

City of Spokane

Comprehensive Annual Financial Report

2003



CITY OF SPOKANE

WASHINGTON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR

JANUARY 1, 2003 THROUGH DECEMBER 31, 2003

DIVISION OF FINANCE

GAVIN J. COOLEY, CPA

CHIEF FINANCIAL OFFICER

Introduction

CITY OF SPOKANE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2003

TABLE OF CONTENTS

INTRODUCTORY SECTION

Table of Contents	I-IV
Letter of Transmittal	VI-IX
Organization Chart	X
List of Elected and Appointed Officials	XI

FINANCIAL SECTION

Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-12
Basic Financial Statements:	
Government-Wide Financial Statements:	13
Statement of Net Assets	14
Statement of Activities	15
Fund Financial Statements:	17
Balance Sheet – Governmental Funds	18
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances of Governmental Funds to the Statement of Activities	20
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	21
Statement of Net Assets – Proprietary Funds	22-23
Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds	24
Statement of Cash Flows – Proprietary Funds	25-26
Statement of Fiduciary Net Assets – Fiduciary Funds	27
Statement of Changes in Fiduciary Net Assets – Fiduciary Funds	28
Notes to the Financial Statements	29-76
Required Supplementary Information:	77
Schedule of Funding Progress – Employees' Retirement System	78
Schedule of Employer Contributions – Employees' Retirement System	78
Schedule of Funding Progress – Firefighters' Pension Fund	79
Schedule of Employer Contributions – Firefighters' Pension Fund	79
Schedule of Funding Progress – Police Pension Fund	79

Schedule of Employer Contributions – Police Pension Fund	79
Notes to the Required Supplementary Information	80
Combining and Individual Fund Statements and Schedules:	81
Governmental Funds:	83
Fund Descriptions	84-90
Combining Balance Sheet – Nonmajor Governmental Funds	91
Combining Balance Sheet – Nonmajor Special Revenue Funds	92-99
Combining Balance Sheet – Nonmajor Debt Service Funds	100
Combining Balance Sheet – Nonmajor Capital Projects Funds	101-103
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	104
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	105-111
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds	112
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds	113-115
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
Street Special Revenue Fund	116
Library Special Revenue Fund	117
Miscellaneous Grants Special Revenue Fund	118
Urban Forestry Special Revenue Fund	119
Parks Special Revenue Fund	120
Workforce Development Council Special Revenue Fund	121
Arena Management Special Revenue Fund	122
Redevelopment Special Revenue Fund	123
Under Freeway Parking Special Revenue Fund	124
Parking Meter Revenue Special Revenue Fund	125
Parking Facilities Special Revenue Fund	126
Parking and Business Improvement Special Revenue Fund	127
CBD Tree Maintenance Special Revenue Fund	128
Paths and Trails Reserve Special Revenue Fund	129
Law Enforcement Information Systems Special Revenue Fund	130
Real Estate Rental Special Revenue Fund	131
Local Law Enforcement Block Grant Special Revenue Fund	132
Human Services Grants Special Revenue Fund	133
Forfeitures and Contributions Special Revenue Fund	134
Intermodal Facility Operation Special Revenue Fund	135
Municipal Art Project Special Revenue Fund	136
Hotel / Motel Tax Special Revenue Fund	137
Capital Improvement Program Special Revenue Fund	138
Real Estate Excise Tax Special Revenue Fund	139
Public Safety and Judicial Grants Special Revenue Fund	140
Combined Communications Center Special Revenue Fund	141
Communications Bldg Maintenance and Ops Special Revenue Fund	142
Community Development Special Revenue Fund	143
Criminal Justice Assistance Special Revenue Fund	144
Channel 5 Equipment Reserve Special Revenue Fund	145
Park Cumulative Reserve Special Revenue Fund	146
Emergency Medical Services Special Revenue Fund	147
Nonmajor Special Revenue Fund Totals	148
GO Bond Redemption Debt Service Fund	149

Schedules of Revenues, Expenditures, and Changes in	
Fund Balances – Budget and Actual: (continued)	
Special Assessment Debt Service Fund	150
Special Assessment Guaranty Debt Service Fund	151
Nonmajor Debt Service Fund Totals	152
Improvement Project Cost – 2001 Capital Project Fund	153
Fire Improvement Construction Capital Project Fund	154
Arterial Street Capital Project Fund	155
City Hall Acquisition and Improvement Capital Project Fund	156
Fire Protection Improvement Capital Project Fund	157
Capital Improvements – 1999 Fire Capital Project Fund	158
Capital Improvements – 1999 Park Capital Project Fund	159
Special Assessment Construction Capital Project Fund	160
North Sports Complex Capital Project Fund	161
Capital Improvements – 2003 Streets Capital Project Fund	162
Capital Improvements – 1992 Capital Project Fund	163
Capital Improvements – 1995 Capital Project Fund	164
Capital Improvements – 1999 Capital Project Fund	165
Nonmajor Capital Project Funds Totals	166
Proprietary Funds:	167
Fund Descriptions	168-169
Combining Statement of Net Assets – Nonmajor Enterprise Funds	170
Combining Statement of Revenues, Expenses, and Changes in	
Fund Net Assets – Nonmajor Enterprise Funds	171
Combining Statement of Cash Flows – Nonmajor Enterprise Funds	172
Combining Statement of Net Assets – Internal Service Funds	173-174
Combining Statement of Revenues, Expenses, and Changes in	
Fund Net Assets – Internal Service Funds	175-176
Combining Statement of Cash Flows – Internal Service Funds	177-180
Fiduciary Funds:	181
Fund Descriptions	182-183
Combining Statement of Fiduciary Net Assets – Pension Trust Funds	184
Combining Statement of Changes in Fiduciary Net Assets – Pension	
Trust Funds	185
Combining Statement of Fiduciary Net Assets – Agency Funds	186-190

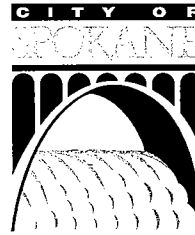
STATISTICAL SECTION

TABLE

I	General Governmental Expenditures by Function	193
II	General Governmental Revenues and Tax Revenues by Source	194
III	Property Tax Levies and Collections	195
IV	Assessed and Estimated Actual Value of Property	196
V	Property Tax Rates – All Overlapping Governments	197
VI	Principal Taxpayers	198
VII	Special Assessment Billings and Collections	199
VIII	Computation of Legal Debt Margin	200
IX	Ratio of Net General Obligation Bonded Debt to Assessed Value and Net General Obligation Bonded Debt per Capita	201
X	Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Governmental Expenditures.....	202
XI	Computation of Direct and Overlapping Bonded Debt	203
XII	Revenue Bond Coverage.....	204
XIII	Demographic Statistics	205
XIV	Property Value and Construction Permits	206
XV	Miscellaneous Statistics	207

THIS PAGE INTENTIONALLY LEFT BLANK





FINANCE DIVISION
808 W. SPOKANE FALLS BLVD.
SPOKANE, WASHINGTON 99201-3304
(509) 625-6586

GAVIN J. COOLEY, CPA
CHIEF FINANCIAL OFFICER

July 30, 2004

To the Honorable Mayor, Members of the City Council, and Citizens of the City of Spokane:

The Comprehensive Annual Financial Report of the City of Spokane, for the fiscal year ended December 31, 2003, is submitted herewith. This report consists of management's representations concerning the finances of the City of Spokane. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Spokane has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of Spokane's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Spokane's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City is required by Washington State law, RCW 43.09.260 to have an annual audit by the Office of the Washington State Auditor. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City of Spokane for the fiscal year ended December 31, 2003, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The State Auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Spokane's financial statements for the fiscal year ended December 31, 2003, are fairly presented in conformity with GAAP. The State Auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of Spokane was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City of Spokane's separately issued Single Audit Report.

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Spokane's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The City of Spokane was incorporated in 1881. The City serves as the regional trade center for an area that consists of portions of northeastern Washington, southern British Columbia (Canada), northern Idaho, and western Montana. The population of this area is approximately 1.7 million. As a regional center, the City provides higher education and research opportunities, health care facilities, support services for residents and businesses throughout the area, and a large downtown retail and business core.

The City changed from a council-manager form of government to a mayor-council form of government in January 2001. The City's elected officials include a Mayor and seven Council members, including a separately elected Council President. The Mayor has direct responsibility for the administration of all City functions. The Mayor selects a City Administrator who acts as the chief administrative officer and directly oversees City operations as directed by the Mayor. The City Council is the legislative authority of the City and establishes and controls policy for the City. Council members are elected to staggered four-year terms by the qualified electors of the City. Six of the Council members are elected by district. The Mayor and Council President are elected at large.

The City of Spokane provides a full range of services, including public safety, the construction and maintenance of highways, streets and other infrastructure, water, sewer and solid waste services, and recreational activities and cultural events. This report includes all funds of the City that are controlled by or are dependent on the City's executive or legislative bodies. Control by or dependence on the City was determined on the basis of budget adoption, taxing authority, outstanding debt secured by revenues or obligations of the City, obligation of the City to finance any deficits that may occur, or receipt of significant subsidies from the City. Based on these criteria the Community Colleges of Spokane, Spokane School District #81, Spokane Housing Authority, Spokane Transit Authority, and the Spokane Public Facilities District are excluded from the accompanying financial statements.

The annual budget serves as the foundation for the City of Spokane's financial planning and control. All departments of the City of Spokane are required to submit requests for appropriation to the Mayor's office each year. The Mayor's office uses these requests as the starting point for developing a proposed budget. The Mayor then presents this proposed budget to the Council for review in November. The Council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than December 31, the close of the City of Spokane's fiscal year. The appropriated budget is prepared by fund, department, and function. Department heads may make adjustments during the year by ordinance or budget transfer depending upon the type of change requested. Purchase orders and approved contracts are encumbered during the year. Encumbrances outstanding at year-end are reappropriated in the following year. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. This comparison is presented for the general fund on page 21 as part of the basic financial statements. For governmental funds other than the general fund, this comparison is presented in the supplementary information section of the financial statements, beginning on page 116.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of Spokane operates.

Local economy. The City of Spokane currently enjoys a favorable economic environment and local indicators point to continued stability. As a regional center, Spokane provides higher education and research opportunities, hospital facilities of the highest quality, and provides extensive support services for residents and businesses throughout the area. Spokane has a large

and prosperous downtown area. The City is also a major transportation center in the Pacific Northwest. Fairchild Air Force Base, the U.S. military's largest air-refueling base, is located in the western part of the County. Fairchild currently employs approximately 5,890 military and civilian personnel, generating an annual payroll in excess of \$164 million and maintenance and operations costs of \$155 million. The economic impact of Fairchild on the local economy is estimated at over \$380 million annually.

The downtown core, whose revitalization was initiated by the 1999 redevelopment of the Riverpark Square retail facility, shows promise of continuing into the foreseeable future. The Downtown Spokane Partnership reports that nearly \$1 billion have been invested in the downtown area in the past six years. That amount includes private and public dollars, invested in various retail, residential and other commercial projects. The health care industry continues to drive money into the Inland Northwest's economy. One in ten jobs in Spokane County is related to health care, and the field is gradually meshing with the other pillar of the Spokane economy, higher education. Local leaders are working on the establishment of a University District, just east of downtown Spokane. The area would continue to centralize programs of Washington and Eastern Washington State Universities and Gonzaga University, and enhance the local health care technology industries as well as the commercialization of the area.

Ground was broken in mid-2004 for a new, \$77 million expanded Convention Center Facility in downtown Spokane. The Convention and Visitor's Bureau estimates that the completed convention center will bring about 45,000 convention attendees to Spokane annually.

Long-term financial planning. The Mayor and City Council are working together to find a solution to the ongoing street replacement and repair issues in the City of Spokane. In 2003, the City embarked on a plan to provide for \$30 million in street work by the sale of \$14.7 million in councilmanic bonds, to be repaid over 15 years. This funding provides \$10 million for street long-term repair and replacement projects over the next three years and another \$4.7 million for capital projects. The capital improvement money will be leveraged to obtain state and federal grant funds, bringing the total for that work to \$20 million. This is a strategy that bridges the City to a possible future street utility or other long-term funding mechanism for streets. The governing body is also committed to establishing and maintaining a healthy general fund budget stabilization reserve. This reserve, at the end of 2003, is funded at \$3.1 million. The City will use business planning and the 2004-2005 budget process to review funding priorities for the long-term operating and capital needs of the City. We are committed to working with the citizens, businesses, and other governmental agencies in delivering efficient and effective services to our community.

Cash management policies and practices. The City has a written Investment Policy, dated March 18, 1991, which has been adopted by the City Council. All investments of City funds are made in compliance with State law and in accordance with applicable legal interpretations. The City's responsibility in the investment of public funds is to seek the highest rate of return available in the market consistent with the primary concerns of security, legality, and liquidity.

Cash temporarily idle during the year was invested in the State Treasurer's Pool, banker's acceptances, certificates of deposits, repurchase agreements, Treasury bills and agency securities, and LID progress warrants. At year-end there was \$53,213,544 of Treasurer's Cash Investments. Interest earned on these investments in 2003 was \$1,346,643, a decrease of \$594,484 from the previous year.

Risk management. The City of Spokane is self insured for Unemployment Insurance, Worker's Compensation, General Liability, and Employee Medical/Dental Benefits. The City accounts for its risk management activities in internal service funds and charges the operating funds annually for the anticipated actuarially projected ultimate incurred claims. Please refer to Note 7, Risk Management on page 51 of this report for further information on excess insurance coverages and unrestricted net asset balances available to pay future claims.

Pension benefits. The City of Spokane sponsors three single-employer defined benefit pension plans for its public employees. The Spokane Firefighters' Pension Fund and the Spokane Police Retirement System are limited to public safety employees and beneficiaries employed before March 1, 1970 and are considered closed plans. City of Spokane employees other than police officers or firefighters are eligible to belong to the Spokane Employees' Retirement System. Member and employer contribution rates are each 6.72% of total compensation and are established by City Code. The City is obligated by ordinance and RCW to make all required contributions to the plans. An actuarial update of the plans was performed as of December 31, 2003.

The City of Spokane also provides pension benefits for police officers and firefighters through the Law Enforcement Officers and Firefighters (LEOFF) Retirement System. This plan is administered by the State of Washington Department of Retirement Systems (DRS), a department within the primary government of the State of Washington under a cost sharing multiple employer public employee retirement system. The City has no obligation in connection with employee benefits offered through this plan beyond its annual contractual payments to DRS.

Additional information on the City of Spokane's pension arrangements can be found in Note 6 in the notes to the financial statements.

Acknowledgements

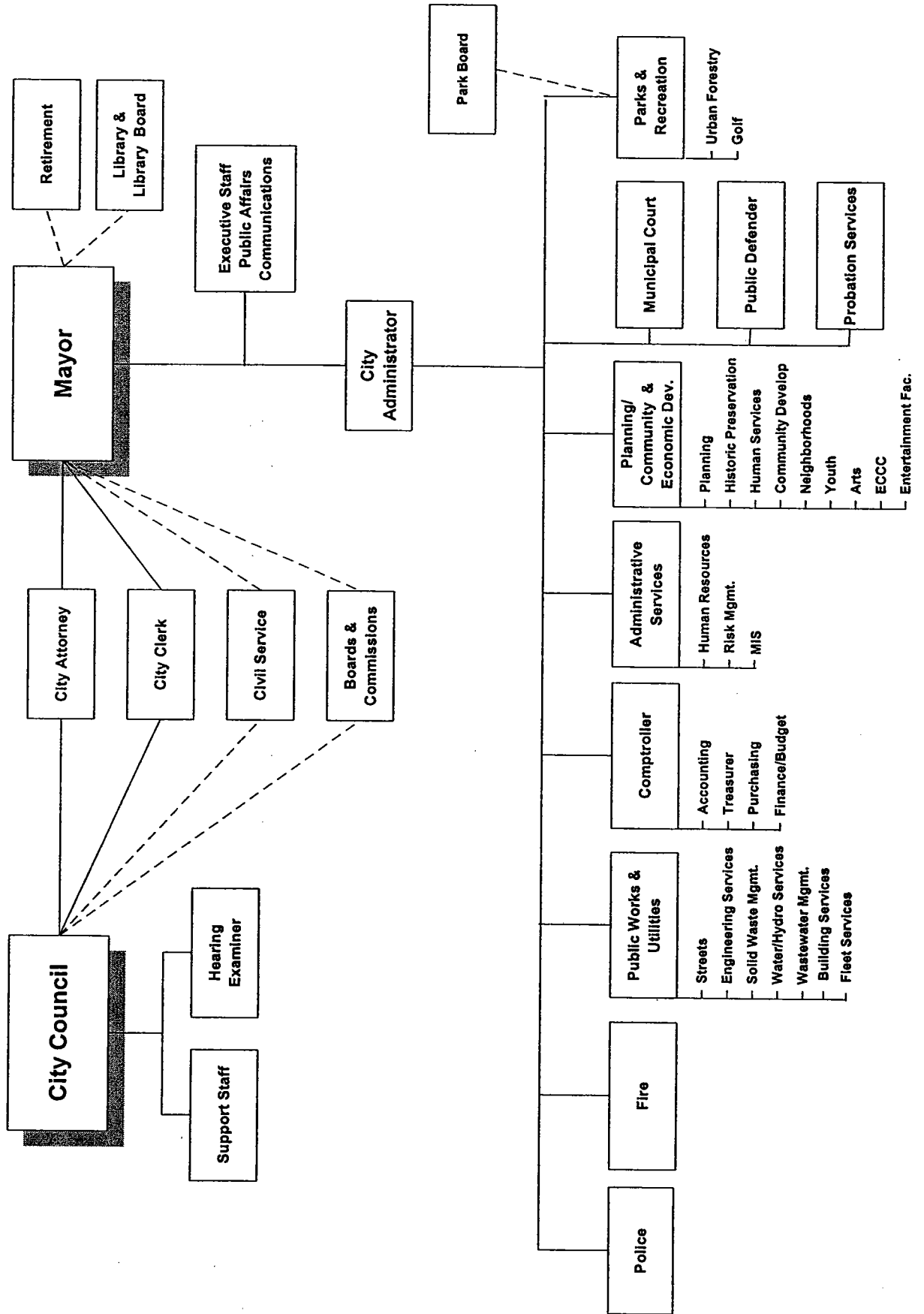
The preparation of this report could not have been accomplished without the efficient and dedicated service of those individuals and departments who have contributed to its publication. I would like to express my appreciation to everyone who contributed to its preparation. I would also like to thank the Mayor and members of the City Council for their interest and support in planning and conducting the financial operations of the City in a responsible manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Gavin Cooley", written over a horizontal line.

Gavin J. Cooley, CPA
Chief Financial Officer

City of Spokane Organization Chart



CITY OF SPOKANE
LIST OF ELECTED AND APPOINTED OFFICIALS
DECEMBER 31, 2003

ELECTED OFFICIALS

Mayor	John T. Powers Jr.
Council Members	Robert M. Higgins, <i>Council President</i> Roberta Greene, <i>Council President Pro-Tem</i> Cherie Rodgers Steve Corker Steve Eugster Al French Dennis Hession

APPOINTED OFFICIALS

City Administrator	Jack Lynch
Director of Administrative Services	Dorothy Webster
Chief Financial Officer	Gavin J. Cooley, CPA
Director of Public Works and Utilities	Roger Flint
Director of Community and Economic Development	Michael H. Adolfae
City Attorney	Michael Connelly
City Clerk	Terri L. Pfister
Accounting Director	Molly A. Russell
Fire Chief	Robert Williams
Police Chief	Roger Bragdon

THIS PAGE INTENTIONALLY LEFT BLANK



Financial Section



Sunset Building
PO Box 40021
Olympia, Washington 98504-0021

**Washington State Auditor
Brian Sonntag**

(360) 902-0370
FAX (360) 753-0646
TDD Relay 1-800-833-6388
<http://www.sao.wa.gov>

INDEPENDENT AUDITOR'S REPORT

July 30, 2004

The Honorable Mayor and City Council
808 W. Spokane Falls Blvd.
Spokane, Washington 99201

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Spokane, Spokane County, Washington, as of and for the year ended December 31, 2003, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our financial audit in accordance with auditing standards generally accepted in the United States of America issued by the Comptroller General of the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type, each major fund, and the aggregate remaining fund information of the City of Spokane, Spokane County, Washington, as of December 31, 2003, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

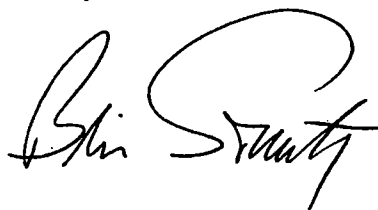
The Management's Discussion and Analysis on pages 3 through 12, budgetary comparison information on pages 116 through 166, and pension trust fund information on pages 77 through 80, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City of Spokane's basic financial statements. The accompanying financial information listed as combining financial statements and supplemental information on pages 81 through 190 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The combining financial statements and supplemental information has been subjected to auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



The information identified in the table of contents as the Introductory and Statistical Sections is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Sonntag". The signature is fluid and cursive, with the first name "Brian" and last name "Sonntag" clearly distinguishable.

BRIAN SONNTAG, CGFM
STATE AUDITOR

MANAGEMENT'S DISCUSSION AND ANALYSIS

Within this section of the City of Spokane, Washington (the City)'s annual financial report, the City's management is pleased to provide this narrative discussion and analysis of the financial activities of the City as of and for the fiscal year ended December 31, 2003. The City's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosures following this section.

Financial Highlights

- The City's assets exceeded its liabilities by \$653,960,798 (net assets) for the fiscal year reported.
- Total net assets are comprised of the following:
 - (1) Capital assets, net of related debt, of \$379,582,930 include property and equipment, net of accumulated depreciation, and reduced for outstanding debt related to the purchase or construction of capital assets.
 - (2) Net assets of \$41,191,179 are restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
 - (3) Unrestricted net assets of \$233,186,689 represent the portion available to maintain the City's continuing obligations to citizens and creditors.
- The City's governmental funds reported total ending fund balance of \$84,005,908 this year. This compares to the prior year ending fund balance of \$73,994,207, showing a moderate increase of \$10,011,701 during the current year. Unreserved fund balance of \$71,987,706 for fiscal year 2003 shows a \$11,417,358 increase from the prior year.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$9,778,374, or 8.2% of total General Fund expenditures including transfers and 8.7% of total General Fund revenues including transfers.
- Overall, the City continues to maintain a strong financial position, in spite of a somewhat depressed economy.

The above financial highlights are explained in more detail in the "financial analysis" section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis document introduces the City's basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The City also includes in this report additional information to supplement the basic financial statements. Comparative data is presented when available.

Government-wide Financial Statements

The City's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City's overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Assets*. This is the government-wide statement of position presenting information that includes all of the City's assets and liabilities, with the difference reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating. Evaluation of the overall health of the City would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of City infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*, which reports how the City's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the City's distinct activities or functions on revenues provided by the City's taxpayers.

Both government-wide financial statements distinguish governmental activities of the City that are principally supported by property, sales and business occupation taxes from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, judicial, public safety, physical environment, transportation, health and human services, economic environment, and culture and recreation. Business-type activities include the utility services, golf courses, capital for the Spokane Public Facilities District's multi-purpose sports and entertainment arena and the utility billing and code enforcement funds. The internal service funds provide services to other funds within the City and the majority of these activities are reported in governmental activities at the government-wide financial reporting level.

The government-wide financial statements are presented on pages 14 & 15 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for non-major funds is provided in the form of combining statements in a later section of this report.

The City has three kinds of funds:

Governmental funds are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements. However, the focus is very different with fund statements providing a distinctive view of the City's governmental funds. These statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

Budgetary comparison statements are included as "basic financial statements" for the general fund. Budgetary comparison schedules for all other governmental funds can be found in a later section of this report. These statements demonstrate compliance with the City's adopted and final revised budget.

The basic governmental fund financial statements are presented on pages 18-21 of this report.

Individual fund information for non-major governmental funds is found in combining statements in a later section of this report.

Proprietary funds are reported in the fund financial statements and generally report services for which the City charges customers a fee. The City proprietary funds are classified as either enterprise funds or internal service funds. The enterprise funds essentially encompasses the same functions reported as business-type activities in the government-wide statements. The internal service funds provide services to other funds of the City.

The basic proprietary fund financial statements are presented on pages 22-26 of this report.

Fiduciary funds include three single employer pension plans for City employees and various agency funds. The City reports these funds only at the fund level since the resources in these funds are not available for City use. The fund level financial statements begin on page 27 of this report.

Notes To The Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 29 of this report.

Financial Analysis of the City as a Whole

The City implemented the new financial reporting model used in this report beginning with the year ended December 31, 2002. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the City as a whole.

The City's net assets at fiscal year-end are \$ 653,960,798. The following table provides a summary of the City's net assets:

**Summary of Net Assets
12/31/2003**

	Governmental Activities		Business-Type Activities		Total		% Change
	2003	2002	2003	2002	2003	2002	
Assets:							
Current assets	\$ 138,997,606	146,769,023	\$ 160,090,481	139,140,064	\$ 299,088,087	285,909,087	32%
Restricted assets	22,280,000	-	44,774,422	75,530,622	67,054,422	75,530,622	7%
Capital assets	169,211,765	148,695,405	394,784,375	383,037,478	563,996,140	531,732,883	61%
Total assets	330,489,371	295,464,428	599,649,278	597,708,164	930,138,649	893,172,592	100%
Liabilities:							
Current liabilities	13,209,657	12,944,441	12,109,237	19,832,326	25,318,894	32,776,767	10%
Long-term liabilities	122,962,233	110,373,593	127,896,724	153,205,684	250,858,957	263,579,277	90%
Total liabilities	136,171,890	123,318,034	140,005,961	173,038,010	276,177,851	296,356,044	100%
Net assets:							
Capital assets, net of debt	95,390,666	84,944,384	284,192,264	250,070,743	379,582,930	335,015,127	58%
Restricted	25,971,586	46,533,835	15,219,593	25,194,335	41,191,179	71,728,170	6%
Unrestricted	72,955,229	40,668,176	160,231,460	149,405,076	233,186,689	190,073,252	36%
Total net assets	\$ 194,317,481	172,146,395	\$ 459,643,317	424,670,154	\$ 653,960,798	596,816,549	100%

The City continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 10.5 to 1 and 13.2 to 1 for business type activities. For the City overall, the current ratio is 13.8 to 1. We consider these ratios strong.

The City reported positive balances in net assets for both governmental and business-type activities. Net assets increased \$22,171,086 for governmental activities and by \$34,973,163 for business-type activities. The City's overall financial position improved during fiscal year 2003.

Note that approximately 49% of the governmental activities' net assets are tied up in capital (with 23% of the capital assets being infrastructure). Also, note that the City has not capitalized their total infrastructure at December 31, 2003 but will do so in subsequent years. The City uses these capital assets to provide services to its citizens. However, with business-type activities, the City has spent approximately 62% of its net assets on capital (with 42% of the capital assets being infrastructure). Capital assets in the business-type activities provide utility services, but they also generate revenues for these funds. Capital assets make up 58% of the City's total net assets.

The following page provides a summary of the City's changes in net assets:

Summary of Changes in Net Assets for the Year Ended 12/31/03

	Governmental Activities		Business-Type Activities		Total		% Of Total
	2003	2002	2003	2002	2003	2002	
Revenues:							
Program:							
Charges for services	\$ 27,349,410	28,314,675	\$ 136,382,936	128,580,232	\$ 163,732,346	156,894,907	54%
Operating grants	8,934,607	7,983,074	-	611,529	8,934,607	8,594,603	3%
Capital grants	8,065,265	12,682,260	11,621,021	12,881,183	19,686,286	25,263,443	7%
General:							
Taxes	120,341,369	118,810,959	-	-	120,341,369	118,810,959	40%
Interest	2,303,789	3,430,485	2,435,759	3,708,526	4,739,548	7,139,011	2%
Disposition of capital assets	(17,317,123)	(1,267,476)	-	-	(17,317,123)	(1,267,476)	(6)%
Total revenues	149,677,317	169,953,977	150,439,716	145,781,470	300,117,033	315,735,447	100%
Program expenses:							
General							
government	8,787,701	9,589,929	-	-	8,787,701	9,589,929	3%
Judicial	4,898,566	4,606,706	-	-	4,898,566	4,606,706	2%
Public safety	76,238,638	72,979,212	-	-	76,238,638	72,979,212	29%
Physical environment	2,383,071	1,356,433	-	-	2,383,071	1,356,433	1%
Transportation	15,131,918	12,639,177	-	-	15,131,918	12,639,177	6%
Health and human services	50,074	66,072	-	-	50,074	66,072	0%
Economic environment	12,262,366	10,424,350	-	-	12,262,366	10,424,350	5%
Culture and Recreation	25,237,838	30,183,665	-	-	25,237,838	30,183,665	9%
Interest	6,101,533	7,738,797	-	-	6,101,533	7,738,797	2%
Water	-	-	22,210,151	21,472,338	22,210,151	21,472,338	8%
Sewer	-	-	28,014,935	27,979,675	28,014,935	27,979,675	11%
Solid Waste	-	-	58,032,970	56,861,016	58,032,970	56,861,016	22%
Other business types	-	-	6,398,106	6,890,001	6,398,106	6,890,001	2%
Total expenses	151,091,705	149,584,341	114,656,162	113,203,030	265,747,867	262,787,371	100%
Excess revenues (expenses)	(1,414,388)	20,369,936	35,783,554	32,578,440	34,369,166	52,948,076	
Transfers	115,477	(263,790)	(115,477)	263,790	-	-	
Change in net assets	(1,298,911)	20,105,846	35,668,077	32,842,230	34,369,166	52,948,076	
Prior period adjustments	23,469,997	-	(694,914)	-	22,775,083	-	
Beginning net assets	172,146,395	152,040,549	424,670,154	391,827,924	596,816,549	543,868,473	
Ending net assets	\$ 194,317,481	172,146,395	\$ 459,643,317	424,670,154	\$ 653,960,798	596,816,549	

GOVERNMENTAL REVENUES

The City is heavily reliant on three types of taxes to support governmental operations. Sales taxes provided 22% of the revenues for governmental activities. Property taxes provided 26% of these revenues, and business and occupation taxes total 23%. Charges for services totaled 18% of these revenues and grants and contributions totaled 11%. Note that program revenues cover approximately 29% of governmental operating expenses. This means that the government's taxpayers and the City's other general revenues fund 71% of the governmental activities. As a result, the general economy and the local businesses have a major impact on the City's revenue streams.

GOVERNMENTAL FUNCTIONAL EXPENSES

Public safety costs comprise 50% of the City's total governmental expenses. Culture and recreation costs make up 8% of the total governmental expenses. The transportation expenses are 10% of governmental expenses.

This table presents the cost of each of the City's programs, including the net costs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the City's taxpayers by each of these functions.

Governmental Activities					
	Total Cost Of Services			Net Cost Of Services	
	2003	2002		2003	2002
General government	\$ 8,787,701	9,589,929	\$	1,532,477	(4,936,856)
Judicial	4,898,566	4,606,706		(1,025,996)	1,130,095
Public safety	76,238,638	72,979,212		(70,405,694)	68,545,804
Physical environment	2,383,071	1,356,433		(2,315,399)	1,356,433
Transportation	15,131,918	12,639,177		(7,838,750)	3,285,201
Health and human services	50,074	66,072		46,753	(19,213)
Economic environment	12,262,366	10,424,350		(4,199,909)	2,844,073
Culture and recreation	25,237,838	30,183,665		(16,434,372)	20,659,998
Interest	6,101,533	7,738,797		(6,101,533)	7,738,797
Total	\$ 151,091,705	149,584,341	\$	(106,742,423)	100,604,332

Program revenues covered the program expenses for only two functions, general government and health and human services. The capital contributions of \$2.5 million in the general government function related to the collections of special assessments from property owners for the construction of sidewalks and alleys, etc. These projects, completed through local improvement districts, resulted in an excess of program revenues over expenses. The offsetting costs related to the contributions will be reflected as expenses in subsequent years as the City depreciates the capital assets constructed.

BUSINESS-TYPE ACTIVITIES Revenues vs. Costs

For all enterprise funds, the City reports a current ratio of 15 to 1, which is an extremely healthy ratio. The business-type activities report capitalized assets of almost \$400 million, which provide a variety of services to the citizens of Spokane as well as some populations outside the city limits.

The business-type activities report over \$159 million in unrestricted net assets, which provides these funds with adequate resources to maintain service levels without substantial increases in their revenue streams.

The operating revenues for all six of the City's enterprise funds were up over \$3 million or 2.3% more than 2002, with operating expenses 5.6% less than 2002. Within the total business-type activities of the City, these enterprise funds reported \$26.6 million operating income compared to operating income of \$26.4 million for the prior year. A detailed discussion of the major enterprise funds is presented in a separate section below.

Financial Analysis of the City's Funds

Governmental funds

As discussed, governmental funds are reported in the fund statements with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of approximately \$84 million. Of this year-end total, \$72 million is unreserved indicating availability for continuing City service requirements. Legally restricted fund balances (i.e., the reserved fund balances) include \$10.5 million committed to service debt and \$500,000 committed to capital projects.

The total ending fund balances of governmental funds show an increase of \$10 million or 11.9% over the prior year. This increase is primarily the result of the events and programs described within the analysis of the City's governmental activities.

Major Governmental Funds

The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance decreased by \$2.9 million. In the prior year, the fund balance increased by 2.4 million. Unreserved fund balance as a percentage of expenditures was 11% of operations or slightly less than two months of operations. This is an adequate amount to protect the fund against unforeseen emergencies or additional downturns in the economy.

Taxes totaling \$89.8 million made up 80% of total general fund revenue in 2003 as compared to 78% in 2002. All other sources of revenue decreased slightly compared to 2002.

General fund expenditures increased \$3 million or approximately 3%. Public safety made up 68% of total expenditures. Since the general fund supports a number of programs in other funds, \$28 million was transferred to these funds.

The Proprietary Funds

The City reports six primary enterprise funds, of which three are considered major funds. These three funds provide the utility services of water, sewer and solid waste to the citizens of Spokane. The City also maintains nine internal service funds.

The Water System - The water system reports net assets of over \$126 million, with 73% tied up in capital assets. The current ratio for this fund is 21.6 to 1 which provides this fund with adequate resources to cover cash flow issues.

The water system reported operating income of \$4.7 million with a total increase in net assets of approximately \$7.4 million after capital contributions and transfers in from other funds. These amounts were slightly more favorable than related amounts of \$2.6 million and \$7 million in 2002.

The Sewer System - The sewer system reports net assets of over \$224 million, with 73% invested in capital assets. The current ratio for this fund is 17 to 1 which provides this fund with adequate resources to cover cash flow issues.

The sewer system reported operating income of \$10.6 million with a total increase in net assets of approximately \$17.5 million after capital contributions and transfers in from other funds. These amounts were comparable to the 2002 related amounts of \$10.5 million and the \$18.7 million. The 2003 capital contributions of \$9 million include a combination of unamortized balances of state and federal grants and builder contributed and donated assets.

The sewer system reported an increase in operating revenues of \$4.5 million, comparable to 2002 operating revenues of \$4.2 million.

The Solid Waste System – The solid waste fund reports net assets of over \$94 million. The investment in capital assets less related debt (i.e., the book value of the capital assets less related debt) reports an amount of about \$5 million. The City depreciates their capital assets in this fund equally over the life of the assets. However, in the amortization schedule developed when the City issued the related debt, the majority of the principal is being retired over the last ten years of the 20-year bonds. Therefore, the debt principal is being retired at a rate less than the annual depreciation, resulting in a relatively low investment in capital assets. This trend will reverse as the debt principal is retired.

The current ratio for this fund is 8.6 to 1 which provides this fund with adequate resources to cover cash flow requirements. This fund reports over \$63 million in unrestricted net assets.

The solid waste fund reported operating income of \$11.4 million with a total increase in net assets of approximately \$3.5 million after transfers out to other funds. These amounts were slightly less than related amounts of \$13.4 million and \$5.6 million in 2002.

Budgetary Highlights

The General Fund – The General Fund's original revenue budget was \$3 million less than the 2002 actual results. The original expenditure budget was \$7 million more than the 2002 actual results. Although the City Council amended both the revenue and expenditure budgets during 2002, the amendments resulted in less than a 1% change between the original and final budgets. In total, actual revenues exceed the final budget by almost \$1 million or about a 1% difference. The total actual expenditures were approximately \$4 million less than budgeted or 5% below budget.

On the revenue side of the budget, the primary difference between the final budget and the actual amounts relates to unexpected increase in taxes received in the amount of \$2.2 million.

On the expenditure side of the budget, the largest variance between the final budget and the actual amounts was the under-expenditure of the general government function by about \$2.5 million and culture and recreation by about \$1 million.

As indicated by the budgetary operating statement, the City staff considers the annual budget to be an extremely important document and attempts to include in the budget, their best estimate of revenue and expenditures.

Capital Assets and Debt Administration

Capital assets

The City's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of December 31, 2003, was \$169 million and \$394 million respectively. The total increase in this net investment was 12% for governmental and a 3% increase for business-type activities. The overall increase was 5.7% for the City as a whole. See Note 5 for additional information about changes in capital assets during the fiscal year and outstanding at the end of the year. The following table provides a summary of capital asset activity.

Capital Assets
(Amounts Presented in \$1,000's)

	Governmental Activities		Business-Type Activities		Total		Percentage Of Total	
	2003	2002	2003	2002	2003	2002	2003	2002
Non-depreciable assets:								
Land	\$ 8,728	\$ 5,483	\$ 14,041	\$ 13,890	\$ 22,769	\$ 19,373	3%	2%
Construction in progress	14,798	9,765	32,511	21,382	47,309	31,147	5%	4%
Total non-depreciable	<u>23,526</u>	<u>15,248</u>	<u>46,552</u>	<u>35,272</u>	<u>70,078</u>	<u>50,520</u>	<u>8%</u>	<u>6%</u>
Depreciable assets:								
Plant in service	-	-	577,039	567,672	577,039	567,672	67%	69%
Buildings	64,343	80,874	-	-	64,343	80,874	7%	10%
Other improvements	15,202	11,476	-	-	15,202	11,476	2%	1%
Machinery and equipment	64,185	63,861	-	-	64,185	63,861	7%	8%
Infrastructure	75,609	47,473	-	-	75,609	47,473	9%	6%
Total depreciable assets	<u>219,340</u>	<u>203,684</u>	<u>577,039</u>	<u>567,672</u>	<u>796,379</u>	<u>771,356</u>	<u>92%</u>	<u>94%</u>
Total cost of capital assets	242,866	218,932	623,591	602,944	866,457	821,876	<u>100%</u>	<u>100%</u>
Accumulated depreciation	<u>73,654</u>	<u>70,238</u>	<u>228,807</u>	<u>219,907</u>	<u>302,461</u>	<u>290,145</u>		
Book value – capital assets	\$ <u>169,212</u>	\$ <u>148,694</u>	\$ <u>394,784</u>	\$ <u>383,037</u>	\$ <u>563,996</u>	\$ <u>531,731</u>		
Percentage depreciated	<u>30%</u>	<u>32%</u>	<u>37%</u>	<u>36%</u>	<u>35%</u>	<u>35%</u>		

At December 31, 2003, the depreciable capital assets for governmental activities were 30% depreciated. This is 2% less than the December 31, 2002 percentage. This decrease is the result of adding new assets in the form of infrastructure.

With the City's business type activities, 37% of the asset values were depreciated at December 31, 2003 compared to 36% at December 31, 2002. These percentages provide an indicator that the City is maintaining and replacing their assets at a favorable rate. The percentage of depreciated assets for each of the four enterprise funds that report capital assets follows:

Water System	33%
Sewer System	36%
Solid Waste	42%
Golf	32%

Long-term debt

At the end of the fiscal year, the City had long-term debt outstanding of over \$250 million. Of this amount, \$77 million or 31% is backed by the full faith and credit of the City (general obligation bonds) with debt service fully funded by voter-approved property taxes or general government revenue. The other major component is \$112

million supported by pledged revenues generated primarily by the business-type activities of the City (revenue bonds).

During the year, the City retired \$63 million or 24% of the beginning outstanding borrowed debt balance.

Outstanding Borrowings
(in \$1,000's)

	Governmental Activities		Business-Type Activities		Totals		Percentage Change
	2003	2002	2003	2002	2003	2002	
General obligation bonds	\$ 76,228	\$ 61,934	\$ 652	\$ 696	\$ 76,880	\$ 62,630	18.8%
Special assessment debt	5,955	7,100	-	-	5,955	7,100	-16.3%
Revenue bonds	-	-	111,756	135,748	111,756	135,748	-17.7%
Capital leases	237	179	-	-	237	179	24.5%
Bank and other loans	24,438	28,093	12,856	13,394	37,294	41,487	-13%
Total	\$ 106,858	\$ 97,306	\$ 125,264	\$ 149,838	\$ 232,122	\$ 247,144	-6%

During the year, the City issued \$28.1 million in general obligation bonds, \$820,000 in special assessment debt, \$14.5 million in revenue bonds and \$3 million of bank and other loans. The debt per capita was approximately \$390, which is below the national average.

See Note 9 for additional information about the City's long-term debt.

Economic Conditions Affecting the City

Since one of the primary revenue streams for the City is sales tax, the City's sales tax revenues are subject to changes in the economy. Since sales taxes are considered an "elastic" revenue stream, tax collections are higher in a flourishing economy and are lower in a depressed economy. Obviously, the "911" tragedy in New York has had a nationwide negative impact on most places in our country, including the State of Washington. However, the City of Spokane continues to maintain a reasonably strong economy under the circumstances.

Contacting the City's Financial Management

This financial report is designed to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the City's Office of Finance, 808 West Spokane Falls Boulevard, Spokane, WA 99201.

Government–Wide Financial Statements

**CITY OF SPOKANE
STATEMENT OF NET ASSETS
DECEMBER 31, 2003**

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 43,833,575	\$ 6,025,113	\$ 49,858,688
Investments	65,195,659	119,860,855	185,056,514
Receivables (net)	27,917,391	21,108,682	49,026,073
Internal balances	316	(316)	-
Inventories	1,917,033	1,610,557	3,527,590
Prepaid Items	133,632	-	133,632
Restricted assets:			
Cash and cash equivalents	-	1,595,442	1,595,442
Investments	-	9,851,543	9,851,543
Interest Receivable	-	38,605	38,605
Noncurrent Assets:			
Restricted assets:			
Investments	-	17,872,172	17,872,172
Deferred charges and other assets:			
Deferred charges	-	9,436,998	9,436,998
Noncurrent receivables	22,280,000	4,119,354	26,399,354
Other assets	-	13,345,897	13,345,897
Capital Assets (net of accumulated depreciation):			
Land	8,727,698	14,041,116	22,768,814
Property, plant and equipment	70,433,646	181,302,163	251,735,809
Infrastructure	75,251,943	166,930,583	242,182,526
Construction in progress	14,798,478	32,510,513	47,308,991
Total assets	330,489,371	599,649,277	930,138,648
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	11,951,447	7,891,920	19,843,367
Unearned revenue	276,003	3,459,197	3,735,200
Other current liabilities	982,207	758,120	1,740,327
Noncurrent liabilities:			
Due within one year	16,556,500	13,013,232	29,569,732
Due in more than one year	106,405,733	114,883,492	221,289,225
Total liabilities	136,171,890	140,005,961	276,177,851
NET ASSETS			
Invested in capital assets, net of related debt	95,390,666	284,192,264	379,582,930
Restricted for:			
Debt service	10,616,708	11,136,177	21,752,885
Capital projects	15,354,878	-	15,354,878
Other purposes	-	4,083,416	4,083,416
Unrestricted	72,955,229	160,231,460	233,186,689
Total net assets	\$ 194,317,481	\$ 459,643,317	\$ 653,960,798

The notes to the financial statements are an integral part of this statement.

THIS PAGE INTENTIONALLY LEFT BLANK



Fund Financial Statements

**CITY OF SPOKANE
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2003**

	GENERAL 0100	HUD SECTION 108 LOAN GUARANTY 2400	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalents	\$ 6,759,441	\$ -	\$ 25,787,456	\$ 32,546,897
Deposits with fiscal agents/trustees	-	-	3,346,362	3,346,362
Investments	3,181,335	342,967	46,817,891	50,342,193
Receivables:				
Taxes receivable	7,353,188	-	2,801,016	10,154,204
Accounts receivable	400,699	-	2,221,518	2,622,217
Special assessments receivable	-	-	5,457,605	5,457,605
Interest receivable	556,012	-	119,157	675,169
Due from other funds	3,849,932	-	1,202,864	5,052,796
Due from other governments	116,797	-	8,338,906	8,455,703
Prepayments	-	-	45,037	45,037
Inventories	864	-	874,027	874,891
Interfund loan receivable	-	-	80,000	80,000
Notes/contracts receivable	-	22,280,000	243,337	22,523,337
Total assets	\$ 22,218,268	\$ 22,622,967	\$ 97,335,176	\$ 142,176,411
LIABILITIES AND FUND BALANCES				
Liabilities:				
Warrants payable	\$ -	\$ -	\$ 1,870,231	\$ 1,870,231
Accounts / vouchers payable	1,217,273	-	1,905,540	3,122,813
Matured long-term obligations	-	-	7,000	7,000
Matured interest payable	-	-	3,397	3,397
Due to other funds	1,322,661	-	3,038,953	4,361,614
Due to other governments	555	-	1,217	1,772
Other accrued liabilities	2,423,302	-	889,171	3,312,473
Other current liabilities	819,155	-	152,039	971,194
Interfund loan payable	-	-	80,000	80,000
Deferred revenue	6,591,284	22,280,000	15,568,725	44,440,009
Total liabilities	12,374,230	22,280,000	23,516,273	58,170,503
Fund Balances:				
Reserved for:				
Petty cash	64,800	-	22,350	87,150
Inventories	864	-	874,027	874,891
Noncurrent receivables	-	-	80,000	80,000
Capital replacement	-	-	499,585	499,585
Debt Service	-	342,967	10,133,609	10,476,576
Unreserved:				
Designated for unrealized investment earnings	8,128	-	-	8,128
Designated for contingencies	3,100,000	-	-	3,100,000
Undesignated	6,670,246	-	-	6,670,246
Undesignated, reported in nonmajor:				
Special revenue funds	-	-	27,607,700	27,607,700
Capital projects funds	-	-	34,601,632	34,601,632
Total fund balances	9,844,038	342,967	73,818,903	84,005,908
Total liabilities and fund balances	\$ 22,218,268	\$ 22,622,967	\$ 97,335,176	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 155,500,193

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. 44,164,006

Internal service funds are used by management to charge the costs of certain activities, such as fleet management and insurance, to individual funds. The assets and liabilities of internal service funds are included in governmental activities in the statement of net assets. 28,159,598

Some liabilities, including bonds payable, are not due and payable in the current reporting period and therefore are not reported in the funds. (117,512,224)

Net assets of governmental activities \$ 194,317,481

The notes to the financial statements are an integral part of this statement.

CITY OF SPOKANE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	GENERAL 0100	HUD SECTION 108 LOAN GUARANTY 2400	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES				
Taxes	\$ 89,799,347	\$ -	\$ 20,731,160	\$ 110,530,507
Licenses and permits	5,927,057	-	217,566	6,144,623
Intergovernmental	2,571,858	-	20,348,841	22,920,699
Charges for services	8,853,785	-	6,547,315	15,401,100
Fines and forfeitures	3,358,012	-	1,635,652	4,993,664
Miscellaneous	2,164,930	967,192	9,447,847	12,579,969
Total revenues	112,674,989	967,192	58,928,381	172,570,562
EXPENDITURES				
Current:				
General government	15,987,340	-	1,574,777	17,562,117
Security of persons and property	60,792,729	-	14,127,854	74,920,583
Physical environment	5,065,120	-	-	5,065,120
Transportation	-	-	13,843,277	13,843,277
Economic environment	4,618,215	-	7,631,345	12,249,560
Mental and physical health	88,555	-	-	88,555
Culture and recreation	2,463,865	-	21,490,192	23,954,057
Capital outlay	104,731	-	20,464,389	20,569,120
Debt service:				
Principal	-	370,000	8,131,501	8,501,501
Interest	1,238	1,511,031	3,767,843	5,280,112
Total expenditures	89,121,793	1,881,031	91,031,178	182,034,002
Excess (deficiency) of revenues over (under) expenditures	23,553,196	(913,839)	(32,102,797)	(9,463,440)
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	18,885,976	18,885,976
Sale of capital assets	1,751	-	653,122	654,873
Transfers in	1,539,479	-	33,687,873	35,227,352
Transfers out	(28,038,685)	-	(7,345,926)	(35,384,611)
Total other financing sources (uses)	(26,497,455)	-	45,881,045	19,383,590
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(2,944,259)	(913,839)	13,778,248	9,920,150
Other changes in fund balances:				
Prior period adjustment	87,572	-	3,978	91,550
Fund balances - beginning	12,700,725	1,256,806	60,036,674	73,994,205
Fund balances - ending	\$ 9,844,038	\$ 342,967	\$ 73,818,900	\$ 84,005,905

The notes to the financial statements are an integral part of this statement.

CITY OF SPOKANE
RECONCILIATION OF THE STATEMENT OF REVENUES
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2003

Net change in fund balances - total governmental funds	\$ 9,920,150
--------------------------------------------------------	--------------

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$20,386,856) exceeded depreciation (\$5,532,037) in the current period.	14,854,819
----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------

In the statement of activities, only the loss on the sales of capital assets is reported, whereas in the governmental funds, the proceeds from the sales increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold.	(17,958,495)
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,959,769
------------------------------------------------------------------------------------------------------------------------------------	-----------

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds exceeded repayments.	(11,348,236)
------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(65,750)
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	----------

Internal service funds are used by management to charge the costs of certain activities, such as fleet management and insurance, to individual funds. The net revenue of internal service funds is reported with governmental activities.	<div style="border-top: 1px solid black; border-bottom: 3px double black;">1,338,832</div>
-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------

Change in net assets of governmental activities	<div style="border-top: 1px solid black; border-bottom: 3px double black;">\$ (1,298,911)</div>
-------------------------------------------------	-------------------------------------------------------------------------------------------------

The notes to the financial statements are an integral part of this statement.

CITY OF SPOKANE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes	\$ 87,553,454	\$ 87,553,454	\$ 89,799,347	\$ 2,245,893
Licenses and permits	5,215,016	5,215,016	5,927,057	712,041
Intergovernmental	2,873,802	3,111,068	2,571,858	(539,210)
Charges for services	8,675,692	8,817,292	8,853,785	36,493
Fines and forfeitures	4,032,848	4,032,848	3,358,012	(674,836)
Miscellaneous	3,006,528	3,006,528	2,164,930	(841,598)
Total revenues	111,357,340	111,736,206	112,674,989	938,783
EXPENDITURES				
Current:				
General government	16,000,477	16,199,232	15,987,340	211,892
Security of persons and property	63,155,566	63,307,677	60,792,729	2,514,948
Physical environment	5,180,391	5,180,391	5,065,120	115,271
Economic environment	5,314,832	5,359,299	4,618,215	741,084
Mental and physical health	90,960	90,960	88,555	2,405
Culture and recreation	3,409,724	3,538,523	2,463,865	1,074,658
Capital outlay	75,904	168,904	104,731	64,173
Debt service:				
Interest	5,470	5,470	1,238	4,232
Total expenditures	93,233,324	93,850,456	89,121,793	4,728,663
Excess revenues over expenditures	18,124,016	17,885,750	23,553,196	5,667,446
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	30,000	30,000	1,751	(28,249)
Transfers in	1,633,859	1,643,550	1,539,479	-
Transfers out	(28,728,246)	(28,728,246)	(28,038,685)	689,561
Total other financing sources (uses)	(27,064,387)	(27,054,696)	(26,497,455)	661,312
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(8,940,371)	(9,168,946)	(2,944,259)	6,328,758
Other changes in fund balance:				
Prior period adjustment	-	-	87,572	87,572
Fund balances - beginning	12,700,725	12,700,725	12,700,725	-
Fund balances - ending	\$ 3,760,354	\$ 3,531,779	\$ 9,844,038	\$ 6,416,330

The notes to the financial statements are an integral part of this statement.

**CITY OF SPOKANE
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2003**

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	WATER	SEWER	SOLID WASTE	OTHER ENTERPRISE FUNDS	TOTAL	
ASSETS						
Current assets:						
Cash and equivalents	\$ 758,256	\$ 2,487,044	\$ 2,431,156	\$ 348,657	\$ 6,025,113	\$ 6,551,324
Deposits with fiscal agents / trustees	-	-	-	-	-	1,388,991
Investments	30,745,477	47,527,160	40,581,926	1,006,292	119,860,855	14,853,466
Receivables:						
Accounts receivable	2,215,110	10,717,832	5,755,292	23,874	18,712,108	209,783
Interest receivable	237,024	431,720	48,316	-	717,060	99,372
Due from other funds	254,610	13,942	19,780	352,388	640,720	1,582,336
Due from other governmental units	115,000	1,261,761	302,751	-	1,679,512	-
Inventories	1,502,262	81,030	-	27,265	1,610,557	1,042,143
Prepayments	-	-	-	-	-	88,595
Total current assets	35,827,739	62,520,489	49,139,221	1,758,476	149,245,925	25,816,010
Restricted assets:						
Revenue bond reserves:						
Cash and equivalents	-	-	1,595,442	-	1,595,442	-
Investments	-	-	22,294,303	625,420	22,919,723	-
Interest receivable	-	-	36,922	1,683	38,605	-
Other restricted assets:						
Investments	-	-	4,083,416	-	4,083,416	-
Customer deposits - investments	564,615	20,426	135,535	-	720,576	-
Total restricted assets	564,615	20,426	28,145,618	627,103	29,357,762	-
Capital assets:						
Land	1,575,549	898,452	5,046,689	6,520,426	14,041,116	-
Property, plant and equipment	53,049,418	85,963,177	184,198,739	14,059,889	337,271,223	38,494,948
Infrastructure	87,007,775	152,760,321	-	-	239,768,096	-
Construction in progress	8,617,228	23,893,285	-	-	32,510,513	-
Less accumulated depreciation	(49,373,752)	(95,073,690)	(79,064,103)	(5,295,030)	(228,806,575)	(24,783,374)
Total capital assets	100,876,218	168,441,546	110,181,325	15,285,285	394,784,374	13,711,574
Other noncurrent assets:						
Contracts receivable	-	4,119,354	-	-	4,119,354	-
Other noncurrent assets	63,709	-	13,282,188	-	13,345,897	-
Total noncurrent assets	63,709	4,119,354	13,282,188	-	17,465,251	-
Deferred charges:						
Deferred landfill closure charges	-	-	3,485,903	-	3,485,903	-
Other deferred charges	-	110,000	5,841,095	-	5,951,095	-
Total deferred charges	-	110,000	9,326,998	-	9,436,998	-
Total assets	\$ 137,332,281	\$ 235,211,815	\$ 210,075,350	\$ 17,670,864	\$ 600,290,310	\$ 39,527,584

The notes to the financial statements are an integral part of this statement.

**CITY OF SPOKANE
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2003
(CONTINUED)**

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	WATER	SEWER	SOLID WASTE	OTHER ENTERPRISE FUNDS	TOTAL	
LIABILITIES						
Current liabilities:						
Accounts/vouchers payable	\$ 199,322	\$ 1,543,725	\$ 2,740,278	\$ 20,879	\$ 4,504,204	\$ 1,494,265
Claims and judgements payable	-	-	-	-	-	6,217,010
Compensated absences	22,926	30,841	16,061	20,671	90,499	30,922
Due to other funds	388,670	687,584	933,606	76,666	2,086,726	827,516
Due to other governmental units	666,127	305,218	208,631	-	1,179,976	-
Accrued interest payable	81,819	-	-	-	81,819	-
Other accrued liabilities	285,528	257,795	340,667	110,716	994,706	340,505
Other current liabilities	8,067	-	-	23,225	31,292	11,007
Notes and leases payable	-	-	-	-	-	84,067
Total current liabilities	<u>1,652,459</u>	<u>2,825,163</u>	<u>4,239,243</u>	<u>252,357</u>	<u>8,969,222</u>	<u>9,005,292</u>
Current liabilities payable from restricted assets:						
Revenue bonds payable	-	-	11,665,000	230,216	11,895,216	-
General obligation bonds payable	-	-	-	45,798	45,798	-
Accrued interest payable	-	-	1,965,458	139,409	2,104,867	-
Deposits and other payables	<u>564,615</u>	<u>20,426</u>	<u>149,854</u>	<u>-</u>	<u>734,895</u>	<u>-</u>
Total current liabilities payable from restricted assets	<u>564,615</u>	<u>20,426</u>	<u>13,780,312</u>	<u>415,423</u>	<u>14,780,776</u>	<u>-</u>
Noncurrent liabilities:						
Revenue bonds payable	-	-	95,306,390	3,300,081	98,606,471	-
General obligation bonds payable	-	-	-	606,100	606,100	-
Accrued interest payable	-	-	-	215,762	215,762	-
Due to other governmental units	7,506,727	4,245,148	-	-	11,751,875	-
Unearned revenue	-	3,459,197	-	-	3,459,197	-
Compensated absences	654,773	556,249	433,086	222,525	1,866,633	764,249
Accrued landfill liability	-	-	1,714,125	-	1,714,125	-
Other noncurrent liabilities	<u>95,281</u>	<u>27,245</u>	<u>-</u>	<u>-</u>	<u>122,526</u>	<u>152,752</u>
Total noncurrent liabilities	<u>8,256,781</u>	<u>8,287,839</u>	<u>97,453,601</u>	<u>4,344,468</u>	<u>118,342,689</u>	<u>917,001</u>
Total liabilities	<u>10,473,855</u>	<u>11,133,428</u>	<u>115,473,156</u>	<u>5,012,248</u>	<u>142,092,687</u>	<u>9,922,293</u>
NET ASSETS						
Invested in capital assets, net of related debt	92,600,016	163,861,628	16,066,435	11,448,422	283,976,501	13,474,756
Restricted for debt service	-	-	11,070,167	66,010	11,136,177	-
Restricted for solid waste closure	-	-	4,083,416	-	4,083,416	-
Unrestricted	<u>34,258,410</u>	<u>60,216,759</u>	<u>63,382,176</u>	<u>1,144,185</u>	<u>159,001,530</u>	<u>16,130,534</u>
Total net assets	<u>\$ 126,858,426</u>	<u>\$ 224,078,387</u>	<u>\$ 94,602,194</u>	<u>\$ 12,658,617</u>	<u>458,197,624</u>	<u>\$ 29,605,290</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					<u>1,445,692</u>	
Net assets of business-type activities					<u>\$ 459,643,316</u>	

The notes to the financial statements are an integral part of this statement.

CITY OF SPOKANE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	WATER	SEWER	SOLID WASTE	OTHER ENTERPRISE FUNDS	TOTAL	
OPERATING REVENUES						
Charges for goods and services	\$ 25,104,178	\$ 38,574,946	\$ 50,568,912	\$ 5,808,574	\$ 120,056,610	\$ 23,373,536
Miscellaneous revenues	-	-	-	50,867	50,867	19,345,590
Other operating revenues	<u>1,834,920</u>	<u>84,201</u>	<u>11,335,971</u>	<u>-</u>	<u>13,255,092</u>	<u>34,286</u>
Total operating revenues	<u>26,939,098</u>	<u>38,659,147</u>	<u>61,904,883</u>	<u>5,859,441</u>	<u>133,362,569</u>	<u>42,753,412</u>
OPERATING EXPENSES						
Operations	6,698,941	9,321,362	30,168,327	4,078,197	50,266,827	16,774,158
Maintenance	6,852,107	4,977,478	2,819,900	1,144,598	15,794,083	-
General and administration	-	1,220,432	3,203,346	317,123	4,740,901	4,331,238
Taxes	5,992,414	6,658,018	5,482,512	18,917	18,131,861	-
Risk transfer payments	-	-	-	-	-	1,295,046
Claims processing	-	-	-	-	-	327,856
Payments to claimants and beneficiaries	-	-	-	-	-	14,875,020
Depreciation	2,702,652	5,877,864	7,782,309	388,503	16,751,328	3,440,618
Amortization of landfill closure costs	-	-	1,112,755	-	1,112,755	-
Total operating expenses	<u>22,246,114</u>	<u>28,055,154</u>	<u>50,549,149</u>	<u>5,947,338</u>	<u>106,797,755</u>	<u>41,043,936</u>
Operating income (loss)	<u>4,692,984</u>	<u>10,603,993</u>	<u>11,355,734</u>	<u>(87,897)</u>	<u>26,564,814</u>	<u>1,709,476</u>
NONOPERATING REVENUES (EXPENSES)						
Interest income	534,346	990,943	885,664	24,806	2,435,759	173,951
LID losses and engineering expenses	-	(2,570,613)	-	-	(2,570,613)	-
Revenues from jobbing and contract work	1,070,475	23,738	-	-	1,094,213	-
Expenses from jobbing and contract work	(1,666,067)	-	-	-	(1,666,067)	-
Gain (loss) on disposition of fixed assets	(19,835)	2,973	116,871	145	100,154	(13,501)
Depreciation - non-plant property	-	-	-	(169,245)	(169,245)	-
Interest expense	(171,497)	(213,576)	(5,787,663)	(490,453)	(6,663,189)	(8,916)
Rent and lease income	367,168	-	101,124	6,051,770	6,520,062	-
Amortization - other long term assets	-	-	(2,041,214)	-	(2,041,214)	-
Other nonoperating revenue	-	82,673	576,446	23,511	682,630	51,081
Other nonoperating expense	-	(11,162)	(959,605)	-	(970,767)	-
Total nonoperating revenues (expenses)	<u>114,590</u>	<u>(1,695,024)</u>	<u>(7,108,377)</u>	<u>5,440,534</u>	<u>(3,248,277)</u>	<u>202,615</u>
Income before contributions and transfers	4,807,574	8,908,969	4,247,357	5,352,637	23,316,537	1,912,091
Capital contributions	2,602,949	9,018,072	-	-	11,621,021	175,499
Transfers in (out)	<u>(16,534)</u>	<u>(373,142)</u>	<u>(699,856)</u>	<u>974,056</u>	<u>(115,476)</u>	<u>97,238</u>
Change in net assets	7,393,989	17,553,899	3,547,501	6,326,693	34,822,082	2,184,828
Prior period adjustment	91,583	(839,914)	-	53,417	(694,914)	(789,539)
Total net assets - beginning	<u>119,372,854</u>	<u>207,364,402</u>	<u>91,054,693</u>	<u>6,278,507</u>		<u>28,210,003</u>
Total net assets - ending	<u>\$ 126,658,426</u>	<u>\$ 224,078,387</u>	<u>\$ 94,602,194</u>	<u>\$ 12,658,617</u>		<u>\$ 29,605,292</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					845,995	
Change in net assets of business-type activities after adjustment for prior period items					\$ 34,973,163	

The notes to the financial statements are an integral part of this statement.

**CITY OF SPOKANE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	WATER	SEWER	SOLID WASTE	OTHER ENTERPRISE FUNDS	TOTAL	
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 26,598,373	\$ 37,916,330	\$ 63,718,563	\$ 5,773,833	\$ 134,007,099	\$ 504,910
Receipts from interfund services provided	-	661,405	-	-	661,405	42,307,172
Payments to suppliers and for services	(2,419,498)	(4,509,424)	(20,920,095)	(779,957)	(28,628,974)	(24,303,579)
Payments to employees	(7,681,451)	(7,504,823)	(9,488,773)	(3,744,264)	(28,399,311)	(9,414,027)
Payments for taxes - city and state	(6,262,047)	(6,658,018)	(5,467,996)	(17,595)	(18,405,656)	-
Payments for interfund services used	(4,307,261)	(4,947,593)	(6,564,130)	(1,035,994)	(16,854,978)	(3,096,724)
Other receipts	-	82,893	-	64,430	147,323	478,358
Net cash provided (used) by operating activities	5,928,116	15,040,770	21,297,569	260,453	42,526,908	6,476,110
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Operating grants received	-	-	318,234	-	318,234	-
State tax refund	-	844,285	-	-	844,285	-
Transfers in (out)	(10,340)	(373,142)	(699,856)	984,669	(98,669)	101,106
Net cash provided (used) by noncapital and related financing activities	(10,340)	471,143	(381,622)	984,669	1,063,850	101,106
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from sale of revenue bonds	-	-	14,977,673	-	14,977,673	-
Proceeds from disposal of capital assets	15,993	64,298	204,000	145	284,436	127,080
Capital asset disposal costs	(43,854)	-	-	-	(43,854)	-
Proceeds from loans, notes, and lease purchase payable	-	430,345	-	76,975	507,320	153,852
Proceeds from rent and lease income	367,168	-	-	6,051,770	6,418,938	-
Capital grants received	-	3,660,012	-	-	3,660,012	-
Contributions (to) from the LID fund	-	-	-	(10,613)	(10,613)	-
Acquisition and construction of capital assets	(2,405,432)	(16,597,916)	(6,124,234)	(350,884)	(25,478,466)	(4,478,512)
Payment of debt issue costs	-	-	(414,011)	-	(414,011)	-
Principal paid on revenue bonds	-	(6,110,000)	(27,439,893)	(6,674,752)	(40,224,645)	-
Principal paid on general obligation bonds	-	-	-	(44,508)	(44,508)	-
Principal paid on intergovernmental loans and lease-purchase agreements	(666,127)	(305,218)	-	-	(971,345)	(95,812)
Principal paid on notes and capital leases payable	(7,654)	-	-	-	(7,654)	-
Interest paid on revenue bonds	-	(211,095)	(6,768,640)	(678,657)	(7,658,392)	-
Interest paid on general obligation bonds	-	-	-	(35,062)	(35,062)	-
Interest paid on intergovernmental loans	(174,637)	(54,946)	-	-	(229,583)	-
Interest paid on notes and capital leases payable	(5,994)	-	-	-	(5,994)	(8,916)
Cash contributions in aid of construction	429,601	-	-	-	429,601	-
County landfill closure costs paid	-	-	(226,664)	-	(226,664)	-
Transfers in (out)	(6,194)	-	-	-	(6,194)	(3,868)
Net cash provided (used) by capital and related financing activities	(2,497,130)	(19,124,520)	(25,791,769)	(1,665,586)	(49,079,005)	(4,306,176)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investments	(24,717,525)	(45,047,935)	(44,667,685)	(1,932,254)	(116,365,399)	(16,756,060)
Proceeds from sales and maturities of investments	21,253,269	47,603,125	50,412,884	1,689,156	120,958,434	13,855,801
Interest received	661,433	1,170,800	883,933	25,655	2,741,821	230,973
Net cash provided (used) by investing activities	(2,802,823)	3,725,990	6,629,132	(217,443)	7,334,856	(2,669,286)
Net increase (decrease) in cash and cash equivalents	617,823	113,383	1,753,310	(637,907)	1,846,609	(398,246)
Cash and cash equivalents, January 1	140,433	2,373,661	2,273,288	986,563	5,773,945	6,949,571
Cash and cash equivalents, December 31	\$ 758,256	\$ 2,487,044	\$ 4,026,598	\$ 348,656	\$ 7,620,554	\$ 6,551,325

The notes to the financial statements are an integral part of this statement.

**CITY OF SPOKANE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)**

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	WATER	SEWER	SOLID WASTE	OTHER ENTERPRISE FUNDS	TOTAL	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:						
Operating income (loss)	\$ 4,692,984	\$ 10,603,992	\$ 11,355,734	\$ (87,898)	\$ 26,564,812	\$ 1,709,475
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:						
Depreciation and amortization	2,702,652	5,877,864	7,782,309	388,503	16,751,328	3,440,619
Amortization of landfill closure costs	-	-	1,112,755	-	1,112,755	-
Other revenues	1,100,532	106,411	380,877	23,881	1,611,501	36,649
Other expenses	(1,666,067)	(2,581,775)	(141,893)	(370)	(4,390,105)	-
(Increase) decrease in deposits with fiscal agents	-	-	-	-	-	13,024
(Increase) decrease in accounts receivable	(340,725)	(522,633)	362,597	3,626	(497,135)	(78,009)
(Increase) decrease in due from other funds	57,592	525,421	1,062,158	(37,533)	1,607,638	119,020
(Increase) decrease in due from other governments	(115,000)	210,358	(5,858)	-	89,500	-
(Increase) decrease in inventories	(92,623)	(13,592)	-	3,439	(102,776)	93,817
(Increase) decrease in prepayments	-	-	-	-	-	(11,863)
(Increase) decrease in other long-term assets	-	-	5,859	-	5,859	-
Increase (decrease) in accounts/vouchers payable	25,142	1,292,508	366,953	(33,427)	1,651,176	(44,321)
Increase (decrease) in due to other funds	(487,788)	(305,905)	(1,057,016)	14,457	(1,836,252)	257,790
Increase (decrease) in claims and judgements payable	-	-	-	-	-	869,638
Increase (decrease) in due to other governmental units	(40,775)	-	-	-	(40,775)	-
Increase (decrease) in other accrued liabilities	26,077	66,161	38,194	85,511	215,943	124,468
Increase (decrease) in other current liabilities	413	-	-	(91,659)	(91,246)	(61,257)
Increase (decrease) in deposits payable	53,528	1,000	8,247	-	62,775	-
Increase (decrease) in employee leave benefits payable	12,174	(6,375)	26,853	(8,077)	24,575	48,409
Increase (decrease) in other long-term liabilities	-	(212,665)	-	-	(212,665)	(41,349)
Net cash provided (used) by operating activities	\$ 5,928,116	\$ 15,040,770	\$ 21,297,569	\$ 260,453	\$ 42,526,908	\$ 6,476,110
Noncash investing, capital and financing activities:						
Assets contributed from developers and customers	\$ 2,058,349	\$ 582,256	\$ -	\$ -	\$ 2,640,605	\$ -
Assets contributed from other funds	-	-	-	-	-	633,006
Accumulated depreciation on assets held for lease	-	-	-	169,245	169,245	-
Total of noncash activities	\$ 2,058,349	\$ 582,256	\$ -	\$ 169,245	\$ 2,809,850	\$ 633,006

The notes to the financial statements are an integral part of this statement.

CITY OF SPOKANE
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
DECEMBER 31, 2003

	PENSION TRUST FUNDS	FINCH MEMORIAL ARBORETUM PRIVATE-PURPOSE TRUST FUND	AGENCY FUNDS
ASSETS			
Cash and cash equivalents	\$ 13,307,718	\$ 3,043	\$ 7,535,859
Deposits with fiscal agents/trustees	240,000	-	-
Receivables:			
Interest and dividends	1,105,180	-	-
Taxes	1,040,924	-	-
Other receivables	-	-	25,611,042
Total receivables	<u>2,146,104</u>	<u>-</u>	<u>25,611,042</u>
Investments, at fair value:			
U.S. government obligations	57,842,673	-	-
Corporate bonds	28,008,177	-	-
Corporate stocks	85,750,218	-	-
Other investments	24,479,424	-	1,585,851
Total investments	<u>196,080,492</u>	<u>-</u>	<u>1,585,851</u>
Prepayments	<u>-</u>	<u>-</u>	<u>208,591</u>
Total assets	<u>\$ 211,774,314</u>	<u>\$ 3,043</u>	<u>\$ 34,941,343</u>
LIABILITIES			
Warrants payable	\$ -	\$ -	\$ 5,897,535
Accounts payable	11,002	236	13,807
Matured long-term obligations	-	-	280,000
Due to other governmental units	-	-	2,437,625
Other accrued liabilities	12,536	-	22,997
Other current liabilities	18,160	-	661,296
Deferred revenue	-	-	25,628,083
Employee leave benefits	<u>52,570</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>94,268</u>	<u>236</u>	<u>\$ 34,941,343</u>
NET ASSETS			
Held in trust for pension benefits and other purposes	<u>\$ 211,680,046</u>	<u>\$ 2,807</u>	

The notes to the financial statements are an integral part of this statement.

CITY OF SPOKANE
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	PENSION TRUST FUNDS	FINCH MEMORIAL ARBORETUM PRIVATE-PURPOSE TRUST FUND
ADDITIONS		
Contributions:		
Employer	\$ 12,033,084	\$ -
Plan members	4,029,561	-
Private donations	-	7,757
Total contributions	<u>16,062,645</u>	<u>7,757</u>
Investment earnings:		
Net (decrease) in fair value of investments	23,912,595	-
Interest	4,484,605	-
Dividends	1,286,709	-
Total investment earnings (loss)	<u>29,683,909</u>	<u>-</u>
Less: investment expense	489,823	-
Net investment earnings (loss)	<u>29,194,086</u>	<u>-</u>
Miscellaneous revenue	<u>545</u>	<u>2,046</u>
Total additions	<u>45,257,276</u>	<u>9,802</u>
DEDUCTIONS		
Benefits	17,261,229	-
Refunds of contributions	461,226	-
Administrative expenses	650,585	-
Arboretum maintenance	<u>-</u>	<u>11,266</u>
Total deductions	<u>18,373,040</u>	<u>11,266</u>
Change in net assets	26,884,236	(1,464)
Net assets - beginning of the year	<u>184,795,811</u>	<u>4,271</u>
Net assets - end of the year	<u>\$ 211,680,047</u>	<u>\$ 2,807</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF SPOKANE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2003**

<u>NOTE</u>		<u>PAGE</u>
1	SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	30
2	RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS	39
3	DEPOSITS AND INVESTMENTS	40
4	PROPERTY TAXES	43
5	CAPITAL ASSETS	44
6	PENSION PLANS	46
7	RISK MANAGEMENT	51
8	SHORT-TERM DEBT	52
9	LONG-TERM DEBT AND LEASES	52
10	INTERFUND BALANCES AND TRANSFERS	61
11	JOINT VENTURES	63
12	ENTERPRISE FUND DISCLOSURES	64
13	COMMITMENTS AND CONTINGENCIES	71
14	SEGMENT INFORMATION FOR ENTERPRISE FUNDS	73
15	PRIOR PERIOD ADJUSTMENTS	74
16	SUBSEQUENT EVENTS	75
17	LEGAL MATTERS	75

**CITY OF SPOKANE
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Spokane was incorporated November 29, 1881, with a population of 1,000 people and an area of two square miles. Today, over one hundred years later, the City's population is approximately 195,500 people within an area of about 59 square miles. The City's first charter was adopted December 28, 1910, with a Commission form of government. On January 1, 2001 the City began operating under the Strong Mayor-Council form of government that was adopted November 7, 2000.

The accounting policies of the City of Spokane conform to generally accepted accounting principles, as applicable to governments. The accompanying summary of the City of Spokane's more significant accounting policies is presented to assist the reader in interpreting the financial statements and other data in this report. These policies, as presented, should be viewed as an integral part of the accompanying financial statements.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved "Basic Financial Statements and Management Discussion and Analysis for State and Local Governments" (Statement #34). This Statement provides for the most significant change in financial reporting in over twenty years and is scheduled for a phased implementation (based on size of government) starting with fiscal years ending 2002 (for larger governments). As part of the Statement, there is a new reporting requirement regarding the local government's infrastructure (roads, bridges, traffic signals, etc.). This requirement permits an optional four-year further delay for implementation to the fiscal year ending in 2006. The City implemented the basic model for fiscal year 2002 and plans to implement the infrastructure-related portion by the scheduled phase in year of 2006.

A. Scope of the Reporting Entity

The accompanying financial statements of the City of Spokane include all funds, activities and functions over which the City's executive and legislative bodies exercise oversight responsibility. Oversight responsibility is derived from the City's power and includes, but is not limited to: a) financial interdependency, b) selection of governing authority, c) designation of management, d) ability to significantly influence operations and e) accountability for fiscal matters.

The most significant manifestation of oversight is financial interdependency. This includes the responsibility for financing deficits, entitlement to surpluses, and guarantees of "moral responsibility" for debt.

Included in the accompanying financial statements are several funds that are administered by independent boards. These include the Library fund, Park fund, Employees' Retirement fund, Firemen's Pension fund and the Police Pension fund. These organizations meet the criteria for inclusion in the City's financial statements.

The following organizations are not part of the City of Spokane and are excluded from the accompanying financial statements:

Community Colleges of Spokane - The governing body is appointed by the Governor of the State of Washington. The City has no oversight responsibility nor does any financial interdependency exist between the two entities.

Spokane School District #81 - The voters of the school district elect the governing body and taxes are levied by the school district itself. The City has no oversight responsibility nor does any financial interdependency exist between the two entities.

Spokane Housing Authority - The governing body is appointed by the Mayor of the City. It is an independent entity that does not have taxing authority, but can issue bonds. State law provides that liabilities incurred by them be satisfied from their assets and that no person shall have any right of action against the City on account of their debts, obligations and liabilities. The City does not, therefore, have oversight responsibility nor does any financial interdependency exist between the two entities.

Spokane Transit Authority - The governing body is appointed jointly by the City and Spokane County. Small cities in Spokane Transit's service area also elect a representative. The City has no oversight responsibility nor does any financial interdependency exist.

Spokane Public Facilities District - The governing board consists of five members. Two are appointed by the City, two by Spokane County, and the fifth member is selected by the other four directors. The City has no oversight responsibility nor does any financial interdependency exist.

Spokane Parking Public Development Authority - The governing board, appointed by the Mayor of the City, consists of five members. It is an independent entity that does not have taxing authority. State law provides that liabilities incurred by them be satisfied from their assets and that no person shall have any right of action against the City on account of their debts, obligations and liabilities. The City does not, therefore, have oversight responsibility nor does any financial interdependency exist between the two entities.

No component units were combined with the City to form the reporting entity because there are no component units that the City has the ability to exercise the basic criterion of oversight responsibility.

The City participates in three joint ventures. These include the Spokane International Airport, the Spokane County Health District and the Spokane Regional Transportation Council. The Spokane Regional Transportation Council is accounted for by the City in an Agency fund. The other two organizations are not part of the City and are excluded from the accompanying financial statements. See Note 11, Joint Ventures, which more fully describes these three organizations.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as

general revenues. Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Sales taxes, B & O taxes, and other derived tax revenues are accrued in the period in which the underlying exchange transaction occurs. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, licenses, and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **HUD Section 108 Loan Guarantee Fund** accounts for the resources accumulated and payments made for principal and interest on U.S. Department of Housing and Urban Development Section 108 Government Guaranteed Participation Certificates related to a downtown redevelopment project.

The City reports the following major proprietary funds:

The **Water Fund** accounts for all revenues derived from and expenses incurred in the operation and construction of the water distribution and hydroelectric facilities of the City.

The **Sewer Fund** accounts for all revenue derived from and expenses incurred in the operation and construction of the wastewater treatment plant and the sewer system of the City.

The **Solid Waste Fund** has the responsibility of helping to maintain the health and well-being of the community through refuse pick-ups and the operation of the by-pass landfills and the waste-to-energy office.

Additionally, the City reports the following fund types:

Internal service funds account for fleet and data processing management, employee benefits and insurance administration, and other administrative support provided to other departments of the City, or to other governments, on a cost reimbursement basis.

The private purpose trust fund accounts for contributions and donations from private sources to be expended for improvements and maintenance of the John A. Finch Memorial Arboretum.

The pension trust funds account for all of the activities of the Employees' Retirement Fund, the Firefighters' Pension Fund, and the Police Pension Fund. These funds accumulate resources and provide pension benefits for qualifying City employees.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's sewer and solid waste functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expense generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water, Sewer, and Solid Waste enterprise funds, and of the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then unrestricted resources as they are needed.

D. Budgetary Information

Scope of Budget - Annual appropriated budgets are adopted for the General, Special Revenue, Debt Service, and Capital Projects funds. For governmental funds, there are no differences between the budgetary basis and generally accepted accounting principles. Budgetary accounts are integrated in fund ledgers for all budgeted funds, but the financial statements include budgetary comparisons for annually budgeted governmental funds only.

General Budget Policies - The City follows these policies and procedures in establishing the budgetary data reported in the financial statements:

1. Prior to November 1, the Mayor submits to the City Council a preliminary budget and budget message and files it with the City Clerk.
2. Public hearings are conducted to obtain taxpayers comments.
3. Prior to January 1, the budget is legally adopted through passage of an ordinance. The City is required by state law to adopt a balanced budget.
4. The Mayor is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of a fund, authorized employee positions, salary ranges, hours or other conditions of employment must be approved by the City Council.
5. A comparison of budget to actual is used as a management control device during the year for all funds.
6. The expenditures of a given fund may not legally exceed its appropriations.
7. The financial statements contain the original and final budget information. The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable for the fiscal year.
8. The level of control for adopted budgets is at the fund level.
9. Any unexpended appropriation balances automatically lapse at year-end.

Encumbrances - An encumbrance system is maintained to account for commitments resulting from approved purchase orders, work orders and contracts. Encumbrances at year-end represent the estimated amount of expenditures ultimately to result if unperformed contracts and open purchase orders in process are completed. Encumbrances outstanding at year-end for unfulfilled obligations of the current year budget are reappropriated in the succeeding year.

Budget Basis of Accounting - The budgetary basis is substantially the same as the basis of accounting in all governmental funds.

Excess of Expenditures Over Appropriations -

The following governmental funds reported excess expenditures and other uses over appropriations.

<u>FUND</u>	<u>AMOUNT</u>
Library Fund	\$ 1,176,195
Real Estate Rental Fund	\$ 4,681

The Library Fund amount results from operating and capital expenditures in excess of amounts budgeted. The Real Estate Rental Fund amount results from expenditures related to repairs and maintenance of rental properties.

Funds with Deficit Fund Balances or Net Assets -

The following funds reported deficit fund balances or retained earnings as of December 31, 2003:

<u>FUND</u>	<u>AMOUNT</u>
Workforce Development Council Fund	\$ 7,803
Special Assessment Construction Fund	\$ 2,527,240
Workers' Compensation Fund	\$ 169,840

The Workforce Development Council Fund deficit results from expenditures payable at year end for which grant proceeds had not yet been drawn down. The Special Assessment Construction fund balance deficit results from interim financing of special assessment projects with local improvement district progress warrants. The fund balance deficit will be eliminated when the interim progress warrants are replaced with the issuance of special assessment bonds.

The Workers' Compensation fund deficit resulted from an increase in claims settlement costs and a revised estimate of claims liability based upon an actuarial review. The actuarial study includes a funding plan to eliminate the deficit over a reasonable period of time. See Note 7 for details of the funding plan.

E. Assets, Liabilities, and Net Assets or Equity

1. Cash and Cash Equivalents

It is the City's policy to invest all temporary cash surpluses. At December 31, 2003, the treasurer was holding **\$53,213,544** in short-term residual investments of surplus cash. This amount is classified on the balance sheet as cash and equivalents in various funds. The interest on these investments is credited to the General Fund. Cash and equivalents includes cash on hand, cash in banks and petty cash funds.

2. Temporary Investments

The City Treasurer invests all temporary cash surpluses. Investments are stated at fair value as explained elsewhere in the Notes to the Financial Statements.

3. Receivables

Accounts receivables are stated net of allowances for uncollectible accounts. Estimated unbilled accounts receivable for the Water, Sewer and Solid Waste funds have been recognized as revenue. Accrued interest receivable consists of amounts earned on investments, notes and contracts at year end.

4. Amounts Due to and from Other Funds and Governments and Interfund Loans

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund loans

receivable/payable" or "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Loans between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

5. Inventories

Inventories are valued at average cost. The inventories of governmental funds, purchasing and stores fund, park fund, proprietary funds, water warehouse, water meter shop, waste-water treatment plant and utilities garage are maintained on a perpetual inventory system. Other reported inventories are determined by physical count.

Reported inventories in governmental funds consist of expendable supplies held for consumption. The cost thereof has been recorded as an expenditure at the time individual inventory items were purchased (purchase method). Reported inventories in these funds are fully offset by a fund balance reserve, which indicates they are unavailable for appropriation. A comparison to market value is not considered necessary.

6. Restricted Assets

The proceeds of enterprise fund revenue bonds, as well as other resources, are restricted by applicable bond ordinances for construction costs and debt service payments. The current portion of related liabilities are shown as Payables from Restricted Assets. Specific debt service reserve requirements are described in Note 12, Enterprise Fund Disclosures.

The restricted assets of the enterprise funds are composed of the following:

Cash and Investments – Debt Service	\$ 24,553,770
Cash and Investments – Landfill Closure	4,083,416
Cash and Investments – Customer Deposits	720,576

7. Other Long-Term Assets

Other Long-Term Assets includes long-term Contracts Receivables in the Sewer fund and Other Long-Term Assets in the Solid Waste fund. See Note 12, Enterprise Fund Disclosures for a description of the Sewer fund and Solid Waste Management fund long-term assets.

8. Deferred Charges

Deferred charges include the preliminary costs of projects, landfill closure costs, unamortized bond issuance costs, and other costs incurred by the enterprise funds, which will be recovered by future rates. These include the accounts of Deferred Landfill Closure Charges, and Other Deferred Charges.

9. Capital Assets (see Note 5)

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of 1 year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Pursuant to GASB Statement #34, an extended period of deferral (FY 2006) is available before the requirement to record and depreciate infrastructure assets acquired before the implementation date. The City plans to fully meet this requirement. This category is likely to be the largest asset class of the City and has historically not been reflected nor a measure of its consumption charged. Infrastructure assets include roads, bridges, traffic signals, etc.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Property, plant and equipment of the primary government are depreciated using the straight line method over the following estimated useful lives:

	<u>Years</u>
Buildings and Improvements	10-60
Infrastructure	40
Light/Heavy Trans. Equip.	5-10
Other Equipment	2-20
Heavy Equipment	10
Water Mains	60
Water Hydrants	50-60
Sewer Interceptors	100

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

10. Compensated Absences

Employees accrue ten days of vacation leave per year for up to five years of service; from five to twenty years three to four weeks are accrued depending on length of service; and five weeks are accrued at the beginning of the twentieth year. An employee may accumulate paid vacation leave not to exceed two hundred hours or two times the employee's annual leave accrual, whichever is greater. The City has a policy of payment of the full amount of unused vacation leave up to the maximum accrual allowed upon termination or retirement.

The sick leave policy of the City varies according to the contract provisions of the various bargaining units. The most generous provision provides vesting, after five years of service, of 25% of the recorded sick leave at the date of resignation, and

40% upon retirement. There is no cash payment until resignation or retirement and the maximum pay out cannot be in excess of 960 hours for any employee.

All vacation and sick pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. An additional amount has been accrued for the government's share of Social Security and Medicare Taxes relating to the vacation and sick leave accrual.

11. Long-Term Obligations (See Note 9)

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line, or bonds-outstanding method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

12. Deferred Revenues

This account includes amounts recognized as receivables but not revenues in governmental funds because the revenue recognition criteria have not been met.

13. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

F. Other Significant Accounting Policies

Budgeting, Accounting and Reporting System (BARS)

The State of Washington's Office of State Auditor was granted authority pursuant to the Revised Code of Washington (RCW 43.09.200 and 43.09.230) to prescribe the Budgeting, Accounting and Reporting System BARS manual. The purpose of this manual is to provide for uniformity in budgeting, accounting and reporting by all local government entities within the State of Washington.

The City has established its own chart of accounts for accounting purposes and converts to BARS accounts for State reporting.

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-Wide Statement of Net Assets

The governmental funds' balance sheet includes a reconciliation between fund balance – total governmental funds and net assets-governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this difference are as follows:

Bonds Payable	\$ 76,228,102
Deferred Amounts on Bond Issuance	1,853,903
Due to Other Governments	24,438,185
Compensated Absences	7,238,284
Special Assessment Debt	5,955,000
Accrued Interest Payable	<u>1,798,750</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	\$ <u>117,512,224</u>

B. Explanation of Certain Differences Between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation states that “bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.” The details of this difference are as follows:

Debt Issued or Incurred:	
General Obligation Debt	\$ 31,103,154
Unamortized Premium on General Obligation Debt	1,853,903
Special Assessment Debt	820,000
Principal Repayments:	
General Obligation Debt	(20,463,821)
Special Assessment Debt	<u>(1,965,000)</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	\$ <u>11,348,236</u>

Another element of that reconciliation states, "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this difference are as follows:

Compensated absences	\$ (243,593)
Accrued interest	<u>177,843</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	\$ <u>(65,750)</u>

3. DEPOSITS AND INVESTMENTS

The City has the authority to invest in both pooled investments (Treasurer's Cash Investments) and fund investments. The Chief Financial Officer has the authority to determine the availability of funds for both pooled and fund investments and takes into consideration such needs as requests of individual fund managers, current cash needs, lead time, minimum investment amount and maturities necessary to avoid sacrifice of interest earnings. Interest earnings on Treasurer's Cash Investments are credited to the General Fund.

DEPOSITS

At year end the carrying amount of the City's deposits was \$255,622,648. These deposits consisted of Certificates of Deposit (CD's), Money Market accounts at banks, and bank savings and checking accounts. All of these deposits are entirely insured by pledged collateral on deposit with the Washington State Public Deposit Protection Commission (WSPDPC). Federal depository insurance also covers these deposits up to \$100,000.

INVESTMENTS

The City has a written Investment Policy, dated March 18, 1991, which has been adopted by the City Council. All investments of City funds are made in compliance with State law and in accordance with applicable legal interpretations. The City's responsibility in the investment of public funds is to seek the highest rate of return available in the market consistent with the primary concerns of security, legality, and liquidity. The City may invest in the following securities:

1. U.S. Treasury Bills.
2. U.S. Treasury Notes, Bonds, or Certificates of Indebtedness.
3. U.S. Government Agency Securities, including but not limited to, Farmers Home Administration, Federal Housing Administration, Government National Mortgage Association.
4. U.S. Government-Sponsored Corporations, including but not limited to, Farm Credit System, Federal Land Banks, Federal Home Loan Banks, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association (Fannie Mae).
5. Certificates of Deposit of Financial Institutions (either banks or thrifts) which are a "Qualified Public Depository" as defined by RCW 39.58.010 (2) and in accordance with the restrictions therein.
6. Savings or time accounts in banks, trust companies, savings and loan associations, and mutual savings banks which are doing business in this state, up to the amount of the

insurance afforded such accounts by the Federal Deposit Insurance Corporation or by the Federal Savings and Loan Insurance Corporation. Savings or Time Deposits may exceed Federal insurance limits if covered by the Public Deposit Protection Commission.

7. Bankers Acceptances drawn from a list of the top 200 U.S. banks and subject to conditions as outlined in the Investment Policy.
8. Repurchase Agreements providing that the underlying securities are acceptable (normally U.S. Government or Agency Securities) and subject to conditions as outlined in the Investment Policy.
9. Bonds of the State of Washington and any local government in the State of Washington, which bonds have at the time of investment one of the three highest credit ratings of a nationally recognized rating agency.
10. General Obligation bonds of a state other than the State of Washington and general obligation bonds of a local government of a state other than the State of Washington, which bonds have at the time of investment one of the three highest credit ratings of a nationally recognized rating agency.
11. Subject to compliance with RCW 39.56.030, registered warrants of a local government in Spokane County. This includes Local Improvement District warrants, which are within the protection of the Local Improvement Guaranty Fund.
12. Shares of mutual funds with portfolios consisting of only U.S. government bonds or U.S. government guaranteed bonds issued by federal agencies with average maturities less than four years.
13. Shares of money market funds with portfolios consisting of only bonds of state and local governments or other issuers authorized by law for investment by local governments, which bonds have at the time of investment one of the two highest credit ratings of a nationally recognized rating agency.
14. Shares of money market funds with portfolios consisting of securities otherwise authorized by law for investment by local governments.
15. Washington State Local Government Investment Pool as authorized by City of Spokane Resolution 84-59.

The City's Investment Policy precludes any investing in Reverse Repurchase Agreements and the investment in any securities must be approved for funds subject to the arbitrage provisions of Section 148 of the Federal Internal Revenue Code.

The City settles investment purchases on a "Delivery versus Payment" (DVP) basis. DVP requires: 1) Security settlements through a third party (Bank of America); 2) Instructions regarding transactions from the City's investment personnel to Bank of America after transaction verification; and 3) Disbursement of funds by Bank of America. The DVP method of settlement is used on all securities other than Certificates of Deposit or bank deposits. Bank investments are covered by WSPDPC and Federal Depository insurance.

The investment policy for the City's pension trust funds is set by the Board of Administration in accordance with the Revised Code of Washington (RCW 35.39). The investment policy is documented and in written form. The investment instruments authorized by this policy primarily include stocks, bonds, mortgages, guaranteed insurance contracts and money market instruments.

The Chief Financial Officer acts as the custodian for the fund. All equity purchases and corporate bonds are registered in the name of the Spokane Employees' Retirement System and are at a bank held in safekeeping. The Chief Financial Officer has a written contract with Bank of New York to act as an independent third party custodian to hold the following securities separate from its assets: U.S. Government and government agency securities, bankers acceptance notes, and other non-registered securities.

Investments of the City pension systems, governmental, and proprietary funds are reported at fair value. The fair value of investments is based on published market prices and quotations from major investment brokers at current exchange rates, as available. As a general policy investments are normally held to maturity. As a result, unrealized gains and losses resulting from adjustments to fair value are not usually realized. The Retirement and Pension Plans note more fully describes the investment policies of the Spokane Employees' Retirement System and the Spokane Firemen's Pension Fund. Unrealized gains for governmental activities totaled \$8,128.

Investments are categorized to give an indication of the risk assumed:

- (1) Insured or registered, or securities held by the government of its agent in the government's name.
- (2) Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the government's name.
- (3) Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the government's name.

All of the City's investments were found to be Category 1 type investments.

Category 1:	CARRYING AMOUNT	REPORTED AMOUNT / FAIR VALUE
U.S. Government Securities	\$ 10,078,616	\$ 10,086,744
LID Progress Warrants	1,870,230	1,870,230
Certificates of Deposit	133,465,000	133,465,000
Employees' Retirement Fund		
Fixed Income:		
Corporate/Government Securities	72,335,854	74,678,308
Common Stock	96,766,976	110,229,642
Firefighters' Pension Fund:		
Fixed Income:		
Corporate/Government Securities	10,318,627	11,172,541
	<u>\$ 324,835,303</u>	<u>341,502,465</u>

Investments not Subject to Categorization:

Investment in State Treasurer's Investment Pool	120,853,069
Investment in Money Market Securities	476,856
Investment in Savings Accounts	827,722
Employees' Retirement Fund:	
Money Market Securities – Short Term	9,924,044
Firefighters' Pension Fund:	
Government Fund – Short Term	3,105,337
Total	<u>\$ 476,689,493</u>

4. PROPERTY TAXES

The county treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. The county assessor is responsible for determining what the individual property taxes are, based upon the monies requested by the taxing districts and the assessed valuation within these districts.

PROPERTY TAX CALENDAR

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

Property taxes are recorded as a receivable and revenue when levied. Property taxes collected in advance of the fiscal year to which they apply are recorded as deferred revenue and recognized as revenue of the period to which they apply. No allowance for uncollectible taxes is established because delinquent taxes are considered fully collectible. Prior year tax levies were recorded using the same principal, and delinquent taxes are evaluated annually.

The City is permitted by law to levy up to \$3.60 per \$1,000 of assessed valuation for general governmental services. The City's regular levy for 2003 was \$3.42 per \$1,000 on an assessed valuation of \$9,015,127,696, for a total regular levy of \$31,354,260. Washington State Constitution and Washington State law, RCW 84.55.010, limit the rate.

Special levies approved by the voters are not subject to the limitations listed above. In 2003, the City levied an additional \$.48 per \$1,000 for Emergency Medical Services for a total additional levy of \$4,408,148.

5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2003 was as follows:

Governmental Activities	Beginning Balance Jan 1, 2003	Increases	Decreases	Ending Balance Dec 31, 2003
Capital assets not being depreciated:				
Land	\$ 5,482,969	\$ 4,262,527	\$ (1,017,798)	\$ 8,727,698
Construction in Progress	9,765,181	12,369,896	(7,336,599)	14,798,478
Total capital assets not being depreciated	15,248,151	16,632,423	(8,354,397)	23,526,176
Capital assets being depreciated:				
Buildings	80,873,878	7,368,542	(23,899,163)	64,343,258
Improvements other than buildings	11,476,349	4,684,892	(959,183)	15,202,058
Machinery and equipment	63,861,228	7,259,186	(6,935,321)	64,185,092
Infrastructure	47,473,326	28,136,125	-	75,609,450
Total capital assets being depreciated	203,684,781	47,448,745	(31,793,667)	219,339,858
Less accumulated depreciation for:				
Buildings	(21,046,476)	(4,768,879)	8,325,073	(17,490,282)
Improvements other than buildings	(4,463,569)	(2,287,316)	801,103	(5,949,782)
Machinery and equipment	(37,635,475)	(4,115,275)	3,157,399	(38,593,351)
Infrastructure	(7,092,005)	(4,528,850)	-	(11,620,855)
Total accumulated depreciation	(70,237,525)	(15,700,320)	12,283,575	(73,654,270)
Total capital assets being depreciated, net	133,447,256	31,748,425	(19,510,092)	145,685,588
Governmental activities capital assets, net	\$ 148,695,406	\$ 48,380,848	\$ (27,864,489)	\$ 169,211,764

Business-Type Activities	Beginning Balance Jan 1, 2003	Increases	Decreases	Ending Balance Dec 31, 2003
Capital assets, not being depreciated:				
Land	\$ 13,889,766	\$ 151,350	\$ -	\$ 14,041,116
Construction in Progress	21,382,819	16,862,169	(5,734,476)	32,510,513
Total capital assets, not being depreciated	35,272,585	17,013,519	(5,734,476)	46,551,629
Capital assets, being depreciated:				
Buildings	206,300,811	1,675,462	(190,957)	207,785,316
Improvements other than buildings	44,381,748	947,405	(40,247)	45,288,906
Machinery and equipment	81,265,053	10,533,245	(7,601,297)	84,197,001
Infrastructure	235,724,467	4,048,989	(5,360)	239,768,096
Total capital assets being depreciated	567,672,079	17,205,101	(7,837,861)	577,039,319
Less accumulated depreciation for:				
Buildings	(88,731,395)	(6,703,378)	40,226	(95,394,547)
Improvements other than buildings	(14,468,281)	(1,883,075)	22,598	(16,328,758)
Machinery and equipment	(47,109,427)	(4,237,126)	7,100,798	(44,245,755)
Infrastructure	(69,598,086)	(3,261,539)	22,112	(72,837,513)
Total accumulated depreciation	(219,907,189)	(16,085,118)	7,185,734	(228,806,573)
Total capital assets, being depreciated, net	347,764,890	1,119,983	(652,127)	348,232,746
Business-type activities capital assets, net	\$ 383,037,475	\$ 18,133,502	\$ (6,386,603)	\$ 394,784,374

Depreciation expense was charged to functions / programs of the primary government as follows:

Governmental Activities:

General Government	\$ 334,598
Judicial	27,725
Public Safety	1,455,758
Transportation	1,836,525
Economic Environment	92,073
Culture and Recreation	1,785,358
Total depreciation expense – governmental activities	\$ 5,532,037

Business-Type Activities:

Water	\$ 2,702,652
Sewer	5,877,864
Solid Waste	7,782,309
Other business-type activities	388,503
Total depreciation expense – business-type activities	<u>\$ 16,751,328</u>

6. PENSION PLANS

The City participates in four retirement and pension plans. The Spokane Employees' Retirement System, the Spokane Firemen's Pension Fund, and the Police Pension Fund are single-employer defined benefit pension plans. The Law Enforcement Officers and Fire Fighters (LEOFF) system is a contributory multi-employer cost-sharing system operated by the State of Washington.

The amount of the total pension benefit obligation is based on a standardized measurement established by GASB Statement 5 that, with some exceptions, must be used by a public employee retirement system (PERS). The standardized measurement is the actuarial present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date and is adjusted for the effects of projected salary increases. The information presented in the required supplementary information portion of the financial report was determined as part of the actuarial valuations at the dates indicated. The actuarial methods and significant assumptions used in these valuations are available in the publicly available actuary reports for the three pension plans administered by the City of Spokane. These reports may be obtained by writing to the Spokane Employees' Retirement System, City Hall, 808 West Spokane Falls Blvd, Spokane, Washington, 99201 or by calling (509) 625-6330.

A standardized measure of the pension benefit was adopted by the GASB to enable readers of PERS financial statements to (a) assess the PERS funding status on a going-concern basis, (b) assess progress made in accumulating sufficient assets to pay benefits when due, and (c) make comparisons among PERS and among employers.

Spokane Employees' Retirement System

Plan Description

- A. The Spokane Employees' Retirement System is a single-employer defined benefit pension plan covering employees of the City of Spokane, administered in accordance with Chapter 4.14 of the Spokane City Code.
- B. All permanent employees of the City of Spokane are eligible to belong to the Retirement System with the exception of police and firefighters who are members of the State Law Enforcement Officers and Firefighters Retirement System. There are currently 836 retirees and beneficiaries receiving benefits; 76 vested terminated employees, 22 of which are vested under the provisions of portability, entitled to future benefits; and 1,459 active members of the System.
- C. The Spokane Employees' Retirement System provides retirement, death, and disability benefits. All employees who participate in the Retirement System are eligible for service retirement after completing five years of service and are age 50 or older. Retirement benefits are calculated by multiplying 2.15% of the member's highest consecutive two year average salary by the member's years of creditable service, to a maximum of 64.5%. This benefit may be reduced according to the option selected.

- D. Member and employer contribution rates are established by City Code, Chapter 4.14. Member contributions are 6.72% of total compensation and are deducted from the member's salary by the City Auditor and paid into the retirement fund. The City government matches the employee's contribution at 6.72% of compensation. It is contemplated that the contribution by the City will, when added to the member's contribution, plus other revenues, be enough to properly fund the retirement benefits set forth. The objective of the Fund is to maintain the ratio of assets to the present value of accumulated benefits between 110% and 130%.

Summary of Significant Accounting Policies and Plan Asset Matters

- A. The financial statements were prepared using the accrual basis of accounting and were done in compliance with all the applicable GASB pronouncements including GASB 25 and 27. Employee and employer contributions are recognized as revenues in the period in which employee services are performed and expenses are recorded when the corresponding liabilities are incurred, regardless of when payment is made. All fixed income, common stock, and short-term investments are reflected in the Statement of Plan Assets at fair value. Short-term investments are reported at cost, which approximates fair value. Fixed income securities and common stock traded on national exchanges are valued at the last reported sales price. This market value methodology of pricing is performed by Interactive Data Corporation on a daily basis. Bloomberg and Merrill Lynch are also pricing sources. Investments that do not have an established market are reported at estimated fair value. In accordance with industry practice, interest and dividend income are recognized when received.
- B. The investments of the Spokane Employees' Retirement System are governed by an investment authority known as the "prudent person rule". The prudent person rule, as set forth by statute, establishes a standard for all fiduciaries, which includes anyone who has authority with respect to the fund. The System's investments are categorized to give an indication of the level of risk assumed by the fund at year-end. As of December 31, 2003, all fixed income and common stock were classified in Category 1. Category 1 includes insured or registered investments for which securities are held by the system or its agent in the System's name.
- C. No investments were made in loans to or leases with any Spokane Employees' Retirement System official, government employer official, or party related to a Spokane Employees' System official.

Contributions Required and Contributions Made

- A. Spokane Employees' Retirement System is a pension plan covering employees of the City of Spokane with the exception of police and firefighters who are members of the State LEOFF Retirement System. Members contribute 6.72% of basic compensation. The employer also contributes 6.72% of basic compensation. The City of Spokane is obligated by City Ordinance to make all required contributions to the plan. Contributions from employees/employer totaling \$8,046,992 were made in 2003. The 2003 payroll for employees covered by the plan was \$59,653,388.
- B. The funding of the Plan is based on the Individual Entry Age Normal method of funding. This method was used explicitly until 1985. At that time, it was determined that this method would result in significantly over funding the plan as measured by the accumulated benefit funding ratio. The Retirement System defined its funding objectives as an accumulated benefit funding ratio between 110% and 130%, and stable contributions as a percent of

pay. As a result, based on the advice of the plan's actuary, the Retirement System reduced the total contribution rate to 11.64% of salary and made certain benefit improvements. Periodic actuarial valuations are made to determine if the funding objectives are being met. In 1992, an assumption study was performed and assumptions were adjusted to more closely reflect the actual experience of the plan. The contribution rate was increased to 13.44% of salary to fund the plan improvement and assumption changes.

Required Supplementary Information

- A. Historical trend data to provide information on the Spokane Employees' Retirement System is presented following the note section of this report. This information is intended to help assess Spokane Employees' Retirement System funding comparisons with other public employee retirement systems.

Spokane Firemen's and Police Pension Funds

The Spokane Firemen's and Police Pension funds are single-employer defined benefit pension funds established and administered by the City in accordance with the requirements of the Revised Code of Washington. Since the effective date of the Law Enforcement Officers' and Firefighters' Retirement System (LEOFF) on March 1, 1970 no payroll deductions for active employees have been taken under these pension plans.

These pension plans provide retirement benefits to all firefighters and uniformed police who retired prior to March 1, 1970 and limited benefits to those retiring after that date who are mainly covered by the State LEOFF system. Firefighters and uniformed police hired after October 1, 1977 are not covered by these plans. Eligible firefighters may retire after 25 years of service and attaining the age of 50; uniformed police officers may retire after 25 years of service with no age requirement. Both pension plans provide death, disability, and medical benefits. There are 29 active Police officers and 49 active Firefighters covered under these plans as of December 31, 2003. Retirees and beneficiaries of deceased retirees currently receiving benefits number 282 for the Police Pension Plan and 327 for the Firemen's Pension Plan as of December 31, 2003.

The City is also responsible for the medical expenses for covered active and retired employees. All benefits are funded on a pay-as-you-go basis.

Summary of Significant Accounting Policies and Plan Asset Matters

The financial statements were prepared using the accrual basis of accounting. Employer contributions are recognized as revenues in the period in which they are due and the City has made a formal commitment to provide the contributions. Expenses are recorded when the liabilities are recognized when due and payable in accordance with terms of the plan.

During 1997, the City elected early adoption of the provisions of GASB Statement No. 25, "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans." and GASB Statement No. 26, "Financial Reporting for Postemployment Healthcare Plans Administered by Defined Benefit Pension Plans." and GASB Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers."

All fixed income, common stock, and short-term investments are reflected in the Statement of Plan Assets at fair value. Short-term investments are reported at cost, which approximates fair value. Fixed income securities and common stock traded on national exchanges are valued at the last reported sales price. This market value methodology of pricing is performed by Interactive Data

Corporation on a daily basis. Bloomberg and Merrill Lynch are also pricing sources. Investments that do not have an established market are reported at estimated fair value. In accordance with industry practice, interest and dividend income is recognized when received. The investments of the Spokane Firemen's Pension System are governed by an investment authority known as the "prudent person rule". The prudent person rule, as set forth by statute, establishes a standard for all fiduciaries, which includes anyone who has authority with respect to the fund. The System's investments are categorized to give an indication of the level of risk assumed by the fund at year-end. As of December 31, 2003, all fixed income and common stock were classified in Category 1. Category 1 includes insured or registered investments for which securities are held by the system or its agent in the System's name.

No investments were made in loans to or leases with any Spokane Firemen's Pension System official, government employer official, or party related to a Spokane Firemen's Pension System official.

Contributions Required and Contributions Made

The City of Spokane is obligated by ordinance and RCW to make all required contributions to the plan. In 2003 the major sources of funding for the Firemen's Pension fund were from property taxes, investment earnings, and the State fire insurance premium tax. The major source of funding for the Police Pension fund was from local retail sales and use tax. There have been no required employee contributions to these plans since March 1, 1970.

An actuarial study of both plans was performed as of December 31, 2003. Assumptions are made regarding mortality, inflation and wage rates, and the actuary presents a cash flow projection rather than an actuarial funding plan to liquidate any unfunded liabilities. The City uses this cash flow projection to budget annual amounts to provide funds for these benefits. Actual expenditures may be greater or less than budgeted amounts. Actual expenditures may also differ from the ARC.

The actuarial assumptions involving investment earnings and salary growth for both pension systems have been determined in accordance with the recommendation of the System's retained actuary. The actuarial assumptions for both funds used to compute the contribution requirements are the same. The current assumptions include a 4.5% long-term investment return assumption of present and future assets; a 2.75% per year salary inflation assumption, compounded annually; Consumer Price Index increases of 3.25% per year. Medical expenses are based on actual medical costs for covered participants allocated by age. A medical trend factor reflecting medical inflation and an age utilization factor reflecting higher medical costs at older ages is developed from the experience and used to project future medical benefits. Additional information concerning actuarial assumptions is contained in the Actuarial Valuation Report available at the Retirement Office in Spokane City Hall.

Following the note section of this report is supplementary information on retirement benefits that is required to be disclosed in financial statements to comply with GASB Statements No. 25 and 26. Paragraph 8 of Statement 26 states that these supplementary schedules are not required for post employment healthcare plans. Since the medical benefits are provided for on a pay-as-you go basis, these exhibits were not prepared for the healthcare plans.

Law Enforcement Officers' and Firefighters' Retirement System (LEOFF) Plans 1 and 2

Plan Description

LEOFF is a cost sharing multiple-employer retirement system comprised of two separate defined benefit plans. Membership in the system includes all full time, fully compensated, local law

enforcement officers and firefighters. LEOFF is comprised primarily of non-state employees. LEOFF participants who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 are Plan 2 members. LEOFF retirement benefits are financed from a combination of investment earnings, employer and employee contributions, and a special funding situation in which the state pays the remainder through state legislative appropriations. LEOFF retirement benefit provisions are established in state statute and may be amended only by the State Legislature.

Plan 1 retirement benefits are vested after an employee completes five years of eligible service. Plan 1 members are eligible for retirement with five years of service at the age of 50. The benefit per year of service calculated as a percent of final average salary is as follows:

<u>Term of Service</u>	<u>Percent of Final Average Salary</u>
20 or more years	2.0%
10 but less than 20 years	1.5%
5 but less than 10 years	1.0%

The final average salary is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest consecutive 24 months' salary within the last 10 years of service. If membership was established in LEOFF after February 18, 1974, the service retirement benefit is capped at 60 percent of final average salary. A cost-of-living allowance is granted (indexed to the Seattle Consumer Price Index).

Plan 2 retirement benefits are vested after an employee completes five years of eligible service. Plan 2 members may retire at the age of 50 with 20 years of service, or at the age of 53 with five years of service, with an allowance of 2 percent of the final average salary per year of service. The final average salary is based on the highest consecutive 60 months. Plan 2 retirements prior to the age of 53 are reduced 3 percent of each year that the benefit commences prior to age 53. There is no cap on years of service credit; and a cost-of-living allowance is granted (indexed to the Seattle Consumer Price Index), capped at 3 percent annually.

There are 359 participating employers in LEOFF. Membership in LEOFF consisted of the following as of the latest actuarial valuation date for the plans of September 30, 2002:

Retirees and Beneficiaries Receiving Benefits	8,231
Terminated Plan Members Entitled To But Not Yet Receiving Benefits	398
Active Plan Members Vested	11,222
Active Plan Members Nonvested	3,936
Total	23,787

Funding Policy

Starting on July 1, 2000, Plan 1 employers and employees will contribute zero percent as long as the plan remains fully funded. Employer and employee rates are developed by the Office of the State Actuary to fully fund the plan. Plan 2 employers and employees are required to pay at the level adopted by the Department of Retirement systems in accordance with 41.45 RCW. All employers are required to contribute at the level required by state law. The Legislature, by means of a special funding arrangement, appropriated money from the state General fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the requirements of the Pension Funding Council. However, this special funding situation is not mandated by the state constitution and this funding requirement could be returned to the employers by a change of statute. The methods used to determine the contribution rates are established under state statute in accordance with chapters 41.26 and 41.45 RCW.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2003 were:

	<u>LEOFF Plan 1</u>	<u>LEOFF Plan 2</u>
Employer*	0.22%	3.25%
Employee	0.00%	5.05%
State	N/A	2.02%

* The employer rates include the employer administrative expense fee currently set at 0.22%.

Both the City of Spokane and the employees made the required contributions. The City's required contributions for the years ended December 31 were:

	<u>LEOFF Plan 1</u>	<u>LEOFF Plan 2</u>
2003	\$ 12,026	\$ 983,455
2002	14,823	2,686,916
2001	18,402	2,686,916

7. RISK MANAGEMENT

The City is self-insured for Unemployment Insurance, Worker's Compensation, General Liability and Medical/Dental benefits. Unrestricted net assets (deficit) in the self-insurance funds as of December 31, 2003 and 2002 are as follows:

	<u>2003</u>	<u>2002</u>
Risk Management Fund	\$ 1,436,793	\$ (40,409)
Worker's Compensation Fund	(169,840)	(251,882)
Unemployment Insurance Fund	196,650	19,886
Self Funded Medical/Dental Fund	3,838,209	3,117,788

The City carries the following excess insurance coverages.

Worker's Compensation: The City carries \$10 million excess Worker's Compensation insurance above its self-insured retention of \$1,000,000.

General and Automobile Liability: The City carries \$10 million excess general and automobile liability insurance above its self-insured retention of \$1,000,000.

Property/Boiler and Machinery: The City carries \$100 million loss limit for all risk property insurance including boiler and machinery insurance above its self-insured retention of \$250,000 for property and various retentions for the boiler risk.

Claims Liability Valuation

For 2002 the City conducted an actuarial review to determine the estimated claims liability for the Risk Management and Worker's Compensation funds. While the estimated loss reserves for the Risk Management fund totaled \$4,399,391 and the Worker's Compensation fund totaled \$2,501,773, only the IBNR amounts of \$2,811,790 and \$1,597,582 respectively are included in the financial statements. The Self-Funded Medical-Dental fund reported IBNR claims of \$1,807,638. Claims expenses are recognized in the Self-Funded Medical-Dental fund and the Unemployment Compensation funds for claims processed through the fiscal year-end. No IBNR claims are reported in the Unemployment Compensation Fund. All self-insured funds are responsible for collecting interfund premiums and for paying claims settlements. Interfund premiums are assessed on the basis of exposure and claims experience and are reported as revenues and expenses.

GASB 31 provides that deficits in the self-insurance internal service funds should be charged back to the other funds over a reasonable period of time. To address the deficit in the Risk Management fund, the City has developed a 10-year funding plan to eliminate the deficits. The first year of this funding plan was 2000.

8. SHORT-TERM DEBT

At December 31, 2003, the City had outstanding \$1,870,230 local improvement district (LID) progress warrants. As construction is done on LID projects, progress warrants are issued to contractors. The city treasurer disburses funds to the contractors and carries the progress warrants as treasurer's cash investments. When special assessment bonds are sold, the progress warrants are redeemed. The current progress warrants have interest rates ranging from 4.28% to 4.54%. A summary of progress warrant activity for 2003 follows:

Balance, January 1, 2003	\$	1,034,477
Progress warrants issued		1,921,083
Progress warrants redeemed		(1,085,330)
Balance, December 31, 2003	\$	1,870,230

9. LONG-TERM DEBT AND LEASES

A. Long Term Debt

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. The original amount of general obligation bonds issued in prior years was \$62,630,000.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds are either created by 3/5 majority vote of the people and, therefore, financed by a special tax levy; or created by ordinance, adopted by the City Council, and normally financed from general revenues (councilmanic bonds). General obligation bonds currently outstanding are as follows:

Name of Issuance	Purpose	Interest Rate	Debt Outstanding
1996 LTGO Bond	Governmental Activities	3.90% - 5.30%	345,000
1997 UTGO Bond	Refunding – Governmental Activities	6.125% - 9.125%	14,970,000
1999 LTGO Bond	Governmental & Business-Type Activities	3.90% - 5.375%	4,325,000
1999 UTGO Bond	Governmental Activities	5.50% - 5.90%	12,950,000
1999 UTGO Bond	Governmental Activities	5.125% - 5.40%	16,150,000
2003 LTGO Bond	Governmental Activities	2.75% - 5.00%	13,385,000
2003 LTGO Bond	Governmental Activities	1.50% - 5.25%	14,755,000
Total General Obligation Bonds			\$ <u>76,880,000</u>

The annual debt service requirements to maturity for general obligation bonds are as follows:

Governmental Activities			
	Principal	Interest	Total Requirements
2004	\$ 6,864,202	\$ 3,617,794	\$ 10,481,997
2005	7,236,622	3,259,049	10,495,671
2006	7,599,042	2,926,784	10,525,826
2007	7,731,948	2,581,876	10,313,825
2008	8,139,573	2,207,042	10,346,615
2009 – 2013	28,241,938	5,668,098	33,910,036
2014 - 2018	10,414,777	1,090,151	11,504,928
	<u>\$ 76,228,102</u>	<u>\$ 21,350,796</u>	<u>\$ 97,578,898</u>

Business-Type Activities			
	Principal	Interest	Total Requirements
2004	45,798	33,059	78,857
2005	48,378	30,952	79,330
2006	50,958	28,654	79,612
2007	53,052	26,234	79,286
2008	55,427	23,634	79,061
2009 – 2013	323,062	72,774	395,836
2014	75,223	4,043	79,266
	<u>\$ 651,898</u>	<u>\$ 219,349</u>	<u>\$ 871,247</u>

The City of Spokane has also received government, bank, and other loans to provide for the acquisition and construction of capital projects. Government, bank, and other loans outstanding at year-end are as follows:

Name of Issuance	Purpose	Interest Rate	Debt Outstanding
Public Works Trust Fund Loans	Governmental and Business Type Activities	1.00% - 3.00%	\$ 13,884,883
HUD Sec 108 Certificates	Governmental Activities	6.16% - 7.93%	22,280,000
State Revolving Loan Reimbursement	Business Type Activities	1.50%	996,521
Agreement - Genstar	Business Type Activities	5.40%	132,900
Total Other Loans			<u>\$ 37,294,304</u>

The annual debt service requirements to maturity for government, bank and other loans outstanding are as follows:

Governmental Activities			
	Principal	Interest	Total Requirements
2004	1,145,971	1,534,249	2,680,220
2005	1,210,971	1,472,725	2,683,696
2006	1,754,655	1,414,899	3,169,554
2007	1,355,971	1,341,840	2,697,811
2008	1,401,526	1,267,723	2,669,248
2009- 2013	8,094,092	5,007,399	13,101,491
2014 - 2018	9,475,000	2,007,694	11,482,694
	<u>\$ 24,438,184</u>	<u>\$ 14,046,529</u>	<u>\$ 38,484,714</u>

Business-Type Activities			
	Principal	Interest	Total Requirements
2004	981,719	216,587	1,198,306
2005	991,654	198,846	1,190,500
2006	1,001,485	180,887	1,182,372
2007	955,888	162,711	1,118,599
2008	3,365,418	466,178	3,831,596
2009 - 2013	3,518,500	276,940	3,795,440
2014 - 2018	2,041,455	33,613	2,075,068
	<u>\$ 12,856,119</u>	<u>\$ 1,535,762</u>	<u>\$ 14,391,881</u>

Special Assessment Bonds

Special assessment bonds outstanding at December 31, 2003 were \$5,955,000. Generally, the outstanding amount includes term bonds with an estimated amount of bonds to be retired each year. Bonds will be called yearly, as moneys are available from the collection of property assessments.

LID District Number	Date of Issuance	Date of Final Maturity	Interest Rate	Amount Outstanding 12/31/03	Due Within One Year
189	12/01/92	12/01/04	5.780%	\$ 15,000	\$ 15,000
192	02/15/94	02/15/04	5.095%	40,000	40,000
196	11/15/95	11/15/05	5.785%	50,000	50,000
197	06/15/96	06/15/08	5.780%	130,000	60,000
198	09/15/96	09/15/08	5.750%	35,000	35,000
199	12/15/96	12/15/08	5.580%	90,000	65,000
200	06/01/97	06/01/07	5.875%	65,000	30,000
201	09/01/97	09/01/08	5.750%	230,000	160,000
202	05/01/98	05/01/08	5.610%	95,000	30,000
203	08/01/98	08/01/08	5.450%	215,000	90,000
204	10/01/98	10/01/08	5.390%	295,000	90,000
205	03/01/99	03/01/11	4.988%	165,000	40,000
206	07/15/99	07/15/11	5.409%	360,000	75,000
207	11/15/00	09/15/12	5.950%	305,000	60,000
208	04/01/01	04/01/13	5.500%	100,000	10,000
209	03/15/02	03/15/14	5.500%	925,000	105,000
210	10/15/02	10/15/14	4.750%	620,000	75,000
211	06/15/03	06/15/13	4.280%	820,000	85,000
97216	12/15/00	09/15/12	6.900%	1,400,000	200,000
Total				\$ 5,955,000	\$ 1,600,000

Conduit Advance Refunded Debt Obligations

The Lease Revenue Bonds of 1995 were issued to provide for construction of parking facilities for the Spokane Memorial Arena. These bonds are special limited obligations of the City, payable solely from and secured by a pledge of rentals to be received from lease agreements between the City and the Public Facilities District. The bonds do not constitute a debtor pledge of the faith and credit of the City, the County, or the State. In 2003, the Spokane Public Facilities District paid, redeemed and retired the Arena Lease Revenue Bonds of 1995 by the sale of revenue bonds. The proceeds of the new bonds were placed in escrow to provide for full payment of the defeased bonds on January 1, 2004.

Revenue Bonds

The City issues bonds where the government pledges income derived from the acquired or constructed assets to pay debt service. Revenue bonds are issued to finance the acquisition and construction of capital projects, and are created by ordinance, adopted by the City Council, and financed from enterprise fund revenues. The original amount of revenue bonds issued in prior years was \$136,960,653. Revenue bonds outstanding at year-end are as follows:

Name of Issuance	Interest Rate	Debt Outstanding
1991 Golf System	5.25% - 6.875%	\$ 575,181
1995 Solid Waste System Refunding	4.36% - 5.75%	15,545,000
1997 Golf System Refunding	4.00% - 5.25%	3,180,000
1998 Solid Waste System Refunding	6.00% - 6.50%	54,780,000
2001 Solid Waste System Refunding	4.00% - 5.25%	22,945,000
2003 Solid Waste System Refunding	2.00% - 4.125%	14,515,000
Total Revenue Bonds		\$ <u>111,540,181</u>

The annual debt service requirements to maturity for revenue bonds are as follows:

	Principal	Interest	Total Requirements
2004	\$ 11,895,216	\$ 6,036,967	\$ 17,932,183
2005	12,556,479	5,368,987	17,925,466
2006	13,238,486	4,647,725	17,886,211
2007	16,200,000	3,690,971	19,890,971
2008	9,940,000	2,796,636	12,736,636
2009 - 2013	47,710,000	4,073,501	51,783,501
	\$ <u>111,540,181</u>	\$ <u>26,614,784</u>	\$ <u>138,154,965</u>

In proprietary funds, unamortized debt issue costs are recorded as deferred charges and bonds are displayed net of premium or discount; annual interest expense is decreased by amortization of debt premium and increased by the amortization of debt issue costs and discount. Current amounts due to other governments include loans and other accounts payable at year-end.

At December 31, 2003, the City has \$16,043,965 available in debt service funds to service the general bonded debt. Restricted assets in proprietary funds contain \$24,814,619 in reserves as required by bond indentures.

Early Extinguishment of Debt

In 2003 the City advanced cash defeased \$6,110,000 of 1993 Sewer Revenue Refunding Bonds with cash on hand.

Refunded Debt

In 2003 the City refunded \$16,830,000 of 1993 Solid Waste System bonds by the issuance of Revenue Refunding Bonds in the amount of \$14,515,000. This refunding was undertaken to reduce total debt service payments over the next ten years by \$3,676,905.

B. Changes in Long-Term Liabilities

During the year ended December 31, 2003, the following changes occurred in long-term liabilities:

	Balance Jan 1, 2003	Additions	Reductions	Balance Dec 31, 2003	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 61,933,594	\$ 28,140,000	\$ 13,845,492	\$ 76,228,102	\$ 6,864,202
Less deferred amounts:					
For issuance premiums (discounts)	-	602,848	-	602,848	6,214
On refunding		1,251,055		1,251,055	40,276
Special Assessment Debt with Governmental Commitment	7,100,000	820,000	1,965,000	5,955,000	1,600,000
Government, Bank and Other Loans	28,093,358	2,963,154	6,618,327	24,438,185	1,145,971
Capital Leases	178,780	153,852	95,812	236,820	84,067
Claims and Judgments	5,347,371	869,639	-	6,217,010	6,217,010
Compensated Absences	7,720,490	312,725	-	8,033,215	598,760
Governmental Activity Long-Term Liabilities	\$ <u>110,373,593</u>	\$ <u>35,113,273</u>	\$ <u>22,524,631</u>	\$ <u>122,962,235</u>	\$ <u>16,556,500</u>
Business-Type Activities:					
Bonds:					
General Obligation Bonds	\$ 696,406	\$ -	\$ 44,508	\$ 651,898	\$ 45,798
Revenue Bonds	136,960,653	14,515,000	39,719,710	111,755,943	11,895,216
Less deferred amounts:					
For issuance premiums (discounts)	1,074,210	65,744	-	1,139,954	-
On refunding	(2,288,107)	109,661	-	(2,178,446)	-
Total Bonds Payable	136,443,162	14,690,405	39,764,218	111,369,349	11,941,014
Government, Bank and Other Loans	13,394,069	450,532	988,482	12,856,119	981,719
Accrued Landfill Liability	1,472,844	241,281	-	1,714,125	-
Compensated Absences	1,895,609	61,523	-	1,957,132	90,499
Business-Type Activity Long-Term Liabilities	\$ <u>153,205,684</u>	\$ <u>15,443,741</u>	\$ <u>40,752,700</u>	\$ <u>127,896,725</u>	\$ <u>13,013,232</u>

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for them are included as part of the above totals for governmental activities. At year-end \$794,930 of internal service funds compensated absences are included in the above amounts.

Legal Debt Margin

The assessed valuation of the City for year 2004 for purposes of determining the legal debt margin is \$9,370,185,494. Under State of Washington statutes general obligation indebtedness pursuant to a vote of the electorate is limited to 2 1/2% of actual value of taxable property located within the City. Indebtedness without a vote of the people is limited to 1 1/2% of actual value subject to the limitation that total general purpose indebtedness may not exceed 2 1/2% of total valuation. There is a 2 1/2% limitation each for utility purposes and open space and park facilities purposes.

The remaining debt capacities of the City are as follows:

	AMOUNT
General Purposes Voted and Non-Voted Debt - 2 ½% (1)	\$ 170,098,353
Utility Voted Debt - 2 ½%	234,231,721
Open Space & Park Facilities Voted Debt - 2 ½%	221,281,721
Total Remaining Debt Capacity	<u>\$ 625,611,796</u>

(1) Includes \$100,258,191 debt capacity available for non-voted debt.

C. Leases

1. Capital Leases

The City has entered into lease agreements for financing various pieces of equipment. These lease agreements qualify as capital leases for accounting purposes, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The capital assets acquired through capital leases are as follows:

Governmental Activities

	2003
Vehicles	\$ 343,576
Less: Accumulated Depreciation	180,161
Total	<u>\$ 163,415</u>

The future minimum lease obligation and the net present value of these minimum lease payments as of December 31, 2003 were as follows:

YEAR ENDED DECEMBER 31,	Governmental Activities
2003	\$ 62,734
2004	71,650
2005	30,639
2006	31,916
Total minimum lease payments	196,939
Less: Amount representing interest	18,159
Present value of net minimum lease payments	<u>\$ 178,780</u>

2. Operating Leases

The City entered into a twenty-three year operating lease agreement with the Spokane Airport Board, an agency of the City and County of Spokane, for the site of the Spokane Regional Waste to Energy Facility. The lease commenced on May 1, 1988. The current rental rate is five cents per square foot per annum and the rate will be adjusted to the current market value on the eighth anniversary of the commencement date and on May 1 for each five year period thereafter. The City has the option of renewing the lease for four consecutive five-year periods subject to certain conditions. Lease payments for the year ended December 31, 2003 amounted to \$108,900.

Schedule of Minimum Future Rental Payments

Year Ended <u>Dec. 31</u>	<u>Amount</u>
2004	108,900
2005	108,900
2006	108,900
2007	108,900
2008	108,900
Thereafter	<u>145,200</u>
Total minimum future rental payments	\$ <u>689,700</u>

The City entered into a master contract for personal computers with Dell Computers. These are operating leases for 3 years for various departments. Lease payments for the year ended December 31, 2003 amounted to \$154,758. The City also leases two Xerox printers and an ORIX Disk Array which are used for all departments for printing and data storage. Lease payments for the year ended December 31, 2003 amounted to 88,740.

Schedule of Minimum Future Rental Payments

Year Ended <u>Dec. 31</u>	<u>Amount</u>
2004	109,024
2005	80,264
2006	40,000
2007	40,000
2008	<u>20,284</u>
Total minimum future rental payments	\$ <u>289,572</u>

10. INTERFUND BALANCES AND TRANSFERS

A. Interfund Balances

Loans between funds are classified as interfund loans receivable or payable on the fund financial statements. Within the city, one fund may borrow from another when specifically authorized by council resolution. Due to other funds and due from other funds result from goods issued, work performed or services rendered to or for the benefit of another fund of the same government. Interfund balances at December 31, 2003 were as follows:

	Interfund Loan Receivable	Interfund Loan Payable	Due From Other Funds	Due to Other Funds
General Fund	\$ -	\$ -	\$ 3,849,932	\$ 1,322,661
Nonmajor				
Governmental Funds	80,000	80,000	1,202,864	3,038,949
Water Fund	-	-	254,610	388,670
Sewer Fund	-	-	13,942	687,584
Solid Waste Fund	-	-	19,780	933,606
Nonmajor				
Enterprise Funds	-	-	352,388	76,866
Internal Service				
Funds	-	-	1,582,336	827,516
Total Government Wide	\$ <u>80,000</u>	\$ <u>80,000</u>	\$ <u>7,275,852</u>	\$ <u>7,275,852</u>

B. Interfund Transfers

Interfund Transfers for 2003 are as follows:

	Transfer From:						
	General Fund	Nonmajor Governmental Funds	Water Fund	Sewer Fund	Solid Waste Fund	Nonmajor Enterprise Funds	Internal Service Funds
Transfer To:							
General Fund	\$ -	\$ 1,539,479	\$ -	\$ -	\$ -	\$ -	\$ -
Nonmajor governmental funds	27,547,114	5,668,886	14,107	362,828	14,092	10,613	70,233
Water Fund	-	-	-	3,767	-	-	-
Solid Waste Fund	-	4,578	-	-	-	-	-
Nonmajor enterprise funds	312,114	-	-	-	690,342	1,138,855	-
Internal Service funds	179,457	132,984	6,194	6,547	-	17,787	-
Total	\$ 28,038,685	\$ 7,345,927	\$ 20,301	\$ 373,142	\$ 704,434	\$ 1,167,255	\$ 70,233
							\$ 37,719,977

11. JOINT VENTURES

The City participates in three joint ventures. These are the Spokane International Airport, the Spokane County Health District, and the Spokane Regional Transportation Council. The City does not contribute any moneys toward the operation of the Spokane International Airport or the Spokane County Health District. General fund moneys are contributed to the support of the Spokane Regional Transportation Council. In 2003, \$65,000 was paid to the Spokane Regional Transportation Council.

Spokane International Airport is jointly operated by the City and County of Spokane through a joint operating agreement in accordance with the "Airport Joint Operating Agreement", dated June 9, 1986. This agreement is pursuant to RCW 14.08.200. The unaudited summary below is from the Airport's comprehensive annual financial report for the fiscal year ended December 31, 2003.

	TOTAL
Total Assets	\$ 163,675,565
Total Liabilities	42,985,171
Total Fund Equity	120,690,394
Total Revenues	38,247,004
Total Expenses	22,926,485
Net Increase in Fund Equity	15,320,519

At December 31, 2003, the airport had \$33,460,000 total long-term revenue bonds outstanding with \$3,845,000 due on the current portion in 2004. The bonds are secured by airport revenues. Airport revenues are derived through user fees, parking fees, leased areas and buildings, federal and state grants and interest from investments. Other long-term debt payable at year-end includes deposits of \$433,458, \$2,229,539 in post-retirement benefits, and \$4,206,343 of accrued environmental liabilities.

The Spokane Airport Board administers the operations of the airport. It is composed of five members, two of which are appointed by the County, two by the City and one non-specific appointee. The City does not exercise any specific control over the budgeting and financing of the airport's activities. The complete financial report may be obtained by contacting the Spokane International Airport, 9000 W. Airport Drive, Suite 204, Spokane, WA, 99224.

The Spokane Regional Health District includes the City, the unincorporated areas of the County and the incorporated towns within the County's borders. The Spokane County Health board, which governs the district, is composed of three Spokane County Commissioners, three members of the Spokane City Council, two members of the Spokane Valley City Council, the mayor of one smaller incorporated town within the County, and three non-voting at large citizen members.

The Board consists entirely of elected officials, which is specified by State law. The City does not exercise any specific control over the budgeting and financing of the Health District activities. The unaudited summary below is for the fiscal year ended December 31, 2003 for the Spokane Regional Health District.

	TOTAL
Total Assets	\$ 8,074,303
Total Liabilities	1,937,804
Total Fund Equity	6,136,499
Total Revenues	22,145,344
Total Expenses	21,407,585
Net Increase in Fund Equity	737,759

At December 31, 2003 the Health District had no long-term debt outstanding. The complete financial report may be obtained by contacting the Spokane Regional Health District, 1101 W. College Ave., Spokane, WA, 99201.

The Spokane Regional Transportation Council operates under a charter adopted by participating entities that include the City of Spokane, Spokane County and the incorporated towns within the County. In 1965 the Washington State Legislature created the current statutory authority that provided for coordinated regional planning within the State.

The Council operates under a nine-member board consisting of two County Commissioners, two City Council members, one representative from each planning commission, two elected officials representing the incorporated towns and one representative from the Spokane Valley. The board selects management of the Council. Control over collection and disbursement of funds is with the Council.

The unaudited summary below is for the fiscal year ended December 31, 2003. The Spokane Regional Transportation Council is audited by the Office of State Auditor.

	<u>TOTAL</u>
Total Assets	\$ 1,119,632
Total Liabilities	765,414
Total Fund Equity	354,218
Total Revenues	2,942,870
Total Expenditures	2,808,111
Decrease in Fund Equity	134,759

At December 31, 2003 the Spokane Regional Transportation Council had no long-term debt outstanding. The complete financial report may be obtained by contacting the Spokane Regional Transportation Council, 221 W. First Ave., Suite 310, Spokane, WA, 99201.

12. ENTERPRISE FUND DISCLOSURES

A. Water Fund

Property, Plant and Equipment - Water Segment

Some hydrants and some water mains in the Water fund plant in service are recorded at estimated costs.

Major Customers of a Segment

The entire operating revenue of the Hydro segment of the Water Fund is received from Avista Corporation in Spokane, Washington.

B. Sewer Fund

Contracts Receivable and Due From Other Governmental Units

During 1982, the City of Spokane and Spokane County entered into an Interlocal Agreement whereby the County agreed to pay \$5,779,709 for sewage treatment capacity at the Advanced Wastewater Treatment Plant. Per the agreement, the City will process up to ten million gallons per day for the County. Payments were adjusted annually using an implicit price deflator with January 1985 as the base period. The final capacity payment was received in 1999. Currently only annually adjusted operations and maintenance flow charges and pretreatment charges are billed to Spokane County under the 1982 Interlocal Agreement.

The City of Spokane and the City of Airway Heights entered into an agreement under which Airway Heights agreed to pay \$2,040,000, in 1992 dollars, for sewage treatment capacity at the Advanced Wastewater Treatment Plant. Per the agreement, the City will process up to 680,000 gallons per day for Airway Heights. The \$309,984 receivable at year-end is offset by deferred revenue in the same amount. Payments are revised annually and are to be collected over approximately the next twelve years as a capital surcharge.

The City of Spokane and Fairchild Air Force Base entered into an agreement under which the Base agreed to pay \$3,000,000, in 1992 dollars, for sewage treatment capacity at the Advanced Wastewater Treatment Plant. Per the agreement, the City will process up to 1,000,000 gallons per day for Fairchild. The \$2,064,338 receivable at year-end is offset by deferred revenue in the same amount. Payments are revised annually and are to be collected over approximately the next twelve years as a capital surcharge.

Revenue Bonds

The City issued \$8,705,000 of Sewer Revenue Refunding Bonds in May of 1993.

The proceeds of the 1993 bonds were used to advance refund the callable portions of a 1989 sewer revenue bond issue totaling \$7,670,000. In 2003 the City advanced cash defeased \$6,110,000 of 1993 Sewer Revenue Refunding Bonds with cash on hand.

C. Solid Waste Management Fund

Spokane Regional Solid Waste Management System

Environmental, economic and regulatory concerns led the City and Spokane County, on a joint basis, to conduct a lengthy and extensive investigation into a regional approach to the management, handling and disposal of solid waste collected in the City and other areas of the County that would give priority to disposal methods other than landfilling. This cooperative effort has resulted in the Spokane Regional Solid Waste Management System (the "System").

The City and Spokane County entered into several interlocal agreements, which provide the framework for the management, handling and disposal of solid waste within the service area, consisting of the City, the unincorporated area of the County and the Regional Cities. The City owns and operates the System but neither the City nor the County may use the System to the exclusion of the other. The City is responsible for the financing and construction of all improvements to the System and for the management of the System except with respect to certain major decisions for which the concurrence of the County is required.

On January 3, 1989, the City issued \$105,250,000 of City of Spokane Regional Solid Waste Management System Revenue Bonds, Series 1989, to finance part of the cost of improvements and additions to the System. These bonds are secured by and payable from the revenues of the

System. A requirement of the bond ordinance was to establish a reserve account to secure the payment of the principal and interest on the bonds. The reserve account is to be an amount equal to the lesser of: a) 10% of the proceeds of the Series 1989 Bonds and additional bonds or, b) the greatest annual debt service with respect to the Series 1989 Bonds and any additional bonds for the then current or any future calendar year or, c) 1.25 times the average annual debt service.

Improvements and additions not paid from proceeds of the Series 1989 Bonds or investment income thereon were paid from a \$60 million grant received from the State of Washington, Department of Ecology. System improvements and additions include, (a) a mass burn waste to energy facility; (b) two transfer stations; and (c) recycling centers located at the facility and the transfer stations. Ash from the waste to energy facility is hauled to the Roosevelt Regional Landfill in South Central Washington.

The waste to energy facility was completed during 1991. Wheelabrator Spokane Inc. operates the facility pursuant to a 20-year operation and maintenance contract with the City. Pursuant to a service contract, the City has agreed to pay a service fee to Wheelabrator Spokane Inc. based on a minimum of 220,000 tons of acceptable waste per year. This quantity of solid waste represents approximately 90 percent of the facility's 248,200 ton contracted capacity.

On January 4, 1988, the City and Puget Sound Power and Light Company, a Washington corporation, entered into an agreement for Firm Power Purchase providing for the purchase by Puget of energy produced by the Facility. Subject to the terms thereof, the electricity agreement requires Puget to purchase all electric output of the Facility, net of in-plant use, for 21 years commencing November 15, 1991.

City-County Interlocal Agreements

On July 18, 1988 the City and Spokane County entered into an interlocal agreement relating to, among other things, the increases previously imposed by the City and the County in the tipping fees charged by them for disposal of solid waste at their respective disposal sites in order to provide a resource to be used for the stabilization of tipping fees in the early years of operation of the Facility.

Rate Stabilization Assets

Assets as of December 31, 2002	\$	4,155,839
2003 Resources - Interest Income		51,599
2003 Net Transfers To - Solid Waste Disposal Fund		<u>(100,000)</u>
Assets as of December 31, 2003	\$	<u>4,107,438</u>

On October 11, 1988 the City and Spokane County entered into an interlocal agreement which combined previous interlocal agreements into one agreement and provided that, among other things, (a) that, commencing as of October 10, 1988, the County would cease providing solid waste disposal services for solid waste generated in the unincorporated area of the County and the collection of the tipping fees paid for such disposal and the City would provide such solid waste disposal services and collect such tipping fees; (b) that the County would take the appropriate action, pursuant to its Flow Control Ordinance, to direct that solid waste generated in its unincorporated area be disposed of through the System (except as provided in the Flow Control Ordinance).

The interlocal agreement provides that if all or part of the County's Flow Control Ordinance and/or regulations promulgated there under are declared to be invalid by a court of competent jurisdiction or are not continually enforced by the County and the County's ability to require the delivery of solid

waste to the System thereby is impaired, and if the System is operating at a reduced capacity due to the County's total or partial inability to control the flow of solid waste, the County will be obligated either to deliver or cause to be delivered substituted solid waste to the Facility in an amount equal in volume to the solid waste it has represented it can control, or to pay an amount of money which would equal the economic value (including amounts due Wheelabrator Spokane, Inc. and lost energy revenue) of such non-delivered solid waste. In computing the County's obligation to deliver or pay the economic equivalent of non-delivered solid waste, the County will get credit for all solid waste delivered to the System other than solid waste delivered by the City and the Regional Cities (cities and towns within Spokane County having an interlocal agreement with the City) and solid waste delivered to the System by City residents and Regional City residents, or from residents, companies, institutions or others who reside within the City or the Regional Cities but manage their own garbage.

If the County Flow Control Ordinance is valid and the County enforces it continuously and effectively, but the volume of solid waste in the unincorporated area of the County is lower than anticipated, the County is not obligated to pay an economic equivalent or to provide the System with substitute solid waste. If the County, by virtue of its continuous enforcement of the County Flow Control Ordinance, incurs inverse condemnation costs or expenses, such costs or expenses must be reimbursed by the System as a cost of the System or as a cost of maintenance and operation.

Although there is no litigation pending or, to the knowledge of the County, threatened, questioning the validity or the enforceability of the Flow Control Ordinance, there have been a series of recent decisions by the United States federal courts that have held certain bans on the importation of solid waste into a state, and certain bans on the exportation of solid waste from a state, to be violation of the Commerce Clause of the United State Constitution. On May 16, 1994, the United Sates Supreme Court invalidated a solid waste "flow control" control ordinance under the Commerce Clause. *C&A Carbone, Inc. v. Town of Clarkston, New York*, U.S. (Case No. 92-1402). The Court held that the ordinance in question discriminated against interstate commerce (i.e. the service of processing and disposing of solid waste), and was therefore invalid per se. The Court reasoned that the ordinance both deprived out-of-state businesses of access to the local market and subjected certain amounts of solid waste generated in other states to higher tipping fees, thus increasing the costs for out-of-state interests to dispose of solid waste.

Since Spokane County's Flow Control Ordinance generally requires that all solid waste generated in the unincorporated area of the County be disposed of at the Solid Waste System, it prohibits the exportation of such solid waste from the State of Washington and from the County. As a result of *Carbone*, the County is unable to predict the outcome of any challenge to the Flow Control Ordinance based upon the Commerce Clause of the United States Constitution. Nevertheless, a successful challenge to the enforceability of the Flow Control Ordinance could reduce the amount of solid waste being disposed of at the Solid Waste System.

If the Solid Waste System is operating at a reduced capacity due to the County's inability to deliver solid waste to it as a result of the Flow Control Ordinance being declared invalid by a court of competent jurisdiction, the County is obligated under the Interlocal Agreement to provide substitute solid waste or to pay to the Solid Waste System the economic value of the non-delivered solid waste. The County's obligation to make such payments would constitute a non-voted general obligation of the County, and the sources of payment thereof would be the same as the sources of payment of the Bonds.

The interlocal agreement is for a term of 25 years, or for such longer term as the Series 1989 Bonds or additional bonds remain outstanding, and will be renewed automatically for successive 20-year terms unless the City and County agree not to renew it.

Other Long-Term Receivables

In order to provide funds for the closure, post-closure and remedial actions of Spokane County's pre-existing landfills, the City agreed in an interlocal agreement to provide to the County an amount not to exceed \$20 million. The interlocal agreement states that such costs will be recovered from the County's portion of a surcharge (landfill closure component) on rates charged by the Spokane Regional Solid Waste Management System.

The long-term asset is being amortized based upon the County's annual share of revenue from the landfill closure component. As of December 31, long-term receivables include the following amounts for Spokane County.

YEAR	COUNTY LANDFILL CLOSURE COSTS	ALLOCATED INTEREST	CLOSURE COMPONENT	BALANCE
1989	\$ 3,975,714	\$ 168,960	\$ -	\$ 4,144,674
1990	1,074,213	365,460	-	5,584,347
1991	988,093	512,233	-	7,084,673
1992	1,926,445	568,323	(1,923,516)	7,655,925
1993	3,817,388	725,447	(1,019,176)	11,179,584
1994	8,218,147	1,071,089	(1,716,679)	18,752,141
1995	-	1,245,044	(1,452,019)	18,545,166
1996	-	1,229,829	(1,776,934)	17,998,061
1997	-	1,192,338	(1,729,730)	17,460,669
1998	-	1,176,737	(1,380,497)	17,256,909
1999	-	1,147,165	(1,724,205)	16,679,869
2000	-	1,105,699	(1,795,750)	15,989,818
2001	-	1,053,634	(1,859,394)	15,184,058
2002	-	997,062	(1,939,543)	14,241,577
2003	-	927,531	(2,041,213)	13,127,895
TOTAL	\$ 20,000,000			

Issuance of Revenue Bonds

In April of 1992, the City issued \$41,625,000 of Regional Solid Waste Management System revenue bonds. These bonds were issued for the purpose of financing certain costs of the system that include landfill closure and cleanup costs and landfill construction costs. The bonds have interest rates ranging from 3.25% to 6.50% with the final payment due December 1, 2011. In December 1993 the City issued \$36,685,000 of Regional Solid Waste Management System revenue refunding bonds. The bonds have interest rates ranging from 2.8% to 5.25% with the final payment due December 1, 2009. In May 1995 the City issued \$15,580,000 of Regional Solid Waste Management System revenue refunding bonds. The bonds have interest rates ranging from 4.375% to 5.5% with the final payment due December 1, 2010. During October 1998, the city issued \$73,090,000 of Regional Solid Waste Management Revenue Refund Bonds. The bonds have interest rates ranging from 6.0% to 6.50% with the final payment due January 1, 2011. On December 1, 2003, the City issued \$14,515,000 of Regional Solid Waste Management System revenue refunding bonds. The bonds have interest rates ranging from 2% to 4.125%, with the final payment due December 1, 2008.

Landfill Closure On July 21, 1987, the City ceased disposal operations at its Southside Landfill. During 1988, the Southside landfill closure was completed at a total cost of \$5.4 million. These closure costs were paid using previously reserved cash and the total closure amount was recorded as an expense for 1988.

The City started closing the Northside Landfill in 1991. The closure was completed during 1993 for a total cost of \$19.4 million. These closure costs were paid using approximately \$3.1 million of previously reserved cash and \$16.3 million of the Spokane Regional Solid Waste Management System Revenue Bond proceeds. The City Council and Spokane County Board of County Commissioners approved an interlocal agreement which required that tipping fees established by the Spokane Regional Solid Waste Management System shall have a landfill closure component which will provide a source of revenue to the City and the County for the payment of pre-existing landfill costs. The City's portion of the closure component covers the debt service requirements on \$16.3 million of revenue bond proceeds. A Northside landfill closure liability was recorded as a deferred cost on January 1, 1988 and is being amortized to expense over a 20 year period as these amounts are recovered through rates charged to customers. A full year of amortization was recorded in 2003.

Since 1982, the City has reserved cash for closure and postclosure costs of landfills. The balance in the landfill postclosure account, as of December 31, 2003 was \$2.7 million.

Northside Regional Landfill

Beginning in 1992, the City started using a recently completed Northside Regional Landfill for the disposal of nonprocessable waste and demolition debris. The new disposal cell is located approximately six and one-half miles northwest of downtown Spokane and complies with the revised "Minimum Functional Standards for Solid Waste Handling" required by the State of Washington Department of Ecology. The new 16 acre cell has a capacity of approximately 400,000 cubic yards (Phase I) and may be increased an additional 600,000 cubic yards (Phase II). State and federal laws and regulations required the City to place a final cover on the Northside Regional Landfill when closed and to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. The City recognizes a portion of these costs in each operating period based on the amount of waste received during the period. However, many of the closure and postclosure care costs will be paid only when the landfill is closing or after it is closed. All amounts recognized are based on what it would cost to perform all closure and postclosure are at year-end. Actual costs may be higher due to inflation. At the end of 2003, it was estimated that total closure and postclosure costs would be approximately \$2.4 million and that 705,000 cubic yards had been disposed at the new Northside Regional Landfill. The new landfill has a remaining useful life of approximately 10 to 20 years. As of December 31, 2003 future closure costs of \$1,714,125 were recorded as a long term liability and \$1,430,000 of restricted cash was reserved for closure of the new cell.

Capitalized Interest

For the year ended December 31, 2003, interest cost of \$360,212 was capitalized for City landfill closure costs and \$927,531 was allocated to a long-term receivable for County landfill closure costs.

D. Golf Fund

Revenue Bond Covenants

In March of 1991 the City issued \$5.8 million of golf system revenue bonds. These were issued with an average interest rate of 7.1035%. These bonds were issued to finance the construction of a fourth municipal City golf course.

In March of 1997 the City issued \$3.38 million of golf system revenue refunding bonds to partially refund the 1991 bonds. These were issued with an average interest rate of 5.2532%

A requirement of the bond ordinance was to establish a rate covenant that provides that net revenue of the Golf fund will equal at least 1.25 times the debt service on the bonds and any

additional bonds in that year. The ordinance also provides for the establishment of a reserve account to secure the payment of principal and interest on the bonds. The reserve account for the bonds is an amount equal to the lesser of a) 10% of the bond proceeds, b) the maximum annual debt service, or c) 125% of the average annual debt service on the bonds. There is no intention of issuing additional revenue bonds for golf purposes at this time. The reserve account has been established in the Golf Debt Service fund.

E. Arena Fund

In November of 1990 a ballot measure was approved by the voters ratifying the creation of the Spokane Public Facilities District and authorizing a 2% surtax on hotel and motel rooms. In 1991 a one-tenth of one percent sales tax increase was approved by the electorate to also be used for financing the construction of a new arena to replace the Spokane Coliseum.

In December of 1990 the City and County each issued \$15.4 million of revenue bonds to provide for a portion of the construction costs until long-term financing arrangements are formalized.

On December 14, 1992, the City issued \$15.4 million of long-term revenue bonds, which include \$11.5 million of Financing Lease Revenue Refunding Bonds, Series A, and \$3.9 million of Annual Lease Revenue Refunding Bonds, Series B. At the same time, Spokane County issued \$15.4 million of Revenue Refunding Bonds and the Public Facilities District issued \$14 million of Hotel/Motel Tax and Sales/Use Tax Bonds.

In June of 1995, the City issued \$7.7 million of lease revenue bonds to redeem \$4.2 million of outstanding notes issued by the City to acquire property for the Arena; construct and improve the parking facilities for the Arena, pay for the cost of demolition of the existing Coliseum; and acquire a Reserve Account Facility for the 1995 bonds and pay associated issuance costs.

Interlocal Agreements

The following is a summary of certain provisions of the various Interlocal Agreements between the City and the Spokane Public Facilities District.

An Interlocal Agreement, dated March 23, 1992, provides for the City, at the option of the District from time to time, to acquire additional property necessary for the Arena, and to lease such property to the District subject to annual appropriation by the District. Title to any acquired property would remain with the City until the District had paid all acquisition costs related to the property.

An Interlocal Agreement, dated July 28, 1992, established the site on which the Arena would be located, which includes certain property owned by the City and certain property to be acquired by the City. Pursuant to this agreement, the City leased the presently owned property to the District, and agreed that additional property would become part of the leased premises as acquired by the City. The term of the lease was for 20 years.

An Interlocal Agreement, dated November 9, 1992, provides for the operation and management by the City, as Operator of the Arena, including contiguous parking facilities, for a term of five years from the date of opening of the Arena, with a mutual option to extend for an additional three-year period. Major provisions of the Agreement are that the City commits to the District a) the availability and use of certain parking lots, b) the establishment of an operating fund and the deposit of all operating revenues, c) to maintain a capital reserve fund for major capital improvements to the Arena and to maintain an operations repair and maintenance fund, and d) to pay all operating costs from amounts on hand in the fund or, if they are insufficient, from other legally available money of the Operator (referred to as Operator Payments). At the conclusion of each calendar year the City will be entitled to reimburse itself from amounts on hand in the operating fund for all Operator Payments, but only to the extent such payments exceed \$100,000. The Agreement may be

terminated for cause by either party upon 60 days' notice as a result of the failure of the other party to substantially perform the agreement.

Lease Agreements

The City entered into three lease agreements with the Public Facilities District. The Financing Lease Agreement provides for the City to lease to the District certain property for use as a multi-purpose arena, together with all the easements, rights of way, and appurtenances, subject to the provisions of the Financing Lease. The term of the Lease began December 9, 1992 and was set up to end November 1, 2012. The City paid a portion of the cost of the project, in the amount of \$11.5 million to the District, in accordance with Ordinance C-30611 of the City. The District paid Annual Rent known as Base Rent, which was an amount equal to the amount of principal and interest next due on the Bonds. The District had the option to purchase from the City on any rental payment date for the purchase price the property as designated in the Annual Lease Agreement.

The Annual Lease Agreement provided for the City to lease to the District certain property for use as an Arena as in the Financing Lease. The term of the Lease began December 9, 1992 and ended on November 2, 1993. The District was granted an option to renew the Annual Lease for successive 12-month periods after the initial term of the lease, provided that the Lease shall expire no later than November 2, 2003. The Annual Lease will terminate upon the District's purchase of the property pursuant to Article X of the Financing Agreement.

The 1995 Financing Lease Agreement provided for the City to lease to the Spokane Public Facilities District Parcels 1, 2, and 4A as described in Exhibit "A" of the agreement for the purpose of providing event parking at the Arena. The lease started on June 5, 1995 and was set up to end on November 1, 2018, unless earlier terminated in accordance with the terms of the agreement. The District was granted an option to purchase from the City the Option Property, Parcel 2, as described in the Exhibit "B" of the Lease Agreement on any Rental Payment Date for the purchase price of \$1.00 by giving written notice in accordance with the agreement. Rental Payment Dates were May 2 and November 2 of each year upon which Annual Rent is due. Annual Rent was the sum of the Base Rent and Additional Rent as described in the agreement that was due on each Rental Payment Date. Upon the District's purchase of the Option Property the 1995 Agreement would terminate.

Prepayment of Annual Lease Agreement and Redemption of 1992 Revenue Bonds and 1995 Revenue Bonds

In October 2001, the Spokane Public Facilities District paid, redeemed and retired the Financing and Annual Lease Revenue Refunding Bonds of 1992 by prepaying the 1992 Arena Financing Leases by the sale of refunding bonds. The proceeds of the new bonds were placed in an irrevocable trust and the bonds were paid in full on January 1, 2002.

In September 2003, the Spokane Public Facilities District paid, redeemed and retired the Financing and Annual Lease Revenue Refunding Bonds of 1995 by prepaying the 1995 Arena Financing Leases with available cash on hand. The funds were placed in an irrevocable trust and provided for the payment in full of the defeased bonds on January 1, 2005.

13. COMMITMENTS AND CONTINGENCIES

The Department of Labor and Industries made a determination that three employees of the City were totally disabled as the result of industrial injuries. This determination required the employees to be placed on the pension rolls of the Department of Labor and Industries supplemental pension fund and provided for monthly pension benefits. Since the City is self-insured, the City is responsible for funding these pension benefits. The City has deposited \$427,949 with the State of Washington which represents the full present value (as of June 30, 1995) of the pensions. The

State will invest the \$427,949 on the City's behalf and pay pensions each month from that deposit. Interest earnings will accrue to the deposit. Each year, in June, the pensions are actuarially reevaluated and excess moneys, from interest earnings and decreasing present value, are returned to the City.

The Downtown Housing Stabilization Program is a program developed by the financial issues task force of the Downtown Capital Needs Committee. The Stabilization Program is designed to maximize opportunities for private investment to respond to the critical need for affordable housing units for low-income residents of the Downtown Community. The City has assumed the role of Loan Loss Guarantor for loans made by private investors on properties purchased as part of the program.

As part of the Riverpark Square downtown redevelopment, the developer, Citizen's Realty, entered into a public/private partnership with the Spokane Parking Public Development Authority (PDA) to refurbish and operate the Riverpark Square parking garage. As part of the financing package for the garage construction, the City agreed to a contingent pledge of parking meter revenues as a loan to the PDA to cover shortfalls in garage parking revenues that would be used for Ground Lease Payments and to pay Operating Expenses. Under this pledge the City has loaned the PDA \$280,000 for cash flow purposes. This loan is reflected in the Parking Meter fund as Due From Other Governmental Units.

In August, 2003 the City executed an interlocal agreement with the Spokane Public Facilities District (PFD) related to the Spokane Convention Center, the Spokane Opera House, and the Washington State International Agricultural Trade Center (collectively known as the Spokane Center) and the Spokane Veterans Memorial Arena. The purpose of the agreement was to set forth agreements relating to PFD's acquisition of the existing facilities, the expansion of the Spokane Convention Center, and the operation and maintenance of the Spokane Center facilities and the Arena. The agreement terminated the City's operation agreement for the Arena, and transferred 2/3 ownership of the Spokane Center assets to the PFD. The interlocal agreement also laid out certain annual obligations of the City to the PFD related to the Spokane Center:

1. The City will transfer to the Spokane Public Facilities District all admissions taxes collected at Spokane Center and Arena events.
2. The City will transfer to the PFD all Lodging Tax revenues collected, after deducting amounts sufficient to service the City's outstanding debt payments related to Spokane Center assets, and \$100,000 annually to be allocated by the City's Lodging Tax Advisory Committee.
3. The City will transfer to the PFD an annual operating payment prior to the completion of the new Convention Center project of \$250,000 per year, increasing by 3% each year until the project is complete, but no later than 2006. After the project is complete, the City's obligation to make operating payments is contingent upon the PFD experiencing an operating loss, as defined in the agreements. In the event of an operating loss, the City's operating payment obligation is limited to the lesser of one half of the estimated incremental sales tax increase related to the expanded facility or the adjusted cap (\$250,000 adjusted by 3% annually).

The Spokane Public Facilities District also agreed to pay the City an annual operating payment equal to 33% of the Spokane Center's operating profit.

14. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

Segment information of the enterprise fund operations for the year ended December 31, 2003 are as follows:

	<u>WATER</u>	<u>SEWER</u>	<u>SOLID WASTE</u>	<u>OTHER NONMAJOR FUNDS</u>	<u>TOTAL</u>
CONDENSED STATEMENT OF NET ASSETS:					
Assets:					
Current assets	\$ 35,827,739	\$ 62,520,489	\$ 49,139,221	\$ 1,758,476	\$ 149,245,925
Restricted assets	564,615	20,426	28,145,618	627,103	29,357,762
Capital assets	100,876,218	168,441,546	110,181,325	15,285,285	394,784,374
Other noncurrent assets	63,709	4,229,354	22,609,186	-	26,902,249
Total assets	<u>137,332,281</u>	<u>235,211,815</u>	<u>210,075,350</u>	<u>17,670,864</u>	<u>600,290,310</u>
Liabilities:					
Interfund payables	388,670	687,584	933,606	76,866	2,086,726
Other current liabilities	1,828,404	2,158,005	17,085,949	590,914	21,663,272
Noncurrent liabilities	8,256,781	8,287,839	97,453,601	4,344,468	118,342,689
Total liabilities	<u>10,473,855</u>	<u>11,133,428</u>	<u>115,473,156</u>	<u>5,012,248</u>	<u>142,092,687</u>
Net assets:					
Invested in capital assets, net of related debt	92,600,016	163,861,628	16,066,435	11,448,422	283,976,501
Restricted	-	-	15,153,583	66,010	15,219,593
Unrestricted	34,258,410	60,216,759	63,382,176	1,144,185	159,001,530
Total net assets	<u>\$ 126,858,426</u>	<u>\$ 224,078,387</u>	<u>\$ 94,602,194</u>	<u>\$ 12,658,617</u>	<u>\$ 458,197,624</u>
CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS					
Operating revenues	\$ 26,939,098	\$ 38,659,147	\$ 61,904,883	\$ 5,859,441	\$ 133,362,569
Depreciation expense	2,702,652	5,877,864	7,782,309	388,503	16,751,328
Other operating expenses	19,543,462	22,177,290	42,766,840	5,558,835	90,046,427
Operating income (loss)	<u>4,692,984</u>	<u>10,603,993</u>	<u>11,355,734</u>	<u>(87,897)</u>	<u>26,564,814</u>
Nonoperating revenues (expenses):					
Investment income	534,346	990,943	885,664	24,806	2,435,759
Interest expense	(171,497)	(213,576)	(5,787,663)	(490,453)	(6,663,189)
Other nonoperating revenues (expenses)	(248,259)	(2,472,391)	(2,206,378)	5,906,181	979,153
Capital contributions	2,602,949	9,018,072	-	-	11,621,021
Transfers in (out)	<u>(16,534)</u>	<u>(373,142)</u>	<u>(699,856)</u>	<u>974,056</u>	<u>(115,476)</u>
Change in net assets	7,393,989	17,553,899	3,547,501	6,326,693	34,822,082
Prior period adjustment	91,583	(839,914)	-	53,417	(694,914)
Beginning net assets	<u>119,372,854</u>	<u>207,364,402</u>	<u>91,054,693</u>	<u>6,278,507</u>	<u>424,070,456</u>
Ending net assets	<u>\$ 126,858,426</u>	<u>\$ 224,078,387</u>	<u>\$ 94,602,194</u>	<u>\$ 12,658,617</u>	<u>\$ 458,197,624</u>
CONDENSED STATEMENT OF CASH FLOWS:					
Net cash provided (used) by:					
Operating activities	\$ 5,928,116	\$ 15,040,770	\$ 21,297,569	\$ 260,453	\$ 42,526,908
Noncapital financing activities	(10,340)	471,143	(381,622)	984,669	1,063,850
Capital and related financing activities	(2,497,130)	(19,124,520)	(25,791,769)	(1,665,586)	(49,079,005)
Investing activities	<u>(2,802,823)</u>	<u>3,725,990</u>	<u>6,629,132</u>	<u>(217,443)</u>	<u>7,334,856</u>
Net increase (decrease)	617,823	113,383	1,753,310	(637,907)	1,846,609
Beginning cash and cash equivalents	140,433	2,373,661	2,273,288	986,563	5,773,945
Ending cash and cash equivalents	<u>\$ 758,256</u>	<u>\$ 2,487,044</u>	<u>\$ 4,026,598</u>	<u>\$ 348,656</u>	<u>\$ 7,620,554</u>

15. PRIOR PERIOD ADJUSTMENTS

The Statement of Activities reports a prior period adjustment for governmental activities of \$23,469,997. This amount consists of amounts related to:

Financial Statement Presentation:	
Government-wide Statements	\$ 24,167,986
Fund Statements:	
General Fund	87,572
Other Non-Major Governmental Funds	3,978
Internal Service Funds	(789,539)
Total Prior Period Adjustment	\$ 23,469,997

The net adjustment to net assets of governmental activities of \$24,167,986 relates to infrastructure and other capital assets not previously recorded on the Statement of Net Assets. The cost of these assets was \$30,895,649 and prior year accumulated depreciation was \$6,727,663.

The General Fund reports a net prior period adjustment of \$87,572 increase in fund balances. This amount represents an adjustment for 2001 and 2002 legal expenses paid from the General Fund that should have been paid by the Risk Management Fund.

Nonmajor governmental funds report a net prior period adjustment of \$3,978 increase in fund balances. The Intermodal Facility Operation Fund showed an increase of \$16,834 in fund balances resulting from prior years operations not previously recognized, and the Public Safety and Judicial Grants Fund reflects a \$12,856 reduction in fund balances for grant revenue recorded in 2002 in error.

The internal service funds report a net prior period adjustment of \$789,539 decrease in net assets. The Fleet Services Fund shows a reduction in fund balances of \$1,538,547 related to capital assets disposed of in prior years. Management Information Systems fund reports a net decrease to net assets of \$76,796, consisting of \$124,523 of assets capitalized in prior years that should have been expensed, netted with \$47,727 of prior year interest income related to investment premiums. The Risk Management Fund reflects a net \$117,198 reduction in fund balances, of which \$87,572 is legal fees incurred in prior years, and \$29,627 relates to the improper recognition of interest income for investment premiums in 2002. The Self-Funded Medical-Dental Fund reports an increase of \$943,002 in fund balances. This resulted from the current year recognition of a premium deposit account with the City's life insurance carrier.

The enterprise (business-type) funds report a decrease to net assets for prior period adjustments of \$694,914. The Water Fund shows an increase to net assets of \$91,583 for adjustments to capital assets related to prior years. The Sewer Fund reports a decrease to net assets of \$839,914, resulting from an understatement in prior years unearned revenue of \$511,699, a overstatement of prior years interest income of \$325,163, and a 2002 understatement of amounts due to other governments of \$3,052. Finally, the nonmajor enterprise Golf Fund reports a prior period increase to net assets of \$53,417 for adjustments to capital assets related to prior years.

16. SUBSEQUENT EVENTS

A. New Debt

On June 18, 2004 the City issued a Bond Anticipation Note in the amount of \$32,697,000. The note was issued in anticipation of the City issuing limited tax general obligation bonds pursuant to Ordinance No. C33408 and C33415 enacted and passed by the City Council in April, 2004. These bonds would be for the purpose of settlement of various claims in connection with the bonds previously issued by the Spokane Downtown Foundation. The Bond Anticipation Note is due December 14, 2004, and carries an interest rate equal to the offshore rate. On June 22, 2004 the City paid a total of \$32.6 million in order to resolve the claims of all bond purchasers, the indenture trustee, and an insurer of the bonds.

17. LEGAL MATTERS

In the normal course of governmental operations the City has claims filed against it for various losses related to tort actions for such things as wrongful acts, injuries, or damages for which a civil action can be brought, and other routine legal proceedings. At any given point in time, there is a recurring volume of tort and other claims for compensation and damages against the City, which could impact expenditures. The City's Risk Management Fund provides for these claims, and insurance is available to pay a portion of damages for certain types of claims. The collective impact of these claims is not likely to have a material impact on the City's financial position.

Other Significant Litigation:

River Park Square

River Park Square is a private, for-profit development located in the City's central business district. Beginning in late 1994 or early 1995, its Developer sought certain financial support for the River Park Square project from the City in light of the economic development contribution the project was expected by all parties to make to the downtown core. The City agreed to participate and did so in a variety of ways, including through Ordinance C-31823 adopted in January 1997, by which it made a contingent pledge to loan money to the public corporation that would operate the privately-owned parking garage adjoining the project ("the Garage"). The public corporation was the Spokane Parking Public Development Authority ("the Authority"). The Ordinance was passed only after the City had obtained a financial feasibility study, prepared by Walker Parking Consultants, Inc. ("Walker"), projecting that the Garage would generate Parking Revenues sufficient to cover all projected expenses, including debt service. The owner of the garage, the Spokane Downtown Foundation ("Foundation"), financed its acquisition of the garage by issuing \$31.465 million of municipal bonds. The Walker financial feasibility report was relied upon by, and included in, the official statement for the bonds.

By terms of the Ordinance, the City agreed that in the event Parking Revenues from the Garage were insufficient to make Ground Lease Payments and pay Operating Expenses, the City would loan monies to the Authority from its Parking Meter Revenue Fund sufficient to pay those expenses. Beginning from the date on which the Authority assumed operations of the Garage, Parking Revenues fell substantially short of projections. Consultants engaged to review Garage operations in the spring of 2000 determined that the garage was carrying debt far beyond what it could service, that the Authority would require multi-million dollar loans for all future years of operation, and the loans were unlikely ever to be repaid. While the City made two loans to the Authority in late 1999 and early 2000, totaling \$280,000, those loans have not been repaid and are now in default. On April 26, 2000, the City requested further assurances from the Authority, including any recasting of legal interests that might make repayment feasible. When the Authority was unable to offer any assurances or proposals, the City declined to make further loans.

Disputes between the City and other parties over its obligations under the circumstances led to a variety of lawsuits, including some initiated by the City. Significant aspects of the principal lawsuits were resolved in 2004.

In state court, separate challenges to the City's loan obligation by the City and two of its council members were resolved for the most part against the City in June, 2004 when the Supreme Court declined to review a Court of Appeals decision that had required the City to offer loans notwithstanding the insolvency of the Authority. The Court of Appeals held that the City Council and Authority enjoy discretion in arriving at the terms of the loan, but that the duty of the City Council to make some offer of a loan was mandatory and non-discretionary. The decision will require the City to offer to loan in excess of \$7 million, with no meaningful prospect of repayment. The City had set aside the funds necessary to offer the loan if ordered to do so by the courts, so the monies are segregated and available. The City Council will comply with the appellate decision.

In April of 2004, the City and two other defendants reached agreement to settle federal securities litigation that had been brought against all participants in the sale of the garage bonds issued by the Foundation. The City paid a total of \$32.6 million, to which the other two defendants contributed a total of \$2.8 million, in order to resolve the claims of all bond purchasers, the indenture trustee, and an insurer of the bonds. The City has asserted contribution claims against other defendants in the case, including the underwriter of the bonds, the issuer, and the project developer. The City is also suing its own bond counsel for malpractice and indemnity. Finally, the City is engaged in ongoing negotiations with those defendants in the federal litigation interested in securing release from the City's contribution claims in exchange for a financial contribution toward its settlement cost.

Through additional settlements and its contribution, malpractice and indemnity claims, which are scheduled to be tried in January 2005, the City seeks to recover all of its cost and loss incurred in connection with the financing and its loan obligation. It is impossible to say the amount that will be recovered and available to reduce the City's cost of resolving the litigation.

Other state court litigation remains pending over the City's involvement in the River Park Square development, including cases recently filed. None of the remaining state court litigation is expected to have a material impact on the City's financial situation.

Required Supplementary Information

**CITY OF SPOKANE EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Funded Ratio	Unfunded AAL (b) - (a)	Covered Payroll	AAL as a Percentage of Covered Payroll
12/31/03	\$ 195,723,271	\$ 227,662,674	85.97%	\$ 31,939,403	\$ 61,830,769	52.03%
12/31/02	170,359,975	206,435,061	82.52%	36,075,086	56,454,409	63.90%
12/31/01	190,150,661	197,656,627	96.20%	7,505,966	59,292,582	12.66%
12/31/00	194,488,937	187,644,219	103.65%	(6,844,718)	55,420,648	-12.35%
12/31/99	186,394,015	174,562,092	106.78%	(11,831,923)	54,142,268	-21.85%
12/31/98	169,501,938	166,001,552	102.11%	(3,500,386)	53,064,549	-6.60%

**CITY OF SPOKANE EMPLOYEES' RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Fiscal Year	Annual Required Contribution	Percentage Covered
2003	\$ 4,547,346	89.84%
2002	3,569,284	103.44%
2001	3,859,885	102.69%
2000	2,747,528	137.28%
1999	3,053,294	119.33%
1998	3,255,418	108.28%

**CITY OF SPOKANE FIREFIGHTERS' PENSION FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Fical Year Ending	Covered Employee Payroll	Actual Employer Contributions	Actual Required Contribution (ARC)	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/03	N/A	\$ 2,164,556	\$ 2,164,556	\$ 2,164,556	100.00%	\$ -
12/31/02	N/A	2,222,220	2,222,220	2,222,220	100.00%	-
12/31/01	N/A	2,154,590	2,154,590	2,154,590	100.0%	-
12/31/00	N/A	2,377,355	2,377,355	2,377,355	100.0%	-
12/31/99	N/A	2,233,246	2,095,222	2,095,208	106.6%	-
12/31/98	N/A	2,326,124	2,310,191	2,310,175	100.7%	138,038

**CITY OF SPOKANE FIREFIGHTERS' PENSION FUND
SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Funded Ratio	Unfunded AAL (b) - (a)	Covered Payroll	AAL as a Percentage of Covered Payroll
12/31/03	\$ 13,079,532	\$ 10,493,534	124.60%	\$ (2,585,998)	N/A	N/A
12/31/02	11,962,919	23,998,558	49.80%	12,035,639	N/A	N/A
12/31/01	10,164,764	26,054,295	39.00%	15,889,531	N/A	N/A
12/31/00	8,904,645	31,222,610	28.50%	22,317,965	N/A	N/A
12/31/99	7,160,160	30,516,255	23.50%	23,356,095	N/A	N/A
12/31/98	6,036,717	29,091,091	20.80%	23,054,374	N/A	N/A

**CITY OF SPOKANE POLICE PENSION FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Fical Year Ending	Covered Employee Payroll	Actual Employer Contributions	Actual Required Contribution (ARC)	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/03	N/A	\$ 965,202	\$ 1,140,018	\$ 1,139,696	84.69%	#####
12/31/02	N/A	1,017,775	1,376,611	1,376,325	73.95%	3,156,838
12/31/01	N/A	1,211,026	1,651,319	1,651,078	73.35%	2,798,288
12/31/00	N/A	1,258,032	1,743,009	1,743,033	72.93%	2,358,236
12/31/99	N/A	1,107,908	1,738,326	1,738,198	63.74%	1,891,235
12/31/98	N/A	1,378,782	2,156,885	2,156,836	63.93%	1,260,946

**CITY OF SPOKANE POLICE PENSION FUND
SCHEDULE OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit (b)	Funded Ratio	Unfunded AAL (b) - (a)	Covered Payroll	AAL as a Percentage of Covered Payroll
12/31/02	\$ -	\$ 7,173,597	0.00%	\$ 7,173,597	N/A	N/A
12/31/02	-	16,239,148	0.00%	16,239,148	N/A	N/A
12/31/01	-	19,615,640	0.00%	19,615,640	N/A	N/A
12/31/00	-	23,515,560	0.00%	23,515,560	N/A	N/A
12/31/99	-	24,812,140	0.00%	24,812,140	N/A	N/A
12/31/98	244,014	24,598,467	0.99%	24,354,453	N/A	N/A

**CITY OF SPOKANE
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
PENSION PLANS
DECEMBER 31, 2003**

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. The actuarial methods and significant assumptions used in these valuations are available in the publicly available actuary reports for the three pension plans. These reports may be obtained by writing to the Spokane Employees' Retirement System, City Hall, 808 West Spokane Falls Blvd, Spokane, Washington, 99201 or by calling (509) 625-6330.

Combining and Individual Fund Statements and Schedules

THIS PAGE INTENTIONALLY LEFT BLANK



Governmental Funds

SPECIAL REVENUE FUNDS

FUND

- 1100** The Street Fund is responsible for the maintenance of all city streets and bridges. Also, construction activities for city streets are coordinated through this fund.
- 1300** The Library Fund accounts for all operations of the public library system within the City. The basic objective of the library is to meet citizens' education, information, and cultural needs through a variety of programs and facilities.
- 1360** The Miscellaneous Grants Fund accounts for all federal, state, and local grants, which should be accounted for outside the general fund, and for which no other fund exists.
- 1390** The Urban Forestry Fund is responsible for enhancing the street trees and the urban forest; public education; and planting, maintenance, protection, inspection and removal of public trees.
- 1400** The Park and Recreation Department of the Park Fund provides for leisure time activities through Park facilities. The department is also responsible for the acquisition, development, and maintenance of all park and recreation facilities within the City.
- 1410** The Workforce Development Council Fund accounts for Federal grants allocated to the City under the Job Training Partnership Act. Monies received are for training and employment projects for unemployed and under employed persons.
- 1420** The Arena Management Fund accounts for operations of the Spokane Arena as authorized under a contract from the Spokane Public Facilities District.
- 1430** The Redevelopment Fund accounts for the Economic Development Initiative (EDI) grant, Section 108 loan guarantee proceeds from the Department of Housing and Urban Development, loan advances to the developer, and pre-loan and debt issue costs.
- 1450** The Under Freeway Parking Fund accounts for monies received from public parking or leasing beneath the freeway and provides for the maintenance of that area.

- 1460 The Parking Meter Revenue Fund accounts for parking meter revenues to provide for maintenance of public streets and roadways within the City and to loan to the public development authority's ground lease account and its operating and maintenance account with respect to the River Park Square parking garage, as provided in Ordinance No. C-31823.**
- 1470 The Parking Facilities Fund accounts for monies received for the acquisition of properties to be used for parking lots in the area of the Opera House and their maintenance and operation.**
- 1480 The Parking and Business Improvements Fund accounts for monies received from the Downtown Spokane and Business Improvement Area special assessment levy and the expenditures for improvements made in the downtown core area.**
- 1490 The CBD Tree Maintenance Fund accounts for monies received for the purpose of maintaining the street trees in the Central Business District.**
- 1500 The Paths and Trails Reserve Fund receives monies from the Road and Street Fuel Tax in accordance with RCW, Chapter 47.30.**
- 1510 The Law Enforcement Information Systems Fund accounts for monies to be used for the operation of the City/County computer-aided dispatch, jail, and records management system.**
- 1520 The Real Estate Rental Fund accounts for monies received from and the maintenance of rental properties held for future infrastructure development.**
- 1530 The Local Law Enforcement Block Grant Fund accounts for federal and state block grant monies related to law enforcement.**
- 1540 The Human Services Grants Fund is used to account for Federal, State, or local human services grant funds not accounted for in another fund.**
- 1560 The Forfeitures and Contributions Fund accounts for police revenues that are intended for specific purposes and which currently affect the General Fund balance if they are not received and disbursed in the same calendar year.**
- 1570 The Intermodal Facility Operation Fund accounts for monies received from lease agreements or other sources to be used for maintenance and operation expenses of the intermodal facility.**

- 1580 The Municipal Art Projects Fund accounts for funds received which will be used for furthering the visual arts and cultural developments of the City.**
- 1590 The Hotel/Motel Tax Fund accounts for monies received from the Transient Accommodations Tax that is subsequently transferred to debt service and operating funds.**
- 1600 The Capital Improvement Program Fund accounts for accumulated monies to be used for designated capital projects of the City.**
- 1610 The Real Estate Excise Tax Fund accounts for excise tax proceeds used for financing capital projects specified in a capital facilities plan element of a comprehensive plan developed under the Growth Management Act.**
- 1620 The Public Safety and Judicial Grants Fund accounts for monies received from federal, state, and local grants related to public safety and law enforcement.**
- 1630 The Combined Communications Center fund accounts for revenues and expenditures for the fire service communications and dispatch centers operated by the City Fire Department pursuant to interlocal cooperation agreement between the City of Spokane and Fire Protection Districts 1,8, and 9 of Spokane County.**
- 1650 The Community Development Fund accounts for the execution of the Community Block Grant as specified by Title I of the Housing and Community Development Grant of 1974.**
- 1900 The Cumulative Reserve Fund accounts for funds to be used for emergency purposes only.**
- 1910 The Criminal Justice Training Assistance Fund accounts for monies received from the State to be used for criminal justice purposes.**
- 1930 The Housing Stabilization Program Fund accounts for loans and loan guarantees as prescribed in the program administered by the City Community Development department.**
- 1940 The Cable TV Equipment Reserve Fund accounts for monies received from TCI Communications and other sources to be used for the purchase of equipment for various City cable television projects.**
- 1950 The Park Cumulative Reserve Fund accounts for monies received to be used for capital expenditures of the Park Department.**

- 1960 The Special Assessment Services Fund accounts for service-type special assessment districts.**
- 1970 Emergency Medical Services (EMS) Fund accounts for monies used for rapid response units dealing with medical emergencies providing advanced and basic life support functions.**

DEBT SERVICE FUNDS

FUND

- 2100 The G O Bond Redemption Fund accounts for principal and interest payments on all of the City's outstanding unlimited general obligation bonds. Also, some limited general obligation bond's principal and interest are paid by this fund.**
- 2300 The Special Assessment Debt Fund accounts for principal and interest payments on all local improvement district bonds after an improvement project is completed.**
- 2350 The Special Assessment Guaranty Fund guarantees the payment of local improvement bonds and warrants issued to pay for local improvements made.**

CAPITAL PROJECTS FUNDS

FUND

- 3101 Improvement Project Cost Fund – 2001 accounts for monies received from note proceeds to be used for various capital projects including the Combined Communication Center, City Hall improvements, and a telephone system.**
- 3130 The Fire Improvement Construction Fund accounts for capital improvements for fire protection purposes.**
- 3200 The Arterial Street Fund accounts for the development of the arterial street system within the City.**
- 3250 The City Hall Acquisition and Improvement Fund accounts for improvements to the City's municipal building.**
- 3300 The Fire Protection Improvement Fund accounts for monies received from the issuance of bonds to provide for the construction of fire stations and the acquisition of new equipment.**
- 3347 The Capital Improvements - 1999 Fire Fund accounts for monies received from bond proceeds to be used to acquire new engines and ladder trucks, purchase protective clothing and breathing apparatus, and relocate one station and continue work on a joint training and maintenance facility.**
- 3348 The Capital Improvements – 1999 Park Fund accounts for monies received from bond proceeds to be used for the construction of two new neighborhood parks, one new community park, consolidation of citywide park maintenance shops and various repair and restoration projects.**
- 3350 The Special Assessment Construction Fund accounts for construction costs of all special assessment construction projects.**
- 3351 The North Sports Complex Fund accounts for construction costs of a new Sports Complex.**
- 3403 The Capital Improvements – 2003 Streets Fund accounts for monies received from bond proceeds to be used for the maintenance and construction of various streets within the City.**

- 3492 The Capital Improvements - 1992 Fund accounts for monies received from the issuance of bonds to provide for the acquisition of a new human resources system, a new permit system, remodeling and updating the City's entertainment facilities, and for park improvements.**
- 3495 Capital Improvements - 1995 Fund accounts for monies received from bond proceeds to be used for improvements to the City's Entertainment Facilities and for the construction and installation of a Geographic Information System.**
- 3499 The Capital Improvements - 1999 Fund accounts for monies received from bond proceeds to be used to repay bond anticipation notes used for street improvements, design of the Operations Complex, improvements to Qualchan golf course, and the purchase of street maintenance equipment.**

**CITY OF SPOKANE
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2003**

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalents	\$ 17,469,761	\$ 2,988,439	\$ 5,329,256	\$ 25,787,456
Deposits with fiscal agents / trustees	3,346,362	-	-	3,346,362
Investments	8,909,046	7,082,094	30,826,751	46,817,891
Receivables:				
Taxes receivable	2,101,425	486,980	212,611	2,801,016
Accounts receivable	662,583	-	1,558,935	2,221,518
Special assessments receivable	1,384	5,456,221	-	5,457,605
Interest receivable	40,129	27,114	51,914	119,157
Due from other funds	1,169,808	3,116	29,940	1,202,864
Due from other governments	8,133,382	-	205,524	8,338,906
Interfund loan receivable	80,000	-	-	80,000
Notes/contracts receivable	243,337	-	-	243,337
Prepayments	45,037	-	-	45,037
Inventories	874,027	-	-	874,027
Total assets	<u>\$ 43,076,281</u>	<u>\$ 16,043,964</u>	<u>\$ 38,214,931</u>	<u>\$ 97,335,176</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Warrants payable	\$ -	\$ -	\$ 1,870,231	\$ 1,870,231
Accounts / vouchers payable	1,507,573	-	397,967	1,905,540
Matured long-term obligations	-	7,000	-	7,000
Matured interest payable	-	3,397	-	3,397
Due to other funds	1,942,838	41	1,096,074	3,038,953
Due to other governments	1,217	-	-	1,217
Other accrued liabilities	848,752	9,713	30,706	889,171
Other current liabilities	140,908	5,421	5,710	152,039
Interfund loan payable	80,000	-	-	80,000
Deferred revenue	9,471,331	5,884,783	212,611	15,568,725
Total liabilities	<u>13,992,619</u>	<u>5,910,355</u>	<u>3,613,299</u>	<u>23,516,273</u>
Fund Balances:				
Reserved for:				
Petty cash	22,350	-	-	22,350
Inventories	874,027	-	-	874,027
Capital Replacement	499,585	-	-	499,585
Noncurrent receivables	80,000	-	-	80,000
Debt Service	-	10,133,609	-	10,133,609
Unreserved, reported in nonmajor:				
Special revenue funds	27,607,700	-	-	27,607,700
Capital projects funds	-	-	34,601,632	34,601,632
Total fund balances	<u>29,083,662</u>	<u>10,133,609</u>	<u>34,601,632</u>	<u>73,818,903</u>
Total liabilities and fund balances	<u>\$ 43,076,281</u>	<u>\$ 16,043,964</u>	<u>\$ 38,214,931</u>	<u>\$ 97,335,176</u>

CITY OF SPOKANE
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2003

	STREET 1100	LIBRARY 1300	MISCELLANEOUS GRANTS 1360	URBAN FORESTRY 1390	PARKS 1400
ASSETS					
Cash and cash equivalents	\$ 3,295,107	\$ 387,032	\$ 80,000	\$ 144,773	\$ 1,082,456
Deposits with fiscal agents / trustees	-	-	-	-	-
Investments	-	602,737	-	-	-
Taxes receivable	615,608	-	-	-	-
Accounts receivable	95,460	105,759	-	19,177	111,895
Special assessments receivable	-	-	-	-	-
Interest receivable	-	555	-	-	-
Notes/contracts receivable	-	-	-	-	-
Interfund loan receivable	-	-	-	-	-
Due from other funds	305,248	-	-	9,599	161,925
Due from other governmental units	-	-	-	-	78
Prepayments	-	-	-	-	-
Inventories	742,555	-	-	-	131,472
Total assets	\$ 5,053,978	\$ 1,096,083	\$ 80,000	\$ 173,549	\$ 1,487,826
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts/vouchers payable	\$ 154,507	\$ 105,472	\$ -	\$ 1,262	\$ 134,325
Due to other funds	500,896	4,032	-	293	68,950
Due to other governmental units	-	-	-	-	-
Other accrued liabilities	226,480	159,887	-	3,298	199,292
Other current liabilities	1,044	2,642	-	-	32,298
Interfund loan payable	-	-	80,000	-	-
Deferred revenue	452,444	-	-	-	-
Total liabilities	1,335,371	272,033	80,000	4,853	434,865
Fund Balances:					
Reserved for:					
Petty Cash	450	8,000	-	-	13,700
Inventories	742,555	-	-	-	131,472
Capital Replacement	-	499,585	-	-	-
Noncurrent receivables	-	-	-	-	-
Unreserved	2,975,602	316,465	-	168,696	907,789
Total fund balances	3,718,607	824,050	-	168,696	1,052,961
Total liabilities and fund balances	\$ 5,053,978	\$ 1,096,083	\$ 80,000	\$ 173,549	\$ 1,487,826

CITY OF SPOKANE
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2003

	WORKFORCE DEV COUNCIL 1410	ARENA MANAGEMENT 1420	REDEVELOPMENT 1430	UNDER FREEWAY PARKING 1450	PARKING METER REVENUE 1460
ASSETS					
Cash and cash equivalents	\$ 38,613	\$ 279,534	\$ -	\$ 503,807	\$ 281,522
Deposits with fiscal agents / trustees	-	-	-	-	3,344,857
Investments	-	-	114,033	-	3,344,084
Taxes receivable	-	-	-	-	-
Accounts receivable	-	173,563	-	-	870
Special assessments receivable	-	-	-	-	-
Interest receivable	-	-	-	-	22,536
Notes/contracts receivable	-	-	-	-	-
Interfund loan receivable	-	-	-	-	-
Due from other funds	-	66,667	-	-	-
Due from other governmental units	49,451	-	-	-	280,000
Prepayments	-	-	-	-	-
Inventories	-	-	-	-	-
Total assets	\$ 88,064	\$ 519,764	\$ 114,033	\$ 503,807	\$ 7,273,869
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts/vouchers payable	\$ 5,998	\$ 519,761	\$ -	\$ 1,555	\$ -
Due to other funds	872	3	-	-	-
Due to other governmental units	605	-	-	-	-
Other accrued liabilities	8,164	-	-	-	-
Other current liabilities	80,228	-	-	-	-
Interfund loan payable	-	-	-	-	-
Deferred revenue	-	-	-	-	5,934
Total liabilities	95,867	519,764	-	1,555	5,934
Fund Balances:					
Reserved for:					
Petty Cash	-	-	-	-	-
Inventories	-	-	-	-	-
Capital Replacement	-	-	-	-	-
Noncurrent receivables	-	-	-	-	-
Unreserved	(7,803)	-	114,033	502,052	7,267,935
Total fund balances	(7,803)	-	114,033	502,052	7,267,935
Total liabilities and fund balances	\$ 88,064	\$ 519,764	\$ 114,033	\$ 503,807	\$ 7,273,869

CITY OF SPOKANE
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2003

	PARKING FACILITIES 1470	PARKING AND BUSINESS IMPROVEMENT 1480	CBD TREE MAINTENANCE 1490	PATHS AND TRAILS RESERVE 1500	LAW ENFORCEMENT INFORMATION 1510
ASSETS					
Cash and cash equivalents	\$ 263,854	\$ 24,770	\$ 89	\$ 128,926	\$ 357,687
Deposits with fiscal agents / trustees	-	-	-	-	-
Investments	498,227	3,006	146,805	-	-
Taxes receivable	-	-	-	2,274	-
Accounts receivable	-	-	-	-	87,001
Special assessments receivable	-	-	-	-	-
Interest receivable	440	35	135	-	-
Notes/contracts receivable	-	-	-	-	-
Interfund loan receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governmental units	-	-	-	-	-
Prepayments	-	-	-	-	-
Inventories	-	-	-	-	-
Total assets	\$ 762,521	\$ 27,811	\$ 147,029	\$ 131,200	\$ 444,688
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts/vouchers payable	\$ -	\$ -	\$ -	\$ -	\$ 24,986
Due to other funds	-	2	-	-	1,427
Due to other governmental units	-	-	-	-	-
Other accrued liabilities	-	-	-	-	18,638
Other current liabilities	-	133	-	-	-
Interfund loan payable	-	-	-	-	-
Deferred revenue	-	-	-	2,274	-
Total liabilities	-	135	-	2,274	45,051
Fund Balances:					
Reserved for:					
Petty Cash	-	-	-	-	-
Inventories	-	-	-	-	-
Capital Replacement	-	-	-	-	-
Noncurrent receivables	-	-	-	-	-
Unreserved	762,521	27,676	147,029	128,926	399,637
Total fund balances	762,521	27,676	147,029	128,926	399,637
Total liabilities and fund balances	\$ 762,521	\$ 27,811	\$ 147,029	\$ 131,200	\$ 444,688

CITY OF SPOKANE
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2003

	REAL ESTATE RENTAL 1520	LOCAL LAW ENFORCEMENT BLOCK GRANT 1530	HUMAN SERVICES GRANTS 1540	FORFEITURES AND CONTRIBUTIONS 1560	INTERMODAL FACILITY OPERATION 1570
ASSETS					
Cash and cash equivalents	\$ 331,557	\$ 1,011	\$ 77,621	\$ 343,171	\$ 2,829
Deposits with fiscal agents / trustees	-	-	-	-	1,505
Investments	-	539,002	-	-	230,965
Taxes receivable	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Special assessments receivable	-	-	-	-	-
Interest receivable	-	295	-	-	3,246
Notes/contracts receivable	-	-	-	-	-
Interfund loan receivable	-	-	-	-	-
Due from other funds	-	3,148	-	-	-
Due from other governmental units	-	-	62,013	-	-
Prepayments	-	-	-	-	-
Inventories	-	-	-	-	-
Total assets	\$ 331,557	\$ 543,456	\$ 139,634	\$ 343,171	\$ 238,545
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts/vouchers payable	\$ 1,204	\$ 30	\$ 38,498	\$ 18,665	\$ -
Due to other funds	1,637	5,290	51	-	-
Due to other governmental units	-	-	-	-	-
Other accrued liabilities	-	5,394	5,408	-	-
Other current liabilities	-	-	736	-	-
Interfund loan payable	-	-	-	-	-
Deferred revenue	-	-	-	-	230,965
Total liabilities	2,841	10,714	44,693	18,665	230,965
Fund Balances:					
Reserved for:					
Petty Cash	-	-	-	-	-
Inventories	-	-	-	-	-
Capital Replacement	-	-	-	-	-
Noncurrent receivables	-	-	-	-	-
Unreserved	328,716	532,742	94,941	324,506	7,580
Total fund balances	328,716	532,742	94,941	324,506	7,580
Total liabilities and fund balances	\$ 331,557	\$ 543,456	\$ 139,634	\$ 343,171	\$ 238,545

CITY OF SPOKANE
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2003

	MUNICIPAL ART PROJECTS 1580	HOTEL/MOTEL TAX 1590	CAPITAL IMPROVEMENT PROGRAM 1600	REAL ESTATE EXCISE TAX 1610	PUBLIC SAFETY AND JUDICIAL GRANTS 1620
ASSETS					
Cash and cash equivalents	\$ 19,270	\$ 245,473	\$ 934,227	\$ 2,206,342	\$ 11,563
Deposits with fiscal agents / trustees	-	-	-	-	-
Investments	-	-	1,000,832	-	-
Taxes receivable	-	217,306	-	163,165	-
Accounts receivable	-	-	-	-	-
Special assessments receivable	-	-	-	-	-
Interest receivable	-	-	921	-	-
Notes/contracts receivable	-	-	-	-	-
Interfund loan receivable	-	-	-	-	-
Due from other funds	-	-	42,520	-	27,405
Due from other governmental units	-	-	-	-	178,865
Prepayments	-	-	-	-	-
Inventories	-	-	-	-	-
Total assets	\$ 19,270	\$ 462,779	\$ 1,978,500	\$ 2,369,507	\$ 217,833
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts/vouchers payable	\$ 4,364	\$ 5,500	\$ 28,094	\$ -	\$ 39,586
Due to other funds	-	-	13,581	-	62,126
Due to other governmental units	-	-	-	-	-
Other accrued liabilities	-	-	-	-	21,159
Other current liabilities	-	-	20,093	-	-
Interfund loan payable	-	-	-	-	-
Deferred revenue	-	217,306	-	-	-
Total liabilities	4,364	222,806	61,768	-	122,871
Fund Balances:					
Reserved for:					
Petty Cash	-	-	-	-	-
Inventories	-	-	-	-	-
Capital Replacement	-	-	-	-	-
Noncurrent receivables	-	-	-	-	-
Unreserved	14,906	239,973	1,916,732	2,369,507	94,962
Total fund balances	14,906	239,973	1,916,732	2,369,507	94,962
Total liabilities and fund balances	\$ 19,270	\$ 462,779	\$ 1,978,500	\$ 2,369,507	\$ 217,833

CITY OF SPOKANE
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2003

	COMBINED COMMUNICATIONS CENTER 1630	COMMUNICATIONS BLDG M&O 1640	COMMUNITY DEVELOPMENT 1650	CUMULATIVE RESERVE 1900	CRIMINAL JUSTICE ASSISTANCE 1910
ASSETS					
Cash and cash equivalents	\$ 315,750	\$ 33,963	\$ 4,632	\$ 22,569	\$ 1,269,795
Deposits with fiscal agents / trustees	-	-	-	-	-
Investments	1,826,049	-	-	-	-
Taxes receivable	-	-	-	-	641,339
Accounts receivable	-	-	3,858	-	-
Special assessments receivable	-	-	-	-	-
Interest receivable	7,305	-	-	-	-
Notes/contracts receivable	-	-	-	-	-
Interfund loan receivable	-	-	-	-	-
Due from other funds	419,335	3,958	28,251	-	80,000
Due from other governmental units	-	11,586	7,551,389	-	-
Prepayments	45,037	-	-	-	-
Inventories	-	-	-	-	-
Total assets	\$ 2,613,476	\$ 49,507	\$ 7,588,130	\$ 22,569	\$ 1,991,134
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts/vouchers payable	\$ 6,391	\$ 4,059	\$ 132,855	\$ -	\$ 241,350
Due to other funds	739	411	223,906	-	1,050,288
Due to other governmental units	-	-	612	-	-
Other accrued liabilities	71,757	-	25,157	-	-
Other current liabilities	43	-	150	-	-
Interfund loan payable	-	-	-	-	-
Deferred revenue	-	45,037	7,205,250	-	641,339
Total liabilities	78,930	49,507	7,587,930	-	1,932,977
Fund Balances:					
Reserved for:					
Petty Cash	-	-	200	-	-
Inventories	-	-	-	-	-
Capital Replacement	-	-	-	-	-
Noncurrent receivables	-	-	-	-	80,000
Unreserved	2,534,546	-	-	22,569	(21,843)
Total fund balances	2,534,546	-	200	22,569	58,157
Total liabilities and fund balances	\$ 2,613,476	\$ 49,507	\$ 7,588,130	\$ 22,569	\$ 1,991,134

CITY OF SPOKANE
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2003

	HOUSING STABILIZATION PROGRAM 1930	CHANNEL 5 EQUIPMENT REPLACEMENT 1940	PARK CUMULATIVE RESERVE 1950	SPECIAL ASSESSMENT SERVICES 1960	EMERGENCY MEDICAL SERVICES 1970
ASSETS					
Cash and cash equivalents	\$ -	\$ 168,623	\$ 401,315	\$ -	\$ 4,212,080
Deposits with fiscal agents / trustees	-	-	-	-	-
Investments	-	-	603,306	-	-
Taxes receivable	-	-	-	-	461,733
Accounts receivable	-	-	15,000	-	50,000
Special assessments receivable	-	-	-	1,384	-
Interest receivable	-	-	-	-	11
Notes/contracts receivable	243,337	-	4,650	-	-
Interfund loan receivable	-	-	-	-	-
Due from other funds	-	-	270	-	101,482
Due from other governmental units	-	-	-	-	-
Prepayments	-	-	-	-	-
Inventories	-	-	-	-	-
Total assets	\$ 243,337	\$ 168,623	\$ 1,024,541	\$ 1,384	\$ 4,825,306
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts/vouchers payable	\$ -	\$ -	\$ 10,006	\$ -	\$ 29,105
Due to other funds	-	-	-	-	8,334
Due to other governmental units	-	-	-	-	-
Other accrued liabilities	-	-	-	-	104,118
Other current liabilities	-	-	-	-	3,541
Interfund loan payable	-	-	-	-	-
Deferred revenue	243,337	-	-	1,384	426,061
Total liabilities	243,337	-	10,006	1,384	571,159
Fund Balances:					
Reserved for:					
Petty Cash	-	-	-	-	-
Inventories	-	-	-	-	-
Capital Replacement	-	-	-	-	-
Noncurrent receivables	-	-	-	-	-
Unreserved	-	168,623	1,014,535	-	4,254,147
Total fund balances	-	168,623	1,014,535	-	4,254,147
Total liabilities and fund balances	\$ 243,337	\$ 168,623	\$ 1,024,541	\$ 1,384	\$ 4,825,306

CITY OF SPOKANE
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2003

	TOTAL DECEMBER 31, 2003
ASSETS	
Cash and cash equivalents	\$ 17,469,761
Deposits with fiscal agents / trustees	3,346,362
Investments	8,909,046
Taxes receivable	2,101,425
Accounts receivable	662,583
Special assessments receivable	1,384
Interest receivable	40,129
Notes/contracts receivable	243,337
Interfund loan receivable	80,000
Due from other funds	1,169,808
Due from other governmental units	8,133,382
Prepayments	45,037
Inventories	874,027
Total assets	\$ 43,076,281

LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts/vouchers payable	1,507,573
Due to other funds	1,942,838
Due to other governmental units	1,217
Other accrued liabilities	848,752
Other current liabilities	140,908
Interfund loan payable	80,000
Deferred revenue	9,471,331
Total liabilities	13,992,619
Fund Balances:	
Reserved for:	
Petty Cash	22,350
Inventories	874,027
Capital Replacement	499,585
Noncurrent receivables	80,000
Unreserved	27,607,700
Total fund balances	29,083,662
Total liabilities and fund balances	\$ 43,076,281

CITY OF SPOKANE
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2003

	GO BOND REDEMPTION 2100	SPECIAL ASSESSMENT DEBT 2300	SPECIAL ASSESSMENT GUARANTY 2350	TOTAL DECEMBER 31, 2003
ASSETS				
Cash and cash equivalents	\$ 2,326,201	\$ 662,238	\$ -	\$ 2,988,439
Investments	4,841,382	-	2,240,712	7,082,094
Taxes receivable	486,980	-	-	486,980
Special assessments receivable	-	5,456,221	-	5,456,221
Interest receivable	22,182	-	4,932	27,114
Due from other funds	-	3,116	-	3,116
Total assets	<u>\$ 7,676,745</u>	<u>\$ 6,121,575</u>	<u>\$ 2,245,644</u>	<u>\$ 16,043,964</u>

LIABILITIES AND FUND BALANCES

Liabilities:				
Matured long-term obligations	\$ 2,000	\$ 5,000	\$ -	\$ 7,000
Matured interest payable	464	2,933	-	3,397
Due to other funds	-	16	25	41
Other accrued liabilities	5,322	4,391	-	9,713
Other current liabilities	-	5,421	-	5,421
Deferred revenues	428,562	5,456,221	-	5,884,783
Total liabilities	<u>436,348</u>	<u>5,473,982</u>	<u>25</u>	<u>5,910,355</u>
Fund Balances:				
Reserved for:				
Debt service	7,240,397	647,593	2,245,619	10,133,609
Total fund balances	<u>7,240,397</u>	<u>647,593</u>	<u>2,245,619</u>	<u>10,133,609</u>
Total liabilities and fund balances	<u>\$ 7,676,745</u>	<u>\$ 6,121,575</u>	<u>\$ 2,245,644</u>	<u>\$ 16,043,964</u>

CITY OF SPOKANE
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2003

	IMPROVEMENT PROJECT COST FUND 2001 3101	FIRE IMPROVEMENT CONSTRUCTION 3130	ARTERIAL STREET 3200	CITY HALL ACQUISITION & IMPROVEMENT 3250	FIRE PROTECTION IMPROVEMENT 3300
ASSETS					
Cash and cash equivalents	\$ 1,988,274	\$ 13,817	\$ 3,001,356	\$ 10,497	\$ 310,496
Investments	-	-	-	-	-
Taxes receivable	-	-	212,611	-	-
Accounts receivable	-	-	1,558,935	-	-
Interest receivable	-	-	-	-	-
Due from other funds	1,803	-	-	-	-
Due from other governmental units	-	-	66,319	-	-
Total assets	\$ 1,990,077	\$ 13,817	\$ 4,839,221	\$ 10,497	\$ 310,496

LIABILITIES AND FUND BALANCES

Liabilities:					
Warrants payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts/vouchers payable	56,480	-	103,753	-	-
Due to other funds	29,214	-	300,015	-	-
Other accrued liabilities	-	-	-	-	-
Other current liabilities	-	-	2,059	-	3,651
Deferred revenue	-	-	212,611	-	-
Total liabilities	85,694	-	618,438	-	3,651
Fund Balances:					
Unreserved	1,904,383	13,817	4,220,783	10,497	306,845
Total fund balances	1,904,383	13,817	4,220,783	10,497	306,845
Total liabilities and fund balances	\$ 1,990,077	\$ 13,817	\$ 4,839,221	\$ 10,497	\$ 310,496

CITY OF SPOKANE
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2003

	CAPITAL IMPROVEMENTS 1999 FIRE 3347	CAPITAL IMPROVEMENTS 1999 PARK 3348	SPECIAL ASSESSMENT CONSTRUCTION 3350	NORTH SPORTS COMPLEX 3351	CAPITAL IMPROVEMENTS 2003 STREETS 3403
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 4,816	\$ -
Investments	9,710,160	1,367,316	-	3,557,978	15,027,503
Taxes receivable	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Interest receivable	9,129	1,244	-	26,635	13,838
Due from other funds	28,137	-	-	-	-
Due from other governmental units	139,205	-	-	-	-
Total assets	\$ 9,886,631	\$ 1,368,560	\$ -	\$ 3,589,429	\$ 15,041,341
LIABILITIES AND FUND BALANCES					
Liabilities:					
Warrants payable	\$ -	\$ -	\$ 1,870,231	\$ -	\$ -
Accounts/vouchers payable	204,812	-	27,172	-	5,750
Due to other funds	149,889	-	599,131	-	-
Other accrued liabilities	-	-	30,706	-	-
Other current liabilities	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	354,701	-	2,527,240	-	5,750
Fund Balances:					
Unreserved	9,531,930	1,368,560	(2,527,240)	3,589,429	15,035,591
Total fund balances	9,531,930	1,368,560	(2,527,240)	3,589,429	15,035,591
Total liabilities and fund balances	\$ 9,886,631	\$ 1,368,560	\$ -	\$ 3,589,429	\$ 15,041,341

CITY OF SPOKANE
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2003

	CAPITAL IMPROVEMENTS		CAPITAL IMPROVEMENTS		CAPITAL IMPROVEMENTS 1999 3499	TOTAL DECEMBER 31, 2003
	1992 3492	1995 3495				
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,329,256
Investments	-	24,327	-	-	-	30,826,751
Taxes receivable	-	-	84,773	-	1,054,694	212,611
Accounts receivable	-	-	-	-	-	1,558,935
Interest receivable	-	22	78	-	968	51,914
Due from other funds	-	-	-	-	-	29,940
Due from other governmental units	-	-	-	-	-	205,524
Total assets	<u>\$ 24,349</u>	<u>\$ 84,851</u>	<u>\$ 1,055,662</u>	<u>\$ 1,055,662</u>	<u>\$ 38,214,931</u>	
LIABILITIES AND FUND BALANCES						
Liabilities:						
Warrants payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,870,231
Accounts/vouchers payable	-	-	-	-	-	397,967
Due to other funds	-	-	-	-	17,825	1,096,074
Other accrued liabilities	-	-	-	-	-	30,706
Other current liabilities	-	-	-	-	-	5,710
Deferred revenue	-	-	-	-	-	212,611
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,825</u>	<u>-</u>	<u>3,613,299</u>
Fund Balances:						
Unreserved	24,349	84,851	1,037,837	1,037,837	34,601,632	
Total fund balances	<u>24,349</u>	<u>84,851</u>	<u>1,037,837</u>	<u>1,037,837</u>	<u>34,601,632</u>	
Total liabilities and fund balances	<u>\$ 24,349</u>	<u>\$ 84,851</u>	<u>\$ 1,055,662</u>	<u>\$ 1,055,662</u>	<u>\$ 38,214,931</u>	

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES				
Taxes	\$ 13,594,990	\$ 7,136,170	\$ -	\$ 20,731,160
Licenses and Permits	217,566	-	-	217,566
Intergovernmental	13,819,142	-	6,529,699	20,348,841
Charges for services	6,541,468	-	5,847	6,547,315
Fines and forfeitures	1,635,652	-	-	1,635,652
Miscellaneous	4,153,770	3,012,905	2,281,172	9,447,847
Total revenues	39,962,588	10,149,075	8,816,718	58,928,381
EXPENDITURES				
Current:				
General government	1,481,071	2,186	91,520	1,574,777
Security of persons and property	13,409,847	-	718,007	14,127,854
Transportation	13,156,118	-	687,159	13,843,277
Economic environment	7,631,345	-	-	7,631,345
Culture and recreation	21,490,092	-	100	21,490,192
Capital outlay	2,909,277	-	17,555,112	20,464,389
Debt service:				
Principal	-	7,889,215	242,286	8,131,501
Interest	39,976	3,637,215	90,652	3,767,843
Total expenditures	60,117,726	11,528,616	19,384,836	91,031,178
Excess (deficiency) of revenues over (under) expenditures	(20,155,138)	(1,379,541)	(10,568,118)	(32,102,797)
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	61,998	18,823,978	18,885,976
Sale of capital assets	825	-	652,297	653,122
Transfers in	26,890,661	2,242,729	4,554,483	33,687,873
Transfers out	(6,257,727)	(755,762)	(332,437)	(7,345,926)
Total other financing sources (uses)	20,633,759	1,548,965	23,698,321	45,881,045
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	478,621	169,424	13,130,203	13,778,248
Other changes in unreserved fund balances:				
Prior period adjustment	3,978	-	-	3,978
Fund balances - beginning	28,601,060	9,964,185	21,471,429	60,036,674
Fund balances - ending	\$ 29,083,659	\$ 10,133,609	\$ 34,601,632	\$ 73,818,900

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	STREET 1100	LIBRARY 1300	MISCELLANEOUS GRANTS 1360	URBAN FORESTRY 1390	PARKS 1400
REVENUES					
Taxes	\$ 2,019,822	\$ 7	\$ -	\$ -	\$ -
Licenses and Permits	217,485	-	-	-	81
Intergovernmental revenues	2,787,384	56,198	377,579	8,583	18,063
Charges for services	1,088,239	29,870	-	15,905	2,793,467
Fines and forfeits	-	1,254,892	-	-	-
Miscellaneous revenues	89,572	133,167	-	1,192	833,789
Total revenues	6,202,502	1,474,134	377,579	25,680	3,645,400
EXPENDITURES					
Current:					
General government	-	-	-	-	123,446
Security of persons and property	1,519,700	-	284,264	-	-
Transportation	12,511,519	-	-	-	135,943
Economic environment	-	-	-	-	646,553
Culture and recreation	-	7,481,580	-	162,955	11,208,587
Capital outlay	12,920	1,131,513	93,315	-	458,920
Debt service:					
Interest	191	-	-	-	-
Total expenditures	14,044,330	8,613,093	377,579	162,955	12,573,449
Excess (deficiency) of revenues over (under) expenditures	(7,841,828)	(7,138,959)	-	(137,275)	(8,928,049)
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	-	-	-	-	-
Transfers in	8,763,823	6,988,281	-	175,600	9,262,927
Transfers out	(1,057,704)	(8,758)	-	-	(237,691)
Total other financing sources (uses)	7,706,119	6,979,523	-	175,600	9,025,236
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(135,709)	(159,436)	-	38,325	97,187
Other changes in unreserved fund balances:					
Prior period adjustment	-	-	-	-	-
Fund balances - beginning	3,854,316	983,486	-	130,371	955,772
Fund balances - ending	3,718,607	824,050	-	168,696	1,052,959

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	WORKFORCE DEV COUNCIL 1410	ARENA MANAGEMENT 1420	REDEVELOPMENT 1430	UNDER FREEWAY PARKING 1450	PARKING METER REVENUE 1460
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental revenues	417,730	177,587	-	-	-
Charges for services	-	271,049	-	-	1,722,801
Fines and forfeits	-	-	-	-	-
Miscellaneous revenues	-	2,051,472	843	120,224	30,372
Total revenues	417,730	2,500,108	843	120,224	1,753,173
EXPENDITURES					
Current:					
General government	-	-	-	-	-
Security of persons and property	-	-	-	-	-
Transportation	-	-	-	53,807	968
Economic environment	416,710	-	-	-	-
Culture and recreation	-	2,566,775	-	-	-
Capital outlay	-	-	-	-	-
Debt service:	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	416,710	2,566,775	-	53,807	968
Excess (deficiency) of revenues over (under) expenditures	1,020	(66,667)	843	66,417	1,752,205
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	-	-	-	-	-
Transfers in	-	66,667	-	-	-
Transfers out	-	-	(182)	-	-
Total other financing sources (uses)	-	66,667	(182)	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	1,020	-	661	66,417	1,752,205
Other changes in unreserved fund balances:					
Prior period adjustment	-	-	-	-	-
Fund balances - beginning	(6,823)	-	113,372	435,635	5,515,730
Fund balances - ending	(7,803)	-	114,033	502,052	7,267,935

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	PARKING FACILITIES 1470	PARKING AND BUSINESS IMPROVEMENT 1480	CBD TREE MAINTENANCE 1490	PATHS AND TRAILS RESERVE 1500	LAW ENFORCEMENT INFORMATION 1510
REVENUES					
Taxes	\$ -	\$ 826,627	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental revenues	-	-	-	13,910	295,905
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Miscellaneous revenues	71,323	4,100	1,759	-	-
Total revenues	<u>71,323</u>	<u>830,727</u>	<u>1,759</u>	<u>13,910</u>	<u>295,905</u>
EXPENDITURES					
Current:					
General government	-	975,256	-	-	-
Security of persons and property	-	-	-	-	701,702
Transportation	-	-	10	-	-
Economic environment	581	-	-	-	-
Culture and recreation	32,408	-	-	-	-
Capital outlay	-	-	-	-	1,498
Debt service:	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>32,989</u>	<u>975,256</u>	<u>10</u>	<u>-</u>	<u>703,200</u>
Excess (deficiency) of revenues over (under) expenditures	<u>38,334</u>	<u>(144,529)</u>	<u>1,749</u>	<u>13,910</u>	<u>(407,295)</u>
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	-	-	-	-	-
Transfers in	-	150,000	-	-	413,432
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>150,000</u>	<u>-</u>	<u>-</u>	<u>413,432</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>38,334</u>	<u>5,471</u>	<u>1,749</u>	<u>13,910</u>	<u>6,137</u>
Other changes in unreserved fund balances:					
Prior period adjustment	-	-	-	-	-
Fund balances - beginning	<u>724,187</u>	<u>22,205</u>	<u>145,280</u>	<u>115,016</u>	<u>393,500</u>
Fund balances - ending	<u>\$ 762,521</u>	<u>\$ 27,676</u>	<u>\$ 147,029</u>	<u>\$ 128,926</u>	<u>\$ 399,637</u>

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	REAL ESTATE RENTAL 1520	LOCAL LAW ENFORCEMENT BLOCK GRANT 1530	HUMAN SERVICES GRANTS 1540	FORFEITURES AND CONTRIBUTIONS 1560	INTERMODAL FACILITY OPERATION 1570
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental revenues	-	247,422	2,508,364	77,618	-
Charges for services	-	-	-	-	-
Fines and forfeits	2,629	-	-	378,131	-
Miscellaneous revenues	82,626	6,134	48,144	69,827	438,539
Total revenues	85,255	253,556	2,556,508	525,576	438,539
EXPENDITURES					
Current:					
General government	83,325	-	-	-	-
Security of persons and property	-	262,690	-	126,619	-
Transportation	-	-	-	-	438,698
Economic environment	-	-	2,540,205	-	-
Culture and recreation	-	-	-	-	-
Capital outlay	-	128,264	-	296,823	-
Debt service:	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	83,325	390,954	2,540,205	423,442	438,698
Excess (deficiency) of revenues over (under) expenditures	1,930	(137,398)	16,303	102,134	(159)
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	-	-	-	-	-
Transfers in	-	34,749	-	-	-
Transfers out	-	-	-	(9,691)	-
Total other financing sources (uses)	-	34,749	-	(9,691)	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	1,930	(102,649)	16,303	92,443	(159)
Other changes in unreserved fund balances:					
Prior period adjustment	-	-	-	-	16,834
Fund balances - beginning	328,786	635,391	78,638	232,063	(9,095)
Fund balances - ending	328,716	532,742	94,941	324,506	7,580

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	MUNICIPAL ART PROJECTS 1580	HOTEL/MOTEL TAX 1590	CAPITAL IMPROVEMENT PROGRAM 1600	REAL ESTATE EXCISE TAX 1610	PUBLIC SAFETY AND JUDICIAL GRANTS 1620
REVENUES					
Taxes	\$ -	\$ 1,024,186	\$ -	\$ 2,015,085	\$ -
Licenses and Permits	-	-	-	-	-
Intergovernmental revenues	3,360	-	-	-	1,262,827
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Miscellaneous revenues	37,261	-	1,753	-	-
Total revenues	40,621	1,024,186	1,753	2,015,085	1,262,827
EXPENDITURES					
Current:					
General government	-	663	83,656	368	20,191
Security of persons and property	-	-	15,707	-	1,082,982
Transportation	-	-	15,173	-	-
Economic environment	-	419,500	9,444	-	-
Culture and recreation	36,620	-	-	-	-
Capital outlay	-	-	383,483	-	186,022
Debt service:	-	-	-	-	-
Interest	-	20	39,765	-	-
Total expenditures	36,620	420,183	547,228	368	1,289,195
Excess (deficiency) of revenues over (under) expenditures	4,001	604,003	(545,475)	2,014,717	(26,368)
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	-	-	-	-	-
Transfers in	-	-	1,000,000	-	35,000
Transfers out	-	(642,409)	(317,257)	(2,819,999)	-
Total other financing sources (uses)	-	(642,409)	682,743	(2,819,999)	35,000
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	4,001	(38,406)	137,268	(805,282)	8,632
Other changes in unreserved fund balances:					
Prior period adjustment	-	-	-	-	(12,856)
Fund balances - beginning	10,905	278,379	1,779,464	3,174,789	99,186
Fund balances - ending	14,906	239,973	1,916,732	2,369,507	94,962

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	COMBINED COMMUNICATIONS CENTER 1630	COMMUNICATIONS BLDG M&O 1640	COMMUNITY DEVELOPMENT 1650	CUMULATIVE RESERVE 1900	CRIMINAL JUSTICE ASSISTANCE 1910
REVENUES					
Taxes	\$ 836,298	\$ -	\$ -	\$ -	\$ 2,463,484
Licenses and Permits	-	-	-	-	-
Intergovernmental revenues	1,215,288	11,586	3,625,307	-	714,431
Charges for services	-	8,920	154,921	-	90,301
Fines and forfeits	-	-	-	-	-
Miscellaneous revenues	23,515	-	661	-	-
Total revenues	2,075,101	20,506	3,780,889	-	3,268,216
EXPENDITURES					
Current:					
General government	-	-	-	-	2,557
Security of persons and property	1,534,583	20,506	-	-	4,241,794
Transportation	-	-	-	-	-
Economic environment	-	-	3,598,352	-	-
Culture and recreation	-	-	-	-	-
Capital outlay	18,636	-	68,971	-	-
Debt service:	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	1,553,219	20,506	3,667,323	-	4,244,351
Excess (deficiency) of revenues over (under) expenditures	521,882	-	113,566	-	(976,135)
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	-	-	-	-	-
Transfers in	-	-	182	-	-
Transfers out	-	-	(113,748)	-	(1,050,288)
Total other financing sources (uses)	-	-	(113,566)	-	(1,050,288)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	521,882	-	-	-	(2,026,423)
Other changes in unreserved fund balances:					
Prior period adjustment	-	-	-	-	-
Fund balances - beginning	2,012,664	-	200	22,569	2,084,580
Fund balances - ending	2,534,546	\$ -	\$ 200	\$ 22,569	\$ 58,157

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	CHANNEL 5 EQUIPMENT REPLACEMENT	PARK CUMULATIVE RESERVE	EMERGENCY MEDICAL SERVICES	TOTAL
	1940	1950	1970	
REVENUES				
Taxes	\$ -	\$ -	\$ 4,409,481	\$ 13,594,990
Licenses and Permits	-	-	-	217,566
Intergovernmental revenues	-	-	-	13,819,142
Charges for services	-	218,162	147,833	6,541,468
Fines and forfeits	-	-	-	1,635,652
Miscellaneous revenues	30,910	76,587	-	4,153,770
Total revenues	30,910	294,749	4,557,314	39,962,588
EXPENDITURES				
Current:				
General government	-	-	191,609	1,481,071
Security of persons and property	2,751	-	3,616,549	13,409,847
Transportation	-	-	-	13,156,118
Economic environment	-	-	-	7,631,345
Culture and recreation	-	1,167	-	21,490,082
Capital outlay	63,112	18,541	47,259	2,909,277
Debt service:	-	-	-	39,976
Interest	-	-	-	-
Total expenditures	65,863	19,708	3,855,417	60,117,726
Excess (deficiency) of revenues over (under) expenditures	(34,953)	275,041	701,897	(20,155,138)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	825	-	-	825
Transfers in	-	-	-	26,890,661
Transfers out	-	-	-	(6,257,727)
Total other financing sources (uses)	825	-	-	20,633,759
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(34,128)	275,041	701,897	478,621
Other changes in unreserved fund balances:				
Prior period adjustment	-	-	-	3,978
Fund balances - beginning	202,751	739,494	3,552,250	28,601,080
Fund balances - ending	168,623	1,014,535	4,254,147	29,083,659

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	GO BOND REDEMPTION 2100	SPECIAL ASSESSMENT DEBT 2300	SPECIAL ASSESSMENT GUARANTY 2350	TOTAL DECEMBER 31, 2003
REVENUES				
Taxes	\$ 7,136,170	\$ -	\$ -	\$ 7,136,170
Miscellaneous revenues	86,285	2,885,728	40,892	3,012,905
Total revenues	7,222,455	2,885,728	40,892	10,149,075
EXPENDITURES				
Current:				
General government	-	-	2,186	2,186
Debt service:				
Principal	5,924,215	1,965,000	-	7,889,215
Interest	3,228,335	408,880	-	3,637,215
Total expenditures	9,152,550	2,373,880	2,186	11,528,616
Excess (deficiency) of revenues over (under) expenditures	(1,930,095)	511,848	38,706	(1,379,541)
OTHER FINANCING SOURCES (USES)				
Proceeds of Long Term Debt	61,998	-	-	61,998
Transfers in	2,230,590	12,139	-	2,242,729
Transfers out	-	(755,762)	-	(755,762)
Total other financing sources (uses)	2,292,588	(743,623)	-	1,548,965
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	362,493	(231,775)	38,706	169,424
Fund balances - beginning	6,877,904	879,368	2,206,913	9,964,185
Fund balances - ending	\$ 7,240,397	\$ 647,593	\$ 2,245,619	\$ 10,133,609

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	IMPROVEMENT PROJECT COST FUND 2001 3101	FIRE IMPROVEMENT CONSTRUCTION 3130	ARTERIAL STREET 3200	CITY HALL ACQUISITION & IMPROVEMENT 3250
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ 5,532,743	\$ -
Charges for services	-	-	-	-
Miscellaneous revenues	-	-	1,934,913	-
Total revenues	-	-	7,467,656	-
EXPENDITURES				
Current:				
General government	-	-	-	-
Security of persons and property	159,076	-	-	-
Transportation	-	-	687,159	-
Culture and recreation	-	-	-	-
Capital outlay	764,782	-	8,911,755	-
Debt service:	-	-	242,286	-
Principal	-	-	32,965	-
Interest	-	-	-	-
Total expenditures	923,858	-	9,874,165	-
Excess (deficiency) of revenues over (under) expenditures	(923,858)	-	(2,406,509)	-
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	2,963,154	-	-	-
Sale of capital assets	-	-	652,297	-
Transfers in	-	-	3,798,721	-
Transfers out	(27,859)	-	(300,000)	-
Total other financing sources (uses)	2,935,295	-	4,151,018	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	2,011,437	-	1,744,509	-
Fund balances - beginning	(107,054)	13,817	2,476,274	10,497
Fund balances - ending	\$ 1,904,383	\$ 13,817	\$ 4,220,783	\$ 10,497

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	FIRE PROTECTION IMPROVEMENT 3300	CAPITAL IMPROVEMENTS 1999 FIRE 3347	CAPITAL IMPROVEMENTS 1999 PARK 3348	SPECIAL ASSESSMENT CONSTRUCTION 3350	NORTH SPORTS COMPLEX CAPITAL PROJ 3351
REVENUES					
Intergovernmental revenues	\$ -	\$ 996,956	\$ -	\$ -	\$ -
Charges for services	5,847	-	-	-	-
Miscellaneous revenues	30,498	139,404	18,875	-	121,221
Total revenues	36,345	1,136,360	18,875	-	121,221
EXPENDITURES					
Current:					
General government	-	91,520	-	-	-
Security of persons and property	34,054	524,877	-	-	-
Transportation	-	-	-	-	-
Culture and recreation	-	-	-	-	100
Capital outlay	-	4,456,736	552,402	2,505,150	300,455
Debt service:	-	-	-	-	-
Principal	-	-	-	-	-
Interest	-	-	-	57,687	-
Total expenditures	34,054	5,073,133	552,402	2,562,837	300,555
Excess (deficiency) of revenues over (under) expenditures	2,291	(3,936,773)	(533,527)	(2,562,837)	(179,334)
OTHER FINANCING SOURCES (USES)					
Long-term debt issued	-	-	-	820,000	-
Sale of capital assets	-	-	-	-	-
Transfers in	-	-	-	755,762	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	1,575,762	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	2,291	(3,936,773)	(533,527)	(987,075)	(179,334)
Fund balances - beginning	304,554	13,468,703	1,902,087	(1,540,165)	3,768,763
Fund balances - ending	\$ 306,845	\$ 9,531,930	\$ 1,368,560	\$ (2,527,240)	\$ 3,589,429

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	CAPITAL IMPROVEMENTS 2003 - STREETS 3403	CAPITAL IMPROVEMENTS 1992 3492	CAPITAL IMPROVEMENTS 1995 3495	CAPITAL IMPROVEMENTS 1999 3499	TOTAL DECEMBER 31, 2003
REVENUES					
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ 6,529,699
Charges for services	-	-	-	-	5,847
Miscellaneous revenues	22,327	291	1,015	12,628	2,281,172
Total revenues	22,327	291	1,015	12,628	8,816,718
EXPENDITURES					
Current:					
General government	-	-	-	-	91,520
Security of persons and property	-	-	-	-	718,007
Transportation	-	-	-	-	687,159
Culture and recreation	-	-	-	-	100
Capital outlay	27,560	-	-	36,272	17,555,112
Debt service:	-	-	-	-	242,286
Principal	-	-	-	-	90,652
Interest	-	-	-	-	-
Total expenditures	27,560	-	-	36,272	19,384,936
Excess (deficiency) of revenues over (under) expenditures	(5,233)	291	1,015	(23,644)	(10,568,118)
OTHER FINANCING SOURCES (USES)					
Long-term debt issued	15,040,824	-	-	-	18,823,978
Sale of capital assets	-	-	-	-	652,297
Transfers in	-	-	-	-	4,554,483
Transfers out	-	-	-	(4,578)	(332,437)
Total other financing sources (uses)	15,040,824	-	-	(4,578)	23,698,321
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	15,035,591	291	1,015	(28,222)	13,130,203
Fund balances - beginning	-	24,058	83,836	1,066,059	21,471,429
Fund balances - ending	\$ 15,035,591	\$ 24,349	\$ 84,851	\$ 1,037,837	\$ 34,601,632

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
STREET SPECIAL REVENUE FUND (1100)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,413,000	\$ 1,413,000	\$ 2,019,822	\$ 606,822
Licenses and permits	300,000	300,000	217,485	(82,515)
Intergovernmental revenues	2,871,610	2,871,610	2,787,384	(84,226)
Charges for services	970,042	970,042	1,088,239	118,197
Fines and forfeits	-	-	-	-
Miscellaneous revenues	33,025	33,025	89,572	56,547
Total revenues	5,587,677	5,587,677	6,202,502	614,825
EXPENDITURES				
Current:				
General government	-	-	-	-
Security of persons and property	1,612,286	1,619,786	1,519,700	100,086
Transportation	13,411,296	13,418,796	12,511,519	907,277
Economic environment	600	600	-	600
Culture and recreation	-	-	-	-
Capital Outlay	68,703	53,703	12,920	40,783
Debt service:				
Principal	2,500	2,500	-	2,500
Interest	9,000	9,000	191	8,809
Total expenditures	15,104,385	15,104,385	14,044,330	1,060,055
Excess (deficiency) of revenues over (under) expenditures	(9,516,708)	(9,516,708)	(7,841,828)	1,674,880
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	8,763,823	8,763,823	8,763,823	-
Transfers out	(431,292)	(1,111,292)	(1,057,704)	53,588
Total other financing sources (uses)	8,332,531	7,652,531	7,706,119	53,588
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(1,184,177)	(1,864,177)	(135,709)	1,728,468
Other changes in unreserved fund balance:				
Prior period adjustment	-	-	-	-
Fund balance - beginning	3,854,316	3,854,316	3,854,316	-
Fund balance - ending	\$ 2,670,139	\$ 1,990,139	\$ 3,718,607	\$ (1,728,468)

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
LIBRARY SPECIAL REVENUE FUND (1300)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 10	\$ 10	\$ 7	\$ (3)
Licenses and permits	-	-	-	-
Intergovernmental revenues	95,098	95,098	56,198	(38,900)
Charges for services	55,800	55,800	29,870	(25,930)
Fines and forfeits	195,000	195,000	1,254,892	1,059,892
Miscellaneous revenues	37,000	37,000	133,167	96,167
Total revenues	382,908	382,908	1,474,134	1,091,226
EXPENDITURES				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Culture and recreation	6,477,267	6,477,267	7,481,580	(1,004,313)
Capital Outlay	950,541	950,541	1,131,513	(180,972)
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	7,427,808	7,427,808	8,613,093	(1,185,285)
Excess (deficiency) of revenues over (under) expenditures	(7,044,900)	(7,044,900)	(7,138,959)	(94,059)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	6,988,281	6,988,281	6,988,281	-
Transfers out	(17,848)	(17,848)	(8,758)	9,090
Total other financing sources (uses)	6,970,433	6,970,433	6,979,523	(9,090)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(74,467)	(74,467)	(159,436)	(103,149)
Other changes in unreserved fund balance:				
Prior period adjustment	-	-	-	-
Fund balance - beginning	983,486	983,486	983,486	-
Fund balance - ending	\$ 909,019	\$ 909,019	\$ 824,050	\$ (103,149)

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
MISCELLANEOUS GRANTS SPECIAL REVENUE FUND (1360)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	526,008	526,008	377,579	(148,429)
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Miscellaneous revenues	-	-	-	-
Total revenues	526,008	526,008	377,579	(148,429)
EXPENDITURES				
Current:				
General government	-	-	-	-
Security of persons and property	303,926	423,926	284,264	139,662
Transportation	-	-	-	-
Economic environment	-	-	-	-
Culture and recreation	-	-	-	-
Capital Outlay	222,082	102,082	93,315	8,767
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	526,008	526,008	377,579	148,429
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Other changes in unreserved fund balance:				
Prior period adjustment	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
URBAN FORESTRY SPECIAL REVENUE FUND (1390)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	17,899	17,899	8,583	(9,316)
Charges for services	-	-	15,905	15,905
Fines and forfeits	-	-	-	-
Miscellaneous revenues	30,000	30,000	1,192	(28,808)
Total revenues	47,899	47,899	25,680	(22,219)
EXPENDITURES				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Culture and recreation	229,329	229,329	162,955	66,374
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	229,329	229,329	162,955	66,374
Excess (deficiency) of revenues over (under) expenditures	(181,430)	(181,430)	(137,275)	44,155
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	175,600	175,600	175,600	-
Transfers out	-	-	-	-
Total other financing sources (uses)	175,600	175,600	175,600	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(5,830)	(5,830)	38,325	44,155
Other changes in unreserved fund balance:				
Prior period adjustment	-	-	-	-
Fund balance - beginning	130,371	130,371	130,371	-
Fund balance - ending	\$ 124,541	\$ 124,541	\$ 168,696	\$ 44,155

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
PARKS SPECIAL REVENUE FUND (1400)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	100	100	81	(19)
Intergovernmental revenues	75,735	42,815	18,063	(24,752)
Charges for services	2,819,360	3,001,860	2,793,467	(208,393)
Fines and forfeits	-	-	-	-
Miscellaneous revenues	848,500	881,420	833,789	(47,631)
Total revenues	3,743,695	3,926,195	3,645,400	(280,795)
EXPENDITURES				
Current:				
General government	112,687	116,697	123,446	(6,749)
Security of persons and property	-	-	-	-
Transportation	100,427	100,427	135,943	(35,516)
Economic environment	675,595	678,538	646,553	31,985
Culture and recreation	11,445,197	11,587,043	11,208,587	378,456
Capital Outlay	460,464	614,165	458,920	155,245
Debt service:				
Principal	14,847	14,847	-	14,847
Interest	4,375	4,375	-	4,375
Total expenditures	12,813,592	13,116,092	12,573,449	542,643
Excess (deficiency) of revenues over (under) expenditures	(9,069,897)	(9,189,897)	(8,928,049)	261,848
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	9,149,179	9,269,179	9,262,927	(6,252)
Transfers out	(272,177)	(272,177)	(237,691)	34,486
Total other financing sources (uses)	8,877,002	8,997,002	9,025,236	28,234
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(192,895)	(192,895)	97,187	290,082
Other changes in unreserved fund balance:				
Prior period adjustment	-	-	-	-
Fund balance - beginning	955,772	955,772	955,772	-
Fund balance - ending	\$ 762,877	\$ 762,877	\$ 1,052,959	\$ 290,082

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
WORKFORCE DEVELOPMENT COUNCIL SPECIAL REVENUE FUND (1410)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	611,329	611,329	417,730	(193,599)
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Miscellaneous revenues	-	-	-	-
Total revenues	611,329	611,329	417,730	(193,599)
EXPENDITURES				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Transportation	-	-	-	-
Economic environment	606,029	606,029	416,710	189,319
Culture and recreation	-	-	-	-
Capital Outlay	20,000	20,000	-	20,000
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	626,029	626,029	416,710	209,319
Excess (deficiency) of revenues over (under) expenditures	(14,700)	(14,700)	1,020	15,720
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(14,700)	(14,700)	1,020	15,720
Other changes in unreserved fund balance:				
Prior period adjustment	-	-	-	-
Fund balance - beginning	(8,823)	(8,823)	(8,823)	-
Fund balance - ending	\$ (23,523)	\$ (23,523)	\$ (7,803)	\$ 15,720

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
ARENA MANAGEMENT SPECIAL REVENUE FUND (1420)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	6,200	6,200	177,587	171,387
Charges for services	1,730,100	1,730,100	271,049	(1,459,051)
Fines and forfeits	-	-	-	-
Miscellaneous revenues	2,495,000	2,495,000	2,051,472	(443,528)
Total revenues	4,231,300	4,231,300	2,500,108	(1,731,192)
EXPENDITURES				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Culture and recreation	3,917,415	3,917,415	2,566,775	1,350,640
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	3,917,415	3,917,415	2,566,775	1,350,640
Excess (deficiency) of revenues over (under) expenditures	313,885	313,885	(66,667)	(380,552)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	66,667	(66,667)
Transfers out	(100,000)	(100,000)	-	100,000
Total other financing sources (uses)	(100,000)	(100,000)	66,667	33,333
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	213,885	213,885	-	(347,219)
Other changes in unreserved fund balance:				
Prior period adjustment	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ 213,885	\$ 213,885	\$ -	\$ (347,219)

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
REDEVELOPMENT SPECIAL REVENUE FUND (1430)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Miscellaneous revenues	1,000	1,000	843	(157)
Total revenues	1,000	1,000	843	(157)
EXPENDITURES				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Culture and recreation	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	1,000	1,000	843	(157)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(114,000)	(114,000)	(182)	113,818
Total other financing sources (uses)	(114,000)	(114,000)	(182)	113,818
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(113,000)	(113,000)	661	113,661
Other changes in unreserved fund balance:				
Prior period adjustment	-	-	-	-
Fund balance - beginning	113,372	113,372	113,372	-
Fund balance - ending	\$ 372	\$ 372	\$ 114,033	\$ 113,661

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
UNDER FREEWAY PARKING SPECIAL REVENUE FUND (1450)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Miscellaneous revenues	111,396	111,396	120,224	8,828
Total revenues	111,396	111,396	120,224	8,828
EXPENDITURES				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Transportation	50,466	50,466	53,807	(3,341)
Economic environment	-	-	-	-
Culture and recreation	-	-	-	-
Capital Outlay	410,000	410,000	-	410,000
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	460,466	460,466	53,807	406,659
Excess (deficiency) of revenues over (under) expenditures	(349,070)	(349,070)	66,417	415,487
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(349,070)	(349,070)	66,417	415,487
Other changes in unreserved fund balance:				
Prior period adjustment	-	-	-	-
Fund balance - beginning	435,635	435,635	435,635	-
Fund balance - ending	\$ 86,565	\$ 86,565	\$ 502,052	\$ 415,487

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
PARKING METER REVENUE SPECIAL REVENUE FUND (1460)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	1,800,000	1,800,000	1,722,801	(77,199)
Fines and forfeits	-	-	-	-
Miscellaneous revenues	-	-	30,372	30,372
Total revenues	1,800,000	1,800,000	1,753,173	(46,827)
EXPENDITURES				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Transportation	1,013	1,013	968	45
Economic environment	-	-	-	-
Culture and recreation	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	1,013	1,013	968	45
Excess (deficiency) of revenues over (under) expenditures	1,798,987	1,798,987	1,752,205	(46,782)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	1,798,987	1,798,987	1,752,205	(46,782)
Other changes in unreserved fund balance:				
Prior period adjustment	-	-	-	-
Fund balance - beginning	5,515,730	5,515,730	5,515,730	-
Fund balance - ending	\$ 7,314,717	\$ 7,314,717	\$ 7,267,935	\$ (46,782)

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
PARKING FACILITIES SPECIAL REVENUE FUND (1470)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Miscellaneous revenues	115,000	115,000	71,323	(43,677)
Total revenues	115,000	115,000	71,323	(43,677)
EXPENDITURES				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	581	(581)
Culture and recreation	50,000	86,400	32,408	53,992
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	50,000	86,400	32,989	53,411
Excess (deficiency) of revenues over (under) expenditures	65,000	28,600	38,334	9,734
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	65,000	28,600	38,334	9,734
Other changes in unreserved fund balance:				
Prior period adjustment	-	-	-	-
Fund balance - beginning	724,187	724,187	724,187	-
Fund balance - ending	\$ 789,187	\$ 752,787	\$ 762,521	\$ 9,734

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
PARKING & BUSINESS IMPROVEMENT SPECIAL REVENUE FUND (1480)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 895,000	\$ 895,000	\$ 826,627	\$ (68,373)
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Miscellaneous revenues	5,000	5,000	4,100	(900)
Total revenues	900,000	900,000	830,727	(69,273)
EXPENDITURES				
Current:				
General government	1,146,779	1,146,779	975,256	171,523
Security of persons and property	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Culture and recreation	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	1,146,779	1,146,779	975,256	171,523
Excess (deficiency) of revenues over (under) expenditures	(246,779)	(246,779)	(144,529)	102,250
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	150,000	150,000	150,000	-
Transfers out	-	-	-	-
Total other financing sources (uses)	150,000	150,000	150,000	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(96,779)	(96,779)	5,471	102,250
Other changes in unreserved fund balance:				
Prior period adjustment	-	-	-	-
Fund balance - beginning	22,205	22,205	22,205	-
Fund balance - ending	\$ (74,574)	\$ (74,574)	\$ 27,676	\$ 102,250

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CBD TREE MAINTENANCE SPECIAL REVENUE FUND (1490)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Miscellaneous revenues	6,010	6,010	1,759	(4,251)
Total revenues	6,010	6,010	1,759	(4,251)
EXPENDITURES				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Transportation	6,010	6,010	10	6,000
Economic environment	-	-	-	-
Culture and recreation	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	6,010	6,010	10	6,000
Excess (deficiency) of revenues over (under) expenditures	-	-	1,749	1,749
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	-	1,749	1,749
Other changes in unreserved fund balance:				
Prior period adjustment	-	-	-	-
Fund balance - beginning	145,280	145,280	145,280	-
Fund balance - ending	\$ 145,280	\$ 145,280	\$ 147,029	\$ 1,749

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
PATHS AND TRAILS RESERVE SPECIAL REVENUE FUND (1500)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	10,000	10,000	13,910	3,910
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Miscellaneous revenues	-	-	-	-
Total revenues	10,000	10,000	13,910	3,910
EXPENDITURES				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Culture and recreation	-	-	-	-
Capital Outlay	120,000	120,000	-	120,000
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	120,000	120,000	-	120,000
Excess (deficiency) of revenues over (under) expenditures	(110,000)	(110,000)	13,910	123,910
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(110,000)	(110,000)	13,910	123,910
Other changes in unreserved fund balance:				
Prior period adjustment	-	-	-	-
Fund balance - beginning	115,016	115,016	115,016	-
Fund balance - ending	\$ 5,016	\$ 5,016	\$ 128,926	\$ 123,910

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
LAW ENFORCEMENT INFORMATION SYSTEM SPECIAL REVENUE FUND (1510)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	419,995	419,995	295,905	(124,090)
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Miscellaneous revenues	-	-	-	-
Total revenues	419,995	419,995	295,905	(124,090)
EXPENDITURES				
Current:				
General government	-	-	-	-
Security of persons and property	747,811	760,606	701,702	58,904
Transportation	-	-	-	-
Economic environment	-	-	-	-
Culture and recreation	-	-	-	-
Capital Outlay	85,000	72,205	1,498	70,707
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	832,811	832,811	703,200	129,611
Excess (deficiency) of revenues over (under) expenditures	(412,816)	(412,816)	(407,295)	5,521
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	688,758	688,758	413,432	(275,326)
Transfers out	-	-	-	-
Total other financing sources (uses)	688,758	688,758	413,432	(275,326)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	275,942	275,942	6,137	(269,805)
Other changes in unreserved fund balance:				
Prior period adjustment	-	-	-	-
Fund balance - beginning	393,500	393,500	393,500	-
Fund balance - ending	\$ 669,442	\$ 669,442	\$ 399,637	\$ (269,805)

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
REAL ESTATE RENTAL SPECIAL REVENUE FUND (1520)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	500	500	2,629	2129
Miscellaneous revenues	80,000	80,000	82,626	2,626
	<u>80,500</u>	<u>80,500</u>	<u>85,255</u>	<u>4,755</u>
Total revenues	80,500	80,500	85,255	4,755
EXPENDITURES				
Current:				
General government	78,644	78,644	83,325	(4,681)
Security of persons and property	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Culture and recreation	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
	<u>78,644</u>	<u>78,644</u>	<u>83,325</u>	<u>(4,681)</u>
Total expenditures	78,644	78,644	83,325	(4,681)
Excess (deficiency) of revenues over (under) expenditures	1,856	1,856	1,930	74
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	1,856	1,856	1,930	74
Other changes in unreserved fund balance:				
Prior period adjustment	-	-	-	-
Fund balance - beginning	326,786	326,786	326,786	-
Fund balance - ending	\$ <u>328,642</u>	\$ <u>328,642</u>	\$ <u>328,716</u>	\$ <u>74</u>

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
LOCAL LAW ENFORCEMENT BLOCK GRANT SPECIAL REVENUE FUND (1530)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	36,777	36,777	247,422	210,645
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Miscellaneous revenues	28,619	28,619	6,134	(22,485)
Total revenues	65,396	65,396	253,556	188,160
EXPENDITURES				
Current:				
General government	-	-	-	-
Security of persons and property	735,098	584,098	262,690	321,408
Transportation	-	-	-	-
Economic environment	-	-	-	-
Culture and recreation	-	-	-	-
Capital Outlay	-	151,000	128,264	22,736
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	735,098	735,098	390,954	344,144
Excess (deficiency) of revenues over (under) expenditures	(669,702)	(669,702)	(137,398)	532,304
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	34,749	34,749	34,749	-
Transfers out	-	-	-	-
Total other financing sources (uses)	34,749	34,749	34,749	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(634,953)	(634,953)	(102,649)	532,304
Other changes in unreserved fund balance:				
Prior period adjustment	-	-	-	-
Fund balance - beginning	635,391	635,391	635,391	-
Fund balance - ending	\$ 438	\$ 438	\$ 532,742	\$ 532,304

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
HUMAN SERVICES GRANTS SPECIAL REVENUE FUND (1540)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	3,853,105	7,034,932	2,508,364	(4,526,568)
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Miscellaneous revenues	29,664	66,125	48,144	(17,981)
Total revenues	3,882,769	7,101,057	2,556,508	(4,544,549)
EXPENDITURES				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Transportation	-	-	-	-
Economic environment	5,216,910	8,435,198	2,540,205	5,894,993
Culture and recreation	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	5,216,910	8,435,198	2,540,205	5,894,993
Excess (deficiency) of revenues over (under) expenditures	(1,334,141)	(1,334,141)	16,303	1,350,444
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(1,334,141)	(1,334,141)	16,303	1,350,444
Other changes in unreserved fund balance:				
Prior period adjustment	-	-	-	-
Fund balance - beginning	78,638	78,638	78,638	-
Fund balance - ending	\$ (1,255,503)	\$ (1,255,503)	\$ 94,941	\$ 1,350,444

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FORFEITURES & CONTRIBUTIONS SPECIAL REVENUE FUND (1560)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	24,000	122,289	77,618	(44,671)
Charges for services	20,900	20,900	-	(20,900)
Fines and forfeits	100,000	350,000	378,131	28,131
Miscellaneous revenues	95,500	95,500	69,827	(25,673)
Total revenues	240,400	588,689	525,576	(63,113)
EXPENDITURES				
Current:				
General government	-	-	-	-
Security of persons and property	350,011	417,314	126,619	290,695
Transportation	-	-	-	-
Economic environment	-	-	-	-
Culture and recreation	-	-	-	-
Capital Outlay	154,061	425,356	296,823	128,533
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	504,072	842,670	423,442	419,228
Excess (deficiency) of revenues over (under) expenditures	(263,672)	(253,981)	102,134	356,115
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(9,691)	(9,691)	-
Total other financing sources (uses)	-	(9,691)	(9,691)	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(263,672)	(263,672)	92,443	356,115
Other changes in unreserved fund balance:				
Prior period adjustment	-	-	-	-
Fund balance - beginning	232,063	232,063	232,063	-
Fund balance - ending	\$ (31,609)	\$ (31,609)	\$ 324,506	\$ 356,115

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
INTERMODAL FACILITY OPERATION SPECIAL REVENUE FUND (1570)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Miscellaneous revenues	25,160	436,038	438,539	2,501
Total revenues	25,160	436,038	438,539	2,501
EXPENDITURES				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Transportation	29,856	470,301	438,698	31,603
Economic environment	-	-	-	-
Culture and recreation	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	29,856	470,301	438,698	31,603
Excess (deficiency) of revenues over (under) expenditures	(4,696)	(34,263)	(159)	34,104
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(4,696)	(34,263)	(159)	34,104
Other changes in unreserved fund balance:				
Prior period adjustment	-	-	16,834	16,834
Fund balance - beginning	(9,095)	(9,095)	(9,095)	-
Fund balance - ending	\$ (13,791)	\$ (43,358)	\$ 7,580	\$ 50,938

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
MUNICIPAL ART PROJECTS SPECIAL REVENUE FUND (1580)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	4,500	7,860	3,360	(4,500)
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Miscellaneous revenues	8,000	45,000	37,261	(7,739)
Total revenues	12,500	52,860	40,621	(12,239)
EXPENDITURES				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Culture and recreation	12,500	52,860	36,620	16,240
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	12,500	52,860	36,620	16,240
Excess (deficiency) of revenues over (under) expenditures	-	-	4,001	4,001
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	-	4,001	4,001
Other changes in unreserved fund balance:				
Prior period adjustment	-	-	-	-
Fund balance - beginning	10,905	10,905	10,905	-
Fund balance - ending	\$ 10,905	\$ 10,905	\$ 14,906	\$ 4,001

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
HOTEL / MOTEL TAX SPECIAL REVENUE FUND (1590)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 959,000	\$ 959,000	\$ 1,024,186	\$ 65,186
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Miscellaneous revenues	-	-	-	-
Total revenues	959,000	959,000	1,024,186	65,186
EXPENDITURES				
Current:				
General government	700	700	663	37
Security of persons and property	-	-	-	-
Transportation	-	-	-	-
Economic environment	93,400	425,000	419,500	5,500
Culture and recreation	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	20	(20)
Total expenditures	94,100	425,700	420,183	5,517
Excess (deficiency) of revenues over (under) expenditures	864,900	533,300	604,003	70,703
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(762,908)	(762,908)	(642,409)	120,499
Total other financing sources (uses)	(762,908)	(762,908)	(642,409)	120,499
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	101,992	(229,608)	(38,406)	191,202
Other changes in unreserved fund balance:				
Prior period adjustment	-	-	-	-
Fund balance - beginning	278,379	278,379	278,379	-
Fund balance - ending	\$ 380,371	\$ 48,771	\$ 239,973	\$ 191,202

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CAPITAL IMPROVEMENT PROGRAM SPECIAL REVENUE FUND (1600)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Miscellaneous revenues	-	-	1,753	1,753
Total revenues	-	-	1,753	1,753
EXPENDITURES				
Current:				
General government	33,628	156,469	83,656	72,813
Security of persons and property	-	16,000	15,707	293
Transportation	-	20,000	15,173	4,827
Economic environment	-	14,713	9,444	5,269
Culture and recreation	-	2,500	-	2,500
Capital Outlay	895,247	1,719,193	383,483	1,335,710
Debt service:				
Principal	-	-	-	-
Interest	3,980	3,980	39,765	(35,785)
Total expenditures	932,855	1,932,855	547,228	1,385,627
Excess (deficiency) of revenues over (under) expenditures	(932,855)	(1,932,855)	(545,475)	1,387,380
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	1,000,000	1,000,000	1,000,000	-
Transfers out	(212,824)	(212,824)	(317,257)	(104,433)
Total other financing sources (uses)	787,176	787,176	682,743	(104,433)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(145,679)	(1,145,679)	137,268	1,282,947
Other changes in unreserved fund balance:				
Prior period adjustment	-	-	-	-
Fund balance - beginning	1,779,464	1,779,464	1,779,464	-
Fund balance - ending	\$ 1,633,785	\$ 633,785	\$ 1,916,732	\$ 1,282,947

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
REAL ESTATE EXCISE TAX SPECIAL REVENUE FUND (1610)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,300,000	\$ 1,300,000	\$ 2,015,085	\$ 715,085
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Miscellaneous revenues	-	-	-	-
Total revenues	1,300,000	1,300,000	2,015,085	715,085
EXPENDITURES				
Current:				
General government	385	385	368	17
Security of persons and property	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Culture and recreation	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	385	385	368	17
Excess (deficiency) of revenues over (under) expenditures	1,299,615	1,299,615	2,014,717	715,102
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(3,771,000)	(3,771,000)	(2,819,999)	951,001
Total other financing sources (uses)	(3,771,000)	(3,771,000)	(2,819,999)	951,001
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(2,471,385)	(2,471,385)	(805,282)	1,666,103
Other changes in unreserved fund balance:				
Prior period adjustment	-	-	-	-
Fund balance - beginning	3,174,789	3,174,789	3,174,789	-
Fund balance - ending	\$ 703,404	\$ 703,404	\$ 2,369,507	\$ 1,666,103

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
PUBLIC SAFETY AND JUDICIAL GRANTS SPECIAL REVENUE FUND (1620)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	1,563,379	1,913,052	1,262,827	(650,225)
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Miscellaneous revenues	-	-	-	-
Total revenues	1,563,379	1,913,052	1,262,827	(650,225)
EXPENDITURES				
Current:				
General government	-	25,631	20,191	5,440
Security of persons and property	1,559,789	1,750,385	1,082,982	667,403
Transportation	-	-	-	-
Economic environment	-	-	-	-
Culture and recreation	-	-	-	-
Capital Outlay	154,713	288,159	186,022	102,137
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	1,714,502	2,064,175	1,289,195	774,980
Excess (deficiency) of revenues over (under) expenditures	(151,123)	(151,123)	(26,368)	124,755
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	35,000	35,000	35,000	-
Transfers out	-	-	-	-
Total other financing sources (uses)	35,000	35,000	35,000	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(116,123)	(116,123)	8,632	124,755
Other changes in unreserved fund balance:				
Prior period adjustment	-	-	(12,856)	(12,856)
Fund balance - beginning	99,186	99,186	99,186	-
Fund balance - ending	\$ (16,937)	\$ (16,937)	\$ 94,962	\$ 111,899

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
COMBINED COMMUNICATIONS CENTER SPECIAL REVENUE FUND (1630)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 836,298	\$ 836,298	\$ 836,298	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	1,215,288	1,215,288	1,215,288	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Miscellaneous revenues	-	-	23,515	23,515
Total revenues	2,051,586	2,051,586	2,075,101	23,515
EXPENDITURES				
Current:				
General government	-	-	-	-
Security of persons and property	2,042,326	2,068,826	1,534,583	534,243
Transportation	-	-	-	-
Economic environment	-	-	-	-
Culture and recreation	-	-	-	-
Capital Outlay	-	23,500	18,636	4,864
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	2,042,326	2,092,326	1,553,219	539,107
Excess (deficiency) of revenues over (under) expenditures	9,260	(40,740)	521,882	562,622
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	9,260	(40,740)	521,882	562,622
Other changes in unreserved fund balance:				
Prior period adjustment	-	-	-	-
Fund balance - beginning	2,012,664	2,012,664	2,012,664	-
Fund balance - ending	\$ 2,021,924	\$ 1,971,924	\$ 2,534,546	\$ 562,622

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
COMMUNICATIONS BUILDING MAINTENANCE AND OPERATIONS SPECIAL REVENUE FUND (1640)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	11,586	11,586
Charges for services	-	50,000	8,920	(41,080)
Fines and forfeits	-	-	-	-
Miscellaneous revenues	-	-	-	-
Total revenues	-	50,000	20,506	(29,494)
EXPENDITURES				
Current:				
General government	-	-	-	-
Security of persons and property	-	50,000	20,506	29,494
Transportation	-	-	-	-
Economic environment	-	-	-	-
Culture and recreation	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	50,000	20,506	29,494
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Other changes in unreserved fund balance:				
Prior period adjustment	-	-	-	-
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ -	\$ -

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND (1650)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	5,000,000	5,000,000	3,625,307	(1,374,693)
Charges for services	-	-	154,921	154,921
Fines and forfeits	-	-	-	-
Miscellaneous revenues	-	-	661	661
Total revenues	<u>5,000,000</u>	<u>5,000,000</u>	<u>3,780,889</u>	<u>(1,219,111)</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Transportation	-	-	-	-
Economic environment	4,994,924	4,597,924	3,598,352	999,572
Culture and recreation	-	-	-	-
Capital Outlay	-	-	68,971	(68,971)
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>4,994,924</u>	<u>4,597,924</u>	<u>3,667,323</u>	<u>930,601</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,076</u>	<u>402,076</u>	<u>113,566</u>	<u>(288,510)</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	182	182
Transfers out	-	(120,000)	(113,748)	6,252
Total other financing sources (uses)	<u>-</u>	<u>(120,000)</u>	<u>(113,566)</u>	<u>6,434</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>5,076</u>	<u>282,076</u>	<u>-</u>	<u>(282,076)</u>
Other changes in unreserved fund balance:				
Prior period adjustment	-	-	-	-
Fund balance - beginning	<u>200</u>	<u>200</u>	<u>200</u>	<u>-</u>
Fund balance - ending	<u>\$ 5,276</u>	<u>\$ 282,276</u>	<u>\$ 200</u>	<u>\$ (282,076)</u>

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CRIMINAL JUSTICE ASSISTANCE SPECIAL REVENUE FUND (1910)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 3,015,000	\$ 3,015,000	\$ 2,463,484	\$ (551,516)
Licenses and permits	-	-	-	-
Intergovernmental revenues	762,732	762,732	714,431	(48,301)
Charges for services	82,000	82,000	90,301	8,301
Fines and forfeits	-	-	-	-
Miscellaneous revenues	-	-	-	-
Total revenues	3,859,732	3,859,732	3,268,216	(591,516)
EXPENDITURES				
Current:				
General government	2,677	2,677	2,557	120
Security of persons and property	5,020,690	5,020,690	4,241,794	778,896
Transportation	-	-	-	-
Economic environment	-	-	-	-
Culture and recreation	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	5,023,367	5,023,367	4,244,351	779,016
Excess (deficiency) of revenues over (under) expenditures	(1,163,635)	(1,163,635)	(976,135)	187,500
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(1,054,359)	(1,054,359)	(1,050,288)	4,071
Total other financing sources (uses)	(1,054,359)	(1,054,359)	(1,050,288)	4,071
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(2,217,994)	(2,217,994)	(2,026,423)	191,571
Other changes in unreserved fund balance:				
Prior period adjustment	-	-	-	-
Fund balance - beginning	2,084,580	2,084,580	2,084,580	-
Fund balance - ending	\$ (133,414)	\$ (133,414)	\$ 58,157	\$ 191,571

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CHANNEL 5 EQUIPMENT RESERVE SPECIAL REVENUE FUND (1940)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Miscellaneous revenues	37,086	37,086	30,910	(6,176)
Total revenues	37,086	37,086	30,910	(6,176)
EXPENDITURES				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	2,751	(2,751)
Transportation	-	-	-	-
Economic environment	-	-	-	-
Culture and recreation	-	-	-	-
Capital Outlay	58,505	104,735	63,112	41,623
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	58,505	104,735	65,863	38,872
Excess (deficiency) of revenues over (under) expenditures	(21,419)	(67,649)	(34,953)	32,696
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	825	825
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	825	825
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(21,419)	(67,649)	(34,128)	33,521
Other changes in unreserved fund balance:				
Prior period adjustment	-	-	-	-
Fund balance - beginning	202,751	202,751	202,751	-
Fund balance - ending	\$ 181,332	\$ 135,102	\$ 168,623	\$ 33,521

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
PARK CUMULATIVE RESERVE SPECIAL REVENUE FUND (1950)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental revenues	34,600	34,600	-	(34,600)
Charges for services	-	-	218,162	218,162
Fines and forfeits	-	-	-	-
Miscellaneous revenues	365,600	365,600	76,587	(289,013)
Total revenues	400,200	400,200	294,749	(105,451)
EXPENDITURES				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Transportation	-	-	-	-
Economic environment	-	-	-	-
Culture and recreation	1,222	1,222	1,167	55
Capital Outlay	572,500	572,500	18,541	553,959
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	573,722	573,722	19,708	554,014
Excess (deficiency) of revenues over (under) expenditures	(173,522)	(173,522)	275,041	448,563
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(173,522)	(173,522)	275,041	448,563
Other changes in unreserved fund balance:				
Prior period adjustment	-	-	-	-
Fund balance - beginning	739,494	739,494	739,494	-
Fund balance - ending	\$ 565,972	\$ 565,972	\$ 1,014,535	\$ 448,563

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
EMERGENCY MEDICAL SERVICES SPECIAL REVENUE FUND (1970)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget - Positive (Negative)
REVENUES				
Taxes	\$ 4,278,833	\$ 4,278,833	\$ 4,409,481	\$ 130,648
Licenses and permits	-	-	-	-
Intergovernmental revenues	-	-	-	-
Charges for services	150,000	150,000	147,833	(2,167)
Fines and forfeits	-	-	-	-
Miscellaneous revenues	-	-	-	-
Total revenues	<u>4,428,833</u>	<u>4,428,833</u>	<u>4,557,314</u>	<u>128,481</u>
EXPENDITURES				
Current:				
General government	205,534	205,534	191,609	13,925
Security of persons and property	3,984,173	3,984,173	3,616,549	367,624
Transportation	-	-	-	-
Economic environment	-	-	-	-
Culture and recreation	-	-	-	-
Capital Outlay	259,000	259,000	47,259	211,741
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>4,448,707</u>	<u>4,448,707</u>	<u>3,855,417</u>	<u>593,290</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(19,874)</u>	<u>(19,874)</u>	<u>701,897</u>	<u>721,771</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>(19,874)</u>	<u>(19,874)</u>	<u>701,897</u>	<u>721,771</u>
Other changes in unreserved fund balance:				
Prior period adjustment	-	-	-	-
Fund balance - beginning	<u>3,552,250</u>	<u>3,552,250</u>	<u>3,552,250</u>	<u>-</u>
Fund balance - ending	<u>\$ 3,532,376</u>	<u>\$ 3,532,376</u>	<u>\$ 4,254,147</u>	<u>\$ 721,771</u>

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
NONMAJOR SPECIAL REVENUE FUND TOTALS
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 12,697,141	\$ 12,697,141	\$ 13,594,990	\$ 897,849
Licenses and permits	300,100	300,100	217,566	(82,534)
Intergovernmental revenues	17,128,255	20,728,484	13,819,142	(6,909,342)
Charges for services	7,628,202	7,860,702	6,541,468	(1,319,234)
Fines and forfeits	295,500	545,500	1,635,652	1,090,152
Miscellaneous revenues	4,351,560	4,868,819	4,153,770	(715,049)
Total revenues	42,400,758	47,000,746	39,962,588	(7,038,158)
EXPENDITURES				
Current:				
General government	1,581,034	1,733,516	1,481,071	252,445
Security of persons and property	16,356,110	16,695,804	13,409,847	3,285,957
Transportation	13,599,068	14,067,013	13,156,118	910,895
Economic environment	11,587,458	14,758,002	7,631,345	7,126,657
Culture and recreation	22,132,930	22,354,036	21,490,092	863,944
Capital Outlay	4,430,816	5,886,139	2,909,277	2,976,862
Debt service:				
Principal	17,347	17,347	-	17,347
Interest	17,355	17,355	39,976	(22,621)
Total expenditures	69,722,118	75,529,212	60,117,726	15,411,486
Excess (deficiency) of revenues over (under) expenditures	(27,321,360)	(28,528,466)	(20,155,138)	8,373,328
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	825	825
Transfers in	26,985,390	27,105,390	26,890,661	(214,729)
Transfers out	(6,736,408)	(7,546,099)	(6,257,727)	1,288,372
Total other financing sources (uses)	20,248,982	19,559,291	20,633,759	1,074,468
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(7,072,378)	(8,969,175)	478,621	9,447,796
Other changes in unreserved fund balance:				
Prior period adjustment	-	-	3,978	3,978
Fund balance - beginning	28,578,492	28,578,492	28,578,492	-
Fund balance - ending	\$ 21,506,114	\$ 19,609,317	\$ 29,061,091	\$ 9,451,774

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GO BOND REDEMPTION DEBT SERVICE FUND (2100)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 7,147,519	\$ 7,147,519	\$ 7,136,170	\$ (11,349)
Miscellaneous revenues	-	-	86,285	86,285
Total revenues	7,147,519	7,147,519	7,222,455	74,936
EXPENDITURES				
Current:				
General government	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	6,489,087	6,489,087	5,924,215	564,872
Interest	3,289,282	3,289,282	3,228,335	60,947
Total expenditures	9,778,369	9,778,369	9,152,550	625,819
Excess (deficiency) of revenues over (under) expenditures	(2,630,850)	(2,630,850)	(1,930,095)	700,755
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	10,427	10,427	-	(10,427)
Proceeds of Long Term Debt	-	-	61,998	61,998
Transfers in	2,939,151	2,939,151	2,230,590	(708,561)
Transfers out	-	-	-	-
Total other financing sources (uses)	2,949,578	2,949,578	2,292,588	(656,990)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	318,728	318,728	362,493	43,765
Fund balance - beginning	6,877,904	6,877,904	6,877,904	-
Fund balance - ending	\$ 7,196,632	\$ 7,196,632	\$ 7,240,397	\$ 43,765

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SPECIAL ASSESSMENT DEBT SERVICE FUND (2300)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Miscellaneous revenues	3,450,000	3,450,000	2,885,728	(564,272)
Total revenues	3,450,000	3,450,000	2,885,728	(564,272)
EXPENDITURES				
Current:				
General government	500	500	-	500
Capital Outlay	-	-	-	-
Debt service:				
Principal	2,500,000	2,500,000	1,965,000	535,000
Interest	450,000	450,000	408,880	41,120
Total expenditures	2,950,500	2,950,500	2,373,880	576,620
Excess (deficiency) of revenues over (under) expenditures	499,500	499,500	511,848	12,348
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Proceeds of Long Term Debt	-	-	-	-
Transfers in	-	-	12,139	12,139
Transfers out	(1,525,000)	(1,525,000)	(755,762)	769,238
Total other financing sources (uses)	(1,525,000)	(1,525,000)	(743,623)	781,377
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(1,025,500)	(1,025,500)	(231,775)	793,725
Fund balance - beginning	879,368	879,368	879,368	-
Fund balance - ending	\$ (146,132)	\$ (146,132)	\$ 647,593	\$ 793,725

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SPECIAL ASSESSMENT GUARANTY DEBT SERVICE FUND (2350)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Miscellaneous revenues	95,000	95,000	40,892	(54,108)
Total revenues	95,000	95,000	40,892	(54,108)
EXPENDITURES				
Current:				
General government	4,500	4,500	2,186	2,314
Capital Outlay	5,500	5,500	-	5,500
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	10,000	10,000	2,186	7,814
Excess (deficiency) of revenues over (under) expenditures	85,000	85,000	38,706	(46,294)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	25,000	25,000	-	(25,000)
Proceeds of Long Term Debt	-	-	-	-
Transfers in	25,000	25,000	-	(25,000)
Transfers out	-	-	-	-
Total other financing sources (uses)	50,000	50,000	-	(50,000)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	135,000	135,000	38,706	(96,294)
Fund balance - beginning	2,206,913	2,206,913	2,206,913	-
Fund balance - ending	\$ 2,341,913	\$ 2,341,913	\$ 2,245,619	\$ (96,294)

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
TOTAL NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 7,147,519	\$ 7,147,519	\$ 7,136,170	\$ (11,349)
Miscellaneous revenues	3,545,000	3,545,000	3,012,905	(532,095)
Total revenues	10,692,519	10,692,519	10,149,075	(543,444)
EXPENDITURES				
Current:				
General government	5,000	5,000	2,186	2,814
Capital Outlay	5,500	5,500	-	5,500
Debt service:				
Principal	8,989,087	8,989,087	7,889,215	1,099,872
Interest	3,739,282	3,739,282	3,637,215	102,067
Total expenditures	12,738,869	12,738,869	11,528,616	1,210,253
Excess (deficiency) of revenues over (under) expenditures	(2,046,350)	(2,046,350)	(1,379,541)	666,809
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	35,427	35,427	-	(35,427)
Proceeds of Long Term Debt	-	-	61,998	61,998
Transfers in	2,964,151	2,964,151	2,242,729	(721,422)
Transfers out	(1,525,000)	(1,525,000)	(755,762)	769,238
Total other financing sources (uses)	1,474,578	1,474,578	1,548,965	74,387
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(571,772)	(571,772)	169,424	741,196
Fund balance - beginning	9,964,185	9,964,185	9,964,185	-
Fund balance - ending	\$ 9,392,413	\$ 9,392,413	\$ 10,133,609	\$ 741,196

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
IMPROVEMENT PROJECT COST - 2001 CAPITAL PROJECT FUND (3101)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Miscellaneous revenues	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	100,000	-	-	-
Security of persons and property	-	171,699	159,076	12,623
Transportation	-	-	-	-
Culture and recreation	-	-	-	-
Capital Outlay	1,678,671	2,684,537	764,782	1,919,755
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>1,778,671</u>	<u>2,856,236</u>	<u>923,858</u>	<u>1,932,378</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,778,671)</u>	<u>(2,856,236)</u>	<u>(923,858)</u>	<u>1,932,378</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	1,350,000	1,350,000	2,963,154	1,613,154
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(27,859)	(27,859)
Total other financing sources (uses)	<u>1,350,000</u>	<u>1,350,000</u>	<u>2,935,295</u>	<u>1,585,295</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>(428,671)</u>	<u>(1,506,236)</u>	<u>2,011,437</u>	<u>3,517,673</u>
Fund balance - beginning	<u>(107,054)</u>	<u>(107,054)</u>	<u>(107,054)</u>	<u>-</u>
Fund balance - ending	<u>\$ (535,725)</u>	<u>\$ (1,613,290)</u>	<u>\$ 1,904,383</u>	<u>\$ 3,517,673</u>

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FIRE IMPROVEMENT CONSTRUCTION BOND CAPITAL PROJECT FUND (3130)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Miscellaneous revenues	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Transportation	-	-	-	-
Culture and recreation	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - beginning	<u>13,817</u>	<u>13,817</u>	<u>13,817</u>	<u>-</u>
Fund balance - ending	<u>\$ 13,817</u>	<u>\$ 13,817</u>	<u>\$ 13,817</u>	<u>\$ -</u>

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
ARTERIAL STREET CAPITAL PROJECT FUND (3200)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 25,497,425	\$ 25,497,425	\$ 5,532,743	\$ (19,964,682)
Charges for services	-	-	-	0
Miscellaneous revenues	598,000	598,000	1,934,913	1,336,913
Total revenues	26,095,425	26,095,425	7,467,656	(18,627,769)
EXPENDITURES				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Transportation	12,065	137,065	687,159	(550,094)
Culture and recreation	-	-	-	-
Capital Outlay	27,832,241	28,387,241	8,911,755	19,475,486
Debt service:				
Principal	175,233	175,233	242,286	(67,053)
Interest	82,000	82,000	32,965	49,035
Total expenditures	28,101,539	28,781,539	9,874,165	18,907,374
Excess (deficiency) of revenues over (under) expenditures	(2,006,114)	(2,686,114)	(2,406,509)	279,605
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	-	-
Sale of capital assets	5,000	5,000	652,297	647,297
Transfers in	3,721,000	4,401,000	3,798,721	(602,279)
Transfers out	(300,000)	(300,000)	(300,000)	-
Total other financing sources (uses)	3,426,000	4,106,000	4,151,018	45,018
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	1,419,886	1,419,886	1,744,509	324,623
Fund balance - beginning	2,476,274	2,476,274	2,476,274	-
Fund balance - ending	\$ 3,896,160	\$ 3,896,160	\$ 4,220,783	\$ 324,623

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CITY HALL ACQUISITION AND IMPROVEMENT CAPITAL PROJECT FUND (3250)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Miscellaneous revenues	-	-	-	-
Total revenues	-	-	-	-
EXPENDITURES				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Transportation	-	-	-	-
Culture and recreation	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	-	-	-
Fund balance - beginning	10,497	10,497	10,497	-
Fund balance - ending	\$ 10,497	\$ 10,497	\$ 10,497	\$ -

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FIRE PROTECTION IMPROVEMENT FUND (3300)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ 0
Charges for services	-	-	5,847	5,847
Miscellaneous revenues	-	-	30,498	30,498
Total revenues	<u>-</u>	<u>-</u>	<u>36,345</u>	<u>36,345</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Security of persons and property	-	52,960	34,054	18,906
Transportation	-	-	-	-
Culture and recreation	-	-	-	-
Capital Outlay	300,000	247,040	-	247,040
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>300,000</u>	<u>300,000</u>	<u>34,054</u>	<u>265,946</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(300,000)</u>	<u>(300,000)</u>	<u>2,291</u>	<u>302,291</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>(300,000)</u>	<u>(300,000)</u>	<u>2,291</u>	<u>302,291</u>
Fund balance - beginning	<u>304,554</u>	<u>304,554</u>	<u>304,554</u>	<u>-</u>
Fund balance - ending	<u>\$ 4,554</u>	<u>\$ 4,554</u>	<u>\$ 306,845</u>	<u>\$ 302,291</u>

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CAPITAL IMPROVEMENTS - 1999 FIRE CAPITAL PROJECTS FUND (3347)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ 996,956	\$ 996,956
Charges for services	-	-	-	-
Miscellaneous revenues	-	-	139,404	139,404
Total revenues	-	-	1,136,360	1,136,360
EXPENDITURES				
Current:				
General government	10,000	16,865	91,520	(74,655)
Security of persons and property	536,500	805,909	524,877	281,032
Transportation	-	-	-	-
Culture and recreation	-	-	-	-
Capital Outlay	11,977,391	11,701,117	4,456,736	7,244,381
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	12,523,891	12,523,891	5,073,133	7,450,758
Excess (deficiency) of revenues over (under) expenditures	(12,523,891)	(12,523,891)	(3,936,773)	8,587,118
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(12,523,891)	(12,523,891)	(3,936,773)	8,587,118
Fund balance - beginning	13,468,703	13,468,703	13,468,703	-
Fund balance - ending	\$ 944,812	\$ 944,812	\$ 9,531,930	\$ 8,587,118

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CAPITAL IMPROVEMENTS - 1999 PARK CAPITAL PROJECTS FUND (3348)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Miscellaneous revenues	40,000	40,000	18,875	(21,125)
Total revenues	40,000	40,000	18,875	(21,125)
EXPENDITURES				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Transportation	-	-	-	-
Culture and recreation	-	-	-	-
Capital Outlay	1,878,001	1,878,001	552,402	1,325,599
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	1,878,001	1,878,001	552,402	1,325,599
Excess (deficiency) of revenues over (under) expenditures	(1,838,001)	(1,838,001)	(533,527)	1,304,474
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(1,838,001)	(1,838,001)	(533,527)	1,304,474
Fund balance - beginning	1,902,087	1,902,087	1,902,087	-
Fund balance - ending	\$ 64,086	\$ 64,086	\$ 1,368,560	\$ 1,304,474

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
SPECIAL ASSESSMENT CONSTRUCTION CAPITAL PROJECTS FUND (3350)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Miscellaneous revenues	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Transportation	-	-	-	-
Culture and recreation	-	-	-	-
Capital Outlay	2,980,000	2,980,000	2,505,150	474,850
Debt service:				
Principal	-	-	-	-
Interest	400,000	400,000	57,687	342,313
Total expenditures	<u>3,380,000</u>	<u>3,380,000</u>	<u>2,562,837</u>	<u>817,163</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,380,000)</u>	<u>(3,380,000)</u>	<u>(2,562,837)</u>	<u>817,163</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	1,880,000	1,880,000	820,000	(1,060,000)
Sale of capital assets	-	-	-	-
Transfers in	1,500,000	1,500,000	755,762	(744,238)
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>3,380,000</u>	<u>3,380,000</u>	<u>1,575,762</u>	<u>(1,804,238)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>-</u>	<u>-</u>	<u>(987,075)</u>	<u>(987,075)</u>
Fund balance - beginning	<u>(1,540,165)</u>	<u>(1,540,165)</u>	<u>(1,540,165)</u>	<u>-</u>
Fund balance - ending	<u>\$ (1,540,165)</u>	<u>\$ (1,540,165)</u>	<u>\$ (2,527,240)</u>	<u>\$ (987,075)</u>

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
NORTH SPORTS COMPLEX CAPITAL PROJECTS FUND (3351)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Miscellaneous revenues	-	-	121,221	121,221
Total revenues	-	-	121,221	121,221
EXPENDITURES				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Transportation	-	-	-	-
Culture and recreation	56,670	56,670	100	56,570
Capital Outlay	432,065	432,065	300,455	131,610
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	488,735	488,735	300,555	188,180
Excess (deficiency) of revenues over (under) expenditures	(488,735)	(488,735)	(179,334)	309,401
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(488,735)	(488,735)	(179,334)	309,401
Fund balance - beginning	3,768,763	3,768,763	3,768,763	-
Fund balance - ending	\$ 3,280,028	\$ 3,280,028	\$ 3,589,429	\$ 309,401

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CAPITAL IMPROVEMENTS 2003 - STREETS (3403)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Miscellaneous revenues	-	-	22,327	22,327
Total revenues	-	-	22,327	22,327
EXPENDITURES				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Transportation	-	-	-	-
Culture and recreation	-	-	-	-
Capital Outlay	-	15,040,823	27,560	15,013,263
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	15,040,823	27,560	15,013,263
Excess (deficiency) of revenues over (under) expenditures	-	(15,040,823)	(5,233)	15,035,590
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	15,040,823	15,040,824	1
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	15,040,823	15,040,824	1
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	-	15,035,591	15,035,591
Fund balance - beginning	-	-	-	-
Fund balance - ending	\$ -	\$ -	\$ 15,035,591	\$ 15,035,591

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CAPITAL IMPROVEMENTS 1992 CAPITAL PROJECTS FUND (3492)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Miscellaneous revenues	-	-	291	291
Total revenues	-	-	291	291
EXPENDITURES				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Transportation	-	-	-	-
Culture and recreation	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	291	291
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	-	291	291
Fund balance - beginning	24,058	24,058	24,058	-
Fund balance - ending	\$ 24,058	\$ 24,058	\$ 24,349	\$ 291

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CAPITAL IMPROVEMENTS 1995 CAPITAL PROJECTS FUND (3495)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
				Positive
				(Negative)
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Miscellaneous revenues	-	-	1,015	1,015
Total revenues	-	-	1,015	1,015
EXPENDITURES				
Current:				
General government	-	-	-	-
Security of persons and property	-	-	-	-
Transportation	-	-	-	-
Culture and recreation	-	-	-	-
Capital Outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	1,015	1,015
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	-	1,015	1,015
Fund balance - beginning	83,836	83,836	83,836	-
Fund balance - ending	\$ 83,836	\$ 83,836	\$ 84,851	\$ 1,015

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
CAPITAL IMPROVEMENTS 1999 CAPITAL PROJECTS FUND (3499)
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Miscellaneous revenues	-	-	12,628	12,628
Total revenues	<u>-</u>	<u>0</u>	<u>12,628</u>	<u>12,628</u>
EXPENDITURES				
Current:				
General government	-	-	-	0
Security of persons and property	-	-	-	-
Transportation	-	-	-	0
Culture and recreation	-	-	-	-
Capital Outlay	92,651	138,924	36,272	102,652
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>92,651</u>	<u>138,924</u>	<u>36,272</u>	<u>102,652</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(92,651)</u>	<u>(138,924)</u>	<u>(23,644)</u>	<u>115,280</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(4,578)	(4,578)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(4,578)</u>	<u>(4,578)</u>
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	<u>(92,651)</u>	<u>(138,924)</u>	<u>(28,222)</u>	<u>110,702</u>
Fund balance - beginning	<u>1,066,059</u>	<u>1,066,059</u>	<u>1,066,059</u>	<u>-</u>
Fund balance - ending	<u>\$ 973,408</u>	<u>\$ 927,135</u>	<u>\$ 1,037,837</u>	<u>\$ 110,702</u>

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
TOTAL NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 25,497,425	\$ 25,497,425	\$ 6,529,699	\$ (18,967,726)
Charges for services	0	0	5,847	5,847
Miscellaneous revenues	638,000	638,000	2,281,172	1,643,172
Total revenues	26,135,425	26,135,425	8,816,718	(17,318,707)
EXPENDITURES				
Current:				
General government	110,000	16,865	91,520	(74,655)
Security of persons and property	536,500	1,030,568	718,007	312,561
Transportation	12,065	137,065	687,159	(550,094)
Culture and recreation	56,670	56,670	100	56,570
Capital Outlay	47,171,020	63,489,748	17,555,112	45,934,636
Debt service:				
Principal	175,233	175,233	242,286	(67,053)
Interest	482,000	482,000	90,652	391,348
Total expenditures	48,543,488	65,388,149	19,384,836	46,003,313
Excess (deficiency) of revenues over (under) expenditures	(22,408,063)	(39,252,724)	(10,568,118)	28,684,606
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	3,230,000	18,270,823	18,823,978	553,155
Sale of capital assets	5,000	5,000	652,297	647,297
Transfers in	5,221,000	5,901,000	4,554,483	(1,346,517)
Transfers out	(300,000)	(300,000)	(332,437)	(32,437)
Total other financing sources (uses)	8,156,000	23,876,823	23,698,321	(178,502)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(14,252,063)	(15,375,901)	13,130,203	28,506,104
Fund balance - beginning	21,471,429	21,471,429	21,471,429	-
Fund balance - ending	\$ 7,219,366	\$ 6,095,528	\$ 34,601,632	\$ 28,506,104

Proprietary Funds

ENTERPRISE FUNDS

FUND

Golf Fund (Combined)

- 4600 The Golf Fund accounts for revenues derived from fees, rentals, and other miscellaneous revenue. Expenditures are for the maintenance and operation of the four City-owned golf courses.
- 4640 The Golf Course Debt Service Fund accounts for the payment of principal and interest on the golf system debt service.

Arena Fund (Combined)

- 4670 The Arena Debt Service Fund accounts for the payment of interest on the multi-purpose arena debt service.
- 4680 The Arena Lease Construction Fund accounts for the construction and leasing of parking lots for the multi-purpose arena.

General Services

- 4700 The General Services Fund was formed to minimize administrative overhead by combining the management of the Utility Billing and Code Enforcement Divisions.

INTERNAL SERVICE FUNDS

FUND

- 5100 The Fleet Services Fund has the responsibility for the maintenance and repair of all City owned vehicles, except Fire department vehicles, and the rental of equipment to other City departments.**
- 5200 The Public Works and Utility Fund has the responsibility of accounting for the billing of the water, sewer, and refuse charges of its customers.**
- 5300 The Management Information Services Fund provides data processing services, telephone services, and centralized mailing for all departments of the City.**
- 5400 The Records and Reprographics Fund provides records management and reprographics services for the City.**
- 5500 The Purchasing Fund provides central stores and supplies ordering services for the City.**
- 5800 The Risk Management Fund accounts for the payment of claims, insurance premiums, risk management administration, and safety programs for the City.**
- 5810 The Worker's Compensation Fund accounts for funds received from other City departments for the payment of benefits provided by State law, insurance, and administrative expenses of the fund.**
- 5820 The Unemployment Compensation Fund accounts for the payment of unemployment insurance benefits and for the administrative expenses of the fund.**
- 5830 The Self-Funded Medical/Dental Benefits Fund accounts for funds received from other City departments to be used for the payment of medical and dental claims, and the administrative expenses of the fund.**

CITY OF SPOKANE
COMBINING STATEMENT OF NET ASSETS
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2003

	GOLF	ARENA	GENERAL SERVICES	TOTAL DECEMBER 31, 2003
ASSETS				
Current assets:				
Cash and equivalents	\$ 131,374	\$ -	\$ 217,283	\$ 348,657
Investments	-	-	1,006,292	1,006,292
Receivables:				
Accounts receivable	2,271	-	21,603	23,874
Due from other funds	17,825	-	334,563	352,388
Inventories	27,265	-	-	27,265
Total current assets	178,735	-	1,579,740	1,758,475
Restricted assets:				
Revenue bond reserves:				
Investments	625,420	-	-	625,420
Interest receivable	1,683	-	-	1,683
Total restricted assets	627,103	-	-	627,103
Capital assets:				
Plant in service, excluding land	10,622,430	3,384,892	52,566	14,059,889
Land	1,289,224	5,231,202	-	6,520,426
Less accumulated depreciation	(3,847,898)	(1,410,372)	(36,760)	(5,295,030)
Total capital assets (net of accumulated depreciation)	8,063,756	7,205,723	15,806	15,285,284
Total assets	\$ 8,869,594	\$ 7,205,723	\$ 1,595,546	\$ 17,670,863
LIABILITIES				
Current liabilities:				
Accounts/vouchers payable	\$ 12,907	\$ -	\$ 7,972	\$ 20,879
Due to other funds	33,163	-	43,703	76,866
Compensated absences	-	-	20,671	20,671
Other accrued liabilities	26,527	-	84,189	110,716
Other current liabilities	23,225	-	-	23,225
Total current liabilities	95,822	-	156,535	252,357
Current liabilities payable from restricted assets:				
Revenue bonds payable	230,216	-	-	230,216
General obligation bonds payable	45,798	-	-	45,798
Accrued interest payable	139,409	-	-	139,409
Total current liabilities payable from restricted assets	415,423	-	-	415,423
Noncurrent liabilities:				
Revenue bonds payable	3,300,081	-	-	3,300,081
General obligation bonds payable	606,100	-	-	606,100
Accrued interest payable	215,762	-	-	215,762
Employee leave benefits	69,177	-	153,348	222,525
Total noncurrent liabilities	4,191,120	-	153,348	4,344,468
Total liabilities	4,702,365	-	309,882	5,012,247
NET ASSETS				
Invested in capital assets, net of related debt	4,226,893	7,205,723	15,806	11,448,422
Restricted for debt service	66,010	-	-	66,010
Unrestricted	(125,673)	-	1,269,858	1,144,185
Total net assets	\$ 4,167,230	\$ 7,205,723	\$ 1,285,664	\$ 12,658,617

**CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET ASSETS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003**

	GOLF	ARENA	GENERAL SERVICES	TOTAL DECEMBER 31, 2003
OPERATING REVENUES				
Charges for services	\$ 2,958,178	\$ -	\$ 2,850,396	\$ 5,808,574
Miscellaneous	17,000	-	33,867	50,867
Total operating revenues	2,975,178	-	2,884,263	5,859,441
OPERATING EXPENSES				
Operations	682,866	-	3,395,331	4,078,197
Maintenance	1,144,598	-	-	1,144,598
Administration	302,392	-	14,731	317,123
Taxes	18,917	-	-	18,917
Depreciation and amortization	377,990	-	10,513	388,503
Total operating expenses	2,526,763	-	3,420,575	5,947,338
Operating income (loss)	448,415	-	(536,313)	(87,898)
NONOPERATING REVENUES (EXPENSES)				
Interest income	13,520	2,355	8,931	24,806
Gain (loss) on disposition of capital assets	145	-	-	145
Depreciation - non-plant property	-	(169,245)	-	(169,245)
Interest expense	(311,870)	(178,583)	-	(490,453)
Rent and lease income	-	6,051,770	-	6,051,770
Other non-operating revenues (expense)	-	(370)	23,881	23,511
Total nonoperating revenues (expenses)	(298,205)	5,705,928	32,812	5,440,535
Income (loss) before transfers	150,210	5,705,928	(503,501)	5,352,637
Transfers in (out)	(10,613)	-	984,669	974,056
Change in net assets	139,597	5,705,928	481,168	6,326,693
Total net assets - beginning	3,974,216	1,499,795	804,496	6,278,507
Prior Period Adjustment	53,417	-	-	53,417
Total net assets - ending	\$ 4,167,230	\$ 7,205,723	\$ 1,285,664	\$ 12,658,617

CITY OF SPOKANE
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	GOLF	ARENA	GENERAL SERVICES	TOTAL DECEMBER 31, 2003
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 2,960,970	\$ -	\$ 2,812,863	\$ 5,773,833
Payments to suppliers and for services	(664,658)	(370)	(114,930)	(779,957)
Payments to employees	(1,261,371)	-	(2,482,893)	(3,744,264)
Payments for taxes - city and state	(17,595)	-	-	(17,595)
Payments for interfund services used	(200,550)	-	(835,444)	(1,035,994)
Other receipts (payments)	3,636	-	60,794	64,430
Net cash provided (used) by operating activities	820,432	(370)	(559,609)	260,453
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	-	984,669	984,669
Net cash provided by noncapital and related financing activities	-	-	984,669	984,669
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from disposal of capital assets	145	-	-	145
Proceeds from loans, notes, and lease purchase payable	76,975	-	-	76,975
Proceeds from rent and lease income	-	6,051,770	-	6,051,770
Contributions to the LID fund	(10,613)	-	-	(10,613)
Acquisition and construction of capital assets	(350,884)	-	-	(350,884)
Principal paid on revenue bonds	(208,232)	(6,466,520)	-	(6,674,752)
Principal paid on general obligation bonds	(44,508)	-	-	(44,508)
Interest paid on revenue bonds	(324,182)	(354,475)	-	(678,657)
Interest paid on general obligation bonds	(35,062)	-	-	(35,062)
Net cash provided (used) by capital and related financing activities	(896,361)	(769,225)	-	(1,665,586)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(922,651)	(3,311)	(1,006,292)	(1,932,254)
Proceeds from sales and maturities of investments	921,296	767,860	-	1,689,156
Interest received	14,339	3,311	8,005	25,655
Net cash provided (used) by investing activities	12,984	767,860	(998,287)	(217,443)
Net increase (decrease) in cash and cash equivalents	(62,945)	(1,734)	(573,227)	(637,907)
Cash and cash equivalents, January 1	194,319	1,734	790,510	986,563
Cash and cash equivalents, December 31	\$ 131,374	\$ -	\$ 217,283	\$ 348,656
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 448,415	\$ -	\$ (536,313)	\$ (87,898)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	377,990	-	10,513	388,503
Other revenues	-	-	23,881	23,881
Other expenses	-	(370)	-	(370)
(Increase) decrease in accounts receivable	580	-	3,046	3,626
(Increase) decrease in due from other funds	-	-	(37,533)	(37,533)
(Increase) decrease in inventories	3,439	-	-	3,439
Increase (decrease) in accounts/vouchers payable	(28,323)	-	(5,104)	(33,427)
Increase (decrease) in due to other funds	23,637	-	(9,180)	14,457
Increase (decrease) in other accrued liabilities	1,322	-	84,189	85,511
Increase (decrease) in other current liabilities	(11,152)	-	(80,507)	(91,659)
Increase (decrease) in employee leave benefits payable	4,524	-	(12,601)	(8,077)
Net cash provided (used) by operating activities	\$ 820,432	\$ (370)	\$ (559,609)	\$ 260,453
Noncash investing, capital and financing activities:				
Transfer of current portion of revenue and general obligation bonds from the long-term portion	\$ 276,014	\$ -	\$ -	\$ 276,014
Amortization of bond discount	-	4,619	-	4,619
Accumulated depreciation on assets held for lease	-	169,245	-	169,245
Total of noncash activities	\$ 276,014	\$ 173,864	\$ -	\$ 449,878

CITY OF SPOKANE
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2003

	FLEET SERVICES 5100	PUBLIC WORKS AND UTILITY 5200	MANAGEMENT INFORMATION SERVICES 5300	RECORDS AND REPROGRAPHICS 5400	PURCHASING AND STORES 5500
ASSETS					
Current assets:					
Cash and equivalents	\$ 2,277,917	\$ 293,600	\$ 915,681	\$ 410,041	\$ 232,247
Deposits with fiscal agents / trustees	-	-	-	-	-
Investments	3,405,944	-	2,612,158	-	-
Accounts receivable	24,843	122,802	25,054	613	318
Interest receivable	9,932	-	2,908	-	-
Due from other funds	916,886	30	576,630	41,406	39,177
Inventories	839,845	-	-	21,135	181,163
Prepayments	-	-	88,595	-	-
Total current assets	7,475,167	416,431	4,221,025	473,195	452,905
Capital assets:					
Buildings	560,026	-	-	-	-
Machinery and equipment	22,342,899	2,113,222	13,207,400	259,370	5,496
Less accumulated depreciation	(15,922,919)	(989,628)	(7,732,001)	(128,430)	(5,496)
Total capital assets (net of accumulated depreciation)	6,980,006	1,123,595	5,475,399	130,940	-
Total assets	14,455,173	1,540,026	9,696,425	604,135	452,905
LIABILITIES					
Liabilities:					
Current liabilities:					
Accounts / vouchers payable	389,282	10,794	129,903	6,332	22,617
Claims and judgments payable	-	-	-	-	-
Compensated absences	20,853	6,257	425	2,207	-
Due to other funds	118,632	428,668	13,927	1,215	4,681
Other accrued liabilities	91,496	80,305	123,314	8,222	17,297
Other current liabilities	6,588	2,050	351	584	1,434
Notes and leases payable	84,067	-	-	-	-
Total current liabilities	710,918	528,074	267,920	18,560	46,029
Noncurrent liabilities:					
Compensated absences	194,751	214,002	249,350	9,207	53,621
Notes and leases payable	152,752	-	-	-	-
Total noncurrent liabilities	347,503	214,002	249,350	9,207	53,621
Total liabilities	1,058,421	742,077	517,270	27,767	99,650
NET ASSETS					
Invested in capital assets, net of related debt	6,743,188	1,123,595	5,475,399	130,940	-
Unrestricted	6,653,563	(325,646)	3,703,756	445,428	353,255
Total net assets	\$ 13,396,751	\$ 797,949	\$ 9,179,155	\$ 576,368	\$ 353,255

CITY OF SPOKANE
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2003

	RISK MANAGEMENT 5800	WORKER'S COMPENSATION 5810	UNEMPLOYMENT INSURANCE 5820	SELF-FUNDED MEDICAL- DENTAL 5830	TOTAL
ASSETS					
Current assets:					
Cash and equivalents	\$ 814,717	\$ 234,022	\$ 19,850	\$ 1,353,250	\$ 6,551,324
Deposits with fiscal agents / trustees	-	445,989	-	943,002	1,388,991
Investments	3,651,489	905,948	299,062	3,978,865	14,853,466
Accounts receivable	36,154	-	-	-	208,783
Interest receivable	21,986	23,367	275	40,904	99,372
Due from other funds	7,199	-	-	1,208	1,582,336
Inventories	-	-	-	-	1,042,143
Prepayments	-	-	-	-	88,595
Total current assets	4,531,545	1,609,326	319,187	6,317,229	25,816,011
Capital assets:					
Buildings	-	-	-	-	560,026
Machinery and equipment	-	6,535	-	-	37,934,922
Less accumulated depreciation	-	(4,901)	-	-	(24,783,374)
Total capital assets (net of accumulated depreciation)	-	1,634	-	-	13,711,574
Total assets	4,531,545	1,610,960	319,187	6,317,229	39,527,585
LIABILITIES					
Liabilities:					
Current liabilities:					
Accounts / vouchers payable	21,918	151,473	122,216	639,730	1,494,265
Claims and judgments payable	2,811,790	1,597,582	-	1,807,638	6,217,010
Compensated absences	1,180	-	-	-	30,922
Due to other funds	253,121	6,533	6	733	827,516
Other accrued liabilities	4,449	9,094	315	6,013	340,505
Other current liabilities	-	-	-	-	11,007
Notes and leases payable	-	-	-	-	84,067
Total current liabilities	3,092,458	1,764,682	122,537	2,454,114	9,005,293
Noncurrent liabilities:					
Compensated absences	2,294	16,118	-	24,906	764,249
Notes and leases payable	-	-	-	-	152,752
Total noncurrent liabilities	2,294	16,118	-	24,906	917,001
Total liabilities	3,094,752	1,780,800	122,537	2,479,020	9,922,294
NET ASSETS					
Invested in capital assets, net of related debt	-	1,634	-	-	13,474,756
Unrestricted	1,436,793	(171,474)	196,650	3,838,209	16,130,534
Total net assets	\$ 1,436,793	\$ (169,840)	\$ 196,650	\$ 3,838,209	\$ 29,605,290

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	FLEET SERVICES 5100	PUBLIC WORKS AND UTILITY 5200	MANAGEMENT INFORMATION SERVICES 5300	RECORDS AND REPROGRAPHICS 5400	PURCHASING AND STORES 5500
OPERATING REVENUES					
Charges for goods and services	\$ 10,622,430	\$ 4,762,424	\$ 6,551,187	\$ 490,958	\$ 946,537
Miscellaneous revenues	766	-	-	-	-
Other operating revenues	11,742	19,345	3,199	-	-
Total operating revenues	10,634,938	4,781,769	6,554,386	490,958	946,537
OPERATING EXPENSES					
Operations	5,666,097	4,647,528	5,120,327	477,575	862,631
General and administration	1,922,506	296,757	600,770	31,110	124,434
Depreciation	1,562,799	204,257	1,648,278	23,194	458
Risk transfer payments	-	-	-	-	-
Claims processing	-	-	-	-	-
Payments to claimants and beneficiaries	-	-	-	-	-
Total operating expenses	9,151,402	5,148,542	7,369,374	531,879	987,523
Operating income (loss)	1,483,536	(366,773)	(814,989)	(40,921)	(40,986)
NONOPERATING REVENUES (EXPENSES)					
Interest income	36,080	-	17,417	4	-
Gain (loss) on on disposition of fixed assets	67,063	-	(72,063)	(8,501)	-
Interest expense	(8,916)	-	-	-	-
Other nonoperating revenues	12,944	-	13,933	-	499
Total nonoperating revenues (expenses)	107,171	-	(40,713)	(8,497)	499
Income (loss) before contributions and transfers	1,590,707	(366,773)	(855,702)	(49,418)	(40,487)
Capital Contributions	-	-	175,499	-	-
Transfers in	194,326	-	-	-	-
Transfers out	(28,462)	(3,868)	(58,809)	-	(4,811)
Change in net assets	1,758,571	(370,641)	(739,012)	(49,418)	(45,298)
Net assets, beginning	13,176,728	1,168,590	9,994,963	625,786	398,553
Prior period adjustment	(1,538,547)	-	(76,796)	-	-
Net assets, ending	\$ 13,396,752	\$ 797,949	\$ 9,179,155	\$ 576,368	\$ 353,255

CITY OF SPOKANE
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	RISK MANAGEMENT 5800	WORKER'S COMPENSATION 5810	UNEMPLOYMENT INSURANCE 5820	SELF-FUNDED MEDICAL- DENTAL 5830	TOTAL
OPERATING REVENUES					
Charges for goods and services	\$ -	\$ -	\$ -	\$ -	\$ 23,373,536
Miscellaneous revenues	4,899,793	2,397,483	676,664	11,370,884	19,345,590
Other operating revenues	-	-	-	-	34,286
Total operating revenues	4,899,793	2,397,483	676,664	11,370,884	42,753,412
OPERATING EXPENSES					
Operations	-	-	-	-	16,774,158
General and administration	281,860	720,486	18,531	334,784	4,331,238
Depreciation	-	1,633	-	-	3,440,618
Risk transfer payments	955,745	54,386	-	284,915	1,295,046
Claims processing	269,661	58,195	-	-	327,856
Payments to claimants and beneficiaries	1,870,028	1,494,171	481,707	11,029,114	14,875,020
Total operating expenses	3,377,294	2,328,871	500,238	11,648,813	41,043,936
Operating income (loss)	1,522,499	68,612	176,426	(277,929)	1,709,476
NONOPERATING REVENUES (EXPENSES)					
Interest income	48,797	13,430	338	57,885	173,951
Gain (loss) on on disposition of fixed assets	-	-	-	-	(13,501)
Interest expense	-	-	-	-	(8,916)
Other nonoperating revenues	23,705	-	-	-	51,081
Total nonoperating revenues (expenses)	72,502	13,430	338	57,885	202,615
Income (loss) before contributions and transfers	1,595,001	82,042	176,764	(220,044)	1,912,091
Capital Contributions	-	-	-	-	175,499
Transfers in	-	-	-	-	194,326
Transfers out	(601)	-	-	(2,537)	(97,088)
Change in net assets	1,594,400	82,042	176,764	(222,581)	2,184,828
Net assets, beginning	(40,409)	(251,882)	19,886	3,117,788	28,210,003
Prior period adjustment	(117,198)	-	-	943,002	(789,539)
Net assets, ending	\$ 1,436,793	\$ (169,840)	\$ 196,650	\$ 3,838,209	\$ 29,605,291

CITY OF SPOKANE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	FLEET SERVICES 5100	PUBLIC WORKS AND UTILITY 5200	MANAGEMENT INFORMATION SERVICES 5300	RECORDS AND REPROGRAPHICS 5400	PURCHASING AND STORES 5500
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 55,817	\$ 424,282	\$ 2,975	\$ 16,133	\$ 5,703
Receipts from interfund services provided	10,550,468	4,528,391	6,480,541	479,020	932,658
Other receipts	-	19,345	-	-	-
Payments to suppliers and for services	(4,101,299)	(730,813)	(2,548,235)	(245,416)	(383,573)
Payments to employees	(2,685,337)	(2,377,090)	(2,996,870)	(236,946)	(552,700)
Payments for interfund services used	(783,342)	(1,682,610)	(212,215)	(23,355)	(66,338)
Net cash provided (used) by operating activities	3,036,307	181,505	726,136	(10,564)	(64,250)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in (out)	167,864	-	(58,809)	-	(4,811)
Net cash provided (used) by noncapital and related financing activities	167,864	-	(58,809)	-	(4,811)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from equipment disposal	126,214	-	325	43	498
Proceeds from lease purchase payable	153,852	-	-	-	-
Acquisition and construction of capital assets	(1,791,537)	-	(2,686,975)	-	-
Principal paid on capital leases	(95,812)	-	-	-	-
Interest paid on capital leases	(8,916)	-	-	-	-
Transfer out	-	(3,868)	-	-	-
Net cash provided (used) by capital and related financing activities	(1,616,199)	(3,868)	(2,686,650)	43	498
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	(5,305,387)	-	(2,006,081)	-	-
Proceeds from sales and maturities of investments	4,000,000	-	4,214,202	-	-
Interest received	42,201	-	40,000	4	-
Net cash provided (used) by investing activities	(1,263,186)	-	2,248,121	4	-
Net increase (decrease) in cash and cash equivalents	324,786	177,637	228,798	(10,517)	(68,563)
Cash and cash equivalents, January 1	1,953,131	115,963	686,883	420,558	300,810
Cash and cash equivalents, December 31	\$ 2,277,917	\$ 293,600	\$ 915,681	\$ 410,041	\$ 232,247

CITY OF SPOKANE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

	FLEET SERVICES 5100	PUBLIC WORKS AND UTILITY 5200	MANAGEMENT INFORMATION SERVICES 5300	RECORDS AND REPROGRAPHICS 5400	PURCHASING AND STORES 5500
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 1,483,535	\$ (366,773)	\$ (814,989)	\$ (40,921)	\$ (40,985)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	1,562,799	204,257	1,648,278	23,194	458
Other revenues	12,944	-	-	-	-
(Increase) decrease in deposits with fiscal agents / trustees	-	-	-	-	-
(Increase) decrease in accounts receivable	(3,145)	(27,812)	(23,432)	1,040	448
(Increase) decrease in due from other funds	(38,452)	218,060	(47,789)	3,154	(8,626)
(Increase) decrease in inventories	96,721	-	-	2,747	(5,651)
(Increase) decrease in prepayments	-	-	(11,863)	-	-
Increase (decrease) in accounts/vouchers payable	(165,521)	(37,113)	(74,226)	(4,086)	(12,407)
Increase (decrease) in claims and judgements payable	-	-	-	-	-
Increase (decrease) in due to other funds	75,992	209,505	(29,563)	74	(1,852)
Increase (decrease) in other accrued liabilities	5,054	80,305	26,590	1,554	2,161
Increase (decrease) in other current liabilities	20,853	(81,642)	-	(140)	(58)
Increase (decrease) in employee leave benefits payable	(14,473)	(17,282)	53,130	2,820	2,262
Increase (decrease) in other noncurrent liabilities	-	-	-	-	-
Net cash provided (used) by operating activities	\$ 3,036,307	\$ 181,505	\$ 726,136	\$ (10,564)	\$ (64,250)

Noncash investing, capital, and financing activities:

Equipment contributed by other funds	\$ 457,508	\$ -	\$ 175,499	\$ -	\$ -
Unrealized gain (loss) on investments	-	-	-	-	-

CITY OF SPOKANE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	RISK MANAGEMENT 5800	WORKER'S COMPENSATION 5810	UNEMPLOYMENT INSURANCE 5820	SELF-FUNDED MEDICAL DENTAL 5830	TOTAL
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ -	\$ -	\$ -	\$ -	\$ 504,910
Receipts from interfund services provided	4,891,191	2,397,483	676,664	11,370,756	42,307,172
Other receipts	-	459,013	-	-	478,358
Payments to suppliers and for services	(3,012,263)	(2,326,013)	(367,660)	(10,588,307)	(24,303,579)
Payments to employees	(81,001)	(282,591)	(10,030)	(191,462)	(9,414,027)
Payments for interfund services used	(130,232)	(61,594)	(14,667)	(122,311)	(3,096,724)
Net cash provided (used) by operating activities	1,667,695	186,298	284,307	468,676	6,476,109
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in (out)	(601)	-	-	(2,537)	101,106
Net cash provided (used) by noncapital and related financing activities	(601)	-	-	(2,537)	101,106
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from equipment disposal	-	-	-	-	127,080
Proceeds from lease purchase payable	-	-	-	-	153,852
Acquisition and construction of capital assets	-	-	-	-	(4,478,512)
Principal paid on capital leases	-	-	-	-	(95,812)
Interest paid on capital leases	-	-	-	-	(8,916)
Transfer out	-	-	-	-	(3,868)
Net cash provided (used) by capital and related financing activities	-	-	-	-	(4,306,176)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	(2,647,654)	(788,560)	(299,062)	(5,709,316)	(16,756,060)
Proceeds from sales and maturities of investments	700,799	736,930	-	4,203,870	13,855,801
Interest received	83,550	3,559	62	61,597	230,973
Net cash provided (used) by investing activities	(1,863,306)	(48,071)	(299,000)	(1,443,849)	(2,669,286)
Net increase (decrease) in cash and cash equivalents	(196,212)	138,227	(14,693)	(977,710)	(398,247)
Cash and cash equivalents, January 1	1,010,929	95,794	34,543	2,330,960	6,949,571
Cash and cash equivalents, December 31	\$ 814,717	\$ 234,021	\$ 19,850	\$ 1,353,250	\$ 6,551,323

CITY OF SPOKANE
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003
(CONTINUED)

	RISK MANAGEMENT 5800	WORKER'S COMPENSATION 5810	UNEMPLOYMENT INSURANCE 5820	SELF-FUNDED MEDICAL DENTAL 5830	TOTAL
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 1,522,499	\$ 68,612	\$ 176,426	\$ (277,929)	\$ 1,709,475
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation expense	-	1,633	-	-	3,440,619
Other revenues	23,705	-	-	-	36,649
(Increase) decrease in deposits with fiscal agents / trustees	-	13,024	-	-	13,024
(Increase) decrease in accounts receivable	(25,108)	-	-	-	(78,009)
(Increase) decrease in due from other funds	(7,199)	-	-	(128)	119,020
(Increase) decrease in inventories	-	-	-	-	93,817
(Increase) decrease in prepayments	-	-	-	-	(11,863)
Increase (decrease) in accounts/vouchers payable	21,588	144,454	122,217	(39,227)	(44,321)
Increase (decrease) in claims and judgements payable	-	-	-	869,638	869,638
Increase (decrease) in due to other funds	132,441	441	(14,651)	(114,597)	257,790
Increase (decrease) in other accrued liabilities	2,455	336	-	6,013	124,468
Increase (decrease) in other current liabilities	(270)	-	-	-	(61,257)
Increase (decrease) in employee leave benefits payable	(2,416)	(853)	315	24,906	48,409
Increase (decrease) in other noncurrent liabilities	-	(41,349)	-	-	(41,349)
Net cash provided (used) by operating activities	\$ 1,667,695	\$ 186,298	\$ 284,307	\$ 468,676	\$ 6,476,110

Noncash Investing, capital, and financing activities:

Equipment contributed by other funds	\$ -	\$ -	\$ -	\$ -	\$ 633,006
Unrealized gain (loss) on investments	(13,541)	6,309	-	8,684	1,452

Fiduciary Funds

FUND

- 6060 The Employees' Retirement Fund provides pension benefits for most non-uniformed employees. Major sources of revenues are from investment interest and employer's and employee's contributions.**
- 6070 The Firefighters' Pension Fund provides benefits for all firefighters who retired prior to March 1, 1970, and limited benefits to firefighters who were hired between March 1, 1970 and October 1, 1977. Firefighters hired after October 1, 1977 are covered by the LEOFF system and are not covered by this fund.**
- 6080 The Police Pension Fund provides benefits for all uniformed police who retired prior to March 1, 1970, and limited benefits to uniformed police who were hired between March 1, 1970 and October 1, 1977. Police officers hired after October 1, 1977 are covered by the LEOFF system and are not covered by this fund.**
- 6400 The HOME Program Grant Fund accounts for monies received from the U.S. Department of Housing and Urban Development HOME Grant program.**
- 6410 The Housing Assistance Program Fund accounts for monies received from the State of Washington Department of Community Development to be used for the rehabilitation of low-income owner occupied homes.**
- 6440 The Hope Acquisition Fund accounts for monies received from the U.S. Department of Housing and Urban Development to be used to provide home ownership opportunities for low income families. These monies may be used to acquire eligible residential properties, assist home buyers in financing purchase and rehabilitation of properties, and provide home buyer counseling and training.**
- 6460 The Employees' Benefits Fund accounts for the City's I.R.S. Section 125 Reimbursement Account Plan (RAP). Monies are received from employees and are paid to the RAP administrator for eligible dependent and health care claims submitted by the employee.**
- 6530 The Community Development Home Rehabilitation Escrow Fund accounts for monies received from Community Development Grant funds to be used for projects authorized under the home rehabilitation program.**
- 6690 The Housing Trust Grant Fund accounts for all monies received by the City under the Washington Housing Trust Fund Grant program. Money is disbursed in accordance with State program regulations.**

- 6700 The Emergency Shelter Fund into which are deposited all money received by the City from the United States Department of Housing and Urban Development under the Emergency Shelter Grant Program.**
- 6740 The Rental Rehabilitation Fund accounts for all monies received by the City from HUD under the Rental Rehabilitation Grant Program.**
- 6750 The Spokane Regional Transportation Council Fund accounts for all monies received from the City, Spokane County, the State of Washington, and the Federal government. Expenditures are made for approved planning and transportation projects.**
- 6780 The EMS Program Director Fund provides a cost sharing mechanism for funding the office of emergency medical services program director.**
- 6790 The UDAG Escrow Fund accounts for loan repayments received by the City under the HUD Action Grant Program.**

The Workforce Development Council Funds account for monies received from the Federal government to be used for job training under the Workforce Investment Act:

- 6801 The WIA Adult Programs Fund**
- 6802 The WIA Youth Programs Fund**
- 6803 The WIA Dislocated Worker Fund**
- 6804 The WIA Governor's Grant Fund**
- 6805 The WIA Special Projects Fund**
- 6806 The WIA Administrative Cost Pool Fund**
- 6870 The JTPA Welfare to Work Fund**
- 6880 The JTPA Private Industry Council Fund**

CITY OF SPOKANE
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
DECEMBER 31, 2003

	EMPLOYEES' RETIREMENT 6060	FIREFIGHTERS' PENSION 6070	POLICE PENSION 6080	TOTAL PENSION TRUST FUNDS
ASSETS				
Cash and cash equivalents	\$ 9,943,283	\$ 3,140,756	\$ 223,679	\$ 13,307,718
Deposits with fiscal agents/trustees	-	130,000	110,000	240,000
Receivables:				
Interest and dividends	947,386	157,794	-	1,105,180
Taxes	-	240,924	800,000	1,040,924
Other receivables	-	-	-	-
Total receivables	947,386	398,718	800,000	2,146,104
Investments, at fair value:				
U.S. government obligations	46,670,132	11,172,541	-	57,842,673
Corporate bonds	28,008,177	-	-	28,008,177
Corporate stocks	85,750,218	-	-	85,750,218
Other investments	24,479,424	-	-	24,479,424
Total investments	184,907,951	11,172,541	-	196,080,492
Prepayments	-	-	-	-
Total assets	\$ 195,798,620	\$ 14,842,015	\$ 1,133,679	\$ 211,774,314
LIABILITIES				
Warrants payable	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	10,185	817	11,002
Matured long-term obligations	-	-	-	-
Due to other governmental units	-	-	-	-
Other accrued liabilities	12,536	-	-	12,536
Other current liabilities	10,244	2,489	5,427	18,160
Deferred revenue	-	-	-	-
Employee leave benefits	52,570	-	-	52,570
Total liabilities	75,349	12,674	6,244	94,267
NET ASSETS				
Net assets reserved for employees' pension benefits	195,723,271	13,064,195	-	208,787,466
Net assets reserved for employees' postemployment healthcare benefits	-	1,765,146	1,127,435	2,892,581
Total Net Assets	\$ 195,723,271	\$ 14,829,341	\$ 1,127,435	\$ 211,680,047

CITY OF SPOKANE
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	EMPLOYEES' RETIREMENT 6060	FIREFIGHTERS' PENSION 6070	POLICE PENSION 6080	TOTAL PENSION TRUST FUNDS
ADDITIONS				
Contributions:				
Employer	\$ 4,017,431	\$ 4,090,653	\$ 3,925,000	\$ 12,033,084
Plan members	4,029,561	-	-	4,029,561
Total contributions	8,046,992	4,090,653	3,925,000	16,062,645
Investment earnings:				
Net increase (decrease) in fair value of investments	24,165,299	(252,704)	-	23,912,595
Interest	3,899,719	584,886	-	4,484,605
Dividends	1,286,709	-	-	1,286,709
Total investment earnings (loss)	29,351,727	332,182	-	29,683,909
Less: investment expense	489,220	603	-	489,823
Net investment earnings (loss)	28,862,507	331,579	-	29,194,086
Miscellaneous revenue	545	-	-	545
Total additions	36,910,044	4,422,232	3,925,000	45,257,276
DEDUCTIONS				
Benefits	10,599,607	3,677,150	2,984,472	17,261,229
Refunds of contributions	461,226	-	-	461,226
Administrative expenses	485,915	86,619	78,051	650,585
Total deductions	11,546,748	3,763,769	3,062,523	18,373,040
Change in net assets	25,363,296	658,463	862,477	26,884,236
Change in net assets :				
Reserved for employees' pension benefits	25,363,296	1,097,227	-	26,460,523
Reserved for employees' postemployment healthcare benefits	-	(438,764)	862,477	423,713
Net assets - beginning of the year	170,359,975	14,170,878	264,958	184,795,811
Net assets - end of the year	\$ 195,723,271	\$ 14,829,341	\$ 1,127,435	\$ 211,680,047

CITY OF SPOKANE
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
DECEMBER 31, 2003

	HOME PROGRAM 6400	HOUSING ASSISTANCE PROGRAM 6410	HOPE ACQUISITION FUND 6440	EMPLOYEE BENEFITS 6460	COMMUNITY DEVELOPMENT ESCROW 6530
ASSETS					
Cash and cash equivalents	\$ 211,384	\$ 107,366	\$ 23,731	\$ 16,194	\$ 183,231
Accounts and notes receivable	6,326,501	210,887	567,312	-	16,580,545
Investments, at fair value	-	-	-	-	-
Due from other governmental units	-	-	-	-	-
Prepayments	-	-	-	-	-
Total assets	\$ 6,537,885	\$ 318,253	\$ 591,043	\$ 16,194	\$ 16,763,775
LIABILITIES					
Warrants payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	-	-	-	-
Matured long-term obligations	-	-	-	-	-
Due to other governmental units	159,968	107,366	23,794	-	177,706
Other accrued liabilities	-	-	-	-	-
Other current liabilities	51,870	-	-	16,194	5,525
Deferred revenue	6,326,047	210,887	567,249	-	16,580,545
Total liabilities	\$ 6,537,885	\$ 318,253	\$ 591,043	\$ 16,194	\$ 16,763,775

CITY OF SPOKANE
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
DECEMBER 31, 2003

	HOUSING TRUST GRANT 6690	EMERGENCY SHELTER 6700	RENTAL REHABILITATION 6740	SPOKANE REGIONAL TRANS COUNCIL 6750	EMS PROGRAM DIRECTOR 6780
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ 453,574	\$ 278,657	\$ 52,572
Accounts and notes receivable	53,000	-	1,153,998	632,384	-
Investments, at fair value	132,224	-	750,000	-	-
Due from other governments	-	6,423	-	-	-
Prepayments	-	-	-	208,591	-
Total assets	<u>\$ 185,224</u>	<u>\$ 6,423</u>	<u>\$ 2,357,572</u>	<u>\$ 1,119,632</u>	<u>\$ 52,572</u>
LIABILITIES					
Warrants payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	-	6,423	1,479	5,722	183
Matured long-term obligations	-	-	-	-	-
Due to other governmental units	132,224	-	1,204,025	354,218	50,008
Other accrued liabilities	-	-	-	21,007	1,990
Other current liabilities	-	-	-	399	391
Deferred revenue	53,000	-	1,152,069	738,286	-
Total liabilities	<u>\$ 185,224</u>	<u>\$ 6,423</u>	<u>\$ 2,357,572</u>	<u>\$ 1,119,632</u>	<u>\$ 52,572</u>

CITY OF SPOKANE
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
DECEMBER 31, 2003

	UDAG ESCROW 6790	WIA ADULT PROGRAMS 6801	WIA YOUTH PROGRAMS 6802	WIA DISLOCATED WORKER 6803	WIA GOVERNOR'S GRANT 6804	
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ 4,007	\$ 7,871	\$ -	17,500
Accounts and notes receivable	-	-	-	-	-	-
Investments, at fair value	695,498	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Prepayments	-	-	-	-	-	-
Total assets	\$ 695,498	\$ 1,951	\$ 4,007	\$ 7,871	\$ -	17,500
LIABILITIES						
Warrants payable	\$ -	\$ -	\$ -	\$ -	\$ -	-
Accounts payable	-	-	-	-	-	-
Matured long-term obligations	-	-	-	-	-	-
Due to other governmental units	108,581	1,951	4,007	7,871	-	17,500
Other accrued liabilities	-	-	-	-	-	-
Other current liabilities	586,917	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	\$ 695,498	\$ 1,951	\$ 4,007	\$ 7,871	\$ -	17,500

CITY OF SPOKANE
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
DECEMBER 31, 2003

	WIA ADMIN COST POOL 6806	WELFARE TO WORK 6870	JTPA PRIV IND COUNCIL 6880	SALARY CLEARING 6910	CLAIMS CLEARING 6920
ASSETS					
Cash and cash equivalents	\$ 40	\$ 246	\$ -	\$ 455,884	\$ 5,441,651
Accounts and notes receivable	79,985	-	7	-	-
Investments, at fair value	-	-	8,128	-	-
Due from other governments	-	-	-	-	-
Prepayments	-	-	-	-	-
Total assets	<u>\$ 80,025</u>	<u>\$ 246</u>	<u>\$ 8,136</u>	<u>\$ 455,884</u>	<u>\$ 5,441,651</u>
LIABILITIES					
Warrants payable	\$ -	\$ -	\$ -	\$ 455,884	\$ 5,441,651
Accounts payable	-	-	-	-	-
Matured long-term obligations	-	-	-	-	-
Due to other governmental units	80,025	246	8,136	-	-
Other accrued liabilities	-	-	-	-	-
Other current liabilities	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	<u>\$ 80,025</u>	<u>\$ 246</u>	<u>\$ 8,136</u>	<u>\$ 455,884</u>	<u>\$ 5,441,651</u>

CITY OF SPOKANE
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUNDS
DECEMBER 31, 2003

	FISCAL AGENCY 6930	TOTAL DECEMBER 31, 2003
ASSETS		
Cash and cash equivalents	\$ 280,000	\$ 7,535,859
Accounts and notes receivable	-	25,604,619
Investments, at fair value	-	1,585,851
Due from other governments	-	6,423
Prepayments	-	208,591
Total assets	<u>\$ 280,000</u>	<u>\$ 34,941,343</u>
LIABILITIES		
Warrants payable	-	\$ 5,897,535
Accounts payable	-	13,806
Matured long-term obligations	280,000	280,000
Due to other governmental units	-	2,437,625
Other accrued liabilities	-	22,997
Other current liabilities	-	661,296
Deferred revenue	-	25,628,083
Total liabilities	<u>\$ 280,000</u>	<u>\$ 34,941,343</u>

Statistical Section

TABLE I

CITY OF SPOKANE
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION
LAST TEN FISCAL YEARS

YEAR	GENERAL GOVERNMENTAL SERVICES	SECURITY OF PERSONS AND PROPERTY	PHYSICAL ENVIRONMENT	TRANSPORTATION	ECONOMIC ENVIRONMENT	MENTAL AND PHYSICAL HEALTH	CULTURE AND RECREATION	CAPITAL OUTLAY	DEBT SERVICE	TOTAL
1994	10,346,562	52,803,677	4,787,957	8,859,464	6,058,661	1,956,203	17,988,224	3,590,628	13,335,469	119,726,845
1995	11,045,518	56,225,525	2,995,832	8,776,181	7,511,635	2,070,903	19,314,536	6,036,075	12,626,216	126,602,421
1996	11,607,459	57,190,730	3,326,843	10,442,138	7,632,092	163,719	21,261,886	5,580,422	12,185,254	129,390,543
1997	13,490,208	60,053,341	3,378,622	10,160,535	8,360,714	159,840	21,958,203	4,908,063	13,066,942	135,536,468
1998	14,447,229	64,956,797	3,275,724	10,171,926	8,021,849	174,895	23,650,029	8,129,475	10,542,722	143,370,646
1999	15,344,646	65,160,613	4,098,981	11,066,711	30,381,352	164,575	22,111,590	7,408,096	31,451,529	187,188,093
2000	15,672,626	67,040,311	5,526,005	10,627,919	8,999,305	2,599,337	22,306,806	4,404,177	20,889,509	158,065,995
2001	16,522,465	72,171,601	5,757,186	11,394,512	7,863,757	2,227,819	23,510,581	3,043,793	14,802,788	157,294,502
2002	17,291,604	71,524,671	4,600,627	11,927,927	10,447,581	80,760	24,592,662	2,655,405	13,056,358	156,177,595
2003	17,470,597	74,202,576	5,065,120	13,156,118	12,249,560	88,555	23,953,957	3,014,008	13,448,675	162,649,166

Note: General Expenditures by Function include expenditures of the General, Special Revenue, and Debt Service funds.

TABLE II

CITY OF SPOKANE
GENERAL GOVERNMENTAL REVENUES BY SOURCE
LAST TEN FISCAL YEARS

YEAR	TAXES	LICENSES AND PERMITS	INTER- GOVERNMENTAL REVENUE	CHARGES FOR SERVICES	FINES	MISCELLANEOUS	TOTAL
1994	78,287,057	2,989,688	13,020,740	10,928,437	2,697,801	13,639,470	121,543,193
1995	81,531,480	3,097,827	15,632,950	11,865,179	2,970,453	12,406,718	127,504,607
1996	85,366,950	3,344,052	15,438,325	13,545,057	2,547,560	15,537,401	135,779,345
1997	87,596,705	3,135,532	17,707,756	13,606,207	2,759,897	16,753,164	141,559,261
1998	90,676,469	3,272,645	18,150,857	13,894,896	2,763,773	17,811,718	146,590,358
1999	96,627,968	3,065,305	19,318,417	13,864,729	2,782,277	18,905,882	152,564,578
2000	100,995,591	5,099,498	19,695,255	18,239,370	3,233,310	14,823,515	162,086,539
2001	104,048,905	5,625,085	16,286,940	18,415,153	3,156,449	13,281,956	160,814,488
2002	108,277,106	6,247,583	15,726,343	17,150,535	3,536,809	15,355,638	167,294,014
2003	110,530,507	6,144,623	22,920,699	15,401,100	4,993,664	10,730,234	170,720,827

Note: General Revenues by Source include revenues of the General, Special Revenue, and Debt Service funds.

CITY OF SPOKANE
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS

YEAR	GENERAL PROPERTY TAXES	RETAIL SALES AND USE TAXES	BUSINESS TAXES	OTHER TAXES	TOTAL TAXES
1994	26,609,458	24,341,324	24,711,475	2,594,800	78,257,057
1995	27,765,108	23,791,061	28,407,832	1,567,478	81,531,479
1996	29,656,995	24,370,712	29,814,455	1,524,787	85,366,949
1997	30,275,019	25,027,490	30,918,504	1,375,692	87,596,705
1998	30,449,160	26,317,593	27,872,808	6,036,687	90,676,468
1999	32,150,091	27,508,088	31,117,662	5,852,127	96,627,968
2000	36,609,829	28,885,608	29,253,136	6,246,818	100,995,591
2001	38,500,149	29,393,967	30,204,940	5,949,849	104,048,905
2002	38,173,825	29,055,968	35,430,139	6,617,174	109,277,106
2003	38,951,675	29,752,334	34,166,795	7,659,703	110,530,507

Note: Tax Revenues by Source include tax revenues of the General, Special Revenue, and Debt Service funds. Beginning in 1988 Retail Sales and Uses Taxes were also received into an agency fund, the Police Pension fund.

TABLE III

**CITY OF SPOKANE
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

FISCAL YEAR	TOTAL TAXES LEVY	CURRENT TAX COLLECTIONS	PERCENT OF CURRENT TAXES COLLECTED	DELINQUENT TAX COLLECTIONS	TOTAL TAX COLLECTIONS	RATIO OF TOTAL TAX COLLECTIONS TO TOTAL TAX LEVY	OUTSTANDING DELINQUENT TAXES	RATIO OF DELINQUENT TAXES TO TOTAL TAX LEVY
1994	28,891,476	27,695,156	95.86%	1,158,134	28,853,290	99.87%	1,880,742.00	6.51%
1995	30,331,065	29,144,040	96.09%	2,417,150	31,561,190	104.06%	1,794,226.00	5.92%
1996	32,570,623	31,012,156	95.22%	625,240	31,637,396	97.13%	1,989,736.00	6.11%
1997	34,068,123	32,363,975	95.00%	939,400	33,303,375	97.76%	2,509,383.00	7.37%
1998	33,868,336	32,331,786	95.46%	1,355,159	33,686,945	99.46%	2,364,790.00	6.98%
1999	36,015,367	33,998,629	94.40%	1,260,545	35,259,174	97.90%	2,690,687.00	7.47%
2000	40,235,821	38,326,563	95.25%	1,858,603	40,185,166	99.87%	2,651,035.00	6.59%
2001	42,350,271	40,568,449	95.79%	1,582,040	42,150,489	99.53%	2,654,360.00	6.27%
2002	42,224,337	40,388,936	95.65%	1,447,097	41,836,033	99.08%	2,683,797.00	6.36%
2003	42,779,682	41,251,665	96.43%	1,695,248	42,946,913	100.39%	2,496,388.00	5.84%

Note: Tax Revenues by Source include tax revenues of the General, Special Revenue, and Debt Service funds. Beginning in 1988 Retail Sales and Uses Taxes were also receipted into an agency fund, the Police Pension fund.

TABLE IV

CITY OF SPOKANE
ASSESSED AND ESTIMATED ACTUAL VALUE OF PROPERTY
LAST TEN FISCAL YEARS (1)

YEAR	REAL PROPERTY		PERSONAL PROPERTY		EXEMPTIONS		TOTAL		RATIO OF ASSESSED TO TOTAL EST. ACTUAL VALUE
	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	REAL PROPERTY		ASSESSED VALUE	ESTIMATED ACTUAL VALUE	
2001	8,418,899,928	9,621,599,918	503,026,616	574,887,561	1,621,872,916		7,300,053,628	10,196,487,479	71.59%
2002	10,110,633,117	11,334,790,490	850,862,931	953,882,210	1,799,637,130		9,161,858,918	12,288,672,700	74.56%
2003	11,070,831,163	12,411,245,698	814,103,015	912,671,541	1,701,562,308		10,183,371,870	13,323,917,240	76.43%

(1) Complete real estate exemption information prior to 2001 not available from Spokane County Assessor.

Source: Spokane County Assessor

TABLE V

CITY OF SPOKANE
PROPERTY TAX RATES - ALL OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

YEAR	TOTAL	STATE	COUNTY	SCHOOL DISTRICT	CITY OF SPOKANE				FIRE PENSION
					TOTAL	GENERAL FUND	EMS FUND	DEBT SERVICE	
1994	15.136	3.637	1.683	5.012	4.804	2.737	0.435	1.241	0.391
1995	14.925	3.869	1.621	4.998	4.437	2.579	0.409	1.081	0.368
1996	14.782	3.542	1.652	5.092	4.496	2.647	0.420	1.051	0.378
1997	14.668	3.766	1.665	4.877	4.359	2.607	0.414	0.966	0.372
1998	14.122	3.635	1.659	4.617	4.211	2.760	0.438	0.619	0.394
1999	15.488	3.947	1.653	5.471	4.417	2.916	0.481	0.603	0.417
2000	14.827	2.909	1.615	5.524	4.779	2.978	0.500	0.876	0.425
2001	15.002	3.197	1.585	5.339	4.881	3.011	0.486	0.954	0.430
2002	14.755	3.094	1.555	5.345	4.761	3.024	0.49	0.815	0.432
2003	14.472	2.917	1.478	5.389	4.688	2.986	0.48	0.795	0.427

Note: Property taxes levied by the County Assessor may be paid in two equal installments if the total tax is \$10.00 or more.

The first half payment is due by April 30, the second half by October 31. Interest is added to all delinquent taxes at a rate of twelve percent per annum. In addition, a three percent penalty is assessed for taxes delinquent on May 31. An additional eight percent penalty is assessed on the amount of tax delinquent on November 30th of the year in which the tax is due.

TABLE VI

**CITY OF SPOKANE
PRINCIPAL TAXPAYERS
DECEMBER 31, 2003**

TAXPAYER	2003 ASSESSED VALUATION	PERCENTAGE OF TOTAL ASSESSED VALUATION
Avista Corporation	\$ 168,205,725	1.65%
Northtown Mall	135,991,436	1.34%
U. S. West Communications, Inc.	119,393,214	1.17%
Harlan D. Douglass	60,298,260	0.59%
North Point Plaza Inc	47,209,000	0.46%
Sacred Heart Medical Center	46,394,390	0.46%
Cowles Publishing	44,201,018	0.43%
Walt B. Worthy	43,392,630	0.43%
Bank of America	34,374,295	0.34%
R.P.S. II L.L.C.	28,209,700	0.28%
	<u>\$ 727,669,668</u>	<u>7.94%</u>

(1) Total 2003 assessed valuation for the City of Spokane is \$10,183,371,870

Source: Spokane County Treasurer

TABLE VII

CITY OF SPOKANE
SPECIAL ASSESSMENT BILLINGS AND COLLECTIONS
LAST TEN FISCAL YEARS

<u>YEAR</u>	<u>SPECIAL ASSESSMENTS BILLINGS</u>	<u>SPECIAL ASSESSMENTS COLLECTIONS</u>
1994	2,103,096	6,310,336
1995	2,431,660	3,046,324
1996	4,522,180	4,054,827
1997	5,964,134	5,906,817
1998	5,987,824	6,142,486
1999	1,927,953	2,889,824
2000	3,446,671	2,456,687
2001	359,114	1,668,292
2002	6,032,280	6,435,331
2003	1,576,063	6,132,733

**CITY OF SPOKANE
COMPUTATION OF LEGAL DEBT MARGIN
DECEMBER 31, 2003**

TABLE VIII

TOTAL TAXABLE PROPERTY VALUE	\$	9,369,268,855	
I. GENERAL PURPOSE INDEBTEDNESS (LEGAL LIMIT OF 2.5% OF TAXABLE PROPERTY VALUE)	\$		234,231,721
A. GENERAL PURPOSE INDEBTEDNESS WITHOUT A VOTE (LEGAL LIMIT 1.5%)	\$	140,539,033	
INDEBTEDNESS (LIABILITIES):			
1. G O Bonds	\$	32,810,000	
Less Redemption Fund Assets:			
Cash and Investments in Bond Redemption Funds		<u>(387,089)</u>	
Excess of Liabilities Over Assets		<u>32,422,911</u>	
2. General Government Liabilities Including Warrants, Contracts, and Others:			
Promissory Notes		325,000	
Employee Leave Benefits		7,532,931	
Arbitrage Rebate Tax Payable		<u>-</u>	
		<u>7,857,931</u>	
Less Redemption Fund Assets:			
Cash and Investments in Capital Proj Funds-Arbitrage		<u>-</u>	
		<u>7,857,931</u>	
Less: Total Net General Indebtedness-Section A		<u>(40,280,842)</u>	
Margin of Indebtedness Still Available		<u>100,258,191</u>	
B. GENERAL PURPOSE INDEBTEDNESS WITH A VOTE (LEGAL LIMIT 2.5%)			234,231,721
INDEBTEDNESS (LIABILITIES):			
G O Bond Liabilities		31,120,000	
Less Redemption Fund Assets:			
Cash and Investments in Bond Redemption Fund		<u>(6,780,494)</u>	
Taxes Receivable		<u>(486,980)</u>	
Excess of Liabilities Over Assets		<u>23,852,526</u>	
Less: Total Net General Indebtedness-Section B		<u>(23,852,526)</u>	
Margin of Indebtedness Still Available		<u>210,379,195</u>	
Total Indebtedness, Section A and B			<u>(64,133,368)</u>
Remaining Voted and Nonvoted G O Debt Capacity-General Purposes			170,098,353
II. INDEBTEDNESS FOR UTILITY PURPOSES WITH A 3/5 VOTE (LEGAL LIMIT 2.5%)		234,231,721	
NO INDEBTEDNESS INCURRED		<u>-</u>	
Remaining Voted G O Debt Capacity-Utility Purposes			234,231,721
III. INDEBTEDNESS FOR OPEN SPACE AND PARKS FACILITIES WITH 3/5 VOTE (LEGAL LIMIT 2.5%)		234,231,721	
G O Bond Liabilities		<u>(12,950,000)</u>	
Remaining Voted G O Debt Capacity-Open Space and Park Facilities			221,281,721
Total Indebtedness Allowable (Legal Limit 7.5%)			702,695,164
Less: Indebtedness Incurred - All Purposes			<u>(77,083,368)</u>
MARGIN OF INDEBTEDNESS AVAILABLE	\$		<u>625,611,796</u>

TABLE IX

CITY OF SPOKANE
RATIO OF NET GENERAL OBLIGATION BONDED DEBT
TO ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

FISCAL YEAR	POPULATION	ASSESSED VALUE (1)	GROSS BONDED DEBT (2)	LESS DEBT SERVICE FUND (3)	DEBT PAYABLE FROM ENTERPRISE REVENUES (4)	NET DIRECT BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
1994	185,600	6,934,188,310	64,460,000	4,036,270	167,164	60,256,566	0.87%	325
1995	188,800	7,055,953,321	60,035,000	4,278,536	83,227	55,673,237	0.77%	289
1996	187,700	7,876,158,634	55,725,342	4,389,973	-	51,335,369	0.65%	266
1997	188,300	8,083,429,879	52,780,000	3,813,604	-	48,966,396	0.61%	260
1998	190,130	8,178,506,900	47,835,000	4,231,771	-	43,603,229	0.53%	229
1999	189,200	8,461,699,950	81,885,000	4,548,718	-	77,336,282	0.91%	409
2000	195,630	8,748,314,494	76,085,000	6,036,623	778,970	69,269,407	0.79%	354
2001	195,700	8,921,926,544	70,305,000	6,379,583	738,333	63,187,084	0.71%	323
2002	195,500	9,161,859,918	65,666,846	6,836,110	696,406	58,134,330	0.63%	297
2003	197,400	9,369,268,855	76,880,000	7,167,583	651,898	69,060,519	0.74%	350

(1) The basis of Assessed Valuation as a percentage of true and fair market value for all years is 100%.

(2) Amount includes general obligation bonds only; it does not include special assessment or revenue bonds.

(3) Amount available for repayment of general obligation bonds.

(4) Includes general obligation bonds that are being repaid from golf course revenues.

TABLE X

CITY OF SPOKANE
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL
OBLIGATION BONDED DEBT (1) TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL DEBT SERVICE (1)</u>	<u>TOTAL GENERAL GOVERNMENTAL EXPENDITURES (2)</u>	<u>RATIO OF DEBT SERVICE TO GENERAL EXPENDITURES</u>
1994	6,530,821	4,203,768	10,734,589	119,726,845	8.97%
1995	6,314,150	3,844,029	10,158,179	126,602,421	8.02%
1996	6,342,512	3,486,722	9,829,234	129,390,543	7.60%
1997	6,832,914	4,016,110	10,849,024	135,536,468	8.00%
1998	4,953,518	2,695,717	7,649,235	143,370,646	5.34%
1999	10,703,675	2,427,622	13,131,297	187,188,093	7.00%
2000	5,771,168	3,519,081	9,290,249	158,065,995	5.88%
2001	7,099,986	3,869,649	10,969,635	157,294,502	6.97%
2002	6,306,071	3,458,036	9,764,107	156,177,595	6.25%
2003	5,924,215	3,228,335	9,152,550	162,649,166	5.63%

(1) General obligation bonds reported in the Enterprise Golf Fund and special assessment debt with government commitment have been excluded.

(2) Total General Expenditures includes expenditures of the General, Special Revenue, and Debt Service funds.

TABLE XI

CITY OF SPOKANE
COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
DECEMBER 31, 2003

<u>JURISDICTION</u>	<u>NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING</u>	<u>PERCENT APPLICABLE TO GOVERNMENT</u>	<u>AMOUNT APPLICABLE TO GOVERNMENT</u>
Spokane County	26,794,334	46.7%	\$ 12,512,954
School District No. 81	166,370,000	90.46%	150,498,302
School District No. 354	49,800,037	17.75%	8,839,507
Fire District No. 9	2,465,000	4.86%	119,799
School District No. 360	18,175,000	2.15%	390,763
School District No. 363	9,910,491	1.73%	171,451
Total Overlapping			<u>\$ 172,532,776</u>

Excluding general obligation bonds reported in the enterprise funds and the amount available for repayment in the debt service fund.

TABLE XII

**CITY OF SPOKANE
REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS**

FISCAL YEAR	GROSS REVENUES	OPERATING EXPENSES (1)	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			COVERAGE (TIMES)
				PRINCIPAL	INTEREST	TOTAL	
REGIONAL SOLID WASTE MANAGEMENT SYSTEM REVENUE BONDS OF 1989, 1992, 1993, AND 1995							
1994	46,677,992	28,713,053	17,964,939	1,285,000	10,134,569	11,419,569	1.6
1995	49,029,790	29,585,535	19,444,255	1,960,000	9,949,618	11,909,618	1.6
1996	47,083,556	29,059,999	18,023,557	2,030,000	9,845,008	11,875,008	1.5
1997	51,218,603	34,270,741	16,947,862	2,135,000	9,768,974	11,903,974	1.4
1998	50,508,264	32,619,472	17,888,792	3,500,833	9,723,900	13,224,733	1.4
1999	53,482,823	33,768,661	19,414,162	2,025,000	9,292,149	11,317,149	1.7
2000	56,504,624	34,038,988	22,465,636	3,545,000	8,765,771	12,310,771	1.8
2001	63,048,697	35,914,905	27,133,792	3,750,000	8,323,727	12,073,727	2.2
2002	64,387,032	36,276,596	28,110,436	10,030,000	7,401,029	17,431,029	1.6
2003	63,589,566	38,612,282	24,977,284	10,650,000	6,768,640	17,418,640	1.4

(1) Total expenses excluding city taxes, depreciation, amortization and bond interest.

TABLE XIII

**CITY OF SPOKANE
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

<u>FISCAL YEAR</u>	<u>POPULATION (1)</u>	<u>PER CAPITA INCOME (2)</u>	<u>SCHOOL ENROLLMENT (3)</u>	<u>UNEMPLOYMENT RATE (4)</u>
1994	185,600	19,664	31,618	5.0%
1995	188,800	20,956	32,191	5.4%
1996	187,700	21,434	30,021	5.8%
1997	188,300	22,567	32,422	4.6%
1998	190,130	23,365	32,523	4.8%
1999	189,200	24,368	31,903	5.2%
2000	195,629	25,550	31,547	5.6%
2001	195,700	26,107	30,072	6.6%
2002	195,500	26,637	31,450	6.9%
2003	197,400		30,793	6.8%

(1) Source: Washington State Office of Financial Management, Forecasting Division

(2) Source: U.S. Department of Commerce Bureau of Economic Analysis; 2003 data not available

(3) Source: School District 81

(4) Source: Washington State Employment Security Department

TABLE XIV

CITY OF SPOKANE
PROPERTY VALUE AND CONSTRUCTION PERMITS
LAST TEN FISCAL YEARS (3)

FISCAL YEAR	PROPERTY VALUE (1)		COMMERCIAL CONSTRUCTION (2)		RESIDENTIAL CONSTRUCTION		
	COMMERCIAL	RESIDENTIAL	TOTAL	Number of Units	Value	Number of Units	Value
2001	8,418,899,928	503,026,616	8,921,926,544	1,072	134,966	1,883	62,000
2002	10,110,633,117	850,862,931	10,961,496,048	1,114	188,911	2,110	70,681
2003	10,561,439,758	814,103,015	11,375,542,773	2,477	130,339	884	80,260

(1) Source: Spokane County

(2) Source: City of Spokane Building Services Department; includes City of Spokane only. Dollar amounts are listed in thousands of dollars.

(3) Complete property value information prior to 2001 not available.

**CITY OF SPOKANE
MISCELLANEOUS STATISTICS
DECEMBER 31, 2003**

TABLE XV

Date of Incorporation:	November 29, 1881	
Date Present Charter Adopted:	March 8, 1960	
Form of Government:	Commission - Adopted December 28, 1910 Mayor-Council-Manager - Adopted June 23, 1960 Strong Mayor-Council - Adopted January 1, 2001	
Number of employees (excluding police and fire):		
Classified		1,880
Exempt		59
Area in square miles:		59
City of Spokane facilities and services		
Miles of streets		1,006
Number of street lights		11,160
Culture and Recreation		
Community Centers		3
Parks		82
Park acreage		1,102
Swimming pools		7
Tennis courts		37
Fire Protection		
Number of stations		14
Number of fire personnel and officers		316
Number of calls answered		22,762
Number of inspections conducted		9,563
Police Protection		
Number of stations		12
Number of police personnel and officers		304
Number of patrol units		16
Number of law violations:		
Physical arrests		8,776
Traffic violations		28,049
Parking violations		75,089
Sewerage System:		
Miles of sanitary sewers		838
Miles of storm sewers		355
Number of treatment plants		1
Number of service connections		67,000
Daily average treatment in gallons		38,210,000
Maximum daily capacity of treatment plant in gallons		44,000,000
Water System:		
Miles of water mains		940
Number of service connections		71,623
Number of fire hydrants		6,662
Daily average consumption in gallons		56,000,000
Maximum daily capacity of plant in gallons		290,000,000
Convention and Entertainment		
Facilities:		
Albi Stadium:		
Permanent Seats		35,000
Number of Parking Spaces		8,000