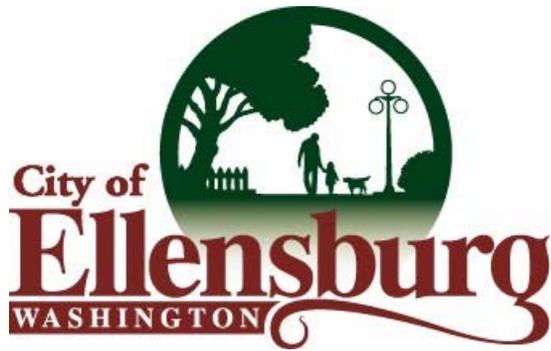


CITY OF ELLENSBURG WASHINGTON



Comprehensive Annual Financial Report
Fiscal Year Ended December 31, 2010

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CITY OF ELLENSBURG
COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT

Finance Director
Ade' Ariwoola, MBA, CGFM

Accounting Manager
Kim Snider

For The Fiscal Year Ended
December 31, 2010

Prepared by the Finance Department

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CITY OF ELLENSBURG, WASHINGTON
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended December 31, 2010

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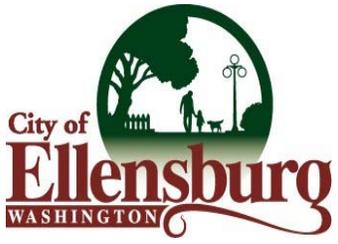
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Introductory Section



501 N. ANDERSON STREET
Ellensburg, WA 98926
(509) 962-7129 Fax (509) 962-7130

June 29, 2011

The Honorable Mayor
and the City Council
City of Ellensburg, Washington:

I am pleased to present the Comprehensive Annual Financial Report of the City of Ellensburg for the fiscal year ended December 31, 2010. This report is published annually as the official annual financial report and complies with State law (RCW 43.09.230) requiring annual reports for Washington municipal governments to be certified and filed with the State Auditor's Office in a timely fashion.

As management for the City, we are responsible for both the accuracy of the data, and the completeness and fairness of the presentation, including all related disclosures. The City operates under a system of accounting internal controls that are concerned with the safeguarding of assets and the reliability of financial records. The definition of accounting control assumes reasonable, but not absolute assurance that the objectives expressed in it will be accomplished by the system. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits expected to be derived.

Cities and counties of the State of Washington use the Budgeting, Accounting and Reporting System (BARS) developed and prescribed by the Office of the State Auditor. State law provides for an annual independent audit to be conducted by the Office of the State Auditor. As a recipient of federal, state, and county financial assistance the City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996, Budget Circular A-133, *Audits of State and Local Governments*, and the March 2006 Compliance Supplement. This audit is conducted by the State Auditor's Office in conjunction with the City's annual independent audit. The results of the City's single annual audit for the fiscal year ended December 31, 2010 provided no deficiencies in the design or operation of internal control over major federal programs.

Generally Accepted Accounting Principles (GAAP) requires that management provide a narrative introduction, overview and analysis to accompany the basic

financial statements in the form of *Management's Discussion and Analysis (MD&A)*. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Ellensburg's MD&A can be found immediately following the independent auditor's report.

Profile of the Government

The City of Ellensburg was incorporated on November 26, 1883. Ellensburg is the largest city in Kittitas County encompassing an area of 6.73 square miles east of Seattle on the Interstate 90. Ellensburg has grown from a population of 14,230 in 1999 to 17,326 in 2010.

Ellensburg is a non-charter code city, operating under Section 35A of the Revised Code of Washington. It has a Council/City Manager form of government. The council is composed of seven councilors elected to four-year terms on a non-partisan ballot and are elected at-large. Members of the City Council are responsible for establishing the general direction and policies for the City and for



providing the resources necessary to carry out those policies. As the City's chief administrator, the City Manager is responsible for carrying out the policy and direction set by the City Council. This includes the enforcement of laws and ordinances, the execution of contracts and agreements, and maintenance of peace and order in the City.

The City of Ellensburg provides a full range of municipal services, including police, library, planning and zoning, street maintenance and construction, parks and recreation, and general administrative services. The City operates enterprise funds for gas, electric, water, wastewater, and storm-water management.

This report includes all funds, agencies, and boards and commissions that are controlled by, or dependent on, the City's executive and legislative departments. Included as part of the reporting entity are the Ellensburg Adult Activity Center and Ellensburg Public Library. Additional information on these entities can be found in the Notes to the Financial Statements.

The City prepares an annual budget on the modified accrual basis in accordance with the Revised Code of Washington (RCW) 35A. Annual budgets must be adopted by the City Council prior to the first of the calendar year. Reviews are

conducted at mid-year and any changes for the second half of the year are adopted by the City Council.

The budget serves as the foundation for the City of Ellensburg's financial planning and control. The budget is prepared by fund and department. A budget increase or decrease to a fund except in General Fund which is by department must be authorized by the City Council. Appropriation changes within a fund may be authorized by the City Manager.

Local Economy

City of Ellensburg is located in the central part of Washington; its major industries include higher education, government, food processing, and agriculture.

The City of Ellensburg is the home to one of the three state regional universities, the Central Washington University. The University has a student population of over ten thousand students and employees' a work force of over 2,000. More than half of the population in the City of Ellensburg revolves around the Central Washington University. With more than 2,000 employees, over 10,000 students, over \$72 million in payroll expenses in 2009, and aggressive capital projects for the next five years, the City's economic condition is affected more by the university than any other items. These 10,000 students and their families fuel the demand on our utility services which in turn supports the utility tax in the General Fund. General fund provides administrative support services to the utility funds and in turn recovers its cost through administrative charges.

Government agencies like Kittitas County, City of Ellensburg, Ellensburg School District, Washington State Department of Natural resources, and Kittitas Valley Community Hospital employed more than 1,200 employees in 2009, making this group the second largest employer in the valley. The City has a vibrant school system with a new high school building and Central Washington University supplying the teachers needed in the school system. Government related employments account for more than 41% of the total employment in the county.



Anderson Hay Grain is a major exporter of hay to Japan and the Middle East with an annual export of over two billion dollars.

Twin City Foods employs more than 500 employees and has the largest cold storage facility in the western states.

Other significant employers in our area include Fred Meyer, Safeway, and Super 1 Foods.

The City structure can't be left out of the discussion when talking about the local economy or the economic resilience of the City of Ellensburg. The City of Ellensburg currently has five full service utilities that serve its citizens. The City of Ellensburg was the first city in the state of Washington with its own electric utility. The City has its own "Electric, Gas, Water, Sewer and Stormwater utilities. This unique structure allows the City to efficiently share resources without creating too much burden on one utility. For example, the accounting, billing, meter reading, employee recruitment (HR), directorship (City Manager), and legally responsible board (Council) are shared among the five utilities and the other city's programs. This creates efficiency and reduced total cost to each utility and other city programs. This also lessens the pressure on other general government programs to cover the general cost that must be covered. The City reviewed its general cost allocation plan in 2009 and made some modifications. The activities of the utilities account for about 63% of the combined 2011 budget of the City of Ellensburg. Charges for services account for over 63% and the tax revenues account for a little over 19% of the total projected city revenues for 2011. Due to its structure the City does not depend on the sales tax revenue as much as most entities, therefore the City of Ellensburg is less vulnerable to the slump in the retail sales. As discussed above the City's major tax revenue is the utility tax. Property tax revenue is also less vulnerable due to the 4-year rotation in assessment.

Despite the slump in the national housing market, the City of Ellensburg housing market has remained less vulnerable either because there was not too much inventory to start with or because the potential sellers can afford to keep the property on the market for a longer period of time.

As of November 2010, the unemployment rate in the area was 8.5% compared to 9.3% for the State of Washington and 10.0% for the country as a whole.

Long-term Financial Planning and Relevant Financial Policies

In line with the City's financial policy to maintain a diversified and stable revenue system, the financial strategy called for increases in utility rates. In December 2009, the Council approved a four year rate increase for Water and Sewer utilities

to provide adequate resources to support the construction of four new wells, and extension of both water and sewer main lines.

The City also continued its three-year funding of Fire Relief and Pension Fund with a portion of property tax to support the fund that pays the retirement money to the former and spouse of former City firefighters before the establishment of State LEOFF retirement program.

In 2011, the Council approved a “Biennial Budgeting” process. This process will help the City in its long term financial plan and priorities. The first biennial budget will be presented to the Council in 2012 for the fiscal year 2013 and 2014.

In its quest for financial stability and credibility, the City Council decided to seek a bond rating from bond rating agency instead of its traditional bond insurance for its general obligation and revenue bonds. The City did the presentation and received “AA” for both its General Obligation Bond and its Water-Sewer Revenue Bond in 2010.

City’s long-term capital needs and potential funding sources are assessed during the 2011 budget process and the 2011 budget was developed with these issues in mind.

Major Initiatives

The City continues its tradition of significant investments in capital facilities needed to provide services to our community now and in future. Construction projects we worked on in 2010 ranged from four new water wells for the City’s water utility to the rehabilitation of the Memorial Pool.



Two successful ongoing community events were featured in 2010, the Ellensburg Rodeo and Jazz in the Valley. The Ellensburg Rodeo is held on first Saturday in September, to celebrate the cowboy and cattle rearing part of our heritage. The event is celebrated in conjunction with the annual County Fair at the Fair Ground. Jazz in the Valley is a music extravaganza of a variety of live jazz music, and family in July of every year.

2011 Major Initiatives

- Construct Dolarway Road between 5th avenue and University Way.
- Continue to prepare and submit CAFR to State Auditor's Office timely.
- Submit CAFR to GFOA for review and certification.
- Continue to submit the City's budget to GFOA for review and certification.
- Upgrade the traffic Signals on Main Street at 5th Avenue and University.
- Install 800 new solid state meters to replace the old mechanical meters in the Light department.
- Reprogram and upgrade the traffic control systems at each signalized intersection to provide for coordinated traffic flow.

2010 Major Accomplishments

- Council adopted a new Critical Areas Ordinance.
- Rebuilt Manitoba Underground 15KV Electrical Main Feeder.
- Received AA credit ratings on the City's GO bonds and Waterworks Revenue bonds.
- Installed nearly 600 new solid state meters replacing old mechanical meters for light customers.
- Installed nearly 1250 ft. of new 6 inch PE main along Sanders Road to complete the 6 inch main loop along the NE portion of the gas system.
- Implemented Geographical Information System in cooperation with county.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Distinguished Budget Presentation Award to the City of Ellensburg for its Annual Budget for the fiscal year beginning January 1, 2010. This was the first year that the City of Ellensburg has achieved this prestigious award. In order to be awarded a Certificate of Distinguished Budget Presentation Award, a government must satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well an entity's budget serves as (a) a policy document, (b) a financial plan, (c) an operations guide, and (d) a communications device. Budget documents must be rated "proficient" in all four categories, and the fourteen mandatory criteria within those categories, to receive the award.

Washington Finance Officers Association (WFOA) awarded a Certificate of Distinguished Budget Presentation Award to the City of Ellensburg for its Annual Budget for the fiscal year beginning January 1, 2010. This was the first year that the City of Ellensburg has received this prestigious award.

Also, the City will be submitting this financial report to Government Finance Officers Association of the United States and Canada for review.

Acknowledgments

The preparation of the Comprehensive Annual Financial Report on a timely basis cannot be accomplished without the efforts and dedication of City staff. I would like to express my appreciation to the staff, including personnel from various departments and agencies who assisted in its preparation. A special note of thanks is given to Kim Snider, Accounting Manager, and Jerica Pascoe, Accounting Analyst who served as the main CAFR preparers and coordinators. Also, I would like to thank the City Council and the City Manager for their continued interest and support in planning and conducting the financial operations of the City in a dedicated and responsible manner. The professional assistance of auditors from the State Auditor's Office is also worthy of mention.

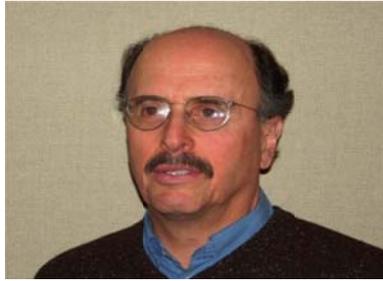
Respectfully submitted,

A handwritten signature in black ink, appearing to read 'A. Ariwoola', with a large, stylized flourish at the end.

Ademola A. Ariwoola, MBA, CGFM
Finance Director

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CITY COUNCIL



Bruce Tabb, Mayor
Term Expires: December 31, 2011



Stan Bassett
Term Expires: 12/31/11



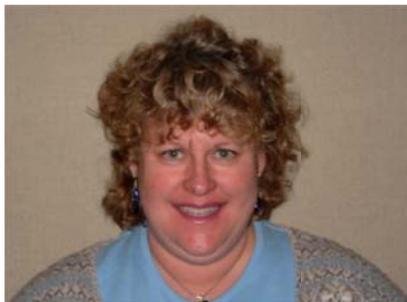
George Bottcher
Term Expires: 12/31/11



Rich Elliott
Term Expires: 12/31/13



Nancy Lillquist
Term Expires: 12/31/13



Fennelle Miller
Term Expires: 12/31/11



Obie O'Brien
Term Expires: 12/31/13

**ADMINISTRATIVE
STAFF**



Jim Pidduck, City Attorney



Ade' Ariwoola, Director of Finance



Brad Case, Director of Parks & Recreation



Ted Barkley, City Manager



Bob Titus, Director of Energy Services



Debby DeSoer, Director of Library



Dale Miller, Police Chief



Mike Smith, Director of Community Development

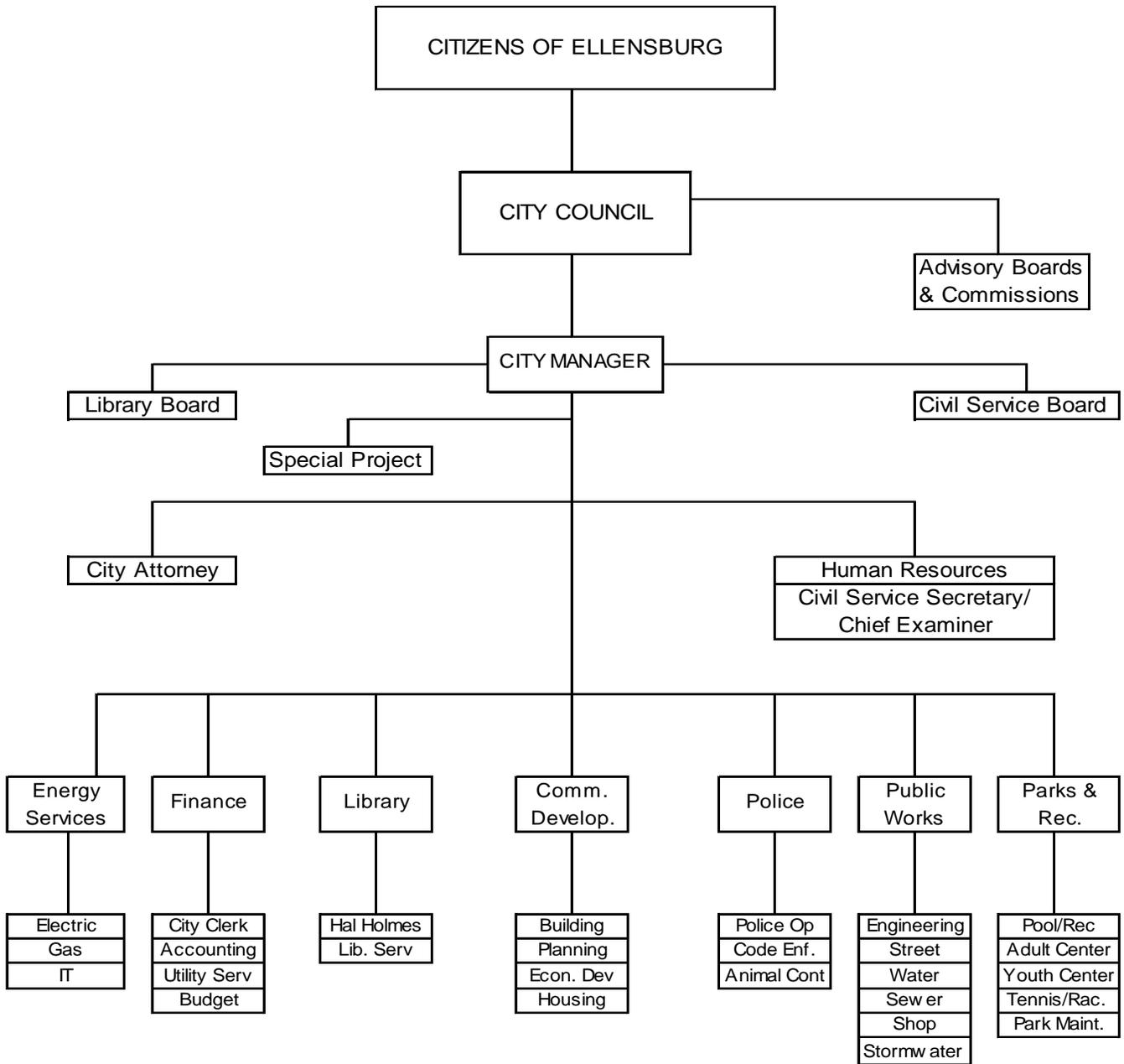


Cindy Smith, Director of Human Resources

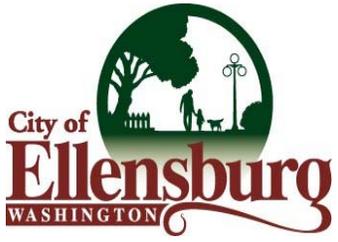


John Akers, Director of Public Works

City of Ellensburg



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Financial Section



**Washington State Auditor
Brian Sonntag**

INDEPENDENT AUDITOR'S REPORT

June 23, 2011

City Council
City of Ellensburg
Ellensburg, Washington

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, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

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, 2010, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund and Sales Tax Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we will also issue our report dated June 23, 2011, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the City's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an

integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 2 through 12 and schedule of funding progress and schedule of employer contributions for the pension trust fund on pages 80 through 81 are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

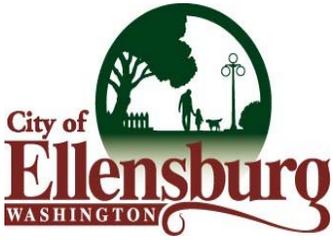
Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying information listed as combining and individual fund statements and schedules and supplemental information on pages 82 through 130 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and, in our opinion, 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 Section and Statistical Section 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 express no opinion on it.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Sonntag". The signature is fluid and cursive, with a large initial "B" and "S".

BRIAN SONNTAG, CGFM
STATE AUDITOR



Management's Discussion & Analysis

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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, 2010. We encourage readers to consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal, which can be found on pages I thru V of this report. All amounts, unless otherwise indicated, are expressed in millions of dollars.

Financial Highlights

The assets of the City of Ellensburg exceeded its liabilities at the close of the most recent fiscal year by \$99.70 million (net assets). Of this amount, \$15.40 million (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors. In addition, restricted net assets of \$10.61 million are dedicated to specific purposes and \$73.68 million is invested in capital assets, net of related debt.

The government's total net assets increased by \$1.07 million. The majority of the increase is attributable to the excess of revenues over expenses in the business-type activities. The City collected \$45.75 million in revenue and spent \$44.67 million in 2010.

As of the close of the current fiscal year, the City of Ellensburg's governmental funds reported a combined ending fund balances of \$9.63 million, an increase of \$2.81 million over the prior year. Approximately \$4.14 million of the \$9.63 million is available for spending at the government's discretion (unreserved, undesignated fund balance).

General Fund generated \$0.75 million of the \$2.81 million increase as a result of the excess revenues over expenditures.

Maintenance Bond Fund, created in 2010 to account for 2010 G.O. Bonds issued for various capital and maintenance projects, ended the year with \$1.78 million in fund balance to be spent in 2011.

At the end of the current fiscal year, unreserved, undesignated fund balance for the General Fund was \$3.07 million or 29 percent of the total General Fund expenditures.

The City of Ellensburg enterprise funds reported a combined ending fund balance of 45.89, an increase of 1.20 million, this is largely due to a newly issued revenue bond for the Water and Sewer fund.

Overview of the Financial Statements

This discussion and analysis provides as an introduction to the City of Ellensburg's basic financial statements which are comprised of four components.

- 1) government-wide financial statements,
- 2) fund financial statements,
- 3) notes to the basic financial statements, and

4) required supplementary information (RSI). In addition, this report also contains other supplementary information.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Ellensburg's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City of Ellensburg's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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 but unused vacation leave).

Both of the government-wide financial statements distinguish functions of 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, and sewer and stormwater collection and treatment.

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 is 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.

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 funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

City of Ellensburg maintains 26 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, Sales Tax Fund and Maintenance Bond Fund which are considered major funds. Data from the other 23 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.

City of Ellensburg adopts an annual appropriated budget for its General Fund, Sales Tax Fund, and Maintenance Bond Fund. This report includes a budgetary comparison statement to demonstrate compliance with these budgets. The basic governmental funds financial statements can be found on pages 21-27 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 I-net, 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 information technology systems, fleet of equipment, and health and benefits. Because all these services predominantly benefit business-type functions rather than governmental functions except health and benefits, 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, ER&R, and Health and Benefits 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 – 79 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 assets may serve over time as a useful indicator of a government’s financial position. In the case of City of Ellensburg, assets exceeded liabilities by \$99.70 million at the close of the 2010 fiscal year. The City’s fiscal condition remains stable and relatively better than last year.

The largest portion of City of Ellensburg’s net assets (73.9%(73.68/99.70)) 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 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 Assets
December 31, 2010
(In Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Assets:						
Current and other assets	\$ 11.62	\$ 7.89	\$ 25.00	\$ 16.67	\$ 36.62	\$ 24.56
Capital assets	47.87	48.65	48.12	47.81	95.99	96.46
Total assets	59.49	56.54	73.12	64.48	132.61	121.02
Liabilities						
Other liabilities	1.14	0.56	2.87	3.07	4.01	3.63
Long-term liabilities	10.41	7.63	18.50	11.14	28.91	18.77
Total liabilities	11.55	8.19	21.37	14.21	32.92	22.40
Net assets						
Investment in capital	41.15	42.24	32.53	32.86	73.68	75.10
Restricted	5.50	0.73	5.12	2.32	10.62	3.05
Unrestricted	1.29	5.38	14.11	15.09	15.40	20.47
Total net assets	\$ 47.94	\$ 48.35	\$ 51.75	\$ 50.27	\$ 99.70	\$ 98.62

An additional portion of the City of Ellensburg's net assets (\$10.61 million) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$15.40 million) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, City of Ellensburg is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

The governmental net assets decreased by \$.41 million during the current fiscal year as a result of the excess expenditures over revenues.

The government's restricted net assets increased by 71% (from \$3.05 million to \$10.61 million), and the unrestricted decreased by 25% (from \$20.47 million to \$15.40 million). The increase in the restricted net assets is due mainly to the issuance of new debt in both the governmental funds and business type funds and also a reclassification of unrestricted net assets to restricted net assets.

Notable changes in the Statement of Net Assets between December 31, 2009 and December 31, 2010 include:

- The Water and Sewer funds continue the major improvements to the infrastructure by drilling three new wells, upgrading the thickener in the treatment plant, and extending the water and sewer main lines in 2010.
- The Water and Sewer funds issued new revenue bonds in the amount of \$7.4 million and refunding bonds in the amount of \$2.2 million.
- The Governmental Funds issued a new G.O. bond in the amount of \$2.9 million.

Governmental and Business-type Activities. Governmental and Business-type activities net assets are as follows for 2010 and 2009:

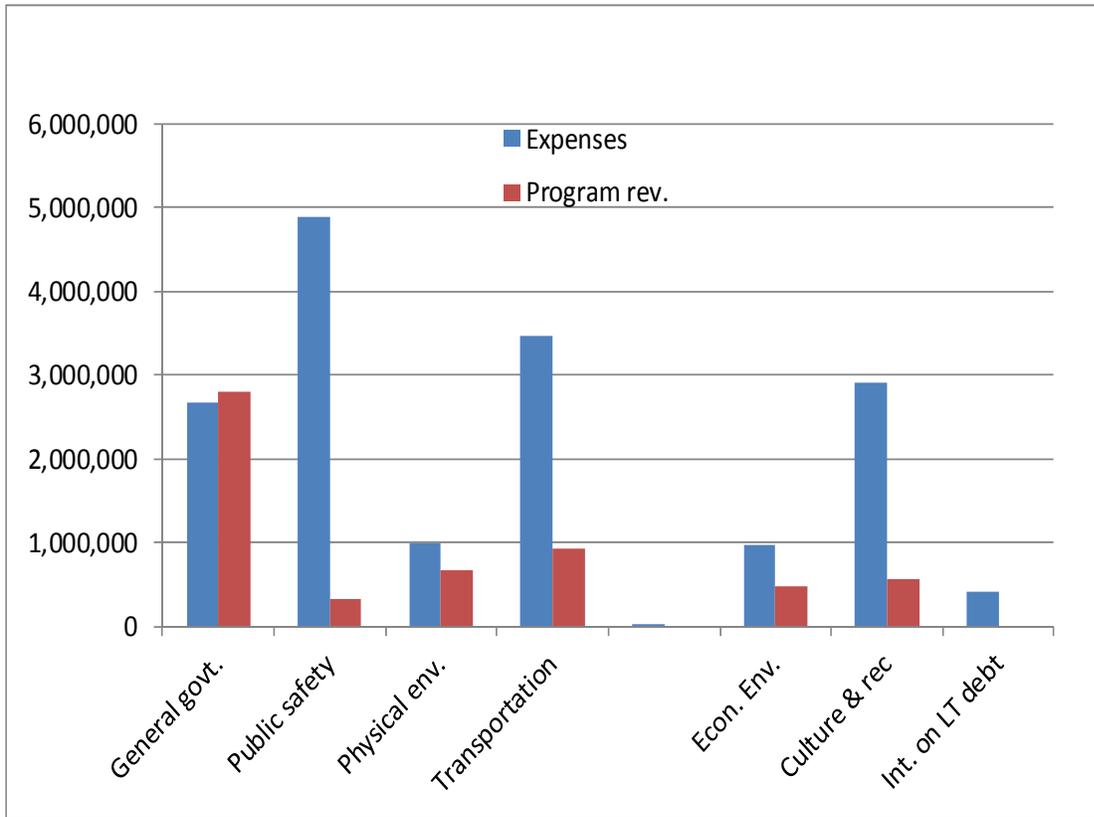
	Governmental Activities		Business-type Activities		Total Primary government	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program revenues						
Charges for services	\$ 4.24	\$ 3.70	\$ 28.95	\$ 29.29	\$ 33.19	\$ 32.99
Operating grants & contributions	1.07	1.05	0.22	0.05	1.29	1.10
Capital grants & contributions	0.45	0.64	0.13	0.91	0.58	1.55
Property taxes	2.30	2.29			2.30	2.29
Sales taxes	4.19	4.52			4.19	4.52
Other taxes	3.09	2.98			3.09	2.98
Investment earning	0.06	0.13	0.18	0.07	0.24	0.19
Other income	0.25	0.40		0.01	0.25	0.41
Total revenues	15.65	15.70	29.48	30.33	45.13	46.03
Expenses:						
General government	2.67	2.87			2.67	2.87
Public safety	4.90	5.28			4.90	5.28
Physical environment	0.99	0.97			0.99	0.97
Transportation	3.48	2.68			3.48	2.68
Health & human services	0.01	0.02			0.01	0.02
Economic environment	0.96	0.79			0.96	0.79
Culture & recreation	2.91	2.85			2.91	2.85
Interest on LT debt	0.41	0.31			0.41	0.31
Utilities			28.35	28.04	28.35	28.04
Others				0.05	-	0.05
Total expenses	16.33	15.76	28.35	28.09	44.68	43.85
Inc(dec) in net assets before transfers	(0.68)	(0.06)	1.13	2.23	0.45	2.18
Special items - gain (loss)	0.18	1.03	0.43		0.61	1.03
Transfers	0.09	0.05	(0.09)	(0.05)	-	
Change in net assets	(0.41)	1.02	1.47	2.19	1.05	3.21
Net assets at Beginning	48.35	46.07	50.27	41.63	98.62	87.70
Prior period adjustments		1.26		6.45		7.71
Net assets at Year End	\$ 47.94	\$ 48.35	\$ 51.75	\$ 50.27	\$ 99.68	\$ 98.62

Governmental Activities

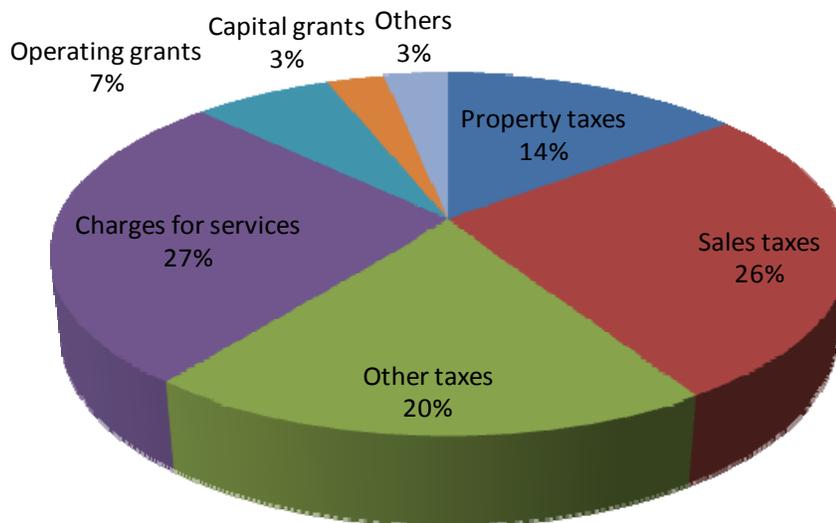
Significant elements of the Change in Net Assets for governmental activities from December 31, 2009 to December 31, 2010 are as follows:

- Capital grants and contributions went down from 1.67 million to .62 million due to less capital construction activity compared to 2009.
- Transportation expenses went up from 2.28 million to 3.48 million because of the extensive work on repairing roads and sidewalks.
- Interest in long term debt increased from .31 million to .41million because of the issuance of new debt for the repairs and maintenance of City property.

2010 Expenses and Program Revenues - Governmental Activities



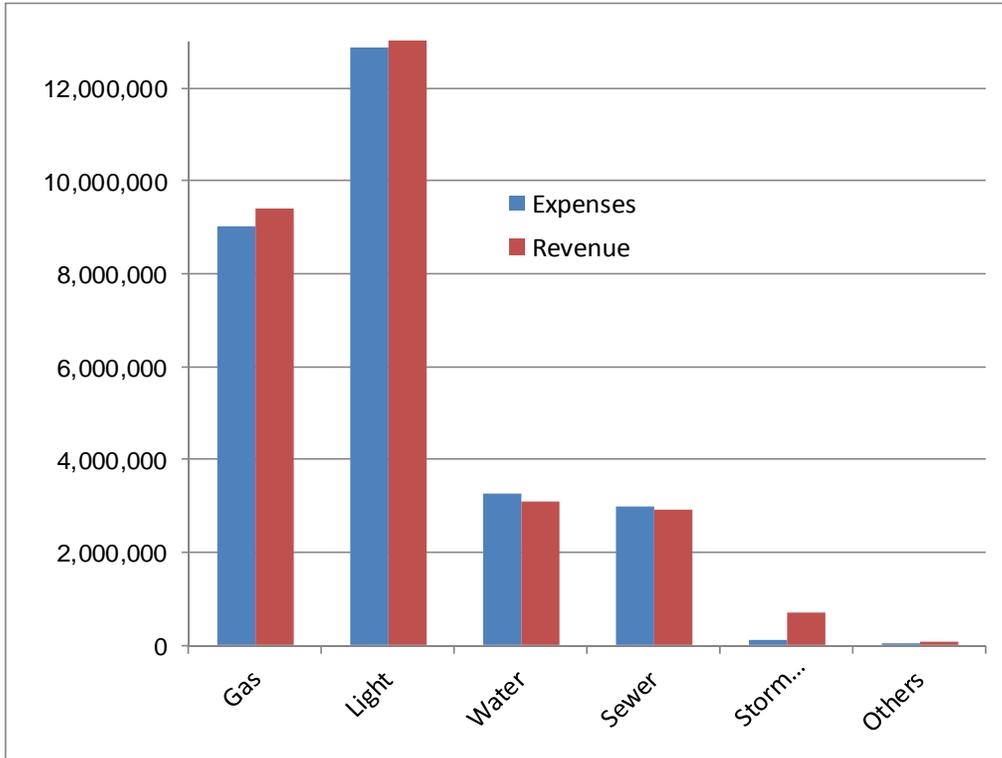
Revenues by Source - Governmental Activities



2010 Revenues by source – Governmental Activities

Business-type activities. The business-type activities increased the City’s net assets by \$1.48 million, accounting for a major part of the total growth in the government’s net assets in 2010.

2010 Expenses and Program Revenues – Business-type Activities



The notable components of the Changes in Net Assets for business-type activities are:

The increase in net assets is due mostly to the addition of a storm water service charge and an increase in capital grant revenue.

Governmental funds

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 3.07 million, all classified as unreserved , undesignated funds. As a measure of the General Fund’s liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved, undesignated fund balance represents 28.86 % (3,077,677/10,661,213) of the total General Fund expenditures.

The Sales Tax Fund balance decreased by \$0.45 million due to the desire of the Council to use it to increase the fund balance in the General Fund.

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 assets of the enterprise funds at the end of the year amounted to \$5.12 million including \$1.87 million in debt service, \$.675 million in rate stabilization and \$2.57 million in construction, unrestricted net assets were \$11.08 million , and the total net assets for all propriety funds were \$52.39 million. Of the \$11.08 million of unrestricted net assets there is \$10.26 million in cash and cash equivalents available for spending at the City’s discretion.

The restricted for construction increased by 1.18 million and the restricted for debt service increased by \$.481 million due to a newly issued bonds, in the amount of \$9.7 million for the water and sewer funds.

General Fund Budgetary Highlights

Actual General Fund revenues were higher than the final budgeted revenues by \$0.18 million during fiscal year 2010. This increase is due to the increase in the building permit revenues. The departments within the General Fund spent less than their final annual budget. The fund collected about \$0.18 million more in revenue and spent about \$.78 million less than the final 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. At the end of the year all of the General Fund departments spent less than their total appropriations.

The following are the significant supplemental appropriations during the year:

General Fund	Original budget	Supplementals	Final budget	Actual
Revenues				
Taxes	\$ 5.28	\$ -	\$ 5.28	\$ 5.23
Licenses & Permits	0.37	-	0.37	0.49
Intergovernmental Revenues	0.47	0.02	0.49	0.62
Charges for Goods & Services	3.11	0.11	3.22	3.20
Fines & Penalties	0.08	-	0.08	0.09
Miscellaneous Revenues	0.20	-	0.20	0.20
Other Financing Sources	1.60	-	1.60	1.60
Total Revenues	11.11	0.13	11.25	11.43
Expenditures				
City General	0.80	0.14	0.94	0.84
Finance	1.51	-	1.51	1.41
City Manager	0.85	0.02	0.87	0.87
Police	3.71	0.02	3.73	3.43
Community Development	0.92	(0.00)	0.92	0.71
Engineering	0.79	-	0.79	0.76
Parks & Rec	1.78	0.03	1.81	1.77
Library	0.88	0.02	0.90	0.89
Total expenditures	(11.24)	(0.22)	(11.46)	(10.68)
Change to fund balance	\$ (0.13)	\$ (0.09)	\$ (0.22)	\$ 0.75

Capital Assets

At the end of the fiscal year 2010, the City of Ellensburg’s investment in capital assets for its governmental activities was \$47.87 million net as reflected in the following schedule.

Change in Capital Assets (millions)

	12/31/2009	Additions	Retirements	12/31/2010
Governmental activities				
Land	\$ 11.41			\$ 11.41
Construction in Progress	0.14	1.08	-	1.21
Infrastructure	53.37	0.07		53.44
Building	10.17	0.01	-	10.17
Non-building improvements	2.51	0.06		2.58
Machinery & Equipment	0.99	0.14	0.03	1.10
Total	78.58	1.35	0.03	79.90
Less Accumulated Depreciation	29.92	2.14	0.03	32.04
Total Capital Assets Net of Depre.	\$ 48.66	\$ (0.79)	\$ 0.00	\$ 47.87

The \$1.08 million increase in construction in progress is mostly from a remodel of the pool not completed and in service until 2011.

At the end of the fiscal year 2010, the City of Ellensburg’s investment of capital assets for its business type activities was 48.12 million net as reflected in the following schedule

Change in Capital Assets (millions)

	12/31/2009	Additions	Retirements	12/31/2010
Business Type activities				
Land	\$ 0.85	\$ 0.20		\$ 1.05
Construction in Progress	0.00	0.17	0.00	0.17
Building	6.87	0.30	-	7.17
Non-building improvements	62.39	1.04		63.43
Machinery & Equipment	18.02	1.09	0.08	19.03
Total	88.13	2.80	0.08	90.85
Less Accumulated Depreciation	40.34	2.48	0.08	42.73
Total Capital Assets Net of Depre.	\$ 47.80	\$ 0.32	\$ 0.00	\$ 48.12

See Note 6B for detail information on Capital Assets.

Long-term Debt

At year-end, the City had \$29.02 million in long-term debt.

Outstanding Debt, at Year-End (millions)

Governmental activities:	2009	Addition	Deletion	2010
Bond Payable	\$ 6.38	\$ 2.93	\$ 0.51	\$ 8.80
Less Deferred Amount	\$ 0.01	\$ 0.10	\$ 0.01	\$ 0.10
Loans	0.02		0.008	0.01
Comp	0.45		0.037	0.41
Leases	-			
OPEB Liability	0.79	0.399		1.19
Interfund Loans	0.07		0.07	0.00
Total	\$ 7.71	\$ 3.43	\$ 0.63	\$ 10.52
Enterprise activities:				
Bond Payable	\$ 10.73	\$ 9.71	\$ 3.00	\$ 17.44
Less Deferred Amount	\$ 0.15	\$ 0.49	\$ 0.04	\$ 0.60
Comp	0.40	0.05		0.45
Interfund Loans	4.28		4.28	-
Total	15.56	10.26	7.32	18.50
Total Debt	\$ 23.27	\$ 13.69	\$ 7.95	\$ 29.02

See Note 9 and 14 for more detail on Long-term debt.

The major changes in long-term debt include the new G.O Maintenance bond in the amount of \$2.9 million, the new Water/Sewer Revenue bond in the amount of \$7.42 million, and the refunding of the 99 Water/Sewer Revenue bond for \$2.29 million. The City also paid off the Water/Sewer Internal Revenue bond in the amount of \$4.28 million in 2010.

The State 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 \$11.78 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 (Notes 9).

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 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.

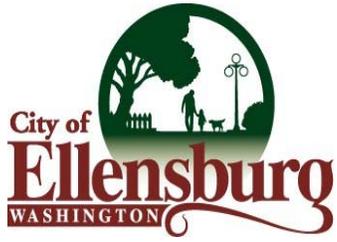
Contacting the City's Finance Department

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

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Basic Financial Statements

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CITY OF ELLENSBURG, WASHINGTON

Statement of Net Assets

December 31, 2010

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 9,191,168	\$ 13,538,348	\$ 22,729,516
Deposits with fiscal agents	617,504	-	617,504
Investments	424	-	424
Receivables(net)	4,608	-	4,608
Property taxes	228,590	-	228,590
Special assessments	-	-	-
Accounts	647,449	4,844,508	5,491,958
Notes/contracts	-	-	-
Others	-	-	-
Long-term receivable from Comp. unit	-	-	-
Internal balances	381,696	(381,697)	(0)
Due from other governments	378,854	295,597	674,451
Prepayments	53,735	-	53,735
Advance to other funds	-	-	-
Inventories	-	1,316,283	1,316,283
Deferred charges	120,376	269,283	389,659
Restricted assets:			
Cash and cash equivalents	-	5,118,238	5,118,238
Deposits with fiscal agents	-	-	-
Investments	-	-	-
Capital assets, net (Note5)			
Land	11,408,135	1,055,100	12,463,235
Infrastructure	27,204,093	-	27,204,093
Buildings	6,073,854	3,681,304	9,755,158
Improvements & other buildings	1,689,142	35,647,767	37,336,909
Machinery & equipment	278,966	7,564,080	7,843,046
Construction in progress	1,218,062	174,309	1,392,371
Total assets	<u>59,496,657</u>	<u>73,123,120</u>	<u>132,619,777</u>
LIABILITIES			
Accounts payable and accrued expenses	954,919	2,269,223	3,224,142
Due to other governments	-	-	-
Other liabilities	80,227	600,531	680,758
Advance from other fund	-	-	-
Revenues collected in advance	-	-	-
Unearned revenue	-	-	-
Due within one year	815,306	1,048,681	1,863,987
Non current liabilities (Note 8):			
Due in more than one year	9,700,317	17,451,332	27,151,649
Total liabilities	<u>11,550,770</u>	<u>21,369,766</u>	<u>32,920,536</u>
NET ASSETS			
Invested in capital assets, net of related debt	41,150,439	32,530,730	73,681,169
Restricted:			
Prepayment/inventory	30,910	-	30,910
Rate stabilization	-	675,782	675,782
Capital projects	2,116,034	-	2,116,034
Construction	-	2,572,031	2,572,031
Debt service	421,823	1,870,426	2,292,248
Transportation	1,327,936	-	1,327,936
Public Safety	275,295	-	275,295
Economic Environment	495,575	-	495,575
Culture and Recreation	87,692	-	87,692
Permanent	741,445	-	741,445
Unrestricted	1,298,738	14,104,387	15,403,126
Total net assets	<u>\$ 47,945,887</u>	<u>\$ 51,753,356</u>	<u>\$ 99,699,243</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, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities							
General government	2,666,166	\$ 2,443,181	\$ 352,250	\$ -	\$ 129,265	\$ -	\$ 129,265
Judicial services	-	-	-	-	-	-	-
Public safety	4,903,810	242,574	86,472	-	(4,574,764)	-	(4,574,764)
Physical environment	988,079	670,773	-	-	(317,306)	-	(317,306)
Transportation	3,476,827	81,165	393,618	447,273	(2,554,771)	-	(2,554,771)
Health & human services	5,564	-	-	-	(5,564)	-	(5,564)
Economic environment	964,720	435,384	32,998	-	(496,338)	-	(496,338)
Culture & recreation	2,913,936	368,289	201,024	-	(2,344,623)	-	(2,344,623)
Interest on long-term debt	413,100	-	-	-	(413,100)	-	(413,100)
Total governmental Activities	<u>16,332,202</u>	<u>4,241,366</u>	<u>1,066,362</u>	<u>447,273</u>	<u>(10,577,200)</u>	<u>0</u>	<u>(10,577,200)</u>
Business-type Activities							
Deposits	-	-	-	-	-	-	-
I-Net	42,388	30,523	49,477	-	-	37,612	37,612
Storm Water	130,741	558,509	-	130,000	-	557,769	557,769
Gas	9,022,424	9,392,626	-	-	-	370,202	370,202
Light	12,875,310	12,930,054	172,689	-	-	227,434	227,434
Water	3,274,894	3,112,490	-	-	-	(162,404)	(162,404)
Sewer	3,005,581	2,932,834	-	-	-	(72,747)	(72,747)
Total business-type activities	<u>28,351,337</u>	<u>28,957,036</u>	<u>222,166</u>	<u>130,000</u>	<u>-</u>	<u>957,866</u>	<u>957,866</u>
Total Primary Government	<u>\$ 44,683,538</u>	<u>\$ 33,198,403</u>	<u>\$ 1,288,528</u>	<u>\$ 577,273</u>	<u>(10,577,200)</u>	<u>957,866</u>	<u>(9,619,335)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes					2,151,491	-	2,151,491
Property taxes, levied for debt service					147,409	-	147,409
Sales & use taxes					4,193,191	-	4,193,191
Fines & forfeits					-	-	-
Other taxes					3,091,804	-	3,091,804
Grants and contributions (not restricted)					188,220	433,418	621,638
Investment earnings					64,450	175,019	239,469
Miscellaneous					246,628	-	246,628
Disposition of capital assets					-	-	-
Transfers					86,256	(86,256)	(0)
Total general revenues and transfers					<u>10,169,450</u>	<u>522,180</u>	<u>10,691,629</u>
Change in net assets					(407,751)	1,480,046	1,072,295
Net assets - beginning					48,353,638	50,273,310	98,626,948
Prior period adjustments					-	-	-
Net assets - ending					<u>\$ 47,945,887</u>	<u>\$ 51,753,356</u>	<u>\$ 99,699,242</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 Assets
- 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, Sales Tax Fund, Maintenance Bond Fund
- Statement of Fund Net Assets- Proprietary Funds
- Statement of Revenues, Expenses, and Changes in Fund Net Assets- Proprietary Funds
- Statement of Cash Flows- Proprietary Funds
- Statement of Fiduciary Net Assets- Fiduciary Funds
- Statement of Changes in Fiduciary Net Assets- 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.

Sales Tax- Classified as a major fund and used to give support to various government expenditures, such as street maintenance, capital improvement projects, and the general fund. The general sale tax revenue for the City is recorded in this fund.

G.O. Maintenance Bond- Classified as a major fund and used to accounts 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.

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, 2010

	General Fund	Sales Tax	Maint Bond	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 3,036,211	\$ 477,492	\$ 2,028,745	\$ 3,236,742	\$ 8,779,189
Deposits with fiscal agents	71,708	-	-	470,159	541,867
Investments	424	-	-	-	424
Receivables(net)					
Property Taxes	218,814	-	-	9,776	228,590
Special assessments	-	-	-	-	-
Accounts	190,485	244,902	48,150	163,913	647,449
Due from other funds	215,649	-	-	6,021	221,670
Due from other governments	52,900	-	-	325,955	378,854
Prepayments/inventory	22,825	-	-	30,910	53,735
Total assets	\$ 3,809,015	\$ 722,394	\$ 2,076,895	\$ 4,243,475	\$ 10,851,779
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	456,198	-	301,640	157,201	915,039
Due to other funds	2,030	-	-	20,485	22,515
Due to other governments	-	-	-	-	-
Other liabilities	71,708	-	-	-	71,708
Advance from other fund	-	-	-	-	-
Deferred revenue	201,402	-	-	8,644	210,046
Total liabilities	731,338	-	301,640	186,331	1,219,309
Fund balances					
Reserved: Legally segregated for future use					
Transportation	-	-	-	1,327,936	1,327,936
Public Safety	-	-	-	275,295	275,295
Economic Environment	-	-	-	495,575	495,575
Culture and Recreation	-	-	-	87,692	87,692
Capital Projects	-	-	1,775,254	340,779	2,116,034
Debt Service	-	-	-	421,823	421,823
Permanent	-	-	-	741,445	741,445
Reserved: Not available for appropriation	-	-	-	-	-
Prepayments/inventory/petty cash	-	-	-	30,910	30,910
Unreserved					
General fund	3,077,677	-	-	-	3,077,677
Special revenues	-	722,394	-	335,689	1,058,083
Debt services	-	-	-	-	-
Permanent	-	-	-	-	-
Total fund balance	3,077,677	722,394	1,775,254	4,057,144	9,632,469
Total liabilities & fund balances	\$ 3,809,015	\$ 722,394	\$ 2,076,895	\$ 4,243,475	\$ 10,851,778

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

CITY OF ELLENSBURG
Reconciliation of the Governmental Funds Balance Sheet to the
Statement of Net Assets
December 31, 2010

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

Fund balance of governmental funds- Page 21 \$9,632,470

The internal service Health & Benefits Fund is used to charge the cost of health benefits. The assets and liabilities of this fund is included in the governmental activities column on the government-wide statement of net assets. 452,344

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 assets: (Page 17)

Bond payable (page 68)	\$8,800,000
PW loans(page 71)	8,471
OPEB liability	1,185,627
Compensated absences	417,538
Bond Issuance premium (103,988.28) and interest (8,519)	<u>112,507</u>

Net adjustment to reduce fund balance-total of governmental funds to net assets of governmental funds (10,524,143)

The reporting of capital assets net of depreciation for governmental activities are not financial resources and therefore are not reported in the funds. The details of this \$47,872,252 difference is as follows: (Page 17)

Capital Assets (net of depreciation) (See page 52)

Land	\$11,408,135
Infrastructure	27,204,093
Buildings	6,073,854
Improvements	1,689,142
Machinery & Equipment	278,966
Construction in Progress	<u>1,218,062</u>

Net adjustment to increase fund balance-total governmental funds to net assets governmental funds 47,872,252

Other long-term assets are not available to be collected in current period revenues and therefore are deferred in the funds (debt issuance cost \$120,376, deferred property tax \$210,046) (Page 21) 330,422

Internal service funds are used by management to charge the cost of ER & R, management information systems(IT), and health benefits to individual funds. The assets and liabilities of the internal service funds of ER&R and IT are included in business-type activities and the internal service Health and Benefits Fund is included in the governmental activities in the statement of net assets. The net profit for internal service funds were allocated out to different activities based on the percentage of support . 182,542
 (Page 48)

Net Asset of Governmental Activities (page 17) \$47,945,887

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, 2010

	General Fund	Sales Tax	Maint Bond	Other Governmental Funds	Total Governmental Funds
REVENUES:					
Property taxes	\$ 2,102,373	\$ -	\$ -	\$ 144,764	\$ 2,247,136
Retail sales & use taxes	252,424	2,979,989	-	960,777	4,193,191
Other taxes	2,878,908	-	-	212,896	3,091,804
Licenses and permits	487,303	-	-	1,218	488,520
Intergovernmental	622,879	-	-	890,757	1,513,636
Charges for services	3,196,339	-	-	326,294	3,522,633
Fines & forfeits	90,955	-	-	139,258	230,214
Investment earnings	8,986	5,910	1,582	47,272	63,749
Miscellaneous	202,262	-	-	44,363	246,625
Total revenues	9,842,428	2,985,900	1,582	2,767,599	15,597,508
EXPENDITURES:					
Current:					
General government	2,644,964	-	55,528	132,533	2,833,025
Public safety	3,829,429	-	59,741	581,814	4,470,983
Physical environment	972,839	-	-	30,157	1,002,996
Transportation	175,164	-	16,252	1,697,590	1,889,007
Health & human services	5,564	-	-	-	5,564
Economic environment	498,259	-	699	464,200	963,158
Culture & recreation	2,544,489	-	38,200	46,414	2,629,103
Debt service	-	-	-	-	-
Principal	-	-	-	518,474	518,474
Interest and other charges	1,148	-	33,244	385,282	419,674
Capital outlay	-	-	880,436	308,968	1,189,404
Total expenditures	10,671,856	-	1,084,099	4,165,431	15,921,387
Excess(deficiency) of revenues over expenditures	(829,428)	2,985,900	(1,082,518)	(1,397,833)	(323,879)
OTHER FINANCING SOURCES (USES):					
Bond issued Proceeds	-	-	2,935,000	-	2,935,000
Bond Premiums	-	-	100,171	-	100,171
Payment to bond refunding escrow agent	-	-	-	-	-
Disposition of capital assets	-	-	-	6,992	6,992
Transfers in	1,591,770	-	-	2,132,122	3,723,892
Transfers out	(10,369)	(3,436,800)	(177,399)	(2,987)	(3,627,555)
Other adjustments	-	-	-	-	-
Total other financing sources & uses	1,581,401	(3,436,800)	2,857,772	2,136,127	3,138,500
Net change in fund balance	751,973	(450,901)	1,775,254	738,294	2,814,621
Fund balances-beginning	2,325,704	1,173,294	-	3,318,850	6,817,848
Prior period adjustments	-	-	-	-	-
Fund balances-ending	\$ 3,077,677	\$ 722,394	\$ 1,775,254	\$ 4,057,144	\$ 9,632,470

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

CITY OF ELLENSBURG
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds to the
Statement of Activities
For the Year End December 31, 2010

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) \$2,814,621

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.

	1,179,323	
Capital Outlay	(2,143,829)	
Depreciation Expense		(964,506)

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade ins, and donations) is to increase net assets (sold asset (6,992), capital contribution \$188,220). 181,228

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net assets. Also governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The following details the net change in long-term debt as reflected in government-wide reporting.

Debt issued or Incurred:		
Bonds Proceeds	(3,035,171)	
Bond Payments	518,474	
OPEB Liability	(399,261)	
Compensated Balances	37,092	
Amortization of Debt Cost	(3074)	
Debt issuance cost	<u>35,171</u>	
Net effect of Long-term Debt		(2,846,769)

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). 51,764
(\$117,616-\$65,852)

Internal service funds are used by management to charge the cost of certain activities to individual funds. The net revenue is reported with the business-type activities. The net profit for internal service funds were allocated out to different activities based on the percentage of support. 355,911

Change in net assets of governmental activities (page 18) \$ (407,751)

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

City of Ellensburg, Washington

General Fund 001

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ 2,156,625	\$ 2,156,625	\$ 2,102,373	\$ (54,252)
Special assessments	-	-	-	-
Retail sales & use taxes	261,824	261,824	252,424	(9,400)
Other taxes	2,865,939	2,865,939	2,878,908	12,969
Licenses and permits	374,150	374,150	487,303	113,153
Intergovernmental	470,202	493,571	622,879	129,308
Charges for services	3,111,527	3,220,808	3,196,339	(24,469)
Fines & forfeits	79,402	79,402	90,955	11,553
Investment earnings	11,000	11,000	8,986	(2,014)
Miscellaneous	192,140	192,140	202,262	10,122
Total revenues	\$ 9,522,809	\$ 9,655,459	\$ 9,842,428	\$ 186,969
EXPENDITURES:				
Current:				
General government				
City General	463,827	422,092	361,742	60,350
Finance	1,513,672	1,513,672	1,414,700	98,972
Managers	850,438	870,438	866,470	3,968
Library	2,900	2,900	2,051	849
Total General Government	2,830,837	2,809,102	2,644,964	164,138
Security of Person and Property				
City General	225,408	232,542	191,060	41,482
Police	3,487,178	3,510,547	3,231,981	278,566
Community Development	560,165	560,165	406,388	153,777
Total Security of Person and Property	4,272,751	4,303,254	3,829,429	473,825
Utilities and Environment				
City General	750	750	750	-
Police	223,695	223,695	207,210	16,485
Community Development	4,610	4,610	5,874	(1,264)
Engineering	788,288	788,288	759,005	29,283
Total Utilities and Environment	1,017,343	1,017,343	972,839	44,504
Transportation				
City General	13,500	175,164	175,164	-
Total Transportation	13,500	175,164	175,164	-
Economic Environment				
City General	73,188	73,188	69,066	4,122
Community Development	357,257	354,269	301,243	53,026
Parks and Recreation	133,940	137,720	127,950	9,770
Total Economic Environment	564,385	565,177	498,259	66,918
Mental and Physical Health				
City General	5,564	5,564	5,564	-
Total Mental and Physical Health	5,564	5,564	5,564	-
Culture & recreation				
City General	14,728	14,728	16,778	(2,050)
Parks and Recreation	1,640,681	1,657,225	1,637,495	19,730
Library	881,109	896,724	890,216	6,508
Total Culture and Recreation	2,536,518	2,568,677	2,544,489	24,188

Debt Service				-
City General	1,212	910	1,148	(238)
Total Debt Service	<u>1,212</u>	<u>910</u>	<u>1,148</u>	<u>(238)</u>
Capital outlay				-
Total expenditures	<u>11,242,110</u>	<u>11,445,191</u>	<u>10,671,856</u>	<u>773,335</u>
Excess(deficiency) of revenues over expenditures	<u>(1,719,301)</u>	<u>(1,789,732)</u>	<u>(829,428.26)</u>	<u>960,304</u>
OTHER FINANCING SOURCES (USES):				
Bond Issue Proceeds	-	-	-	-
Bond Premiums	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Disposition of capital assets	-	-	-	-
Transfers in	1,591,770	1,591,770	1,591,770	-
Transfers out	-	-	-	-
City General		(2,987)	(2,987)	
Parks and Recreation		(7,382)	(7,382)	
Total other financing sources & uses	<u>1,591,770</u>	<u>1,581,401</u>	<u>1,581,401</u>	<u>-</u>
Net change in fund balance	(127,531)	(208,331)	751,973	960,304
Fund Balance-Beginning	1,000,000	1,000,000	2,325,704	1,325,704
Prior period adjustment				-
Fund balances-ending	<u>\$ 872,469</u>	<u>\$ 791,669</u>	<u>\$ 3,077,677</u>	<u>\$ 2,286,008</u>

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

City of Ellensburg, Washington

Sales Tax Fund 140

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

	Budget		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	2,800,000	2,800,000	2,979,989	179,989
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	4,000	4,000	5,910	1,910
Miscellaneous	-	-	-	-
Total revenues	2,804,000	2,804,000	2,985,900	181,900
EXPENDITURES:				
Current:				
General government	-	-	-	-
Judicial services	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Health & human services	-	-	-	-
Economic environment	-	-	-	-
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess(deficiency) of revenues over expenditures	2,804,000	2,804,000	2,985,900	181,900
OTHER FINANCING SOURCES (USES):				
Bond Issue Proceeds	-	-	-	-
Bond Premiums	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(3,323,600)	(3,536,800)	(3,436,800)	100,000
Other adjustments	-	-	-	-
Total other financing sources & uses	(3,323,600)	(3,536,800)	(3,436,800)	100,000
Net change in fund balance	(519,600)	(732,800)	(450,901)	281,900
Fund balances-beginning	800,000	800,000	1,173,294	373,294
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ 280,400	\$ 67,200	\$ 722,394	\$ 655,194

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

CITY OF ELLENSBURG, WASHINGTON

Statement of Fund Net Assets
 Proprietary Funds
 December 31, 2010

ASSETS	Business-type Activities-Enterprise Funds						Internal Services Funds
	Gas	Electric	Water	Sewer	Other Non-Major Funds	Total	
Current assets:							
Cash and cash equivalents	\$ 1,472,979	\$ 5,184,003	\$ 1,306,302	\$ 1,285,604	\$ 1,015,043	\$ 10,263,931	\$ 3,686,396
Deposits with fiscal agents	-	-	-	-	-	-	75,637
Investments	-	-	-	-	-	-	-
Receivables(net)							
Special assessments	-	-	-	-	-	-	-
Accounts	2,102,380	1,998,237	325,736	351,386	66,050	4,843,789	5,327
Due from other funds	-	84	14,616	5,478	-	20,178	4,994
Due from other governments	-	223,965	7,600	-	60,236	291,801	3,795
Interfund loan receivable	-	-	-	-	-	-	-
Inventories	370,031	717,185	143,155	14,735	-	1,245,106	71,177
Restricted assets:							
Cash and cash equivalents	264,793	1,487,720	1,820,363	1,545,362	-	5,118,238	-
Deposits with fiscal agents	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-
Total current assets	4,210,183	9,611,193	3,617,773	3,202,566	1,141,329	21,783,043	3,847,326
Noncurrent assets:							
Capital assets, net							
Land	124,208	522,266	29,623	32,290	-	708,387	346,711
Buildings	525,940	208,979	506,535	4,730,235	-	5,971,690	1,193,373
Improvements	11,366,051	20,840,446	17,163,570	13,694,558	30,000	63,094,626	338,919
Machinery & equipments	915,811	8,222,774	1,694,923	2,139,053	562,583	13,535,145	5,494,326
Construction In progress	-	-	-	-	174,309	174,309	-
Less accumulated depreciation	(6,277,495)	(15,396,261)	(7,552,325)	(8,406,851)	(562,583)	(38,195,515)	(4,539,410)
Note Receivable	-	-	-	-	-	-	-
Deferred Charges	-	-	54,749	214,535	-	269,283	-
Total noncurrent assets	6,654,516	14,398,204	11,897,075	12,403,820	204,309	45,557,924	2,833,919
Total assets	10,864,698	24,009,397	15,514,848	15,606,386	1,345,638	67,340,968	6,681,246

LIABILITIES							
Current liabilities:							
Accounts payable and accrued expenses	957,842	985,687	152,075	97,318	19,667	2,212,588	96,515
Due to other funds	80,550	87,200	25,144	28,240	3,094	224,228	98
Due to other governments	-	-	-	-	-	-	-
Interfund Loan Payable	-	-	-	-	-	-	-
Other liabilities	4,575	24,057	80,187	26,835	464,876	600,531	-
Due within one year	167,971	384,785	228,149	235,955	1,173	1,018,032	30,649
Total current liabilities	<u>1,210,938</u>	<u>1,481,729</u>	<u>485,554</u>	<u>388,347</u>	<u>488,810</u>	<u>4,055,379</u>	<u>127,261</u>
Non current liabilities:							
Due in more than one year	<u>1,030,683</u>	<u>6,124,188</u>	<u>5,664,587</u>	<u>4,568,980</u>	<u>-</u>	<u>17,388,437</u>	<u>62,894</u>
Total noncurrent liabilities	<u>1,030,683</u>	<u>6,124,188</u>	<u>5,664,587</u>	<u>4,568,980</u>	<u>-</u>	<u>17,388,437</u>	<u>62,894</u>
Total liabilities	<u>2,241,621</u>	<u>7,605,916</u>	<u>6,150,141</u>	<u>4,957,327</u>	<u>488,810</u>	<u>21,443,816</u>	<u>190,156</u>
NET ASSETS							
Invested in capital assets, net of related debt	5,552,449	8,024,725	7,117,231	8,798,097	204,309	29,696,811	2,833,919
Restricted:							
Debt service	264,793	811,938	508,876	284,818	-	1,870,426	-
Rate stabilization	-	675,782	-	-	-	675,782	-
Construction	-	-	1,311,487	1,260,544	-	2,572,031	-
Unrestricted	<u>2,805,836</u>	<u>6,891,036</u>	<u>427,113</u>	<u>305,599</u>	<u>652,519</u>	<u>11,082,102</u>	<u>3,657,170</u>
Total net assets	<u>\$ 8,623,077</u>	<u>\$ 16,403,481</u>	<u>\$ 9,364,707</u>	<u>\$ 10,649,058</u>	<u>\$ 856,828</u>	<u>\$ 45,897,151</u>	<u>\$ 6,491,090</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						5,856,205	
Net Assets of business-type activities						<u>\$ 51,753,356</u>	

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

CITY OF ELLENSBURG, WASHINGTON

Statement of Revenues, Expenses, and Changes in Fund Net Assets

Proprietary Funds

For the Year Ended December 31, 2010

Business-type Activities - Enterprise Funds

	Gas	Electric	Water	Sewer	Other Non-Major Funds	Total	Internal Service Funds
Operating revenues:							
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ 49,477	\$ 49,477	\$ -
Charges for services	9,391,241	12,924,810	3,095,905	2,926,681	589,032	28,927,670	924,720
Miscellaneous	1,384	5,244	16,586	6,152	-	29,367	2,607,640
Total operating revenues	9,392,626	12,930,054	3,112,490	2,932,834	638,509	29,006,513	3,532,360
Operating expenses:							
Operating expenses	7,346,176	9,831,839	1,616,539	1,721,192	166,617	20,682,363	2,041,206
Maintenance	332,016	918,592	415,690	332,802	11,686	2,010,786	566,504
Depreciation	407,263	809,704	510,297	390,556	-	2,117,820	363,753
Taxes	923,031	1,138,524	452,315	345,441	-	2,859,311	-
Total operating expenses	9,008,486	12,698,659	2,994,841	2,789,991	178,303	27,670,281	2,971,464
Operating income	384,140	231,395	117,649	142,842	460,206	1,336,233	560,896
Nonoperating revenue (expenses)							
Intergovernmental revenues	-	172,689	-	-	-	172,689	-
Interest and investment revenue	5,329	146,488	6,543	6,556	1,521	166,436	9,283
Miscellaneous revenue	-	-	-	-	-	-	5,485
Interest expense	(59,728)	(289,078)	(300,352)	(238,704)	-	(887,862)	-
Miscellaneous expense	(1,066)	(1,211)	(1,248)	(843)	-	(4,368)	-
Total nonoperating expenses	(55,466)	28,889	(295,057)	(232,992)	1,521	(553,105)	14,768
Income (loss) before contributions & transfers	328,674	260,284	(177,408)	(90,149)	461,727	783,128	575,664
Capital contributions	-	-	258,064	145,354	160,000	563,418	10,081
Transfers in	-	-	-	-	90,676	90,676	44,705
Transfers out	(2,987)	(99,768)	(2,987)	(2,987)	(122,987)	(231,717)	-
Change in net assets	325,687	160,515	77,669	52,217	589,415	1,205,503	630,450
Total net assets - beginning	8,297,388	16,242,965	9,287,038	10,596,841	267,412	-	5,860,639
Prior period adjustments	-	-	-	-	-	-	-
Total net assets - ending	\$ 8,623,077	\$ 16,403,481	\$ 9,364,707	\$ 10,649,058	\$ 856,828	-	\$ 6,491,090

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

Change in net assets of business-type activities (page 17)

274,543

\$ 1,480,046

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

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CITY OF ELLENSBURG, WASHINGTON

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2010

	Business-type Activities - Enterprise Funds						Internal service Funds
	Gas	Electric	Water	Sewer	Other Non- Major Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers	\$ 8,922,364	\$ 12,096,227	\$ 2,833,075	\$ 2,847,337	\$ 480,709	\$ 27,179,712	\$ 23,847
Receipts for interfund services provided	99,232	501,124	168,020	9,679	35,491	813,546	3,497,167
Payments to suppliers	(6,669,842)	(9,321,689)	(1,023,535)	(859,351)	13,403	(17,861,014)	(1,875,855)
Payment for interfund services used	(804,501)	(1,277,269)	(780,718)	(734,082)	(6,906)	(3,603,476)	(83,715)
Payments to employees	(1,170,227)	(1,536,187)	(663,262)	(805,988)	(43,775)	(4,219,439)	(603,340)
Net cash provided by operating activities	<u>377,026</u>	<u>462,206</u>	<u>533,580</u>	<u>457,595</u>	<u>478,922</u>	<u>2,309,329</u>	<u>958,104</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Non capital grants	-	172,689	-	-	-	172,689	-
Transfer from other funds	-	-	-	-	90,676	90,676	44,704
Transfer to other funds	(2,987)	(99,768)	(2,987)	(2,987)	(122,987)	(231,716)	-
Net cash provided by noncapital activities	<u>(2,987)</u>	<u>72,921</u>	<u>(2,987)</u>	<u>(2,987)</u>	<u>(32,311)</u>	<u>31,649</u>	<u>44,704</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Capital contribution	-	-	258,064	123,434	-	381,498	10,081
Capital grants	-	-	-	-	130,000	130,000	-
Proceeds from sales of assets	-	-	-	-	-	-	(77,015)
Proceeds from interfund loan	-	-	-	-	-	-	-
Proceeds from the bond sale	-	-	5,845,856	4,158,948	-	10,004,804	-
Purchases of capital assets	(444,606)	(292,866)	(518,096)	(655,347)	(174,309)	(2,085,224)	(571,603)
Principal paid on capital debt	(110,000)	(285,000)	(4,250,010)	(2,436,375)	-	(7,081,385)	-
Interest paid on capital debt	(61,476)	(291,239)	(288,671)	(199,389)	-	(840,775)	-
Debt cost on capital debt	-	-	(59,909)	(41,149)	-	(101,058)	-
Net cash from related financing activities	<u>(616,082)</u>	<u>(869,105)</u>	<u>987,234</u>	<u>950,122</u>	<u>(44,309)</u>	<u>407,860</u>	<u>(638,537)</u>
CASH FLOWS FROM INVESTING ACTIVITIES							
Proceeds from sales and maturities of investments	-	4,280,585	-	-	-	4,280,585	-
Purchase of investment	-	-	-	-	-	-	-
Interest and dividends	5,329	146,487	6,542	6,556	1,521	166,435	9,284
Net cash provided by investing activities	<u>5,329</u>	<u>4,427,072</u>	<u>6,542</u>	<u>6,556</u>	<u>1,521</u>	<u>4,447,020</u>	<u>9,284</u>
Net (decrease) in cash and cash equivalents	(236,714)	4,093,094	1,524,369	1,411,286	403,823	7,195,858	373,555
Balances - beginning of the year	1,974,486	2,578,629	1,602,296	1,419,681	611,221	8,186,313	3,388,477
Balances - end of the year	<u>\$ 1,737,772</u>	<u>\$ 6,671,723</u>	<u>\$ 3,126,665</u>	<u>\$ 2,830,967</u>	<u>\$ 1,015,044</u>	<u>\$ 15,382,171</u>	<u>\$ 3,762,032</u>

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

Operating income (loss)	\$ 384,140	\$ 231,395	\$ 117,652	\$ 142,842	\$ 460,206	\$ 1,336,236	560,896
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation expense	407,263	809,704	510,297	390,556	-	2,117,820	363,753
Change in bad debt allowance	-	-	-	-	-	-	-
Change in assets and liabilities:							
Receivables, net	(371,028)	(256,519)	(92,949)	(74,275)	(62,074)	(856,845)	(3,234)
Due from other funds	-	145,541	(10,847)	(1,542)	-	133,152	(4,316)
Due from other governments	-	(221,724)	(7,599)	-	(60,236)	(289,559)	(3,795)
Inventories	(19,748)	(65,808)	(19,151)	532	-	(104,175)	(8,026)
Prepaid	-	-	-	-	-	-	-
Accounts and other payables	(62,453)	(171,628)	(24,311)	(9,170)	136,760	(130,802)	41,466
Due to other funds	8,407	6,624	(3,411)	3,148	3,094	17,862	(909)
Due to other governments	-	-	-	-	-	-	-
Employee benefits	29,398	(5,924)	13,656	1,714	1,172	40,016	12,270
Accrued expenses	1,047	(9,455)	50,243	3,790	-	45,625	-
Deposit with fiscal agents	-	-	-	-	-	-	-
Net cash provided by operating activities	<u>\$ 377,026</u>	<u>\$ 462,206</u>	<u>\$ 533,580</u>	<u>\$ 457,595</u>	<u>\$ 478,922</u>	<u>\$ 2,309,329</u>	<u>\$ 958,105</u>

Noncash Investing, capital, and financing activities:

Borrowing under capital lease	-	-	-	-	-	-	-
Contributions of capital assets	-	-	-	21,920	30,000	-	-
Purchase of equipment on account	-	-	-	-	-	-	-
Increase in fair value of investments	-	-	-	-	-	-	-
Capital asset trade-ins	-	-	-	-	-	-	-

The contribution of capital assets under noncash investing, capital and financing activities is from donated assets
The notes to the financial statements are an integral part of this statement.

City of Ellensburg, Washington

Statement of Fiduciary Net Assets

Fiduciary Funds

December 31, 2010

	<u>Fire Relief and Pension Fund</u>	<u>Agency Fund</u>
ASSETS		
Cash	\$ 177,512	\$ 180,582
Investments	-	-
Receivable, net	-	303
Special assessments	-	586,217
Total Assets	<u>177,512</u>	<u>767,102</u>
LIABILITIES		
Accounts payable	3,972	
Deferred Revenue		586,217
Other liabilities	-	180,885
Total Liabilities	<u>3,972</u>	<u>767,102</u>
NET ASSETS		
Held in trust for pension benefits and other purposes	173,542	-
Total Net Assets	<u>\$ 173,542</u>	<u>\$ -</u>

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

City of Ellensburg, Washington

Statement of Changes in Fiduciary Net Assets

Fiduciary Funds

For the Year Ended December 31, 2010

	<u>Fire Relief and Pension Fund</u>
ADDITIONS	
Contributions:	
Employer	\$ 264,375
State	23,723
Total Contributions	<u>288,098</u>
Investment Earnings	
Interest	3,237
Total investment earnings	<u>3,237</u>
Less investment expenses	
Net investment earnings	<u> </u>
Total Additions	<u>291,336</u>
DEDUCTIONS	
Benefits	152,104
Administrative expenses	2,944
Total Deductions	<u>155,048</u>
Change in net assets	136,288
Net assets-beginning of year	<u>37,254</u>
Net assets-end of year	<u>\$ 173,542</u>

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

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

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City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Ellensburg have been prepared in conformity with the method contained in the Budgeting, Accounting and Reporting System (BARS) manual. The manual is prescribed by the State Auditors Office under the authority of Washington State Law Chapter 43.09.

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 also 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 upon surrendering its charter, operated as a third class city under Washington State laws until June 5, 1991. On that date, the City of Ellensburg became classified as a Noncharter Code City.

The City is a general-purpose government and provides public safety, animal control, street improvement, parks and recreation, library services, planning and zoning, and general administration. In addition, the City owns and operates the following utilities: gas, electric, water, stormwater and wastewater collection and treatment.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organizations; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the City is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the City in that the City approves the budget, levies their taxes, or issues their debt.

Based upon these criteria, the primary government consists solely of the legal entity of the City.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

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 net assets presents the financial position of the governmental and business-type activities of the City at year-end.

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 or services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds even though the latter are excluded from government-wide financial statements. Information for the governmental and enterprise funds is presented using major fund presentation. This format presents individual columns for funds with significant activity. The remaining funds are presented in aggregate in a single column. The fiduciary funds are presented by fund type.

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 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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However,

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

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 revenues items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

General Fund - This fund is the general operating fund of the City. It accounts for all financial resources and transactions except those required to be accounted for in another fund.

Sales Tax Fund - This fund gives support to various government expenditures, such as street maintenance, capital improvement projects, and the General Fund. The general sales tax revenue for the City is recorded in this fund.

G.O. Bond Maintenance Fund – This fund accounts 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.

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 the major part of 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.

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
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

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.

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.

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.

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 and IT 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 - These funds are used to account for the operations of trusts established for employee retirement benefits. They are accounted for in essentially the same manner as proprietary funds because of the need for determining the periodic income of the trust.

Agency Funds - An 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.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government wide and enterprise fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Government Accounting Standard Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

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.

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.

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

D. Budgets and Budgetary Accounting

(1) Scope of Budget

Annual appropriated budgets are adopted 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 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.

Annual 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

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

expenditures. As a management control device, the subsidiary ledgers monitor expenditures for individual functions and activities by object class.

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

(2) Amending the Budget

The City Manager is authorized to transfer budgeted amounts within a department; 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.

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

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 during the fiscal year.

E. Assets, Liabilities and Equities

(1) Cash and Equivalents

It is the City's policy to invest all temporary cash surpluses through a "sweep" account. At December 31, 2010 the treasurer was holding \$2,816,590 in this short-term residual of surplus cash. This amount is classified on the balance sheet as cash and equivalents in various funds. The interest on these investments is prorated to the various funds.

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 4).

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

(2) Temporary Investments - See Note 4.

(3) Receivables

Property Taxes receivable consists of property taxes and related interest and penalties (See Note 5). 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 consist of unbilled special assessments that are liens against the property benefited. As of December 31, 2010, out of \$586,217 special assessments receivable \$8,260 was delinquent principal, \$3,083 was delinquent interest, and \$444 of penalties were delinquent. The Special Assessment is reported in the LID Agency Funds. The City is not committed to these special assessments.

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

Accounts Receivable consists of sales taxes receivable and amounts owed from private individuals or organizations for goods and services rendered including amounts 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 either referred to as “interfund loans receivables/payables” or “advances to/from other funds”. Any residual balances outstanding between the government activities and business-type activities are reported in the government-wide financial statements as “internal balances”. A separate schedule of interfund loan receivable and payable is furnished in Note No. 14.

(5) Inventories

Inventories in governmental funds consist of expendable supplies held for consumption. The cost is recorded as an expense at the time individual inventory items are purchased. The reserve for inventory is equal to the ending amount of inventory to indicate that a

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

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

Restricted assets are assets which are externally restricted by state statute legal or contractual agreement for a specific purpose. The Cities restricted accounts contain resources for construction, debt service, tourism and police operations.

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

Electric Rate Stabilization	\$ 675,782
Cash and Investment - Debt Service	1,870,426
Cash and Investment - Construction	<u>2,572,031</u>
Total Restricted Assets	<u>\$ 5,118,238</u>

(7) Capital Assets and Depreciation - See Note 6.

(8) Other Property and Investments - See Note 4.

(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 Account

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

(11) Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation and sick leave. All vacation and sick pay is accrued at year end in the government-wide, proprietary, and fiduciary fund financial statements. In 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

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

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, 2010 we have 10 employees employed prior to July 1st 1985. They have a total of 8,481 hours accumulated of which 3,353 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.

(12) Other Accrued Liabilities

These accounts consist of accrued wages and accrued employee benefits.

(13) Long-term Debt - See Note 9

(14) Deferred Revenues

This account includes amounts recognized as receivables but not revenues in governmental funds because the revenue recognition criteria have not been met (See Note 1F).

(15) Fund Reserves and Designations - See Note 15

F. Revenues, Expenditures and Expenses

Under the modified accrual basis of accounting:

Charges for services, interest on investments, and rents are generally considered measurable and available when earned in governmental funds.

Taxes and federal or state entitlements or shared revenues that have been collected but not remitted by an intermediary collection agency to the City are considered measurable and available.

Special assessments are considered measurable and available when they become current.

Grants are considered measurable and available to the extent that expenditures have been made. Other intergovernmental revenues are considered measurable and available when earned. Interfund revenues for goods and services are considered measurable and available when earned.

Proceeds from the sale or loss of fixed assets are recognized as other financing sources.

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

All other revenues are either not measurable or considered to be available until collected.

Expenditures are generally recognized when incurred (See Note 1C).

Under the full accrual basis of accounting:

Revenues are recognized when earned, if measurable, and expenses are recognized when incurred, if measurable.

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 Assets.

The governmental funds' balance sheet includes a reconciliation of fund balance – total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. This information can be found on the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets form on page 20.

B. Explanation of Certain Differences between the Proprietary Funds Statement of Net Assets and the Government-Wide Statement of Net Assets.

The proprietary funds' Statement of Net Assets reports a difference in the net asset balance to the Government-wide Statement of Net Assets 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 internal service funds before investment income is \$566,380. This amount was allocated out to different activities based on the percentage of support (63% governmental activities and 37% business type activities). The governmental fund portion was treated as an interactivity payable for the ER&R and IT internal service funds and as an interactivity receivable for the Health and Benefits Fund included in the internal balance on the Government-Wide Statement of Net assets.

Business Type Internal Service Fund Net Assets	\$6,038,746
Internal Service Funds Governmental-Type Activities Portion	182,542
Government-Wide Statement of Net Assets for Business Type	\$5,856,205

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

C. Explanation of Certain Differences Between the Governmental Funds, 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 of net changes in fund balances-total governmental funds to changes in net assets of governmental activities as reported in the government-wide statements 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.

D. Explanation of Certain Differences between the Proprietary Funds, Statement of Revenues, Expenses, and Changes in Fund Net Assets and the Government-Wide Statement of Activities

The proprietary funds' Statement of Revenues, Expenses, and Changes in Fund Net Assets reports a difference in the net asset balance to the Government-wide Statement of Activities 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 internal service funds before investment income is \$566,380 which was allocated out to different activities based on the percentage of support (63% governmental activities and 37% business type activities). A portion of net profit was allocated out to the different activities by a reduction in expenditures on the government-wide statements. The governmental fund portion was treated as an interactivity payable for the ER&R and IT internal service funds and as an interactivity receivable for the Health and Benefits Fund included in the internal balance on the Government-Wide Statement of Net assets.

Proprietary Fund Statement of Revenues, Expenses, and Changes in Net Assets for Internal Service Funds	\$630,450
Internal Service Fund Governmental Type Activities Portion	355,907
Government-Wide Statement of changes in net assets for Internal Service Funds	<hr style="border: 0.5px solid black;"/> <u>\$274,543</u>

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

There have been no material violations of finance-related or contractual provisions.

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

4. DEPOSITS AND INVESTMENTS

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).

Custodial Credit Risk

At December 31, 2010, the bank balance was \$2,886,410 of the bank balance \$250,000 was covered by Federal Depository insurance. The remainder of the bank balance was covered by the State of Washington Public Deposit Protection Commission established by RCW 39.58 that also regulates public 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.

INVESTMENTS

As required by state law, all investments of the City of Ellensburg funds (except as noted below) are obligation of the U.S Government, U.S. Agency issues, obligation 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. All temporary investments are stated at cost. Other property and investments are shown on the statement of net assets at historical cost (other property consists of real estate held for future use).

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

The Hal Holmes Trust Fund had a gain in fair value of investment in the amount of \$39,552. The Hal Holmes Trust Fund is held by a third party, Bank of America.

As of December 31, 2010, the City of Ellensburg had the following investments

Investment Type	Maturities	Fair Value of the City of Ellensburg's own investments	Fair Value of investments held by the City of Ellensburg as an agent for other local governments, individuals, or private organizations	Total
Hal Holmes Trust	various	470,159		470,159
Total		\$ 470,159	\$ -	\$ 470,159

Credit Risk- Safety of principle is the foremost objective of the City. 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 2a-7 like pool, 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 pool is unrated.

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 and the State Investment Pool, 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. The City does not have any other investments other than the Hal Holmes Trust Fund.

Custodial Credit Risk-investments- In the event of the failure of the counter party, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

5. 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.

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

Property taxes are recorded as a receivable when levied, offset by deferred revenue. During the year, property tax revenues are recognized when cash is collected. At year-end, property tax revenues are recognized for collections to be distributed by the county treasurer in January. No allowance for uncollectible taxes is established because delinquent taxes are considered fully collectible.

The City may levy up to \$3.60 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 \$5.55 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 2010 was \$1.959075 per \$1,000 on an assessed valuation of \$1,235,786,858 for a total regular levy of \$2,420,999. In addition, the levy for debt service on a voter approved bond issue was \$0.120952 per \$1,000 on an assessed valuation of \$1,223,618,538 for a total of \$147,999.

6. CAPITAL ASSETS AND DEPRECIATION

A. 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 (obligations under capital leases are disclosed in Note 9C).

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.

The City has acquired certain assets with funding provided by federal financial assistance programs. Depending on the terms of the agreements involved, the federal government

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

could retain an equity interest in these assets. However, the City has sufficient legal interest to accomplish the purposes for which the assets were acquired, and has included such assets within the applicable account group or fund.

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. Equipment is 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 is capital assets that are individual or by system cost of \$50,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market 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.

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

<u>Assets</u>	<u>Years</u>
Building/Improvements	20-45
Road Systems	5-25
Bridges	40
Sidewalks	30
Machinery	10
Police Vehicles	5
Non Police Vehicles	7
Office Equipment	10
Computers and Office Electronics	4
Land Improvements	15

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

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

B. Governmental Activities Capital Assets

Asset	Beginning Balances 1/1/2010	Increase	Decrease	Ending Balance 12/31/2010
Capital assets, not being depreciated				
Land	\$ 11,408,135	\$ -	\$ -	\$ 11,408,135
Construction In progress	138,044	1,087,010	6,992	1,218,062
Total	11,546,179	1,087,010	6,992	12,626,197
Capital assets, being depreciated				
Buildings	10,172,895	5,000	-	10,177,895
Improvements other than building	2,512,213	61,691	-	2,573,904
Machinery & equipment	983,752	144,742	34,820	1,093,674
Infrastructure	53,367,744	69,100	-	53,436,844
Total	67,036,604	280,534	34,820	67,282,318
Less accumulated depreciation for				
Buildings	3,824,157	279,883	-	4,104,040
Improvements other than buildings	726,761	158,001	-	884,762
Machinery & equipment	765,861	83,669	34,820	814,710
Infrastructure	24,610,474	1,622,275	-	26,232,749
Total	29,927,253	2,143,829	34,820	32,036,262
Total capital assets, being depreciated, net	37,109,351	(1,863,295)	-	35,246,056
Total	\$ 48,655,530	\$ (776,285)	\$ 6,992	\$ 47,872,253

- The significant increase in construction in progress is due to the remodel of the City pool which was completed in January of 2011
- The decrease in machinery and equipment is the retirement of a police vehicle in the amount of \$24,000 and a roller in street for \$10,820

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

Governmental Activities	Amount
General Government	\$193,255
Security of Person	\$51,245
Culture and Recreation	\$277,053
Transportation	\$1,622,275
Total	\$2,143,829

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

C. Proprietary Fund Capital Assets

Capital assets of proprietary funds are capitalized in their respective balance sheets. Utility Plant in Service and Depreciation - Utility plant in service is stated substantially at original cost. Additions to utility plant include the cost of contracted services, direct labor, direct material, and indirect charges for overhead items. 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. Depreciation expense is charged to operations using the group concept where every item in the group is assumed to have the life of the group and to be fully depreciated at the time of retirement. Upon sale and/or disposition of property other than land, the difference between the proceeds realized and the book value is charged or credited to accumulated depreciation with no gain or loss shown on the income statement.

Internal Service Fund- Rolling stock and equipment in the Shop are depreciated using the straight-line method with useful lives of 5 to 20 years.

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

Accumulated depreciation and amortization on proprietary fund assets at December 31, 2010 follows:

Business Type Assets	Beginning Balances			Ending Balance 12/31/2010
	1/1/2010	Increase	Decrease	
Capital Assets, not being depreciated				
Land	\$ 850,850	\$ 204,250		\$ 1,055,100
Construction in progress	14,456	174,309	14,456	174,309
Total	865,306	378,559	14,456	1,229,409
Capital Assets, being depreciated				
Building	6,870,048	295,014		7,165,062
Improvements other than building	62,389,711	1,042,650		63,432,361
Machinery & equipment	18,023,670	1,088,604	81,623	19,030,651
Total	87,283,429	2,426,268	81,623	89,628,074
Less accumulated depreciation for				
Building	3,337,197	146,563		3,483,760
Improvements other than building	26,226,768	1,557,826		27,784,594
Machinery & equipment	10,771,885	777,185	82,498	11,466,571
Total	40,335,850	2,481,574	82,498	42,734,925
Total capital assets, being depreciated, net	46,947,579	(55,306)	(875)	46,893,148
Total	\$ 47,812,885	\$ 323,253	\$ 13,581	\$ 48,122,557

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

Internal service funds ER&R and IT predominately serve the enterprise funds. Accordingly, capital assets for them are part of the Business Activities. The increase in construction in progress is due to the start of construction on a levee.

There are no intangible assets to report for 2010 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 2010 either have an indefinite life or was internally generated (i.e. computer software). All intangible asset received in 2010 did not meet the threshold for reporting purposes.

7. PENSION PLANS

Substantially all City full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to: Department of Retirement Systems Communications Unit, P.O. Box 48380, Olympia, WA 98504-8380; or it may be downloaded from the DRS website at www.drs.wa.gov.

The following disclosures are made pursuant to GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers* and No. 50, *Pension Disclosures, an Amendment of GASB Statements No. 25 and No. 27*.

A. Public Employees' Retirement System (PERS) Plans 1, 2, and 3

Plan Description. PERS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a defined benefit plan with a defined contribution component.

Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior courts (other than judges currently in a judicial retirement system); employees of legislative committees; college and technical colleges, college and university employees not participating in national higher education retirement programs; judges of district and municipal courts; and employees of local governments.

PERS members who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 and by either, February 28, 2002 for state and higher education employees, or August 31, 2002 for local government employees, are Plan

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

2 members unless they exercise an option to transfer their membership to Plan 3. PERS members joining the system on or after March 1, 2002 for state and higher education employees, or September 1, 2002 for local government employees have the irrevocable option of choosing membership in either PERS Plan 2 or PERS Plan 3. The option must be exercised within 90 days of employment. An employee is reported in Plan 2 until a choice is made. Employees who fail to choose within 90 days default to PERS Plan 3. Notwithstanding, PERS Plan 2 and Plan 3 members may opt out of plan membership if terminally ill, with less than five years to live.

PERS Plan 1 and Plan 2 defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. PERS retirement benefit provisions are established in Chapters 41.34 and 41.40 RCW and may be amended only by the State Legislature.

PERS Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement after 30 years of service, or at age 60 with five years of service, or at the age of 55 with 25 years of service. The monthly benefit is 2 percent of the average final compensation (AFC) per year of service. (AFC is the monthly average of the 24 consecutive highest-paid service credit months.) The retirement benefit may not exceed 60 percent of AFC. The monthly benefit is subject to a minimum for PERS Plan 1 retirees who have 25 years of service and have been retired 20 years, or who have 20 years of service and have been retired 25 years. Plan 1 members retiring from inactive status prior to the age of 65 may receive actuarially reduced benefits. If a survivor option is chosen, the benefit is further reduced. A cost-of living allowance (COLA) is granted at age 66 based upon years of service times the COLA amount, which is increased 3percent annually. Plan 1 members may also elect to receive an optional COLA that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 provides duty and non-duty disability benefits. Duty disability retirement benefits for disablement prior to the age of 60 consist of a temporary life annuity payable to the age of 60. The allowance amount is \$350 a month, or two-thirds of the monthly AFC, whichever is less. The benefit is reduced by any workers' compensation benefit and is payable as long as the member remains disabled or until the member attains the age of 60. A member with five years of covered employment is eligible for non-duty disability retirement. Prior to the age of 55, the allowance amount is 2 percent of the AFC for each year of service reduced by 2 percent for each year that the member's age is less than 55. The total benefit is limited to 60 percent of the AFC and is actuarially reduced to reflect the choice of a survivor option. A cost-of-living allowance is granted at age 66 based upon years of service times the COLA amount (based on the consumer Price Index), capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

PERS Plan 1 members can receive credit for military service while actively serving in the military, if such credit makes them eligible to retire. Members can also purchase up to 24 months of service credit lost because of an on-the-job injury.

PERS Plan 2 members are vested after completion of five years of eligible service. Plan 2 members are eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is 2 percent of the AFC per year of service. (AFC is the monthly average of the 60 consecutive highest paid months.)

PERS Plan 2 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 reduced benefit. The benefit is reduced by an early retirement factor (ERF) that varies according to age, for each year before age 65.

PERS Plan 2 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 3 percent of each year before 65.
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2 retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3 percent annually.

The surviving spouse or eligible child or children of PERS Plan 2 member who dies after leaving eligible employment having earned ten years of service credit may request a refund of the member's accumulated contributions. Effective July 22, 2007, said refund (adjusted as needed for specified legal reductions) is increased from 100 percent to 200 percent of the accumulated contributions if the member's death occurs in the uniformed service to the United States while participating in *Operation Enduring Freedom* or *Persian Gulf*, *Operation Iraqi Freedom*.

PERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance a defined contribution component. The defined benefit portion provides a monthly benefit that is 1 percent of the AFC per year of service. (The AFC is the monthly average of the 60 consecutive highest-paid service months.)

Effective June 7, 2006, 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 twelve months of that service are earned after age 44; or after five service credit years earned in PERS Plan 2

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

prior to June 1, 2003. Plan 3 members are immediately vested in the defined contribution portion of their plan.

Vested Plan 3 members are for normal retirement at age 65, or they may retire early with the following conditions and benefits:

- If they have at least ten service credit years and are 55 years old, the benefit is reduced by an ERF that varies with age, for each year before age 65.
- If they have 30 service credit years and are at least 55 years old, they have the choice of a benefit that is reduced by 3 percent for each year before age 65; or a benefit with a smaller (or no) reduction factor (depending on age) that imposes stricter return-to-work rules.

PERS Plan 3 defined benefit retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option. There is no cap on years of service credit and Plan 3 provides the same cost-of-living allowance as Plan 2.

PERS Plan 3 defined contribution retirement benefits are solely dependent upon the results of investment activities. The defined contribution portion can be distributed in accordance with an option selected by the member, either as a lump sum or pursuant to other options authorized by the Director of the Department of Retirement Systems.

PERS Plan 2 and Plan 3 provide disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 monthly benefit amount is 2 percent of the AFC per year of service. For Plan 3, the monthly benefit amount is 1 percent of the AFC per year of service.

These disability benefit amounts are actuarially reduced for each year that the member's age is less than 65, and to reflect the choice of a survivor option. There is no cap on years of service credit, and a cost-of-living allowance is granted (based on the Consumer Price Index) capped at 3 percent annually.

PERS Plan 2 and Plan 3 members may have up to ten years of interruptive military service credit; five years at no cost and five years that may be purchased by paying the required contributions. Effective July 24, 2005, a member who becomes totally incapacitated for continued employment while serving the uniformed services, or a surviving spouse or eligible children, may apply for interruptive military service credit. Additionally, PERS Plan 2 and Plan 3 members can also purchase up to 24 months of service credit lost because of an on-the-job injury.

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

PERS members may also purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement and can be used only to provide the member with a monthly annuity that is paid in addition to the member's retirement benefit.

Beneficiaries of PERS Plan 2 or Plan 3 member with ten years of service who is killed in the course of employment receive retirement benefits without actuarial reduction, if the member was not at normal retirement age at death. This provision applies to any member killed in the course of employment, on or after June 10, 2004, if found eligible for the Department of Labor and Industries.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a PERS member who dies in the line of service as a result of injuries sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of said member's covered employment, if found eligible by the Department of Labor and Industries.

There are 1,189 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2009:

Member Status	# of Members
Retirees and Beneficiaries Receiving Benefits	74,857
Terminated Plan Members Entitled To, But Not Yet Receiving Benefits	28,074
Active Plan Members Vested	105,339
Active Plan Members Non-Vested	53,896
Total	262,166

Funding Policy

Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute at 6 percent for state agencies and local government unit employees, and 7.5 percent for state government elected officers. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. All employers are required to contribute at the level established by the Legislature. Under PERS Plan 3, employer contributions finance the defined benefit portion of the plan, and member contributions finance the defined contribution portion. The Director of the Department of Retirement Systems sets Plan 3 employee contribution rates. Six rate options are available ranging from 5 to 15 percent; two of the options are graduated rates dependent on the employee's age. The methods used to determine the contribution requirements are established under state statute in accordance with Chapters 41.40 and 41.45 RCW.

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2010 were as follows:

Entity	PERS 1	PERS 2	PERS 3
Employer*	5.31%	5.31%	5.31%**
Employee	6.00%	3.90%	***

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

**Plan 3 defined benefit portion only

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

Both the City and the employees made the required contributions. The City's required contributions for the years ended December 31, 2010 were:

Year	PERS 1	PERS 2	PERS 3
2010	\$ 17,017	\$ 323,234	\$ 56,888
2009	\$ 26,354	\$ 398,778	\$ 61,097
2008	\$ 26,354	\$ 406,044	\$ 54,404

B. Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plans 1 and 2

Plan Description. LEOFF is a cost-sharing multiple-employer retirement system comprised of two separate defined benefit plans. LEOFF members who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 are Plan 2 members. Membership in the system includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters and, as of July 24, 2005, those emergency medical technicians who were given the option and chose LEOFF Plan 2 membership. LEOFF membership is comprised primarily of non-state employees, the Department of Fish and Wildlife enforcement officers, who were first included prospectively effective July 27, 2003, being an exception.

Effective July 1, 2003, the LEOFF Plan 2 Retirement Board was established by Initiative 790 to provide governance of LEOFF Plan 2. The Board's duties include adopting contribution rates and recommending policy changes to the Legislature for the LEOFF Plan 2 retirement plan.

LEOFF defined benefit retirement benefits are financed from a combination of investment earnings, employer and employee contributions, and a special funding situation in which the state pays the remainder through state legislative appropriations. LEOFF retirement benefit provisions are established in Chapter 41.26 RCW and may be amended only by the State Legislature.

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

LEOFF Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement with five years of service at the age of 50.

The benefit per year of service calculated as a percent of final average salary (FAS) is as follows:

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

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 10 years of service. A cost-of-living allowance is granted (based on the Consumer Price Index).

LEOFF Plan 1 provides death and disability benefits. Death benefits for survivors of Plan 1 members on active duty consist of the following: (1) If eligible spouse, 50 percent of the FAS, plus 5 percent of FAS for each eligible surviving child, with a limitation on the combined allowances of 60 percent of the FAS; or (2) If no eligible spouse, eligible children receive 30 percent of FAS for the first child plus 10 percent for each additional child, subject to a 60 percent limitation of FAS, divided equally.

A one-time duty related death benefit is provided to the estate (or duly designated nominee) of a LEOFF Plan 1 member who dies as a result of injuries or illness sustained in the course of employment, if found eligible by the Department of Labor & Industries.

The LEOFF Plan 1 disability allowance is 50 percent of the FAS plus 5 percent for each child up to a maximum of 60 percent. Upon recovery from disability for the age of 50, a member is restored to service with full credit for service while disabled. Upon recovery after age 50, the benefit continues as the greater of the member's disability allowance or service retirement allowance.

LEOFF Plan 1 members may purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement and can be used only to provide the member with a monthly annuity that is paid in addition to the member's allowance.

LEOFF Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members may retire at age 50 with 20 years of service, or at age 53 with five years of service, with an allowance of 2 percent of the FAS per year of service. (FAS is based on

City of Ellensburg, Washington
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For the Year Ended December 31, 2010

the highest consecutive 60 months.) Plan 2 members who retire prior to the age of 53 receive reduced benefits. Benefits are actuarially reduced for each year that the benefit commences prior to age 53 and to reflect the choice of a survivor option. If the member has at least 20 years of service and is age 50, the reduction is 3 percent for each year prior to age 53. A cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3 percent annually.

LEOFF Plan 2 provides disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 allowance amount is 2 percent of the FAS for each year of service. Benefits are actuarially reduced for each year that the member's age is less than 53, unless the disability is duty-related, and to reflect the choice of a survivor option. If the member has at least 20 years of service and is age 50, the reduction is 3 percent for each year prior to age 53. A catastrophic disability benefit equal to 70 percent of their FAS, subject to offsets for workers' compensation and Social Security disability benefits received, is also available to those LEOFF Plan 2 members who are severely disabled in the line of duty and incapable of future substantial gainful employment in any capacity.

Effective June 2010, benefits to LEOFF Plan 2 members who are catastrophically disabled include payment for eligible health care insurance premiums.

Members of LEOFF Plan 2 who leave service because of line of duty disability are allowed to withdraw 150 percent of accumulated member contributions. This withdrawal benefit is not subject to federal income tax. Alternatively, members of LEOFF Plan 2 who leave service because of a line of duty disability may be eligible to receive a retirement allowance of at least 10 percent of FAS and 2 percent per year of service beyond five years. The first 10 percent of the FAS is not subject to federal income tax.

LEOFF Plan 2 retirees may return to work in an eligible position covered by another retirement system, choose membership in that system and suspend their pension benefits, or not choose membership and continue receiving pension benefits without interruption.

LEOFF Plan 2 members who apply for retirement may purchase up to five years of additional service credit. The cost of this credit is the actuarial equivalent of the resulting increase in the member's benefit.

LEOFF Plan 2 members can purchase service credit for military service that interrupts employment. Additionally, LEOFF Plan 2 members who become totally incapacitated for continued employment while servicing in the uniformed services may apply for interruptive military service credit. Should any such member die during this active duty,

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

the member's surviving spouse or eligible children may purchase service credit on behalf of the deceased member.

LEOFF Plan 2 members may also purchase up to 24 consecutive months of service credit for each period of temporary duty disability.

Beneficiaries of a LEOFF Plan 2 member who is killed in the course of employment receive retirement benefits without actuarial reduction, if found eligible by the Director of the Department of Labor and Industries.

Benefits to eligible surviving spouses and dependent children of LEOFF Plan 2 members killed in the course of employment include the payment of on-going health care insurance premiums paid to the Washington State Health Care Authority.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a LEOFF Plan 2 member who dies as a result of injuries or illness sustained in the course of employment, if found eligible by the Department of Labor and Industries.

There are 372 participating employers in LEOFF. Membership in LEOFF consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2009:

Member Status	# of Members
Retirees and Beneficiaries Receiving Benefits	9,454
Terminated Plan Members Entitled To, But Not Yet Receiving Benefits	674
Active Plan Members Vested	13,363
Active Plan Members Non-Vested	3,944
Total	27,435

Funding Policy

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

The required contribution rates expressed as a percentage of current year covered payroll, as of December 31, 2010, were as follows:

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

Entity	LEOFF 1	LEOFF 2
Employer*	0.16%	5.24%
Employee	0.00%	8.46%

* The employer rate includes the employer administrative expense fee currently set at 0.16%.

Both the City and the employees made the required contributions. The City's required contributions for the years ended December 31, 2010 were as follows:

YEAR	LEOFF 1	LEOFF 2
2010	\$ -	\$ 93,062
2009	\$ -	\$ 93,913
2008	\$ -	\$ 80,288

C. Other Local Government Pension Systems

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, 2010 there were a total of 10 individuals covered by this system. Nine of them are retirees, and one is a widow of a retiree.

The most recent actuarial study of the system was done by Milliman Consultants and Actuaries to determine the funding requirements as of December 31, 2010. As of this date, the assets valued at market were \$0.37 million and the actuarial present value of future benefits was \$0.890 million with unfunded actuarial accrued liabilities of \$0.853 million. The assets of the fund, along with future revenues from state fire insurance taxes and investment earnings are not sufficient to pay all future pension benefits, resulting in an actuarial deficiency. During the FY 2010 budget hearing, the City Council authorized allocating \$.264 million of 2010 property tax receipts to the Fire Relief and Pension fund and will be allocating an additional \$.264 million in 2011. The City also received .023 million on behalf revenue from the State of Washington in 2010. The City invested portion of the fund during the year and earned \$3,237 in interest. The investment was sold before the end of the year.

The following schedules show the system's annual pension cost and net pension obligation as well as three-year trend information.

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

Annual Pension Cost and Net Pension Obligation			
Annual Required Contribution (ARC)	For Fiscal Year Ending*		
	*12/31/2008	12/31/2009	12/31/2010
1 Annual Normal Cost (BOY)	\$ -	\$ -	\$ -
2 Amortization of UAAL (BOY)	73,843	73,843	62,407
3 Interest to EOY [(1)+(2)]X(i)*	3,692	3,692	2,496
4 ARC at EOY [(1)+(2)+(3)], not less than zero	77,535	77,535	64,903
5 Interest on NPO	24,890	20,984	13,451
6 Adjustment to ARC	36,978	32,072	24,618
7 Annual Pension Cost (APC)[(4)+(5)-(6)]	65,447	66,447	53,736
8 Employer Contributions**	143,574	149,853	199,940
9 Change in NPO [(7)-(8)]	(78,127)	(83,406)	(146,204)
10 NPO at BOY [(11) prior year]	497,799	419,672	336,266
11 NPO at EOY [(9)+(10)]	\$ 419,672	\$ 336,266	\$ 190,062

* "i" is the assumed interest rate that year: 5.0% in 2008, 5.0% in 2009, and 4.0% in 2010

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

Three Year Trend Information			
Rounded to the nearest thousands			
Fiscal Year Ending	Annual Pension Cost(APC)	Contribution as a Percent of APC	Net Pension obligation(NPO)
December 31, 2008	65,447	219%	419,672
December 31, 2009	66,447	226%	336,266
December 31, 2010	53,736	372%	190,062

The following are the actuarial assumptions used in the above calculations:

Valuation Date	January 1, 2010
Actuarial Cost Method	Entry Age Normal
Amortization Method	21-years, closed as of January 1 st 2008
Remaining Amortization Period	19 years
Asset Valuation Method	Fair Market value
Actuarial Assumptions	
Investment Rate of Return	4.0%
Projected Salary Increases	3.50%
Inflation	2.50%
Cost of Living Adjustments	Based upon salary increase assumption when appropriate, for FPF benefits.

Based upon inflation assumption for some FPF benefits and all LEOFF benefits.

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 82.

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

8. RISK MANAGEMENT

A. Pool Insurance

The City of Ellensburg is a member of the Association of Washington Cities Risk Management Service Agency (AWC RMSA). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC RMSA was formed on January 1, 1989 when 32 municipalities in the State of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2010, 85 municipalities/entities participate in the RMSA Pool. The AWC RMSA allows members to establish a program of joint insurance and provides risk management services to all members. All coverage's are on an occurrence basis. The AWC RMSA provides all risk property, comprehensive crime, general liability, automobile liability, police liability, public official's liability, employee fidelity and faithful performance, and boiler and machinery insurance coverage. Boiler and machinery is included with the property reinsurance carrier, as of June 1, 2005, and employee fidelity coverage is a stand-alone policy that the AWC RMSA arranges for its members. The AWC RMSA also allows members to group purchase airport liability coverage.

Members pay an annual assessment to the AWC RMSA. The AWC RMSA is responsible for payment of all covered causes of loss against the jurisdiction above the stated retention. AWC RMSA, itself, pays out of its own funds all claims up to \$250,000 for liability and \$50,000 for property, and thereafter purchases excess liability insurance through ACE Insurance Company up to \$1 million, and CV Starr, from \$1 million to \$10 million. The excess property coverage is purchased through Allianz with limits up to \$250 million, using the Pool's broker, Arthur J Gallagher Risk Management Services. AWC RMSA is a cooperative program; the members of the AWC RMSA are jointly liable.

Members contract to remain in the RMSA pool a minimum of three years and must give one-year notice before terminating participation. Even after termination, a member is still responsible for contributions to the Pool for any unresolved, unreported, and in-process claims for the period they were signatory to the Interlocal Governmental Agreement.

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

The Interlocal Governmental Agreement was revised in 2009 and approved by membership in 2010. In accordance with WAC 82.60.02023, the Pool elected its first Board of Directors, comprised of elected officials that are members of AWC RMSA, elected at large.

The AWC RMSA establishes a loss fund for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses.

The City’s settlements did not exceed the insurance coverage in the past three years.

The specific financials of the AWC RMSA can be seen in the Annual Report on file with the City of Ellensburg.

B. Partial Self Insurance

As of 2010, 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 the Internal Service Fund. The City purchased individual and aggregate stop loss insurance to limit its risk exposure. The City will pay up to \$50,000 in claims for an individual employee and up to 1.3 million for the entire group. Once the maximum amounts is exceeded then the insurance companies takes over. To cover the 1.3 million, the City has 1.5 million in operating cash in 2010. In 2010 the City did not reach the maximum and therefore did not recover anything from the insurance company. The City did not exceed the insurance coverage in the first year of the program.

	2010
Beginning Balance	-
Claims Reported	\$ 919,984
Claims Paid	880,104
Ending Balance	<u>\$ 30,880</u>

The fund was created in 2009 to report the set up cost and contributions that were received and paid in December. Since the fund is brand new to the City there is no comparison or trend analysis information available.

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

9. 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, 2010, the debt limits of the City were as follows:

	Without a Vote	With a Vote	
		2.50%	5.00%
Legal Limit	\$ 18,612,925	\$ 31,021,541	\$ 62,043,082
Applicable Outstanding Debt	7,210,000	8,800,000	8,800,000
Available Assets	420,691	420,691	420,691
Margin Available	\$ 11,823,616	\$ 22,642,232	\$ 53,243,082

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 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:

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

Purpose	Maturity Range	Interest Rate(s)	Original Amount	Amount of Installment	Outstanding Amount
2001 GO Bond - West Ellensburg Park	2021	4.00 - 5.375%	\$ 2,065,000	\$ 166,759	\$ 1,310,000
2002 GO Bond - City Hall	2021	3.25 - 5.05%	4,575,000	369,170	3,090,000
2003 GO Bond - Library	2022	2.50 - 4.35%	1,905,000	144,388	1,590,000
2010 GO Bond - Maintenance	2030	2.00 - 5.00%	2,935,000	215,100	2,810,000
Total			\$ 11,480,000	\$ 895,417	\$ 8,800,000

The 2001 Limited Tax General Obligation Bonds were sold to provide funds with which to pay costs of paying and redeeming its outstanding 1999 Limited Tax General Obligation Bond Anticipation Notes; for general City purposes, including acquiring 363 acres of land for potential public and private used.

The 2002 Limited Tax General Obligation Bonds were sold to provide funds with which to pay costs of acquiring a site and an existing building to be improved for use as a new City Hall and replacing recreational facilities displaced at Whitney Park.

The 2003 Unlimited Tax General Obligation 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 or reimburse a portion of the costs necessary for 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 annual requirements to maturity, including interest for general obligation bonds are as follows:

December 31	Principal	Interest
2011	500,000	395,417
2012	525,000	376,017
2013	565,000	354,237
2014	575,000	330,659
2015	615,000	306,462
2016-2020	3,480,000	1,096,215
2021-2025	1,395,000	384,993
2026-2030	1,145,000	286,250
Total	\$ 8,800,000	\$ 3,530,250

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

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 revenue.

The Revenue bonds currently outstanding are as follows:

Purpose	Maturity Rates	Interest Rates	Original Amount	Amount of Installment	Outstanding Amount
2002 Refunding Bonds (Sewer)	7/1/2014	2.50-4.15%	\$ 1,670,000	\$ 176,145	\$ 630,000
1998 Gas Revenue Bonds	6/1/2018	3.85-5.30%	2,165,000	169,896	1,110,000
2010 Water/Sewer (ref 99) Bonds	12/1/2019	2.00-4.50%	2,290,000	273,025	2,050,000
2010 Water/Sewer Revenue Bonds	12/1/2029	2.00-4.50%	7,420,000	344,525	7,420,000
Electric Revenue Series 2001A	12/1/2021	3.00-4.65%	2,500,000	193,098	1,625,000
Electric Revenue Series 2005	12/1/2025	4.00-5.00%	4,780,000	395,590	4,605,000
Total			\$ 20,825,000	\$ 1,552,279	\$ 17,440,000

Revenue bond debt service requirements to maturity are as follows:

Year Ending December 31	Business-type Activities	
	Principal	Interest
2011	785,000	767,279
2012	810,000	738,060
2013	845,000	705,415
2014	880,000	671,204
2015	910,000	634,878
2016-2020	4,855,000	2,546,581
2021-2025	5,505,000	1,386,948
2026-2030	2,850,000	312,625
Total	\$ 17,440,000	\$ 7,762,989

Special Assessments	Beginning Balance 1/1/2010	Amount Issued	Amount Redeemed	Ending Balance 12/31/2010
LID Notes & Bonds	\$ 680,482	\$ -	\$ 94,265	\$ 586,217
Sidewalk Assessments	196	-	196	-
Total	\$ 680,678	\$ -	\$ 94,461	\$ 586,217

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 assets. Bond premiums and discounts as well as issuance cost 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

City of Ellensburg, Washington
Notes to Basic Financial Statements
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whether or not withheld from the actual debt proceeds received are reported as debt service expenditure items.

At December 31, 2010, the City has \$421,823 available in debt service funds to service the general bonded debt. Restricted assets in proprietary funds contain \$1,870,426 in sinking funds and reserves as required by bond indentures.

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 that of the bond issue and therefore limit any arbitrage liability. As of December 31, 2010 the City has no arbitrage rebate liability.

On May 11, 2010, the City issued \$2,290,000 of Water and Sewer Revenue Refunding Bonds to provide resources to purchase U.S. Government and State and Local Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on \$2,225,000 of refunding debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the enterprise activities column of the balance sheet. The purpose of this refunding is to accomplish an interest cost saving to the City of \$78,455 with a present value of \$100,564 as represented by the difference between debt service on the Bonds and debt service on the prior issue discounted to the issue date using the yield on the Bonds as the discount rate plus refunding funds available (\$117,583) for a net present value savings of \$218,147.

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

B. Changes in Long-Term Liabilities

During the year ended December 31, 2010, the following changes occurred in long-term liabilities reported as General Long-Term Debt.

	Balance 1/1/2010	Additions	Reductions	Balance 12/31/2010	Due Within One Year
Governmental Activities:					
Bonds payable					
General Obligation Debt	\$ 6,375,000	2,935,000	\$ 510,000	\$ 8,800,000	\$ 500,000
Less/add Deferred amounts for issuance discount and Premiums	\$ 9,610	100,171	\$ 5,792	\$ 103,988	\$ 5,792
Total Bonds Payable	6,384,610	3,035,171	515,792	8,903,988	500,000
Loans	16,945		8,474	8,471	8,474
Capital Leases	-			-	-
Compensated Absences	454,630	22,328	59,420	417,538	306,835
OPEB Liability	786,365	399,262		1,185,627	-
Total Governmental LT Liabilities	7,642,550	3,456,761	583,686	10,515,623	815,309
Business-Type Activities					
Revenue Bonds	10,730,000	9,710,000	3,000,000	17,440,000	785,000
Less/add Deferred amounts for issuance discount and Premiums	148,177	494,004	40,784	601,397	42,152
Total Bond Payable	10,878,177	10,204,004	3,040,784	18,041,397	827,152
Capital Leases	-			-	-
Compensated Absences	406,330	58,210	5,924	458,616	221,529
Total Business-Type LT Liabilities	11,284,507	10,262,213	3,046,708	18,500,013	1,048,681
Total	\$ 18,927,057	\$ 13,718,974	\$ 3,630,394	\$ 29,015,636	\$ 1,863,990

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 \$93,543. Also, for the governmental activities, claims, judgments, and compensated absences are generally liquidated by the general fund. Part of the \$3,000,000 in reduction for revenue bonds is the refunding of the 99 water/sewer revenue bond in the amount of \$2,225,000. Beginning balance does not agree to last year 2009 financial statement long-term debt note because premiums and discounts amount were left out in error in 2009.

10. UTILITY RATE SETTING POLICY

The City operates five classified utilities: Gas, Electric, Water, Sewer, and Stormwater. The rates for these five utilities are approved by the City Council. In 2009 the Council approved utility rate increases for gas, water, and sewer and the formation of the Stormwater utility

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

11. 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.

12. COMMITMENTS

A. Operating Leases

The City leases equipment under non-cancelable operating leases. Total cost for such leases was \$35,227 for the year ended December 31, 2010. The future minimum lease payments for these leases are as follows;

Year ending December 31	Amount
2011	\$37,337
2012	\$31,556
2013	\$24,939
2014	\$17,615
2015	\$2,616
Total	\$114,063

Pension commitments are discussed in Note 7.

B. Capitalized Leases

To account for financing leases, lease purchases and installment purchase contracts in governmental funds, the city charges payments made or due during the fiscal period as debt service. In the year that the asset is received, the city records the present value of future lease payments as capital outlay expenditure and as an offsetting other financing source. The present value of payments due in future periods is shown as a liability in the general long-term debt account group. Currently, the City is not involved in any form of capital lease, be it a lessor or a lessee.

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

13. 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 2010.

14. INTERFUND BALANCES AND TRANSFER

Classification of Interfund Transactions

- 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 advances to and from other funds on the combined balance sheet depending on the time period for which the loan was made. Interfund loans do not affect total fund equity, but advances to other funds are offset by a reservation of fund equity.

The following table displays interfund transfer activity during 2010:

Transfer From	Transfer To	Transfer To	Transfer To	Transfer To	Total
	General Fund	Storm Water	ER &R	All Others	
Major funds:					
General Fund			\$ -	\$ 10,368	\$ 10,368
Sales Tax	\$ 1,591,770			1,845,030	3,436,800
Maint Bond		\$ 90,676		86,724	177,399
Storm Water				122,987	122,987
Gas				2,987	2,987
Electric			\$ 26,781	72,987	99,768
Water				2,987	2,987
Sewer				2,987	2,987
Nonmajor funds:				2,987	2,987
Total	\$ 1,591,770	\$ 90,676	\$ 26,781	\$ 2,150,045	\$ 3,859,272

City of Ellensburg, Washington
Notes to Basic Financial Statements
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The transfer between General fund and Sales Tax fund is the annual support. The City decided to track the Sales Tax revenue in a separate fund instead of receipting it into the General Fund directly.

The following table displays interfund balances activity during 2010:

Due To	Due From	Due From	Due From	Due From	Due From	Due From	Total
	General Fund	Gas	Light	Water	Sewer	All Others	
Major							
General Fund	\$ 325	\$ 80,025	\$ 84,100	\$ 23,478	\$ 27,704	\$ 15	\$ 215,649
Other Governmental	1,204		597	703	414	3,102	6,020
Gas			-	-			-
Light			-	-		84	84
Water			-	-	110	14,507	14,616
Sewer	123		881	746		3,728	5,478
Other Proprietary	378	525	1,622	217	11	2,242	4,994
							-
Total	\$ 2,030	\$ 80,550	\$ 87,200	\$ 25,144	\$ 28,239	\$ 23,678	\$ 246,841

The following table displays interfund loan activity during 2010:

Borrowing Fund	Lending Fund	Interfund Loans and Advances Payable			
		1/1/2010	New Loan	Repayment	12/31/2010
Capital Project	Electric	\$ 70,625	\$ -	\$ 70,625	-
Water	Electric	2,403,260	-	2,403,260	\$ -
Sewer	Electric	1,877,325	-	1,877,325	-
Total		\$ 4,351,210	\$ -	\$ 4,351,210	\$ -

The interfund loan between the Electric, Water and Sewer funds was to finance the capital projects for Water and Sewer until the permanent bond was sold in 2010. As of the end of 2010 the City has no short term debt.

The following table displays intergovernmental loan activity during 2010:

Borrowing Fund	Lending Fund	Intergovernmental Loans and Advances Payable			
		1/1/2010	New Loan	Repayment	12/31/2010
Pension Fund	Electric	\$ 75,000	\$ -	\$ 75,000	\$ -
Total		\$ 75,000	\$ -	\$ 75,000	\$ -

15. FUND EQUITIES

The government -wide and proprietary fund financial statements utilize a net asset presentation. Net assets 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 assets. Accumulated depreciation

City of Ellensburg, Washington
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For the Year Ended December 31, 2010

and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of the assets reduce the balance in this category.

The breakdown of investment in capital assets net of related debt is as follows:

Statement of Net Assets	Gas	Light	Water	Sewer	Other	Total
Capital Assets	\$ 12,932,010	\$ 29,794,465	\$ 19,394,651	\$ 20,596,136	\$ 766,892	\$ 83,484,154
Accumulated Depreciation	(6,277,495)	(15,396,261)	(7,552,325)	(8,406,851)	(562,583)	(38,195,515)
Longterm Debt	(1,102,067)	(6,373,480)	(5,825,406)	(4,740,444)	-	(18,041,397)
Add Deferred Charges	-	-	54,749	214,535	-	269,284
Add Unspent Bond Proceeds	-	-	1,045,562	1,134,721	-	2,180,283
Total Investment in Capital Assets Net of Related Debt	5,552,449	8,024,725	7,117,231	8,798,097	204,309	29,696,811

The reserve fund balance for the Governmental funds is \$5,496,710 included in this amount is \$30,910 reserved for inventory, \$2,203,726 reserved for capital projects and \$421,823 reserved for debt service and the remaining is reserved for special projects.

16. JOINT VENTURE

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 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 2010 operations are as follows:

	Budget	Actual
Kittitas County	\$ 38,000	\$ 42,881
City of Ellensburg	68,520	49,803
Tour Fees	17,000	9,422
Other Revenues	14,200	25,844
Total Support	\$ 137,720	\$ 127,950

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

17. POSTRETIREMENT BENEFITS OTHER THAN PENSION BENEFIT

In addition to the pension benefits described in Note 7, the City of Ellensburg provides postretirement health care benefits, in accordance with Washington State law to 28 police and

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

firefighters who retired or disabled under the LEOFF I Pension Act or the City's Fire Relief and Pension Plan.

A. Summary of Significant Accounting Policies

The Leoff's financial statements are prepared using the accruals 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.

B. 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 service 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.

C. Funding Status and Funding Policy

The plan has 28 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.

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

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 2010, expenditures of \$247,907 were recognized for postretirement health care. 2009 expenditures were \$336,119.

The City's annual other post employment 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 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 56.24 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, 2007 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 2007. The medical inflation trend assumption starts at 9% in 2007 and decreases to an ultimate rate of 5% in 2015. The ultimate rate means the expected rate for 2015 and beyond is 5%. Although this is our best estimate, it is reasonable that the medical inflation trend could be higher or lower. We will look at a medical inflation trend 1% higher or lower in each year to determine how sensitive the results are to medical inflation. 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 purposes 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:

Fiscal Year 2010	Fire	Pre-Leoff Fire	Police
Actuarial Accrued Liability (AAL)	\$ 2,473,554	\$ 2,110,082	\$ 2,772,993
Annual Required Contribution (ARC)	230,322	196,478	258,204
Annual OPEB Cost	216,141	187,026	244,001
Net OPEB Obligation (NOO)	\$ 446,478	\$ 298,257	\$ 440,892
Participants	8	9	11

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

Fiscal Year 2010	Fire	Pre leoff Fire	Police
Medical Expenses	\$ 1,772,475	\$ 1,327,178	\$ 1,813,203
Longterm Care	701,078	782,904	959,790
Total Inactive	<u>2,473,553</u>	<u>2,110,082</u>	<u>2,772,993</u>
Arc			
Normal Cost	-	-	-
UAAI Amortization	230,322	196,478	258,204
ARC	<u>230,322</u>	<u>196,478</u>	<u>258,204</u>
Annual OPEB Cost			
ARC	230,322	196,478	258,204
NOO Interest	13,263	8,840	13,283
NOO Amortization	(27,444)	(18,292)	(27,486)
Annual OPEB Cost	<u>216,141</u>	<u>187,026</u>	<u>244,001</u>
NOO			
Starting NOO	294,734	196,445	295,186
Annual OPEB Cost	216,141	187,026	244,001
Contributions	64,397	85,214	98,296
NOO**	<u>\$ 446,478</u>	<u>\$ 298,257</u>	<u>\$ 440,892</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2010 and two preceding fiscal years were as follows:

FIRE FUND					
SCHEDULE OF EMPLOYER CONTRIBUTIONS					
FISCAL YEAR ENDED	ANNUAL REQUIRED CONTRIBUTIONS	ANNUAL OPEB COSTS CONTRIBUTIONS	PERCENTAGE OF ANNUAL OPEB COST CONTRIBUTED	NET OPEB OBLIGATIONS	
2008	\$ 250,783	\$ 250,783	100%	\$	157,321
2009	\$ 231,537	\$ 223,967	97%	\$	294,734
2010	\$ 230,322	\$ 216,141	94%	\$	446,478

PRE LEOFF FIRE FUND					
SCHEDULE OF EMPLOYER CONTRIBUTIONS					
FISCAL YEAR ENDED	ANNUAL REQUIRED CONTRIBUTIONS	ANNUAL OPEB COSTS CONTRIBUTIONS	PERCENTAGE OF ANNUAL OPEB COST CONTRIBUTED	NET OPEB OBLIGATIONS	
2008	\$ 213,936	\$ 213,936	100%	\$	120,377
2009	\$ 197,956	\$ 192,164	97%	\$	196,445
2010	\$ 196,478	\$ 187,026	95%	\$	298,257

City of Ellensburg, Washington
Notes to Basic Financial Statements
For the Year Ended December 31, 2010

Police FUND						
SCHEDULE OF EMPLOYER CONTRIBUTIONS						
FISCAL YEAR ENDED	ANNUAL REQUIRED CONTRIBUTIONS	ANNUAL OPEB COSTS CONTRIBUTIONS	PERCENTAGE OF ANNUAL OPEB COST CONTRIBUTED	NET OPEB OBLIGATIONS		
2008	\$ 281,683	\$ 281,683	100%	\$ 173,769		
2009	\$ 263,247	\$ 254,886	97%	\$ 295,186		
2010	\$ 258,204	\$ 244,001	94%	\$ 440,892		

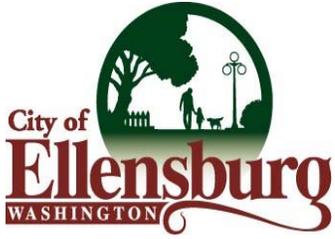
Funding Status and Funding Progress- As of December, 2010, the actuarial accrued liability for benefits was \$7,356,629

19. SUBSEQUENT EVENTS

- A. Council member Stan Bassett resigned from the Council after 22 years of service to the City in March 2011.
- B. The City of Ellensburg joined the league of cities in providing electric vehicle charging station on 3Rd and Main street in downtown Ellensburg in May 2011
- C. The Council approved the process of annexation of 69.08 acres of land on Mountainview Avenue in May 2011

20. Other Commitments:

The City does not have other commitments that have not been disclosed and does not have any pending litigation with a material settlement.



Required Supplementary Information

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**CITY OF ELLENSBURG
SCHEDULE OF FUNDING PROGRESS
2010**

Fire Relief and Pension Fund

Actuarial Valuation Date	Value of Assets (a)	Actuarial Accrued Liability (AAL-Unit Credit Cost (b)	unfunded AAL(UAAL) (a-b)	Funded Ratio (a/b)	Covered Payroll ©	UAAL as a percentage of Covered Payroll (b- a)/c)
12/31/1997	693	612	(81)	113%	0	N/A
12/31/2000	543	454	(89)	120%	0	N/A
12/31/2002	410	404	(6)	101%	0	N/A
12/31/2004	276	600	324	46%	0	N/A
12/31/2006	66	745	679	9%	0	N/A
1/1/2008	(152)	842	994	-18%	0	N/A
1/1/2010	37	890	853	4%	0	N/A

rounded to the nearest thousands

LEOFF 1 POLICE

Actuarial Valuation Date	Value of Assets (a)	Actuarial Accrued Liability (AAL-Unit Credit Cost (b)	unfunded AAL(UAAL) (a-b)	Funded Ratio (a/b)	Covered Payroll ©	UAAL as a percentage of Covered Payroll (b- a)/c)
12/31/2008	0	3,025,152	3,025,152	0%	0	N/A
12/31/2009	0	2,827,154	2,827,154	0%	0	N/A
12/31/2010	0	2,772,993	2,772,993	0%	0	N/A

LEOFF 1 FIRE FIGHTERS

Actuarial Valuation Date	Value of Assets (a)	Actuarial Accrued Liability (AAL-Unit Credit Cost (b)	unfunded AAL(UAAL) (a-b)	Funded Ratio (a/b)	Covered Payroll ©	UAAL as a percentage of Covered Payroll (b- a)/c)
12/31/2008	0	2,693,297	2,693,297	0%	0	N/A
12/31/2009	0	2,486,597	2,486,597	0%	0	N/A
12/31/2010	0	2,473,554	2,473,554	0%	0	N/A

**CITY OF ELLENSBURG
REQUIRED SUPPLEMENTARY INFORMATION
PENSION FUND
2010**

Schedule of Employer Contributions for 6 years

Fire Relief and Pension Fund

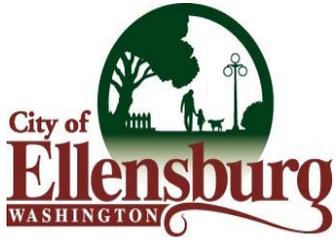
Fiscal Year Ending	Employer Contribution*	Fire Insurance Premiums	Total Employer Contribution*	Annual Required Contributions (ARC)**	Percentage of ARC Contributions
August 31st 2006	(48,750)	15,564	(33,186)	26,527	(125)
December 31st 2006**	(63,009)	-	(63,009)	17,592	(358)
December 31st 2007	(113,623)	16,049	(97,574)	52,775	(185)
December 31st 2008	126,885	16,689	143,574	77,535	185
December 31st 2009	133,939	15,914	149,853	77,535	193
December 31st 2010	176,217	23,723	199,940	64,903	308

rounded to the nearest thousands

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

**September 1,2006 through December 31,2006

***The 2005 information is not available



Nonmajor Funds

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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.

Street- A fund used to account for the maintenance and the construction of City roads and bridges.

Arterial Street- This fund is used to account for road construction, bridge replacements, and major overlay projects within the City.

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

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.

Police Vehicles- A fund used to account for the replacement of police vehicles and equipment.

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

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.

Risk Management- A fund used to account for claims filed against the City of Ellensburg for which there was not insurance coverage whether by exclusion or deductible.

EUREDRE- A fund used to account for the activities involving EBDA which consist of a \$70,000 transfer from light to support the EBDA in their efforts to achieve job creation and promote economic development.

Special Projects- A fund used to account for special projects funded through donations.

Debt Service Funds

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

GO Bonded Land Debt- A fund used to account for the payment of debt on the Williams property.

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

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.

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.

Permanent 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 31,2010

	Special Revenue Funds				
	Street 120	Arterial Street 123	Traffic Impact Fee 125	Criminal Justice 130	Drug 137
ASSETS					
Cash and cash equivalents	\$ 460,831	\$ 345,981	\$ 277,885	\$ 105,484	\$ 141,605
Deposits with fiscal agents	-	-	-	-	-
Investments	-	-	-	-	-
Receivables(net)					
Property taxes	-	-	-	-	-
Special assessments	-	-	-	-	-
Accounts	19,715	9,264	3,728	47,828	3,000
Due from other funds	6,021	-	-	-	-
Due from other governments	-	292,285	-	-	16
Interfund loan receivable	-	-	-	-	-
Prepayments/inventory	30,910	-	-	-	-
Advance to other funds	-	-	-	-	-
Total assets	\$ 517,477	\$ 647,530	\$ 281,613	\$ 153,311	\$ 144,621
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	55,275	12,015	-	22,478	159
Due to other funds	20,402	84	-	-	-
Due to other governments	-	-	-	-	-
Other liabilities	-	-	-	-	-
Advance from other fund	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	75,677	12,098	-	22,478	159
Fund balances					
Reserved: Legally segregated for future use					
Transportation	410,890.41	635,432	281,613.47	-	-
Public Safety	-	-	-	130,834	144,462
Economic Environment	-	-	-	-	-
Culture and Recreation	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Debt service	-	-	-	-	-
Permanent	-	-	-	-	-
Reserved: Not Available for Appropriation					
Prepayments/inventory	30,910	-	-	-	-
Unreserved					
Special revenues	-	-	-	-	-
Debt services	-	-	-	-	-
Total fund balance	441,801	635,432	281,613	130,834	144,462
Total liabilities & fund balances	\$ 517,477	\$ 647,530	\$ 281,613	\$ 153,311	\$ 144,621

Special Revenue Funds								
CATV O & M 150	CATV Capital 155	Police Vehicles 159	Parks Acquisitions 160	Lodging Tax 165	CHIP Reserve 170	Risk Management 171	EURED 175	Special Projects 198
\$ 82,272	\$ 173,513	\$ 54,291	\$ 59,710	\$ 475,966	\$ 1,322	\$ 18,694	\$ -	\$ 7,011
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
16,492	30,500	-	2,683	19,608	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	33,654	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ 98,764</u>	<u>\$ 204,013</u>	<u>\$ 54,291</u>	<u>\$ 96,047</u>	<u>\$ 495,575</u>	<u>\$ 1,322</u>	<u>\$ 18,694</u>	<u>\$ -</u>	<u>\$ 7,011</u>
30,277	1,648	-	8,355	-	-	16,481	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>30,277</u>	<u>1,648</u>	<u>-</u>	<u>8,355</u>	<u>-</u>	<u>-</u>	<u>16,481</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	495,575	-	-	-	-
-	-	-	87,692	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
68,488	202,364	54,291	-	-	1,322	2,213	-	7,011
-	-	-	-	-	-	-	-	0
<u>68,488</u>	<u>202,364</u>	<u>54,291</u>	<u>87,692</u>	<u>495,575</u>	<u>1,322</u>	<u>2,213</u>	<u>-</u>	<u>7,011</u>
<u>\$ 98,764</u>	<u>\$ 204,013</u>	<u>\$ 54,291</u>	<u>\$ 96,047</u>	<u>\$ 495,575</u>	<u>\$ 1,322</u>	<u>\$ 18,694</u>	<u>\$ -</u>	<u>\$ 7,011</u>

City of Ellensburg, Washington

Combining Balance Sheet Nonmajor Governmental Funds For the Year Ended December 31, 2010

	Debt Service		Debt Service		
	Total Special Revenue	G.O. Bond 210	City Hall 220	G.O. Bond 225	Library Construction 230
ASSETS					
Cash and cash equivalents	\$ 2,204,566	\$ 257,814	\$ 344	\$ -	\$ 41,810
Deposits with fiscal agents	-	-	-	-	-
Investments	-	-	-	-	-
Receivables(net)	-	-	-	-	-
Property taxes	-	-	-	-	9,776
Special assessments	-	-	-	-	-
Accounts	152,817	-	-	-	-
Due from other funds	6,021	-	-	-	-
Due from other governments	325,955	-	-	-	-
Interfund loan receivable	-	-	-	-	-
Prepayments/inventory	30,910	-	-	-	-
Advance to other funds	-	-	-	-	-
Total assets	\$ 2,720,269	\$ 257,814	\$ 344	\$ -	\$ 51,586
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	146,687	-	-	-	-
Due to other funds	20,485	-	-	-	-
Due to other governments	-	-	-	-	-
Other liabilities	-	-	-	-	-
Advance from other fund	-	-	-	-	-
Deferred revenue	-	-	-	-	8,644
Total liabilities	167,172	-	-	-	8,644
Fund balances					
Reserved: Legally segregated for future use					
Transportation	1,327,936	-	-	-	-
Public Safety	275,295	-	-	-	-
Economic Environment	495,575	-	-	-	-
Culture and Recreation	87,692	-	-	-	-
Capital projects funds	-	-	-	-	-
Debt service	-	257,814	344	-	42,942
Permanent	-	-	-	-	-
Reserved: Not Available for Appropriation	-	-	-	-	-
Prepayments/inventory	30,910	-	-	-	-
Unreserved	-	-	-	-	-
Special revenues	335,689	-	-	-	-
Debt services	-	-	-	-	-
Total fund balance	2,553,097	257,814	344	-	42,942
Total liabilities & fund balances	\$ 2,720,269	\$ 257,814	\$ 344	\$ -	\$ 51,586

G.O. Bond 240	Total Debt Service	Capital Projects		Total Capital Projects	Permanent Funds		Total Permanent Funds	Total Nonmajor Governmental Funds
		Capital Projects 365	Sidewalk Improvements 366		Library Trust 605	Holmes Trust 621		
\$ 120,722	420,691	\$ 66,134	\$ 274,037	\$ 340,172	\$ 252,069	\$ 19,243	271,313	\$ 3,236,742
-	-	-	-	-	-	470,159	470,159	470,159
-	-	-	-	-	-	-	-	-
-	9,776	-	-	-	-	-	-	9,776
-	-	-	-	-	-	-	-	-
-	-	-	11,096	11,096	-	-	-	163,913
-	-	-	-	-	-	-	-	6,021
-	-	-	-	-	-	-	-	325,955
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	30,910
-	-	-	-	-	-	-	-	-
<u>\$ 120,722</u>	<u>\$ 430,467</u>	<u>\$ 66,134</u>	<u>\$ 285,133</u>	<u>\$ 351,267</u>	<u>\$ 252,069</u>	<u>\$ 489,402</u>	<u>\$ 741,472</u>	<u>\$ 4,243,475</u>
-	-	-	10,488	10,488	26	-	26	157,201
-	-	-	-	-	-	-	-	20,485
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	8,644	-	-	-	-	-	-	8,644
-	<u>8,644</u>	-	<u>10,488</u>	<u>10,488</u>	<u>26</u>	-	<u>26</u>	<u>186,331</u>
-	-	-	-	-	-	-	-	1,327,936
-	-	-	-	-	-	-	-	275,295
-	-	-	-	-	-	-	-	495,575
-	-	-	-	-	-	-	-	87,692
-	-	66,134	274,645	340,779	-	-	-	340,779
120,722	421,823	-	-	-	-	-	-	421,823
-	-	-	-	-	252,043	489,402	741,445	741,445
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	30,910
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	335,689
-	-	-	-	-	-	-	-	-
<u>120,722</u>	<u>421,823</u>	<u>66,134</u>	<u>274,645</u>	<u>340,779</u>	<u>252,043</u>	<u>489,402</u>	<u>741,445</u>	<u>4,057,144</u>
<u>\$ 120,722</u>	<u>\$ 430,467</u>	<u>\$ 66,134</u>	<u>\$ 285,133</u>	<u>\$ 351,267</u>	<u>\$ 252,069</u>	<u>\$ 489,402</u>	<u>\$ 741,471</u>	<u>\$ 4,243,475</u>

CITY OF ELLENSBURG, WASHINGTON

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

Nonmajor Governmental Funds

For the Year Ended December 31, 2010

	Special Revenue Funds					CATV O & M 150
	Street 120	Arterial Street 123	Traffic Impact Fee 125	Criminal Justice 130	Drug 137	
REVENUES:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Retail sales & use taxes	-	-	-	590,119	-	-
Other taxes	-	-	-	-	-	62,380
Licenses and permits	-	1,218	-	-	-	-
Intergovernmental	256,654	584,237	-	-	-	-
Charges for services	79,947	-	175,785	-	-	-
Fines & forfeits	-	-	-	-	139,258	-
Investment earnings	1,022	1,451	372	238	283	190
Miscellaneous	1,069	1,562	-	-	-	-
Total revenues	338,692	588,468	176,157	590,357	139,541	62,570
EXPENDITURES:						
Current:						
General government	56,407	-	-	-	-	-
Judicial services	-	-	-	-	-	-
Public safety	-	-	-	578,398	3,416	-
Physical environment	-	-	-	30,157	-	-
Transportation	1,199,469	359,395	-	-	-	-
Health & human services	-	-	-	-	-	-
Economic environment	-	-	-	-	-	61,918
Culture & recreation	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-
Capital outlay	-	190,574	-	-	-	-
Total expenditures	1,255,876	549,970	-	608,555	3,416	61,918
Excess(deficiency) of revenues over expenditures	(917,184)	38,499	176,157	(18,198)	136,126	652
OTHER FINANCING SOURCES (USES):						
Refunding bonds issued	-	-	-	-	-	-
Capital -related debt issued	-	-	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-	-	-
Disposition of capital assets	-	6,992	-	-	-	-
Transfers in	1,132,313	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-
Total other financing sources & uses	1,132,313	6,992	-	-	-	-
Net change in fund balance	215,129	45,491	176,157	(18,198)	136,126	652
Fund balances-beginning	226,672	589,941	105,456	149,032	8,336	67,836
Fund balances-ending	\$ 441,801	\$ 635,432	\$ 281,613	\$ 130,834	\$ 144,462	\$ 68,488

Special Revenue Funds						
CATV Capital 155	Police Vehicles 159	Parks Acquisitions 160	Lodging Tax 165	CHIP Reserve 170	Risk Management 171	EURED 175
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	370,659	-	-	-
30,500	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	49,866	-	-	-	-
-	-	70,388	-	-	-	-
-	-	-	-	-	-	-
476	153	102	1,246	2	85	-
-	-	-	-	-	4,199	-
<u>30,976</u>	<u>153</u>	<u>120,355</u>	<u>371,904</u>	<u>2</u>	<u>4,284</u>	<u>-</u>
-	-	-	-	-	76,126	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
13,149	-	-	319,133	-	-	70,000
-	-	-	25,000	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	28,706	72,225	-	-	-	-
<u>13,149</u>	<u>28,706</u>	<u>72,225</u>	<u>344,133</u>	<u>-</u>	<u>76,126</u>	<u>70,000</u>
<u>17,827</u>	<u>(28,553)</u>	<u>48,129</u>	<u>27,771</u>	<u>2</u>	<u>(71,842)</u>	<u>(70,000)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	30,000	-	-	-	25,000	70,000
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	30,000	-	-	-	25,000	70,000
<u>17,827</u>	<u>1,447</u>	<u>48,129</u>	<u>27,771</u>	<u>2</u>	<u>(46,842)</u>	<u>-</u>
<u>184,537</u>	<u>52,844</u>	<u>39,563</u>	<u>467,804</u>	<u>1,320</u>	<u>49,055</u>	<u>-</u>
<u>\$ 202,364</u>	<u>\$ 54,291</u>	<u>\$ 87,692</u>	<u>\$ 495,575</u>	<u>\$ 1,322</u>	<u>\$ 2,213</u>	<u>\$ -</u>

	Special Project 198	Total Special Revenue	Debt Funds			
			G.O. Bond 210	City Hall 220	G.O. Bond 225	Library Construction 230
REVENUES:						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 144,764
Special assessments	-	-	-	-	-	-
Retail sales & use taxes	-	960,777	-	-	-	-
Other taxes	-	92,880	-	-	-	-
Licenses and permits	-	1,218	-	-	-	-
Intergovernmental	-	890,757	-	-	-	-
Charges for services	-	326,120	-	-	-	-
Fines & forfeits	-	139,258	-	-	-	-
Investment earnings	-	5,620	-	-	-	167
Miscellaneous	15,600	22,430	-	-	-	-
	<u>15,600</u>	<u>2,439,060</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>144,930</u>
EXPENDITURES:						
Current:						
General government	-	132,533	-	-	-	-
Judicial services	-	-	-	-	-	-
Public safety	-	581,814	-	-	-	-
Physical environment	-	30,157	-	-	-	-
Transportation	-	1,558,864	-	-	-	-
Health & human services	-	-	-	-	-	-
Economic environment	-	464,200	-	-	-	-
Culture & recreation	12,787	37,787	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Principal	-	-	100,000	210,000	125,000	75,000
Interest and other charges	-	-	71,159	158,359	88,200	67,013
Capital outlay	-	291,506	-	-	-	-
Total expenditures	<u>12,787</u>	<u>3,096,861</u>	<u>171,159</u>	<u>368,359</u>	<u>213,200</u>	<u>142,013</u>
Excess(deficiency) of revenues over expenditures	<u>2,813</u>	<u>(657,801)</u>	<u>(171,159)</u>	<u>(368,359)</u>	<u>(213,200)</u>	<u>2,918</u>
OTHER FINANCING SOURCES (USES):						
Refunding bonds issued	-	-	-	-	-	-
Capital -related debt issued	-	-	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-	-	-
Disposition of capital assets	-	6,992	-	-	-	-
Transfers in	-	1,257,313	171,159	368,358	213,200	-
Transfers out	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-
Total other financing sources & uses	<u>-</u>	<u>1,264,305</u>	<u>171,159</u>	<u>368,358</u>	<u>213,200</u>	<u>-</u>
Net change in fund balance	<u>2,813</u>	<u>606,504</u>	<u>0</u>	<u>(1)</u>	<u>-</u>	<u>2,918</u>
Fund balances-beginning	<u>4,198</u>	<u>1,946,594</u>	<u>257,814</u>	<u>344</u>	<u>-</u>	<u>40,024</u>
Fund balances-ending	<u>\$ 7,011</u>	<u>\$ 2,553,098</u>	<u>\$ 257,814</u>	<u>\$ 344</u>	<u>\$ -</u>	<u>\$ 42,942</u>

G.O. Bond 240	Total Debt Funds	Capital Projects			Permanent Funds			Total Nonmajor Governmental Funds
		Capital Projects 365	Sidewalk Improvements 366	Total Capital Funds	Library Trust 605	Holmes Trust 621	Total Permanent Fund	
\$ -	144,764	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 144,764
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	960,777
-	-	-	120,016	120,016	-	-	-	212,896
-	-	-	-	-	-	-	-	1,218
-	-	-	-	-	-	-	-	890,757
-	-	-	-	-	174	-	174	326,294
-	-	-	-	-	-	-	-	139,258
394	560	143	723	866	672	39,552	40,225	47,272
-	-	-	5,272	5,272	3,721	12,940	16,661	44,363
<u>394</u>	<u>145,324</u>	<u>143</u>	<u>126,011</u>	<u>126,154</u>	<u>4,567</u>	<u>52,493</u>	<u>57,060</u>	<u>2,767,599</u>
-	-	-	-	-	-	-	-	132,533
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	581,814
-	-	-	-	-	-	-	-	30,157
-	-	-	138,726	138,726	-	-	-	1,697,590
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	464,200
-	-	-	-	-	8,627	-	8,627	46,414
-	-	-	-	-	-	-	-	-
8,474	518,474	-	-	-	-	-	-	518,474
169	384,899	383	-	383	-	-	-	385,282
-	-	7,381	-	7,381	-	10,081	10,081	308,968
<u>8,643</u>	<u>903,373</u>	<u>7,764</u>	<u>138,726</u>	<u>146,490</u>	<u>8,627</u>	<u>10,081</u>	<u>18,708</u>	<u>4,165,431</u>
<u>(8,250)</u>	<u>(758,049)</u>	<u>(7,621)</u>	<u>(12,715)</u>	<u>(20,335)</u>	<u>(4,059)</u>	<u>42,412</u>	<u>38,352</u>	<u>(1,397,833)</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	6,992
-	752,717	122,092	-	122,092	-	-	-	2,132,122
-	-	(2,987)	-	(2,987)	-	-	-	(2,987)
-	-	-	-	-	-	-	-	-
-	-	119,105	-	119,105	-	-	-	2,136,127
<u>(8,250)</u>	<u>(5,332)</u>	<u>111,484</u>	<u>(12,715)</u>	<u>98,769</u>	<u>(4,059)</u>	<u>42,412</u>	<u>38,352</u>	<u>738,294</u>
<u>128,972</u>	<u>427,154</u>	<u>(45,350)</u>	<u>287,360</u>	<u>242,010</u>	<u>256,102</u>	<u>446,990</u>	<u>703,092</u>	<u>3,318,850</u>
<u>\$ 120,722</u>	<u>\$ 421,822</u>	<u>\$ 66,134</u>	<u>\$ 274,645</u>	<u>\$ 340,779</u>	<u>\$ 252,043</u>	<u>\$ 489,402</u>	<u>\$ 741,444</u>	<u>\$ 4,057,144</u>

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, 2010

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	265,532	265,532	256,654	(8,878)
Charges for services	60,800	60,800	79,947	19,147
Fines & forfeits	-	-	-	-
Investment earnings	600	600	1,022	422
Miscellaneous	100	100	1,069	969
Total revenues	327,032	327,032	338,692	11,660
EXPENDITURES:				
Current:				
General government	50,856	50,856	56,407	(5,551)
Judicial services	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	1,378,489	1,384,603	1,199,469	185,134
Health & human services	-	-	-	-
Economic environment	-	-	-	-
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	30,000	30,000	-	30,000
Total expenditures	1,459,345	1,465,459	1,255,876	209,583
Excess(deficiency) of revenues over expenditures	(1,132,313)	(1,138,427)	(917,184)	221,243
OTHER FINANCING SOURCES (USES):				
Refunding bonds issued	-	-	-	-
Capital -related debt issued	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Disposition of capital assets	-	-	-	-
Transfers in	1,132,313	1,132,313	1,132,313	-
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	1,132,313	1,132,313	1,132,313	-
Net change in fund balance	-	(6,114)	215,129	221,243
Fund balances-beginning	30,000	30,000	226,671	196,671
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ 30,000	\$ 23,886	\$ 441,801	\$ 417,915

CITY OF ELLENSBURG, WASHINGTON

Arterial Street Fund 123

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	180,000	180,000	-	(180,000)
Licenses and permits	3,700	3,700	1,218	(2,482)
Intergovernmental	3,769,750	3,779,750	584,237	(3,195,513)
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	3,500	3,500	1,451	(2,049)
Miscellaneous	20,000	20,000	1,562	(18,438)
Total revenues	<u>3,976,950</u>	<u>3,986,950</u>	<u>588,468</u>	<u>(3,398,482)</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Judicial services	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	359,395	(359,395)
Health & human services	-	-	-	-
Economic environment	-	-	-	-
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	6,071,000	6,081,000	190,574	5,890,426
Total expenditures	<u>6,071,000</u>	<u>6,081,000</u>	<u>549,970</u>	<u>5,531,030</u>
Excess(deficiency) of revenues over expenditures	<u>(2,094,050)</u>	<u>(2,094,050)</u>	<u>38,499</u>	<u>2,132,549</u>
OTHER FINANCING SOURCES (USES):				
Refunding bonds issued	-	-	-	-
Capital -related debt issued	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Disposition of capital assets	-	-	6,992	6,992
Transfers in	1,832,500	1,832,500	-	(1,832,500)
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	<u>1,832,500</u>	<u>1,832,500</u>	<u>6,992</u>	<u>(1,825,508)</u>
Net change in fund balance	<u>(261,550)</u>	<u>(261,550)</u>	<u>45,491</u>	<u>307,041</u>
Fund balances-beginning	520,000	520,000	589,941	69,941
Prior period adjustments	-	-	-	-
Fund balances-ending	<u>\$ 258,450</u>	<u>\$ 258,450</u>	<u>\$ 635,432</u>	<u>\$ 376,982</u>

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, 2010

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	5,250	5,250	175,785	170,535
Fines & forfeits	-	-	-	-
Investment earnings	-	-	372	372
Miscellaneous	-	-	-	-
Total revenues	5,250	5,250	176,157	170,907
EXPENDITURES:				
Current:				
General government	-	-	-	-
Judicial services	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Health & human services	-	-	-	-
Economic environment	-	-	-	-
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	500	500	-	500
Total expenditures	500	500	-	500
Excess(deficiency) of revenues over expenditures	4,750	4,750	176,157	171,407
OTHER FINANCING SOURCES (USES):				
Refunding bonds issued	-	-	-	-
Capital -related debt issued	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	4,750	4,750	176,157	171,407
Fund balances-beginning	45,000	45,000	105,456	60,456
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ 49,750	\$ 49,750	\$ 281,613	\$ 231,863

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, 2010

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	600,000	600,000	590,119	(9,881)
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	400	400	238	(162)
Miscellaneous	-	-	-	-
Total revenues	600,400	600,400	590,357	(10,043)
EXPENDITURES:				
Current:				
General government	-	-	-	-
Judicial services	-	-	-	-
Public safety	610,148	610,148	578,398	31,750
Physical environment	45,679	45,679	30,157	15,522
Transportation	-	-	-	-
Health & human services	-	-	-	-
Economic environment	-	-	-	-
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	655,827	655,827	608,555	47,272
Excess(deficiency) of revenues over expenditures	(55,427)	(55,427)	(18,198)	37,229
OTHER FINANCING SOURCES (USES):				
Refunding bonds issued	-	-	-	-
Capital -related debt issued	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	(55,427)	(55,427)	(18,198)	37,229
Fund balances-beginning	60,000	60,000	149,031	89,031
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ 4,573	\$ 4,573	\$ 130,834	\$ 126,260

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, 2010

	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	1,000	138,548	139,258	710
Investment earnings	-	-	283	283
Miscellaneous	-	-	-	-
Total revenues	1,000	138,548	139,541	993
EXPENDITURES:				
Current:				
General government	-	-	-	-
Judicial services	-	-	-	-
Public safety	10,000	10,000	3,416	6,584
Physical environment	-	-	-	-
Transportation	-	-	-	-
Health & human services	-	-	-	-
Economic environment	-	-	-	-
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	10,000	10,000	3,416	6,584
Excess(deficiency) of revenues over expenditures	(9,000)	128,548	136,126	7,578
OTHER FINANCING SOURCES (USES):				
Refunding bonds issued	-	-	-	-
Capital -related debt issued	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	(9,000)	128,548	136,126	7,578
Fund balances-beginning	10,000	10,000	8,336	(1,664)
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ 1,000	\$ 138,548	\$ 144,462	\$ 5,914

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, 2010

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	54,000	54,000	62,380	8,380
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	-	-	190	190
Miscellaneous	-	-	-	-
Total revenues	54,000	54,000	62,570	8,570
EXPENDITURES:				
Current:				
General government	-	-	-	-
Judicial services	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Health & human services	-	-	-	-
Economic environment	60,000	60,000	61,918	(1,918)
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	60,000	60,000	61,918	(1,918)
Excess(deficiency) of revenues over expenditures	(6,000)	(6,000)	652	6,652
OTHER FINANCING SOURCES (USES):				
Refunding bonds issued	-	-	-	-
Capital -related debt issued	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	(6,000)	(6,000)	652	6,652
Fund balances-beginning	56,000	56,000	67,835	11,835
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ 50,000	\$ 50,000	\$ 68,488	\$ 18,487

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, 2010

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	24,000	24,000	30,500	6,500
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	-	-	476	476
Miscellaneous	-	-	-	-
Total revenues	24,000	24,000	30,976	6,976
EXPENDITURES:				
Current:				
General government	-	-	-	-
Judicial services	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Health & human services	-	-	-	-
Economic environment	68,700	68,700	13,149	55,551
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	68,700	68,700	13,149	55,551
Excess(deficiency) of revenues over expenditures	(44,700)	(44,700)	17,827	62,527
OTHER FINANCING SOURCES (USES):				
Refunding bonds issued	-	-	-	-
Capital -related debt issued	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	(44,700)	(44,700)	17,827	62,527
Fund balances-beginning	150,000	150,000	184,537	34,537
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ 105,300	\$ 105,300	\$ 202,364	\$ 97,064

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, 2010

	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	-	-	153	153
Miscellaneous	-	-	-	-
Total revenues	-	-	153	153
EXPENDITURES:				
Current:				
General government	-	-	-	-
Judicial services	-	-	-	-
Capital outlay	30,000	30,000	28,706	1,294
Total expenditures	30,000	30,000	28,706	1,294
Excess(deficiency) of revenues over expenditures	(30,000)	(30,000)	(28,553)	1,447
OTHER FINANCING SOURCES (USES):				
Refunding bonds issued	-	-	-	-
Capital -related debt issued	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Disposition of capital assets	-	-	-	-
Transfers in	30,000	30,000	30,000	-
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	30,000	30,000	30,000	-
Net change in fund balance	-	-	1,447	1,447
Fund balances-beginning	-	-	52,845	52,845
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ -	\$ -	\$ 54,291	\$ 54,292

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, 2010

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	1,800	49,810	49,866	56
Charges for services	25,000	25,000	70,388	45,388
Fines & forfeits	-	-	-	-
Investment earnings	-	-	102	102
Miscellaneous	-	-	-	-
Total revenues	26,800	74,810	120,355	45,545
EXPENDITURES:				
Current:				
General government	-	-	-	-
Judicial services	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Health & human services	-	-	-	-
Economic environment	-	-	-	-
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	73,010	72,225	785
Total expenditures	-	73,010	72,225	785
Excess(deficiency) of revenues over expenditures	26,800	1,800	48,129	46,329
OTHER FINANCING SOURCES (USES):				
Refunding bonds issued	-	-	-	-
Capital -related debt issued	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	26,800	1,800	48,129	46,329
Fund balances-beginning	-	-	39,563	39,563
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ 26,800	\$ 1,800	\$ 87,692	\$ 85,892

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, 2010

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	350,000	350,000	370,659	20,659
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	-	-	1,246	1,246
Miscellaneous	-	-	-	-
Total revenues	350,000	350,000	371,904	21,904
EXPENDITURES:				
Current:				
General government	-	-	-	-
Judicial services	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Health & human services	-	-	-	-
Economic environment	273,050	298,050	319,133	(21,083)
Culture & recreation	15,567	15,567	25,000	(9,433)
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	100,000	100,000	-	100,000
Total expenditures	388,617	413,617	344,133	69,484
Excess(deficiency) of revenues over expenditures	(38,617)	(63,617)	27,771	91,388
OTHER FINANCING SOURCES (USES):				
Refunding bonds issued	-	-	-	-
Capital -related debt issued	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	(38,617)	(63,617)	27,771	91,388
Fund balances-beginning	290,000	290,000	467,803	177,803
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ 251,383	\$ 226,383	\$ 495,575	\$ 269,191

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, 2010

	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	-	-	2	2
Miscellaneous	-	-	-	-
Total revenues	-	-	2	2
EXPENDITURES:				
Current:				
General government	-	-	-	-
Judicial services	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Health & human services	-	-	-	-
Economic environment	-	-	-	-
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess(deficiency) of revenues over expenditures	-	-	2	2
OTHER FINANCING SOURCES (USES):				
Refunding bonds issued	-	-	-	-
Capital -related debt issued	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	-	-	2	2
Fund balances-beginning	1,000	1,000	1,319	319
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ 1,000	\$ 1,000	\$ 1,322	\$ 321

CITY OF ELLENSBURG, WASHINGTON

Risk Management Fund 171

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

	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	500	500	85	(415)
Miscellaneous	2,650	2,650	4,199	1,549
Total revenues	3,150	3,150	4,284	1,134
EXPENDITURES:				
Current:				
General government	73,800	73,800	76,126	(2,326)
Judicial services	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Health & human services	-	-	-	-
Economic environment	-	-	-	-
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay				
Total expenditures	73,800	73,800	76,126	(2,326)
Excess(deficiency) of revenues over expenditures	(70,650)	(70,650)	(71,842)	(1,192)
OTHER FINANCING SOURCES (USES):				
Refunding bonds issued	-	-	-	-
Capital -related debt issued	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Disposition of capital assets	-	-	-	-
Transfers in	25,000	25,000	25,000	-
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	25,000	25,000	25,000	-
Net change in fund balance	(45,650)	(45,650)	(46,842)	(1,192)
Fund balances-beginning	50,000	50,000	49,055	(945)
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ 4,350	\$ 4,350	\$ 2,213	\$ (2,137)

CITY OF ELLENSBURG, WASHINGTON

EUREDRF Fund 175

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

	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	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Health & human services	-	-	-	-
Economic environment	70,000	70,000	70,000	-
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	70,000	70,000	70,000	-
Excess(deficiency) of revenues over expenditures	(70,000)	(70,000)	(70,000)	-
OTHER FINANCING SOURCES (USES):				
Refunding bonds issued	-	-	-	-
Capital -related debt issued	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Disposition of capital assets	-	-	-	-
Transfers in	70,000	70,000	70,000	-
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	70,000	70,000	70,000	-
Net change in fund balance	-	-	-	-
Fund balances-beginning	-	-	-	-
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ -	\$ -	\$ -	\$ -

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, 2010

	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	15,600	15,600	15,600	-
Total revenues	15,600	15,600	15,600	-
EXPENDITURES:				
Current:				
General government	-	-	-	-
Judicial services	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Health & human services	-	-	-	-
Economic environment	-	-	-	-
Culture & recreation	-	-	12,787	(12,787)
Interest on long-term debt	-	-	-	-
Debt service				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	15,600	15,600	-	15,600
Total expenditures	15,600	15,600	12,787	2,813
Excess(deficiency) of revenues over expenditures	-	-	2,813	2,813
OTHER FINANCING SOURCES (USES):				
Refunding bonds issued	-	-	-	-
Capital -related debt issued	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	-	-	2,813	2,813
Fund balances-beginning	-	-	4,198	4,198
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ -	\$ -	\$ 7,011	\$ 7,011

CITY OF ELLENSBURG, WASHINGTON

G.O. Bonded Land Debt Fund 210

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

	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	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Health & human services	-	-	-	-
Economic environment	-	-	-	-
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	100,000	100,000	100,000	-
Interest and other charges	71,159	71,159	71,159	0
Capital outlay	-	-	-	-
Total expenditures	171,159	171,159	171,159	-
Excess(deficiency) of revenues over expenditures	(171,159)	(171,159)	(171,159)	0
OTHER FINANCING SOURCES (USES):				
Refunding bonds issued	-	-	-	-
Capital -related debt issued	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Disposition of capital assets	-	-	-	-
Transfers in	171,159	171,159	171,159	-
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	171,159	171,159	171,159	-
Net change in fund balance	-	-	0	0
Fund balances-beginning	-	-	257,813	257,813
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ -	\$ -	\$ 257,814	\$ 257,813

CITY OF ELLENSBURG, WASHINGTON

City Hall Debt Fund 220

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

	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	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Health & human services	-	-	-	-
Economic environment	-	-	-	-
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	210,000	210,000	210,000	-
Interest and other charges	158,358	158,358	158,359	(1)
Capital outlay	-	-	-	-
Total expenditures	368,358	368,358	368,359	(1)
Excess(deficiency) of revenues over expenditures	(368,358)	(368,358)	(368,359)	(1)
OTHER FINANCING SOURCES (USES):				
Refunding bonds issued	-	-	-	-
Capital -related debt issued	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Disposition of capital assets	-	-	-	-
Transfers in	368,358	368,358	368,358	-
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	368,358	368,358	368,358	-
Net change in fund balance	-	-	(1)	(1)
Fund balances-beginning	-	-	344	344
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ -	\$ -	\$ 344	\$ 344

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, 2010

	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	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Health & human services	-	-	-	-
Economic environment	-	-	-	-
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	-	125,000	125,000	-
Interest and other charges	-	88,200	88,200	-
Capital outlay	-	-	-	-
Total expenditures	-	213,200	213,200	-
Excess(deficiency) of revenues over expenditures	-	(213,200)	(213,200)	-
OTHER FINANCING SOURCES (USES):				
Refunding bonds issued	-	-	-	-
Capital -related debt issued	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Disposition of capital assets	-	-	-	-
Transfers in	-	213,200	213,200	-
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	-	213,200	213,200	-
Net change in fund balance	-	-	-	-
Fund balances-beginning	-	-	-	-
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ -	\$ -	\$ -	\$ -

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, 2010

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ 148,000	\$ 148,000	\$ 144,764	\$ (3,236)
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	-	-	167	167
Miscellaneous	-	-	-	-
Total revenues	148,000	148,000	144,930	(3,070)
EXPENDITURES:				
Current:				
General government	-	-	-	-
Judicial services	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Health & human services	-	-	-	-
Economic environment	-	-	-	-
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	75,000	75,000	75,000	-
Interest and other charges	67,013	67,013	67,013	-
Capital outlay	-	-	-	-
Total expenditures	142,013	142,013	142,013	-
Excess(deficiency) of revenues over expenditures	5,987	5,987	2,918	(3,069)
OTHER FINANCING SOURCES (USES):				
Refunding bonds issued	-	-	-	-
Capital -related debt issued	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	5,987	5,987	2,918	(3,069)
Fund balances-beginning	-	-	40,025	40,025
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ 5,987	\$ 5,987	\$ 42,942	\$ 36,956

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, 2010

	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	700	700	394	(306)
Miscellaneous	-	-	-	-
Total revenues	700	700	394	(306)
EXPENDITURES:				
Current:				
General government	-	-	-	-
Judicial services	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Health & human services	-	-	-	-
Economic environment	-	-	-	-
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	8,474	8,474	8,474	0
Interest and other charges	100,170	100,170	169	100,001
Capital outlay	-	-	-	-
Total expenditures	108,644	108,644	8,643	100,001
Excess(deficiency) of revenues over expenditures	(107,944)	(107,944)	(8,250)	99,694
OTHER FINANCING SOURCES (USES):				
Refunding bonds issued	-	-	-	-
Capital -related debt issued	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Disposition of capital assets	-	-	-	-
Transfers in	100,000	100,000	-	(100,000)
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	100,000	100,000	-	(100,000)
Net change in fund balance	(7,944)	(7,944)	(8,250)	(306)
Fund balances-beginning	11,340	11,340	128,972	117,632
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ 3,396	\$ 3,396	\$ 120,722	\$ 117,326

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, 2010

	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	-	-	1,582	1,582
Miscellaneous	-	-	-	-
Total revenues	-	-	1,582	1,582
EXPENDITURES:				
Current:				
General government	-	-	55,528	(55,528)
Judicial services	-	-	-	-
Public safety	-	-	59,741	(59,741)
Physical environment	-	-	-	-
Transportation	-	-	16,252	(16,252)
Health & human services	-	-	-	-
Economic environment	-	-	699	(699)
Culture & recreation	-	-	38,200	(38,200)
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and other charges	-	21,724	33,244	(11,520)
Capital outlay	-	1,740,000	880,436	859,564
Total expenditures	-	1,761,724	1,084,099	677,625
Excess(deficiency) of revenues over expenditures	-	(1,761,724)	(1,082,518)	679,206
OTHER FINANCING SOURCES (USES):				
Bond issued Proceeds	-	2,935,000	2,935,000	-
Bond Premium	-	100,171	100,171	0
Payment to bond refunding escrow agent	-	-	-	-
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(1,195,291)	(177,399)	1,017,892
Other adjustments	-	-	-	-
Total other financing sources & uses	-	1,839,880	2,857,772	1,017,892
Net change in fund balance	-	78,156	1,775,254	1,697,098
Fund balances-beginning	-	-	-	-
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ -	\$ 78,156	\$ 1,775,254	\$ 1,697,098

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, 2010

	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	-	-	143	143
Miscellaneous	-	-	-	-
Total revenues	-	-	143	143
EXPENDITURES:				
Current:				
General government	-	-	-	-
Judicial services	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Health & human services	-	-	-	-
Economic environment	-	-	-	-
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	70,625	70,625	-	70,625
Interest and other charges	460	460	383	77
Capital outlay	2,088,915	10,370	7,381	2,989
Total expenditures	2,160,000	81,455	7,764	73,691
Excess(deficiency) of revenues over expenditures	(2,160,000)	(81,455)	(7,621)	73,834
OTHER FINANCING SOURCES (USES):				
Bond Issue Proceeds	3,000,000	-	-	-
Capital -related debt issued	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Disposition of capital assets	-	-	-	-
Transfers in	25,000	122,094	122,092	(2)
Transfers out	(840,000)	-	(2,987)	(2,987)
Other adjustments	-	-	-	-
Total other financing sources & uses	2,185,000	122,094	119,105	(2,989)
Net change in fund balance	25,000	40,639	111,484	70,845
Fund balances-beginning	22,300	22,300	(45,350)	(67,650)
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ 47,300	\$ 62,939	\$ 66,134	\$ 3,195

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, 2010

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	75,000	75,000	120,016	45,016
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	1,000	1,000	723	(277)
Miscellaneous	-	-	5,272	5,272
Total revenues	76,000	76,000	126,011	50,011
EXPENDITURES:				
Current:				
General government	-	-	-	-
Judicial services	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	138,726	(138,726)
Health & human services	-	-	-	-
Economic environment	-	-	-	-
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	145,000	145,000	-	145,000
Total expenditures	145,000	145,000	138,726	6,274
Excess(deficiency) of revenues over expenditures	(69,000)	(69,000)	(12,715)	56,285
OTHER FINANCING SOURCES (USES):				
Refunding bonds issued	-	-	-	-
Capital -related debt issued	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	(69,000)	(69,000)	(12,715)	56,285
Fund balances-beginning	230,000	230,000	287,360	57,360
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ 161,000	\$ 161,000	\$ 274,645	\$ 113,645

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, 2010

	Budget		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	174	174
Fines & forfeits	-	-	-	-
Investment earnings	1,400	1,400	672	(728)
Miscellaneous	6,100	6,100	3,721	(2,379)
Total revenues	7,500	7,500	4,567	(2,933)
EXPENDITURES:				
Current:				
Current:				
General government	-	-	-	-
City General	-	-	-	-
Finance	-	-	-	-
Managers	-	-	-	-
Library	-	-	-	-
Total General Government	-	-	-	-
Culture & recreation	8,800	8,800	8,627	173
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	8,800	8,800	8,627	173
Excess(deficiency) of revenues over expenditures	(1,300)	(1,300)	(4,059)	(2,759)
OTHER FINANCING SOURCES (USES):				
Refunding bonds issued	-	-	-	-
Capital -related debt issued	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	(1,300)	(1,300)	(4,059)	(2,759)
Fund balances-beginning	230,000	230,000	256,102	26,102
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ 228,700	\$ 228,700	\$ 252,043	\$ 23,343

City of Ellensburg, Washington

Holmes Trust Fund 621

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2010

	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	-	-	39,552	39,552
Miscellaneous	-	12,940	12,940	0
Total revenues	-	12,940	52,493	39,553
EXPENDITURES:				
Current:				
General government	-	-	-	-
Judicial services	-	-	-	-
Public safety	-	-	-	-
Physical environment	-	-	-	-
Transportation	-	-	-	-
Health & human services	-	-	-	-
Economic environment	-	-	-	-
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	10,082	10,081	1
Total expenditures	-	10,082	10,081	1
Excess(deficiency) of revenues over expenditures	-	2,858	42,412	39,554
OTHER FINANCING SOURCES (USES):				
Refunding bonds issued	-	-	-	-
Capital -related debt issued	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Disposition of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	-	2,858	42,412	39,554
Fund balances-beginning	-	-	446,991	446,991
Prior period adjustments	-	-	-	-
Fund balances-ending	\$ -	\$ 2,858	\$ 489,402	\$ 486,545

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.

I-Net- 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.

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CITY OF ELLENSBURG, WASHINGTON

Combining Statement of Net Assets

Nonmajor Enterprise Funds

December 31, 2010

	Business-type Activities-Enterprise Funds			
	Utility Deposit	I-Net	Storm Water	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 494,375	\$ 276,805	\$ 243,864	\$ 1,015,043
Deposits with fiscal agents	-	-	-	-
Investments	-	-	-	-
Receivables(net)	-	-	-	-
Accounts	-	-	66,050	66,050
Due from other funds	-	-	-	-
Due from other governments	-	-	60,236	60,236
Total current assets	<u>494,375</u>	<u>276,805</u>	<u>370,150</u>	<u>1,141,329</u>
Noncurrent assets:				
Capital assets, net (Note1)				
Land	-	-	-	-
Buildings	-	-	-	-
Improvements	-	-	30,000	30,000
Machinery & equipment	-	562,583	-	562,583
Construction in progress	-	-	174,309	174,309
Less accumulated depreciation	-	(562,583)	-	(562,583)
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>204,309</u>	<u>204,309</u>
Total assets	<u>494,375</u>	<u>276,805</u>	<u>574,459</u>	<u>1,345,638</u>
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	-	-	19,667	19,667
Due to other funds	-	-	3,094	3,094
Due to other governments	-	-	-	-
Other liabilities	464,876	-	-	464,876
Due within one year	-	-	1,173	1,173
Total current liabilities	<u>464,876</u>	<u>-</u>	<u>23,934</u>	<u>488,810</u>
Non current liabilities (Note 2):				
Due in more than one year	-	-	-	-
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>464,876</u>	<u>-</u>	<u>23,934</u>	<u>488,810</u>
NET ASSETS				
Invested in capital assets, net of related debt	-	-	204,309	204,309
Unrestricted	29,498	276,805	346,216	652,519
Total net assets	<u>\$ 29,498</u>	<u>\$ 276,805</u>	<u>\$ 550,525</u>	<u>\$ 856,828</u>

CITY OF ELLENSBURG, WASHINGTON

Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
 Nonmajor Enterprise Funds
 For the Year Ended December 31, 2010

	Business-type Activities - Enterprise Funds			
	Utility Deposit	I-Net	Storm Water	Total
Operating revenues:				
Intergovernmental revenues	\$ -	\$ 49,477	\$ -	\$ 49,477
Charges for services	-	30,523	558,509	589,032
Miscellaneous	-	-	-	-
Total operating revenues	-	80,000	558,509	638,509
Operating expenses:				
Operating expenses	-	42,388	124,230	166,618
Maintenance	-	-	11,686	11,686
Depreciation	-	-	-	-
Taxes	-	-	-	-
Total operating expenses	-	42,388	135,915	178,304
Operating income	-	37,612	422,594	460,205
Nonoperating revenue (expenses)				
Intergovernmental revenues	-	-	-	-
Interest and investment revenue	634	645	242	1,521
Miscellaneous revenue	-	-	-	-
Interest expense	-	-	-	-
Miscellaneous expense	-	-	-	-
Total nonoperating expenses	634	645	242	1,521
Income (loss) before contributions & transfers	634	38,257	422,836	461,727
Capital contributions	-	-	160,000	160,000
Transfers in	-	-	90,676	90,676
Transfers out	-	-	(122,987)	(122,987)
Change in net assets	634	38,257	550,525	589,415
Total net assets - beginning	28,864	238,548	-	267,412
Prior period adjustments	-	-	-	-
Total net assets - ending	\$ 29,498	\$ 276,805	\$ 550,525	\$ 856,827

CITY OF ELLENSBURG, WASHINGTON

Combining Statement of Cash Flows
 Nonmajor Enterprise Funds
 December 31, 2010

	Utility Deposit	I-Net	Storm Water	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ -	\$ 53,453	\$ 427,256	\$ 480,709
Receipts for interfund services provided	-	30,523	4,968	35,491
Payments to suppliers	117,092	(32,388)	(71,301)	13,403
Payment for interfund services used	-	(10,000)	3,094	(6,906)
Payments to employees	-	-	(43,775)	(43,775)
Net cash provided by operating activities	117,092	41,588	320,242	478,922
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating grants received	-	-	-	-
Operating transfer in	-	-	90,676	90,676
Operating transfer out	-	-	(122,987)	(122,987)
Net cash provided by noncapital activities	-	-	(32,311)	(32,311)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	-	-	-	-
capital grant	-	-	130,000	130,000
Proceeds from sales and maturities of investments	-	-	-	-
Purchases of capital assets	-	-	(174,309)	(174,309)
Principal paid on capital debt	-	-	-	-
Interest paid on capital debt	-	-	-	-
Net cash from related financing activities	-	-	(44,309)	(44,309)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments	-	-	-	-
Purchase of Investment	-	-	-	-
Interest and dividends	634	645	242	1,521
Net cash provided by investing activities	634	645	242	1,521
Net (decrease) in cash and cash equivalents	117,726	42,233	243,864	403,823
Balances - beginning of the year	376,649	234,572	-	611,221
Balances - end of the year	\$ 494,375	\$ 276,805	\$ 243,864	\$ 1,015,044

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

Operating income (loss)	-	37,612	422,594	460,206
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	-	-	-	-
Change in assets and liabilities:				
Receivables, net	-	3,976	(66,050)	(62,074)
DFOF	-	-	-	-
DFOG	-	-	(60,236)	(60,236)
Inventories	-	-	-	-
Prepaid	-	-	-	-
Accounts and other payables	117,092	-	19,668	136,760
DTOF	-	-	3,094	3,094
DTOG	-	-	-	-
Employee benefits	-	-	1,172	1,172
Accrued expenses	-	-	-	-
Employee leave benefits	-	-	-	-
Net cash provided by operating activities	\$ 117,092	\$ 41,588	\$ 320,242	\$ 478,922

Noncash Investing, capital, and financing activities:

Borrowing under capital lease				
Contributions of capital assets			30,000	
Purchase of equipment on account				
Increase in fair value of investments				
Capital asset trade-ins				

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.

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CITY OF ELLENSBURG, WASHINGTON

Combining Statement of Net Assets
Internal Service Funds
December 31, 2010

	Equipment Rental and Revolving	Information Services	Health & Benefits Fund	Total
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 2,697,813	\$ 576,603	\$ 411,979	\$ 3,686,396
Deposits with fiscal agents	-	-	75,637	75,637
Receivables(net)	719	-	4,608	5,327
Due from other funds	4,994	-	-	4,994
Due from other governments	3,083	712	-	3,795
Inventories	71,177	-	-	71,177
Other current receivables	-	-	-	-
Prepayments	-	-	-	-
Total Current Assets	<u>2,777,787</u>	<u>577,315</u>	<u>492,224</u>	<u>3,847,326</u>
Noncurrent Assets				
Land	346,711	-	-	346,711
Buildings	1,193,373	-	-	1,193,373
Improvements	338,919	-	-	338,919
Machinery & equipments	4,878,877	615,448	-	5,494,326
Less accumulated depreciation	(3,996,324)	(543,086)	-	(4,539,410)
Construction In progress	-	-	-	-
Net property plant & equipment	<u>2,761,557</u>	<u>72,362</u>	<u>-</u>	<u>2,833,919</u>
Total Assets	<u>5,539,344</u>	<u>649,678</u>	<u>492,224</u>	<u>6,681,246</u>
Liabilities:				
Current Liabilities:				
Accounts payable and accrued expenses	45,514	11,121	39,880	96,515
Due to other funds	93	5	-	98
Interfund Loan Payable	-	-	-	-
Other liabilities	-	-	-	-
Due within one year	<u>22,633</u>	<u>8,015</u>	<u>-</u>	<u>30,649</u>
Total Current Liabilities	<u>68,240</u>	<u>19,142</u>	<u>39,880</u>	<u>127,261</u>
Long-Term Liabilities:				
Due in more than one year	<u>62,022</u>	<u>872</u>	<u>-</u>	<u>62,894</u>
Total Long-Term Liabilities	<u>62,022</u>	<u>872</u>	<u>-</u>	<u>62,894</u>
Total Liabilities	<u>130,262</u>	<u>20,014</u>	<u>39,880</u>	<u>190,156</u>
NET ASSETS				
Invested in capital assets, net of related debt	2,761,557	72,362	-	2,833,919
Unrestricted	<u>2,647,525</u>	<u>557,301</u>	<u>452,344</u>	<u>3,657,170</u>
Total Net Assets	<u>\$ 5,409,082</u>	<u>\$ 629,664</u>	<u>\$ 452,344</u>	<u>\$ 6,491,090</u>

CITY OF ELLENSBURG, WASHINGTON

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

Internal Service Funds

For the Year Ended December 31, 2010

	Equipment Rental and Revolving	Information Services	Health & Benefits Fund	Total
Operating revenues:				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Charges for services	293,965	630,755	-	924,720
Miscellaneous	1,104,163	896	1,502,580	2,607,640
Total operating revenues	<u>1,398,128</u>	<u>631,651</u>	<u>1,502,580</u>	<u>3,532,360</u>
Operating expenses:				
Operating expenses	333,456	551,251	1,156,499	2,041,206
Maintenance	566,504	-	-	566,504
Depreciation	335,676	28,077	-	363,753
Taxes	-	-	-	-
Total operating expenses	<u>1,235,636</u>	<u>579,328</u>	<u>1,156,499</u>	<u>2,971,464</u>
Operating income	<u>162,491</u>	<u>52,323</u>	<u>346,081</u>	<u>560,896</u>
Nonoperating revenue (expenses)				
Intergovernmental revenues	-	-	-	-
Interest and investment rev.	7,021	1,562	701	9,283
Miscellaneous revenue	5,485	-	-	5,485
Interest expense	-	-	-	-
Miscellaneous expense	-	-	-	-
Total nonoperating exp.	<u>12,506</u>	<u>1,562</u>	<u>701</u>	<u>14,768</u>
Income (loss) before contributions & transfers	174,997	53,885	346,782	575,664
Capital contributions	-	10,081	-	10,081
Transfers in	26,781	17,923	-	44,705
Transfers out	-	-	-	-
Change in net assets	<u>201,778</u>	<u>81,890</u>	<u>346,782</u>	<u>630,450</u>
Total net assets - beginning	<u>5,207,303</u>	<u>547,774</u>	<u>105,562</u>	<u>5,860,640</u>
Total net assets - ending	<u>\$ 5,409,082</u>	<u>\$ 629,664</u>	<u>\$ 452,344</u>	<u>\$ 6,491,090</u>

CITY OF ELLENSBURG, WASHINGTON

Combining Statement of Cash Flows
Internal Service Funds
December 31, 2010

	Equipment Rental and Revolving	Information Services	Health & Benefits Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 27,559	\$ 896	\$ (4,608)	\$ 23,847
Receipt for interfund service provided	1,364,544	630,043	1,502,580	3,497,167
Payments to suppliers	(451,758)	(307,478)	(1,116,619)	(1,875,855)
Payment for interfund service used	(83,715)	-	-	(83,715)
Payments to employees	(355,529)	(247,811)	-	(603,340)
Net cash provided by operating activities	<u>501,101</u>	<u>75,650</u>	<u>381,353</u>	<u>958,104</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating grants received	-	-	-	-
Transfers in	26,781	17,923	-	44,704
Transfers out	-	-	-	-
Net cash provided by noncapital activities	<u>26,781</u>	<u>17,923</u>	<u>-</u>	<u>44,704</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	-	10,081	-	10,081
Capital grant	-	-	-	-
Proceed from sale assets	(63,291)	(13,724)	-	(77,015)
Proceed from bond sale	-	-	-	-
Purchases of capital assets	(546,374)	(25,229)	-	(571,603)
Principal paid on capital debt	-	-	-	-
Interest paid on capital debt	-	-	-	-
Net cash from related financing activities	<u>(609,665)</u>	<u>(28,872)</u>	<u>-</u>	<u>(638,537)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments	-	-	-	-
Purchase of investment	-	-	-	-
Interest and dividends	7,021	1,562	701	9,284
Net cash provided by investing activities	<u>7,021</u>	<u>1,562</u>	<u>701</u>	<u>9,284</u>
Net (decrease) in cash and cash equivalents	(74,762)	66,263	382,054	373,555
Balances - beginning of the year	2,772,575	510,340	105,562	3,388,477
Balances - end of the year	<u>2,697,813</u>	<u>576,603</u>	<u>487,616</u>	<u>3,762,032</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	162,491	52,323	346,081	560,896
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	335,676	28,077	-	363,753
Change in assets and liabilities:				
Receivables, net	1,374	-	(4,608)	(3,234)
Due from other funds	(4,316)	-	-	(4,316)
Due from other governments	(3,082)	(713)	-	(3,795)
Inventories	(8,026)	-	-	(8,026)
Prepaid	-	-	-	-
Accounts and other payables	7,142	(5,556)	39,880	41,466
Due to other funds	(914)	5	-	(909)
Due to other government	-	-	-	-
Employee benefits	10,756	1,514	-	12,270
Accrued expenses	-	-	-	-
Net cash provided by operating activities	<u>\$ 501,101</u>	<u>\$ 75,650</u>	<u>\$ 381,353</u>	<u>\$ 958,105</u>

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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.

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City of Ellensburg, Washington

Agency Funds

Combining Statement of Fiduciary Net Assets

For the Year Ended December 31, 2010

	LID Guarantee Fund	LID Fund	Clearing Fund	Total Agency Funds
ASSETS				
Cash	153,464	26,734	383	180,582
Investments	-	-	-	-
Receivable, net	-	-	303	303
Special assessments	-	586,217	-	586,217
TOTAL ASSETS	<u>153,464</u>	<u>612,952</u>	<u>686</u>	<u>767,102</u>
 LIABILITIES				
Accounts payable	-	-	-	-
Deferred revenue	-	586,217	-	586,520
Other liabilities	153,464	26,734	383	180,581
TOTAL LIABILITIES	<u>\$ 153,464</u>	<u>\$ 612,952</u>	<u>\$ 383</u>	<u>767,102</u>

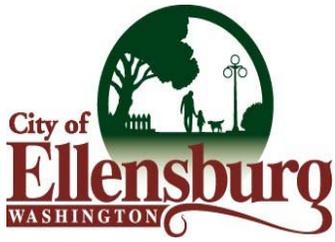
City of Ellensburg, Washington

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended December 31, 2010

DESCRIPTION	Balance	Additions	Deductions	Balance
LID Guarantee Fund				
ASSETS				
Cash	\$ 192,965	\$ 486	\$ 39,986	\$ 153,464
Investments				-
Receivables-net				-
Special assessments				-
TOTAL ASSETS	192,965	486	39,986	153,464
LIABILITIES				
Accounts payable				
Deferred Revenue				
Other liabilities	192,965	486	39,986	153,465
TOTAL LIABILITIES	192,965	486	39,986	153,465
LID Fund				
ASSETS				
Cash	21,230	135,414	129,910	26,734
Investments				
Receivables-net	-	-		
Special assessments	680,482	-	94,264	586,218
TOTAL ASSETS	701,712	135,414	224,174	612,952
LIABILITIES				
Accounts payable				
Deferred Revenue	680,482		94,264	586,218
Other Liabilities	21,230	135,414	129,910	26,734
TOTAL LIABILITIES	680,482	135,414	224,174	612,952
Clearing Fund				
ASSETS				
Cash	858	21,214,164	21,214,639	383
Investments				-
Receivables-net	1,457	25,951	27,104	303
Special assessments				
TOTAL ASSETS	2,315	21,240,115	21,241,744	686
LIABILITIES				
Accounts payable				
Deferred Revenue				
Other Liabilities	2,315	21,240,115	21,241,744	686
TOTAL LIABILITIES	\$ 2,315	\$ 21,240,115	\$ 21,241,744	\$ 686



Supplementary Information

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**CITY OF ELLENSBURG (MCAG #0465)
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2010**

Schedule 16

Federal Awards Received Directly From A Federal Agency Or Indirectly From A State Or Other Local Agency:

GRANTOR/ PASS THROUGH GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	OTHER ID. NUMBERS	CURRENT YEAR EXPEND.
U.S. Dept of Transportation-Federal Highway Administration- Indirect from WA State DOT			
STPE-Highway Planning and Construction	20.205	LA-6745	\$ 69,514
American Recovery and Reinvestment Act of 2009			
ARRA-STPE-Highway Planning and Construction	20.205	LA-6828	ARRA-6949 (002) 280,000
Total Department of Transportation			<u>349,514</u>
Federal Railroad Administration-Indirect			
Railroad Safety	20.301	TR0-91886	4,286
Total Federal Railroad Administration			<u>4,286</u>
American Recovery and Reinvestment Act of 2009			
Department of Energy-Indirect from Washington State University			
ARRA-State Energy Program	81.041	G00026202	28,451
Department of Energy- indirect from State Department of Commerce			
ARRA- Energy Efficiency and Conservation Block Grant	81.128		32,998
Department of Energy- indirect from Battelle Memorial Institute			
ARRA- Development and Analysis, Smart Grid Demonstration Electricity Delivery and Energy Reliability , Research	81.122		172,689
Total Department of Energy			<u>234,138</u>
National Highway Traffic SafetyAdministration (NHTSA)- Indirect			
State and Community Highway Safety	20.600		1,790
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601		1,578
Total National Highway Traffic Safety Administration			<u>3,368</u>
Department of Justice-Direct			
Bulletproof Vest Partnership Grant Program	16.607	1121-0235	3,273
Total Department of Justice			<u>3,273</u>
US Institute of Museum and Library Serviced -Indirect From WA State			
State Library	45.310	G-4223	9,473
State Library	45.310	G-10/340	689
Total US Institute of Museum and Library Service Indirect from WA State Library			<u>10,162</u>
Department of Health-Indirect From Yakima County			
Aging and Long term Care	93.044	6909-10762	9,778
Total Department of Health			<u>9,778</u>
Department of Commerce Office of Crime Victims			
Stop Violence Against Women	16.588		1,781
Total Department of Commerce			<u>1,781</u>
Department of Justice-Indirect From Kittitas County			
Enforcing Underage Drinking Laws	16.727		1,802
Total Department of Justice			<u>1,802</u>
Total Expenditure of Federal Awards			<u><u>\$ 618,101</u></u>

The Accompanying Notes To The Schedule Of Expenditures of Federal Awards Are An Integral Part Of This Schedule

**CITY OF ELLENSBURG (MCAG #0465)
SCHEDULE OF STATE/LOCAL GOVERNMENT FINANCIAL ASSISTANCE
FOR THE YEAR ENDED DECEMBER 31, 2010**

Schedule 16

Assistance Received Directly From A State Or Other Local Agency:

GRANTOR/ PASS THROUGH GRANTOR PROGRAM TITLE	OTHER ID. NUMBERS	CURRENT YEAR EXPEND.
WA State Department of Transportation		
TIB	8-4-175-(016)-1	\$ 87,575
Quadco RTPO		9,317
Quadco RTPO UPWP Planning Grant		8,775
Total WA State Department of Transportation		<u>105,668</u>
WA State Department of Ecology		
Flood Damage Prevention	G1000159	80,000
Phase II Municipal Storm water Grant	G1000262	50,000
Total Wa State Department of Ecology		<u>130,000</u>
Washington State Officers Association		
Intern Grant		2,011
Total Washington State Officers Association		<u>2,011</u>
TOTAL STATE/LOCAL ASSISTANCE		<u><u>\$ 237,679</u></u>

CITY OF ELLENSBURG (MCAG #0465)
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(AND STATE/LOCAL ASSISTANCE)
FOR THE YEAR ENDED DECEMBER 31, 2010

NOTE 1 - BASIS OF ACCOUNTING

The Schedule of Financial Assistance is prepared on the same basis of accounting as the City's financial statements. The City uses the modified accrual system of account for governmental funds and the full accrual system of accounting for enterprise funds.

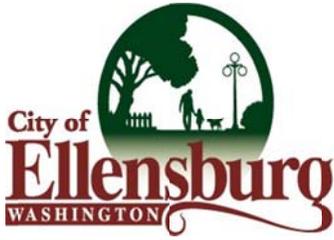
NOTE 2 - PROGRAM COSTS

The amounts shown as current year expenditures represent only state/federal portion of the program costs. Actual program costs, including the City's portion, may be more than shown. Federal Grant from the WA Dept of Health is a combination of both Federal and State money. We were not able to identify the state portion separately.

NOTE 3 - NOT APPLICABLE (N/A)

The city was unable to obtain other identification number.

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Statistical Information

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**CITY OF ELLENSBURG, WASHINGTON
FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2010
INDEX**

STATISTICAL SECTION	Page
<u>Financial Trends</u>	132
<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>	138
<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>	142
<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>	152
<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>	

CITY OF ELLENSBURG
Schedule of changes in Net Assets/Net Assets by Component
LAST FOUR YEARS (*)
(amounts expressed in thousands)

	2007	2008	2009	2010
Expenses				
Governmental Activities				
General governments	3,376	2,799	2,868	2,666
Public Safety	6,547	4,436	5,283	4,893
Physical Environment	911	936	970	988
Transportation	18,838	2,498	2,676	3,477
Health & Human Services		-	17	6
Economic Environmet	936	829	791	965
Culture and Recreation	5,036	3,017	2,846	2,914
Interest on Longterm Debt	387	333	315	413
Total governmental expensess	<u>36,031</u>	<u>14,848</u>	<u>15,765</u>	<u>16,322</u>
Business Type Activities				
Deposits	4	5	-	-
I- Net	47	53	51	42
Stormwater	-			131
Gas	8,471	8,946	9,137	9,022
Light	11,804	11,577	13,202	12,875
Water	2,566	2,687	3,011	3,275
Sewer	2,361	2,573	2,689	3,006
Total Business Type Activities	<u>25,254</u>	<u>25,840</u>	<u>28,091</u>	<u>28,351</u>
Total Primary Government Expenses	<u>61,285</u>	<u>40,689</u>	<u>43,856</u>	<u>44,671</u>
Program Revenue				
Governmental Activities				
General governments	1,769	1,963	1,959	2,443
Public Safety	149	115	109	243
Physical Environment	824	663	640	671
Transportation	146	135	206	81
Health & Human Services	-	-	-	-
Economic Environmet	807	853	449	435
Culture and Recreation	397	313	335	368
Operating Grants and Contributions				
General governments	379	552	318	352
Public Safety	321	63	113	86
Physical Environment			2	
Transportation	444	1,765	420	394
Health & Human Services				-
Economic Environmet		127	1	33
Culture and Recreation	119	282	193	201
Capital Grants and Contributions				
General governments	23	23		
Public Safety				
Physical Environment				
Transportation	251	251	645	447
Health & Human Services				
Economic Environmet	3	3		
Culture and Recreation	7	7		
Total Governmental program revenues	<u>5,639</u>	<u>7,115</u>	<u>5,390</u>	<u>5,754</u>
Business Type Activities				
Deposits	-	4	-	
I- Net	63	80	80	31
Stormwater	-			559

Gas	8,877	9,519	9,633	9,393
Light	13,347	12,709	13,828	12,930
Water	2,605	2,864	2,876	3,112
Sewer	2,296	2,602	2,876	2,933
Operating Grants and Contributions				
Deposits	-	-	-	-
I- Net	-	-	-	49
Stormwater	-	-	-	-
Gas	-	-	4	-
Light	-	-	-	173
Water	-	-	-	-
Sewer	-	-	49	-
Capital Grants and Contributions				
Deposits	-	-	-	-
I- Net	-	-	-	-
Stormwater	-	-	-	130
Gas	-	-	-	-
Light	-	-	-	-
Water	-	-	-	-
Sewer	-	-	-	-
Total Business Type Activities Program Revenue	27,187	27,777	29,345	29,309
Total Primary Government Net Expenses	(28,459)	(5,197)	(9,123)	(9,607)
General Revenues				
Property Taxes	2,040	1,930	2,146	2,151
Property Taxes, Levied for Debt Services	129	125	142	147
Sales and Use Taxes	3,639	4,078	4,518	4,193
Fines and Forfeits	2,926	-	-	-
Other taxes	690	3,438	2,978	3,092
Grants and Contributions (not restricted)	-	99	1,934	611
Investment Earnings	1,306	349	195	239
Miscellaneous	269	52	412	247
Disposition of Capital Assets	-	209	11	-
Total Primary Governments General Revenues	10,999	10,280	12,336	10,680
Internal Service Funds	(40,531)	-	-	-
Change in Net Assets				
Governmental Activities	(20,407)	2,270	1,021	(407)
Business Type Activities	2,906	2,212	2,194	1,480
Total Change in Net Assets	(17,501)	4,482	3,215	1,073
Net Assets by component				
Invested in Capital Assets, net of related debt	63,756	66,725	75,108	73,681
Restricted	-	-	-	-
Prepayment/Inventory	-	42	64	31
Rate Stabilization	676	676	676	676
Capital Projects	-	317	242	2,204
Construction	2,131	377	259	2,572
Debt Service	1,665	2,196	1,817	2,292
Transportation	-	-	-	1,328
Public Safety	-	-	-	275
Economic Environment	-	-	-	496
Permanent	-	-	-	741
Unrestricted	15,685	17,367	20,462	15,403
Total Net Assets	83,912	87,699	98,627	99,699

* 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	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Property Tax	\$1,470	\$1,514	\$1,603	\$1,756	\$1,841	\$1,953	\$2,170	\$2,055	\$2,208	\$2,247
Sales Tax	2,325	2,375	2,616	2,949	3,253	3,213	2,993	3,441	3,138	2,980
Criminal Justice Sales Tax*	-	-	-	-	-	-	-	484	615	590
Local Criminal Justice Tax	-	192	196	206	258	305	373	323	267	252
Admission Tax	64	65	78	84	105	91	92	94	101	89
Electric Tax	4	12	12	6	6	7	6	5	5	5
Solid Waste Tax	124	133	137	149	150	159	165	169	174	178
Television Cable	57	68	72	74	71	74	75	88	90	94
Telephone Tax	662	493	350	381	381	379	471	464	522	509
Utility Tax	1,134	1,157	1,291	1,321	1,413	1,636	1,575	1,703	1,870	1,881
Leasehold Tax	18	18	17	16	17	25	16	19	13	18
Television Cable	75	68	74	72	70	75	74	83	91	93
Motel/Hotel Tax	224	243	250	263	291	320	356	366	350	371
Real Estate Excise Tax	134	153	158	207	230	308	290	153	149	120
Distressed County Sales	-	23	45	-	-	-	-	-	-	-
Gambling Tax	9	79	62	95	151	170	129	122	113	105
Total	\$6,300	\$6,594	\$6,959	\$7,577	\$8,236	\$8,716	\$8,785	\$9,571	\$9,704	\$9,532

* First year of tax was 2008

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

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General fund										
Reserved	\$87	\$84	\$163	\$163	\$163	\$0	\$22	\$23	\$23	\$0
Unreserved	1,434	1,280	1,107	830	1,042	1,864	1,267	1,453	2,303	3,077
Total General Fund	1,521	1,364	1,270	993	1,205	1,864	1,290	1,476	2,326	3,077
All other Governmental Funds										
Reserved	350	4,434	1,062	971	1,010	209	26	778	710	5,497
Unreserved, reported in:										
Special Revenue Funds	4,447	4,091	3,930	3,139	2,590	823	2,937	2,694	3,079	1,058
Capital Project Funds	48	192	4,411	450	188	375	451	-	-	-
Debt Service Funds	-	-	-	-	-	-	172	-	-	-
Permanent	-	-	-	-	-	770	625	617	703	-
Total all other governmental funds	4,846	8,717	9,403	4,560	3,788	2,177	4,211	4,089	4,492	6,555
Total Governmental Funds	\$6,367	\$10,081	\$10,674	\$5,552	\$4,993	\$4,041	\$5,500	\$5,567	\$6,818	\$9,632

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

Revenues	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007*	2008	2009	2010
Governmental										
Taxes	\$6,485	\$6,605	\$7,029	\$7,577	\$8,236	\$8,716	\$8,735	\$9,571	\$9,704	\$9,532
Licenses and Permits	220	408	493	667	503	532	827	907	507	490
Intergovernmental	1,335	3,230	3,921	1,819	1,102	1,882	1,635	3,074	1,692	1,514
Charges for Services	2,615	972	1,048	2,733	3,194	3,553	3,057	3,038	3,090	3,521
Fines and Forfeits	73	94	125	107	108	93	119	96	101	230
Miscellaneous	1,136	916	603	425	628	853	589	184	530	310
Total Governmental	\$11,865	\$12,224	\$13,220	\$13,328	\$13,771	\$15,630	\$14,962	\$16,870	\$15,624	\$15,597
Expenditures										
Governmental										
General Government	\$1,565	\$1,588	\$1,658	\$1,700	\$2,003	\$2,243	\$2,386	\$2,634	\$2,778	\$2,833
Security of Person & Property	4,521	4,776	4,901	5,236	5,528	5,711	5,152	4,384	4,426	4,470
Physical Environment	657	692	705	880	749	826	844	932	976	1,003
Transportation	862	862	787	880	905	974	1,046	1,072	1,101	1,889
Economic Environment	514	333	482	732	821	759	890	861	790	963
Mental and Physical Health	4	7	7	7	6	8	0	0	17	6
Culture and Recreation	1,722	2,160	1,986	2,017	2,239	2,250	2,383	2,721	2,561	2,629
Debt Service	2,248	394	669	727	791	724	765	724	694	938
Capital outlay and other	2,507	2,950	4,135	6,020	1,246	2,664	721	3,696	1,113	1,189
Total Governmental	\$14,599	\$13,761	\$15,330	\$18,200	\$14,288	\$16,159	\$14,187	\$17,024	\$14,457	\$15,920
Excess of revenue over(under)										
Expenditures	(2,734.50)	(1,536.72)	(2,110.27)	(4,871.36)	(517.07)	(528.64)	775.50	(154.09)	1,166.69	(322.94)
Other Financing Sources										
Bond Issued Proceeds	\$ 2,041	\$ 4,523	\$ 1,886	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,935
Bond Premiums	-	148	96	-	-	-	-	-	-	100
Disposition of capital assets	-	-	-	-	-	21	0.97	209	16	7
Transfer In	2,436	3,030	3,408	3,057	4,604	3,723	3,881.76	4,237	3,317	3,724
Transfer Out	(2,271)	(2,972)	(3,357)	(3,201)	(4,597)	(4,087)	(3,221.46)	(4,187)	(3,247)	(3,628)
Intergovernmental	(50)	(0)	(50)	(50)	(50)	-	-	-	-	-
Other	-	-	(1)	1	0	-	-	-	-	-
Total other financing Sources	2,156	4,730	1,982	(193)	(42)	(342)	661	259	86	3,139
Net Change in Fund Balance	\$ (579)	\$ 3,193	\$ (128)	\$ (5,064)	\$ (560)	\$ (871)	\$ 1,437	\$ 105	\$ 1,253	\$ 2,816
Debt Service as a percentage of noncapital expenditures	18.59%	3.65%	5.97%	5.97%	6.07%	5.36%	5.68%	5.43%	5.20%	6.37%

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Governmental Activities										
Invested in Capital Assets, net of related debt*	\$0	\$0	\$0	\$0	\$0	\$0	\$39,707	\$40,825	\$42,245	\$41,150
Restricted	1,295	5,270	1,225	1,134	1,173	584		801	733	5,497
Unrestricted	17,822	18,682	9,448	4,419	3,820	3,458	5,087	4,446	5,376	1,299
Total Governmental Type Activities Net Assets	19,117	23,952	10,674	5,552	4,993	4,041	44,794	46,072	48,354	47,946
Business Type Activities										
Invested in Capital Assets, net of related debt	-	-	23,157	20,299	16,935	21,016	24,049	25,900	32,864	32,531
Restricted	3,036	3,422	4,785	3,909	7,658	6,785	4,472	2,807	2,324	5,118
Unrestricted	30,176	29,140	4,347	10,572	10,190	8,411	10,598	12,921	15,086	14,104
Total Business Type Activities Net Assets	33,212	32,562	32,289	34,779	34,784	36,211	39,118	41,628	50,273	51,753
Primary Government										
Invested in Capital Assets, net of related debt	-	-	23,157	20,299	16,935	21,016	63,756	66,725	75,108	73,681.17
Restricted	4,331	8,692	6,010	5,043	8,831	7,369	4,472	3,607	3,057	10,615
Unrestricted	47,998	47,822	13,796	14,990	14,011	11,868	15,685	17,367	20,462	15,403
Total Primary Government Net Assets	\$52,329	\$56,514	\$42,963	\$40,332	\$39,777	\$40,253	\$83,912	\$87,699	\$98,627	\$99,699

*The City implements the new GASB 34 standards in 2007

**CITY OF ELLENSBURG
SUMMARY OF SALES TAX REVENUE
LAST THREE YEARS**

Fiscal Year

Sales Tax Category	2008	2,009	2010
Unknown	66,167	58,911	65,078
Agriculture, Forestry, Fishing	18,965	20,201	8,759
Mining	-	-	390
utilities	39,018	6,717	4,903
Construction	472,767	657,229	410,907
Manufacturing	43,723	62,966	62,066
Wholesale Trade	208,774	212,757	199,266
Retail Trade	1,585,246	1,460,628	1,321,023
Transportation and Warehousing	5,217	9,828	12,379
Information	53,840	53,509	54,550
Finance and Insurance	40,647	34,339	33,305
Real Estate, Rental, Leasing	96,753	69,424	63,676
Prof, Sci, Technical SVCS	42,958	48,976	38,047
Company Management	264	266	191
Admin, Supp, Remed SVCS	41,276	35,423	34,079
Educational Service	112,927	124,851	109,838
Health Care Social Assistance	30,475	29,146	8,377
Arts, Entertain, Recreation	14,366	14,687	19,753
Accommodation and Food Svcs	422,039	417,623	448,437
Other Services	100,508	95,335	101,697
Public Administration	2,058	5,085	45,824
Total	3,397,988	3,417,901	3,042,545

Source- Tax Tool Category Analysis Report

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

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

FISCAL YEAR	TOTAL TAX	CURRENT TAX	PERCENT OF DELINQUENT		TOTAL TAX	OUTSTANDING	% OF TOTAL	% OF Del.
	LEVY	COLLECTIONS	LEVY	TAX	COLLECTION	DELINQUENT	TAX COLLECT	OUTST TAX
			COLLECTED	COLLECTIONS		TAXES	TO TAX LEVY	TO TAX LEVY
2003	\$1,587	\$1,257	79.2%	\$293	\$1,549	\$38	97.6%	2.4%
2004	1,647	1,180	71.6%	451	1,631	16	99.0%	1.0%
2005	1,718	1,227	71.4%	446	1,673	45	97.4%	2.6%
2006	1,834	1,574	85.8%	227	1,800	33	98.2%	1.8%
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%	4.0%
2009	2,366	2,072	87.5%	219	2,291	76	96.8%	3.7%
2010	2,421	2,053	84.8%	257	2,310	111	95.4%	5.4%

* Years 2001 & 2002 information was not available

** Source Kittitas County Monthly Collection Report

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

	Real Appraised Value	Personal Appraised Value	Open Space	Senior Exempt Loss	HOH Exemp 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

* 2000-2006 information not available

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

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

	<u>City Direct Rates</u>			<u>Overlapping Rate</u>			<u>Total Direct and Overlapping Rate</u>
	<u>General Fund</u>	<u>General Obligation Debt Service</u>	<u>Total Direct Rate*</u>	<u>School District # 401</u>	<u>Hospital District #1</u>	<u>Total Overlapping</u>	
2001	2.436	0.000	2.436	4.090	0.439	4.529	6.965
2002	2.437	0.000		4.093	0.445	4.538	4.538
2003	2.300	0.181	2.481	3.977	0.444	4.421	6.902
2004	2.350	0.171	2.521	4.505	0.453	4.957	7.478
2005	2.397	0.164	2.561	4.308	0.424	4.732	7.293
2006	2.504	0.159	2.663	4.329	0.341	4.671	7.334
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

Source Kittitas County Assessors office

*Tax rates are per \$1000 of assessed value

**CITY OF ELLENSBURG
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2010
(amount expressed in thousands)**

GOVERNMENTAL UNIT	OUTSTANDING DEBT*	ESTIMATED PERCENTAGE APPLICABLE*	ESTIMATED SHARE OF OVERLAPPING DEBT
Kittitas County	\$12,830	19%	\$2,473
Ellensburg School District NO. 401	22,255	58%	12,836
Hospital District NO. 1	14,351	38%	5,474
			<u>20,783</u>
City of Ellensburg Direct Debt			<u>8,800</u>
Total Direct and overlapping debt			<u><u>\$29,583</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

CITY OF ELLENSBURG, WASHINGTON
PRINCIPAL PROPERTY TAXPAYERS
As of December 31, 2010
(amount expressed in thousands)

			2008 Assessment for 2009 Tax	
TAX PAYER	TYPE OF BUSINESS	ASSESSED VALUE	PERCENT OF TOTAL ASSESSED VALUE \$1,241,320,800	RANK
Fred Meyer Stores Inc	Retail	12,435	1.00%	1
Fairway Investments LLC	Multi Residential House	12,208	0.98%	2
Timothy Park LLC	Multi Residential House	11,404	0.92%	3
Ellensburg Telephone Company	Telephone Company	\$9,872	0.80%	4
Twin City Foods INC	Food Processing	9,283	0.75%	5
Pautzke Bait CO INC	Fish Bait Processing	9,068	0.89%	6
DirectTV Inc	Satelite TV	8,675	0.56%	7
Sun Lakes Property LLC	Commercial Properties	7,429	0.60%	8
University Court Apts LLC	Multi Residential House	6,225	0.50%	9
University Park Apt	Multi Residential House	6,210	0.50%	10
Total		92,809	0	

**Source: Kittitas County Assessor TerraScan Report dated 1/20/2010

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

**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
2001	2,186	15,389	14.21%
2002	6,678	16,034	41.65%
2003	6,425	17,641	36.42%
2004	8,067	18,091	44.59%
2005	7,799	18,892	41.28%
2006	7,471	19,998	37.36%
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%

Legal Debt Margin Calculation for fiscal Year 2010

Assessed Value	\$1,240,862
Debt Limit	31,021.54
Debt applicable to limit	8,800.00
General Obligation Bonds	8,800.00
Less amount set aside for repayment of general obligation debt	<u>(420.69)</u>
Total net debt applicable to limit	<u>9,220.69</u>
Legal Debt Margin Calculation for 2010	<u><u>\$22,642</u></u>

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
2001	15	595,846	11,440	0	11,440	1.92%	740
2002	16	625,429	17,355	0	17,355	2.77%	1,096
2003	16	650,957	16,640	0	16,640	2.56%	1,044
2004	16	715,936	17,845	0	17,845	2.49%	1,089
2005	17	730,746	21,200	45	21,155	2.90%	1,267
2006	17	764,904	20,770	45	20,725	2.71%	1,213
2007	17	812,208	19,610	49	19,561	2.41%	1,136
2008	17	1,194,400	20,894	299	20,595	1.72%	1,188
2009	17	1,225,498	21,386	297	21,089	1.72%	1,224
2010	17	1,235,787	26,240	301	25,939	2.10%	1,497

* From Washington State Office of Financial Management

** From Kittitas County Assessors Office

*** Amount does not include special assessments and revenue bonds

**** 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	<u>GOVERNMENTAL</u>	<u>BUSINESS TYPE</u>	TOTAL	POPULATION	PER CAPITA	Per Capita Income***	Personal Income	Percentage of Per capital Personal Income
	*GO DEBT	**REVENUE BONDS						
A	B	C	D	E	F	G	H	I
2001	2,186,260	11,195,000	13,381,260	15,460	865.54	24,738	382,449,480	3.50%
2002	6,678,220	12,460,000	19,138,220	15,830	1,208.98	24,667	390,478,610	4.90%
2003	6,425,181	11,885,000	18,310,181	15,940	1,148.69	24,954	397,766,760	4.60%
2004	8,067,143	11,330,000	19,397,143	16,390	1,183.47	25,356	415,584,840	4.67%
2005	7,799,103	19,135,000	26,934,103	16,700	1,612.82	26,274	438,775,800	6.14%
2006	7,471,064	17,775,000	25,246,064	17,080	1,478.11	28,184	481,382,720	5.24%
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	17,326	1,514.98	na	na	na

*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

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			Ratio of Coverage
		Principal	Interest*	Total	
2001	14,599	0	46	46	0.00%
2002	13,761	70	269	339	2.00%
2003	15,330	240	301	541	4.00%
2004	18,200	250	422	672	4.00%
2005	14,288	255	357	612	4.00%
2006	16,159	315	349	664	4.00%
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	15,911	510	355	865	5.00%

* 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

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			Coverage
				Principal	Interest	Total	
2000	\$1,755	\$1,441	\$ 314	\$ 9	\$45	\$53	5.91
2001	1,821	1,367	455	24	29	\$53	8.61
2002	1,877	1,425	451	26	28	\$53	8.44
2003	1,971	1,475	496	176	63	\$240	2.07
2004	2,084	1,524	560	142	80	\$222	2.52
2005	2,151	1,738	413	148	76	\$224	1.85
2006	2,197	1,847	350	150	72	\$222	1.58
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	2,933	2,399	533	181	126	\$306	1.74

* 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	** Operating Expenses	Net Revenue	Debt Service Requirements			
				Principal	Interest	Total	Coverage
2001	\$ 1,912	\$ 1,418	\$ 494	\$ 116	\$ 142	\$ 258	\$ 2
2002	2,099	1,394	705	125	137	261	3
2003	2,189	1,567	622	129	131	260	2
2004	2,054	1,570	484	133	126	258	2
2005	2,440	1,780	661	137	120	257	3
2006	2,458	1,943	515	145	114	259	2
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

* 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	** Operating Expenses	Net Revenue	Debt Service Requirements			
				Principal	Interest	Total	Coverage
2001	\$ 6,158	\$ 5,237	\$ 921	\$ 75	\$ 98	\$ 173	\$ 5
2002	5,900	6,114	(213)	80	95	175	(1)
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

* Excludes investment earnings

** Total operating expense exclusive of depreciation

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 Requirements			
				Principal	Interest	Total	Coverage
2001	\$ 8,127	\$ 7,480	\$ 647	\$ -	\$ -	\$ -	\$ -
2002	8,659	8,983	(324)	80	122	202	(2)
2003	10,455	9,943	511	90	106	196	3
2004	11,515	9,848	1,667	90	103	193	9
2005	10,907	10,232	675	95	100	195	3
2006	12,440	11,006	1,434	335	286	621	2
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

* 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* ***
2001	15,460	33,894	838,480	24,738	32	2,833	6.60
2002	15,830	34,777	857,861	24,667	32	2,843	7.20
2003	15,940	35,424	883,956	24,954	32	2,949	7.70
2004	16,390	36,545	926,619	25,356	32	2,875	6.90
2005	16,700	37,015	972,524	26,274	32	2,939	5.90
2006	17,080	38,057	1,072,614	28,184	32	2,956	5.20
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	17,326	40,500	na	na	33	3,019	8.60

Data Source

*Washington Office of Financial Management - Population Estimates

**Bureau of Economic Analysis - Regional Economic Accounts

*** Office of Superintendent of Public Instructions

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

Na=Not available at time of report

**City of Ellensburg
Miscellaneous Statistics
December 31, 2010**

Date of Incorporation	November 26, 1883
Form of Government	Council/Manager
Population	17,326
Number of employees (excluding police and fire):	
Union	120
Non-Union	72
Area in square miles	7.00 square miles
City of Ellensburg facilities and services:	
Miles of streets	69
Number of street lights	1,056
Culture and Recreation:	
Parks	18
Park acreage	250
Swimming pools	1
Tennis courts	1
Library	1
Active Library cards	10,924
Annual visitors	155,500
Annual attendance for childrens programs	9,074
Annual circulation of materials	216,231
Police Protection:	
Number of Stations	1
Number of full-time personnel and officers	38
Number of patrol vehicles	7
Number of Commissioned officers	26
Total Calls for Service (Dispatched)	17,100
Physical arrests	1,708
Traffic violations	5,263
Parking violations	3,333
Gas Distribution System:	
Miles of Gas lines	115
Number of service connections	4,902
CCF's of gas delivered annually	7.3 million
Electric Distribution System:	
Miles of service	88
Number of distribution stations	2
Number of service connections	9,343
Water Distribution System:	
Miles of Water Mains	98
Number of service connections	5,597
Number of fire hydrants	794
Daily average consumption in gallons	4.1 mgpd
Maximum daily capacity of plant in gallons	10.5 mgpd
Sewage System:	
Miles of sanitary sewers	77
Miles of storm sewers	9.7
Number of treatment plants	1
Number of service connections	4,194
Daily average treatment in gallons	3.5 mgpd
maximum daily capacity of plant in gallons	8 mgpd

**CITY OF ELLENSBURG
PRINCIPAL EMPLOYERS**

Employer	2009			2000		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Central Washington University	1,333	1	6.85%	1,067	1	6.54%
Kittitas Valley Community Hospital	463	2	2.38%	350	2	2.15%
Ellensburg School District	340	3	1.75%	300	3	1.84%
Kittitas County	310	4	1.90%	251	4	1.54%
Anderson Hay Grain/Agri	270	5	1.39%	115	5	0.71%
Fred Meyer	192	6	0.99%	-	6	0.00%
City of Ellensburg	148	7	0.76%	151	7	0.93%
Elmview	117	8	0.60%	50	8	0.31%
Total County Working Population (2009)	19,450					
Total County Working Population(2000)	16,310					