

ANNUAL REPORT

**CITY OF EPHRATA,
WASHINGTON**

MCAG No. 0304

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

FOR THE FISCAL YEAR ENDED DECEMBER , 2011

Certified correct this 15th day of May, 2012, 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. 0304

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, 2011 THROUGH DECEMBER 31, 2011

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, street improvement, parks and recreation, general administrative services and a city owned water, sewer and sanitation utility. 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 (610-619)

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/Department	Final Appropriated Amounts	Actual Expenditures	Variance
Total General Fund	\$3,645,096.00	\$3,577,450.13	\$67,645.87
Total Library Fund	\$198,900.00	\$194,421.40	\$4,478.60
Total Park Fund	\$705,843.00	\$660,358.44	\$45,484.56
Total Street Light Fund	\$142,000.00	\$129,195.50	\$12,804.50
Total Fire Reserve Fund	\$86,600.00	\$86,497.29	\$102.71
Total Police Reserve Fund	\$2,000.00	\$1,939.20	\$60.80
Total Street Fund	\$504,250.00	\$467,510.91	\$36,739.09
Total Cemetery Fund	\$129,065.00	\$124,722.96	\$4,342.04
Total Convention Fund	\$127,700.00	\$125,208.85	\$2,491.15
Total Park Development	\$2,000.00	\$0.00	\$2,000.00
Total Capital Improvement	\$40,000.00	\$22,099.29	\$17,900.71
Total Pool Bond Fund	\$104,450.00	\$104,275.04	\$174.96
Total Sanitation Fund	\$1,397,600.00	\$1,299,135.13	\$98,464.87
Total Water/Sewer Fund	\$3,081,650.00	\$3,007,424.23	\$74,225.77
Total Water/Sewer Construction Fund	\$1,374,010.00	\$1,265,066.52	\$108,943.48
Total Public Works Trust	\$588,300.00	\$548,787.71	\$39,512.29
Total SRF Redemption Fund	\$274,650.00	\$274,641.02	\$8.98
Total Equipment Rental	\$468,800.00	\$451,372.89	\$17,427.11
Total Equipment Rental Reserve	\$10,050.00	\$0.00	\$10,050.00
Total Cemetery Care Fund	\$2,000.00	\$0.00	\$2,000.00

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.

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 accumulate 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 for 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 note 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 September 1, 2011, there are 254 members in the pool.

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 their Administrator, Canfield, that is subject to a per-occurrence self insured retention of \$100,000. Members are responsible for the first \$1,000 of the deductible portion of each claim, while the pool is responsible for the remaining \$99,000. Insurance carriers cover 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 self insured retention. The pool also purchases a Stop Loss Policy with a limit of \$2,545,000 to cap the total claims paid by the pool in any one year.

Property insurance is subject to a per-occurrence self insured retention of \$25,000. Members are responsible for a \$1,000 deductible for each claim. The pool bears the \$25,000 self insured retention in addition to the deductible.

Equipment breakdown insurance is subject to a per-occurrence deductible of \$2,500. Members are responsible for the deductible amount of each claim. There is no pool self insured retention on this coverage.

Members contract to remain in the pool for a minimum of one year, and must give notice before August 31 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 the 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 & Associates, Inc., to perform the daily administration of the pool including underwriting, brokerage, account education, risk management, 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.

There have been no expenditures exceeding legal appropriations in any of the funds of the city.

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, 2011 are as follows:

Type of Investment	City's Own investments	Total
L.G.I.P.	\$77,534.39	\$77,534.39
Grant County Investment Pool	\$3,111,605.53	\$3,111,605.53
Certificate of Deposit	\$104,518.62	\$104,518.62
TOTAL	\$3,293,658.54	\$3,293,658.54

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 2011 was \$2.48465 per \$1,000 on an assessed valuation of \$417,501,404 for a total regular levy of \$1,037,345.

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 2011. 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
2011	104,045	823,430	78,032	1,005,507
2012	93,655	827,874	120,473	1,042,002
2013	95,925	733,248	120,473	949,646
2014	94,735	731,113	42,441	868,289
2015	93,333	728,978	42,441	864,752
2016	96,760	726,843	-0-	823,603
2017-2021	182,345	3,327,558	-0-	3,509,903
2022-2026	-0-	1,866,564	-0-	1,866,564
2027-2028	-0-	679,745	-0-	679,745
TOTALS	760,798	10,445,353	403,860	11,610,011

NOTE 6 – PENSION PLANS

Substantially all City of Ephrata 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 \$45,191 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 Department of Ecology at the Grant County Landfill for the alleged release of hazardous substances at the County Landfill.

NOTE 9 – ACCOUNTING

In compliance with State Auditors 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 the 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.

OTHER DISCLOSURES

Petty cash was increased by Resolution 11-936 creating a difference in the beginning fund balance in Fund 001 of \$100.00.

Manual journal entry was made to Fund 299 to record additional debt issued when refinancing the GO99 Pool Bond. Adjustment was made to show Refunding Bond Proceeds and Refunding Bond Debt cost for \$15,000. This adjustment to the 04/05 is not reflected in Note 1(c) Budget and did not affect cash.

Manual journal entry was made to Fund 523 to record debt incurred by entering into a Lease/Purchase Agreement for a Street Sweeper. Adjustment was made to show Proceeds of Capital Lease Purchase and the addition of Capital Asset for \$195,236.00. This adjustment to the 04/05 is not reflected in Note 1(c) Budget and did not affect cash.

**CITY OF EPHRATA
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS**

For the Year Ended December 31, 2011

BARS CODE		Total for All Funds ^{1/} Total Amount	1 Current Exp Actual Amount	112 Street Actual Amount	115 Cemetery Actual Amount
Beginning Cash and Investments:					
308.10	Reserved	\$164,495			
308.80	Unreserved	\$4,432,863	\$1,382,605	\$62,529	\$179,425
388.80 or 588.80	Prior Period Adjustments	\$0			
Revenues and Other Sources:					
310	Taxes	\$3,460,449	3,102,031	235,505	
320	Licenses and Permits	\$90,450	90,450		
330	Intergovernmental	\$624,423	250,105	261,099	
340	Charges for Goods and Services	\$4,031,466	257,792		43,602
350	Fines and Penalties	\$4,919	4,809		
360	Miscellaneous	\$637,249	101,221	21	21,218
370	Capital Contributions	\$418,854			
390	Other Financing Sources	\$728,596	257,838	21,554	
Total Revenues and Other Financing Sources		\$9,996,406	4,064,246	518,179	64,820
Total Resources		14,593,764	5,446,851	580,708	244,245
Operating Expenditures:					
510	General Government	\$530,800	231,464		
520	Public Safety	\$2,668,458	2,668,458		
530	Physical Environment	\$3,025,292	40,546		124,723
540	Transportation	\$932,091	129,196	462,116	
550	Economic Environment	\$392,441	267,232		
560	Mental and Physical Health	\$15,770	15,770		
570	Culture and Recreational	\$825,029	825,029		
Total Operating Expenditures		8,389,881	4,177,695	462,116	124,723
591-593	Debt Service	\$219,780	78,032		
594-595	Capital Outlay	\$726,299	0	5,395	
Total Expenditures		9,335,960	4,255,727	467,511	124,723
597-599	Other Financing Uses	\$375,994	125,994		
Total Expenditures and Other Financing Uses		9,711,954	4,381,721	467,511	124,723
Excess (Deficit) of Resources Over Uses		4,881,811	1,065,130	113,197	119,522
380	Nonrevenues (Except 384)	\$58,409	40,078		
580	Nonexpenditures (Except 584)	\$866,364	37,418		
Ending Cash and Investments:					
508.10	Reserved	\$168,975			
508.80	Unreserved	\$3,904,880	\$1,067,790	\$113,197	\$119,522

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

CITY OF EPHRATA

FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS

For the Year Ended December 31, 2011

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	\$126,131	\$69,136	\$457,182	\$20,857
388.80 or 588.80	Prior Period Adjustments				
Revenues and Other Sources:					
310	Taxes	56,917		65,996	
320	Licenses and Permits				
330	Intergovernmental				
340	Charges for Goods and Services		1,479		
350	Fines and Penalties				
360	Miscellaneous	5,712	4,868		
370	Capital Contributions				
390	Other Financing Sources				
Total Revenues and Other Financing Sources		62,629	6,347	65,996	0
Total Resources		188,760	75,483	523,178	20,857
Operating Expenditures:					
510	General Government				
520	Public Safety				
530	Physical Environment				
540	Transportation				
550	Economic Environment	125,209			
560	Mental and Physical Health				
570	Culture and Recreational				
Total Operating Expenditures		125,209	0	0	0
591-593	Debt Service				
594-595	Capital Outlay			22,099	
Total Expenditures		125,209	0	22,099	0
597-599	Other Financing Uses				
Total Expenditures and Other Financing Uses		125,209	0	22,099	0
Excess (Deficit) of Resources Over Uses		63,551	75,483	501,079	20,857
380	Nonrevenues (Except 384)				
580	Nonexpenditures (Except 584)				
Ending Cash and Investments:					
508.10	Reserved				
508.80	Unreserved	\$63,551	\$75,483	\$501,079	\$20,857

CITY OF EPHRATA
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS
For the Year Ended December 31, 2011

BARS CODE		299	340	380	422
		Pool Bond Actual Amount	CDBG Grant Actual Amount	Downtown Improvement Actual Amount	Sanitation Actual Amount
Beginning Cash and Investments:					
308.10	Reserved				
308.80	Unreserved	\$1,725	\$6,602	\$335	\$457,518
388.80 or 588.80	Prior Period Adjustments				
Revenues and Other Sources:					
310	Taxes				
320	Licenses and Permits				
330	Intergovernmental				
340	Charges for Goods and Services				929,255
350	Fines and Penalties				
360	Miscellaneous		460		
370	Capital Contributions				418,854
390	Other Financing Sources	121,700			
Total Revenues and Other Financing Sources		121,700	460	0	1,348,109
Total Resources		123,425	7,062	335	1,805,627
Operating Expenditures:					
510	General Government				290,598
520	Public Safety				
530	Physical Environment				758,537
540	Transportation				
550	Economic Environment				
560	Mental and Physical Health				
570	Culture and Recreational				
Total Operating Expenditures		0	0	0	1,049,135
591-593	Debt Service	104,275			
594-595	Capital Outlay	15,000			
Total Expenditures		119,275	0	0	1,049,135
597-599	Other Financing Uses				250,000
Total Expenditures and Other Financing Uses		119,275	0	0	1,299,135
Excess (Deficit) of Resources Over Uses		4,150	7,062	335	506,492
380	Nonrevenues (Except 384)				
580	Nonexpenditures (Except 584)				
Ending Cash and Investments:					
508.10	Reserved				
508.80	Unreserved	\$4,150	\$7,062	\$335	\$506,492

CITY OF EPHRATA
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS
For the Year Ended December 31, 2011

BARS CODE		424 Water/Sewer Actual Amount	523 Equipment Rental Actual Amount	702 Cemetery Care Actual Amount	
Beginning Cash and Investments:					
308.10	Reserved			\$164,495	
308.80	Unreserved	\$1,475,313	\$193,505		
388.80 or 588.80	Prior Period Adjustments				
Revenues and Other Sources:					
310	Taxes				
320	Licenses and Permits				
330	Intergovernmental	113,219			
340	Charges for Goods and Services	2,797,725	1,613		
350	Fines and Penalties	110			
360	Miscellaneous	26,478	472,791	4,480	
370	Capital Contributions				
390	Other Financing Sources	123,526	203,978		
Total Revenues and Other Financing Sources		3,061,058	678,382	4,480	
Total Resources		4,536,371	871,887	168,975	
Operating Expenditures:					
510	General Government	8,738			
520	Public Safety				
530	Physical Environment	2,101,486			
540	Transportation		340,779		
550	Economic Environment				
560	Mental and Physical Health				
570	Culture and Recreational				
Total Operating Expenditures		2,110,224	340,779	0	
591-593	Debt Service	37,473			
594-595	Capital Outlay	420,416	263,389		
Total Expenditures		2,568,113	604,168	0	
597-599	Other Financing Uses				
Total Expenditures and Other Financing Uses		2,568,113	604,168	0	
Excess (Deficit) of Resources Over Uses		1,968,258	267,719	168,975	
380	Nonrevenues (Except 384)	18,331			
580	Nonexpenditures (Except 584)	786,505	42,441		
Ending Cash and Investments:					
508.10	Reserved			168,975	
508.80	Unreserved	\$1,200,084	\$225,278		

CITY OF EPHRATA
FIDUCIARY FUND RESOURCES AND USES ARISING
FROM CASH TRANSACTIONS

For The Year Ending December 31, 2011

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

The Accompanying Notes Are An Integral Part Of This Statement.



**CITY OF EPHRATA
SCHEDULE OF LONG-TERM LIABILITY
For the Year Ended December 31, 2011**

	(1)	(2)	(3)	(4)			
ID. No.	Description	Maturity Date	Beginning Balance 12/31/2010	Additions	Reductions	BARS Code for Redemption of Debt Only	Ending Balance Debt 12/31/2011 (1)+(2)-(3)
251.11	3/1/1999 - Nonvoted GO Debt - Splashzone Refunded 2011	12/01/2018	\$655,000.00	\$15,000.00	\$70,000.00	591.76	\$600,000.00
263.51	2/1/2003 - Lease/Purchase Fire Truck	02/23/2013	\$217,094.00		\$69,637.00	591.22	\$147,457.00
263.52	2/15/2011 - Lease/Purchase Street Sweeper	04/15/2015	\$0.00	\$195,236.00	\$42,441.00	582.48	\$152,795.00
263.82	7/1/1992 - PWTF Loan - Oasis Park	07/01/2012	\$51,923.00		\$25,961.00	582.35	\$25,962.00
263.82	9/1/1999 - Dept of Ecology WWTP	08/01/2020	\$2,746,410.00		\$274,641.00	582.35	\$2,471,769.00
263.82	7/1/2003 - PWTF Loan-Grandview Water Line	07/01/2022	\$876,125.00		\$73,010.00	582.34	\$803,115.00
263.82	7/1/2004 - PWTF Loan-Port of Ephrata Engineering	07/01/2025	\$17,448.00		\$1,342.00	582.35	\$16,106.00
263.82	7/1/2005 - PWTF Loan-Port of Ephrata Construction	07/01/2023	\$228,157.00		\$15,210.00	582.35	\$212,947.00
263.82	7/1/2006 - PWTF Loan-Waterline/ Street Project - Planning	07/01/2012	\$14,743.00		\$7,371.00	582.34	\$7,372.00
263.82	8/20/2007 - PWTF Loan - Waterline/ Street Project - Engineering	07/01/2012	\$116,265.00		\$58,133.00	582.34	\$58,132.00
263.82	3/7/2008 - PWTF Loan - Waterline/ Street Project - Construction	07/01/2028	\$5,945,155.00	\$119,955.00	\$330,286.00	582.34	\$5,734,824.00
259.11	Compensated Absences - Governmental	01/01/2012	\$310,991.00	\$16,649.00			\$327,640.00
259.12	Compensated Absences - Proprietary Sanitation	01/01/2012	\$22,967.00	\$3,089.00			\$26,056.00
259.12	Compensated Absences - Proprietary Water/Sewer	01/01/2012	\$106,199.00	\$17,321.00			\$123,520.00
259.12	Compensated Absences - Proprietary Equipment Rental	01/01/2012	\$16,470.00	\$2,952.00			\$19,422.00

CITY OF EPHRATA
Schedule of Limitation of Indebtedness
As of December 31, 2011

Total Taxable Property Value \$ 417,501,404.00

		Remaining Debt Capacity
2.5% General purpose limit is allocated between:	\$10,437,535.10	
Up to 1.5% debt without a vote (councilmanic)	\$6,262,521.06	
Less: Outstanding Debt	\$927,640.00	
Contracts Payable	\$147,457.00	
Excess of Debt with a vote		
Add: Available assets	\$1,071,939.61	
Equals remaining debt capacity without a vote		\$6,259,363.67
1.0% General purpose debt with a vote	\$4,175,014.04	
Less: Outstanding Debt		
Contracts Payable		
Add: Available assets		
Equals remaining debt capacity with a vote		\$4,175,014.04
2.5% Utility purpose limit, voted	\$10,437,535.10	
Less: Outstanding Debt		
Contracts Payable		
Add: Available Assets		
Equals remaining debt capacity- Utility purpose, voted		\$10,437,535.10
2.5% Open Space, park & capital facilities, voted	\$10,437,535.10	
Less: Outstanding Debt		
Contracts Payable		
Add: Available Assets		
Equals remaining debt capacity - Open space, park & capital facilities voted		\$10,437,535.10

**CITY OF EPHRATA
SCHEDULE OF CASH ACTIVITY**

For the Year Ended December 31, 2011

CASH ACTIVITY-IN						
FUND NO.	DESCRIPTION	BEGINNING BALANCE	RECEIPTS	INVESTMENTS LIQUIDATED	TRANSFERS-IN	TOTAL AVAILABLE
1	Current Expense	\$ 1,382,605.75	\$ 3,854,323.87		\$ 250,000.00	\$ 5,486,929.62
112	Street	\$ 62,529.34	\$ 496,635.29		\$ 21,544.00	\$ 580,708.63
115	Cemetery	\$ 179,424.83	\$ 64,820.04			\$ 244,244.87
120	Convention Center	\$ 126,131.06	\$ 62,629.39			\$ 188,760.45
153	Park Development	\$ 69,135.76	\$ 6,347.49			\$ 75,483.25
155	Capital Improvement	\$ 457,181.79	\$ 65,995.86			\$ 523,177.65
170	Cooperative Growth	\$ 20,857.20	\$ -			\$ 20,857.20
299	GO Pool Redemption	\$ 1,724.99	\$ 2,250.00		\$ 104,450.00	\$ 108,424.99
340	CDBG Grant	\$ 6,602.77	\$ 459.59			\$ 7,062.36
380	Downtown Improvement	\$ 334.87	\$ -			\$ 334.87
422	Sanitation	\$ 457,517.76	\$ 1,348,109.68			\$ 1,805,627.44
424	Water/Sewer	\$ 1,475,313.25	\$ 3,079,389.86			\$ 4,554,703.11
523	Equipment Rental	\$ 193,505.24	\$ 483,145.27			\$ 676,650.51
615	Retirement Reserve	\$ 32,322.88	\$ -			\$ 32,322.88
702	Cemetery Care	\$ 164,495.07	\$ 4,480.00			\$ 168,975.07
999	Investments	\$ (3,899,216.34)	\$ -	\$ 800,000.00		\$ (3,099,216.34)
						\$ -
TOTAL		\$ 730,466.22	\$ 9,468,586.34	\$ 800,000.00	\$ 375,994.00	\$ 11,375,046.56

CITY OF EPHRATA
SCHEDULE OF CASH ACTIVITY

For the Year Ended December 31, 2011

CASH ACTIVITY-OUT						
FUND NO.	INVESTMENTS ACQUIRED	TRANSFERS OUT TO CLAIMS/PAYROLL	OTHER TRANSFERS-OUT	DISBURSEMENTS	TOTAL USED	ENDING BALANCE
1			\$ 125,994.00	\$ 4,293,145.96	\$ 4,419,139.96	\$ 1,067,789.66
112				\$ 467,510.91	\$ 467,510.91	\$ 113,197.72
115				\$ 124,722.96	\$ 124,722.96	\$ 119,521.91
120				\$ 125,208.85	\$ 125,208.85	\$ 63,551.60
153				\$ -	\$ -	\$ 75,483.25
155				\$ 22,099.29	\$ 22,099.29	\$ 501,078.36
170				\$ -	\$ -	\$ 20,857.20
299				\$ 104,275.04	\$ 104,275.04	\$ 4,149.95
340				\$ -	\$ -	\$ 7,062.36
380				\$ -	\$ -	\$ 334.87
422			\$ 250,000.00	\$ 1,049,135.13	\$ 1,299,135.13	\$ 506,492.31
424	\$ 4,498.85			\$ 3,350,120.63	\$ 3,354,619.48	\$ 1,200,083.63
523				\$ 451,372.89	\$ 451,372.89	\$ 225,277.62
615				\$ -	\$ -	\$ 32,322.88
702				\$ -	\$ -	\$ 168,975.07
999	\$ 89,923.58			\$ -	\$ 89,923.58	\$ (3,189,139.92)
TOTAL	\$ 94,422.43	\$ -	\$ 375,994.00	\$ 9,987,591.66	\$ 10,458,008.09	\$ 917,038.47



CITY OF EPHRATA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2011

CFDA Number	Federal Agency Name	Federal Program Name	Pass-Through Agency Name	Current Year Expenditures			Foot-note Ref.
				Other I.D. Number	ARRA	Total	
20.600	National Highway Traffic Safety Administration	State & Community Highway Safety	Washing Traffic Safety Commission	Safety Equipment	NO	\$3,067.28	1,2
20.601	National Highway Traffic Safety Administration	Alcohol Impaired Driving Countermeasures Incentive	Washing Traffic Safety Commission	DUI Patrol	NO	\$720.50	1,2
20.602	National Highway Traffic Safety Administration	Occupant Protection Incentive	Washing Traffic Safety Commission	Seat Belt Emphases	NO	\$1,625.46	1,2
95.001	Executive Office of the President	High Intensity Drug Trafficking Areas Program (HIDTA)	Grant County Sheriffs	N/A	NO	\$2,364.02	1,2
16.001	Department of Justice Drug Enforcement Administration	Law Enforcement Assistance, Narcotics & Dangerous Drugs	Grant County Sheriffs	N/A	NO	\$626.75	1,2
16.570	Department of Justice	Interagency Narcotics Enforcement Team		N/A	NO	\$31,908.00	1,2
16.580	Department of Justice	Edward Byrne Memorial State & Local Law Enforcement Assistance/International Association of Chiefs of Police	Grant County Sheriffs	N/A	NO	\$482.04	1,2
16.710	Department of Justice	Public Safety Partnership & Community Policing	Grant County Sheriffs	N/A	NO	\$6,096.30	1,2
16.607	Department of Justice	Bulletproof Vest Partnership Program		N/A	NO	\$1,154.26	1,2
81.128	Department of Energy	ARRA/ECEBG	Washington State Dept of Commerce	F10-52110-02B-WWTP VFD	YES	\$101,050.88	1,2,3

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, 2011

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, 2011

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 15th day of May, 2012 to the best of my knowledg and belief:	
Signature	<i>Leslie Trachsler</i>
Name	Leslie Trachsler
Title	City Clerk/Finance Director

