
Annual Comprehensive Financial Report

For the year Ended December 31, 2020



City of Moses Lake, Washington
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Moses Lake, WA 98837

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**CITY OF MOSES LAKE,
WASHINGTON
ANNUAL COMPREHENSIVE FINANCIAL REPORT**



FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

Prepared by the Finance Department

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City of Moses Lake, Washington

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CITY OF MOSES LAKE

Finance Department

6/3/2022

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 (City) for the fiscal year ended December 31, 2020 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 25,150 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 207 full time employees and an operating budget of \$92.6 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's 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 and accepts some of the largest aircraft in the world. Formerly Larson Air Force Base, the airport is an alternate landing site for the NASA space shuttle. The airport is a facility favored by military and commercial flight test programs and has the capacity to accommodate much more given its five runways and onsite FAA control tower for commercial, military, and general aviation use. 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. With this in mind, in 2020 the City began re-evaluating its policies to meet today's standards and best practices. 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 based on 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 2020, coming in 11.8% greater than 2019. This is due to increased construction activity, combined with a change in state and federal laws that expanded taxation of internet sales. In addition, the COVID-19 economic shutdown which required people to stay home resulted in increased internet sales and associated sales tax revenue. With stability in all revenue sources, the City added eight staff positions in the 2021 budget, including 3 police officers and 1 police sergeant, funded by the new criminal justice sales tax, a vehicle/equipment technician and positions in Housing and Engineering.

With the City having reached a desirable population threshold and having inexpensive power because of its proximity to hydro-electric dams on the Columbia River, businesses continue to find the area more desirable. 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 16.7 percent (or 60 days) of the total General Fund budgeted operating expenditures; a target that was exceeded the past several years. In addition, all funds have positive balances.

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 2021 or 2022 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 General Obligation Bonds for the Civic Center building in 2020. Council has approved borrowing for two (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 expiring in 2020.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy

Although the focus of this Annual Comprehensive Financial Report is the financial condition of the City at December 31, 2020, it may be best understood when it is considered from the broader perspective of the specific environment with which the City operates. Leading up to Fiscal Year 2020, the country had experienced the longest period of expansion in history. The outlook at the beginning of the year was positive expecting continued growth, however in February 2020, the Governor of the State of Washington declared a state of emergency in response to the spread of the deadly new virus known as COVID-19. In the months following the declaration, precautionary measures to slow the spread of the virus were ordered. These measures included closing schools, cancelling public events, limiting public and private gatherings, and restricting business operations, travel, and non-essential activities.

When the economic shutdown 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 in order to continue providing the same level of services to the community. However, as the year progressed, sales tax remained strong and the economic impacts were not as deep as originally predicted. In fact, 2020 sales tax continued to demonstrate growth, coming in 11.8% greater than 2019. Certain revenue streams did show signs of slowing, including utility, admissions, gambling, fuel and lodging taxes, and interest, but these are not significant components of total revenue for the City. 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, the federal support and deferral of some capital projects due to the COVID-19 pandemic, the General Fund was able to increase its fund balance in 2020.

The City has a population in 2020 of 25,150 but serves a population close to twice that size. The City is a service center for the surrounding agricultural community which is a producer of several crops including; potatoes, mint, wheat, onions, apples, corn, and barley. Since the 1970's the area's economy has been diversified with an increased 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 the same rapid acceleration in the valuation of real estate that most of the country had in prior years, however, the City also saw less of an impact in housing prices during the Great Recession with 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. In addition, a large airplane manufacturer continues to use Moses Lake as a maintenance hub and has many 737's parked at the Grant County International airport awaiting maintenance.

Business and industry is expected to continue to move in and around the City due to relatively inexpensive land and construction costs and one of the least expensive electrical rates in the

nation. Moses Lake is developing a cluster of new tech businesses related to aviation services and solar/battery technology. 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.

Long-term Financial Planning

Capital improvements are needed to meet the growing population to maintain the level of service that is expected by the citizens. In 2020, the City initiated an update to its overall Capital Facilities Plan in coordination with the City's periodic update of our Comprehensive Plan. In addition, the City maintains a six-year transportation improvement program that identifies arterial preservation and resurfacing, chip sealing of arterial and collector streets, and several road construction projects.

In addition to the advantage of 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 \$1.8 million for street improvements in 2020. Also, Grant County voters approved a 0.3% sales tax dedicated for criminal justice purposes in the fall of 2019. This went 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,

Madeline Prentice
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.....Madeline Prentice
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

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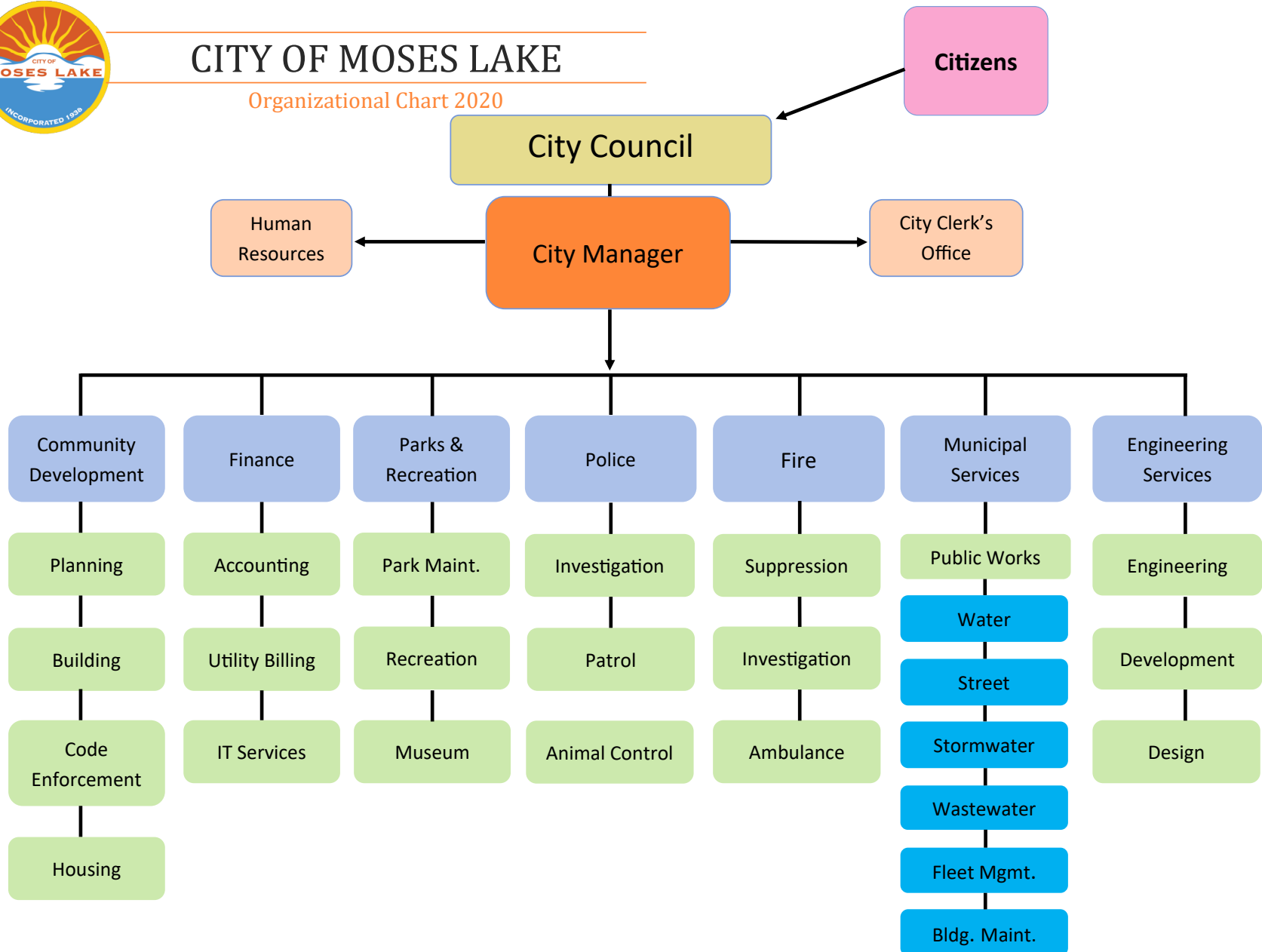
WEBSITE:

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CITY OF MOSES LAKE

Organizational Chart 2020



CITY OF MOSES LAKE, WASHINGTON
FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2020



FINANCIAL SECTION

MANAGEMENT'S DECISION AND ANALYSIS

Management of the City of Moses Lake is pleased to offer this narrative overview and analysis of the City for the fiscal year ended December 31, 2020. We encourage readers to consider the information presented here in conjunction with the additional information that we have furnished in our letter of transmittal and the City's 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 \$187,989 (net position). Of this amount, \$18,366 (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 \$10,831.

As of the close of the current fiscal year, the City of Moses Lake's governmental funds reported combined ending fund balances of \$13,045, an increase of \$787 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 \$7,100.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

The **statement of activities** presents information showing how the City's net position changed during the fiscal year. All changes in net positions are reported when 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.

Both of the government-wide financial statements distinguish functions of the City 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 include general government and administration, public safety, highways and streets, engineering (i.e. public works), economic development, and culture and recreation. The business-type activities of the City include a water and sewer utility, sanitation (solid waste), storm water, ambulance and a non-commercial municipal airport.

Fund financial statements. The fund financial statements provide detailed information about the most significant funds and other funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, management established many other funds to help control and

manage money for particular purposes or to verify that all legal requirements for using certain taxes, grants, and other resources are being satisfied. The City's three types of funds are governmental, proprietary, and fiduciary funds.

Governmental funds. Most of the City's basic services are reported in governmental funds, which focus on how money flows in and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the Governmental Fund financial statements to those in the Government-wide financial statements are explained in a reconciliation following each of the Governmental Fund financial statements.

Proprietary funds. The City maintains two different types of proprietary funds. The City 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's various functions. The City of Moses Lake also uses internal service funds 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.

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. 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 after the required supplementary information in this report.

Fiduciary funds. The City utilizes fiduciary funds to account for assets held by the City in a trustee capacity, or as a custodian for other governmental entities, private organizations, or individuals. All of the City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets for finance its operations.

Notes to the financial statements. The financial statements also include the notes to the financial statements that provide important narrative details about the information contained in the financial statements. Information contained in the notes to the financial statements is critical to a reader's full understanding of the government-wide and fund financial statements.

Required Supplementary Information. In addition to the required elements of the basic financial statements, a required supplementary information section is included which contains budgetary and combining schedules that provide additional details about the City's non-major governmental funds and fiduciary funds and the accompanying notes to this report also presents certain required supplementary information concerning infrastructure assets reported using the modified approach and pension plan funding.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The analysis below focuses on the City's net position and changes in net position resulting from the City's

activities.

Statement of Net Position

Net position may serve over time as a useful indicator of a government's financial position. The City's combined net position was \$188.0 million and \$177.2 million for the years ended December 31, 2020 and December 31, 2019, respectively, as shown in the Table below.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 18,077	\$ 16,306	\$ 27,701	\$ 26,845	\$ 45,778	\$ 43,151
Capital assets	79,901	74,586	89,426	85,887	169,327	160,473
Total assets	97,978	90,892	117,127	112,732	215,105	203,624
Total deferred outflows of resources	1,565	1,063	412	247	1,977	1,310
Long-term liabilities	13,041	10,906	4,306	5,983	17,347	16,889
Other liabilities	6,271	4,608	3,473	2,931	9,744	7,539
Total liabilities	19,312	15,514	7,779	8,914	27,091	24,428
Total deferred inflows of resources	1,585	2,702	417	646	2,002	3,348
Net position:						
Net investment in capital assets	76,888	70,474	85,049	80,376	161,937	150,850
Restricted	5,642	2,555	2,044	1,895	7,686	4,450
Unrestricted	(3,884)	710	22,250	21,148	18,366	21,858
Total net position	<u>\$ 78,646</u>	<u>\$ 73,739</u>	<u>\$ 109,343</u>	<u>\$ 103,419</u>	<u>\$ 187,989</u>	<u>\$ 177,158</u>

Investment in capital assets represents assets such as land, buildings, infrastructure, machinery, and equipment, less any related outstanding debt used to acquire those assets. The City's capital assets do not represent a financial resource and are consequently are not available for future spending. Although the City'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's net position (4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net positions (10%) may be used to meet the government's ongoing obligations to citizens and creditors.

As of December 31, 2020, the City reported positive balances in Net investment in capital assets and Restricted Net Position and a negative balance for Unrestricted Net Position for Governmental Activities. Business-type activities reports positive balances in all three categories. The City had a deficit in unrestricted net position in the governmental funds in 2020 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, and development is contributing infrastructure. The citizens approved a voted Transportation Benefit District sales tax for street maintenance and improvements, which had the first 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 \$10,831 in 2020. The increase after transfers was split among an increase in governmental activities of \$4,907 and an increase in business-type activities of \$5,924.

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 2020.

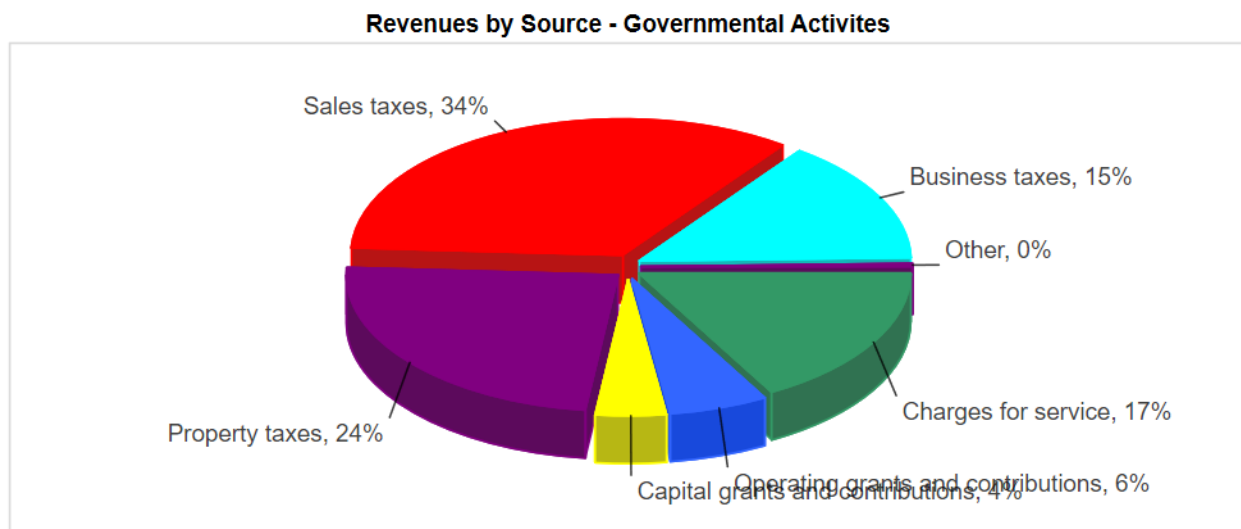
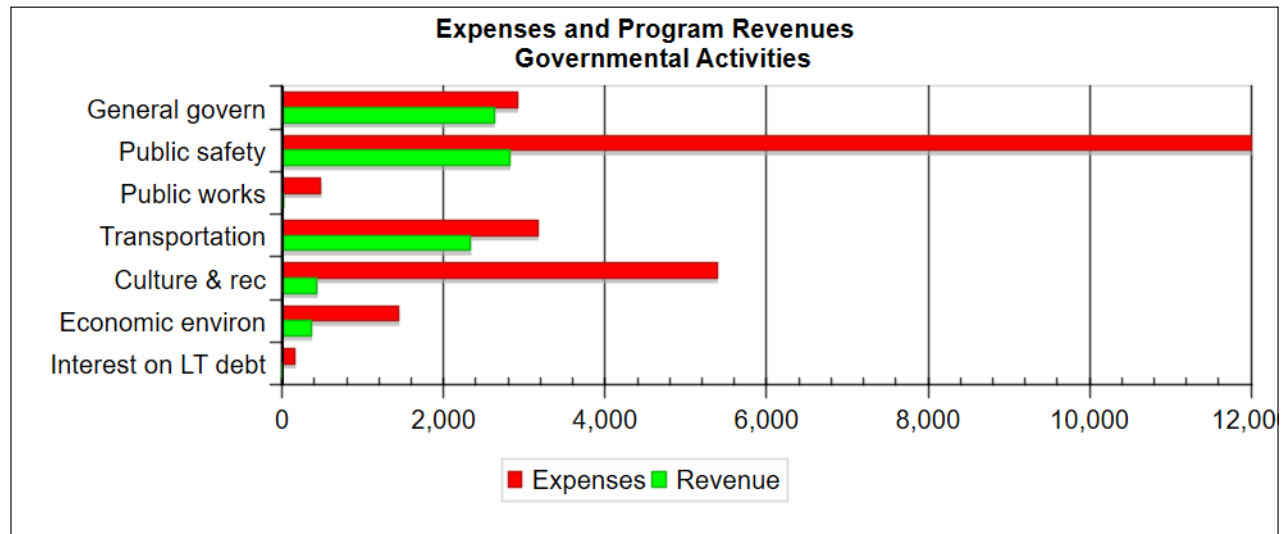
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenue						
Charges for service	\$ 5,383	\$ 7,368	\$ 22,340	\$ 20,466	\$ 27,723	\$ 27,834
Operating grants and contributions	1,871	562	-	12	1,871	574
Capital grants and contributions	1,337	1,780	1,871	932	3,208	2,712
General Revenue						
Property taxes	7,635	7,403	-	-	7,635	7,403
Sales taxes	10,894	9,722	-	-	10,894	9,722
Business taxes	4,656	4,972	-	-	4,656	4,972
Other taxes	-	-	-	-	-	-
Other	117	702	41	260	158	962
Total revenues	31,893	32,509	24,252	21,670	56,145	54,179
Expenses:						
General government	2,912	2,802	-	-	2,912	2,802
Public safety	13,130	9,802	-	-	13,130	9,802
Public works	479	1,868	-	-	479	1,868
Transportation	3,165	3,137	-	-	3,165	3,137
Culture & recreation	5,386	6,298	-	-	5,386	6,298
Economic environment	1,444	1,175	-	-	1,444	1,175
Interest on long-term debt	159	230	-	-	159	230
Water/Sewer utility	-	-	10,568	9,824	10,568	9,824
Sanitation	-	-	4,264	4,081	4,264	4,081
Ambulance	-	-	2,871	2,555	2,871	2,555
Airport	-	-	56	79	56	79
Storm water	-	-	1,084	804	1,084	804
Total expenses	26,675	25,312	18,843	17,343	45,518	42,655
Increase in net position before transfers	5,218	7,197	5,409	4,327	10,627	11,524
Transfers	441	426	(441)	(426)	-	-
Change in net position	5,659	7,623	4,968	3,901	10,627	11,524
Net position 01/01	73,738	66,115	103,420	99,517	177,158	165,632
Prior period adjustment	(751)	-	955	-	204	-
Net position 12/31	\$ 78,646	\$ 73,739	\$ 109,343	\$ 103,419	\$ 187,989	\$ 177,158

Governmental activities. Governmental activities increased the City's net position by \$4,907. As shown in the Statement of Activities, \$8,591 of the total cost was paid for by either those directly benefitting from the programs or by governments and organizations that subsidized certain programs through grants and contributions. Key elements of this increase are as follows:

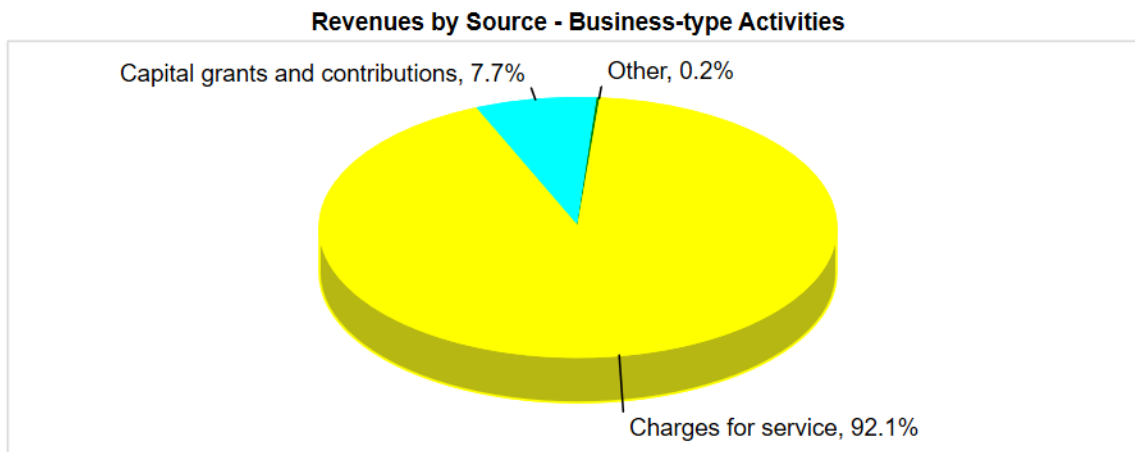
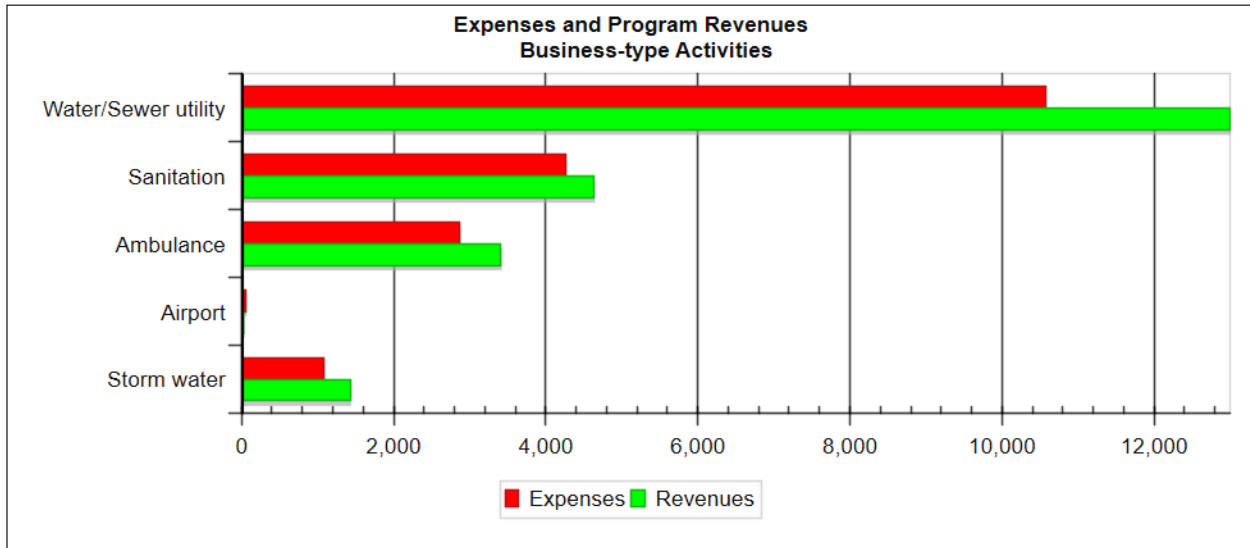
The decrease in charges for services of \$(1,985) was due largely to the economic shutdown in response to the COVID-19 pandemic, coupled with additional reimbursable activity of the Engineering division designing projects.

- The increase in sales taxes of \$1,172 was attributable primarily to the start of a voted sales tax of 0.3% dedicated for criminal justice purposes which went into effect on April 1, 2020. The County receives 60% of this tax, while the remaining 40% is distributed amount its cities on a per capita basis. 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 implemented emergency preparedness programs for the protection of the community and City employees from the spread of COVID-19.



Business-type activities. Total net positions of business-type activities increased by \$4,968 for the year. Of the \$24,252 in business type revenue, 92% 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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City'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's financing requirements.

As of the end of the current fiscal year, the City's governmental funds, which includes debt service funds, capital projects funds, and special revenue funds had an ending fund balance of \$13,045, an increase of \$36 in comparison with the prior year. It is partly made up of unassigned fund balance \$7,100, 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 \$115. \$2,122 is restricted for public safety, tourism, and parks capital programs along with debt service. \$3,004 is committed for public safety pensions, museum programs, and transportation improvements; and \$705 is assigned for street operations.

The General Fund is the chief operating fund of the City. At December 31, 2020, unassigned fund balance of the general fund was \$7,100 while the total fund balance was at \$7,498.

The fund balance of the City of Moses Lake's General Fund increased by \$573 during the current fiscal year. As noted earlier, there were no significant changes in General Fund programs.

Proprietary funds. The City's proprietary fund financial statements 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 \$11,493, which makes up 81% of the total unrestricted 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's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original compared to final budget

The final revenue budget for the General Fund did not change from the original budget while expenditures were \$129 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 \$(769) (3%) and expenditures less by \$4,019 (15%). 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. The net effect was an increase in General Fund balance of \$573.

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, 2020 amounts to \$169,327 (net of accumulated depreciation).

Governmental Activities: Capital assets from governmental activities increased \$5,315 from \$74,586 in 2019 to \$79,901 in 2020. The City's investment in infrastructure, facilities and rolling stock, exceeded current year depreciation for all assets in 2020.

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

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land and land rights	\$ 5,561	\$ 5,561	\$ 988	\$ 988	\$ 6,549	\$ 6,549
Buildings and other improvements	20,028	20,554	25,130	25,977	45,158	46,531
Machinery and equipment	6,772	5,187	3,322	4,592	10,094	9,779
Infrastructure	42,042	40,824	54,672	51,854	96,714	92,678
Intangible	-	-	285	285	285	285
Construction in Progress	5,498	2,460	5,029	2,190	10,527	4,650
Total assets	<u>\$ 79,901</u>	<u>\$ 74,586</u>	<u>\$ 89,426</u>	<u>\$ 85,886</u>	<u>\$ 169,327</u>	<u>\$ 160,472</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 and was previously performed 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. Inspection of the under water portion of the bridge with transition to the City in 2021. 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 2020 the City budgeted \$2,950 for major road and sidewalk maintenance projects. The actual amount expended was \$2,389.

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 \$1,788 was generated by this new sales tax in 2020 compared to a budget of \$1,600 which is 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 \$8,430. Of this amount, \$4,545 comprises debt backed by the full faith and credit of the government and \$3,885 represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation debt	\$ 4,147,914	\$ 3,639,166	\$ 396,667	\$ 455,834	\$ 4,544,581	\$ 4,095,000
Revenue debt	-	-	3,885,000	4,900,000	3,885,000	4,900,000
Total long-term debt	<u>\$ 4,147,914</u>	<u>\$ 3,639,166</u>	<u>\$ 4,281,667</u>	<u>\$ 5,355,834</u>	<u>\$ 8,429,581</u>	<u>\$ 8,995,000</u>

The City of Moses Lake's total bonded debt decreased by \$565 which represents principal payments. No new debt was issued in 2020. 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 two (2) Fire apparatus estimated to cost \$2.1 million. The City plans took 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. The City 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 will 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 2020 was \$2,317,599,999 and the remaining debt capacity is as follows:

	(Actual amounts in thousands)
General Purpose-Non-voted (i.e. Councilmanic) net of Outstanding debt	\$ 32,091
General Purpose-Voted	<u>24,301</u>
Total General Purpose-Voted and Non-Voted	56,392
Open Space/Park Facilities	60,752
Utilities	<u>60,752</u>
Total	<u>\$ 177,896</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

The COVID-19 pandemic currently is affecting many parts of the world, including the State, the County, and the City. The City is continuing to proactively implement measures to mitigate operational and financial impacts to the City and its taxpayers and ratepayers. These measures include closing lobbies, requiring employees not required to be on site for essential services to work from home, implementing "social distancing" measures for the City's on-site essential staff and ensuring projects can be completed with minimal contact between employees. All other services were moved to by appointment only in compliance with the Governor's phased "re-opening" of the State's economy; and the City Council is conducting meetings and work sessions online only with teleconference options.

The City declared a State of Emergency in March, 2020 and took immediate action to reduce operating expenditures to counter anticipated revenue shortfalls in sales tax, recreation fees and other impacted revenues. The economic shutdown created some pockets of revenue downturn, although the basic sales tax remained similar to the prior year. The economic downturn also resulted in lower interest rates which is pushing down our interest earnings on our investment portfolio. Washington State was harder hit by the COVID-19 response, possibly because a large piece of the State's budget is Business and Occupation tax which is based on underlying gross revenues. As businesses closed, gross revenues dropped. Because the State had a larger downturn in revenues, we need to keep a watchful eye on state shared revenue distributions in the next legislative cycle.

The economic shutdown in response to COVID19 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 decreased slightly, and Sales Tax 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 affected by the COVID pandemic.

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.

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 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. Moses Lake is developing an industrial cluster of new tech businesses related to aerospace and solar/battery technology. Moses Lake is also a growing hub for healthcare with a \$150 million healthcare facility planned and investment in a new cancer center announced. 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 and new school construction) 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'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, 2020



BASIC FINANCIAL STATEMENTS

CITY OF MOSES LAKE
Statement of Net Position
December 31, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Pooled cash & investments	\$ 17,081,824	\$ 13,269,208	\$ 30,351,032
Receivables (net of allowances for uncollectibles)	5,940,639	2,803,685	8,744,324
Internal balances	(8,953,955)	8,953,955	-
Inventories and prepaid items	242,636	530,613	773,249
Restricted assets:			
Cash	-	1,351,841	1,351,841
Capital assets			
Land and land rights	5,560,986	987,904	6,548,890
Infrastructure	41,521,195	6,891,236	48,412,431
Construction in Progress	5,497,777	5,029,356	10,527,133
Intangible	-	285,127	285,127
Net of accumulated depreciation			
Buildings and other improvements	20,027,934	25,130,499	45,158,433
Machinery and equipment	6,772,472	3,321,697	10,094,169
Infrastructure	520,543	47,780,666	48,301,209
Net Pension Asset	3,766,346	791,818	4,558,164
Total assets	<u>97,978,397</u>	<u>117,127,605</u>	<u>215,106,002</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding	\$ 105,918	\$ 21,184	\$ 127,102
Deferred outflows related to pensions	1,459,339	391,208	1,850,547
Total deferred outflows of resources	<u>1,565,257</u>	<u>412,392</u>	<u>1,977,649</u>
LIABILITIES			
Accounts payable and other current liabilities	1,688,796	999,440	2,688,236
Accrued interest	37,103	71,715	108,818
Unearned revenues	1,181,063	-	1,181,063
Noncurrent liabilities:			
Due within one year	673,477	1,749,809	2,423,286
Due in more than one year	6,159,556	4,306,316	10,465,872
OPEB Liability - current portion	374,664	-	374,664
Net pension liability	2,316,748	653,443	2,970,191
Total OPEB Liability - long-term portion	6,881,845	-	6,881,845
Total liabilities	<u>19,313,252</u>	<u>7,780,723</u>	<u>27,093,975</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	1,584,841	417,143	2,001,984
Total deferred inflows of resources	<u>1,584,841</u>	<u>417,143</u>	<u>2,001,984</u>
NET POSITION			
Invested in Capital Assets	76,887,655	85,048,631	161,936,286
Restricted For:			
Debt Service	184,380	1,311,841	1,496,221
Other purpose	1,937,198	-	1,937,198
Pension benefits	3,519,942	731,784	4,251,726
Unrestricted Net Position	(3,883,614)	22,249,875	18,366,261
Total net position	<u>\$ 78,645,561</u>	<u>\$ 109,342,131</u>	<u>\$ 187,987,692</u>

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

CITY OF MOSES LAKE
Statement of Activities
For the Year Ended December 31, 2020

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
Primary Government:							
Governmental Activities:							
General government	\$ 2,912,388	\$ 2,598,912	\$ 25,091	\$ -	\$ (288,385)	\$ -	\$ (288,385)
Public safety	13,130,050	1,340,120	1,478,132	-	(10,311,798)	-	(10,311,798)
Public works	479,485	18,725	-	-	(460,760)	-	(460,760)
Transportation	3,164,516	707,597	289,790	1,335,242	(831,887)	-	(831,887)
Culture and recreation	5,385,743	354,277	78,249	1,324	(4,951,893)	-	(4,951,893)
Economic Environment	1,444,107	363,429	-	-	(1,080,678)	-	(1,080,678)
Interest on long-term debt	159,495	-	-	-	(159,495)	-	(159,495)
Total governmental activities	<u>26,675,784</u>	<u>5,383,060</u>	<u>1,871,262</u>	<u>1,336,566</u>	<u>(18,084,896)</u>	<u>-</u>	<u>(18,084,896)</u>
Business-type activities:							
Water/Sewer utility	10,567,785	13,187,520	-	1,515,103	-	4,134,838	4,134,838
Sanitation	4,263,877	4,635,921	-	-	-	372,044	372,044
Ambulance	2,871,324	3,412,782	-	-	-	541,458	541,458
Airport	56,111	30,311	-	-	-	(25,800)	(25,800)
Storm Water	1,084,011	1,073,936	-	356,059	-	345,984	345,984
Total business-type activities	<u>18,843,108</u>	<u>22,340,470</u>	<u>-</u>	<u>1,871,162</u>	<u>-</u>	<u>5,368,524</u>	<u>5,368,524</u>
Total primary government	<u>\$ 45,518,892</u>	<u>\$ 27,723,530</u>	<u>\$ 1,871,262</u>	<u>\$ 3,207,728</u>	<u>(18,084,896)</u>	<u>5,368,524</u>	<u>(12,716,372)</u>
General Revenues:							
Property taxes					7,634,772	-	7,634,772
Retail sales and use taxes					10,893,551	-	10,893,551
Business taxes					4,656,414	-	4,656,414
Investment earnings					149,929	39,731	189,660
Insurance recoveries					11,299	-	11,299
Gain (Loss) on Asset Disposal					(44,814)	-	(44,814)
Miscellaneous					900	-	900
Transfers, internal activities					441,387	(441,387)	-
Total general revenues and transfers					<u>23,743,438</u>	<u>(401,656)</u>	<u>23,341,782</u>
Changes in net position					<u>5,658,542</u>	<u>4,966,868</u>	<u>10,625,410</u>
Net position - beginning					73,738,086	103,419,865	177,157,951
Prior Period Adjustments					(751,067)	955,398	204,331
Changes in Accounting Principles					-	-	-
Net position - beginning restated					<u>72,987,019</u>	<u>104,375,263</u>	<u>177,362,282</u>
Net position - ending					<u>\$ 78,645,561</u>	<u>\$ 109,342,131</u>	<u>\$ 187,987,692</u>

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

CITY OF MOSES LAKE
Balance Sheet
Governmental Funds
December 31, 2020

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and investments	\$ 5,675,325	\$ 5,357,139	\$ 11,032,464
Receivables (net of allowance for uncollectibles):			
Taxes	4,705,039	510,050	5,215,089
Utility Billing Receivable	140,113	541	140,654
Unbilled services	60,188	18,656	78,844
Other accounts receivable	236,147	-	236,147
Due from other governments	165,112	56,500	221,612
Prepaid Expenses	45,430	69,757	115,187
Total assets	<u>11,027,354</u>	<u>6,012,643</u>	<u>17,039,997</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	140,110	225,429	365,539
Salaries and benefits payable	807,146	35,127	842,273
Retainage payable	-	147,465	147,465
Other short-term liabilities	1,137	-	1,137
Total liabilities	<u>948,393</u>	<u>408,021</u>	<u>1,356,414</u>
Deferred inflows of resources:			
Deferred property tax	2,339,748	-	2,339,748
Deferred traffic citations	106,325	-	106,325
Deferred unavailable receivables	135,363	57,041	192,404
Total deferred inflows of resources	<u>2,581,436</u>	<u>57,041</u>	<u>2,638,477</u>
Fund Balances:			
Nonspendable:			
Prepaid Expenses and Inventories	45,430	69,757	115,187
Restricted for:			
Public safety programs	-	516,212	516,212
Tourism	-	836,157	836,157
Debt service	-	184,380	184,380
Culture and recreation	-	584,830	584,830
Committed for:			
Firemens Pension	352,390	-	352,390
Culture and recreation	-	607,214	607,214
Transportation	-	2,043,924	2,043,924
Assigned to transportation	-	705,107	705,107
Unassigned	7,099,705	-	7,099,705
Total fund balances	<u>7,497,525</u>	<u>5,547,581</u>	<u>13,045,106</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,027,354</u>	<u>\$ 6,012,643</u>	<u>\$ 17,039,997</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, 2020

Total Governmental Fund Balances	\$ 13,045,106
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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)	59,539,614
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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.	1,457,413
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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	21,955,933	
Internal balance-charges under cost to business-type activities	<u>(7,991,316)</u>	
Net adjustment to arrive at net position - governmental activities		13,964,617

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	(1,983,333)	
Accrued interest payable	(31,788)	
Compensated absences payable	(1,871,979)	
Other postemployment benefits payable	(7,256,509)	
Net pension Liabilities	<u>1,802,680</u>	
Net adjustment to arrive at net position - governmental activities		(9,340,929)

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.	(20,260)
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Net position of governmental activities	<u><u>\$ 78,645,561</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, 2020

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 19,747,809	\$ 3,238,039	\$ 22,985,848
Licenses and Permits	920,713	185,478	1,106,191
Intergovernmental revenues	2,032,141	753,658	2,785,799
Charges for services	1,768,189	93,949	1,862,138
Fines and forfeits	643,672	-	643,672
Interest earnings	95,468	27,487	122,955
Rents and royalties	100,140	-	100,140
Contributions/donations	25,091	276,606	301,697
Assessments	-	29,364	29,364
Rental revenue	104,291	126,061	230,352
Intergovernmental Revenues (TIB)	-	322,857	322,857
Total revenues	<u>25,437,514</u>	<u>5,053,499</u>	<u>30,491,013</u>
EXPENDITURES			
Current:			
General Government	3,051,548	91,900	3,143,448
Public safety	12,706,268	325,236	13,031,504
Public works	683,500	-	683,500
Transportation	-	3,380,250	3,380,250
Economic environment	1,540,653	270,983	1,811,636
Culture and recreation	5,125,295	211,042	5,336,337
Capital outlay	23,098	2,250,769	2,273,867
Debt service:			
Principal	-	295,834	295,834
Interest and debt issue costs	-	85,458	85,458
Total expenditures	<u>23,130,362</u>	<u>6,911,472</u>	<u>30,041,834</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,307,152</u>	<u>(1,857,973)</u>	<u>449,179</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	500,000	4,882,113	5,382,113
Transfers (out)	(2,234,321)	(2,821,817)	(5,056,138)
Proceeds from sale of capital assets	-	12,042	12,042
Total other financing sources (uses)	<u>(1,734,321)</u>	<u>2,072,338</u>	<u>338,017</u>
Net change in fund balances	<u>572,831</u>	<u>214,365</u>	<u>787,196</u>
Fund balances-beginning	6,864,831	6,144,146	13,008,977
Prior Period Adjustments	59,863	(810,930)	(751,067)
Fund balances - beginning as restated	<u>6,924,694</u>	<u>5,333,216</u>	<u>12,257,910</u>
Fund balances-ending	<u>\$ 7,497,525</u>	<u>\$ 5,547,581</u>	<u>\$ 13,045,106</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, 2020

Net changes in fund balances - total governmental funds: \$ 787,196

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	2,273,867	
Depreciation expense	<u>(699,875)</u>	
Net increase (decrease) in net position - governmental activities		1,573,992

Revenue in the statement of activities that do not provide current financial resources are not reported as revenues in the fund statements		(57,853)
--	--	----------

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

Contributed assets	<u>1,259,159</u>	
Net increase (decrease) in net position - governmental activities		1,259,159

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	295,833	-
Amortization of deferred bond costs	<u>3,377</u>	
Net increase in net position - governmental activities		299,210

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	1,087,875	
Other post employment benefits	(1,158,771)	
Compensated absences	<u>(5,326)</u>	
Net decrease in net position - governmental activities		(76,222)

Accrued interest revenue		7,288
--------------------------	--	-------

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	3,688,302	
Loss(gain) from charges to business-type activities	<u>(1,822,530)</u>	
Net increase in net position - governmental activities		<u>1,865,772</u>

Change in net position in governmental activities		<u>\$ 5,658,542</u>
---	--	---------------------

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

CITY OF MOSES LAKE
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended December 31, 2020

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Taxes	\$ 18,522,400	\$ 18,522,400	\$ 19,747,809	\$ 1,225,409
Licenses and Permits	651,500	651,500	920,713	269,213
Intergovernmental revenues	1,174,510	1,174,510	2,032,141	857,631
Charges for services	4,430,600	4,430,600	1,768,189	(2,662,411)
Fines and forfeits	966,300	966,300	643,672	(322,628)
Interest earnings	314,000	314,000	95,468	(218,532)
Rents and royalties	145,750	145,750	100,140	(45,610)
Contributions/donations	-	-	25,091	25,091
Rental revenue	1,000	1,000	104,291	103,291
Total revenues	<u>26,206,060</u>	<u>26,206,060</u>	<u>25,437,514</u>	<u>(768,546)</u>
EXPENDITURES				
Current:				
General Government	3,067,635	3,097,035	3,051,548	45,487
Public safety	13,439,975	13,439,975	12,706,268	733,707
Public works	2,289,524	2,289,524	683,500	1,606,024
Economic environment	1,622,850	1,722,850	1,540,653	182,197
Culture and recreation	6,399,642	6,399,642	5,125,295	1,274,347
Capital outlay	200,000	200,000	23,098	176,902
Debt service:				
Total expenditures	<u>27,019,626</u>	<u>27,149,026</u>	<u>23,130,362</u>	<u>4,018,664</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(813,566)</u>	<u>(942,966)</u>	<u>2,307,152</u>	<u>3,250,118</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	500,000	500,000	500,000	-
Transfers (out)	<u>(1,680,000)</u>	<u>(1,680,000)</u>	<u>(2,234,321)</u>	<u>(554,321)</u>
Total other financing sources (uses)	<u>(1,180,000)</u>	<u>(1,180,000)</u>	<u>(1,734,321)</u>	<u>(554,321)</u>
Net change in fund balances	<u>(1,993,566)</u>	<u>(2,122,966)</u>	<u>572,831</u>	<u>2,695,797</u>
Fund balances-beginning	1,423,259	1,314,839	6,864,831	5,549,992
	-	-	59,863	59,863
Fund balances-ending	<u>\$ (570,307)</u>	<u>\$ (808,127)</u>	<u>\$ 7,497,525</u>	<u>\$ 8,305,652</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, 2020**

page 1 of 2

	Business-type Activities-Enterprise Funds					Governmental Activities Internal Service Funds
	Water/Sewer	Sanitation	Ambulance	Non-Major Enterprise Funds	Totals	
ASSETS						
Current assets:						
Pooled Cash	\$ 10,997,082	\$ 756,713	\$ 905,536	\$ 372,273	\$ 13,031,604	\$ 6,049,360
Non Pooled Cash	40,000	-	237,604	-	277,604	-
Receivables (net of allowance for uncollectibles)	1,446,335	664,894	533,114	159,342	2,803,685	-
Due from other governments	-	-	-	-	-	30,000
Interfund loans receivable	962,639	-	-	-	962,639	-
Other receivables	-	-	-	-	-	18,293
Inventory	403,177	60,620	65,450	1,366	530,613	127,449
Total current assets	13,849,233	1,482,227	1,741,704	532,981	17,606,145	6,225,102
Noncurrent assets						
Restricted assets:						
Revenue bond reserves/debt service:						
Restricted Pooled Cash	1,311,841	-	-	-	1,311,841	-
Total restricted assets	1,311,841	-	-	-	1,311,841	-
Capital assets:						
Land and land rights	836,006	-	-	151,898	987,904	608,951
Construction in Progress	4,943,602	-	-	85,754	5,029,356	1,545,112
Net of accumulated depreciation:						
Buildings	24,794,958	-	-	335,541	25,130,499	11,956,894
Infrastructure	47,601,075	-	-	179,591	47,780,666	-
Machinery and equipment(NET)	2,988,558	-	270,647	62,492	3,321,697	6,250,334
Infrastructure	-	-	-	6,891,236	6,891,236	-
Intangible assets	285,127	-	-	-	285,127	-
Total capital assets	81,449,326	-	270,647	7,706,512	89,426,485	20,361,291
Net pension asset	-	-	791,818	-	791,818	-
Total non current assets	82,761,167	-	1,062,465	7,706,512	91,530,144	20,361,291
Total assets	96,610,400	1,482,227	2,804,169	8,239,493	109,136,289	26,586,393
DEFERRED OUTFLOWS OF RESOURCES						
Deferred amount on refunding	21,184	-	-	-	21,184	-
Deferred Pension	200,448	-	159,111	31,649	391,208	179,347
Total deferred outflows of resources	\$ 221,632	\$ -	\$ 159,111	\$ 31,649	\$ 412,392	\$ 179,347

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, 2020

Page 2 of 2

	Business-type Activities-Enterprise Funds					Governmental Activities Internal Service Funds
	Water/Sewer	Sanitation	Ambulance	Non-Major Enterprise Funds	Totals	
LIABILITIES						
Current Liabilities:						
Accounts payable	\$ 110,784	\$ 308,462	\$ 11,161	\$ 4,297	\$ 434,704	\$ 192,750
Salaries and benefits payable	169,601	-	135,725	24,636	329,962	127,096
Interfund loans payable	-	-	-	-	-	962,639
Interest payable	-	-	-	-	-	5,315
Retainage payable	89,262	-	-	-	89,262	12,535
Capital leases payable	-	-	-	-	-	90,563
Compensated Absences	31,020	-	21,776	5,921	58,717	16,874
Accrued interest	71,715	-	-	-	71,715	-
Intergovernmental loans payable	561,692	-	-	-	561,692	-
Revenue bonds payable	1,060,000	-	-	-	1,060,000	-
G.O. bonds payable	60,000	-	-	-	60,000	266,040
Other short-term liabilities	-	145,511	-	-	145,511	-
Total current liabilities	<u>2,154,074</u>	<u>453,973</u>	<u>168,662</u>	<u>34,854</u>	<u>2,811,563</u>	<u>1,673,812</u>
Noncurrent liabilities:						
Revenue bonds payable (net discount/premium)	2,916,981	-	-	-	2,916,981	-
G.O. bonds payable (net discount/premium)	340,873	-	-	-	340,873	2,295,551
Intergovernmental loans payable	529,412	-	-	-	529,412	-
Compensated absences	279,177	-	195,982	53,292	528,451	151,863
Net pension liability	564,337	-	-	89,106	653,443	504,933
Lease payable	-	-	-	-	-	30,651
Total noncurrent liabilities	<u>4,630,780</u>	<u>-</u>	<u>195,982</u>	<u>142,398</u>	<u>4,969,160</u>	<u>2,982,998</u>
Total liabilities	<u>6,784,854</u>	<u>453,973</u>	<u>364,644</u>	<u>177,252</u>	<u>7,780,723</u>	<u>4,656,810</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred pension items	170,997	-	219,146	27,000	417,143	152,997
Total deferred inflows of resources	<u>170,997</u>	<u>-</u>	<u>219,146</u>	<u>27,000</u>	<u>417,143</u>	<u>152,997</u>
NET POSITION						
Net investment in capital assets	77,071,471	-	270,647	7,706,512	85,048,630	19,351,633
Restricted for debt service	1,311,841	-	-	-	1,311,841	-
Restricted for pension benefits	-	-	731,784	-	731,784	-
Unrestricted	11,492,869	1,028,254	1,377,059	360,378	14,258,560	2,604,300
Total net position	<u>\$ 89,876,181</u>	<u>\$ 1,028,254</u>	<u>\$ 2,379,490</u>	<u>\$ 8,066,890</u>	<u>101,350,815</u>	<u>\$ 21,955,933</u>

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

\$ 7,991,316

Net position of business-type activities

\$ 109,342,131

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, 2020

	Business-type Activities-Enterprise Funds					Governmental Activities Internal Service Funds
	Water/Sewer	Sanitation	Ambulance	Non-Major Enterprise Funds	Totals	
OPERATING REVENUES						
Charges for services	\$ 11,374,058	\$ 4,209,747	\$ 2,580,541	\$ 978,355	\$ 19,142,701	\$ 11,144,647
Rental revenue	635,509	4,649	59,592	31,910	731,660	-
Taxes	931,928	421,526	-	95,581	1,449,035	-
Licenses and Permits	5,100	-	-	-	5,100	-
Total operating revenues	12,946,595	4,635,922	2,640,133	1,105,846	21,328,496	11,144,647
OPERATING EXPENSES						
Salaries and benefits	3,424,756	-	1,930,472	439,200	5,794,428	2,183,130
Supplies and contractual services	4,132,237	3,897,121	1,117,809	483,346	9,630,513	2,970,806
Utilities	567,368	-	-	4,393	571,761	215,293
Repairs and maintenance	248,848	-	1,416	205,003	455,267	273,077
Insurance claims and expenses	-	-	-	-	-	941,833
Miscellaneous expenses	931,928	421,526	-	95,581	1,449,035	-
Depreciation and amortization	2,506,441	-	20,957	44,850	2,572,248	1,111,087
Total operating expenses	11,811,578	4,318,647	3,070,654	1,272,373	20,473,252	7,695,226
Operating income (loss)	1,135,017	317,275	(430,521)	(166,527)	855,244	3,449,421
NONOPERATING REVENUES (EXPENSES)						
Intergovernmental revenues	-	-	763,867	-	763,867	212,898
Interest and other earnings	38,128	-	-	-	38,128	26,978
Rents and royalties	-	-	-	-	-	900
Insurance recoveries	-	-	-	-	-	11,300
Intergovernmental payments	(11,961)	-	-	-	(11,961)	-
Interest expense	(171,642)	-	-	-	(171,642)	(84,701)
Miscellaneous revenues	\$ 240,927	\$ -	\$ -	\$ -	\$ 240,927	\$ 908
Gain (Loss) on disposal of Assets	-	-	-	-	-	(44,814)
Total nonoperating revenues (expenses)	95,452	-	763,867	-	859,319	123,469
Income (loss) before contributions and transfers	1,230,469	317,275	333,346	(166,527)	1,714,563	3,572,890
Intergovernmental Revenues (TIB)	1,515,103	-	-	356,059	1,871,162	-
Transfers in	-	-	58,613	-	58,613	115,412
Transfers (out)	(500,000)	-	-	-	(500,000)	-
Changes in net position	2,245,572	317,275	391,959	189,532	3,144,338	3,688,302
Net position - beginning	86,675,211	710,979	1,987,531	7,877,358		18,267,631
Prior period adjustment	955,398	-	-	-		-
Net position - beginning as restated	87,630,609	710,979	1,987,531	7,877,358		18,267,631
Net position - ending	\$ 89,876,181	\$ 1,028,254	\$ 2,379,490	\$ 8,066,890	\$ 101,350,815	\$ 21,955,933

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

1,822,530

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, 2020

Changes in net position of business-type activities

\$ 4,966,868

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, 2020

Page 1 of 2

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water/Sewer	Sanitation	Ambulance	Other Nonmajor Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 11,266,538	\$ 4,151,774	\$ 2,580,539	\$ 957,412	\$ 18,956,263	\$ 11,145,258
Payment to suppliers	(5,749,752)	(3,654,711)	(1,117,312)	(713,027)	(11,234,802)	(3,996,970)
Payments to employees	(2,693,245)	2	(2,010,137)	(411,618)	(5,114,998)	(2,480,543)
Miscellaneous revenue	635,507	4,648	59,592	31,911	731,658	-
Net cash provided by (used for) operating activities	3,459,048	501,713	(487,318)	(135,322)	3,338,121	4,667,745
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Nonoperating miscellaneous revenue	240,927	-	-	-	240,927	1,811
Advances from other funds	943,764	-	-	-	943,764	-
Transfers from other funds	-	-	58,613	-	58,613	-
Transfers (to) other funds	(500,000)	-	-	-	(500,000)	115,412
Insurance recoveries	-	-	-	-	-	11,300
Other intergovernmental revenues	-	-	763,867	-	763,867	212,898
Other intergovernmental payments	(11,961)	-	-	-	(11,961)	-
Net cash provided by (used for) noncapital financing activities	672,730	-	822,480	-	1,495,210	341,421
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Additions of capital assets	(4,603,890)	-	(110,925)	(441,813)	(5,156,628)	(3,637,162)
Principal paid on debt	(1,694,152)	-	-	-	(1,694,152)	(71,073)
Interest paid on debt	(197,380)	-	-	-	(197,380)	(82,905)
Capital contributions	1,515,103	-	-	356,059	1,871,162	-
Interest income	38,128	-	-	-	38,128	26,978
Net cash provided by (used for) capital and related financing activities	(4,942,191)	-	(110,925)	(85,754)	(5,138,870)	(3,764,162)
Investment income	-	-	-	-	-	(1)
Net cash increase (decreases) in cash and cash equivalents	(810,413)	501,713	224,237	(221,076)	(305,539)	1,245,003
Cash and cash equivalents, January 1	13,159,337	255,000	918,903	593,350	593,350	4,804,357
Cash and cash equivalents, December 31	\$ 12,348,924	\$ 756,713	\$ 1,143,140	\$ 372,274	\$ 287,811	\$ 6,049,360

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, 2020

page 2 of 2

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Water/Sewer	Sanitation	Ambulance	Other Nonmajor Funds	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities						
Operating income (loss)	1,135,016	317,274	\$ (430,524)	(166,527)	855,239	3,449,421
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	2,506,441	-	20,957	44,850	2,572,248	1,111,087
Decrease (increase) in accounts receivable	(112,620)	(57,971)	4	(20,941)	(191,528)	611
Decrease (increase) in inventory	(13,112)	(1,369)	4,831	2,931	(6,719)	(21,793)
(Decrease) increase in deferred outflows	(98,224)	-	(45,212)	(21,910)	(165,346)	(123,895)
(Decrease) increase in accounts payable	33,365	243,779	(2,917)	2,521	276,748	83,130
(Decrease) increase in salaries payable	94,059	-	66,194	13,061	173,314	67,566
(Decrease) increase in compensated absences	22,983	-	2,919	17,143	43,045	33,880
(Decrease) increase in pension liability	38,392	-	(45,095)	16,585	9,882	143,386
(Decrease) increase in deferred inflows	(147,252)	-	(58,475)	(23,035)	(228,762)	(75,648)
Total adjustments	<u>2,324,032</u>	<u>184,439</u>	<u>(56,794)</u>	<u>31,205</u>	<u>2,482,882</u>	<u>1,218,324</u>
Net cash provided (used) by operating activities:	<u>\$ 3,459,048</u>	<u>\$ 501,713</u>	<u>\$ (487,318)</u>	<u>\$ (135,322)</u>	<u>\$ 3,338,121</u>	<u>\$ 4,667,745</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, 2020

	Custodial Funds
ASSETS	
Cash and investments	\$ 53,320
Total assets	<u>53,320</u>
LIABILITIES	
Accounts payable	65,777
Other short-term liabilities	<u>31,467</u>
Total liabilities	<u>97,244</u>
NET POSITION	
Held in trust for others	(43,924)
	<u>\$ -</u>

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

CITY OF MOSES LAKE, WASHINGTON
Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2020

	Custodial Funds
Additions	
Taxes	\$ 841,907
Miscellaneous revenues	25,934
Total additions	<u>867,841</u>
Deductions	
Administrative Expenses	832,205
Total deductions	<u>832,205</u>
Net increase (decrease) in fiduciary net position	<u>35,636</u>
Net position - beginning	-
Restatement of net position	<u>(79,560)</u>
Net position - beginning, as restated	<u>(79,560)</u>
Net position - ending	<u><u>\$ (43,924)</u></u>

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

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CITY OF MOSES LAKE
Notes to the Financial Statements
For the Year Ended December 31, 2020

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.

Custodial Funds represent assets held by the City in an agency capacity for the State of Washington, Grant County and others. These funds are reported under full accrual accounting with an economic resources measurement focus. 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.

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	\$ 1,311,841
Total Restricted Assets	<u>\$ 1,311,841</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. Decisions regarding fund balances are established by the City of Moses Lake elected Council per Resolution 3842.
- 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, 2020, the bank balance was \$1,640,316.14.

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 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 fair value 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 fair value. 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 280 days as of December 31, 2020.

As of December 31, 2020 the City had the following investments:

Investment Type	Fair Value	Rating	Weighted Average Maturity (days)
Grant County Investment Pool	\$ 4,025,690	not rated	280
WA State Investment Pool	24,831,859	not rated	49
Total Fair Value	<u>\$28,857,549</u>		
Portfolio Weighted Average Maturity			

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 2020 was \$3.2875 per \$1,000 on an assessed valuation of \$2,317,599,999 for a total regular levy of \$7,619,082.

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, 2020 were as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets Not Depreciated:				
Land	\$ 5,560,986	\$ -	\$ -	\$ 5,560,986
Infrastructure*	40,262,035	1,259,160	-	41,521,195
CIP	2,460,311	5,853,857	2,816,391	5,497,777
Total Non-Depreciated	<u>48,283,332</u>	<u>7,113,017</u>	<u>2,816,391</u>	<u>52,579,958</u>
Capital Assets Depreciated:				
Buildings	37,037,971	415,615	-	37,453,586
Intangible	147,051	-	-	147,051
Machinery and Equipment	16,252,647	2,457,948	109,761	18,600,834
Infrastructure	1,666,513	-	-	1,666,513
Total Depreciated	<u>55,104,182</u>	<u>2,873,563</u>	<u>109,761</u>	<u>57,867,984</u>
Less Accumulated Depreciation:				
Buildings	16,484,210	941,442	-	17,425,652
Intangible	147,051	-	-	147,051
Machinery and Equipment	11,065,452	827,856	64,946	11,828,362
Infrastructure	1,104,307	41,663	-	1,145,970
Total Accumulated Depreciation	<u>28,801,020</u>	<u>1,810,961</u>	<u>64,946</u>	<u>30,547,035</u>
Total Capital Assets Depreciated, Net	<u>26,303,162</u>	<u>1,062,602</u>	<u>(44,815)</u>	<u>27,320,949</u>
Governmental Activities Capital Assets, Net	<u>\$ 74,586,494</u>	<u>\$ 8,175,619</u>	<u>\$ (2,861,206)</u>	<u>\$ 79,900,907</u>
Less associated debt				(4,792,317)
Unspent debt proceeds				1,673,147
Deferred loss on refunding				105,918
Capital assets net of debt				<u>\$ 76,887,655</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.

The City does not recognize an ARO (Asset Retirement Obligation) relating to its wells because it is not reasonably estimatable. The assertion that the City holds is that the assets will be maintained in perpetuity and end of life cannot be reasonably estimated.

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

<u>Governmental Activities</u>	<u>Depreciation</u>
General Government	\$ 38,935
Public Safety	48,517
Transportation	44,454
Public Works	10,648
Culture and Recreation	557,320
Capital Assets Held by the Government's Internal Service Funds, changed to the various functions based on usage	1,111,087
Total Depreciation - Governmental Activities	<u>\$ 1,810,961</u>

A summary of Business-type capital assets for the year ended December 31, 2020 were as follows:

<u>Business-type Activities</u>	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets Not Depreciated:				
Land	\$ 987,904	\$ -	\$ -	\$ 987,904
Infrastructure	6,535,177	356,059	-	6,891,236
CIP	2,882,863	4,253,404	2,106,911	5,029,356
Intangible	285,127	-	-	285,127
Total Non-Depreciated	<u>10,691,071</u>	<u>4,609,463</u>	<u>2,106,911</u>	<u>13,193,623</u>
Capital Assets Depreciated:				
Buildings	41,029,947	-	32,084	40,997,863
Machinery and Equipment	6,457,774	149,971	1,273,875	5,333,870
Infrastructure	78,649,075	4,072,140	-	82,721,215
Total Depreciated	<u>126,136,796</u>	<u>4,222,111</u>	<u>1,305,959</u>	<u>129,052,948</u>
Less Accumulated Depreciation:				
Buildings	15,052,449	814,915	-	15,867,364
Machinery and Equipment	1,865,633	146,540	-	2,012,173
Infrastructure	33,329,754	1,610,795	-	34,940,549
Total Accumulated Depreciation	<u>50,247,836</u>	<u>2,572,250</u>	<u>-</u>	<u>52,820,086</u>
Total Capital Assets Depreciated, Net	<u>75,888,960</u>	<u>1,649,861</u>	<u>1,305,959</u>	<u>76,232,862</u>
Business-type Activities Capital Assets, Net	<u>\$ 86,580,031</u>	<u>\$ 6,259,324</u>	<u>\$ (3,412,870)</u>	<u>\$ 89,426,485</u>
Less associated debt				<u>(4,377,854)</u>
Capital assets net of debt				<u>\$ 85,048,631</u>

Depreciation expense charged to Business-Type Activities were as follows:

<u>Business-Type Activities</u>	<u>Depreciation</u>
Water/Sewer	\$ 2,506,443

<u>Business-Type Activities</u>	<u>Depreciation</u>
Stormwater	13,544
Ambulance	20,957
Airport	31,306
Total Depreciation - Business - Type Activities	<u>\$ 2,572,250</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, 2020. 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.

<u>Project</u>	<u>Total Contract Amount Awarded</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Driftmier Architects, PS	\$ 821,602	\$ 666,417	\$ 155,185

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 2020.

<u>Aggregate Pension Amounts - All Plans</u>	
Net pension liability	\$(2,970,190)
Net pension asset	\$ 4,558,164
Deferred outflows of resources	\$ 1,850,547
Deferred Inflows of resources	\$(2,001,984)
Pension expense/expenditures	\$ 426,696

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 annual comprehensive annual financial report (ACFR) that includes financial statements and required supplementary information for each plan. The DRS ACFR may be obtained by writing to:

Department of Retirement Systems

Communications Unit

P.O. Box 48380

Olympia, WA 98540-8380

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

Public Employees' Retirement System (PERS)

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

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

Contributions

The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2020 were as follows:

PERS Plan 1

Actual Contribution Rates:	Employer	Employee*
January -August 2020		
PERS Plan 1	7.92	6.00
PERS Plan1 UAAL	4.87	-
Administrative Fee	0.18	-
Total	12.97	6.00
September - December 2020		
PERS Plan 1	7.92	6.00
Pers Plan 1 UAAL	4.87	-
Administrative Fee	0.18	-
Total	12.97	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 2020 were as follows:

PERS Plan 2/3

Actual Contribution Rates: January-June 2020		
	Employer	Employee
January - August 2020:		
PERS Plan 2/3	7.92 %	7.90 %
PERS Plan 1 UAAL	4.87 %	- %
Administrative Fee	0.18 %	- %
Employee PERS Plan 3	- %	Varies
Total	12.97 %	7.90 %
September - December 2020:		
PERS Plan 2/3	7.92 %	7.90 %
PERS Plan 1 UAAL	4.87 %	- %
Administrative Fee	0.18 %	- %
Employee PERS Plan 3	- %	Varies
Total	12.97 %	7.90 %

The City's actual PERS plan contributions were \$430,669 to PERS Plan 1 and \$711,536 to PERS Plan 2/3 for the year ended December 31, 2020.

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 2020. 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 2020 were as follows:

LEOFF Plan 2

Actual Contribution Rates:	Employer	Employee
January - December 2020		
State and local governments	5.15 %	8.59 %
Administrative fee	0.18 %	- %
Total	5.33 %	8.59 %
Ports and Universities	8.59 %	8.59 %
Administrative fee	0.18 %	- %
Total	8.77 %	8.59 %

The City's actual contributions to the plan were \$377,442 for the year ended December 31, 2020.

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, 2020, the state contributed \$76,297,643 to LEOFF Plan 2. The amount recognized by the City as its proportionate share of this amount is \$242,772.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2020 with a valuation date of June 30, 2019. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2013-2018 Demographic Experience Study* and the *2019 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2019 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2020. Plan liabilities were rolled forward from June 30, 2019, to June 30, 2020, 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 developed using the Society of Actuaries' Pub. H-2010 mortality rates, which vary by member status (eg, active, retiree, or survivor), as our base table. The OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Under "generational" mortality, a member is assumed to receive additional mortality improvements in each future year, throughout their lifetime.

There were changes in assumptions since the last valuation.

- OSA updated their demographic assumptions based on the results of their latest demographic experience study. This study is completed every six years and includes updates to a wide range of behavioral and demographic assumptions. Please see OSA's 2013-2018 Demographic Experience Study for more details, leg.wa.gov/osa.
- OSA updated the Early Retirement Factors and Joint-and-Survivor Factors used in their model. These factors are used to value benefits for members who elect to retire early and for survivors of members that die prior to retirement. These factors match the ones that DRS implemented on October 1, 2020.

Changes in Methods since the last valuation.

- This valuation includes liabilities and assets for Plan 3 members purchasing Total Allocation Portfolio annuities when determining contribution rates and funded status.
- OSA simplified their modeling of medical premium reimbursements for survivors of duty-related deaths in LEOFF 2 and WSPRS (WSPRS is excluded from this publication).
- OSA changed their method to updating certain data items that change annually. Examples include the public safety duty-related death lump sum and Washington state average wage. OSA has set these values at 2018 and will project them into the future using assumptions until the next Demographic Experience Study in 2025. Please see our website for more information on this method change, leg.wa.gov/osa.

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, 2020, 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	\$ 2,527,731	\$ 2,018,056	\$ 1,573,569
PERS 2/3	\$ 5,924,437	\$ 952,134	\$ (3,142,559)
LEOFF 1	\$ (487,615)	\$ (599,073)	\$ (695,503)
LEOFF 2	\$ (78,378)	\$ (3,959,091)	\$ (7,136,622)

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, 2020, the City reported a net pension asset of \$(4,558,164) and a net pension liability of \$2,970,191.

	<u>Liability (or Asset)</u>
PERS 1	\$ 2,018,056
PERS 2/3	\$ 952,134
LEOFF 1	\$ (599,073)
LEOFF 2	\$ (3,959,091)

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	\$ (599,073)	\$ (3,959,091)
State's proportionate share of the net pension asset associated with the employer	\$ (4,052,114)	\$ (2,531,539)
Total	<u>\$ (4,651,187)</u>	<u>\$ (6,490,630)</u>

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

	<u>Proportionate Share 6/30/2019</u>	<u>Proportionate Share 6/30/2020</u>	<u>Change in Proportion</u>
PERS 1	0.054 %	0.057 %	(0.003)%
PERS 2/3	0.070 %	0.074 %	(0.004)%
LEOFF 1	0.032 %	0.032 %	- %
LEOFF 2	0.182 %	0.194 %	(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 2020. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2020, 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 2020, the state of Washington contributed 39.57 percent of LEOFF 2 employer contributions pursuant to [RCW 41.26.725](#) and all other employers contributed the remaining 60.43 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2020, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2019, with update procedures used to roll forward the total pension liability to the measurement date.

Pension Expense

For the year ended December 31, 2020, the City recognized pension expense as follows:

	<u>Pension Expense</u>
PERS 1	\$ 232,972
PERS 2/3	\$ 95,450
LEOFF 1	\$ (32,207)
LEOFF 2	\$ 130,481
Total	<u>\$ 426,696</u>

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>PERS 1</u>		
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ (11,236)
Contributions subsequent to the measurement date	\$ 217,484	\$ -
Total	<u>\$ 217,484</u>	<u>\$ (11,236)</u>

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>PERS 2/3</u>		
Differences between expected and actual experience	\$ 340,850	\$ (119,325)
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ (48,355)
Changes in assumptions	\$ 13,561	\$ (650,390)
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 126,267	\$ (70,682)
Contributions subsequent to the measurement date	\$ 356,825	\$ -
Total	<u>\$ 837,503</u>	<u>\$ (888,752)</u>

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
<u>LEOFF 1</u>		
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ (6,266)
Total	<u>\$ -</u>	<u>\$ (6,266)</u>

LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 547,806	\$ (70,218)
Net different between projected and actual investment earnings on pension plan investment	\$ -	\$ (44,127)
Changes in assumptions	\$ 5,736	\$ (613,043)
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 52,559	\$ (368,342)
Contributions subsequent to the measurement date	\$ 189,459	\$ -
Total	\$ 795,560	\$ (1,095,730)

All Plans	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 888,656	\$ (189,543)
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ (109,984)
Changes of assumptions	\$ 19,297	\$ (1,263,433)
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 178,826	\$ (439,024)
Contributions subsequent to the measurement date	\$ 763,768	\$ -
Total	\$ 1,850,547	\$ (2,001,984)

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, 2020. 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
2021	\$ (50,988)	\$ (392,031)	\$ (22,369)	\$ (318,503)
2022	\$ (1,604)	\$ (91,390)	\$ (1,166)	\$ (74,947)
2023	\$ 15,558	\$ 19,971	\$ 6,359	\$ 22,822
2024	\$ 25,798	\$ 94,368	\$ 10,910	\$ 96,690
2025	\$ -	\$ (14,945)	\$ -	\$ (62,385)
Thereafter	\$ -	\$ (24,047)	\$ -	\$ (153,306)

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. There are no assets accumulated in the qualified trust.

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, 2020
Retirees currently receiving full retirement benefits through LEOFF	4
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 Obligation (AAO) (b)	Unfunded AAO (UAAO) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAO 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 %	-	- %
12/31/2020	\$ 352,390	\$ 243,051	\$ (109,339)	145 %	\$ -	- %

Schedule of Employer Contributions for the Firemen's 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)	-
12/31/2020	\$ -	\$ 43,482	\$ 43,482	\$ 5,205	\$ -

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

	2020
Annual required contribution (ARC)	
1. Amortization of UAAO-beginning of year	\$ (7,082)
2. Interest to end of year	(34)
3. ARC at end of year	(7,116)
Interest on NPO	(46)
Adjustment to ARC	12,367
Annual pension cost	5,205
Employer contributions	(43,482)
Change in NPO	(38,277)
NPO at beginning of year	(190,940)
NPO at end of year	\$ (229,217)

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)
12/31/2020	\$ 5,205	\$ 43,482	(835)%	\$ (229,217)

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 settlements has not exceeded the insurance coverage in any of the past three years. The amount of unemployment claims paid for the last three years are:

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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
LOCAL Bond	Firetruck	10/30/2020	06/01/2030	\$ 1,634,581	.94%	\$ 1,634,581
2012 LTGO Bond	Gov't - Internal Service Refunding	12/12/2012	09/01/2023	1,650,000	.75-3.00%	530,000
2015 LTGO Bond	Gov't Activities Refunding	07/14/2015	08/01/2026	2,970,833	3.00+4.00%	1,983,333
2015 LTGO Bond	Operation Complex Refunding	07/14/2015	08/01/2026	594,167	3.00-4.00%	396,667
Total				<u>\$ 6,849,581</u>		<u>\$ 4,544,581</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
2021	\$ 566,040	\$ 171,686	\$ 60,000	\$ 15,267	\$ 626,040	\$ 186,953
2022	623,317	151,661	61,667	13,467	684,984	165,128
2023	647,816	126,903	64,167	11,000	711,983	137,903
2024	491,832	160,107	67,500	8,433	559,332	168,540
2025	512,049	79,728	70,000	5,733	582,049	85,461
2026-2030	1,306,860	170,809	73,333	2,933	1,380,193	173,742
Total	<u>\$ 4,147,914</u>	<u>\$ 860,894</u>	<u>\$ 396,667</u>	<u>\$ 56,833</u>	<u>\$ 4,544,581</u>	<u>\$ 917,727</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%	\$ 3,340,000
Revenue Bonds '11	08/23/2011	9/01/2021	4,905,000	2.5-3.25%	545,000
Total			<u>\$ 11,920,000</u>		<u>\$ 3,885,000</u>

Revenue bond debt service requirements to maturity are as follows:

Year	Principal	Interest	Total
2021	\$ 1,060,000	\$ 184,713	\$ 1,244,713
2022	545,000	141,250	686,250

Year	Principal	Interest	Total
2023	1,110,000	114,000	1,224,000
2024	1,170,000	58,500	1,228,500
Total	<u>\$ 3,885,000</u>	<u>\$ 498,463</u>	<u>\$ 4,383,463</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, 2020 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-Construction	.50%	\$ 1,091,104
Total		<u>\$ 1,091,104</u>

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

Year	Principal	Interest	Total
2021	\$ 561,692	\$ 5,456	\$ 567,148
2022	529,412	2,647	532,059
Total	<u>\$ 1,091,104</u>	<u>\$ 8,103</u>	<u>\$ 1,099,207</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, 2020, the City has \$184,340 available in debt service funds to service the general bonded debt. Restricted assets in proprietary funds contain \$1,311,841 in sinking funds and reserves as required by bond indentures.

NOTE 9- LEASES

Capital Leases

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

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

The assets acquired through capital leases are as follows:

	Governmental Activities	Business- Type Activities
Net Capital Lease Asset		
Machinery & Equipment	\$ 1,814,256	\$ -
Less Accumulated Depreciation	884,424	-
Total	<u>\$ 929,832</u>	<u>\$ -</u>

The future minimum lease obligation and the net present value of these minimum lease payments as of December 31, 2020 are as follows:

Year	Governmental Activities	Business-Type Activities
2021	\$ 92,392	\$ -
2022	30,797	-
Total Minimum Lease Payments	123,189	-
Less: Interest	1,975	-
Present Value of Minimum Lease Payments	<u>\$ 121,214</u>	<u>\$ -</u>

NOTE 10- CHANGES IN LONG-TERM LIABILITIES

During the year ended December 31, 2020, the following changes occurred in long-term liabilities:

	Beginning Balance 01/01/2020	Additions	Reductions	Ending Balance 12/31/20	Due Within One Year	Internal Service Funds
Governmental activities						
Bonds payable:						
General obligation bonds	\$ 3,639,166	\$ 1,634,581	\$ 1,125,833	\$ 4,147,914	\$ 566,040	\$ 530,000
Less deferred amount						
Issuance premiums(discounts)	185,484	380,224	42,520	523,188	-	397,011
Total bonds	3,824,650	2,014,805	1,168,353	4,671,102	566,040	927,011
Capital leases	411,839	-	290,625	121,214	90,563	121,214
Compensated absences	2,001,510	39,207	-	2,040,717	16,874	168,737
Net Pension	2,158,017	158,731	-	2,316,748	-	504,933
Total OPEB	6,097,738	1,158,771	-	7,256,509	-	-
Governmental liabilities	<u>\$ 14,493,754</u>	<u>\$ 3,371,514</u>	<u>\$ 1,458,978</u>	<u>\$ 16,406,290</u>	<u>\$ 673,477</u>	<u>\$ 1,721,895</u>
Business-type activities						
Bonds payable:						
General obligation bonds	\$ 455,823	\$ -	\$ 59,156	\$ 396,667	\$ 60,000	
Revenue bonds	4,900,000	-	1,015,000	3,885,000	1,060,000	
Less deferred amounts						
Issuance premiums(discounts)	154,490	-	58,303	96,187	9,400	
Total bonds	5,510,313	-	1,132,459	4,377,854	1,129,400	
Governmental loans	1,652,796	-	561,692	1,091,104	561,692	
Compensated absences	544,121	43,046	-	587,167	58,717	
Net Pension	598,466	54,977	-	653,443	-	
Business-type liabilities	<u>\$ 8,305,696</u>	<u>\$ 98,023</u>	<u>\$ 1,694,151</u>	<u>\$ 6,709,568</u>	<u>\$ 1,749,809</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 \$1,721,895 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, 2020, 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 \$7,685,145 of restricted component of net position, of which \$726,634 (102 Tourism governmental) is restricted by enabling legislation. The remaining restricted \$4,914,886 of the governmental activities is a combination of restricted debt service, restricted pension benefits & grants/donation. The enterprise/business type funds have a restricted balance of \$2,043,625 which is a combination of debt service & pension benefits.

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, 2020 were as follows:

	Due To	Due From Building Maintenance
Water/Sewer	\$	962,639
Totals	\$	962,639

Interfund Transfers

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

Transfer To	Transfers From						Totals
	General	Transportation Benefit District	Streets	Tourism	Parks Capital	Water Sewer	
General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000
Streets	1,680,000	-	-	-	-	-	1,680,000
Street Repair and Reconstruction	-	1,650,000	-	-	-	-	1,650,000
Capital Projects	-	-	-	225,000	680,000	-	905,000
Debt Service	114,400	-	152,417	114,400	-	-	381,217
Ambulance	58,613	-	-	-	-	-	58,613
Building Maintenance	79,562	-	-	-	-	-	79,562
Central Services	35,850	-	-	-	-	-	35,850
Grants & Donations	91,900	-	-	-	-	-	91,900
Homeless	173,996	-	-	-	-	-	173,996
Totals	<u>\$ 2,234,321</u>	<u>\$ 1,650,000</u>	<u>\$ 152,417</u>	<u>\$ 339,400</u>	<u>\$ 680,000</u>	<u>\$ 500,000</u>	<u>\$ 5,556,138</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 measurement and actuarial valuation date is 6/30/2020.

The following table represents the aggregate OPEB amounts for all plans subject to the requirements of GASB 75 for the year 2020:

Aggregate OPEB Amounts - LEOFF 1 Retiree HealthPlan	
	\$(7,256,509)
OPEB expense/expenditures	\$(1,506,528)

Membership

Currently the City has 14 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 2020, there are no active members, and currently 14 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 2020, the City paid medical insurance premiums of \$19,329 for pre-age 65 and \$115,830 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 \$7,256,509 was measured as of December 31, 2020.

Schedule of Changes in the Total OPEB Liability

LEOFF 1 Retiree HealthPlan	
Total OPEB Liability at 1/1/2020	\$ 6,097,738
Service cost	-
Interest	207,387
Changes of benefit terms	-
Changes of assumptions	1,299,141
Benefit payments	(347,757)
Other changes	-
Total OPEB Liability at 12/31/2020	<u>\$ 7,256,509</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). 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).

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, 2020 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	\$ 6,495,595	\$ 7,256,509	\$ 8,150,187

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	\$ 8,219,269	\$ 7,256,509	\$ 6,457,734

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 \$52,030 per month in 2020. 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, 2020



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 maintained them at a level consistent with the remainder of the City.

Below is information on budgeted and actual expenditures incurred to maintain and preserve the street system at or above the minimum acceptable condition level from 2012 to 2020

	Amounts in Thousands								
	2020	2019	2018	2017	2016	2015	2014	2013	2012
Budgeted	1,770	3,730	2,980	1,530	1,008	210	160	700	158
Expended	1,783	2,574	1,352	1,314	894	183	186	700	265

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

Bridge

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

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

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

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

	<u>Sufficiency Rating</u>
2021	74%
2015	73%
2011	70%

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				
	2020	2019	2018	2017	2016
Budgeted	\$ 1,133	\$ 1,012	\$ 787	\$ 595	\$ 673
Expended	\$ 973	\$ 739	\$ 749	\$ 625	\$ 590

CITY OF MOSES LAKE, WASHINGTON
Schedule of Proportionate Share of the Net Pension Liability
PERS Plan 1
As of June 30, 2020
Last 10 Fiscal Years*

	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.057160 %	0.053887 %	0.054465 %	0.056081 %	0.059183 %	0.058920 %
Employer's proportionate share of the net pension liability	\$ 2,018,057	\$ 2,072,146	\$ 2,432,425	\$ 3,011,814	\$ 3,178,406	\$ 3,082,064
TOTAL	\$ 2,018,057	\$ 2,072,146	\$ 2,432,425	\$ 3,011,814	\$ 3,178,406	\$ 3,082,064
Employer's covered employee payroll	\$ 8,396,213	\$ -	\$ 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	24.0 %	- %	8,261.8 %	5,066.9 %	46.7 %	45.4 %
Plan fiduciary net position as a percentage of the total pension liability	68.64 %	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, 2020
Last 10 Fiscal Years*

	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.074447 %	0.070453 %	0.069046 %	0.070870 %	0.072259 %	0.072378 %
Employer's proportionate share of the net pension liability	\$ 952,133	\$ 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	\$ 0
TOTAL	\$ 952,133	\$ 684,338	\$ 1,178,899	\$ 2,462,394	\$ 3,638,184	\$ 2,586,107
Employer's covered employee payroll	\$ 8,396,213	\$ 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	11.3 %	9.0 %	16.4 %	35.5 %	62.7 %	39.0 %
Plan fiduciary net position as a percentage of the total pension liability	97.22 %	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, 2020
Last 10 Fiscal Years*

	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.031722 %	0.031642 %	0.031087 %	0.030779 %	0.030556 %	0.031497 %
Employer's proportionate share of the net pension asset	\$ (599,073)	\$ (625,439)	\$ (564,385)	\$ (466,985)	\$ (314,814)	\$ (379,608)
State's proportionate share of the net pension liability (asset) associated with the employer	\$ 4,052,114	\$ 4,230,456	\$ 3,817,487	\$ 3,158,676	\$ 2,129,395	\$ 2,567,659
TOTAL	\$ 3,453,041	\$ 3,605,017	\$ 3,253,102	\$ 2,691,691	\$ 1,814,581	\$ 2,188,051
Plan fiduciary net position as a percentage of the total pension liability	146.88 %	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, 2020
Last 10 Fiscal Years*

	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.194087 %	0.182218 %	0.169799 %	0.175273 %	0.168008 %	0.175245 %
Employer's proportionate share of the net pension asset	\$ (3,959,091)	\$ (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	\$ 2,531,539	\$ 2,764,472	\$ 2,232,055	\$ 1,577,737	\$ 637,053	\$ 1,190,934
TOTAL	\$ (1,427,552)	\$ (1,456,960)	\$ (1,215,235)	\$ (854,484)	\$ (340,132)	\$ (610,234)
Employer's covered employee payroll	\$ 7,099,203	\$ 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	(55.8)%	(66.8)%	(61.5)%	(44.3)%	(19.2)%	(34.7)%
Plan fiduciary net position as a percentage of the total pension liability	115.83 %	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, 2020
Last 10 Fiscal Years*

	2020	2019	2018	2017	2016	2015
Statutorily or contractually required contributions	\$ 460,669	\$ 386,390	\$ 364,057	\$ 514,045	\$ 332,976	\$ 15,102
Contributions in relation to the statutorily or contractually required contributions	\$ (460,669)	\$ (386,390)	\$ (364,057)	\$ (514,045)	\$ (332,976)	\$ (15,102)
Contribution deficiency (excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered employer payroll	\$ 8,984,039	\$ 7,794,301	\$ 10,935,656	\$ 10,384,172	\$ 6,862,609	\$ 6,633,123
Contributions as a percentage of covered employee payroll	5.13 %	4.96 %	3.33 %	4.95 %	4.85 %	0.23 %

CITY OF MOSES LAKE, WASHINGTON
Schedule of Employer Contributions
PERS Plan 2/3
As of December 31, 2020
Last 10 Fiscal Years*

	2020	2019	2018	2017	2016	2015
Statutorily or contractually required contributions	\$ 711,672	\$ 575,415	\$ 532,768	\$ 687,427	\$ 421,911	\$ 671,782
Contributions in relation to the statutorily or contractually required contributions	\$ (664,672)	\$ (575,415)	\$ (532,768)	\$ (687,427)	\$ (421,911)	\$ (671,782)
Contribution deficiency (excess)	\$ 47,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered employer payroll	\$ 8,984,039	\$ 7,794,301	\$ 10,935,656	\$ 10,384,172	\$ 6,772,246	\$ 6,633,123
Contributions as a percentage of covered employee payroll	7.92 %	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, 2020
Last 10 Fiscal Years*

CITY OF MOSES LAKE, WASHINGTON
Schedule of Employer Contributions
LEOFF Plan 2
As of December 31, 2020
Last 10 Fiscal Years

	2020	2019	2018	2017	2016	2015
Statutorily or contractually required contributions	\$ 377,442	\$ 335,958	\$ 294,447	\$ 418,850	\$ 258,688	\$ 272,168
Contributions in relation to the statutorily or contractually required contributions	\$ (365,742)	\$ (335,958)	\$ (294,447)	\$ (418,850)	\$ (258,688)	\$ (272,168)
Contribution deficiency (excess)	\$ 11,700	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered employer payroll	\$ 7,328,956	\$ 6,793,350	\$ 8,619,087	\$ 7,991,703	\$ 5,122,544	\$ 5,195,821
Contributions as a percentage of covered employee payroll	5.15 %	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' Total OPEB Liability and Related Ratios* (LEOFF 1)
For the Year Ended December 31, 2020
Last 10 Fiscal Years*

	2020	2019	2018
Interest	\$ 207,387	\$ 277,529	\$ -
Change in Experience Data and Assumptions	1,299,141	(1,152,396)	268,752
Changes of assumptions	-	-	(259,086)
Benefit payments, including refunds of member contributions	\$ (347,757)	\$ (393,620)	\$ (298,344)
Net change in total OPEB liability	\$ 1,158,771	\$ (1,268,487)	\$ (288,678)
Total OPEB liability - beginning	6,097,738	7,366,225	7,654,903
Total OPEB liability - ending	\$ 7,256,509	\$ 6,097,738	\$ 7,366,225

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

Until a full 10-year trend is compiled, only information for those years available is presented.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

CITY OF MOSES LAKE, WASHINGTON
FINANCIAL REPORT
YEAR ENDED DECEMBER 31, 2020



**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, 2020

	Special Revenue Funds	2015 LTGO Refunding	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 4,451,478	\$ 184,380	\$ 721,281	\$ 5,357,139
Receivables (net of allowance for uncollectibles):				
Taxes	510,050	-	-	510,050
Other accounts receivable	541	-	-	541
Notes/contracts receivable	18,656	-	-	18,656
Due from other governments	56,500	-	-	56,500
Prepaid Expenses	69,757	-	-	69,757
	-	-	-	-
Total assets	<u>5,106,982</u>	<u>184,380</u>	<u>721,281</u>	<u>6,012,643</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	214,598	-	10,831	225,429
Salaries and benefits payable	35,127	-	-	35,127
Retainage payable	147,465	-	-	147,465
Total liabilities	<u>397,190</u>	<u>-</u>	<u>10,831</u>	<u>408,021</u>
Deferred inflows of resources				
Deferred unavailable receivables	57,041	-	-	57,041
Fund balances:				
Prepaid Expenses and Inventories	69,757	-	-	69,757
Restricted for:				
Public safety programs	516,212	-	-	516,212
Tourism	836,157	-	-	836,157
Debt service	-	184,380	-	184,380
Culture and recreation	481,594	-	103,236	584,830
Committed for:				
Culture and recreation	-	-	607,214	607,214
Transportation	2,043,924	-	-	2,043,924
Assigned to transportation	705,107	-	-	705,107
Total fund balance	<u>4,652,751</u>	<u>184,380</u>	<u>710,450</u>	<u>5,547,581</u>
Total liabilities and fund balances	<u>\$ 5,106,982</u>	<u>\$ 184,380</u>	<u>\$ 721,281</u>	<u>\$ 6,012,643</u>

CITY OF MOSES LAKE

Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2020

	Tourism	Grants and Donations	Homeless Services Fund	Paths and Trails	Street	Street Repair and Reconstruction	Transportation Benefit District	Total Nonmajor Special Revenue Funds
ASSETS								
Cash and investments	726,634	921,997	95,680	85,801	715,506	1,533,037	372,823	4,451,478
Receivables (net of allowance for uncollectibles):								
Taxes	80,604	8,951	11,918	-	66,382	16,962	325,233	510,050
Other accounts receivable	-	-	-	-	541	-	-	541
Notes/contracts receivable	-	-	-	-	-	18,656	-	18,656
Due from other governments	-	-	-	-	-	56,500	-	56,500
Prepaid Expenses	-	-	-	-	69,757	-	-	69,757
Total assets	<u>807,238</u>	<u>930,948</u>	<u>107,598</u>	<u>85,801</u>	<u>852,186</u>	<u>1,625,155</u>	<u>698,056</u>	<u>5,106,982</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES								
Liabilities:								
Accounts payable	25,654	14,340	57,484	-	41,798	75,322	-	214,598
Salaries and benefits payable	-	144	-	-	34,983	-	-	35,127
Retainage payable	-	-	-	-	-	147,465	-	147,465
Total liabilities	<u>25,654</u>	<u>14,484</u>	<u>57,484</u>	<u>-</u>	<u>76,781</u>	<u>222,787</u>	<u>-</u>	<u>397,190</u>
Deferred inflows of resources								
Deferred unavailable receivables	-	-	-	-	541	56,500	-	57,041
Fund balances:								
Nonspendable:								
Prepaid Expenses and Inventories	-	-	-	-	69,757	-	-	69,757
Restricted for:								
Public safety programs	-	466,098	50,114	-	-	-	-	516,212
Tourism	781,584	54,573	-	-	-	-	-	836,157
Debt service	-	-	-	-	-	-	-	-
Culture and recreation	-	395,793	-	85,801	-	-	-	481,594
Committed for:								
Transportation	-	-	-	-	-	1,345,868	698,056	2,043,924
Assigned to transportation	-	-	-	-	705,107	-	-	705,107
Total fund balances	<u>781,584</u>	<u>916,464</u>	<u>50,114</u>	<u>85,801</u>	<u>774,864</u>	<u>1,345,868</u>	<u>698,056</u>	<u>4,652,751</u>
Total liabilities and fund balances	<u>\$ 807,238</u>	<u>\$ 930,948</u>	<u>\$ 107,598</u>	<u>\$ 85,801</u>	<u>\$ 852,186</u>	<u>\$ 1,625,155</u>	<u>\$ 698,056</u>	<u>\$ 5,106,982</u>

CITY OF MOSES LAKE

Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2020

	Park Mitigation	Park Improvement	Total Nonmajor Capital Projects Funds
ASSETS			
Cash and investments	\$ 103,236	\$ 618,046	\$ 721,282
Total assets	<u>103,236</u>	<u>618,046</u>	<u>721,282</u>
LIABILITIES			
Accounts payable	-	10,832	10,832
Total liabilities	<u>-</u>	<u>10,832</u>	<u>10,832</u>
Fund balances:			
Restricted for:			
Culture and recreation	103,236	-	103,236
Committed to:			
Culture and recreation	-	607,214	607,214
Total fund balances	<u>103,236</u>	<u>607,214</u>	<u>710,450</u>
Total liabilities and fund balances	<u>\$ 103,236</u>	<u>\$ 618,046</u>	<u>\$ 721,282</u>

CITY OF MOSES LAKE

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

Nonmajor Governmental Funds

For the Year Ended December 31, 2020

	Special Revenue Funds	2015 LTGO Refunding	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 3,238,039	\$ -	\$ -	\$ 3,238,039
Licenses and Permits	185,478	-	-	185,478
Intergovernmental revenues	753,658	-	-	753,658
Charges for services	19,049	-	74,900	93,949
Interest earnings	22,883	-	4,604	27,487
Contributions/donations	276,606	-	-	276,606
Assessments	29,364	-	-	29,364
Rental revenue	126,061	-	-	126,061
Total revenues	<u>4,651,138</u>	<u>-</u>	<u>79,504</u>	<u>4,730,642</u>
EXPENDITURES				
Current:				
General Government	91,900	-	-	91,900
Public safety	325,236	-	-	325,236
Transportation	3,380,250	-	-	3,380,250
Economic environment	270,983	-	-	270,983
Culture and recreation	211,042	-	-	211,042
Capital outlay	1,651,575	-	599,194	2,250,769
Debt service:				
Principal	-	295,834	-	295,834
Interest and debt issue costs	-	85,458	-	85,458
Total expenditures	<u>5,930,986</u>	<u>381,292</u>	<u>599,194</u>	<u>6,911,472</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,279,848)</u>	<u>(381,292)</u>	<u>(519,690)</u>	<u>(2,180,830)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,595,896	381,217	905,000	4,882,113
Transfers (out)	(2,141,817)	-	(680,000)	(2,821,817)
Proceeds from sale of capital assets	12,042	-	-	12,042
Intergovernmental Revenues (TIB)	322,857	-	-	322,857
Total other financing sources	<u>1,788,978</u>	<u>381,217</u>	<u>225,000</u>	<u>2,395,195</u>
Net change in fund balance	509,130	(75)	(294,690)	214,365
	4,954,551	184,455	1,005,140	6,144,146
Transportation Prior period adjustment	<u>(810,930)</u>	<u>-</u>	<u>-</u>	<u>(810,930)</u>
Fund balances-ending restated	<u>4,143,621</u>	<u>184,455</u>	<u>1,005,140</u>	<u>5,333,216</u>
	<u>\$ 4,652,751</u>	<u>\$ 184,380</u>	<u>\$ 710,450</u>	<u>\$ 5,547,581</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, 2020

	Tourism	Grants and Donations	Homeless Services Fund	Paths and Trails	Street	Street Repair and Reconstruction	Transportation Benefit District	Total Nonmajor Special Revenue Funds
REVENUES								
Taxes	\$ 578,429	\$ -	\$ -	\$ -	\$ -	\$ 870,636	\$ 1,788,974	\$ 3,238,039
Licenses and Permits	-	-	-	-	185,478	-	-	185,478
Intergovernmental revenues	-	101,531	147,101	2,086	469,924	33,016	-	753,658
Charges for services	-	1,932	-	-	4,717	12,400	-	19,049
Interest earnings	4,093	5,078	-	-	3,433	7,964	2,315	22,883
Contributions/donations	-	266,606	-	10,000	-	-	-	276,606
Assessments	-	-	-	-	-	29,364	-	29,364
Rental revenue	-	91,563	-	-	34,498	-	-	126,061
Total revenues	582,522	466,710	147,101	12,086	698,050	953,380	1,791,289	4,651,138
EXPENDITURES								
Current:								
General Government	-	91,900	-	-	-	-	-	91,900
Public safety	-	325,236	-	-	-	-	-	325,236
Economic environment	-	-	270,983	-	-	-	-	270,983
Transportation	-	-	-	-	2,389,637	990,613	-	3,380,250
Culture and recreation	207,114	3,928	-	-	-	-	-	211,042
Capital outlay	-	51,506	-	27,577	66,439	1,506,053	-	1,651,575
Total expenditures	207,114	472,570	270,983	27,577	2,456,076	2,496,666	-	5,930,986
Excess (deficiency) of revenues over (under) expenditures	375,408	(5,860)	(123,882)	(15,491)	(1,758,026)	(1,543,286)	1,791,289	(1,279,848)
OTHER FINANCING SOURCES (USES)								
Transfers in	-	91,900	173,996	-	1,680,000	1,650,000	-	3,595,896
Transfers (out)	(339,400)	-	-	-	(152,417)	-	(1,650,000)	(2,141,817)
Proceeds from sale of capital assets	-	12,042	-	-	-	-	-	12,042
Intergovernmental Revenues (TIB)	-	-	-	-	279,790	43,067	-	322,857
Total other financing sources (uses)	(339,400)	103,942	173,996	-	1,807,373	1,693,067	(1,650,000)	1,788,978
Net change in fund balance	36,008	98,082	50,114	(15,491)	49,347	149,781	141,289	509,130
Fund balances-beginning	745,576	818,382	-	101,292	725,517	2,007,017	556,767	4,954,551
Transportation Prior period adjustment	-	-	-	-	-	(810,930)	-	(810,930)
Fund balances-beginning restated	745,576	818,382	-	101,292	725,517	1,196,087	556,767	4,143,621
Fund balances-ending	\$ 781,584	\$ 916,464	\$ 50,114	\$ 85,801	\$ 774,864	\$ 1,345,868	\$ 698,056	\$ 4,652,751

CITY OF MOSES LAKE

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2020

	Park Mitigation	Park Improvement	Total Nonmajor Capital Projects Funds
REVENUES			
Charges for services	\$ 74,900	\$ -	\$ 74,900
Interest earnings	3,254	1,350	4,604
Total revenues	<u>78,154</u>	<u>1,350</u>	<u>79,504</u>
EXPENDITURES			
Capital outlay	-	599,194	599,194
Total expenditures	<u>-</u>	<u>599,194</u>	<u>599,194</u>
Excess (deficiency) of revenues over (under) expenditures	78,154	(597,844)	(519,690)
OTHER FINANCING SOURCES			
Transfers in	-	905,000	905,000
Transfers (out)	(680,000)	-	(680,000)
Total other financing sources	<u>(680,000)</u>	<u>905,000</u>	<u>225,000</u>
Net change in fund balance	(601,846)	307,156	(294,690)
Fund balances - beginning	705,082	300,058	1,005,140
Fund balances - ending	<u>\$ 103,236</u>	<u>\$ 607,214</u>	<u>\$ 710,450</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, 2020

Page 1 of 2

	<u>Airport</u>	<u>Storm Water</u>	<u>Totals</u>
ASSETS			
Current assets			
Pooled Cash	\$ 93,943	\$ 278,330	\$ 372,273
Receivables (net of allowance for uncollectibles)	5,080	154,262	159,342
Inventory	-	1,366	1,366
Total assets	-	433,958	532,981
Capital assets			
Land and land rights	460	151,438	151,898
Construction in Progress	-	85,754	85,754
Net of accumulated depreciation			
Buildings	23,850	311,691	335,541
Infrastructure	179,591	-	179,591
Machinery and equipment(NET)	-	62,492	62,492
Infrastructure	-	6,891,236	6,891,236
Total capital assets	-	7,502,611	7,706,512
Total non current assets	-	7,502,611	7,706,512
Total assets	-	7,936,569	8,239,493
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension	-	31,649	31,649
Total deferred outflows of resources	\$ -	\$ 31,649	\$ 31,649

CITY OF MOSES LAKE
Statement of Net Position
Nonmajor Proprietary Funds
For the Year Ended December 31, 2020

Page 2 of 2

	<u>Airport</u>	<u>Storm Water</u>	<u>Totals</u>
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 313	\$ 3,984	\$ 4,297
Salaries and benefits payable	3	24,633	24,636
Compensated Absences	-	5,921	5,921
Total current liabilities	<u>316</u>	<u>34,538</u>	<u>34,854</u>
Noncurrent liabilities:			
Compensated absences	-	53,292	53,292
Net pension liability	-	89,106	89,106
Total noncurrent liabilities	<u>-</u>	<u>142,398</u>	<u>142,398</u>
Total liabilities	<u>-</u>	<u>176,936</u>	<u>177,252</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pension items	-	27,000	27,000
Total deferred inflows of resources	<u>-</u>	<u>27,000</u>	<u>27,000</u>
NET POSITION			
Net investment in capital assets	203,901	7,502,611	7,706,512
Unrestricted	98,707	261,671	360,378
Total net position	<u>\$ 302,608</u>	<u>\$ 7,764,282</u>	<u>\$ 8,066,890</u>

CITY OF MOSES LAKE
Statement of Revenues, Expenses, and Changes in Fund Net Position
Nonmajor Proprietary Funds
For the Year Ended December 31, 2020

	Airport	Storm Water	Totals
OPERATING REVENUES			
Taxes	\$ -	\$ 95,581	\$ 95,581
Charges for services	-	978,355	978,355
Rental revenue	30,310	1,600	31,910
Total operating revenues	30,310	1,075,536	1,105,846
OPERATING EXPENSES			
Salaries and benefits	11	439,189	439,200
Supplies and contractual services	21,610	461,736	483,346
Utilities	4,393	-	4,393
Repairs and maintenance	2,236	202,767	205,003
Depreciation and amortization	31,306	13,544	44,850
Total operating expenses	59,556	1,117,236	1,176,792
Operating income (loss)	(29,246)	(41,700)	(70,946)
NONOPERATING REVENUES (EXPENSES)			
Miscellaneous expenses	\$ -	\$ 95,581	\$ 95,581
Total nonoperating revenues (expenses)	-	(95,581)	(95,581)
Income (loss) before contributions and transfers	(29,246)	(137,281)	(166,527)
Intergovernmental Revenues (TIB)	-	356,059	356,059
Changes in net position	(29,246)	218,778	189,532
Net position - beginning	331,854	7,545,504	7,877,358
Net position - ending	\$ 302,608	\$ 7,764,282	\$ 8,066,890

CITY OF MOSES LAKE
Statement of Cash Flows
NonMajor Proprietary Funds
For the Year Ended December 31, 2020

Page 1 of 2

	<u>Airport</u>	<u>Storm Water</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	\$ (5,080)	\$ 962,492	\$ 957,412
Payment to suppliers	(28,183)	(684,844)	(713,027)
Payments to employees	(8)	(411,610)	(411,618)
Miscellaneous revenue	30,311	1,600	31,911
	<u>(2,960)</u>	<u>(132,362)</u>	<u>(135,322)</u>
Net cash provided by (used for) by operating activities			
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash from capital and related financing activities:			
Additions of capital assets	-	(441,813)	(441,813)
Capital contributions	-	356,059	356,059
	<u>-</u>	<u>(85,754)</u>	<u>(85,754)</u>
Net cash provided by (used for) capital and related financing activities			
Net cash increase (decreases) in cash and cash equivalents	(2,960)	(218,116)	(221,076)
Cash and cash equivalents, January 1	96,903	496,447	593,350
Cash and cash equivalents, December 31	<u>\$ 93,943</u>	<u>\$ 278,331</u>	<u>\$ 372,274</u>

CITY OF MOSES LAKE
Statement of Cash Flows
NonMajor Proprietary Funds
For the Year Ended December 31, 2020

Page 2 of 2

	<u>Airport</u>	<u>Storm Water</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities			
Operating income (loss)	\$ (29,246)	\$ (137,281)	\$ (166,527)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	31,306	13,544	44,850
Decrease (increase) in accounts receivable	(5,078)	(15,863)	(20,941)
Decrease (increase) in inventory	-	2,931	2,931
(Decrease) increase in deferred outflows	-	(21,910)	(21,910)
(Decrease) increase in accounts payable	55	2,466	2,521
(Decrease) increase in salaries payable	3	13,058	13,061
(Decrease) increase in compensated absences	-	17,143	17,143
(Decrease) increase in pension liability	-	16,585	16,585
(Decrease) increase in deferred inflows	-	(23,035)	(23,035)
Total adjustments	<u>26,286</u>	<u>4,919</u>	<u>31,205</u>
Net cash provided by (used for) operating activities:	<u>\$ (2,960)</u>	<u>\$ (132,362)</u>	<u>\$ (135,322)</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, 2020

	Unemployment Compensation	Self Insurance	Central Services	Equipment Rental	Building Maintenance	Totals
ASSETS						
Current Assets:						
Cash and investments	\$ 48,591	\$ 365,982	\$ 815,052	\$ 3,488,556	\$ 1,331,179	\$ 6,049,360
Due from other governments	-	-	30,000	-	-	30,000
Other receivables	-	-	-	18,293	-	18,293
Inventory	-	-	22,433	78,142	26,874	127,449
Total current assets	<u>48,591</u>	<u>365,982</u>	<u>867,485</u>	<u>3,584,991</u>	<u>1,358,053</u>	<u>6,225,102</u>
Capital assets:						
Land and land rights	-	-	-	-	608,951	608,951
Construction in Progress	-	-	-	1,545,112	-	1,545,112
Capital assets net of depreciation						
Buildings	-	-	-	-	11,956,894	11,956,894
Machinery and equipment(NET)	-	-	89,472	5,245,399	915,463	6,250,334
Total capital assets	<u>-</u>	<u>-</u>	<u>89,472</u>	<u>6,790,511</u>	<u>13,481,308</u>	<u>20,361,291</u>
Total assets	<u>48,591</u>	<u>365,982</u>	<u>956,957</u>	<u>10,375,502</u>	<u>14,839,361</u>	<u>26,586,393</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred Pension	-	-	63,299	42,199	73,849	179,347
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>63,299</u>	<u>42,199</u>	<u>73,849</u>	<u>179,347</u>
LIABILITIES						
Current liabilities						
Accounts payable	35,592	-	28,497	63,360	65,301	192,750
Salaries and benefits payable	-	-	42,154	30,113	54,829	127,096
Retainage payable	-	-	-	-	12,535	12,535
Interfund loans payable	-	-	-	-	962,639	962,639
Interest payable	-	-	-	-	5,315	5,315
Capital leases payable	-	-	-	90,563	-	90,563
G.O. bonds payable	-	-	-	91,040	175,000	266,040
Compensated Absenses	-	-	7,697	3,432	5,745	16,874
Total current liabilities	<u>35,592</u>	<u>-</u>	<u>78,348</u>	<u>278,508</u>	<u>1,281,364</u>	<u>1,673,812</u>
Noncurrent liabilities:						
G.O. bonds payable (net discount/premium)	-	-	-	1,923,764	371,787	2,295,551
Compensated absenses	-	-	69,275	30,884	51,704	151,863
Lease payable	-	-	-	30,651	-	30,651
Net pension liability	-	-	178,212	118,808	207,913	504,933
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>247,487</u>	<u>2,104,107</u>	<u>631,404</u>	<u>2,982,998</u>
Total liabilities	<u>35,592</u>	<u>-</u>	<u>325,835</u>	<u>2,382,615</u>	<u>1,912,768</u>	<u>4,656,810</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred pension items	-	-	53,999	35,999	62,999	152,997
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>53,999</u>	<u>35,999</u>	<u>62,999</u>	<u>152,997</u>
NET POSITION						
Net investment in capital assets	-	-	89,472	6,327,639	12,934,522	19,351,633
Unrestricted	12,999	365,982	550,950	1,671,448	2,921	2,604,300
Total net position	<u>\$ 12,999</u>	<u>\$ 365,982</u>	<u>\$ 640,422</u>	<u>\$ 7,999,087</u>	<u>\$ 12,937,443</u>	<u>\$ 21,955,933</u>

CITY OF MOSES LAKE
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended December 31, 2020

	Unemployment Compensation	Self Insurance	Central Services	Equipment Rental	Building Maintenance	Totals
OPERATING REVENUES						
Charges for services	\$ 61,273	\$ 802,000	\$ 2,168,776	\$ 4,244,507	\$ 3,868,091	\$ 11,144,647
Total operating revenues	61,273	802,000	2,168,776	4,244,507	3,868,091	11,144,647
OPERATING EXPENSES						
Salaries and benefits	-	-	729,573	495,783	957,774	2,183,130
Supplies and contractual services	1,875	-	1,124,713	1,408,371	435,847	2,970,806
Utilities	-	-	91,474	-	123,819	215,293
Repairs and maintenance	-	-	36,349	174,153	62,575	273,077
Insurance claims and expenses	61,273	880,560	-	-	-	941,833
Depreciation and amortization	-	-	38,225	665,632	407,230	1,111,087
Total operating expenses	63,148	880,560	2,020,334	2,743,939	1,987,245	7,695,226
Operating income (loss)	(1,875)	(78,560)	148,442	1,500,568	1,880,846	3,449,421
NONOPERATING REVENUES (EXPENSES)						
Intergovernmental revenues	-	-	78,233	44	134,621	212,898
Interest and other earnings	79	523	2,093	15,392	8,891	26,978
Rents and royalties	-	-	-	-	900	900
Insurance recoveries	-	-	-	4,219	7,081	11,300
Interest expense	-	-	(255)	(23,122)	(61,324)	(84,701)
Miscellaneous revenues	-	-	-	907	1	908
Gain (loss) on disposal of fixed assets	-	-	-	(44,814)	-	(44,814)
Total nonoperating revenues (expenses)	79	523	80,071	(47,374)	90,170	123,469
Income (loss) before contributions and transfers	(1,796)	-	-	-	-	3,572,890
Transfers in	-	-	35,850	-	79,562	115,412
Change in net position	(1,796)	(78,037)	264,363	1,453,194	2,050,578	3,688,302
Net position - beginning	14,795	444,019	376,059	6,545,893	10,886,865	18,267,631
Net position - ending	\$ 12,999	\$ 365,982	\$ 640,422	\$ 7,999,087	\$ 12,937,443	\$ 21,955,933

CITY OF MOSES LAKE
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2020

Page 1 of 2

	Unemployment Compensation	Self Insurance	Central Services	Equipment Rental	Building Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from customers	\$ 61,273	\$ 802,000	\$ 2,168,776	\$ 4,245,118	\$ 3,868,091	\$ 11,145,258
Payment to suppliers	(50,286)	(880,560)	(901,068)	(1,567,585)	(597,471)	(3,996,970)
Payments to employees	-	-	(1,063,454)	(477,249)	(939,840)	(2,480,543)
Net cash provided by (used for) operating activities	10,987	(78,560)	204,254	2,200,284	2,330,780	4,667,745
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Nonoperating miscellaneous revenue	-	-	-	911	900	1,811
Transfers (to) other funds	-	-	35,850	-	79,562	115,412
Insurance recoveries	-	-	-	4,219	7,081	11,300
Other intergovernmental revenues	-	-	78,233	44	134,621	212,898
Net cash provided by (used for) noncapital financing activities	-	-	114,083	5,174	222,164	341,421
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Additions of capital assets	-	-	-	(3,120,051)	(517,111)	(3,637,162)
Principal paid on debt	-	-	(4,460)	1,728,640	(1,795,253)	(71,073)
Interest paid on debt	-	-	(255)	(23,122)	(59,528)	(82,905)
Interest income	79	523	2,093	15,392	8,891	26,978
Net cash provided by (used for) capital and related financing activities	79	523	(2,622)	(1,399,141)	(2,363,001)	(3,764,162)
Investment income	-	-	-	-	(1)	(1)
Net cash increase (decreases) in cash and cash equivalents	11,066	(78,037)	315,715	806,317	189,942	1,245,003
Cash and cash equivalents, January 1	37,525	444,019	499,337	2,682,239	1,141,237	4,804,357
Cash and cash equivalents, December 1	\$ 48,591	\$ 365,982	\$ 815,052	\$ 3,488,556	\$ 1,331,179	\$ 6,049,360

CITY OF MOSES LAKE
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2020

Page 2 of 2

	Unemployment Compensation	Self Insurance	Central Services	Equipment Rental	Building Maintenance	Total
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities						
Operating income (loss)	\$ (1,875)	\$ (78,560)	\$ 148,442	\$ 1,500,568	\$ 1,880,846	\$ 3,449,421
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation	-	-	38,225	665,632	407,230	1,111,087
Decrease (increase) in accounts receivable	-	-	-	611	-	611
Decrease (increase) in inventory	-	-	5,445	(9,768)	(17,470)	(21,793)
(Decrease) increase in deferred outflows	-	-	(37,696)	(31,921)	(54,278)	(123,895)
(Decrease) increase in accounts payable	12,862	-	3,321	24,707	42,240	83,130
(Decrease) increase in salaries payable	-	-	19,082	15,881	32,603	67,566
(Decrease) increase in compensated absences	-	-	10,806	8,256	14,818	33,880
(Decrease) increase in pension liability	-	-	41,006	40,494	61,886	143,386
(Decrease) increase in deferred inflows	-	-	(24,377)	(14,176)	(37,095)	(75,648)
Total adjustments	12,862	-	55,812	699,716	449,934	1,218,324
Net cash provided (used) by operating activities:	\$ 10,987	\$ (78,560)	\$ 204,254	\$ 2,200,284	\$ 2,330,780	\$ 4,667,745

**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 Trends98

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.....105

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

Debt Capacity.....109

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.....114

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.....117

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.

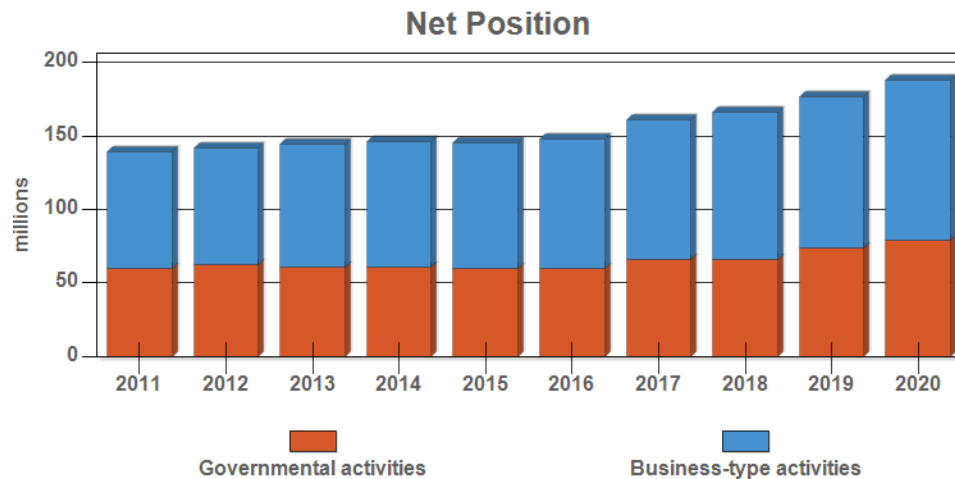
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant years.

CITY OF MOSES LAKE
Net Position by Component

Last Ten Fiscal Year
(full accrual basis of accounting)

Table B-1

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 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	\$ 76,887,655
Restricted	-	505,499	447,675	437,862	(1,712,820)	(1,246,322)	2,339,160	3,620,253	2,554,786	5,641,520
Unrestricted	487,334	1,187,230	(685,952)	(1,164,099)	(780,488)	(2,139,795)	573,435	(4,568,062)	709,724	(3,883,614)
Total governmental activities net position	<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>	<u>\$ 78,645,561</u>
Business-type activities										
Net investment in capital assets	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	85,048,631
Restricted	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	2,043,625
Unrestricted	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	22,249,875
Total business-type activities net position	<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>	<u>\$109,342,131</u>
Primary government										
Net investment in capital assets	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	161,936,286
Restricted	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	7,685,145
Unrestricted	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	18,366,261
Total primary government net position	<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>	<u>\$187,987,692</u>



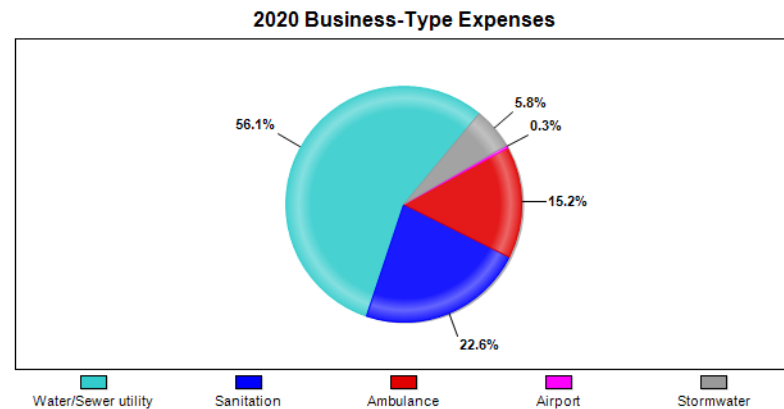
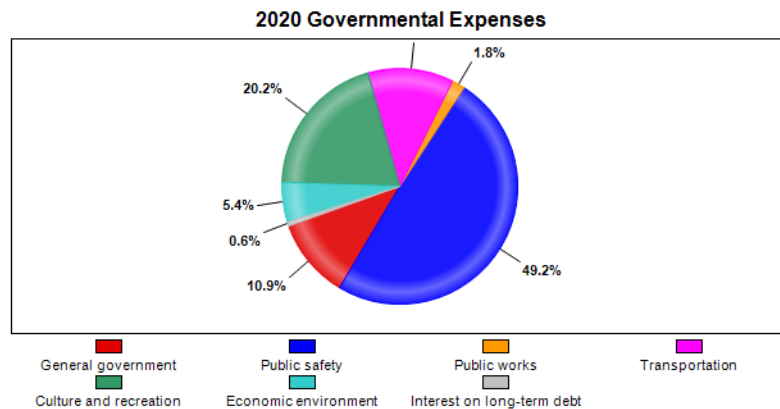
CITY OF MOSES LAKE
Changes in Expenses by Function

Last Ten Fiscal Years
(full accrual basis of accounting)

Table B-2
Page 1 of 3

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General government	\$ 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	\$ 2,912,388
Public safety	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	13,130,050
Public works	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	479,485
Transportation	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	3,164,516
Culture and recreation	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	5,385,743
Economic environment	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	1,444,107
Interest on long-term debt	671,148	675,736	534,349	466,372	433,784	379,763	349,562	288,584	229,644	159,495
Total governmental activities	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	26,675,784
Business-type activities:										
Water/Sewer utility	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	10,567,785
Sanitation	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	4,263,877
Ambulance	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	2,871,324
Airport	28,960	30,063	34,120	28,465	51,733	50,676	54,275	60,483	79,037	56,111
Stormwater	477,990	525,931	536,941	626,936	569,393	807,738	745,440	804,390	803,587	1,084,011
Total business-type activities expenses	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	18,843,108
Total primary government expenses	\$ 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	\$ 45,518,892

Stormwater business-type activities began in 2010.



CITY OF MOSES LAKE
Changes in Revenues by Function

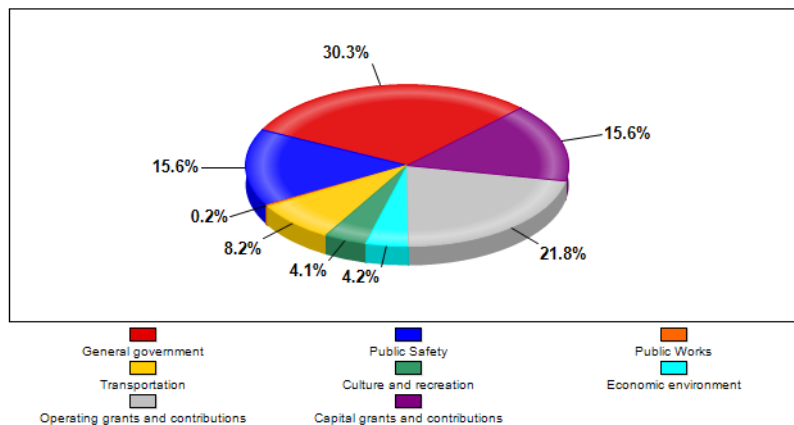
Last Ten Fiscal Years
(full accrual basis of accounting)

Table B-2
Page 2 of 3

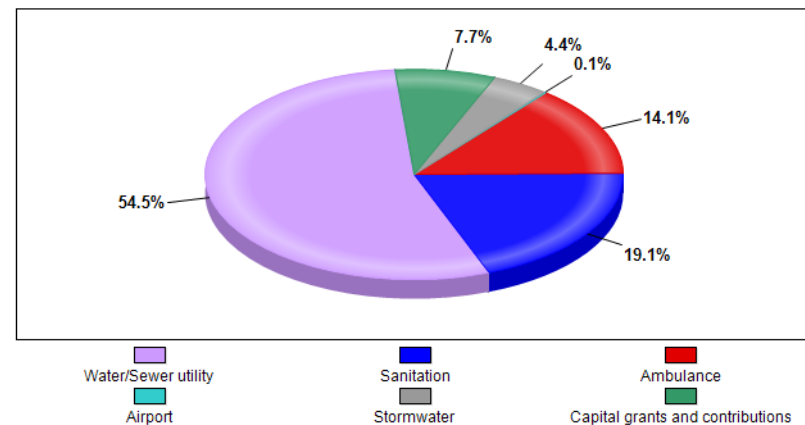
Program Revenues	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
Charges for service										
General government	\$ 987,186	\$ 1,121,967	\$ 725,822	\$ 875,769	\$ 1,345,013	\$ 1,634,010	\$ 1,740,377	\$ 2,030,384	\$ 2,154,722	\$ 2,598,912
Public Safety	1,335,433	1,556,924	1,595,284	1,792,009	1,741,676	1,169,764	365,690	1,605,448	1,670,375	1,340,120
Public Works	1,509,856	675,827	878,259	892,800	890,904	794,545	647,723	705,486	885,182	18,725
Transportation	904,680	675,203	737,332	837,828	545,861	848,254	612,678	632,892	897,225	707,597
Culture and recreation	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	354,277
Economic environment	123,220	121,754	113,687	252,263	278,124	319,852	199,155	222,551	228,341	363,429
Operating grants and contributions	292,896	449,067	361,653	150,649	127,382	64,704	404,959	490,031	562,036	1,871,262
Capital grants and contributions	1,451,525	-	579,474	161,390	680,345	680,361	330,692	1,232,883	1,779,918	1,336,566
Total governmental activities	8,062,697	6,024,474	6,323,971	6,276,406	6,885,098	7,037,522	5,682,998	8,439,685	9,710,156	8,590,888
Business-type activities:										
Charges for Services:										
Water/Sewer utility	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	13,187,520
Sanitation	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	4,635,921
Ambulance	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	3,412,782
Airport	36,191	32,932	30,501	287,798	(3,708)	25,979	26,934	27,071	26,836	30,311
Stormwater	762,632	739,803	758,053	777,967	812,510	841,820	884,091	899,525	945,145	1,073,936
Capital grants and contributions	5,100,566	554,823	1,593,186	1,016,032	663,416	1,563,213	761,301	1,544,633	931,904	1,871,162
Operating grants and contributions	-	-	-	-	-	-	-	10,657	11,575	-
Total Business-type activities program revenues	24,289,438	16,013,777	16,764,744	17,692,069	17,979,995	19,083,766	19,151,324	21,292,834	21,409,170	24,211,632
Total primary government program revenues	\$ 32,352,135	\$ 22,038,251	\$ 23,088,715	\$ 23,968,475	\$ 24,865,093	\$ 26,121,288	\$ 24,834,322	\$ 29,732,519	\$ 31,119,326	\$ 32,802,520

Stormwater business-type activities began in 2010.

2020 Governmental Revenues



2020 Business-Type Revenues



CITY OF MOSES LAKE
Changes in Net Position

Last Ten Fiscal Years
(full accrual basis of accounting)

Table B-2
Page 3 of 3

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (Expense)/Revenue										
Governmental activities	\$(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)	\$(18,084,896)
Business-type activities	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	5,368,524
Total primary government net expense	(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)	(12,716,372)

General Revenues and Other Changes in Net Position

Governmental Activities:

Taxes:

Property taxes

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 7,634,772

Retail sales and use taxes

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 10,893,551

Business taxes

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 4,656,414

Interest and investment earnings

288,222 239,762 226,262 240,015 297,594 234,809 265,747 477,889 680,542 149,929

Miscellaneous

- 1,158 1,025 3,312 130,773 234,809 114,184 15,262 20,337 12,199

Gain (Loss) on Asset Disposal

- - - - - - - 1,180,618 - (44,814)

Transfers, internal activities

(252,800) 1,647,200 247,200 293,164 425,660 425,660 425,660 425,660 425,660 441,387

Total governmental activities

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 23,743,438

Business-type activities:

Interest and investment earnings

26,888 33,173 196,703 173,727 155,982 234,809 129,770 106,223 61,785 39,731

Insurance recoveries

- - - 39,063 39,063 32,770 - - 199,832 -

Transfers, internal activities

252,800 (1,647,200) (247,200) (293,164) (425,660) (425,660) (425,660) (425,660) (425,660) (441,387)

Total business-type activities

279,688 (1,614,027) (50,497) (80,374) (230,615) (158,081) (295,890) (319,437) (164,043) (401,656)

Total Primary Government

17,936,786 16,552,170 14,408,470 14,678,234 15,420,811 18,966,150 19,650,952 22,290,575 23,059,241 23,341,782

Change in Net Position

Governmental Activities

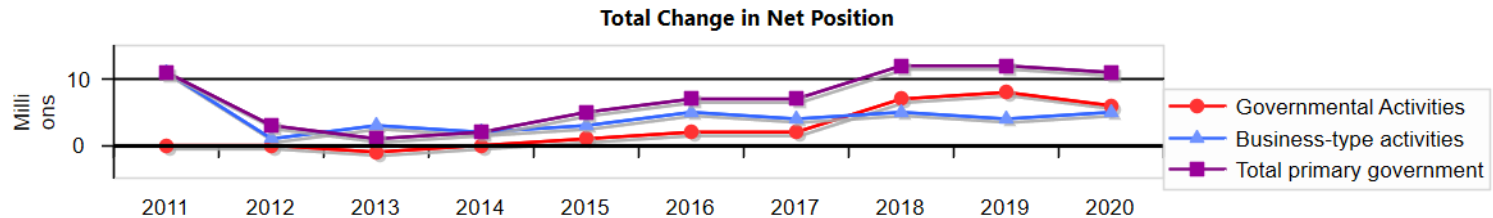
322,949 2,467,960 (1,391,244) 44,119 1,481,191 2,323,069 2,387,961 6,673,456 7,622,491 5,658,542

Business-Type Activities

11,091,134 907,896 2,726,476 2,222,496 3,162,011 4,840,080 4,375,154 4,973,948 3,901,953 4,966,868

Total Primary Government

\$ 11,414,083 \$ 3,375,856 \$ 1,335,232 \$ 2,266,615 \$ 4,643,202 \$ 7,163,149 \$ 6,763,115 \$ 11,647,404 \$ 11,524,444 \$ 10,625,410

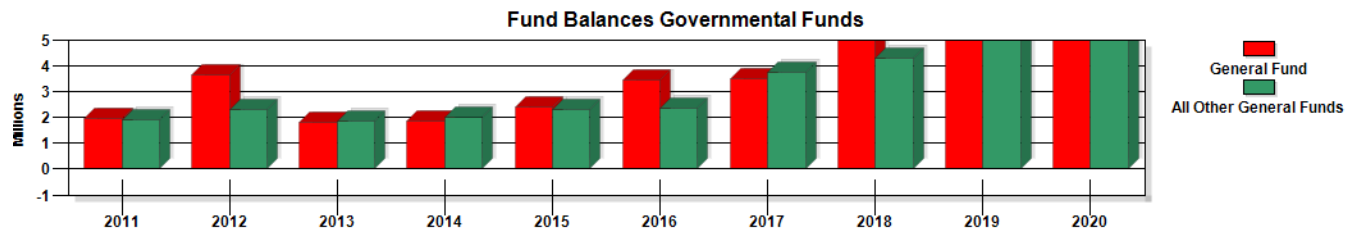


CITY OF MOSES LAKE
Fund Balances of Governmental Funds

Table B-3

		Last Ten Fiscal Years (modified basis of accounting)									
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General fund											
Nonspendable	**	\$ 1,227,411	\$ 1,384,505	\$ 1,545,650	\$ 1,738,030	\$ 1,828,476	\$ 244,583	\$ 150,858	\$ 114,131	\$ 77,685	\$ 45,430
Restricted	**	-	6,238	-	1,720	-	-	-	-	-	-
Committed	**	-	-	-	-	-	330,371	330,371	357,908	352,390	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	7,099,705
Total general fund		\$ 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	\$ 7,497,525
All other governmental funds											
Unreserved, reported in:											
Nonspendable	**	95,735	121,103	311,804	84,191	80,471	84,606	60,959	69,395	57,739	69,757
Restricted for:											
Public safety programs	**	-	9,061	32,606	59,909	194,270	285,722	54,507	243,434	390,544	516,212
Tourism	**	268,044	228,899	120,790	32,817	200,752	541,893	1,058,662	952,128	784,281	836,157
Debt service	**	294,317	175,955	165,826	164,276	190,273	184,723	184,488	184,705	184,455	184,380
Culture and recreation	**	-	85,346	128,452	179,140	194,946	556,876	986,672	1,163,813	1,195,507	584,830
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	607,214
Transportation	**	534,238	501,380	268,971	701,426	622,445	207,328	626,891	1,059,510	2,563,784	2,043,924
Assigned to transportation	**	-	446,658	148,293	347,661	358,011	434,646	671,874	611,427	667,778	705,107
Assigned to culture and recreation	**	-	446,658	148,293	347,661	358,011	62,082	-	-	-	-
Unassigned	**	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds		\$ 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	\$ 5,547,581

** GASB 54 fund balance reporting implemented in 2011



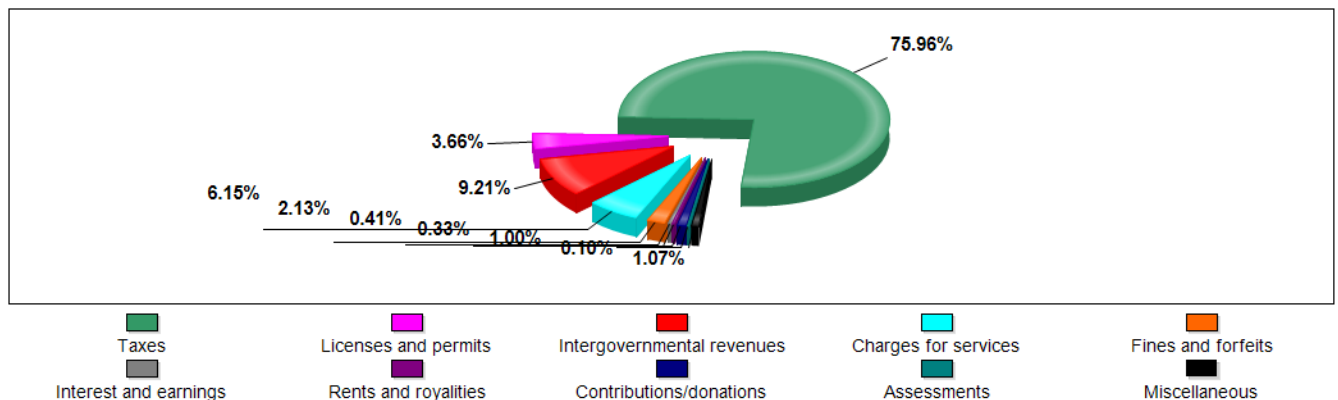
CITY OF MOSES LAKE
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

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

Table B-4

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	\$ 17,526	\$ 16,322	\$ 14,036	\$ 14,249	\$ 14,828	\$ 17,193	\$ 19,124	\$ 20,215	\$ 21,778	\$ 22,986
Licenses and permits	471	599	616	724	597	968	780	805	810	1,106
Intergovernmental revenues	1,301	1,463	1,236	1,249	1,309	1,343	1,681	1,963	3,223	2,786
Charges for services	3,925	2,969	3,061	3,314	3,722	3,379	3,057	3,498	4,085	1,862
Fines and forfeits	393	444	495	458	505	446	405	808	937	644
Interest and earnings	268	222	209	218	228	235	233	420	601	123
Rents and royalties	157	164	168	131	116	99	181	157	160	100
Contributions/donations	67	73	100	61	103	91	95	305	178	302
Assessments	93	17	93	30	22	50	19	49	51	29
Miscellaneous	6	81	32	21	17	40	31	82	48	323
Total revenues	24,207	22,354	20,046	20,455	21,447	23,843	25,605	28,302	31,870	30,261
Expenditures										
General government	2,080	1,950	2,056	1,871	2,090	2,513	2,611	2,683	3,018	3,143
Public safety	8,457	8,655	8,408	8,200	8,758	9,398	9,658	10,426	11,799	13,032
Public works	1,936	1,991	1,888	1,833	1,752	1,703	1,678	1,818	2,055	684
Transportation	2,811	2,016	2,587	1,778	1,997	2,802	3,267	4,059	3,254	3,380
Economic environment	788	819	1,050	1,058	1,116	1,165	1,185	1,206	1,283	1,812
Culture and recreation	5,605	5,440	5,567	4,960	4,701	5,190	5,366	5,672	6,190	5,336
Capital outlay	605	634	222	526	262	116	282	1,178	2,175	2,274
Debt Service										
Principal	561	579	228	231	239	247	129	275	288	296
Interest	265	236	215	180	176	153	134	127	94	85
Total expenditures	23,108	22,320	22,221	20,637	21,091	23,287	24,310	27,444	30,156	30,042
Excess (deficiency) of revenue over (under) expenditures	1,099	34	(2,175)	(182)	356	556	1,295	858	1,714	219
Other financing sources (uses)										
Transfers in	3,002	4,992	2,529	2,220	2,438	2,483	2,725	3,982	4,698	5,382
Transfers out	(3,329)	(3,418)	(2,355)	(2,001)	(2,013)	(2,073)	(2,299)	(3,557)	(4,272)	(5,056)
Sales of capital assets	74	22	1	8	8	-	22	710	-	12
Capital Contributions	-	-	-	-	-	-	-	-	-	-
Proceeds of long term debt	-	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)	(253)	1,623	175	227	459	410	448	1,136	426	338
Net change in fund balances	\$ 846	\$ 1,657	\$ (2,000)	\$ 45	\$ 814	\$ 966	\$ 1,743	\$ 1,993	\$ 2,140	\$ 557
Debt service as a percentage of noncapital expenditures	3.67 %	3.76 %	2.01 %	2.04 %	1.99 %	1.72 %	1.10 %	1.55 %	1.38 %	1.37 %

2020 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
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
2020	7,634,772	10,893,551	-	3,715,199	47,492	893,723	23,184,737

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

CITY OF MOSES LAKE

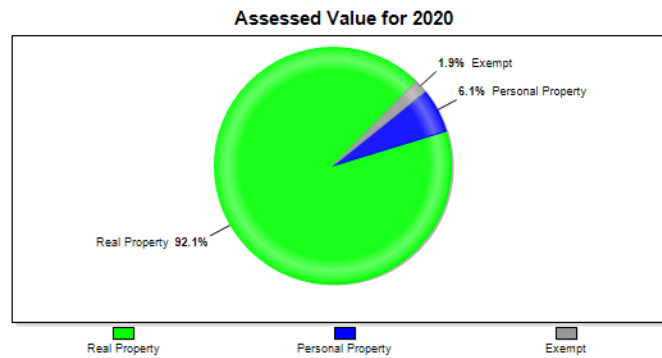
Assessed and Estimated Actual Value of Taxable Property

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				
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
2020	2,323,493,074	153,431,194	46,675,690	166,530	2,430,082,048	3.2875	2,847,455,232	85

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

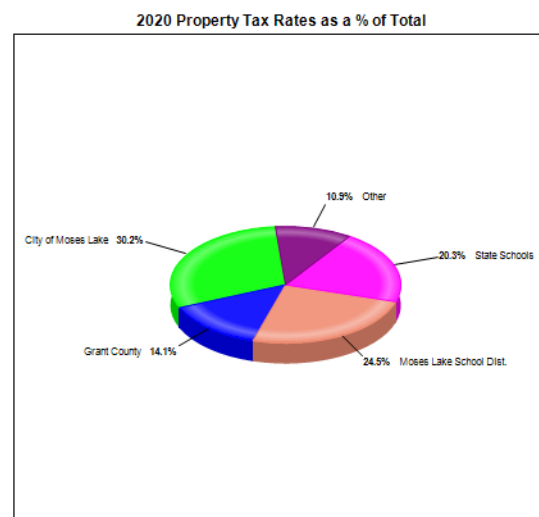
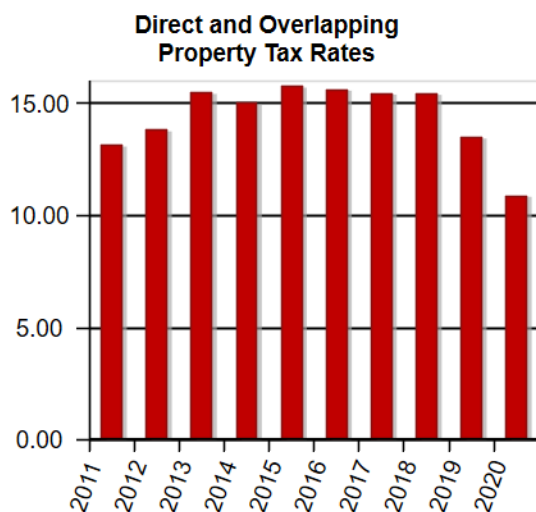
Last Ten Fiscal Years

Table C-2

Fiscal Year	City Tax Rate	Overlapping Rates						Total
	Moses Lake	Grant County	School District			Other		
	Direct Rate	Operating Rate	Operating Rate	Debt Service	Total School Rate	State School	Special Districts	
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
2020	3.288	1.532	1.535	1.135	2.670	2.207	1.188	10.885

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

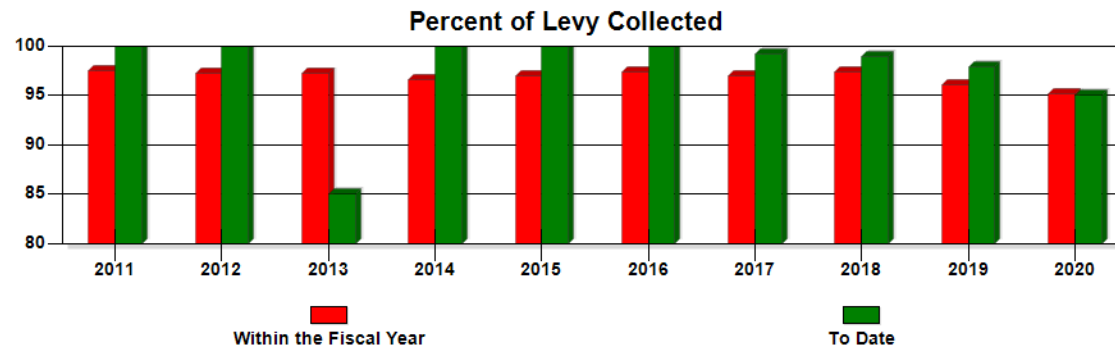
Tax Payer	Type of Business	2020		Percent of Total Assessed Value	2011		Percentage of Total Assessed Valuation
		Assessed Valuation	Rank		Assessed Valuation	Rank	
REC Solar Grade Silicon, LLC	Manufacturing	90,862,155	1	3.7 %	1,261,373,225	1	39.6 %
SGL Automotive Carbon Fibers, LLC	Manufacturing	82,870,830	2	3.4 %	-		- %
Moses Lake Industries Inc.	Chemicals	60,351,275	3	2.5 %	-		- %
Xyleco Realty WA, LLC	Prop Invest/Mngt	56,697,205	4	2.3 %	-		- %
Akzo Nobel Pulp and Performance Chemicals Inc.	Chemicals	30,467,585	5	1.3 %	-		- %
RS Titan, LLC Etal	Computer Networking	19,108,465	6	0.8 %	-		- %
Air Liquide Electronics US LP	Chemicals	19,010,740	7	0.8 %	-		- %
Moses Lake Travel Plaza LLC	Prop Invest/Mgmt	18,346,075	8	0.8 %	-		- %
Nelson Road Apartments, LLC	Apartments	17,424,457	9	0.7 %	-		- %
Vintage Apartments, LLC	Apartments	16,348,105	10	0.7 %	8,448,180	10	0.3 %
Chemicals Inc. (EKA Chemicals)	0	-	10	- %	28,171,575	2	0.9 %
REC ADV Silicon Materials, Inc	Manufacturing	-		- %	25,952,835	3	0.8 %
National Frozen Foods Corp	Food Processing	-		- %	21,319,005	4	0.7 %
Guardian Fiberglass	Manufacturing	-		- %	20,344,540	5	0.6 %
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	0.3 %
Weston Square	Apartments	-		- %	10,700,675	9	0.3 %
Total		<u>411,486,892</u>		<u>17.0 %</u>	<u>1,410,823,415</u>		<u>44.3 %</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	
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	137,005	7,302,378	98	158,555
2020	2,317,599,999	7,619,082	7,242,587	95.1	-	7,242,587	95	376,495



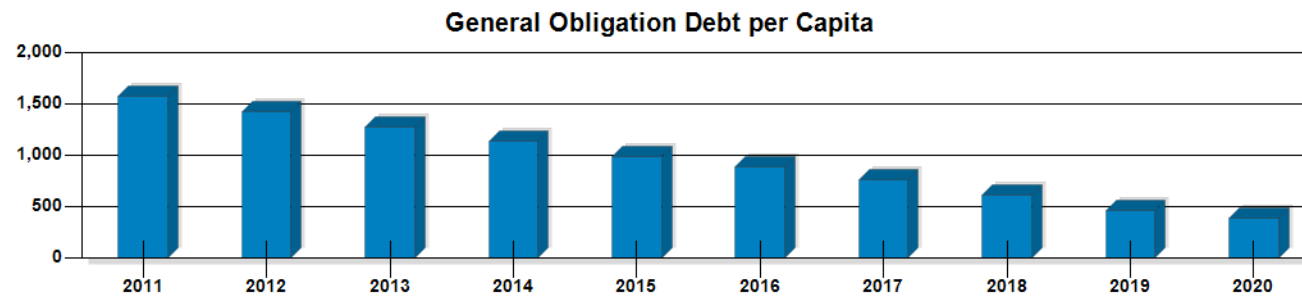
CITY OF MOSES LAKE
Ratios of Outstanding Debt by Type

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			
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
2020	4,147,914	121,214	3,885,000	396,667	1,091,104	-	9,641,899	0.79%	383

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

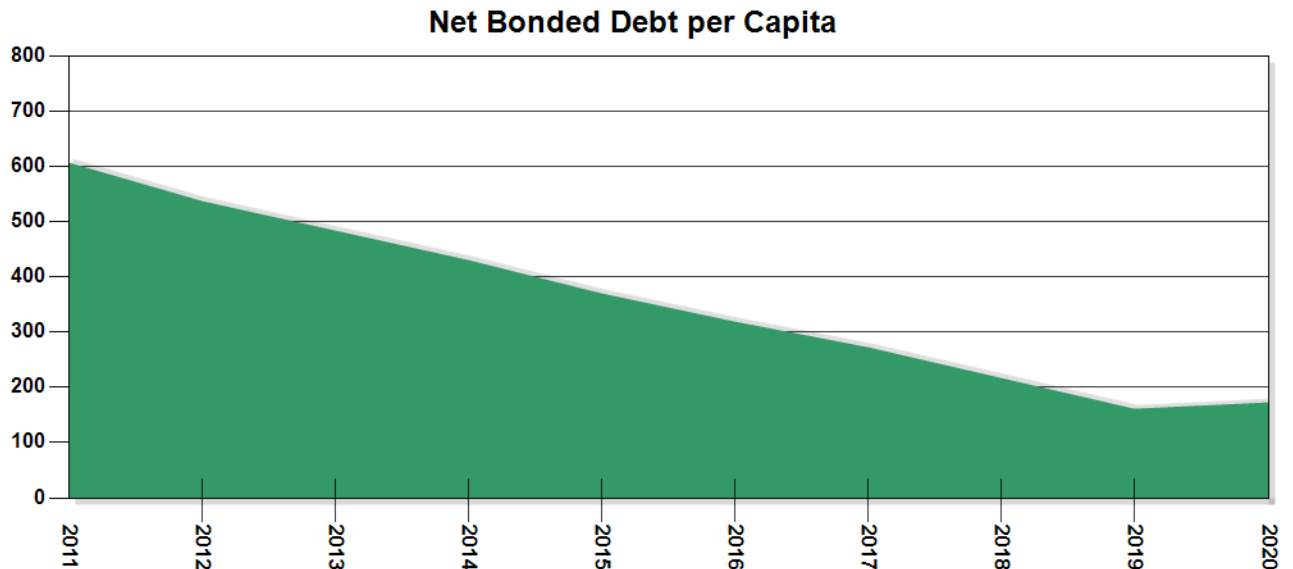


CITY OF MOSES LAKE
Ratios of General Bonded Debt Outstanding
To Assessed Value and Net Bonded Debt per Capita
Last Ten Fiscal Years

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
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
2020	25,146	2,430,082,048	4,544,581	184,380	4,360,201	0.18%	173

*Grant County Assessor: includes only taxable property



CITY OF MOSES LAKE
Direct and Overlapping Governmental Activities Debt
As of December 31, 2020

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	\$ 61,301,835	-%	\$ 34,506,803
Samaritan Hospital Dist. # 1	2,940,000	-%	1,511,160
Subtotal overlapping debt	<u>64,241,835</u>		<u>36,017,963</u>
Moses Lake direct debt	<u>4,544,581</u>		<u>4,544,581</u>
Total governmental direct and overlapping debt	<u>\$ 68,786,416</u>		<u>\$ 40,562,544</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 2020

Total assessed Value	\$ 2,430,082,048
Debt limit (7.5%) of total assessed value	182,256,154
I. General purpose legal debt margin	
a. Councilmanic debt (without a vote) 1.5% of total assessed value	36,451,231
Debt applicable to councilmanic limit	
General obligation bonds & other debt debt	4,544,581
Less: amount set aside for repayment of general obligation debt	(184,380)
Net debt applicable to councilmanic limit	<u>4,360,201</u>
Total legal debt margin - councilmanic	32,091,030
b. Voted general obligation debt (additional 1% Total assessed value)	24,300,820
Debt applicable to limit	-
II. Voted utility purposed debt (additional 2.5% total assessed value)	60,752,051
Debt applicable to limit	-
III. Voted open space and park debt (additional 2.5% total assessed value)	60,752,051
Debt applicable to limit	-
Total legal debt margin - all categories	<u><u>\$ 177,895,952</u></u>

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$ 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	\$ 182,256,154
Total net debt applicable to limit	15,107,932	13,964,977	12,794,255	11,842,393	10,409,855	9,961,804	9,010,868	5,060,295	3,910,545	4,360,201
Legal Debt Margin	<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>	<u>\$ 177,895,953</u>
Total net debt applicable to the limit as a percentage of debt limit	7.36 %	8.61 %	7.24 %	8.15 %	7.12 %	6.20 %	5.77 %	3.08 %	2.25 %	2.39 %

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

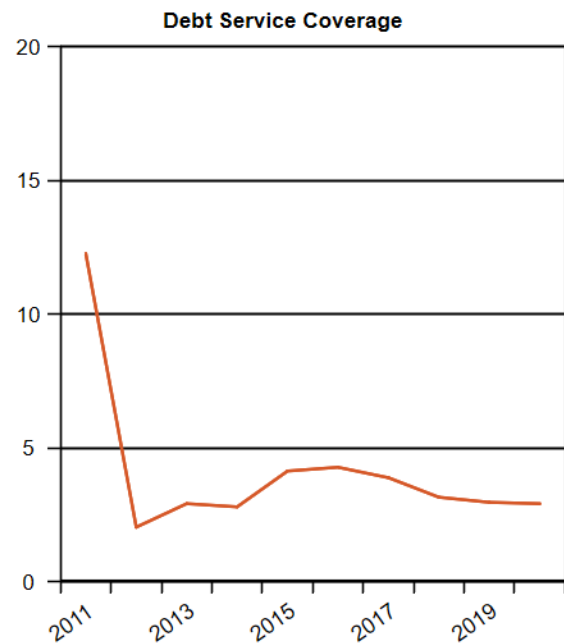
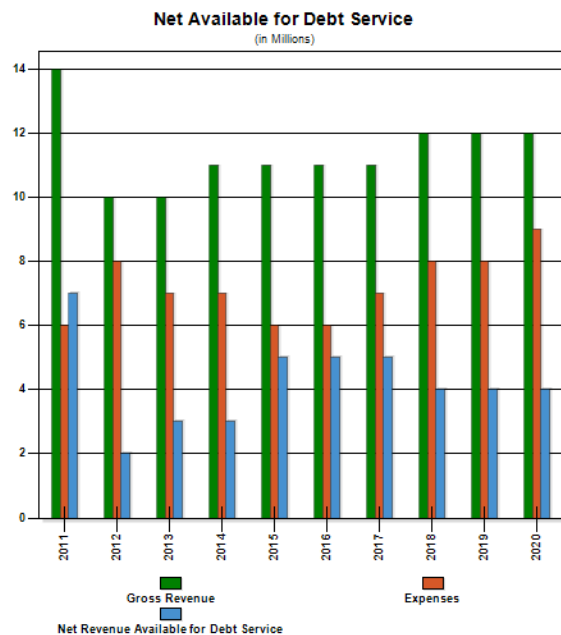
Table D-5

Year	Utility Revenues *	Expenses**	Net Revenue Available for Debt Service	Debt Service Requirements			Times Coverage
				Principal	Interest	Total	
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
2020	12,293,720	8,676,489	3,617,231	1,015,000	226,188	1,241,188	2.91

* 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, WASHINGTON

CITY OF MOSES LAKE, WASHINGTON
Demographic and Economic Statistics
Last Ten Fiscal Years

Table E-1

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
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
2020	25,146	4,816,651	48,468	32	8,984	8.8

Data Sources:

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

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

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

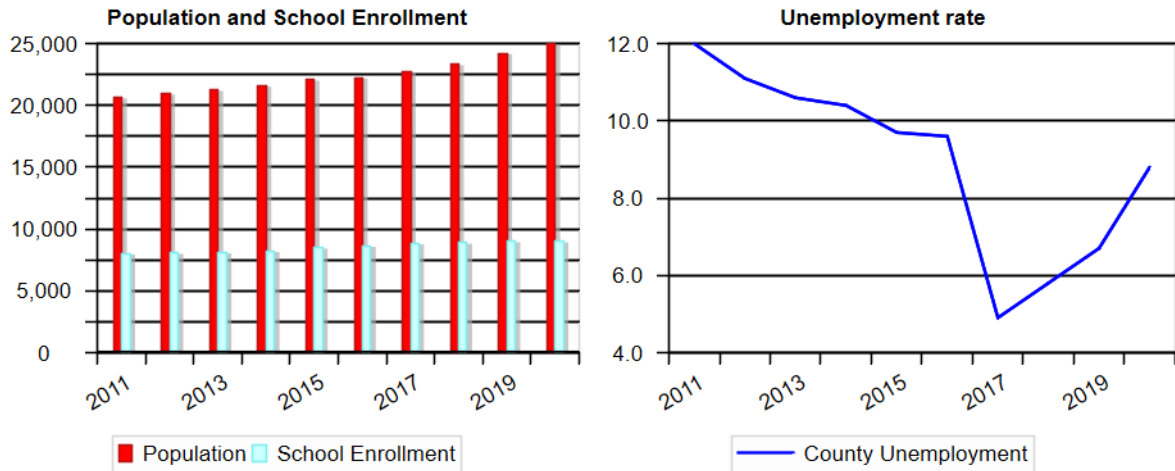
School Enrollment - Office of Superintendent of Public Instruction: reportcard.ospi.k12.wa.us/summary

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

**These figures are not currently available

CITY OF MOSES LAKE, WASHINGTON
Demographic and Economic Statistics
Last Ten Fiscal Years

Table E-1



CITY OF MOSES LAKE
Principal Employers

Current Year and Nine Years Ago

Table E-2

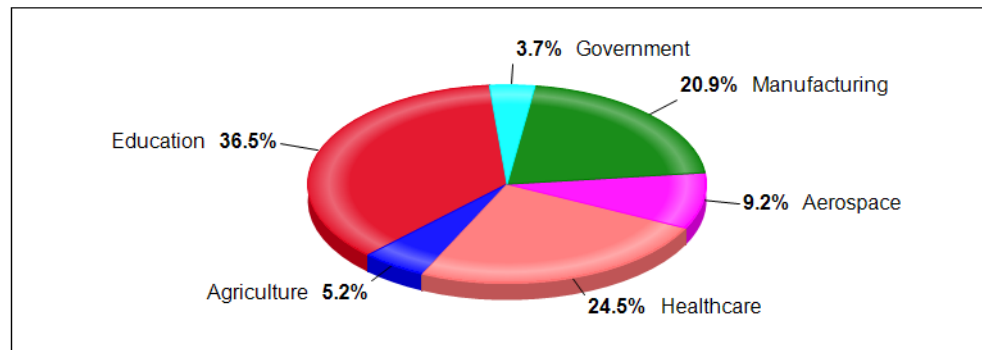
Employer	Business Type	2020			2011		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Moses Lake School District	Education	1,320	1	0%	974	1	0%
Samaritan Hospital	Healthcare	720	2	0	400	5	0
Genie Industries, Inc	Manufacturing	650	3	0%	600	3	0%
Moses Lake Industries Inc.	Manufacturing	375	4	0%	-	-	0%
Moses Lake Community Health	Healthcare	321	5	0	264	9	0
Confluence Health Moses Lake Clinic	Healthcare	310	6	0	-	-	0
J.R. Simplot Co./Nestle Brand	Agriculture	280	7	0	330	6	0
Basic American Foods	Agriculture	210	8	0	-	-	0
City of Moses Lake	Government	205	9	0	-	-	0
Big Bend Community College	Education	192	10	0%	300	7	0%
REC Silicon	Manufacturing	-	-	0%	650	2	0%
Wal-Mart	Retail	-	-	0%	430	4	0%
Moses Lake Clinic	Healthcare	-	-	0	266	8	0
Inflation Systems, Inc	Manufacturing	-	-	0%	250	10	0%
Total		4,583	-	-%	4,464	-	-%

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

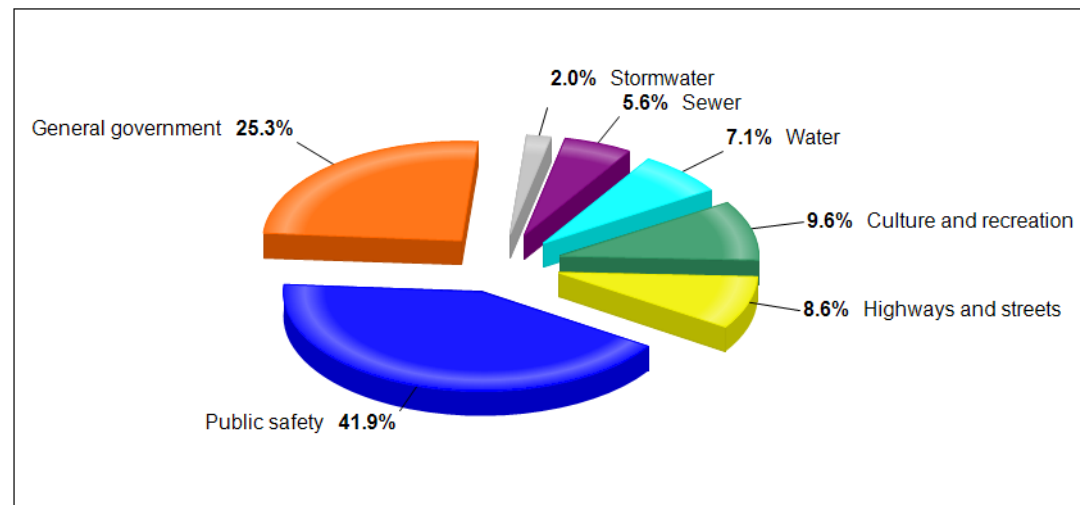
Last Ten Fiscal Years

Table F-1

Function:	Full-time Equivalent Employees as of December 31									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government	38	39	36	36	40	40	41	42	43	50
Public safety										
Police	39	43	40	40	40	40	42	45	46	46
Fire	35	33	33	32	30	31	32	32	36	37
Highways and streets										
Engineering	17	16	17	17	15	15	15	17	15	17
Maintenance	5	5	5	5	5	6	6	6	6	7
Sanitation	1	1	1	1	1	1	1	1	1	-
Culture and recreation	21	21	20	18	16	18	18	18	19	19
Water	13	13	16	15	16	14	17	16	17	14
Sewer	12	11	11	11	10	11	11	11	13	11
Stormwater	4	4	4	4	4	4	4	4	4	4
Total	185	186	183	179	177	180	187	192	200	205

Source: City of Moses Lake Annual Budget

2020 City Employees by Function



CITY OF MOSES LAKE
Operating Indicators by Function

Function	Last Ten Fiscal Years										Table F-2
	Fiscal Year										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
General Government											
Building permits issued	343	431	410	459	385	570	521	642	593	666	
Police											
DUI	83	133	94	80	149	121	88	148	65	66	
Parking violations	211	412	80	72	44	51	10	3	39	5	
Traffic violations	4,225	4,639	2,813	1,952	1,629	2,383	1,347	1,559	1,719	1,989	
Fire											
Fire responses	460	486	442	449	395	243	512	459	574	591	
Hazardous incidents	37	31	45	63	46	61	41	56	31	49	
Ambulance responses	3,326	3,405	3,257	3,528	3,424	3,204	3,342	2,981	3,815	3,383	
Inspections	2,403	300	850	542	1,364	702	652	1,960	1,690	-	
Culture and recreation											
Surf & slide water park	109,333	98,979	82,435	93,791	99,497	82,237	82,358	67,987	80,984	-	
Museum	12,848	10,368	8,853	8,207	10,347	13,931	15,817	14,641	10,062	3,509	
Water											
Number of commercial customers	1,099	1,071	1,118	1,133	1,152	1,170	1,181	1,197	1,501	1,548	
Number of residential customers	6,557	6,513	6,618	6,719	6,780	6,888	6,973	7,079	7,361	7,685	
New connections	75	104	95	103	118	109	142	104	153	126	
Water mains breaks	8	12	5	8	8	8	12	8	7	5	
Average daily consumption (millions of gallons)	8.300	7.500	8.200	8.700	7.833	7.900	8.130	8.480	7.540	8.500	
Wastewater											
Number of commercial customers	893	897	901	922	933	946	968	1,000	1,019	986	
Number of residential customers	6,641	6,718	6,796	6,916	7,004	7,118	7,234	7,360	7,547	6,932	
Average daily sewage treatment (mgpd)											
Sand Dunes	2.265	2.166	2.115	2.064	2.080	2.124	2.206	2.120	2.334	2.200	
Larson	0.326	0.326	0.329	0.312	0.321	0.311	0.318	0.361	0.316	0.300	

Sources: Various city departments

CITY OF MOSES LAKE

Capital Asset Statistics by Function

Last Ten Fiscal Years

Table F-3

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Function										
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	15	14	14	14	14	14	14	14	-	20
Fire stations	2	2	2	2	2	2	2	2	2	2
Highway and streets										
Streets (miles)	112	112	113	115	123	123	123	200	200	200
Traffic signals	35	35	35	35	14	14	14	16	16	16
Culture and Recreation										
Parks acreage	213	213	213	213	218	225	225	225	255	352
Parks	29	29	29	29	31	32	32	32	34	42
Swimming pools	1	1	1	1	1	1	1	1	1	1
Business-type Function										
Water										
Water main (miles)	159.8	162.1	163.5	163.5	170.0	171.0	171.0	185.0	190.0	193.0
Wells	19	19	19	19	18	19	19	18	19	19
Water storage (millions of gallons)	12	10	10	10	9	9	9	13	12.5	12.5
Sewer										
Sanitary sewer (miles)	150.3	150.6	150.8	153.2	163.0	163.0	163.0	163.3	163.6	163.6
Storm Water (miles)	12.6	12.8	13.0	13.0	13.0	30.0	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