

ANNUAL REPORT

CITY OF EPHRATA

0304

MCAG No.

**Submitted pursuant to RCW 43.09.230
to the
STATE AUDITORS OFFICE**

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2010

Certified correct this 27th day of May, 2011, to the best of my knowledge and belief:

GOVERNMENT INFORMATION:

Official Mailing Address: 121 Alder Street SW: Ephrata, WA 98823

Official Web Site Address: ephrata.org

PREPARER INFORMATION and CERTIFICATION:

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SIGNATURE

Leslie Trachsler

Annual Report Disclosure Form
MCAG No. 0307

CITY OF EPHRATA

Please check if the statements/schedules are attached. Use the column which is appropriate for your government type. If financial statements and/or Schedules 04, 05, 17 and 22 are not applicable mark the spot NA (*not applicable*). An unmarked spot in your government type column will indicate that a schedule is not attached due to lack of activities described in this schedule in reported year.

	City	County	Special Purpose District
Certification	X		
Financial Statements (including notes)	X		
Schedule 04, <i>Revenues and Other Sources</i>	X		
Schedule 05, <i>Expenditures/Expenses and Other Uses</i>	X		
Schedule 07, <i>Warrant Activity</i>	N/A		
Schedule 09, <i>Long-Term Debt</i>	X		
Schedule 10, <i>Limitation of Indebtedness</i>	X		
Schedule 11, <i>Cash Activity</i>	X		
Schedule 12, <i>Investment Activity</i>	X		
Schedule 16, <i>Expenditures of Federal Awards and State/Local Assistance</i>	X		
Schedule 17, <i>Public Works</i>	N/A		
Schedule 19, <i>Labor Relations Consultants</i>	X		
Schedule 20, <i>Sales and Use Tax for Public Facilities</i>			
Schedule 21, <i>Risk Management</i>	N/A		
Schedule 22, <i>Annual Questionnaire for Audit Assessment</i>	N/A		

CITY OF EPHRATA
NOTES TO FINANCIAL STATEMENTS
JANUARY 1, 2010 THROUGH DECEMBER 31, 2010

NOTE 1 - SUMMARY OF ACCOUNTING POLICIES

The City of Ephrata reports financial activity using the revenues and expenditure classifications, statements, and schedules contained in the Cash Basis Budgeting, Accounting and Reporting System (BARS) manual. This basis of accounting and reporting is another comprehensive basis of accounting (OCBOA) that is prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW.

The City of Ephrata was incorporated on 1909 and operates under the laws of the State of Washington applicable to a non-charter code city with a mayor/council form of government. The City of Ephrata is a general purpose government and provides public safety, fire prevention, general administration, street improvement, parks and recreation. In addition, the city owns and operates water, sewer and garbage services. The City of Ephrata uses single-entry, cash basis accounting which is a departure from generally accepted accounting principles (GAAP).

a. Fund Accounting

The accounts of the city are organized on the basis of funds, each of which is considered a separate accounting entity. Each fund is accounted for with a separate set of single-entry accounts that comprises its cash, investments, revenues and expenditures, as appropriate. The city's resources are allocated to and accounted for in individual funds depending on their intended purpose. The following are fund types used by the city.

GOVERNMENTAL FUND TYPES

General (Current Expense) Fund (001)

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

Special Revenue Funds (100-199)

These funds account for revenues that are legally restricted or designated to finance particular activities of the city.

Debt Service Funds (200 – 299)

These funds account for the accumulation of resources to pay principal, interest and related costs on general long-term debt.

Capital Project Funds (300 – 399)

These funds account for financial resources which are designated for the acquisition or construction of general government capital projects.

Permanent Funds (700 – 799)

These funds account for financial resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support programs for the benefit of the government or its citizenry.

PROPRIETARY FUND TYPES:

Enterprise Funds (400-499)

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

Internal Service Funds (500-599)

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

FIDUCIARY FUND TYPES:

Fiduciary funds account for assets held by the city in a trustee capacity or as an agent on behalf of others.

Pension (and other Employee Benefit) Trust Funds (611 – 620)

These funds are held in trust for the members of defined benefit pension plans, defined contribution plans, other postemployment benefit plans or other employee benefit plans.

b. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Revenues are recognized only when cash is received and expenditures are recognized when paid, including those properly chargeable against the report year(s) budget appropriations as required by state law.

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.

Purchases of capital assets are expensed during the year of acquisition. There is no capitalization of capital assets, nor allocation of depreciation expense. Inventory is expensed when purchased.

The basis of accounting described above represents a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

c. Budgets

The city adopts annual appropriated budgets for Current Expense, Special Revenue, Debt Service, Capital Projects, Proprietary and Fiduciary funds. These budgets are adopted at the fund level. The budgets constitute the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

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

Fund	Final Appropriated Amounts	Actual Expenditures	Variance
Total General Fund:	\$3,803,866.00	\$3,574,339.41	\$229,526.59
Total Street Fund	\$ 551,800.00	\$ 521,579.84	\$ 30,220.16
Total Library Fund	\$ 193,000.00	\$ 191,919.23	\$ 1,080.77
Total Cemetery Fund	\$ 120,600.00	\$ 113,450.40	\$ 7,149.60
Total Park Fund	\$ 674,710.00	\$ 617,312.99	\$ 57,397.01
Total Convention Fund	\$ 171,500.00	\$ 160,545.39	\$ 10,954.61
Total Street Lights Fund	\$ 142,000.00	\$ 141,412.57	\$ 587.43
Total Park Development Fund	\$ 1,500.00	\$ 0.00	\$ 1,500.00
Total Fire Reserve Fund	\$ 78,100.00	\$ 78,315.86	\$ (215.86)
Total Capital Improvement Fund	\$ 92,000.00	\$ 61,098.77	\$ 30,901.23
Total Police Reserve Fund	\$ 5,700.00	\$ 5,522.06	\$ 177.94
Total GO Swim Pool Redemption Fund	\$ 102,700.00	\$ 102,165.00	\$ 535.00
Total Sanitation Fund	\$2,060,500.00	\$1,882,556.71	\$177,943.29
Total Water/Sewer Fund	\$3,155,900.00	\$3,083,041.61	\$ 72,858.39

Total Water/Sewer Construction Fund	\$4,054,750.00	\$3,239,568.16	\$815,181.84
Total Public Works Trust Fund	\$ 571,150.00	\$ 549,977.74	\$ 21,172.26
Total SRF Redemption Fund	\$ 274,650.00	\$ 274,641.02	\$ 8.98
Total Equipment Rental Fund	\$ 478,760.00	\$ 392,519.35	\$ 86,240.65
Total Equipment Rental Reserve Fund	\$ 84,360.00	\$ 0.00	\$ 84,360.00
Total Cemetery Care Fund	\$ 1,000.00	\$ 0.00	\$ 1,000.00
Total Retirement Reserve Fund	\$ 36,500.00	\$ 36,341.25	\$ 158.75

Budgeted amounts are authorized to be transferred between (departments within any fund/object classes within departments); 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.

Fire Reserve Fund had unanticipated "Pass Thru" funds of \$284 which resulted in fund showing expenses exceeding budgeted amount.

d. Cash

It is the city's policy to invest all temporary cash surpluses. The amount is included in the net cash and investments shown on the statements of fund resources and uses arising from cash transactions. The interest on these investments is prorated to various funds.

e. Deposits

The city deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation (FDIC), and/or the Washington Public Deposit Protection Commission (WPDPC).

f. Investments See Note 3

g. Capital Assets

Capital assets are long-lived assets of the city and are recorded as expenditures when purchased.

h. Compensated Absences

Vacation leave may be accumulated up to 35 days and is payable upon separation or retirement.

Sick leave may be accumulated indefinitely. Upon separation or retirement employees receive payment for 50% of unused sick leave, once they reach a threshold of 200 hours, up to a maximum of 480 hours.

i. Long-Term Debt See Note 5

j. Other Financing Sources Or Uses

The city's "Other Financing Sources or Uses" consist of transfers in, transfers out and net proceeds from the Port of Ephrata for Public Works Trust Fund Loan repayment.

k. Risk Management

The City of Ephrata is a member of the Cities Insurance Association of Washington. Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The pool was formed on September 1, 1988 when 34 cities in the State of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of August 31, 2010, CIAW had 88 members and 180 associate members. Effective September 1, 2010, all members of the CIAW are full members.

The pool provides the following forms of joint self-insurance and excess coverage for its members: Property, including automobile comprehensive and collision, equipment breakdown and crime protection, and liability, including general, automobile and wrongful acts, are included to fit members' various needs.

The pool acquires liability insurance through Munich Reinsurance America that is subject to a per-occurrence deductible of \$100,000. Members are responsible for the first \$1,000 of the deductible amount of each claim, while the pool is responsible for the remaining \$99,000. Insurance carrier covers insured losses over \$100,000 to the limits of each policy. Since the pool is a cooperative program, there is a joint liability among the participating members towards the sharing of the \$99,000 portion of the deductible. The pool also purchases a Stop Loss Policy in the amount of \$3,200,000 to cap the total claims paid by the pool in any one year.

Property insurance is subject to a per-occurrence deductible of \$10,000. Members are responsible for the first \$1,000 of the deductible amount of each claim, while the pool is responsible for the remaining \$9,000.

Boiler and machinery insurance is subject to a per-occurrence deductible of \$2,500. Members are responsible for the deductible amount of each claim.

Members contract to remain in the pool for a minimum of one year, and must give notice before August 31 before terminating participation the following September 1. The Interlocal Agreement is renewed automatically each year. In the event of termination, a member is still responsible for contributions to the pool for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Agreement.

A board of ten members is selected by the membership from three geographic areas of the state on a staggered term basis and is responsible for conducting the business affairs of the pool. The pool has no employees, but has contracted with a third-party administrator, Canfield, to perform the daily administration of the pool, including account education, risk management and loss control, and claims administration.

1. Reserved Fund Balance

The City of Ephrata has established by Ephrata Municipal Code 14.24.020 the fund balance of Fund 702, Endowment Care Fund, shall remain irreducible and inviolable.

NOTE 2 – COMPLIANCE AND ACCOUNTABILITY

There have been no material violations of finance-related legal or contractual provisions. Fund 154, Fire Reserve Fund, received an unanticipated pass-thru for the Volunteer Fire Association resulting in expenditures exceeding the appropriated amount by \$215.86.

NOTE 3 – INVESTMENTS

The city's investments are either insured, registered or held by the city or its agent in the city's name.

Investments are presented at cash value.

Investments by type at December 31, 2010 are as follows:

Type of Investment	City's Own investments	Total
L.G.I.P.	\$ 576,720.50	\$ 576,720.50
Grant County Investment Pool	\$3,322,495.84	\$3,322,495.84
Certificate of Deposit	\$ 100,019.77	\$ 100,019.77
TOTAL	\$3,999,236.11	\$3,999,236.11

NOTE 4 – PROPERTY TAX

The county treasurer acts as an agent to collect property taxes 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 taxes are levied.

The city’s regular levy for the year 2010 was \$2.50456 per \$1,000 on an assessed valuation of \$416,755,380 for a total regular levy of \$1,043.789.

NOTE 5 – LONG TERM DEBT

The accompanying Schedule of Long-Term Debt (09) provides a listing of the outstanding debt of the city and summarizes the city’s debt transactions for 2010. The debt service payment for the fiscal year being reported and future payment requirements, including interest, are as follows:

Year	General Obligation Bonds	Revenue Bonds	Other Debt	Total Debt
2010	102,165	824,275	78,032	1,004,472
2011	104,045	823,430	78,032	1,005,507
2012	100,615	820,259	78,032	998,906
2013	102,115	725,628	78,032	905,775
2014	103,290	723,526	-0-	826,816
2015	104,130	721,429	-0-	825,559
2016-2020	304,648	3,575,652	-0-	3,880,300
2021-2025	-0-	1,929,353	-0-	1,929,353
2026-2028	-0-	1,000,766	-0-	1,000,766
TOTALS	921,008	11,144,318	312,128	12,377,454

NOTE 6 – PENSION PLANS

Substantially all city full-time and qualifying part-time employees participate in the Law Enforcement and Fire Fighters (LEOFF) or Public Employees Retirement System (PERS) administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. Actuarial information is on a system-wide basis and is not considered pertinent to the city’s financial statements. Contributions to the system by both employee and employer are based upon gross wages covered by plan benefits.

Historical trend or other information regarding each plan is presented in the Washington State Department of Retirement Systems annual financial report. A copy of this report may be obtained by writing to:

Department of Retirement Systems
Communications Unit
PO Box 48380
Olympia, WA 98504-8380

NOTE 7 – POST EMPLOYMENT BENEFITS

The city has a commitment to pay for post employment benefits for employees that belong to LEOFF I. These benefits include medical insurance and nursing care insurance. Four retirees received benefits during the year and \$58,835 was paid out for those benefits during the year.

NOTE 8 – POLLUTION DISPUTE

The City of Ephrata and Grant County have been named potentially liable persons by the Dept of Ecology at the Grant County Landfill for the alleged release of hazardous substances at the County Landfill.

NOTE 9 – ACCOUNTING

With new 20% requirement for special revenue accounts, and in an effort to comply with reporting requirements the following funds were rolled into the General Fund (001):

- 114 – Library
- 116 – Parks
- 140 – Street Lights
- 154 – Fire Reserve
- 157 – Police Reserve

These funds will be reclassified and the necessary steps taken to incorporate them into the General Fund.

Enterprise Funds – The following funds were rolled into Water/Sewer Fund (424):

- 425 – Water/Sewer Construction
- 426 - Public Works Trust Fund
- 427 – SRF Reserve Fund
- 428 – SRF Redemption Fund

Equipment Rental Fund (523):

- 525 – Equipment Rental Reserve Fund

Cemetery Care Fund (602) was reported as Fund 702 and will be reclassified.

NOTE 10 – CIAW ASSESSMENT

The Cities Insurance Association of Washington, as directed by the Office of Financial Management, assessed their membership an additional reassessment fee for the years of 2002 – 2006. City will be required to pay an additional \$5,958 per year for the years 2010 – 2014.

CITY OF EPHRATA
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2010

BARS CODE		Total for	1	112	115
		All Funds ^{1/} Total Amount	GENERAL FUND Actual Amount	STREET FUND Actual Amount	CEMETERY FUND Actual Amount
Beginning Cash and Investments:					
308.10	Reserved	\$0			
308.80	Unreserved	\$7,389,808	\$1,339,623	\$36,129	\$245,349
388.80 or 588.80	Prior Period Adjustments	\$0			
Revenues and Other Sources:					
310	Taxes	\$3,447,370	3,070,027	240,636	
320	Licenses and Permits	\$94,269	94,269		
330	Intergovernmental	\$812,535	327,727	229,094	
340	Charges for Goods and Services	\$4,008,700	252,811		23,676
350	Fines and Penalties	\$10,242	10,132		
360	Miscellaneous	\$1,029,027	88,033	5,046	23,850
370	Capital Contributions	\$0			
390	Other Financing Sources	\$693,782	500,015	73,204	
Total Revenues and Other Financing Sources		\$10,095,925	4,343,014	547,980	47,526
Total Resources		17,485,733	5,682,637	584,109	292,875
Operating Expenditures:					
510	General Government	\$483,775	186,972		
520	Public Safety	\$2,593,741	2,593,741		
530	Physical Environment	\$3,408,599	178,058		113,450
540	Transportation	\$835,727	0	482,001	
550	Economic Environment	\$438,163	277,618		
560	Mental and Physical Health	\$16,064	16,064		
570	Culture and Recreational	\$788,713	788,713		
Total Operating Expenditures		8,564,782	4,041,166	482,001	113,450
591-593	Debt Service	\$218,861	78,033		
594-595	Capital Outlay	\$2,643,780	5,836	39,579	
Total Expenditures		11,427,423	4,125,035	521,580	113,450
597-599	Other Financing Uses	\$675,041	175,041		
Total Expenditures and Other Financing Uses		12,102,464	4,300,076	521,580	113,450
Excess (Deficit) of Resources Over Uses		5,383,269	1,382,561	62,529	179,425
380	Nonrevenues (Except 384)	\$19,674	19,674		
580	Nonexpenditures (Except 584)	\$805,685	19,730		
Ending Cash and Investments:					
508.10	Reserved				
508.80	Unreserved	\$4,597,258	\$1,382,505	\$62,529	\$179,425

^{1/} This column should summarize ALL reported funds, not just funds listed on this page

The Accompanying Notes Are An Integral Part Of This Statement.

CITY OF EPHRATA

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2010

BARS CODE		120	153	155	170
		Convention Center Actual Amount	Park Development Actual Amount	Capital Improvement Actual Amount	Cooperative Growth Actual Amount
Beginning Cash and Investments:					
308.10	Reserved				
308.80	Unreserved	\$221,010	\$61,123	\$436,014	\$20,857
388.80 or 588.80	Prior Period Adjustments				
Revenues and Other Sources:					
310	Taxes	54,440		82,267	
320	Licenses and Permits				
330	Intergovernmental				
340	Charges for Goods and Services		3,983		
350	Fines and Penalties				
360	Miscellaneous	11,226	4,030		
370	Capital Contributions				
390	Other Financing Sources				
Total Revenues and Other Financing Sources		65,666	8,013	82,267	0
Total Resources		286,676	69,136	518,281	20,857
Operating Expenditures:					
510	General Government				
520	Public Safety				
530	Physical Environment				
540	Transportation				
550	Economic Environment	160,545			
560	Mental and Physical Health				
570	Culture and Recreational				
Total Operating Expenditures		160,545	0	0	0
591-593	Debt Service				
594-595	Capital Outlay			61,099	
Total Expenditures		160,545	0	61,099	0
597-599	Other Financing Uses				
Total Expenditures and Other Financing Uses		160,545	0	61,099	0
Excess (Deficit) of Resources Over Uses		126,131	69,136	457,182	20,857
380	Nonrevenues (Except 384)				
580	Nonexpenditures (Except 584)				
Ending Cash and Investments:					
508.10	Reserved				
508.80	Unreserved	\$126,131	\$69,136	\$457,182	\$20,857

The Accompanying Notes Are An Integral Part Of This Statement.

CITY OF EPHRATA
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS
 For the Year Ended December 31, 2010

BARS CODE		299 Swimming Pool Redemption Actual Amount	340 CDGB Grant Actual Amount	380 Downtown Improvement Actual Amount	422 Sanitation Actual Amount
Beginning Cash and Investments:					
308.10	Reserved				
308.80	Unreserved	\$1,190	\$6,200	\$335	\$694,505
388.80 or 588.80	Prior Period Adjustments				
Revenues and Other Sources:					
310	Taxes				
320	Licenses and Permits				
330	Intergovernmental				241,843
340	Charges for Goods and Services				935,027
350	Fines and Penalties				
360	Miscellaneous		402		468,700
370	Capital Contributions				
390	Other Financing Sources	102,700			
Total Revenues and Other Financing Sources		102,700	402	0	1,645,570
Total Resources		103,890	6,602	335	2,340,075
Operating Expenditures:					
510	General Government				287,604
520	Public Safety				
530	Physical Environment				1,089,117
540	Transportation				
550	Economic Environment				
560	Mental and Physical Health				
570	Culture and Recreational				
Total Operating Expenditures		0	0	0	1,376,721
591-593	Debt Service	102,165			
594-595	Capital Outlay				5,836
Total Expenditures		102,165	0	0	1,382,557
597-599	Other Financing Uses				500,000
Total Expenditures and Other Financing Uses		102,165	0	0	1,882,557
Excess (Deficit) of Resources Over Uses		1,725	6,602	335	457,518
380	Nonrevenues (Except 384)				
580	Nonexpenditures (Except 584)				
Ending Cash and Investments:					
508.10	Reserved				
508.80	Unreserved	\$1,725	\$6,602	\$335	\$457,518

The Accompanying Notes Are An Integral Part Of This Statement.

CITY OF EPHRATA
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS
 For the Year Ended December 31, 2010

BARS CODE		424	523	702	
		Water/Sewer Actual Amount	Equipment Rental Actual Amount	Cemetery Care Actual Amount	
Beginning Cash and Investments:					
308.10	Reserved			\$161,110	
308.80	Unreserved	\$3,984,340	\$182,023		
388.80 or 588.80	Prior Period Adjustments				
Revenues and Other Sources:					
310	Taxes				
320	Licenses and Permits				
330	Intergovernmental	13,871			
340	Charges for Goods and Services	2,789,418	400	3,385	
350	Fines and Penalties	110			
360	Miscellaneous	24,139	403,601		
370	Capital Contributions				
390	Other Financing Sources	17,863			
Total Revenues and Other Financing Sources		2,845,401	404,001	3,385	
Total Resources		6,829,741	586,024	164,495	
Operating Expenditures:					
510	General Government	9,199			
520	Public Safety				
530	Physical Environment	2,027,974			
540	Transportation		353,726		
550	Economic Environment				
560	Mental and Physical Health				
570	Culture and Recreational				
Total Operating Expenditures		2,037,173	353,726	0	
591-593	Debt Service	38,663			
594-595	Capital Outlay	2,492,637	38,793		
Total Expenditures		4,568,473	392,519	0	
597-599	Other Financing Uses				
Total Expenditures and Other Financing Uses		4,568,473	392,519	0	
Excess (Deficit) of Resources Over Uses		2,261,268	193,505	164,495	
380	Nonrevenues (Except 384)				
580	Nonexpenditures (Except 584)	785,955			
Ending Cash and Investments:					
508.10	Reserved			\$164,495	
508.80	Unreserved	\$1,475,313	\$193,505		

The Accompanying Notes Are An Integral Part Of This Statement.

**FIDUCIARY FUND RESOURCES AND USES
ARISING FROM CASH TRANSACTIONS**

For The Year Ending December 31, 2010

	Total for	615	Fund Number	Fund Number
	All Funds	Retirement	and Title	and Title
	Total Amount	Reserve	Actual Amount	Actual Amount
		Actual Amount	Actual Amount	Actual Amount
Beginning Cash and Investments	\$68,664	\$68,664		
Prior Period Adjustments				
Revenue and Other Financing Sources				
Total Resources	68,664	68,664	0	0
Expenditures And Other Financing Uses	36,341	36,341		
Excess (Deficit) of Resources Over Uses	32,323	32,323	0	0
Nonrevenues (Except 384)				
Nonexpenditures (Except 584)				
Ending Cash and Investments	\$32,323	\$32,323	\$0	\$0

The Accompanying Notes Are An Integral Part Of This Statement.

CITY OF EPHRATA

SCHEDULE 09

SCHEDULE OF LONG-TERM LIABILITY
For the Year Ended December 31, 2010

ID. No.	Description	(1) Beginning Balance 01/01/2010	(2) Additions	(3) Reductions	BARIS Code for Redemption of Debt Only	(4) Ending Balance Debt 12/31/2010 (1)+(2)-(3)
251.11	3/1/1999 - Nonvoted GO Debt	\$ 720,000.00		\$ 65,000.00	591.76.71	\$ 655,000.00
263.51	2/1/2003 - Lease/Purchase	\$ 284,139.00		\$ 67,045.00	591.22.75	\$ 217,094.00
263.82	7/1/1992 - PWTF Loan - Oasis	\$ 77,883.00		\$ 25,960.00	582.35.70	\$ 51,923.00
263.82	9/1/1999 - Dept of Ecology - WWTP	\$ 3,021,051.00		\$ 274,641.00	582.35.78.01	\$ 2,746,410.00
263.82	7/1/2003 - PWTF Loan - Grandview	\$ 949,136.00		\$ 73,011.00	582.34.78	\$ 876,125.00
263.82	7/1/2004 - PWTF Loan - Port Eng	\$ 18,790.00		\$ 1,342.00	582.35.78	\$ 17,448.00
263.82	7/1/2005 - PWTF Loan - Port Constl	\$ 243,368.00		\$ 15,211.00	582.35.78	\$ 228,157.00
263.82	7/1/2006 - PWTF Loan-W/ST Plan	\$ 22,115.00		\$ 7,372.00	582.34.78.01	\$ 14,743.00
263.82	8/20/2007 - PWTF Loan-W/ST Eng	\$ 174,398.00		\$ 58,133.00	582.34.78.02	\$ 116,265.00
263.82	3/7/2008 - PWTF Loan-W/ST Constl	\$ 6,275,441.00		\$ 330,286.00	582.34.78.03	\$ 5,945,155.00
259.11	Compensated Absences- Governmental		\$ 310,991.00			\$ 310,991.00
259.12	Compensated Absences- Proprietary Sanitation		\$ 22,967.00			\$ 22,967.00
259.12	Compensated Absences- Proprietary Water/Sewer		\$ 106,199.00			\$ 106,199.00
259.12	Compensated Absences- Proprietary Equipment Rental		\$ 16,470.00			\$ 16,470.00

MCAG# 0304

CITY OF EPHRATA

Schedule 10

Schedule of Limitation of Indebtedness

As of December 31, 2010

Total Taxable Property Value \$ 416,755,380.00[✓]

Remaining Debt
Capacity

2.5% General purpose limit is allocated between:	\$10,418,884.50	
Up to 1.5% debt without a vote (councilmanic)	\$6,251,330.70	
Less: Outstanding Debt	\$ 965,991.00	
Contracts Payable	\$ 217,094.00	
Excess of Debt with a vote	\$	
Add: Available assets	\$ 1,481,274.00	
Equals remaining debt capacity without a vote		\$6,549,519.70

1.0% General purpose debt with a vote	\$4,167,553.80	
Less: Outstanding Debt	\$	
Contracts Payable	\$	
Add: Available assets	\$	
Equals remaining debt capacity with a vote		\$4,167,553.80

2.5% Utility purpose limit, voted	\$10,418,884.50	
Less: Outstanding Debt	\$	
Contracts Payable	\$	
Add: Available Assets	\$	
Equals remaining debt capacity- Utility purpose, voted		\$10,418,884.50

2.5% Open Space, park & capital facilities, voted	\$10,418,884.50	
Less: Outstanding Debt		
Contracts Payable		
Add: Available Assets		
Equals remaining debt capacity - Open space, park & capital facilities voted		\$10,418,884.50

CITY OF EPHRATA
 SCHEDULE OF CASH ACTIVITY
 For the Year Ended December 31, 2010

FUND NO.	DESCRIPTION	CASH ACTIVITY-IN					TOTAL AVAILABLE
		BEGINNING BALANCE	RECEIPTS	INVESTMENTS LIQUIDATED	TRANSFERS-IN		
1	Current Expense	\$ 1,339,622.61	\$ 3,238,748.10		\$ 1,123,939.16	\$ 5,702,309.87	
112	Street	\$ 36,128.88	\$ 475,639.30		\$ 72,341.00	\$ 584,109.18	
115	Cemetery	\$ 245,349.25	\$ 47,525.98			\$ 292,875.23	
120	Convention Center	\$ 221,009.93	\$ 65,666.52			\$ 286,676.45	
153	Park Development	\$ 61,122.89	\$ 8,012.87			\$ 69,135.76	
155	Capital Improvement	\$ 436,013.62	\$ 82,266.94			\$ 518,280.56	
170	Cooperative Growth	\$ 20,857.20				\$ 20,857.20	
299	GO Pool Redemption	\$ 1,189.99			\$ 102,700.00	\$ 103,889.99	
340	CDBG Grant	\$ 6,200.48	\$ 402.29			\$ 6,602.77	
380	Downtown Improvement	\$ 334.87				\$ 334.87	
422	Sanitation	\$ 694,505.06	\$ 1,645,569.41			\$ 2,340,074.47	
424	Water/Sewer	\$ 3,888,625.87	\$ 2,845,401.34			\$ 6,734,027.21	
523	Equipment Rental	\$ 182,023.53	\$ 54.85		\$ 403,946.21	\$ 586,024.59	
615	Retirement Reserve	\$ 68,664.13				\$ 68,664.13	
702	Cemetery Care	\$ 161,110.07	\$ 3,385.00			\$ 164,495.07	
999	Investments	\$ (6,880,386.96)		\$ (118,829.38)		\$ (6,999,216.34)	
TOTAL		\$ 482,371.42	\$ 8,412,672.60	\$ (118,829.38)	\$ 1,702,926.37	\$ 10,479,141.01	

04

CASH ACTIVITY-OUT						
FUND NO.	INVESTMENTS ACQUIRED	TRANSFERS OUT TO CLAIMS/PAYROLL	OTHER TRANSFERS-OUT	DISBURSEMENTS	TOTAL USED	ENDING BALANCE
1			\$ 361,969.21	\$ 3,957,834.91	\$ 4,319,804.12	\$ 1,382,505.75
112			\$ 94,249.00	\$ 427,330.84	\$ 521,579.84	\$ 62,529.34
115			\$ 9,952.00	\$ 103,498.40	\$ 113,450.40	\$ 179,424.83
120				\$ 160,545.39	\$ 160,545.39	\$ 126,131.06
153					\$ -	\$ 69,135.76
155				\$ 61,098.77	\$ 61,098.77	\$ 457,181.79
170					\$ -	\$ 20,857.20
299				\$ 102,165.00	\$ 102,165.00	\$ 1,724.99
340					\$ -	\$ 6,602.77
380					\$ -	\$ 334.87
422			\$ 584,414.66	\$ 1,298,142.05	\$ 1,882,556.71	\$ 457,517.76
424	\$ 4,305.20		\$ 652,341.50	\$ 4,702,087.03	\$ 5,358,733.73	\$ 1,375,293.48
523				\$ 392,519.35	\$ 392,519.35	\$ 193,505.24
615				\$ 36,341.25	\$ 36,341.25	\$ 32,322.88
702					\$ -	\$ 164,495.07
999	\$ (3,100,000.00)				\$ (3,100,000.00)	\$ (3,899,216.34)
TOTAL	\$ (3,095,694.80)	\$ -	\$ 1,702,926.37	\$ 11,241,562.99	\$ 9,848,794.56	\$ 630,346.45

05

Bank

* + 2010

CITY OF EPHRATA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2010

Federal Agency Name/ Pass-Through Agency Name	Federal Program Name	CFDA Number	Other I.D. Number	Current Year Expenditures			Foot-note Ref.
				From Pass- Through Awards	From Direct Awards	Total	
DOJ/Grant County Sheriffs	Interagency Narcotics Enforcement Team	16.57	N/A	\$ 41,962.00		\$41,962.00	1, 2
DOJ/DEA/Grant County Sheriffs	Marijuana Eradication Grant	16	N/A	\$ 5,060.00		\$ 5,060.00	1
HIDTA/Grant County Sheriffs	Meth Initiative Enforcement	16.71	N/A	\$ 2,617.00		\$ 2,617.00	1
Dept of Transportation/ Washington Association of Sheriffs and Police Chiefs	Traffic Safety Equipment	20.6	N/A	\$ 3,000.00		\$ 3,000.00	1, 2
Dept. of Transportation/ Washington Traffic Safety Commission	DUI Overtime	20.601	N/A	\$ 854.00		\$ 854.00	1
Department of Justice	BVP	16.607	N/A		\$ 923.00	\$ 923.00	1, 2
DOJ/Wa State Dept of Community Trade & Economic Development	BRYNE Grant	16.803	N/A	\$ 9,591.00		\$ 9,591.00	1, 2
US Dept of Homeland Security - FEMA/ Washington State Patrol	Interoperable Emergency Communications	97.055	N/A	\$ 249.00		\$ 249.00	1
DOE/ Wa State Dept of Commerce - Energy Policy Division	ARRA/ECECBG	81.128	F10-52110- 028 - WWTP VFD	\$ 26,039.00		\$ 26,039.00	1, 2, 3
Total Federal Awards Expended						\$ 90,295.00	

The Accompanying Notes To The Schedule Of Expenditures of Federal Awards Are An Integral Part Of This Schedule.

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2010

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 of accounting.

NOTE 2 - Program Costs

The amounts shown as current year expenditures represent only the state/federal grant portion of the program costs. Entire program costs, including the city's portion, are more than shown.

NOTE 3 - American Recovery and Reinvestment Act (ARRA) of 2009

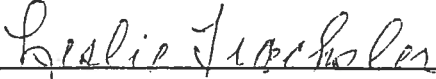
Expenditures for this program were funded by ARRA.

LABOR RELATIONS CONSULTANT(S)

For the Year Ended December 31, 2010

Has your government engaged labor relations consultants? Yes No

If yes, please provide the following information for each consultant(s):

Name Of Firm	
Name Of Consultant	
Business Address	
Amount Paid To Consultant During Fiscal Year	
Terms And Conditions, As Applicable, Including: Rates (E.g., Hourly, Etc) _____ Maximum Compensations Allowed _____ Duration Of Service _____ Services Provided _____	
Certified Correct this 27th day of May, 2011 to the best of my knowledge and belief:	
	
Signature	Leslie Trachsler
Name	City Clerk/Finance Director
Title	

