



Office of the Washington State Auditor
Pat McCarthy

Financial Statements and Federal Single Audit Report

City of Ellensburg

For the period January 1, 2023 through December 31, 2023

Published September 19, 2024
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Office of the Washington State Auditor Pat McCarthy

September 19, 2024

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 activities and condition.

Sincerely,

A handwritten signature in black ink that reads "Pat McCarthy".

Pat McCarthy, State Auditor
Olympia, WA

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TABLE OF CONTENTS

Schedule of Findings and Questioned Costs.....	4
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	6
Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance in Accordance With the Uniform Guidance	9
Independent Auditor's Report on the Financial Statements	13
Financial Section.....	17
About the State Auditor's Office.....	47

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

City of Ellensburg January 1, 2023 through December 31, 2023

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 its major federal program.

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 program was selected as a major program in our audit of compliance in accordance with the Uniform Guidance.

<u>ALN</u>	<u>Program or Cluster Title</u>
20.509	Formula Grants for Rural Areas and Tribal Transit Program

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, 2023 through December 31, 2023**

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, 2023, and the related notes to the financial statements, which collectively comprise the City's financial statements, and have issued our report thereon dated September 12, 2024.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

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, appearing to read "Pat McCarthy".

Pat McCarthy, State Auditor

Olympia, WA

September 12, 2024

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, 2023 through December 31, 2023**

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, 2023. 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, 2023.

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 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. 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 over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified.

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.

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 fluid and cursive, with "Pat" on the first line and "McCarthy" on the second line.

Pat McCarthy, State Auditor

Olympia, WA

September 12, 2024

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

City of Ellensburg January 1, 2023 through December 31, 2023

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, 2023, and the related notes to the financial statements, as listed in the financial section of our report.

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, 2023, 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, 2023, 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 financial statements, in 2023, the City adopted new accounting guidance for Subscription- Based Information Technology Arrangements (SBITA) as required by the *Budgeting Accounting Reporting System* (BARS) Manual. 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 an opinion on the financial statements that collectively comprise the City's financial statements. The accompanying 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 is also presented for purposes of additional analysis, as required by the prescribed BARS Manual. 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 information is fairly stated, in all material respects, in relation to the financial statements as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2024 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.



Pat McCarthy, State Auditor

Olympia, WA

September 12, 2024

FINANCIAL SECTION

City of Ellensburg
January 1, 2023 through December 31, 2023

FINANCIAL STATEMENTS

- Fund Resources and Uses Arising from Cash Transactions – 2023
- Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2023
- Notes to the Financial Statements – 2023

SUPPLEMENTARY AND OTHER INFORMATION

- Schedule of Liabilities – 2023
- Schedule of Expenditures of Federal Awards – 2023
- Notes to the Schedule of Expenditures of Federal Awards – 2023

City of Ellensburg
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023

		Total for All Funds (Memo Only)	001 GENERAL FUND	120 STREET FUND	125 TRAFFIC IMPACT FEES
Beginning Cash and Investments					
308	Beginning Cash and Investments	82,534,490	16,080,786	2,374,449	285,836
388 / 588	Net Adjustments	(593,835)	-	-	-
Revenues					
310	Taxes	20,075,497	14,450,261	-	-
320	Licenses and Permits	608,421	602,382	6,039	-
330	Intergovernmental Revenues	6,300,422	604,479	4,640,827	-
340	Charges for Goods and Services	52,651,116	1,790,121	457,933	198,007
350	Fines and Penalties	231,556	231,140	-	-
360	Miscellaneous Revenues	7,318,794	960,477	211,092	16,256
Total Revenues:		87,185,806	18,638,860	5,315,891	214,263
Expenditures					
510	General Government	8,026,232	1,918,224	81,887	-
520	Public Safety	7,600,193	5,944,050	-	-
530	Utilities	36,476,199	-	-	-
540	Transportation	7,721,315	1,325,353	2,528,063	38,902
550	Natural/Economic Environment	3,297,648	1,849,232	-	-
560	Social Services	221,621	221,621	-	-
570	Culture and Recreation	4,564,727	4,550,762	-	-
Total Expenditures:		67,907,935	15,809,242	2,609,950	38,902
Excess (Deficiency) Revenues over Expenditures:		19,277,871	2,829,618	2,705,941	175,361
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	4,425,858	83,817	3,361,944	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	7,666,776	90,882	-	-
Total Other Increases in Fund Resources:		12,092,634	174,699	3,361,944	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	13,956,324	51,801	5,694,094	-
591-593, 599	Debt Service	3,572,230	49,190	-	-
597	Transfers-Out	4,425,858	3,582,874	-	8,232
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	2,485,819	125,093	-	-
Total Other Decreases in Fund Resources:		24,440,231	3,808,958	5,694,094	8,232
Increase (Decrease) in Cash and Investments:		6,930,274	(804,641)	373,791	167,129
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	22,613,859	5,135,833	-	332,847
50841	Committed	310,816	134,729	-	-
50851	Assigned	57,386,408	1,445,736	2,748,241	120,115
50891	Unassigned	8,559,847	8,559,847	-	-
Total Ending Cash and Investments		88,870,930	15,276,145	2,748,241	452,962

The accompanying notes are an integral part of this statement.

City of Ellensburg
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023

		127 TRANSPORTATI ON BENEFIT	130 CRIMINAL JUSTICE FUND	137 DRUG FUND	150 CATV OPERATIONS FUND
Beginning Cash and Investments					
308	Beginning Cash and Investments	3,511,758	2,788,773	29,401	117,221
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	1,462,383	1,738,874	-	93,394
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	698,811	1,500	-	-
340	Charges for Goods and Services	75,000	-	-	-
350	Fines and Penalties	-	-	416	-
360	Miscellaneous Revenues	136,517	108,340	1,354	4,295
Total Revenues:		2,372,711	1,848,714	1,770	97,689
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	1,653,397	2,746	-
530	Utilities	-	-	-	-
540	Transportation	1,937,857	-	-	-
550	Natural/Economic Environment	-	39,827	-	105,774
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		1,937,857	1,693,224	2,746	105,774
Excess (Deficiency) Revenues over Expenditures:		434,854	155,490	(976)	(8,085)
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	5,544	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		5,544	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	83,230	124,437	-	-
591-593, 599	Debt Service	194	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		83,424	124,437	-	-
Increase (Decrease) in Cash and Investments:		356,974	31,053	(976)	(8,085)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	3,522,028	2,593,765	23,786	-
50841	Committed	-	-	-	109,136
50851	Assigned	346,705	226,061	4,639	-
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		3,868,733	2,819,826	28,425	109,136

The accompanying notes are an integral part of this statement.

City of Ellensburg
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023

		155 CATV CAPITAL FUND	160 PARK ACQUISITION FUND	165 LODGING TAX FUND	172 HOUSING FUND
Beginning Cash and Investments					
308	Beginning Cash and Investments	-	557,639	911,671	2,448,164
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	750,733	812,731
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	1,939	-	-
340	Charges for Goods and Services	64,812	135,623	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	2,139	21,084	3,104	108,863
Total Revenues:		66,951	158,646	753,837	921,594
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	345,339	957,476
560	Social Services	-	-	-	-
570	Culture and Recreation	-	13,965	-	-
Total Expenditures:		-	13,965	345,339	957,476
Excess (Deficiency) Revenues over Expenditures:		66,951	144,681	408,498	(35,882)
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	256,687	-	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	256,687	-	-
Increase (Decrease) in Cash and Investments:		66,951	(112,006)	408,498	(35,882)
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	364,953	1,247,430	2,249,500
50841	Committed	66,951	-	-	-
50851	Assigned	-	80,681	72,739	162,782
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		66,951	445,634	1,320,169	2,412,282

The accompanying notes are an integral part of this statement.

City of Ellensburg
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023

		210 DEBT SERVICE FUND	225 2010 DEBT SERVICE FUND	230 2003 LIBRARY CONSTR DEBT	325 Fieldhouse Construction
Beginning Cash and Investments					
308	Beginning Cash and Investments	362,379	87,215	82,018	-
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	1,799	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	-	-	106,621
Total Revenues:		<hr/>	<hr/>	1,799	106,621
Expenditures					
510	General Government	-	-	-	1,193
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<hr/>	<hr/>	-	1,193
Excess (Deficiency) Revenues over Expenditures:		-	-	1,799	105,428
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	562,327	187,003	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	-	-	-	4,841,556
Total Other Increases in Fund Resources:		562,327	187,003	-	4,841,556
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	69,084
591-593, 599	Debt Service	562,326	186,403	-	-
597	Transfers-Out	-	-	83,817	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		562,326	186,403	83,817	69,084
Increase (Decrease) in Cash and Investments:		1	600	(82,018)	4,877,900
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	-
50841	Committed	-	-	-	-
50851	Assigned	362,380	87,815	-	4,877,900
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		362,380	87,815	-	4,877,900

The accompanying notes are an integral part of this statement.

City of Ellensburg
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023

		340 '17 Facility Bond Capital Proj	365 General Facilities Capital Fund	366 SIDEWALK FUND	370 CAPITAL FACILITIES
Beginning Cash and Investments					
308	Beginning Cash and Investments	520,273		1,096,836	
388 / 588	Net Adjustments	-		-	
Revenues					
310	Taxes	-		382,661	382,661
320	Licenses and Permits	-		-	
330	Intergovernmental Revenues	-		-	
340	Charges for Goods and Services	-		-	
350	Fines and Penalties	-		-	
360	Miscellaneous Revenues	-		50,721	6,522
Total Revenues:		-		433,382	389,183
Expenditures					
510	General Government	-		-	
520	Public Safety	-		-	
530	Utilities	-		-	
540	Transportation	-		449,378	
550	Natural/Economic Environment	-		-	
560	Social Services	-		-	
570	Culture and Recreation	-		-	
Total Expenditures:		-		449,378	-
Excess (Deficiency) Revenues over Expenditures:		-		(15,996)	389,183
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-		-	
397	Transfers-In	-		-	
385	Special or Extraordinary Items	-		-	
381, 382, 389, 395, 398	Other Resources	-	116,203	-	
Total Other Increases in Fund Resources:		-	116,203	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	116,131		-	
591-593, 599	Debt Service	-		-	
597	Transfers-Out	-		525,712	
585	Special or Extraordinary Items	-		-	
581, 582, 589	Other Uses	-		-	
Total Other Decreases in Fund Resources:		116,131		525,712	-
Increase (Decrease) in Cash and Investments:		(116,131)	116,203	(541,708)	389,183
Ending Cash and Investments					
50821	Nonspendable	-		-	
50831	Restricted	-		389,185	
50841	Committed	-		-	
50851	Assigned	404,142	116,203	165,942	389,183
50891	Unassigned	-		-	
Total Ending Cash and Investments		404,142	116,203	555,127	389,183

The accompanying notes are an integral part of this statement.

City of Ellensburg
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023

		431 STORMWATER UTILITY FUND	451 TELECOMM. UTILITY FUND	461 NATURAL GAS UTILITY FUND	471 ELECTRIC UTILITY FUND
Beginning Cash and Investments					
308	Beginning Cash and Investments	2,252,936	346,793	3,532,687	13,784,859
388 / 588	Net Adjustments	-	-	(104,159)	(225,776)
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	132,500	167,117	-	-
340	Charges for Goods and Services	1,789,971	400,403	9,149,080	19,557,996
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	81,753	20,724	2,027,043	613,462
Total Revenues:		<u>2,004,224</u>	<u>588,244</u>	<u>11,176,123</u>	<u>20,171,458</u>
Expenditures					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	1,445,710	222,761	10,727,365	15,488,687
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		<u>1,445,710</u>	<u>222,761</u>	<u>10,727,365</u>	<u>15,488,687</u>
Excess (Deficiency) Revenues over Expenditures:		<u>558,514</u>	<u>365,483</u>	<u>448,758</u>	<u>4,682,771</u>
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	99,311	-	442,155	970,244
Total Other Increases in Fund Resources:		<u>99,311</u>	<u>-</u>	<u>442,155</u>	<u>970,244</u>
Other Decreases in Fund Resources					
594-595	Capital Expenditures	1,105,928	261,068	717,741	2,814,832
591-593, 599	Debt Service	361,038	19,263	54,460	603,915
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	89,160	-	474,425	1,035,728
Total Other Decreases in Fund Resources:		<u>1,556,126</u>	<u>280,331</u>	<u>1,246,626</u>	<u>4,454,475</u>
Increase (Decrease) in Cash and Investments:		(898,301)	85,152	(355,713)	1,198,540
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	504,314	-	781,872	820,519
50841	Committed	-	-	-	-
50851	Assigned	850,322	431,945	2,290,943	13,937,104
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		1,354,636	431,945	3,072,815	14,757,623

The accompanying notes are an integral part of this statement.

City of Ellensburg
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023

		481 WATER UTILITY FUND	491 SEWER UTILITY FUND	531 SHOP FUND	535 General Facilities Internal Service
Beginning Cash and Investments					
308	Beginning Cash and Investments	9,719,093	7,710,139	8,959,501	-
388 / 588	Net Adjustments	(130,822)	(133,078)	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	53,249	-	-	-
340	Charges for Goods and Services	5,617,812	5,059,110	2,556,263	630,424
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	949,806	851,383	345,876	4,815
Total Revenues:		6,620,867	5,910,493	2,902,139	635,239
Expenditures					
510	General Government	-	-	-	596,777
520	Public Safety	-	-	-	-
530	Utilities	4,362,737	4,228,939	-	-
540	Transportation	-	-	1,441,762	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		4,362,737	4,228,939	1,441,762	596,777
Excess (Deficiency) Revenues over Expenditures:		2,258,130	1,681,554	1,460,377	38,462
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	343,896	278,303	-	-
Total Other Increases in Fund Resources:		343,896	278,303	-	-
Other Decreases in Fund Resources					
594-595	Capital Expenditures	1,724,220	391,963	545,108	-
591-593, 599	Debt Service	739,447	691,393	1,050	-
597	Transfers-Out	-	-	-	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	406,380	355,033	-	-
Total Other Decreases in Fund Resources:		2,870,047	1,438,389	546,158	-
Increase (Decrease) in Cash and Investments:		(268,021)	521,468	914,219	38,462
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	898,323	3,749,504	-	-
50841	Committed	-	-	-	-
50851	Assigned	8,421,927	4,349,026	9,873,720	38,462
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		9,320,250	8,098,530	9,873,720	38,462

The accompanying notes are an integral part of this statement.

City of Ellensburg
Fund Resources and Uses Arising from Cash Transactions
For the Year Ended December 31, 2023

		540 HEALTH/BENEFITS FUND	545 RISK MANAGEMENT FUND	550 IT FUND	555 Geographic Information Systems
Beginning Cash and Investments					
308	Beginning Cash and Investments	1,242,633	1,451,037	1,965,571	314,822
388 / 588	Net Adjustments	-	-	-	-
Revenues					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	2,247,774	683,455	1,943,088	294,244
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	63,101	515,402	96,582	11,462
Total Revenues:		2,310,875	1,198,857	2,039,670	305,706
Expenditures					
510	General Government	2,735,198	906,264	1,376,637	410,052
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural/Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		2,735,198	906,264	1,376,637	410,052
Excess (Deficiency) Revenues over Expenditures:		(424,323)	292,593	663,033	(104,346)
Other Increases in Fund Resources					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	225,223
385	Special or Extraordinary Items	-	-	-	-
381, 382, 389, 395, 398	Other Resources	482,481	1,745	-	-
Total Other Increases in Fund Resources:		482,481	1,745	-	225,223
Other Decreases in Fund Resources					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	-	8,610	294,908	33
597	Transfers-Out	-	-	225,223	-
585	Special or Extraordinary Items	-	-	-	-
581, 582, 589	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		-	8,610	520,131	33
Increase (Decrease) in Cash and Investments:		58,158	285,728	142,902	120,844
Ending Cash and Investments					
50821	Nonspendable	-	-	-	-
50831	Restricted	-	-	-	-
50841	Committed	-	-	-	-
50851	Assigned	1,300,791	1,736,765	2,108,473	435,666
50891	Unassigned	-	-	-	-
Total Ending Cash and Investments		1,300,791	1,736,765	2,108,473	435,666

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, 2023

		Custodial
308	Beginning Cash and Investments	5,917
388 & 588	Net Adjustments	-
310-390	Additions	183,939
510-590	Deductions	<u>186,094</u>
	Net Increase (Decrease) in Cash and Investments:	(2,155)
508	Ending Cash and Investments	3,762

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, 2023

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 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. Infrastructure will be capitalized when the cost or group cost is \$50,000 or more. Capital assets and inventory are recorded as capital expenditures or supplies as appropriate when purchased.

E. Compensated Absences

Contracts with employees call for the accumulation of various types of leave based on the employees' classification. Upon termination of employment for any reason employees receive payment for their accrued leave based on the employee contract classification. Paid time off (PTO) has a maximum accumulation of 584 hours, dependent on years of service. Sick leave and Reserved Time Off (RTO) may be accumulated indefinitely, however, upon separation from employment, employees do not receive payment for unused sick or RTO leave. Additionally, temporary and part-time employees earn one hour of paid sick leave for every 40 hours they work, and balances of 40 hours or less are carried over to the next year in accordance with Washington Paid Sick Leave laws (WPSL). Payments are recognized as expenditures when paid. Below is a chart showing the treatment of each type of leave based on the employee classification:

	NON EXEMPT	OPEIU/ LOPE	IBEW	TEAM PW	TEAM POLICE	Temporary & Part-time
Bank Days	N/A	N/A	Accrued @ 4 days per year—no max accrual	Hired prior to 12/2009 accrued @ 3 days per yr-no max accrual	N/A	N/A
Comp time		Accrue to 40 hours maximum per year	Accrue to 40 hours maximum year	Accrue to 80 hours maximum per year	Accrue to 40 hours maximum per year	N/A
RTO	No accrual limit/ no payout	N/A	N/A	N/A	N/A	N/A
Sick Leave	N/A	No accrual limit/ no payout	No accrual limit/ no payout	No accrual limit/ no payout	No accrual limit/ payout up to 500 hours	See WPSL
Vacation		Not to exceed 240 hours	Not to exceed 240 hours	Not to exceed 240 hours	Not to exceed 296 hours	N/A
PTO	Accrual based on years of service. Maximum accrual 584 hours	N/A	N/A	N/A	N/A	N/A
WPSL	-	-	-	-	-	Earn 1 hour of paid sick leave for every 40 hours worked

F. Long-Term Debt

See Note 5, *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	5,270,562	External Restriction/Restrictions by Donors/COVID 19 Grant
Traffic Impact Fees	332,847	Traffic Impact Fees Restricted by law RCW 82.02.050
Transportation Benefit District	3,522,028	RCW 82.14.045 Voter approved sales tax
Criminal Justice	2,593,765	Local Criminal Justice Tax RCW 82.14.340(4)-(5)
Drug Fund	23,786	RCW 69.50.505
CATV Operations Fund	109,136	Cable TV Utility Tax
CATV Capital Fund	66,951	Cable TV Utility Tax
Park Acquisition	364,953	Gas tax is externally restricted RCW 46.68.110/RCW 47.24.040
Lodging Tax	1,247,430	RCW 67.28.180
Housing	2,249,500	RCW 82.14.045 Voter Approved Sales Tax & State Affordable Housing Credit
Capital Fund - Sidewalk Fund	389,185	Capital Projects identified in RCW 82.46.030 and 82.45.180
Enterprise - Stormwater	504,314	Bond Reserve Requirements and Utility Deposits
Enterprise - Natural Gas Utility	781,872	Bond Reserve Requirements and Utility Deposits
Enterprise - Electric Utility	820,519	Bond Reserve Requirements and Utility Deposits
Enterprise - Water Utility	898,323	Bond Reserve Requirements, Bond Cash, and Utility Deposits
Enterprise - Sewer Utility	3,749,504	Bond Reserve Requirements, Bond Cash, and Utility Deposits

Note 2 – Deposits and Investments

Investments are reported at amortized cost). Deposits and Investments by type at December 31, 2023, 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	\$ 415,159	\$ 3,762	\$ 418,921
L.G.I.P.	66,023,493		66,023,493
U.S. Government securities	22,432,278		22,432,278
Total	\$ 88,870,930	\$ 3,762	\$ 88,874,692

It is the city's policy to invest all temporary cash surpluses. The interest on these investments 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.

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 2023 was approximately \$6,686,949.

Note 3 – Budget Compliance

A. Budgets

The City adopts biennial appropriated budgets for thirty-six funds. These budgets are appropriated at the fund level. Several managerial funds of the general fund, 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 follows:

Table 1 - 2023 Final Budget and Actual Expenditures

Fund	2023 Original Bu	2023 Final Budget	2023 Actuals (Budgetary Basis)	Total Reconcile to Cash BARS Basis	2023 Actuals (Cash BARS Basis)	Variance
Total Budgeted General Fund	19,254,735	\$ 21,010,010	\$ 18,351,333	\$ (2,859,422)	\$ 15,491,912	\$ 2,658,677
Managerial Funds of the General Fund					-	
Economic Development	-	49,000	14,250		14,250	34,750
Sales Tax Reserve Fund	6,953,007	7,737,767	7,737,767	(4,160,437)	3,577,330	(0)
Art Acquisition Fund	59,000	64,544	41,152		41,152	23,392
COVID-19 Grants	587,533	2,543,740	378,409	(23,152)	355,257	2,165,331
*LID Guaranty Fund	-	-	-		-	-
Library Trust Fund	8,800	8,800	362		362	8,438
Hal Holmes Trust Fund	10,000	10,000	-		-	10,000
Fire Relief & Pension Trust Fund	141,909	191,909	129,336		129,336	62,573
*LID Debt Service Fund	-	-		8,601	8,601	-
Total Managerial Funds of the General Fund	7,760,249	10,605,760	8,301,276	(4,174,988)	4,126,287	2,304,484
Total General Fund for Annual Financial Reporting	\$ 27,014,984	\$ 31,615,770	\$ 26,652,609	\$ (7,034,410)	\$ 19,618,199	\$ 4,963,161
Street Fund	10,870,050	\$ 10,341,381	\$ 8,300,809	\$ 3,233	\$ 8,304,042	\$ 2,040,572
Traffic Impact Fees Fund	172,500	298,870	47,134		47,134	251,736
Public Transit Fund	2,671,837	2,694,984	2,021,281		2,021,281	673,703
Criminal Justice Sales Tax Fund	2,139,736	2,252,446	1,817,660		1,817,660	434,786
Drug Fund	5,000	22,385	2,746		2,746	19,639
Ellensburg Community TV	103,587	180,470	105,774		105,774	74,696
Parks Acquisition Fund	420,000	533,000	270,652		270,652	262,348
Lodging Tax Fund	330,313	357,313	345,339		345,339	11,974
Housing Fund	717,500	1,877,500	957,476		957,476	920,024
Facilities Improvement Debt Service	562,326	563,326	562,326		562,326	1,000
2010 Maintenance Bond Debt Service	187,003	188,003	186,403		186,403	1,600
Library Bond Debt	-	83,817	83,817		83,817	0
Capital Improvement Bond Projects	-	176,436	116,131		116,131	60,305
Field House	-	1,122,300	70,277		70,277	1,052,023
Sidewalk Fund	768,712	999,268	975,091		975,091	24,178
Stormwater Utility Fund	2,902,664	1,943,114	1,826,167	89,160	1,915,328	116,946
Stormwater Bond Fund	719,433	1,165,638	1,086,508		1,086,508	79,130
Telecommunications Utility Fund	368,539	1,161,630	503,091		503,091	658,539
Gas Utility Fund	12,767,868	11,346,551	11,671,028	907,633	11,973,991	280,193
Electric Utility Fund	25,125,915	26,131,009	19,583,759	1,678,718	19,943,162	7,866,565
Water Utility Fund	7,699,650	7,413,265	5,682,579	697,951	5,855,313	2,255,903
Water Construction	1,750,000	1,972,000	1,377,471		1,377,471	594,529
Sewer Utility Fund	10,541,588	8,612,175	5,630,707	490,521	5,667,328	3,435,368
Shop Fund	2,589,923	2,629,433	1,980,764	7,156	1,987,920	648,669
General Facilities	587,129	596,822	596,778		596,778	44
Health Insurance	2,688,003	3,066,253	2,735,198		2,735,198	331,055
Risk Management Fund	937,098	973,193	914,873		914,873	58,320
Information Technology Fund	2,006,693	3,263,442	1,896,769		1,896,769	1,366,673
GIS Fund	562,433	556,433	410,085		410,085	146,348
All Funds	\$ 117,210,484	\$ 124,138,227	\$ 98,411,302	\$ (3,160,038)	\$ 92,348,163	\$ 25,726,925

Fund	2023 Admin Reim	2023 400/441 Reallocation	2023 Interfund Transfers	2023 Inventory Conversion	Prior Period Adjustment	2023 Actuals Non-Budget Limited Funds	Total Reconcile to Cash BARS Basis
Total Budgeted General Fund	(2,718,341)		(141,081)			-	2,859,422
Managerial Funds of the General Fund							-
Sales Tax Reserve Fund			(4,160,437)				(4,160,437)
COVID-19			(23,152)				(23,152)
LID Debt Service Fund						8,601	8,601
Total Managerial Funds	0	0	(4,183,589)	0		8,601	(4,174,988)
Total General Fund	(2,718,341)	-	(4,324,670)	-		8,601	(7,034,410)
Street Fund				3,233			3,233
Stormwater		89,160					89,160
Gas Utility Fund		474,425		329,049	104,159		907,633
Electric Utility Fund		1,035,728		417,214	225,776		1,678,718
Water Utility Fund		406,380		160,749	130,822		697,951
Sewer Utility Fund		355,033		2,410	133,078		490,521
Shop Fund				7,156			7,156
All Funds	(2,718,341)	2,360,726	(4,324,670)	919,810	593,835	8,601	(3,160,039)

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. In addition, for financial reporting purposes only, the table includes funds 261 LID Guarantee and 800 LID in order to complete the information included in the General Fund.

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

Property tax 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 2023 was \$1.422738 per \$1,000 on an assessed valuation of \$2,469,174,196 for a total regular levy of \$3,512,987.96.

Note 5 – 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-end December 31, 2023.

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

General Obligation Bonds				
	Principal	Interest	Total	
2024	\$ 551,853	\$ 196,876	\$ 748,729	
2025	\$ 565,095	\$ 183,634	\$ 748,729	
2026	\$ 573,407	\$ 175,322	\$ 748,729	
2027	\$ 588,281	\$ 160,448	\$ 748,729	
2028	\$ 603,550	\$ 145,179	\$ 748,729	
2029-2033	\$ 2,661,569	\$ 493,567	\$ 3,155,135	
2034-2038	\$ 2,112,949	\$ 136,354	\$ 2,249,303	
Total	\$ 7,656,702	\$ 1,491,381	\$ 9,148,083	

General Obligation Debt Issued for Business-Type Activities			
	Principal	Interest	Total
2024	\$ 13,280	\$ 5,983	\$ 19,263
2025	\$ 13,673	\$ 5,590	\$ 19,263
2026	\$ 14,078	\$ 5,185	\$ 19,263
2027	\$ 14,495	\$ 4,768	\$ 19,263
2028	\$ 14,924	\$ 4,339	\$ 19,263
2029-2033	\$ 81,519	\$ 14,796	\$ 96,315
2034-2038	\$ 54,835	\$ 2,852	\$ 57,686
Total	\$ 206,804	\$ 43,512	\$ 250,316

Revenue Bonds

	Principal	Interest	Total
2024	\$ 1,743,294	\$ 693,887	\$ 2,437,180
2025	\$ 1,797,776	\$ 643,977	\$ 2,441,753
2026	\$ 1,846,777	\$ 593,487	\$ 2,440,264
2027	\$ 1,896,280	\$ 541,464	\$ 2,437,743
2028	\$ 1,955,504	\$ 488,773	\$ 2,444,277
2029-2033	\$ 7,500,170	\$ 1,670,675	\$ 9,170,845
2034-2038	\$ 5,279,949	\$ 616,210	\$ 5,896,159
2039-2043	\$ 1,639,137	\$ 59,465	\$ 1,698,602
Total	\$ 23,658,887	\$ 5,307,937	\$ 28,966,823

Assesment Debt/Liabilities (with commitments)

	Principal	Interest	Total
2024	\$ 7,566	\$ 1,335	\$ 8,900
2025	\$ 7,414	\$ 890	\$ 8,304
Total	\$ 14,980	\$ 2,224	\$ 17,204

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 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.

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 2034.

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. The bonds will mature in 2039.

2021 Waterworks Bonds for the purpose of funding capital improvements to the Waterworks Utility System consisting of certain capital improvements to the Waterworks Utility System, including the Bull Road Utility Extension, Illinois Well Fitting, Anderson Road Sewer Extension, Craigs Hill Pressure Zone, Wastewater Treatment Facility Clarifiers, and Digester/GBT Building Electrical Upgrades. 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 2023 fiscal year the City had one active LID, Helena Street assigned LID #2004-1 and the improvements were street and utility related.

Note 6 – 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

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

At June 30, 2023, (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	441,614	0.064807%	1,479,370
PERS 2/3	716,305	0.081470%	(3,339,197)
LEOFF 1		0.041405%	(1,228,910)
LEOFF 2	145,070	0.064271%	(1,541,603)

Only the net pension liabilities are reported on the Schedule 09.

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 closed, single employer defined benefit plan established under RCW 14.16,14.18 and 14.220 – as applicable. The system provides retirement, disability, and death benefits to members and beneficiaries. The system has no active members.

As of December 31, 2023, there were a total of 5 individuals covered by this system.

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 2023 was \$141,081. This is not considered a special funding situation.

Note 7 – Risk Management

A. Pool Insurance

The City of Ellensburg is a member of the Washington Cities Insurance Authority (WCIA). Utilizing Chapter 48.62

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

All Members are provided a separate cyber risk policy and premises pollution liability coverage group purchased by WCIA. The cyber risk policy provides coverage and separate limits for security & privacy, event management, and cyber extortion, with limits up to \$1 million and subject to member deductibles, sublimits, and a \$5 million pool aggregate. Premises pollution liability provides Members with a \$2 million incident limit and \$10 million pool aggregate subject to a \$100,000 per incident Member deductible.

Insurance for property, automobile physical damage, fidelity, inland marine, and equipment breakdown 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 all State guidelines.

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

B. Partial Self Insurance

As of December 31, 2023, 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 \$2.07 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 2.07 million, the City has \$ 2.31 million in operating revenues in 2023. In 2023 the City had \$482,481 in stop loss recoveries and prescription drug rebates.

Note 8 - 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 2023 operations are as follows:

	Budget	Actual
Kittitas County	\$49,000	\$65,873
City of Ellensburg	124,262.00	108,302.85
Tour Fees	5,000.00	5,198.31
Other Revenues	\$26,360	\$29,799
Total Support	204,622	209,174

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

Note 9 – Other Post-Employment Benefits (OPEB) Plans

The City administers two closed, single employer, defined OPEB plans designed for post-employment health care benefits to 15 police and firefighters who are retired or disabled. 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'. This plan requires expenses to be approved by the Kittitas County LEOFF Disability Board.

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'. Washington RCW 43.62.030 requires cities with populations over 20,000 to establish a disability board. The City created their own LOFF Disability Board under Ordinance 4927 in October of 2023. The board is comprised of five members; two of which are City Council members appointed by the mayor, one firefighter and one law enforcement officer which are elected to their positions by commissioned law enforcement officers who are employed by or retired from the City themselves, and one at-large member who shall be a City resident and is appointed by a majority vote of the other members.

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 2023, expenditures of \$210,763 were recognized for other post-employment benefits.

The City of Ellensburg's OPEB liability as of December 31, 2023, was \$6,115,783 and was calculated using the Office of the Washington State Actuary alternative measurement method tool.

Note 10 – 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 11 – Significant Commitments

The City has active projects as of December 31, 2023.

These projects commitments include:

Project	Spent to Date	Amount Remaining on Contract
Craig's Hill Pressure Zone Improvements	-	1,898,227
Anderson Road Sewer Extension	-	1,780,817
Main St/Wildcat Way Overlay and CBD Slurry Seal	1,234,394	131,955
Distribution Transformers	-	543,081
Distribution Cable		624,872
15KV Med Vltg URD Cable		617,929
Ellensburg Community Fieldhouse Project	2,105	1,113,937
Broadband Infrastructure Program Grant	-	437,573
Unity Park Design and Documentation Services	321,763	83,187
CIS software & implementation Services	598,693	135,107
Ellensburg Aquifer Storage & Recovery Feasibility Study	-	300,000
Outdoor educational & recreational opportunities for youth	71,939	204,692
General Sewer Plan/Aeration System Improvements	260,258	123,283
Dolarway Substation Design & Improvements	147,530	102,470
ASR FEASIBILITY	112,632	187,368
Secondary Clarifier Rehabilitation	157,706	188,729
Craig's Hill Pressure Zone Improvements II	269,860	87,402
University Way/Reecer Creek Signalization	592,415	9,194
Tree Trimmimng 2023 23-072	248,000	22,000
Pfenning Road Sidewalk	-	664,908

Note 12 – Leases

The City leases copiers from Copiers NW for a total of \$2,729 per month under lease agreements that range from 36 to 60 months. The leases begin and end in various time periods. These are non-cancelable contracts. In addition, there are two six year mailing machine leases with APS, Inc and FP Mailing Solutions for \$1,947 per quarter. The 2023 Schedule 09 contains an adjustment of a reduction of \$1,459 to remove sales taxes included in the prior year ending balance.

Year Ended December 31	Total
2024	\$28,012
2025	\$17,755
2026	\$13,815
2027	\$7,515
2028	\$1,273

Note 13 – Subscription Based Information Technology Arrangements

During the year ended December 31, 2023, the City adopted guidance for the presentation and disclosure of Subscription Based Information Technology Arrangements (SBITA), as required by the BARS manual. This requirement resulted in the addition of a subscription liability reported on the Schedule of Liabilities.

The City has five agreements in place for operating systems, geographic information systems, utility billing, library cataloging, and employee safety training ranging from three to five-year arrangements. Total amount paid in 2023 was \$329,281.

Year Ended December 31	Total
2024	\$235,646
2025	\$213,632
2026	\$155,000

City of Ellensburg
Schedule of Liabilities
For the Year Ended December 31, 2023

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
251.11	2010 GO Debt Refi	12/1/2030	1,357,321	-	166,990	1,190,331
251.11	LTGO Bonds, 2017	12/1/2037	6,838,325	-	371,954	6,466,371
251.11	LTGO Bonds, 2016, issued for Telecom	12/1/2036	219,770	-	12,966	206,804
263.56	Leases copiers - monthly		44,502	49,244	26,664	67,082
263.56	Leases - Mailing Equipment - quarterly		9,075	-	7,787	1,288
263.56	SBITA		224,130	709,430	329,282	604,278
Total General Obligation Debt/Liabilities:			8,693,123	758,674	915,643	8,536,154
Revenue and Other (non G.O.) Debt/Liabilities						
252.11	Electric Refunding Bond - 2014	12/1/2025	1,110,000	-	355,000	755,000
252.11	Electric Bond - 2014	12/1/2034	4,435,000	-	15,000	4,420,000
252.11	Gas 2016	12/1/2036	636,056	-	39,826	596,230
252.11	Water Sewer Refunding 2016	12/1/2029	4,855,000	-	650,000	4,205,000
252.11	Stormwater 2020 Bond	12/1/2039	4,784,658	-	221,609	4,563,049
252.11	2021 Waterworks Bond	12/1/2040	9,543,515	-	423,907	9,119,608
259.12	Compensated Absences		2,009,921	70,507	-	2,080,428
264.30	Net Pension Liability		1,922,995	-	443,625	1,479,370
264.40	OPEB		7,767,867	-	1,652,084	6,115,783
Total Revenue and Other (non G.O.) Debt/Liabilities:			37,065,012	70,507	3,801,051	33,334,468
Assessment Debt/Liabilities (with commitments)						
253.43	LID Warrants with Commitments	7/29/2025	22,242	-	7,262	14,980
Total Assessment Debt/Liabilities (with commitments):			22,242	-	7,262	14,980
Total Liabilities:			45,780,377	829,181	4,723,956	41,885,602

City of Ellensburg
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FOREST SERVICE, AGRICULTURE, DEPARTMENT OF (via Department of Natural Resources)	Cooperative Forestry Assistance	10.664	93-105540	40,000	-	40,000	-	1,2
NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION, COMMERCE, DEPARTMENT OF (via Washington State Department of Commerce)	Broadband Infrastructure Program	11.031	22-96811-002	95,820	-	95,820	-	1
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF	Bulletproof Vest Partnership Program	16.607		-	7,292	7,292	-	1
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	STPUS-6909	84,249	-	84,249	-	1,2
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	TAP-0380(007)	12,387	-	12,387	-	1,2

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, 2023

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	STPUS-HIPUS- 6900(009)	38,856	-	38,856	-	1,2
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	STBGUS-6900 (010)	480	-	480	-	1,2
				Total ALN 20.205:	135,972	-	135,972	
FEDERAL TRANSIT ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Formula Grants for Rural Areas and Tribal Transit Program	20.509	PDT0617	591,962	-	591,962	-	1,2
Highway Safety Cluster								
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Association of Sheriffs and Police Chiefs)	State and Community Highway Safety	20.600	NA	4,846	-	4,846	-	1

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, 2023

Federal Agency (Pass-Through Agency)	Federal Program	Expenditures						Note
		ALN Number	Other Award Number	From Pass- Through Awards	From Direct Awards	Total	Passed through to Subrecipients	
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Traffic Safety Commission)	National Priority Safety Programs	20.616	2022-AG-4335	3,489	-	3,489	-	1
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Traffic Safety Commission)	National Priority Safety Programs	20.616	2023-HVE-4693	20,000	-	20,000	-	1
		Total ALN 20.616:		23,489		23,489		
	Total Highway Safety Cluster:			28,335		28,335		
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE	COVID 19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027		-	162,731	162,731	-	1
Aging Cluster								
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	ALTCPSCA 2017 -21	4,765	-	4,765	-	1
	Total Aging Cluster:			4,765		4,765		
	Total Federal Awards Expended:			896,854		170,023	1,066,877	

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, 2023

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 Indirect Cost Rate

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

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. 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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