

## ANNUAL REPORT CERTIFICATION

CITY OF EPHRATA, WASHINGTON

MCAG No. 0304

Submitted pursuant to RCW 43.09.230 to the Washington State Auditor's Office

For the Fiscal Year Ended December 31, 2012

### GOVERNMENT INFORMATION:

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

Official Website Address: Ephrata.org

Official E-mail Address: contact@ephrata.org

Official Phone Number: 509-754-4601

### PREPARER INFORMATION and CERTIFICATION:

Preparer Name and Title: Leslie Trachsler, Finance Director

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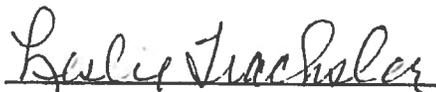
Contact E-mail Address: ltrachsler@ephrata.org

I do hereby certify this 23<sup>rd</sup> day of May, 2013, that annual report information is complete, accurate and in conformity with the Budgeting, Accounting and Reporting Systems Manual, to the best of my knowledge and belief, having reviewed this information and taken all appropriate steps in order to provide such certification.

Moreover, I acknowledge and understand that management and the governing body are responsible for:

- The design and implementation of policies and procedures to safeguard public resources and ensure compliance with applicable laws and regulations, including internal controls to prevent and detect fraud.
- Compliance with applicable state and local laws and regulations.
- Immediately submitting corrected annual report information if any error in submitted information is subsequently identified.

Preparer Signature:

  
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**CITY OF EPHRATA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JANUARY 1, 2012 THROUGH DECEMBER 31, 2012**

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

The City of Ephrata reports financial activity using the revenue 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 in 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 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 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 the fund types used by the city:

**GOVERNMENTAL FUND TYPES:**

**General (Current Expense) Fund**

This fund is the primary operating fund of the city. 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 city.

**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.

### Permanent Funds

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

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 city on a cost reimbursement basis.

### FIDUCIARY FUND TYPES:

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

#### Private-Purpose Trust Funds

These funds report all trust arrangements under which principal and income benefit individuals, private organizations or other governments.

## 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 appropriated at the fund level except the general (current expense) fund, where budget is adopted at the department level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

The 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 follow:

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
Total General Fund	\$3,568,083.00	\$3,364,412.96	\$203,670.04
Total Library Fund	\$226,100.00	\$219,222.21	\$6,877.79
Total Park Fund	\$778,700.00	\$733,042.07	\$45,657.93
Total Fire Reserve Fund	\$133,460.00	\$132,030.54	\$1,429.46
Total Police Reserve Fund	\$1,000.00	\$23.31	\$976.69
Total Street Fund	\$1,236,375.00	\$1,119,527.47	\$116,847.53
Total Cemetery Fund	\$128,200.00	\$122,094.70	\$6,105.30
Total Convention Fund	\$93,000.00	\$89,135.47	\$3,864.53
Total Park Development	\$1,500.00	\$0.00	\$1,500.00
Total Capital Improvement	\$197,000.00	\$197,000.00	\$0.00
Total Pool Bond Fund	\$94,205.00	\$93,833.44	\$371.56
Total Sanitation Fund	\$2,072,500.00	\$1,872,368.52	\$200,131.48
Total Water/Sewer Fund	\$3,341,780.00	\$2,183,849.91	\$1,157,930.09
Total Water/Sewer Construction Fund	\$4,040,650.00	\$2,444,103.25	\$1,596,546.75
Total Public Works Trust	\$574,180.00	\$553,586.10	\$20,593.90
Total SRF Redemption Fund	\$274,650.00	\$274,641.02	\$8.98
Total Equipment Rental	\$467,860.00	\$420,792.56	\$47,067.44
Total Equipment Rental Reserve	\$0.00	\$0.00	\$0.00
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 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's 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 2, *Investments*.

G. Capital Assets

Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. The capital assets of the city 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 Upon separation or retirement employees do receive payment for unused sick leave up to a maximum of 480 hours.

#### I. Long-Term Debt See Note 4, *Debt Service Requirements*.

#### J. Other Financing Sources or Uses

The city's *Other Financing Sources or Uses* consist of inter fund transfers in/out and note proceeds from the Port of Ephrata for Public Works Trust Fund Loan repayment.

#### K. Risk Management

The city 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 program or organization for the joint purchasing of insurance, 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 program 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, 2013, there are 240 members in the program.

The program 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 program acquires liability insurance through their Administrator, Canfield that is subject to a per-occurrence self-insured retention of \$100,000. Members are responsible for a \$1000 deductible for each claim, while the program is responsible for the \$100,000 self-insured retention. Insurance carriers cover insured losses over \$101,000 to the limits of each policy. Since the program is a cooperative program, there is a joint liability among the participating members towards the sharing of the \$100,000 of the self-insured retention. The program also purchases a Stop Loss Policy with an attachment point of \$2,815,000 to cap the total claims paid by the program 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 program bears the \$25,000 self-insured retention, in addition to the deductible.

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

Members contract to remain in the program 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 program 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 program. The program has no employees. Claims are filed by members with Canfield, which has been contracted to perform program administration, claims adjustment and administration, an loss prevention for the program. Fees paid to the third party administrator under this arrangement for the year ended August 31, 2012 were \$1,099,472.

**L. Reserved Fund Balance**

The following funds have reserved fund balances:

- 112 Street Fund RCW 47.24.040
- 115 Cemetery Fund EMC 14-24-040
- 120 Convention Fund RCW 67.28.180
- 153 Park Development EMC 18.04.780C
- 155 Capital Improvement RCW 82.46.010 & 82.46.035
- 702 Endowment Care Fund EMC 14.24.020

**Note 2 - 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, 2012 are as follows:

<b>Type of Investment</b>	<b>City’s Own Investments</b>	<b>Total</b>
L.G.I.P.	\$77,699.92	\$77,699.92
Grant County Investment Pool	\$2,424,178.75	\$2,424,178.75
Certificate of Deposit	\$105,570.87	\$105,570.87
<b>TOTAL</b>	\$2,607,449.54	\$2,607,449.54

**Note 3 - Property Tax**

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

Property tax revenues are recognized when cash is received by 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 2012 was \$2.642855 per \$1,000 on an assessed valuation of \$424,521,928 for a total regular levy of \$1,121,950.00.

**Note 4 – Debt Service Requirements**

The accompanying Schedule of Long-Term Liabilities (Schedule 09) provides more details of the outstanding debt and liabilities of the city and summarizes the city’s debt transactions for year ended December 31, 2012.

The debt service requirements for general obligation bonds, revenue bonds and lease purchasing contracts including both principle and interest, are as follows:

	General Obligation Bonds	Revenue Bonds	Other Debt	Total Debt
2012	\$ 93,655.00	\$ 827,874.00	\$ 120,473.00	\$ 1,042,002.00
2013	\$ 95,925.00	\$ 864,856.00	\$ 120,473.00	\$ 1,081,254.00
2014	\$ 94,735.00	\$ 866,817.00	\$ 42,441.00	\$ 1,003,993.00
2015	\$ 93,333.00	\$ 863,533.00	\$ 42,441.00	\$ 999,307.00
2016	\$ 96,760.00	\$ 860,247.00		\$ 957,007.00
2017	\$ 89,735.00	\$ 856,964.00		\$ 946,699.00
2018-2022	\$ 92,610.00	\$ 3,686,262.00		\$ 3,778,872.00
2023-2027		\$ 2,383,155.00		\$ 2,383,155.00
2028-2031		\$ 810,544.00		\$ 810,544.00
TOTALS	\$ 656,753.00	\$ 12,020,252.00	\$ 325,828.00	\$ 13,002,833.00

**Note 5 - Pension Plans**

Substantially all City of Ephrata full-time and qualifying part-time employees participate in Public Employees Retirement System (PERS) or Law Enforcement and Fire Fighters (LEOFF) 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 systems 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 6 – 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 long-term care insurance. Four retirees received benefits during and \$44,096 was paid out for those benefits during the year.

**Note 7 – 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. The liability shown in Schedule 09 for Landfill Remediation is an **estimate only**. The City’s

exposure is protected by insurance coverage. There has been no agreement or assignment of Post Closure Cost to the City. The County has reported their future Post Closure Costs is estimated at \$12,500,000 over the next 29 years. The worst case scenario, the City would be responsible for 50% of that cost. This is highly unlikely and yet to be determined.

#### **Note 8 – Accounting**

In compliance with State Auditors requirements the following funds were reclassified and rolled into the General Fund (001):

- 014 – Library
- 016 – Parks
- 054 – Fire Reserve
- 057 – Police Reserve
- 170 – Cooperative Growth

Enterprise Fund – 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 – The following fund was rolled into the Equipment Rental Fund (523):

- 525 – Equipment Rental Reserve Fund

The beginning fund balance on C-4 and Schedule 01 for Fund 001, Current Expense, was adjusted to reflect Petty Cash of \$3,800 and the inclusion of fund 170.

#### **Note 9 – 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.

#### **Note 10 – Open Period**

The City complies with the open period for the end of year invoices in order to pay them in the year the expense was incurred, however, we use a 12-31 payment date and therefore are not reflected in the open period on Schedule 07.

**CITY OF EPHRATA**  
**FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS**  
**For the Year Ended December 31, 2012**

BARS CODE		Total for All Funds <sup>1/</sup> Total Amount	1 Current Exp Actual Amnt	112 Street Actual Amnt	115 Cemetery Actual Amnt
<b>Beginning Cash and Investments:</b>					
308.10	Reserved	\$1,041,807		\$113,197	\$119,522
308.80	Unreserved	\$3,035,848	\$1,092,447		
388.80 or 588.80	Prior Period Adjustments	\$0			
<b>Revenues and Other Sources:</b>					
310	Taxes	\$3,766,159	3,357,561	262,362	
320	Licenses and Permits	\$136,108	136,108		
330	Intergovernmental	\$1,562,224	285,060	913,578	
340	Charges for Goods and Services	\$4,384,656	286,102		43,417
350	Fines and Penalties	\$17,111	17,026		
360	Miscellaneous	\$663,854	165,219	536	13,420
370	Capital Contributions	\$868,885			
390	Other Financing Sources	\$2,477,337	135,000	62,010	
<b>Total Revenues and Other Financing Source</b>		\$13,876,333	4,382,076	1,238,486	56,837
<b>Total Resources</b>		17,953,987	5,474,523	1,351,683	176,359
<b>Operating Expenditures:</b>					
510	General Government	\$525,069	222,609		
520	Public Safety	\$2,591,523	2,591,523		
530	Physical Environment	\$3,904,294	28,442		122,095
540	Transportation	\$914,867	143,927	419,490	
550	Economic Environment	\$356,337	267,202		
560	Mental and Physical Health	\$13,636	13,636		
570	Culture and Recreational	\$844,956	844,956		
<b>Total Operating Expenditures</b>		9,150,682	4,112,293	419,490	122,095
591-593	Debt Service	\$213,728	78,032		
594-595	Capital Outlay	\$3,283,821	112,779	700,038	
<b>Total Expenditures</b>		12,648,231	4,303,105	1,119,527	122,095
597-599	Other Financing Uses	\$291,055	94,055		
<b>Total Expenditures and Other Financing Use</b>		12,939,286	4,397,160	1,119,527	122,095
<b>Excess (Deficit) of Resources Over Uses</b>		5,014,701	1,077,363	232,156	54,265
380	Nonrevenues (Except 384)	\$66,805	49,107		
580	Nonexpenditures (Except 584)	\$880,377	51,571		
<b>Ending Cash and Investments:</b>					
508.10	Reserved	\$967,398		232,156	54,265
508.80	Unreserved	\$3,233,732	\$1,074,899		

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, 2012

BARS CODE		120 Convention Center Amount	153 Park Development Actual Amnt	155 Capital Improvement Actual Amnt	
<b>Beginning Cash and Investments:</b>					
308.10	Reserved	\$63,551	\$75,483	\$501,078	
308.80	Unreserved				
388.80 or 588.80	Prior Period Adjustments				
<b>Revenues and Other Sources:</b>					
310	Taxes	57,004		89,232	
320	Licenses and Permits				
330	Intergovernmental				
340	Charges for Goods and Services				
350	Fines and Penalties				
360	Miscellaneous	2,457	3,961		
370	Capital Contributions				
390	Other Financing Sources				
<b>Total Revenues and Other Financing Sources</b>		59,461	3,961	89,232	0
<b>Total Resources</b>		123,012	79,444	590,310	0
Operating Expenditures:					
510	General Government				
520	Public Safety				
530	Physical Environment				
540	Transportation				
550	Economic Environment	89,135			
560	Mental and Physical Health				
570	Culture and Recreational				
<b>Total Operating Expenditures</b>		89,135	0	0	0
591-593	Debt Service				
594-595	Capital Outlay				
<b>Total Expenditures</b>		89,135	0	0	0
597-599	Other Financing Uses			197,000	
<b>Total Expenditures and Other Financing Use</b>		89,135	0	197,000	0
<b>Excess (Deficit) of Resources Over Uses</b>		33,877	79,444	393,310	0
380	Nonrevenues (Except 384)				
580	Nonexpenditures (Except 584)				
<b>Ending Cash and Investments:</b>					
508.10	Reserved	\$33,877	\$79,444	\$393,310	
508.80	Unreserved				

**CITY OF EPHRATA**  
**FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS**  
 For the Year Ended December 31, 2012

BARS CODE		299	340	380	422
		Pool Bond Actual Amnt	CDBG Grant Actual Amnt	Downtown Improvement Actual Amnt	Sanitation Actual Amnt
<b>Beginning Cash and Investments:</b>					
308.10	Reserved				
308.80	Unreserved	\$4,150	\$7,062	\$335	\$506,492
388.80 or 588.80	Prior Period Adjustments				
<b>Revenues and Other Sources:</b>					
310	Taxes				
320	Licenses and Permits				
330	Intergovernmental				363,585
340	Charges for Goods and Services				931,059
350	Fines and Penalties				
360	Miscellaneous		371		
370	Capital Contributions				868,885
390	Other Financing Sources	94,055			
<b>Total Revenues and Other Financing Sources</b>		94,055	371	0	2,163,530
<b>Total Resources</b>		98,205	7,433	335	2,670,023
<b>Operating Expenditures:</b>					
510	General Government				295,635
520	Public Safety				
530	Physical Environment				1,576,733
540	Transportation				
550	Economic Environment				
560	Mental and Physical Health				
570	Culture and Recreational				
<b>Total Operating Expenditures</b>		0	0	0	1,872,369
591-593	Debt Service	93,833			
594-595	Capital Outlay				
<b>Total Expenditures</b>		93,833	0	0	1,872,369
597-599	Other Financing Uses				
<b>Total Expenditures and Other Financing Uses</b>		93,833	0	0	1,872,369
<b>Excess (Deficit) of Resources Over Uses</b>		4,372	7,433	335	797,654
380	Nonrevenues (Except 384)				
580	Nonexpenditures (Except 584)				
<b>Ending Cash and Investments:</b>					
508.10	Reserved				
508.80	Unreserved	\$4,372	\$7,433	\$335	\$797,654

**CITY OF EPHRATA**  
**FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS**  
For the Year Ended December 31, 2012

BARS CODE		424 Water/Sewer Actual Amnt	523 Equipment Rental Actual Amnt	702 Cemetery Care Actual Amnt	
<b>Beginning Cash and Investments:</b>					
308.10	Reserved			\$168,975	
308.80	Unreserved	\$1,200,084	\$225,278		
388.80 or 588.80	Prior Period Adjustments				
<b>Revenues and Other Sources:</b>					
310	Taxes				
320	Licenses and Permits				
330	Intergovernmental				
340	Charges for Goods and Services	3,122,086	1,991		
350	Fines and Penalties	85			
360	Miscellaneous	2,950	469,569	5,370	
370	Capital Contributions				
390	Other Financing Sources	2,185,066	1,206		
<b>Total Revenues and Other Financing Sources</b>		5,310,186	472,767	5,370	
<b>Total Resources</b>		6,510,270	698,044	174,345	
<b>Operating Expenditures:</b>					
510	General Government	6,825			
520	Public Safety				
530	Physical Environment	2,177,025			
540	Transportation		351,450		
550	Economic Environment				
560	Mental and Physical Health				
570	Culture and Recreational				
<b>Total Operating Expenditures</b>		2,183,850	351,450	0	
591-593	Debt Service	35,216	6,647		
594-595	Capital Outlay	2,444,103	26,901		
<b>Total Expenditures</b>		4,663,169	384,998	0	
597-599	Other Financing Uses				
<b>Total Expenditures and Other Financing Use</b>		4,663,169	384,998	0	
<b>Excess (Deficit) of Resources Over Uses</b>		1,847,101	313,046	174,345	
380	Nonrevenues (Except 384)	17,698			
580	Nonexpenditures (Except 584)	793,012	35,795		
<b>Ending Cash and Investments:</b>					
508.10	Reserved			\$ 174,345	
508.80	Unreserved	\$ 1,071,788	\$ 277,252		

The Accompanying Notes Are An Integral Part Of This Statement.

**SCHEDULE OF DISBURSEMENT ACTIVITY**  
**For the Fiscal Year ended December 31, 2012**

1	2	3	4	5	6	7	8	9	10
Fund No.	Fund Title	Beginning Outstanding Items 01/01/2011	Issued During the Year	Redeemed During the Year	Canceled During the Year	Ending Outstanding Items 12/31/2012 (3+4-5-6)	Prior Year Open Period Items	Current Year Open Period Items	Disbursements 12/31/2012 (4-6-8+9)
1	Current Expense	\$ 183,876	\$ 4,355,603	\$ 4,354,433	\$ 927	\$ 184,119			\$ 4,354,676
112	Street Fund	\$ 16,150	\$ 1,119,527	\$ 1,117,152		\$ 18,525			\$ 1,119,527
115	Cemetery	\$ 7,301	\$ 122,095	\$ 121,916		\$ 7,480			\$ 122,095
120	Convention Center	\$ 1,825	\$ 89,136	\$ 88,452		\$ 2,509			\$ 89,136
140	Street Lights		\$ -	\$ -		\$ -			\$ -
155	Capital Improvement		\$ -	\$ -		\$ -			\$ -
299	GO Swim Pool Redemption		\$ 93,833	\$ 93,833		\$ -			\$ 93,833
422	Sanitation	\$ 78,578	\$ 1,872,369	\$ 1,881,315		\$ 69,632			\$ 1,872,369
424	Water/Sewer	\$ 115,544	\$ 5,456,300	\$ 5,460,732	\$ 120	\$ 110,992			\$ 5,456,180
523	Equipment Rental	\$ 23,447	\$ 421,132	\$ 417,913	\$ 339	\$ 26,327			\$ 420,793
	<b>TOTAL - all funds</b>	<b>\$ 426,721</b>	<b>\$13,529,995</b>	<b>\$ 13,535,746</b>	<b>\$ 1,386</b>	<b>\$ 419,584</b>	<b>-</b>	<b>-</b>	<b>\$ 13,528,609</b>

**CITY OF EPHRATA**  
**SCHEDULE OF LIABILITIES**  
For the Year Ended December 31, 2012

ID No.	Description	Maturity/Payment Due Date	Beginning Balance 01/01/12	Additions	Reductions	BARS Code for Redemption of Debt Only	Ending Balance Debt 12/31/2012
251.11	3/1/1999 - Nonvoted GO Debt-Splashzone Refunded 2011	12/1/2018	\$600,000.00	\$0.00	\$80,000.00	591.76.71.00	\$520,000.00
263.51	2/1/2003 - Lease/Purchase Fire Truck	2/23/2013	\$147,457.00	\$0.00	\$72,330.00	591.22.75.00	\$75,127.00
263.52	2/15/2011 - Lease/Purchase Street Sweeper	4/15/2015	\$152,795.00	\$0.00	\$35,795.00	582.48.70.00	\$117,000.00
263.82	7/1/1992 - PWTF Loan Oasis Park	7/1/2012	\$25,962.00	\$0.00	\$25,962.00	582.35.70.00	\$0.00
263.82	9/1/1999 - Dept of Ecology WWTP	8/1/2020	\$2,471,769.00	\$0.00	\$274,641.00	582.35.78.01	\$2,197,128.00
263.82	7/1/2003 - PWTF Loan-Grandview Water Line	7/1/2022	\$803,115.00	\$0.00	\$73,011.00	582.34.78.00	\$730,104.00
263.82	7/1/2004 - PWTF Loan Port of Ephrata Engineering	7/1/2023	\$16,106.00	\$0.00	\$1,342.00	582.35.78.00	\$14,764.00
263.82	7/1/2005 - PWTF Loan - Port of Ephrata Construction	7/1/2025	\$212,947.00	\$0.00	\$15,211.00	582.35.78.00	\$197,736.00
263.82	7/1/2006 - PWTF Loan - Waterline/Street Project - Planning	7/1/2012	\$7,372.00	\$0.00	\$7,372.00	582.34.78.01	\$0.00
263.82	8/20/2007 - PWTR Loan - Waterline/Street Project - Engineering	7/1/2012	\$58,132.00	\$0.00	\$58,132.00	582.34.78.02	\$0.00
263.82	3/7/2008 - PWTF Loan - Waterline/Street Project - Construction Phase I, II & III	7/1/2028	\$5,734,824.00	\$0.00	\$337,343.00	582.34.78.03	\$5,397,481.00
263.82	10/17/2011 - PWTF Loan - Waterline/Street Project - Construction Phase IV	6/1/2031	\$0.00	\$2,185,066.00	\$0.00	582.34.78.04	\$2,185,066.00
259.11	Compensated Absences - Governmental		\$327,640.00	\$39,591.00			\$367,231.00
259.12	Compensated Absences - Proprietary Sanitation		\$26,056.00	\$1,333.00			\$27,389.00
259.12	Compensated Absences - Proprietary Water/Sewer		\$123,520.00	\$14,218.00			\$137,738.00
259.12	Compensated Absences - Proprietary Equipment Rental		\$19,422.00		\$4,159.00		\$15,263.00
263.98	Risk Pool Assessment	10/1/2014	\$17,874.00		\$5,598.14		\$12,275.86
263.97	Grant County Landfill Remedial Action	12/1/1930	\$816,018.00		\$748,526.63		\$67,491.37
<b>TOTAL</b>			<b>\$11,561,009.00</b>	<b>\$2,240,208.00</b>	<b>\$1,739,422.77</b>		<b>\$12,061,794.23</b>

Risk Pool Assessment was not previously reported on this schedule but has been included in the Notes to the Financial Statements.  
Grant County Landfill Remedial Action was not previously reported on this schedule. See Note 7 to the Financial Statements.

**CITY OF EPHRATA**  
**Schedule of Limitation of Indebtedness**  
**As of December 31, 2012**

		Remaining Debt Capacity
<b>Total Taxable Property Value</b>	<b>\$ 424,521,928</b>	
2.5% General purpose limit is allocated between:	10,613,048	
Up to 1.5% debt without a vote	6,367,829	
Less: Outstanding Debt	962,358	
Less: Excess of Debt with a Vote	0	
Add: Available Assets	1,054,614	
<b>Equals remaining debt capacity without a vote</b>		<b>\$6,460,085</b>
Up to 2.5% debt with a vote	10,705,304	
Less: Outstanding Debt		
Add: Available Assets		
<b>Equals remaining debt capacity with a vote</b>		<b>\$10,705,304</b>
2.5% Utility purpose limit, voted	10,613,048	
Less: Outstanding Debt		
Less: Contracts Payable		
Add: Available Assets		
<b>Equals remaining debt capacity- Utility purpose, voted</b>		<b>\$10,613,048.20</b>
2.5% Open Space, park & capital facilities, voted	10,613,048	
Less: Outstanding Debt		
Less: Contracts Payable		
Add: Available Assets		
<b>Equals remaining debt capacity - Open space, park &amp; capital facilities voted</b>		<b>\$10,613,048.20</b>

SCHEDULE OF DISBURSEMENT ACTIVITY

1	2	3	4	5	6	7	8	9	10	11	12	13
Fund No.	Fund Title	Beginning Cash & Investments	Bank Dep Receipts for 2012	Transfers-in	Other Revenue	Netted Transactions	Total Increase (4+5+6-7)	Disbursements	Transfers-Out	Other Expenditures	Total Decrease (9+10+11-7)	Ending Cash & Investments (3+8-12)
001	CURRENT EXPENSE	1,092,446.86	3,610,039.93	135,000.00	686,143.09	23,816.98	4,407,366.04	4,137,822.17	94,055.00	216,853.92	4,424,914.11	1,074,898.79
112	STREET	113,197.72	1,176,486.10	62,000.00			1,238,486.10	1,024,443.07		95,084.40	1,119,527.47	232,156.35
115	CEMETERY	119,521.91	56,837.40				56,837.40	105,249.70		16,845.00	122,094.70	54,264.61
120	CONVENTION CENTER	63,551.60	59,461.35				59,461.35	89,135.47			89,135.47	33,877.48
153	PARK DEVELOPMENT	75,483.25	3,961.16				3,961.16					79,444.41
155	CAPITAL IMPROVEMENT	501,078.36	89,231.73				89,231.73		197,000.00		197,000.00	393,310.09
299	GO POOL REDEMPTION	4,149.95		94,055.00			94,055.00	93,833.44			93,833.44	4,371.51
340	CDBG GRANT	7,062.36	370.62				370.62					7,432.98
380	DOWNTOWN IMPROVEMENT	334.87										334.87
422	SANITATION	506,492.31	2,163,530.35			1,685.01	2,161,845.34	1,788,933.78		83,434.74	1,870,683.51	797,654.14
424	WATER/SEWER	1,200,083.63	5,327,816.02		68.28	12,507.35	5,315,376.95	4,713,550.36		742,629.92	5,443,672.93	1,071,787.65
523	EQUIPMENT RENTAL	225,277.62	4,267.25		468,499.28		472,766.53	420,792.56			420,792.56	277,251.59
615	RETIREMENT RESERVE	32,322.88										32,322.88
702	CEMETERY CARE	168,975.07	5,370.00				5,370.00					174,345.07
	TOTAL	4,109,978.39	12,497,371.91	291,055.00	1,154,710.65	38,009.34	13,905,128.22	12,373,760.55	291,055.00	1,154,847.98	13,781,654.19	4,233,453.42

**CITY OF EPHRATA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
 For the Year Ended December 31, 2012

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	
Department of Justice	Bulletproof Vest Partnership Program	16.607	BPV		\$ 1,426.20	\$ 1,426.20	1,2
Department of Justice/Grant County Sheriffs	Public Safety Partnership & Community Policing	16.710	Meth Enforcement	\$ 551.54		\$ 551.54	1,2
National Highway Traffic Safety Administration/ Washington Traffic Safety Commission	State & Community Highway Safety	20.600	Safety Equipment	\$ 3,293.82		\$ 3,293.82	1,2
National Highway Traffic Safety Administration/ Washington Traffic Safety Commission	Alcohol Impaired Driving Countermeasures Incentive	20.601	DUI Patrol	\$ 428.40		\$ 719.65	1,2
National Highway Traffic Safety Administration/ Washington Traffic Safety Commission	Occupant Protection Incentive	20.602	Seat Belt Emphases	\$ 2,277.60		\$ 2,277.60	1,2
Department of Agriculture Forest Service/Washington State Department of Natural Resources	Cooperative Forestry Assistance	10.664	Grant #2011-18	\$ 18,851.56		\$18,851.56	1,2
<b>Total Federal Awards Expended</b>				<b>\$ 25,402.92</b>	<b>\$ 1,426.20</b>	<b>\$27,120.37</b>	

*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, 2012

### 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.

**CITY OF EPHRATA**  
**SCHEDULE OF STATE FINANCIAL ASSISTANCE**  
**For the Year Ended December 31, 2012**

State BARS Account No.	Grantor	Program Title	Identification Number	Current Year Expenditures
3340350	Washington Traffic Safety Commission	State School Zone Safety	Equipment	\$ 2,975.00
3340490	Department of Health	Trauma Grant	AMBV.ES.00000115	\$ 1,534.00
3340380	Transportation Improvement Board	Division Street Project	Project # 3-E-164(001)-1 Division Street	\$ 225,753.84
3340380	Transportation Improvement Board	A Street SE Project	Project # 8-3-164(005)-1 A Street SE	\$ 443,266.94
3340310	Department of Ecology	Remediation Project	Grant County Landfill Remediation	\$ 363,585.46
3340460	Department of Social and Health Services	Child Care Subsidy Program	N/A	\$ 5,799.30

**LABOR RELATIONS CONSULTANT(S)**

**For the Year Ended December 31, 2012**

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 _____