



## Required Supplementary Information

**CITY OF ELLENSBURG  
 REQUIRED SUPPLEMENTARY INFORMATION  
 OTHER POST EMPLOYMENT BENEFITS - SCHEDULE OF FUNDING PROGRESS  
 2017**

<b>Fund</b>	<b>Value of Assets</b>	<b>Actuarial Accrued Liability</b>	<b>Unfunded AAL</b>	<b>Funded Ratio</b>	<b>Covered payroll</b>	<b>UAAL as a percentage of Covered Payroll</b>
Pre leoff	-	1,963,330	1,963,330	0%	-	N/A
Leoff 1 Fire	-	3,810,288	3,810,288	0%	-	N/A
Leoff 1 Police	-	3,786,167	3,786,167	0%	-	N/A

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

**CITY OF ELLENSBURG  
REQUIRED SUPPLEMENTARY INFORMATION  
GASB Statement No. 67 Schedule of Employer Contributions  
2017**

**Schedule of Employer Contributions for 10 years**

**Fire Relief and Pension Fund**

<b>Fiscal Year Ending</b>	<b>Actuarially Determined Contribution *</b>	<b>Actual Employer Contribution **</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contribution as a % of Covered Payroll</b>
December 31st 2008	77,535	143,574	(66,039)	0	N/A
December 31st 2009	77,535	149,853	(72,318)	0	N/A
December 31st 2010	64,903	199,940	(135,037)	0	N/A
December 31st 2011	64,903	184,471	(119,568)	0	N/A
December 31st 2012	59,924	202,238	(142,314)	0	N/A
December 31st 2013	59,924	76,923	(16,999)	0	N/A
December 31st 2014	43,646	89,679	(46,033)	0	N/A
December 31st 2015	27,000	(61,886)	88,886	0	N/A
December 31st 2016	27,000	92,525	(65,525)	0	N/A
December 31st 2017	52,000	92,127	(40,127)	0	N/A

\* Equal to the ARC under GASB 27 for years prior to 2015. For 2015 and 2016, the ADC is equal to the budgeted contribution developed in the January 2015 actuarial report dated May 22, 2015. For 2017, the ADC is equal to the budgeted contribution developed in the January 2017 actuarial valuation report dated March 8, 2017.

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

**CITY OF ELLENSBURG**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**GASB Statement No. 67 Schedule of Money Weighted Rate of Return**  
**2017**

Fiscal Year Ending December 31	Net Money Weighted Rate of Return
2017	0.88%

**Calculation of Money Weighted Rate of Return**

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

	Net External Cash Flows	Periods Invested	Period Weight	Net External Cash Flows With Interest
Beginning Value January 1, 2017	\$385,319	12.00	1.00	\$388,712
Monthly net external cash flows:				
January	(7,244)	12.00	1.00	(7,308)
February	(7,615)	11.00	0.92	(7,677)
March	(9,594)	10.00	0.83	(9,664)
April	61,007	9.00	0.75	61,409
May	1,115	8.00	0.67	1,122
June	(8,883)	7.00	0.58	(8,928)
July	(13,177)	6.00	0.50	(13,235)
August	(8,307)	5.00	0.42	(8,338)
September	(8,491)	4.00	0.33	(8,516)
October	(10,874)	3.00	0.25	(10,898)
November	62,055	2.00	0.17	62,147
December	(9,110)	1.00	0.08	(9,116)
Ending Value December 31, 2017	426,201			429,710
 Money Weighted Rate of Return	 0.88%			

**CITY OF ELLENSBURG  
 REQUIRED SUPPLEMENTARY INFORMATION  
 GASB Statement No. 67 Long-Term Expected Rate of Return  
 2017**

The best-estimate range for the long-term expected rate of return is determined by combining expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per Milliman's investment consulting practice as of December 31, 2017.

<b>Asset Class</b>	<b>Index</b>	<b>Long-Term Expected Real Rate of Return</b>
Cash	Citigroup 90-Day T-Bills	0.18%
Short-Term Bonds	Citigroup 1-3 Year Gov/Cred	1.34%
Long-Term Bonds	Barclays Long Gov/Cred	2.78%
Assumed Inflation - Mean		2.25%
<b>Long-Term Expected Rate of Return</b>		<b>3.50%</b>

**CITY OF ELLENSBURG**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**GASB Statement No. 67 Net Pension Liability**  
**2017**

<b>Net Pension Liability</b>	<b>December 31, 2016</b>	<b>December 31, 2017</b>
Total pension liability	\$818,058	\$827,910
Fiduciary net position	385,319	429,710
Net pension liability	432,739	398,200
Fiduciary net position as a % of total pension liability	47.10%	51.90%
Covered payroll	0	0
Net pension liability as a % of covered payroll	N/A	N/A

The total pension liability was determined by an actuarial valuation as of the valuation date, calculated based on the discount rate and actuarial assumptions below, and was then projected forward to the measurement date. Any significant changes during this period have been reflected as prescribed by GASB 67.

**Discount Rate**

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

**Other Key Actuarial Assumptions**

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

**CITY OF ELLENSBURG**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**GASB Statement No. 67 Schedule of Changes in Net Pension Liability and Related Ratios**  
**2017**

<b>\$ Thousands</b>	Fiscal Year Ending December 31			
	2014	2015	2016	2017
<b>Total Pension Liability</b>				
Service Cost	\$0	\$0	\$0	\$0
Interest on total pension liability	33	30	29	30
Effect of plan charges	0	0	0	0
Effect of economic /demographic gains or (losses)	(126)	0	(12)	0
Effect of assumption changes or inputs	107	0	(21)	19
Benefit payments	(52)	(36)	(39)	(40)
Net change in total pension liability	(37)	(7)	(42)	10
Total pension liability, beginning	904	867	860	818
Total pension liability, ending (a)	867	860	818	828
<b>Fiduciary Net Position</b>				
Employer contributions	\$141	\$0	\$141	\$141
Contributions from state fire insurance premium tax	21	20	20	21
Investment income net of investment expenses	1	2	2	4
Benefit payments	(52)	(36)	(39)	(40)
Medical payments from fund	(72)	(82)	(69)	(70)
Administrative expenses	(8)	(11)	(3)	(12)
Net change in plan fiduciary net position	30	(107)	53	44
Fiduciary net position, beginning	410	440	333	385
Fiduciary net position, ending (b)	440	333	385	430
Net pension liability, ending = (a) - (b)	\$427	\$527	\$433	\$398
Fiduciary net position as a % of total pension liability	50.78%	38.70%	47.10%	51.90%
Covered payroll	\$0	\$0	\$0	\$0
Net pension liability as a % of covered payroll	N/A	N/A	N/A	N/A

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

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

City of Ellensburg  
 Schedule of Proportionate Share of the Net Pension Liability  
 Pension Plans, PERS 1; PERS 2; LEOFF 1; LEOFF 2  
 As of June 30 2017  
 Last 10 Fiscal Years\*

		2015	2016	2017
PERS 1				
	<u>Employer's proportion of the net pension liability (asset)</u>	%	0.069607%	0.071927%
	<u>Employer's proportionate share of the net pension liability</u>	\$	3,641,093	3,478,285
	TOTAL	\$	3,641,093	3,478,285
	<u>Employer's covered employee payroll</u>	\$	209,677	159,905
	<u>Employer's proportionate share of the net pension liability as a percentage of covered employee payroll</u>	%	5.76%	4.60%
		2015	2016	2017
PERS 2 & 3	<u>Employer's proportion of the net pension liability (asset)</u>	%	0.084596%	0.090413%
	<u>Employer's proportionate share of the net pension liability</u>	\$	3,022,663	3,141,420
	TOTAL	\$	3,022,663	3,141,420
**	<u>Employer's covered employee payroll</u>	\$	7,506,240	8,896,175
	<u>Employer's proportionate share of the net pension liability as a percentage of covered employee payroll</u>	%	248.33%	283.19%
		2015	2016	2017
LEOFF 1	<u>Employer's proportion of the net pension liability (asset)</u>	%	0.039784%	0.040116%
	<u>Employer's proportionate share of the net pension asset</u>	\$	479,485	608,648
	<u>State's proportionate share of the net pension liability (asset) associated with the employer</u>	\$	(2,761,817)	(4,116,880)
	TOTAL	\$	479,485	608,648
	<u>Employer's covered employee payroll</u>	\$	0	0
	<u>Employer's proportionate share of the net pension liability as a percentage of covered employee payroll</u>	%	0.00%	0.00%
		2015	2016	2017
LEOFF 2	<u>Employer's proportion of the net pension liability (asset)</u>	%	0.071938%	0.069861%
	<u>Employer's proportionate share of the net pension asset</u>	\$	739,379	990,065
	<u>State's proportionate share of the net pension liability (asset) associated with the employer</u>	\$	(264,899)	(642,237)
	TOTAL	\$	739,379	990,065
	<u>Employer's covered employee payroll</u>	\$	2,087,922	2,229,345
	<u>Employer's proportionate share of the net pension liability as a percentage of covered employee payroll</u>	%	282.39%	225.17%
	<u>Plan fiduciary net position as a percentage of the total pension liability</u>	%	282.39%	225.17%

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

\*\* 2016 statements reported \$4,881,354, the January through June Pers 2 employee's compensation was inadvertently omitted

REQUIRED SUPPLEMENTARY INFORMATION - State Sponsored Plans

City of Ellensburg  
 Schedule of Employer Contributions  
 Pension Plans, PERS 1; PERS 2; LEOFF 1; LEOFF 2  
 As of December 31 2017  
 Last 10 Fiscal Years\*

	2015	2016	2017
PERS 1			
Statutorily or contractually required contributions	\$ 18,440	18,338	462,204
Contributions in relation to the statutorily or contractually required contributions	\$ (18,440)	(18,338)	(462,204)
Contribution deficiency (excess)	\$ 0	0	0
Covered employer payroll	\$ 186,682	166,709	108,330
Contributions as a percentage of covered employee payroll	%	9.88%	11.00%
		426.66%	
PERS 2 & 3			
Statutorily or contractually required contributions	\$ 430,526	523,010	629,716
Contributions in relation to the statutorily or contractually required contributions	\$ (430,526)	(523,010)	(629,716)
Contribution deficiency (excess)	\$ 0	0	0
Covered employer payroll	\$ 7,600,570	8,430,462	9,180,491
Contributions as a percentage of covered employee payroll	%	5.66%	6.20%
		6.86%	
LEOFF 1			
Statutorily or contractually required contributions	\$ 0	0	0
Contributions in relation to the statutorily or contractually required contributions	\$ 0	0	0
Contribution deficiency (excess)	\$ 0	0	0
Covered employer payroll	\$ 0	0	0
Contributions as a percentage of covered employee payroll	%	0.00%	0.00%
		0.00%	
LEOFF 2			
Statutorily or contractually required contributions	\$ 106,850	110,566	115,899
Contributions in relation to the statutorily or contractually required contributions	\$ (106,850)	(110,566)	(115,899)
Contribution deficiency (excess)	\$ 0	0	0
Covered employer payroll	\$ 2,115,847	2,189,421	2,249,535
Contributions as a percentage of covered employee payroll	%	5.05%	5.05%
		5.15%	

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