
Comprehensive Annual Financial Report
For the year Ended December 31, 2017

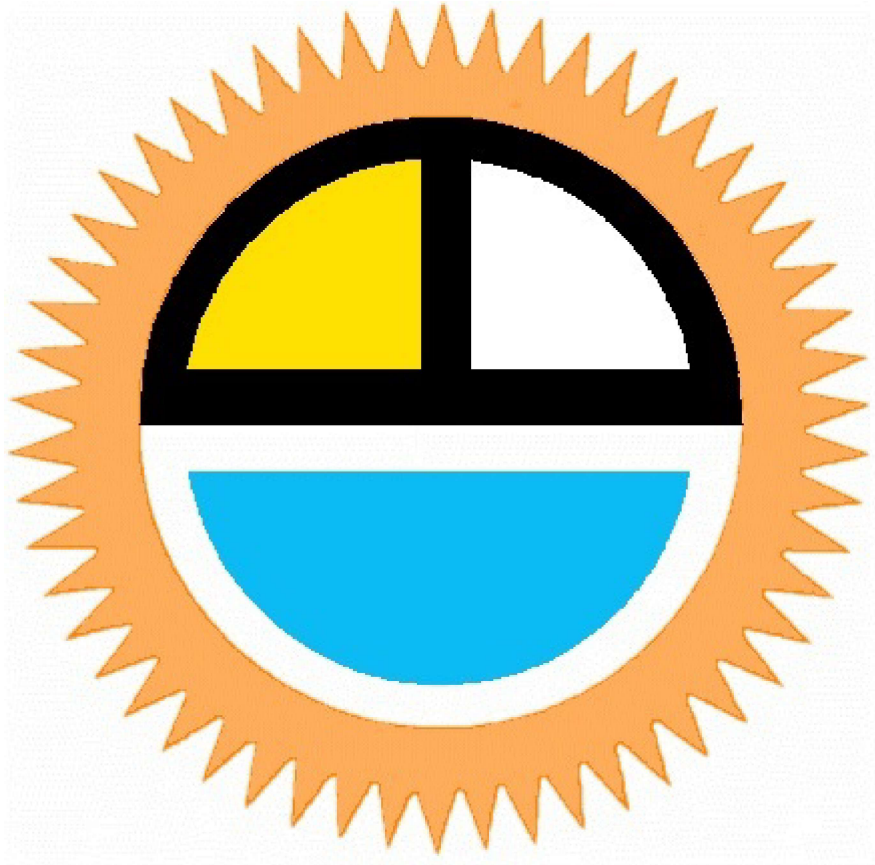
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City of Moses Lake, Washington
401 South Balsam Street
Moses Lake, WA 98837

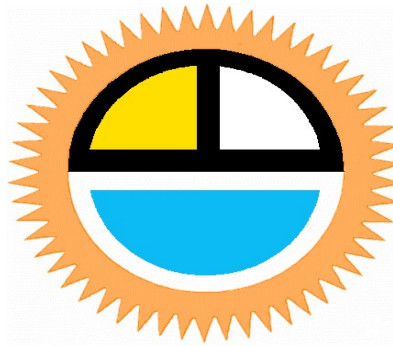


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CITY OF MOSES LAKE,
WASHINGTON

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017

Prepared by the Finance Department

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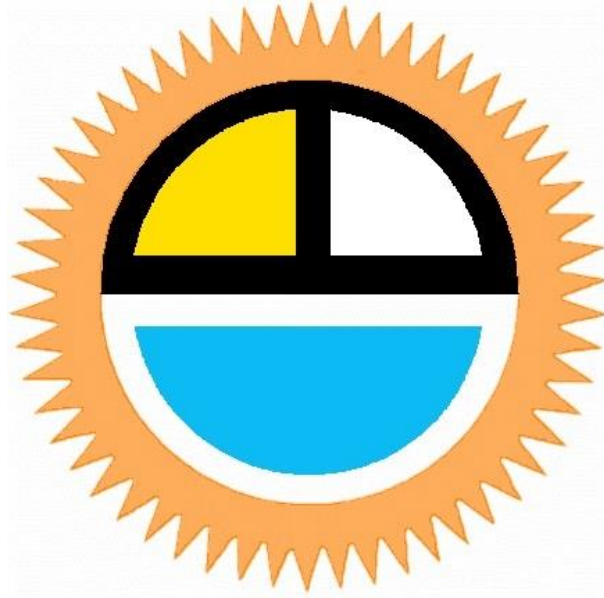
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City of Moses Lake, Washington Financial Report



INTRODUCTORY SECTION

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CITY OF MOSES LAKE
Finance Department

May 16, 2019

Honorable Mayor, Members of the City Council,
and Citizens of Moses Lake, Washington

We are pleased to submit to you this Comprehensive Annual Financial Report (CAFR) of the City of Moses Lake for the fiscal year ended December 31, 2017 as required by state statute RCW 43.09.230. This report was prepared by the City's Finance Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City management. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

Generally Accepted Accounting Principles (GAAP) require management to provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The City's MD&A is presented in the financial section of the report. The letter of transmittal and the MD&A are written to complement one another and should be read in conjunction with one another.

PROFILE OF THE CITY

The City of Moses Lake was incorporated on September 19, 1938. The City is located along Interstate 90 approximately 176 miles east of Seattle and 105 miles west of Spokane. The City of Moses Lake is the population center of Grant County serving an estimated 22,720 citizens. It encompasses 21 square miles of land and has 24.6 miles of shoreline within its city limits. The City maintains a Council/Manager form of government. The non-partisan City Council is composed of seven members elected at large to four-year staggered terms and elects the Mayor and Deputy Mayor from among its members.

With 184 full time employees and an operating budget of \$61.4 million, the City of Moses Lake provides a full range of municipal services, including police and fire, planning and engineering, street maintenance and construction, parks and recreation, and general administrative services. The City operates enterprise funds of sanitation (solid waste disposal), water and wastewater services, ambulance services, storm water, and a non-commercial municipal airport. It also operates a museum and arts center.

The City is quite proud of being a family oriented community with a total of 38 parks and facilities, of which

7 parks are partially or entirely undeveloped at this time. One of the City's major accomplishments is the Surf n' Slide Water Park which is one of the Northwest's premier facilities. The Water Park features a zero depth beach, two 200-ft water slides, 1 & 3 meter diving boards, handicapped accessibility, sand volleyball courts, picnic shelter and children wet sand playground area. The facility had been awarded the Georgie Award. This award is presented for most outstanding tourism product or service to enhance travel and tourism in the state of Washington. The city enhanced the facility by adding a lazy river and flow rider.

Moses Lake is home to Grant County International Airport which has one of the longest runways in the United States. Formerly Larson Air Force Base, the airport is an alternate landing site for the NASA space shuttle. The airport has been used by over 350 foreign and domestic airlines for flight crew training and currently serves as the testing and training facility for Boeing aircraft. According to NASA, the airport has Visual Meteorological Conditions (VMC) 94% of the time.

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability of assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived; and the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Budgetary control is maintained at the subfunction level by the encumbrance of estimated purchase amounts. The budget is adopted by the City Council at the fund level. All budget overruns at the fund level require additional appropriations by the City Council. Encumbrances are obligations for expenditures committed by bid or purchase order. They are not yet billed to the City and are therefore not accounts payable.

RELEVANT FINANCIAL POLICIES

The stewardship of public funds is one of the greatest responsibilities given to the officials and managers of the City of Moses Lake. Therefore, the establishment and maintenance of wise fiscal policies and procedures enable City officials to protect public interests and ensure public trust. These programs have been established to provide general fiscal guidelines and are intended to provide sound direction in the management of the City's financial affairs. These programs include the operating of enterprise fund budgets, revenues and expenditures, cash management and investment, accounting, financial reporting and auditing, reserve and fund balance, debt management and capital improvements.

The City has operated for many years on the basis of having cash in hand before making major expenditures, and/or setting aside debt repayment streams before borrowing when conditions warrant. This has allowed the City to maintain adequate fund balances and, at the same time, to provide excellent services to the citizens of Moses Lake.

MAJOR INITIATIVES

- Much of the focus in 2013-2015 had been responding to the impacts of the decrease in property tax revenues. Management initiated procedures so that there has been minimal impact on

services. In 2015 an assessment of the largest property tax owner had been remanded from Thurston County Superior Court back to the Board of Tax Appeal (BTA). In January 2016 the BTA reassessed the value of the property owner to be less than the County original amount but much larger than that disputed by the property owner. Although the case has again been appealed the new amount due the City has been properly accrued and reflected in the financial statements. Until the final appeal has been heard, the City remains confident that there will be a favorable conclusion and continues with prudent budgetary practices to mitigate the effect of the appeal and the effect on its operations. In 2016 the property tax levy was restored to near 2012 levels—we had weathered that revenue downturn.

- With the City having reached a desirable population threshold and having cheap power businesses continue to find the area more desirable. The city has attracted a firm producing natural antioxidants and anti-inflammatory compounds, a rising company to the airline industry and continues to draw interest from other industries and chain stores. With the City having over 300 days of sunshine a year and plenty of aquatic and recreational activities at its disposal the area has become a weekend destination for families for those people living hours away in larger cities.

- The City created a Fund Balance and Contingency Reserve policy to “cushion” against potential shock of unanticipated circumstances or events creating revenue shortfalls or unanticipated expenditures. The policy established a minimum level of at least 10 percent of the total General Fund budgeted revenue, and we exceeded that target in 2017 (and 2018 as well). All funds have positive balances, and City management is in the process of developing a comprehensive set of financial policies for Council review.

No additional bonding is anticipated for the City in 2017 and 2018, so current debt is continually being reduced. All existing bond debt will be paid off in 2026 with a substantial reduction in debt payments in 2021 with the payoff of GO Bonds for the Civic Center building in 2020. In the spring of 2019, Council is exploring a park facility project that could be bonded, but no decisions have been made at the time of report publication.

FACTORS AFFECTING FINANCIAL CONDITION

Information presented in the financial statements is best understood when considering the broader context of the economic environment of the City of Moses Lake and the surrounding area.

Local Economy

The City has a population in 2017 of 22,720 but serves a population close to twice that size. The City is a service center for the surrounding agricultural community which is a top producer of potatoes and mint. Additionally, growers produce wheat, onions, apples, corn, and barley. Since the 1970's the area's economy has been diversified with a mix of manufacturing and technology. The diverse mix of industries provides a stable balance and for the most part reduces significant impacts of adverse economic cycles, although the City is not immune from the effects of the state and national economies.

Moses Lake did not see a rapid acceleration in the valuation of real estate that most of the country had in prior years, nor the resulting slump in the housing industry that contributed to the economic down turn. However we did not avoid the domino effect that was created, stagnant construction and the drop in retail sales that followed. With a relatively stable economy and with slow steady growth the local economic development activity continues to increase with the inclusion of new manufacturing job opportunities.

Business and industry will continue to locate in and around the City due to relatively inexpensive land and construction costs and one of the least expensive electrical rates in the nation. The City participates in an aggressive economic development program in cooperation with the Grant County Economic Development Council, Grant County, and the Moses Lake Area Chamber of Commerce with the intention of retaining and recruiting business and industry to the City. Favorable infrastructure conditions, existing utilities, a skilled labor force and ease of working with the local government are contributing factors in selecting Moses Lake as a place to establish and grow businesses.

Recently an existing manufacturing firm has increased its size and production over the past year. Another business is in the process of expanding a facility by 100,000 square feet, while two new credit unions completed construction and three new multifamily complexes, with over 150 units each, has begun construction. A major grocery chain with locations in 8 states completed construction and is operating within the city limits and another Hotel chain has submitted plans for a new building. These are all vital signs that the local economy is rebounding and retail sales and the collection of sales tax have improved and will continue to do so.

Long-term Financial Planning

Improvements are needed to meet the growing population in order to maintain the level of service that is expected by the citizens. The City has a five year plan which includes but is not limited to upgrades to existing lift stations, multiple sewer lining projects, rehabilitating wells, extending the Sand Dunes sewer forcemain, arterial preservation, and resurfacing and chipping sealing of arterial and collector streets.

Due to the reduction in property tax from 2013 through 2015 the City Manager and department Directors were diligent in maintaining a consistent strategy of restraining costs within existing revenues. With existing industries expanding and new industry locating to the area the prospect of increased revenue is promising. In 2018 the city created a Transportation Benefit District to address the needs of preserving the streets at an adequate level and voters approved a referendum to increase sales tax to address the streets capital program.

Acknowledgments

Preparation of this report could not have been accomplished without the professional, efficient, and dedicated services of the Finance Department. I would like to recognize and give a special note of thanks to Accountants Tanyaa Kilham, Sandra Estudillo, and Cory Franks who served as the main CAFR preparers. I express my appreciation to the other City departments that help in providing detailed information that is included in this report. Credit is also given to the City Council, and the City Manager for their interest in planning and conducting the financial operations of the City.

Respectfully submitted

Cindy Jensen
Finance Director

CITY OF MOSES LAKE ELECTED OFFICIALS
with term expiration date



MAYOR
Karen
Liebrecht
12/31/21



COUNCIL



David Curnel
Deputy Mayor
12/31/21



Ryann Leonard
12/31/19



Don Myers
12/31/19



H. Dean Hankins
12/31/19



Daryl M. Jackson
12/31/21



Michael Riggs
12/31/121

APPOINTED OFFICIALS:

City Manager.....	John Williams
Finance Director.....	Cindy Jensen
City Attorney	Katherine Kenison
Municipal Services Director	Fred Snoderly
Parks & Recreation Director	Spencer Grigg
Fire Chief	Brett Bastian
Police Chief.....	Kevin Fuhr
Community Development Director/Deputy City Manager	Gilbert Alvarado
Human Resources Director	Carlos Salazar

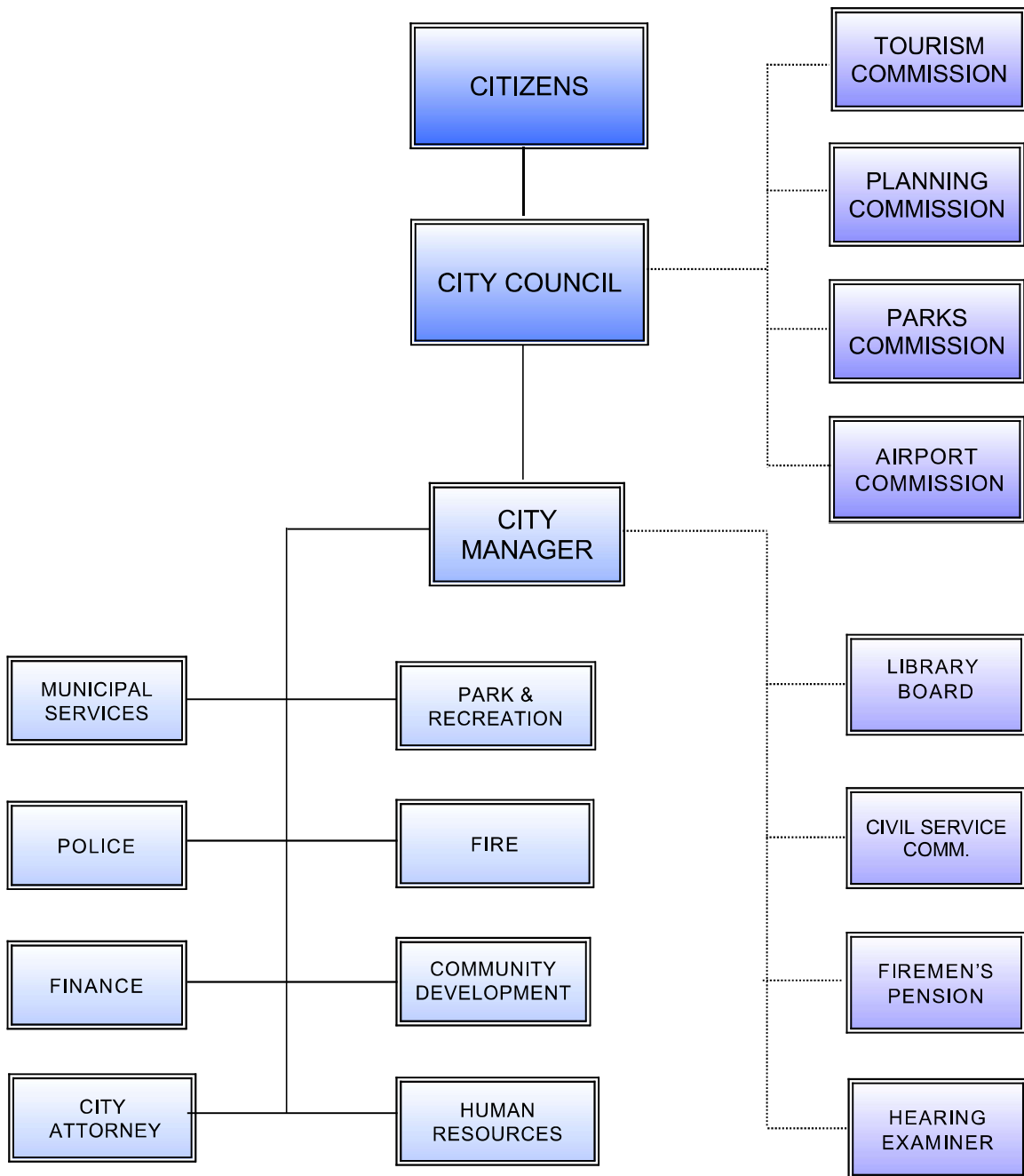
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WEBSITE: www.cityofml.com

City of Moses Lake

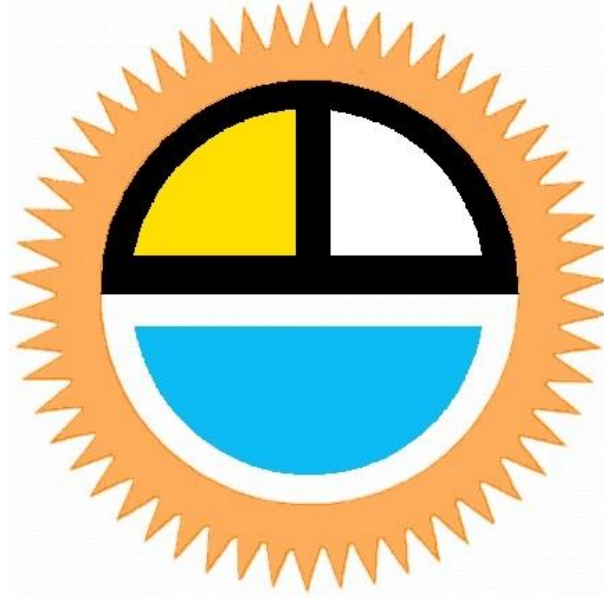
Organizational Chart



..... A dotted line indicates an indirect or advisory relationship
 _____ A solid line indicates a direct or formal relationship



City of Moses Lake, Washington
Financial Report



FINANCIAL SECTION

Auditor's Report

Please refer to audited Financial
Statements for opinion

<https://portal.sao.wa.gov/ReportSearch/Home/ViewReportFile?arn=1023701&isFinding=false&sp=false>

Auditor's Report

Please refer to audited Financial
Statements for opinion

<https://portal.sao.wa.gov/ReportSearch/Home/ViewReportFile?arn=1023701&isFinding=false&sp=false>

Auditor's Report

Please refer to audited Financial
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MANAGEMENT DISCUSSION AND ANALYSIS

As management of the City of Moses Lake, we offer readers of the City of Moses Lake's financial statement this narrative overview and analysis of the financial activities of the City of Moses Lake for the fiscal year ended December 31, 2017. The information presented here should be read in conjunction with additional information that we have furnished in our letter of transmittal, the financial statements and notes to the financial statements. All amounts, unless otherwise indicated, are expressed in thousands of dollars and are rounded to the nearest thousand.

FINANCIAL HIGHLIGHTS

- The assets of the City of Moses Lake exceeded its liabilities at the close of the most recent fiscal year by \$160,599 (net position). Of this amount, \$16,289 (unrestricted net positions) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$6,763.
- As of the close of the current fiscal year, the City of Moses Lake's governmental funds reported combined ending fund balances of \$8,876, an increase of \$3,064 from the prior year. The increase can be attributed to results of operations adding \$1,743 and a prior period adjustment to properly record non-exchange transactions (i.e. taxes) receivable at \$1,321.
- At the end of the current fiscal year, unassigned fund balance available to spend at the City's discretion for the general fund was \$4,645.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Moses Lake's basic financial statements. The City of Moses Lake's basic financial statements 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 Moses Lake's finances, in a manner similar to a private-sector business.

The **statement of net position** presents information on all of the City of Moses Lake'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 Moses Lake 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 positions are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Moses Lake 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 Moses Lake include general government, public safety, highways and streets, engineering (i.e. public works), economic development, and culture and

recreation. The business-type activities of the City of Moses Lake include a water and sewer utility, sanitation (solid waste), storm water, ambulance and a non-commercial municipal airport.

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 Moses Lake, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Moses Lake can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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 financing decision. Both the governmental fund 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 Moses Lake maintains ten governmental funds. The City's only major governmental fund as determined by GASB criteria is the General Fund. For reporting purposes the City has elected to present the street fund as a major fund. The General Fund and Street Fund are presented separately in the governmental funds balance sheet, and the governmental funds statement of revenues, expenditures, and changes in fund balances. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements after the required supplementary information in this report.

The City of Moses Lake adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary funds. The City of Moses Lake maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Moses Lake uses enterprise funds to account for its water and sewer utility, sanitation, storm water, ambulance, and airport operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of Moses Lake's various functions. The City of Moses Lake also uses internal systems to account for its fleet of vehicles, risk management, unemployment programs, building services, and computer services. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental 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 fund financial statements provide separate information for the water and sewer utility, sanitation, storm water, ambulance and airport as all are considered to be major funds of the City of Moses Lake. Conversely, the internal service funds are combined into a 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.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the

resources of those funds are not available to support the City of Moses Lake's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Other information.

Required Supplementary Information. In addition to the basic financial statements and the accompanying notes this report also presents certain required supplementary information concerning infrastructure assets reported using the modified approach and pension plan funding.

The required supplementary information immediately follows the notes to the financial statements in the Basic Statements section of this report.

Combining Statements. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented in a separate section immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Moses Lake, assets exceeded liabilities by \$160,599 at December 31, 2017.

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets (as restated)	\$ 10,370	\$ 7,554	\$ 22,545	\$ 20,571	\$ 32,915	\$ 28,125
Capital assets	70,392	71,208	85,139	85,025	155,531	156,233
Total assets	<u>80,762</u>	<u>78,762</u>	<u>107,684</u>	<u>105,596</u>	<u>188,446</u>	<u>184,358</u>
Total deferred outflows of resources	937	1,494	292	486	1,229	1,980
Long-term liabilities	8,610	9,790	9,357	10,954	17,967	20,744
Other liabilities	5,815	6,674	3,696	4,918	9,511	11,592
Total liabilities	<u>14,425</u>	<u>16,464</u>	<u>13,053</u>	<u>15,872</u>	<u>27,478</u>	<u>32,336</u>
Total deferred inflows of resources	1,218	124	378	42	1,596	166
Net position:						
Net investment in capital assets	63,143	63,239	77,544	74,491	140,687	137,730
Restricted	2,339	1,246	1,284	1,327	3,623	2,573
Unrestricted (as restated)	<u>573</u>	<u>(819)</u>	<u>15,716</u>	<u>14,350</u>	<u>16,289</u>	<u>13,531</u>
Total net position	<u>\$ 66,055</u>	<u>\$ 63,666</u>	<u>\$ 94,544</u>	<u>\$ 90,168</u>	<u>\$ 160,599</u>	<u>\$ 153,834</u>

The largest portion of the City of Moses Lake's net position (88%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Moses Lake uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Moses Lake'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.

An additional portion of the City of Moses Lake's net position (2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net positions (10%)

may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Moses Lake 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. There is a deficit in unrestricted net position in the governmental funds because the City has long-term commitments that are greater than currently available resources, primarily long-term citywide pension benefits and other post-employment benefit liabilities. Refer to the notes to the financial statements for a more in-depth discussion of pension and other long-term liabilities. The City continues to invest in its infrastructure and other capital assets as the local economy improves.

Statement of Changes in Net Position

The changes in net position table indicates the increases or decreases in net position of the city resulting from its operations. The City's total net position increased by \$6,765 in 2017. The increase after transfers was split among an increase in governmental \$2,388 and an increase in business-type activities \$4,375.

The following is a summarized version of the City's changes in net position. The table shows the revenues, expenses, and related changes in net position in table form for the governmental activities autonomous from the business-type activities for 2017.

City of Moses Lake Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program Revenue						
Charges for service	\$ 4,947	\$ 6,292	\$ 18,390	\$ 17,521	\$ 23,337	\$ 23,813
Operating grants and contributions	405	65	-	-	405	65
Capital grants and contributions	331	680	761	1,563	1,092	2,243
General Revenue						
Property taxes	6,811	7,595	-	-	6,811	7,595
Sales taxes	7,425	6,535	-	-	7,425	6,535
Business taxes	4,905	4,099	-	-	4,905	4,099
Other taxes	-	-	-	-	-	-
Other	380	268	130	224	510	492
Total revenues	25,204	25,534	19,281	19,308	44,485	44,842
Expenses:						
General government	2,358	3,165	-	-	2,358	3,165
Public safety	9,071	9,079	-	-	9,071	9,079
Public works	1,556	1,616	-	-	1,556	1,616
Transportation	3,152	2,773	-	-	3,152	2,773
Culture & recreation	5,607	5,680	-	-	5,607	5,680
Economic environment	1,148	1,146	-	-	1,148	1,146
Interest on long-term debt	350	380	-	-	350	380
Water/server utility	-	-	7,619	7,284	7,619	7,284
Sanitation	-	-	3,904	3,606	3,904	3,606
Ambulance	-	-	2,158	2,338	2,158	2,338
Airport	-	-	54	51	54	51
Storm water	-	-	745	808	745	808
Total expenses	23,242	23,839	14,480	14,087	37,722	37,926
Increase in net position before transfers	1,962	1,695	4,801	5,221	6,763	6,916
Transfers	426	426	(426)	(426)	-	-
Change in net position	2,388	2,121	4,375	4,795	6,763	6,916
Net position 01/01 (as restated)	63,666	61,055	90,169	85,371	153,835	146,426
Prior Period Adjustments **	-	171	-	-	-	171
Change in Accounting Principles *	-	319	-	-	-	319
Net position 12/31	\$ 66,054	\$ 63,666	\$ 94,544	\$ 90,167	\$ 160,598	\$ 153,833

*The City had a change in accounting principal due to the implementation of GASB 73, in 2016.

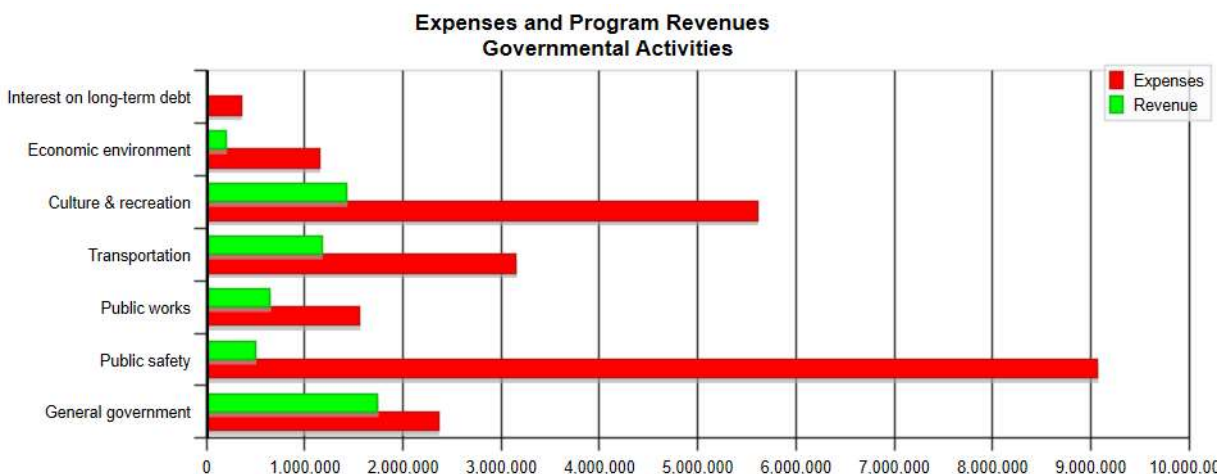
**The City had prior period adjustments for the Street Fund in 2016. In 2017 the City corrected an underreporting of non-exchange

taxes receivable.

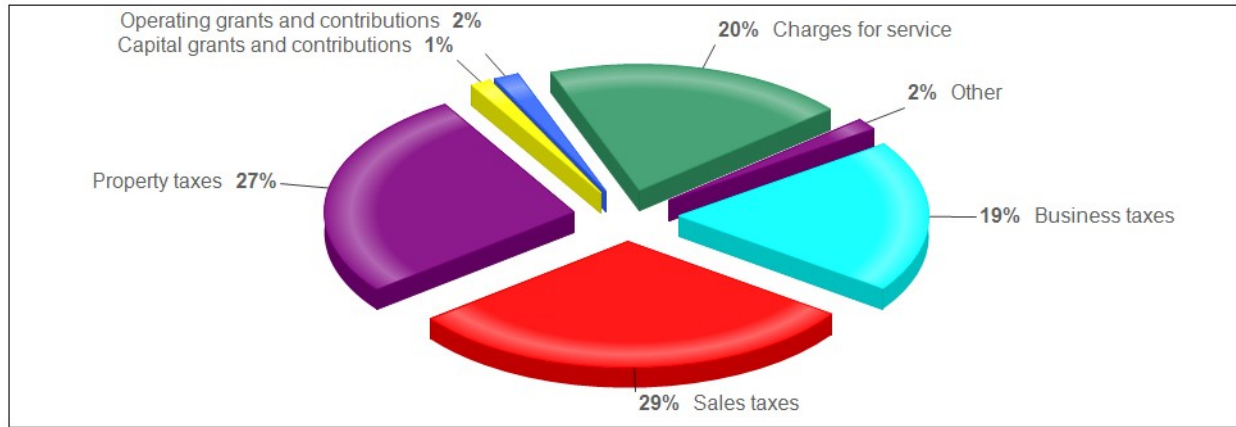
Governmental activities. Governmental activities increased the City of Moses Lake's net position by \$2,388. As shown in the Statement of Activities, \$5,683 of the total cost was paid for by either those directly benefitting from the programs or by governments and organizations that subsidized certain programs through grants and contributions. Key elements of this increase are as follows:

- The decrease (\$784) in property taxes was due largely to a significant increase in 2016 resulting from a court ruling against the largest property taxpayer for back taxes owed. Absent this one time variance, property taxes grew about 3.5%, with 1% related to the statutory levy limit, and 2.5% attributable to new construction.
- The increase in sales taxes (\$890) was attributable to continued growth in retail sales and the local economy with the addition of new retail businesses, coupled with strong construction activity.
- Business taxes experienced growth of (\$806) primarily due to Council approving an increase in taxes on the city-owned utilities from 8% to 10% effective January 1, 2017.

Total expenses for governmental activities remained relatively flat as the City maintained its programs.

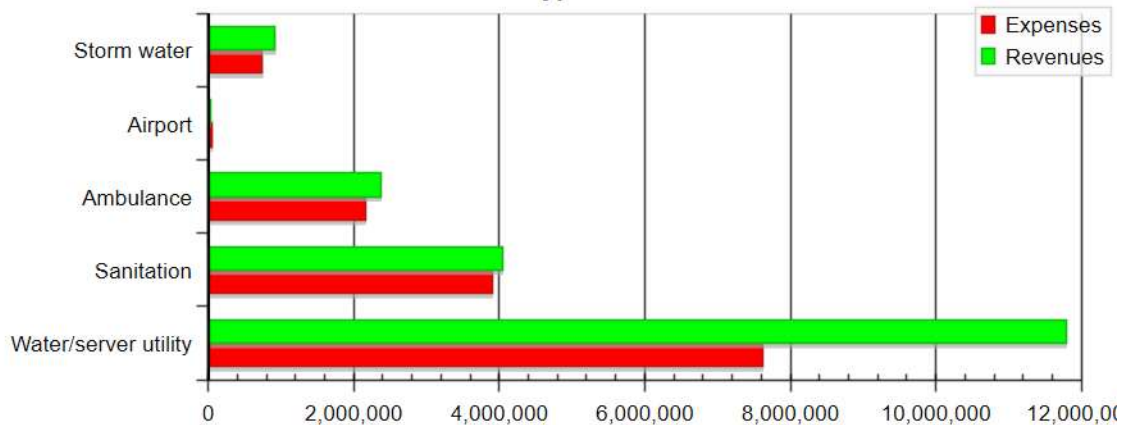


Revenues by Source - Governmental Activities

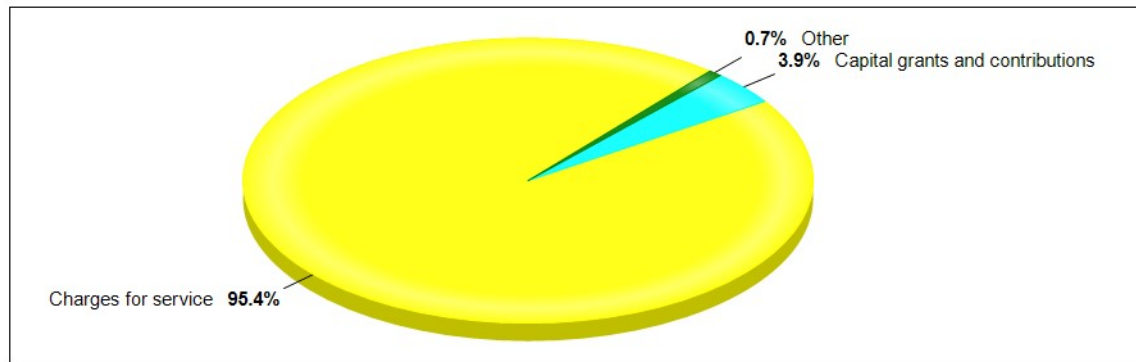


Business-type activities. Total net positions of business-type activities increased by \$4,375 for the year. Of the \$19,281 in business type revenue, 95% was provided by charges for services, with the remainder coming from capital grants and contributions as well as investment earnings. CPI related increases in rates were adequate to cover ongoing program costs, and add to the net position as investments were made in infrastructure.

Expenses and Program Revenues Business-type Activities



Revenues by Source - Business-type Activities



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds. The focus of the City of Moses Lake's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Moses Lake's financing requirements.

As of the end of the current fiscal year, the City of Moses Lake's governmental funds, which includes debt service funds, capital projects funds, and special revenue funds had an ending fund balance of \$7,112, an increase of \$3,064 in comparison with the prior year. It is partly made up of unassigned fund balance (\$4,645), which is available for spending at the government's discretion. The remainder of fund balance is separated into different categories. Nonspendable fund balance consists of inventories and other prepaid expenses \$(220). \$2,276 is restricted for public safety, tourism, and parks capital programs along with debt service. \$1,063 is committed for public safety pensions, museum programs, and transportation improvements; and \$672 is assigned for street operations.

The General Fund is the chief operating fund of the City of Moses Lake. At the end of the current fiscal year, unassigned fund balance of the general fund was \$4,645 while the total fund balance was at \$5,126. The street fund is a special revenue fund to account for the state per capita distribution of gas tax. The cities ongoing maintenance of streets and alleys, traffic control, and electrical street lighting is included in this fund which had a total balance of \$741.

The fund balance of the City of Moses Lake's General Fund increased by \$527 during the current fiscal year and the Street Fund increased by \$151. Key factors in the changes are as follows:

- The contribution from General Fund to the Street Fund increased by (\$184) because of the City's commitment to shore up the Street fund balance for operating contingencies, such as a heavy snow year or equipment needs.
- As previously noted, sales tax increased by \$890 because of new retail business and construction activity, and an increase in the tax rate charged to the city-owned utilities from 8% to 10%, to enhance public safety programs resulting in a revenue increase of \$806.

- Public Safety experienced expenditure growth of \$338 or 3.7% as the City began to address some deferred equipment replacement.

Proprietary funds. The City of Moses Lake's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The proprietary funds are those funds that account for government operations where the intent is for the costs to be paid primarily by user charges. Enterprise funds are those that provide services predominantly to external users and the internal service funds provide service principally to other City operations. The funds consist of five enterprise funds, and five internal service funds.

Unrestricted fund balance of the Water and Sewer Utility at the end of the year amounted to \$12,068, which makes up 91% of the total net positions for all enterprise funds. Other factors concerning the finances of these two funds have already been addressed in the discussion of the City of Moses Lake's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original compared to final budget

The final revenue budget for the General Fund did not differ from the original budget while expenditures were \$5 higher than the original, to fund a mid-year increase in public safety pensions.

Actual results compared to final budget

General fund revenues were over final amended budget by \$2,771 (14%) and expenditures less by \$211 (1%). The General Fund budget is built assuming positive variances in both revenue and expenditures. Revenue is conservatively estimated, while expenditure estimates utilize highest probable costs. Because of the strong growth in sales and utility taxes, and strong collection of the property tax levy, the revenues had a large positive variance. Because the revenue was strong, the operations were encouraged to spend on deferred capital, maintenance and technology within the constraints of the total budget. The net effect was an increase in General Fund balance of \$502.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The investment in capital assets includes land, buildings and improvements, machinery and equipment, park facilities, aquatic facilities, and streets, including construction in progress on buildings and systems. The total investment for its governmental and business-type activities as of December 31, 2017 amounts to \$155,529 (net of accumulated depreciation).

Governmental Activities: Capital assets from governmental activities decreased \$817 from \$71,208 in 2016 to \$70,391 in 2017. Even though the City invested in infrastructure, facilities and rolling stock, current year depreciation for all assets exceeded the amount spent on new capital items in 2017.

City of Moses Lake's Capital Assets (Net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land and land improvements	\$ 5,561	\$ 5,561	\$ 1,273	\$ 1,273	\$ 6,834	\$ 6,834

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Buildings and other improvements	20,234	21,068	27,288	28,097	47,522	49,165
Machinery and equipment	5,085	4,902	3,296	3,023	8,381	7,925
Infrastructure	39,511	39,469	51,903	52,141	91,414	91,610
Construction in Progress	-	208	1,378	491	1,378	699
Total assets	<u>\$ 70,391</u>	<u>\$ 71,208</u>	<u>\$ 85,138</u>	<u>\$ 85,025</u>	<u>\$ 155,529</u>	<u>\$ 156,233</u>

Additional information on the capital assets of the City of Moses Lake can be found in Note 5.

Infrastructure. The City of Moses Lake has elected to use the modified approach as defined by GASB statement 34 for reporting its streets, alleys, bike paths, parking lots, bridge, storm drains, catch basins, dry wells and piping. The City has made a commitment to preserve and maintain the street infrastructure at an acceptable condition rather than recording depreciation. The rating scales for paved streets, bridge and storm water system are further explained in the required supplementary information, which follows the notes to the basic financial statements.

The City's engineering department evaluates the condition that paved streets are kept based on a formula established by a street assessment program. The formula is calculated using 8 different criteria applied to all paved streets from one intersection to another. Among the criteria is depths and lengths of cracks, sags and humps, and patching. From the inputting of the information the system evaluates all criteria and produces a rating. The condition assessment is taken at least once every three years. The City has no set policy as to the level the streets are to be maintained. However, the City has a program where the streets have a crack seal process applied every six years to prevent the erosion of the street condition.

By definition the City has one bridge that it maintains. The portion that is under water, is inspected every five years by the state Department of Transportation and documented in an inspection report given to and maintained by the City. The bridge is given a sufficiency rating, which is a numerical rating based on a 100 point scale. The rating is based on its structural adequacy and safety, load capacity, essentiality for public use, and its serviceability and functional obsolescence. Currently the one bridge carries a sufficiency rating of between 65 and 70. The City inspects and evaluates the remainder of the bridge above the water line using the pavement management system that is used for rating paved streets. The bridge has no load limits which substantiates its superior rating. Projected costs to maintain the bridge are included in the budgeted cost of the streets.

The City maintains an inventory of these infrastructure assets. With triennial assessments establishing the condition level of the assets, the City makes annual estimates of the cost to maintain its streets which are also reported in the City's annual Capital Improvement Program. For 2017 the City budgeted \$1,530 for major road and sidewalk maintenance projects. The actual amount expended was \$1,317.

Normally there were no significant changes in the condition levels of the streets. With relatively mild weather patterns the condition level of the streets was maintained above the acceptable conditions for the City. However, in 2017 the City experienced a severe cold winter and the streets succumbed to above normal fracturing. In 2017 the City established a Transportation Benefit District to generate revenue and to address future repair needs. In November, 2017, a ballot measure to convert the revenue from the Council-approved car tab fee to a voter approved 0.2% sales tax was passed by the voters, and the new sales tax started to be collected on April 1, 2018. More than \$1,450 is expected to be generated by this new sales tax, to be added to the Real Estate Excise Tax and grants to support maintenance of the street infrastructure.

Long-term debt. At the end of the fiscal year, the City of Moses Lake had total bonded debt outstanding of \$14,995. Of this amount, \$7,280 comprises debt backed by the full faith and credit of the government and

\$7,715 represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

City of Moses Lake's Outstanding Debt
General Obligation and Revenue Debt
(Actual Amounts)

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
General obligation debt	\$ 5,791,666	\$ 6,685,833	\$ 568,334	\$ 594,167	\$ 6,360,000	\$ 7,280,000
Revenue debt	-	-	6,810,000	7,715,000	6,810,000	7,715,000
Total long-term debt	<u>\$ 5,791,666</u>	<u>\$ 6,685,833</u>	<u>\$ 7,378,334</u>	<u>\$ 8,309,167</u>	<u>\$13,170,000</u>	<u>\$14,995,000</u>

The City of Moses Lake's total bonded debt decreased by \$1,825 due to payments and no new debt being issued. The earliest final maturity for existing debt is 2020, and the last maturities are in 2026. Currently, the city does not anticipate issuing any new debt in the foreseeable future, although City Council has recently authorized an architectural design for a new Parks and Recreation facility to replace an aging Larson Park recreation center. The final plan could be funded by available resources in the Parks Capital Fund and hotel/motel taxes, with any balance being bonded.

The City of Moses Lake maintains favorable rating from S&P Global Ratings Group. The Water & Sewer Revenue Bonds are rated "AA-" and the Limited Tax General Obligation Bonds are rated "A+".

Washington State statutes limit the amount of general obligation debt a governmental entity may issue to 7.5% of its total assessed valuation, subject to a 60% majority vote of qualified electors. Of the 7.5% limit, 2.5% is for general purposes, 2.5% for open space/park facilities and 2.5% for utilities. Non-voted (limited tax) general obligation indebtedness is limited to 1.5% of assessed valuation. The combination of unlimited tax and limited tax general obligation debt for all purposes cannot exceed 7.5% of assessed valuation. The City's assessed valuation for 2017 was \$2,068,181,390 and the remaining debt capacity is as follows:

	(Actual amounts)
General Purpose-Non-voted (i.e. Councilmainc) net of Outstanding debt	\$ 22,197
General Purpose-Voted	<u>21,439</u>
Total General Purpose-Voted and Non-Voted	43,636
Open Space/Park Facilities	51,705
Utilities	<u>51,705</u>
Total	<u>\$ 147,046</u>

Additional information on the City's long-term debt can be found in Note 8 to the Financial Statements.

ECONOMIC FACTORS AND THE NEXT YEAR'S BUDGETS AND RATES

Because of its location on the major interstate that runs between Seattle and Spokane, along with recreational opportunities that accompany a lakeside community, Moses Lake has seen steady growth.

Growth generally translates into greater revenues attributable in part to increased sales taxes, property taxes, permit fees, and the like. The City finds itself in a somewhat unique and fortunate situation. While the effect of the past national "great recession", as it has been termed, had been felt by the City in reduced sales taxes and permitting fees, the real property taxes from industrial growth has covered the loss of those reduced

sales tax receipts and even caused an overall increase in general government revenues. As the national economy grows again, the City anticipates sales taxes and permitting fees will rebound which will be extremely advantageous for the City. This growth has become apparent in 2017 where the City has realized a moderate growth in property taxes and permitting fees.

With continued growth of the local economy, which is providing governmental revenue, at a previously unrealized rate, the City can anticipate providing services at the level now provided and perhaps increase those services in some areas. The aforementioned factors were considered in the preparation of the City's 2017 budget.

In reviewing the building activity in the local economy currently in progress and anticipated for the future, it is anticipated that the local economy should continue to improve in 2018 and perhaps for several years in the future, but at a moderate rate, which supports the assumption that current service levels can be maintained.

Several industrial and retail concerns in and around the City have completed new projects or expansions in 2017. These expansions, additions, and new projects will result in added building activity, a short term influx of construction employment, and in the long term, add jobs to the City's employment base. The expansion and/or new location of industry and retail in and around the City will have a direct effect on the local economy and have an effect on building activity which will affect the City's property tax receipts. The added employment has resulted in additional population in and around the City which will affect retail sales and, therefore, the City's retail sales tax receipts.

Property tax increases have been limited by voter approved initiatives. However, gross property tax receipts have increased because of annexations and new construction within the City.

The property owner with the largest real estate tax assessment within the City appealed their 2012 assessment. The County is seeking a \$1.2 billion value and the property owner a \$450 million value or less. Washington State Board of Tax Appeals (BTA) assessed a valuation of \$904 million for the property owner. The property owner appealed the verdict to Superior Court. Superior Court remanded the case back to BTA for clarification. The BTA returned with a new valuation of \$774 million for the 2012 assessment. The decision is reflected in the city's property tax revenue for 2016. The same property owner has disputed their 2013, 2014 and 2015 assessment. All years have been heard by the Board of Equalization and were appealed to the BTA. The County feels strongly that the board will more favorably view the County's determination of assessed value than that of the property owner. The City is not anticipating a decrease in services and will defer construction projects until such time as the dispute is resolved.

During the current fiscal year, the unassigned fund balance increased as the total fund balance for the General Fund. Council was concerned with the limited resources available for public safety, and increased the internal utility tax from 8% to 10% effective January 1, 2017. The move stabilized General Fund, and allowed for additional spending of \$338 on public safety. The City expects and intends to increase the fund balances in future years as management is in the process of establishing a fund balance policy based on a factor of operating expenditures.

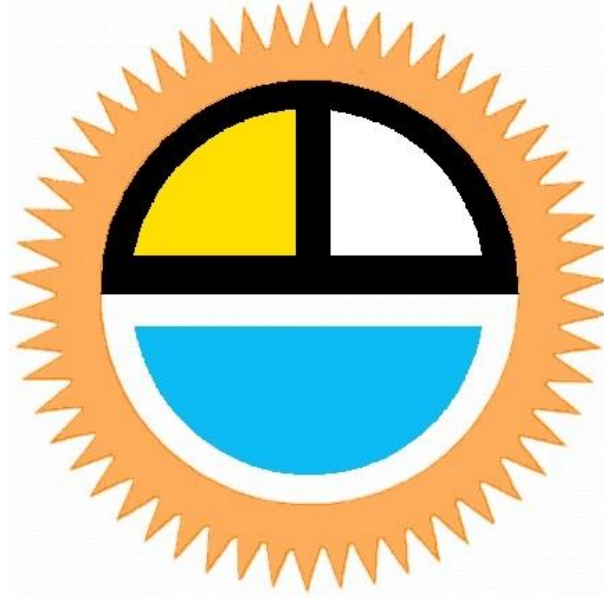
While it is expected that future budgets may be limited by voter approved initiatives and legislation, which can reduce income to the City's General or Operating Fund, it is expected that some of the limitations experienced by the City will be tempered by continued economic development, primarily in the retail, industrial, and tourism sectors. All of the referenced factors were considered in preparing the City of Moses Lake's budget for the 2017 fiscal year.

The projected outlook for the City of Moses Lake and surrounding area remains positive as more building permits are issued and more industrial firms are moving into the area or expanding current facilities because of relatively inexpensive land and power costs.

Requests for Information

This financial report is designed to provide a general overview of the City of Moses Lake's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 401 S. Balsam, PO Box 1579, Moses Lake, WA 98837.

City of Moses Lake, Washington Financial Report



BASIC FINANCIAL STATEMENTS

CITY OF MOSES LAKE
Statement of Net Position
December 31, 2017

	Governmental Activities	Primary Government Business-Type Activities	Total
ASSETS			
Pooled cash & investments	\$ 11,083,055	\$ 11,231,220	\$ 22,314,275
Receivables (net of allowances for uncollectibles)	3,342,644	2,355,016	5,697,660
Internal balances	(6,685,941)	6,685,941	-
Inventories and prepaid items	243,282	448,582	691,864
Restricted assets:			
Cash	-	1,312,265	1,312,265
Capital assets			
Land and land improvements	5,560,986	1,273,031	6,834,017
Construction in Progress	-	1,378,479	1,378,479
Net of accumulated depreciation			
Buildings and other improvements	20,234,333	27,288,252	47,522,585
Machinery and equipment	5,085,375	3,296,353	8,381,728
Infrastructure	39,511,194	51,902,562	91,413,756
Net Pension Asset	2,387,224	511,983	2,899,207
Total assets	<u>80,762,152</u>	<u>107,683,684</u>	<u>188,445,836</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding	\$ 158,877	\$ 31,776	\$ 190,653
Deferred outflows related to pensions	777,953	260,319	1,038,272
Total deferred outflows of resources	<u>936,830</u>	<u>292,095</u>	<u>1,228,925</u>
LIABILITIES			
Accounts payable and other current liabilities	611,212	588,154	1,199,366
Accrued interest	51,465	118,307	169,772
Noncurrent liabilities:			
Due within one year	1,430,266	1,611,480	3,041,746
Due in more than one year	8,610,058	9,357,436	17,967,494
Net pension liability	3,722,471	1,378,039	5,100,510
Total liabilities	<u>14,425,472</u>	<u>13,053,416</u>	<u>27,478,888</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	1,218,085	378,393	1,596,478
Total deferred inflows of resources	<u>1,218,085</u>	<u>378,393</u>	<u>1,596,478</u>
NET POSITION			
Net investment in capital assets	63,142,833	77,543,930	140,686,763
Restricted For:			
Debt service	184,488	1,284,375	1,468,863
Other purposes	2,154,672	-	2,154,672
Unrestricted	573,435	15,715,663	16,289,098
Total net position	<u>\$ 66,055,428</u>	<u>\$ 94,543,968</u>	<u>\$ 160,599,396</u>

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

CITY OF MOSES LAKE
Statement of Activities
For the Year Ended December 31, 2017

Function/Programs	Net (Expenses) Revenues and Changes in Net Position Primary Government					
	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities
Primary Government:						
Governmental Activities:						
General government	\$ 2,357,673	\$ 1,740,377	\$ 2,027	\$ -	\$ (615,269)	\$ -
Public safety	9,070,874	365,690	131,491	-	(8,573,693)	-
Public works	1,556,397	647,723	-	-	(908,674)	-
Transportation	3,152,406	612,678	239,961	318,392	(1,981,375)	-
Culture and recreation	5,606,910	1,381,724	31,480	12,300	(4,181,406)	-
Economic Environment	1,148,057	199,155	-	-	(948,902)	-
Interest on long-term debt	349,562	-	-	-	(349,562)	-
Total governmental activities	<u>23,241,879</u>	<u>4,947,347</u>	<u>404,959</u>	<u>330,692</u>	<u>(17,558,881)</u>	<u>-</u>
Business-type activities:						
Water/Sewer utility	7,618,628	11,062,889	-	725,707	-	4,169,968
Sanitation	3,904,199	4,044,756	-	-	-	140,557
Ambulance	2,157,738	2,371,353	-	-	-	213,615
Airport	54,275	26,934	-	-	-	(27,341)
Storm Water	745,440	884,091	-	35,594	-	174,245
Total business-type activities	<u>14,480,280</u>	<u>18,390,023</u>	<u>-</u>	<u>761,301</u>	<u>-</u>	<u>4,671,044</u>
Total primary government	<u>\$ 37,722,159</u>	<u>\$ 23,337,370</u>	<u>\$ 404,959</u>	<u>\$ 1,091,993</u>	<u>(17,558,881)</u>	<u>(12,887,837)</u>
General Revenues:						
Property taxes					6,811,359	-
Retail sales and use taxes					7,424,680	-
Business taxes					4,905,212	-
Investment earnings					265,747	129,770
Insurance recoveries					114,184	-
Transfers, internal activities					425,660	(425,660)
Total general revenues and transfers					<u>19,946,842</u>	<u>(295,890)</u>
Changes in net position					2,387,961	4,375,154
Net position - beginning					62,346,019	90,168,809
Prior Period Adjustments					1,321,447	-
Net position - ending					<u>\$ 66,055,427</u>	<u>\$ 94,543,963</u>
						<u>\$ 160,599,390</u>

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

CITY OF MOSES LAKE
Balance Sheet
Governmental Funds
December 31, 2017

	General	Street	Other Governmental Funds	Total Governmental Funds
ASSETS				
Pooled cash & investments	\$ 4,238,941	\$ 647,016	\$ 3,047,213	\$ 7,933,170
Receivables (net of allowance for uncollectibles):				
Taxes	2,823,614	-	-	2,823,614
Customer accounts	119,194	-	-	119,194
Unbilled services	52,722	-	-	52,722
Other receivables	132,834	541	-	133,375
Notes/contracts receivable	-	-	19,070	19,070
Due from other governments	26,434	75,812	505	102,751
Prepaid Expenses	67,290	68,854	-	136,144
Total assets	<u>7,461,029</u>	<u>792,223</u>	<u>3,066,788</u>	<u>11,320,040</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	75,650	40,934	112,290	228,874
Salaries and benefits payable	295,443	9,479	308	305,230
Interfund loans payable	500,000	-	-	500,000
Other short-term liabilities	1,016	-	-	1,016
Total liabilities	<u>872,109</u>	<u>50,413</u>	<u>112,598</u>	<u>1,035,120</u>
Deferred inflows of resources				
Deferred property tax	1,383,653	-	-	1,383,653
Deferred traffic citations	66,586	-	-	66,586
Deferred unavailable receivables	12,751	541	19,071	32,363
Total deferred inflows of resources	<u>1,462,990</u>	<u>541</u>	<u>19,071</u>	<u>1,482,602</u>
Fund Balances:				
Nonspendable:				
Inventories and noncurrent receivables	150,858	69,395	-	220,253
Restricted for:				
Public safety programs	-	-	441,175	441,175
Tourism	-	-	1,049,737	1,049,737
Debt service	-	-	184,488	184,488
Culture and recreation	-	-	600,493	600,493
Committed for:				
Committed	330,371	-	-	330,371
Culture and recreation	-	-	105,769	105,769
Transportation	-	-	626,891	626,891
Assigned to transportation	-	671,874	-	671,874
Unassigned	4,644,701	-	-	4,644,701
Total fund balances	<u>5,125,930</u>	<u>741,269</u>	<u>3,008,553</u>	<u>8,875,752</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,461,029</u>	<u>\$ 792,223</u>	<u>\$ 3,140,222</u>	<u>\$ 11,393,474</u>

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

CITY OF MOSES LAKE
Reconciliation of the Governmental Funds Balance Sheet to
The Government-wide Statement of Net Position
December 31, 2017

Total Governmental Fund Balances	\$ 8,875,752
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Amounts reported for governmental activities in the government-wide statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds (exclusive of internal service funds' capital assets)	53,870,068
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Other long-term assets are not available to be collected in current period revenues and therefore are deferred in the funds.	1,501,198
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Internal service funds are used by management to change the costs of certain activities, such as insurance, information services, fleet management, and building maintenance, to individual funds. The assets and liabilities of these internal service funds are included in governmental activities on the government-wide statement of net position.

Internal Service funds' net position	11,097,954	
Internal payable-charges under cost to business-type activities- prior years	(1,706,798)	
Internal receivable-charges over cost to business-type activities - current years	<u>(740,364)</u>	
Net adjustment to arrive at net position - governmental activities		8,650,792

Liabilities, including bonds, loans, and compensated absences, not due and payable in the current period and therefore are not reported in the governmental fund balance sheets, but are reported on the government-wide statement of net position (exclusive of internal service funds' debt).

Bonds payable	(2,841,666)	
Issuance discounts, premiums and deferred amount on refunding	(30,389)	
Accrued interest payable	(44,125)	
Compensated absences	(1,617,622)	
Pension obligations (net)	(1,242,836)	
Other postemployment benefits	<u>(1,065,744)</u>	
Net adjustment to arrive at net position - governmental activities		(6,842,382)

Net position of governmental activities	<u>\$ 66,055,428</u>
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The notes to the financial statements are an integral part of this statement.

CITY OF MOSES LAKE
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2017

	General	Street	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 17,695,495	\$ -	\$ 1,428,592	\$ 19,124,087
Licenses and Permits	702,345	77,329	-	779,674
Intergovernmental revenues	377,663	723,134	579,839	1,680,636
Charges for services	2,962,712	5,882	88,629	3,057,223
Fines and forfeits	404,726	-	256	404,982
Interest earnings	197,768	7,577	27,498	232,843
Rents and royalties	181,156	-	-	181,156
Contributions/donations	-	-	94,601	94,601
Assessments	-	-	18,597	18,597
Miscellaneous	11,050	8,477	11,966	31,493
Total revenues	<u>22,532,915</u>	<u>822,399</u>	<u>2,249,978</u>	<u>25,605,292</u>
EXPENDITURES				
Current:				
General Government	2,609,387	-	2,027	2,611,414
Public safety	9,485,985	-	171,659	9,657,644
Public works	1,678,022	-	-	1,678,022
Transportation	-	1,952,432	1,314,428	3,266,860
Economic environment	1,185,356	-	-	1,185,356
Culture and recreation	5,146,922	-	219,471	5,366,393
Capital outlay	263,859	-	17,696	281,555
Debt service:				
Principal	-	-	129,167	129,167
Interest and debt issue costs	27,615	-	106,208	133,823
Total expenditures	<u>20,397,146</u>	<u>1,952,432</u>	<u>1,960,656</u>	<u>24,310,234</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,135,769</u>	<u>(1,130,033)</u>	<u>289,322</u>	<u>1,295,058</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	500,482	1,356,800	867,754	2,725,036
Transfers (out)	<u>(2,133,994)</u>	<u>(94,200)</u>	<u>(71,182)</u>	<u>(2,299,376)</u>
Proceeds from sale of capital assets	-	22,134	-	22,134
Total other financing sources (uses)	<u>(1,633,512)</u>	<u>1,284,734</u>	<u>796,572</u>	<u>447,794</u>
Net change in fund balances	502,257	154,701	1,085,894	1,742,852
Fund balances-beginning	3,453,557	514,867	79,628	5,811,455
Prior Period Adjustments	1,170,116	71,703	79,628	1,321,447
Fund balances-ending	<u>\$ 5,125,930</u>	<u>\$ 741,271</u>	<u>\$ 1,245,150</u>	<u>\$ 7,112,351</u>

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

CITY OF MOSES LAKE
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Government-wide Statement of Activities
For the Year Ended December 31, 2017

Net changes in fund balances - total governmental funds: \$ 1,742,852

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

Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceed depreciation in the current period

Capital outlay	281,555	
Depreciation expense	(646,428)	
Net increase (decrease) in net position - governmental activities		(364,873)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund statement. (715,546)

The net effect of various miscellaneous transactions involving capital assets (i.e. sales, disposals, and donations) is to increase net position.

Contributed assets	-	
Gain(loss) on sale/disposals of assets	(58,311)	
Net increase (decrease) in net position - governmental activities		(58,311)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net 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. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Debt principal payments	129,167	
Net increase in net position - governmental activities		129,167

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Pension	861,085	
Other post employment benefits	(78,586)	
Accrued debt interest	2,084	
Compensated absences	140,924	
Amortization of deferred bond costs	3,377	
Net decrease in net position - governmental activities		928,884

Accrued interest revenue in the statement of net activities does not provide current financial resources and is not reported as revenue in governmental funds. (1,454)

Internal service funds are used by management to charge the costs of equipment, insurance, data processing, and fleet management to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.

Internal service funds change in net position	1,467,606	
Loss(gain) from charges to business-type activities	(740,364)	
Net increase in net position - governmental activities		727,242

Change in net position in governmental activities \$ 2,387,961

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

CITY OF MOSES LAKE**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual****General Fund****For the Year Ended December 31, 2017**

	Budget Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
REVENUES				
Taxes	\$ 15,183,200	\$ 15,183,200	\$ 17,695,495	\$ 2,512,295
Licenses and Permits	517,200	517,200	702,345	185,145
Intergovernmental revenues	251,000	251,000	377,663	126,663
Charges for services	3,040,200	3,040,200	2,962,712	(77,488)
Fines and forfeits	467,000	467,000	404,726	(62,274)
Interest earnings	180,000	180,000	197,768	17,768
Rents and royalties	122,800	122,800	181,156	58,356
Miscellaneous	500	500	11,050	10,550
Total revenues	<u>19,761,900</u>	<u>19,761,900</u>	<u>22,532,915</u>	<u>2,771,015</u>
EXPENDITURES				
Current:				
General Government	2,639,700	2,639,700	2,609,387	30,313
Public safety	9,170,800	9,176,300	9,485,985	(309,685)
Public works	1,873,000	1,873,000	1,678,022	194,978
Economic environment	1,281,700	1,281,700	1,185,356	96,344
Culture and recreation	5,471,500	5,471,500	5,146,922	324,578
Capital outlay	138,000	138,000	263,859	(125,859)
Debt service:				
Interest and debt issue costs	27,700	27,700	27,615	85
Total expenditures	<u>20,602,400</u>	<u>20,607,900</u>	<u>20,397,146</u>	<u>210,754</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(840,500)</u>	<u>(846,000)</u>	<u>2,135,769</u>	<u>2,981,769</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,350,000	1,350,000	500,482	(849,518)
Transfers (out)	(2,131,900)	(2,131,900)	(2,133,994)	(2,094)
Total other financing sources (uses)	<u>(781,900)</u>	<u>(781,900)</u>	<u>(1,633,512)</u>	<u>(851,612)</u>
Net change in fund balances	<u>(1,622,400)</u>	<u>(1,627,900)</u>	<u>502,257</u>	<u>2,130,157</u>
Fund balances-beginning	1,945,300	1,945,300	3,453,557	1,508,257
Prior Period Adjustments	-	-	1,170,116	1,170,116
Fund balances-ending	<u>\$ 322,900</u>	<u>\$ 317,400</u>	<u>\$ 5,125,930</u>	<u>\$ 4,808,530</u>

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

CITY OF MOSES LAKE**Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual****Street Fund****For the Year Ended December 31, 2017**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
REVENUES				
Licenses and Permits	\$ 50,800	\$ 50,800	\$ 77,329	\$ 26,529
Intergovernmental revenues	500,000	500,000	723,134	223,134
Charges for services	15,000	15,000	5,882	(9,118)
Interest earnings	-	-	7,577	7,577
Miscellaneous	-	-	8,477	8,477
Total revenues	<u>565,800</u>	<u>565,800</u>	<u>822,399</u>	<u>256,599</u>
EXPENDITURES				
Current:				
Transportation	1,919,100	1,999,100	1,952,432	46,668
Total expenditures	<u>1,919,100</u>	<u>1,999,100</u>	<u>1,952,432</u>	<u>46,668</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,353,300)</u>	<u>(1,433,300)</u>	<u>(1,130,033)</u>	<u>303,267</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,356,800	1,356,800	1,356,800	-
Transfers (out)	(94,200)	(94,200)	(94,200)	-
Proceeds from sale of capital assets	-	-	22,134	22,134
Total other financing sources (uses)	<u>1,262,600</u>	<u>1,262,600</u>	<u>1,284,734</u>	<u>22,134</u>
Net change in fund balances	<u>(90,700)</u>	<u>(170,700)</u>	<u>154,701</u>	<u>325,401</u>
Fund balances-beginning	137,300	514,867	514,867	-
Prior Period Adjustments	-	-	71,703	71,703
Fund balances-ending	<u>\$ 46,600</u>	<u>\$ 344,167</u>	<u>\$ 741,271</u>	<u>\$ 397,104</u>

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

**CITY OF MOSES LAKE
STATEMENT OF NET POSITION
Proprietary Funds
December 31, 2017**

page 1 of 2

	Business-type Activities-Enterprise Funds						Governmental Activities Internal Service Funds
	Water/Sewer	Sanitation	Ambulance	Airport	Storm Water	Totals	
ASSETS							
Current assets:							
Pooled cash & investments	\$ 10,245,699	\$ 175,574	\$ 292,953	\$ 87,786	\$ 429,208	\$ 11,231,220	\$ 3,149,884
Receivables (net of allowance for uncollectibles)	1,208,414	613,141	401,523	-	131,938	2,355,016	-
Interfund loans receivable	4,872,444	-	-	-	-	4,872,444	-
Inventory	353,237	64,228	24,120	-	6,997	448,582	107,138
Total assets	16,679,794	852,943	718,596	87,786	568,143	18,907,262	3,257,022
Restricted assets:							
Revenue bond reserves/debt service:							
Pooled cash & investments	1,312,265	-	-	-	-	1,312,265	-
Total restricted assets	1,312,265	-	-	-	-	1,312,265	-
Capital assets:							
Land and land rights	836,006	-	-	460	151,438	987,904	608,951
Construction in Progress	1,378,479	-	-	-	-	1,378,479	-
Net of accumulated depreciation:							
Buildings	26,946,163	-	-	28,598	313,491	27,288,252	11,317,344
Infrastructure	45,363,712	-	-	251,417	6,287,433	51,902,562	-
Machinery and equipment	3,099,115	-	89,953	-	107,285	3,296,353	4,595,525
Intangible assets	285,127	-	-	-	-	285,127	-
Total capital assets	77,908,602	-	89,953	280,475	6,859,647	85,138,677	16,521,820
Net pension asset	-	-	511,983	-	-	511,983	-
Total non current assets	79,220,867	-	601,936	280,475	6,859,647	86,962,925	16,521,820
Total assets	95,900,661	852,943	1,320,532	368,261	7,427,790	105,870,187	19,778,842
DEFERRED OUTFLOWS OF RESOURCES							
Deferred amount on refunding	31,776	-	-	-	-	31,776	-
Deferred Pension	169,662	-	74,751	-	15,907	260,320	53,022
Total deferred outflows of resources	\$ 201,438	\$ -	\$ 74,751	\$ -	\$ 15,907	\$ 292,096	\$ 53,022

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

CITY OF MOSES LAKE
Statement of Net Position
Proprietary Funds
December 31, 2017

Page 2 of 2

	Business-type Activities-Enterprise Funds					Governmental Activities Internal Service Funds
	Water/Sewer	Sanitation	Ambulance	Airport	Storm Water	Totals
LIABILITIES						
Current Liabilities:						
Accounts payable	\$ 83,096	\$ 327,495	\$ 16,579	\$ 170	\$ 2,117	\$ 429,457
Salaries and benefits payable	45,261	942	34,220	-	6,309	86,732
Interfund loans payable	-	375,000	258,666	-	-	633,666
Interest payable	-	-	-	-	-	-
Capital leases payable	-	-	-	-	-	-
G.O. bonds payable	54,989	-	-	-	-	54,989
Compensated Absenses	37,206	196	17,876	-	4,521	59,799
Accrued interest	118,307	-	-	-	-	118,307
Intergovernmental loans payable	561,692	-	-	-	-	561,692
Revenue bonds payable	935,000	-	-	-	-	935,000
Other short-term liabilities	70	71,894	-	-	-	71,964
Total current liabilities	1,835,621	775,527	327,341	170	12,947	2,951,606
Noncurrent liabilities:						
Revenue bonds payable (net discount/premium)	6,053,571	-	-	-	-	6,053,571
G.O. bonds payable (net discount/premium)	551,187	-	-	-	-	551,187
Intergovernmental loans payable	2,214,488	-	-	-	-	2,214,488
Compensated absenses	334,853	1,767	160,880	-	40,691	538,191
Net pension liability	1,229,636	-	-	-	148,403	1,378,039
Lease payable	-	-	-	-	-	-
Total noncurrent liabilities	10,383,735	1,767	160,880	-	189,094	10,735,476
Total liabilities	12,219,356	777,294	488,221	170	202,041	13,687,082
DEFERRED INFLOWS OF RESOURCES						
Pension	216,590	-	134,359	-	27,444	378,393
Total deferred inflows of resources	216,590	-	134,359	-	27,444	378,393
NET POSITION						
Net investment in capital assets	70,313,855	-	89,953	280,475	6,859,647	77,543,930
Restricted for debt service	1,284,375	-	-	-	-	1,284,375
Unrestricted	12,067,923	75,649	682,751	87,615	354,563	13,268,501
Total net position	\$ 83,666,153	\$ 75,649	\$ 772,704	\$ 368,090	\$ 7,214,210	92,096,806
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.						2,447,162
Net position of business-type activities						\$ 94,543,968

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

CITY OF MOSES LAKE
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2017

	Business-type Activities-Enterprise Funds					Governmental Activities Internal Service Funds
	Water/Sewer	Sanitation	Ambulance	Airport	Storm Water	Totals
OPERATING REVENUES						
Charges for services	\$ 10,391,233	\$ 4,043,918	\$ 2,332,275	\$ -	\$ 884,091	\$ 17,651,517
Miscellaneous	664,832	838	-	26,934	-	692,604
Total operating revenues	11,056,065	4,044,756	2,332,275	26,934	884,091	18,344,121
OPERATING EXPENSES						
Salaries and benefits	2,076,048	48,549	1,430,887	6	441,967	3,997,457
Supplies and contractual services	2,793,488	3,854,003	753,279	20,194	301,291	7,722,255
Utilities	540,357	-	-	5,132	18,378	563,867
Repairs and maintenance	57,328	-	2,599	-	42	59,969
Insurance claims and expenses	-	-	-	-	-	-
Depreciation and amortization	2,403,898	-	25,491	31,339	18,149	2,478,877
Total operating expenses	7,871,119	3,902,552	2,212,256	56,671	779,827	14,822,425
Operating income (loss)	3,184,946	142,204	120,019	(29,737)	104,264	3,521,696
NONOPERATING REVENUES (EXPENSES)						
Interest and other earnings	129,770	-	-	-	-	129,770
Insurance recoveries	-	-	-	-	-	-
Intergovernmental payments	(61,961)	-	-	-	-	(61,961)
Interest expense	(326,666)	(5,923)	(3,670)	-	-	(336,259)
Miscellaneous revenues	6,824	-	39,078	-	-	45,902
Total nonoperating revenues (expenses)	(252,033)	(5,923)	35,408	-	-	(222,548)
Income (loss) before contributions and transfers	2,932,913	136,281	155,427	(29,737)	104,264	3,299,148
Capital contributions	725,707	-	-	-	35,594	761,301
Transfers in	-	-	74,340	-	-	74,340
Transfers (out)	(500,000)	-	-	-	-	(500,000)
Changes in net position	3,158,620	136,281	229,767	(29,737)	139,858	3,634,789
Net position - beginning	80,507,528	(60,634)	542,937	397,827	7,074,352	9,630,348
Net position - ending	\$ 83,666,148	\$ 75,647	\$ 772,704	\$ 368,090	\$ 7,214,210	\$ 11,097,954
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						740,364
Changes in net position of business-type activities						\$ 4,375,153

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

City of Moses Lake, Washington
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2016

Page 1 of 2

	Business-type Activities- Enterprise Funds						Governmental Activities Internal Service Funds
	Water/Sewer	Sanitation	Ambulance	Airport	Storm Water	Total	
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers	\$ 10,340,759	\$ 3,962,699	\$ 2,357,072	\$ 26,934	\$ 875,392	\$ 17,562,856	\$ 6,111,683
Payment to Suppliers	(3,982,122)	(3,814,181)	(755,422)	(25,711)	(322,233)	(8,899,669)	(2,058,741)
Payments to employees	(2,582,934)	(51,181)	(1,552,696)	(6)	(361,467)	(4,548,284)	(1,247,378)
Miscellaneous revenues	833,202	838	-	-	-	834,040	3,134
Miscellaneous expenses	-	-	-	-	(1,510)	(1,510)	-
Net cash provided by (used for) operating activities	4,608,905	98,175	48,954	1,217	190,182	4,947,433	2,808,698
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Payments from other funds	72,569	-	-	-	-	72,569	28
Payments (to) other funds	-	-	(109,223)	(72)	(70)	(109,365)	(75,860)
Advances from other funds	1,464,993	-	-	-	-	1,464,993	-
Transfers from other funds	-	-	74,340	-	-	74,340	-
Transfers (to) other funds	(500,000)	(217,331)	-	-	-	(717,331)	-
Insurance recoveries	-	-	-	-	-	-	114,184
Other intergovernmental revenues	-	-	39,078	-	-	39,078	-
Other intergovernmental payments	(61,961)	-	-	-	-	(61,961)	-
Net cash provided by (used for) noncapital financing activities	975,601	(217,331)	4,195	(72)	(70)	762,323	38,352
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Proceeds from capital debt	-	-	-	-	-	-	610,829
Principal paid on debt	(1,492,537)	-	-	-	-	(1,492,537)	(2,454,499)
Interest paid on debt	(399,364)	(5,923)	(3,670)	-	-	(408,957)	(222,846)
Capital contributions	428,489	-	-	-	-	428,489	-
Purchases of capital assets	(2,173,398)	-	(17,561)	-	(95,777)	(2,286,736)	(662,912)
Proceeds of capital grants	-	-	-	-	25,000	25,000	-
Net cash provided by (used for) capital related financing activities	(3,636,810)	(5,923)	(21,231)	-	(70,777)	(3,734,741)	(2,729,428)
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest Income	-	-	-	-	-	-	34,358
Net cash provided by (used in) investing activities	-	-	-	-	-	-	34,358
Net increase (decrease) in cash and cash equivalents	1,947,696	(125,079)	31,918	1,145	119,335	1,975,015	151,980
Cash and cash equivalents, January 1	9,610,268	300,654	261,037	86,640	309,873	10,568,474	2,997,906
Cash and cash equivalents - December 31	11,557,964	175,575	292,955	87,785	429,208	12,543,489	3,149,886

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

City of Moses Lake, Washington
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017

page 2 of 2

	Business-type Activities- Enterprise Funds					Governmental Activities Internal Service Funds
	Water/Sewer	Sanitation	Ambulance	Airport	Storm Water	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities						
Operating income (loss)	\$ 3,184,947	\$ 142,205	\$ 120,020	\$ (29,737)	\$ 104,263	\$ 3,521,698
Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:						
Depreciation	2,403,898	-	25,491	31,339	18,149	2,478,877
Loss on refunding	31,776	-	-	-	-	31,776
Allowance for uncollectible accounts	-	-	(75,555)	-	-	(75,555)
Decrease (increase) in accounts receivable	(43,651)	(81,219)	100,352	-	(8,699)	(33,217)
Decrease (increase) in inventory	(5,589)	(16,756)	(252)	-	-	(22,597)
Decrease (increase) in prepaid expenses	-	-	-	-	(1,510)	(1,510)
Decrease (increase) in pension liability	(503,623)	-	(108,994)	-	71,606	(541,011)
(Decrease) increase in accounts payable	(585,360)	56,578	708	(384)	(2,521)	(530,979)
(Decrease) increase in salaries payable	(1,643)	(953)	5,258	-	617	3,279
(Decrease) increase in compensated absences	(1,619)	(1,680)	(18,074)	-	8,277	(13,096)
(Decrease) increase in miscellaneous revenues	129,770	-	-	-	-	129,770
Total adjustments	1,423,959	(44,030)	(71,066)	30,955	85,919	1,425,737
Net cash provided by (used for) operating activities	4,608,906	98,175	48,954	1,218	190,182	4,947,435
Noncash investing, capital, and financing activities:						
Contributions of capital assets	\$ 297,218	\$ -	\$ -	\$ -	\$ 35,594	\$ 332,812
Addition to capital leases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 505,400

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

CITY OF MOSES LAKE
Statement of Net Position
Fiduciary Funds
December 31, 2017

	<u>Agency Funds</u>
ASSETS	
Pooled cash & investments	<u>\$ 995,373</u>
Total assets	<u>995,373</u>
LIABILITIES	
Custodial accounts payable	<u>995,373</u>
Total liabilities	<u>\$ 995,373</u>

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



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CITY OF MOSES LAKE
Notes to the Financial Statements
For the Year Ended December 31, 2017

NOTE 1- Summary of Significant Accounting Policies

The financial statements of the City of Moses Lake 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.

A. Reporting Entity

The City of Moses Lake was incorporated on September 19, 1938 and operates under the laws of the State of Washington applicable to a non-charter code city with a Council/Manager form of government. The City of Moses Lake provides a full range of municipal services, which include: police, fire, engineering, parks, street, economic development, and administrative services. Included in the City's Enterprise Fund financial reports are: water and wastewater, Sanitation (or Solid Waste), Ambulance, Airport, and Stormwater. The City has analyzed the rules for component units, and has determined that the primary government consists solely of the legal entity of the City.

B. Basis of Presentation - 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 inter-fund 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 segment 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 if they are non-tax supported. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

C. Measurement Focus, Basis of Accounting

The government-wide financial statements are reported using the economic resource's 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 revenue 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 resource's measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues available if they are collected within 60 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 of Moses Lake reports the following major governmental funds:

The **General Fund** is the City's operating fund. It accounts for all financial resources of the general government, except those required or elected to be accounted for in another fund.

The **Street Fund** is a special revenue fund that accounts for the operation and maintenance of City streets and alleys, street lighting, and traffic control. Revenues are derived mostly from tax contributions and state shared gasoline tax.

The City of Moses Lake reports the following major proprietary funds:

The **Water/Sewer Fund** accounts for the activities of the City's water and sewer utility. Revenues are received from water and sewer services provided to the general public. Expenses are comprised of maintenance and extensions of drainage, water and sewer service facilities, operating a water supply system, maintaining sewer treatment plants and operating a water drainage system. This fund also reflects the operation of revenue bonds outstanding, the funds available for redemption of bonds, cumulative reserve and construction funds.

The **Sanitation Fund** accounts for the activities of providing contracted garbage services to its citizens. The fund is self-supporting through user charges and recycling.

The **Ambulance Fund** accounts for the activities of emergency services and transportation of patients. Revenues are generated by a utility fee for City residences and user charges.

The **Airport Fund** accounts for the operation and maintenance of a municipal airport located within the City limits. The fund is supported with rental charges.

The **Storm Water Fund** accounts for all activities of the storm water system in order to control flooding

and protect surface and ground water. The fund is supported through user charges.

Additionally, the City of Moses Lake reports the following fund types:

Special Revenue 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.

Capital Projects 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.

Debt Service Funds finance and account for the payment of interest and principal on all tax-supported debt, serial and term, including those payable from special assessments.

Internal Service Funds account for information service, equipment rental, building maintenance, self-insurance, and unemployment compensation provided to other departments or agencies of the City on a cost reimbursement basis.

Agency Funds are custodial in nature, representing assets held by the City in an agency capacity for the State of Washington, Grant County and others. These funds report only assets and liabilities and have no measurement focus, as the purpose of this type of fund is to simply receive and disburse funds belonging to another organization.

Generally, the effect of the Inter-fund activity has been eliminated from the government-wide financial statements. An exception to this general rule is administrative overhead charges where the amounts are reasonably equivalent in value to the inter-fund services provided. Inter-fund charges for governmental services, including utilities and certain internal services, have not been eliminated. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include (1) charges to customers, (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 operation. The principal operating revenues for enterprise funds are customer charges for services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Budgetary Information

Scope of Budget

Budgets serve as control mechanisms in the operations of governmental units. Legal budgetary (expenditure) control for the City is at the fund level; i.e., expenditures may not exceed budgeted

appropriations at the fund level. However, budget and actual information is kept by department, account element, and object for management review of operations.

Annual appropriated budgets are adopted for the general and certain special revenue funds on the modified accrual basis of accounting. 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. The financial statements include budgetary comparisons for the General Fund and all major Special Revenue funds. Budgets for special revenue funds are required to be prepared, but not required to be included in this report. Budgets for proprietary and fiduciary funds, although not legally required, are prepared for operational oversight but are not presented in the financial statements. The Finance Department prepares budgetary comparisons for all funds not presented in this report, which is available at www.cityofml.com/finance.

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).

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as a reservation of fund balances and does not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

Amending the Budget

The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of a 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.

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

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

The 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.

E. Assets, Liabilities, Fund Balance, Net Position

Pooled Cash and Investments

It is the City's policy to invest all temporary cash surpluses. This amount is classified on the balance sheet as pooled cash and investments in various funds. The interest on these investments is prorated to the various funds that are statutorily required to receive interest and the balance of the interest is credited to

the General Fund.

For purposes of the statement of cash flows, the proprietary fund's equity in pooled investments is considered cash since all of the city's investments are internally pooled and participating funds use the pool as if it were a demand deposit account.

Receivables

Taxes receivable consist of property taxes and related interest and penalties (See Property Taxes Note No. 4). Accrued interest receivable consists of amounts earned on investments, notes, and contracts at the end of the year.

Special assessments are recorded when levied. Special assessments receivable consist of current and delinquent assessments and related interest and penalties. Deferred assessments on the fund financial statements consist of unbilled special assessments that are liens against the property benefitted.

Customer accounts receivable consist 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 account from private individuals or organizations for goods and services rendered.

Amounts Due to and From Other Funds and Governments, Interfund Loans and Advances Receivable

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "Interfund loans receivable/payable" 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 Note No. 13, Interfund Balances and Transfers.

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.

Inventories

Inventories in governmental funds consist of expendable supplies held for consumption. The cost is recorded as expenditures 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 First in First Out method which approximates the market value.

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 Notes No. 8 & 10, Long-Term Debt.

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

Cash Investments - Debt Service	\$ 1,284,375
Total Restricted Assets	<u>\$ 1,284,375</u>

Capital Assets - See Note No. 5, Capital Assets

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

Costs for additions or improvements to capital assets are capitalized when they increase the effectiveness or efficiency of the asset. The costs for normal maintenance and repairs are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of the capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings/Improvement's	5 - 50
Other Improvements	5 - 25
Vehicles	5 - 15
Machinery & Equipment	5 - 20
Utility Infrastructure	20 - 50
Streets, Paths, Trails, Stormwater Infrastructure	N/A
Traffic Signals	40
Runway's & Taxiways	12 - 20

Infrastructure capital assets, valued at \$50,000 or greater, are long-lived capital assets that are normally stationary in nature and can be preserved for a significantly greater number of years than most capital assets. Included in the City's infrastructure are the streets and the bridge network. The City has elected to use the modified approach as defined in GASB Statement No. 34 for infrastructure reporting for storm water structures, the bridge, paved streets, bike paths, and alleys. Depreciation expenses are not reported for such assets nor are amounts capitalized in connection with improvements that lengthen the lives of the assets unless the improvements also increase the service potential.

Deferred Outflows and Inflows of Resources

In addition to assets, Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. Deferred charge on debt refunding result from the difference in the carrying value of refunded debt and the reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows related to pension plans are discussed in detail in Note 6 – Pension Plans.

In addition to liabilities, the Statement of Net Position will report a separate section for deferred inflows of resources. which represents an acquisition of net position by the government, which is applicable to a future reporting period and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item on the Statement of Net Position that qualifies for reporting in this category. Deferred inflows related to pension plans are discussed in detail in Note 6 – Pension Plans. The governmental funds report unavailable revenues from two sources, taxes receivable and other receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Compensated Absences

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

Vacation pay, which may be accumulated up to two years of earned annual leave, is payable upon separation of employment for any reason. Sick leave may be accumulated up to 480 hours for a payoff of union exempt employees, and is payable upon voluntary termination with a minimum of 2 weeks notice or a reduction in work force in accordance with the following schedule:

<u>Years of Service</u>	<u>Percent Payable Sick Leave</u>
0-4	10
5-9	25
10-19	50
20-29	75
30+	100

For members of the General Union bargaining unit who were City employees and members of the Public Employees Retirement System as of January 1, 1983 and who retire, 50% of accumulated sick leave (to a maximum of 480 hours) will be paid as severance pay.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all

state sponsored pension plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Accrued Liabilities

These accounts consist of accrued wages and accrued employee benefits.

Long-term Debt

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. See Note 8 *Long-term Debt* for more information.

Fund Balance Classification

Fund balance for governmental funds is reported in the following classifications depicting the relative strength of the constraints, which control how specific amounts can be spent

- Non-spendable includes fund balances cannot be spent either because they are not in a spendable form or because of legal or contractual constraints.
- Restricted includes fund balances are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.
- Committed includes fund balances are constrained for specific purposes that are internally imposed by the government through formal action (resolution or ordinance) of the highest level of decision making authority, which is the City Council, and may be altered only by a similar formal action of the City Council,
- Assigned includes fund balances are intended to be used for specific purposes that are neither considered restricted or committed.
- Unassigned includes fund balance is the residual amount of the general fund which has not been classified within the above-mentioned categories.

The City uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the City would first use committed fund balance, then assigned fund balance, and lastly unassigned fund balance.

Minimum Fund Balance

The City has a formal policy on General Fund Balance as follows: "It will be the policy of the City to establish and maintain a General Fund Balance of at least ten percent (10%) of the total General Fund's budgeted revenue, excluding the beginning fund balance and identified one-time revenues. Any and all expenditures from the General Fund Balance Reserve account shall require a majority vote of the entire City Council."

NOTE 2- STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

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

The City's annual budget process is similar each year. The City's budget procedures are mandated by Washington State Law. The calendar below outlines the general time frame followed to prepare, review and adopt the annual budget.

Prior to November 15, the City Manager submits a proposed budget to the City Council. This budget is based on priorities established by the Council and estimates provided by the City departments during the preceding months and balanced with available resources.

The Council conducts two public hearings on the proposed budget in November/December to obtain taxpayer comments.

The budget is legally enacted by the City Council upon completion of the public hearings by passage of an ordinance. This must be done in December so that the budget is in place on January 1 of the subsequent year.

NOTE 3- DEPOSITS AND INVESTMENTS

Deposits

The City of Moses Lake maintains a deposit relationship with a Washington State commercial bank that is classified as a Public Depository. The Public Deposit Protection Commission of the State of Washington (PDPC) covers all deposits not insured by the Federal Depositary Insurance Corporation (FDIC). The FDIC insures the first \$250,000. The PDPC is a statutory authority established under RCW 39.58. It constitutes a multiple financial institution collateral pool that insures public deposits. In such a pool, a group of financial institutions holding public funds pledge collateral to a common pool. The PDPC provides protection by maintaining strict standards as to the amount of public deposits financial institutions can accept, and by monitoring the financial condition of all public depositories and optimizing collateralization requirements. At December 31, 2017, the bank balance was \$2,217,436.

Investments

As required by state law, all investments of the City of Moses Lake's 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 (LGIP), Grant County Investment Pool (GCIP), bankers' acceptances, or certificates of deposit with Washington State banks and savings and loan institutions. Regulatory oversight is performed by the CFO, the Treasurer, or

the Treasury Accountant. As prescribed by RCW 43.09.050, the state auditor will “audit the accounts” and “inspect the books” of the State Treasurer to determine the compliance of investment activities with state statutes. Also in accordance with RCW 43.250.080, the State Treasurer will submit an annual summary of LGIP activity to the Governor, the State Auditor, and the Joint Legislative Audit and Review Committee. Investments of pension trust funds are not subject to the preceding limitations. All temporary investments are stated at cost.

GASB Statement No.79 Certain External Investment Pools and Pool Participants, allows the City to report its investment with the WA State Investment Pool (LGIP) at amortized cost. The City of Moses Lake is also reporting its investment in Grant County Investment Pool (GCIP) at amortized cost rather than fair value because the difference between amortized cost and fair value is insignificant. There are no limitations or restrictions on either pool.

As of December 31, 2017 the City had the following investments:

Investment Type	Fair Value	Rating	Weighted Average Maturity (days)
Grant County Investment Pool	\$12,829,423	not rated	1591
WA State Investment Pool	9,804,158	not rated	37
Total Fair Value	<u>\$22,633,581</u>		
Portfolio Weighted Average Maturity			917

Interest rate risk: Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment or a deposit. Because the pools indicate they will return book value, there is minimal interest rate risk.

Credit Risk: Safety of principle is the foremost objective of the City. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligations. The Washington State Investment Pool, is like a 2a-7 fund, managed by the State Treasurer’s Office is limited to high quality obligations with limited maximum and average maturities, which is to minimize both market and credit risk. The pool is unrated but the State of Washington’s Legislature has regulatory oversight.

Under the City’s investment policy, all temporary cash surpluses are invested. The City’s investment policy is more conservative to limit risk, investing the portfolio in treasury notes and bills, certificates of deposit with qualified public depositories, and bankers acceptances with a credit rating for A1 or P1 by nationally recognized rating organizations. The City’s investments are in compliance with all state investment laws and City investment policies.

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, with the exception of US Treasury securities and authorized pools, no more than 50% of the portfolio can be invested in a single security type or institution.

Custodial credit risk - investments: Custodial risk is the risk that in event of a failure of the counterparty to an investment transaction the City would not be able to recover the value of the investment or collateral securities. The City has no custodial risk based on GASB 40 guidelines.

NOTE 4- PROPERTY TAXES

The County Treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities.

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 due
May 31	Assessed value of property established for next year's levy at 100% of market value
October 31	Second installment is due

Property tax is recorded as a receivable and revenue 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 collectible. Prior year tax levies were recorded using the same principal, and delinquent taxes are evaluated annually.

The City may levy up to \$3.6 per \$1,000 of assessed valuation for general governmental services. The City's regular levy for 2015 was \$3.286111 per \$1,000 on an assessed valuation of \$2,068,181,390 for a total regular levy of \$6,796,274.

Washington State Constitution and Washington State law, RCW 84.55.010, limit the rate.

NOTE 5- CAPITAL ASSETS

A summary of Governmental capital assets for the year ended December 31, 2017 were as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Depreciated:				
Land	\$ 5,560,986	\$ -	\$ -	\$ 5,560,986
Infrastructure*	38,800,402	141,437	-	38,941,839
CIP	208,065	940,541	1,148,606	-
Total Non-Depreciated	<u>44,569,453</u>	<u>1,081,978</u>	<u>1,148,606</u>	<u>44,502,825</u>
Capital Assets Depreciated:				
Buildings	34,672,337	53,764	-	34,726,101
Intangible	147,051	-	-	147,051
Machinery and Equipment	14,198,603	953,630	366,863	14,785,370
Infrastructure	1,681,182	-	90,844	1,590,338
Total Depreciated	<u>50,699,173</u>	<u>1,007,394</u>	<u>457,707</u>	<u>51,248,860</u>
Less Accumulated Depreciation:				
Buildings	13,604,612	887,156	-	14,491,768
Intangible	147,051	-	-	147,051
Machinery and Equipment	9,296,305	770,328	366,639	9,699,994
Infrastructure	1,012,622	40,894	32,534	1,020,982
Total Accumulated Depreciation	<u>24,060,590</u>	<u>1,698,378</u>	<u>399,173</u>	<u>25,359,795</u>
Total Capital Assets Depreciated, Net	<u>26,638,583</u>	<u>(690,984)</u>	<u>(58,534)</u>	<u>25,889,065</u>
Governmental Activities Capital Assets, Net	<u>\$71,208,036</u>	<u>\$ 390,994</u>	<u>\$ (1,207,140)</u>	<u>\$70,391,890</u>
Less associated debt				<u>(7,249,057)</u>
Capital assets net of debt				<u>\$63,142,833</u>

*The City accounts for the city streets, alleys, parking lots, boat ramps/landings, bike/jogging paths, bridges and storm drains using the modified approach and reports them as non-depreciable Infrastructure. Under the modified approach, rather than recording depreciation, asset condition is reported. The City includes internal service fund assets as part of governmental totals above. Depreciation includes amortization of intangible assets.

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

Governmental Activities	Depreciation
General Government	\$ 38,935
Public Safety	29,910
Transportation	44,062
Public Works	10,648
Culture and Recreation	522,872

<u>Governmental Activities</u>	<u>Depreciation</u>
Capital Assets Held by the Government's Internal Service Funds, changed to the various functions based on usage	1,051,950
Total Depreciation - Governmental Activities	<u>\$ 1,698,377</u>

A summary of Business-type capital assets for the year ended December 31, 2017 were as follows:

Business-type Activities	Beginning Balance	Increase	Decreases	Ending Balance
Capital Assets Not Depreciated:				
Land	\$ 987,904	\$ -	\$ -	\$ 987,904
Infrastructure	6,276,839	10,594	-	6,287,433
CIP	490,873	4,711,966	3,824,360	1,378,479
Intangible	285,127	-	-	285,127
Total Non-Depreciated	<u>8,040,743</u>	<u>4,722,560</u>	<u>3,824,360</u>	<u>8,938,943</u>
Capital Assets Depreciated:				
Buildings	40,717,401	-	-	40,717,401
Machinery and Equipment	4,416,344	423,771	-	4,840,115
Infrastructure	<u>74,452,512</u>	<u>1,270,319</u>	<u>-</u>	<u>75,722,831</u>
Total Depreciated	<u>119,586,257</u>	<u>1,694,090</u>	<u>-</u>	<u>121,280,347</u>
Less Accumulated Depreciation:				
Buildings	12,620,530	808,619	-	13,429,149
Machinery and Equipment	1,393,140	150,622	-	1,543,762
Infrastructure	<u>28,588,066</u>	<u>1,519,636</u>	<u>-</u>	<u>30,107,702</u>
Total Accumulated Depreciation	<u>42,601,736</u>	<u>2,478,877</u>	<u>-</u>	<u>45,080,613</u>
Total Capital Assets Depreciated, Net	<u>76,984,521</u>	<u>(784,787)</u>	<u>-</u>	<u>76,199,734</u>
Business-type Activities				
Capital Assets, Net	<u>\$ 85,025,264</u>	<u>\$ 3,937,773</u>	<u>\$ (3,824,360)</u>	\$ 85,138,677
Less associated debt				(7,594,747)
Less non capital lease obligation				
Capital assets net of debt				<u>\$ 77,543,930</u>

Depreciation expense charged to Business Type Activities were as follows:

Business-Type Activities	Depreciation
Water/Sewer	\$ 2,403,898
Stormwater	18,149
Ambulance	25,491
Airport	31,339
Total Depreciation - Business - Type Activities	<u>\$ 2,478,877</u>

Collections Not Capitalized

The City has a collection of Indian artifacts that have been acquired over the years, the "Adam East Collection." This collection is held at the Moses Lake Museum and Art Center and is determined to be exempt from capitalization. This collection meets all the exemption requirements as follows:

1. The collection is held for public exhibition, education or research in furtherance of public service, rather than financial gain.
2. The collection is protected, kept unencumbered, cared for, and preserved.
3. The collection is subject to Moses Lake Museum & Art Center Collection Policy section VI: D which requires the proceeds from sales of collection items to be used to acquire other items for the collection.

Construction Commitments

The City has active construction projects as of December 31, 2017. The only active project with a significant outstanding commitment is improvements to Sand Dunes Wastewater Treatment Facility. Wastewater Capital reserves will be used to liquidate the commitment.

Project	Total Contract Amount Awarded	Spent to Date	Remaining Commitment
Sand Dunes WWTF	\$ 1,580,769	\$ 1,238,874	\$ 341,895

NOTE 6- PENSION PLANS

The following table represents the aggregate pension amounts for all plans subject to the requirements of the [GASB Statement 68, Accounting and Financial Reporting for Pensions](#) for the year 2017:

Aggregate Pension Amounts - All Plans		
Pension Liabilities	\$ (5,100,511)	
Pension Assets	\$ 2,899,206	
Deferred outflows of resources	\$ 1,038,272	
Deferred inflows of resources	\$ (1,596,478)	
Pension expense/expenditures	\$ 186,346	\$ -

State Sponsored Pension Plans

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

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

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

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

Public Employees' Retirement System (PERS)

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

PERS Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions

The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2017 were as follows:

PERS Plan 1		
Actual Contribution Rates:	Employer	Employee*
January - June 2017		
PERS Plan 1	6.23 %	6.00 %
PERS Plan1 UAAL	4.77 %	-
Administrative Fee	0.18 %	-
Total	11.18 %	6.00 %
July - December 2017		
PERS Plan 1	7.49 %	6.00 %
Pers Plan 1 UAAL	5.03 %	-
Administrative Fee	0.18 %	-
Total	12.70 %	6.00 %

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

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

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

PERS Plan 2/3 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service credit. PERS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other PERS Plan 2/3 benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty related death benefit, if found eligible by the Department of Labor and Industries. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

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

PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

Contributions

The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2017 were as follows:

PERS Plan 2/3		
Actual Contribution Rates: January-June 2017	Employer	Employee*
January - June 2017:		
PERS Plan 2/3	6.23 %	6.12 %
PERS Plan 1 UAAL	4.77 %	- %
Administrative Fee	0.18 %	- %
Employee PERS Plan 3	- %	varies
Total	11.18 %	6.12 %
July - December 2017:		
PERS Plan 2/3	7.49 %	7.38 %
PERS Plan 1 UAAL	5.03 %	-
Administrative Fee	0.18 %	-
Employee PERS Plan 3	-	varies
Total	12.70 %	7.38 %

* For employees participating in JBM, the contribution rate was 15.30% for January-June 2017 & 18.45% for July-December 2017

The City's actual PERS plan contributions were \$333,872 to PERS Plan 1 and \$433,868 to PERS Plan 2/3 for the year ended December 31, 2017.

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

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

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

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

The FAS is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest consecutive 24 months' salary within the last ten years of service. Members are eligible for retirement with five years of service at the age of 50. Other benefits include duty and non-duty disability payments, a cost-of living adjustment (COLA), and a one-time duty-related death benefit, if found eligible

by the Department of Labor and Industries. LEOFF 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions

Starting on July 1, 2000, **LEOFF Plan 1** employers and employees contribute zero percent, as long as the plan remains fully funded. The LEOFF Plan 1 had no required employer or employee contributions for fiscal year 2017. Employers paid only the administrative expense of 0.18 percent of covered payroll.

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

Contributions

The **LEOFF Plan 2** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The employer rate included an administrative expense component set at 0.18 percent. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board. The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2017 were as follows:

LEOFF Plan 2		
Actual Contribution Rates:	Employer	Employee
January - June 2017		
State and local governments	5.05 %	8.41 %
Administrative fee	0.18 %	- %
Total	5.23 %	8.41 %
Ports and Universities	8.41 %	8.41 %
Administrative fee	0.18 %	- %
Total	8.59 %	8.41 %
July - December 2017		
State and local governments	5.25 %	8.75 %
Administrative fee	0.18 %	- %
Total	5.43 %	8.75 %
Ports and Universities	8.75 %	8.75 %
Administrative Fee	0.18 %	- %
Total	8.93 %	8.75 %

The City's actual contributions to the plan were \$259,097 for the year ended December 31, 2017.

The Legislature, by means of a special funding arrangement, appropriates money from the state General

Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For the state fiscal year ending June 30, 2017, the state contributed \$62,155,262 to LEOFF Plan 2. The amount recognized by the City as its proportionate share of this amount is \$276,884.20.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2017 with a valuation date of June 30, 2016. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2007-2012 Experience Study* and the *2015 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2016 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2017. Plan liabilities were rolled forward from June 30, 2016, to June 30, 2017, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- Inflation: 3.0% total economic inflation; 3.75% salary inflation
- Salary increases: In addition to the base 3.75% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- Investment rate of return: 7.5%

Mortality rates were based on the RP-2000 report's Combined Healthy Table and Combined Disabled Table, published by the Society of Actuaries. The OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100 percent Scale BB. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime.

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

- For all plans except LEOFF Plan 1, how terminated and vested member benefits are valued was corrected.
- How the basic minimum COLA in PERS Plan 1 is valued for legal order payees was improved.
- For all plans, the average expected remaining service lives calculation was revised.

Discount Rate

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

To determine that rate, an asset sufficiency test included an assumed 7.7 percent long-term discount rate

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

Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7.5 percent was determined using a building-block-method. In selecting this assumption, the Office of the State Actuary (OSA) reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered capital market assumptions and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the capital market assumptions and their target asset allocation to simulate future investment returns over various time horizons.

Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017, are summarized in the table below. The inflation component used to create the table is 2.2 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Rate of Return Arithmetic
Fixed Income	20.00 %	1.70 %
Tangible Assets	5.00 %	4.90 %
Real Estate	15.00 %	5.80 %
Global Equity	37.00 %	6.30 %
Private Equity	23.00 %	9.30 %
Total	100.00 %	- %

Sensitivity of the Net Pension Liability/(Asset)

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

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
PERS 1	\$ 3,241,713	\$ 2,661,087	\$ 2,158,141
PERS 2/3	\$ 6,633,947	\$ 2,462,394	\$ (955,575)
LEOFF 1	\$ (346,393)	\$ (466,985)	\$ (570,546)
LEOFF 2	\$ 526,329	\$ (2,432,221)	\$ (4,842,725)

Pension Plan Fiduciary Net Position

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

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

At June 30, 2017, the City reported a total pension liability of \$(2,224,274) for its proportionate share of the net pension liabilities as follows:

	Liability (or Asset)
PERS 1	\$ 2,661,087
PERS 2/3	\$ 2,462,394
LEOFF 1	\$ (466,985)
LEOFF 2	\$ (2,432,221)

The amount of the asset reported above for LEOFF Plans 1 and 2 reflects a reduction for State pension support provided to the City. The amount recognized by the City as its proportionate share of the net pension asset, the related State support, and the total portion of the net pension asset that was associated with the City were as follows:

	LEOFF 1 Asset	LEOFF 2 Asset
Employer's proportionate share	\$ (466,985)	\$ (2,432,221)
State's proportionate share of the net pension asset associated with the employer	\$ (3,158,676)	\$ (1,577,737)
Total	\$ (3,625,661)	\$ (4,009,958)

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

	Proportionate Share 6/30/2016	Proportionate Share 6/30/2017	Change in Proportion
PERS 1	0.059 %	0.056 %	0.003 %
PERS 2/3	0.072 %	0.071 %	0.001 %
LEOFF 1	0.030 %	0.031 %	(0.001)%
LEOFF 2	0.168 %	0.175 %	(0.007)%

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

except LEOFF 1.

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2017. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2017, the state of Washington contributed 87.12 percent of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88 percent of employer contributions. LEOFF 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

In fiscal year 2017, the state of Washington contributed 39.35 percent of LEOFF 2 employer contributions pursuant to [RCW 41.26.725](#) and all other employers contributed the remaining 60.65 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2017, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2016, with update procedures used to roll forward the total pension liability to the measurement date.

Pension Expense

For the year ended December 31, 2017, the City recognized pension expense as follows:

	Pension Expense
PERS 1	\$ (38,159)
PERS 2/3	\$ 237,052
LEOFF 1	\$ (76,777)
LEOFF 2	\$ 64,230
Total	\$ 186,346

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
PERS 1		
Net different between projected and actual investment earnings on pension plan investments	\$ -	\$ (99,304)
Contributions subsequent to the measurement date	\$ 176,706	\$ -
Total	\$ 176,706	\$ (99,304)

	Deferred Outflows of Resources	Deferred Inflows of Resources
PERS 2/3		
Differences between expected and actual experience	\$ 249,499	\$ (80,984)
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ (656,415)
Changes in assumptions	\$ 26,155	\$ -
Changes in proportion and differences between contributions and proportionate share of contributions	\$ -	\$ (78,096)
Contributions subsequent to the measurement date	\$ 254,564	\$ -
Total	\$ 530,218	\$ (815,495)

	Deferred Outflows of Resources	Deferred Inflows of Resources
LEOFF 1		
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ (43,394)
Total	\$ -	\$ (43,394)

	Deferred Outflows of Resources	Deferred Inflows of Resources
LEOFF 2		
Differences between expected and actual experience	\$ 106,901	\$ (92,234)
Net different between projected and actual investment earnings on pension plan investment	\$ -	\$ (546,051)
Changes in assumptions	\$ 2,929	\$ -
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 44,283	\$ (57,409)
Contributions subsequent to the measurement date	\$ 141,966	\$ -
Total	\$ 296,079	\$ (695,694)

	Deferred Outflows of Resources	Deferred Inflows of Resources
All Plans		
Difference between expected and actual experience	\$ 356,400	\$ (173,218)
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ (1,345,164)
Changes of assumptions	\$ 29,084	\$ -
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 44,283	\$ (135,505)
Net difference between projected and actual investment earnings on pension plan investments	\$ 573,236	\$ -
Total	\$ 1,003,003	\$ (1,653,887)

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

Year Ended December 31:	PERS Plan 1	PERS Plan 2/3	LEOFF Plan 1	LEOFF Plan 2
2018	\$ (67,123)	\$ (288,258)	\$ (27,233)	\$ (246,925)
2019	\$ 21,192	\$ 53,601	\$ 7,345	\$ 60,742
2020	\$ (4,921)	\$ (65,417)	\$ (2,933)	\$ (33,548)
2021	\$ (48,452)	\$ (272,127)	\$ (20,572)	\$ (234,554)
2022	\$ -	\$ 14,070	\$ -	\$ (15,589)
Thereafter	\$ -	\$ 18,290	\$ -	\$ (71,707)

Local Governments Firemens' Pension Plan

The City of Moses Lake is also the administrator of a pension retirement plan called Firemen's Pension Plan, which is a closed, single-employer, defined benefit pension plan that was established in conformance with RCW Chapter 41.16 and 41.18. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. These benefit provisions are established by the State Legislature. Membership is limited to firefighters employed prior to March 1, 1970, when the LEOFF retirement system was established.

The City's obligation under the Firemen's Pension Plan consists of paying the difference between pension benefits provided by LEOFF and those provided by the Firemen's' Pension Plan for covered firefighters who retire after March 1, 1970. The Plan is shown as a trust fund in the financial reports of the City.

Membership of the Firemen's Pension Plan	December 31, 2017
Retirees currently receiving full retirement benefits through LEOFF	6
Retirees receiving benefits through both LEOFF and FPP	2
Beneficiaries receiving benefits through FPP	1
Active plan members'	-

Contributions

Current contributions to the plan are comprised of interest on investments and the state tax on fire insurance. Pension payments increase by Cost of Living Allowances (COLAs) from the Washington State Retirement system. Medical insurance premiums and service costs were paid from the general fund fire department in 2015, therefore 2015 forward, 100% of pension fund assets are available for pension payments. COLAs are capped at three percent and will remain below projected increases in Medical Insurance Premiums. Assets, medical service costs, and premiums from the Firemen's Pension Plan are as follows:

Schedule of Funding Progress for Firemens' Pension Plan

Actuarial Valuation Date	Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b-a]/c)
12/31/2015	\$ 318,517	\$ 146,871	\$ (171,646)	217 %	\$ -	- %
12/31/2016	330,371	153,324	(177,047)	215 %	-	- %
12/31/2017	\$ 343,215	\$ 199,851	\$ (143,364)	172 %	\$ -	- %

Note: 2015 first year of actuarial valuation of pension plan without OPEB.

Schedule of Employer Contributions for the Firemens' Pension Plan

Fiscal Year Ending	Actual Employer Contribution	Fire Insurance Premiums	Total Employer Contributions	Annual Required Contributions (ARC)	Percentage of ARC Contributed
12/31/2015	\$ -	\$ 29,272	\$ 29,272	\$ (10,105)	\$ -
12/31/2016	-	28,586	28,586	(8,534)	-
12/31/2017	\$ -	\$ 30,190	\$ 30,190	\$ (9,499)	\$ -

Note: 2015 first year of actuarial valuation of pension plan without OPEB

Annual Pension Cost and Net Position Obligation for the Firemen's Pension Plan		Fiscal Year Ending December 31, 2017
Annual required contribution (ARC)		
1. Amortization of UAAL-beginning of year		\$ (10,078)
2. Interest to end of year		(142)
3. ARC at end of year		(10,220)
Interest on NPO		(555)
Adjustment to ARC		2,242
Annual pension cost		(8,534)
Employer contributions		28,586
Change in NPO		11,519
NPO at beginning of year		(39,377)
NPO at end of year		\$ (27,858)

Net Pension Obligation Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Annual Pension Costs Contributed	Contribution as a Percent of APC	Net Pension Obligation (NPO)
12/31/2014	\$ -	\$ 28,955	- %	\$ -
12/31/2015	(10,105)	29,272	290 %	(39,377)
12/31/2016	(8,534)	28,586	335 %	(76,497)
12/31/2017	\$ (9,499)	\$ 30,190	318 %	\$ (79,066)

Note: 2015 first year of actuarial valuation of pension plan without OPEB

Deferred Compensation Plans

The City of Moses Lake offers its employees a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457. Employees are offered a choice of plans with ICMA Retirement Corporation or the State of Washington Deferred Compensation Program. The plan, available to all employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. The plan's funds, held in trust for the exclusive benefit of the participants and their beneficiaries, are not included in the presentation of the City's financial reports.

NOTE 7- RISK MANAGEMENT

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

Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Inter-local 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 161 Members.

New members initially contract for a three-year term, and thereafter automatically renew on an 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, with a \$25,000 deductible. Coverage includes general, automobile, police, errors or omissions, stopgap, employment practices and employee benefits liability. Limits are \$4 million per occurrence in the self-insured layer, and \$21 million in limits above the self-insured layer is provided by reinsurance. Total limits are \$20 million per occurrence subject to aggregates and sub-limits. The Board of Directors determines the limits and terms of coverage annually.

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

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

WCIA is fully funded by its members, who make annual assessments on a prospectively rated basis, as determined by an outside, independent actuary. The assessment covers loss, loss adjustment, and administrative expenses. As outlined in the inter-local, 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 of Moses Lake maintains insurance against most normal hazards except for unemployment compensation where the City has elected to become self-insured. The City also has set aside monies for possible future self-insurance for accident insurance and this self-insures the first \$50,000. Independent claims managers' process claims. Based on the claims manager's estimates, the City's estimated liability for possible losses at December 31, 2017 were as follows:

Unemployment Compensation	\$ 10,000
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Claims settlements and loss expenses are accrued in the unemployment compensation fund for the estimated settlement value of both reported and unreported claims. This fund is responsible for collecting interfund premiums from insured funds and departments and for paying claim settlements. Interfund premiums are assessed on the basis of claims experience and are reported as revenues and expenses or expenditures. The amount of unemployment claims paid for the last three years are:

2015	2016	2017
\$58,455	\$26,993	\$26,888

NOTE 8- LONG-TERM DEBT

A. LONG-TERM DEBT

The City of Moses Lake has issued general obligation and revenue bonds to finance the purchase of land or building upgrades and the acquisition or construction of reservoirs, an aquatic center, water and sewer lines and upgrade of wastewater treatment plants. Bonded indebtedness has also been entered into currently and in prior years to advance refund several general obligation and revenue bonds. General obligation bonds have been issued for both general government and business-type activities and are being repaid from the applicable resources. The revenue bonds are being repaid by proprietary fund revenues.

General obligation bonds currently outstanding are as follows:

<u>Name of Issuance</u>	<u>Purpose</u>	<u>Issuance Date</u>	<u>Maturity Date</u>	<u>Original Debt</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>
				-		-
2010 LTGO Bond	Civic Center	09/07/2010	12/01/2020	5,925,000	2.00-3.25%	1,935,000
2012 LTGO Bond	Gov'tl - Internal Service Refunding	12/12/2012	09/01/2023	1,650,000	.75-3.00%	1,015,000
2015 LTGO Bond	Gov'tl Activities Refunding	7/14/2015	08/01/2026	2,970,833	3.00-4.00%	2,841,666
2015 LTGO Bond	Operation Complex Refunding	07/14/2015	08/01/2026	594,167	3.00-4.00%	568,334
Total				<u>\$ 11,140,000</u>		<u>\$ 6,360,000</u>

The annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Total Interest</u>
2018	\$ 1,060,000	\$ 190,646	\$ 55,000	\$ 20,417	\$ 1,115,000	\$ 211,063
2019	1,092,500	160,446	57,500	18,767	1,150,000	179,213
2020	1,125,833	127,671	59,167	17,042	1,185,000	144,713
2021	475,000	92,233	60,000	15,267	535,000	107,500
2022	483,333	77,983	61,667	13,467	545,000	91,450
2023-2026	1,555,000	145,901	275,000	28,099	1,830,000	174,000
Total	<u>\$ 5,791,666</u>	<u>\$ 794,880</u>	<u>\$ 568,334</u>	<u>\$ 113,059</u>	<u>\$ 6,360,000</u>	<u>\$ 907,939</u>

Revenue bonds currently outstanding are as follows:

<u>Bond</u>	<u>Issuance Date</u>	<u>Maturity Date</u>	<u>Original Debt</u>	<u>Interest Rate</u>	<u>Balance</u>
Revenue Bonds '04	10/13/2004	9/01/2024	\$ 7,015,000	5.00%	\$ 4,720,000
Revenue Bonds '11	08/23/2011	9/01/2021	4,905,000	2.5-3.25%	2,090,000
Total			<u>\$ 11,920,000</u>		<u>\$ 6,810,000</u>

Revenue bond debt service requirements to maturity are as follows:

Year	Principal	Interest	Total
2018	\$ 935,000	\$ 298,850	\$ 1,233,850
2019	975,000	263,350	1,238,350
2020	1,015,000	226,188	1,241,188
2021	1,060,000	184,713	1,244,713
2022	545,000	141,250	686,250
2023-2024	2,280,000	172,500	2,452,500
Total	<u>\$ 6,810,000</u>	<u>\$ 1,286,851</u>	<u>\$ 8,096,851</u>

Per Internal Revenue Service Code Section 148, rebate arbitrage are earnings on investments purchased from gross proceeds of a bond issue that are in excess of the amount that would have been earned if the investments were invested at a yield equal to the yield on the bond issue. The rebate arbitrage must be paid to the federal government. The City of Moses Lake carefully monitors investments to restrict earnings to a yield less than the bond issue, and therefore limit any arbitrage liability. As of December 31, 2017 the City has no arbitrage rebate liability.

Government Loans

Government loans have been received to provide for construction of proprietary fund capital. The City participates in a program administered by the state's Department of Community Development on behalf of the Public Works Trust Fund (PWTF) Board. The program provides low interest loans for local infrastructure projects. Government loans for improvements at Wastewater Treatment Plant (WWTP) outstanding at year-end are as follows:

Loan	Interest Rate	Amount
PWTF WWTP-Design	.50%	\$ 129,122
PWTF WWTP-Construction	.50%	2,647,059
Total		<u>\$ 2,776,181</u>

The annual debt service requirements to maturity for Government loans are as follows:

Year	Principal	Interest	Total
2018	\$ 561,692	\$ 13,881	\$ 575,573
2019	561,692	11,072	572,764
2020	561,692	8,264	569,956
2021	561,692	5,456	567,148
2022	529,412	2,647	532,059
Total	<u>\$ 2,776,180</u>	<u>\$ 41,320</u>	<u>\$ 2,817,500</u>

In proprietary funds, unamortized debt issue costs are recorded as deferred inflow and bonds are displayed net of premium or discount; annual interest expense is decreased by amortization of debt premium and increased by the amortization of debt issue costs and discount.

At December 31, 2017, the City has \$184,487 available in debt service funds to service the general bonded debt. Restricted assets in proprietary funds contain \$1,284,375 in sinking funds and reserves as required by bond indentures.

NOTE 9- LEASES

Capital Leases

The City of Moses Lake has entered into lease agreements for financing machinery, equipment and other improvements. An insignificant portion of these capital leases were used to purchase items below the capitalization threshold and therefore are non-capital items.

These lease agreements qualify as capital leases for accounting purposes, and therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	Governmental Activities	Business- Type Activities
Net Capital Lease Asset		
Machinery & Equipment	\$ 2,937,095	\$ -
Less Accumulated Depreciation	704,932	-
Total	<u>\$ 2,232,163</u>	<u>\$ -</u>

The future minimum lease obligation and the net present value of these minimum lease payments as of December 31, 2017 are as follows:

Year	Governmental Activities	Business-Type Activities
2018	\$ 475,766	\$ -
2019	369,504	-
2020	312,234	-
2021	35,522	-
Total Minimum Lease Payments	1,193,026	-
Less: Interest	57,424	-
Present Value of Minimum lease Payments	<u>\$ 1,135,602</u>	<u>\$ -</u>

NOTE 10- CHANGES IN LONG-TERM LIABILITIES

During the year ended December 31, 2017, the following changes occurred in long-term liabilities:

	Beginning Balance 01/01/2017	Additions	Reductions	Ending Balance 12/31/17	Due Within One Year	Internal Service Funds
Governmental activities						
Bonds payable:						
General obligation bonds	\$ 6,685,833	\$ -	\$ 894,167	\$ 5,791,666	\$ 1,060,000	\$ 2,950,000
Less deferred amount						
Issuance premiums(discounts)	309,064	-	42,518	266,546	-	77,279
Total bonds	6,994,897	-	936,685	6,058,212	1,060,000	3,027,279
Capital leases	1,391,468	505,400	675,048	1,221,820	362,574	1,221,820
Claims and judgements	-	-	-	-	-	-
Compensated absences	1,814,700	-	120,152	1,694,548	7,692	76,926
Pension	4,676,704	3,740,141	4,694,375	3,722,470	-	494,678
OPEB	987,158	78,586	-	1,065,744	-	-
Governmental liabilities	\$ 15,864,927	\$ 4,324,127	\$ 6,426,260	\$ 13,762,794	\$ 1,430,266	\$ 4,820,703
Business-type activities						
Bonds payable:						
General obligation bonds	\$ 594,167	\$ -	\$ 25,844	\$ 568,323	\$ 54,989	
Revenue bonds	7,715,000	-	905,000	6,810,000	935,000	
Less deferred amounts						
Issuance premiums(discounts)	249,493	-	33,069	216,424	-	
Total bonds	8,558,660	-	963,913	7,594,747	989,989	
Governmental loans	3,337,872	-	561,692	2,776,180	561,692	
Compensated absences	611,084	-	13,096	597,988	59,799	
Pension/OPEB	2,139,885	1,383,340	2,145,186	1,378,039	-	
Business-type liabilities	\$ 14,647,501	\$ 1,383,340	\$ 3,683,887	\$ 12,346,954	\$ 1,611,480	

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the totals for governmental activities. At year end \$4,820,703 of internal service funds debt and compensated absences are included in the above amounts. Also, for the governmental activities except internal service funds, claims and judgments and compensated absences are generally liquidated by the general fund.

NOTE 11- CONTINGENCIES AND LITIGATIONS

The City of Moses Lake 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/or 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 disallowance, if any, will be immaterial.

As of December 31, 2017, there were no significant lawsuits.

Of the litigation settled in the past three years, where the City was the defendant, none exceeded the insurance coverage.

NOTE 12- RESTRICTED COMPONENT OF NET POSITION

The government-wide statement of net position reports \$2,154,672 of restricted component of net position, of which \$1,070,473 is restricted by enabling legislation.

NOTE 13- INTERFUND BALANCES AND TRANSFERS

Interfund Balances

Loans between funds are classified as interfund loans receivable or payable on the statement of net position. The loans were for Operations Complex construction, Civic Center Construction, and operating expenses. Interfund balances at December 31, 2017 were as follows:

	DUE FROM				
DUE TO	GENERAL FUND	BUILDING MAINTENANCE	SANITATION FUND	AMBULANCE FUND	TOTALS
Water/Sewer	\$ 500,000	\$ 3,738,778	\$ 375,000	\$ 258,666	\$ 4,872,444
Totals	\$ 500,000	\$ 3,738,778	\$ 375,000	\$ 258,666	\$ 4,872,444

Interfund Transfers

Interfund transfers are the flow of assets without a reciprocal return of assets, goods or services. The principle reason for the transfers is to move the resources from the fund collecting them to the fund using them as required by statute or budget and to account for operating subsidies between funds in accordance with budget authorization. The interfund transfer activity for the year is as follows:

TRANSFER FROM						
TRANSFER TO	GENERAL	STREETS	TOURISM	DEBT SERVICE	WATER SEWER	TOTALS
General	\$ -	\$ -	\$ -	\$ 482	\$ 500,000	\$ 500,482
Grants and Donations	2,154	-	-	-	-	2,154
Streets	1,356,800	-	-	-	-	1,356,800
Debt Service	70,700	94,200	70,700	-	-	235,600
Ambulance	74,340	-	-	-	-	74,340
Totals	\$ 1,503,994	\$ 94,200	\$ 70,700	\$ 482	\$ 500,000	2,169,376

NOTE 14- OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS

In addition to the pension benefits described in Note No. 7, the City provides post-retirement medical care benefits for members of the Law Enforcement Officers and Firefighters (LEOFF) retirement system hired before October 1, 1977.

Membership

Currently the City has 16 individuals that meet the eligibility requirements. This is considered a closed group with no new eligible members.

Plan Description

The "plan" is required by State of Washington Revised Code (RCW) chapter 41.26. Employers, such as municipalities, counties, and fire districts, are required to pay the costs of necessary medical services for any active or retired members of the Law Enforcement Officers' and Firefighters' Retirement System Plan One (LEOFF I). Under subsection 4, the employer may provide for medical insurance through insurance carriers. The plan covers retirees who are retired on disability as well as those who are retired after reaching age requirements. To qualify for medical services, the employee need 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 that 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 department budget and law enforcement officers are paid out of the police department budget. The medical services cover active and retired members only. Spouses are not eligible. Financial reporting for the LEOFF retiree healthcare plan is included in the City's Comprehensive Annual Financial Report.

Funding Status and Funding Policy

As of December 2017, there are no active members, and currently 16 retired members. Health insurance premiums are paid monthly. Other medical services are paid bi-monthly as billings are presented for reimbursement. The City reimburses 100 percent of the amount of validated claims for medical costs incurred by these individuals. The pension board performs an annual survey to determine the care to be covered. Employer contributions are financed on a pay-as-you-go basis. Fire fighter and police benefits are paid out of the general fund.

For 2017, the City paid medical insurance premiums of \$52,355 for pre-age 65 and \$94,728 for post-age 65. Other medical payments paid by the City are for all eligible medical services not paid for by the insurance.

The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The City has elected to calculate the ARC and related information using the alternative measurement method permitted for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table 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:

	Police	Fire	Total
Annual required contribution	\$ 106,281	\$ 165,384	\$ 271,665
Interest on net OPEB obligation	5,478	6,265	11,743
Adjustment to annual required contribution	<u>(25,215)</u>	<u>(28,837)</u>	<u>(54,052)</u>
Annual OPEB cost (expense)\	86,544	142,812	229,356
Contributions made	<u>62,404</u>	<u>88,364</u>	<u>150,768</u>
increase in net OPEB obligation	24,140	54,448	78,588
Net OPEB obligation-Beginning of year	454,245	532,913	987,158
Net OPEB obligation-End of year	<u>\$ 478,385</u>	<u>\$ 587,361</u>	<u>\$ 1,065,746</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2017 and the two preceding fiscal years were as follows:

Fiscal Year Ended	Annual Required Contribution	Police Annual OPEB Costs Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2015	\$ 86,149	\$ 70,569	82 %	\$ 428,350
December 31, 2016	\$ 84,976	\$ 59,080	70%	\$ 454,245
December 31, 2017	\$ 86,543	\$ 62,404	72%	\$ 452,489

Fiscal Year Ended	Fire				Net OPEB Obligation
	Annual Required Contribution	Annual OPEB Costs Contributed	Percentage of Annual OPEB Cost Contributed		
December 31, 2015	\$ 139,013	\$ 114,513	82%	\$	489,878
December 31, 2016	\$ 140,273	\$ 97,238	69%	\$	532,913
December 31, 2017	\$ 142,811	\$ 88,364	62%	\$	544,325

Funding Status and Funding Progress

As of December 2017, the actuarial accrued liability for benefits was \$4,556,719 total of both departments.

Schedule of Funding Progress for the Leoff 1 Retiree Healthplan

Actuarial Valuation Date	Police					
	Value of Assets (a)	Accrued Liability (AAL)- Unit Credit Cost (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
12/31/2015	-	\$ 1,726,773	\$ 1,725,773	-%	-	-%
12/31/2016	-	\$ 1,789,802	\$ 1,789,802	-%	-	-%
12/31/2017	-	\$ 1,782,679	\$ 1,782,679	-%	-	-%

Actuarial Valuation Date	Fire					
	Value of Assets (a)	Accrued Liability (AAL)- Unit Credit Cost (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
12/31/2015	\$ -	\$ 2,658,332	\$ 2,658,332	-%	-	-%
12/31/2016	-	2,793,349	2,793,349	-%	-	-%
12/31/2017	\$ -	\$ 2,774,040	\$ 2,774,040	-%	-	-%

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 health care cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required, 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.

Actuarial Methods and Assumptions

The City used the alternative measurement method permitted under GASB Statement No. 45. 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 in this plan. The historical age of retirement for regular retirees is 55 years of age; the City's average was 51 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 post-employment health insurance coverage for each year in the worksheet is based on the assumption that all participants will live until their expected ages as displayed in the mortality tables.

The expected rate of increase in health care insurance premiums is based on projections of the Office of the Actuary at the Centers for Medicare & Medicaid Services, as published in National Health Care Expenditures Projections 2014-2024 Tables, Table 16: National Health Expenditure Amounts, and Annual Percent Change by Type of Sponsor: Calendar Years 2009-2025 published by the Health Care Financing Administration (www.cms.hhs.gov).

The assumed long-term earnings rate on current and expected investments that are expected to be used in financing the payment of benefits is 1.41%. 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 1.28 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, 2017 is eighteen years.

NOTE 15- HEALTH & WELFARE

The City of Moses Lake is a member of the Association of Washington Cities Employee Benefit Trust Health Care Program (AWC Trust HCP). Chapter 48.62 RCW provides that two or more local government entities may, by Interlocal agreement under Chapter 39.34 RCW, form together or join a pool or organization for the joint purchasing of insurance, and/or joint self-insurance, to the same extent that they may individually purchase insurance, or self-insure.

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC Trust HCP was formed on January 1, 2014 when participating cities, towns, and non-city entities of the AWC Employee Benefit Trust in the State of Washington joined together by signing an Interlocal Governmental Agreement to jointly self-insure certain health benefit plans and programs for participating employees, their covered dependents and other beneficiaries through a designated account within the Trust.

As of December 31, 2017, 261 cities/towns/non-city entities participate in the AWC Trust HCP.

The AWC Trust HCP allows members to establish a program of joint insurance and provides health and welfare services to all participating members. The AWC Trust HCP pools claims without regard to individual member experience. The pool is actuarially rated each year with the assumption of projected claims run-out for all current members. The AWC Trust HCP includes medical, dental and vision insurance through the following carriers: Kaiser Foundation Health Plan of Washington, Kaiser Foundation Health Plan of Washington Options, Inc., Regence BlueShield, Asuris Northwest Health, Delta Dental of Washington, and Vision Service Plan. Eligible members are cities and towns within the state of Washington. Non-City Entities (public agency, public corporation, intergovernmental agency, or political subdivision within the state of Washington) are eligible to apply for coverage into the AWC Trust HCP, submitting application to the Board of Trustees for review as required in the Trust Agreement.

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. In 2017, the AWC Trust HCP purchased stop loss insurance for Regence/Asuris plans at an Individual Stop Loss (ISL) of \$1.5 million through Life Map, and Kaiser ISL at \$1 million with Companion Life through ASG Risk Management. The aggregate policy is for 200% of expected medical claims.

Participating employers contract to remain in the AWC HCP for a minimum of three years. Participating employers with over 250 employees must provide written notice of termination of all coverage a minimum of 12 months in advance of the termination date, and participating employers with under 250 employees must provide written notice of termination of all coverage a minimum of 6 months in advance of termination date. When all coverage is being terminated, termination will only occur on December 31. Participating employers terminating a group or line of coverage must notify the HCP a minimum of 60 days prior to termination. A participating employer's termination will not obligate that member to past debts, or further contributions to the HCP. Similarly, the terminating member forfeits all rights and interest to the HCP Account.

The operations of the Health Care Program are managed by the Board of Trustees or its delegates. The Board of Trustees is comprised of four regionally elected officials from Trust member cities or towns, the Employee Benefit Advisory Committee Chair and Vice Chair, and two appointed individuals from the AWC Board of Directors, who are from Trust member cities or towns.

The Trustees or its appointed delegates review and analyze Health Care Program related matters and make operational decisions regarding premium contributions, reserves, plan options and benefits in compliance with Chapter 48.62 RCW. The Board of Trustees has decision authority consistent with the Trust Agreement, Health Care Program policies, Chapter 48.62 RCW and Chapter 200-110-WAC.

The accounting records of the Trust HCP are maintained in accordance with methods prescribed by the State Auditor's office under the authority of Chapter 43.09 RCW. The Trust HCP also follows applicable accounting standards established by the Governmental Accounting Standards Board ("GASB"). Year-end financial reporting is done on an accrual basis and submitted to the Office of the State Auditor as required by Chapter 200-110 WAC. The audit report for the AWC Trust HCP is available from the Washington State Auditor's office.

NOTE 16- JOINT VENTURES

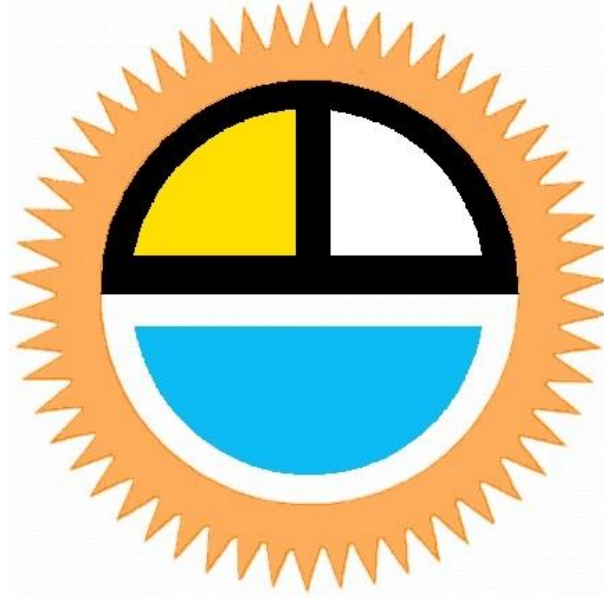
In 1995, the City of Moses Lake entered an Inter-local Cooperative Agreement under the authority of RCW Chapter 39.34 in order to provide for the joint exercise of powers, privileges and authorities to operate a consolidated 911 emergency dispatch facility named Multi Agency Communications Center (MACC). MACC serves as the Public Safety Answering Point for all of the law enforcement agencies in Grant County. The City paid a rate of \$51,337.60 per month in 2017. Other participants of the 1995 Agreement include: the City of Electric City, the City of Ephrata, the City of Grand Coulee, the City of Quincy, the City of Royal City, the City of Soap Lake, the City of Warden, Emergency Telephone Tax District, Ephrata Telephone Tax District, Grant County, Grant County Emergency Services, Grant County Coroner, Grant County Fire District #3, Grant County Fire District #4, Grant County Fire District #5/15, Grant County Fire District #6, Grant County Fire District #7, Grant County Fire District #8, Grant County Fire District #10, Grant County Fire District #11, Grant County Fire District #12, Grant County Fire District #13, Grant County Fire District #14, Grant County Mental Health, Grant County Public Hospital District #2 dba Quincy Valley Hospital, Grant County Sherriff Office, Port of Moses Lake, the Town of Coulee City, and the Town of Mattawa. Grant County will account for MACC as an Agency fund and financial reports can be obtained for MACC at the Grant County Auditor's Office, 37 C ST NW Ephrata, Washington, 98823.

NOTE 17- PRIOR PERIOD ADJUSTMENT

In 2017 the City is correcting its treatment of revenue recognition for non-exchange (i.e. tax) transactions in accordance with GASB 33. This correction is resulting in the restatement of Taxes Receivable for sales and hotel/motel taxes, and Due from other Governments for State Shared revenue that is based on state tax distributions received by the state but distributed to the City within 60 days after the first of the year. The following chart depicts the original reported 2016 ending balance, and the restated 2016 balance with the taxes receivable adjusted for the GASB 33 accrual:

Fund	Account	2016 as reported	Adjustment	2016 as Restated
General Fund	Taxes Receivable	\$1,366,489	\$1,145,138	\$2,511,627
General Fund	Due from Other Govt	4,015	24,978	28,993
Tourism Fund	Taxes Receivable	-0-	79,628	79,628
Street Fund	Due from Other Govt	-0-	71,703	71,703
Citywide Total		\$1,370,504	\$1,321,447	\$2,691,951

City of Moses Lake, Washington
Financial Report



**REQUIRED SUPPLEMENTARY
INFORMATION**

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CITY OF MOSES LAKE
Required Supplementary Information

Condition Assessments and Preservation of Infrastructure Eligible for Modified Approach

Streets

The City has taken a proactive approach with its maintenance practices associated with its streets and roads. The City performs condition assessments on its system of streets through the City Pavement Management System. This program generates a Pavement Condition Rating (PCR) for each segment of primary streets, secondary streets, tertiary collectors and residential streets. There is a numerical index from zero to 100 (0 - 100) that represents the pavement's functional condition based on the quantity, severity, and type of visual distress, such as cracking. Based on the PCR valuation, condition ratings are assigned as follows: a PCR of less than 20 is considered to be in "very poor" condition; a PCR of greater than 20 but less than 40 is defined as having a "poor" status; a PCR of between 40 and 60 is regarded as being in "fair" condition; a PCR of 60 to 80 is evaluated as being in "good" status and a score from 80 to 100 is defined as being in "very good" condition. Condition assessments are undertaken at least once every three years. The three most recent complete assessments of the City's streets are shown below.

Condition rating	2017		2016 - 2014		2013 - 2011	
	Feet	%	Feet	%	Feet	%
VERY POOR	19,892	2.65 %	14,989	2.02 %	16,247	2.31 %
POOR	8,312	1.11 %	8,818	1.19 %	3,980	0.57 %
FAIR	29,231	3.90 %	18,746	2.53 %	31,465	4.48 %
GOOD	181,759	24.23 %	153,206	20.69 %	109,243	15.54 %
VERY GOOD	510,792	68.12 %	544,763	73.55 %	542,054	77.11 %
TOTAL	749,986	100.01 %	740,522	99.98 %	702,989	100.01 %

It is the Policy of the City Engineering Department to maintain 70 percent of the streets at a PCR of 40 or higher. The table below shows the length and percentage of feet of streets that meet the 40 target level

PCR score	2017		2016 - 2014		2013 - 2011	
	Feet	%	Feet	%	Feet	%
PCR 0 to 39	28,204	3.76 %	23,807	3.21 %	20,227	2.88 %
PCR 40 to 100	721,782	96.24 %	716,715	96.79 %	682,762	97.12 %
Total	749,986	100.00 %	740,522	100.00 %	702,989	100.00 %

The four classifications of streets that the City has are primary, secondary, tertiary collectors and residential. There is a state highway which is considered a primary street that bisects the City which is maintained and evaluated by the State of Washington, Department of Transportation. The majority of streets that fall below the PCR to 40 are residential streets. The majority of the remaining streets under the PCR of 40 is a section of the City that has no sewer services at this time. Once funding is available to extend utilities to the particular area it is the City's plan to construct paved streets and maintained them at a level consistent with the remainder of the City.

Below is information on budgeted and actual expenditures incurred to maintain and preserve the street system at or above the minimum acceptable condition level from 2009 to 2017

	Amounts in Thousands								
	2017	2016	2015	2014	2013	2012	2011	2010	2009
Budgeted	1,530	1,008	210	160	700	158	1,210	550	700
Expended	1,314	894	183	186	700	265	775	859	778

The budgeted amount is equivalent to the anticipated amount needed to maintain streets up to the recommended condition level. Under spending of budgeted amounts occurs when street projects are removed from the work schedule due to conflicts with other major construction work; lowering of priority due to cost considerations brought on by excessive bids over estimates or shortages of sufficient contractor bids; and through direction from Council.

Bridge

The City currently maintains one simple structure bridge. Physical inspections to determine the surface and underneath condition of the bridge and the degree of wear and deterioration are carried out every two years by City staff. Underwater inspections are contracted by the State Department of Transportation once every five years. Inspections reveal deficiencies in the bridge such as steel corrosion, damaged pillars, cracked concrete, deteriorated bridge decks and erosion. These are documented in an inspection report provided by the State Department of Transportation along with recommended repairs and needed services.

A key elements in determining the condition of the bridge is the Sufficiency Rating (SR), the numerical value which indicates a bridge's relative ability to serve its intended purpose, measure considered by state and federal governments as the basis for establishing eligibility and priority for the bridge replacement and rehabilitation. The numerical rating is based on the summation of four calculated values: structural adequacy and safety, serviceability and functional obsolescence, essentiality for public use, and special reductions. The value ranges from 100 (newly constructed bridge) to 0 (bridge incapable of carrying traffic).

In general, the lower the SR, the higher the priority. To qualify for replacement, a bridge must have a sufficiency rating of less than 50 and be structurally deficient or functionally obsolete. To be eligible for rehabilitation, a bridge must have a SR of 80 or less and be structurally deficient or functionally obsolete. A structurally deficient bridge is defined as one whole condition or design has impacted its ability to adequately carry intended traffic loads. A functionally obsolete bridge is one in which the deck geometry load carrying capacity, clearance, or approach roadway alignment has reduced its ability to adequately meet traffic needs below accepted design standards.

Below are the three most recent sufficiency ratings of the Alder St. causeway.

	<u>Sufficiency Rating</u>
2015	73%
2011	70%
2006	69%

It is the policy of the City to maintain its bridge in such a manner that the sufficiency rating is 20 or higher. A rating of 20 or less is usually indicative of a bridge with structural deficiency. The most common remedy is full replacement or rehabilitation of the bridge. As of September 30, 2015 the City's lone bridge was given a 'good' evaluation. With annual surface inspections and maintenance, as well as minimal water flow under the bridge it is anticipated that the bridge will continue to have favorable evaluation well into the future. With little change in the last two ratings the results of the City's efforts to maintain the bridge in above standard condition are evident.

Because the City's bridge is relatively small (149 feet long) the budget and actual expended amounts to

maintain and preserve the bridge are included in the budget and expended amounts for streets. Historically there has been no identifiable budget or expenditure for the maintenance of the lone bridge.

Budget amounts are the anticipated amount needed to maintain and preserve the bridge up to the required condition level. The traffic, weight loads, aging and weather extremes all have an effect on the condition and maintenance level of the bridge.

Storm Water

The City established a storm water fund in 2010, and in 2011 the City transferred assets worth \$4,197,819 previously held by the Street Department to the fund. The storm water system includes manholes, catch basins, underground injection control structures (i.e. drywells), infiltration basins, outfall structures and pipe. The City finished locating and documenting all storm water infrastructure in 2016, allowing all inspections to be entered into a comprehensive reporting system. The documentation was completed with the addition of the 29 miles of storm pipe. Condition assessments will be completed every three years with one-third of the system structures inspected annually. The City's storm pipe will be inspected over 8-10 years with those sections that are found to collect more sediment to be inspected on a more regular basis.

The rating system is a numerical index from zero to 100 (0-100) that represents the storm water's functional condition based on the quality, severity, and type of problem, such as sedimentation, structure cracks, etc. At this time there is no rating system for manholes. The City is developing a system that would closely mimic the existing rating system but currently manholes being inspected are given either a pass or fail grade. The measurement scale and basis for condition measurement is as follows:

Rating

-
- 70-100 Good Condition-serves the intended function and scores well in all areas
 - 41-69 Fair condition-serves the intended function, but scores less well and has other issues.
 - 0-40 Poor condition- may or may not fulfill its design function, has other serious issues, and requires maintenance or rebuild.

It is the policy of the City Engineering Department to maintain 70% of the storm water structures and pipe at a condition of 41 or higher. All manholes and 2 miles (8%) of pipe were inspected in 2016. All pipe inspected was found to be in fair to good condition. All catch basins have been inspected in the last three years as has 95% of the approximately 3,350 total structures. Of the inspected structures, excluding pipe, eight percent were in poor to fair condition with the remaining 92% in fair to good condition.

Budget amounts are the anticipated amount needed to maintain and preserve the storm water system up to the required condition level. The last five years are as follows.

	Amounts in Thousands				
	2017	2016	2015	2014	2013
Budgeted	\$ 595	\$ 673	\$ 516	\$ 546	\$ 507
Expended	\$ 625	\$ 590	\$ 475	\$ 523	\$ 466

CITY OF MOSES LAKE, WASHINGTON
Schedule of Proportionate Share of the Net Pension Liability
PERS Plan 1
As of June 30, 2017
Last 10 Fiscal Years*

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Employer's proportion of the net pension liability (asset)	0.056081 %	0.059183 %	0.058920 %							
Employer's proportionate share of the net pension liability	\$ 3,011,814	\$ 3,178,406	\$ 3,082,064							
State's proportionate share of the net pension liability (asset) associated with the employer	\$ 0	\$ 0	\$ 0							
TOTAL	\$ 3,011,814	\$ 3,178,406	\$ 3,082,064							
Employer's covered employee payroll	\$ 59,441	\$ 6,806,380	\$ 6,781,379							
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	5,066.9 %	46.7 %	45.4 %							
Plan fiduciary net position as a percentage of the total pension liability	61.24 %	59.10 %	59.10 %							

CITY OF MOSES LAKE, WASHINGTON
Schedule of Proportionate Share of the Net Pension Liability
PERS Plan 2/3
As of June 30, 2017
Last 10 Fiscal Years*

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Employer's proportion of the net pension liability (asset)	0.070870 %	0.072259 %	0.072378 %							
Employer's proportionate share of the net pension liability	\$ 2,462,394	\$ 3,638,184	\$ 2,586,107							
State's proportionate share of the net pension liability (asset) associated with the employer	\$ 0	\$ 0	\$ 0							
TOTAL	\$ 2,462,394	\$ 3,638,184	\$ 2,586,107							
Employer's covered employee payroll	\$ 6,942,538	\$ 5,806,141	\$ 6,633,123							
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	35.5 %	62.7 %	39.0 %							
Plan fiduciary net position as a percentage of the total pension liability	90.97 %	85.82 %	89.20 %							

CITY OF MOSES LAKE, WASHINGTON
Schedule of Proportionate Share of the Net Pension Liability
LEOFF Plan 1
For the Year Ended December 31, 2017
Last 10 Fiscal Years*

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Employer's proportion of the net pension liability (asset)	0.030779 %	0.030556 %	0.031497 %							
Employer's proportionate share of the net pension liability	\$ 466,985	\$ 314,814	\$ 379,608							
State's proportionate share of the net pension liability (asset) associated with the employer	\$ 3,158,676	\$ 2,129,395	\$ 2,567,659							
TOTAL	\$ 3,625,661	\$ 2,444,209	\$ 2,947,267							
Employer's covered employee payroll	\$ 0	\$ 0	\$ 0							
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	0.0 %	0.0 %	0.0 %							
Plan fiduciary net position as a percentage of the total pension liability	135.96 %	123.74 %	127.36 %							

CITY OF MOSES LAKE, WASHINGTON
Schedule of Proportionate Share of the Net Pension Liability
LEOFF Plan 2
As of June 30, 2017
Last 10 Fiscal Years*

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Employer's proportion of the net pension liability (asset)	0.175273 %	0.168008 %	0.175245 %							
Employer's proportionate share of the net pension liability	\$ 2,432,221	\$ 977,185	\$ 1,801,168							
State's proportionate share of the net pension liability (asset) associated with the employer	\$ 1,577,737	\$ 637,053	\$ 1,190,934							
TOTAL	\$ 4,009,958	\$ 1,614,238	\$ 2,992,102							
Employer's covered employee payroll	\$ 5,493,721	\$ 5,089,727	\$ 5,195,821							
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	44.3 %	19.2 %	34.7 %							
Plan fiduciary net position as a percentage of the total pension liability	113.36 %	106.04 %	111.67 %							

CITY OF MOSES LAKE, WASHINGTON
Schedule of Employer Contributions
PERS Plan 1
For the Year Ended December 31, 2017
Last 10 Fiscal Years*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Statutorily or contractually required contributions	\$ 514,045	\$ 332,976	\$ 15,102							
Contributions in relation to the statutorily or contractually required contributions	\$ (514,045)	\$ (332,976)	\$ (15,102)							
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>							
Covered employer payroll	\$ 88,832	\$ 6,862,609	\$ 148,256							
Contributions as a percentage of covered employee payroll	578.67 %	4.85 %	10.19 %							

CITY OF MOSES LAKE, WASHINGTON
Schedule of Employer Contributions
PERS Plan 2/3
As of December 31, 2017
Last 10 Fiscal Years*

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Statutorily or contractually required contributions	\$ 687,427	\$ 421,911	\$ 671,782							
Contributions in relation to the statutorily or contractually required contributions	\$ (687,427)	\$ (421,911)	\$ (671,782)							
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>							
Covered employer payroll	\$ 10,384,172	\$ 6,772,246	\$ 6,633,123							
Contributions as a percentage of covered employee payroll	6.62 %	6.23 %	10.13 %							

CITY OF MOSES LAKE, WASHINGTON
Schedule of Employer Contributions
LEOFF Plan 1
As of December 31, 2017
Last 10 Fiscal Years*

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Statutorily or contractually required contributions	\$ 0	\$ 0	\$ 0							
Contributions in relation to the statutorily or contractually required contributions	\$ 0	\$ 0	\$ 0							
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0							
Covered employer payroll	\$ 0	\$ 0	\$ 0							
Contributions as a percentage of covered employee payroll	0.00 %	0.00 %	0.00 %							

CITY OF MOSES LAKE, WASHINGTON
Schedule of Employer Contributions
LEOFF Plan 2
As of December 31, 2017
Last 10 Fiscal Years

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Statutorily or contractually required contributions	\$ 418,850	\$ 258,688	\$ 272,168							
Contributions in relation to the statutorily or contractually required contributions	\$ (418,850)	\$ (258,688)	\$ (272,168)							
Covered employer payroll	\$ 7,991,703	\$ 5,122,544	\$ 5,195,821							
Contributions as a percentage of covered employee payroll	5.24 %	5.05 %	5.24 %							

Required Supplementary Information
Schedule of Changes in Total Pension Liability and Related Ratios
Last Ten Fiscal Years

Fiscal Year Ended	Annual Pension Cost (APC)	Annual Pension Costs Contributed	Contribution as a Percent of APC	Net Pension Obligation (NPO)
12/31/2008	N/A	N/A	N/A	N/A
12/31/2009	N/A	N/A	N/A	N/A
12/31/2010	N/A	N/A	N/A	N/A
12/31/2011	N/A	N/A	N/A	N/A
12/31/2012	N/A	N/A	N/A	N/A
12/31/2013	N/A	N/A	N/A	N/A
12/31/2014	N/A	28,955	N/A	N/A
12/31/2015	(10,105)	\$ 29,272	290	(39,377)
12/31/2016	\$ (8,534)	\$ 28,586	335 %	\$ (76,497)
12/31/2017	\$ (10,275)	\$ 30,190	294 %	\$ (79,842)

2015 first year of actuarial valuation of pension plan without OPEB

**CITY OF MOSES LAKE
REQUIRED SUPPLEMENTARY INFORMATION**

**Schedule of Funding Progress
LEOFF 1 Retiree Medical Plan**

Police Fund

Actuarial Valuation Date	Value of Assets (a)	Accrued Liability (AAL) Unit Credit Cost (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2012		\$ 2,913,881	\$ 2,913,881	- %	0	0 %
12/31/2013		\$ 1,841,164	\$ 1,841,164	- %	0	0 %
12/31/2014		\$ 901,415	\$ 901,415	- %	0	0 %
12/31/2015		\$ 1,726,773	\$ 1,726,773	- %	0	0 %
12/31/2016	-	\$ 1,789,802	\$ 1,789,802	- %	0	0 %
12/31/2017	-	\$ 1,782,679	\$ 1,782,679	- %	0	0 %

Fireman Fund

Actuarial Valuation Date	Value of Assets (a)	Accrued Liability (AAL) Unit Credit Cost (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2012	\$ 383,571	\$ 4,214,304	\$ 3,830,733	9 %	0	- %
12/31/2013	\$ 331,003	\$ 2,762,954	\$ 2,431,951	12 %	0	- %
12/31/2014	\$ 303,658	\$ 1,157,068	\$ 853,410	26 %	0	- %
12/31/2015	\$ -	\$ 2,658,332	\$ 2,658,332	- %	0	- %
12/31/2016	\$ -	\$ 2,793,349	\$ 2,793,349	- %	0	- %
12/31/2017	\$ -	\$ 2,774,040	\$ 2,774,040	- %	0	- %

City of Moses Lake, Washington
Financial Report



**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for revenues derived from specific taxes or other earmarked revenue sources that are legally restricted. The City of Moses Lake had the following non major special revenue funds:

*The **Tourism** fund was created to account for the 2% of revenues received from the Hotel Motel tax under RCW67.28. The monies distributed are to be used for the purpose of paying all or any part of the cost of tourism promotion and acquisition of tourism.*

*The **Grants and Donations** fund was established by Ordinance 2173 to account for monies received from federal, state, and local organizations or individuals, in the form of grants or donations. These monies are generally designated for specific projects.*

*The amount expended on **Paths and Trails** per RCW47.30.060 are to be no less than .42% of the total received from motor vehicle (RCW46.68.090). The city is authorized to expend the available monies as necessary for the planning accommodation, establishment, and maintenance of non motorized traffic facilities.*

*The **Street Repair and Reconstruction** fund was established to account for monies received from the business and occupation taxes on utilities in excess of 5%, which are General Fund revenues. The expenditures of these monies are for the overlay, repair and reconstruction of city streets.*



DEBT SERVICE FUNDS

The debt service funds are used to account for the accumulation of resources for, and payment of, general obligation bond principal and interest from governmental resources: special assessment bond principal and interest from special assessment levies when the government is obligated in some manner for the payment; and all other general long-term debt principal and interest. All general obligation bonds serviced by the City of Moses Lake are serial bonds issued on the full faith and credit of the city, councilmanic and financed by property tax levies or through interfund loans. The City of Moses Lake has the following non major Debt Service funds:

*The **Equipment leases** accounts for the debt service on assets purchased by lease.*

***2006 LGTO** proceeds were issued by the authority of Ordinance 2256 to finance various downtown improvements, ice skating rink, flowrider/lazy river for the aquatic center and maintenance facility for the Parks and Recreation Department.*

***2015 LTGO Refunding Bonds** were issued by authority of Ordinance 2768 for refunding of 2006 LTGO.*

CAPITAL PROJECTS FUNDS

Capital projects funds are established to account for the financial resources to be used for the acquisition or construction of major capital facilities other than those financed by special assessment and proprietary funds. Sources of revenue are typically grants, bonds and transfers from other funds. The city of Moses Lake has the following Capital Projects funds:

*The **Park Mitigation Capital Project** fund was created for the purpose of accounting for capital purchases of both future and existing parks from funds received from developers.*

*The **Park and Recreation Improvement** fund was established to provide for capital improvement for all city park and recreation facilities.*



**CITY OF MOSES LAKE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2017**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Pooled cash & investments	\$ 2,343,592	\$ 184,488	\$ 519,133	\$ 3,047,213
Receivables (net of allowance for uncollectibles):				
Taxes	73,434	-	-	73,434
Customer accounts	-	-	-	-
Due from other governments	505	-	-	505
Assessments:				
Notes/contracts receivable	19,070	-	-	19,070
Total assets	<u>2,436,601</u>	<u>184,488</u>	<u>519,133</u>	<u>3,140,222</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	112,290	-	-	112,290
Salaries and benefits payable	308	-	-	308
Total liabilities	<u>112,598</u>	<u>-</u>	<u>-</u>	<u>112,598</u>
Deferred inflows of resources				
Deferred unavailable receivables	19,071	-	-	19,071
Fund balances:				
Inventories and noncurrent receivables	-	-	-	-
Restricted for:				
Public safety programs	441,175	-	-	441,175
Tourism	1,049,737	-	-	1,049,737
Debt service	-	184,488	-	184,488
Culture and recreation	187,129	-	413,364	600,493
Committed for:				
Culture and recreation	-	-	105,769	105,769
Transportation	626,891	-	-	626,891
Assigned to transportation	-	-	-	-
Assigned to Culture and recreation	-	-	-	-
Unassigned	-	-	-	-
Total fund balance	<u>2,304,932</u>	<u>184,488</u>	<u>519,133</u>	<u>3,008,553</u>
Total liabilities and fund balances	<u>\$ 2,436,601</u>	<u>\$ 184,488</u>	<u>\$ 519,133</u>	<u>\$ 3,140,222</u>

**CITY OF MOSES LAKE
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2017**

	Tourism	Grants and Donations	Paths and Trails	Street Repair and Reconstruction	Transportation Benefit District	Total Nonmajor Special Revenue Funds
ASSETS						
Pooled cash & investments	\$ 1,070,473	\$ 540,009	\$ 96,964	\$ 584,870	\$ 51,276	\$ 2,343,592
Taxes	73,434	-	-	-	-	73,434
Due from other governments	-	505	-	-	-	505
Notes/contracts receivable	-	-	-	19,070	-	19,070
Total assets	<u>1,143,907</u>	<u>540,514</u>	<u>96,964</u>	<u>603,940</u>	<u>51,276</u>	<u>2,436,601</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities:						
Accounts payable	94,170	8,866	-	9,194	60	112,290
Salaries and benefits payable	-	308	-	-	-	308
Total liabilities	<u>94,170</u>	<u>9,174</u>	<u>-</u>	<u>9,194</u>	<u>60</u>	<u>112,598</u>
Deferred inflows of resources						
Deferred unavailable receivables	-	-	-	19,070	-	19,071
Fund balances:						
Inventories and noncurrent receivables	-	-	-	-	-	-
Restricted for:						
Public safety programs	-	441,175	-	-	-	441,175
Tourism	1,049,737	-	-	-	-	1,049,737
Debt service	-	-	-	-	-	-
Culture and recreation	-	90,165	96,964	-	-	187,129
Committed for:						
Transportation	-	-	-	575,675	51,216	626,891
Assigned to transportation	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>1,049,737</u>	<u>531,340</u>	<u>96,964</u>	<u>575,675</u>	<u>51,216</u>	<u>2,304,932</u>
Total liabilities and fund balances	<u>\$ 1,143,907</u>	<u>\$ 540,514</u>	<u>\$ 96,964</u>	<u>\$ 603,939</u>	<u>\$ 51,276</u>	<u>\$ 2,436,601</u>

**CITY OF MOSES LAKE
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2017**

	2015 LTGO Refunding	Total Nonmajor Debt Service Funds
ASSETS		
Pooled cash & investments	\$ 184,488	\$ 184,488
Total assets	<u>184,488</u>	<u>184,488</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Fund balances:		
Restricted for:		
Debt service	<u>184,488</u>	<u>184,488</u>
Total liabilities and fund balances	<u>\$ 184,488</u>	<u>\$ 184,488</u>

**CITY OF MOSES LAKE
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2017**

	Park Mitigation	Park Improvement	Total Nonmajor Capital Projects Funds
ASSETS			
Pooled cash & investments	\$ 413,364	\$ 105,769	\$ 519,133
Total assets	<u>413,364</u>	<u>105,769</u>	<u>519,133</u>
 Fund balances:			
Restricted for:			
Culture and recreation	413,364	-	413,364
Committed to:			
Culture and recreation	-	105,769	105,769
Total fund balances	<u>\$ 413,364</u>	<u>\$ 105,769</u>	<u>\$ 519,133</u>

**CITY OF MOSES LAKE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 1,428,592	\$ -	\$ -	\$ 1,428,592
Intergovernmental revenues	579,839	-	-	579,839
Charges for services	2,229	-	86,400	88,629
Fines and forfeits	256	-	-	256
Interest earnings	23,008	-	4,490	27,498
Contributions/donations	94,601	-	-	94,601
Assessments	18,597	-	-	18,597
Miscellaneous	11,966	-	-	11,966
Total revenues	<u>2,159,088</u>	<u>-</u>	<u>90,890</u>	<u>2,249,978</u>
EXPENDITURES				
Current:				
General Government	2,027	-	-	2,027
Public safety	171,659	-	-	171,659
Transportation	1,314,428	-	-	1,314,428
Culture and recreation	219,471	-	-	219,471
Capital outlay	17,696	-	-	17,696
Debt service:				
Principal	-	129,167	-	129,167
Interest and debt issue costs	-	106,208	-	106,208
Total expenditures	<u>1,725,281</u>	<u>235,375</u>	<u>-</u>	<u>1,960,656</u>
Excess (deficiency) of revenues over (under) expenditures	<u>433,807</u>	<u>(235,375)</u>	<u>90,890</u>	<u>289,322</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	632,154	235,600	-	867,754
Transfers (out)	<u>(70,700)</u>	<u>(482)</u>	<u>-</u>	<u>(71,182)</u>
Total other financing sources	<u>561,454</u>	<u>235,118</u>	<u>-</u>	<u>796,572</u>
Net change in fund balance	995,261	(257)	90,890	1,085,894
Fund balances-beginning	1,230,044	184,744	428,243	1,843,031
Prior Period Adjustments	79,628	-	-	79,628
Fund balances-ending	<u>\$ 2,304,933</u>	<u>\$ 184,487</u>	<u>\$ 519,133</u>	<u>\$ 3,008,553</u>

**CITY OF MOSES LAKE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Tourism	Grants and Donations	Paths and Trails	Street Repair and Reconstruction	Transportation Benefit District	Total Nonmajor Special Revenue Funds
REVENUES						
Taxes	\$ 670,401	\$ -	\$ -	\$ 707,073	\$ 51,118	\$ 1,428,592
Intergovernmental revenues	-	259,139	2,307	318,392	-	579,838
Charges for services	-	2,229	-	-	-	2,229
Fines and forfeits	-	-	-	256	-	256
Interest earnings	9,239	5,382	-	8,290	98	23,009
Contributions/donations	-	94,101	500	-	-	94,601
Assessments	-	-	-	18,597	-	18,597
Miscellaneous	-	11,966	-	-	-	11,966
Total revenues	679,640	372,817	2,807	1,052,608	51,216	2,159,088
EXPENDITURES						
Current:						
General Government	-	2,027	-	-	-	2,027
Public safety	-	171,659	-	-	-	171,659
Transportation	-	-	-	1,314,428	-	1,314,428
Culture and recreation	180,723	38,748	-	-	-	219,471
Capital outlay	-	17,696	-	-	-	17,696
Total expenditures	180,723	230,130	-	1,314,428	-	1,725,281
Excess (deficiency) of revenues over (under) expenditures	498,917	142,687	2,807	(261,820)	51,216	433,807
OTHER FINANCING SOURCES (USES)						
Transfers in	-	2,154	-	630,000	-	632,154
Transfers (out)	(70,700)	-	-	-	-	(70,700)
Total other financing sources (uses)	(70,700)	2,154	-	630,000	-	561,454
Net change in fund balance	428,217	144,841	2,807	368,180	51,216	995,261
Fund balances-beginning	541,893	386,499	94,157	207,495	-	1,230,044
Prior Period Adjustments	79,628	-	-	-	-	79,628
Fund balances-ending	\$ 1,049,738	\$ 531,340	\$ 96,964	\$ 575,675	\$ 51,216	\$ 2,304,933

**CITY OF MOSES LAKE
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Equipment Leases	2015 LTGO Refunding	Total Nonmajor Debt Service Funds
EXPENDITURES			
Debt service:			
Principal	\$ -	\$ 129,167	\$ 129,167
Interest and debt issue costs	-	106,208	106,208
Total expenditures	-	235,375	235,375
Excess (deficiency) of revenues over (under) expenditures	-	(235,375)	(235,375)
OTHER FINANCING SOURCES (USES)			
Transfers in	-	235,600	235,600
Transfers (out)	(482)	-	(482)
Total other financing sources (uses)	(482)	235,600	235,118
Net change in fund balance	(482)	225	(257)
Fund balances-beginning	482	184,262	184,744
Fund balances-ending	\$ -	\$ 184,487	\$ 184,487

**CITY OF MOSES LAKE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Park Mitigation	Park Improvement	Total Nonmajor Capital Projects Funds
REVENUES			
Charges for services	\$ 86,400	\$ -	\$ 86,400
Interest earnings	4,490	-	4,490
Total revenues	<u>90,890</u>	<u>-</u>	<u>90,890</u>
Excess (deficiency) of revenues over (under) expenditures	90,890	-	90,890
Net change in fund balance	90,890	-	90,890
Fund balances - beginning	322,474	105,769	428,243
Fund balances - ending	<u>\$ 413,364</u>	<u>\$ 105,769</u>	<u>\$ 519,133</u>



INTERNAL SERVICE FUNDS

Internal Service Funds are established to provide for goods and services provided by department or fund to another department or fund of the city. These services are provided on a cost reimbursement basis. The City of Moses Lake has the following Internal Service funds:

Unemployment Compensation Insurance Fund - This fund was established in 1978 and was given further establishment and definitions in 1991 by ordinance to account for the funds used to reimburse the Washington State Department of Employment for unemployment compensation insurance, to pay administrative charges and to maintain reserves for these purposes.

Self- Insurance Fund - This fund was established in 1986 with a budget ordinance and resolution. It was given further definitions in 1991 by ordinance to account for the funds used by the city to provide all partial self-insurance for accident claims against the city in future periods, to pay administrative charges, insurance premiums, and maintain reserves for these purposes.

Central Services Fund - This fund is an intra-government service fund created by resolution in 1983 and further defined by ordinance in 1991 to provide data processing: word processing services to all city funds and department; to acquire, service, repair, maintain, operate, and replace personal computers, computer software, copiers, telephone systems, office supplies, and other electronic equipment; to provide services for all city funds and departments as deemed necessary and appropriate.

Equipment Rental Fund - This fund is an intra-governmental service fund created by Ordinance Number 320 as authorized by state statute. The equipment Rental Fund provides and maintains equipment for other funds and departments of the city.

Building Maintenance Fund - This fund is an intra-government service fund created by resolution in 1983 and further defined by ordinance in 1991 to account for all general government real property and buildings except that property purchased prior to the effective date of the ordinance, which shall be accounted for in the individual fund. This fund shall be used to acquire, service, repair, maintain, operate, and replace all general governmental real property, including land and buildings.



CITY OF MOSES LAKE
Combining Statement of Net Position
Internal Service Funds
December 31, 2017

	Unemployment Compensation	Self Insurance	Central Services	Equipment Rental	Building Maintenance	Totals
ASSETS						
Current Assets:						
Pooled cash & investments	\$ 56,851	\$ 589,474	\$ 276,554	\$ 1,390,068	\$ 836,937	\$ 3,149,884
Inventory	-	-	13,554	66,622	26,962	107,138
Total current assets	56,851	589,474	290,108	1,456,690	863,899	3,257,022
Noncurrent assets:						
Capital assets net of depreciation						
Land and land rights	-	-	-	-	608,951	608,951
Buildings	-	-	-	-	11,317,344	11,317,344
Machinery and equipment	-	-	148,707	3,676,953	769,865	4,595,525
Total capital assets	-	-	148,707	3,676,953	12,696,160	16,521,820
Total assets	56,851	589,474	438,815	5,133,643	13,560,059	19,778,842
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Pension	-	-	5,302	15,907	31,813	53,022
Total deferred outflows of resources	-	-	5,302	15,907	31,813	53,022
LIABILITIES						
Current liabilities						
Accounts payable	-	3,373	4,268	29,936	18,332	55,909
Salaries and benefits payable	-	-	2,776	6,592	10,927	20,295
Interfund loans payable	-	-	-	-	3,738,778	3,738,778
Interest payable	-	-	-	-	7,339	7,339
Capital leases payable	-	-	18,010	343,295	1,268	362,573
G.O. bonds payable	-	-	-	-	785,000	785,000
Compensated Absences	-	-	2,062	3,333	2,298	7,693
Total current liabilities	-	3,373	27,116	383,156	4,563,942	4,977,587
Noncurrent liabilities:						
G.O. bonds payable (net discount/premium)	-	-	-	-	2,242,279	2,242,279
Compensated absences	-	-	18,555	29,996	20,682	69,233
Lease payable	-	-	21,114	838,133	-	859,247
Net pension liability	-	-	49,468	148,403	296,807	494,678
Total noncurrent liabilities	-	-	89,137	1,016,532	2,559,768	3,665,437
Total liabilities	-	3,373	116,253	1,399,688	7,123,710	8,643,024
DEFERRED INFLOWS OF RESOURCES						
Pension	-	-	8,556	27,444	54,888	90,888
Total deferred inflows of resources	-	-	8,556	27,444	54,888	90,888
NET POSITION						
Net investment in capital assets	-	-	109,583	2,495,525	9,668,881	12,273,989
Unrestricted	56,851	586,101	209,726	1,226,893	(3,255,606)	(1,176,035)
Total net position	\$ 56,851	\$ 586,101	\$ 319,309	\$ 3,722,418	\$ 6,413,275	\$ 11,097,954

CITY OF MOSES LAKE
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2017

	Unemployment Compensation	Self Insurance	Central Services	Equipment Rental	Building Maintenance	Totals
OPERATING REVENUES						
Charges for services	\$ -	\$ 423,100	\$ 530,879	\$ 2,449,003	\$ 2,707,800	\$ 6,110,782
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ 901	\$ 901
Total operating revenues	-	423,100	530,879	2,449,003	2,708,701	6,111,683
OPERATING EXPENSES						
Salaries and benefits	-	-	220,025	477,280	812,733	1,510,038
Supplies and contractual services	-	-	266,539	619,171	216,603	1,102,313
Utilities	-	-	-	-	121,851	121,851
Repairs and maintenance	-	-	27,094	89,990	120,654	237,738
Insurance claims and expenses	28,388	524,076	-	-	-	552,464
Depreciation and amortization	-	-	53,058	620,828	378,064	1,051,950
Total operating expenses	28,388	524,076	566,716	1,807,269	1,649,905	4,576,354
Operating income (loss)	(28,388)	(100,976)	(35,837)	641,734	1,058,796	1,535,329
NONOPERATING REVENUES (EXPENSES)						
Interest and other earnings	779	5,528	3,149	7,781	17,121	34,358
Rents and royalties	-	-	-	-	1,800	1,800
Insurance recoveries	-	-	-	87,262	26,922	114,184
Interest expense	-	-	(2,530)	(40,165)	(178,504)	(221,199)
Miscellaneous revenues	-	-	-	2	3,132	3,134
Gain (loss) on disposal of fixed assets	-	-	-	-	-	-
Total nonoperating revenues (expenses)	779	5,528	619	54,880	(129,529)	(67,723)
Income (loss) before contributions and transfers	(27,609)	(95,448)	(35,218)	696,614	929,267	1,467,606
Change in net position	(27,609)	(95,448)	(35,218)	696,614	929,267	1,467,606
Net position - beginning	84,460	681,550	354,526	3,025,803	5,484,009	9,630,348
Net position - ending	\$ 56,851	\$ 586,102	\$ 319,308	\$ 3,722,417	\$ 6,413,276	\$ 11,097,954

CITY OF MOSES LAKE
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2017

Page 1 of 2

	Unemployment Compensation	Self Insurance	Central Services	Equipment Rental	Building Maintenance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ -	\$ 423,100	\$ 530,879	\$ 2,449,003	\$ 2,708,701	\$ 6,111,683
Payments to suppliers	(28,388)	(520,703)	(308,948)	(749,302)	(451,400)	(2,058,741)
Payments to employees	-	-	(186,026)	(397,721)	(663,631)	(1,247,378)
Miscellaneous revenues	-	-	-	2	3,132	3,134
Net cash provided (used) by operating activities	(28,388)	(97,603)	35,905	1,301,982	1,596,802	2,808,698
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Payments from (to) other funds	-	-	-	-	28	28
Payments to other funds	-	(75,630)	-	-	(230)	(75,860)
Insurance recoveries	-	-	-	87,262	26,922	114,184
Net cash provided (used) by noncapital financing activities	-	(75,630)	-	87,262	26,720	38,352
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from capital debt	-	-	-	610,829	-	610,829
Principal paid on debt	-	-	(14,475)	(764,754)	(1,675,270)	(2,454,499)
Interest paid on debt	-	-	(2,530)	(40,165)	(180,151)	(222,846)
Purchase of capital assets	-	-	(36,195)	(590,445)	(36,272)	(662,912)
Net cash provided (used) by capital and related financing activities	-	-	(53,200)	(784,535)	(1,891,693)	(2,729,428)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest income	779	5,528	3,149	7,781	17,121	34,358
Net cash provided by investing activities	779	5,528	3,149	7,781	17,121	34,358
Net increase (decrease) in cash and cash equivalents	(27,609)	(167,705)	(14,146)	612,490	(251,050)	151,980
Cash and cash equivalents - January 1	84,460	757,180	290,702	777,577	1,087,987	2,997,906
Prior period adjustment	-	-	-	-	-	-
Cash and cash equivalents - December 31	56,851	589,475	276,556	1,390,067	836,937	3,149,886

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2017
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2017

Page 2 of 2

Page 1 of 2

	Unemployment Compensation	Self Insurance	Central Services	Equipment Rental	Building Maintenance	Totals
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used)						
by Operating Activities						
Operating income (loss)	\$ (28,388)	\$ (100,976)	\$ (35,836)	\$ 641,734	\$ 1,058,796	\$ 1,535,330
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation and amortization	-	-	53,058	620,828	378,064	1,051,950
Decrease (increase) in prepaid expenses	-	-	(11,763)	(17,958)	3,559	(26,162)
(Decrease) increase in accounts payable	-	3,373	(3,552)	(22,183)	4,149	(18,213)
(Decrease) increase in salaries payable	-	-	156	1,778	1,268	3,202
(Decrease) increase in compensated absences payable	-	-	9,974	6,175	4,622	20,771
(Decrease) increase in pension liabilities	-	-	23,869	71,606	143,212	238,687
(Decrease) increase in miscellaneous revenues	-	-	-	2	3,132	3,134
Total adjustments	-	3,373	71,742	660,248	538,006	1,273,369
Net cash provided (used) by operating activities	\$ (28,388)	\$ (97,603)	\$ 35,906	\$ 1,301,982	\$ 1,596,802	\$ 2,808,699
Noncash investing, capital and financing activities:						
Additions to capital lease	\$ -	\$ -	\$ -	\$ 505,400	\$ -	\$ 505,400

TRUST AND AGENCY FUNDS

Trust and Agency Funds are used to account for assets held by a government in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Such funds are classified as Pension Trust, Non-Expendable Trust, Expendable Trust, and Agency Funds. The city maintains one Pension Trust Fund (Firemen's) which is accounted for on the full accrual basis. The city maintains three Agency Funds (Deposit, State Deposit, and Treasurer Suspense) which are custodial in nature and do not involve the measurement of operations.

Deposit and State Deposit Funds - These funds are established to receipt and disburse monies that are deposited with the city as custodial cash. The Deposit Fund handles monies for business license deposits, bid bond deposits, etc. that will be remitted to individuals or contractors. This fund also accounts for any pass through monies and any items whose ultimate disposition is not known. The State Deposit Fund handles monies for excise and use tax, leasehold excise tax, labor and industries, building code, etc that will be remitted to the state.



CITY OF MOSES LAKE
Combining Statement of Assets and Liabilities
Agency Funds
December 31, 2017

	<u>Agency Funds</u>		
	<u>Deposit</u>	<u>State Deposit</u>	<u>Totals</u>
ASSETS			
Pooled cash & investments	<u>\$ 792,611</u>	<u>\$ 202,762</u>	<u>\$ 995,373</u>
Total assets	<u>792,611</u>	<u>202,762</u>	<u>995,373</u>
LIABILITIES			
Custodial accounts payable	<u>792,611</u>	<u>202,762</u>	<u>995,373</u>
Total liabilities	<u>\$ 792,611</u>	<u>\$ 202,762</u>	<u>\$ 995,373</u>

CITY OF MOSES LAKE
Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended December 31, 2017

	Balance December 31, 2016	Additions	Deductions	Balance December 31, 2017
DEPOSIT FUND				
Assets				
Cash	\$ 778,034	\$ 4,157,050	\$ 4,142,473	\$ 792,611
Total assets	<u>778,034</u>	<u>4,157,050</u>	<u>4,142,473</u>	<u>792,611</u>
Liabilities				
Deposits	753,267	4,726,801	4,741,797	738,271
Retainage payable	24,767	79,580	50,007	54,340
Total liabilities	<u>\$ 778,034</u>	<u>\$ 4,806,381</u>	<u>\$ 4,791,804</u>	<u>\$ 792,611</u>
STATE DEPOSIT FUND				
Assets				
Cash	\$ 342,241	\$ 3,793,718	\$ 3,933,197	\$ 202,762
Total assets	<u>342,241</u>	<u>3,793,718</u>	<u>3,933,197</u>	<u>202,762</u>
Liabilities				
Due to state	342,242	7,706,437	7,845,917	202,762
Total liabilities	<u>\$ 342,242</u>	<u>\$ 7,706,437</u>	<u>\$ 7,845,917</u>	<u>\$ 202,762</u>
TOTALS - ALL AGENCY FUNDS				
Assets				
Cash	\$ 1,120,275	\$ 7,950,768	\$ 8,075,670	\$ 995,373
Total assets	<u>1,120,275</u>	<u>7,950,768</u>	<u>8,075,670</u>	<u>995,373</u>
Liabilities				
Deposits	753,267	4,726,801	4,741,797	738,271
Due to other governments	342,242	7,706,437	7,845,917	202,762
Retainage payable	24,767	79,580	50,007	54,340
Total liabilities	<u>\$ 1,120,276</u>	<u>\$ 12,512,818</u>	<u>\$ 12,637,721</u>	<u>\$ 995,373</u>

**CITY OF MOSES LAKE, WASHINGTON
STATISTICAL SECTION
(Unaudited)**

This part of the City of Moses Lake's comprehensive annual financial report presents detailed information as a context for understanding what information in the financial statements, notes and required supplemental information says about the City's financial well being.

Contents

Financial Trends 113

These schedules contain trend information to assist the reader in understanding how the City's financial performance and well being have changed over time.

Revenue Capacity..... 120

These schedules contain information to assist the reader in assessing the City's most significant local revenue source or property taxes.

Debt Capacity..... 124

These schedules present information to assist the reader in assessing the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information..... 130

These schedules offer demographic and economic indicators to assist the reader in understanding the environment within which the government's financial activities take place.

Operating Information..... 132

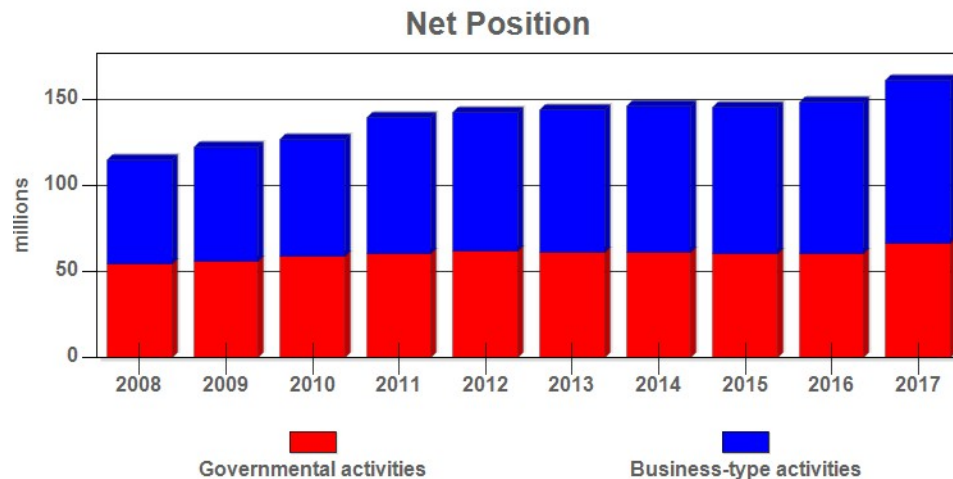
These schedules contain service and infrastructure data to assist the reader in understanding how the information in the City's financial report relates to the services the city provides and activities it performs.

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

CITY OF MOSES LAKE
Net Position by Component
Last Ten Fiscal Year
(full accrual basis of accounting)

Table B-1

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net investment in capital assets	\$ 50,482,406	\$ 54,496,935	\$ 53,836,958	\$ 59,285,986	\$ 60,548,550	\$ 61,088,313	\$ 61,620,391	\$ 62,228,340	\$ 63,239,074	\$ 63,142,833
Restricted	-	333,407	293,999	-	505,499	447,675	437,862	(1,712,820)	(1,246,322)	2,339,160
Unrestricted	3,167,730	1,168,903	5,319,411	487,334	1,187,230	(685,952)	(1,164,099)	(780,488)	(2,139,795)	573,435
Total governmental activities net position	<u>\$ 53,650,136</u>	<u>\$ 55,999,245</u>	<u>\$ 59,450,368</u>	<u>\$ 59,773,320</u>	<u>\$ 62,241,279</u>	<u>\$ 60,850,036</u>	<u>\$ 60,894,154</u>	<u>\$ 59,735,032</u>	<u>\$ 59,852,957</u>	<u>\$ 66,055,428</u>
Business-type activities										
Net investment in capital assets	49,930,238	53,585,563	54,876,380	58,920,713	66,254,242	70,129,187	73,679,324	72,237,022	74,491,199	77,543,930
Restricted	852,140	853,538	810,836	5,408,741	3,917,363	4,072,763	4,910,128	(724,602)	(814,042)	1,284,375
Unrestricted	10,466,369	11,624,386	12,412,327	14,861,223	9,926,968	8,623,100	6,458,095	13,859,843	14,350,450	15,715,663
Total business-type activities net position	<u>\$ 61,248,747</u>	<u>\$ 66,063,487</u>	<u>\$ 68,099,543</u>	<u>\$ 79,190,677</u>	<u>\$ 80,098,573</u>	<u>\$ 82,825,050</u>	<u>\$ 85,047,547</u>	<u>\$ 85,372,263</u>	<u>\$ 88,027,607</u>	<u>\$ 94,543,968</u>
Primary government										
Net investment in capital assets	100,412,644	108,082,498	108,713,338	118,206,699	126,802,792	131,217,500	135,299,715	134,465,362	137,730,273	140,686,763
Restricted	852,140	1,186,945	1,104,835	5,408,741	4,422,862	4,520,438	5,347,990	(2,437,422)	(2,060,364)	3,623,535
Unrestricted	13,634,099	12,793,289	17,731,738	15,348,557	11,114,198	7,937,148	5,293,996	13,079,355	12,210,655	16,289,098
Total primary government net position	<u>\$114,898,883</u>	<u>\$122,062,732</u>	<u>\$127,549,911</u>	<u>\$138,963,997</u>	<u>\$142,339,852</u>	<u>\$143,675,086</u>	<u>\$145,941,701</u>	<u>\$145,107,295</u>	<u>\$147,880,564</u>	<u>\$160,599,396</u>

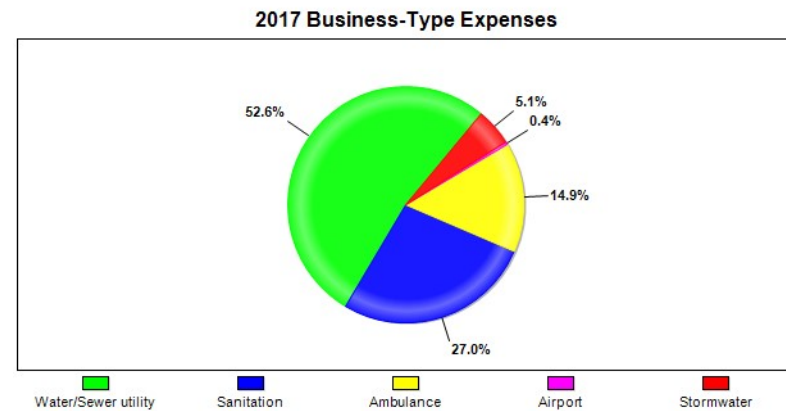
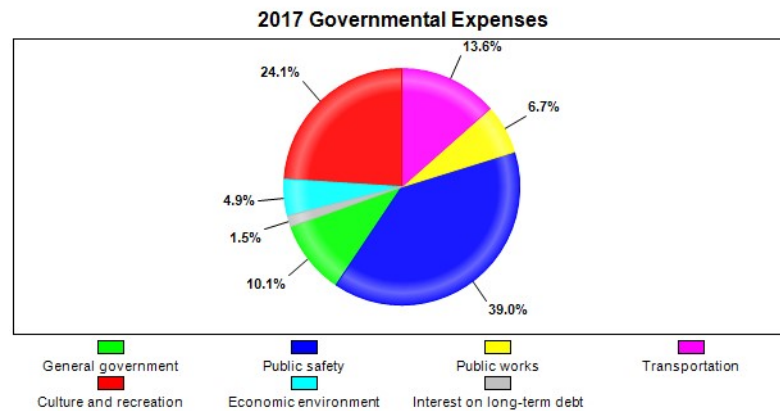


CITY OF MOSES LAKE
Changes in Expenses by Function
Last Ten Fiscal Years
(full accrual basis of accounting)

Table B-2
Page 1 of 3

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities:										
General government	\$ 1,558,972	\$ 1,495,042	\$ 1,490,050	\$ 5,177,801	\$ 2,025,131	\$ 2,248,966	\$ 1,810,976	\$ 1,919,942	\$ 3,164,520	\$ 2,357,673
Public safety	7,040,112	8,082,864	8,250,244	8,208,749	8,523,429	8,187,757	8,272,137	8,476,035	9,079,116	9,070,874
Public works	1,850,759	1,894,915	1,786,822	1,849,411	1,935,245	1,838,465	1,841,532	1,705,047	1,616,151	1,556,397
Transportation	2,618,394	2,717,746	2,657,304	2,757,678	1,981,454	2,565,422	1,838,589	2,011,189	2,772,694	3,152,406
Culture and recreation	4,663,157	4,911,237	5,155,333	5,970,761	5,777,849	5,756,198	5,696,832	5,402,719	5,680,271	5,606,910
Economic environment	796,501	768,252	743,863	761,298	803,867	1,043,025	1,064,457	1,106,617	1,146,169	1,148,057
Interest on long-term debt	588,542	533,057	591,488	671,148	675,736	534,349	466,372	433,784	379,763	349,562
Total governmental activities	19,116,437	20,403,113	20,675,104	25,396,846	21,722,711	22,174,182	20,990,895	21,055,333	23,838,684	23,241,879
Business-type activities:										
Water/Sewer utility	7,039,880	7,128,833	7,192,446	7,599,119	7,401,282	7,788,179	8,876,959	8,026,945	7,283,991	7,618,628
Sanitation	2,166,047	2,025,330	2,952,147	2,962,499	3,025,020	3,138,126	3,263,670	3,544,496	3,605,673	3,904,199
Ambulance	1,959,865	2,124,517	2,305,638	2,409,424	2,509,558	2,490,405	2,593,169	2,394,802	2,337,527	2,157,738
Airport	159,494	100,250	35,141	28,960	30,063	34,120	28,465	51,733	50,676	54,275
Stormwater	-	-	336,113	477,990	525,931	536,941	626,936	569,393	807,738	745,440
Total business-type activities expenses	11,325,286	11,378,930	12,821,485	13,477,992	13,491,854	13,987,771	15,389,199	14,587,369	14,085,605	14,480,280
Total primary government expenses	\$ 30,441,723	\$ 31,782,043	\$ 33,496,589	\$ 38,874,838	\$ 35,214,565	\$ 36,161,953	\$ 36,380,094	\$ 35,642,702	\$ 37,924,289	\$ 37,722,159

Stormwater business-type activities began in 2010.



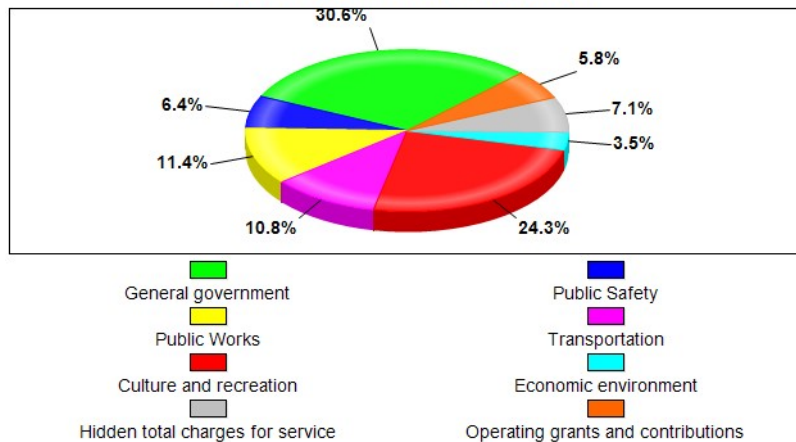
CITY OF MOSES LAKE
Changes in Revenues by Function
Last Ten Fiscal Years

Table B-2
Page 2 of 3

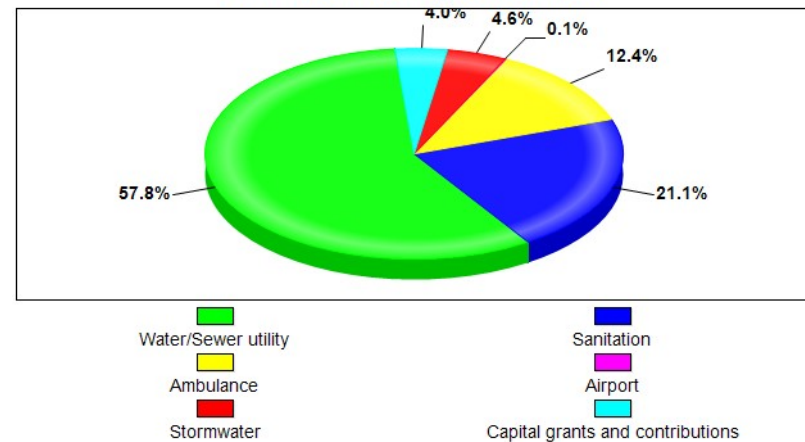
Program Revenues	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities:										
Charges for service										
General government	\$ 1,061,752	\$ 959,474	\$ 883,157	\$ 987,186	\$ 1,121,967	\$ 725,822	\$ 875,769	\$ 1,345,013	\$ 1,634,010	\$ 1,740,377
Public Safety	1,490,381	1,592,864	1,955,918	1,335,433	1,556,924	1,595,284	1,792,009	1,741,676	1,169,764	365,690
Public Works	1,270,698	1,358,999	1,344,876	1,509,856	675,827	878,259	892,800	890,904	794,545	647,723
Transportation	1,006,085	501,464	671,262	904,680	675,203	737,332	837,828	545,861	848,254	612,678
Culture and recreation	1,551,558	1,677,145	1,409,773	1,457,901	1,423,732	1,332,460	1,313,698	1,275,793	1,526,032	1,381,724
Economic environment	274,564	141,282	139,878	123,220	121,754	113,687	252,263	278,124	319,852	199,155
Operating grants and contributions	170,019	236,741	208,603	292,896	449,067	361,653	150,649	127,382	64,704	404,959
Capital grants and contributions	1,883,980	2,701,529	1,149,290	1,451,525	-	579,474	161,390	680,345	680,361	330,692
Total governmental activities	8,709,037	9,169,498	7,762,757	8,062,697	6,024,474	6,323,971	6,276,406	6,885,098	7,037,522	5,682,998
Business-type activities:										
Charges for Services:										
Water/Sewer utility	8,510,652	8,904,299	9,354,264	13,493,211	9,894,017	9,705,574	10,334,324	10,692,572	11,036,058	11,062,889
Sanitation	2,083,539	1,946,888	2,073,684	2,420,533	2,401,838	2,393,090	2,747,517	3,182,534	3,471,109	4,044,756
Ambulance	1,988,586	1,691,073	1,902,757	2,476,305	2,390,364	2,284,340	2,528,431	2,632,671	2,145,587	2,371,353
Airport	34,720	31,044	33,403	36,191	32,932	30,501	287,798	(3,708)	25,979	26,934
Stormwater	-	-	605,873	762,632	739,803	758,053	777,967	812,510	841,820	884,091
Capital grants and contributions	2,428,223	3,462,261	790,028	5,100,566	554,823	1,593,186	1,016,032	663,416	1,563,213	761,301
Total Business-type activities	15,045,720	16,035,565	14,760,009	24,289,438	16,013,777	16,764,744	17,692,069	17,979,995	19,083,766	19,151,324
Total primary government program revenues	\$ 23,754,757	\$ 25,205,063	\$ 22,522,766	\$ 32,352,135	\$ 22,038,251	\$ 23,088,715	\$ 23,968,475	\$ 24,865,093	\$ 26,121,288	\$ 24,834,322

Stormwater business-type activities began in 2010.

2017 Governmental Revenues



2017 Business-Type Revenues



CITY OF MOSES LAKE

Changes in Net Position

Last Ten Fiscal Years

(full accrual basis of accounting)

Table B-2

Page 3 of 3

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net (Expense)/Revenue										
Governmental activities	\$(10,407,400)	\$(11,233,615)	\$(12,912,347)	\$(17,334,149)	\$(15,698,237)	\$(15,850,211)	\$(14,714,489)	\$(14,170,235)	\$(16,801,162)	\$(17,558,881)
Business-type activities	3,720,434	4,656,635	1,938,524	10,811,446	2,521,923	2,776,973	2,302,870	3,392,626	4,998,161	4,671,044
Total primary government net expense	(6,686,966)	(6,576,980)	(10,973,823)	(6,522,703)	(13,176,314)	(13,073,238)	(12,411,619)	(10,777,609)	(11,803,001)	(12,887,837)

General Revenues and Other Changes in Net Position

Governmental Activities:

Taxes:

Property taxes	3,270,650	4,321,219	7,052,123	8,490,927	7,089,271	4,060,416	4,214,011	4,463,541	7,594,524	6,811,359
Retail sales and use taxes	6,225,961	5,633,499	5,288,180	5,539,605	5,368,342	5,891,891	6,194,709	6,128,076	6,535,040	7,424,680
Business taxes	3,570,860	3,490,995	3,489,277	3,591,144	3,820,464	4,032,173	3,813,397	4,205,782	4,099,389	4,905,212
Interest and investment earnings	206,425	270,648	186,950	288,222	239,762	226,262	240,015	297,594	234,809	265,747
Miscellaneous	3,275	437	1,054	-	1,158	1,025	3,312	130,773	234,809	114,184
Transfers, internal activities	232,565	(134,074)	(73,500)	(252,800)	1,647,200	247,200	293,164	425,660	425,660	425,660

Total governmental activities

	13,509,736	13,582,724	15,944,084	17,657,098	18,166,197	14,458,967	14,758,608	15,651,426	19,124,231	19,946,842
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Business-type activities:

Interest and investment earnings	330,141	24,032	24,032	26,888	33,173	196,703	173,727	155,982	234,809	129,770
Insurance recoveries	-	-	-	-	-	-	39,063	39,063	32,770	-
Transfers, Internal activities	(232,565)	134,074	73,500	252,800	(1,647,200)	(247,200)	(293,164)	(425,660)	(425,660)	(425,660)

Total business-type activities

	97,576	158,106	97,532	279,688	(1,614,027)	(50,497)	(80,374)	(230,615)	(158,081)	(295,890)
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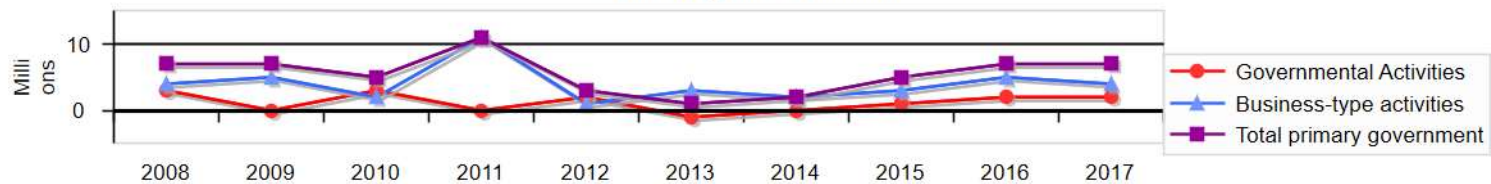
Total Primary Government

	13,607,312	13,740,830	16,041,616	17,936,786	16,552,170	14,408,470	14,678,234	15,420,811	18,966,150	19,650,952
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Change in Net Position

Governmental Activities	3,102,336	2,349,109	3,031,737	322,949	2,467,960	(1,391,244)	44,119	1,481,191	2,323,069	2,387,961
Business-Type Activities	3,818,010	4,814,741	2,036,056	11,091,134	907,896	2,726,476	2,222,496	3,162,011	4,840,080	4,375,154
Total Primary Government	\$ 6,920,346	\$ 7,163,850	\$ 5,067,793	\$ 11,414,083	\$ 3,375,856	\$ 1,335,232	\$ 2,266,615	\$ 4,643,202	\$ 7,163,149	\$ 6,763,115

Total Change in Net Position

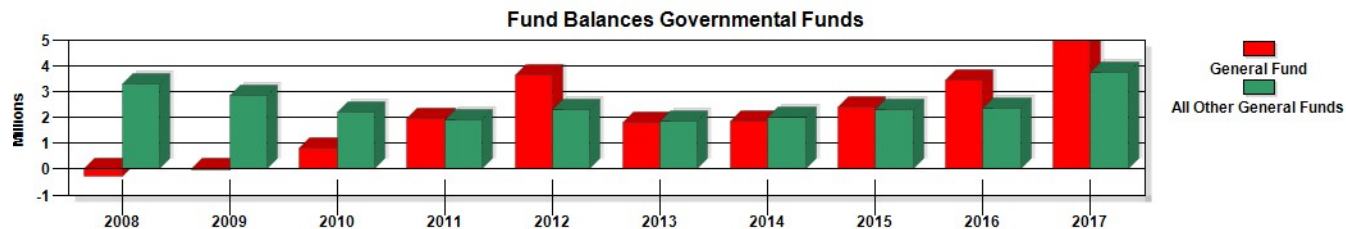


CITY OF MOSES LAKE
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified basis of accounting)

Table B-3

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General fund										
Reserved	\$ 123,432	\$ 117,498	\$ 151,387	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	(418,240)	(139,835)	649,689	-	-	-	-	-	-	-
Nonspendable	** -	-	-	1,227,411	1,384,505	1,545,650	1,738,030	1,828,476	244,583	150,858
Restricted	** -	-	-	-	6,238	-	1,720	-	-	-
Committed	** -	-	-	-	-	-	-	-	330,371	330,371
Assigned	** -	-	-	581,000	-	-	-	-	-	-
Unassigned	** -	-	-	119,434	2,243,656	248,118	125,692	578,892	2,878,602	4,644,701
Total general fund	\$ (294,808)	\$ (22,337)	\$ 801,076	\$ 1,927,845	\$ 3,634,399	\$ 1,793,768	\$ 1,865,442	\$ 2,407,368	\$ 3,453,556	\$ 5,125,930
All other governmental funds										
Reserved	411,096	376,696	375,718	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	2,594,316	2,199,125	1,557,431	-	-	-	-	-	-	-
Capital projects fund 2006	262,588	267,293	267,293	-	-	-	-	-	-	-
Nonspendable	** -	-	-	95,735	121,103	311,804	84,191	80,471	84,606	69,395
Restricted for:										
Public safety programs	** -	-	-	-	9,061	32,606	59,909	194,270	285,722	441,175
Tourism	** -	-	-	268,044	228,899	120,790	32,817	200,752	541,893	1,049,737
Debt service	** -	-	-	294,317	175,955	165,826	164,276	190,273	184,723	184,488
Culture and recreation	** -	-	-	-	85,346	128,452	179,140	194,946	556,876	600,493
Committed for:										
Municipal facilities	** -	-	-	257,449	-	-	-	-	-	-
Culture and recreation	** -	-	-	470,104	302,363	534,220	105,769	105,769	-	105,769
Transportation	** -	-	-	534,238	501,380	268,971	701,426	622,445	207,328	626,891
Assigned to transportation	** -	-	-	-	446,658	148,293	347,661	358,011	434,646	671,874
Assigned to culture and recreation	** -	-	-	-	446,658	148,293	347,661	358,011	62,082	-
Unassigned	** -	-	-	-	-	-	-	-	-	-
Total all other governmental funds	\$ 3,268,000	\$ 2,843,114	\$ 2,200,442	\$ 1,919,887	\$ 2,317,423	\$ 1,859,255	\$ 2,022,850	\$ 2,304,948	\$ 2,357,876	\$ 3,749,822

** GASB 54 fund balance reporting implemented in 2011

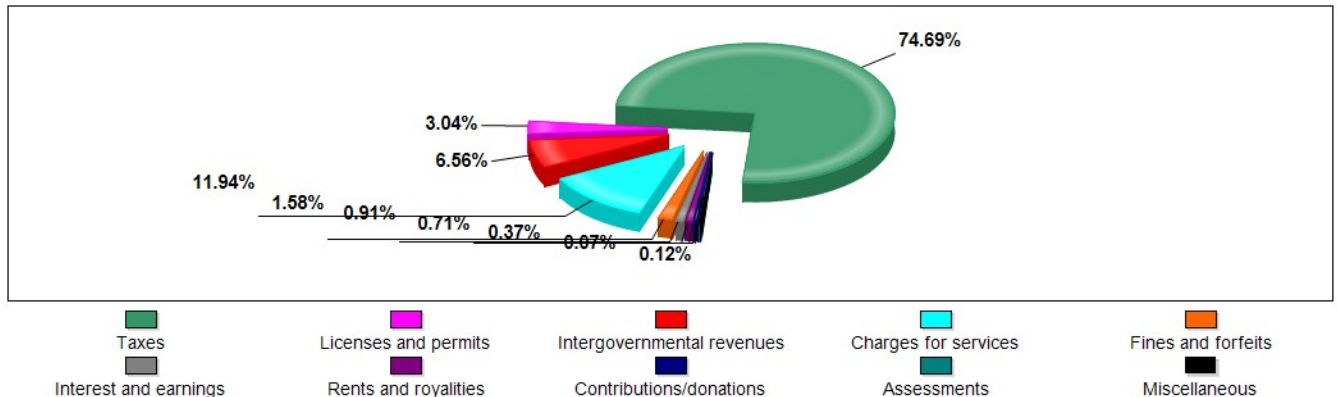


CITY OF MOSES LAKE
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Amounts expressed in thousands)

Table B-4

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes	\$ 13,020	\$ 13,378	\$ 15,759	\$ 17,526	\$ 16,322	\$ 14,036	\$ 14,249	\$ 14,828	\$ 17,193	\$ 19,124
Licenses and permits	1,159	617	532	471	599	616	724	597	968	780
Intergovernmental revenues	1,587	2,369	1,713	1,301	1,463	1,236	1,249	1,309	1,343	1,681
Charges for services	3,447	3,490	3,632	3,925	2,969	3,061	3,314	3,722	3,379	3,057
Fines and forfeits	267	664	571	393	444	495	458	505	446	405
Interest and earnings	199	269	182	268	222	209	218	228	235	233
Rents and royalties	417	430	160	157	164	168	131	116	99	181
Contributions/donations	71	64	79	67	73	100	61	103	91	95
Assessments	77	32	26	93	17	93	30	22	50	19
Miscellaneous	106	71	18	6	81	32	21	17	40	31
Total revenues	20,350	21,384	22,672	24,207	22,354	20,046	20,455	21,447	23,843	25,605
Expenditures										
General government	1,378	1,481	1,510	2,080	1,950	2,056	1,871	2,090	2,513	2,611
Public safety	6,778	7,267	8,114	8,457	8,655	8,408	8,200	8,758	9,398	9,658
Public works	1,869	1,886	1,858	1,936	1,991	1,888	1,833	1,752	1,703	1,678
Transportation	2,549	2,707	2,722	2,811	2,016	2,587	1,778	1,997	2,802	3,267
Economic environment	798	777	776	788	819	1,050	1,058	1,116	1,165	1,185
Culture and recreation	3,943	4,408	4,881	5,605	5,440	5,567	4,960	4,701	5,190	5,366
Capital outlay	2,294	1,916	1,209	605	634	222	526	262	116	282
Debt Service										
Principal	538	564	587	561	579	228	231	239	247	129
Interest	384	342	296	265	236	215	180	176	153	134
Total expenditures	20,531	21,348	21,953	23,108	22,320	22,221	20,637	21,091	23,287	24,310
Excess (deficiency) of revenue over (under) expenditures	(181)	36	719	1,099	34	(2,175)	(182)	356	556	1,295
Other financing sources (uses)										
Transfers in	5,519	3,590	3,699	3,002	4,992	2,529	2,220	2,438	2,483	2,725
Transfers out	(5,411)	(3,797)	(4,246)	(3,329)	(3,418)	(2,355)	(2,001)	(2,013)	(2,073)	(2,299)
Sales of capital assets	101	-	-	74	22	1	8	8	-	22
Miscellaneous nonoperating	-	-	-	-	-	-	-	-	-	-
Proceeds of long term debt	-	18	6	-	27	-	-	-	-	-
Proceeds from interfund debt	-	-	-	-	-	-	-	-	-	-
Proceeds of G.O. bonds	-	-	-	-	-	-	-	3,083	-	-
Discount on G.O. bonds issued	-	-	-	-	-	-	-	(3,058)	-	-
Total other financing sources (uses)	209	(189)	(541)	(253)	1,623	175	227	459	410	448
Net change in fund balances	\$ 28	\$ (153)	\$ 178	\$ 846	\$ 1,657	\$ (2,000)	\$ 45	\$ 814	\$ 966	\$ 1,743
Debt service as a percentage of noncapital expenditures	5.05 %	4.66 %	4.25 %	3.67 %	3.76 %	2.01 %	2.04 %	1.99 %	1.72 %	1.10 %

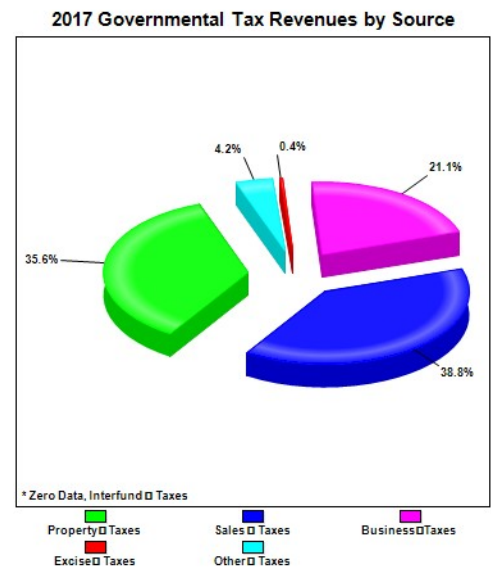
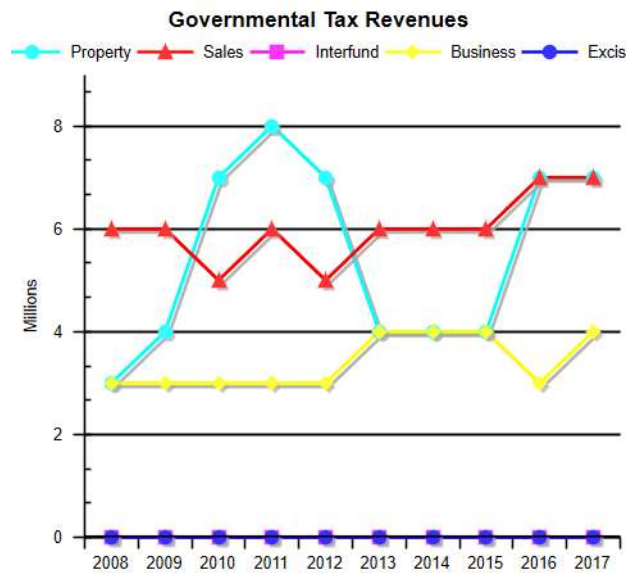
2017 General Governmental Revenues by Source



CITY OF MOSES LAKE
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)

Table B-9

Fiscal Year	Property Taxes	Sales Taxes	Interfund Taxes	Business Taxes	Excise Taxes	Other Taxes	Total
2008	\$ 3,270,650	\$ 6,225,961	\$ 74,500	\$ 3,111,033	\$ 384,450	\$ 877	13,067,471
2009	4,321,219	5,633,499	74,500	3,005,386	410,639	470	13,445,713
2010	7,052,123	5,288,180	74,500	3,088,414	326,363	-	15,829,580
2011	8,490,927	5,539,605	74,500	3,192,837	323,114	693	17,621,676
2012	7,089,271	5,368,342	74,500	3,400,684	345,080	200	16,278,077
2013	4,060,416	5,891,891	-	3,954,407	16,800	60,966	13,984,480
2014	4,214,011	6,194,709	-	3,730,170	21,834	61,393	14,222,117
2015	4,463,541	6,128,076	-	3,701,160	18,315	486,307	14,797,399
2016	6,558,158	6,535,040	-	3,484,056	22,403	592,931	17,192,588
2017	6,811,359	7,424,680	-	4,033,831	76,297	795,084	19,141,251

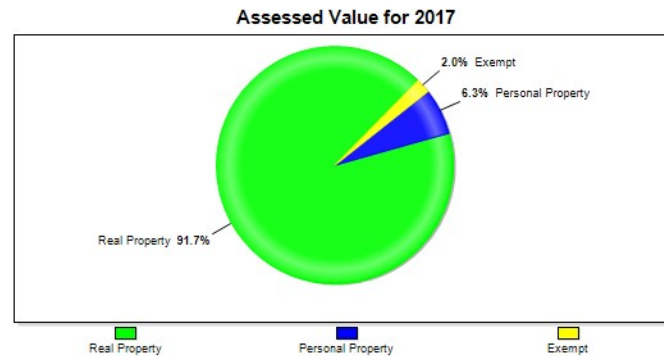


CITY OF MOSES LAKE
Assessed and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years*
Table C-1

Fiscal Year	Real Property	Personal Property	Less Tax Exempt		Total Taxable Assessed Value	Direct Tax Rate per \$1000 of Assessed Value	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
			Real Property	Personal Property				
2008	\$ 1,035,482,663	\$ 57,047,725	\$ 11,738,025	\$ 423,250	\$ 1,080,369,113	2.9596	2,160,738,226	50
2009	1,713,811,503	89,251,847	22,878,102	438,050	1,779,747,198	2.9198	2,966,245,330	60
2010	2,726,368,399	106,246,985	22,891,372	433,775	2,809,290,237	3.2308	4,682,150,395	60
2011	3,079,587,473	153,387,501	47,492,820	418,232	3,185,063,922	3.2097	5,308,439,870	60
2012	2,644,349,824	140,628,264	49,499,380	254,919	2,735,223,789	3.1740	4,558,706,315	60
2013	2,214,134,537	181,810,178	40,313,095	340,250	2,355,291,370	3.1490	2,494,106,105	94
2014	1,761,437,518	210,599,575	34,944,735	338,335	1,936,754,023	3.1500	2,064,583,451	94
2015	2,042,351,011	145,568,419	43,750,675	249,180	2,143,919,575	3.1477	2,623,020,657	82
2016	1,966,909,674	146,033,166	44,468,420	293,030	2,068,181,390	3.1707	2,436,301,849	85
2017	1,988,422,759	136,577,029	42,510,870	282,380	2,082,206,538	3.3228	2,572,610,694	81

Source is Grant County
Missing data was not available from Grant County
There are no components to the direct rate.



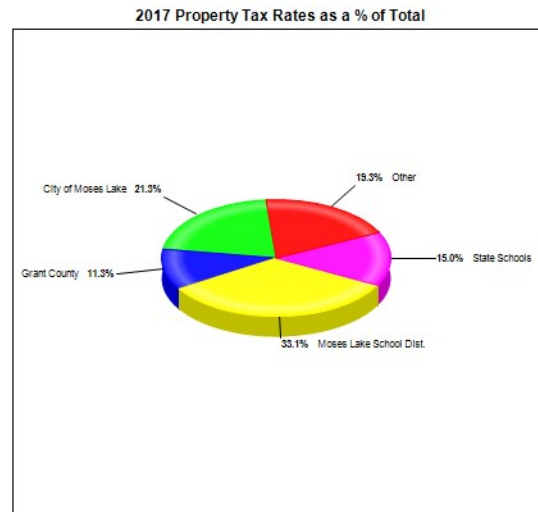
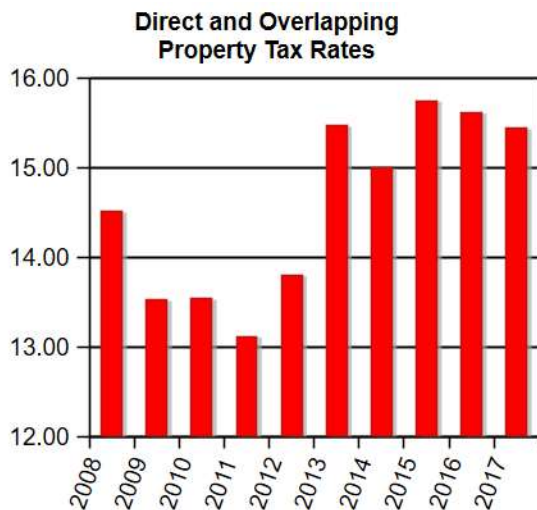
CITY OF MOSES LAKE
Property Tax Rates
Direct and Overlapping Governments
Per \$1,000 of Assessed Value
Last Ten Fiscal Years

Table C-2

Fiscal Year	City Tax Rate	Overlapping Rates						Total
	Moses Lake	Grant County	School District			Other		
		Operating Rate	Operating Rate	Debt Service	Total School Rate	State School	Special Districts	
2008	2.960	1.719	3.215	1.672	4.887	2.207	2.740	14.513
2009	2.920	1.604	2.677	1.671	4.348	1.989	2.663	13.524
2010	3.231	1.617	2.296	1.267	3.563	2.186	2.942	13.539
2011	3.210	1.800	2.202	1.187	3.389	2.361	2.361	13.121
2012	3.174	1.800	2.537	1.342	3.879	2.418	2.529	13.800
2013	3.149	1.800	4.259	0.710	4.969	2.855	2.696	15.469
2014	3.150	1.800	4.157	0.678	4.835	2.524	2.694	15.003
2015	3.148	1.800	4.775	0.749	5.524	2.501	2.776	15.749
2016	3.171	1.750	4.419	0.704	5.123	2.420	3.151	15.615
2017	3.286	1.750	4.541	0.563	5.104	2.313	2.987	15.440

Overlapping rates are those of local and county governments that apply to property owners within the city of Moses Lake. Not all overlapping rates apply to all Moses Lake property owners (e.g., the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district).

Special District rates change in 2014 and retroactively to include Moses Lake Irrigation District.
Taxes are levied in the year prior to the year listed above.



CITY OF MOSES LAKE
Principle Property Taxpayers
Current Year and Nine Years Ago

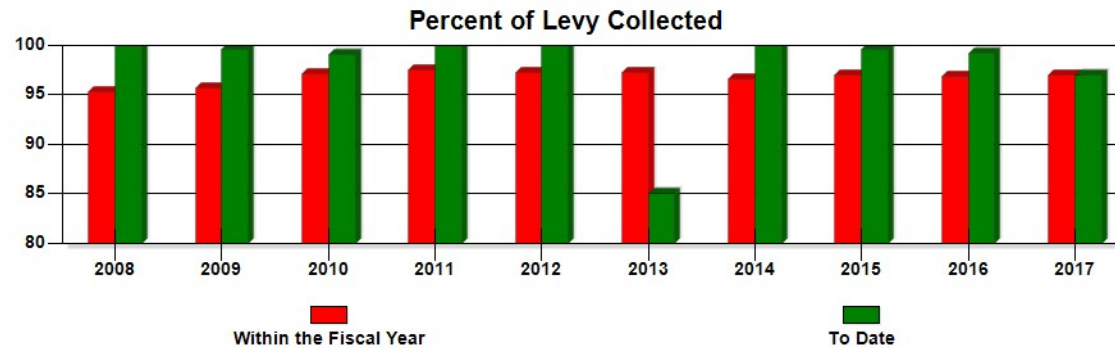
Table C-3

Tax Payer	Type of Business	2017		Percent of Total Assessed Value	2008		Percentage of Total Assessed Valuation
		Assessed Valuation	Rank		Assessed Valuation	Rank	
REC Solar Grade Silicon, LLC	Manufacturing	186,538,125	1	9.0 %	-		- %
SGL Automotive Carbon Fibers, LLC	Manufacturing	61,100,000	2	2.9 %	-		- %
Moses Lake Industries	Manufacturing	43,500,000	3	2.1 %	-		- %
Xyleco Realty WA, LLC	Prop Invest/Mngt	34,472,745	4	1.7 %	-		- %
Akzo Nobel Pulp and Performance Chemicals Inc. (EKA Chemicals)	Chemicals	25,395,285	5	1.2 %	28,661,160	1	1.6 %
Air Liquide Electronics US LP	Manufacturing	22,550,200	6	1.1 %	-		- %
National Frozen Foods Corp	Food Processing	14,224,395	7	0.7 %	-		- %
Vintage Apartments LLC	Apartments	13,008,330	8	0.6 %	-		- %
Wal-Mart Real Estate Business Trust	Grocery/Retail	12,437,315	9	0.6 %	9,782,630	4	0.5 %
Maiers Enterprises LLC	Prop Invest/Mgmt	12,200,025	10	0.6 %	-		- %
Weston Square Apartment LLC	Apartments	-		- %	-		- %
Weyerhaeuser Company	Corrugated board Manhold	-		- %	12,946,075	2	0.7 %
D&L Foundry, Inc.	Manufacturing	-		- %	10,833,885	3	0.6 %
Sun Healthcare Group	Retirement	-		- %	7,276,690	5	0.4 %
Learner Tr, Kathryn J	Mall property	-		- %	6,858,720	6	0.4 %
Grewal Hotels Inc.	Hotel	-		- %	6,686,035	7	0.4 %
First American Commercial	Prop Invest/Mngt	-		- %	6,356,560	8	0.4 %
Crittenden, Odell D. & Sandra J.	Prop Invest/Mngt	-		- %	5,146,650	9	0.3 %
Moses Lake Travel Plaza LLC	Prop Invest/Mngt	-		- %	5,016,025	10	0.3 %
Total		<u>\$425,426,420</u>		<u>20.5 %</u>	<u>\$99,564,430</u>		<u>5.6 %</u>

CITY OF MOSES LAKE
Property Tax Levies and Collections
Last Ten Fiscal Years

Table C-4

Year Ended December 31	Assessed Valuation	Total Tax Levy for Year	Collected & Canceled within the Fiscal Year of Levy		Collection in Subsequent Years	Total Collections to Date		Current Outstanding
			Amount	Percentage of Levy		Amount	Percentage of Levy	
2008	\$ 1,080,369,113	\$ 3,197,428	\$ 3,043,399	95.2	\$ 154,154	\$ 3,197,553	100	\$ (125)
2009	1,779,747,198	5,196,411	4,965,645	95.6	210,860	5,176,505	100	19,906
2010	2,809,290,237	9,164,319	8,896,759	97.1	215,821	9,112,580	99	51,739
2011	3,185,018,910	10,224,175	9,968,782	97.5	257,726	10,226,508	100	(2,333)
2012	2,735,223,789	8,681,629	8,439,354	97.2	241,518	8,680,872	100	757
2013	2,163,776,315	6,813,394	6,620,613	97.2	(828,153)	5,792,460	85	1,020,934
2014	2,355,291,370	7,418,904	7,162,447	96.5	253,111	7,415,558	100	3,346
2015	1,948,580,248	6,096,353	5,906,159	96.9	164,444	6,070,603	100	25,750
2016	2,143,919,575	6,797,813	6,578,417	96.8	166,640	6,745,057	99	52,756
2017	2,068,181,390	6,796,274	6,585,973	96.9	-	6,585,973	97	210,301

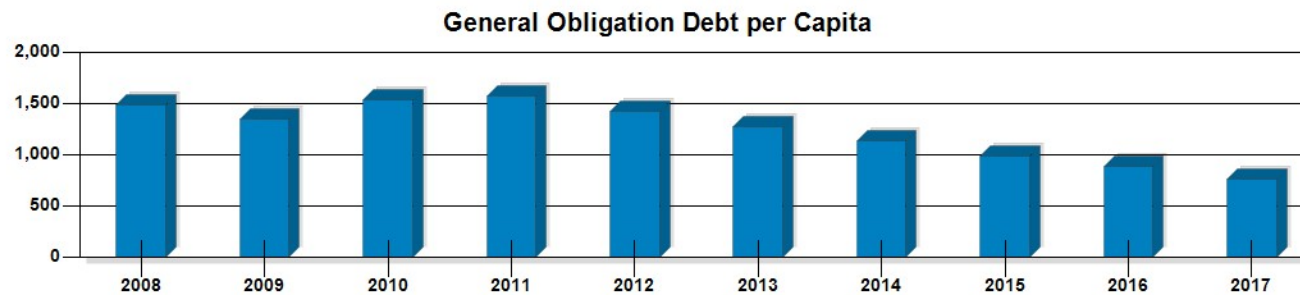


CITY OF MOSES LAKE
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years*

Table D-1

Fiscal Year	Governmental Activities			Business-Type Activities				Total Primary Government	Percentage of Personal Income**	Per Capita**
	General Obligation Bonds	Special Assessment Bonds	Capital Leases	Water/Sewer Bonds	General Obligation bonds	Governmental Loans	Capital Leases			
2008	\$ 8,957,500	\$ -	\$ 1,279,821	\$ 6,980,000	\$ 952,500	\$ 8,763,868	\$ 129,598	\$ 27,063,287	5.02	\$ 1,478
2009	8,170,000	-	1,427,952	6,950,000	915,000	7,929,092	126,522	25,518,566	4.64	1,348
2010	13,273,333	-	1,541,613	6,875,000	876,667	7,131,053	183,786	29,881,452	5.21	1,536
2011	11,943,333	-	1,502,394	11,636,257	836,667	6,472,322	110,011	32,500,984	5.08	1,575
2012	10,605,000	-	1,600,602	10,850,000	795,000	5,813,591	40,891	29,705,084	4.57	1,418
2013	9,673,333	-	1,366,364	10,115,000	751,667	5,175,582	-	27,081,946	3.94	1,274
2014	8,733,333	-	1,222,755	9,365,000	706,667	4,537,573	-	24,565,328	3.52	1,137
2015	8,271,667	-	985,525	8,590,000	48,333	3,899,564	-	21,795,089	3.05	987
2016	6,685,833	-	1,391,469	7,715,000	594,167	3,337,872	-	19,724,341	2.33	886
2017	5,791,666	-	1,221,820	6,810,000	568,334	2,776,180	-	17,168,000	1.85	756

**See the Schedule of Demographic and Economic Statistics (Table E1) for personal income and population data.

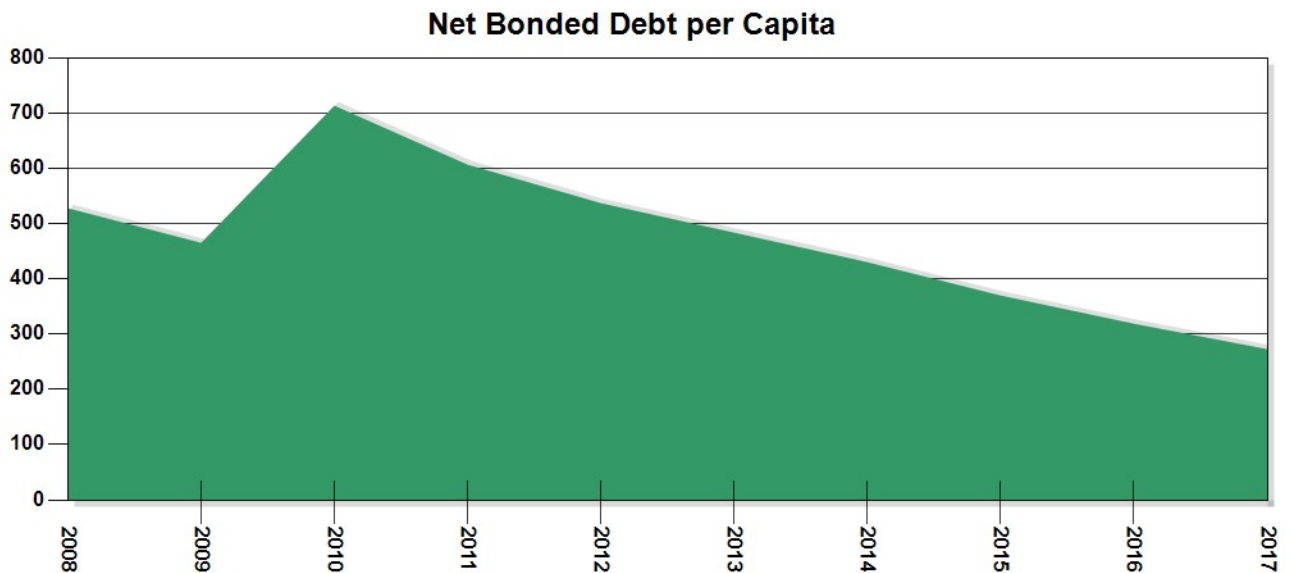


CITY OF MOSES LAKE
Ratios of General Bonded Debt Outstanding
To Assessed Value and Net Bonded Debt per Capita
Last Ten Fiscal Years

Table D-2

Year	Population	Assessed Value*	G.O. Bonded Debt	Less Debt Service Fund	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2008	18,310	\$ 1,080,369,113	\$ 9,910,000	\$ 265,418	\$ 9,644,582	0.89%	\$ 527
2009	18,930	1,779,747,198	9,085,000	264,683	8,820,317	0.50%	466
2010	19,460	2,809,290,237	14,150,000	265,540	13,884,460	0.49%	713
2011	20,640	3,185,063,922	12,780,000	265,707	12,514,293	0.39%	606
2012	20,950	2,735,223,789	11,400,000	152,397	11,247,603	0.41%	537
2013	21,250	2,395,944,715	10,425,000	152,697	10,272,303	0.43%	483
2014	21,600	1,936,754,023	9,440,000	150,990	9,289,010	0.48%	430
2015	22,080	2,143,919,575	8,320,000	151,234	8,168,766	0.38%	370
2016	22,250	2,068,181,390	7,280,000	184,263	7,095,737	0.34%	319
2017	22,720	2,082,206,538	6,360,000	184,488	6,175,512	0.30%	272

*Grant County Assessor: includes only taxable property



CITY OF MOSES LAKE
Direct and Overlapping Governmental Activities Debt
As of December 31, 2017

Table D-3

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable*</u>	<u>Estimated Share of Overlapping Debt</u>
Direct repaid with property taxes:			
Overlapping Debt			
Moses Lake School Dist. # 161	\$ 24,745,000	52.56%	\$ 13,238,575
Samaritan Hospital Dist. # 1	6,790,110	48.04%	3,296,598
Subtotal overlapping debt	<u>31,535,110</u>		<u>16,535,173</u>
Moses Lake direct debt	<u>7,013,486</u>		<u>7,889,360</u>
Total governmental direct and overlapping debt	<u>\$ 38,548,596</u>		<u>\$ 24,424,533</u>

Sources: Assessed value data used to estimate applicable percentages was provided by Grant County Assessor's Office.
Debt outstanding provided by each government unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Moses Lake. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

*The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

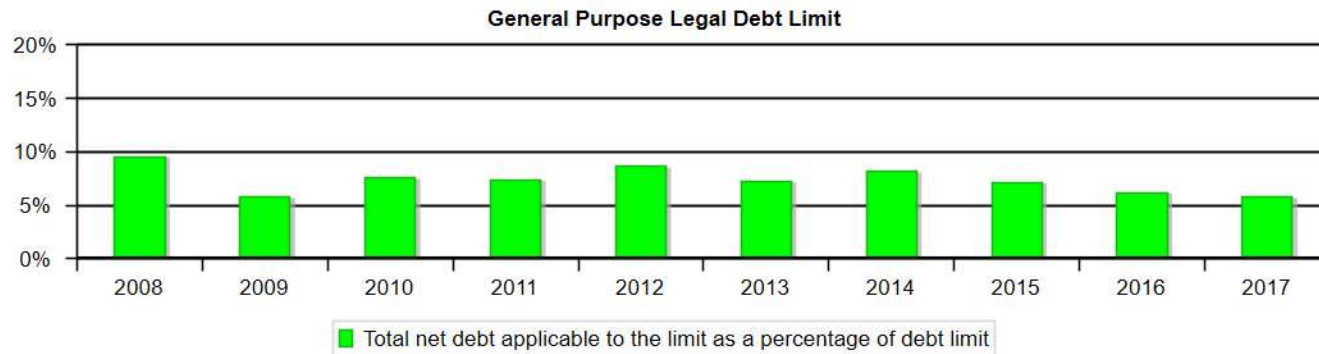
CITY OF MOSES LAKE
Legal Debt Margin Information
Last Ten Fiscal Years

Table D-4

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed Value	\$ 2,082,206,538
Debt limit	156,165,490
Debt applicable to limit:	
General obligation debt	9,758,362
Less: amount set aside for repayment of general obligation debt	(747,494)
Total net debt applicable to limit	<u>9,010,868</u>
Legal debt margin	<u>\$ 147,154,622</u>

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt Limit	\$133,481,040	\$210,696,768	\$ 238,676,416	\$ 205,141,784	\$ 162,283,224	\$ 176,646,853	\$ 145,256,552	\$ 146,143,519	\$ 160,793,968	\$ 156,165,490
Total net debt applicable to limit	<u>12,751,174</u>	<u>12,129,494</u>	<u>17,963,717</u>	<u>15,107,932</u>	<u>13,964,977</u>	<u>12,794,255</u>	<u>11,842,393</u>	<u>10,409,855</u>	<u>9,961,804</u>	<u>9,010,868</u>
Legal Debt Margin	<u>\$120,729,866</u>	<u>\$198,567,274</u>	<u>\$ 220,712,699</u>	<u>\$ 190,033,852</u>	<u>\$ 148,318,247</u>	<u>\$ 163,852,598</u>	<u>\$ 133,414,159</u>	<u>\$ 135,733,664</u>	<u>\$ 150,832,164</u>	<u>\$ 147,154,622</u>
Total net debt applicable to the limit as a percentage of debt limit	9.55 %	5.76 %	7.53 %	7.36 %	8.61 %	7.24 %	8.15 %	7.12 %	6.20 %	5.77 %



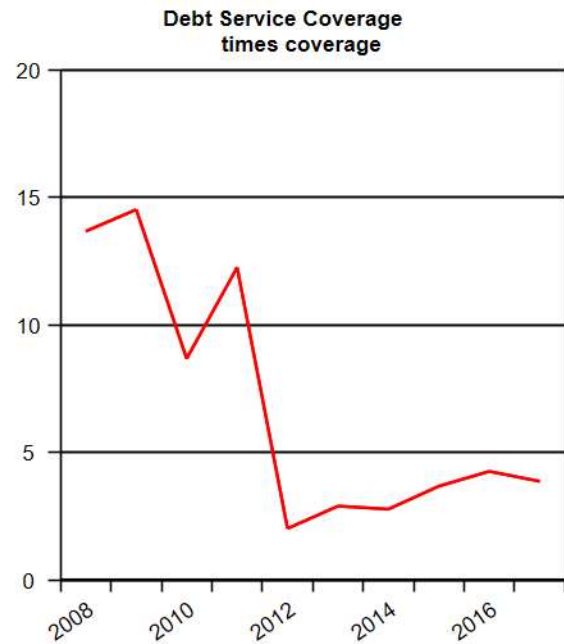
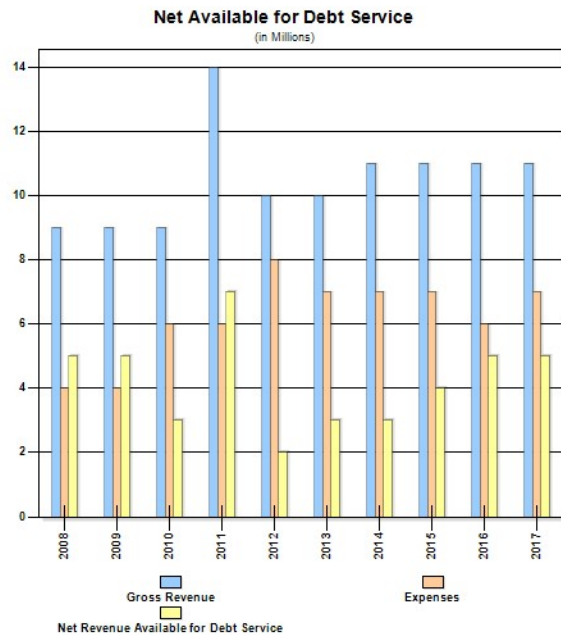
CITY OF MOSES LAKE
Water and Sewer Revenue Bond Coverage
Last Ten Fiscal Years

Table D-5

Year	Utility Revenues *	Expenses**	Net Revenue Available for Debt Service	Debt Service Requirements			Times Coverage
				Principle	Interest	Total	
2008	\$ 8,840,793	\$ 4,103,860	\$ 4,736,933	\$ 20,000	\$ 326,266	\$ 346,266	13.68
2009	8,928,330	3,760,119	5,168,211	30,000	325,599	355,599	14.53
2010	9,378,295	5,907,582	3,470,713	75,000	324,185	399,185	8.69
2011	13,612,504	6,439,490	7,173,014	225,000	360,031	585,031	12.26
2012	9,985,930	7,694,209	2,291,721	705,000	422,428	1,127,428	2.03
2013	10,043,053	6,711,562	3,331,491	735,000	408,283	1,143,283	2.91
2014	10,534,406	7,330,572	3,203,834	750,000	397,782	1,147,782	2.79
2015	10,840,675	6,609,001	4,231,674	775,000	371,399	1,146,399	3.69
2016	11,258,375	6,154,510	5,103,865	875,000	319,234	1,194,234	4.27
2017	11,298,788	6,655,835	4,642,953	905,000	290,899	1,195,899	3.88

*Utility Revenue includes both operating and nonoperating revenues of Water/Sewer Fund

**Total expenses excluding depreciation and amortization expenses including transfers out and Other Loan Debt Sr. (Prin only).
Coverage is the percentage of total debt requirements to net revenue available to debt service.



CITY OF MOSES LAKE

CITY OF MOSES LAKE Water and Sewer Rates Last Ten Fiscal Years

Table D-6

		2008	2009 *	2010	2011	2012 *	2013	2014	2015	2016	2017
Residential Water Rates:											
A. Residential Within City Limits											
Water	Cubic Feet										
Base	0 - 500	\$20.85	\$20.85	\$21.35	\$21.65	\$21.65	\$22.00	\$22.25	\$22.60	\$23.05	\$23.35
Overage Per 100 Cubic Foot	Over 500	0.75	0.75	0.80	0.81	0.81	0.82	0.83	0.84	0.86	0.87
B. Residential Within City Limits by Meter Size											
Meter Size	Cubic Feet										
3/4 In. or Smaller	500	20.85	20.85	21.35	21.65	21.65	22.00	22.25	22.60	23.05	23.35
1 Inch	1000	24.60	24.60	25.35	25.70	25.70	26.15	26.40	26.80	27.35	27.75
1.5 Inch	2,500	35.85	35.85	37.35	37.85	37.85	38.50	38.85	39.40	40.25	40.80
2 Inch	10,000	92.10	92.10	97.35	98.60	98.60	100.30	101.10	102.40	104.75	106.15
C. Unmetered Residential Within & Outside City Limits											
November Through March - Per Month		20.85	20.85	21.35	21.65	21.65	22.00	22.25	NA**	NA**	NA**
April Through October		41.70	41.70	42.70	43.30	43.30	44.05	44.50	NA**	NA**	NA**
Dwellings With Two Living Units:											
A. Residential Within & Outside City Limits											
	Cubic Feet										
Base	0 - 1,000	41.70	41.70	42.70	43.30	43.30	44.05	44.50	45.20	46.10	46.70
Overage Per 100 Cubic Foot	Over 1,000	0.75	0.75	0.80	0.81	0.81	0.82	0.83	0.84	0.86	0.87
B. Residential Within City Limits by Meter Size											
Meter Size	Cubic Feet										
3/4 In. or Smaller	1,000	41.70	41.70	42.70	43.30	43.30	44.05	44.50	45.20	46.10	46.70
1 Inch	2,000	49.20	49.20	50.70	51.40	51.40	52.25	52.80	53.60	54.70	55.50
1.5 Inch	5,000	71.70	71.70	74.70	75.70	75.70	77.00	77.70	78.80	80.50	81.60
2 Inch	20,000	184.20	184.20	194.70	197.20	197.20	200.55	202.20	204.80	209.50	212.30
Commercial Water Rates:											
A. Commercial and Dwellings With Three or More Living Units											
	Cubic Feet										
Base	0 - 500	35.15	35.15	35.95	36.45	36.45	37.05	37.70	38.20	38.90	39.45
Overage Per 100 Cubic Foot	Over 1,000	0.75	0.75	0.80	0.81	0.81	0.82	0.83	0.84	0.86	0.87
B. Commercial and Dwellings With Three or More Living Units by Meter Size											
Meter Size	Cubic Feet										
3/4 In. or Smaller	500	35.15	35.15	35.95	36.45	36.45	37.05	37.70	38.20	38.90	39.45
1 Inch	1,000	38.90	38.90	39.95	40.50	40.50	41.20	41.85	42.40	43.20	43.80
1.5 Inch	2,500	50.15	50.15	51.95	52.65	52.65	53.55	54.30	55.00	56.10	56.85
2 Inch	10,000	106.40	106.40	111.95	113.40	113.40	115.35	116.55	118.00	120.60	122.20
3 Inch	20,000	181.40	181.40	191.95	194.40	194.40	197.70	199.55	202.00	206.60	209.30
4 Inch	35,000	293.90	293.90	311.95	315.90	315.90	321.25	324.05	328.00	335.60	340.00
6 Inch	50,000	406.40	406.40	431.95	437.40	437.40	444.85	448.55	454.00	464.60	470.65
8 Inch	90,000	706.40	706.40	751.95	761.40	761.40	774.35	780.55	790.00	808.60	819.15
10 Inch	150,000	1,156.40	1,156.40	1,231.95	1,247.40	1,247.40	1,266.60	1,278.55	1,294.00	1,324.60	1,341.85
Residential Sewer Rates:											
Flat Rate		30.45	30.45	31.15	31.60	31.60	32.15	32.70	33.15	33.75	34.20
Duplex Rates		60.90	60.90	62.30	63.20	63.20	64.25	65.40	66.30	67.50	68.40
Commercial Sewer Rates:											
	Cubic Feet										
Base	0 - 1000	32.10	32.10	32.85	33.20	33.20	33.75	34.30	34.75	35.40	35.90
Over Per 100 Cubic Foot	Over 1,000	\$1.20	\$1.20	\$1.25	\$1.27	\$1.27	\$1.30	\$1.32	\$1.34	\$1.37	\$1.40

* Foot Note - there were no rate increases in 2009 and 2012.

**Foot Note - All residential water is metered so ordinances after 2014 site no rates for 'unmetered residential water services.'

CITY OF MOSES LAKE

Demographic and Economic Statistics Last Ten Fiscal Years

Table E-1

Year	City Population	Grant County Personal Income (Thousands of dollars)	Grant County Per Capita Income	Grant County Median Age	City K-12 School Enrollment	Grant County Percent Unemployment
2008	18,310	2,522,614	29,464	33	7,987	6.9
2009	18,930	2,557,014	29,025	33	7,962	9.4
2010	19,460	2,644,612	29,483	33	8,027	10.5
2011	20,640	2,829,145	30,999	32	8,006	12.0
2012	20,950	2,966,473	32,342	32	8,049	11.1
2013	21,250	3,189,758	34,717	33	8,098	10.6
2014	21,600	3,207,761	34,438	33	8,206	10.4
2015	22,080	3,551,382	38,081	33	8,476	9.7
2016	22,250	3,824,110	40,879	31	8,630	9.6
2017	22,720	**	**	-	8,831	4.9

Data Sources:

Population - State of Washington, Office of Financial Management;
www.ofm.wa.gov/pop/april1/finalpop.pdf

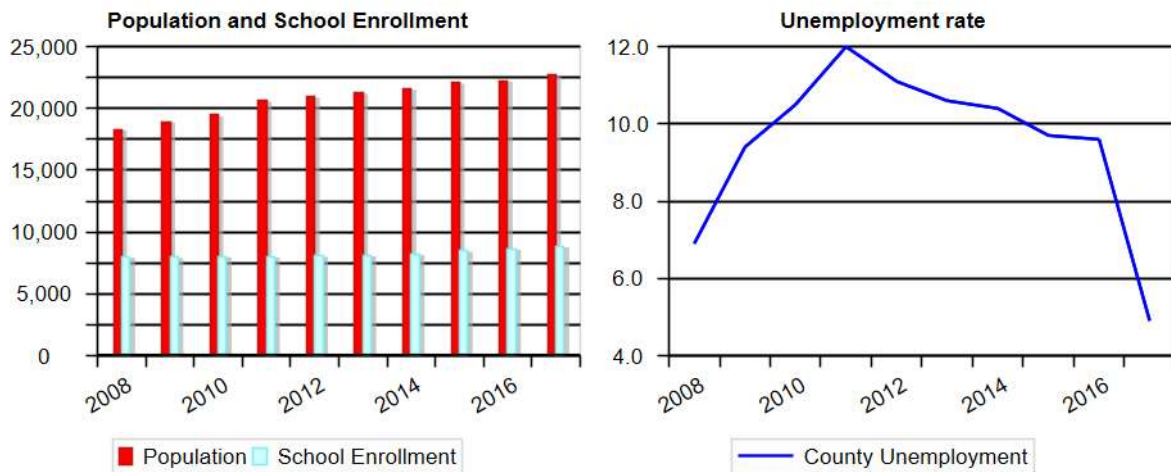
Per capita Income - County Figures (latest year available 2017) given due to unavailability of City percentages. 2017 information is found on the Regional Economics Accounts web site at www.bea.gov/bea/regional/bearfacts. No 2017 data available.

Median Age - Office of Financial Management: www.ofm.wa.gov/databook/pdf/local.pdf

School Enrollment - Office of Superintendent of Public Instruction: reportcard.ospi.k12.wa.us/summary

Percent Unemployment - County figures given due to the unavailability of City percentages. This information is from www.workforceexplorer.com/esd/employmentdata/eis-tools/labor-area-summaries

**These figures are not currently available



CITY OF MOSES LAKE
Principal Employers
Current Year and Ten Years Ago

Table E-2

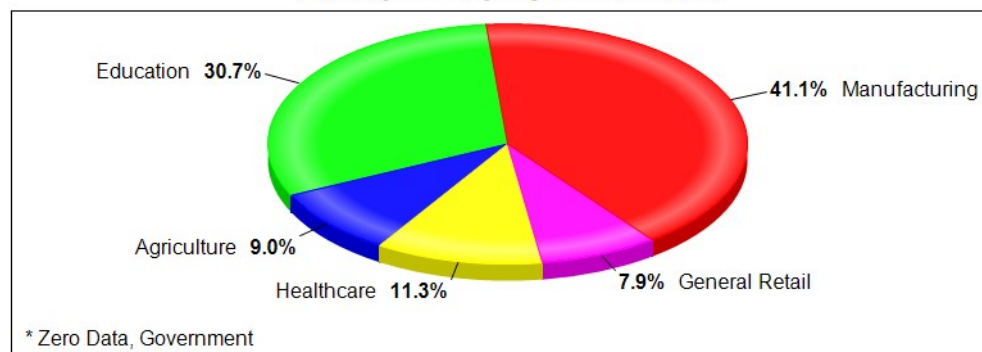
Employer	Business Type	2017			2008		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Moses Lake School District	Education	1,300	1	12%	1,000	1	12%
Genie Industries, Inc	Manufacturing	950	2	9%	425	4	5%
Samaritan Hospital	Healthcare	550	3	5%	532	2	6%
National Frozen Foods	Agriculture	460	4	4%	-	-	0%
Takata Corporation	Manufacturing	430	5	4%	245	8	3%
AeroTEC & Mitsubishi Aircraft	Aerospace	400	6	4%	-	-	0%
Moses Lake Industries, Inc	Manufacturing	355	7	3%	-	-	0%
Confluence Health Moses Lake Clinic	Healthcare	310	8	0%	200	9	2%
J.R. Simplot Co./Nestle Brand	Agriculture	282	9	3%	330	6	4%
Moses Lake Community Health	Healthcare	281	10	0%	264	7	3%
Big Bend Community College	Education	192	-	0%	375	5	4%
REC Silicon	Manufacturing	280	-	0%	450	3	5%
City of Moses Lake	Government	187	-	0%	187	10	2%
Total		5,977	-	44%	4,008	-	46%

Source: Grant County Economic Development Council 01/2018

Note: Not all employers are located within the physical limits of the city.

Note: In order to figure percentage of total city employment we used County labor force divided by population equal to city labor force (unknown) over city population to give a ratio for the percentage of current year.

Principal Employer Business



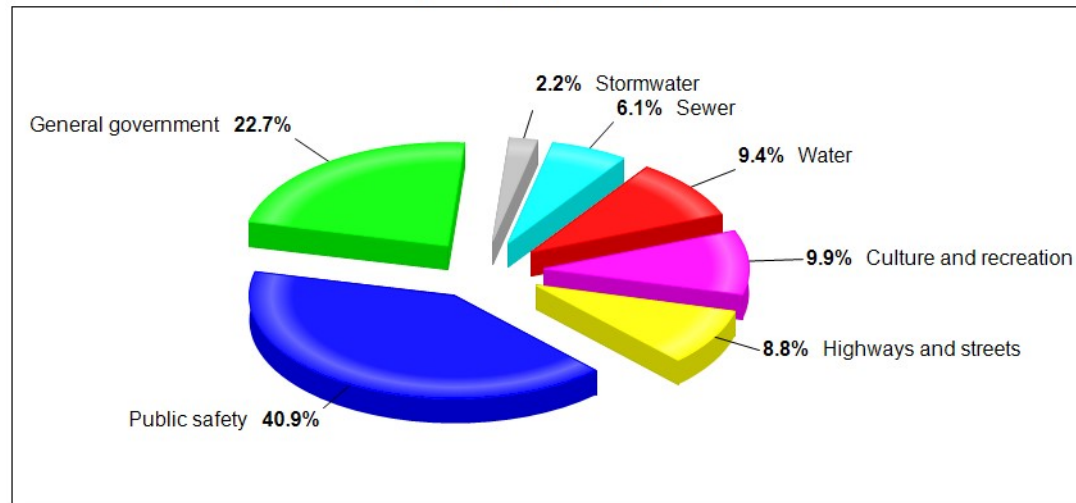
CITY OF MOSES LAKE
Full-time Equivalent City Government Employees by Function
Last Ten Fiscal Years

Table F-1

Function:	Full-time Equivalent Employees as of December 31									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government	38	38	38	38	39	36	36	40	40	41
Public safety										
Police	40	40	39	39	43	40	40	40	40	42
Fire	36	36	35	35	33	33	32	30	31	32
Highways and streets										
Engineering	19	18	17	17	16	17	17	15	15	15
Maintenance	6	5	5	5	5	5	5	5	6	6
Sanitation	2	2	1	1	1	1	1	1	1	1
Culture and recreation	21	21	21	21	21	20	18	16	18	18
Water	13	13	13	13	13	16	15	16	14	17
Sewer	12	12	12	12	11	11	11	10	11	11
Stormwater	-	-	4	4	4	4	4	4	4	4
Total	187	185	185	185	186	183	179	177	180	187

Source: City of Moses Lake Annual Budget

2017 City Employees by Function



CITY OF MOSES LAKE
Operating Indicators by Function
Last Ten Fiscal Years

Table F-2

Function	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government										
Building permits issued	522	385	385	343	431	410	459	385	570	521
Police										
DUI	82	76	52	83	133	94	80	149	121	88
Parking violations	201	336	304	211	412	80	72	44	51	10
Traffic violations	2,937	3,817	3,944	4,225	4,639	2,813	1,952	1,629	2,383	1,347
Fire										
Fire responses	478	411	471	460	486	442	449	395	243	512
Hazardous incidents	33	26	43	37	31	45	63	46	61	41
Ambulance responses	3,397	3,126	3,046	3,326	3,405	3,257	3,528	3,424	3,204	3,342
Inspections	1,324	1,000	1,849	2,403	300	850	542	1,364	702	652
Culture and recreation										
Surf & slide water park	130,000	120,000	105,542	109,333	98,979	82,435	93,791	99,497	82,237	82,358
Museum	12,278	13,003	17,905	12,848	10,368	8,853	8,207	10,347	13,931	15,817
Water										
Number of commercial customers	1,081	1,099	1,071	1,118	1,133	1,152	1,170	1,181	1,197	1,249
Number of residential customers	6,498	6,557	6,513	6,618	6,719	6,780	6,888	6,973	7,079	7,194
New connections	218	124	101	75	104	95	103	118	109	142
Water mains breaks	12	12	-	8	12	5	8	8	8	12
Average daily consumption (millions of gallons)	8.700	8.700	8.250	8.300	7.500	8.200	8.700	7.833	7.900	8.130
Wastewater										
Number of commercial customers	859	871	882	893	897	901	922	933	946	968
Number of residential customers	6,363	6,467	6,557	6,641	6,718	6,796	6,916	7,004	7,118	7,234
Average daily sewage treatment (mgpd)										
Sand Dunes	2.098	2.275	2.149	2.265	2.166	2.115	2.064	2.080	2.124	2.206
Larson	0.331	0.325	0.319	0.326	0.326	0.329	0.312	0.321	0.311	0.318

Sources: Various city departments

CITY OF MOSES LAKE
Capital Asset Statistics by Function
Last Ten Fiscal Years

Table F-3

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental Function										
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	14	14	15	15	14	14	14	14	14	14
Fire stations	2	2	2	2	2	2	2	2	2	2
Highway and streets										
Streets (miles)	104	107	110	112	112	113	115	123	123	124
Traffic signals	35	35	35	35	35	35	35	14	14	28
Culture and Recreation										
Parks acreage	170	183	195	213	213	213	213	218	225	225
Parks	18	21	26	29	29	29	29	31	32	32
Swimming pools	1	1	1	1	1	1	1	1	1	1
Business-type Function										
Water										
Water main (miles)	155.1	158.9	159.2	159.8	162.1	163.5	163.5	170.0	171.0	179.6
Wells	18	19	19	19	19	19	19	18	19	18
Water storage	12	12	12	12	10	10	10	9	9	10
Sewer										
Sanitary sewer (miles)	146.2	149.5	149.7	150.3	150.6	150.8	153.2	163.0	163.0	153.9
Storm Water (miles)	11.8	12.2	12.5	12.6	12.8	13.0	13.0	13.0	30.0	31.1
Treatment plants	2	2	2	2	2	2	2	2	2	2
Airport										
Runway and taxiway (miles)	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70	1.70
Tie-downs	24	24	24	24	24	24	24	24	24	24

Sources: Various city departments



