CITY OF ELLENSBURG
WASHINGTON

Comprehensive Annual Financial Report
Fiscal Year Ended December 31, 2014

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

Finance Director
Jerica Pascoe

Sr. Financial Analyst/Budget Officer
Keith Bassett

Accounting Manager
Holly Conti

For The Fiscal Year Ended
December 31, 2014

Prepared by the Finance Department

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CITY OF ELLENSBURG, WASHINGTON
Comprehensive Annual Financial Report
For the Fiscal Year Ended December 31, 2014

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Introductory Section

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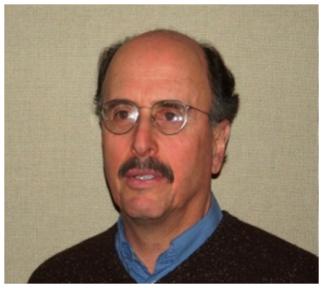
City Council

Rich Elliott, Mayor
City Council Term Expires 12/31/17
Mayoral Term Expires: December 31, 2015

Jill Scheffer
Term Expires: 12/31/15

Tony Aronica
Term Expires: 12/31/15



Bruce Tabb
Term Expires: 12/31/17

Nancy Lillquist
Term Expires: 12/31/17

Mary Morgan
Term Expires: 12/31/17

David Miller
Term Expires: 12/31/15

As of January 6, 2015

Administrative Staff

John Akers
City Manager

Terry Weiner
City Attorney

Cindy Smith
Director of Human Resources

Jerica Pascoe
Director of Finance

Bob Witkowski
Interim Director of Community Development

Larry Dunbar
Director of Energy Services

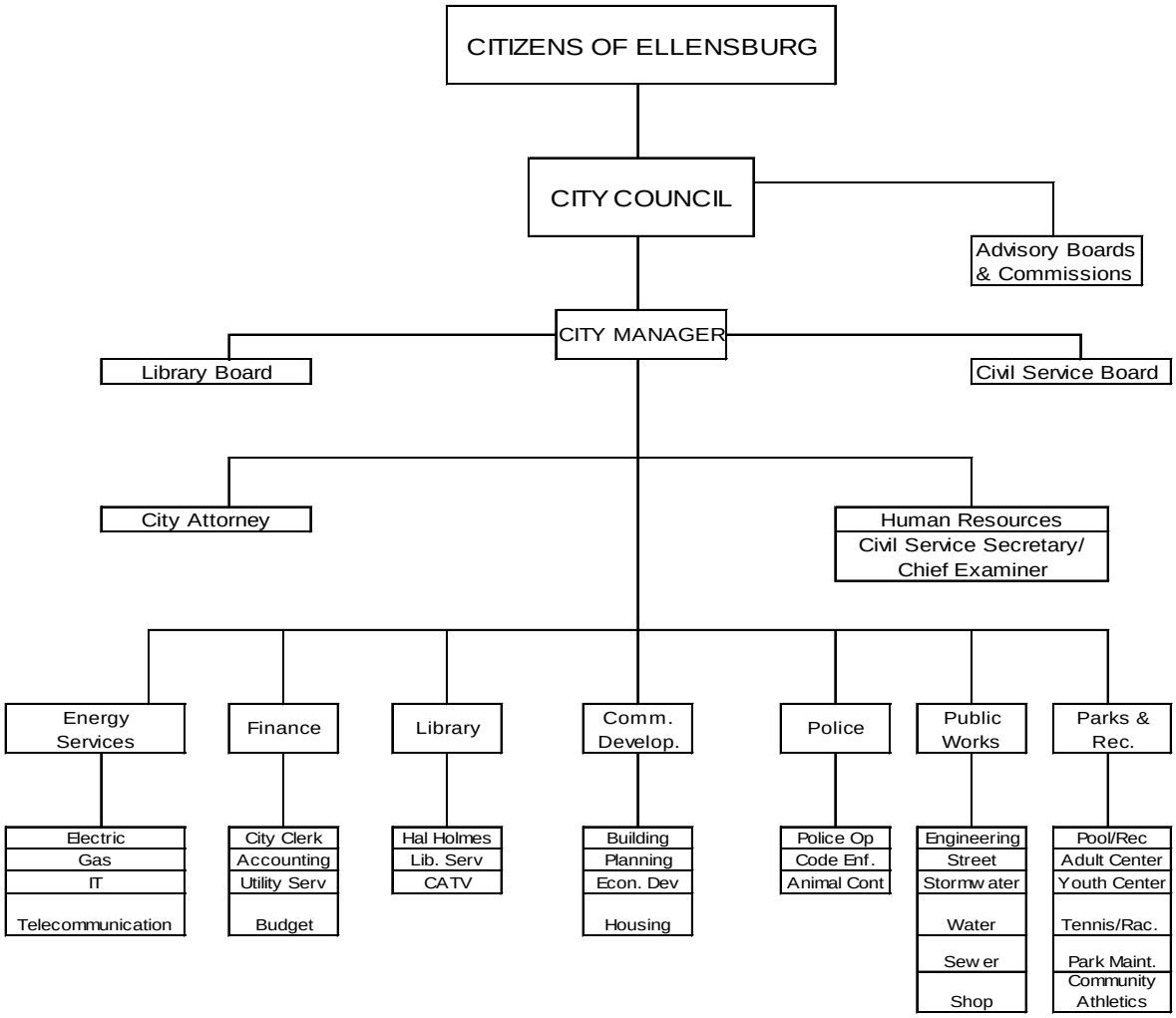
Debby DeSoer
Director of Library Services

Dale Miller
Police Chief

Brad Case
Director of Parks and Recreation

Ryan Lyyski
Director of Public Works

City of Ellensburg



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Financial Section

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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

City of Ellensburg
Kittitas County
January 1, 2014 through December 31, 2014

Mayor and City Council
City of Ellensburg
Ellensburg, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Ellensburg, Kittitas County, Washington, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed on page 16.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial

statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Ellensburg, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General and Arterial Street funds, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Matters of Emphasis

As discussed in Note 6 to the financial statements, in 2014, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 17 through 29 and pension trust fund information on pages 94 through 95 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of

America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. This schedule is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated September 9, 2015 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That

report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

JAN M. JUTTE, CPA, CGFM

ACTING STATE AUDITOR

OLYMPIA, WA

September 9, 2015

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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, 2014. The purpose is to highlight significant financial issues, major financial activities and resulting changes in financial position, and economic factors affecting the city. We encourage readers to consider the information presented here in conjunction with additional information we have furnished in our letter of transmittal in the introductory section and the city's financial statements and accompanying notes following the narrative. All amounts, unless otherwise indicated, are expressed in millions of dollars.

Financial Highlights

- The assets of the City of Ellensburg exceeded its liabilities at the close of the most recent fiscal year by $116.27 million (net position). Of this amount, $23.71 million (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors. In addition, $5.51 million (restricted net position) is dedicated to specific purposes and $87.0 million is for net investment in capital assets.

- The government's total net position increased by $2.63 million. Approximately 14% of this increase is attributable to governmental activities and the remainder to the business-type activities. The increase to the governmental activities is due to the acquired infrastructures through annexation. The majority of the increase to business type activities is attributable to excess of revenues over the expenses.

- As of the close of the current fiscal year, the City of Ellensburg's governmental funds reported a combined ending fund balances of $7.27 million, an increase of $1.23 million over the prior year. The increase is due to a few small revenue increases adding up such as; license and permits fees, door tags, late fees, and an increase in other taxes and charges as well as the delay of a few arterial street projects.

- The City of Ellensburg enterprise funds reported a combined ending fund balance of $54.39 million, an increase of $2.3 million. The majority of the increase is due to interfund charges used to support the new telecommunication utility as well as the transfer of funds from the IT Fund for start-up. Water and Sewer funds also saw a significant increase due to capital contributions.

Overview of the Financial Statements

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

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

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

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

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

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

The *Government-Wide Financial Statements* can be found on pages 15 - 16 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.

These statements focus on major governmental funds and proprietary funds separately. The city's major governmental funds are presented in their own column and the remaining funds are combined into a column titled "Nonmajor Governments Funds." Statements for the city's proprietary funds and fiduciary funds follow the governmental

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

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

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

The City of Ellensburg maintains 13 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, and Arterial Street Fund which are considered major funds. Data from the other 11 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 15-28 of this report.

Proprietary funds. The City of Ellensburg maintains two different types of proprietary funds; Enterprise and Internal Service Funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Ellensburg uses enterprise funds to account for telecommunications, gas distribution operations, electric distribution operations, water distribution operations, wastewater treatment operations, and stormwater operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Ellensburg's various functions. City of Ellensburg uses

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

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

The basic proprietary fund financial statements can be found on pages 26 – 30 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 31 – 32 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 33 – 82 of this report.

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

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of City of Ellensburg, assets exceeded liabilities by $116.27 million at the close of the 2014 fiscal year. The City's fiscal condition remains stable and relatively better than last year.

The largest portion of City of Ellensburg's net position (75%(87.05/116.27)) 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 Position
December 31, 2014
(In Millions)

	Governmental Activities		Business-type Activities		Total Primary Government	
Assets:	2014	2013	2014	2013	2014	2013
Current and other assets	$ 9.60	$ 8.99	$ 34.59	$ 25.04	$ 44.19	$ 34.03
Capital assets	51.99	52.84	53.51	53.23	105.50	106.07
Total assets	61.60	61.83	88.10	78.27	149.69	140.10
Deferred outflow of resources						
Deferred charges	-	-		0.04	-	0.04
Total deferred charges	-	-	-	0.04	-	0.04
Liabilities						
Other liabilities	0.66	1.06	2.44	2.88	3.10	3.94
Long-term liabilities	6.41	6.61	23.85	15.90	30.26	22.51
Total liabilities	7.07	7.67	26.29	18.78	33.36	26.45
Deferred outflow of resources						
Deferred gain on refunding	-	-	0.07	0.05	0.07	0.05
Total deferred gain	-	-	0.07	0.05	0.07	0.05
Net position						
Net Investment in capital	48.41	49.26	38.63	38.01	87.05	87.27
Restricted	3.50	3.13	2.01	1.81	5.51	4.95
Unrestricted	2.61	1.76	21.09	19.65	23.71	21.41
Total net position	$ 54.52	$ 54.15	$ 61.74	$ 59.48	$ 116.27	$ 113.64

An additional portion of the City of Ellensburg's net position ($5.51 million) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position ($23.7 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 position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year. The governmental net position increased by $.37 million during the current fiscal year. A large portion of this increase is due to

acquired infrastructure assets (i.e. streets, sidewalks, land) through both purchase and annexation of City property, and the increase in property taxes, sales and use taxes, and utility taxes. The government's restricted net position increased by 11% (from $4.95 million to $5.51 million), and the unrestricted increased by 11% (from $21.41 million to $23.70 million). The increase in the restricted net position is due mainly to capital contributions. The governments net position increased by $2.63 million during the current fiscal year. The majority of the increase is due to capital contributions and an increase in revenues.

Governmental and Business-type Activities. The governmental activities increased the City of Ellensburg net position by $.36, thereby accounting for 15 percent of the total growth in the net position for the City of Ellensburg. Key elements of this increase are as follows:

City of Ellensburg's Statement of Activities

For the Years Ended December 31, 2014 and 2013

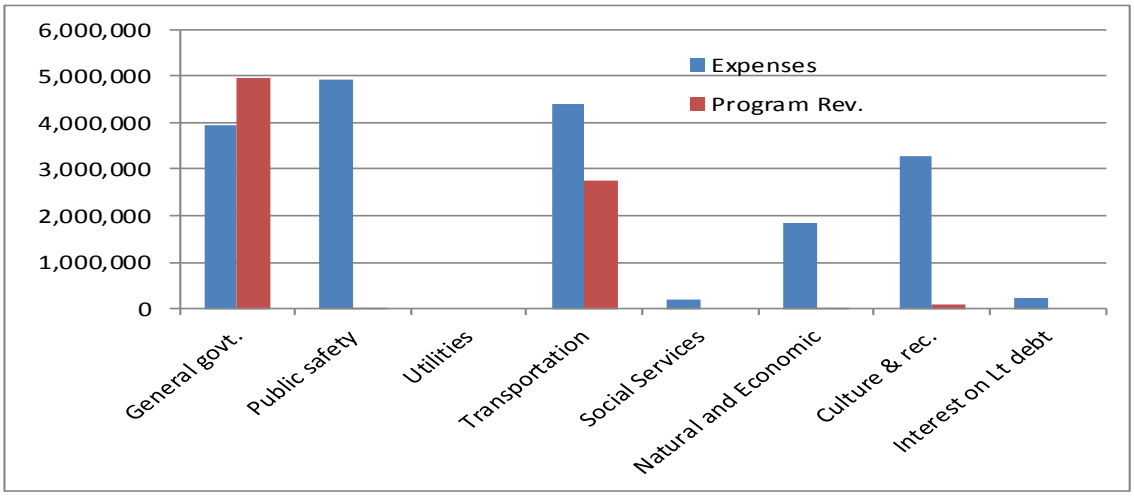
(In Millions)

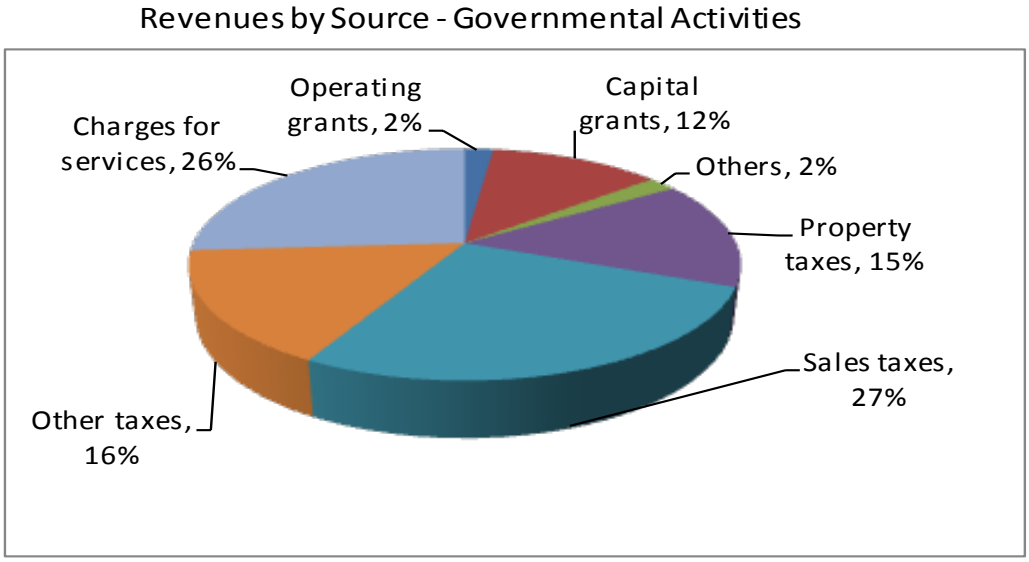
Revenues:	Governmental Activities		Business-type Activities		Total Primary government	
	2014	**2013**	**2014**	**2013**	**2014**	**2013**
Program revenues						
Charges for services	$ 5.05	$ 4.95	$ 30.54	$ 29.55	$ 35.60	$ 34.50
Operating grants & contributions	0.42	0.66	0.08	-	0.50	0.66
Capital grants & contributions	2.32	1.21	1.49	1.06	3.81	2.27
General revenues						
Property taxes	2.79	2.73	-		2.79	2.73
Retail sales & use tax	5.14	4.71	-		5.14	4.71
Other taxes	3.04	3.45	-		3.04	3.45
Investment earning	0.32	0.07	0.04	0.06	0.36	0.13
Other income		0.31	0.03	0.04	0.03	0.35
Total revenues	19.08	18.09	32.19	30.71	51.26	48.80
Expenses:						
General government	3.96	3.75			3.96	3.75
Public safety	4.92	4.96			4.92	4.96
Utilities					-	-
Transportation	4.41	3.85			4.41	3.85
Social services	0.20	0.20			0.20	0.20
Natural and economic	1.83	1.97			1.83	1.97
Culture & recreation	3.30	3.23			3.30	3.23
Interest on LT debt	0.23	0.20			0.23	0.20
Utilities			29.80	28.63	29.80	28.63
Others					-	-
Total expenses	18.83	18.16	29.80	28.63	48.63	46.79
Inc(dec) in net assets before transfers	0.24	(0.07)	2.39	2.08	2.63	2.01
Special items - gain (loss)				(0.43)	-	(0.43)
Transfers	0.12	0.28	(0.12)	(0.28)	-	
Change in net position	0.36	0.21	2.27	1.36	2.64	1.57
Net position at Beginning	54.15	53.95	59.48	58.21	113.64	112.16
Prior period adjustments	0.01			(0.08)	-	(0.08)
Net assets at Year End	$ 54.52	$ 54.16	$ 61.74	$ 59.48	$ 116.27	$ 113.64

Governmental Activities

- Significant elements of the Change in Net Position for governmental activities from December 31, 2013 to December 31, 2014 is attributed to an increase in sales tax revenue for new construction within the city and charges for late fees and door tags.

2014 Expenses and Program Revenues - Governmental Activities



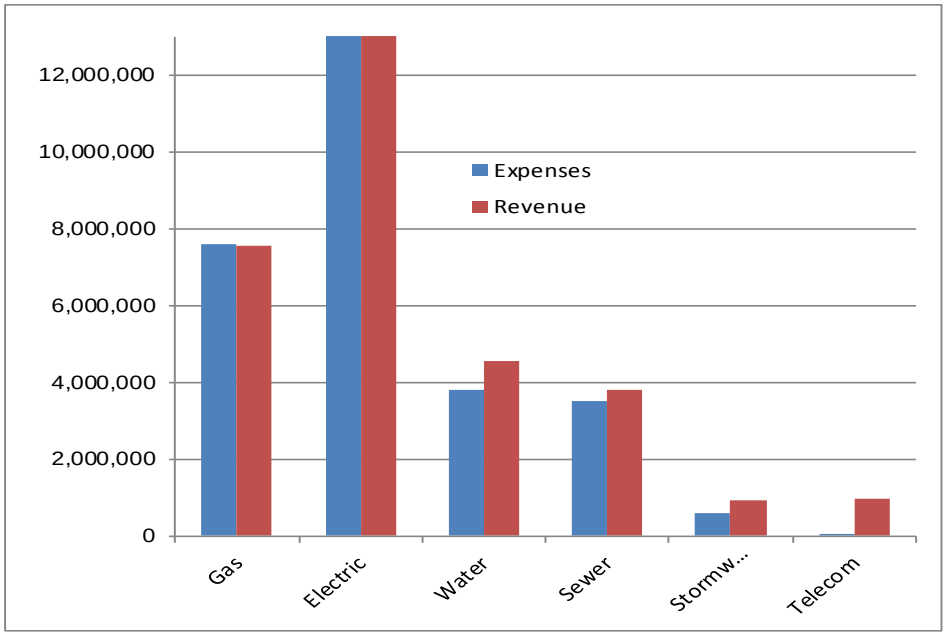


2014 Revenues by source – Governmental Activities

Business-type activities. The business-type activities increased the City of Ellensburg's net position by $2.26 million, accounting for 86 percent of the total growth in the government's net position. Key elements of this increase are as follows:

The increase in charges for services for the gas, electric, water, sewer, telecommunications, and stormwater funds contributed approximately $1 million. This increase is due to a combination of utility rate increases in 2013, weather, and contributions and charges for the new telecommunications utility. Also contributing is an increase in plant investment fee revenues in water and sewer.

2014 Expenses and Program Revenues – Business-type Activities



Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the City of Ellensburg governmental funds reported a combined ending fund balances of $7.27 million (see page #19), an increase of $1.23 million from prior year, of this amount $.95 million constitutes unassigned fund balance, which is available for spending at the governments' discretion. The remainder of the fund balance is nonspendable, restricted, committed or assigned to indicate it is not available for new spending because it has already been committed or designated to pay for contracts or special programs ($6.22 million) or to pay debt service ($0.1 million).

- The General Fund is the chief operating fund of the City of Ellensburg. At the end of the current fiscal year, the General Fund had a fund balance of $1.1 million; majority of this amount is classified as unassigned funds. The increase in fund balance from the prior year is so small that it cannot be contributed to anything major. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 7%

(910,258/12,484,420) of the total General Fund expenditures. The General fund reported $3.5 million in interfund loans used to defease GO Bonds and to purchase the Geddis building. The loan is reported on the face of the basic financial statements however the asset is only reported in the Government-wide financial statements.

- Arterial Street fund is a major fund of the governmental funds. Arterial Street fund includes both the 123 (Arterial) and the 120 (Street) funds. At the end of the current fiscal year Arterial Street had a fund balance of $2.35 million; majority of it classified as assigned, $2.31 million. The assigned amount is to be used for street construction and maintenance. During the current year the City of Ellensburg budgeted in major projects with the Helena Ave. (Water to Walnut Construction), University Way overlay, D Street Bridge replacement, and Dolarway/SR97 intersection design. The additional increase of fund balance is because of those projects not yet complete and will be carried into 2015. The remainder of the expenditures was for street maintenance.

Proprietary funds

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

Restricted net position of the enterprise funds at the end of the year amounted to $2.01 million including $1.46 million in debt service and $0.55 million in construction, unrestricted net position was $22.44 million, and the total net position for all proprietary funds were $63.09 million. Of the $22.44 million of unrestricted net position there is $13.96 million in cash and cash equivalents**.**

The Gas Fund had an ending fund balance of $9.02 million in 2014. This is a decrease of $.03 million from 2013. The majority of the decrease is due to the increase of operating expenses over revenues.

The Electric Fund had an ending balance of $17.05 million, an increase of $.16 million over 2013. The majority of this increase is due to slightly higher operating revenues over expenses

The Water fund had an ending fund balance of $13.09 million, an increase of .69 million from 2013. This increase is attributed to the excess of revenues over expenditures and the addition of capital contributions.

The Sewer fund had an ending fund balance of $12.29 million and increase of $0.38 from 2013. The increase is attributed to the excess of revenues over expenditures and the addition of capital contributions.

The restricted for debt service increased last year due to the issuance of $4.54 million of debt in the Light Fund to finance the construction of a new electrical substation. The restricted for construction increased due to the increase in plant investment fees collected in the Water and Sewer funds.

General Fund Budgetary Highlights: Actual General Fund revenues were higher than the final budgeted revenues by $1.6 million during fiscal year 2014. This increase is mostly due to a higher collection of sales tax, late fees and door tags, and permit revenue. The departments within the General Fund spent $1.08 million less than their final annual budget.

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

The following are the significant supplemental appropriations during the year.

	BUDGET			ACTUAL		
General Fund	Original	Supplemental	Final	General	Other Funds	Total
Revenues						
Taxes	$ 8.96	$ -	$ 8.96	$ 5.69	$ 3.66	$ 9.34
Licenses & Permits	0.27	$ 0.00	0.27	0.49	-	0.49
Intergovernmental Revenues	0.22	$ 0.10	0.32	0.41	-	0.41
Charges for Goods & Services	3.65	$ -	3.65	3.72	0.07	3.79
Fines & Penalties	0.08	$ 0.00	0.08	0.34	-	0.34
Miscellaneous Revenues	0.21	$ 0.14	0.35	0.21	0.11	0.32
Other Financing Sources	1.79	$ (0.06)	1.73	1.62	0.11	1.73
Total Revenues	15.19	0.18	15.37	12.48	3.95	16.42
Expenditures						
City General	1.31	0.14	1.45	1.08	0.22	1.30
Finance	1.58	(0.03)	1.55	1.41	-	1.41
City Manager	0.79	0.12	0.91	0.89	-	0.89
Police	4.32	0.03	4.35	4.10	0.05	4.15
Community Development	0.83	0.19	1.02	0.91	-	0.91
Engineering	0.85	0.02	0.87	0.82	-	0.82
Parks & Rec	1.99	0.11	2.10	2.01	-	2.01
Library	1.00	0.03	1.03	0.99	-	0.99
Other Financing Uses	-	-	-	-	3.81	3.81
Total expenditures	12.67	0.61	13.28	12.21	4.08	16.29
Change to fund balance	$ 2.50	$ (0.43)	$ 2.08	$ 0.26	$ (0.13)	$ 0.14

The difference between the original budget and final budget calculated to a $.43 million decrease due fund balance. However, because of underspending budget in other areas the budgeted decrease to fund balance was not used.

The City of Ellensburg investment in capital assets for its governmental and business type activities as of December 31, 2014 amounts to $87.05 million (net of accumulated depreciation) (see page 15). This investment in capital assets includes land, building, and systems improvements, machinery and equipment, park facilities, roads, highways and

bridges. The total decrease in the City of Ellensburg net investment in capital assets for the current year was 1.72 percent for governmental activities and an increase of 1.01 percent for business type activities.

At the end of the fiscal year 2014, the City of Ellensburg's net investment in capital assets for its governmental activities was $48.41 million (see page 15). Major capital assets events during the current fiscal year included the following:

Change in Capital Assets (millions)

	12/31/2013	Additions	Retirements	12/31/2014
Governmental				
Land	$ 12.37	$ 0.46	$ -	$ 12.83
Construction in Progress	0.12	0.24		0.36
Infrastructure	62.06	0.89	-	62.95
Building	12.63	0.08	-	12.71
Non-building improvements	3.29	-		3.29
Machinery & Equipment	1.18	0.103	0.06	1.23
Total	91.65	1.77	0.06	93.37
Less Accumulated Depreciation	38.82	2.61	0.06	41.38
Total Capital Assets Net of Depre.	$ 52.83	$ (0.84)	$ -	$ 51.99

The $.06 million decrease in machinery and equipment is the retirement of police vehicles and outdated computers.

The $.89 addition in infrastructure and the $.46 addition in land are from the donation of roads, sidewalks, and land from developers.

At the end of the fiscal year 2014, the City of Ellensburg's net investment in capital assets for its business type activities was $38.63 million (see page 15). The major capital assets events during the current fiscal year included the following:

Change in Capital Assets (millions)

	12/31/2013	Additions	Reclass	Retirements	12/31/2014
Business Type activities					
Land	$ 1.06	$ -	$ -	$ -	$ 1.06
Construction in Progress	0.31	1.49	-	-	1.79
Building	10.40	0.10	-	-	10.51
Non-building improvements	70.10	1.13	0.02	-	71.25
Machinery & Equipment	21.43	0.49	(0.04)	0.64	22.53
Total	103.29	3.21	(0.02)	0.64	107.14
Less Accumulated Depreciation	50.06	2.94	(0.02)	0.64	53.62
Total Capital Assets Net of Depre.	$ 53.23	$ 0.27	$ 0.01	$ -	$ 53.51

The $1.49 million in addition to construction in progress is for dike and levees, construction of telecommunications, Airport Road well house, and Anderson Road access to City Shop. The $.64 million in the retirements column is the retirement of vehicles and equipment.

See Note 6B for detail information on Capital Asset

Long-term Debt

At year-end, the City had $30.26 million in long-term debt.

Outstanding Debt, at Year-End (millions)

Governmental activities	2013	Addition	Deletion	2014
Bond Payable	$ 3.82	$ 1.31	$ 1.56	$ 3.57
Premium	$ 0.08	$ 0.06	$ 0.01	$ 0.16
Comp	0.55	0.02	0.03	0.54
OPEB Liability	2.16	-	0.01	2.15
Total	$ 6.61	$ 1.40	$ 1.60	$ 6.41
Enterprise activities:				
Bond Payable	$ 14.90	$ 8.48	$ 0.80	$ 22.58
Premium	$ 0.53	$ 0.60	$ 0.33	$ 0.80
Comp	0.47	0.03	0.03	0.47
Total	15.90	9.11	1.16	23.84
Total Long Term Debt	$ 22.51	$ 10.51	$ 2.76	$ 30.26

See Note 9 and 15 for more detail on Long-term debt.

In December 2014 the City received $4.54 million bond proceeds for the construction of a new electrical substation. The City also refunded the previous 2005 Electrical Revenue bonds at a lower interest rate. Because these bonds are not yet callable, the reissuance proceeds are deposited with fiscal agent and the long-term debt for these are still showing.

The State law limits the amount of general obligation debt the City can issue without the vote of the people to 1.5% of the total assessed value. As of the end of the fiscal year, the City has $16.31 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).

The City also has three outstanding interfund loans in the total amount of $3.78 million. One loan is from the Electric department to General fund in the amount of $2.1 million to pay off the 2001 & 2002 G.O. bonds and an interfund loan from the ER &R fund to the General fund in the amount of $1.2 million to purchase the Geddis building and $.2 million for updates to the Geddis building located downtown Ellensburg for a total of $1.4 million. The third interfund loan in the amount of $283,943 is from the ER&R fund to the Telecommunications fund for construction of the new telecommunications utility. These loans are not part of the long-term debt; they are reported under interfund loans payable.

Economic Factors and Next Year's Budgets and Rate

The economy of the City is based mostly on government services and agriculture. The top major employers in 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 Position
December 31, 2014

	Governmental Activities	Business-type Activities	Primary Government Total
ASSETS			
Cash and cash equivalents	$ 8,392,361	$ 13,625,619	$ 22,017,981
Deposits with fiscal agents	558,559	-	558,559
Investments	2,306,862	1,754,775	4,061,637
Receivables(net)	-	-	-
Property taxes	273,217	-	273,217
Accounts	297,229	3,720,771	4,018,000
Internal balances	(3,058,123)	3,058,123	-
Due from other governments	667,177	56,790	723,967
Inventories	36,189	1,850,392	1,886,581
Restricted assets:			
Cash and cash equivalents	-	9,709,493	9,709,493
Deposits with fiscal agents	-	793,695	793,695
Investments	-	-	-
Unamortized bond discount	-	-	-
Net pension asset	127,931		127,931
Unamortized bond insurance premium	-	17,944	17,944
Capital assets, not being depreciated			
Land	12,831,668	1,055,100	13,886,768
Construction in progress	358,236	1,793,908	2,152,144
Capital assets, net (see note 6)			
Infrastructure	29,709,173	-	29,709,173
Buildings	7,146,579	6,273,572	13,420,151
Improvements & other buildings	1,652,231	37,000,213	38,652,445
Machinery & equipment	296,126	7,387,352	7,683,477
Total assets	61,595,416	88,097,746	149,693,163
Deferred outflow of Resources			
Deferred charge	-	-	-
Total deferred outflows of resources	-	-	-
LIABILITIES			
Accounts payable and accrued expenses	582,746	1,820,136	2,402,882
Due to other governments	331	-	331
Other liabilities	72,915	619,858	692,772
Non current liabilities (Note 9):			
Due within one year	644,927	1,137,707	1,782,634
Due in more than one year	5,770,008	22,709,526	28,479,535
Total liabilities	7,070,927	26,287,228	33,358,155
Deferred Inflow of Resources			
Deferred gain on refunding	-	68,395	68,395
Total deferred inflows of resources	-	68,395	68,395
NET POSITION			
Net investment in capital assets	48,412,657	38,634,373	87,047,031
Restricted:			
Capital projects	426,277	-	426,277
Construction		555,546	555,546
Debt service	50,063	1,458,643	1,508,706
Transportation	1,002,944		1,002,944
Public Safety	374,939		374,939
Natural and Economic	462,981		462,981
Culture and Recreation	1,181,973		1,181,973
Unrestricted	2,612,655	21,093,562	23,706,217
Total net position	$ 54,524,489	$ 61,742,125	$ 116,266,614

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, 2014

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
					Primary Government		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental Activities							
General government	$ 3,955,708	$ 3,235,310	$ -	$ 376,811	$ (343,588)	$ -	$ (343,588)
Public safety	4,924,835	355,471	274,627	-	(4,294,736)	-	(4,294,736)
Transportation	4,405,588	427,970	-	1,946,145	(2,031,473)	-	(2,031,473)
Social Services	198,515	48,479	2,523	-	(147,513)	-	(147,513)
Natural and Economic	1,825,698	499,882	128,205	-	(1,197,611)	-	(1,197,611)
Culture & recreation	3,295,590	486,941	10,059		(2,798,590)	-	(2,798,590)
Interest on long-term debt	228,262	-	-	-	(228,262)	-	(228,262)
Total governmental Activities	18,834,195	5,054,052	415,414	2,322,956	(11,041,774)	0	(11,041,774)
Business-type Activities							
Deposits							
Telecommunications	34,575	484,966	-	461,398	-	911,790	911,790
Stormwater	595,226	702,792	81,250	121,178	-	309,994	309,994
Gas	7,570,124	7,528,029	-	-	-	(42,095)	(42,095)
Light	14,308,441	14,415,907	-		-	107,466	107,466
Water	3,790,154	3,994,979		544,786	-	749,612	749,612
Sewer	3,507,241	3,416,987		360,608	-	270,354	270,354
						-	-
Total business-type activities	29,805,761	30,543,661	81,250	1,487,970	-	2,307,120	2,307,120
Total Primary Government	$ 48,639,956	$ 35,597,714	$ 496,664	$ 3,810,925	(11,041,774)	2,307,120	(8,734,653)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					2,625,216	-	2,625,216
Property taxes, levied for debt service					161,628	-	161,628
Sales & use taxes					5,137,380	-	5,137,380
Other taxes					3,010,892	-	3,010,892
Investment earnings					25,310	38,509	63,819
Miscellaneous					323,972	33,077	357,049
Transfers					120,000	(120,000)	-
Total general revenues and transfers					11,404,397	(48,414)	11,355,983
Change in net position					362,624	2,258,706	2,621,330
Net position - beginning					54,153,920	59,483,423	113,637,343
Prior period adjustments					7,946		7,946
Net position - ending					$ 54,524,490	$ 61,742,129	$ 116,266,619

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

FUND FINANCIAL STATEMENTS

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

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

MAJOR GOVERNMENTAL FUNDS

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

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

MAJOR ENTERPRISE FUNDS

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

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

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

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

City of Ellensburg, Washington

Balance Sheet
Governmental Funds
For the Year Ended December 31, 2014

	General Fund*	Arterial Street**	Other Governmental Funds	Total Governmental Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Cash and cash equivalents	$3,460,033	$2,106,760	$2,496,089	$8,062,881
Deposits with other agents	54,958	-	427,963	482,921
Investments	880,346	99,929	826,588	1,806,862
Receivables(net)				
Property Taxes	261,312	-	11,905	273,217
Accounts	177,532	11,034	47,934	236,500
Due from other funds	404	8,385	-	8,789
Due from other governments	403,771	181,844	81,562	667,177
Inventory	-	36,189	-	36,189
Total assets	5,238,356	2,444,141	3,892,040	11,574,537
Deferred Outflows of Resources	-			
Total Assets and Deferred Outflows of Resources	5,238,356	2,444,141	3,892,040	11,574,537
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Accounts payable	378,493	81,561	55,552	515,606
Due to other funds	55	12,576	1,808	14,440
Due to other governments	331	-	-	331
Other liabilities	61,435	-	-	61,435
Interfund Loan	3,499,657	-	-	3,499,657
Total liabilities	3,939,972	94,137	57,360	4,091,470
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	202,023	-	8,258	210,281
Total deferred inflows of resources	202,023	-	8,258	210,281
FUND BALANCE				
Nonspendable	-	36,189	-	36,189
Restricted	-	-	3,462,988	3,462,988
Committed	-	-	155,720	155,720
Assigned	186,103	2,313,814	168,471	2,668,388
Unassigned	910,258	-	39,243	949,501
Total fund balance	1,096,361	2,350,003	3,826,423	7,272,787
Total Liabilities, deferred inflows of resources and fund balances	$ 5,238,356	$ 2,444,141	$ 3,892,041	$ 11,574,537

* General Fund includes Funds 001 (General Fund), 127 (Ellensburg Public Transit) 140 (Sales Tax) 159(Police Vehicles), 175(Geddis) and 198(Special Projects)

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

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 Position
For the Year End December 31, 2014

The governmental funds balance sheet includes a reconciliation between fund balance in governmental funds and net position-governmental activities as reported in the government-wide statement of net position.		
Fund balance of governmental funds- Page 19		$7,272,787
The Internal Service Health and Benefit Fund ($898,707) is used to charge the cost of health benefits. The assets and liabilities of these funds are included in the government activities column on the government wide statement of net position		898,707
Liabilities that are not due and payable in the current period are therefore not reported in the governmental funds balance sheet but are reported on the government wide statement of net position Page 15		
Bonds Payable (Page 73)	3,570,000	
OPEB Liability	2,152,044	
Compensated Absences	538,141	
Bond Issuance Premium	154,750	
Accrued Interest on Bonds	11,479	
Net adjusment to reduce fund balance-total of government funds to net position of governmental funds		(6,426,414)
The reporting of net investment in capital assets for governmental activities are not financial resources and therefore are not reported in the funds. The detail of this $51,034,968 difference is as follows: (page 15)		
Land	12,831,668	
Infrastructure	29,709,173	
Building	7,146,580	
Improvements	1,652,231	
Machinery & Equipment	296,126	
Construction in Progress	358,236	
Net Adjustment to increase fund balance-total governmental funds to net position governmental funds		51,994,014
Other longterm assets are not available to be collected in current period revenues and therefore are deferred in the funds (deferred property tax $210,281 (p. 19)		210,281
The net position asset is not an available resource and therefore is not reported in the funds (pension liability) (p.15)		127,931
Internal Service funds are used by management to charge the cost of ER&R, Management Information Systems(IT), Health Benefits and Risk Management to individual funds. The asset and liabilities of the internal service funds of ER&R,IT, and Risk Management are included in the governmental activities in the statement of net position. The net profit for internal service funds were allocated out to different activities based on the percentage of support (page 49)		447,185
Net Position of Governmental Activities (page 15)		$54,524,489

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, 2014

	General Fund*	Arterial Street**	Other Governmental Funds	Total Governmental Funds
REVENUES:				
Property taxes	$ 2,648,358	$ -	$ 161,860	$ 2,810,218
Retail sales & use taxes	3,973,455	-	1,163,925	5,137,380
Other taxes	2,731,257	-	279,635	3,010,892
Licenses and permits	489,909	4,135	-	494,044
Intergovernmental	790,331	851,633	1,894	1,643,857
Charges for services	3,791,173	56,418	373,966	4,221,557
Fines & forfeits	335,589	-	2,862	338,451
Investment earnings	15,809	2,474	7,028	25,310
Miscellaneous	300,877	11,679	7,710	320,266
Total revenues	15,076,756	926,339	1,998,879	18,001,975
EXPENDITURES:				
Current:				
General government	3,582,158	38,549	418	3,621,125
Public safety	4,235,455	-	613,353	4,848,808
Utilities	-	-	-	-
Transportation	228,468	2,115,064	81,434	2,424,966
Social Services	198,515	-	-	198,515
Natural and Economic	1,249,011	-	576,686	1,825,698
Culture & recreation	2,889,717	-	10,294	2,900,011
Debt service		-		
Principal	-	-	1,560,000	1,560,000
Interest and other charges	37,547	-	184,962	222,508
Capital outlay	63,549	388,764	222,859	675,172
Total expenditures	12,484,420	2,542,377	3,250,005	18,276,802
Excess(deficiency) of revenues over expenditures	2,592,337	(1,616,037)	(1,251,127)	(274,827)
OTHER FINANCING SOURCES (USES):				
Refunding Bond Proceeds	-	-	1,386,479	1,386,479
Bond Premiums	-	-	-	-
Insurance Recovery	205	-	-	205
Disposition of capital assets	-	-	-	-
Transfers in	-	1,993,789	206,953	2,200,742
Transfers out	(2,080,742)	-	-	(2,080,742)
Other adjustments	-	-	-	-
Total other financing sources & uses	(2,080,537)	1,993,789	1,593,431	1,506,683
Net change in fund balance	511,800	377,752	342,305	1,231,856
Fund balances-beginning****	961,312	1,595,501	3,484,118	6,040,930
Prior period adjustments			-	-
Fund balances-ending	$ 1,473,112	$ 1,973,252	$ 3,826,423	$ 7,272,786

* General Fund includes Funds 001 (General Fund), 127 (Ellensburg Public Transit) 140 (Sales Tax) 159(Police Vehicles), 175(Geddis) and 198(Special Projects).

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

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

CITY OF ELLENSBURG
Reconciliation of the Statement of Revenues, Expenditures
Statement of Activities
For the Year End December 31, 2014

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 21)			$1,231,856
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			
Capital Outlay		675,172	
Depreciation Expense		(2,621,880)	
			(1,946,709)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade ins, and donations ($1,094,511.80) is to increase net position. The following is from donated assets.			1,094,512
Issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however has any effect on net position. Also governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The following details the net change in long-term debt as reflected in government-wide reporting			
Debt Issued or Incurred			
OPEB Liability		10,472	
Pension Liability- net position asset		33,243	
Compensated Balance		7,080	
Other Finance Sources, Uses, and expenditures resulting from debt issuance			
Bond Payments (Includes Refunded Amounts	1,560,000		
Other financing sources for debt	(1,310,000)		
Related Premium	(76,479)		
Amortization of premiums	4,892		
Accrued Interest	(10,646)		
Debt Related Cost		167,767	
Net effect of Long-term Debt			218,563
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).			(23,374)
Internal service funds are used by management to charge the cost of certain activities to individual funds. The net revenue is reported with the governmental activities. The net profit for internal service funds were allocated out to different activities based on the percentage of support. (health benefit fund interest plus internal service support)			(212,225)
Change in net position of governmental activities (page 16)			$362,623

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

City of Ellensburg, Washington

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2014

	Budget- General Fund				
	Original	Final	Actual	*Other Funds	Total
REVENUES:					
Property taxes	$ 2,650,856	$ 2,650,856	$ 2,648,358	$ -	$ 2,648,358
Retail sales & use taxes	261,824	$ 261,824	313,652	3,659,804	3,973,455
Other taxes	2,945,821	2,945,821	2,731,257	-	2,731,257
Licenses and permits	271,350	271,350	489,909	-	489,909
Intergovernmental	218,981	319,981	790,331	-	790,331
Charges for services	3,574,163	3,574,163	3,716,173	75,000	3,791,173
Fines & forfeits	81,800	81,800	335,514	75	335,589
Investment earnings	11,000	11,000	13,105	2,704	15,809
Miscellaneous	198,517	209,517	196,943	103,934	300,877
Total revenues	10,214,312	10,326,312	11,235,240	3,841,516	15,076,756
EXPENDITURES:					
Current:					
General government					
City General	381,684	483,337	412,585	50,674	463,259
Finance	1,538,469	1,549,949	1,409,909	-	1,409,909
Managers	791,105	914,382	892,940	-	892,940
Engineering	845,172	867,785	816,051	-	816,051
Total General Government	3,556,430	3,815,453	3,531,485	50,674	3,582,158
Security of Person and Property					
City General	348,796	348,796	347,675	-	347,675
Police	4,081,102	4,116,522	3,887,780	-	3,887,780
Community Development	-	-	-	-	-
Total Security of Person and Property	4,429,898	4,465,318	4,235,455	-	4,235,455
Utilities					
City General	-	-	-	-	-
Police	-	-	-	-	-
Community Development	-	-	-	-	-
Engineering	-	-	-	-	-
Total Utilities	-	-	-	-	-
Transportation					
City General	173,986	173,986	128,089	100,378	228,468
Total Transportation	173,986	173,986	128,089	100,378	228,468
Natural and Economic					
City General	60,537	60,537	59,037	70,000	129,037
Police	235,484	234,502	212,275	-	212,275
Community Development	830,322	1,018,182	907,699	-	907,699
Total Natural and Economic	1,126,343	1,313,221	1,179,011	70,000	1,249,011
Social Services					
City General	41,072	41,072	37,049	-	37,049
Parks and Recreation	149,645	157,825	161,466		161,466
Total Social Services	190,717	198,897	198,515	-	198,515
Culture & recreation					
City General	12,700	49,100	47,821	-	47,821
Parks and Recreation	1,838,411	1,946,277	1,852,686	-	1,852,686
Library	996,751	1,030,132	989,211	-	989,211
Total Culture and Recreation	2,847,862	3,025,509	2,889,717	-	2,889,717

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Debt Service					
City General	292,950	292,950	37,547	-	37,547
Total Debt Service	292,950	292,950	37,547	-	37,547
Capital outlay					
General		0	10,417	53,132	63,549
Total expenditures	12,745,686	13,285,334	12,210,236	274,184	12,484,420
Excess(deficiency) of revenues over expenditures	(2,531,374)	(2,959,022)	(1,351,747)	3,567,333	2,215,586
OTHER FINANCING SOURCES (USES):					
Insurance Recoveries	-	-	205	-	205
Transfers in	1,578,950	1,615,350	-	-	-
Transfers out	-	-	-	-	-
City General	-	-	-	(2,080,742)	(2,080,742)
Parks and Recreation		-	-	-	-
Total other financing sources & uses	1,578,950	1,615,350	205	(2,080,742)	(2,080,537)
Net change in fund balance	(952,424)	(1,343,672)	(1,351,542)	1,486,591	135,049
Fund Balance-Beginning	2,353,009	3,261,505	(493,152)	1,454,464	961,312
Prior period adjustment					
Fund balances-ending	$ 1,400,585	$ 1,917,833	$ (1,844,694)	$ 2,941,055	$ 1,096,361

* Other Funds include 127 (Ellensburg Public Transit) 140 (Sales Tax) 159(Police Vehicles),175(Geddis) and 198(Special Projects) see workpaper page 128-132 for detail of budget for these funds

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

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

City of Ellensburg, Washington

Arterial Street Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2014

	Budget				
	Original	Final	Actual	*Other Funds	Total
REVENUES:					
Property taxes	$ -	$ -	$ -	$ -	$ -
Retail sales & use taxes	-	-	-	-	-
Other taxes	-	-	-	-	-
Licenses and permits	3,600	3,600	4,135	-	4,135
Intergovernmental	2,229,951	2,411,135	851,633	-	851,633
Charges for services	-	-	-	56,418	56,418
Fines & forfeits	-	-	-	-	-
Investment earnings	500	500	1,514	960	2,474
Miscellaneous	-	-	6,189	5,491	11,679
Total revenues	2,234,051	2,415,235	863,471	62,868	926,339
EXPENDITURES:					
Current:					
General government	-	-	-	38,549	38,549
Judicial services	-	-	-	-	-
Public safety	-	-	-	-	-
Utilities	-	-	-	-	-
Transportation	-	17,037	745,518	1,369,546	2,115,064
Social Services	-	-	-	-	-
Natural and Economic	-	-	-	-	-
Culture & recreation	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-
Debt service	-	-	-	-	-
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital outlay	3,718,399	3,968,374	388,764	-	388,764
Total expenditures	3,718,399	3,985,411	1,134,282	1,408,095	2,542,377
Excess(deficiency) of revenues over expenditures	(1,484,348)	(1,570,176)	(270,811)	(1,345,227)	(1,616,037)
OTHER FINANCING SOURCES (USES):					
Bond Issue Proceeds	-	-	-	-	-
Bond Premiums	-	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-	-
Disposition of capital assets	-	-	-	-	-
Transfers in	1,301,120	1,349,789	873,789	1,120,000	1,993,789
Transfers out	-	-	-	-	-
Other adjustments	-	-	-	-	-
Total other financing sources & uses	1,301,120	1,349,789	873,789	1,120,000	1,993,789
Net change in fund balance	(183,228)	(220,387)	602,979	(225,227)	377,752
Fund balances-beginning	371,390	746,606	746,606	848,895	1,595,501
Prior period adjustments	-	-	-		
Fund balances-ending	$ 188,162	$ 526,219	$ 1,349,584	$ 623,668	$ 1,973,252

* Other funds includes Fund 120 (Street), see page 127 for budget details

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

CITY OF ELLENSBURG, WASHINGTON

Statement of Fund Net Position
Proprietary Funds
December 31, 2014

	Enterprise Funds						
	Major				Non-Major		
ASSETS	Gas	Electric	Water	Sewer	Funds	Total	Internal Services Funds
Current assets:							
Cash and cash equivalents	$ 1,239,185	$ 3,009,498	$ 2,782,137	$ 2,377,189	$ 1,319,813	$ 10,727,823	$ 3,227,277
Deposits with fiscal agents	-	-	-	-	-	-	75,637
Investments	340,392	-	259,323	500,000	-	1,099,715	1,155,060
Receivables(net)							
Special assessments	-	-	-	-	-	-	-
Accounts	1,209,783	1,817,411	294,912	322,936	75,728	3,720,771	60,729
Due from other funds	-	-	-	512	109	621	12,940
Due from other governments	9,027	35,000	-	-	12,435	56,462	327
Interfund loan receivable	-	2,099,657	-	-	-	2,099,657	1,683,943
Inventories	829,294	747,567	177,285	19,615	-	1,773,761	76,631
Restricted assets:							
Cash and cash equivalents	-	5,154,292	403,671	151,875	-	5,709,838	-
Deposits with fiscal agents	-	3,999,654	-	-	-	3,999,654	-
Investments	-	-	508,876	284,818	-	793,695	-
Total current assets	3,627,680	16,863,081	4,426,205	3,656,946	1,408,086	29,981,998	6,292,544
Noncurrent assets:							
Capital assets, net							
Land	124,208	522,268	29,623	32,290	-	708,389	346,711
Buildings	525,940	208,979	3,243,731	4,730,235	458,451	9,167,337	1,340,345
Improvements	12,589,923	23,075,577	19,288,576	15,043,917	892,729	70,890,720	359,609
Machinery & equipments	938,665	8,651,276	2,379,856	3,078,632	184,901	15,233,330	6,016,986
Construction In progress	-	210,706	443,223	-	1,100,375	1,754,304	39,604
Less accumulated depreciation	(8,024,847)	(18,738,453)	(9,818,649)	(10,196,730)	(134,398)	(46,866,266)	(5,434,114)
Unamortized bond insurance premium	-	17,944	-	-	-	17,944	-
Total noncurrent assets	6,153,889	13,948,296	15,566,360	12,688,344	2,502,058	50,905,757	2,669,142
Total assets	9,781,569	30,811,377	19,992,565	16,345,290	3,910,144	80,887,756	8,961,686
DEFERRED OUTFLOW OF RESOURCES							
Deferred charges on refunding	-	-	-	-	-	-	-
Total deferred outflow of resources	-	-	-	-	-	-	-

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LIABILITIES							
Current liabilities:							
Accounts payable and accrued expenses	655,358	841,239	53,696	62,024	120,882	1,733,200	154,076
Due to other funds	762	869	419	5,399	-	7,449	461
Due to other governments	-	-	-	-	-	-	-
Interfund loan payable	-	-	-	-	283,943	283,943	-
Other liabilities	-	39,747	21,419	13,648	545,044	619,858	-
Due within one year	44,570	374,467	495,352	161,426	25,677	1,101,492	36,215
Total current liabilities	700,690	1,256,323	570,886	242,497	975,547	3,745,942	190,752
Non current liabilities:							
Due in more than one year	60,588	12,479,648	6,296,085	3,803,231	-	22,639,552	69,975
Total noncurrent liabilities	60,588	12,479,648	6,296,085	3,803,231	-	22,639,552	69,975
Total liabilities	761,278	13,735,971	6,866,971	4,045,727	975,547	26,385,494	260,727
DEFERRED INFLOW OF RESOURCES	-	-	-	-	-	-	-
Deferred gain on refunding	-	27,475	33,963	6,956	-	68,395	
Total deferred inflow of resources	-	27,475	33,963	6,956	-	68,395	-
NET POSITION							
Net investment in capital assets	6,153,889	9,674,635	8,837,753	8,796,896	2,502,058	35,965,232	2,669,142
Restricted:							
Debt service	-	664,948	508,876	284,818	-	1,458,643	-
Rate stabilization	-	-	-	-	-	-	-
Construction	-	-	403,671	151,875	-	555,546	-
Unrestricted	2,866,403	6,708,347	3,341,330	3,059,016	432,540	16,407,635	6,031,817
Total net position	$ 9,020,292	$ 17,047,930	$ 13,091,631	$ 12,292,606	$ 2,934,597	54,387,056	$ 8,700,959
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						7,355,069	
Net position of business-type activities						$ 61,742,125	

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 Position
Proprietary Funds
For the Year Ended December 31, 2014

	Enterprise Funds						
	Major Funds				Non-Major		
	Gas	Electric	Water	Sewer	Funds	Total	Internal Service Funds
Operating revenues:							
Intergovernmental revenues	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Charges for services	7,527,097	14,294,016	3,982,232	3,412,470	1,187,758	30,403,574	1,676,506
Miscellaneous	932	121,892	12,747	4,517	-	140,088	3,786,160
Total operating revenues	7,528,029	14,415,907	3,994,979	3,416,987	1,187,758	30,543,661	5,462,666
Operating expenses:							
Operating expenses	6,082,026	10,730,343	1,871,828	1,484,939	450,393	20,619,529	4,363,433
Maintenance	367,933	1,163,875	379,084	938,145	78,309	2,927,347	617,919
Depreciation	441,061	826,371	708,971	486,600	72,971	2,535,973	389,098
Taxes	670,532	1,205,854	575,731	384,956	9,813	2,846,887	-
Total operating expenses	7,561,553	13,926,444	3,535,615	3,294,640	611,485	28,929,736	5,370,450
Operating income	(33,524)	489,464	459,364	122,347	576,273	1,613,925	92,217
Nonoperating revenue (expenses)							
Intergovernmental revenues	-	-	-	-	81,250	81,250	-
Interest and investment revenue	2,325	26,109	3,836	5,098	1,141	38,509	22,492
Miscellaneous revenue	-	-	-	-	-	-	-
Interest expense	-	(351,094)	(234,540)	(192,803)	-	(778,437)	-
Miscellaneous expense	(0)	(302)	(250)	(51)	-	(604)	-
Gain/Loss on Assets		-	-	-	-		9,160
Total nonoperating expenses	2,325	(325,287)	(230,955)	(187,757)	82,392	(659,282)	31,651
Income (loss) before contributions & transfers	(31,199)	164,177	228,410	(65,409)	658,665	954,643	123,868
Capital contributions	-	-	544,786	360,608	121,178	1,026,572	-
Transfers in	-	-	-	88,000	461,398	549,398	-
Transfers out	-	-	-	-	(208,000)	(208,000)	(400,000)
Change in net position	(31,199)	164,177	773,195	383,199	1,033,241	2,322,613	(276,132)
Total net position - beginning	9,051,497	16,883,762	12,318,435	11,909,407	1,901,357		8,977,090
Prior period adjustments	-	-	-	-	-		-
Total net position - ending	$ 9,020,298	$ 17,047,939	$ 13,091,631	$ 12,292,606	$ 2,934,597		$ 8,700,958

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	(63,907)
Change in net position of business-type activities (page 16)	$ 2,258,706

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, 2014

	Enterprise Funds						
	Major				Non Major		
CASH FLOWS FROM	Gas	Electric	Water	Sewer	Funds	Total	Internal service Funds
OPERATING ACTIVITIES							
Receipts from customers	$ 7,627,870	$ 14,042,797	$ 4,020,730	$ 3,438,707	$ 857,950	$ 29,988,054	$ 736,550
Receipts for interfund services provided	57,298	356,602	16,663	16,258	444,443	891,264	4,703,795
Payments to suppliers	(5,395,862)	(10,355,777)	(1,468,580)	(1,057,991)	(62,191)	(18,340,401)	(4,155,698)
Payment for interfund services used	(863,856)	(1,363,970)	(1,001,672)	(886,554)	(183,664)	(4,299,716)	(87,854)
Payments to employees	(1,089,251)	(1,580,425)	(619,858)	(907,935)	(177,603)	(4,375,072)	(715,394)
Net cash provided by operating activities	336,198	1,099,226	947,284	602,485	878,935	3,864,128	481,398
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Non capital grants	-	-	-	-	81,250	81,250	-
Transfer from other funds	-	-	-	88,000	461,398	549,398	-
Transfer to other funds	-	-	-	-	(208,000)	(208,000)	(400,000)
Interfund Loan Receivable		255,000				255,000	(283,943)
Misc Revenue	-	-	-	-	-	-	-
Net cash provided by noncapital activities	-	255,000	-	88,000	334,648	677,648	(683,943)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Capital contribution	-	-	327,654	201,228	-	528,882	-
Capital grants	-	-	-	-	-	-	-
Proceeds from sales of assets	-	-	-	-	-	-	9,160
Proceeds from the bond sale	-	8,593,530	-	-	-	8,593,530	-
Purchases of capital assets	(301,229)	(516,493)	(588,118)	(7,337)	(1,086,755)	(2,499,932)	(198,925)
Principal paid on capital debt	-	-	(382,103)	(212,032)	-	(594,135)	-
Interest paid on capital debt	-	(326,979)	(235,467)	(196,344)	-	(758,790)	-
Debt cost on capital debt	-	(301)	(31,606)	27,684	-	(4,223)	-
Net cash from related financing activities	(301,229)	7,749,757	(909,640)	(186,801)	(625,358)	5,265,331	(189,765)
CASH FLOWS FROM INVESTING ACTIVITIES							
Purchase of investment	-	-	-	-	-	-	32,613
Interest and dividends	2,325	26,109	3,836	5,098	1,142	38,510	22,492
Net cash provided by investing activities	2,325	26,109	3,836	5,098	1,142	38,510	55,105
Net (decrease) in cash and cash equivalents	37,294	9,130,093	41,479	508,782	589,367	9,845,618	(337,206)
Balances - beginning of the year	1,542,282	3,033,341	3,912,530	2,805,100	907,901	12,201,154	4,195,183
Balances - end of the year	$ 1,579,577	$ 12,163,433	$ 3,954,009	$ 3,313,882	$ 1,497,268	$ 22,046,771	$ 3,857,978

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Reconciliation of operating income (loss) to net cash provided (used) by operating activities:							
Operating income (loss)	$ (33,524)	$ 489,464	$ 459,364	$ 122,347	$ 576,273	$ 1,613,925	92,217
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Depreciation expense	441,061	826,371	708,971	486,600	45,353	2,508,355	389,098
Change in assets and liabilities:							
Receivables, net	158,787	4,399	40,726	37,768	2,602	244,282	(16,485)
Due from other funds	297	1,130	64	210	(109)	1,592	(11,821)
Due from other governments	(1,891)	(22,038)	1,624	-	80,718	58,413	5,985
Inventories	(40,239)	90,255	20,200	(519)	-	69,697	4,337
Accounts and other payables	(56,195)	(146,630)	(133,634)	6,854	128,711	(200,894)	29,055
Due to other funds	(62,399)	(78,632)	(26,646)	(23,804)	-	(191,481)	418
Due to other governments	(58,016)	(72,664)	(114,227)	(16,377)	(6,437)	(267,721)	(8,309)
Employee benefits	(11,684)	7,573	(9,159)	(10,593)	24,206	343	(3,405)
Accrued expenses	-	-	-	-	-	-	307
Deposit with fiscal agents	-	-	-	-	-	-	-
Net cash provided by operating activities	$ 336,198	$ 1,099,227	$ 947,284	$ 602,485	$ 851,316	$ 3,836,510	$ 481,398
Noncash Investing, capital, and financing activities:							
Borrowing under capital lease	-	-	-	-	-		-
Contributions of capital assets	-	-	217,132	159,380	121,178		-
Purchase of equipment on account	-	-	-	-	-		-
Increase in fair value of investments	-	-	-	-	-		-
Capital asset trade-ins	-	-	-	-	-		-
Prior Period Adjustment - Capital Assets							

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 Position

Fiduciary Funds

December 31, 2014

	Fire Relief and Pension Fund	Agency Fund
ASSETS		
Cash	$ 191,373	$ 174,950
Investments	249,987	-
Receivable, net	-	53
Special assessments	-	386,496
Total Assets	441,360	561,499
LIABILITIES		
Accounts payable	1,376	-
Due to Other Governments		
Notes Payable		386,496
Other liabilities	-	175,003
Total Liabilities	1,376	561,499
NET POSITION		
Net position restricted for pension	439,984	-
Total Net Position	$ 439,984	$ -

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

City of Ellensburg, Washington

Statement of Changes in Net Position

Fiduciary Funds

For the Year Ended December 31, 2014

	Fire Relief and Pension Fund
ADDITIONS	
Contributions:	
Employer	$ 141,081
State	20,682
Total Contributions	161,763
Interest Earnings	
Interest	576
Total Interest earnings	576
Total Additions	162,339
DEDUCTIONS	
Benefits	123,720
Administrative expenses	8,275
Total Deductions	131,995
Change in net position	30,343
Net position-beginning of year	409,642
Net position-end of year	$ 439,985

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

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The City of Ellensburg voters elect seven Council members on a non-partisan basis to serve overlapping 4 year terms. The council is the legislative body and 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 operates under the laws of the state of Washington applicable to a Noncharter Code City. As required by the generally accepted accounting principles the financial statements present City of Ellensburg, the primary government and its component units.

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

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Our policy is to allocate indirect costs to a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital

requirements or a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

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. The City considers property taxes as available if they are collected within 60 days after year end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, licenses, and interest associated within the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

General Fund - The general fund is the operating fund of the City. It accounts for all financial resources of general government, except those required or elected to be accounted for in another fund. This fund includes the City's budgeted General Fund (001), Ellensburg Public Transit Fund (127), Sales Tax fund (140), Police Vehicles (159), Geddis (175) and Special Projects (198).

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

The City reports the following major proprietary funds:

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

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

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

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

Additionally, the City reports the following fund types:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Pension Trust Funds – This fund accounts for the activities of the Public Safety Employees Retirement System, which accumulates resources for pension benefit payments to qualified public safety employees

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

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.

D. Budgets and Budgetary Accounting

(1) Scope of Budget

Appropriated budgets are adopted on a biennial schedule for the general and special revenue funds on a modified accrual basis of accounting and for all proprietary funds on the accrual basis of accounting. There are no differences between the budgetary basis and generally accepted accounting principles. Budgetary accounts are integrated in fund ledgers for all budgeted funds, but the financial statements include budgetary comparisons for annually budgeted governmental funds only. Budgets for debt service and capital project funds are adopted at the level of the individual debt issue or project and for fiscal periods that correspond to the lives of debt issues or projects. Since these funds are not required to be budgeted on an annual basis, budgetary comparisons are not presented. NCGA Statement 1 does not require, and the financial statements do not present, budgetary comparisons for proprietary fund types.

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

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

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

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

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

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

(3) Excess of Expenditures over Appropriations

For the year ended December 31, 2014, in no department did expenditures exceed appropriations.

E. Assets, Liabilities and Equities

(1) Cash and Equivalents

It is the City's policy to invest all temporary cash surpluses. At December 31, 2014, the treasurer was holding $ 27,654,634 in short-term residual investments 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.

The amounts reported as cash and cash equivalents also include a compensating balance maintained with U.S. Bank in lieu of payments for services rendered. The average compensating balance maintained during 2014 was approximately $3,555,717.

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).

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

(2) Temporary Investments - See Note 4

(3) Receivables

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 on the fund financial statements consist of unbilled special assessments that are liens against the property benefited. As of December 31, 2014, the balance of special assessments receivable was $378,263. The special assessments are not with government commitment; therefore they are reported in the LID Agency Funds.

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

Customer accounts receivable consists of amounts owed from private individuals or organizations for goods and services including amounts owed for which billings have not been prepared. Notes and contracts receivable consist of amounts owed on open accounts from private individuals or organizations for goods and services rendered.

(4) Amounts Due to and from Other Funds and Governments, Interfund Loans, and Advances Receivable

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to either as interfund loans receivables/payables or advances to/from other funds. All other outstanding balances between funds are reported as due to/from other funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances. A

separate schedule of interfund loans receivable and payable is furnished in Interfund Balances and Transfers Note No. 14.

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

(5) Inventories

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

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

(6) Restricted Assets and Liabilities

These accounts contain resources for construction and debt service including current and delinquent special assessments receivable in enterprise funds. The current portion of related liabilities is shown as Payables from Current Restricted Assets. Specific debt service reserve requirements are described in (Long-Term Debt Note No.9).

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

Cash and Investments - Debt Service	1,458,643
Cash and Investments - Construction	555,546
Total Restricted Assets	$ 2,014,189

(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 Accounts

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

(11) Deferred Inflows/Outflows of Resources

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported in the governmental funds balance sheet and the Business Activity statements. The government funds report unavailable revenues from one source, property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The Business Type reports unavailable revenues from one source, a deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

City of Ellensburg
Deferred inflow and and outflows
December 31, 2014

Deferred inflows				
Fund	**Amount**	**Reason**	**Fund Statements**	**Govermentwide Statement**
General Fund	8,258	unavailable property taxes	Yes	No
Total Inflows	8,258			
Deferred Inflows				
Electric	27,475	Deferred gain on refunding	Yes	Yes
Water	33,963	Deferred gain on refunding	Yes	Yes
Sewer	6,956	Deferred gain on refunding	Yes	Yes

(12) Compensated Absences

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

Vacation pay, which may be accumulated up to a maximum of 30 days, is payable upon resignation, retirement, or death. Sick leave may accumulate indefinitely. Fifty percent of a maximum of 960 hours of outstanding sick leave is payable upon resignation, retirement, or death to those employees hired prior to July 1, 1985. As of December 31, 2014 we have 4 employees employed prior to July 1st 1985. They have a total of 4,709hours accumulated of which 1,322.5 hours is compensable at the current rate. Employees hired after July 1, 1985, do not receive a payout for outstanding sick leave upon resignation, retirement, or death.

(13) Other Accrued Liabilities

These accounts consist of accrued wages and accrued employee benefits.

(14) Long-term Debt - See Note 9

(15) Fund Balance Classification

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

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

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

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

or the judiciary to use resources created by enabling legislation only for the purpose specified by the legislation.

Fund	Amount Restricted	Reason for Restriction
Traffic Impact (125)	$ 966,755	Restricted by third party (state law), revenue must be used for traffic puposes
Criminal Justice (130)	$ 352,291	Restricted by third party (voted sales tax revenue, restricted by law), revenue must be used for public safety puposes
Drug (137)	$ 22,648	Restricted by third party (state law), revenue must be used for public safety drug investigation puposes
Park Acquisition(160)	$ 307,679	Restricted by third party (state law), revenue must be used for the development of parks
Lodging Tax (165)	$ 462,981	Restricted by third party (state law), revenue must be used for expenditures relating to tourism
Library Construction	$ 50,063	Restricted by third party (voted on by citizens), revenue must be used for the payment of debt
Bond Maint (325)	$ 51,990	Restricted by third party, revenue must be used for projects listed in Bond ordinance
Sidewalk Improvements (366)	$ 529,590	Restricted by third party (state law), revenue must be used for sidewalk improvements
Library Trust (605)	$ 291,029	Restricted by third party (restricted donations), revenue must be used for purpose of library operations
Hal Holmes (621)	$ 427,963	Restricted by third party, bank of America trust committee has to approved before we can spend
Total Restricted	$ 3,462,990	

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

Assigned- Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In

governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by City Council or a City official delegated that authority by City ordinance.

Unassigned- Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The City does not have a formal policy for authorizing the assignment of resources. The City uses the natural flow of revenue which implies the City will use restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned and unassigned) amounts are available.

(16) Fund Balance Detail

	Fund Balance			
	Major			
Balance Sheet	General Fund*	Arterial Street**	Other Funds	Total
Fund Balances				
Nonspendable		-		-
Inventory		$36,189		$ 36,189
Permannet Fund Principal				-
Total Nonspendable		36,189		**36,189**
Restricted for:				-
Transportation		-	1,496,342	1,496,342
Public Safety			374,939	374,939
Parks and Recreation			1,026,671	1,026,671
Economic Environment			462,981	462,981
Debt Service			50,063	50,063
Capital			51,990	51,990
Total Restricted		-	3,462,985	**3,462,985**
Committed to:				-
Economic Environment			155,720	155,720
Total Committed			155,720	**155,720**
Assigned to:				-
Transportation	106,021	2,313,814	17,956	2,437,791
Public Safety	30,384		5,850	36,234
Economic Environment	49,697		7,553	57,250
Parks and Recreation			11,775	11,775
Debt Service			51,417	51,417
Capital Projects			73,919	73,919
Total Assigned	186,103	2,313,814	168,470	**2,668,387**
Unassigned	949,501	-	-	**949,501**
Total Fund Balance	$ 1,135,604	$ 2,350,003	$ 3,787,175	**$ 7,272,782**

(17) Minimum Fund Balance

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

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

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 capital assets are recognized as other financing sources.

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 Position

The governmental funds' balance sheet includes a reconciliation of fund balance – total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. This information can be found on the Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position form on page 22.

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

The proprietary funds' Statement of Net Position reports a difference in the net position balance to the Government-wide Statement of Net Position due to internal service fund activity. Internal service funds are used by management to charge the cost of certain activities to individual fund. The net loss for internal service funds before investment income, gain on sale of asset and outside revenue source for the shop, IT, Health Benefit fund and Risk Management is $ (312,710) This amount was allocated out to different activities based on the percentage of support (69% governmental activities and 31% business type activities). The governmental fund portion was treated as an interactivity payable for the ER&R, IT and Risk Management internal service funds and as an interactivity receivable for the Health and Benefits included in the internal balance on the Government-Wide Statement of Net position.

Internal Service Fund Net Position (Page 120)	$8,700,958
Less: Health and Benefits Fund (Page 120)	($898,706)
Internal Service Funds Governmental-Type Activities Portion (page 20)	447,185
Government-Wide Statement of Net Assets for Business Type	$7,355,067

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 position 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 22.

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

The proprietary funds' Statement of Revenues, Expenses, and Changes in Fund Net Position reports a difference in the net position balance to the Government-wide Statement of Activities 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 loss for the Shop, IT, Health Benefit and Risk Management internal service funds before investment income is $(312,710) which was allocated out to different activities based on the percentage of support (69% governmental activities and 31% business type activities). A portion of net profit for the shop, IT, Health Benefit and Risk Management Funds were 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, IT and Risk Management 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 position.

Proprietary Fund Statement of Revenues, Expenses, and Changes in Net Position for Internal Service Funds (page 120)	($276,132)
Internal Service Fund Governmental Type Activities Portion (page 22)	212,225
Government-Wide Statement of changes in net position for Internal Service Funds	($63,907)

3. DEPOSITS AND INVESTMENTS

A. DEPOSITS

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

At December 31, 2014, the bank balance was $28,553,472 of the bank balance $250,000 was covered by Federal Depositary 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 depository financial institutions within the state. The Commission requires each public depository a pledge agreement with the commission and trustee. The deposit shall at all times maintain segregation from its other assets, eligible collateral in the form of securities described in RCW 39.58.050(5) & (6) and having a value at least equal to its maximum liability. Such collateral shall be segregated by deposit with the depository's trustee and shall be clearly designated as security for the benefit of public depositors. The collateral is used through the depositors, net of deposit insurance already received by them. The remaining bank balance includes uninsured and unregistered investments which are held by the counter party's trust department or agent in the city's name.

B. INVESTMENTS

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

As of December 31, 2014, the City of Ellensburg had the following investments

Investment Type	Maturities	Fair Value of the City of Ellensburg's own investments	Credit Rating (Moody)	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	427,963			427,963
Bonds of State of Wa	5/5/2017	2,005,040	Aa1/AA+		2,005,040
G.O. issued by other States	7/28/2017	1,000,000	Aa1/AA+		1,000,000
G.O. issued by other States	11/1/2016	400,521	Aa1/AA+		400,521
G.O. issued by other States	9/19/2016	700,223	Aa1/AA+		700,223
Total		$ 4,533,747		$ -	$ 4,533,747

Credit Risk- Safety of principal 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 fund, managed by the State Treasurer's Office is limited to high quality obligations with limited maximum and average maturities which will minimize both market and credit risk. The pool is unrated. Based on the City's investment policy adopted on August 1, 2011 the city is authorized to invest in certain types of securities which have the highest credit rating from at least one nationally recognized rating agency (i.e. Moody, Standard and Poor or Fitch Rating) provided that the payment of the principal and interest is either guaranteed by the Federal Government, carries an outright government backing or caries an implicit guarantee.

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.

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

C. GAINS AND LOSSES ON INVESTMENTS

The Hal Holmes Trust Fund had a gain in market value of investment in the amount of $2,398. The Hal Holmes Trust Fund is held by a third party, Bank of America.

4. PROPERTY TAXES

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

Property Tax Calendar

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

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

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

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

Chapter 84.52 RCW establishes a limitation on the levies for ports, public utilities, state schools, emergency medical services, counties, roads, cities, and towns. All other regular levies are proportionately reduced if a composite rate of $5.55 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 2014 was $ 2.168009 per $1,000 on an assessed valuation of $ 1,222,714,435 for a total regular levy of $ 2,650,856. In addition, the levy for debt service on a voter approved bond issue was $0.133807 per $1,000 on an assessed valuation of $ 1,210,694,295for a total of $ 162,000.

5. 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 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. Capital assets are defined by the City as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of one year. Infrastructure fixed assets worth individual or system cost of $50,000 or more are also capitalized. 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.

The cost for normal maintenance and repairs are not capitalized.

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

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

B. Governmental Activities Capital Assets

Asset	Balances 1/1/2014	Increase	Decrease	Balance 12/31/2014
Capital assets, not being depreciated				
Land	$ 12,370,741	$ 460,927	$ -	$ 12,831,668
Construction In progress	116,096	242,141	-	358,237
Total	**12,486,837**	**703,068**	**-**	**13,189,905**
Capital assets, being depreciated				
Buildings	12,633,867	77,554	-	12,711,421
Improvements other than building	3,292,198	-		3,292,198
Machinery & equipment	1,183,596	102,559	55,863	1,230,292
Infrastructure	62,063,415	886,473	-	62,949,888
Total	**79,173,076**	**1,066,586**	**55,863**	**80,183,799**
Less accumulated depreciation for				
Buildings	5,168,900	411,025	15,083	5,564,842
Improvements other than buildings	1,434,523	205,444		1,639,967
Machinery & equipment	902,503	87,527	55,863	934,167
Infrastructure	31,315,721	1,924,993		33,240,714
Total	**38,821,647**	**2,628,989**	**70,946**	**41,379,691**
Total capital assets, being depreciated, net	**40,351,429**	**(1,562,403)**	**(15,083)**	**38,804,108**
Total	**$ 52,838,266**	**$ (859,335)**	**$ (15,083)**	**$ 51,994,014**

- The significant increase in construction in progress is due to the continued improvements on the D Street bridge replacement and the Library parking lot. In addition, the Third Avenue and Bender/Water Street extension and Rotary Park paving commenced in 2014.
- The significant increase in land is the donated land for the French Plat, Canterberry and Sunnybrook Phase 1 & 2 development.
- The increase in buildings is addition of North Alder Street restroom and reroofing of the pool's mechanical building.
- The decrease in machinery and equipment is the surplus of Police vehicles and computer and office equipment, the increase is the addition of two police vehicles and various office equipment.
- The significant increase in Infrastructure was due to completions of donated streets and signal enhancement.

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

Governmental Activities	Amount
General Government	$234,295
Security **of** Person	$53,037
Culture and Recreation	$395,579
Transportation	$1,938,969
Total	$2,621,880

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.

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

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

Business-Type Activities	Amount
Utilities	$2,535,973
Internal Service	389,098
Total	$2,925,071

Accumulated depreciation and amortization on proprietary fund assets at December 31, 2014 are as follows:

Business Type Assets	Beginning Balances 1/1/2014	Increase	Decrease	Adjustment	Ending Balance 12/31/2014
Capital Assets, not being depreciated					
Land	$ 1,055,098	$ -	$ -		$ 1,055,098
Construction in progress	308,110	1,485,799	-	-	1,793,910
Total	**1,363,208**	**1,485,799**	**-**	**-**	**2,849,008**
Capital Assets, being depreciated					
Building	10,403,737	103,946		-	10,507,683
Improvements other than building	70,100,048	1,129,591	-	20,689	71,250,328
Machinery & equipment	21,434,236	490,831	638,839	(35,912)	21,250,316
Total	**101,938,021**	**1,724,368**	**638,839**	**(15,223)**	**103,008,327**
Less accumulated depreciation for					
Building	3,951,932	279,770		2,408	4,234,110
Improvements other than building	32,556,307	1,678,357	-	15,452	34,250,116
Machinery & equipment	13,554,324	986,136	638,839	(38,658)	13,862,963
Total	**50,062,563**	**2,944,263**	**638,839**	**(20,798)**	**52,347,189**
Total capital assets, being depreciated,net	**51,875,458**	**(1,219,895)**	**-**		**50,661,138**
Total	**$ 53,238,666**	**$ 265,904**	**$ -**	**$ 5,575**	**$ 53,510,145**

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

There are no intangible assets to report for 2014 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 2014 either have an indefinite life or was internally generated (i.e. computer software). All intangible asset received in 2014 did not meet the threshold for reporting purposes.

6. 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 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 Statements 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. The Legislature established PERS in 1947. Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior courts; employees of legislative committees; employees of district and municipal courts; and employees of local governments. Membership also includes higher education employees not participating in higher education retirement programs. Approximately 49 percent of PERS salaries are accounted for by state employment. PERS retirement benefit provisions are established in Chapters 41.34 and 41.40 RCW and may be amended only by the State Legislature.

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.

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 2 members unless they exercised 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 Plan 3. The option must be exercised within 90 days of employment. Employees who fail to choose within 90 days default to Plan 3.

PERS is comprised of and reported as three separate plans for accounting purposes: Plan 1, Plan 2/3, and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3are accounted for in the same pension trust fund. All assets of this Plan 2/3 defined benefit plan may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan. Therefore, Plan 2/3 is considered to be a single plan for accounting purposes.

PERS Plan 1 and Plan 2 retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to the PERS Plan 1 and Plan 2 defined benefit plans accrue interest at a rate specified by the Director of DRS. During DRS' Fiscal Year 2013, the rate was five and one-half percent compounded quarterly. Members in PERS Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest thereon, in lieu of any retirement benefit, upon separation from PERS-covered employment.

PERS Plan 1 members are vested after the completion of five years of eligible service.

PERS Plan 1 members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with 25 years of service, or at age 60 with at least 5 years of service. Plan 1 members retiring from inactive status prior to the age of 65 may receive actuarially reduced benefits.

The monthly benefit is 2 percent of the average final compensation (AFC) per year of service, but the benefit may not exceed 60 percent of the AFC. The AFC is the monthly average of the 24 consecutive highest-paid service credit months.

PERS Plan 1 retirement benefits are actuarially reduced to reflect the choice, if made, of a survivor option.

Plan 1 members may 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. The benefit 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, at which time the benefit is converted to the member's service retirement account.

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. Plan 1 members may elect to receive an optional 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.

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. The AFC is the monthly average of the 60 consecutive highest-paid service months. 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 members who have at least 20 years of service credit and are 55 years of age of 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, if hired prior to May 1, 2013:

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

PERS Plan 2 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of 5 percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service.

PERS Plan 2 retirement benefits are actuarially reduced to reflect the choice, if made, of a survivor option.

PERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance a defined contribution component. As established by Chapter 41.34 RCW, employee contribution rates to the defined contribution component range from 5 percent to 15 percent of salaries, based on member choice. Members who do not choose a contribution rate default to a 5 percent rate. There are currently no requirements for employer contributions to the defined contribution component of PERS Plan 3.

PERS Plan 3 defined contribution retirement benefits are dependent upon the results of investment activities. Members may elect to self-direct the investment of their contributions. Any expenses incurred in conjunction with self-directed investments are paid by members. Absent a member's self-direction, PERS Plan 3 contributions are invested in the Retirement Strategy Fund that assumes the member will retire at age 65.

For DRS' Fiscal Year 2014, PERS Plan 3 employee contributions were $36.8 million, and plan refunds paid out were $60.0 million.

The defined benefit portion of PERS Plan 3 provides members 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. There is no cap on years of service credit, and Plan 3 provides the same cost-of-living allowance as Plan 2.

Effective June 7, 2006, PERS 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 by 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, and were hired before May 1, 2013 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.

- If they have 30 service credit years, are at least 55 years old, and were hired after May 1, 2013, they have the option to retire early by accepting a reduction of 5 percent for each year before age 65.

PERS Plan 3 benefit retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option.

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 two 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 members, meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of these options are available to their survivors.

A one-time duty-related death benefit is provided to the beneficiary or the estate of a PERS member who dies 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 the member's covered employment, if found eligible by the Department of Labor and Industries.

There are 14,257 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2014:

Member Status	# of Members
Retirees and Beneficiaries Receiving Benefits	85,328
Terminated Plan Members Entitled To, But Not Yet Receiving Benefits	31,047
Active Plan Members Vested	150,706
Active Plan Members Non-Vested	101,191
Total	368,272

Funding Policy

Each biennium, the state Pension Funding Council adopts PERS Plan 1 employer contribution rates, PERS Plan 2 employer and employee contribution rates, and PERS 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 officials. 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. Under PERS Plan 3, employer contributions finance the defined benefit portion of the plan and member contributions finance the defined contribution portion. The Plan 3 employee contribution rates range from 5 percent to 15 percent.

The methods used to determine the contribution requirements are established under state statute in accordance with Chapters 41.40 and 41.45 RCW.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2014 were as follows:

	PERS 1	PERS 2	PERS 3
Employer*	9.21%**	9.21%**	9.21%***
Employee	6.00%****	4.92%****	****

* The employer rates include the employer administrative expense fee currently set at 0.18%.
** The employer rate for state elected official is 13.73% for Plan 1 and 9.21% for Plan 2 and Plan 3.
*** Plan 3 defined benefit portion only.
**** The employee rate for state elected officials is 7.50% for Plan 1 and 4.92% for Plan 2.
***** Variable from 5.0% minimum to 15.0% maximum based on rate selected by the PERS 3 member.

Both the City and the employees made the required contributions. The City's required contributions for the years ended December 31, 2014 were as follows:

	PERS 1	PERS 2	PERS 3
2014	$ 18,870	$ 540,535	$ 151,220
2013	$ 19,111	$ 485,607	$ 21,899
2012	$ 23,226	$ 420,923	$ 90,814
2010	$ 17,017	$ 323,234	$ 56,888
2009	$ 26,354	$ 398,778	$ 61,097

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

In 2014, the City implemented GASB Statement No. 67, Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25. This statement replaces the requirements of Statements No. 25 and No. 50 related to pension plans that are administered through trusts or equivalent arrangements. There is no material impact to the 2014 financial statements of the City for implementing the standard.

Plan Description. LEOFF was established in 1970 by the Legislature. Membership includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters and, as of July 24, 2005, emergency medical technicians. LEOFF membership is comprised primarily of non-state employees, with Department of Fish and Wildlife enforcement officers, who were first included prospectively effective July 27, 2003, being an exception. LEOFF retirement benefit provisions are established in Chapter 41.26 RCW and may be amended only by the State Legislature.

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.

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 change to the Legislature.

LEOFF retirement benefits are financed from a combination of investment earnings, employer and employee contributions, and a special funding situation in which the state pays through state legislative appropriations. Employee contributions to the LEOFF Plan 1 and Plan 2 defined benefit plans accrue interest at a rate specified by the Director of DRS. During DRS' fiscal year 2013, the rate was five and one-half percent compounded quarterly. Members in LEOFF Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest earnings, in lieu of any retirement benefit, upon separation from LEOFF-covered employment.

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 of a LEOFF Plan 1 member who dies as a result of injuries or illness sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered 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 benefit or service retirement benefit.

LEOFF Plan 2 members are vested after the completion of five years of eligible service.

Plan 2 members are eligible for retirement at the age 53 with five years of service, or at age 50 with 20 years of service. Plan 2 members receive a benefit of 2 percent of the FAS per year of service (FAS is based on the highest consecutive 60 months), actuarially reduced to reflect the choice of a survivor option. Members who retire prior to the age of 53 receive reduced benefits. If the member has at least 20 years of service and is age 50, the reduction is 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 benefit amount is 2 percent of the FAS for each year of service. Benefits are reduced to reflect the choice of survivor option and for each year that the member's age is less than 53, unless the disability is duty-related. 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 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 catastrophically 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 of 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 benefit 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.

A one-time duty-related death benefit is provided to the beneficiary or the estate of a LEOFF Plan 2 member who dies as a result of injuries or illness sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by 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 eligible health care insurance premiums.

Legislation passed in 2009 provides to the Washington-state-registered domestic partners of LEOFF Plan 2 members the same treatment as married spouses, to the extent that the treatment is not in conflict with federal laws.

LEOFF members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of these options are available to their survivors.

There are 362 participating employers in LEOFF. Membership in LEOFF consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2013:

Member Status	# of Members
Retirees and Beneficiaries Receiving Benefits	2,782
Terminated Plan Members Entitled To, But Not Yet Receiving Benefits	698
Active Plan Members Vested	16,687
Active Plan Members Non-Vested	1,565
Total	21,732

Funding Policy

Employer and employee contribution rates are developed by the Office of the State Actuary to fully fund the plans. Starting on July 1, 2000, Plan 1 employers and employees contribute zero percent as long as the plan remains fully funded. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For DRS' fiscal year 2014, the state contributed $55.5 million to LEOFF Plan 2.

The methods used to determine the contribution requirements are established under state statute in accordance with Chapters 41.26 and 41.45 RCW.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2014, are as follows:

	LEOFF 1	LEOFF 2
Employer*	0.18%	5.23%
Employee	0.00%	8.41%
State	N/A	3.36%

* The employer rate includes the employer administrative expense fee currently set at 0.18%.

Both the City and the employees made the required contributions. The City's required contributions for the years ended December 31, 2014 were as follows:

Year	LEOFF 1	LEOFF 2
2014	$0	197,000
2013	$0	100,937
2012	$0	97,246

Calculation of the Discount Rate

GASB 67 generally requires that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the Plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 will often require that the actuary perform complex projections of future benefit payments and asset values.

We believe that the assumption of 3.50% as of December 31, 2014 is an appropriate long-term expected rate of return on investments such as those in the City's trust. The Bond Buyer General Obligation 20-bond index for bonds that mature in 20 years is 3.56% as of December 31, 2014. Rounding this to the nearest ¼% results in a discount rate of 3.50%. Using 3.50% for both the long term expected rate of return and the bond index will mean that 3.50% could be used as the single discount rate. This will need to be re-evaluated as of later valuation dates.

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, 2014 there were a total of 8 individuals (all retirees) covered by this system. Seven of them are retirees, and one is a widow of a retiree.

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

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

The most recent actuarial study of the system was done by Milliman Consultants and Actuaries to determine the funding requirements as of December 31, 2014. As of this date, the assets valued at market were $ 0.440 million and the actuarial present value of future benefits was $ 0.866 million with unfunded actuarial accrued liabilities of $ 0.427 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 2013 budget hearing, the City Council authorized allocating $.141 million of 2013 property tax receipts to the Fire Relief and Pension fund and will be allocating an additional $.141 million in 2014. Based on the number of members in the City's plan, the City is only obligated to calculate the liability of pension cost every three years.

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

Annual Pension Cost and Net Pension Obligation

Annual Required Cntribution (ARC)		For Fiscal Year Ending*			
		*12/31/2011	12/31/2012	12/31/2013	12/31/2014
1	Annual Normal Cost (BOY)	$ -	$ -	$ -	$ -
2	Amortization of UAAL (BOY)	62,407	57,619	57,619	42,068
3	Interest to EOY [(1)+(2)]X(i)*	2,496	2,305	2,305	1,578
4	ARC at EOY [(1)+(2)+(3)], not less than zero	64,903	59,924	59,924	43,646
5	Interest on NPO	7,602	2,546	(3,246)	(3,551)
6	Adjustment to ARC	14,436	5,031	(6,696)	(8,066)
7	Annual Pension Cost (APC)[(4)+(5)-(6)]	58,069	57,439	63,374	48,161
8	Employer Contributions**	184,471	202,238	76,923	81,404
9	Change in NPO [(7)-(8)]	(126,402)	(144,799)	(13,549)	(33,243)
10	NPO at BOY [(11) prior year]	190,062	63,660	(81,139)	(94,688)
11	NPO at EOY [(9)+(10)]	$ 63,660	$ (81,139)	$ (94,688)	$ (127,931)

* "i" is the assumed interest rate that year: 4.0% in 2012, 3.75% in 2013, and 3.75% in 2014

** 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.

Fiscal Year Ending	Annual Pension Cost(APC)	Contribution as a Percent of APC	Net Pension obligation(NPO)
December 31, 2012	57,439	352%	(81,139)
December 31, 2013	63,374	121%	(94,688)
December 31, 2014	48,161	169%	(127,931)

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

Valuation Date	January 1, 2015
Actuarial Cost Method	Entry Age Normal

Amortization Method	21-years, closed as of January 1st 2008
Remaining Amortization Period	17 years
Asset Valuation Method	Fair Market value
Actuarial Assumptions	
Investment Rate of Return	3.50%
Projected Salary Increases	3.25%
Inflation	2.25%
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

SCHEDULE OF FUNDING PROGRESS (in thousands)

Fund	Valueof Assets	Actuarial Accrued Liability	Unfunded AAL	Funded Ratio	Covered payroll	UAAL as a percentage of Covered Payroll
Fire Relief and Pension	440	867	427	51%	-	N/A

The above information is only required to be completed every two years. The above information is from 2014 and will be updated in 2016.

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

Changes in Net Pension Liability	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of December 31, 2013	$904,000	$409,642	$494,358
Charges for the year:			
Service Cost	-		
Interest on total pension liability	32,941		32,941
Effect of economic/demographic gains or losses	(126,134)		(126,134)
Effect of assumptions changes or inputs	107,342		107,342
Benefit Payments	(51,636)	(51,636)	-
Medical payments from fund		(72,084)	72,084
Employer contributions		141,081	(141,081)
Contributions from state fire insurance premium tax		20,682	(20,682)
Net investment income		575	(575)
Administrative expenses		(8,275)	8,275
Balances as of December 31, 2014	866,513	439,985	426,528

The following presents the net pension liability of the City, calculated using a discount rate of 3.50%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.50%) or 1 percentage higher (4.50%) than the current rate.

	1% Decrease 2.50%	Current Discount Rate 3.50%	1% Increase 4.50%
Total pension liability	$969,781	$866,513	$778,882
Fiduciary net position	439,985	439,985	439,985
Net pension liability	$ 529,796	$ 426,528	$ 338,897

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

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 85.

7. RISK MANAGEMENT

A. Pool Insurance

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

Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and/or jointly contracting for risk management services. WCIA has a total of 175 members.

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

Liability coverage is written on an occurrence basis, without deductibles. Coverage includes general, automobile, police, public officials' errors or omissions, stop gap, and employee benefits liability. Limits are $4 million per occurrence self-insured layer, and $20 million per occurrence in the reinsured excess layer. The excess layer is insured by the purchase of reinsurance and insurance and is subject to aggregate limits. Total limits are $4 million per occurrence subject to aggregate sub-limits in the excess layers. The Board of Directors determines the limits and terms of coverage annually.

Insurance coverage for property, automobile physical damage, fidelity, inland marine, and boiler and machinery are purchased on a group basis. Various deductibles apply by type of coverage. Property insurance and auto physical damage are self-funded from the members deductible to $750,000, for all perils other than flood and earthquake, and insured above that amount by the purchase of insurance.

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

WCIA is fully funded by its members, who make annual assessments on a prospectively rated basis,

as determined by an outside, independent actuary. The assessment covers loss, loss adjustment, and administrative expenses. As outlined in the interlocal, WCIA retains the right to additionally assess the membership for any funding shortfall.

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

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

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

B. Partial Self Insurance

As of December 31, 2014, 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 $ 65,000 in claims for an individual employee with an aggregating specific deductible of $30,000 and up to 2 million for the entire group. Once the maximum amount is exceeded then the insurance companies takes over. To cover the 2 million, the City has million in operating revenues in 2014. In 2014 the City had $ 700,635 in stop loss recoveries. The City has not exceeded the insurance coverage in the first 5 years of the program.

	2014	2013	2012	2011
Year to Date medical claims	$ 1,866,557	$ 930,996	$ 1,120,103	851,870
Year to Date Pharmacy Claims	202,824	217,563	199,523	195,287
Run-out Claims*	-	-	-	60,436
Less Eligible Individual Stop Loss Recoveries	494,012	21,213	204,172	88,070
Less Prior Contract Year Service Date Claims	275,298	109,378	60,436	84,650
Less vision Claims	26,194	26,889	24,910	22,106
less Refunded Claims	3,347	6,239	5,667	6,743
Total Aggregate Stop Loss Claims	$1,270,530	$984,840	$1,024,441	$906,024

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

8. LONG-TERM DEBT

A. Long-Term Debt

In the fund financial statements, governmental funds recognize bond premiums and discounts as well as bond issuance costs during the current period. The face amount of debt issued is reported as

other financial sources. Premiums received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds received are reported as debt service expenditures.

State law provides that debt cannot be incurred in excess of the following percentages of the value of the taxable property of the city:
1.5% - Without a vote of the people
2.5% - With a vote of the people
5.0% - With a vote of the people provided the indebtedness in excess of 2.5% is for utilities, parks, or open space development.

As of December 31, 2014, the debt limits of the City were as follows:

	Without a Vote	With a Vote	
		2.50%	5.00%
Legal Limit	$ 18,673,274	$ 31,122,123	$ 62,244,246
Applicable Outstanding Debt	2,395,000	3,570,000	3,570,000
Available Assets	39,915	98,734	98,734
Margin Available	$ 16,318,189	$ 27,650,857	$ 58,772,980

General Obligation Bonds

The City of Ellensburg issues general obligation and revenue bonds to finance the purchase of general government assets and the acquisition or construction of utility infrastructure. General obligation and revenue bonds have been issued for both general government and business type activities and are being repaid from the applicable resources. Proprietary fund revenues are repaying the revenue bonds.

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

Purpose	Maturity Range	Interest Rate(s)	Original Amount	Amount of Installment	Outstanding Amount
2003 GO Bond - Library	2021	2.50 - 4.35%	1,325,000	1,325,000	-
2014 GO Bond - Library	2021	2.50 - 4.35%	1,175,000		1,175,000
2010 GO Bond - Maintenance	2030	2.00 - 5.00%	2,495,000	213,650	2,395,000

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. This bond was defeased in 2014.

The 2014 Unlimited Tax General Obligation Refunding Bonds were sold to provide funds with which to pay costs associated with remodeling, expanding, and equipping the Ellensburg Public

Library and Hal Holmes Community Center in the City and making related capital improvements, and to levy those excess property taxes

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

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

Year Ending	Governmental Activities	
December 31	Principal	Interest
2015	225,000	137,750
2016	240,000	132,150
2017	255,000	124,950
2018	260,000	116,100
2019	275,000	107,100
2020-2024	1,170,000	391,425
2025-2029	-	286,250
2030-2034	1,145,000	57,250
Total	$ 3,570,000	$ 1,352,975

Revenue Bonds

Revenue bonds are bonds where the government pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds are created by ordinance, adopted by the City Council, and financed from Enterprise Fund revenues.

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

2002 Sewer Refunding Bonds for the purpose of provide funds for betterment and extension to the City's Sewerage system. The bonds matured in 2014.

2010 Water/Sewer Ref(99) Bonds for the purpose of paying the cost of carrying out of the system or plan of addition to and betterments and extension of the waterworks utility. The bonds will mature in 2019 with a debt payment of $274,825 and operating revenue of $7,411,966 in 2014.

2010 Water/Sewer Revenue Bonds for the purpose of paying the cost of carrying out of the system or plan of addition to and betterments and extension of the waterworks utility. Drilling of deep wells, extend water and sewer mains and replace the bio-solid thickening

equipment. The bonds will mature in 2029 with a debt payment of $517,475 and operating revenue of $7,411,966 in 2014.

2013 Water Revenue Bonds for the purpose of paying the cost of carrying out of the system or plan of addition to and betterments and extension of the waterworks utility. Construction of two well houses and the installation of pumps, motors, and electronic control systems and if funds are available the City shall make other improvements to the Waterworks Utility. The bonds will mature in 2022 with a debt payment of $241,643 and operating revenue of $3,994,979 in 2014.

2005 Electric Revenue Bond for the purpose is to provide funds with which to pay costs of the City's electrical capital construction plan and making provision to pay the cost of issuance and sale of such bonds and to pay the cost of capitalizing a reserve for the bonds. The bond was defeased in 2014.

2014 Refunding/Revenue Bond for the purpose of providing funds to refund outstanding electric revenue bonds of the City and to finance the cost of certain improvements to the City's Electric Utility.

The Revenue bonds currently outstanding are as follows:

Purpose	Rates	Rates	Amount	Installment	Amount
2005 Electric Revenue Bonds	12/1/2025	4.00-5.00%	4,780,000	392,590	3,825,000
2010 Water/Sewer (ref 99) Bonds	12/1/2019	2.00-4.50%	2,290,000	274,825	1,210,000
2010 Water/Sewer Revenue Bonds	12/1/2029	2.00-4.50%	7,420,000	517,475	7,345,000
2013 Water Bonds	12/1/2022	2.82%	2,100,000	241,643	1,719,816
2014 Electric (refunding)	12/1/2025	2.00-4.50%	3,650,000		3,650,000
2014 Electric	12/1/2034	2.00-4.50%	4,540,000		4,540,000

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

Year Ending	Business-type Activities	
December 31	Principal	Interest
2015	914,506	707,613
2016	950,030	687,938
2017	975,710	658,558
2018	1,006,552	628,316
2019	825,000	594,658
2020-2024	5,508,018	2,398,597
2025-2029	5,640,000	1,325,800
2030-2034	2,645,000	367,200
Total	$ 18,464,816	$ 7,368,680

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

Special Assessments	Beginning Balance 1/1/2014	Amount Issued	Amount Redeemed	Ending Balance 12/31/2014
LID Notes & Bonds	$ 422,622	$ -	$ 44,432	$ 378,190
Total	$ 422,622	$ -	$ 44,432	$ 378,190

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

At December 31, 2014, the City has $98,735 available in debt service funds to service the general obligation bonded debt. Restricted assets in proprietary funds contain $1,673,675 in sinking funds and reserves as required by bond indentures to service the revenue bonded debt.

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

Arbitrage-The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31st, 1986. Rebate arbitrage occurs when earnings on investments purchased from gross proceeds of a bond issue are in excess of the amount that would have been earned if the investment were invested at a yield equal to the yield on the bond issue. The rebate arbitrage must be paid to the federal government. The City of Ellensburg carefully monitors it investments to restrict earnings to a yield less than the bond issue and therefore limit any arbitrage liability. As of December 31, 2014 the City has no arbitrage rebate liability.

In 2014, the City issued $9,500,000 of Electric Revenue and Refunding Bonds to provide funds to refund outstanding electric revenue bonds of the City and to finance the cost of certain improvements to the City's Electric Utility. The refunding is structured under the crossover method, wherein the proceeds from the issuance of refunding debt are placed in an escrow account and until the crossover date (the maturity date), both the old debt and refunding debt is reported in the financial statements. The purpose of this refunding is to accomplish an interest cost savings to the City of $333,547 with a present value of $556,289.

On December 1, 2014, the City issued $3.65 million in revenue refunding bonds with interest rates ranging between 2.0% and 4.5%. The City issued the bonds to advance refund $3.825 million of the outstanding series 2005 revenue bonds with a 4.0 – 5.0% interest rate. The City used the net

On December 1, 2014, the City issued $3.65 million in revenue refunding bonds with interest rates ranging between 2.0% and 4.5%. The City issued the bonds to advance refund $3.825 million of the outstanding series 2005 revenue bonds with a 4.0 – 5.0% interest rate. The City used the net proceeds to purchase U.S.Treasury Certificates of Indebtedness and Notes (the "Escrowed Securities"). These securities were deposited in an irrevocable trust to provide for all future debt service on the refunded portion of the 2005 series bonds. As a result, that portion of the 2005 series bonds is considered defeased, and the City has removed the liability from its accounts. The outstanding principal of the defeased bonds is $3,825,000 at December 31, 2014. The advance refunding reduced total debt service payments over the next 9 years by $725,940. This results in an economic gain (difference between the present values of the debt service payments on the old and the new debt) of $556,289.

In 2014, the City issued $1,400,000 of Unlimited Tax General Obligation Refunding Bonds to provide funds to refund certain outstanding unlimited tax general obligation bonds of the City. The purpose of this refunding is to accomplish an interest cost savings to the City of $127,186 with a present value of $123,010.

B. Changes in Long-Term Liabilities

During the year ended December 31, 2014, the following changes occurred in long-term Liabilities reported as General Long-Term Debt.

	Balance 1/1/2014	Additions	Reductions	Balance 12/31/2014	Due Within One Year
Governmental Activities:					
Bonds payable					
General Obligation Debt	$ 3,820,000	1,310,000	$ 1,560,000	$ 3,570,000	$ 225,000
Less/add Deferred amounts for issuance discount and Premiums	$ 83,164	76,479	$ 4,891	$ 154,752	$ 14,569
Total Bonds Payable	3,903,164	88,020	1,564,891	3,724,752	239,569
Capital Leases	-			-	-
Compensated Absences	545,223	19,439	26,520	538,142	419,927
*OPEB Liability	2,162,516		10,472	2,152,044	-
**Pension Liability		-		-	
Total Governmental LT Liabilities	6,610,903	107,459	1,591,411	6,414,938	659,496
Business-Type Activities					
Revenue Bonds	14,898,951	8,480,000	799,135	22,579,816	914,506
Less/add Deferred amounts for issuance discount and Premiums	527,474	602,424	329,786	800,112	36,361
Total Bond Payable	15,426,425	9,082,424	1,128,921	23,379,928	950,867
Capital Leases	-			-	-
Compensated Absences	470,061	32,086	34,840	467,306	223,201
Total Business-Type LT Liabilities	15,896,486	9,114,510	1,163,761	23,847,234	1,174,068
Total	$ 22,507,389	$ 9,221,969	$ 2,755,172	$ 30,262,173	$ 1,833,564

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

9. UTILITY RATE SETTING POLICY

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

10. CONTINGENCIES AND LITIGATION

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

The City participates in a number of federal and state-assisted programs. These grants are subject to audit by the grantors or their representatives. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. City management believes that such disallowances, if any, will be immaterial.

11. COMMITMENTS

A. Operating Leases

The City leases equipment under non-cancelable operating leases. Total cost for such leases was $37,939 for the year ended December 31, 2014. The future minimum lease payments for these leases are as follows; all leases are completed by 2017 as of December 31st 2014.

Year ending December 31	Amount
2015	$39,732
2016	$39,732
2017	$37,113
2018	$37,113
Total	$153,690

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 and the cost of the asset is recorded in the general fixed asset. Currently, the City does not have any capital leases.

12. INTERGOVERNMENTAL GRANTS AND ENTITLEMENTS

The accompanying Schedule of Financial Assistance provides a listing of all federal, state, and local assistance programs in which the City participates and summarizes the City's grant transactions for 2014.

13. INTERFUND BALANCES AND TRANSFER

Classification of Interfund Transactions

Interfund transactions are classified as follows:

A. Transactions that would be treated as revenues, expenditures or expenses if they involved external organizations, such as buying goods and services or payments in lieu of taxes, are similarly treated when they involve other funds of the City.

B. Transfers to support the operations of other funds are recorded as "Transfers" and classified with "Other Financing Sources or Uses."

C. Contributions to the capital of enterprise or internal service funds, transfers to establish or reduce working capital in other funds, and transfers of remaining balances when funds are closed are classified as transfers and reported as direct additions to or deductions from fund equity.

D. Loans between funds are classified as interfund loans receivable and payable or as
   a. advances to and from other funds on the combined balance sheet depending on the time
   b. period for which the loan was made. Interfund loans do not affect total fund equity, but
   c. advances to other funds are offset by a reservation of fund equity

The following table displays interfund transfer activity during 2014:

Transfer From	Transfer To Arterial	Transfer To Sewer	Transfer To NonMajor Gov.	Non Major Enterprise	Total
Major funds:					
General Fund	$ 1,873,789		$ 206,953		$ 2,080,742
Stormwater	120,000	88,000			208,000
Light					-
Sewer					-
Agency Funds				61,398	61,398
Nonmajor Enterprise	-	-			-
Internal Service				400,000	400,000
Total	$ 1,993,789	$ 88,000	$ 206,953	$ 461,398	$ 2,750,140

The following table displays interfund balances activity during 2014:

Due To	Due From General Fund	Due From Street/Art	Due From Gas	Due From Light	Due From Water	Due From Sewer	Due From All Others	Total
Major Governmental								
General Fund*							$ 55	$ 55
Arterial Street**							$ 12,576	$ 12,576
NonMajor Governmental		1,808						$ 1,808
Major Business Type								
Gas		457				196	109	$ 762
Light		381				316	173	$ 869
Water		419						$ 419
Sewer		5,320					78	$ 5,399
NonMajor Business Type								$ -
Internal Service Fund	404						57	$ 461
Total	$ 404	$ 8,385	$ -	$ -	$ -	$ 512	$ 13,049	$ 22,350

*General Fund includes the City 001, 127, 140,159,175, and 198 funds
** Arterial Street includes the City 123 and 120 funds

The following table displays interfund loan activity during 2014:

Interfund loan Receivable	Beginning Balance 1/1/2014 General	Installment	Balance 12/31/14
Major funds:			
Light	2,354,657	255,000	2,099,657
Internal Service	1,400,000		1,400,000
Equipment Revolving			283,943
Total	$ 3,754,657		$ 3,783,600

14. FUND EQUITIES

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

Statement of Net Position	Governmental Funds	Gas	Light	Water	Sewer	Other
Capital Assets	93,373,703	$ 14,178,735	$ 32,668,805	$ 25,385,009	$ 22,885,074	$ 10,541,190
Minus						
Accumulated Depreciation	41,379,689	8,024,847	18,738,453	9,818,649	10,196,730	$ 5,521,628
Longterm Debt	6,260,185	105,157	12,854,115	6,791,437	3,964,656	131,938
Other Liabilities	154,750					
Add						
Deferred Charges/ refunding bond	-	-	27,475	-	6,956	-
OPEB and Pension NPO Liability	2,152,044					
Compensated balances	538,141	105,157	118,931	31,186	80,165	131,866
Unspent Bond Proceeds	154,874	-	8,451,992	31,643		-
Longterm Debt spent on maintenance						
Total Investment of Capital Assets	48,424,139	6,153,888	9,674,635	8,837,753	8,810,808	5,019,490

*General Fund includes the City 001, 127, 140,159,175, and 198 funds
** Arterial Street includes the City 123 and 120 funds

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

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

15. JOINT 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 2014 operations are as follows:

	Budget	Actual
Kittitas County	$ 38,000	$ 48,479
City of Ellensburg	90,425	86,466
Tour Fees	5,500	3,032
Other Revenues	23,900	23,489
Total Support	$ 157,825	$ 161,466

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

16. 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 27 police and firefighters who retired or disabled under the LEOFF I Pension Act or the City's Fire Relief and Pension Plan. A single employer defined benefit plan.

A. 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 27 retired members and zero active. Health insurance premiums are paid monthly. Other medical services are paid monthly as billings are presented for reimbursement. The pension board performs an annual survey to determine the care to be covered. The City of Ellensburg reimburses 100 percent of the amount of validated claims for medical, dental, and hospitalization costs incurred by pre-Medicare retirees.

Employer contributions are financed on a pay-as-you-go basis. Expenditures for postretirement health care benefits are recognized as retirees report claims. During the year 2014, expenditures of $237,813 were recognized for postretirement health care. 2013 expenditures were $244,977.

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

A single retirement age of 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, 20011 actuarial valuation report issued by the Office of the State Actuary (OSA). Healthcare costs and trends were determined by Milliman and used by OSA in the state-wide LEOFF 1 medical study performed in 2013. The results were based on grouped data with 4 active and 4 inactive grouping. The actuarial cost method used to determine the actuarial accrued liability was Projected Unit Credit. The AAL and NOO are amortized on an open basis as a level dollar over 15 years. These assumptions are individually and collectively reasonable for the purpose of this valuation.

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

Fiscal Year 2014	Fire	Pre leoff Fire	Police
Actuarial Accrued Liability(AAL)	$ 3,310,346	$ 2,169,062	$ 3,530,839
Annual Required Contribution (ARC)	297,736	195,088	317,568
Annual OPEB Cost	271,756	169,108	276,474
NET OPEB Obligation (NOO)	$ 720,207	$ 617,234	$ 1,005,309
Participants	8	7	10

Fiscal Year 2014	Fire	Pre leoff Fire	Police	Total
Medical Expenses	$ 2,237,783	$ 1,279,253	$ 2,217,412	$ 5,734,448
Longterm Care	1,072,563	889,809	1,313,426	3,275,798
Total Inactive	3,310,346	2,169,062	3,530,838	9,010,246
Arc				
Normal Cost	-	-	-	-
UAAl Amortization	297,736	195,088	317,568	810,392
ARC	297,736	195,088	317,568	810,392
Annual OPEB Cost				
ARC	297,736	195,088	317,568	810,392
NOO Interest	20,808	20,808	32,914	74,530
NOO Amortization	(46,788)	(46,788)	(74,007)	(167,583)
Annual OPEB Cost	271,756	169,108	276,475	717,339
NOO				
Starting NOO	520,210	520,210	822,841	1,863,261
Annual OPEB Cost	271,756	169,108	276,474	717,338
Contributions	71,759	72,084	94,006	237,849
NOO**	$ 720,207	$ 617,234	$ 1,005,309	$ 2,342,751

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2014 and three preceding fiscal years were as follows:

FIRE FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS

FISCAL YEAR ENDED	ANNUAL OPEB COST	ANNUAL OPEB ACTUAL COSTS CONTRIBUTIONS	PERCENTAGE OF ANNUAL OPEB COST CONTRIBUTED	NET OPEB OBLIGATIONS
2010	187,026	64,397	34.43%	446,478
2011	192,324	64,690	33.64%	595,465
2012	213,677	70,501	32.99%	717,288
2013	176,663	74,486	42.16%	819,465
2014	271,756	71,759	26.41%	720,207

PRE LEOFF FIRE FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS

FISCAL YEAR ENDED	ANNUAL OPEB COST	ANNUAL OPEB ACTUAL COSTS CONTRIBUTIONS	PERCENTAGE OF ANNUAL OPEB COST CONTRIBUTED	NET OPEB OBLIGATIONS
2010	244,001	85,214	35%	298,257
2011	188,982	83,051	44%	404,188
2012	150,178	78,992	53%	475,374
2013	119,895	75,059	63%	520,210
2014	169,108	72,084	43%	617,234

Police FUND SCHEDULE OF EMPLOYER CONTRIBUTIONS				
FISCAL YEAR ENDED	ANNUAL OPEB COST	ANNUAL OPEB ACTUAL COSTS CONTRIBUTIONS	PERCENTAGE OF ANNUAL OPEB COST CONTRIBUTED	NET OPEB OBLIGATIONS
2010	216,141	98,296	45%	440,892
2011	247,884	99,363	40%	589,413
2012	228,459	104,584	46%	713,288
2013	204,985	95,432	47%	822,841
2014	276,474	94,006	34%	1,005,309

Funding Status and Funding Progress- As of December 2014, the actuarial accrued liability for benefits was $9,010,246.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trends. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. 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.

SCHEDULE OF FUNDING PROGRESS						
Fund	Valueof Assets	Actuarial Accrued Liability	Unfunded AAL	Funded Ration	Covered payroll	UAAL as a percentage of Covered Payroll
Pre leoff	-	867,000	427,000	51%	-	N/A
Leoff 1 Fire	-	3,310,346	3,310,346	0%	-	N/A
Leoff 1 Police	-	3,530,839	3,530,839	0%	-	N/A

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

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

Life expectancies are based on mortality tables at the office of the State Actuary for Washington (osa.leg.wa.gov). Life expectancies that included partial years were rounded to the nearest whole year. The calculation of postemployment health insurance coverage for each year in the worksheet is based on the assumption that all participants will live until their expected age displayed in the mortality tables.

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

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

Inflation rate- The expected long-term inflation assumption for 2014 of 0.6 percent was based on projected changes in the Consumer Price Index for Urban Wage earners and Clerical Workers (SPI-W) from the office of the State Actuary for Washington (osa.leg.wa.gov).

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

Based on the historical and expected returns of the city's short-term investment portfolio, a discount rate of 2.1 percent was used. In addition, the actuarial cost method used to determine the actuarial accrued liability was Projected Unit Credit. The funded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2014 was twenty-four years.

17. NONRECOGNIZED SUBSEQUENT EVENT

The Geddis building was sold March 31, 2015 for $1,150,000.

Telecommunications Utilities project was completed and placed into service April 2015.

18. PRIOR PERIOD ADJUSTMENT

A. Statement of Activities

1. During 2014, the City reported a $7,946 prior period adjustment to net position to correct the beginning of the year balance to the Governmental building accumulated depreciation account.

Required Supplementary Information

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CITY OF ELLENSBURG
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
(Amount expressed in Thousands)

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 Ration (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
12/31/2008	(152)	842	994	-18%	0	N/A
12/31/2010	37	890	853	4%	0	N/A
12/31/2012	285	1014	729	28%	0	N/A
12/31/2014	440	867	427	51%	0	N/A

**required to be done every two years

LEOFF 1 POLICE

Actuarial Valuation Date	Value of Assets (a)	Actuarial Accrued Liability (AAL-Unit Credit Cost (b)	unfunded AAL(UAAL)(a-b)	Funded Ration (a/b)	Covered Payroll ©	UAAL as a percentage of Covered Payroll (b-a)/c)
12/31/2008	0	3,025	3,025	0%	0	N/A
12/31/2009	0	2,827	2,827	0%	0	N/A
12/31/2010	0	2,773	2,773	0%	0	N/A
12/31/2011	0	2,890	2,890	0%	0	N/A
12/31/2012	0	2,758	2,758	0%	0	N/A
12/31/2013	0	2,570	2,570	0%	0	N/A
12/31/2014	0	3,531	3,531	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 Ration (a/b)	Covered Payroll ©	UAAL as a percentage of Covered Payroll (b-a)/c)
12/31/2008	0	2,693	2,693	0%	0	N/A
12/31/2009	0	2,487	2,487	0%	0	N/A
12/31/2010	0	2,474	2,474	0%	0	N/A
12/31/2011	0	2,525	2,525	0%	0	N/A
12/31/2012	0	2,373	2,373	0%	0	N/A
12/31/2013	0	2,268	2,268	0%	0	N/A
12/31/2014	0	3,310	3,310	0%	0	N/A

CITY OF ELLENSBURG
REQUIRED SUPPLEMENTARY INFORMATION
PENSION FUND
2014

Schedule of Employer Contributions for 8 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
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
December 31st 2011	173,549	10,922	184,471	64,903	284
December 31st 2012	185,383	16,855	202,238	59,924	337
December 31st 2013	58,247	18,676	76,923	59,924	128
December 31st 2014	60,722	20,682	81,404	43,646	41

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.

CITY OF ELLENSBURG
REQUIRED SUPPLEMENTARY INFORMATION
GASB Statement No. 67 Schedule of Money Weighted Rate of Return
2014

Fiscal Year Ending December 31	Net Money Weighted Rate of Return
2014	0.14%

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, 2014	$409,642	12.00	1.00	$410,234
Monthly net external cash flows:				
January	(7,823)	12.00	1.00	(7,834)
February	(11,635)	11.00	0.92	(11,651)
March	(10,983)	10.00	0.83	(10,996)
April	(21,101)	9.00	0.75	(21,124)
May	9,513	8.00	0.67	9,523
June	(8,432)	7.00	0.58	(8,439)
July	58,992	6.00	0.50	59,035
August	(7,763)	5.00	0.42	(7,768)
September	(7,762)	4.00	0.33	(7,766)
October	(9,972)	3.00	0.25	(9,976)
November	60,045	2.00	0.17	60,060
December	(13,312)	1.00	0.08	(13,313)
Ending Value December 31, 2014	439,985			439,985
Money Weighted Rate of Return	0.14%			

CITY OF ELLENSBURG
REQUIRED SUPPLEMENTARY INFORMATION
GASB Statement No. 67 Long-Term Expected Rate of Return
2014

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, 2014.

Asset Class	Index	Long-Term Expected Real Rate of Return
Cash	Citigroup 90-Day T-Bills	0.54%
Short-Term Bonds	Citigroup 1-3 Year Gov/Cred	1.52%
Long-Term Bonds	Barclays Long Gov/Cred	2.99%
Assumed Inflation - Mean		2.25%
Long-Term Expected Rate of Return		**3.5%**

CITY OF ELLENSBURG
REQUIRED SUPPLEMENTARY INFORMATION
GASB Statement No. 67 Net Pension Liability
2014

Net Pension Liability	**December 31, 2013**	**December 31, 2014**
Total pension liability	$904,000	$866,513
Fiduciary net position	409,642	439,985
Net pension liability	494,358	426,528
Fiduciary net position as a % of total pension liability	45.31%	50.78%
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. There were no significant changes during this period. Any significant changes would need to be reflected as prescribed by GASB 67.

Discount Rate

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

Other Key Actuarial Assumptions

Valuation Date	January 1, 2014	January 1, 2015
Measurement Date	December 31, 2013	December 31, 2014
Inflation	2.50%	2.25%
Salary increases including inflation	3.50%	3.25%
Mortality	RP-2000 Mortality Table (combined healthy) projected to 2019 using 50% of Projection Scale AA, with ages set back one year for males and forward one year for females (set forward two years for disabled members)	RP-2000 Mortality Table (combined healthy) with generational projection using 100% of Projection Scale BB, with ages set back one year for males and forward one year for females (set forward two years for disabled members)
Actuarial cost method	Entry Age Normal	Entry Age Normal

CITY OF ELLENSBURG
REQUIRED SUPPLEMENTARY INFORMATION
GASB Statement No. 67 Schedule of Changes in Net Pension Liability and Related Ratios
2014

$ Thousands	Fiscal Year Ending December 31 2014
Total Pension Liability	
Service Cost	$0
Interest on total pension liability	33
Effect of plan charges	0
Effect of economic /demographic gains or (losses)	(126)
Effect of assumption changes or inputs	107
Benefit payments	(52)
Net change in total pension liability	(37)
Total pension liability, beginning	904
Total pension liability, ending (a)	867
Fiduciary Net Position	
Employer contributions	$141
Contributions from state fire insurance premium tax	21
Investment income net of investment expenses	1
Benefit payments	(52)
Medical payments from fund	(72)
Administrative expenses	(8)
Net change in plan fiduciary net position	30
Fiduciary net position, beginning	410
Fiduciary net position, ending (b)	440
Net pension liability, ending = (a) - (b)	$427
Fiduciary net position as a % of total pension liability	50.78%
Covered payroll	$0
Net pension liability as a % of covered payroll	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.

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 purposed.

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.

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.

Debt Service Funds

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

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

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

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

Capital Project Funds

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

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

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

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

Trust Funds

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

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

City of Ellensburg, Washington

Combining Balance Sheet

Nonmajor Governmental Funds

For the Year Ended December 31, 2014

	Special Revenue Funds				Special Revenue Funds	
	Traffic Impact Fee 125	Criminal Justice 130	Drug 137	CATV O & M 150	CATV Capital 155	Parks Acquisitions 160
ASSETS AND DEFERRED OUTFLOWS OF						
Cash and cash equivalents	$ 470,404	$ 211,355	$ 23,255	$ 43,535	$ 94,411	$ 116,267
Deposits with other agents	-	-	-	-	-	-
Investments	500,104	99,994	-	-	-	199,990
Receivables(net)						
Property taxes	-	-	-	-	-	-
Accounts	-	-	-	19,069	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	56,211	83	-	-	149
Interfund loan receivable	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Advance to other funds	-	-	-	-	-	-
Total assets	$ 970,508	$ 367,560	$ 23,338	$ 62,604	$ 94,411	$ 316,407
LIABILITIES, DEFERRED INFLOWS OF						
Accounts payable	-	10,110	-	1,021	5,309	7,461
Due to other funds	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-
Interfund Payable	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	-	10,110	-	1,021	5,309	7,461
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue- property taxes	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
FUND BALANCE						
Nonspendable	-	-	-	-	-	-
Restricted	966,755	352,291	22,648	-	-	307,679
Committed	-	-	-	60,757	87,561	-
Assigned	3,752	5,160	690	826	1,542	1,268
Unassigned	-	-	-	-	-	-
Total fund balance	970,508	357,450	23,338	61,583	89,102	308,946
Total liabilities & fund balances	$ 970,508	$ 367,560	$ 23,338	$ 62,604	$ 94,411	$ 316,407

				Debt Service			
Lodging Tax 165	CHIP Reserve 170	Total Special Revenue	G.O. Bond 225	Library Construction 230	G.O. Bond 240	Total Debt Service
$ 472,289	$ 7,403	$ 1,438,918	$ 39,915	$ 46,914	$ 11,004	$ 97,833
-	-	-	-	-	-	-
-	-	800,088	-	-	-	-
		-		-		-
-	-	-	-	11,905	-	11,905
-	-	19,069	-	-	-	-
-	-	-	-	-	-	-
25,117	-	81,562	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
$ 497,406	$ 7,403	$ 2,339,637	$ 39,915	$ 58,819	$ 11,004	$ 109,738
29,240	-	53,140	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
29,240	-	53,140	-	-	-	-
-	-	-	-	8,258	-	8,258
-	-	-	-	8,258	-	8,258
-	-		-	-	-	-
462,981	-	2,112,354	-	50,063	-	50,063
-	7,403	155,720	-	-	-	-
5,185	-	18,423	39,915	498	11,004	51,417
-	-	-	-	-	-	-
468,166	7,403	2,286,497	39,915	50,561	11,004	101,480
$ 497,406	$ 7,403	$ 2,339,637	$ 39,915	$ 58,819	$ 11,004	$ 109,738

City of Ellensburg, Washington

Combining Balance Sheet
Nonmajor Governmental Funds
For the Year Ended December 31, 2014

	Capital Projects				Trust Funds			
	Bond Maint 325	Capital Projects 365	Sidewalk Improvements 366	Total Capital Projects	Library Trust 605	Holmes Trust 621	Total Trust Funds	Total Nonmajor Governmental Funds
ASSETS AND DEFERRED OUTFLOWS OF								
Cash and cash equivalents	$ 57,041	$ 68,869	$ 492,649	$ 618,558	$ 301,536	$ 39,243	$ 340,780	$ 2,496,089
Deposits with other agents	-	-	-	-	-	427,963	427,963	427,963
Investments	-	-	26,500	26,500	-	-	-	826,588
Receivables(net)				-			-	-
Property taxes	-	-	-	-	-	-	-	11,905
Accounts	-	-	28,865	28,865	-	-	-	47,934
Due from other funds	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	81,562
Interfund loan receivable	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Advance to other funds	-	-	-	-	-	-	-	-
	$ 57,041	$ 68,869	$ 548,013	$ 673,923	$ 301,536	$ 467,206	$ 768,743	$ 3,892,040
LIABILITIES, DEFERRED INFLOWS OF								
-								
Accounts payable	-	-	2,412	2,412	-	-	-	55,552
Due to other funds	-	-	1,808	1,808	-	-	-	1,808
Due to other governments	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-
Interfund Payable	-	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	-
Total liabilities	-	-	4,220	4,220	-	-	-	57,360
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue- property	-	-	-	-	-	-	-	8,258
Total deferred inflows of resou	-	-	-	-	-	-	-	8,258
FUND BALANCE								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	51,990	-	529,590	581,580	291,029	427,963	718,992	3,462,988
Committed	-	-	-	-	-	-	-	155,720
Assigned	5,051	68,869	14,204	88,124	10,507	-	10,507	168,471
Unassigned	-	-	-	-	-	39,243	39,243	39,243
	57,041	68,869	543,794	669,703	301,536	467,206	768,743	3,826,423
Total liabilities & fund balance	$ 57,041	$ 68,869	$ 548,013	$ 673,923	$ 301,536	$ 467,206	$ 768,743	$ 3,892,041

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CITY OF ELLENSBURG, WASHINGTON

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

Nonmajor Governmental Funds

For the Year Ended December 31, 2014

	Special Revenue Funds					
	Traffic Impact Fee 125	Criminal Justice 130	Drug 137	CATV O & M 150	CATV Capital 155	Parks Acquisitions 160
REVENUES:						
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -
Retail sales & use taxes	-	718,889	-	-	-	-
Other taxes	-	-	-	91,534	2,427	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	1,894
Charges for services	292,417	-	-	180	-	81,349
Fines & forfeits	-	-	2,862	-	-	-
Investment earnings	1,391	344	15	31	94	490
Miscellaneous	-	-	-	-	162	5,500
Total revenues	293,808	719,232	2,877	91,745	2,684	89,233
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	-
Judicial services	-	-	-	-	-	-
Public safety	-	612,779	574	-	-	-
Utilities	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Social services	-	-	-	-	-	-
Natural and economic	-	45,377	-	43,454	68,508	-
Culture & recreation	-	-	-	-	-	8,325
Interest on long-term debt	-	-	-	-	-	-
Debt service						
Principal	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-
Capital outlay	-	-	-	39,010	-	168,767
Total expenditures	-	658,156	574	82,464	68,508	177,092
Excess(deficiency) of revenues over expenditures	293,808	61,076	2,303	9,281	(65,824)	(87,859)
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	293,808	61,076	2,303	9,281	(65,824)	(87,859)
Fund balances-beginning	676,700	296,374	21,035	52,302	154,926	396,805
Fund balances-ending	$ 970,508	$ 357,450	$ 23,338	$ 61,583	$ 89,102	$ 308,946

Special Revenue Funds			Debt Funds			
Lodging Tax 165	CHIP Reserve 170	Total Special Revenue	G.O. Bond 225	Library Construction 230	G.O. Bond 240	Total Debt Funds
$ -	$ -	$ -	$ -	$ 161,860	$ -	$ 161,860
445,036	-	1,163,925	-	-	-	-
-	-	93,962	-	-	-	-
-	-	-	-	-	-	-
-	-	1,894	-	-	-	-
-	-	373,946	-	-	-	-
-	-	2,862	-	-	-	-
964	0	3,329	12	11	1	24
-	-	5,662	-	-	-	-
446,000	0	1,645,579	12	161,871	1	161,884
-	-	-	-	418	-	418
-	-	-	-	-	-	-
-	-	613,353	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
419,347	-	576,686	-	-	-	-
-	-	8,325	-	-	-	-
-	-	-	-	-	-	-
		-				-
-	-	-	100,000	1,460,000	-	1,560,000
-	-	-	106,952	78,010	-	184,962
-	-	207,777	-	-	-	-
419,347	-	1,406,141	206,952	1,538,428	-	1,745,379
26,652	0	239,438	(206,940)	(1,376,557)	1	(1,583,496)
-	-	-	-	1,386,479	-	1,386,479
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	206,953	-	-	206,953
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	206,953	1,386,479	-	1,593,431
26,652	0	239,438	13	9,922	1	9,936
441,514	7,402	2,047,059	39,902	40,639	11,003	91,544
$ 468,166	$ 7,403	$ 2,286,497	$ 39,915	$ 50,561	$ 11,004	$ 101,480

			Capital Projects		Trust Funds			
	Maint Bond Projects-325	Capital Projects 365	Sidewalk Improvements 366	Total Capital Funds	Library Trust 605	Holmes Trust 621	Total Permanent Fund	Total Nonmajor Governmental Funds
REVENUES:								
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 161,860
Retail sales & use taxes	-	-	-	-	-	-	-	1,163,925
Other taxes	-	-	185,673	185,673	-	-	-	279,635
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	1,894
Charges for services	-	-	-	-	20	-	20	373,966
Fines & forfeits	-	-	-	-	-	-	-	2,862
Investment earnings	48	48	972	1,067	209	2,398	2,608	7,028
Miscellaneous	-	-	-	-	2,048	-	2,048	7,710
Total revenues	48	48	186,645	186,740	2,278	2,398	4,676	1,998,879
EXPENDITURES:								
Current:								
General government	-	-	-	-	-	-	-	418
Judicial services	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	613,353
Utilities	-	-	-	-	-	-	-	-
Transportation	-	-	81,434	81,434	-	-	-	81,434
Social Service	-	-	-	-	-	-	-	-
Natural and Economic	-	-	-	-	-	-	-	576,686
Culture & recreation	0	-	-	0	1,968	-	1,968	10,294
Interest on long-term debt	-	-	-	-	-	-	-	-
Debt service				-			-	-
Principal	-	-	-	-	-	-	-	1,560,000
Interest and other charges	-	-	-	-	-	-	-	184,962
Capital outlay	15,082	-	-	15,082	-	-	-	222,859
Total expenditures	15,082	-	81,434	96,516	1,968	-	1,968	3,250,005
Excess(deficiency) of revenues over expenditures	(15,034)	48	105,210	90,224	309	2,398	2,707	(1,251,127)
OTHER FINANCING SOURCES (USES):								
Refunding bonds issued	-	-	-	-	-	-	-	1,386,479
Capital -related debt issued	-	-	-	-	-	-	-	-
Payment to bond refunding escrow age	-	-	-	-	-	-	-	-
Disposition of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	206,953
Transfers out	-	-	-	-	-	-	-	-
Other adjustments	-	-	-	-	-	-	-	-
Total other financing sources & uses	-	-	-	-	-	-	-	1,593,431
Net change in fund balance	(15,034)	48	105,210	90,224	309	2,398	2,707	342,305
Fund balances-beginning	72,075	68,821	438,583	579,480	301,227	464,808	766,035	3,484,118
Fund balances-ending	$ 57,041	$ 68,869	$ 543,794	$ 669,703	$ 301,536	$ 467,206	$ 768,743	$ 3,826,423

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, 2014

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Property taxes	$ -	$ -	$ -	$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	31,500	31,500	292,417	260,917
Fines & forfeits	-	-	-	-
Investment earnings	300	300	1,391	1,091
Miscellaneous	-	-	-	-
Total revenues	31,800	31,800	293,808	262,008
EXPENDITURES:				
Current:				
General government	-	-	-	-
Judicial services	-	-	-	-
Public safety	-	-	-	-
Utilities	-	-	-	-
Transportation	1,800	1,800	-	1,800
Social Services	-	-	-	-
Natural and Economic	-	-	-	-
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	1,800	1,800	-	1,800
Excess(deficiency) of revenues over expenditures	30,000	30,000	293,808	263,808
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(476,000)	476,000	-	476,000
Other adjustments		-	-	-
Total other financing sources & uses	(476,000)	476,000	-	476,000
Net change in fund balance	(446,000)	506,000	293,808	739,808
Fund balances-beginning	121,017	676,700	676,700	0
Prior period adjustments				
Fund balances-ending	$ (324,983)	$ 1,182,700	$ 970,508	$ 739,808

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, 2014

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Property taxes	$ -	$ -	$ -	$ -
Retail sales & use taxes	614,000	614,000	718,889	104,889
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	400	400	344	(56)
Miscellaneous	-	-	-	-
Total revenues	614,400	614,400	719,232	104,832
EXPENDITURES:				
Current:				
General government	-	-	-	-
Judicial services	-	-	-	-
Public safety	607,585	654,596	612,779	41,817
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	27,685	59,382	45,377	14,005
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	635,270	713,978	658,156	55,822
Excess(deficiency) of revenues over expenditures	(20,870)	(99,578)	61,076	160,654
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	(20,870)	(99,578)	61,076	160,654
Fund balances-beginning	23,155	296,374	296,374	0
Prior period adjustments				
Fund balances-ending	$ 2,285	$ 196,796	$ 357,450	$ 160,654

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, 2014

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Property taxes	$ -	$ -	$ -	$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	2,862	2,862
Investment earnings	-	-	15	15
Miscellaneous	-	-	-	-
Total revenues	-	-	2,877	2,877
EXPENDITURES:				
Current:				
General government	-	-	-	-
Judicial services	-	-	-	-
Public safety	6,075	6,075	574	5,501
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	6,075	6,075	574	5,501
Excess(deficiency) of revenues over expenditures	(6,075)	(6,075)	2,303	8,378
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	(6,075)	(6,075)	2,303	8,378
Fund balances-beginning	6,075	21,035	21,035	(0)
Prior period adjustments	-	-	-	-
Fund balances-ending	$ -	$ 14,960	$ 23,338	$ 8,378

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, 2014

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Property taxes	$ -	$ -	$ -	$ -
Retail sales & use taxes	-	-	-	-
Other taxes	62,000	87,000	91,534	4,534
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	180	180
Fines & forfeits	-	-	-	-
Investment earnings	-	-	31	31
Miscellaneous	-	-	-	-
Total revenues	62,000	87,000	91,745	4,745
EXPENDITURES:				
Current:				
General government	-	-	-	-
Judicial services	-	-	-	-
Public safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	65,000	107,000	43,454	63,546
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	27,050	39,010	(11,960)
Total expenditures	65,000	134,050	82,464	51,586
Excess(deficiency) of revenues over expenditures	(3,000)	(47,050)	9,281	56,331
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	(3,000)	(47,050)	9,281	56,331
Fund balances-beginning	73,180	51,687	52,302	615
Prior period adjustments	-	-	-	-
Fund balances-ending	$ 70,180	$ 4,637	$ 61,583	$ 56,946

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, 2014

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Property taxes	$ -	$ -	$ -	$ -
Retail sales & use taxes	-	-	-	-
Other taxes	14,100	2,427	2,427	0
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	-	150	94	(56)
Miscellaneous	-	162	162	0
Total revenues	14,100	2,739	2,684	(55)
EXPENDITURES:				
Current:				
General government	-	-	-	-
Judicial services	-	-	-	-
Public safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	-	-	68,508	(68,508)
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	14,600	73,465	-	73,465
Total expenditures	14,600	73,465	68,508	4,957
Excess(deficiency) of revenues over expenditures	(500)	(70,726)	(65,824)	4,902
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	(500)	(70,726)	(65,824)	4,902
Fund balances-beginning	122,800	153,479	154,926	1,447
Prior period adjustments	-	-	-	-
Fund balances-ending	$ 122,300	$ 82,753	$ 89,102	$ 6,349

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, 2014

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Property taxes	$ -	$ -	$ -	$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	1,800	1,800	1,894	94
Charges for services	35,000	35,000	81,349	46,349
Fines & forfeits	-	-	-	-
Investment earnings	-	-	490	490
Miscellaneous	-	5,500	5,500	-
Total revenues	36,800	42,300	89,233	46,933
EXPENDITURES:				
Current:				
General government	-	-	-	-
Judicial services	-	-	-	-
Public safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & recreation	-	-	8,325	(8,325)
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	94,000	296,500	168,767	127,733
Total expenditures	94,000	296,500	177,092	119,408
Excess(deficiency) of revenues over expenditures	(57,200)	(254,200)	(87,859)	166,341
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	(57,200)	(254,200)	(87,859)	166,341
Fund balances-beginning	79,027	396,805	396,805	0
Prior period adjustments	-	-	-	-
Fund balances-ending	$ 21,827	$ 142,605	$ 308,946	$ 166,341

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, 2014

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Property taxes	$ -	$ -	$ -	$ -
Retail sales & use taxes	374,316	374,316	445,036	70,720
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	1,000	1,000	964	(36)
Miscellaneous	-	-	-	-
Total revenues	375,316	375,316	446,000	70,684
EXPENDITURES:				
Current:				
General government	-	-	-	-
Judicial services	-	-	-	-
Public safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	375,316	420,921	419,347	1,574
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	375,316	420,921	419,347	1,574
Excess(deficiency) of revenues over expenditures	-	(45,605)	26,652	72,257
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	-	(45,605)	26,652	72,257
Fund balances-beginning	361,570	441,514	441,514	0
Prior period adjustments	-	-	-	-
Fund balances-ending	$ 361,570	$ 395,909	$ 468,166	$ 72,257

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, 2014

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Property taxes	$ -	$ -	$ -	$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	-	-	0	0
Miscellaneous	-	-	-	-
Total revenues	-	-	0	0
EXPENDITURES:				
Current:				
General government	-	-	-	-
Judicial services	-	-	-	-
Public safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess(deficiency) of revenues over expenditures	-	-	0	0
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	-	-	0	0
Fund balances-beginning	-	7,402	7,402	0
Prior period adjustments	-	-	-	-
Fund balances-ending	$ -	$ 7,402	$ 7,403	$ 1

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, 2014

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Property taxes	$ -	$ -	$ -	$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	-	-	12	12
Miscellaneous	-	-	-	-
Total revenues	-	-	12	12
EXPENDITURES:				
Current:				
General government	-	-	-	-
Judicial services	-	-	-	-
Public safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	100,000	100,000	100,000	-
Interest and other charges	106,953	106,953	106,952	1
Capital outlay	-	-	-	-
Total expenditures	206,953	206,953	206,952	1
Excess(deficiency) of revenues over expenditures	(206,953)	(206,953)	(206,940)	(13)
OTHER FINANCING SOURCES (USES):				
Transfers in	206,953	206,953	206,953	(0)
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	206,953	206,953	206,953	(0)
Net change in fund balance	-	-	13	(13)
Fund balances-beginning	40,000	39,900	39,902	2
Prior period adjustments				
Fund balances-ending	$ 40,000	$ 39,900	$ 39,915	$ (12)

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, 2014

	Budget			
	Original	Final	Actual	Variance with Final Budget
REVENUES:				
Property taxes	$ 162,000	$ 162,000	$ 161,860	$ (140)
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	-	-	11	11
Miscellaneous	-	-	-	-
Total revenues	162,000	162,000	161,871	(129)
EXPENDITURES:				
Current:				
General government	-	418	418	0
Judicial services	-	-	-	-
Public safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	105,000	1,480,240	1,460,000	20,240
Interest and other charges	54,937	57,770	78,010	-
Capital outlay	-	-	-	-
Total expenditures	159,937	1,538,428	1,538,428	20,240
Excess(deficiency) of revenues over expenditures	2,063	(1,376,428)	(1,376,557)	(129)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	-	1,386,479	1,386,479	1,386,479
Net change in fund balance	2,063	10,051	9,922	1,386,350
Fund balances-beginning	43,960	40,435	40,639	204
Prior period adjustments				
Fund balances-ending	$ 46,023	$ 50,486	$ 50,561	$ 1,386,554

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, 2014

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Property taxes	$ -	$ -	$ -	$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	-	-	1	1
Miscellaneous	-	-	-	-
Total revenues	-	-	1	1
EXPENDITURES:				
Current:				
General government	-	-	-	-
Judicial services	-	-	-	-
Public safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess(deficiency) of revenues over expenditures	-	-	1	1
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	-	-	1	1
Fund balances-beginning	-	-	11,003	11,003
Prior period adjustments				
Fund balances-ending	$ -	$ -	$ 11,004	$ 11,004

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, 2014

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Property taxes	$ -	$ -	$ -	$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	-	-	48	48
Miscellaneous	-	-	-	-
Total revenues	-	-	48	48
EXPENDITURES:				
Current:				
General government	-	-	-	-
Judicial services	-	-	-	-
Public safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & recreation	-	15,083	0	15,083
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	15,082	(15,082)
Total expenditures	-	15,083	15,082	1
Excess(deficiency) of revenues over expenditures	-	(15,083)	(15,034)	49
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	-	(15,083)	(15,034)	49
Fund balances-beginning	-	72,075	72,075	0
Prior period adjustments				
Fund balances-ending	$ -	$ 56,992	$ 57,041	$ 49

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, 2014

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Property taxes	$ -	$ -	$ -	$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	-	-	48	48
Miscellaneous	-	-	-	-
Total revenues	-	-	48	48
EXPENDITURES:				
Current:				
General government	-	-	-	-
Judicial services	-	-	-	-
Public safety	7,500	7,500	-	7,500
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	7,500	7,500	-	7,500
Excess(deficiency) of revenues over expenditures	(7,500)	(7,500)	48	7,548
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	(7,500)	(7,500)	48	7,548
Fund balances-beginning	54,752	68,821	68,821	(0)
Prior period adjustments				
Fund balances-ending	$ 47,252	$ 61,321	$ 68,869	$ 7,548

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, 2014

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Property taxes	$ -	$ -	$ -	$ -
Retail sales & use taxes	-	-	-	-
Other taxes	100,000	100,000	185,673	85,673
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	400	400	972	572
Miscellaneous	-	-	-	-
Total revenues	100,400	100,400	186,645	86,245
EXPENDITURES:				
Current:				
General government	-	-	-	-
Judicial services	-	-	-	-
Public safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	81,434	(81,434)
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	215,000	225,402	-	225,402
Total expenditures	215,000	225,402	81,434	143,968
Excess(deficiency) of revenues over expenditures	(114,600)	(125,002)	105,210	230,212
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	(114,600)	(125,002)	105,210	230,212
Fund balances-beginning	189,488	431,861	438,583	6,722
Prior period adjustments				
Fund balances-ending	$ 74,888	$ 306,859	$ 543,794	$ 236,935

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, 2014

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Property taxes	$ -	$ -	$ -	$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	20	20
Fines & forfeits	-	-	-	-
Investment earnings	1,400	1,400	209	(1,191)
Miscellaneous	6,100	6,100	2,048	(4,052)
Total revenues	7,500	7,500	2,278	(5,223)
EXPENDITURES:				
Current:				
Current:	-	-	-	-
General government	-	-	-	-
Judicial services	-	-	-	-
Public safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics				
Culture & recreation	8,800	8,800	1,968	6,832
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	8,800	8,800	1,968	6,832
Excess(deficiency) of revenues over expenditures	(1,300)	(1,300)	309	1,609
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	(1,300)	(1,300)	309	1,609
Fund balances-beginning	250,068	290,949	301,227	10,278
Prior period adjustments				
Fund balances-ending	$ 248,768	$ 289,649	$ 301,536	$ 11,887

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, 2014

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Property taxes	$ -	$ -	$ -	$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	-	20,000	2,398	(17,602)
Miscellaneous	-	-	-	-
Total revenues	-	20,000	2,398	(17,602)
EXPENDITURES:				
Current:				
General government	-	-	-	-
Judicial services	-	-	-	-
Public safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess(deficiency) of revenues over expenditures	-	20,000	2,398	(17,602)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	-	20,000	2,398	(17,602)
Fund balances-beginning	-	19,243	464,808	445,565
Prior period adjustments	-			
Fund balances-ending	$ -	$ 39,243	$ 467,206	$ 427,963

CITY OF ELLENSBURG, WASHINGTON

Nonmajor Enterprise Funds

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

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

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

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

CITY OF ELLENSBURG, WASHINGTON

Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2014

	Enterprise Funds			
	Utility Deposit	Telecom	Storm Water	Total
ASSETS				
Current assets:				
Cash and cash equivalents	$ 576,945	$ 506,518	$ 236,350	$ 1,319,813
Deposits with fiscal agents	-	-	-	-
Investments	-	-	-	-
Receivables(net)	-	-	-	-
Accounts	-	-	75,728	75,728
Due from other funds	-	-	109	109
Due from other governments	-	4,058	8,378	12,435
Total current assets	576,945	510,576	320,565	1,408,086
Noncurrent assets:				
Capital assets, net (Note1)				
Land	-	-	-	-
Buildings	-	-	458,451	458,451
Improvements	-	-	892,729	892,729
Machinery & equipment	-	184,901	-	-
Construction in progress	-	1,086,927	13,448	1,086,756
Less accumulated depreciation	-	(46,811)	(87,587)	(87,587)
Total noncurrent assets	-	1,225,017	1,277,041	2,350,348
Total assets	576,945	1,735,593	1,597,606	3,758,434
LIABILITIES				
Current liabilities:				
Accounts payable and accrued expenses	-	117,006	3,877	120,882
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Interfund Loan Payable	-	283,943	-	283,943
Other liabilities	545,044	-	-	545,044
Due within one year	-	-	25,677	25,677
Total current liabilities	545,044	400,949	29,554	975,547
Non current liabilities (Note 2):				
Due in more than one year	-	-	-	-
Total noncurrent assets	-	-	-	-
Total liabilities	545,044	400,949	29,554	975,547
NET POSITION				
Net Investment in capital assets	-	1,225,017	1,277,041	2,502,058
Unrestricted	31,901	109,628	291,011	280,830
Total net position	$ 31,901	$ 1,334,645	$ 1,568,052	$ 2,782,888

CITY OF ELLENSBURG, WASHINGTON

Combining Statement of Revenues, Expenses, and Changes in Fund Net position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2014

	Enterprise Funds			
	Utility Deposit	Telecom	Storm Water	Total
Operating revenues:				
Intergovernmental revenues	$ -	$ -	$ -	$ -
Charges for services	-	484,966	702,792	1,187,758
Miscellaneous	-	-	-	-
Total operating revenues	-	484,966	702,792	1,187,758
Operating expenses:				
Operating expenses	-	6,957	443,436	450,393
Maintenance	-	-	78,309	78,309
Depreciation	-	27,618	45,353	72,971
Taxes	-	-	9,813	9,813
Total operating expenses	-	34,575	576,911	611,485
Operating income	-	450,392	125,881	576,273
Nonoperating revenue (expenses)				
Intergovernmental revenues	-	-	81,250	81,250
Interest and investment revenue	713	245	183	1,141
Miscellaneous revenue	-	-	-	-
Interest expense	-	-	-	-
Miscellaneous expense	-	-	-	-
Gain/Loss on Assets	-	-	-	(179,328)
Total nonoperating expenses	713	245	81,433	(96,936)
Income (loss) before contributions & transfers	713	450,637	207,315	658,665
Capital contributions	-	-	121,178	121,178
Transfers in	-	461,398	-	461,398
Transfers out	-	-	(208,000)	(208,000)
Change in net position	713	912,035	120,493	1,033,241
Total net position - beginning	31,187	422,610	1,447,559	1,901,357
Prior period adjustments	-	-	-	-
Total net position - ending	$ 31,901	$ 1,334,645	$ 1,568,052	$ 2,934,597

CITY OF ELLENSBURG, WASHINGTON

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
December 31, 2014

	Utility Deposit	Telecom	Storm Water	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	$ 35,482	$ 40,578	$ 781,889	$ 857,950
Receipts for interfund services provided	-	440,330	4,113	444,443
Payments to suppliers	-	119,426	(181,616)	(62,191)
Payment for interfund services used	-	(10,000)	(173,664)	(183,664)
Payments to employees	-	-	(177,603)	(177,603)
Net cash provided by operating activities	35,482	590,334	253,118	878,935
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Operating grants received	-	-	81,250	81,250
Operating transfer in	-	-	-	-
Operating transfer out	-	-	(208,000)	(208,000)
Net cash provided by noncapital activities	-	-	(126,750)	(126,750)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	-	461,398	-	461,398
capital grant	-	-	-	-
Proceeds from sales and maturities of investments	-	(179,328)	-	(179,328)
Proceeds from Interfund Loan		283,943		
Purchases of capital assets	-	(893,980)	(13,448)	(907,428)
Net cash from related financing activities	-	(327,967)	(13,448)	(625,358)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Investment	-	-	-	-
Interest and dividends	714	245	183	1,142
Net cash provided by investing activities	714	245	183	1,142
Net (decrease) in cash and cash equivalents	36,196	262,613	113,104	127,969
Balances - beginning of the year	540,749	243,905	123,247	907,901
Balances - end of the year	$ 576,945	$ 506,518	$ 236,350	$ 1,035,870
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	-	478,010	125,881	603,891
Adjustments to reconcile operating income to net cash provided (used) by operating activitied:				
Depreciation expense	-	-	45,353	45,353
Change in assets and liabilities:				
Receivables, net	-	-	2,602	2,602
DFOF	-	-	(109)	(109)
DFOG	-	-	80,718	80,718
Accounts and other payables	35,482	116,382	(23,153)	128,711
DTOF	-	-	-	-
DTOG	-	(4,058)	(2,379)	(6,437)
Employee benefits	-	-	24,206	24,206
Net cash provided by operating activities	$ 35,482	$ 590,334	$ 253,118	$ 878,934
Noncash Investing, capital, and financing activities:				
Borrowing under capital lease				
Contributions of capital assets			121,178	121,178
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.

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

CITY OF ELLENSBURG, WASHINGTON

Combining Statement of Net Position
Internal Service Funds
December 31, 2014

ASSETS	Equipment Rental and Revolving	Information Services	Health & Benefits Fund	Risk Management Fund	Total
Current Assets:					
Cash and cash equivalents	$ 2,003,015	$ 525,313	$ 329,480	$ 369,468	$ 3,227,277
Deposits with fiscal agents	-	-	75,637	-	75,637
Investments	555,063	-	500,000	99,997	1,155,060
Receivables(net)	-	-	60,729	-	60,729
Due from other funds	12,940	-	-	-	12,940
Due from other governments	327	-	-	-	327
Inventories	76,631	-	-	-	76,631
Other current receivables	-	-	-	-	-
Interfund loan receivables	1,683,943	-	-	-	1,683,943
Total Current Assets	4,331,919	525,313	965,847	469,465	6,292,544
Noncurrent Assets					
Land	346,711	-	-	-	346,711
Buildings	1,340,345	-	-	-	1,340,345
Improvements	359,609	-	-	-	359,609
Machinery & equipments	5,407,916	609,070	-	-	6,016,986
Less accumulated depreciation	(4,829,400)	(604,714)	-	-	(5,434,114)
Construction In progress	39,604	-	-	-	39,604
Net property plant & equipment	2,664,786	4,356	-	-	2,669,142
Total Assets	6,996,705	529,669	965,847	469,465	8,961,686
Liabilities:					
Current Liabilities:					
Accounts payable and accrued expenses	32,856	54,080	67,140	-	154,076
Due to other funds	461	-	-	-	461
Due to other Governments	-	-			-
Interfund Loan Payable	-	-	-	-	-
Other liabilities	-	-	-	-	-
Due within one year	25,632	10,583			36,215
Total Current Liabilities	58,949	64,663	67,140	-	190,752
Long-Term Liabilities:					
Due in more than one year	65,949	4,025	-	-	69,975
Total Long-Term Liabilities	65,949	4,025	-	-	69,975
Total Liabilities	124,899	68,688	67,140	-	260,727
NET Position					
Net Investment in capital assets,	2,664,786	4,356	-	-	2,669,142
Restricted					
For Health Benefits			-		-
Unrestricted	4,207,020	456,625	898,707	469,465	6,031,817
Total Net Position	$ 6,871,806	$ 460,981	$ 898,707	$ 469,465	$ 8,700,959

CITY OF ELLENSBURG, WASHINGTON

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2014

	Equipment Rental and Revolving	Information Services	Health & Benefits Fund	Risk Management Fund	Total
Operating revenues:					
Intergovernmental revenues	$ -	$ -	$ -	$ -	$ -
Charges for services	283,972	638,226	-	754,308	1,676,506
Miscellaneous	1,370,829	68	2,415,264	-	3,786,160
Total operating revenues	1,654,801	638,294	2,415,264	754,308	5,462,666
Operating expenses:					
Operating expenses	372,262	811,018	2,604,012	576,141	4,363,433
Maintenance	617,919	-	-	-	617,919
Depreciation	375,222	13,876	-	-	389,098
Taxes	-	-	-	-	-
Total operating expenses	1,365,403	824,893	2,604,012	576,141	5,370,450
Operating income	289,397	(186,600)	(188,748)	178,167	92,217
Nonoperating revenue (expenses)					
Intergovernmental revenues	-	-	-	-	-
Interest and investment rev.	17,796	443	3,500	752	22,492
Miscellaneous revenue	-	-	-	-	-
Interest expense	-	-	-	-	-
Miscellaneous expense	-	-	-	-	-
Gain/Loss on sale of Assets	9,160				9,160
Total nonoperating exp.	26,955	443	3,500	752	31,651
Income (loss) before contributions & transfers	316,353	(186,156)	(185,248)	178,919	123,868
Capital contributions	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	(400,000)	-	-	(400,000)
Change in net assets	316,353	(586,156)	(185,248)	178,919	(276,132)
Total net Position - beginning	6,555,453	1,047,137	1,083,954	290,546	8,977,090
Total net position - ending	$ 6,871,806	$ 460,981	$ 898,706	$ 469,465	$ 8,700,958

CITY OF ELLENSBURG, WASHINGTON

Combining Statement of Cash Flows
Internal Service Funds
December 31, 2014

	Equipment Rental and Revolving	Information Services	Health & Benefits Fund	Risk Management Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	$ 51,834	$ 15,458	$ 669,258	$ -	$ 736,550
Receipt for interfund service provided	1,610,717	624,140	1,714,630	754,308	4,703,795
Payments to suppliers	(546,770)	(449,508)	(2,583,279)	(576,141)	(4,155,698)
Payment for interfund service used	(71,715)	(16,139)	-	-	(87,854)
Payments to employees	(391,857)	(323,537)	-	-	(715,394)
Net cash provided by operating activities	652,209	(149,586)	(199,392)	178,167	481,398
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Operating grants received	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	(400,000)	-	-	(400,000)
Interfund Loan Receivable	(283,943)				(283,943)
Misc Revenue	-	-	-	-	-
Net cash provided by noncapital activities	(283,943)	(400,000)	-	-	(683,943)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contributions	-	-	-	-	-
Capital grant	-	-	-	-	-
Proceed from sale assets	9,160	-	-	-	9,160
Proceed from bond sale	-	-	-	-	-
Purchases of capital assets	(198,925)	-	-	-	(198,925)
Principal paid on capital debt	-	-	-	-	-
Interest paid on capital debt	-	-	-	-	-
Net cash from related financing activities	(189,765)	-	-	-	(189,765)
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sales and maturities of investments	-	-	-	-	-
Purchase of investment	-	-	-	32,613	32,613
Interest and dividends	17,796	443	3,500	752	22,492
Net cash provided by investing activities	17,796	443	3,500	33,365	55,105
Net (decrease) in cash and cash equivalents	196,296	(549,143)	(195,891)	211,532	(337,206)
Balances - beginning of the year	2,361,782	1,074,456	601,010	157,936	4,195,183
Balances - end of the year	2,558,078	525,313	405,119	369,468	3,857,978
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	289,397	(186,600)	(188,748)	178,167	92,217
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				-	
				-	
Depreciation expense	375,222	13,876	-	-	389,098
Change in assets and liabilities:				-	
Receivables, net	13,586	1,305	(31,376)	-	(16,485)
Due from other funds	(11,821)	-	-		(11,821)
Due from other governments	5,985	-	-	-	5,985
Inventories	4,337	-	-	-	4,337
Prepaid	-	-	-	-	-
Accounts and other payables	(16,359)	24,682	20,732	-	29,055
Due to other funds	418	-	-		418
Due to other government	(5,153)	(3,156)	-	-	(8,309)
Employee benefits	(3,405)	-	-	-	(3,405)
Accrued expenses	-	307	-	-	307
Net cash provided by operating activities	$ 652,209	-$ 149,586	-$ 199,392	$ 178,167	$ 481,398

CITY OF ELLENSBURG, WASHINGTON

Agency Funds

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

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

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

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

City of Ellensburg, Washington

Agency Funds

Combining Statement of Fiduciary Net Position

December 31, 2014

ASSETS	LID Guarantee Fund	LID Fund	Clearing Fund	Total Agency Funds
Cash	$ 130,777	$ 40,771	$ 3,402	$ 174,950
Receivable, net			53	53
Special assessments		386,496		386,496
TOTAL ASSETS	130,777	427,267	3,455	561,499
LIABILITIES				
Notes Payables		386,496		386,496
Other liabilities	130,777	40,771	3,455	175,003
TOTAL LIABILITIES	$ 130,777	$ 427,267	$ 3,455	561,499

City of Ellensburg, Washington

Combining Statement of Changes in Assets and Liabilities

Agency Funds

December 31, 2014

DESCRIPTION	Balance	Additions	Deductions	Balance
LID Guarantee Fund				
ASSETS				
Cash	$ 154,191	$ 38,003	$ 61,418	$ 130,777
TOTAL ASSETS	154,191	38,003	61,418	130,777
LIABILITIES				
Other liabilities	154,191		23,415	130,777
TOTAL LIABILITIES	154,191	-	23,415	130,777
LID Fund				
ASSETS				
Cash	59,266	73,448	91,943	40,771
Investments	18,532		18,532	-
Special assessments	422,668	-	36,172	386,496
TOTAL ASSETS	500,466	73,448	146,647	427,267
LIABILITIES				
Notes payble	422,715	-	36,172	386,543
Other Liabilities	77,750		37,026	40,724
TOTAL LIABILITIES	500,465	-	73,198	427,267
Clearing Fund				
ASSETS				
Cash	2,785	7,776,717	7,776,100	3,402
Receivables-net	3,301	39,390	42,638	53
TOTAL ASSETS	6,086	7,816,107	7,818,738	3,455
LIABILITIES				
Accounts payable				
Deferred Revenue				
Other Liabilities	6,086	7,778,526	7,781,157	3,455
TOTAL LIABILITIES	$ 6,086	$ 7,778,526	$ 7,781,157	$ 3,455

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Other Supplemental Schedules For GASB 54

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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, 2014

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Property taxes	$ -	$ -	$ -	$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	251,801	251,801	256,156	4,355
Charges for services	81,000	81,000	56,358	(24,642)
Fines & forfeits	-	-	-	-
Investment earnings	600	600	960	360
Miscellaneous	500	500	5,491	4,991
Total revenues	333,901	333,901	318,964	(14,937)
EXPENDITURES:				
Current:				
General government	58,000	58,000	38,549	19,451
Judicial services	-	-	-	-
Public safety	-	-	-	-
Utilities	-	-	-	-
Transportation	1,716,816	1,716,816	1,369,546	347,270
Social Services	-	-	-	-
Natural and Economic	-	-	-	-
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service	-			-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	1,774,816	1,774,816	1,408,095	366,721
Excess(deficiency) of revenues over expenditures	(1,440,915)	(1,440,915)	(1,089,131)	351,784
OTHER FINANCING SOURCES (USES):				
Transfers in	1,120,000	1,120,000	1,120,000	(0)
Transfers out	-	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	1,120,000	1,120,000	1,120,000	(0)
Net change in fund balance	(320,915)	(320,915)	30,869	351,784
Fund balances-beginning	403,981	804,587	848,895	44,308
Prior period adjustments	-	-	-	-
Fund balances-ending	$ 83,066	$ 483,672	$ 879,764	$ 396,092

CITY OF ELLENSBURG, WASHINGTON

Ellensburg Public Transit Fund 127

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2014

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Property taxes	$ -	$ -	$ -	$ -
Special assessments	-		-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	75,000	75,000	75,000	-
Fines & forfeits	-	-	-	-
Investment earnings	-	-	33	33
Miscellaneous	-	-	-	-
Total revenues	75,000	75,000	75,033	33
EXPENDITURES:				
Current:				
General government	-	-	-	-
Judicial services	-	-	-	-
Public safety	-	-	-	-
Utilities	-	-	-	-
Transportation	159,912	159,912	100,378	59,534
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	159,912	159,912	100,378	59,534
Excess(deficiency) of revenues over expenditures	(84,912)	(84,912)	(25,345)	59,567
OTHER FINANCING SOURCES (USES):				-
Bond Issue Proceeds				-
Transfers in	84,912	84,912	84,912	
Transfers out	-	-	-	-
Other adjustments	-	-	-	
Total other financing sources & uses	84,912	84,912	84,912	-
Net change in fund balance	-	-	59,567	59,567
Fund balances-beginning	-	-	46,454	46,454
Fund balances-ending	$ -	$ -	$ 106,021	$ 106,021

City of Ellensburg, Washington

Sales Tax Fund 140

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2014

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Property taxes				$ -
Special assessments				-
Retail sales & use taxes	3,100,000	3,100,000	3,659,804	559,804
Other taxes				-
Licenses and permits				-
Intergovernmental				-
Charges for services				-
Fines & forfeits				-
Investment earnings	5,000	5,000	2,643	(2,357)
Miscellaneous				-
Total revenues	3,105,000	3,105,000	3,662,446	557,446
EXPENDITURES:				
Current:				
General government				-
Judicial services				-
Public safety				-
Utilities				-
Excess(deficiency) of revenues over expenditures	3,105,000	3,105,000	3,662,446	557,446
OTHER FINANCING SOURCES (USES):				-
Bond Issue Proceeds				-
Transfers out	(3,725,935)	(4,136,004)	(3,811,004)	325,000
Other adjustments				
Total other financing sources & uses	(3,725,935)	(4,136,004)	(3,811,004)	325,000
Net change in fund balance	(620,935)	(1,031,004)	(148,558)	882,446
Fund balances-beginning	1,209,629	1,283,293	1,283,954	661
Fund balances-ending	$ 588,694	$ 252,289	$ 1,135,397	$ 883,108

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, 2014

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Property taxes	$ -	$ -	$ -	$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	-	-	28	28
Miscellaneous	-	-	5,577	5,577
Total revenues	-	-	5,605	5,605
EXPENDITURES:				
Current:				
General government	-	-	-	-
Judicial services	-	-	-	-
Public safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service	-	-	-	-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	56,900	56,900	53,132	3,768
Total expenditures	56,900	56,900	53,132	3,768
Excess(deficiency) of revenues over expenditures	(56,900)	(56,900)	(47,527)	9,373
OTHER FINANCING SOURCES (USES):				
Refunding bonds issued	-	-	-	
Capital -related debt issued	-	-	-	-
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	(26,900)	(26,900)	(17,527)	9,373
Fund balances-beginning	38,014	47,912	47,912	(0)
Prior period adjustments	-	-	-	-
Fund balances-ending	$ 11,114	$ 21,012	$ 30,384	$ 9,372

CITY OF ELLENSBURG, WASHINGTON

Geddis Fund 175

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2014

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Property taxes	$ -	$ -	$ -	$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	75	75
Investment earnings	-	-	-	-
Miscellaneous	-	127,360	98,357	(29,003)
Total revenues	-	127,360	98,432	(28,928)
EXPENDITURES:				
Current:				
General government	-	73,340	50,674	(22,666)
Judicial services	-	-	-	-
Public safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	-	70,000	70,000	-
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	143,340	120,674	(22,666)
Excess(deficiency) of revenues over expenditures	-	(15,980)	(22,242)	(6,262)
OTHER FINANCING SOURCES (USES):				
Refunding bonds issued	-	-	-	-
Capital -related debt issued	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
Transfers in	100,000	-	-	-
Transfers out	(100,000)	-	-	-
Other adjustments	-	-	-	-
Total other financing sources & uses	-	-	-	-
Net change in fund balance	-	(15,980)	(22,242)	(6,262)
Fund balances-beginning	-	71,939	71,939	(0)
Prior period adjustments	-	-	-	-
Fund balances-ending	$ -	$ 55,959	$ 49,697	$ (6,262)

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, 2014

	Budget			Variance with
	Original	Final	Actual	Final Budget
REVENUES:				
Property taxes	$ -	$ -	$ -	$ -
Retail sales & use taxes	-	-	-	-
Other taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines & forfeits	-	-	-	-
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES:				
Current:				
General government	-	-	-	-
Judicial services	-	-	-	-
Public safety	-	-	-	-
Utilities	-	-	-	-
Transportation	-	-	-	-
Social Services	-	-	-	-
Natural and Economics	-	-	-	-
Culture & recreation	-	-	-	-
Interest on long-term debt	-	-	-	-
Debt service				-
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess(deficiency) of revenues over expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES):				
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	-	-	-	-
Fund balances-beginning	2,011	2,011	4,205	2,194
Prior period adjustments				
Fund balances-ending	$ 2,011	$ 2,011	$ 4,205	$ 2,194