



Office of the Washington State Auditor  
Pat McCarthy

# Financial Statements and Federal Single Audit Report

## City of Ellensburg

For the period January 1, 2021 through December 31, 2021

*Published September 15, 2022*

Report No. 1031074



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

September 15, 2022

Mayor and City Council  
City of Ellensburg  
Ellensburg, Washington

**Report on Financial Statements and Federal Single Audit**

Please find attached our report on the City of Ellensburg's financial statements and compliance with federal laws and regulations.

We are issuing this report in order to provide information on the City's financial condition.

Sincerely,

Pat McCarthy, State Auditor  
Olympia, WA

***Americans with Disabilities***

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# SCHEDULE OF FINDINGS AND QUESTIONED COSTS

## City of Ellensburg January 1, 2021 through December 31, 2021

### SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audit of the City of Ellensburg are summarized below in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

#### Financial Statements

We issued an unmodified opinion on the fair presentation of the City’s financial statements in accordance with its regulatory basis of accounting. Separately, we issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared using a basis of accounting other than GAAP.

Internal Control over Financial Reporting:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the City.

#### Federal Awards

Internal Control over Major Programs:

- *Significant Deficiencies:* We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- *Material Weaknesses:* We identified no deficiencies that we consider to be material weaknesses.

We issued an unmodified opinion on the City’s compliance with requirements applicable to each of its major federal programs.

We reported no findings that are required to be disclosed in accordance with 2 CFR 200.516(a).

## Identification of Major Federal Programs

The following programs were selected as major programs in our audit of compliance in accordance with the Uniform Guidance.

<u>CFDA No.</u>	<u>Program or Cluster Title</u>
20.509	Formula Grants for Rural Areas and Tribal Transit Program
20.509	COVID-19 – Formula Grants for Rural Areas and Tribal Transit Program
21.027	COVID-19 – Coronavirus State and Local Fiscal Recovery Funds

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by the Uniform Guidance, was \$750,000.

The City did not qualify as a low-risk auditee under the Uniform Guidance.

## SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

## SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

## INDEPENDENT AUDITOR'S REPORT

### Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

#### **City of Ellensburg January 1, 2021 through December 31, 2021**

Mayor and City Council  
City of Ellensburg  
Ellensburg, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the City of Ellensburg, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated September 8, 2022.

We issued an unmodified opinion on the fair presentation of the City's financial statements in accordance with its regulatory basis of accounting. We issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared by the City using accounting practices prescribed by state law and the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual described in Note 1, which is a basis of accounting other than GAAP. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

### **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **REPORT ON COMPLIANCE AND OTHER MATTERS**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **PURPOSE OF THIS REPORT**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this

report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive style with a large, sweeping initial "P".

Pat McCarthy, State Auditor

Olympia, WA

September 8, 2022



# INDEPENDENT AUDITOR'S REPORT

## Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

### City of Ellensburg January 1, 2021 through December 31, 2021

Mayor and City Council  
City of Ellensburg  
Ellensburg, Washington

## REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

### Opinion on Each Major Federal Program

We have audited the compliance of the City of Ellensburg, with the types of compliance requirements identified as subject to audit in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2021. The City's major federal programs are identified in the auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

### Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on

compliance for each major federal program. Our audit does not provide a legal determination on the City's compliance with the compliance requirements referred to above.

### **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

Performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances;
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed; and

- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## REPORT ON INTERNAL CONTROL OVER COMPLIANCE

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

### Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also

serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

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

Pat McCarthy, State Auditor

Olympia, WA

September 8, 2022

# INDEPENDENT AUDITOR'S REPORT

## Report on the Audit of the Financial Statements

### **City of Ellensburg January 1, 2021 through December 31, 2021**

Mayor and City Council  
City of Ellensburg  
Ellensburg, Washington

## **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

### **Unmodified and Adverse Opinions**

We have audited the financial statements of the City of Ellensburg, as of and for the year ended December 31, 2021, and the related notes to the financial statements, as listed in the table of contents.

### **Unmodified Opinion on the Regulatory Basis of Accounting (BARS Manual)**

As described in Note 1, the City has prepared these financial statements to meet the financial reporting requirements of state law and accounting practices prescribed by the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual. Those accounting practices differ from accounting principles generally accepted in the United States of America (GAAP). The differences in these accounting practices are also described in Note 1.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash and investments of the City of Ellensburg, and its changes in cash and investments, for the year ended December 31, 2021, on the basis of accounting described in Note 1.

### **Adverse Opinion on U.S. GAAP**

The financial statements referred to above were not intended to, and in our opinion, they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City of Ellensburg, as of December 31, 2021, or the changes in financial position or cash flows thereof for the year then ended, because of the significance of the matter discussed below.

## **Basis for Unmodified and Adverse Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit unmodified and adverse opinions.

## **Matter Giving Rise to Adverse Opinion on U.S. GAAP**

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. As described in Note 1 of the financial statements, the financial statements are prepared by the City in accordance with state law using accounting practices prescribed by the BARS Manual, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between the regulatory basis of accounting and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

## **Matters of Emphasis**

As discussed in Note 13 to the 2021 financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impacts on the City is unknown. Our opinion is not modified with respect to this matter.

## **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of state law and the BARS Manual described in Note 1. This includes determining that the basis of accounting is acceptable for the presentation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time; and
- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

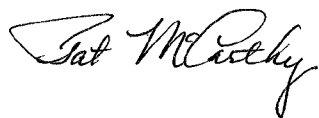
## Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The Schedule of Liabilities presented for

purposes of additional analysis. These schedules are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the Schedules are fairly stated, in all material respects, in relation to the financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 8, 2022 on our consideration of the City's internal control over financial reporting and on the tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

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Pat McCarthy, State Auditor

Olympia, WA

September 8, 2022



**City of Ellensburg  
January 1, 2021 through December 31, 2021**

**FINANCIAL STATEMENTS**

Fund Resources and Uses Arising from Cash Transactions – 2021  
Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2021  
Notes to Financial Statements – 2021

**SUPPLEMENTARY AND OTHER INFORMATION**

Schedule of Liabilities – 2021  
Schedule of Expenditures of Federal Awards – 2021  
Notes to the Schedule of Expenditures of Federal Awards – 2021

**City of Ellensburg**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2021**

		<b>Total for All Funds (Memo Only)</b>	<b>001 GENERAL FUND</b>	<b>120 STREET FUND</b>	<b>125 TRAFFIC IMPACT FEES</b>
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	57,882,769	8,155,875	3,343,130	793,183
388 / 588	Net Adjustments	30,703	30,703	-	-
<b>Revenues</b>					
310	Taxes	18,115,366	13,363,593	-	-
320	Licenses and Permits	837,648	832,103	5,545	-
330	Intergovernmental Revenues	6,271,380	3,748,592	1,764,331	-
340	Charges for Goods and Services	49,043,144	1,513,126	568,892	261,876
350	Fines and Penalties	67,325	63,084	-	-
360	Miscellaneous Revenues	1,252,917	242,094	96,460	648
Total Revenues:		<u>75,587,780</u>	<u>19,762,592</u>	<u>2,435,228</u>	<u>262,524</u>
<b>Expenditures</b>					
510	General Government	6,352,279	1,669,576	88,346	-
520	Public Safety	6,223,480	5,038,038	-	-
530	Utilities	31,678,242	-	-	-
540	Transportation	6,167,717	948,626	2,229,700	30,429
550	Natural/Economic Environment	2,032,759	1,608,916	-	-
560	Social Services	171,270	171,270	-	-
570	Culture and Recreation	3,602,986	3,602,986	-	-
Total Expenditures:		<u>56,228,733</u>	<u>13,039,412</u>	<u>2,318,046</u>	<u>30,429</u>
Excess (Deficiency) Revenues over Expenditures:		19,359,047	6,723,180	117,182	232,095
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	3,758,500	-	-	-
397	Transfers-In	3,942,801	-	2,834,080	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	5,103,291	1,620,041	1,157	-
Total Other Increases in Fund Resources:		<u>12,804,592</u>	<u>1,620,041</u>	<u>2,835,237</u>	<u>-</u>
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	9,645,453	6,119	2,241,988	-
591-593, 599	Debt Service	4,126,298	21,908	-	-
597	Transfers-Out	3,942,801	3,707,233	-	235,568
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	2,705,294	365,494	-	-
Total Other Decreases in Fund Resources:		<u>20,419,846</u>	<u>4,100,754</u>	<u>2,241,988</u>	<u>235,568</u>
<b>Increase (Decrease) in Cash and Investments:</b>		<b><u>11,743,793</u></b>	<b><u>4,242,467</u></b>	<b><u>710,431</u></b>	<b><u>(3,473)</u></b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	18,442,110	2,747,985	392,565	694,147
50841	Committed	194,830	83,061	-	-
50851	Assigned	42,764,542	1,342,204	3,660,994	95,564
50891	Unassigned	8,255,793	8,255,793	-	-
<b>Total Ending Cash and Investments</b>		<b><u>69,657,275</u></b>	<b><u>12,429,043</u></b>	<b><u>4,053,559</u></b>	<b><u>789,711</u></b>

**City of Ellensburg**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2021**

	127 TRANSPORTATI ON BENEFIT	130 CRIMINAL JUSTICE FUND	137 DRUG FUND	150 CATV OPERATIONS FUND	
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	2,392,579	2,241,725	31,899	115,277
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	1,358,736	1,441,205	-	90,952
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	331,323	-	-	-
340	Charges for Goods and Services	75,000	-	-	-
350	Fines and Penalties	-	-	4,241	-
360	Miscellaneous Revenues	11,349	6,501	30	1,247
	Total Revenues:	1,776,408	1,447,706	4,271	92,199
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	1,170,263	4,553	-
530	Utilities	-	-	-	-
540	Transportation	1,571,801	-	-	-
550	Natural/Economic Environment	-	61,743	-	95,707
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
	Total Expenditures:	1,571,801	1,232,006	4,553	95,707
	Excess (Deficiency) Revenues over Expenditures:	204,607	215,700	(282)	(3,508)
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	37,837	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
	Total Other Increases in Fund Resources:	37,837	-	-	-
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	51,892	37,967	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
	Total Other Decreases in Fund Resources:	51,892	37,967	-	-
	<b>Increase (Decrease) in Cash and Investments:</b>	<b>190,552</b>	<b>177,733</b>	<b>(282)</b>	<b>(3,508)</b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	2,416,345	2,339,513	28,780	-
50841	Committed	-	-	-	111,769
50851	Assigned	166,785	79,947	2,837	-
50891	Unassigned	-	-	-	-
	<b>Total Ending Cash and Investments</b>	<b>2,583,130</b>	<b>2,419,460</b>	<b>31,617</b>	<b>111,769</b>

**City of Ellensburg**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2021**

		<b>160 PARK ACQUISITION FUND</b>	<b>165 LODGING TAX FUND</b>	<b>172 HOUSING FUND</b>	<b>210 DEBT SERVICE FUND</b>
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	461,566	310,751	1,571,051	362,378
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	-	517,230	769,231	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	231,945	-	-	-
340	Charges for Goods and Services	227,420	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	1,110	4,211	1,996	-
Total Revenues:		460,475	521,441	771,227	-
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	266,393	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	266,393	-	-
Excess (Deficiency) Revenues over Expenditures:		460,475	255,048	771,227	-
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	203,184
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	-	203,184
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	619	-	-	-
591-593, 599	Debt Service	-	-	-	203,184
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		619	-	-	203,184
<b>Increase (Decrease) in Cash and Investments:</b>		<b>459,856</b>	<b>255,048</b>	<b>771,227</b>	<b>-</b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	872,987	500,505	2,319,293	-
50841	Committed	-	-	-	-
50851	Assigned	48,435	65,294	22,985	362,378
50891	Unassigned	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>921,422</b>	<b>565,799</b>	<b>2,342,278</b>	<b>362,378</b>

**City of Ellensburg**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2021**

	<b>225 2010 DEBT SERVICE FUND</b>	<b>230 2003 LIBRARY CONSTR DEBT</b>	<b>340 '17 Facility Bond Capital Proj</b>	<b>366 SIDEWALK FUND</b>	
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	39,772	95,848	536,090	736,926
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	-	175,758	-	398,661
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	63	-	-	3,481
Total Revenues:		63	175,758	-	402,142
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	-	692	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	151,772
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	692	151,772
Excess (Deficiency) Revenues over Expenditures:		63	175,758	(692)	250,370
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	1,704,300	-	-	-
397	Transfers-In	217,700	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		1,922,000	-	-	-
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	-	-	13,764	-
591-593, 599	Debt Service	1,901,017	180,800	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		1,901,017	180,800	13,764	-
<b>Increase (Decrease) in Cash and Investments:</b>		<b>21,046</b>	<b>(5,042)</b>	<b>(14,456)</b>	<b>250,370</b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	85,433	-	892,141
50841	Committed	-	-	-	-
50851	Assigned	60,818	5,374	521,635	95,156
50891	Unassigned	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>60,818</b>	<b>90,807</b>	<b>521,635</b>	<b>987,297</b>

**City of Ellensburg**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2021**

	431 STORMWATER UTILITY FUND	451 TELECOMM. UTILITY FUND	461 NATURAL GAS UTILITY FUND	471 ELECTRIC UTILITY FUND	
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	1,262,827	247,248	2,645,395	10,432,958
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	171,011	4,903	-	-
340	Charges for Goods and Services	1,389,793	391,900	9,389,463	18,153,317
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	5,114	2,415	29,719	120,456
	Total Revenues:	1,565,918	399,218	9,419,182	18,273,773
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	1,395,495	197,202	7,035,631	14,949,751
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
	Total Expenditures:	1,395,495	197,202	7,035,631	14,949,751
	Excess (Deficiency) Revenues over Expenditures:	170,423	202,016	2,383,551	3,324,022
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	2,000,000	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	423,014	1,238,070
	Total Other Increases in Fund Resources:	2,000,000	-	423,014	1,238,070
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	40,733	181,984	1,041,846	1,677,162
591-593, 599	Debt Service	87,296	19,072	52,115	602,925
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	410,401	889,592
	Total Other Decreases in Fund Resources:	128,029	201,056	1,504,362	3,169,679
	<b>Increase (Decrease) in Cash and Investments:</b>	<b>2,042,394</b>	<b>960</b>	<b>1,302,203</b>	<b>1,392,413</b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	2,534,436	-	175,370	871,693
50841	Committed	-	-	-	-
50851	Assigned	770,785	248,206	3,772,230	10,953,678
50891	Unassigned	-	-	-	-
	<b>Total Ending Cash and Investments</b>	<b>3,305,221</b>	<b>248,206</b>	<b>3,947,600</b>	<b>11,825,371</b>

**City of Ellensburg**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2021**

	<b>481 WATER UTILITY FUND</b>	<b>491 SEWER UTILITY FUND</b>	<b>531 SHOP FUND</b>	<b>540 HEALTH/BENEF ITS FUND</b>	
<b>Beginning Cash and Investments</b>					
308	Beginning Cash and Investments	6,629,958	3,737,101	8,312,481	997,240
388 / 588	Net Adjustments	-	-	-	-
<b>Revenues</b>					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	19,275	-	-	-
340	Charges for Goods and Services	5,447,702	4,510,645	2,452,291	2,032,551
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	418,835	202,698	80,245	15,610
	Total Revenues:	5,885,812	4,713,343	2,532,536	2,048,161
<b>Expenditures</b>					
510	General Government	-	-	-	2,873,663
520	Public Safety	-	-	-	-
530	Utilities	4,194,198	3,905,965	-	-
540	Transportation	-	-	1,235,389	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
	Total Expenditures:	4,194,198	3,905,965	1,235,389	2,873,663
	Excess (Deficiency) Revenues over Expenditures:	1,691,614	807,378	1,297,147	(825,502)
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	29,539	24,661	-	-
397	Transfers-In	-	-	-	650,000
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	531,300	540,465	5,175	494,911
	Total Other Increases in Fund Resources:	560,839	565,126	5,175	1,144,911
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	1,664,922	1,770,229	907,177	-
591-593, 599	Debt Service	666,301	391,680	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	515,458	524,349	-	-
	Total Other Decreases in Fund Resources:	2,846,681	2,686,258	907,177	-
	<b>Increase (Decrease) in Cash and Investments:</b>	<b>(594,228)</b>	<b>(1,313,754)</b>	<b>395,145</b>	<b>319,409</b>
<b>Ending Cash and Investments</b>					
50821	Nonspendable	-	-	-	-
50831	Restricted	843,140	727,777	-	-
50841	Committed	-	-	-	-
50851	Assigned	5,192,592	1,695,573	8,707,627	1,316,650
50891	Unassigned	-	-	-	-
	<b>Total Ending Cash and Investments</b>	<b>6,035,732</b>	<b>2,423,350</b>	<b>8,707,627</b>	<b>1,316,650</b>

**City of Ellensburg**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2021**

		<b>545 RISK MANAGEMENT FUND</b>	<b>550 IT FUND</b>
<b>Beginning Cash and Investments</b>			
308	Beginning Cash and Investments	1,201,903	1,227,608
388 / 588	Net Adjustments	-	-
<b>Revenues</b>			
310	Taxes	-	-
320	Licenses and Permits	-	-
330	Intergovernmental Revenues	-	-
340	Charges for Goods and Services	687,191	1,941,977
350	Fines and Penalties	-	-
360	Miscellaneous Revenues	1,667	6,968
Total Revenues:		688,858	1,948,945
<b>Expenditures</b>			
510	General Government	712,241	1,008,453
520	Public Safety	9,934	-
530	Utilities	-	-
540	Transportation	-	-
550	Natural/Economic Environment	-	-
560	Social Services	-	-
570	Culture and Recreation	-	-
Total Expenditures:		722,175	1,008,453
Excess (Deficiency) Revenues over Expenditures:		(33,317)	940,492
<b>Other Increases in Fund Resources</b>			
391-393, 596	Debt Proceeds	-	-
397	Transfers-In	-	-
385	Special or Extraordinary Items	-	-
381, 382, 389, 395, 398	Other Resources	249,158	-
Total Other Increases in Fund Resources:		249,158	-
<b>Other Decreases in Fund Resources</b>			
594-595	Capital Expenditures	-	9,051
591-593, 599	Debt Service	-	-
597	Transfers-Out	-	-
585	Special or Extraordinary Items	-	-
581, 582, 589	Other Uses	-	-
Total Other Decreases in Fund Resources:		-	9,051
<b>Increase (Decrease) in Cash and Investments:</b>		<b>215,841</b>	<b>931,441</b>
<b>Ending Cash and Investments</b>			
50821	Nonspendable	-	-
50831	Restricted	-	-
50841	Committed	-	-
50851	Assigned	1,417,745	2,159,050
50891	Unassigned	-	-
<b>Total Ending Cash and Investments</b>		<b>1,417,745</b>	<b>2,159,050</b>

The accompanying notes are an integral part of this statement.



**City of Ellensburg**  
**Fiduciary Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2021**

		<u>Custodial</u>
308	Beginning Cash and Investments	1,791
388 & 588	Net Adjustments	-
310-390	Additions	71,378
510-590	Deductions	<u>56,948</u>
	Net Increase (Decrease) in Cash and Investments:	14,430
508	Ending Cash and Investments	16,221

*The accompanying notes are an integral part of this statement.*

**City of Ellensburg, Washington**  
**Notes to the Financial Statements**  
**For the year ended December 31, 2021**

**Note 1 - Summary of Significant Accounting Policies**

The City of Ellensburg was incorporated on November 26, 1883, and operates under the laws of the state of Washington applicable to a Noncharter Code City. The City is a general-purpose local government and provides public safety, animal control, street improvement, transit services, parks and recreation, library services, planning and zoning, and general administration.

The City reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances for proprietary and fiduciary funds are presented using classifications that are different from the ending net position classifications in GAAP.

A. Fund Accounting

Financial transactions of the government are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues, and expenditures. The government's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements, except for fiduciary funds, which are presented by fund types. The total column is presented as "memo only" because any interfund activities are not eliminated. The following fund types are used:

GOVERNMENTAL FUND TYPES:

General Fund

This fund is the primary operating fund of the government. It accounts for all financial resources except those required or elected to be accounted for in another fund.

Special Revenue Funds

These funds account for specific revenue sources that are restricted or committed to expenditures for specified purposes of the government.

Debt Service Funds

These funds account for the financial resources that are restricted, committed, or assigned to expenditures for principal, interest and related costs on general long-term debt.

### Capital Projects Funds

These funds account for financial resources which are restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets.

### PROPRIETARY FUND TYPES:

#### Enterprise Funds

These funds account for operations that provide goods or services to the general public and are supported primarily through user charges.

#### Internal Service Funds

These funds account for operations that provide goods or services to other departments or funds of the government on a cost reimbursement basis.

### FIDUCIARY FUND TYPES:

Fiduciary funds account for assets held by the government in a trustee capacity or as a custodian on behalf of others.

#### Custodial Funds

These funds are used to account assets that the government holds on behalf of others in a custodial capacity.

### B. Basis of Accounting and Measurement Focus

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received, and expenditures are recognized when paid.

In accordance with state law the City also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

### C. Cash and Investments

See Note 2, *Deposits and Investments*.

### D. Capital Assets

Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of 1 year. Capital assets and inventory are recorded as capital expenditures or supplies as appropriate when purchased.

### E. Compensated Absences

Vacation leave may be accumulated up to 30 days, is payable upon separation, retirement, or death. Paid time off (PTO) has a maximum accumulation dependent on years of service. Sick leave may be accumulated indefinitely. Upon separation or retirement, employees do not receive payment for unused sick leave. Payments are recognized as expenditures when paid.

F. Long-Term Debt

See Note 6, *Long-term Debt*.

G. Restricted and Committed Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments is reported as restricted or committed when it is subject to restrictions on use imposed by external parties or due to internal commitments established by City Council ordinance or resolution. When expenditures that meet restrictions are incurred, the City intends to use the most restricted resources first.

Restrictions and commitments of Ending Cash and Investments consist of:

Fund	Amount	Reason
General	2,831,046	External Restriction/Restrictions by Donors/COVID 19 Grant
Street	392,565	Unexpended portion of Complete Streets Award Program
Traffic Impact Fees	694,147	Traffic Impact Fees Restricted by law RCW 82.02.050
Transportation Benefit District	2,416,345	RCW 82.14.045 Voter approved sales tax
Criminal Justice	2,339,513	Local Criminal Justice Tax RCW 82.14.340(4)-(5)
Drug Fund	28,780	RCW 69.50.505
CATV Operations Fund	111,769	Cable TV Utility Tax
Park Acquisition	872,987	Gas tax is externally restricted RCW 46.68.110/RCW 47.24.040
Lodging Tax	500,505	RCW 67.28.180
Housing	2,319,293	RCW 82.14.045 Voter Approved Sales Tax & State Affordable Housing Credit
Debt Service - Library Bond	85,433	Bond Reserve Requirements
Capital Fund - Sidewalk Fund	892,141	Capital Projects identified in RCW 82.46.030 and 82.45.180
Enterprise - Stormwater	2,534,436	Bond Reserve Requirements
Enterprise - Natural Gas Utility	175,370	Bond Reserve Requirements
Enterprise - Electric Utility	871,693	Bond Reserve Requirements
Enterprise - Water Utility	843,140	Bond Reserve Requirements
Enterprise - Sewer Utility	727,777	Bond Reserve Requirements

**Note 2 – Deposits and Investments**

Investments are reported at original cost. Deposits and Investments by type at December 31, 2021, are as follows:

Type of Investment	City of Ellensburg's Own Deposits and Investments	Deposits held by City of Ellensburg as custodian for individuals	Total
Bank deposits	2,800,306	16,221	2,816,527
L.G.I.P.	46,868,103		46,868,103
U.S. Government securities	19,988,863		19,988,863
<b>Total</b>	<b>69,657,272</b>	<b>16,221</b>	<b>69,673,493</b>

It is the city's policy to invest all temporary cash surpluses. The interest on the LGIP investment is prorated to the various funds and the investments held by fund retains the investment income.

### Investments in the State Local Government Investment Pool (LGIP)

The City is a voluntary participant in the Local Government Investment Pool, an external investment pool operated by the Washington State Treasurer. The pool is not rated and not registered with the SEC. Rather, oversight is provided by the State Finance Committee in accordance with Chapter 43.250 RCW. Investments in the LGIP are reported at amortized cost, which is the same as the value of the pool per share. The LGIP does not impose any restrictions on participant withdrawals.

The Office of the State Treasurer prepares a stand-alone financial report for the pool. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at [www.tre.wa.gov](http://www.tre.wa.gov).

### Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in event of a failure of a depository financial institution, the City would not be able to recover deposits or would not be able to recover collateral securities that are in possession of an outside party. The City's deposits and certificates of deposit are mostly covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

All investments are insured, registered, or held by the City or its agent in the government's name.

### Compensating Balances

The amounts previously referred to as bank balance, also includes a compensating balance maintained with U.S. Bank in lieu of payments for services rendered. The average compensating balance maintained during 2021 was approximately \$5,433,709.

## **Note 3 – Budget Compliance**

### A. Budgets

The City adopts biennial appropriated budgets for thirty-five funds. These budgets are appropriated at the fund level. Several managerial funds, combined for annual financial reporting purposes, are appropriated as separate funds. The budget constitutes the legal authority for expenditures at that level. Biennial appropriations for these funds lapse at the fiscal year end.

Biennial appropriated budgets are adopted on the same basis of accounting as used for financial reporting. Intrafund transactions between managerial funds are reported both as appropriated and actual expenditures in the table below.

The appropriated and actual expenditures for the legally adopted budgets were as follow:

	2021 Exp Orig Budget	2021 Exp Final Budget	2021 Exp Actuals	2021 Exp Admin Reimb.	2021 Exp 400/441 Reallocation	2021 Exp Actuals less Admin and 400/411 Allocations	Variance
<b>Total General Fund</b>	\$16,567,259	\$17,090,601	\$13,374,917	-\$2,263,250	\$0	\$15,638,167	\$1,452,434
<b>Budgeted General Sub-Funds</b>							
Sales Tax	4,715,073	4,730,073	4,715,073	0	0	4,715,073	15,000
Economic Development	0	4,000	3,151	0	0	3,151	849
CARES/ARPA Grants	0	3,243,352	947,676	0	0	947,676	2,295,676
Art Acquisitions	62,593	92,134	78,845	0	0	78,845	13,288
<b>Total Budgeted General Sub-Funds</b>	<b>4,777,666</b>	<b>8,069,558</b>	<b>5,744,745</b>	<b>0</b>	<b>0</b>	<b>5,744,745</b>	<b>2,324,813</b>
<b>Special Revenue Funds:</b>							
Street	2,865,794	2,985,173	2,311,431	0	0	2,311,431	673,742
Arterial Street	9,444,000	10,976,282	2,248,603	0	0	2,248,603	8,727,679
Traffic Impact Fee	272,400	609,376	265,996	0	0	265,996	343,380
Ellensburg Public Transit	1,838,862	1,933,995	1,623,693	0	0	1,623,693	310,302
Criminal Justice	1,232,944	1,392,147	1,269,972	0	0	1,269,972	122,175
Drug	15,000	15,000	4,553	0	0	4,553	10,447
CATV Ops. and Maint.	104,171	104,171	95,707	0	0	95,707	8,464
Park Acquisitions	100,000	175,000	619	0	0	619	174,381
Lodging Tax	302,351	302,351	266,393	0	0	266,393	35,958
Housing & Related Services	1,722,500	1,722,500	0	0	0	0	1,722,500
<b>Total Special Revenue Funds</b>	<b>17,898,022</b>	<b>20,215,995</b>	<b>8,086,969</b>	<b>0</b>	<b>0</b>	<b>8,086,969</b>	<b>12,129,026</b>
<b>Debt Service Funds</b>							
Capital Imprv. Debt	203,184	203,184	203,184	0	0	203,184	0
2010 Maintenance Bond	217,700	1,901,019	1,901,017	0	0	1,901,017	2
Library Bond Debt	181,100	181,100	180,800	0	0	180,800	300
<b>Total Debt Service Funds</b>	<b>601,984</b>	<b>2,285,303</b>	<b>2,285,001</b>	<b>0</b>	<b>0</b>	<b>2,285,001</b>	<b>302</b>
<b>Capital Project Funds</b>							
Capital Imprv. Bond Projects	0	536,090	14,456	0	0	14,456	521,635
Sidewalk Improvements	413,000	430,101	151,772	0	0	151,772	278,330
<b>Total Capital Project Funds</b>	<b>413,000</b>	<b>966,192</b>	<b>166,227</b>	<b>0</b>	<b>0</b>	<b>166,227</b>	<b>799,965</b>
<b>Trust &amp; Agency Funds</b>							
Library Trust	8,800	8,800	175	0	0	175	8,625
Hal Holmes Trust	10,000	10,000	0	0	0	0	10,000
Fire Relief & Pension Trust	127,944	147,944	134,309	0	0	134,309	13,635
<b>Total Trust &amp; Agency Funds</b>	<b>146,744</b>	<b>166,744</b>	<b>134,484</b>	<b>0</b>	<b>0</b>	<b>134,484</b>	<b>32,260</b>
<b>Enterprise Funds</b>							
Stormwater	1,896,311	2,035,265	1,523,524	0	0	1,523,524	511,741
Stormwater Bond	1,400,000	1,400,000	0	0	0	0	1,400,000
Telecommunications	313,493	399,397	398,259	0	0	398,259	1,138
Gas	8,493,433	8,935,306	8,539,992	0	410,401	8,129,591	805,714
Light	20,809,350	21,089,317	18,119,430	0	889,592	17,229,839	3,859,479
Water	11,451,490	11,834,578	7,050,508	0	515,458	6,535,050	5,142,651
Water Construction	3,200,000	3,200,000	15,031	0	0	15,031	3,341,846
Sewer	9,340,593	9,920,506	6,592,222	0	524,349	6,067,873	3,852,633
<b>Total Enterprise Funds</b>	<b>56,904,670</b>	<b>58,814,368</b>	<b>42,238,965</b>	<b>0</b>	<b>2,339,799</b>	<b>39,899,166</b>	<b>18,915,202</b>
<b>Internal Service Funds</b>							

The City of Ellensburg reported the Utility Deposit Fund (441) as a separate unbudgeted fund until the Office of the State Auditor asserted those funds to be managerial funds of the distinct Utility Funds. Deposits are not collected by the separate funds. The City established a percentage allocation based on revenue. The resulting revenues and expenditures are a result of complying with the allocation of deposits for annual financial reporting purposes only, and not for purposes of enterprise fund budget compliance. The utility funds do not collect this “revenue” or budget for this “expenditure”. Therefore, the reporting of this 400/441 reallocation is for annual financial reporting purposes only.

Budgeted amounts are authorized to be transferred within funds; 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’s legislative body.

**Note 4 - Property Tax**

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

Property tax revenues are recognized when cash is received by the City. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

The City’s regular levy for the year 2021-2022 was \$1.628446 per \$1,000 on an assessed valuation of \$2,096,467,949 for a total regular levy of \$3,413,984.85. In addition, the levy for debt service on a voter approved bond issue was \$0.084067 per \$1,000 on an assessed valuation of \$2,081,654,749 for a total of \$174,998.47.

**Note 5 - Interfund Loans**

The City had an outstanding interfund loan in the total amount of \$0 at December 31, 2021. This loan was from the Electric Fund to the General Fund to defease the 2001 & 2002 G.O. bonds.

The following table displays interfund loan activity during 2021:

		Balance			Balance	
Borrowing Fund	Lending Fund	01/01/2021	Additions	Repayments	12/31/2021	
General Fund	Light Fund	309,657	-	309,657	-	
		309,657	-	309,657	-	

**Note 6 – Long-Term Debt**

Debt Service

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the City and summarizes the City’s debt transactions for year ended December 31, 2021.

The debt service requirements for general obligation bonds, revenue bonds and assessment debt are as follows:

<b>General Obligation Bonds</b>			
	Principal	Interest	Total
2022	\$ 706,360	\$ 278,250	\$ 984,611
2023	\$ 538,944	\$ 257,497	\$ 796,441
2024	\$ 551,853	\$ 241,301	\$ 793,154
2025	\$ 565,095	\$ 223,430	\$ 788,525
2026	\$ 573,407	\$ 204,250	\$ 777,657
2027-2031	\$ 2,882,491	\$ 707,110	\$ 3,589,602
2032-2036	\$ 2,533,212	\$ 278,416	\$ 2,811,629
2037-2041	\$ 550,644	\$ 11,682	\$ 562,326
<b>Total</b>	<b>\$ 8,902,006</b>	<b>\$ 2,201,937</b>	<b>\$ 11,103,943</b>
<b>General Obligation Debt Issued for Business-Type Activities</b>			
	Principal	Interest	Total
2022	\$ 12,525	\$ 6,738	\$ 19,263
2023	\$ 12,896	\$ 6,367	\$ 19,263
2024	\$ 13,278	\$ 5,985	\$ 19,263
2025	\$ 13,671	\$ 5,592	\$ 19,263
2026	\$ 14,076	\$ 5,187	\$ 19,263
2027-2031	\$ 76,884	\$ 19,430	\$ 96,314
2032-2036	\$ 88,965	\$ 7,350	\$ 96,315
<b>Total</b>	<b>\$ 232,295</b>	<b>\$ 56,650</b>	<b>\$ 288,944</b>
<b>Revenue Bonds</b>			
	Principal	Interest	Total
2022	\$ 1,483,832	\$ 531,590	\$ 2,015,422
2023	\$ 1,281,386	\$ 495,535	\$ 1,776,922
2024	\$ 1,308,288	\$ 462,520	\$ 1,770,808
2025	\$ 1,351,110	\$ 424,251	\$ 1,775,361
2026	\$ 1,388,790	\$ 877,739	\$ 2,266,528
2027-2031	\$ 6,046,608	\$ 777,895	\$ 6,824,502
2032-2036	\$ 3,423,690	\$ 298,542	\$ 3,722,232
2037-2041	\$ 1,022,866	\$ 60,097	\$ 1,082,963
<b>Total</b>	<b>\$ 17,306,570</b>	<b>\$ 3,928,168</b>	<b>\$ 21,234,738</b>
<b>Assesment Debt/Liabilities (with commitments)</b>			
	Principal	Interest	Total
2022	\$ 16,683	\$ 3,336	\$ 20,020
2023	\$ 7,414	\$ 1,779	\$ 9,193
2024	\$ 7,414	\$ 1,335	\$ 8,748
2025	\$ 7,414	\$ 890	\$ 8,304
<b>Total</b>	<b>\$ 38,925</b>	<b>\$ 7,340</b>	<b>\$ 46,265</b>

*General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds are generally 20-year serial bonds with equal amounts of payments each year.*



The 2014 Unlimited Tax Obligation Refunding Bonds were sold to provide funds with which to pay costs associated with remodeling, expanding, and equipping the Ellensburg Public Library and Hal Holmes Community Center in the City and making related capital improvements, and to levy those excess property taxes. The bond will mature in 2022.

The 2017 Facilities Capital Bonds were sold to provide funds with which to pay costs associated with remodeling, expanding, and equipping the Ellensburg Police Department and other related capital improvements. The bond will mature in 2037.

The 2016 Limited Tax General Obligation Bonds were sold to provide funds necessary to repay an interfund loan and to provide funds for long term financing of the City's telecommunication infrastructure. This is a General Obligation Debt issued for Business-Type activities. The bond will mature in 2036.

The 2021 Limited Tax General Obligation Refunding (2010) Bonds were sold to refund certain outstanding limited tax general obligation bonds of the City to achieve a debt service savings and to pay the costs of issuance and sale of the bonds. The bond will mature in 2030.

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

2010 Water/Sewer Ref (99) Bonds for the purpose of paying the cost of carrying out of the system or plan of addition to and betterments and extension of the waterworks utility. The bonds matured in 2021.

2010 Water/Sewer Revenue Bonds for the purpose of paying the cost of carrying out the system or plan of addition to and betterments and extension of the waterworks utility. These include drilling of deep wells, extend water and sewer mains, and replace the bio-solid thickening equipment. These bonds will mature in 2029.

2013 Water Bonds for the purpose of paying the cost of carrying out of the system or plan of addition to and betterments and extension of the waterworks utility. Construction of two well houses and the installation of pumps, motors, and electronic control systems and if funds are available the City shall make other improvements to the Waterworks Utility. The bonds will mature in 2022.

2014 Electric Refunding/Revenue Bonds for the purpose of providing funds to refund outstanding electric revenue bonds of the City and to finance the cost of a new substation of the City's electric Utility. The bonds will mature in 2032.

2016 Water/Sewer Refunding (2010) Bonds for the purpose of providing funds to refund outstanding water/sewer revenue bonds of the City. These bonds will mature in 2029.

2016 Gas Bonds for the purpose of proving funds to pay or reimburse the costs of certain capital improvements to and extension of the Natural Gas Utility. These bonds will mature in 2036.

2020 Waterworks Bonds for the purpose of funding capital improvements to the Stormwater Utility including the purchase of 56 acres of active floodplain, construction of a fish-passable bridge and three flood swales, and construction of a setback levee. All draws were completed by December 31, 2021. The bonds will mature in 2039.

2021 Waterworks Bonds for the purpose of funding capital improvements to the Waterworks Utility System as described in the request for proposal. All draws must be completed by November 30, 2022. The bonds will mature in 2040.

Significant Debt Agreement Terms

Debt	Clause
2014 UTO Refunding Bonds	If any Bond is not redeemed when properly presented at maturity or call date, the City shall be obligated to pay interest on that Bond at the same rate provided in the Bond from and after its maturity or call date until that Bond, both principal and interest, is paid in full or until sufficient money for its payment in full is on the bond redemption fund hereinafter created and the Bond has been called for payment by giving notice of that call to the registered owner thereof.
2021 LTGO Refunding (2010) Bonds	If any Bond is not redeemed when properly presented at maturity or call date, the City will pay interest on that Bond at the same rate provided on the Bond from and after its maturity or call date until that Bond is paid in full or until sufficient money for its payment in full is on deposit in a special account created by the City for such purpose.
2010 Water/Sewer Refunding and Revenue Bonds	If the City fails to make a payment on the Bonds or does not comply with the covenants in the Bond Ordinance, a bond owner has remedies permitted under State law, including without limitation, the remedies provided in RCW 35.67.108 and RCW 35.92.160.
2016 Gas Bonds	If the principal of the Bond is not paid when the Bond is properly presented at its maturity or date fixed for redemption, the City shall be obligated to pay interest on that Bond at the same rate provided in the Bond from and after its maturity or date fixed for the redemption until that Bond, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Bond Debt Service Account, or in a trust account established to refund or defease the Bond, and the Bond has been called for payment by giving notice of that call to the Registered Owner.
2020 Waterworks	If the principal of the Bond is not paid when the Bond is properly presented at its maturity or date fixed for redemption, the City shall be obligated to pay interest on that Bond at the same rate provided in the Bond from and after its maturity or date fixed for the redemption until that Bond, both principal and interest, is paid in full or until sufficient money for its payment in full is on deposit in the Bond Fund, or in a trust account established to refund or defease the Bond, and the Bond has been called for payment by giving notice of that call to the Registered Owner.

*Assessment Debt or Conduit Debt obligations are debt instruments issued for the express purpose of providing financing for a third party that is not part of the financial reporting entity.*

Local Improvement District (LIDS) are a means of assisting benefiting properties in financing needed capital improvements through the formation of special assessment districts. All financing was secured through Cashmere Valley Bank, Ellensburg, WA. For the 2021 fiscal year the City had one active LID, Helena Street assigned LID #2004-1 and the improvements were street and utility related.

**Note 7 – Pension Plans**

A. State Sponsored Pension Plans

Substantially all City full-time and qualifying part-time employees participate in the following statewide retirement systems administered by the Washington State Department of Retirement Systems (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans:

Public Employees’ Retirement System (PERS)

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

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems, a department within the primary government of the State of Washington, issues a publicly available Annual Comprehensive 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

Also, the DRS ACFR may be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov).

At June 30, 2021, (the measurement date of the plans), the City's proportionate share of the collective net pension liabilities, as reported on the Schedule of Liabilities, was as follows:

	Employer Contributions	Allocation %	Liability (Asset)
PERS 1	504,201	0.067688%	826,629
PERS 2/3	807,827	0.085279%	(8,495,161)
LEOFF 1		0.040822%	(1,398,383)
LEOFF 2	121,892	0.061147%	(3,551,671)

LEOFF Plan 1

The City also participates in LEOFF Plan 1. The LEOFF Plan 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. Starting on July 1, 2000, employers and employees contribute zero percent.

LEOFF Plan 2

The City also participates in the LEOFF Plan 2. 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.

B. Local Government Pension Plans

The City is the administrator of a pension retirement system called the Fire Relief and Pension Fund; a single employer defined benefit plan. The system provides retirement, disability, and death benefits to members and beneficiaries. The system is closed with no active members.

As of December 31, 2021, there were a total of 6 individuals covered by this system. Five of them are retirees and one is a widow of a retiree. The net pension liability as reported on the Schedule of Liabilities was \$199,018.

Firefighters' Pension Fund (RCW 41.16.050) – The State contributes 25% of the taxes on fire insurance premiums to these plans and is considered a non-employer contributing entity. The amount of these contributions received in 2021 was \$141,081. This is not considered a special funding situation.

## **Note 8 – Risk Management**

### A. Pool Insurance

The City of Ellensburg is a member of the Washington Cities Insurance Authority (WCIA). Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and/or jointly contracting for risk management services. WCIA has a total of 166 members.

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

Liability coverage is written on an occurrence basis, without deductibles. Coverage includes general, automobile, police, errors or omissions, stop gap, employment practices, prior wrongful acts, and employee benefits liability. Limits are \$4 million per occurrence in the self-insured layer, and \$16 million in limits above the self-insured layer is provided by reinsurance. Total limits are \$20 million per occurrence subject to aggregates and sublimits. The Board of Directors determines the limits and terms of coverage annually.

Insurance for property, automobile physical damage, fidelity, inland marine, and boiler and machinery coverage are purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded from the members' deductible to \$750,000, for all perils other than flood and earthquake, and insured above that to \$400 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.

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

WCIA is fully funded by its members, who make annual assessments on a prospectively rated basis, as determined by an outside, independent actuary. The assessment covers loss, loss adjustment, reinsurance and other administrative expenses. As outlined in the interlocal, WCIA retains the right to additionally assess the membership for any funding shortfall.

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

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

### B. Partial Self Insurance

As of December 31, 2021, the City is partially self-insured for its employee health and benefits program. The City purchased individual and stop loss insurance to limit its risk exposure. The City will pay up to

\$90,000 in claims for an individual employee with an aggregating specific deductible of \$45,000 and up to \$1.9 million or 90% of the first monthly aggregate deductible times 12 for the entire group. Once the maximum amount is exceeded then the insurance companies take over. To cover the 1.9 million, the City has \$2.033 million in operating revenues in 2021. In 2021 the City had \$317,946 in stop loss recoveries. The City has not exceeded the insurance coverage in the first 8 years of the program.

**Note 9 - Joint Operations with the County**

The City of Ellensburg and Kittitas County entered into a cooperative service enterprise to purchase and operate the facility previously known as the City/County Community Center (currently known as the Adult Activity Center), effective July 19, 1977. The \$62,500 in initial costs of the facility were split \$46,875 to the City and \$15,625 to the County. The City is responsible for operating and maintaining the facility. The City accounts for the operations of the facility in the Recreation Department of the General Fund. The 2021 operations are as follows:

	Budget	Actual
<b>Kittitas County</b>	\$51,000	\$56,179
<b>City of Ellensburg</b>	91,356	82,884
<b>Tour Fees</b>	4,000	404
<b>Other Revenues</b>	27,880	17,837
<b>Total Support</b>	\$174,236	\$157,304

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

**Note 10 – Other Post-Employment Benefits (OPEB) Plans**

The City administers two closed, single employer, defined OPEB plans designed for post-employment health care benefits to 20 police and firefighters who are retired or disabled. Both plans require expenses to be approved by the Kittitas County LEOFF Disability Board. They are the Law Enforcement Officers’ and Fire Fighters Retirement System Plan One (LEOFF 1), as required by Washington State law RCW 41.26.150 and the Fire Relief and Pension Plan which provides for pre-LEOFF 1 police and firefighters who retired or disabled.

The Fire Relief and Pension Plan, which pre-dates the Law Enforcement Officers’ and Fire Fighters Retirement System Plan, is addressed in RCW 41.26.150(1) which states ‘in the case of active or retired firefighters the employer may make the payments provided in this section from the firefighter’s pension fund established pursuant to RCW 41.16.050 where the fund had been established prior to March 1, 1970. If this pension fund is depleted, the employer shall have the obligation to pay all benefits payable under chapters 41.16 and 41.18 RCW’.

The LEOFF 1 retiree medical plan is directed and defined by the State of Washington Revised Code RCW 41.26.150, states in part ‘whenever any active member, or any member hereafter retired, on account of service, sickness, or disability, not caused or brought on by dissipation or abuse, of which the disability board shall be the judge, is confined in any hospital or in home, and whether or not so confined, requires medical services, the employer shall pay for the active or retired member the necessary medical services not payable from some other source as provided for in subsection (2) of this section’.

For both plans, to qualify for medical services, the employee needs to only be active, or disability retired, or the employee’s service retirement date is that day following separation from LEOFF employment with

the City. 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 medical services cover active and retired members only. Spouses are not eligible. Health insurance premiums are paid monthly, and other medical services are paid as billings are presented for payment.

Employer contributions are financed on a pay-as-you-go basis. During 2021, expenditures of \$319,019 were recognized for other post-employment benefits.

The City of Ellensburg’s OPEB liability as of December 31, 2021, was \$8,843,233 and was calculated using the Office of the Washington State Actuary alternative measurement method tool.

**Note 11 – Contingencies and Litigations**

The City does not have any contingent liabilities that would not be within the limits of the City’s self-insured coverage with WCIA.

**Note 12 – Significant Commitments**

The City has active projects as of December 31, 2021. These projects commitments include:

<b>Project</b>	<b>Spent to Date</b>	<b>Amount Remaining on Contract</b>
Bull Road Water, Sewer, Gas & Light Extensions 15-125	4,068,842	231,544
Main Street Signal Enhancements 18-073	909,990	298,511
Illinois Well Outfitting 19-110	-	3,179,239
Helena Avenue Water Main - Cora to Water 20-071	-	620,559
Vantage Highway Gateway II 21-054	80,923	969,078

**Note 13 – COVID-19 Pandemic**

**COVID 19**

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of COVID-19. Precautionary measures to slow the spread of the virus continued throughout 2021. These measures included limitations on business operations, public events, gatherings, travel, and in-person interactions.

The City proactively implemented safety measures and operations have continued with some staff working remotely. Management continues to monitor the situation for any operational or financial effects and is ready to respond appropriately as needed. To date, the City has not experienced any direct financial impacts due to the pandemic.

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

## **Note 14 – Subsequent Events**

### **Council Members**

Nancy Lillquist was sworn in as Mayor in January 2022, she has been a council member since 2001.

Adam Winn was elected late 2021 and sworn into office January 2022.

Monica Miller replaced Tristen Lamb by appointment after a special meeting January 24, 2022.

### **Housing Project**

HopeSource has proposed to purchase the 4.8-acre former Nites Inn Hotel and convert it to affordable housing, using some of the City's affordable housing sales tax dollars and the County's Homeless and Affordable Housing funds. The total project is estimated at \$2.4 million. On April 18, the City Council approved the award of \$750,000 to HopeSource for the project.

On May 3, the Kittitas County Board of Commissioners voted to award a \$750,000 grant to HopeSource for the project. The project will serve people who face the highest barrier to stable housing, who are earning at or below 60% of area median income.

**City of Ellensburg  
Schedule of Liabilities  
For the Year Ended December 31, 2021**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
<b>General Obligation Debt/Liabilities</b>						
251.11	LTGO Bonds, 2010	12/1/2030	1,675,000	-	1,675,000	-
251.11	2010 GO Debt Refi	12/1/2030	-	1,704,300	182,294	1,522,006
251.12	UTGO Bonds, 2014	12/1/2022	350,000	-	170,000	180,000
251.11	LTGO Bonds, 2017	12/1/2037	7,200,000	-	-	7,200,000
251.11	LTGO Bonds, 2016, issued for Telecom	12/1/2036	244,604	-	12,309	232,295
<b>Total General Obligation Debt/Liabilities:</b>			<b>9,469,604</b>	<b>1,704,300</b>	<b>2,039,603</b>	<b>9,134,301</b>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
259.12	Compensated Absences		2,008,533	-	33,240	1,975,293
264.30	Net Pension Liability		3,740,644	-	2,714,997	1,025,647
252.11	Water Bond- 2013	12/1/2022	466,719	-	230,092	236,627
252.11	Electric Refunding Bond - 2014	12/1/2025	1,790,000	-	335,000	1,455,000
252.11	Electric Bond - 2014	12/1/2025	4,465,000	-	15,000	4,450,000
252.11	Gas 2016	12/1/2036	713,334	-	38,391	674,943
252.11	Water Sewer Refunding 2016	12/1/2029	6,110,000	-	620,000	5,490,000
264.40	OPEB		8,799,394	43,839	-	8,843,233
252.11	Stormwater 2020 Bond	12/1/2039	3,000,000	2,000,000	-	5,000,000
252.11	2021 Waterworks Bond	12/1/2040	-	54,200	54,200	-
<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>			<b>31,093,624</b>	<b>2,098,039</b>	<b>4,040,920</b>	<b>29,150,743</b>
<b>Assessment Debt/Liabilities (with commitments)</b>						
253.43	LID Warrants with Commitments	7/29/2025	55,401	-	16,476	38,925
<b>Total Assessment Debt/Liabilities (with commitments):</b>			<b>55,401</b>	<b>-</b>	<b>16,476</b>	<b>38,925</b>
<b>Total Liabilities:</b>			<b>40,618,629</b>	<b>3,802,339</b>	<b>6,096,999</b>	<b>38,323,969</b>



**City of Ellensburg  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2021**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF	Bulletproof Vest Partnership Program	16.607	NA	-	3,676	3,676	-	1
<b>Highway Planning and Construction Cluster</b>								
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA-10055	358,484	-	358,484	-	12
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	LA-10128	2,336	-	2,336	-	12
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	HSIP 6949(006) LA9733	940,622	-	940,622	-	12
<b>Total Highway Planning and Construction Cluster:</b>				<b>1,301,442</b>	<b>-</b>	<b>1,301,442</b>	<b>-</b>	
FEDERAL TRANSIT ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Formula Grants for Rural Areas and Tribal Transit Program	20.509	PTD0307	26,094	-	26,094	-	12

The accompanying notes are an integral part of this schedule.

**City of Ellensburg**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2021**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FEDERAL TRANSIT ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Formula Grants for Rural Areas and Tribal Transit Program	20.509	PTD0018	47,797	-	47,797	-	12
FEDERAL TRANSIT ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	COVID 19 - Formula Grants for Rural Areas and Tribal Transit Program	20.509	NA	142,983	-	142,983	-	12
FEDERAL TRANSIT ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	COVID 19 - Formula Grants for Rural Areas and Tribal Transit Program	20.509	PTD0227	629,644	-	629,644	-	12
<b>Total CFDA 20.509:</b>				<b>846,518</b>	<b>-</b>	<b>846,518</b>	<b>-</b>	
<b>Highway Safety Cluster</b>								
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Association of Sheriffs and Police Chiefs)	State and Community Highway Safety	20.600	NA	7,451	-	7,451	-	1
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Association of Sheriffs and Police Chiefs)	State and Community Highway Safety	20.600	NA	6,685	-	6,685	-	1
<b>Total Highway Safety Cluster:</b>				<b>14,136</b>	<b>-</b>	<b>14,136</b>	<b>-</b>	

The accompanying notes are an integral part of this schedule.

**City of Ellensburg**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2021**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE	COVID 19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027	20-6541C-169	-	650,870	650,870	-	1
THE INSTITUTE OF MUSEUM AND LIBRARY SERVICES, THE INSTITUTE OF MUSEUM AND LIBRARY SERVICES (via Washington State Library)	Grants to States	45.310	NA	6,032	-	6,032	-	1
<b>Aging Cluster</b>								
ADMINISTRATION FOR COMMUNITY LIVING (ACL), HEALTH AND HUMAN SERVICES, DEPARTMENT OF (via Department of Health and Human Services)	Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	93.044	ALTCPSA 2017 -21	1,724	-	1,724	-	1
			<b>Total Aging Cluster:</b>	<b>1,724</b>	<b>-</b>	<b>1,724</b>	<b>-</b>	
Corporation for National and Community Service, CORPORATION FOR NATIONAL AND COMMUNITY SERVICE (via Washington Service Corps)	AmeriCorps State and National 94.006	94.006	K	45,000	-	45,000	-	1
			<b>Total Federal Awards Expended:</b>	<b>2,214,852</b>	<b>654,546</b>	<b>2,869,398</b>	<b>-</b>	

The accompanying notes are an integral part of this schedule.

CITY OF ELLENSBURG, WASHINGTON

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended December 31, 2021

Note 1 – Basis of Accounting

This Schedule is prepared on the same basis of accounting as the City's financial statements. The City uses the *Cash Basis Budgeting, Accounting and Reporting System (BARS)* Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW.

Note 2 – Federal De Minimis Indirect Cost Rate

The City has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3 – Program Costs

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the City's portion, are more than shown. Such expenditures are recognized following, as applicable, either the cost principles in the OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

## ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, [www.sao.wa.gov](http://www.sao.wa.gov). Additionally, we share regular news and other information via an email subscription service and social media channels.

We take our role as partners in accountability seriously. The Office provides training and technical assistance to governments both directly and through partnerships with other governmental support organizations.

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