660	3,958	4,366
Criminal Justice Sales Tax*	-	484	615	590	626	629	662	719	804	917
Local Criminal Justice Tax	373	323	267	252	274	276	290	314	351	401
Admission Tax	92	94	101	89	90	94	95	91	99	102
Electric Tax	6	5	5	5	5	5	4	2	6	12
Solid Waste Tax	165	169	174	178	193	192	235	222	251	260
Television Cable	75	88	90	94	91	92	96	94	106	106
Telephone Tax	471	464	522	509	478	440	407	389	370	342
Utility Tax	1,575	1,703	1,870	1,881	1,871	1,921	1,995	1,890	2,017	2,117
Leasehold Tax	16	19	13	18	16	18	18	20	19	18
Television Cable	74	83	91	93	89	108	93	94	95	96
Motel/Hotel Tax	356	366	350	371	365	385	422	445	472	511
Real Estate Excise Tax	290	153	149	120	125	152	229	186	227	322
Distressed County Sales	-	-	-	-	480	-	-	-	-	-
Gambling Tax	129	122	113	105	83	67	16	24	85	79
Public Transit Tax ***	-	-	-	-	-	-	-	-	-	162
Total	\$8,785	\$9,571	\$9,704	\$9,532	\$10,612	\$10,303	\$10,613	\$10,958	\$11,760	\$12,763

* First year of tax was 2008

** Includes general , special revenues, debt service ,capital service funds, library and hal holmes trusts

***Transit Tax first year collected 2016

CITY OF ELLENSBURG
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

	2007	2008	2009	2010	**2011	2012	2013	2014	2015	2016
General fund										
Reserved	22	23	23	-	-	-	-	-	-	-
Unreserved	1,267	1,453	2,303	3,077	-	-	-	-	-	-
Total General Fund	1,290	1,476	2,326	3,077	-	-	-	-	-	-
All other Governmental Funds										
Reserved	26	778	710	5,497	-	-	-	-	-	-
Unreserved, reported in:										
Special Revenue Funds	2,937	2,694	3,079	1,058	-	-	-	-	-	-
Capital Project Funds	451	-	-	-	-	-	-	-	-	-
Debt Service Funds	172	-	-	-	-	-	-	-	-	-
Permanent	625	617	703	-	-	-	-	-	-	-
General fund										
Nonspendable										
Restricted										
Committed										
Assigned					60	62	166	281	235	22
Unassigned					4,010	371	795	910	2,869	3,936
Total General Funds					4,070	433	961	1,191	3,104	3,958
All other Governmental Funds										
Nonspendable					33	37	44	36	41	41
Restricted					3,085	2,487	3,089	3,502	3,884	4,349
Committed					294	315	213	156	123	150
Assigned					2,072	1,777	1,734	2,518	2,049	2,279
Unassigned					-	-	-	-	-	-
Total all other governmental funds	4,211	4,089	4,492	6,555	5,485	4,616	5,080	6,212	6,097	6,818
Total Governmental Funds	\$ 5,500	\$ 5,565	\$ 6,818	\$ 9,632	\$ 9,555	\$ 5,049	\$ 6,041	\$ 7,404	\$ 9,201	\$ 10,776

** The formatting and assignment of Fund balance changed in 2011 due to the implementation of GASB 54

CITY OF ELLENSBURG
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

	Fiscal Year									
Revenues	2007*	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental										
Taxes	\$8,735	\$9,571	\$9,704	\$9,532	\$10,612	\$10,303	\$10,613	\$10,958	\$11,760	\$12,663
Licenses and Permits	827	907	507	490	323	341	672	494	425	883
Intergovernmental	1,635	3,074	1,692	1,514	3,764	2,779	1,966	1,644	2,477	2,107
Charges for Services	3,057	3,038	3,090	3,521	3,517	3,509	4,125	4,222	3,896	4,216
Fines and Forfeits	119	96	101	230	111	100	158	338	292	283
Investment earnings										68
Miscellaneous	589	184	530	310	245	787	374			299
Total Governmental	\$14,962	\$16,870	\$15,624	\$15,597	\$18,571	\$17,819	\$17,908	\$17,656	\$18,850	\$20,519
Expenditures										
Governmental										
General Government	\$2,386	\$2,634	\$2,778	\$2,833	\$2,592	\$2,615	\$3,714	\$3,621	\$3,767	\$4,016
Security of Person & Property	5,152	4,384	4,426	4,470	4,757	4,956	4,665	4,849	4,748	5,044
Utilities	844	932	976	1,003	982	1,036	0	0	0	
Transportation	1,046	1,072	1,101	1,889	1,785	2,558	2,038	2,425	2,419	3,445
Natural and Economic	890	861	790	963	1,076	1,230	1,959	1,826	1,802	1,931
Social Services	0	0	17	6	6	6	196	199	205	193
Culture and Recreation	2,383	2,721	2,561	2,629	2,635	2,862	2,833	2,900	3,175	3,303
Debt Service- Principal	765	724	694	938	508	4,270	210	1,560	225	240
Debt Service- Interest					397	338	209	223	163	151
Capital outlay and other	721	3,696	1,113	1,189	3,904	3,997	1,373	675	2,109	782
Total Governmental	\$14,187	\$17,024	\$14,457	\$15,920	\$18,641	\$23,867	\$17,196	\$18,277	\$18,613	\$19,104
Excess of revenue over(under) Expenditures	775.50	(154.09)	1,166.69	(322.94)	(69.97)	(6,048.05)	711.63	(274.77)	542.12	1,414.94
Other Financing Sources										
Bond Issued Proceeds	\$ -	\$ -	\$ -	\$ 2,935						
Bond Premiums	-	-	-	100	-	-	-			
Disposition of capital assets	0.97	209	16	7	-	1,323	-	-	1,135	1
Transfer In	3,881.76	4,237	3,317	3,724	4,136	3,437	1,884	2,201	1,750	2,444
Transfer Out	(3,221.46)	(4,187)	(3,247)	(3,628)	(4,141)	(3,217)	(1,604)	(350)	(1,630)	(2,354)
Other	-	-	-	-	-	-	-	-	-	200
Total other financing Sources	-	-	-	-	-	-	-	-	-	291
Net Change in Fund Balance	661	259	86	3,139	(6)	1,543	280	1,850	1,255	1,706
\$ 1,437	\$ 105	\$ 1,253	\$ 2,816	\$ (76)	\$ (4,505)	\$ 992	\$ 1,575	\$ 1,797	\$ 3,121	
Debt Service as a percentage of noncapital expenditures	5.68%	5.43%	5.20%	6.37%	3.55%	21.86%	1.34%	8.98%	1.38%	1.32%

CITY OF ELLENSBURG
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities										
Invested in Capital Assets, net of related debt*	\$39,707	\$40,825	\$42,245	\$41,150	\$44,517	\$49,988	\$49,256	\$48,413	\$47,078	45,402
Restricted		801	733	5,497	3,118	2,831	3,133	3,499	3,925	5,163
Unrestricted	5,087	4,446	5,376	1,299	4,949	1,131	1,765	2,613	(1,296)	744
Total Governmental Type Activities Net Assets	44,794	46,072	48,354	47,946	52,584	53,951	54,154	54,524	49,706	51,310
Business Type Activities										
Invested in Capital Assets, net of related debt	24,049	25,900	32,864	32,531	36,907	38,319	38,014	38,634	39,948	41,387
Restricted	4,472	2,807	2,324	5,118	2,211	2,284	1,820	2,014	2,092	2,417
Unrestricted	10,598	12,921	15,086	14,104	16,045	17,603	19,649	21,259	21,143	20,333
Total Business Type Activities Net Assets	39,118	41,628	50,273	51,753	55,163	58,205	59,483	61,908	63,183	64,137
Primary Government										
Invested in Capital Assets, net of related debt	63,756	66,725	75,108	73,681	81,423	88,306	87,271	87,047	87,026	86,790
Restricted	4,472	3,607	3,057	10,615	5,330	5,115	4,953	5,513	6,016	7,580
Unrestricted	15,685	17,367	20,462	15,403	20,994	18,734	21,414	23,872	19,847	21,077
Total Primary Government Net Assets	\$83,912	\$87,699	\$98,627	\$99,699	\$107,748	112,155	113,637	116,432	112,889	115,447

*The City implements the new GASB 34 standards in 2007

**CITY OF ELLENSBURG
SUMMARY OF SALES TAX REVENUE
LAST TEN YEARS
Fiscal Year**

Sales Tax Category	2007	2,008	2009	2010	2011	2012	2013	2014	2015	2016
Retail Trade	1,585,246	1,460,628	1,321,023	1,355,673	1,408,778	1,481,248	1,577,972	1,666,940	1,873,600	2,044,395
Accommodation and Food Svcs	422,039	417,623	448,437	465,611	472,250	492,905	520,154	540,628	586,141	645,328
Construction	472,767	657,229	410,907	316,044	407,154	393,299	332,459	446,724	532,049	581,817
Wholesale Trade	208,774	212,757	199,266	238,256	236,277	227,758	266,433	270,753	265,524	277,570
Educational Service	112,927	124,851	109,838	121,787	116,194	117,323	127,640	116,484	130,991	139,501
Manufacturing	43,723	62,966	62,066	37,718	36,779	49,604	50,061	50,414	53,149	21,182
Information	53,840	53,509	54,550	73,002	78,166	116,016	125,972	133,961	141,349	186,589
Other Services	100,508	95,335	101,697	99,056	101,938	106,240	112,091	116,648	120,906	117,623
others	398,164	333,003	334,761	330,202	349,234	275,948	311,790	297,934	308,865	352,161
Total	3,397,988	3,417,901	3,042,545	3,037,349	3,206,770	3,260,341	3,424,572	3,640,486	4,012,574	4,366,164

Source for years 2007-2015 Tax Tool Category Analysis Report--R03.4 201X01

-Source for years after 2015, Tax Tools reports are no longer available. Reports are generated directly from Dept of Revenue website. Categories are condensed to conform w/ reports submitted City Council.

**CITY OF ELLENSBURG
PROPERTY TAXES LEVIES AND COLLECTIONS****

***LAST TEN FISCAL YEARS
(amounts expressed in thousands)**

FISCAL YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT TAX COLLECTIONS	TOTAL TAX COLLECTION	OUTSTANDING DELINQUENT TAXES	% OF TOTAL TAX COLLECT TO TAX LEVY	% OF Del. OUTST TAX TO TAX LEVY
2007	2,034	1,743	85.7%	255	1,998	36	98.2%	1.8%
2008	2,284	2,027	88.7%	176	2,203	81	96.4%	3.6%
2009	2,366	2,072	87.5%	219	2,291	76	96.8%	3.2%
2010	2,421	2,053	84.8%	257	2,310	111	95.4%	4.6%
2011	2,472	2,177	88.1%	227	2,404	68	97.3%	2.7%
2012	2,545	2,423	95.2%	27	2,450	95	96.3%	3.7%
2013	2,588	2,259	87.3%	236	2,495	93	96.4%	3.6%
2014	2,651	2,221	83.8%	348	2,570	81	96.9%	3.1%
2015	2,717	2,420	89.1%	235	2,655	62	97.7%	2.3%
2016	2,808	2,204	78.5%	552	2,757	52	98.2%	1.8%

** Source Kittitas County Monthly Collection Report

**CITY OF ELLENSBURG- Library Bond Levy (2004-2023)
PROPERTY TAXES LEVIES AND COLLECTIONS**
LAST TEN FISCAL YEARS
(amounts expressed in thousands)**

FISCAL YEAR	TOTAL TAX LEVY	CURRENT TAX COLLECTIONS	PERCENT OF LEVY COLLECTED	DELINQUENT TAX COLLECTIONS	TOTAL TAX COLLECTION	OUTSTANDING DELINQUENT TAXES	% OF TOTAL TAX COLLECT TO TAX LEVY	% OF Del. OUTST TAX TO TAX LEVY
2007	175	137	78.4%	35	172	3	98.2%	2.3%
2008	153	134	87.3%	14	148	5	96.4%	3.6%
2009	162	135	83.6%	21	157	5	96.8%	3.2%
2010	150	134	89.0%	13	147	3	97.7%	2.3%
2011	175	137	78.4%	35	172	3	98.2%	2.3%
2012	153	134	87.3%	14	148	5	96.4%	3.6%
2013	153	134	87.3%	14	148	5	96.4%	3.6%
2014	162	135	83.6%	21	157	5	96.8%	3.2%
2015	150	134	89.0%	13	147	3	97.7%	2.3%
2016	175	137	78.4%	35	172	3	98.2%	2.3%

** Source Kittitas County Monthly Collection Report

CITY OF ELLENSBURG
PROPERTY TAX FUND COMPOSITE REPORT**
LAST TEN YEARS*
(amounts expressed in thousands)

		Real Appraised Value	Personal Appraised Value	Open Space	Senior Exempt Loss	HOH Exempt Loss	Minimum Value Loss	Total Regular value	Total excess Value	New Construction
2007	Local	\$764,143	\$48,665	\$3,785	\$14,335	\$210	\$2	\$794,476	\$785,415	\$42,076
	State	2,077	15,654	0	0	0		17,732	17,732	
	Total	766,221	64,319	3,785	14,335	210	2	812,208	803,147	42,076
2008	Local	1,158,392	49,816	8,774	26,264	686	2	1,172,481	1,161,956	30,230
	State	2,425	19,494	0	0	0		21,919	21,919	
	Total	1,160,817	69,310	8,774	26,264	686	2	1,194,400	1,183,875	30,230
2009	Local	1,184,826	51,466	8,615	22,587	677	2	1,204,411	1,192,228	30,155
	State	3,151	17,936	0	0	0		21,088	21,088	
	Total	1,187,978	69,402	8,615	22,587	677	2	1,225,498	1,213,316	30,155
2010	Local	1,197,934	53,551	9,383	22,924	554	2	1,218,621	1,206,453	16,231
	State	3,734	13,432	0	0	0		17,166	17,166	
	Total	1,201,668	66,982	9,383	22,924	554	2	1,235,787	1,223,619	16,231
2011	Local	1,151,287	48,100	8,462	17,301	344	3	1,173,276	1,161,575	11,854
	State	4,907	11,915	0	0	0		16,822	16,822	
	Total	1,156,195	60,014	8,462	17,301	344	3	1,190,098	1,178,397	11,854
2012	Local	1,156,674	47,517	8,462	14,937	444	4	1,180,344	1,168,540	8,127
	State	4,753	11,126	0	0	0		15,879	15,879	
	Total	1,161,427	58,643	8,462	14,937	444	4	1,196,223	1,184,419	8,127
2013	Local	1,181,472	46,873	7,222	14,029	393	4	1,206,698	1,194,677	17,088
	State	4,447	11,570	0	0	0		16,017	16,017	
	Total	1,185,919	58,443	7,222	14,029	393	4	1,222,714	1,210,694	17,088
2014	Local	1,197,870	48,852	7,160	12,604	294	4	1,226,661	1,216,433	14,837
	State	4,232	13,991	0				18,224	18,224	0
	Total	1,202,102	62,843	7,160	12,604	294	4	1,244,885	1,234,657	14,837
2015	Local	1,229,111	52,453	13,251	15,582	286	4	1,252,441	1,242,511	18,865
	State	4,050	14,064	0	0	0	0	18,113	18,113	0
	Total	1,233,161	66,517	13,251	15,582	286	4	1,270,554	1,260,624	18,865
2016	Local	1,241,105	47,520	12,536	11,613	232	4	1,261,628	1,250,023	14,127
	State	4,009	14,284					18,293	18,293	
	Total	1,245,114	61,804	12,536	11,613	232	4	1,279,920	1,268,316	14,127

**Source: Kittitas County Assessor's office Composite Report

*** The City was not able to get information from the County Assessors office about major components .

**CITY OF ELLENSBURG
DIRECT AND OVERLAPPING PROPERTY TAX RATE
LAST TEN FISCAL YEARS**

	City Direct Rates			Overlapping Rate			Total Direct and Overlapping Rate	
	General Fund	General Obligation Debt Service	Total Direct Rate*	School District # 401	Hospital District # 1	Kittitas Valley Fire and Rescue		Total Overlapping
2007	1.912	0.108	2.020	2.716	0.291	-	3.007	5.027
2008	1.931	0.115	2.046	2.827	3.090	-	5.917	7.963
2009	1.959	0.121	2.080	2.846	0.287	-	3.132	5.212
2010	1.993	0.121	2.113	2.981	0.308	-	3.289	5.403
2011	2.138	0.126	2.264	3.782	0.304	-	4.086	6.349
2012	2.163	0.129	2.292	4.099	0.304	-	4.403	6.695
2013	2.168	0.134	2.302	4.220	0.342	-	4.562	6.864
2014	2.183	0.122	2.305	4.582	0.350	1.687	6.619	8.924
2015	2.210	0.139	2.349	5.248	0.364	1.683	7.295	9.644
2016	2.231	0.138	2.369	5.698	0.380	1.681	7.760	10.129

Source Kittitas County Assessors office

*Tax rates are per \$1000 of assessed value

CITY OF ELLENSBURG, WASHINGTON
PRINCIPAL PROPERTY TAXPAYERS
As of December 31, 2016
(amount expressed in thousands)

TAX PAYER	TYPE OF BUSINESS	ASSESSED VALUE	PERCENT OF TOTAL ASSESSED VALUE \$1,279,920,253	RANK
Fred Meyer Stores Inc	Retail	15,265	1.19%	1
Ellensburg Evergreen Spe LLC	Multi Residential House	14,429	1.13%	2
The Meadows Ellensburg LLC	Multi Residential House	12,889	1.01%	3
Timothy Park LLC	Multi Residential House	11,910	0.93%	4
Greenbaum Family Limited Partnership	Multi Residential House	11,320	0.88%	5
Ellensburg Telephone Company	Telephone Company	10,697	0.84%	6
Twin City Foods INC	Food Processing	9,991	0.78%	7
Pautzke Bait CO INC	Fish Bait Processing	9,420	0.74%	8
Riexinger, Keith & Tamra	Residential House	8,790	0.69%	9
University Court Apts LLC	Multi Residential House	7,582	0.59%	10
Total		112,293	8.78%	

**Source: Kittitas County Assessor Report 'Top 10 Property Owners By Fund'

** Historical data for 2000 is not readily available from the County

**CITY OF ELLENSBURG
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2016
(amount expressed in thousands)**

GOVERNMENTAL UNIT	OUTSTANDING DEBT*	ESTIMATED PERCENTAGE APPLICABLE*	valuation amount	City valuation	ESTIMATED SHARE OF OVERLAPPING DEBT
Kittitas County	\$10,947	21%	6104189818	1268315853	\$2,275
Ellensburg School District NO. 401	41,255	56%	2266713028	1268315853	23,084
Hospital Distict NO. 1	4,164	35%	3602094390	1268315853	1,466
Kittttias County Fire and Rescue	5,708	50%	2555680416	1268315853	2,833
					<u>29,658</u>
City of Ellensburg Direct Debt					<u>3,395</u>
Total Direct and overlapping debt					<u><u>\$33,053</u></u>

* Source Assessed value data used to estimate applicable percentages provided by Kittitas County Assessor and the debt outstanding data provided by each governmental unit, presented net of original issuance discount and premiums

CITY OF ELLENSBURG
OUTSTANDING GENERAL OBLIGATION DEBT TO THE DEBT LIMIT
LAST TEN YEARS
(amounts expressed in thousands)

FISCAL YEARS	*GO DEBT	DEBT LIMIT	GO AS A %OF DEBT LIMIT
2007	7,133	20,305	35.13%
2008	6,770	30,637	22.10%
2009	6,375	30,895	20.63%
2010	8,800	31,022	28.37%
2011	8,300	29,739	27.91%
2012	4,030	29,906	13.48%
2013	3,820	30,568	12.50%
2014	3,570	31,122	11.47%
2015	3,345	31,764	10.53%
2016	3,395	31,998	10.61%

Legal Debt Margin Calculation for fiscal Year 2016

Assessed Value		\$1,279,920,253
Debt Limit	in thousands	31,998
Debt applicable to limit		
General Obligation Bonds		3,395,243
Less amount set aside for repayment of general obligation debt		<u>(115,562)</u>
Total net debt applicable to limit		<u>3,279,681</u>
Legal Debt Margin Calculation for 2016	in thousands	<u><u>\$28,718</u></u>

* presented net of original issuance discount and premiums

City of Ellensburg
Ratio of Net General Obligation Bonded Debt
To Assessed Value and Net General Obligation Bonded Debt per Capita
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	Population*	Assessed Value**	Gross Bonded Debt***	Less Debt Service Fund****	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
A	B	C	D	E	F	G	H
2007	17	812,208	7,133	49	7,084	0.87%	411
2008	17	1,194,400	6,770	299	6,471	0.54%	373
2009	17	1,225,498	6,392	297	6,095	0.50%	354
2010	18	1,235,787	8,808	301	8,507	0.69%	468
2011	18	1,240,862	8,300	397	7,903	0.64%	433
2012	18	1,196,223	4,030	90	3,940	0.33%	216
2013	18	1,222,714	3,820	89	3,731	0.31%	203
2014	19	1,244,885	3,570	99	3,471	0.28%	185
2015	19	1,270,554	3,345	101	3,244	0.26%	171
2016	19	1,279,920	3,395	116	3,280	0.26%	170

* From Washington State Office of Financial Management

** From Kittitas County Assessors Office

*** Amount does not include special assessments and revenue bonds, presented net of original issuance discount and premiums

**** No general obligation bonds are being repaid by Enterprise revenue

G = F/C

H = F/B

CITY OF ELLENSBURG
RATIOS OF OUTSTANDING DEBT BY TYPE
DEBT PER CAPITA
LAST TEN FISCAL YEARS
(amounts expressed in thousands)

FISCAL YEARS	GOVERNMENTAL	BUSINESS TYPE	Total Primary Government	Population	Per Capita	Per Capita Income***	Personal Income	Percentage of Personal Income
	*GO DEBT	**REVENUE BONDS						
A	****B	****C	D	E	F	G	H	I
2007	7,133,026	16,360,000	23,493,026	17,220	1,364.29	30,960	533,131,200	4.41%
2008	6,769,986	17,383,884	24,153,870	17,330	1,393.76	32,139	556,968,870	4.34%
2009	6,391,947	15,010,585	21,402,532	17,230	1,242.17	32,149	553,927,270	3.86%
2010	8,808,474	17,440,000	26,248,474	18,174	1,444.29	32,010	581,749,740	4.51%
2011	8,300,000	14,150,000	22,450,000	18,250	1,230.14	33,031	602,815,750	3.72%
2012	4,030,000	13,580,000	17,610,000	18,320	961.24	35,630	652,741,600	2.70%
2013	3,820,000	14,898,951	18,718,951	18,348	1,020.22	28,029	514,276,092	3.64%
2014	3,570,000	22,289,816	25,859,816	18,774	1,377.43	19,473	365,586,102	7.07%
2015	3,345,000	17,550,310	20,895,310	19,001	1,099.70	25,888	491,897,888	4.25%
2016	3,395,243	18,159,295	21,554,538	19,310	1,116.24	28,930	558,638,300	3.86%

*Includes Public Work Trust Fund Loans

**Includes Water/Sewer Revenue Bonds sold to light Fund. Does not include interfund loans

***Bureau of Economic Analysis - Regional Economic Accounts

**** presented net of original issuance discount and premiums

NA= Information not available at the time of this report

F=D/E

H = E*G

I=D/H

City of Ellensburg
Ratio of Annual Debt Service Expenditures
For General Obligation Bonded Debt
to Total General Governmental Expenditures
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	Total General Governmental Expenditures**	Debt Service Requirements			
		Principal	Interest*	Total	Ratio of Coverage
2007	14,187	325	337	662	5.00%
2008	17,024	350	325	675	4.00%
2009	14,457	365	311	676	5.00%
2010	15,921	510	355	865	5.00%
2011	18,641	500	395	895	5.00%
****2012	23,867	427	338	765	3.00%
2013	17,196	210	168	378	2.00%
2014	18,277	205	161	366	2.00%
2015	18,613	225	154	379	2.00%
2016	19,104	240	151	391	2.00%

* excludes bond issuance and other costs

** Includes general , special revenues, debt service ,capital service funds, library and hal holmes trusts

*** Enterprise funds do not have general obligation bonds

**** Principal amount is large due to the payoff of GO Bonds in 2012

City of Ellensburg
Revenue Bond Coverage
Sewer Revenue Bonds
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	Gross Operating Revenues*	Operating Expenses**	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
2007	2,296	2,005	291	156	67	\$223	1.30
2008	2,602	2,180	422	158	61	\$220	1.92
2009	2,876	2,248	627	164	56	\$220	2.86
2010	3,142	2,399	742	181	126	\$306	2.42
2011	2,933	2,586	347	194	309	\$503	0.69
2012	3,245	2,622	623	199	194	\$393	1.58
2013	3,409	2,575	835	204	180	\$384	2.18
2014	3,417	2,808	609	47	165	\$212	2.87
2015	3,706	2,859	847	132	164	\$296	2.86
2016	3,925	3,248	677	140	154	\$294	2.30

* Excludes investment earnings

** Total operating expense exclusive of depreciation

City of Ellensburg
Revenue Bond Coverage
Water Revenue Bonds
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	Gross Operating Revenues*	Operating Expenses**	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
2007	2,605	2,175	430	129	108	236	2
2008	2,867	2,308	559	137	102	239	2
2009	2,876	2,471	404	141	95	236	2
2010	3,112	2,485	628	199	129	329	2
2011	3,391	2,542	850	176	129	305	3
2012	3,805	2,608	1,197	181	232	413	3
2013	3,874	2,810	1,064	377	275	653	2
2014	3,995	2,827	1,168	382	267	649	2
2015	4,499	2,978	1,522	541	256	797	2
2016	4,577	3,320	1,257	515	222	738	2

* Excludes investment earnings

** Total operating expense exclusive of depreciation

City of Ellensburg
Revenue Bond Coverage
Gas Revenue Bonds
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	Gross Operating Revenues*	Operating Expenses**	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
2003	6,649	5,674	975	80	91	171	6
2004	6,710	6,277	433	85	87	172	3
2005	8,843	8,186	656	90	83	173	4
2006	9,387	8,333	1,055	90	79	169	6
2007	8,877	8,023	854	95	75	170	5
2008	9,519	8,533	986	100	70	170	6
2009	9,633	8,695	938	105	66	171	6
2010	9,393	8,601	791	110	60	170	5
2011	8,482	7,619	863	115	55	170	5
2016	6,374	6,557	(183)	35	17	52	(4)

* Excludes investment earnings

** Total operating expense exclusive of depreciation

*** Gas fund did not have debt from 2012-2015

City of Ellensburg
Revenue Bond Coverage
Light Revenue Bonds
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year	Gross Operating	Operating Expenses**	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
2007	13,347	10,757	2,590	355	278	633	4
2008	12,709	10,556	2,153	375	260	635	3
2009	13,828	12,199	1,628	395	240	635	3
2010	13,103	11,889	1,214	285	300	585	2
2011	12,838	11,227	1,612	300	289	589	3
2012	13,260	12,441	819	190	203	393	2
2013	14,215	12,881	1,334	200	196	396	3
2014	14,416	13,100	1,316	205	188	393	3
2015	15,333	13,296	2,037	300	288	588	3
2016	15,060	15,049	11	320	282	602	0

* Excludes investment earnings

** Total operating expense exclusive of depreciation

**CITY OF ELLENSBURG
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Year	City Population*	Kittitas County Population	Kittitas County Personal Income**	Kittitas County Per Capita Income**	Kittitas County Median Age*	City K-12 School Enrollment***	Kittitas County Percent Unemployment****
2007	17,220	38,384	1,188,368	30,960	33	2,976	4.80
2008	17,330	39,151	1,258,269	32,139	33	3,104	5.80
2009	17,230	39,532	1,270,931	32,149	33	3,030	8.50
2010	18,174	40,915	1,313,666	32,010	33	3,019	8.60
2011	18,250	41,300	1,375,042	33,031	33	3,023	9.60
2012	18,320	41,500	1,484,764	35,630	31	3,019	8.20
2013	18,370	41,900	1,577,653	37,775	31	3,000	8.20
2014	18,440	42,100	1,577,653	37,761	31	4,628	6.92
2015	18,810	42,670	1,605,659	37,761	32	4,675	6.40
2016	19,310	43,710	1,694,280	39,157	33	3,167	6.20

Data Source

*Washington Office of Financial Management - Population Estimates

<http://www.ofm.wa.gov/databook/pdf/53037.pdf>

**Bureau of Economic Analysis - Regional Economic Accounts

*** Office of Superintendent of Public Instructions

****Washington State Employment Security Department - Labor Market & Economic Analysis Branch

<https://fortress.wa.gov/esd/employmentdata/reports-publications/regional-reports/labor-area-summaries>

Na=Not available at time of report

**CITY OF ELLENSBURG
PRINCIPAL EMPLOYERS**

Employer	2003			2015			2016		
	*Employees	Rank	Percentage of Total County Employment	*Employees	Rank	Percentage of Total County Employment	*Employees	Rank	Percentage of Total County Employment
Central Washington University	1,673	1	7.96%	1,759	1	8.37%	1,476	1	7.08%
Ellensburg School District	400	3	1.90%	426	2	2.03%	592	2	2.84%
Kittias Valley Community Hospital	340	2	1.62%	439	3	2.09%	450	3	2.16%
Anderson Hay Grain/Agri	115	7	0.55%	430	4	2.05%	430	4	2.06%
Kittitas County	294	4	1.40%		2	0.00%	282	5	1.62%
Fred Meyer	205	6	0.98%		7	0.00%	260	7	1.25%
City of Ellensburg	442	5	2.10%	265	6	1.52%	229	6	1.32%
Elmview	196	8	0.93%		8	0.00%	176	8	1.01%
Twin City Foods					9		153		
Total County Working Population (2016)				21,005			20,847		
Total County Working Population(2003)				17,400			17,400		

* Source is from the entities above, most recent information

**City of Ellensburg
Miscellaneous Statistics
December 31, 2016**

	2010	2011	2012	2013	2014	2015	2016
Date of Incorporation	November 26, 1883	November 26, 1883	November 26, 1883	November 26, 1883	November 26, 1883	November 26, 1883	November 26, 1883
Form of Government	Council/Manager	Council/Manager	Council/Manager	Council/Manager	Council/Manager	Council/Manager	Council/Manager
Population	17,326	18,174	18,250	18,348	18,440	18,810	19,310
Number of employees (excluding police and fire):							
Union	120	125	128	128	92	93	94
Non-Union	72	43	44	40	29	43	45
Area in square miles	7.00 square miles	7.00 square miles	7.00 square miles	7.00 square miles	7.00 square miles	7.00 square miles	5.88 square miles
City of Ellensburg facilities and services:							
Miles of streets	69	70	70	70	71	80	80
Miles of sidewalks	67,398ft	67,398ft	67,398ft	95.34 miles	96.77 miles	100.32 miles	100.97 miles
Culture and Recreation:							
Parks	18	18	18	18	18	18	18
Park acreage	250	250	250	250	250	250	254
Swimming pools	1	1	1	1	1	1	1
Tennis courts	1	1	1	1	2	2	2
Library	1	1	1	1	1	1	1
Active Library cards	10,924	10,924	11,864	11,445	11,002	12,558	14,024
Annual visitors	155,500	155,500	145,702	151,219	164,598	141,817	129,137
Annual attendance for children's programs	9,074	9,074	10,679	12,567	12,052	13,955	14,103
Annual attendance for adult programs*				4,733	2,430	380	2,293
Annual circulation of materials	216,231	216,231	201,683	210,120	206,964	194,423	163,179
Annual circulation of electronic items							29,823
Public Safety							
Number of Stations	1	1	1	1	1	1	1
Number of FT and PT personnel and officers	38	38	39	37	38	41	41
Number of patrol vehicles	7	6	6	8	8	9	8
Number of Commissioned officers	26	29	29	29	29	29	29
Total Calls for Service (Dispatched)	17,100	17,100	16,162	17,157	17,468	13,773	12,643
Physical arrests	1,708	1,679	1,582	1,499	1,505	1,411	1,645
Traffic violations	5,263	4,709	4,472	5,069	4,716	5,671	6,054
Parking violations	3,333	2,801	2,808	2,671	2,665	2,354	2,279
Gas Distribution System:							
Miles of Gas lines	115	115	115	125	125	128	115
Number of service connections	4,902	4,668	4,627	4,585	4,533	4,673	4,588
CCF's of gas delivered annually	7.3million	9.5 million	9.5 million	7.5 million	7.2 million	6.5 million	6.9 million
Electric Distribution System:							
Miles of service	88	88	88	88	90	97	91
Number of distribution stations	2	2	2	3	3	3	4
Number of service connections	9,343	9,316	9,531	9,324	9,436	9,546	9,540
Water Distribution System:							
Miles of Water Mains	98	98	101	101	101	102	103
Number of service connections	5,597	5,635	5,467	5,571	5,609	5,778	5,868
Number of fire hydrants	794	794	808	817	824	841	850
Daily average consumption in gallons	4.1 mgpd	4.1 mgpd	3.7mgpd	4.2mgpd	4.5mgpd	3.8mgpd	3.6mgpd
Maximum daily capacity of plant in gallons	10.5 mgpd	10.5 mgpd	7.00 mgpd	11.30 mgpd	11.30 mgpd	11.30 mgpd	11.30 mgpd
Sewage System:							
Miles of sanitary sewers	77	77	78	78	78.98	79.43	79.79
Miles of storm sewers	9.7	9.7	37.4	37.4	37.93	50.31	50.26
Number of treatment plants	1mdg	1 mdg	2.8 mgd	2.8 mgd	2.8 mgd	2.8 mgd	1
Number of service connections	4,194	4,451	5,564	5,689	5,720	5,790	5,907
Daily average treatment in gallons	3.5 mgpd	3.5 mgpd	2.8 mgpd	3.03 mgpd	3 mgd	3.1 mgpd	3.8 mgpd
maximum daily capacity of plant in gallons	8 mgpd	8 mgpd	8 mgpd	8 mgpd	8 mgd	8 mgd	8 mgd

* Years 2003-2009 are not available

City of Ellensburg
Full-Time Equivalent City Government Employees by Function/Program
December 31, 2016

Function/Department	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
City Council										
Mayor	1	1	1	1	1	1	1	1	1	1
City Council	6	6	6	6	6	6	6	6	6	6
<i>Total City Council</i>	<i>7</i>	<i>7</i>	<i>7</i>	<i>7</i>	<i>7</i>	<i>7</i>	<i>7</i>	<i>7</i>	<i>7</i>	<i>7</i>
City Manager										
City Manager	1	1	1	1	1	1	1	1	1	1
Executive Assistant	1	1	1	1	1	1	1	1	1	1
Communications Officer	0	0	0	0	0	0	0	0	0	1
Land Use Consultant / Project Manag	0	0	1	1	0	0	0	0	0	0
City Attorney	1	1	1	1	1	1	1	1	1	1
Executive Assistant / Asst. City Clerk	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46	0.46
Human Resources Director	1	1	1	1	1	1	1	1	1	1
Human Resources Specialist	0.75	1	1	1	1	1	1	1	1	1
HR Assistant	0	0	0	0	0	0	0	0	0	0
Civil Service / Chief Examiner	0	0	0	0	0	0	0	0	0	0
On-Call	0	0	0	0.27	0	0	0	0	0	0
<i>Total City Manager</i>	<i>5.21</i>	<i>5.46</i>	<i>6.46</i>	<i>6.73</i>	<i>5.46</i>	<i>5.46</i>	<i>5.46</i>	<i>5.46</i>	<i>5.46</i>	<i>6.46</i>
Financial Services										
Finance Director	1	1	1	1	1	1	1	1	1	1
Budget & Accounting Supervisor	0	0	0	0	0	0	0	0	0	0
Accounting Manager	1	1	1	1	1	1	1	1	1	1
City Clerk	1	1	1	1	1	1	1	1	1	1
Assistant City Clerk	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.54	0.54
Applications Specialist	0	0	0	0	0	0	0	0	0	0
Assistant Treasurer	0	0	0	0	0	0	0	0	0	0
Utility Services Supervisor	1	1	1	1	1	1	1	1	1	1
Accounting Analyst	1	1	1	1	1	1	0	0	0	0
Accountant II	0	0	0	0	0	0	0	0	1	1
Senior Accounting Analyst/Budget Of	0	0	0	0	0	0	1	1	1	1
Administrative Assistant	0	0	0	0	0	0.5	0.5	0.5	0	0
Account Clerk I / RPZ	2	2	2	2	2	2	2	2	2	2
Account Clerk II	1	1	1	1	1	1	2	3	3	3
Accounting Specialist	1	1	2	2	2	2	2	2	2	2
Senior Account Clerk	1	1	0	0	0	0	0	0	0	0
Billing Specialist	1	1	1	1	1	1	1	1	1	1
Data Entry / Billing Clerk	1	1	1	1	1	1	1	0	0	0
Meter Reader	1	1	1.5	1.5	1.5	1	1	1	0.5	0.5
Payroll & Benefits Technician	1	1	1	1	0	0	0	0	0	0
Payroll / Accounting Specialist	1	1	1	1	1	1	1	1	1	1
Senior Utility Account Clerk	1	1	1	1	1	1	0	0	0	0
Senior Meter Reader	1	1	1	1	1	1	1	1	1	1
<i>Total Financial</i>	<i>17.5</i>	<i>17.5</i>	<i>18</i>	<i>18</i>	<i>17</i>	<i>17</i>	<i>17</i>	<i>17</i>	<i>17</i>	<i>17</i>

City of Ellensburg
Full-Time Equivalent City Government Employees by Function/Program
December 31, 2016

Police Department										
Police Chief	1	1	1	1	1	1	1	1	1	1
Police Captain	1	0	2	2	2	2	2	2	2	2
Police Admin. Supervisor	1	1	1	1	1	1	1	1	1	1
Animal Control Supervisor	1	1	1	1	1	1	1	1	1	1
Animal Shelter Aide	0.5	1.5	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Animal Control Officer	1	1.5	2	2	2	2	2	2	2	2
Secretary / Records Clerk	3	3.5	3.45	3.75	3.5	3.75	3.75	3.75	3.75	3.75
Code Enforcement Officer	2	2	2	2	2	2	2	2	2	2
Sergeant	5	5	5	5	4	5	5	5	5	5
Corporal	4	4	4	4	4	4	4	4	4	4
Officer First Class	12	17	7	7	11	13	15	15	15	16
Officer Second Class	0	0	2	5	3	2	0	2	1	1
Officer Third Class	0	0	0	3	2	2	2	0	1	1
Probationary Officer	0	0	8	2	0	0	1	1	1	0
Total Police	31.5	37.5	39.40	39.70	37.40	39.70	40.65	40.65	40.65	40.65

Community Development										
Community Development Director	1	1	1	1	1	1	1	1	1	1
Assistant Building Official	0	0	1	1	0	0	1	1	0	0
Building Official	0	0	0	0	0	0	0	0	1	1
Building Inspector	2	2	2	2	2	2	1	1	1	1
Building Inspector II	1	1	0	0	0	0	0	0	0	0
Building Plans Examiner	0	0	0	0	0	0	0	0	0	0
Planning Supervisor	0	0	1	1	1	1	1	1	1	0
Associate Planner	1	1	0	0	0	0	0	0	1	1
Community Development Admin Sec	0	0	0	0	0	0	0	0	0	0
Planner	0	0	1	1	1	1	0	0	0	0
Planning/Permit Technician	2	2	2	2	2	2	2	2	1	1
Secretary	0	0	0	0	0	0	0	0	0	0
Senior Planner	1	1	0	0	0	0	1	1	2	3
Total Community Development	8	8	8	8	7	7	7	7	8	8

City of Ellensburg
Full-Time Equivalent City Government Employees by Function/Program
December 31, 2016

Engineering / Public Works										
Public Works Director	1	1	1	1	1	1	1	1	1	1
Assistant Public Works Director	1	1	1	1	1	1	1	1	1	1
Assistant City Engineer	0	0	0	0	1	1	1	1	1	1
City Engineer	1	1	1	1	1	1	1	1	1	1
Civil Engineer	1	1	1	1	0	0	0	2	2	2
Operations Analyst	2	2	2	2	2	2	2	2	2	2
Public Transit Manager			0	0	0	0	0	0	0	0
Stormwater Utility Manager	0	0	0	1	1	1	1	1	1	1
Engineering Aide	1	1	1	1	1	1	1	0	0	0
Engineering Technician I	1	1	1	1	1	1	1	2	2	1
Engineering Technician II	0	0	1	1	1	1	1	0	0	0
Engineering Technician III (Arborist)	1	1	1	1	1	1	1	1	1	1
Development Coordinator	0	0	0	0	0	0	0	0	0	1
PW Administrative Secretary	1	1	1	1	1	1	1	1	1	1
Temporary Labor- Engineering	0	0	0.25	0.32	0	0	0	0	0	0
Street Foreperson	1	1	1	1	1	1	1	1	1	1
Water Foreperson	1	1	1	1	1	1	1	1	1	1
Sewer Foreperson	1	1	1	1	1	1	1	1	1	1
Shop Foreperson	1	1	1	1	1	1	1	1	1	1
Heavy Equipment Operator- Street	5	5	5	5	5	5	5	5	5	5
Temporary Laborers- Street	1.92	1.92	1.92	1.92	1.92	1.92	1.92	1.92	1.92	1.92
Cross Connection Control Specialist	1	1	1	1	1	1	1	1	1	1
Senior Pipeman- Water	4	4	4	4	4	4	4	4	4	4
Plant Maintenance Tech- Water	1	1	1	1	1	1	1	1	1	1
Temporary Laborer- Water	1	1	1.42	1.42	1.5	1.5	1.5	1.5	1.5	1.5
Plant Maintenance Tech- Sewer	1	1	1	1	1	1	1	1	1	1
Lab-Tech Operator	1.5	1.5	1	1	1	1	1	1	1	1
Treatment Plant Operator	4	4	5	5	5	5	5	5	5	5
Collection Serviceman	2	2	2	2	2	2	2	2	2	2
Temporary Laborers- Sewer	0.59	0.59	0.7	0.84	0.58	0.58	0.58	0.58	0.58	0.58
Equipment Mechanic	2	2	2	2	2	2	2	2	2	2
Sr. Mechanic	0	0	0	0	0	0	0	0	0	0
Plant Maintenance- Shop	1	1	1	1	1	1	1	1	1	1
Warehouseperson	1	1	1	1	1	1	1	1	1	1
Temporary Student Laborer- Shop	0.4	0.4	0.58	0.58	0.58	0.58	0.58	0.58	0.59	0.59
Temporary Laborer- Stormwater	0	0	0	0	0	0	1.17	1.17	1.16	1.16
Total Engineering / Public Works	41.41	41.41	43.87	45.1	44.6	44.6	45.8	46.8	46.8	46.8

City of Ellensburg
Full-Time Equivalent City Government Employees by Function/Program
December 31, 2016

Parks and Recreation										
Parks and Recreation Director	1	1	1	1	1	1	1	1	1	1
Aquatic and Recreation Supervisor	1	1	1	1	1	1	1	1	1	1
ERRC Coordinator	1	1	1	1	1	1	1	1	1	1
Recreation Aide- ERRC	1.8	1.8	1.24	1.24	1.24	1.24	1.24	1.24	1.24	1.24
Pool Administrative Secretary	1	1	1	1	1	1	1	1	1	1
Rac & Rec Center Assistant Coordin	0	0	0	0	0	0	0	0	0	0
Senior Services Coordinator	1	1	1	1	1	1	1	1	1	1
Youth Center and Athletic Program C	1	1	1	1	1	1	1	1	1	1
Senior Van Driver	0.45	0.45	0.45	0.45	0	0.45	0.45	0.45	0.45	0.45
Aquatic / Recreation Leader	0.85	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14	0.14
Lifeguard	8.88	5.96	5.96	5.12	5.96	4.87	4.87	4.87	4.87	4.87
Instructor	0	2.03	2.03	2.03	2.03	2.03	2.03	2.03	2.03	2.03
Recreation Aide	0	0.75	0.75	0.75	0.75	0	0	0	0	0
Custodian	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58	0.58
Recreation Leader	0	0.83	1.36	1.36	0.7	0.62	0.62	0.62	0.62	0.62
Sports Officials I-V						1.43	1.43	1.43	1.43	1.43
Recreation Leader- Tiny Tots						0.1	0.1	0.1	0.1	0.1
SBYC Recreation Leader						0.4	0.4	0.4	0.4	0.4
Park Attendants	0.53	0.53	0	0	0	0	0	0	0	0
Parks Foreman	1	1	1	1	1	1	1	1	1	1
Park Maintenance Technician	3	3	3	3	2	3	3	3	4	4
Temporary Laborers- Parks	1.67	1.67	2.53	2.53	2.53	2.53	2.53	2.53	3.17	3.17
Total Parks & Recreation	24.8	24.7	25	24.2	22.9	24.4	24.4	24.4	26	26
Library										
Library Director	1	1	1	1	1	1	1	1	1	1
Librarian	1	1	1	1	1	1	1	1	1	1
Hal Holmes Office Assistant	0.4	0.4	0.45	0	0	0	0	0	0	0
Hal Holmes Facility Assistant	0	0	0	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Hal Holmes Office Manager	1	1	1	0	0	0	0	0	0	0
Library Administrative Assistant	0	0	0	1	1	1	1	1	1	1
Library Aide	0.8	0.8	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4
Library Associate	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Library Assistant	2.7	2.7	3.15	3.15	3.15	3.15	3.15	3.15	3.15	3.15
Library Specialist	0.75	0.75	0.75	0	0	0	0	0	0	0
Office Specialist	0.75	0.75	0.45	0.75	0.75	0.75	0.75	0.75	0.75	0.75
Total Library	11.9	11.9	11.7	11.7	11.7	11.7	11.7	11.7	11.7	11.7

City of Ellensburg
Full-Time Equivalent City Government Employees by Function/Program
December 31, 2016

Energy Services / IT										
Energy Services Director	1	1	1	1	1	1	1	1	1	1
Special Projects Manager	0	0	0	0	0	0	0.25	0	0	0
Electrical Engineer	1	1	1	1	1	1	1	1	1	1
Energy Services Resource Manager	1	1	1	1	1	1	1	0	0	0
Executive Assistant- Energy Services	1	1	1	1	1	1	1	1	0	0
Operations Analyst	0	0	0	0	0	0	0	0	1	1
Field Engineer	0.75	0.75	0.75	0	0	0	0	0	0	0
Gas Engineer	1	1	1	1	1	1	1	1	1	1
IT Manager	0	0	0	0	0	0	0	1	0	0
IT and Telecommunications Manager	0	0	0	0	0	0	0	0	1	1
IT Systems Administrator	0	0	1	1	1	1	1	1	2	2
Network / Desktop Analyst	2	2	1	1	1	1	1	0	0	0
Operations Supervisor- Gas	1	1	1	1	1	1	1	1	1	0
Engineering and Operations Manager - Gas	0	0	0	0	0	0	0	0	0	1
Operations Supervisor- Electric	1	1	1	1	1	1	1	1	1	1
Project Engineer	0	0	0	0	0	0	0	1	1	1
Rate Analyst	1	1	1	1	1	1	1	0	1	1
Power and Gas Manager	0	0	0	0	0	0	0	1	1	1
Energy Specialist	1	1	1	1	1	1	1	1	1	0
Engineering Specialist- Gas	0	0	0	0	0	0	1	1	1	1
Engineering Specialist- Light	0	0	1	1	1	1	1	1	1	1
Engineering Tech- Gas	0.4	0.4	1	1	1	1	0	0	0	0
Engineering Tech- Light	0.6	0.6	0	0	0	0	0	0	0	0
Mapping / CAD Technician	1	1	1	0	0	0	0	0	0	0
Energy Auditor- Gas	0	0	0	0	0	0	0.5	0	0	0
GIS Coordinator	0	0	0	0	0	0	0	0	1	1
GIS Specialist	0	0	1	1	1	1	1	1	1	1
GIS Technician	0	0	0	0	0	0	0	0	1	0
Gas Foreman	1	1	1	1	1	1	1	1	1	1
Gas Journeyman	4	4	5	5	5	5	5	5	5	5
Gas Serviceman	1	1	1	1	1	1	1	1	1	1
Gas Technician	1	1	0	0	0	0	0	0	0	0
Temporary Labor- Gas	0.5	0.5	0.25	0.25	0	0	0	0	0	0
Light Foreman	1	1	1	1	1	1	1	1	1	1
Light Serviceman	1	1	1	1	1	1	1	1	1	1
Lineman	6	4	5.5	5.5	5	5	6	5	5	5
Meterman	2	2	2	2	0	0	0	0	0	0
Groundman	0	1	0	0	0	0	0	0	0	0
Apprentice	0	1	0	0	0	0	0	1	1	1
Temporary Labor- Light	0.5	0.5	0.3	0	0	0	0.25	0	0	0
Total Energy Services	31.75	31.75	32.80	30.75	28.00	28.00	30.00	29.00	33.00	31.00