

# City of Moses Lake, Washington



## Annual Comprehensive Financial Report Year Ended December 31, 2019

CITY OF MOSES LAKE,  
WASHINGTON

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**



**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019**

Prepared by the Finance Department

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Finance Director

**Wendy Parks**

Accounting Manager

**Jesus Martinez**

Accountant

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# City of Moses Lake, Washington

## TABLE OF CONTENTS

### I. INTRODUCTORY SECTION

Letter of Transmittal.....	i
Elected Officials and Executive Staff.....	vi
City Organizational Chart.....	vii

### II. FINANCIAL SECTION

Independent Auditor's Report.....	1
-----------------------------------	---

#### A. MANAGEMENT DISCUSSION AND ANALYSIS (required supplementary information).....4 - 16

Government-wide Financial Statements:	
Statement of Net Position.....	18
Statement of Activities.....	19
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	20
Reconciliation of the Governmental Funds Balance Sheet to the Government-wide Statement of Net Position.....	21
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.....	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	23
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund.....	24
Statement of Net Position - Proprietary Funds.....	25
Statement of Revenues, Expenditures, and Changes in Fund Net Position - Proprietary Funds.....	27
Statement of Cash Flows.....	28
Statement of Net Position - Fiduciary Funds.....	30
Notes to the Financial Statements.....	31 - 67

#### Required Supplemental information:

Condition Assessments and Preservation of Infrastructure Eligible for Modified Approach.....	69
Schedule of Proportionate Share of the Net Pension Liability PERS Plan 1.....	72
Schedule of Proportionate Share of the Net Pension Liability LEOFF Plan 1.....	73
Schedule of Employer Contributions PERS Plan 1.....	74
Schedule of Employer Contributions LEOFF Plan 1.....	75
Schedule of Changes in the Employers' Net OPEB Liability and Related Ratios*.....	76

#### Combining and Individual Fund Statements and Schedules:

Combining Balance Sheet Nonmajor Governmental Funds.....	80
Nonmajor Special Revenue Funds.....	81
Nonmajor Capital Projects Funds.....	82
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds.....	83
Nonmajor Special Revenue Funds.....	84
Nonmajor Capital Projects Funds.....	85
Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual: Statement of Net Position - Nonmajor Proprietary Funds.....	87
Statement of Revenues, Expenses, and Changes in Fund Net Position - Nonmajor Proprietary Funds.....	89
Statement of Cash Flows.....	90
Combining Statement of Net Position - Internal Service Funds.....	93
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Internal Service Funds.....	94

# City of Moses Lake, Washington

## CONTENTS

	PAGE
Combining Statement of Cash Flows.....	95
Combining Statement of Assets and Liabilities - Agency Funds.....	98
Combining Statement of Changes in Assets and Liabilities - Agency Funds.....	99

## STATISTICAL SECTION

### Financial Trends

B-1 Net Position by Component.....	101
B-2 Changes in Expenses by Function.....	102
B-3 Fund Balances of Governmental Funds.....	105
B-4 Changes in Fund Balances of Governmental Funds.....	106
B-5 Governmental Activities Tax Revenues by Source.....	107

### Revenue Capacity

C-1 Assessed and Estimated Actual Value of Taxable Property.....	108
C-2 Property Tax Rates - Direct and Overlapping Governments.....	109
C-3 Principle Property Taxpayers.....	110
C-4 Property Tax Levies and Collections.....	111

### Debt Capacity

D-1 Ratios of Outstanding Debt by Type.....	112
D-2 Ratios of General Bonded Debt Outstanding To Assessed Value and Net Bonded Debt per Capita.....	113
D-3 Direct and Overlapping Governmental Activities Debt.....	114
D-4 Legal Debt Margin Information.....	115
D-5 Water and Sewer Revenue Bond Coverage.....	116
D-6 Water Sewer Rates.....	117

### Demographic and Economic Statistics

E-1 Demographic and Economic Statistics.....	118
E-2 Principal Employers.....	119

### Operating Information

F-1 Full-time Equivalent City Government Employees by Function.....	120
F-2 Operating Indicators by Function.....	121
F-3 Capital Asset Statistic by Function.....	122

CITY OF MOSES LAKE, WASHINGTON  
FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2019



**INTRODUCTORY SECTION**



## CITY OF MOSES LAKE Finance Department

June 29, 2021

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

We are pleased to submit to you this Annual Comprehensive Financial Report (ACFR) of the City of Moses Lake for the fiscal year ended December 31, 2019 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 24,220 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 200 full time employees and an operating budget of \$63.0 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, recreation and cultural services, 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 has received awards from NRPA, WRPA, and Parks and Grounds Management. The city enhanced the facility by adding a lazy river and flow rider in 2008.

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.

## **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. In March 2021, the City adopted new Financial Policies to guide the oversight of the City's stewardship of public funds. These policies 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.

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.

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. In 2020, the City added a City Council Finance Committee to provide an additional level of review of the financial decision making of the City and its leaders.

## **MAJOR INITIATIVES**

- Sales tax has experienced good growth in 2019, coming in 8.8% greater than 2018. This is due both to increased construction activity, combined with a change in state and federal laws that expand taxation of internet sales. With stability in all revenue sources, the City added seven staff positions in the 2020 budget, including 3 Firefighters/Paramedics, funded partially by a federal SAFER grant, and positions in Water, Fleet Maintenance, Building Maintenance, and Street Maintenance.
- With the City having reached a desirable population threshold and having cheap power because of its proximity to hydro-electric dams on the Columbia River, 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 for the past several years. All funds have positive balances, and City management is in the process of developing a comprehensive set of financial policies which was approved by Council in early 2020.

The City is continuing to invest in its infrastructure, with capital programs budgeted for Streets, Water, and Wastewater. No additional bonding is anticipated for the City in 2020 or 2021 for these programs. 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. Council has approved borrowing for 2 replacement fire apparatus, and a permanent recreation center, utilizing the LOCAL financing program through the Washington State Treasurer’s office. New debt service for these assets is anticipated to be less than the debt service that is rolling off in 2020.



## **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 2019 of 24,220 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 downturn. 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, Port of Moses Lake 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. Two additional Hotel chains have built new facilities which were opened in early 2019. 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.

When the economic shutdown in response to the COVID 19 pandemic was put in place in the spring of 2020, the City responded with some cost reduction/deferral measures, and expected to use some excess reserves. However, as the year progressed, we did not experience a reduction in sales tax as originally predicted. In fact, 2020 sales tax continued to demonstrate growth, coming in 4% greater than 2019. We had some revenues that were negatively affected, including admissions, gambling, and lodging taxes, but these are not significant components of total revenue. We were a recipient of just over \$1 million through the federal CARES act grant for economic assistance programs. With the growth in sales tax and the federal support, General

Fund was able to increase its fund balance in 2020, even though we had predicted using fund balance at the beginning of the pandemic.

### **Long-term Financial Planning**

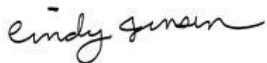
Improvements are needed to meet the growing population in order to maintain the level of service that is expected by the citizens. The City has a five-year capital plan which includes but is not limited to upgrades to existing lift stations, multiple sewer lining projects, rehabilitating wells, extending sewer force-mains, and sewer lift station upgrades. In addition, the City maintains a six-year transportation improvement program that identifies arterial preservation and resurfacing, chipping sealing of arterial and collector streets, and several road construction projects.

In addition to the advantage of have inexpensive electricity, it is encouraging to note that the citizens are willing to invest in their community. In 2018 the City created a Transportation Benefit District to address the needs of preserving streets at an adequate level and voters approved a referendum to increase sales tax to address the streets capital program. This new tax brought in over \$1.6 million for street improvements in 2019. Also, Grant County voters approved a 0.3% sales tax dedicated for criminal justice purposes in the fall of 2019. This will go into effect on April 1, 2020. By state law, the County receives 60% of this tax, while the remaining 40% is distributed among its cities on a per capita basis. The estimate of new revenue for the City of Moses Lake is about \$1.2 million, and is proposed to be used for additional personnel, facilities and related support in the Police Department.

### **Acknowledgments**

Preparation of this report could not have been accomplished without the professional, efficient, and dedicated services of the Finance Department and the Washington State Auditor's Office. I would like to recognize and give a special note of thanks to our Accounting Manager, Wendy Parks, and Accountant, Jesus Martinez, who served as the main ACFR preparers, assisted by Gail Gray, CPA. 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**  
David Curnel  
12/31/2021



**Deputy Mayor**  
Daryl Jackson  
12/31/2021



**Council Member**  
David Eck  
12/31/2023



**Council Member**  
Don Myers  
12/31/2023



**Council Member**  
Dean Hankins  
12/31/2023



**Council Member**  
Karen Liebrecht  
12/31/2021



**Council Member**  
Michael Riggs  
12/31/2021

### APPOINTED OFFICIALS:

City Manager.....Allison Williams  
Finance Director.....Cindy Jensen  
City Attorney.....Katherine Kenison  
Municipal Services Director.....vacant  
Parks, Recreation & Cultural Services Director.....Susan Schwiesow  
Fire Chief.....Brett Bastian  
Police Chief.....Kevin Fuhr  
Community Development Director.....Melissa Bethel  
Human Resources Manager.....Kerri Fenner

### ADDRESS:

P.O. Box 1579  
401 S. Balsam  
Moses Lake, WA 98837

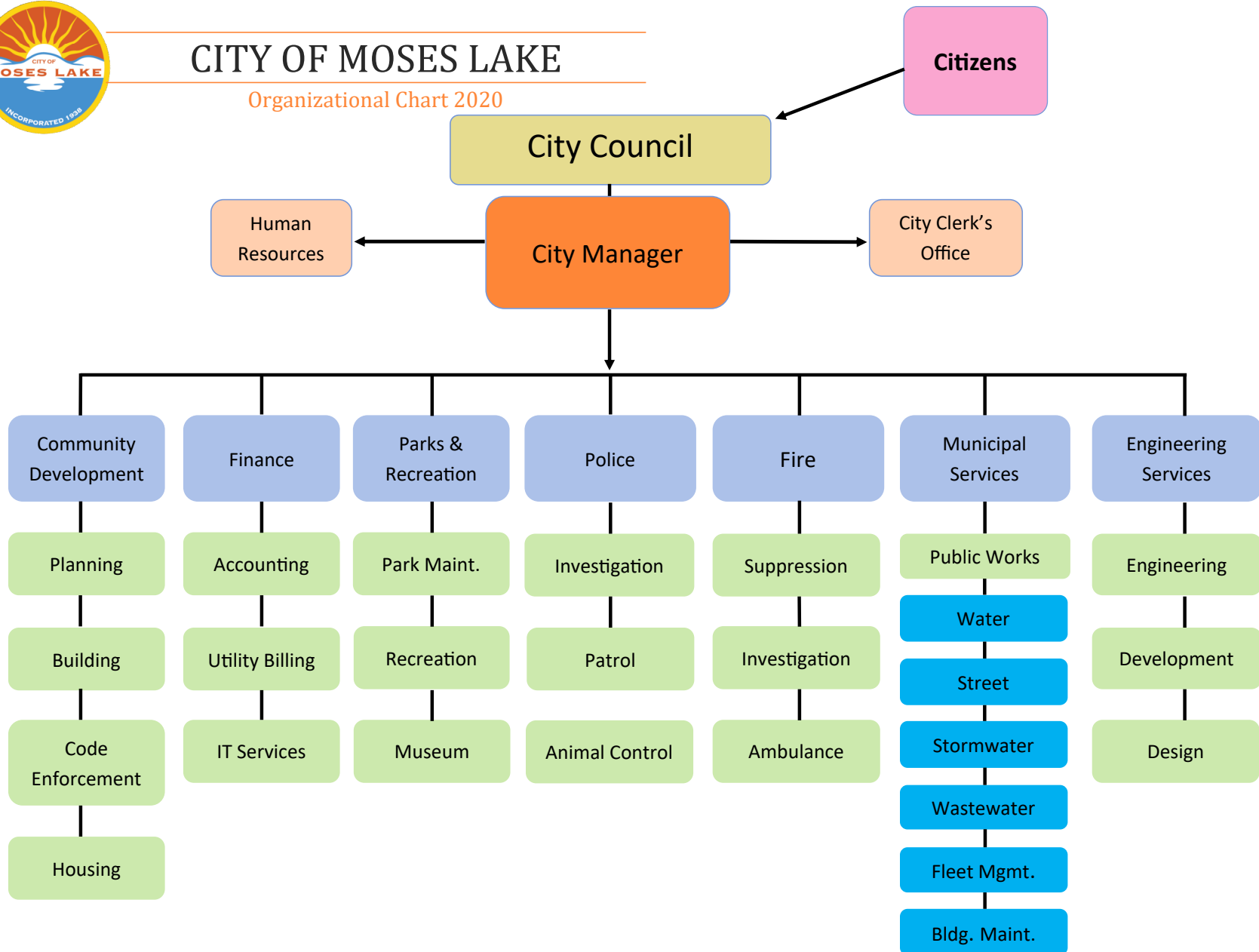
### WEBSITE:

[www.cityofml.com](http://www.cityofml.com)



# CITY OF MOSES LAKE

Organizational Chart 2020



CITY OF MOSES LAKE, WASHINGTON  
FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2019



**FINANCIAL SECTION**



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

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS**

City Council  
City of Moses Lake  
Moses Lake, Washington

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Moses Lake, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating

the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Moses Lake, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Matters of Emphasis**

As discussed in Note 17 to the financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the City is unknown. Management's plans in response to this matter are also described in Note 17. Our opinion is not modified with respect to this matter.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The combining and individual fund statements schedules are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and

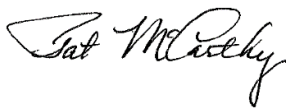
relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Introductory and Statistical Sections are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

#### **OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with *Government Auditing Standards*, we will also issue our report dated June 29, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

June 29, 2021



## MANAGEMENT'S DECISION 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, 2019. 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 \$177,158 (net position). Of this amount, \$21,858 (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 \$11,524.

As of the close of the current fiscal year, the City of Moses Lake's governmental funds reported combined ending fund balances of \$13,009, an increase of \$2,140 from the prior year.

At the end of the current fiscal year, unassigned fund balance available to spend at the City's discretion for the general fund was \$6,435.

### 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. The General Fund is 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 (solid waste), 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 and ambulance which are considered to be major funds of the City of Moses Lake. Like the nonmajor governmental funds, data from the remaining proprietary funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor proprietary funds is provided in the form of combining statements after the required supplementary information in this report. 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 also 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, nonmajor proprietary 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 \$177,158 at December 31, 2019.

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 16,306	\$ 14,188	\$ 26,845	\$ 25,940	\$ 43,151	\$ 40,128
Capital assets	74,586	72,019	85,887	84,636	160,473	156,655
Total assets	90,892	86,207	112,732	110,576	203,624	196,783
Total deferred outflows of resources	1,063	987	247	247	1,310	1,234
Long-term liabilities (as restated for GASB 75)	10,906	13,432	5,983	7,618	16,889	21,050
Other liabilities	4,608	5,416	2,931	3,166	7,539	8,582
Total liabilities	15,514	18,848	8,914	10,784	24,428	29,632
Total deferred inflows of resources	2,702	2,231	646	522	3,348	2,753
<b>Net position:</b>						
Net investment in capital assets	70,474	67,063	80,376	78,064	150,850	145,127
Restricted	2,555	3,620	1,895	1,312	4,450	4,932
Unrestricted	710	(4,568)	21,148	20,141	21,858	15,573
Total net position	<u>\$ 73,739</u>	<u>\$ 66,115</u>	<u>\$ 103,419</u>	<u>\$ 99,517</u>	<u>\$ 177,158</u>	<u>\$ 165,632</u>

The largest portion of the City of Moses Lake's net position (85%) 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 (3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net positions (12%) 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 for the government as a whole, as well as for its separate business-type activities. The City had a deficit in unrestricted net position in the governmental funds in 2018 because the City has long-term commitments that were greater than currently available resources, primarily long-term citywide pension benefits and other postemployment benefit liabilities. Since the pension and OPEB liabilities are primarily for a closed, aging group, the liability will likely continue to decrease as time passes and the liability is liquidated. 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 capital assets as the local economy has improved, and development is contributing infrastructure. In addition, the citizens approved a voted Transportation Benefit District sales tax for street maintenance and improvements, which had a partial year implementation in 2018, with a full year of collection in 2019 .

### 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 \$11,526 in 2019. The increase after transfers was split among an increase in governmental \$7,623 and an increase in business-type activities \$3,901.

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 2019.

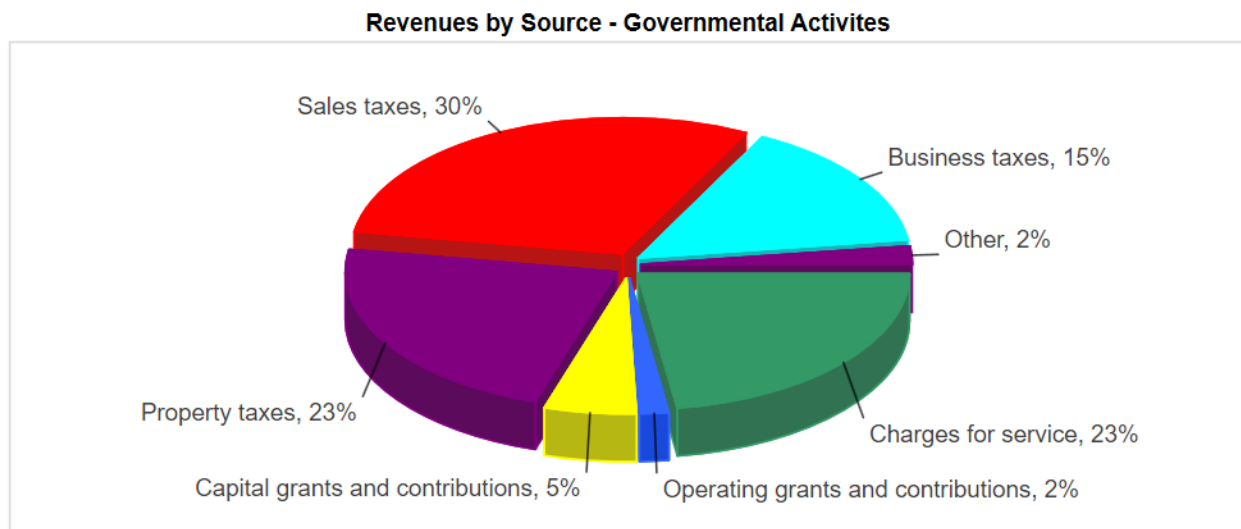
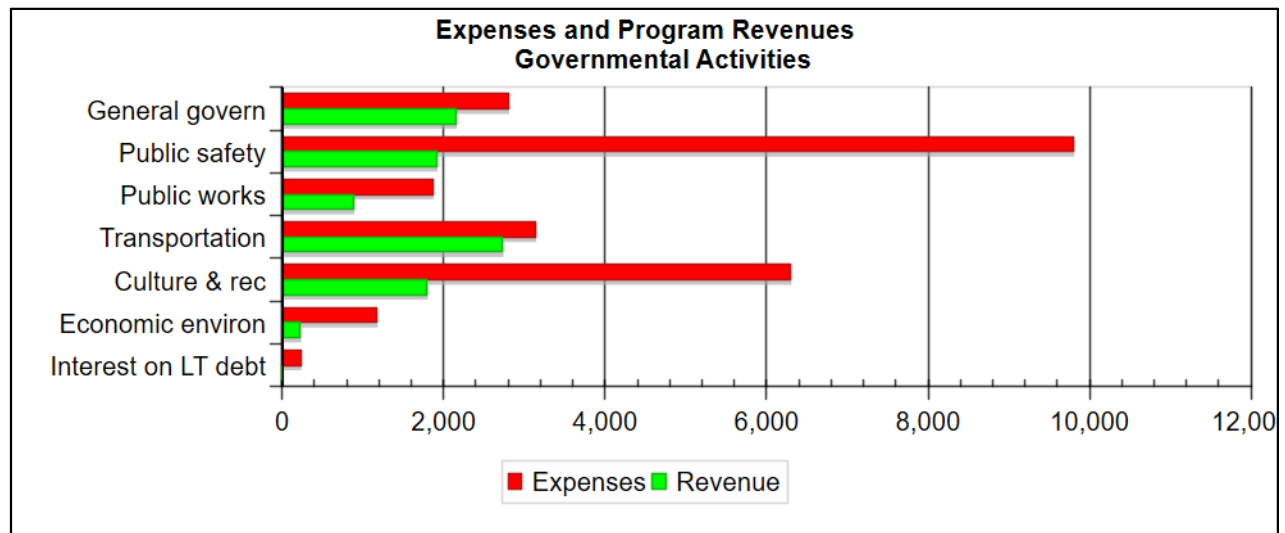
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Revenues:</b>						
Program Revenue						
Charges for service	\$ 7,368	\$ 6,717	\$ 20,466	\$ 19,738	\$ 27,834	\$ 26,455
Operating grants and contributions	562	490	12	11	574	501
Capital grants and contributions	1,780	1,233	932	1,545	2,712	2,778
General Revenue						
Property taxes	7,403	6,910	-	-	7,403	6,910
Sales taxes	9,722	8,548	-	-	9,722	8,548
Business taxes	4,972	5,053	-	-	4,972	5,053
Other taxes	-	-	-	-	-	-
Other	702	1,674	260	104	962	1,778
Total revenues	32,509	30,625	21,670	21,398	54,179	52,023
<b>Expenses:</b>						
General government	2,802	2,502	-	-	2,802	2,502
Public safety	9,802	9,160	-	-	9,802	9,160
Public works	1,868	1,619	-	-	1,868	1,619
Transportation	3,137	3,934	-	-	3,137	3,934
Culture & recreation	6,298	5,744	-	-	6,298	5,744
Economic environment	1,175	1,129	-	-	1,175	1,129
Interest on long-term debt	230	289	-	-	230	289
Water/Sewer utility	-	-	9,824	8,358	9,824	8,358
Sanitation	-	-	4,081	4,445	4,081	4,445
Ambulance	-	-	2,555	2,332	2,555	2,332
Airport	-	-	79	60	79	60
Storm water	-	-	804	804	804	804
Total expenses	25,312	24,377	17,343	15,999	42,655	40,376
Increase in net position before transfers	7,197	6,248	4,327	5,399	11,524	11,647
Transfers	426	426	(426)	(426)	-	-
Change in net position	7,623	6,674	3,901	4,973	11,524	11,647
Net position 01/01	66,116	59,441	99,518	94,544	165,634	153,985
Net position 12/31	\$ 73,739	\$ 66,115	\$ 103,419	\$ 99,517	\$ 177,158	\$ 165,632

**Governmental activities.** Governmental activities increased the City of Moses Lake's net position by \$7,623. As shown in the Statement of Activities, \$9,710 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:

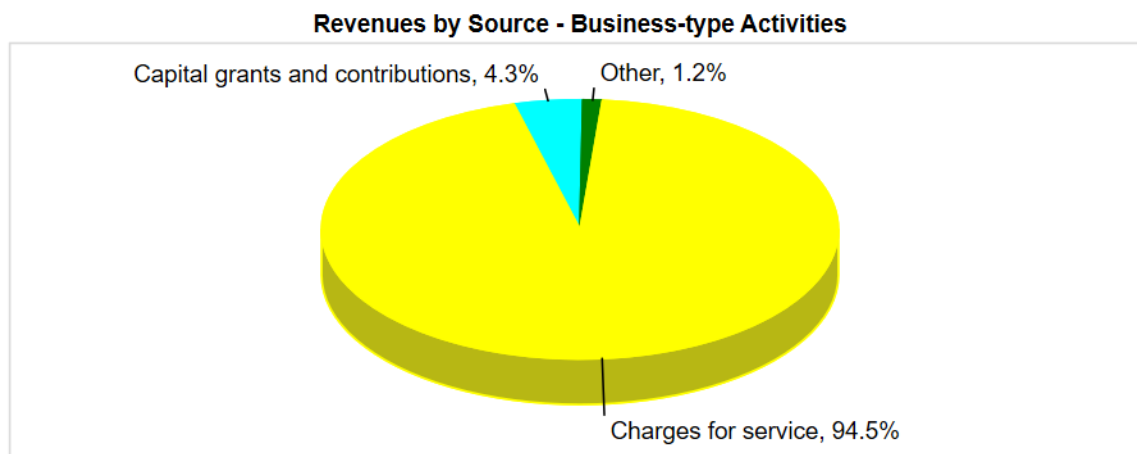
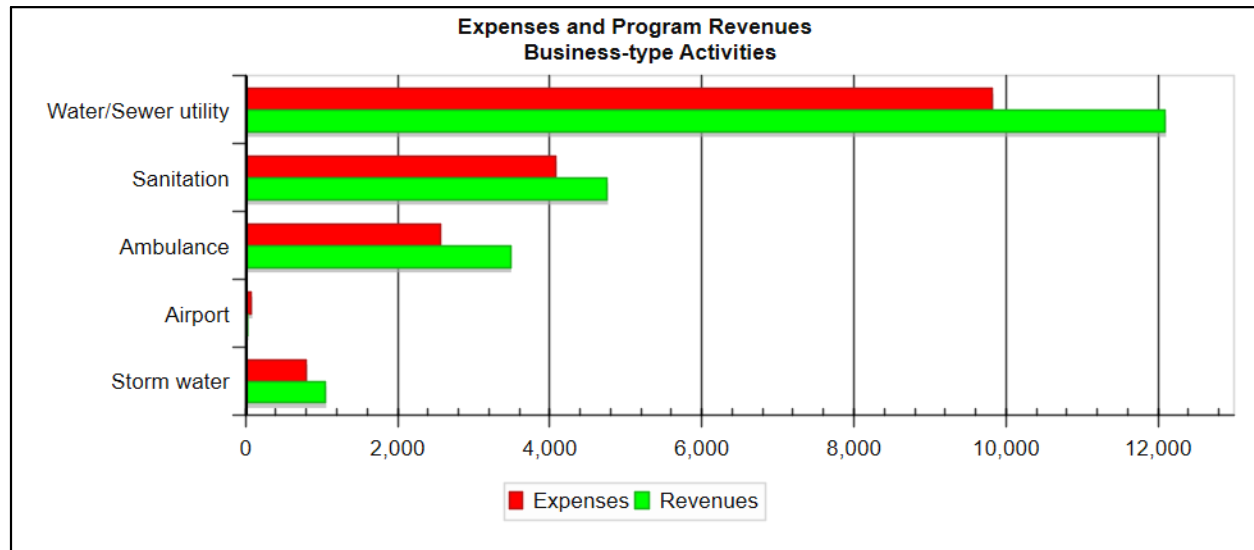
- The increase in charges for services of \$651 was due largely to rate adjustments made to offset the significant increase in the Washington State minimum wage, coupled with additional reimbursable activity of the Engineering division designing projects.

- The increase in sales taxes of \$1,174 was attributable primarily to the start of a voted sales tax of 0.2% for transportation improvements which started to be collected April 1, 2018, so that 2019 was the first full year of collection. Additionally, state law changed to tighten the rules on the taxability of internet sales shipped into the state, increasing the underlying tax base, and the Supreme Court supported taxation of remote sales.

Total expenses for governmental activities remained relatively flat as the City maintained its programs, continuing to add Police and Fire personnel as resources permit.



**Business-type activities.** Total net positions of business-type activities increased by \$3,901 for the year. Of the \$21,670 in business type revenue, 94% 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.



## 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 \$13,009, an increase of \$2,141 in comparison with the prior year. It is partly made up of unassigned fund balance \$6,435, 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 \$135. \$2,555 is restricted for public safety, tourism, and parks capital programs along with debt service. \$3,216 is committed for public safety pensions, museum programs, and transportation improvements; and \$668 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 \$6,435 while the total fund balance was at \$6,865.

The fund balance of the City of Moses Lake's General Fund increased by \$302 during the current fiscal year. As noted earlier, there were no significant changes in General Fund programs.

**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 \$12,477, which makes up 83% 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 increased by \$115 from the original budget while expenditures were \$338 higher than the original. Increases were made up of the carryforward of unspent program budgets from the prior year, corrections of budget oversights, and program enhancements.

### **Actual results compared to final budget**

General fund revenues were over final amended budget by \$2,456 (11%) and expenditures less by \$415 (2%). 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 growth in virtually all categories, 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 \$302.

## **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, 2019 amounts to \$160,472 (net of accumulated depreciation).



**Governmental Activities:** Capital assets from governmental activities increased \$2,567 from \$72,019 in 2018 to \$74,586 in 2019. The City's investment in infrastructure, facilities and rolling stock, exceeded current year depreciation for all assets in 2019.

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

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land and land rights	\$ 5,561	\$ 5,561	\$ 988	\$ 988	\$ 6,549	\$ 6,549
Buildings and other improvements	20,554	19,463	25,977	26,481	46,531	45,944
Machinery and equipment	5,187	5,134	4,592	4,444	9,779	9,578
Infrastructure	40,824	40,416	51,854	51,708	92,678	92,124
Intangible	-	-	285	285	285	285
Construction in Progress	2,460	1,445	2,190	729	4,650	2,174
Total assets	<u>\$ 74,586</u>	<u>\$ 72,019</u>	<u>\$ 85,886</u>	<u>\$ 84,635</u>	<u>\$ 160,472</u>	<u>\$ 156,654</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 2018 the City budgeted \$2,980 for major road and sidewalk maintenance projects. The actual amount expended was \$1,993 as a major project was delayed.

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. To ensure continued maintenance, 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 \$1,600 is expected to be generated by this new sales tax annually, 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 \$8,995. Of this amount, \$4,095 comprises debt backed by the full faith and credit of the government and \$4,900 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	
	2019	2018	2019	2018	2019	2018
General obligation debt	\$ 3,639,166	\$ 4,731,666	\$ 455,834	\$ 513,334	\$ 4,095,000	\$ 5,245,000
Revenue debt	-	-	4,900,000	5,875,000	4,900,000	5,875,000
Total long-term debt	<u>\$ 3,639,166</u>	<u>\$ 4,731,666</u>	<u>\$ 5,355,834</u>	<u>\$ 6,388,334</u>	<u>\$ 8,995,000</u>	<u>\$ 11,120,000</u>

The City of Moses Lake's total bonded debt decreased by \$2,125 which represents principal payments. No new debt was issued in 2019. The earliest final maturity for existing debt is 2020, and the last maturities are in 2026. Currently, the City is researching capital needs that can be funded with new debt to replace the debt service rolling off in 2020. City Council has authorized a new Parks and Recreation facility to replace an aging Larson Park recreation center, estimated to cost \$12.0 million, and 2 Fire apparatus estimated to cost \$2.1 million. The City plans to take advantage of the Washington State Treasurer's LOCAL program, whereby the state issues bonds, and enters into an interlocal agreement for repayment with the City, to take advantage of lower interest rates. We borrowed \$2.0 million in October 2020 for Fire apparatus with an All Inclusive Cost of 0.94% and a 10 year payment of about \$213,000 annually. The recreation center would also be bonded through the LOCAL program, with debt service funded by General Fund via the roll off of existing debt service and a portion of hotel/motel taxes. The funds for construction would be borrowed in mid-2021 with a 20 year repayment stream starting late in 2021.

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 2019 was \$2,189,215,750 and the remaining debt capacity is as follows:

	(Actual amounts in thousands)
General Purpose-Non-voted (i.e. Councilmanic) net of Outstanding debt	\$ 30,853
General Purpose-Voted	<u>23,176</u>
Total General Purpose-Voted and Non-Voted	54,029
Open Space/Park Facilities	57,940
Utilities	<u>57,940</u>
Total	<u>\$ 169,909</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, a vibrant port district that is home to one of the largest airports in the country, 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. As the national economy has seen extended growth following the "Great Recession" the City is experiencing growth in property taxes from new construction, sales taxes and permitting fees.

In addition to the natural growth in the economy, the local taxpayers decided to invest in the community twice in the past two years. In November 2017, a 0.2% sales tax for a local transportation benefit district for major street repair and maintenance passed, and went into effect on April 1, 2018. In November 2019, Grant County voters approved a 0.3% sales tax for criminal justice purposes which will start being collected on April 1, 2020. The formula for distribution is 60% to the County, and the remaining 40% distributed to cities within the county on a per capita basis. The aforementioned factors were considered in the preparation of the City's 2020 and 2021 budget.

A change in state law is also helping to shore up our important sales tax stream. The Legislature approved a law that would apply sales tax collection to more internet retailers, to be effective in late 2018. The City experienced sales tax growth of over 9% in 2019.

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 2020 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 2019. 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 board upheld the County's determination of assessed value. (Even though we got the judgment, we have not received the additional taxes, but they are not counted in the General Fund balance, since they are recorded as a deferred inflow of resources.) This same company has ceased operations in mid-2019 citing tariff issues. The current property tax assessments have been lowered considerably in recent years, so the closure should not create a significant reduction. At the end of 2020, the company has run out of appeals, and signed an agreement with Grant County to pay their outstanding property taxes over the next 6 years. They made their first payment to liquidate this old debt in December 2020, and the City received \$413,000 against the \$1.3 million receivable.

The economic shutdown in response to COVID-19 affected several of the City's revenue sources, but for the most part the major General Fund revenues were not affected. In 2020, Property Taxes demonstrated normal collection rates, Utility Taxes were flat, and Sales Tax actually grew by 2% over 2019. Construction remained strong, and it appears that destination based sales tax kept the community "buying local" as far as sales tax is concerned. Charges for Services for Parks and Recreation programs were significantly curtailed, but so were the operating expenses. After taking full advantage of the CARES Act grant, and other natural savings during the pandemic (i.e. travel for training was virtually eliminated) we expect General Fund to about break even in 2020. Hotel/Motel tax is reduced by about 25%, but it must be used for tourist promotion, and several of the events it was pledged to support were cancelled, so the reduced expenses roughly matched the reduced revenue. Overall, the City's reserves have not been significantly effected by the COVID pandemic.

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 2020 and 2021 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. As we are going into 2021, the COVID 19 shutdown may again affect the Parks and Recreation programs, but as in 2020, we expect reduced revenues and reduced expenditures. There are several significant construction projects (including a hospital) set to start in 2021, which should translate into additional sales tax.

### **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  
YEAR ENDED DECEMBER 31, 2019



**BASIC FINANCIAL STATEMENTS**

**CITY OF MOSES LAKE**  
**Statement of Net Position**  
**December 31, 2019**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Pooled cash & investments	\$ 14,764,489	\$ 13,614,328	\$ 28,378,817
Receivables (net of allowances for uncollectibles)	5,134,152	2,572,959	7,707,111
Due from Other Governments	141,620	-	141,620
Internal balances	(8,075,189)	8,075,189	-
Inventories and prepaid items	240,537	523,894	764,431
Restricted assets:			
Cash	-	1,312,262	1,312,262
Capital assets			
Land	5,560,986	987,904	6,548,890
Infrastructure	40,262,035	6,535,177	46,797,212
Construction in Progress	2,460,311	2,189,537	4,649,848
Intangible	-	285,127	285,127
Net of accumulated depreciation			
Buildings and other improvements	20,553,761	25,977,498	46,531,259
Machinery and equipment	5,187,195	4,592,141	9,779,336
Infrastructure	562,206	45,319,321	45,881,527
Net Pension Asset	4,100,148	746,723	4,846,871
Total assets	90,892,251	112,732,060	203,624,311
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred loss on refunding	\$ 123,571	\$ 24,714	\$ 148,285
Deferred outflows related to pensions	939,439	222,332	1,161,771
Total deferred outflows of resources	1,063,010	247,046	1,310,056
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	979,321	510,187	1,489,508
Accrued interest	42,595	97,453	140,048
Noncurrent liabilities:			
Due within one year	1,429,944	1,723,907	3,153,851
Due in more than one year	4,808,055	5,983,323	10,791,378
Net pension liability	2,158,017	598,466	2,756,483
Total OPEB Liability	6,097,738	-	6,097,738
Total liabilities	15,515,670	8,913,336	24,429,006
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	2,701,505	645,905	3,347,410
Total deferred inflows of resources	2,701,505	645,905	3,347,410
<b>NET POSITION</b>			
Invested in Capital Assets	70,473,576	80,376,392	150,849,968
Restricted For:			
Debt Service	184,455	1,312,262	1,496,717
Other purpose	2,370,331	-	2,370,331
Held in trust for pension benefits	-	583,061	583,061
Unrestricted Net Position	709,724	21,148,150	21,857,874
Total net position	\$ 73,738,086	\$ 103,419,865	\$ 177,157,951

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, 2019**

Function/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position Primary Government		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary Government:</b>							
Governmental Activities:							
General government	\$ 2,801,900	\$ 2,154,722	\$ -	\$ -	\$ (647,178)	\$ -	\$ (647,178)
Public safety	9,802,295	1,670,375	243,891	-	(7,888,029)	-	(7,888,029)
Public works	1,867,576	885,182	-	-	(982,394)	-	(982,394)
Transportation	3,136,651	897,225	272,340	1,562,230	(404,856)	-	(404,856)
Culture and recreation	6,298,017	1,532,357	45,805	217,688	(4,502,167)	-	(4,502,167)
Economic Environment	1,174,866	228,341	-	-	(946,525)	-	(946,525)
Interest on long-term debt	229,644	-	-	-	(229,644)	-	(229,644)
Total governmental activities	<u>25,310,949</u>	<u>7,368,202</u>	<u>562,036</u>	<u>1,779,918</u>	<u>(15,600,793)</u>	<u>-</u>	<u>(15,600,793)</u>
Business-type activities:							
Water/Sewer utility	9,823,923	11,267,221	-	825,913	-	2,269,211	2,269,211
Sanitation	4,081,364	4,743,212	11,575	-	-	673,423	673,423
Ambulance	2,555,263	3,483,277	-	-	-	928,014	928,014
Airport	79,037	26,836	-	-	-	(52,201)	(52,201)
Storm Water	803,587	945,145	-	105,991	-	247,549	247,549
Total business-type activities	<u>17,343,174</u>	<u>20,465,691</u>	<u>11,575</u>	<u>931,904</u>	<u>-</u>	<u>4,065,996</u>	<u>4,065,996</u>
Total primary government	<u>\$ 42,654,123</u>	<u>\$ 27,833,893</u>	<u>\$ 573,611</u>	<u>\$ 2,711,822</u>	<u>(15,600,793)</u>	<u>4,065,996</u>	<u>(11,534,797)</u>
General Revenues:							
Property taxes					7,402,797	-	7,402,797
Retail sales and use taxes					9,721,992	-	9,721,992
Business taxes					4,971,956	-	4,971,956
Investment earnings					680,542	61,782	742,324
Insurance recoveries					18,537	199,832	218,369
Miscellaneous					1,800	-	1,800
Transfers, internal activities					425,660	(425,660)	-
Total general revenues and transfers					<u>23,223,284</u>	<u>(164,046)</u>	<u>23,059,238</u>
Changes in net position					7,622,491	3,901,950	11,524,441
Net position - beginning					66,115,595	99,517,915	165,633,510
Net position - ending					<u>\$ 73,738,086</u>	<u>\$ 103,419,865</u>	<u>\$ 177,157,951</u>

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



**CITY OF MOSES LAKE**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2019**

	<b>General Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>			
Pooled cash & investments	\$ 5,409,392	\$ 4,550,740	\$ 9,960,132
Receivables (net of allowance for uncollectibles):			
Taxes	2,974,428	377,392	3,351,820
Customer accounts	123,296	-	123,296
Unbilled services	55,423	-	55,423
Other receivables	256,259	3,495	259,754
Notes/contracts receivable	-	18,656	18,656
Due from other governments	70,487	1,347,432	1,417,919
Prepaid Expenses	77,682	57,199	134,881
Total assets	<u>8,966,967</u>	<u>6,354,914</u>	<u>15,321,881</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	158,201	176,754	334,955
Salaries and benefits payable	449,101	13,580	462,681
Total liabilities	<u>607,302</u>	<u>190,334</u>	<u>797,636</u>
Deferred inflows of resources:			
Deferred property tax	1,332,615	-	1,332,615
Deferred traffic citations	92,746	-	92,746
Deferred unavailable receivables	69,473	20,434	89,907
Total deferred inflows of resources	<u>1,494,834</u>	<u>20,434</u>	<u>1,515,268</u>
Fund Balances:			
Nonspendable:			
Inventories and noncurrent receivables	77,685	57,739	135,424
Restricted for:			
Public safety programs	-	390,544	390,544
Tourism	-	784,281	784,281
Debt service	-	184,455	184,455
Culture and recreation	-	1,195,507	1,195,507
Committed for:			
Committed	352,390	-	352,390
Culture and recreation	-	300,058	300,058
Transportation	-	2,563,784	2,563,784
Assigned to transportation	-	667,778	667,778
Unassigned	6,434,756	-	6,434,756
Total fund balances	<u>6,864,831</u>	<u>6,144,146</u>	<u>13,008,977</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 8,966,967</u>	<u>\$ 6,354,914</u>	<u>\$ 15,321,881</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, 2019**

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Total Governmental Fund Balances	\$ 13,008,977
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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)	56,706,463
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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.	1,515,266
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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	18,267,631	
Internal balance-charges under cost to business-type activities	<u>(6,168,786)</u>	
Net adjustment to arrive at net position - governmental activities		12,098,845

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	(2,279,166)	
Accrued interest payable	(39,076)	
Compensated absences payable	(1,866,653)	
Other postemployment benefits payable	(6,097,738)	
Net pension obligations	<u>714,805</u>	
Net adjustment to arrive at net position - governmental activities		(9,567,828)

Bond premiums, discounts, refundings and issuance costs are reported as other financing sources and uses and expenditures in the governmental fund financial statements but capitalized on the government-wide statement of net position.	(23,637)
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Net position of governmental activities	<u><u>\$ 73,738,086</u></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, 2019**

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Taxes	\$ 18,358,794	\$ 3,419,132	\$ 21,777,926
Licenses and Permits	727,066	82,727	809,793
Intergovernmental revenues	927,876	2,294,704	3,222,580
Charges for services	3,741,626	342,882	4,084,508
Fines and forfeits	937,086	-	937,086
Interest earnings	515,438	85,937	601,375
Rents and royalties	160,232	-	160,232
Contributions/donations	-	178,256	178,256
Assessments	-	50,831	50,831
Miscellaneous	12,615	35,050	47,665
Total revenues	<u>25,380,733</u>	<u>6,489,519</u>	<u>31,870,252</u>
<b>EXPENDITURES</b>			
<b>Current:</b>			
General Government	3,017,893	-	3,017,893
Public safety	11,606,613	192,408	11,799,021
Public works	2,055,144	-	2,055,144
Transportation	-	3,253,880	3,253,880
Economic environment	1,282,859	-	1,282,859
Culture and recreation	5,839,424	350,473	6,189,897
Capital outlay	39,773	2,135,483	2,175,256
<b>Debt service:</b>			
Principal	-	287,500	287,500
Interest and debt issue costs	-	94,083	94,083
Total expenditures	<u>23,841,706</u>	<u>6,313,827</u>	<u>30,155,533</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,539,027</u>	<u>175,692</u>	<u>1,714,719</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	551,697	4,146,333	4,698,030
Transfers (out)	(1,788,740)	(2,483,630)	(4,272,370)
Total other financing sources (uses)	<u>(1,237,043)</u>	<u>1,662,703</u>	<u>425,660</u>
Net change in fund balances	301,984	1,838,395	2,140,379
Fund balances-beginning	<u>6,562,847</u>	<u>4,305,751</u>	<u>10,868,598</u>
Fund balances-ending	<u>\$ 6,864,831</u>	<u>\$ 6,144,146</u>	<u>\$ 13,008,977</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, 2019**

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Net changes in fund balances - total governmental funds: \$ 2,140,379

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	2,175,258	
Depreciation expense	<u>(832,028)</u>	
Net increase (decrease) in net position - governmental activities		1,343,230

Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the fund statements		(41,777)
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The net effect of various miscellaneous transactions involving capital assets (i.e. sales, disposals, and donations) is to increase net position.

Contributed assets	<u>399,475</u>	
Net increase (decrease) in net position - governmental activities		399,475

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	287,500	-
Amortization of deferred bond costs	<u>3,377</u>	
Net increase in net position - governmental activities		290,877

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	979,163	
Other post employment benefits	1,268,487	
Compensated absences	(158,212)	
Other miscellaneous expenses	<u>(61,667)</u>	
Net decrease in net position - governmental activities		2,027,771

Accrued interest revenue		3,435
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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	3,609,817	
Loss(gain) from charges to business-type activities	<u>(2,150,716)</u>	
Net increase in net position - governmental activities		<u>1,459,101</u>

Change in net position in governmental activities		<u>\$ 7,622,491</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 - Budget and Actual****General Fund****For the Year Ended December 31, 2019**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>REVENUES</b>				
Taxes	\$ 16,820,600	\$ 16,935,600	\$ 18,358,794	\$ 1,423,194
Licenses and Permits	635,500	635,500	727,066	91,566
Intergovernmental revenues	808,470	808,470	927,876	119,406
Charges for services	3,379,814	3,379,814	3,741,626	361,812
Fines and forfeits	809,000	809,000	937,086	128,086
Interest earnings	214,000	214,000	515,438	301,438
Rents and royalties	142,650	142,650	160,232	17,582
Miscellaneous	5	5	12,615	12,610
Total revenues	<u>22,810,039</u>	<u>22,925,039</u>	<u>25,380,733</u>	<u>2,455,694</u>
<b>EXPENDITURES</b>				
Current:				
General Government	3,036,721	3,075,341	3,017,893	57,448
Public safety	11,380,912	11,508,412	11,606,613	(98,201)
Public works	2,004,305	2,004,305	2,055,144	(50,839)
Economic environment	1,517,597	1,517,597	1,282,859	234,738
Culture and recreation	5,649,505	5,821,805	5,839,424	(17,619)
Capital outlay	329,000	329,000	39,773	289,227
Debt service:				
Total expenditures	<u>23,918,040</u>	<u>24,256,460</u>	<u>23,841,706</u>	<u>414,754</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,108,001)</u>	<u>(1,331,421)</u>	<u>1,539,027</u>	<u>2,870,448</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	500,000	615,000	551,697	(63,303)
Transfers (out)	<u>(1,788,740)</u>	<u>(1,788,740)</u>	<u>(1,788,740)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,288,740)</u>	<u>(1,173,740)</u>	<u>(1,237,043)</u>	<u>(63,303)</u>
Net change in fund balances	<u>(2,396,741)</u>	<u>(2,505,161)</u>	<u>301,984</u>	<u>2,807,145</u>
Fund balances-beginning	<u>3,820,000</u>	<u>3,820,000</u>	<u>6,562,847</u>	<u>2,742,847</u>
Fund balances-ending	<u>\$ 1,423,259</u>	<u>\$ 1,314,839</u>	<u>\$ 6,864,831</u>	<u>\$ 5,549,992</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, 2019**

page 1 of 2

	<b>Business-type Activities-Enterprise Funds</b>					<b>Governmental Activities Internal Service Funds</b>
	<b>Water/Sewer</b>	<b>Sanitation</b>	<b>Ambulance</b>	<b>Non-Major Enterprise Funds</b>	<b>Totals</b>	
<b>ASSETS</b>						
Current assets:						
Pooled cash & investments	\$ 11,847,075	\$ 255,000	\$ 918,903	\$ 593,350	\$ 13,614,328	\$ 4,804,357
Receivables (net of allowance for uncollectibles)	1,333,715	567,731	533,114	138,399	2,572,959	18,904
Due from other governments	-	-	-	-	-	30,000
Interfund loans receivable	1,906,403	-	-	-	1,906,403	-
Inventory	390,065	59,251	70,281	4,297	523,894	105,656
Total current assets	15,477,258	881,982	1,522,298	736,046	18,617,584	4,958,917
Noncurrent assets						
Restricted assets:						
Revenue bond reserves/debt service:						
Pooled cash & investments	1,312,262	-	-	-	1,312,262	-
Total restricted assets	1,312,262	-	-	-	1,312,262	-
Capital assets:						
Land and land rights	836,006	-	-	151,898	987,904	608,951
Construction in Progress	2,187,408	-	2,129	-	2,189,537	622,149
Infrastructure	-	-	-	6,535,177	6,535,177	-
Net of accumulated depreciation:						
Buildings	25,640,032	-	-	337,466	25,977,498	11,957,315
Infrastructure	45,109,748	-	-	209,573	45,319,321	-
Machinery and equipment	4,338,155	-	178,550	75,436	4,592,141	4,691,616
Intangible assets	285,127	-	-	-	285,127	-
Total capital assets	78,396,476	-	180,679	7,309,550	85,886,705	17,880,031
Net pension asset	-	-	746,723	-	746,723	-
Total non current assets	79,708,738	-	927,402	7,309,550	87,945,690	17,880,031
Total assets	95,185,996	881,982	2,449,700	8,045,596	106,563,274	22,838,948
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred amount on refunding	24,714	-	-	-	24,714	-
Deferred Pension	98,694	-	113,899	9,739	222,332	55,452
Total deferred outflows of resources	\$ 123,408	\$ -	\$ 113,899	\$ 9,739	\$ 247,046	\$ 55,452

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, 2019**

Page 2 of 2

	<b>Business-type Activities-Enterprise Funds</b>					<b>Governmental Activities Internal Service Funds</b>
	<b>Water/Sewer</b>	<b>Sanitation</b>	<b>Ambulance</b>	<b>Non-Major Enterprise Funds</b>	<b>Totals</b>	
<b>LIABILITIES</b>						
Current Liabilities:						
Accounts payable	\$ 166,682	\$ 64,682	\$ 14,078	\$ 1,776	\$ 247,218	\$ 122,153
Salaries and benefits payable	75,542	-	69,531	11,575	156,648	59,530
Interfund loans payable	-	-	-	-	-	1,906,403
Interest payable	-	-	-	-	-	3,519
Capital leases payable	-	-	-	-	-	290,625
G.O. bonds payable	59,156	-	-	-	59,156	830,000
Compensated Absenses	28,721	-	21,484	4,207	54,412	13,486
Accrued interest	97,453	-	-	-	97,453	-
Intergovernmental loans payable	561,692	-	-	-	561,692	-
Revenue bonds payable	1,015,000	-	-	-	1,015,000	-
Other short-term liabilities	-	106,321	-	-	106,321	-
Total current liabilities	2,004,246	171,003	105,093	17,558	2,297,900	3,225,716
Noncurrent liabilities:						
Revenue bonds payable (net discount/premium)	4,005,843	-	-	-	4,005,843	-
G.O. bonds payable (net discount/premium)	430,314	-	-	-	430,314	568,276
Intergovernmental loans payable	1,091,104	-	-	-	1,091,104	-
Compensated absenses	258,492	-	193,354	37,863	489,709	121,371
Net pension liability	525,945	-	-	72,521	598,466	361,547
Lease payable	-	-	-	-	-	121,214
Total noncurrent liabilities	6,311,698	-	193,354	110,384	6,615,436	1,172,408
Total liabilities	8,315,944	171,003	298,447	127,942	8,913,336	4,398,124
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Pension	318,249	-	277,621	50,035	645,905	228,645
Total deferred inflows of resources	318,249	-	277,621	50,035	645,905	228,645
<b>NET POSITION</b>						
Net investment in capital assets	72,886,163	-	180,679	7,309,550	80,376,392	16,069,916
Restricted for debt service	1,312,262	-	-	-	1,312,262	-
Restricted for pension benefits	-	-	583,061	-	583,061	-
Unrestricted	12,476,786	710,979	1,223,791	567,808	14,979,364	2,197,715
Total net position	\$ 86,675,211	\$ 710,979	\$ 1,987,531	\$ 7,877,358	97,251,079	\$ 18,267,631

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

\$ 6,168,786

Net position of business-type activities

\$ 103,419,865

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, 2019**

	<b>Business-type Activities-Enterprise Funds</b>					<b>Governmental Activities Internal Service Funds</b>
	<b>Water/Sewer</b>	<b>Sanitation</b>	<b>Ambulance</b>	<b>Non-Major Enterprise Funds</b>	<b>Totals</b>	
<b>OPERATING REVENUES</b>						
Charges for services	\$ 10,954,710	\$ 4,600,065	\$ 2,440,274	\$ 945,145	\$ 18,940,194	\$ 9,917,348
Miscellaneous	657,918	143,146	-	26,834	827,898	-
Licenses and Permits	14,262	-	-	-	14,262	-
Total operating revenues	11,626,890	4,743,211	2,440,274	971,979	19,782,354	9,917,348
<b>OPERATING EXPENSES</b>						
Salaries and benefits	2,497,828	-	1,729,048	371,911	4,598,787	2,471,476
Supplies and contractual services	5,362,107	4,134,931	960,876	403,990	10,861,904	1,413,961
Utilities	555,983	-	-	72,276	628,259	127,832
Repairs and maintenance	478,133	-	4	63,173	541,310	248,986
Insurance claims and expenses	-	-	-	-	-	785,526
Depreciation and amortization	2,430,885	-	38,368	72,516	2,541,769	1,224,555
Total operating expenses	11,324,936	4,134,931	2,728,296	983,866	19,172,029	6,272,336
Operating income (loss)	301,954	608,280	(288,022)	(11,887)	610,325	3,645,012
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Intergovernmental revenues	-	11,575	1,050,298	-	1,061,873	-
Interest and other earnings	61,133	652	-	-	61,785	79,168
Rents and royalties	-	-	-	-	-	1,800
Insurance recoveries	199,832	-	-	-	199,832	18,537
Intergovernmental payments	(62,854)	-	-	-	(62,854)	-
Interest expense	(261,805)	(3,000)	(1,500)	-	(266,305)	(142,373)
Miscellaneous revenues	\$ 127,911	\$ -	\$ -	\$ -	\$ 127,911	\$ 7,673
Gain (Loss) on disposal of Assets	(487,575)	-	-	-	(487,575)	-
Total nonoperating revenues (expenses)	(423,358)	9,227	1,048,798	-	634,667	(35,195)
Income (loss) before contributions and transfers	(121,404)	617,507	760,776	(11,887)	1,244,992	3,609,817
Capital contributions	825,913	-	-	105,991	931,904	-
Transfers in	-	-	74,340	-	74,340	-
Transfers (out)	(500,000)	-	-	-	(500,000)	-
Changes in net position	204,509	617,507	835,116	94,104	1,751,236	3,609,817
Net position - beginning	86,470,702	93,472	1,152,415	7,783,254		14,657,814
Net position - ending	\$ 86,675,211	\$ 710,979	\$ 1,987,531	\$ 7,877,358	\$ 97,251,079	\$ 18,267,631
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					2,150,714	
Changes in net position of business-type activities					\$ 3,901,950	

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, 2019**

Page 1 of 2

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water/Sewer	Sanitation	Ambulance	Other Nonmajor Funds	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers	\$ 10,897,279	\$ 4,677,098	\$ 2,339,956	\$ 941,264	\$ 18,855,597	\$ 9,903,096
Payment to suppliers	(6,431,059)	(4,373,506)	(957,137)	(538,279)	(12,299,981)	(2,761,659)
Payments to employees	(2,490,820)	-	(1,765,247)	(388,912)	(4,644,979)	(2,341,843)
Miscellaneous revenue	657,919	143,145	-	15,437	816,501	-
Net cash provided by (used for) operating activities	2,633,319	446,737	(382,428)	29,510	2,727,138	4,799,594
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>						
Nonoperating miscellaneous revenue	127,911	-	-	-	127,911	9,473
Advances from other funds	1,375,259	-	-	-	1,375,259	-
Transfers from other funds	-	-	74,340	-	74,340	-
Transfers (to) other funds	(500,000)	-	-	-	(500,000)	-
Insurance recoveries	199,832	-	-	-	199,832	18,537
Other intergovernmental revenues	-	11,575	1,050,298	-	1,061,873	-
Other intergovernmental payments	(62,854)	-	-	-	(62,854)	-
Net cash provided by (used for) noncapital financing activities	1,140,148	11,575	1,124,638	-	2,276,361	28,010
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Additions of capital assets	(3,604,694)	-	(131,822)	(55,991)	(3,792,507)	(2,226,615)
Principal paid on debt	(1,623,057)	(300,000)	(150,000)	-	(2,073,057)	(2,092,681)
Interest paid on debt	(268,507)	(3,000)	(1,500)	-	(273,007)	(144,374)
Capital contributions	825,913	-	-	105,991	931,904	-
Interest income	61,133	652	-	-	61,785	79,169
Proceeds from sale of capital assets	(487,575)	-	-	-	(487,575)	-
Net cash provided by (used for) capital and related financing activities	(5,096,787)	(302,348)	(283,322)	50,000	(5,632,457)	(4,384,501)
<b>Net cash increase (decreases) in cash and cash equivalents</b>	(1,323,320)	155,964	458,888	79,510	(628,958)	443,103
Cash and cash equivalents, January 1	14,482,657	99,036	460,015	513,840	15,555,548	4,361,254
Cash and cash equivalents, December 31	\$ 13,159,337	\$ 255,000	\$ 918,903	\$ 593,350	\$ 14,926,590	\$ 4,804,357

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, 2019**

page 2 of 2

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water/Sewer	Sanitation	Ambulance	Other Nonmajor Funds	Total	
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>						
Operating income (loss)	301,954	608,280	\$ (288,022)	(11,887)	610,325	3,645,012
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	2,430,885	-	38,368	72,516	2,541,769	1,224,555
Decrease (increase) in accounts receivable	(71,692)	77,032	(100,316)	(3,881)	(98,857)	(14,252)
Decrease (increase) in inventory	(37,622)	(8,211)	(4,698)	2,700	(47,831)	3,896
(Decrease) increase in deferred outflows	18,494	-	(23,366)	4,842	(30)	(8,407)
(Decrease) increase in accounts payable	2,786	(230,364)	8,439	(1,539)	(220,678)	(189,250)
(Decrease) increase in salaries payable	29,581	-	25,119	4,489	59,189	23,579
(Decrease) increase in compensated absences	34,771	-	31,314	4,172	70,257	25,068
(Decrease) increase in pension liability	(125,136)	-	(140,895)	(33,213)	(299,244)	13,284
Decrease (increase) in unearned revenue	-	-	-	(11,398)	(11,398)	-
(Decrease) increase in deferred inflows	49,298	-	71,629	2,709	123,636	76,109
Total adjustments	2,331,365	(161,543)	(94,406)	41,397	2,116,813	1,154,582
Net cash provided (used) by operating activities:	<u>\$ 2,633,319</u>	<u>\$ 446,737</u>	<u>\$ (382,428)</u>	<u>\$ 29,510</u>	<u>\$ 2,727,138</u>	<u>\$ 4,799,594</u>

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, 2019**

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	<u><b>Agency Funds</b></u>
<b>ASSETS</b>	
Pooled cash & investments	\$ 648,832
Receivables (net of allowance for uncollectibles)	<u>79</u>
Total assets	<u><u>648,911</u></u>
<b>LIABILITIES</b>	
Custodial accounts payable	<u>648,911</u>
Total liabilities	<u><u>\$ 648,911</u></u>

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

## INDEX NOTES

1. Summary Of Significant Accounting Policies.....	33
A. Reporting Entity.....	33
B. Basis of Presentation - Government-Wide and Fund Financial Statements.....	33
C. Measurement Focus, Basis of Accounting.....	34
D. Budgetary Information.....	35
E. Assets, Liabilities, Fund Balance, Net Position.....	36
2. Stewardship, Compliance And Accountability.....	40
3. Deposits And Investments.....	40
4. Property Taxes.....	42
5. Capital Assets.....	43
6. Pension Plans .....	45
7. Risk Management.....	56
8. Long-term Debt.....	58
9. Leases.....	59
10.Changes In Long-term Liabilities.....	61
11.Contingencies And Litigations.....	61
12.Restricted Component Of Net Position.....	61
13.Interfund Balances And Transfers.....	62
14.Other Postemployment Benefit (OPEB) Plans.....	62
15.Health & Welfare.....	65
16.Joint Ventures .....	67
17.Subsequent events.....	67

**CITY OF MOSES LAKE**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2019**

**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.

As a general rule the effect of the interfund activity has been eliminated for the government-wide financial statements.

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. The major individual governmental fund and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City of Moses Lake reports one major governmental fund:

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 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.

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.

Non-major Proprietary Funds account for Airport funds supported by rental charges and Storm Water funds supported through user charges.

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.

#### 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 proprietary fund statements are reported using the economic resources measurement focus and full-accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liability is incurred regardless of the timing of the cash flows.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing 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](http://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	\$ 1,312,262
Total Restricted Assets	<u>\$ 1,312,262</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>
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 (See Note 8 Long-term Debt for more information.)

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 that cannot be spent either because they are not in a spendable form or because of legal or contractual constraints.

- Restricted includes fund balances 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 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 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, 2019, the bank balance was \$1,847,457.

### Investments

Investments are subject to the following risks.

*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.

### Investment in Local Government Investment Pool (LGIP)

The City of Moses Lake is a participant in the Local Government Investment Pool was authorized by Chapter 294, Laws of 1986, and is managed and operated by the Washington State Treasurer. The State Finance Committee is the administrator of the statute that created the pool and adopts rules. The State Treasurer is responsible for establishing the investment policy for the pool and reviews the policy annually and proposed changes are reviewed by the LGIP advisory Committee.

Investments in the LGIP, a qualified external investment pool, are reported at amortized cost which approximates fair value. The LGIP is an unrated external investment pool. The pool portfolio is invested in a manner that meets the maturity, quality, diversification and liquidity requirements set forth by the GASBS 79 for external investments pools that elect to measure, for financial reporting purposes, investments at amortized cost. The LGIP does not have any legally binding guarantees of share values. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals.

The Office of the State Treasurer prepares a stand-alone LGIP financial report. A copy of the report is available from the Office of the State Treasurer; PO Box 40200; Olympia, Washington 98504-0200, online at <http://www.tre.wa.gov>.

#### Investments in Grant County Investment Pool (GCIP)

The City of Moses Lake is a participant in the Grant County Investment Pool, an external investment pool. The City reports 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. The responsibility for managing the pool resides with the County Treasurer. The Pool is established from the RCW 36.29 which authorizes the County Treasurer to invest the funds of participants. The county external investment pool does not have a credit rating and had a weighted average maturity of 945 days as of December 31, 2019.

As of December 31, 2019 the City had the following investments:

Investment Type	Fair Value	Rating	Weighted Average Maturity (days)
Grant County Investment Pool	\$ 5,532,887	not rated	945
WA State Investment Pool	23,421,857	not rated	43
Total Fair Value	<u>\$28,954,744</u>		
Portfolio Weighted Average Maturity			181

#### 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 2019 was \$3.0480 per \$1,000 on an assessed valuation of \$2,189,215,750 for a total regular levy of \$7,460,933.

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, 2019 were as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
<b>Capital Assets Not Depreciated:</b>				
Land	\$ 5,560,986	\$ -	\$ -	\$ 5,560,986
Infrastructure*	39,811,723	450,312	-	40,262,035
CIP	1,444,995	3,191,175	2,175,859	2,460,311
Total Non-Depreciated	<u>46,817,704</u>	<u>3,641,487</u>	<u>2,175,859</u>	<u>48,283,332</u>
<b>Capital Assets Depreciated:</b>				
Buildings	34,890,978	2,146,993	-	37,037,971
Intangible	147,051	-	-	147,051
Machinery and Equipment	15,610,191	1,011,406	368,950	16,252,647
Infrastructure	1,666,513	-	-	1,666,513
Total Depreciated	<u>52,314,733</u>	<u>3,158,399</u>	<u>368,950</u>	<u>55,104,182</u>
<b>Less Accumulated Depreciation:</b>				
Buildings	15,427,501	1,056,709	-	16,484,210
Intangible	147,051	-	-	147,051
Machinery and Equipment	10,476,190	958,212	368,950	11,065,452
Infrastructure	1,062,645	41,662	-	1,104,307
Total Accumulated Depreciation	<u>27,113,387</u>	<u>2,056,583</u>	<u>368,950</u>	<u>28,801,020</u>
Total Capital Assets Depreciated, Net	<u>25,201,346</u>	<u>1,101,816</u>	<u>-</u>	<u>26,303,162</u>
Governmental Activities Capital Assets, Net	<u>\$ 72,019,050</u>	<u>\$ 4,743,303</u>	<u>\$ (2,175,859)</u>	<u>\$ 74,586,494</u>
Less associated debt				(4,236,489)
Deferred loss on refunding				123,571
Capital assets net of debt				<u>\$ 70,473,576</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	\$ 48,791
Public Safety	60,118
Transportation	128,582
Public Works	17,747

Governmental Activities	Depreciation
Culture and Recreation	576,790
Capital Assets Held by the Government's Internal Service Funds, changed to the various functions based on usage	1,224,555
Total Depreciation - Governmental Activities	<u>\$ 2,056,583</u>

A summary of Business-type capital assets for the year ended December 31, 2019 were as follows:

Business-type Activities	Beginning Balance	Increase	Decreases	Ending Balance
<b>Capital Assets Not Depreciated:</b>				
Land	\$ 987,904	\$ -	\$ -	\$ 987,904
Infrastructure	6,479,186	55,991	-	6,535,177
CIP	729,486	7,787,742	6,327,691	2,189,537
Intangible	285,127	-	-	285,127
Total Non-Depreciated	<u>8,481,703</u>	<u>7,843,733</u>	<u>6,327,691</u>	<u>9,997,745</u>
<b>Capital Assets Depreciated:</b>				
Buildings	40,717,401	312,546	-	41,029,947
Machinery and Equipment	6,138,820	318,954	-	6,457,774
Infrastructure	76,830,364	1,818,711	-	78,649,075
Total Depreciated	<u>123,686,585</u>	<u>2,450,211</u>	<u>-</u>	<u>126,136,796</u>
<b>Less Accumulated Depreciation:</b>				
Buildings	14,237,249	815,200	-	15,052,449
Machinery and Equipment	1,693,893	171,740	-	1,865,633
Infrastructure	31,774,925	1,554,829	-	33,329,754
Total Accumulated Depreciation	<u>47,706,067</u>	<u>2,541,769</u>	<u>-</u>	<u>50,247,836</u>
Total Capital Assets Depreciated, Net	<u>75,980,518</u>	<u>(91,558)</u>	<u>-</u>	<u>75,888,960</u>
Business-type Activities				
Capital Assets, Net	<u>\$ 84,462,221</u>	<u>\$ 7,752,175</u>	<u>\$ (6,327,691)</u>	<u>\$ 85,886,705</u>
Less associated debt				<u>(5,510,313)</u>
Capital assets net of debt				<u>\$ 80,376,392</u>

Depreciation expense charged to Business Type Activities were as follows:

Business-Type Activities	Depreciation
Water/Sewer	\$ 2,430,885
Stormwater	14,900
Ambulance	38,368
Airport	57,616
Total Depreciation - Business - Type Activities	<u>\$ 2,541,769</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:

2. The collection is held for public exhibition, education or research in furtherance of public service, rather than financial gain.
3. The collection is protected, kept unencumbered, cared for, and preserved.
4. 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, 2019. The only active project with a significant outstanding commitment is a contract with an architect firm who is designing a rebuild of the Larson Recreation Center. The project will go to bid in late 2020. Parks Capital reserves will be used to liquidate the commitment.

Project	Total Contract Amount Awarded	Spent to Date	Remaining Commitment
Driftmier Architects, PS	\$ 821,602	\$ 215,967	\$ 605,635

### **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 2019.

Aggregate Pension Amounts - All Plans	
Net pension liability	\$ (2,756,483)
Net pension asset	\$ 4,846,871
Deferred outflows of resources	\$ 1,161,771
Deferred Inflows of resources	\$ (3,347,410)
Pension expense/expenditures	\$ 219,222

### 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](http://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 2019 were as follows:

<b>PERS Plan 1</b>		
<b>Actual Contribution Rates:</b>	<b>Employer</b>	<b>Employee*</b>
January -June 2019		
PERS Plan 1	7.52	6.00
PERS Plan1 UAAL	5.13	-
Administrative Fee	0.18	-
Total	12.83	6.00
July - December 2019		
PERS Plan 1	7.92	6.00
Pers Plan 1 UAAL	4.76	-
Administrative Fee	0.18	-
Total	12.86	6.00

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 2019 were as follows:

**PERS Plan 2/3**

Actual Contribution Rates: January-June 2019		
	Employer	Employee
January - June 2019:		
PERS Plan 2/3	7.52 %	7.41 %
PERS Plan 1 UAAL	5.13 %	- %
Administrative Fee	0.18 %	- %
Employee PERS Plan 3	- %	Varies
Total	12.83 %	7.41 %
July - December 2019:		
PERS Plan 2/3	7.92 %	7.90 %
PERS Plan 1 UAAL	4.76 %	- %
Administrative Fee	0.18 %	- %
Employee PERS Plan 3	- %	Varies
Total	12.86 %	7.90 %

The City's actual PERS plan contributions were \$382,649 to PERS Plan 1 and \$604,370 to PERS Plan 2/3 for the year ended December 31, 2019.

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 I had no required employer or employee contributions for fiscal year 2019. 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.

Effective July 1, 2017, when a LEOFF employer charges a fee or recovers costs for services rendered by a LEOFF 2 member to a non-LEOFF employer, the LEOFF employer must cover both the employer and state contributions on the LEOFF 2 basic salary earned for those services.

The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2019 were as follows:

<b>LEOFF Plan 2</b>		
<b>Actual Contribution Rates:</b>	<b>Employer</b>	<b>Employee</b>
January - June 2019		
State and local governments	5.25 %	8.75 %
Administrative fee	0.18 %	- %
Total	5.43 %	8.75 %
Ports and Universities		
Administrative fee	0.18 %	- %
Total	8.93 %	8.75 %
July - December 2019		
State and local governments	5.15 %	8.59 %
Administrative fee	0.18 %	- %
Total	5.33 %	8.59 %
Ports and Universities		
Administrative Fee	0.18 %	- %
Total	8.77 %	8.59 %

The City's actual contributions to the plan were \$357,730 for the year ended December 31, 2019.

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, 2019, the state contributed \$72,959,897 to LEOFF Plan 2. The amount recognized by the City as its proportionate share of this amount is \$220,007.

### Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2019 with a valuation date of June 30, 2018. 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 *2017 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2018 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2019. Plan liabilities were rolled forward from June 30, 2018, to June 30, 2019, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- Inflation: 2.75% total economic inflation; 3.50% salary inflation
- Salary increases: In addition to the base 3.50% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- Investment rate of return: 7.40%

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.

- OSA updated modeling to reflect providing benefit payments to the date of initial retirement eligibility for terminated vested members who delay application for retirement benefits.
- OSA updated Cost-of-Living Adjustment (COLA) programming to reflect legislation signed during the 2018 Legislative Session (C151 L18). This law provides PERS and TRS Plan 1 annuitants who are not receiving a basic minimum, alternate minimum, or temporary disability benefit with a one-time permanent 1.5 percent increase to their monthly retirement benefit, not to exceed a maximum of \$62.50 per month..

### Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.4 percent.

To determine that rate, an asset sufficiency test included an assumed 7.5 percent long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. (All plans use 7.5 percent except LEOFF 2, which has assumed 7.4 percent). Consistent with the long-term expected rate of return, a 7.4 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 7.4 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 7.4 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, 2019, 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 %	2.20 %
Tangible Assets	7 %	5.10 %
Real Estate	18 %	5.80 %
Global Equity	32 %	6.30 %
Private Equity	23 %	9.30 %
Total	100 %	- %

#### 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 7.4 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 (6.4 percent) or 1-percentage point higher (8.4 percent) than the current rate.

	1% Decrease (6.4%)	Current Discount Rate (7.4%)	1% Increase (8.4%)
PERS 1	\$ 2,594,987	\$ 2,072,146	\$ 1,618,513
PERS 2/3	\$ 5,248,602	\$ 684,338	\$ (3,060,942)
LEOFF 1	\$ (511,643)	\$ (625,439)	\$ (723,692)
LEOFF 2	\$ (784,942)	\$ (4,221,432)	\$ (7,026,394)

#### 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, 2019, the City reported a net pension asset of \$2,090,387 for its proportionate share of the net pension liabilities as follows:

	<u>Liability (or Asset)</u>
PERS 1	\$ 2,072,146
PERS 2/3	\$ 684,338
LEOFF 1	\$ (625,439)
LEOFF 2	\$ (4,221,432)

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:

	<u>LEOFF 1 Asset</u>	<u>LEOFF 2 Asset</u>
Employer's proportionate share	\$ (625,439)	\$ (4,221,432)
State's proportionate share of the net pension asset associated with the employer	\$ (4,230,456)	\$ (2,764,472)
Total	<u>\$ (4,855,895)</u>	<u>\$ (6,985,904)</u>

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

	<u>Proportionate Share 6/30/2018</u>	<u>Proportionate Share 6/30/2019</u>	<u>Change in Proportion</u>
PERS 1	0.054 %	0.054 %	- %
PERS 2/3	0.069 %	0.070 %	(0.001)%
LEOFF 1	0.031 %	0.032 %	(0.001)%
LEOFF 2	0.170 %	0.182 %	(0.012)%

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 2019. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2019, 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 2018, the state of Washington contributed 39.30 percent of LEOFF 2 employer contributions pursuant to [RCW 41.26.725](#) and all other employers contributed the remaining 60.70 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2019, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2018, with update procedures used to roll forward the total pension liability to the measurement date.

#### Pension Expense

For the year ended December 31, 2019, the City recognized pension expense as follows:



	Pension Expense
PERS 1	\$ 67,885
PERS 2/3	\$ 123,864
LEOFF 1	\$ (42,035)
LEOFF 2	\$ 69,509
Total	<u>\$ 219,223</u>

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2019, 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
<u>PERS 1</u>		
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ (138,437)
Contributions subsequent to the measurement date	\$ 201,078	\$ -
Total	<u>\$ 201,078</u>	<u>\$ (138,437)</u>

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>PERS 2/3</u>		
Differences between expected and actual experience	\$ 196,065	\$ (147,129)
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ (996,118)
Changes in assumptions	\$ 17,524	\$ (287,125)
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 40,021	\$ (89,485)
Contributions subsequent to the measurement date	\$ 331,116	\$ -
Total	<u>\$ 584,726</u>	<u>\$ (1,519,857)</u>

	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>LEOFF 1</u>		
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ (64,839)
Total	<u>\$ -</u>	<u>\$ (64,839)</u>

LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 303,770	\$ (75,913)
Net different between projected and actual investment earnings on pension plan investment	\$ -	\$ (865,525)
Changes in assumptions	\$ 6,954	\$ (475,046)
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 69,619	\$ (207,792)
Contributions subsequent to the measurement date	\$ 191,690	\$ -
Total	\$ 572,033	\$ (1,624,276)

All Plans	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 499,835	\$ (223,042)
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ (2,064,919)
Changes of assumptions	\$ 24,478	\$ (762,171)
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 109,640	\$ (297,277)
Contributions subsequent to the measurement date	\$ 723,884	\$ -
Total	\$ 1,357,837	\$ (3,347,409)

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, 2019. 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
2020	\$ (30,561)	\$ (317,806)	\$ (15,060)	\$ (234,144)
2021	\$ (72,389)	\$ (523,300)	\$ (33,194)	\$ (443,066)
2022	\$ (25,833)	\$ (238,788)	\$ (12,045)	\$ (215,019)
2023	\$ (9,654)	\$ (133,402)	\$ (4,539)	\$ (123,230)
2024	\$ -	\$ (62,691)	\$ -	\$ (53,879)
Thereafter	\$ -	\$ 9,740	\$ -	\$ (174,595)

#### Local Governments Firemen's 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.

Membership of the Firemen's Pension Plan	December 31, 2019
Retirees currently receiving full retirement benefits through LEOFF	6
Retirees receiving benefits through both LEOFF and FPP	2
Beneficiaries receiving benefits through FPP	2
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 Firemen's 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	212,009	(131,206)	162 %	-	- %
12/31/2018	357,908	192,593	(165,315)	186 %	-	- %
12/31/2019	\$ 352,390	\$ 213,992	\$ (138,398)	165 %	\$ -	- %

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	(6,206)	-
12/31/2018	-	29,791	29,791	(8,794)	-
12/31/2019	\$ -	\$ 37,513	\$ 37,513	\$ (1,949)	\$ -

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

	2019
<b>Annual required contribution (ARC)</b>	
1. Amortization of UAAL-beginning of year	\$ (9,617)
2. Interest to end of year	(210)
3. ARC at end of year	(9,827)
Interest on NPO	(2,649)
Adjustment to ARC	10,527
Annual pension cost	(1,949)
Employer contributions	(37,513)
Change in NPO	(39,462)
NPO at beginning of year	(151,478)
NPO at end of year	\$ (190,940)

#### 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	(6,206)	30,190	486 %	(112,893)
12/31/2018	(8,794)	29,791	339 %	(151,478)
12/31/2019	\$ (1,949)	\$ 37,513	1,925 %	\$ (190,940)

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 (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and / or jointly contracting for risk management services. WCIA has a total of 163 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.

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 sublimits. Automobile physical damage coverage is self-funded from the members' deductible to \$250,000 and insured above that to \$100 million per occurrence subject to aggregates and sublimits.

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, reinsurance and other administrative expenses. As outlined in the interlocal, WCIA retains the right to additionally assess the membership for any funding shortfall.

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, 2019 were as follows:

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:

2017	2018	2019
\$26.888	\$36.934	\$71.643

## 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:

Name of Issuance	Purpose	Issuance Date	Maturity Date	Original Debt	Interest Rate	Amount Outstanding
<b>2010 LTGO Bond</b>	Civic Center	09/07/2010	12/01/2020	\$ 5,925,000	2.00-3.25%	\$ 665,000
<b>2012 LTGO Bond</b>	Gov't - Internal Service Refunding	12/12/2012	09/01/2023	1,650,000	.75-3.00%	695,000
<b>2015 LTGO Bond</b>	Gov't Activities Refunding	7/14/15	8/1/2026	2,970,833	3.00+4.00%	2,279,166
<b>2015 LTGO Bond</b>	Operation Complex Refunding	07/14/2015	08/01/2026	594,167	3.00-4.00%	455,823
<b>Total</b>				<u>\$ 11,140,000</u>		<u>\$ 4,094,989</u>

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

Year	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Total Interest
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	500,833	60,400	64,167	11,000	565,000	71,400
2024	337,500	42,167	67,500	8,433	405,000	50,600
2025-2026	716,667	43,334	143,333	8,666	860,000	52,000
<b>Total</b>	<u>\$ 3,639,166</u>	<u>\$ 443,788</u>	<u>\$ 455,834</u>	<u>\$ 73,875</u>	<u>\$ 4,095,000</u>	<u>\$ 517,663</u>

Revenue bonds currently outstanding are as follows:

Bond	Issuance Date	Maturity Date	Original Debt	Interest Rate	Balance
Revenue Bonds '04	10/13/2004	9/01/2024	\$ 7,015,000	5.00%	\$ 3,825,000
Revenue Bonds '11	08/23/2011	9/01/2021	4,905,000	2.5-3.25%	1,075,000
<b>Total</b>			<u>\$ 11,920,000</u>		<u>\$ 4,900,000</u>

Revenue bond debt service requirements to maturity are as follows:

Year	Principal	Interest	Total
2020	\$ 1,015,000	\$ 226,188	\$ 1,241,188
2021	1,060,000	184,713	1,244,713

Year	Principal	Interest	Total
2022	545,000	141,250	686,250
2023	1,110,000	114,000	1,224,000
2024	1,170,000	58,500	1,228,500
Total	<u>\$ 4,900,000</u>	<u>\$ 724,651</u>	<u>\$ 5,624,651</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, 2019 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%	\$ 64,561
PWTF WWTP-Construction	.50%	1,588,235
Total		<u>\$ 1,652,796</u>

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

Year	Principal	Interest	Total
2020	\$ 561,692	\$ 8,264	\$ 569,956
2021	561,692	5,456	567,148
2022	529,412	2,647	532,059
Total	<u>\$ 1,652,796</u>	<u>\$ 16,367</u>	<u>\$ 1,669,163</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, 2019, the City has \$184,705 available in debt service funds to service the general bonded debt. Restricted assets in proprietary funds contain \$1,312,262 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:

Net Capital Lease Asset	Governmental Activities	Business- Type Activities
Machinery & Equipment	\$ 1,814,256	\$ -
Less Accumulated Depreciation	830,461	-
Total	<u>\$ 983,795</u>	<u>\$ -</u>

The future minimum lease obligation and the net present value of these minimum lease payments as of December 31, 2019 are as follows:

Year	Governmental Activities	Business-Type Activities
2020	\$ 287,696	\$ -
2021	104,954	-
2022	35,522	-
Total Minimum Lease Payments	428,172	-
Less: Interest	16,333	-
Present Value of Minimum Lease Payments	<u>\$ 411,839</u>	<u>\$ -</u>



**NOTE 10- CHANGES IN LONG-TERM LIABILITIES**

During the year ended December 31, 2019, the following changes occurred in long-term liabilities:

	Beginning Balance 01/01/2019	Additions	Reductions	Ending Balance 12/31/19	Due Within One Year	Internal Service Funds
Governmental activities						
Bonds payable:						
General obligation bonds	\$ 4,731,666	\$ -	\$ 1,092,500	\$ 3,639,166	\$ 1,125,833	\$ 1,360,000
Less deferred amount						
Issuance premiums(discounts)	224,028	-	38,544	185,484	-	38,276
Total bonds	4,955,694	-	1,131,044	3,824,650	1,125,833	1,398,276
Capital leases	756,746	-	344,907	411,839	290,625	411,839
Compensated absences	1,807,252	194,258	-	2,001,510	13,486	134,857
Pension	2,854,509	-	696,492	2,158,017	-	361,547
OPEB	7,366,225	-	1,268,487	6,097,738	-	-
Governmental liabilities	<u>\$ 17,740,426</u>	<u>\$ 194,258</u>	<u>\$ 3,440,930</u>	<u>\$ 14,493,754</u>	<u>\$ 1,429,944</u>	<u>\$ 2,306,519</u>
Business-type activities						
Bonds payable:						
General obligation bonds	\$ 513,323	\$ -	\$ 57,500	\$ 455,823	\$ 59,156	
Revenue bonds	5,875,000	-	975,000	4,900,000	1,015,000	
Less deferred amounts						
Issuance premiums(discounts)	183,355	-	28,865	154,490	33,647	
Total bonds	6,571,678	-	1,061,365	5,510,313	1,107,803	
Governmental loans	2,214,488	-	561,692	1,652,796	561,692	
Compensated absences	473,864	70,257	-	544,121	54,412	
Pension/OPEB	756,815	-	158,348	598,467	-	
Business-type liabilities	<u>\$ 10,016,845</u>	<u>\$ 70,257</u>	<u>\$ 1,781,405</u>	<u>\$ 8,305,697</u>	<u>\$ 1,723,907</u>	

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 \$2,306,519 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, 2019, 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 \$4,450,109 of restricted component of net position, of which \$654,558 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, 2019 were as follows:

<u>Due To</u>	<u>Due From</u> <u>Building</u> <u>Maintenance</u>
Water/Sewer	\$ 1,906,403
Totals	\$ 1,906,403

### 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:

<u>Transfer To</u>	<u>Transfers From</u>					<u>Totals</u>
	<u>General</u>	<u>Transportation</u> <u>Benefit District</u>	<u>Streets</u>	<u>Tourism</u>	<u>Water</u> <u>Sewer</u>	
General	\$ -	\$ -	\$ -	\$ 51,697	\$ 500,000	\$ 551,697
Grants and Donations	-	-	-	15,000	-	15,000
Streets	1,600,000	-	-	-	-	1,600,000
Street Repair and Reconstruction	-	1,650,000	-	-	-	1,650,000
Capital Projects	-	-	-	500,000	-	500,000
Debt Service	114,400	-	152,533	114,400	-	381,333
Ambulance	74,340	-	-	-	-	74,340
Totals	<u>\$ 1,788,740</u>	<u>\$ 1,650,000</u>	<u>\$ 152,533</u>	<u>\$ 681,097</u>	<u>\$ 500,000</u>	<u>\$ 4,772,370</u>

## NOTE 14- OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS

In addition to the pension benefits described in Note No. 6, 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.

The following table represents the aggregate OPEB amounts for all plans subject to the requirements of GASB 75 for the year 2019:

Aggregate OPEB Amounts - LEOFF 1 Retiree  
HealthPlan

Total OPEB Liability	\$ 6,097,738
OPEB expense/expenditures	\$ (874,867)

Membership

Currently the City has 15 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 2019, there are no active members, and currently 15 retired members, all receiving benefits. 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 and there are no assets accumulated in a qualifying trust. Fire fighter and police benefits are paid out of the general fund.

For 2019, the City paid medical insurance premiums of \$28,993 for pre-age 65 and \$141,421 for post-age 65. Other medical payments paid by the City are for all eligible medical services not paid for by the insurance.

Total OPEB Liability

The City's total OPEB liability of \$6,097,738 was measured as of December 31, 2019.

Schedule of Changes in the Total OPEB Liability

LEOFF 1 Retiree HealthPlan	
<b>Total OPEB Liability at 1/1/2019</b>	\$ 7,366,225
Service cost	-
Interest	277,529
Changes of benefit terms	-
Changes of assumptions	(1,152,396)
Benefit payments	(393,620)
Other changes	-
<b>Total OPEB Liability at 12/31/2019</b>	<u>\$ 6,097,738</u>

The schedule of changes in the Total OPEB Liability (TOL) reconciles the change in the TOL from the prior year's valuation. The reconciliation is also used to calculate the components of the OPEB Expense table. Given the maturity of LEOFF 1 Retiree HealthPlan, all OPEB Expense table components match the TOL reconciliation above. This is because the differences between expected and actual experience, and the assumption changes, are amortized, or spread out, over a one-year period (or rather are recognized immediately). Under GASB 75, the amortization time period equals the average of the expected remaining service lives of all active and inactive members that are provided with OPEB through the OPEB plan. LEOFF 1 Retiree HealthPlan is 100% retired, therefore the amortization period is one year.

LEOFF 1 Retiree HealthPlan does not have deferred outflows or inflows since all costs are recognized immediately. As such, the Deferred Outflows and Inflows of Resources table and the Subsequent Recognition Years table required by GASB 75 would both display zeroes.

#### 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](http://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](http://www.cms.hhs.gov)).

Based on the S&P Municipal Bond 20 Year High Great Rate Index, a discount rate of 3.5 percent was used. In addition, the actuarial cost method used to determine the actuarial accrued liability was Entry Age Normal. 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, 2019 is thirteen years.

### Sensitivity of the Total OPEB Liability

The Total OPEB Liability will only be realized if future economic and demographic experience matches our assumptions. It is equally important to understand what will happen if the economic and demographic experience is different than assumed. Below, we analyze the impact of changing the Healthcare Trend and Discount Rate assumptions by 1 percentage point.

The following presents the total OPEB liability of the City calculated using the current healthcare cost trend rate of 6.5 percent, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.5%) or 1-percentage point higher (7.5%) that the current rate.

The following presents the total OPEB liability of the City calculated using the discount rate of 3.5 percent, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.5%) or 1-percentage point higher (4.5%) that the current rate.

	1% Decrease (5.5%)	Current Healthcare Trend Rate (6.5%)	1% Increase (7.5%)
Total OPEB Liability	\$ 5,494,054	\$ 6,097,738	\$ 6,804,225

The following presents the total OPEB liability of the City calculated using the discount rate of 4.5 percent, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (3.5%) or 1-percentage point higher (5.5%) that the current rate.

	1% Decrease (3.5%)	Current Discount Rate (4.5%)	1% Increase (5.5%)
Total OPEB Liability	\$ 6,849,984	\$ 6,097,738	\$ 5,469,769

### **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, 2019, 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 2019, the AWC Trust HCP purchased stop loss insurance for Regence/Asuris plans at an Individual Stop Loss (ISL) of \$1.5 million through Commencement Bay Risk Management, 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"). In 2018, the retiree medical plan subsidy was eliminated, and is noted as such in the report for the fiscal year ended December 31 2018 . 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 \$52,458 per month in 2019. 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. MACC issues a separate financial report which can be obtained from MACC 911; 208 S Hamilton Rd., Moses Lake, WA 98837.

**NOTE 17- SUBSEQUENT EVENTS**

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of a deadly new virus. In the weeks following the declaration, precautionary measures to slow the spread of the virus have been ordered. These measures include closing schools, colleges and universities, cancelling public events, prohibiting public and private gatherings, and requiring people to stay home unless they are leaving for an essential function.

In anticipation of the economic impact estimated to come primarily from a reduction in sales tax, the City delayed some capital improvements and prepared to spend down excess fund balance in General Fund. However, 2020 sales tax still exceeded 2019 actual, and preliminary results indicate General Fund is adding to its fund balance by the end of 2020. Other funds have not been significantly impacted.

The length of time these measures will be in place, and the full extent of the financial impact on the city is unknown at this time.

CITY OF MOSES LAKE, WASHINGTON  
FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2019



**REQUIRED SUPPLEMENTARY INFORMATION**



**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	2018		2015		2012	
	Feet	%	Feet	%	Feet	%
VERY POOR	66,178	9.33 %	19,892	2.65 %	14,989	2.02 %
POOR	81,520	11.49 %	8,312	1.11 %	8,818	1.19 %
FAIR	-	- %	29,231	3.90 %	18,746	2.53 %
GOOD	126,805	17.88 %	181,759	24.23 %	153,206	20.69 %
VERY GOOD	434,799	61.31 %	510,792	68.10 %	544,763	73.56 %
TOTAL	709,302	100.01 %	749,986	99.99 %	740,522	99.99 %

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	2018		2015		2012	
	Feet	%	Feet	%	Feet	%
PCR 0 to 39	147,698	20.82 %	28,204	3.76 %	23,807	3.21 %
PCR 40 to 100	561,604	79.18 %	721,782	96.24 %	716,715	96.79 %
Total	709,302	100.00 %	749,986	100.00 %	740,522	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 maintain 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 2011 to 2019

	Amounts in Thousands								
	2019	2018	2017	2016	2015	2014	2013	2012	2011
Budgeted	3,730	2,980	1,530	1,008	210	160	700	158	1,210
Expended	2,574	1,352	1,314	894	183	186	700	265	775

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 whose 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				
	2019	2018	2017	2016	2015
Budgeted	\$ 1,012	\$ 787	\$ 595	\$ 673	\$ 516
Expended	\$ 739	\$ 749	\$ 625	\$ 590	\$ 475

**CITY OF MOSES LAKE, WASHINGTON**  
**Schedule of Proportionate Share of the Net Pension Liability**  
**PERS Plan 1**  
**As of June 30, 2019**  
**Last 10 Fiscal Years\***

	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.053887 %	0.054465 %	0.056081 %	0.059183 %	0.058920 %
Employer's proportionate share of the net pension liability	\$ 2,072,146	\$ 2,432,425	\$ 3,011,814	\$ 3,178,406	\$ 3,082,064
TOTAL	\$ 2,072,146	\$ 2,432,425	\$ 3,011,814	\$ 3,178,406	\$ 3,082,064
Employer's covered employee payroll	\$ -	\$ 29,442	\$ 59,441	\$ 6,806,380	\$ 6,781,379
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	- %	8,261.8 %	5,066.9 %	46.7 %	45.4 %
Plan fiduciary net position as a percentage of the total pension liability	67.12 %	63.22 %	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, 2019**  
**Last 10 Fiscal Years\***

	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.070453 %	0.069046 %	0.070870 %	0.072259 %	0.072378 %
Employer's proportionate share of the net pension liability	\$ 684,338	\$ 1,178,899	\$ 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	\$ 0	\$ 0
TOTAL	\$ 684,338	\$ 1,178,899	\$ 2,462,394	\$ 3,638,184	\$ 2,586,107
Employer's covered employee payroll	\$ 7,621,078	\$ 7,194,485	\$ 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	9.0 %	16.4 %	35.5 %	62.7 %	39.0 %
Plan fiduciary net position as a percentage of the total pension liability	97.77 %	95.77 %	90.97 %	85.82 %	89.20 %

\* The amounts presented for each fiscal year were determined as of 6/30. The schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

**CITY OF MOSES LAKE, WASHINGTON**  
**Schedule of Proportionate Share of the Net Pension Liability**  
**LEOFF Plan 1**  
**As of June 30, 2019**  
**Last 10 Fiscal Years\***

	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.031642 %	0.031087 %	0.030779 %	0.030556 %	0.031497 %
Employer's proportionate share of the net pension liability	\$ 625,439	\$ 564,385	\$ 466,985	\$ 314,814	\$ 379,608
State's proportionate share of the net pension liability (asset) associated with the employer	\$ 4,230,456	\$ 3,817,487	\$ 3,158,676	\$ 2,129,395	\$ 2,567,659
<b>TOTAL</b>	<b>\$ 4,855,895</b>	<b>\$ 4,381,872</b>	<b>\$ 3,625,661</b>	<b>\$ 2,444,209</b>	<b>\$ 2,947,267</b>
Plan fiduciary net position as a percentage of the total pension liability	148.78 %	114.42 %	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, 2019**  
**Last 10 Fiscal Years\***

	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.182218 %	0.169799 %	0.175273 %	0.168008 %	0.175245 %
Employer's proportionate share of the net pension liability	\$ 4,221,432	\$ 3,447,290	\$ 2,432,221	\$ 977,185	\$ 1,801,168
State's proportionate share of the net pension liability (asset) associated with the employer	\$ 2,764,472	\$ 2,232,055	\$ 1,577,737	\$ 637,053	\$ 1,190,934
<b>TOTAL</b>	<b>\$ 6,985,904</b>	<b>\$ 5,679,345</b>	<b>\$ 4,009,958</b>	<b>\$ 1,614,238</b>	<b>\$ 2,992,102</b>
Employer's covered employee payroll	\$ 6,315,460	\$ 5,608,617	\$ 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	66.8 %	61.5 %	44.3 %	19.2 %	34.7 %
Plan fiduciary net position as a percentage of the total pension liability	119.43 %	118.50 %	113.36 %	106.04 %	111.67 %

\* The amounts presented for each fiscal year were determined as of 6/30. The schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

**CITY OF MOSES LAKE, WASHINGTON**  
**Schedule of Employer Contributions**  
**PERS Plan 1**  
**For the Year Ended December 31, 2019**  
**Last 10 Fiscal Years\***

	2019	2018	2017	2016	2015
Statutorily or contractually required contributions	\$ 386,390	\$ 364,057	\$ 514,045	\$ 332,976	\$ 15,102
Contributions in relation to the statutorily or contractually required contributions	<u>\$ (386,390)</u>	<u>\$ (364,057)</u>	<u>\$ (514,045)</u>	<u>\$ (332,976)</u>	<u>\$ (15,102)</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered employer payroll	\$ -	\$ 29,442	\$ 88,832	\$ 6,862,609	\$ 148,256
Contributions as a percentage of covered employee payroll	- %	1,236.52 %	578.67 %	4.85 %	10.19 %

**CITY OF MOSES LAKE, WASHINGTON**  
**Schedule of Employer Contributions**  
**PERS Plan 2/3**  
**As of December 31, 2019**  
**Last 10 Fiscal Years\***

	2019	2018	2017	2016	2015
Statutorily or contractually required contributions	\$ 575,415	\$ 532,768	\$ 687,427	\$ 421,911	\$ 671,782
Contributions in relation to the statutorily or contractually required contributions	<u>\$ (575,415)</u>	<u>\$ (532,768)</u>	<u>\$ (687,427)</u>	<u>\$ (421,911)</u>	<u>\$ (671,782)</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered employer payroll	\$ 7,794,301	\$ 10,935,656	\$ 10,384,172	\$ 6,772,246	\$ 6,633,123
Contributions as a percentage of covered employee payroll	7.38 %	4.87 %	6.62 %	6.23 %	10.13 %

\* The amounts presented for each fiscal year were determined as of 6/30. The schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

**CITY OF MOSES LAKE, WASHINGTON**  
**Schedule of Employer Contributions**  
**LEOFF Plan 1**  
**As of December 31, 2019**  
**Last 10 Fiscal Years\***

	2019	2018	2017	2016	2015
Statutorily or contractually required contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions in relation to the statutorily or contractually required contributions	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered employer payroll	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Contributions as a percentage of covered employee payroll	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %

**CITY OF MOSES LAKE, WASHINGTON**  
**Schedule of Employer Contributions**  
**LEOFF Plan 2**  
**As of December 31, 2019**  
**Last 10 Fiscal Years**

	2019	2018	2017	2016	2015
Statutorily or contractually required contributions	\$ 335,958	\$ 294,447	\$ 418,850	\$ 258,688	\$ 272,168
Contributions in relation to the statutorily or contractually required contributions	\$ (335,958)	\$ (294,447)	\$ (418,850)	\$ (258,688)	\$ (272,168)
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered employer payroll	\$ 6,793,350	\$ 8,619,087	\$ 7,991,703	\$ 5,122,544	\$ 5,195,821
Contributions as a percentage of covered employee payroll	4.95 %	3.42 %	5.24 %	5.05 %	5.24 %

\* The amounts presented for each fiscal year were determined as of 6/30. The schedule is intended to show information for 10 years. Additional years will be displayed as the information becomes available.

**CITY OF MOSES LAKE, WASHINGTON**  
**Schedule of Changes in the Employers' Net OPEB Liability and Related Ratios\***  
**For the Year Ended December 31, 2019**  
**Last 10 Fiscal Years\***

	2019	2018
Total OPEB liability	\$ -	\$ -
Service cost	\$ -	\$ -
Interest	277,529	-
Change in Experience Data and Assumptions	(1,152,396)	268,752
Changes of assumptions	-	(259,086)
Benefit payments, including refunds of member contributions	<u>\$ (393,620)</u>	<u>\$ (298,344)</u>
Net change in total OPEB liability	<u>\$ (1,268,487)</u>	<u>\$ (288,678)</u>
Total OPEB liability - beginning	<u>7,366,225</u>	<u>7,654,903</u>
Total OPEB liability - ending	6,097,738	7,366,225
Covered payroll	-	-
Net OPEB liability as a percentage of covered payroll	- %	- %

\*Additional years' information will be displayed as it becomes available due to changes in GAAP implementation in 2015.



CITY OF MOSES LAKE, WASHINGTON  
FINANCIAL REPORT  
YEAR ENDED DECEMBER 31, 2019



**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 and operation of facilities 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** 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 **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. Real Estate Excise Taxes are also accounted for in this fund. The expenditures of these monies are for the overlay, repair and reconstruction of city streets.*

*The **Transportation Benefit District** fund was established in 2017 which has as its primary revenue source a voted sales tax that is restricted to be used for transportation improvements in accordance with a Council approved spending plan.*



## 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:

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

## 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, 2019**

	<b>Special Revenue Funds</b>	<b>2015 LTGO Refunding</b>	<b>Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>				
Pooled cash & investments	\$ 3,461,844	\$ 184,455	\$ 904,441	\$ 4,550,740
Receivables (net of allowance for uncollectibles):				
Taxes	377,392	-	-	377,392
Customer accounts	-	-	-	-
Due from other governments	1,205,812	-	141,620	1,347,432
Assessments:				
Other receivables	3,495	-	-	3,495
Prepaid Expenses	57,199	-	-	57,199
Notes/contracts receivable	18,656	-	-	18,656
Total assets	<u>5,124,398</u>	<u>184,455</u>	<u>1,046,061</u>	<u>6,354,914</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	135,833	-	40,921	176,754
Salaries and benefits payable	13,580	-	-	13,580
Total liabilities	<u>149,413</u>	<u>-</u>	<u>40,921</u>	<u>190,334</u>
Deferred inflows of resources				
Deferred unavailable receivables	20,434	-	-	20,434
Fund balances:				
Inventories and noncurrent receivables	57,739	-	-	57,739
Restricted for:				
Public safety programs	390,544	-	-	390,544
Tourism	784,281	-	-	784,281
Debt service	-	184,455	-	184,455
Culture and recreation	490,425	-	705,082	1,195,507
Committed for:				
Culture and recreation	-	-	300,058	300,058
Transportation	2,563,784	-	-	2,563,784
Assigned to transportation	667,778	-	-	667,778
Total fund balance	<u>4,954,551</u>	<u>184,455</u>	<u>1,005,140</u>	<u>6,144,146</u>
Total liabilities and fund balances	<u>\$ 5,124,398</u>	<u>\$ 184,455</u>	<u>\$ 1,046,061</u>	<u>\$ 6,354,914</u>

**CITY OF MOSES LAKE**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2019**

	Tourism	Grants and Donations	Paths and Trails	Street	Street Repair and Reconstruction	Transportation Benefit District	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>							
Pooled cash & investments	\$ 654,558	\$ 824,384	\$ 101,292	\$ 645,432	\$ 960,785	\$ 275,393	\$ 3,461,844
Receivables (net of allowance for uncollectibles):							
Taxes	96,018	-	-	-	-	281,374	377,392
Due from other governments	-	-	-	75,812	1,130,000	-	1,205,812
Other receivables	-	713	-	2,782	-	-	3,495
Prepaid Expenses	-	-	-	57,199	-	-	57,199
Notes/contracts receivable	-	-	-	-	18,656	-	18,656
Total assets	<u>750,576</u>	<u>825,097</u>	<u>101,292</u>	<u>781,225</u>	<u>2,109,441</u>	<u>556,767</u>	<u>5,124,398</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>							
Liabilities:							
Accounts payable	5,000	6,715	-	40,764	83,354	-	135,833
Salaries and benefits payable	-	-	-	13,580	-	-	13,580
Total liabilities	<u>5,000</u>	<u>6,715</u>	<u>-</u>	<u>54,344</u>	<u>83,354</u>	<u>-</u>	<u>149,413</u>
Deferred inflows of resources							
Deferred unavailable receivables	-	-	-	1,364	19,070	-	20,434
Fund balances:							
Nonspendable:							
Inventories and noncurrent receivables	-	-	-	57,739	-	-	57,739
Restricted for:							
Public safety programs	-	390,544	-	-	-	-	390,544
Tourism	745,576	38,705	-	-	-	-	784,281
Debt service	-	-	-	-	-	-	-
Culture and recreation	-	389,133	101,292	-	-	-	490,425
Committed for:							
Transportation	-	-	-	-	2,007,017	556,767	2,563,784
Assigned to transportation	-	-	-	667,778	-	-	667,778
Total fund balances	<u>745,576</u>	<u>818,382</u>	<u>101,292</u>	<u>725,517</u>	<u>2,007,017</u>	<u>556,767</u>	<u>4,954,551</u>
Total liabilities and fund balances	<u>\$ 750,576</u>	<u>\$ 825,097</u>	<u>\$ 101,292</u>	<u>\$ 781,225</u>	<u>\$ 2,109,441</u>	<u>\$ 556,767</u>	<u>\$ 5,124,398</u>

**CITY OF MOSES LAKE**  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**December 31, 2019**

	<b>Park Mitigation</b>	<b>Park Improvement</b>	<b>Total Nonmajor Capital Projects Funds</b>
<b>ASSETS</b>			
Pooled cash & investments	\$ 705,082	\$ 199,359	\$ 904,441
Due from other governments	-	141,620	141,620
Total assets	<u>705,082</u>	<u>340,979</u>	<u>1,046,061</u>
<b>LIABILITIES</b>			
Accounts payable	-	40,921	40,921
Total liabilities	<u>-</u>	<u>40,921</u>	<u>40,921</u>
<b>Fund balances:</b>			
Restricted for:			
Culture and recreation	705,082	-	705,082
Committed to:			
Culture and recreation	-	300,058	300,058
Total fund balances	<u>705,082</u>	<u>300,058</u>	<u>1,005,140</u>
Total liabilities and fund balances	<u>\$ 705,082</u>	<u>\$ 340,979</u>	<u>\$ 1,046,061</u>

**CITY OF MOSES LAKE**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2019**

	<b>Special Revenue Funds</b>	<b>2015 LTGO Refunding</b>	<b>Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>REVENUES</b>				
Taxes	\$ 3,419,132	\$ -	\$ -	\$ 3,419,132
Licenses and Permits	82,727	-	-	82,727
Intergovernmental revenues	2,078,016	-	216,688	2,294,704
Charges for services	253,932	-	88,950	342,882
Interest earnings	71,776	-	14,161	85,937
Contributions/donations	178,256	-	-	178,256
Assessments	50,831	-	-	50,831
Miscellaneous	28,554	-	6,496	35,050
Total revenues	<u>6,163,224</u>	<u>-</u>	<u>326,295</u>	<u>6,489,519</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	192,408	-	-	192,408
Transportation	3,253,880	-	-	3,253,880
Culture and recreation	350,473	-	-	350,473
Capital outlay	1,689,816	-	445,667	2,135,483
Debt service:				
Principal	-	287,500	-	287,500
Interest and debt issue costs	-	94,083	-	94,083
Total expenditures	<u>5,486,577</u>	<u>381,583</u>	<u>445,667</u>	<u>6,313,827</u>
Excess (deficiency) of revenues over (under) expenditures	<u>676,647</u>	<u>(381,583)</u>	<u>(119,372)</u>	<u>175,692</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,265,000	381,333	500,000	4,146,333
Transfers (out)	<u>2,483,630</u>	<u>-</u>	<u>-</u>	<u>(2,483,630)</u>
Total other financing sources	<u>781,370</u>	<u>381,333</u>	<u>500,000</u>	<u>1,662,703</u>
Net change in fund balance	1,458,017	(250)	380,628	1,838,395
Fund balances-beginning	3,496,534	184,705	624,512	4,305,751
	-	-	-	-
Fund balances-ending	<u>\$ 4,954,551</u>	<u>\$ 184,455</u>	<u>\$ 1,005,140</u>	<u>\$ 6,144,146</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, 2019**

	Tourism	Grants and Donations	Paths and Trails	Street	Street Repair and Reconstruction	Transportation Benefit District	Total Nonmajor Special Revenue Funds
<b>REVENUES</b>							
Taxes	\$ 821,218	\$ -	\$ -	\$ -	\$ 913,530	\$ 1,684,384	\$ 3,419,132
Licenses and Permits	-	-	-	82,727	-	-	82,727
Intergovernmental revenues	-	140,341	2,350	772,570	1,162,755	-	2,078,016
Charges for services	-	1,295	-	29,768	222,869	-	253,932
Interest earnings	14,687	16,482	-	10,164	23,166	7,277	71,776
Contributions/donations	-	178,256	-	-	-	-	178,256
Assessments	-	-	-	-	50,831	-	50,831
Miscellaneous	-	20,105	-	8,449	-	-	28,554
Total revenues	<u>835,905</u>	<u>356,479</u>	<u>2,350</u>	<u>903,678</u>	<u>2,373,151</u>	<u>1,691,661</u>	<u>6,163,224</u>
<b>EXPENDITURES</b>							
Current:							
Public safety	-	192,408	-	-	-	-	192,408
Transportation	-	-	(1)	2,306,450	947,431	-	3,253,880
Culture and recreation	309,464	41,009	-	-	-	-	350,473
Capital outlay	-	76,709	-	-	1,613,107	-	1,689,816
Total expenditures	<u>309,464</u>	<u>310,126</u>	<u>(1)</u>	<u>2,306,450</u>	<u>2,560,538</u>	<u>-</u>	<u>5,486,577</u>
Excess (deficiency) of revenues over (under) expenditures	<u>526,441</u>	<u>46,353</u>	<u>2,351</u>	<u>(1,402,772)</u>	<u>(187,387)</u>	<u>1,691,661</u>	<u>676,647</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	-	15,000	-	1,600,000	1,650,000	-	3,265,000
Transfers (out)	(681,097)	-	-	(152,533)	-	(1,650,000)	(2,483,630)
Total other financing sources (uses)	<u>(681,097)</u>	<u>15,000</u>	<u>-</u>	<u>1,447,467</u>	<u>1,650,000</u>	<u>(1,650,000)</u>	<u>781,370</u>
Net change in fund balance	(154,656)	61,353	2,351	44,695	1,462,613	41,661	1,458,017
Fund balances-beginning	900,232	757,029	98,941	680,822	544,404	515,106	3,496,534
Fund balances-ending	<u>\$ 745,576</u>	<u>\$ 818,382</u>	<u>\$ 101,292</u>	<u>\$ 725,517</u>	<u>\$ 2,007,017</u>	<u>\$ 556,767</u>	<u>\$ 4,954,551</u>



**CITY OF MOSES LAKE**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Capital Projects Funds**  
**For the Year Ended December 31, 2019**

	<b>Park Mitigation</b>	<b>Park Improvement</b>	<b>Total Nonmajor Capital Projects Funds</b>
<b>REVENUES</b>			
Intergovernmental revenues	\$ -	\$ 216,688	\$ 216,688
Charges for services	88,950	-	88,950
Interest earnings	12,959	1,202	14,161
Miscellaneous	-	6,496	6,496
Total revenues	<u>101,909</u>	<u>224,386</u>	<u>326,295</u>
<b>EXPENDITURES</b>			
Capital outlay	-	445,667	445,667
Total expenditures	<u>-</u>	<u>445,667</u>	<u>445,667</u>
Excess (deficiency) of revenues over (under) expenditures	101,909	(221,281)	(119,372)
<b>OTHER FINANCING SOURCES</b>			
Transfers in	-	500,000	500,000
Total other financing sources	<u>-</u>	<u>500,000</u>	<u>500,000</u>
Net change in fund balance	101,909	278,719	380,628
Fund balances - beginning	603,173	21,339	624,512
Fund balances - ending	<u>\$ 705,082</u>	<u>\$ 300,058</u>	<u>\$ 1,005,140</u>

## NON-MAJOR PROPRIETARY FUNDS

Enterprise funds are used to account for the City's water and sewer utility, sanitation, storm water, and airport operations. These services are paid primarily by user charges. The City of Moses Lake has the following Non-Major Proprietary funds:

*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.*



**CITY OF MOSES LAKE**  
**Statement of Net Position**  
**Nonmajor Proprietary Funds**  
**For the Year Ended December 31, 2019**

Page 1 of 2

	<u>Airport</u>	<u>Storm Water</u>	<u>Totals</u>
<b>ASSETS</b>			
<b>Current assets</b>			
Pooled cash & investments	\$ 96,903	\$ 496,447	\$ 593,350
Receivables (net of allowance for uncollectibles)	-	138,399	138,399
Inventory	-	4,297	4,297
Total assets	<u>96,903</u>	<u>639,143</u>	<u>736,046</u>
<b>Capital assets</b>			
Land and land rights	460	151,438	151,898
Infrastructure	-	6,535,177	6,535,177
<b>Net of accumulated depreciation</b>			
Buildings	25,175	312,291	337,466
Infrastructure	209,573	-	209,573
Machinery and equipment	-	75,436	75,436
Total capital assets	<u>235,208</u>	<u>7,074,342</u>	<u>7,309,550</u>
Total non current assets	<u>235,208</u>	<u>7,074,342</u>	<u>7,309,550</u>
Total assets	<u>332,111</u>	<u>7,713,485</u>	<u>8,045,596</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Pension	-	9,739	9,739
Total deferred outflows of resources	<u>\$ -</u>	<u>\$ 9,739</u>	<u>\$ 9,739</u>

**CITY OF MOSES LAKE**  
**Statement of Net Position**  
**Nonmajor Proprietary Funds**  
**For the Year Ended December 31, 2019**

Page 2 of 2

	<u>Airport</u>	<u>Storm Water</u>	<u>Totals</u>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	\$ 257	\$ 1,519	\$ 1,776
Salaries and benefits payable	-	11,575	11,575
Compensated Absences	-	4,207	4,207
Total current liabilities	<u>257</u>	<u>17,301</u>	<u>17,558</u>
Noncurrent liabilities:			
Compensated absences	-	37,863	37,863
Net pension liability	-	72,521	72,521
Total noncurrent liabilities	<u>-</u>	<u>110,384</u>	<u>110,384</u>
Total liabilities	<u>257</u>	<u>127,685</u>	<u>127,942</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension	-	50,035	50,035
Total deferred inflows of resources	<u>-</u>	<u>50,035</u>	<u>50,035</u>
<b>NET POSITION</b>			
Net investment in capital assets	235,208	7,074,342	7,309,550
Unrestricted	96,646	471,162	567,808
Total net position	<u>\$ 331,854</u>	<u>\$ 7,545,504</u>	<u>\$ 7,877,358</u>

**CITY OF MOSES LAKE**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Nonmajor Proprietary Funds**  
**For the Year Ended December 31, 2019**

	<u>Airport</u>	<u>Storm Water</u>	<u>Totals</u>
<b>OPERATING REVENUES</b>			
Charges for services	\$ -	\$ 945,145	\$ 945,145
Miscellaneous	26,834	-	26,834
Total operating revenues	<u>26,834</u>	<u>945,145</u>	<u>971,979</u>
<b>OPERATING EXPENSES</b>			
Salaries and benefits	6	371,905	371,911
Supplies and contractual services	19,583	384,407	403,990
Utilities	5,158	67,118	72,276
Repairs and maintenance	998	62,175	63,173
Depreciation and amortization	57,616	14,900	72,516
Total operating expenses	<u>83,361</u>	<u>900,505</u>	<u>983,866</u>
Operating income (loss)	<u>(56,527)</u>	<u>44,640</u>	<u>(11,887)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Capital contributions	-	105,991	105,991
Changes in net position	(56,527)	150,631	94,104
Net position - beginning	388,381	7,394,873	7,783,254
Net position - ending	<u>\$ 331,854</u>	<u>\$ 7,545,504</u>	<u>\$ 7,877,358</u>

**CITY OF MOSES LAKE**  
**Statement of Cash Flows**  
**NonMajor Proprietary Funds**  
**For the Year Ended December 31, 2019**

Page 1 of 2

	<u>Airport</u>	<u>Storm Water</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Receipts from customers	\$ -	\$ 941,264	\$ 941,264
Payment to suppliers	(25,685)	(512,594)	(538,279)
Payments to employees	(6)	(388,906)	(388,912)
Miscellaneous revenue	15,437	-	15,437
	<u>(10,254)</u>	<u>39,764</u>	<u>29,510</u>
Net cash provided by (used for) by operating activities			
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
<b>Cash from capital and related financing activities:</b>			
Additions of capital assets	-	(55,991)	(55,991)
Capital contributions	-	105,991	105,991
	<u>-</u>	<u>50,000</u>	<u>50,000</u>
Net cash provided by (used for) capital and related financing activities			
<b>Net cash increase (decreases) in cash and cash equivalents</b>	(10,254)	89,764	79,510
Cash and cash equivalents, January 1	107,157	406,683	513,840
Cash and cash equivalents, December 31	<u>\$ 96,903</u>	<u>\$ 496,447</u>	<u>\$ 593,350</u>

**CITY OF MOSES LAKE**  
**Statement of Cash Flows**  
**NonMajor Proprietary Funds**  
**For the Year Ended December 31, 2019**

Page 2 of 2

	<u>Airport</u>	<u>Storm Water</u>	<u>Total</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities</b>			
Operating income (loss)	\$ (56,527)	\$ 44,640	\$ (11,887)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	57,616	14,900	72,516
Decrease (increase) in accounts receivable	-	(3,881)	(3,881)
Decrease (increase) in inventory	-	2,700	2,700
(Decrease) increase in deferred outflows	-	4,842	4,842
(Decrease) increase in accounts payable	55	(1,594)	(1,539)
(Decrease) increase in salaries payable	-	4,489	4,489
(Decrease) increase in compensated absences	-	4,172	4,172
(Decrease) increase in pension liability	-	(33,213)	(33,213)
Decrease (increase) in unearned revenue	(11,398)	-	(11,398)
(Decrease) increase in deferred inflows	-	2,709	2,709
Total adjustments	<u>46,273</u>	<u>(4,876)</u>	<u>41,397</u>
Net cash provided by (used for) operating activities:	<u>\$ (10,254)</u>	<u>\$ 39,764</u>	<u>\$ 29,510</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, 2019**

	<b>Unemployment Compensation</b>	<b>Self Insurance</b>	<b>Central Services</b>	<b>Equipment Rental</b>	<b>Building Maintenance</b>	<b>Totals</b>
<b>ASSETS</b>						
Current Assets:						
Pooled cash & investments	\$ 37,525	\$ 444,019	\$ 499,337	\$ 2,682,239	\$ 1,141,237	\$ 4,804,357
Receivables (net of allowance for uncollectibles)	-	-	-	18,904	-	18,904
Due from other governments	-	-	30,000	-	-	30,000
Inventory	-	-	27,878	68,374	9,404	105,656
Total current assets	<u>37,525</u>	<u>444,019</u>	<u>557,215</u>	<u>2,769,517</u>	<u>1,150,641</u>	<u>4,958,917</u>
Noncurrent assets:						
Capital assets net of depreciation						
Land and land rights	-	-	-	-	608,951	608,951
Buildings	-	-	-	-	11,957,315	11,957,315
Machinery and equipment	-	-	127,697	3,758,757	805,162	4,691,616
Construction in Progress	-	-	-	622,149	-	622,149
Total capital assets	<u>-</u>	<u>-</u>	<u>127,697</u>	<u>4,380,906</u>	<u>13,371,428</u>	<u>17,880,031</u>
Total assets	<u>37,525</u>	<u>444,019</u>	<u>684,912</u>	<u>7,150,423</u>	<u>14,522,069</u>	<u>22,838,948</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Deferred Pension	-	-	25,603	10,278	19,571	55,452
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>25,603</u>	<u>10,278</u>	<u>19,571</u>	<u>55,452</u>
<b>LIABILITIES</b>						
Current liabilities						
Accounts payable	22,730	-	25,175	38,648	35,600	122,153
Salaries and benefits payable	-	-	23,072	14,232	22,226	59,530
Interfund loans payable	-	-	-	-	1,906,403	1,906,403
Interest payable	-	-	-	-	3,519	3,519
Capital leases payable	-	-	4,460	286,165	-	290,625
G.O. bonds payable	-	-	-	-	830,000	830,000
Compensated Absences	-	-	6,617	2,606	4,263	13,486
Total current liabilities	<u>22,730</u>	<u>-</u>	<u>59,324</u>	<u>341,651</u>	<u>2,802,011</u>	<u>3,225,716</u>
Noncurrent liabilities:						
G.O. bonds payable (net discount/premium)	-	-	-	-	568,276	568,276
Compensated absences	-	-	59,550	23,454	38,367	121,371
Lease payable	-	-	-	121,214	-	121,214
Net pension liability	-	-	137,206	78,314	146,027	361,547
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>196,756</u>	<u>222,982</u>	<u>752,670</u>	<u>1,172,408</u>
Total liabilities	<u>22,730</u>	<u>-</u>	<u>256,080</u>	<u>564,633</u>	<u>3,554,681</u>	<u>4,398,124</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Pension	-	-	78,376	50,175	100,094	228,645
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>78,376</u>	<u>50,175</u>	<u>100,094</u>	<u>228,645</u>
<b>NET POSITION</b>						
Net investment in capital assets	-	-	123,237	3,973,527	11,973,152	16,069,916
Unrestricted	14,795	444,019	252,822	2,572,366	(1,086,287)	2,197,715
Total net position	<u>\$ 14,795</u>	<u>\$ 444,019</u>	<u>\$ 376,059</u>	<u>\$ 6,545,893</u>	<u>\$ 10,886,865</u>	<u>\$ 18,267,631</u>

**CITY OF MOSES LAKE**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the Year Ended December 31, 2019**

	<b>Unemployment Compensation</b>	<b>Self Insurance</b>	<b>Central Services</b>	<b>Equipment Rental</b>	<b>Building Maintenance</b>	<b>Totals</b>
<b>OPERATING REVENUES</b>						
Charges for services	\$ 68,800	\$ 577,200	\$ 1,823,154	\$ 3,733,963	\$ 3,714,231	\$ 9,917,348
Total operating revenues	<u>68,800</u>	<u>577,200</u>	<u>1,823,154</u>	<u>3,733,963</u>	<u>3,714,231</u>	<u>9,917,348</u>
<b>OPERATING EXPENSES</b>						
Salaries and benefits	-	-	1,262,999	441,862	766,615	2,471,476
Supplies and contractual services	1,500	-	399,100	747,567	265,794	1,413,961
Utilities	-	-	-	-	127,832	127,832
Repairs and maintenance	-	-	43,951	118,765	86,270	248,986
Insurance claims and expenses	71,643	713,883	-	-	-	785,526
Depreciation and amortization	-	-	46,606	768,177	409,772	1,224,555
Total operating expenses	<u>73,143</u>	<u>713,883</u>	<u>1,752,656</u>	<u>2,076,371</u>	<u>1,656,283</u>	<u>6,272,336</u>
Operating income (loss)	<u>(4,343)</u>	<u>(136,683)</u>	<u>70,498</u>	<u>1,657,592</u>	<u>2,057,948</u>	<u>3,645,012</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Interest and other earnings	96	13,868	2,709	32,636	29,859	79,168
Rents and royalties	-	-	-	-	1,800	1,800
Insurance recoveries	-	-	-	18,537	-	18,537
Interest expense	-	-	(775)	(16,788)	(124,810)	(142,373)
Miscellaneous revenues	-	-	334	7,325	14	7,673
Gain (loss) on disposal of fixed assets	-	-	-	-	-	-
Total nonoperating revenues (expenses)	<u>96</u>	<u>13,868</u>	<u>2,268</u>	<u>41,710</u>	<u>(93,137)</u>	<u>(35,195)</u>
Income (loss) before contributions and transfers	<u>(4,247)</u>	<u>(122,815)</u>	<u>72,766</u>	<u>1,699,302</u>	<u>1,964,811</u>	<u>3,609,817</u>
Change in net position	<u>(4,247)</u>	<u>(122,815)</u>	<u>72,766</u>	<u>1,699,302</u>	<u>1,964,811</u>	<u>3,609,817</u>
Net position - beginning	<u>19,042</u>	<u>566,834</u>	<u>303,293</u>	<u>4,846,591</u>	<u>8,922,054</u>	<u>14,657,814</u>
Net position - ending	<u>\$ 14,795</u>	<u>\$ 444,019</u>	<u>\$ 376,059</u>	<u>\$ 6,545,893</u>	<u>\$ 10,886,865</u>	<u>\$ 18,267,631</u>

**CITY OF MOSES LAKE**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2019**

Page 1 of 2

	<b>Unemployment Compensation</b>	<b>Self Insurance</b>	<b>Central Services</b>	<b>Equipment Rental</b>	<b>Building Maintenance</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>						
Receipts from customers	\$ 68,800	\$ 577,200	\$ 1,823,154	\$ 3,719,663	\$ 3,714,279	\$ 9,903,096
Payment to suppliers	(61,964)	(730,459)	(442,690)	(940,443)	(586,103)	(2,761,659)
Payments to employees	-	-	(1,096,814)	(455,320)	(789,709)	(2,341,843)
Net cash provided by (used for) operating activities	6,836	(153,259)	283,650	2,323,900	2,338,467	4,799,594
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>						
Nonoperating miscellaneous revenue	-	-	334	7,328	1,811	9,473
Insurance recoveries	-	-	-	18,537	-	18,537
Net cash provided by (used for) noncapital financing activities	-	-	334	25,865	1,811	28,010
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>						
Additions of capital assets	-	-	(48,685)	(1,013,045)	(1,164,885)	(2,226,615)
Principal paid on debt	-	-	(17,931)	(326,976)	(1,747,774)	(2,092,681)
Interest paid on debt	-	-	(775)	(16,788)	(126,811)	(144,374)
Interest income	97	13,868	2,709	32,636	29,859	79,169
Net cash provided by (used for) capital and related financing activities	97	13,868	(64,682)	(1,324,173)	(3,009,611)	(4,384,501)
<b>Net cash increase (decreases) in cash and cash equivalents</b>	6,933	(139,391)	219,302	1,025,592	(669,333)	443,103
Cash and cash equivalents, January 1	30,592	583,410	280,035	1,656,647	1,810,570	4,361,254
Cash and cash equivalents, December 1	<u>\$ 37,525</u>	<u>\$ 444,019</u>	<u>\$ 499,337</u>	<u>\$ 2,682,239</u>	<u>\$ 1,141,237</u>	<u>\$ 4,804,357</u>

**CITY OF MOSES LAKE**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2019**

Page 2 of 2

	<b>Unemployment Compensation</b>	<b>Self Insurance</b>	<b>Central Services</b>	<b>Equipment Rental</b>	<b>Building Maintenance</b>	<b>Total</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities</b>						
Operating income (loss)	\$ (4,343)	\$ (136,683)	\$ 70,498	\$ 1,657,592	\$ 2,057,948	\$ 3,645,012
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	-	-	46,606	768,177	409,772	1,224,555
Decrease (increase) in accounts receivable	-	-	-	(14,300)	48	(14,252)
Decrease (increase) in inventory	-	-	(14,324)	3,363	14,857	3,896
(Decrease) increase in deferred outflows	-	-	(21,077)	3,257	9,413	(8,407)
(Decrease) increase in accounts payable	11,179	(16,576)	14,685	(77,474)	(121,064)	(189,250)
(Decrease) increase in salaries payable	-	-	9,111	5,989	8,479	23,579
(Decrease) increase in compensated absences	-	-	11,105	(4,045)	18,008	25,068
(Decrease) increase in pension liability	-	-	102,860	(24,612)	(64,964)	13,284
(Decrease) increase in deferred inflows	-	-	64,186	5,953	5,970	76,109
Total adjustments	<u>11,179</u>	<u>(16,576)</u>	<u>213,152</u>	<u>666,308</u>	<u>280,519</u>	<u>1,154,582</u>
Net cash provided (used) by operating activities:	<u>\$ 6,836</u>	<u>\$ (153,259)</u>	<u>\$ 283,650</u>	<u>\$ 2,323,900</u>	<u>\$ 2,338,467</u>	<u>\$ 4,799,594</u>

## 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 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, 2019**

---

	<u>Agency Funds</u>		
	<u>Deposit</u>	<u>State Deposit</u>	<u>Totals</u>
<b>ASSETS</b>			
Pooled cash & investments	\$ 587,849	\$ 60,983	\$ 648,832
Receivables (net of allowance for uncollectibles)	-	79	79
Total assets	<u>587,849</u>	<u>61,062</u>	<u>648,911</u>
<b>LIABILITIES</b>			
Custodial accounts payable	587,849	61,062	648,911
Total liabilities	<u>\$ 587,849</u>	<u>\$ 61,062</u>	<u>\$ 648,911</u>

**CITY OF MOSES LAKE**  
**Combining Statement of Changes in Assets and Liabilities**  
**Agency Funds**  
**For the Year Ended December 31, 2019**

	Balance December 31, 2018	Additions	Deductions	Balance December 31, 2019
<b>DEPOSIT FUND</b>				
Assets				
Cash	\$ 825,300	\$ 4,645,151	\$ 4,882,602	\$ 587,849
Total assets	<u>825,300</u>	<u>4,645,151</u>	<u>4,882,602</u>	<u>587,849</u>
Liabilities				
Deposits	765,746	8,971,355	8,699,186	493,577
Retainage payable	59,554	59,279	93,997	94,272
Total liabilities	<u>825,300</u>	<u>9,030,634</u>	<u>8,793,183</u>	<u>587,849</u>
<b>STATE DEPOSIT FUND</b>				
Assets				
Cash and receivables	\$ 124,648	\$ 4,233,217	\$ 4,296,803	\$ 61,062
Total assets	<u>124,648</u>	<u>4,233,217</u>	<u>4,296,803</u>	<u>61,062</u>
Liabilities				
Due to state	124,648	8,395,480	8,331,894	61,062
Total liabilities	<u>124,648</u>	<u>8,395,480</u>	<u>8,331,894</u>	<u>61,062</u>
<b>TOTALS - ALL AGENCY FUNDS</b>				
Assets				
Cash	\$ 949,948	\$ 8,878,368	\$ 9,179,405	\$ 648,911
Total assets	<u>949,948</u>	<u>8,878,368</u>	<u>9,179,405</u>	<u>648,911</u>
Liabilities				
Deposits	765,746	8,971,355	8,699,186	1,037,915
Due to other governments	124,648	8,395,480	8,331,894	188,234
Retainage payable	59,554	59,279	93,997	24,836
Total liabilities	<u>949,948</u>	<u>17,426,114</u>	<u>17,125,077</u>	<u>1,250,985</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 .....101**

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.....108**

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

**Debt Capacity.....112**

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.....118**

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.....120**

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.

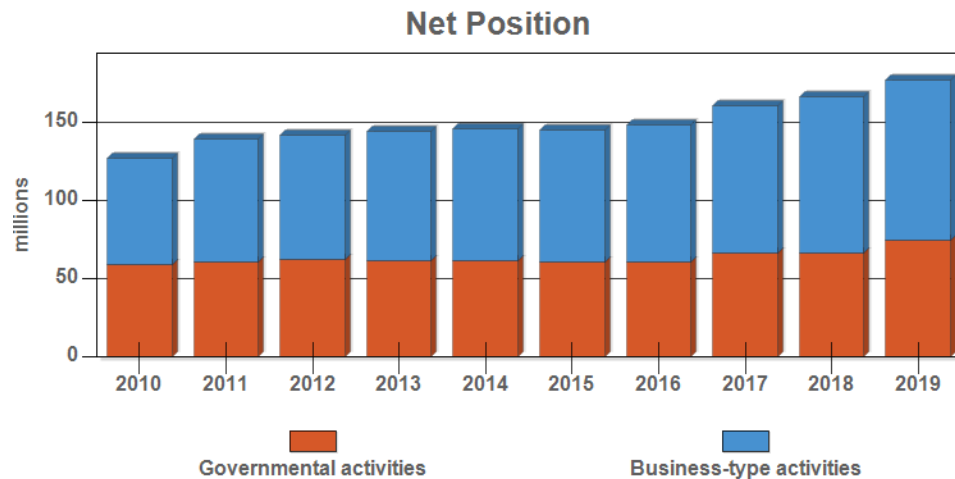


**CITY OF MOSES LAKE**  
**Net Position by Component**

Last Ten Fiscal Year  
(full accrual basis of accounting)

Table B-1

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental activities</b>										
Net investment in capital assets	\$ 53,836,958	\$ 59,285,986	\$ 60,548,550	\$ 61,088,313	\$ 61,620,391	\$ 62,228,340	\$ 63,239,074	\$ 63,142,833	\$ 67,063,404	\$ 70,473,576
Restricted	293,999	-	505,499	447,675	437,862	(1,712,820)	(1,246,322)	2,339,160	3,620,253	2,554,786
Unrestricted	5,319,411	487,334	1,187,230	(685,952)	(1,164,099)	(780,488)	(2,139,795)	573,435	(4,568,062)	709,724
Total governmental activities net position	<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>	<u>\$ 66,115,595</u>	<u>\$ 73,738,086</u>
<b>Business-type activities</b>										
Net investment in capital assets	54,876,380	58,920,713	66,254,242	70,129,187	73,679,324	72,237,022	74,491,199	77,543,930	78,064,287	80,376,392
Restricted	810,836	5,408,741	3,917,363	4,072,763	4,910,128	(724,602)	(814,042)	1,284,375	1,312,269	1,895,323
Unrestricted	12,412,327	14,861,223	9,926,968	8,623,100	6,458,095	13,859,843	14,350,450	15,715,663	20,141,359	21,148,150
Total business-type activities net position	<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>	<u>\$ 99,517,915</u>	<u>\$103,419,865</u>
<b>Primary government</b>										
Net investment in capital assets	108,713,338	118,206,699	126,802,792	131,217,500	135,299,715	134,465,362	137,730,273	140,686,763	145,127,691	150,849,968
Restricted	1,104,835	5,408,741	4,422,862	4,520,438	5,347,990	(2,437,422)	(2,060,364)	3,623,535	4,932,522	4,450,109
Unrestricted	17,731,738	15,348,557	11,114,198	7,937,148	5,293,996	13,079,355	12,210,655	16,289,098	15,573,297	21,857,874
Total primary government net position	<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>	<u>\$165,633,510</u>	<u>\$177,157,951</u>

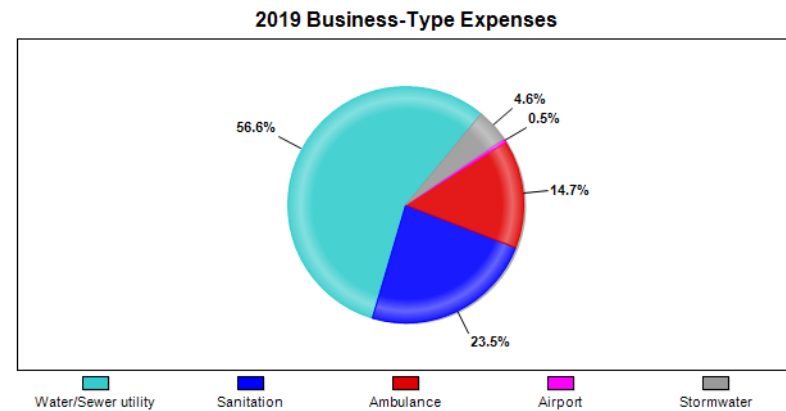
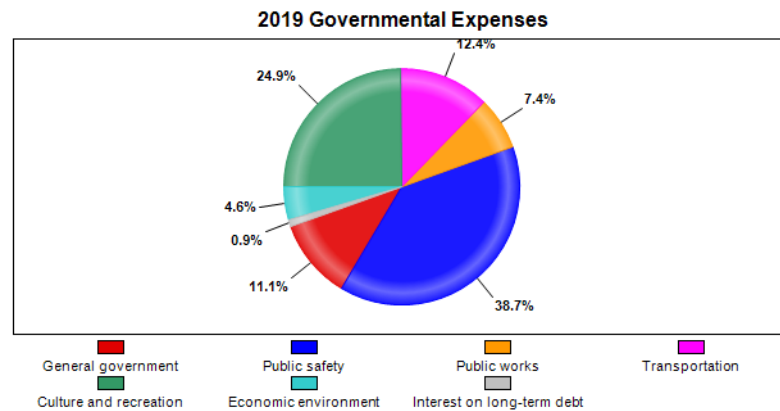


**CITY OF MOSES LAKE**  
**Changes in Expenses by Function**

Table B-2  
Page 1 of 3

	Last Ten Fiscal Years (full accrual basis of accounting)									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
Governmental activities:										
General government	\$ 1,490,050	\$ 5,177,801	\$ 2,025,131	\$ 2,248,966	\$ 1,810,976	\$ 1,919,942	\$ 3,164,520	\$ 2,357,673	\$ 2,502,138	\$ 2,801,900
Public safety	8,250,244	8,208,749	8,523,429	8,187,757	8,272,137	8,476,035	9,079,116	9,070,874	9,159,773	9,802,295
Public works	1,786,822	1,849,411	1,935,245	1,838,465	1,841,532	1,705,047	1,616,151	1,556,397	1,618,887	1,867,576
Transportation	2,657,304	2,757,678	1,981,454	2,565,422	1,838,589	2,011,189	2,772,694	3,152,406	3,933,763	3,136,651
Culture and recreation	5,155,333	5,970,761	5,777,849	5,756,198	5,696,832	5,402,719	5,680,271	5,606,910	5,743,730	6,298,017
Economic environment	743,863	761,298	803,867	1,043,025	1,064,457	1,106,617	1,146,169	1,148,057	1,129,366	1,174,866
Interest on long-term debt	591,488	671,148	675,736	534,349	466,372	433,784	379,763	349,562	288,584	229,644
Total governmental activities	20,675,104	25,396,846	21,722,711	22,174,182	20,990,895	21,055,333	23,838,684	23,241,879	24,376,241	25,310,949
Business-type activities:										
Water/Sewer utility	7,192,446	7,599,119	7,401,282	7,788,179	8,876,959	8,026,945	7,283,991	7,618,628	8,357,844	9,823,923
Sanitation	2,952,147	2,962,499	3,025,020	3,138,126	3,263,670	3,544,496	3,605,673	3,904,199	4,445,067	4,081,364
Ambulance	2,305,638	2,409,424	2,509,558	2,490,405	2,593,169	2,394,802	2,337,527	2,157,738	2,331,665	2,555,263
Airport	35,141	28,960	30,063	34,120	28,465	51,733	50,676	54,275	60,483	79,037
Stormwater	336,113	477,990	525,931	536,941	626,936	569,393	807,738	745,440	804,390	803,587
Total business-type activities expenses	12,821,485	13,477,992	13,491,854	13,987,771	15,389,199	14,587,369	14,085,605	14,480,280	15,999,449	17,343,174
Total primary government expenses	\$ 33,496,589	\$ 38,874,838	\$ 35,214,565	\$ 36,161,953	\$ 36,380,094	\$ 35,642,702	\$ 37,924,289	\$ 37,722,159	\$ 40,375,690	\$ 42,654,123

Stormwater business-type activities began in 2010.



**CITY OF MOSES LAKE**  
**Changes in Revenues by Function**

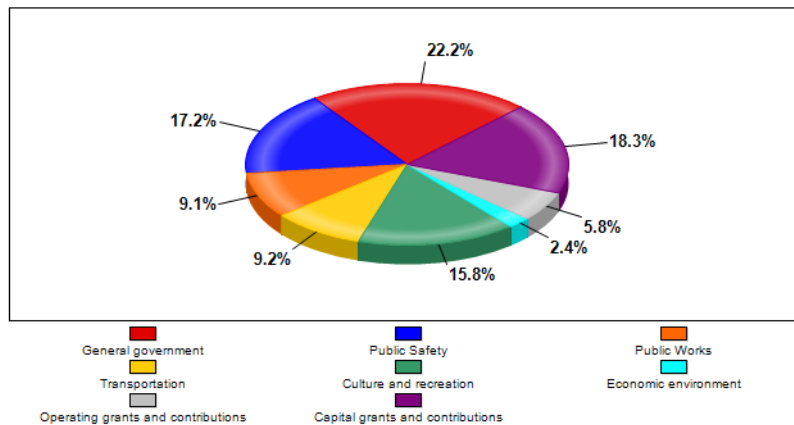
Last Ten Fiscal Years  
(full accrual basis of accounting)

Table B-2  
Page 2 of 3

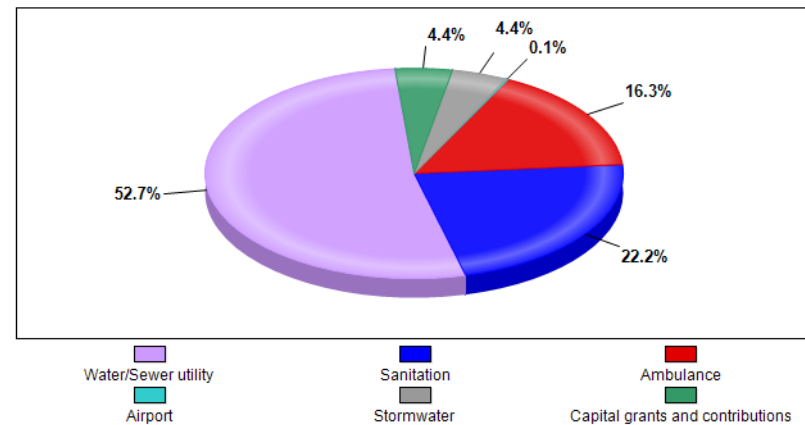
Program Revenues	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental activities:</b>										
Charges for service										
General government	\$ 883,157	\$ 987,186	\$ 1,121,967	\$ 725,822	\$ 875,769	\$ 1,345,013	\$ 1,634,010	\$ 1,740,377	\$ 2,030,384	\$ 2,154,722
Public Safety	1,955,918	1,335,433	1,556,924	1,595,284	1,792,009	1,741,676	1,169,764	365,690	1,605,448	1,670,375
Public Works	1,344,876	1,509,856	675,827	878,259	892,800	890,904	794,545	647,723	705,486	885,182
Transportation	671,262	904,680	675,203	737,332	837,828	545,861	848,254	612,678	632,892	897,225
Culture and recreation	1,409,773	1,457,901	1,423,732	1,332,460	1,313,698	1,275,793	1,526,032	1,381,724	1,520,010	1,532,357
Economic environment	139,878	123,220	121,754	113,687	252,263	278,124	319,852	199,155	222,551	228,341
Operating grants and contributions	208,603	292,896	449,067	361,653	150,649	127,382	64,704	404,959	490,031	562,036
Capital grants and contributions	1,149,290	1,451,525	-	579,474	161,390	680,345	680,361	330,692	1,232,883	1,779,918
<b>Total governmental activities</b>	<b>7,762,757</b>	<b>8,062,697</b>	<b>6,024,474</b>	<b>6,323,971</b>	<b>6,276,406</b>	<b>6,885,098</b>	<b>7,037,522</b>	<b>5,682,998</b>	<b>8,439,685</b>	<b>9,710,156</b>
<b>Business-type activities:</b>										
Charges for Services:										
Water/Sewer utility	9,354,264	13,493,211	9,894,017	9,705,574	10,334,324	10,692,572	11,036,058	11,062,889	11,608,379	11,267,221
Sanitation	2,073,684	2,420,533	2,401,838	2,393,090	2,747,517	3,182,534	3,471,109	4,044,756	4,467,541	4,743,212
Ambulance	1,902,757	2,476,305	2,390,364	2,284,340	2,528,431	2,632,671	2,145,587	2,371,353	2,735,028	3,483,277
Airport	33,403	36,191	32,932	30,501	287,798	(3,708)	25,979	26,934	27,071	26,836
Stormwater	605,873	762,632	739,803	758,053	777,967	812,510	841,820	884,091	899,525	945,145
Capital grants and contributions	790,028	5,100,566	554,823	1,593,186	1,016,032	663,416	1,563,213	761,301	1,544,633	931,904
Operating grants and contributions	-	-	-	-	-	-	-	-	10,657	11,575
<b>Total Business-type activities</b>	<b>14,760,009</b>	<b>24,289,438</b>	<b>16,013,777</b>	<b>16,764,744</b>	<b>17,692,069</b>	<b>17,979,995</b>	<b>19,083,766</b>	<b>19,151,324</b>	<b>21,292,834</b>	<b>21,409,170</b>
<b>Total primary government program revenues</b>	<b>\$ 22,522,766</b>	<b>\$ 32,352,135</b>	<b>\$ 22,038,251</b>	<b>\$ 23,088,715</b>	<b>\$ 23,968,475</b>	<b>\$ 24,865,093</b>	<b>\$ 26,121,288</b>	<b>\$ 24,834,322</b>	<b>\$ 29,732,519</b>	<b>\$ 31,119,326</b>

Stormwater business-type activities began in 2010.

**2019 Governmental Revenues**



**2019 Business-Type Revenues**



**CITY OF MOSES LAKE**  
**Changes in Net Position**

Table B-2  
Page 3 of 3

	Last Ten Fiscal Years (full accrual basis of accounting)									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$(12,912,347)	\$(17,334,149)	\$(15,698,237)	\$(15,850,211)	\$(14,714,489)	\$(14,170,235)	\$(16,801,162)	\$(17,558,881)	\$(15,936,556)	\$(15,600,793)
Business-type activities	1,938,524	10,811,446	2,521,923	2,776,973	2,302,870	3,392,626	4,998,161	4,671,044	5,293,385	4,065,996
Total primary government net expense	(10,973,823)	(6,522,703)	(13,176,314)	(13,073,238)	(12,411,619)	(10,777,609)	(11,803,001)	(12,887,837)	(10,643,171)	(11,534,797)

**General Revenues and Other Changes in Net Position**

Governmental Activities:

Taxes:

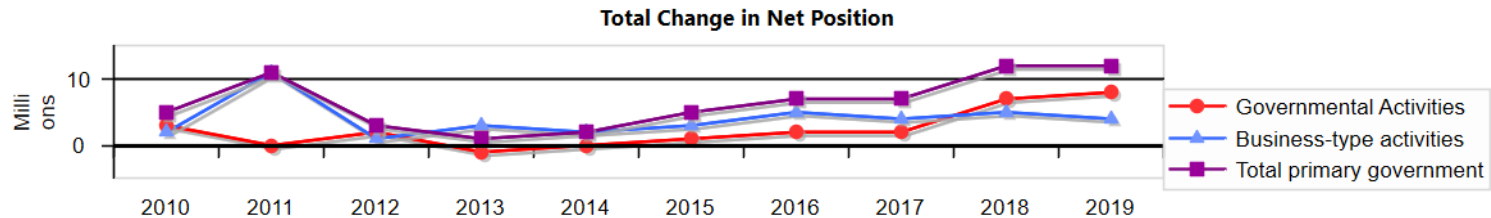
Property taxes	7,052,123	8,490,927	7,089,271	4,060,416	4,214,011	4,463,541	7,594,524	6,811,359	6,909,510	7,402,797
Retail sales and use taxes	5,288,180	5,539,605	5,368,342	5,891,891	6,194,709	6,128,076	6,535,040	7,424,680	8,547,671	9,721,992
Business taxes	3,489,277	3,591,144	3,820,464	4,032,173	3,813,397	4,205,782	4,099,389	4,905,212	5,053,402	4,971,956
Interest and investment earnings	186,950	288,222	239,762	226,262	240,015	297,594	234,809	265,747	477,889	680,542
Miscellaneous	1,054	-	1,158	1,025	3,312	130,773	234,809	114,184	15,262	20,337
Gain (Loss) on Asset Disposal	-	-	-	-	-	-	-	-	1,180,618	-
Transfers, internal activities	(73,500)	(252,800)	1,647,200	247,200	293,164	425,660	425,660	425,660	425,660	425,660
Total governmental activities	15,944,084	17,657,098	18,166,197	14,458,967	14,758,608	15,651,426	19,124,231	19,946,842	22,610,012	23,223,284

Business-type activities:

Interest and investment earnings	24,032	26,888	33,173	196,703	173,727	155,982	234,809	129,770	106,223	61,782
Insurance recoveries	-	-	-	-	39,063	39,063	32,770	-	-	199,832
Transfers, Internal activities	73,500	252,800	(1,647,200)	(247,200)	(293,164)	(425,660)	(425,660)	(425,660)	(425,660)	(425,660)
Total business-type activities	97,532	279,688	(1,614,027)	(50,497)	(80,374)	(230,615)	(158,081)	(295,890)	(319,437)	(164,046)
Total Primary Government	16,041,616	17,936,786	16,552,170	14,408,470	14,678,234	15,420,811	18,966,150	19,650,952	22,290,575	23,059,238

**Change in Net Position**

Governmental Activities	3,031,737	322,949	2,467,960	(1,391,244)	44,119	1,481,191	2,323,069	2,387,961	6,673,456	7,622,491
Business-Type Activities	2,036,056	11,091,134	907,896	2,726,476	2,222,496	3,162,011	4,840,080	4,375,154	4,973,948	3,901,950
Total Primary Government	\$ 5,067,793	\$ 11,414,083	\$ 3,375,856	\$ 1,335,232	\$ 2,266,615	\$ 4,643,202	\$ 7,163,149	\$ 6,763,115	\$ 11,647,404	\$ 11,524,441

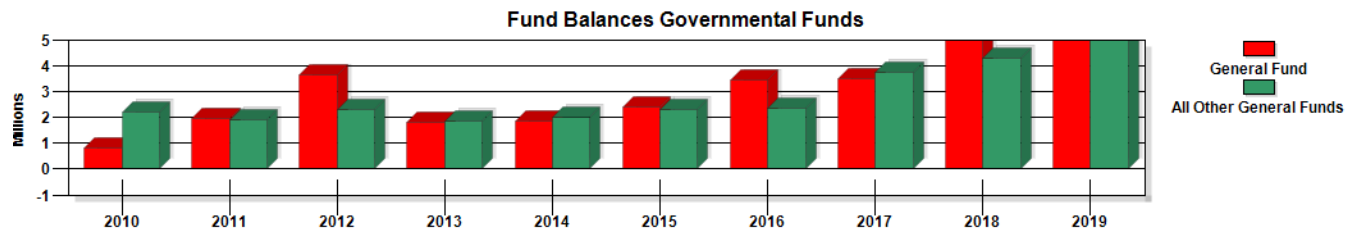


**CITY OF MOSES LAKE**  
**Fund Balances of Governmental Funds**

Table B-3

		Last Ten Fiscal Years (modified basis of accounting)									
		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General fund											
Reserved	\$	151,387	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	-
Unreserved		649,689	-	-	-	-	-	-	-	-	-
Nonspendable	**	-	1,227,411	1,384,505	1,545,650	1,738,030	1,828,476	244,583	150,858	114,131	77,685
Restricted	**	-	-	6,238	-	1,720	-	-	-	-	-
Committed	**	-	-	-	-	-	-	330,371	330,371	357,908	352,390
Assigned	**	-	581,000	-	-	-	-	-	-	-	-
Unassigned	**	-	119,434	2,243,656	248,118	125,692	578,892	2,878,602	3,011,622	6,090,808	6,434,756
Total general fund		\$ 801,076	\$ 1,927,845	\$ 3,634,399	\$ 1,793,768	\$ 1,865,442	\$ 2,407,368	\$ 3,453,556	\$ 3,492,851	\$ 6,562,847	\$ 6,864,831
All other governmental funds											
Reserved		375,718	-	-	-	-	-	-	-	-	-
Unreserved, reported in:											
Special revenue funds		1,557,431	-	-	-	-	-	-	-	-	-
Capital projects fund 2006		267,293	-	-	-	-	-	-	-	-	-
Nonspendable	**	-	95,735	121,103	311,804	84,191	80,471	84,606	60,959	69,395	57,739
Restricted for:											
Public safety programs	**	-	-	9,061	32,606	59,909	194,270	285,722	54,507	243,434	390,544
Tourism	**	-	268,044	228,899	120,790	32,817	200,752	541,893	1,058,662	952,128	784,281
Debt service	**	-	294,317	175,955	165,826	164,276	190,273	184,723	184,488	184,705	184,455
Culture and recreation	**	-	-	85,346	128,452	179,140	194,946	556,876	986,672	1,163,813	1,195,507
Committed for:											
Municipal facilities	**	-	257,449	-	-	-	-	-	-	-	-
Culture and recreation	**	-	470,104	302,363	534,220	105,769	105,769	-	105,769	21,339	300,058
Transportation	**	-	534,238	501,380	268,971	701,426	622,445	207,328	626,891	1,059,510	2,563,784
Assigned to transportation	**	-	-	446,658	148,293	347,661	358,011	434,646	671,874	611,427	667,778
Assigned to culture and recreation	**	-	-	446,658	148,293	347,661	358,011	62,082	-	-	-
Unassigned	**	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds		\$ 2,200,442	\$ 1,919,887	\$ 2,317,423	\$ 1,859,255	\$ 2,022,850	\$ 2,304,948	\$ 2,357,876	\$ 3,749,822	\$ 4,305,751	\$ 6,144,146

\*\* GASB 54 fund balance reporting implemented in 2011



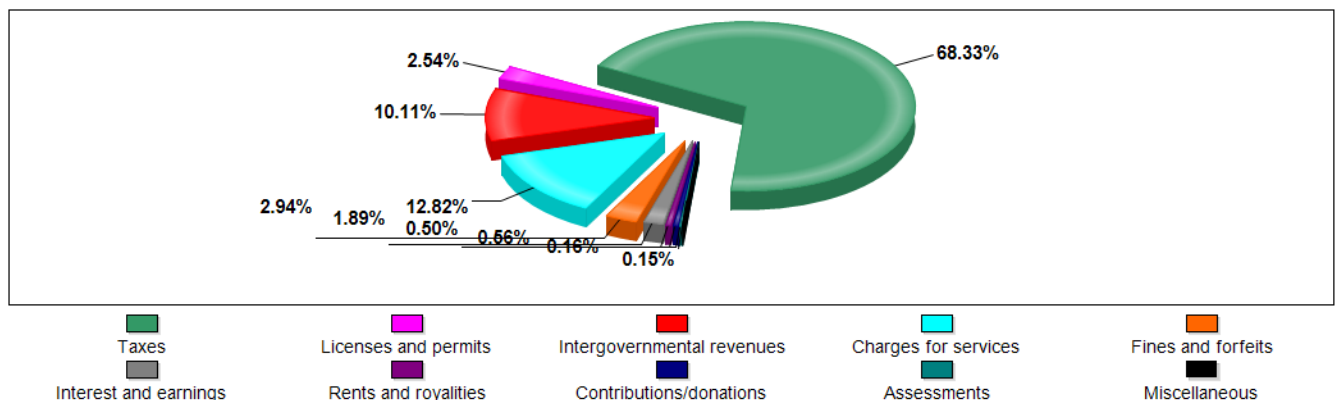
**CITY OF MOSES LAKE**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**

(modified accrual basis of accounting)  
(Amounts expressed in thousands)

Table B-4

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Taxes	\$ 15,759	\$ 17,526	\$ 16,322	\$ 14,036	\$ 14,249	\$ 14,828	\$ 17,193	\$ 19,124	\$ 20,215	\$ 21,778
Licenses and permits	532	471	599	616	724	597	968	780	805	810
Intergovernmental revenues	1,713	1,301	1,463	1,236	1,249	1,309	1,343	1,681	1,963	3,223
Charges for services	3,632	3,925	2,969	3,061	3,314	3,722	3,379	3,057	3,498	4,085
Fines and forfeits	571	393	444	495	458	505	446	405	808	937
Interest and earnings	182	268	222	209	218	228	235	233	420	601
Rents and royalties	160	157	164	168	131	116	99	181	157	160
Contributions/donations	79	67	73	100	61	103	91	95	305	178
Assessments	26	93	17	93	30	22	50	19	49	51
Miscellaneous	18	6	81	32	21	17	40	31	82	48
Total revenues	22,672	24,207	22,354	20,046	20,455	21,447	23,843	25,605	28,302	31,870
<b>Expenditures</b>										
General government	1,510	2,080	1,950	2,056	1,871	2,090	2,513	2,611	2,683	3,018
Public safety	8,114	8,457	8,655	8,408	8,200	8,758	9,398	9,658	10,426	11,799
Public works	1,858	1,936	1,991	1,888	1,833	1,752	1,703	1,678	1,818	2,055
Transportation	2,722	2,811	2,016	2,587	1,778	1,997	2,802	3,267	4,059	3,254
Economic environment	776	788	819	1,050	1,058	1,116	1,165	1,185	1,206	1,283
Culture and recreation	4,881	5,605	5,440	5,567	4,960	4,701	5,190	5,366	5,672	6,190
Capital outlay	1,209	605	634	222	526	262	116	282	1,178	2,175
Debt Service										
Principal	587	561	579	228	231	239	247	129	275	288
Interest	296	265	236	215	180	176	153	134	127	94
Total expenditures	21,953	23,108	22,320	22,221	20,637	21,091	23,287	24,310	27,444	30,156
Excess (deficiency) of revenue over (under) expenditures	719	1,099	34	(2,175)	(182)	356	556	1,295	858	1,714
Other financing sources (uses)										
Transfers in	3,699	3,002	4,992	2,529	2,220	2,438	2,483	2,725	3,982	4,698
Transfers out	(4,246)	(3,329)	(3,418)	(2,355)	(2,001)	(2,013)	(2,073)	(2,299)	(3,557)	(4,272)
Sales of capital assets	-	74	22	1	8	8	-	22	710	-
Miscellaneous nonoperating	-	-	-	-	-	-	-	-	-	-
Proceeds of long term debt	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)	(541)	(253)	1,623	175	227	459	410	448	1,136	426
Net change in fund balances	\$ 178	\$ 846	\$ 1,657	\$ (2,000)	\$ 45	\$ 814	\$ 966	\$ 1,743	\$ 1,993	\$ 2,140
Debt service as a percentage of noncapital expenditures	4.25 %	3.67 %	3.76 %	2.01 %	2.04 %	1.99 %	1.72 %	1.10 %	1.55 %	1.38 %

**2019 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-5

Fiscal Year	Property Taxes	Sales Taxes (1)	Interfund Taxes	Business Taxes	Other Taxes	Excise Taxes	Total
2010	\$ 7,052,123	\$ 5,288,180	\$ 74,500	\$ 3,234,354	\$ -	\$ 180,423	15,829,580
2011	8,490,927	5,539,605	74,500	3,335,345	1,003	180,296	17,621,676
2012	7,089,271	5,368,342	74,500	3,502,548	33,087	210,329	16,278,077
2013	4,060,416	5,891,891	-	3,962,892	52,481	16,800	13,984,480
2014	4,214,011	6,194,709	-	3,542,065	60,816	210,516	14,222,117
2015	4,463,541	6,128,076	-	3,965,639	46,386	193,757	14,797,399
2016	6,558,158	6,535,040	-	3,863,050	42,618	193,722	17,192,588
2017	6,811,359	7,424,680	-	4,076,154	99,541	729,517	19,141,251
2018	6,909,510	8,547,671	-	4,058,078	182,164	813,160	20,510,583
2019	7,402,797	9,721,992	-	3,977,700	52,017	942,239	22,096,745

(1) Added new sales tax for a transportation benefit district in 2019

# CITY OF MOSES LAKE

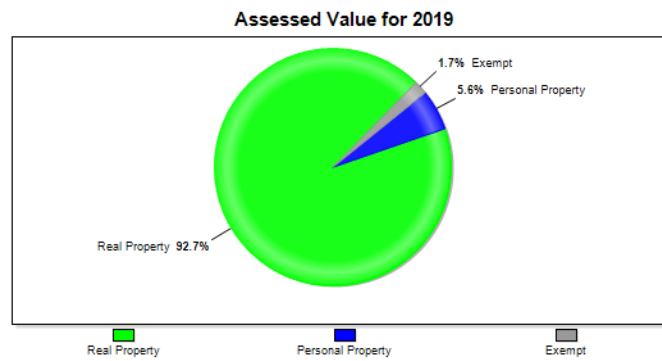
## Assessed and Estimated Actual Value of Taxable Property

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				
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
2018	2,079,096,392	150,408,603	40,100,930	188,315	2,189,215,750	3.3228	2,564,043,965	85
2019	2,224,909,522	134,050,942	41,160,565	199,900	2,317,599,999	3.4080	2,981,527,870	78

Source is 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**

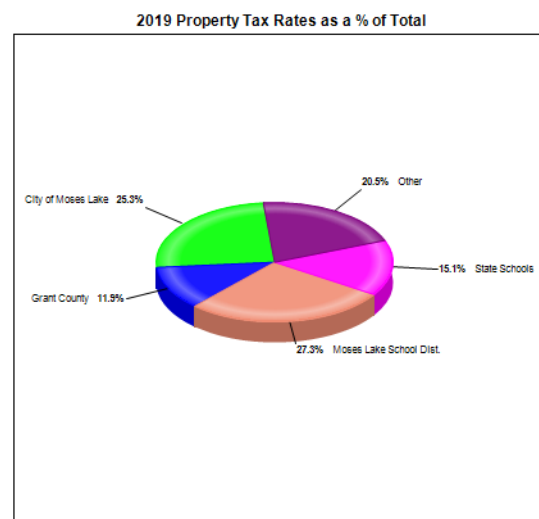
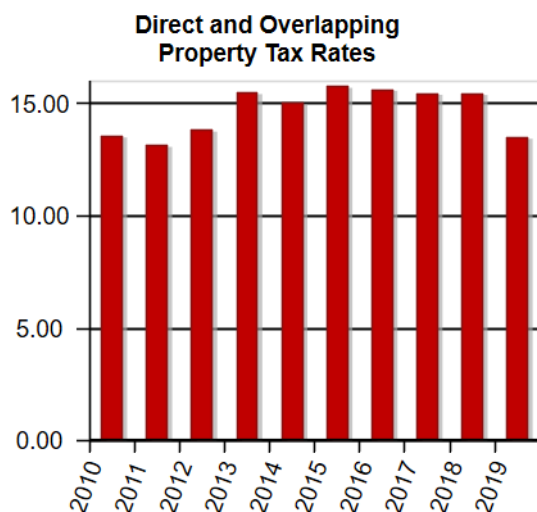
Last Ten Fiscal Years

Table C-2

Fiscal Year	City Tax Rate	Overlapping Rates						
	Moses Lake	Grant County	School District			Other		
		Operating Rate	Operating Rate	Debt Service	Total School Rate	State School	Special Districts	
								Total
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
2018	3.323	1.664	4.620	0.696	5.316	2.120	3.006	15.429
2019	3.408	1.600	1.500	2.184	3.684	2.030	2.759	13.481

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**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**

Table C-3

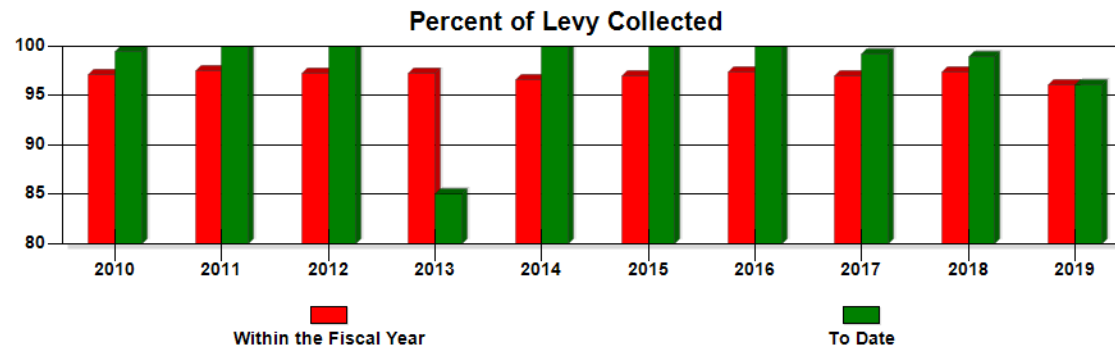
Tax Payer	Type of Business	2019		Percent of Total Assessed Value	2010		Percentage of Total Assessed Valuation
		Assessed Valuation	Rank		Assessed Valuation	Rank	
REC Solar Grade Silicon, LLC	Manufacturing	129,462,155	1	5.6 %	1,261,373,225	1	44.9 %
SGL Automotive Carbon Fibers, LLC	Manufacturing	83,146,885	2	3.6 %	-	-	- %
Moses Lake Industries Inc.	Chemicals	61,900,000	3	2.7 %	-	-	- %
Xyleco Realty WA, LLC	Prop Invest/Mngt	56,703,765	4	2.4 %	-	-	- %
Akzo Nobel Pulp and Performance Chemicals Inc. (EKA Chemicals)	Chemicals	30,225,455	5	1.3 %	28,171,575	2	0.9 %
Air Liquide Electronics US LP	Chemicals	19,973,260	6	0.9 %	-	-	- %
Moses Lake Travel Plaza LLC	Prop Invest/Mgmt	19,722,685	7	0.9 %	-	-	- %
RS Titan, LLC Etal	Computer Networking	19,108,465	8	0.8 %	-	-	- %
Nelson Road Apartments, LLC	Apartments	17,135,205	9	0.7 %	-	-	- %
IP CBPR Properties, LLC	Prop Invest/Mgmt	14,205,635	10	0.6 %	-	-	- %
REC ADV Silicon Materials, Inc	Manufacturing	-	-	- %	25,952,835	3	0.9 %
National Frozen Foods Corp	Food Processing	-	-	- %	21,319,005	4	0.8 %
Guardian Fiberglass	Manufacturing	-	-	- %	20,344,540	5	0.7 %
Wal-Mart Real Estate Business Trust	Grocery/Retail	-	-	- %	12,087,480	6	0.4 %
Lowe's HIW Inc	Retail	-	-	- %	11,462,110	7	0.4 %
IP Eat Five, LLC	General Merchandise	-	-	- %	10,963,790	8	0.4 %
Weston Square	Apartments	-	-	- %	10,700,675	9	0.4 %
Vintage Apartments, LLC	Apartments	-	-	- %	8,448,180	10	0.3 %
Total		<u>451,583,510</u>		<u>19.5 %</u>	<u>1,410,823,415</u>		<u>50.1 %</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	
2010	\$ 2,809,290,237	\$ 9,164,319	\$ 8,896,759	97.1	\$ 216,198	\$ 9,112,957	99	\$ 51,362
2011	3,185,018,910	10,224,175	9,968,782	97.5	258,159	10,226,941	100	(2,766)
2012	2,735,223,789	8,681,629	8,439,354	97.2	242,085	8,681,439	100	190
2013	2,163,776,315	6,813,394	6,620,613	97.2	(827,229)	5,793,384	85	1,020,010
2014	2,355,291,370	7,418,904	7,162,447	96.5	256,333	7,418,780	100	124
2015	1,948,580,248	6,096,353	5,906,159	96.9	189,896	6,096,055	100	298
2016	2,143,919,575	6,797,813	6,612,598	97.3	182,596	6,795,194	100	2,619
2017	2,068,181,390	6,796,274	6,586,129	96.9	157,076	6,743,205	99	53,069
2018	2,082,206,538	6,903,522	6,714,461	97.3	115,224	6,829,685	99	73,837
2019	2,189,215,750	7,460,933	7,165,373	96.0	-	7,165,373	96	295,560



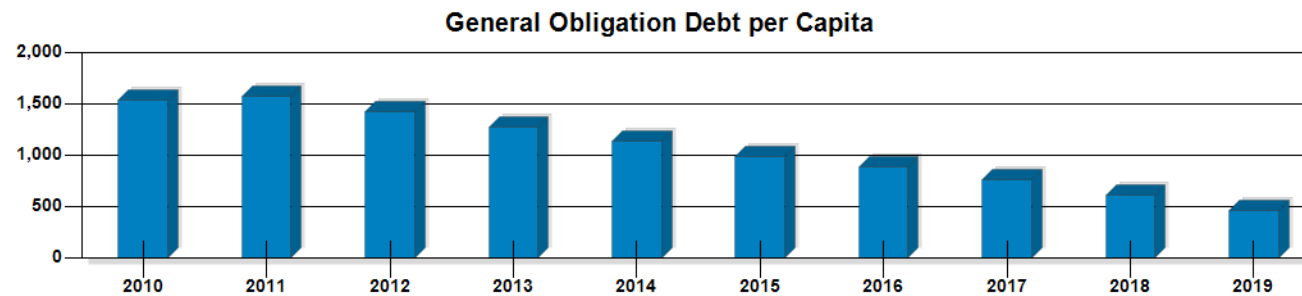
**CITY OF MOSES LAKE**  
**Ratios of Outstanding Debt by Type**

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	Capital Leases	Water/Sewer Bonds	General Obligation bonds	Governmental Loans	Capital Leases			
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	4.38%	1,418
2013	9,673,333	1,366,364	10,115,000	751,667	5,175,582	-	27,081,946	3.67%	1,274
2014	8,733,333	1,222,755	9,365,000	706,667	4,537,573	-	24,565,328	3.30%	1,137
2015	8,271,667	985,525	8,590,000	48,333	3,899,564	-	21,795,089	2.59%	987
2016	6,685,833	1,391,469	7,715,000	594,167	3,337,872	-	19,724,341	2.17%	886
2017	5,791,666	1,221,820	6,810,000	568,334	2,776,180	-	17,168,000	1.97%	756
2018	4,731,666	750,746	5,875,000	513,334	2,214,488	-	14,085,234	1.52%	604
2019	3,639,166	411,839	4,900,000	455,834	1,652,796	-	11,059,635	1.11%	457

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

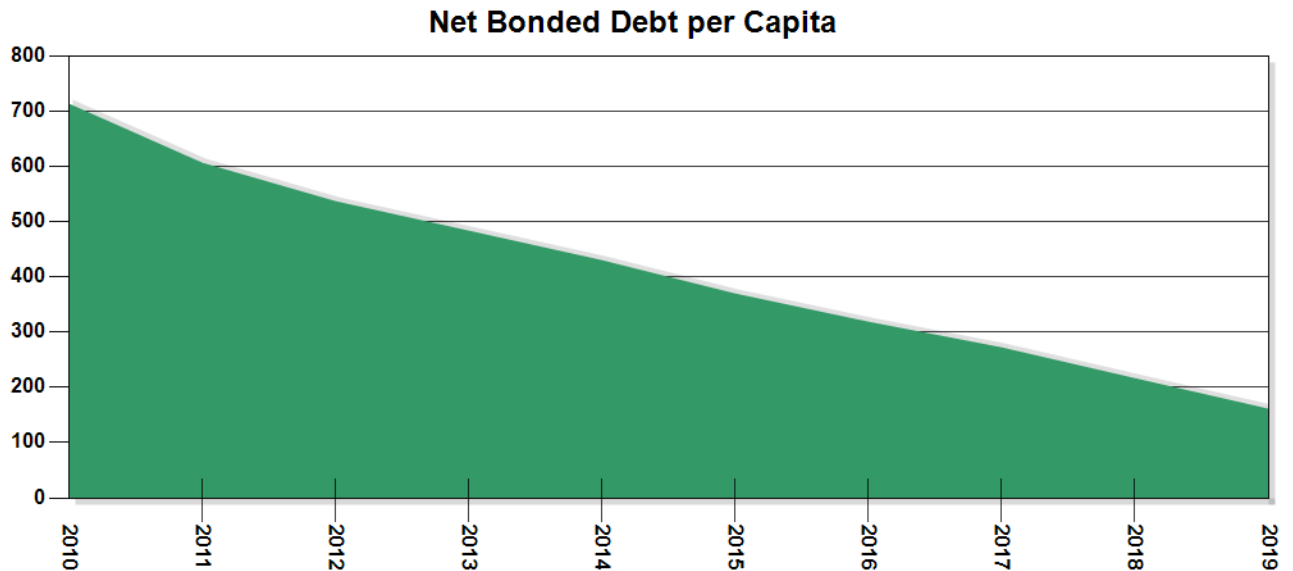


**CITY OF MOSES LAKE**  
**Ratios of General Bonded Debt Outstanding**  
**To Assessed Value and Net Bonded Debt per Capita**  
**Last Ten Fiscal Years**

**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
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
2018	23,328	2,189,215,750	5,245,000	184,705	5,060,295	0.23%	217
2019	24,220	2,317,599,999	4,095,000	184,455	3,910,545	0.17%	161

\*Grant County Assessor: includes only taxable property



**CITY OF MOSES LAKE**  
**Direct and Overlapping Governmental Activities Debt**

As of December 31, 2019

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	\$ 66,332,859	53.36%	\$ 35,395,214
Samaritan Hospital Dist. # 1	3,002,567	48.65%	1,460,749
Subtotal overlapping debt	<u>69,335,426</u>		<u>36,855,963</u>
Moses Lake direct debt	<u>4,095,000</u>		<u>4,095,000</u>
Total governmental direct and overlapping debt	<u>\$ 73,430,426</u>		<u>\$ 40,950,963</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 2019**

Total assessed Value	\$ 2,317,599,999
Debt limit (7.5%) of total assessed value	173,820,000
<b>I. General purpose legal debt margin</b>	
a. Councilmanic debt (without a vote) 1.5% of total assessed value	34,764,000
Debt applicable to councilmanic limit	
General obligation bonds & other debt debt	4,095,000
Less: amount set aside for repayment of general obligation debt	(184,455)
Net debt applicable to councilmanic limit	<u>3,910,545</u>
Total legal debt margin - councilmanic	30,853,455
b. Voted general obligation debt (additional 1% Total assessed value)	23,176,000
Debt applicable to limit	-
<b>II. Voted utility purposed debt (additional 2.5% total assessed value)</b>	57,940,000
Debt applicable to limit	-
<b>III. Voted open space and park debt (additional 2.5% total assessed value)</b>	57,940,000
Debt applicable to limit	-
<b>Total legal debt margin - all categories</b>	<u><u>\$ 169,909,455</u></u>

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Limit	\$ 238,676,416	\$ 205,141,784	\$ 162,283,224	\$ 176,646,853	\$ 145,256,552	\$ 146,143,519	\$ 160,793,968	\$ 156,165,490	\$ 164,191,181	\$ 173,820,000
Total net debt applicable to limit	<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>	<u>5,060,295</u>	<u>3,910,545</u>
Legal Debt Margin	<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>	<u>\$ 159,130,886</u>	<u>\$ 169,909,455</u>
Total net debt applicable to the limit as a percentage of debt limit	7.53 %	7.36 %	8.61 %	7.24 %	8.15 %	7.12 %	6.20 %	5.77 %	3.08 %	2.25 %

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

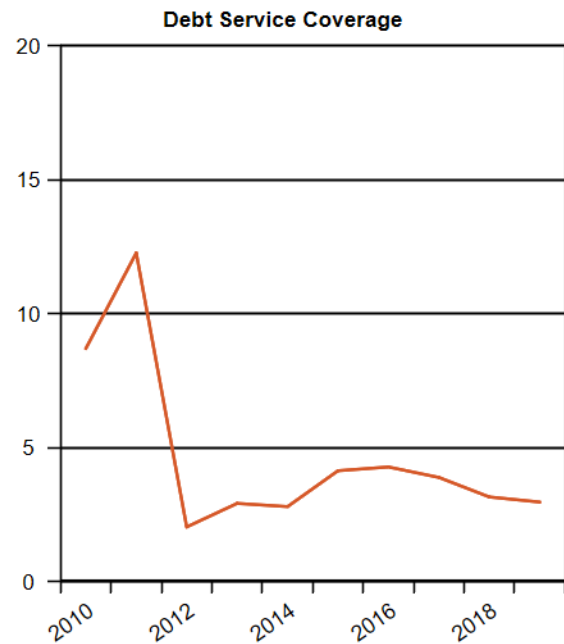
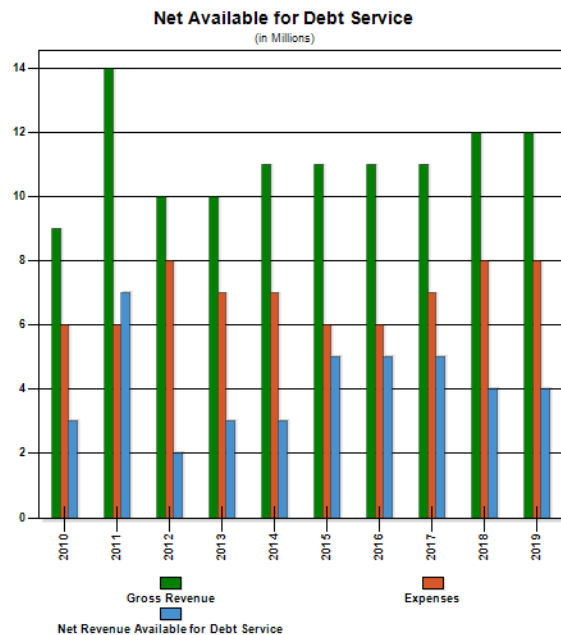
Table D-5

Year	Utility Revenues *	Expenses**	Net Revenue Available for Debt Service	Debt Service Requirements			Times Coverage
				Principal	Interest	Total	
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	6,109,001	4,731,674	775,000	371,399	1,146,399	4.13
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
2018	11,722,176	7,960,089	3,762,087	935,000	257,820	1,192,820	3.15
2019	11,815,934	8,267,902	3,548,032	975,000	221,755	1,196,755	2.96

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

\*\* Total expenses excludes depreciation and amortization, but includes principal on an intergovernment loan.

Coverage is the ratio of Net Revenue Available for Debt Service divided by the total Debt Service Requirements.  
The 2011 Utility Revenues is significantly higher than usual due to insurance recoveries in the amount of \$3,716,344





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

Table D-6

		2010	2011	2012 *	2013	2014	2015	2016	2017	2018	2019
<b>Residential Water Rates:</b>											
<b>A. Residential Within City Limits</b>											
Water	Cubic Feet										
Base	0 - 500	\$21.35	\$21.65	\$21.65	\$22.00	\$22.25	\$22.60	\$23.05	\$23.35	\$23.96	\$24.61
Overage Per 100 Cubic Foot	Over 500	0.80	0.81	0.81	0.82	0.83	0.84	0.86	0.87	0.89	0.91
<b>B. Residential Within City Limits by Meter Size</b>											
Meter Size	Cubic Feet										
3/4 In. or Smaller	500	21.35	21.65	21.65	22.00	22.25	22.60	23.05	23.35	23.96	24.61
1 Inch	1000	25.35	25.70	25.70	26.15	26.40	26.80	27.35	27.75	28.47	29.24
1.5 Inch	2,500	37.35	37.85	37.85	38.50	38.85	39.40	40.25	40.80	41.86	42.99
2 Inch	10,000	97.35	98.60	98.60	100.30	101.10	102.40	104.75	106.15	108.91	111.85
<b>C. Unmetered Residential Within &amp; Outside City Limits</b>											
November Through March - Per Month		21.35	21.65	21.65	22.00	22.25	NA**	NA**	NA**	NA**	NA**
April Through October		42.70	43.30	43.30	44.05	44.50	NA**	NA**	NA**	NA**	NA**
<b>Dwellings With Two Living Units:</b>											
<b>A. Residential Within &amp; Outside City Limits</b>											
	Cubic Feet										
Base	0 - 1,000	42.70	43.30	43.30	44.05	44.50	45.20	46.10	46.70	47.91	49.22
Overage Per 100 Cubic Foot	Over 1,000	0.80	0.81	0.81	0.82	0.83	0.84	0.86	0.87	0.89	0.91
<b>B. Residential Within City Limits by Meter Size</b>											
Meter Size	Cubic Feet										
3/4 In. or Smaller	1,000	42.70	43.30	43.30	44.05	44.50	45.20	46.10	46.70	47.91	49.22
1 Inch	2,000	50.70	51.40	51.40	52.25	52.80	53.60	54.70	55.50	56.94	58.48
1.5 Inch	5,000	74.70	75.70	75.70	77.00	77.70	78.80	80.50	81.60	83.72	85.98
2 Inch	20,000	194.70	197.20	197.20	200.55	202.20	204.80	209.50	212.30	217.82	223.70
<b>Commercial Water Rates:</b>											
<b>A. Commercial and Dwellings With Three or More Living Units</b>											
	Cubic Feet										
Base	0 - 500	35.95	36.45	36.45	37.05	37.70	38.20	38.90	39.45	40.48	41.57
Overage Per 100 Cubic Foot	Over 1,000	0.80	0.81	0.81	0.82	0.83	0.84	0.86	0.87	0.89	0.91
<b>B. Commercial and Dwellings With Three or More Living Units by Meter Size</b>											
Meter Size	Cubic Feet										
3/4 In. or Smaller	500	35.95	36.45	36.45	37.05	37.70	38.20	38.90	39.45	40.48	41.57
1 Inch	1,000	39.95	40.50	40.50	41.20	41.85	42.40	43.20	43.80	44.94	46.15
1.5 Inch	2,500	51.95	52.65	52.65	53.55	54.30	55.00	56.10	56.85	58.33	59.90
2 Inch	10,000	111.95	113.40	113.40	115.35	116.55	118.00	120.60	122.20	125.38	128.77
3 Inch	20,000	191.95	194.40	194.40	197.70	199.55	202.00	206.60	209.30	214.74	220.54
4 Inch	35,000	311.95	315.90	315.90	321.25	324.05	328.00	335.60	340.00	348.84	358.26
6 Inch	50,000	431.95	437.40	437.40	444.85	448.55	454.00	464.60	470.65	482.89	495.93
8 Inch	90,000	751.95	761.40	761.40	774.35	780.55	790.00	808.60	819.15	840.45	863.14
10 Inch	150,000	1,231.95	1,247.40	1,247.40	1,266.60	1,278.55	1,294.00	1,324.60	1,341.85	1,376.74	1,413.91
<b>Residential Sewer Rates:</b>											
Flat Rate		31.15	31.60	31.60	32.15	32.70	33.15	33.75	34.20	35.09	36.04
Duplex Rates		62.30	63.20	63.20	64.25	65.40	66.30	67.50	68.40	70.18	72.08
<b>Commercial Sewer Rates:</b>											
	Cubic Feet										
Base	0 - 1000	32.85	33.20	33.20	33.75	34.30	34.75	35.40	35.90	36.83	37.82
Over Per 100 Cubic Foot	Over 1,000	\$1.25	\$1.27	\$1.27	\$1.30	\$1.32	\$1.34	\$1.37	\$1.40	\$1.44	\$1.48

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

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

**CITY OF MOSES LAKE, WASHINGTON**  
**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
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	3,645,296	38,308	34	8,831	4.9
2018	23,328	3,872,693	39,789	34	8,871	5.8
2019	24,220	4,020,840	41,141	34	9,002	6.7

Data Sources:

Population - State of Washington, Office of Financial Management;  
[www.ofm.wa.gov/pop/april1/finalpop.pdf](http://www.ofm.wa.gov/pop/april1/finalpop.pdf)

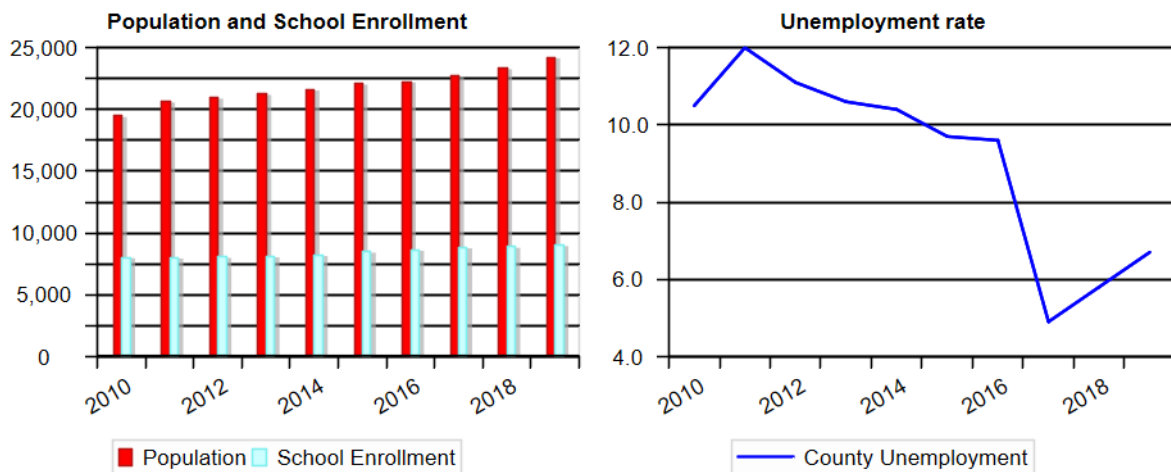
Per capita Income - County Figures (latest year available 2017) given due to unavailability of City percentages. 2017 information is found on the Regional Economics Accounts web site at [www.bea.gov/bea/regional/bearfacts](http://www.bea.gov/bea/regional/bearfacts). No 2017 data available.

Median Age - Office of Financial Management: [www.ofm.wa.gov/databook/pdf/local.pdf](http://www.ofm.wa.gov/databook/pdf/local.pdf)

School Enrollment - Office of Superintendent of Public Instruction: [reportcard.ospi.k12.wa.us/summary](http://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](http://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 Nine Years Ago

Table E-2

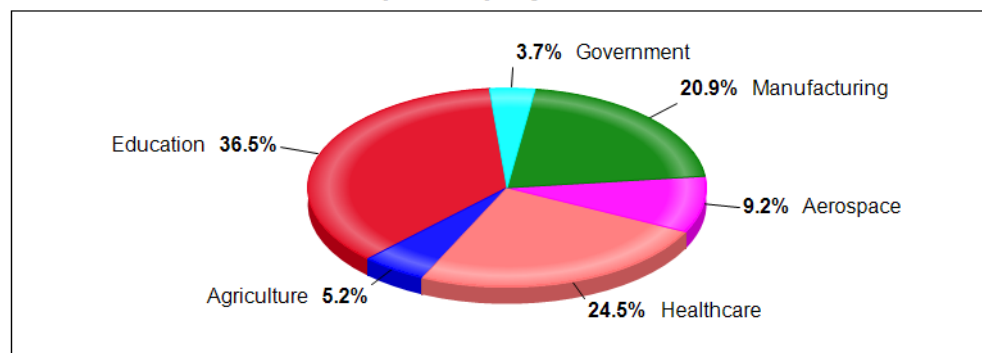
Employer	Business Type	2019			2010		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Moses Lake School District	Education	1,320	1	11%	974	1	9%
Genie Industries, Inc	Manufacturing	743	2	6%	600	3	5%
Samaritan Hospital	Healthcare	680	3	6%	400	4	3%
Big Bend Community College	Education	630	4	6%	300	7	3%
AeroTEC & Mitsubishi Aircraft	Aerospace	490	5	4%	-	-	0%
Moses Lake Industries Inc.	Manufacturing	375	6	3%	-	-	0%
Moses Lake Community Health	Healthcare	321	7	3%	264	9	2%
Confluence Health Moses Lake Clinic	Healthcare	310	8	3%	266	8	2%
J.R. Simplot Co./Nestle Brand	Agriculture	280	9	2%	330	5	3%
City of Moses Lake	Government	200	10	2%	-	10	0%
REC Silicon	Manufacturing	-	-	0%	650	2	6%
Wal-Mart	Retail	-	-	0%	308	6	3%
Inflation Systems, Inc	Manufacturing	-	-	0%	250	10	2%
<b>Total</b>		<b>5,349</b>	<b>-</b>	<b>46%</b>	<b>4,342</b>	<b>-</b>	<b>38%</b>

Source: for 2019 Grant County Economic Development Council 01/28/2021; for 2010, 2010 Comprehensive Annual Financial Report

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**

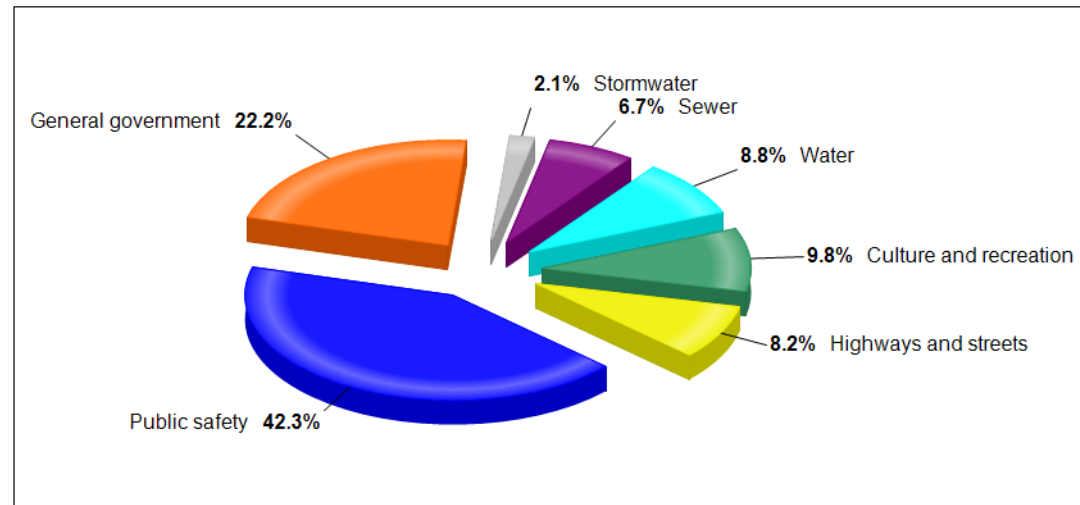
Last Ten Fiscal Years

Table F-1

Function:	Full-time Equivalent Employees as of December 31									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government	38	38	39	36	36	40	40	41	42	43
Public safety										
Police	39	39	43	40	40	40	40	42	45	46
Fire	35	35	33	33	32	30	31	32	32	36
Highways and streets										
Engineering	17	17	16	17	17	15	15	15	17	15
Maintenance	5	5	5	5	5	5	6	6	6	6
Sanitation	1	1	1	1	1	1	1	1	1	1
Culture and recreation	21	21	21	20	18	16	18	18	18	19
Water	13	13	13	16	15	16	14	17	16	17
Sewer	12	12	11	11	11	10	11	11	11	13
Stormwater	4	4	4	4	4	4	4	4	4	4
<b>Total</b>	<b>185</b>	<b>185</b>	<b>186</b>	<b>183</b>	<b>179</b>	<b>177</b>	<b>180</b>	<b>187</b>	<b>192</b>	<b>200</b>

Source: City of Moses Lake Annual Budget

**2019 City Employees by Function**



**CITY OF MOSES LAKE**  
**Operating Indicators by Function**

Table F-2

Function	Last Ten Fiscal Years									
	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Building permits issued	385	343	431	410	459	385	570	521	642	593
Police										
DUI	52	83	133	94	80	149	121	88	148	65
Parking violations	304	211	412	80	72	44	51	10	3	39
Traffic violations	3,944	4,225	4,639	2,813	1,952	1,629	2,383	1,347	1,559	1,719
Fire										
Fire responses	471	460	486	442	449	395	243	512	459	574
Hazardous incidents	43	37	31	45	63	46	61	41	56	31
Ambulance responses	3,046	3,326	3,405	3,257	3,528	3,424	3,204	3,342	2,981	3,815
Inspections	1,849	2,403	300	850	542	1,364	702	652	1,960	1,690
Culture and recreation										
Surf & slide water park	105,542	109,333	98,979	82,435	93,791	99,497	82,237	82,358	67,987	80,984
Museum	17,905	12,848	10,368	8,853	8,207	10,347	13,931	15,817	14,641	10,062
Water										
Number of commercial customers	1,099	1,071	1,118	1,133	1,152	1,170	1,181	1,197	1,501	1,500
Number of residential customers	6,557	6,513	6,618	6,719	6,780	6,888	6,973	7,079	7,361	7,543
New connections	101	75	104	95	103	118	109	142	104	153
Water mains breaks	-	8	12	5	8	8	8	12	8	7
Average daily consumption (millions of gallons)	8.250	8.300	7.500	8.200	8.700	7.833	7.900	8.130	8.480	7.540
Wastewater										
Number of commercial customers	882	893	897	901	922	933	946	968	1,000	1,019
Number of residential customers	6,557	6,641	6,718	6,796	6,916	7,004	7,118	7,234	7,360	7,547
Average daily sewage treatment (mgpd)										
Sand Dunes	2.149	2.265	2.166	2.115	2.064	2.080	2.124	2.206	2.120	2.334
Larson	0.319	0.326	0.326	0.329	0.312	0.321	0.311	0.318	0.361	0.316

Sources: Various city departments

# CITY OF MOSES LAKE

## Capital Asset Statistics by Function

Last Ten Fiscal Years

Table F-3

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Function										
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	15	15	14	14	14	14	14	14	14	-
Fire stations	2	2	2	2	2	2	2	2	2	2
Highway and streets										
Streets (miles)	110	112	112	113	115	123	123	123	200	200
Traffic signals	35	35	35	35	35	14	14	14	16	16
Culture and Recreation										
Parks acreage	195	213	213	213	213	218	225	225	225	255
Parks	26	29	29	29	29	31	32	32	32	34
Swimming pools	1	1	1	1	1	1	1	1	1	1
Business-type Function										
Water										
Water main (miles)	159.2	159.8	162.1	163.5	163.5	170.0	171.0	171.0	185.0	190.0
Wells	19	19	19	19	19	18	19	19	18	19
Water storage (millions of gallons)	12	12	10	10	10	9	9	9	12.5	12.5
Sewer										
Sanitary sewer (miles)	149.7	150.3	150.6	150.8	153.2	163.0	163.0	163.0	163.3	163.6
Storm Water (miles)	12.5	12.6	12.8	13.0	13.0	13.0	30.0	30.0	30.0	30.0
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