

CITY OF SPOKANE, WASHINGTON FINANCE DEPARTMENT

# **Comprehensive Annual Financial Report**

For the Fiscal Year Ended December 31, 2015



Report Prepared By:

# **Finance Department**

Gavin Cooley, CFO

# **Accounting Department**

Kim Bustos, CPA, Director

A special thank you to the City's accounting staff for their assistance in compiling this report.

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the Fiscal Year Ended December 31, 2015

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# Introductory Section



City of Spokane 808 W. Spokane Falls Blvd. Spokane, Washington 99201-3313 (509) 625-6585

Gavin Cooley, Chief Financial Officer

September 29, 2016

Honorable Mayor Members of the City Council Citizens of Spokane City of Spokane, Spokane, Washington 99201

In accordance with Revised Code of Washington 43.88.027, the Finance Department has prepared this Comprehensive Annual Financial Report (CAFR) of the City of Spokane for the fiscal year ended December 31, 2015. Full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control established for this purpose, rests with the city. Because the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any 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 State Auditor has issued an unqualified ("clean") opinion on the city's financial statements for the fiscal year ended December 31, 2015. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. We encourage readers to refer to the Management's Discussion and Analysis section of the report for a more complete overview and analysis of the city's financial activities.

Following the MD&A are the basic financial statements, including the government-wide financial statements, the fund financial statements, and the notes to the financial statements. The required supplementary information, combining and individual fund financial statements, and the statistical section complete the CAFR.

The City is required to undergo an independent, annual single audit in conformity with the provisions of Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to this independent, single audit, including a schedule of expenditures of federal awards, the State Auditor's Office reports on the internal control structure and compliance with applicable laws and regulations, and a schedule of findings and questioned costs, if any, are included in a separately issued report.

# **Profile of the City of Spokane**

The City of Spokane, as the county seat, is the largest city in Spokane County. It is the second largest city in Washington State, and is the largest city between Seattle, Washington and Minneapolis, Minnesota. Spokane is the metropolitan center of the Inland Northwest in eastern Washington. It is located on the Spokane River, 92 miles south of the Canadian border and 20 miles west of the Idaho border. Spokane is situated east of the Cascade Range and on the western slope of the Coeur d'Alene

Mountains near Idaho. In 2014 (U.S. Census Bureau), the city's population was estimated at 212,052, 43.8 percent of the county's population.

The name Spokane is derived from the Spokane Tribe and means "Children of the Sun" in Salishan. Spokane's nickname is the "Lilac City", named after the flowers that have flourished in the area since the early 20<sup>th</sup> century. The Spokane area is an outdoor lover's paradise with four distinct seasons. There is a multitude of recreational opportunities available locally including skiing, boating, fishing, cycling, golfing, whitewater rafting, and hiking. The City's Riverfront Park, along with the spectacular Spokane Falls, is situated in the heart of downtown.

Spokane County was created by an act passed by the Territorial Assembly in 1858. The City of Spokane was incorporated November 29, 1881. After settlement in the 1870s, Spokane became the hub in the inland Northwest for mining, timber and railroad activities. Today, Spokane serves as the medical, business, transportation, industrial and cultural hub of the region, as well as Western Montana, North Idaho, Northeast Oregon, Southern British Columbia, and Southern Alberta.

According to the Washington State Employment Security Department, of all the forces that shaped the Spokane County economy, none is more powerful than Spokane's historic role as a regional center of services for the surrounding rural populations of Eastern Washington and Northern Idaho. Regional services include government and higher education, medical services, retail trade and finance.

Fairchild Air Force Base is the county's largest employer. In addition, manufacturing has had a solid base due to the nexus of the Bonneville dam power generation, rail systems and the Interstate highway system. Spokane is competitive with other urban centers in attracting national and international investment in the form of tourism and conventions, the military and research. These investments in turn support the creation and expansion of still other complementary businesses, creating a well-rounded and diversified economy.

Five major hospitals are located in the city limits, including Providence Health & Services, Sacred Heart Medical Center, Deaconess Medical Center, Holy Family, Spokane Veterans Affairs Medical Center, and Shriners Hospital.

Spokane is competitive with other urban centers in attracting national and international investment in the form of tourism and conventions, the military and research. These investments in turn support the creation and expansion of still other complementary businesses, creating a well-rounded and diversified economy.

## **Government Structure**

The City is governed by a Mayor-Council or "strong mayor" form of government. The change to the Strong Mayor form took place in January 2001, after 40 years under a Council-Manager form of government. The Mayor is the head of the executive branch, similar to the governor's role at the state level and the President's role at the federal level. The City Administrator, meanwhile, serves in the capacity of the City's Chief Operating Officer.

The other key elected members in our government are the seven members of the City Council, who make up the legislative branch and three Municipal Court Judges who represent the judicial branch of the City's government. The council members consist of a Council President at-large and two representatives for each of three districts.

# Types of Service Provided and Reporting Entity

Various departments provide a full range of services including police and fire protection, libraries, municipal court, parks and recreation, public works and utilities, solid waste management, streets, wastewater management, water distribution, and many others.

The accompanying report includes all funds and subsidiary accounts of the primary government, the city of Spokane as legally defined.

# **Budget Cycle**

The city enacts budgets every calendar year, beginning on January 1. By law, the Mayor must propose the annual budget by November 2, and the City Council must adopt a balanced budget no later than December 31. 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.

Operating appropriations are generally made at the fund and department level. The level of budgetary control is at the fund level.

## **Relevant Financial Policies**

For the past decade the City has strived to adhere to the following budget principles:

- 1) Match General Fund expenditures to current year revenue (don't rely on fund balance)
- 2) Don't pay for on-going expenses with one-time money
- 3) Maintain prudent budget reserves
- 4) Maintain strict controls on hiring and spending
- 5) Fund the highest priority City services first
- 6) Use six-year forecast and comprehensive capital planning model as foundation for all future budget discussions

In addition to these principles, the City has established both a Contingency Reserve and a Revenue Stabilization Account for the General Fund. The Spokane Municipal Code outlines the targeted funding levels for both of these reserve accounts and sets forth the requirements for disbursement from the accounts.

More recently, the City adopted a policy of limiting utility rate increases for the City's Water, Wastewater, and Solid Waste utility funds to the long term CPI average estimated at 2.9%. This policy provides predictability to both the utility funds and to the ratepayers.

## **Revenue Limitation**

State law allows the city to levy a regular property tax rate up to \$3.60 per \$1,000 of assessed property value annually. Regardless of changes in assessed valuation, the growth rate of property tax collections is limited to 1% per year plus amounts due on new construction. In no event may the annual regular levy exceed the \$3.60 per \$1,000 of assessed value rate limit. During 2015, the city levied at the statutory limitation of \$3.60 per \$1,000 of assessed value. This includes two voter approved increases (one for Library Services and one for Street Maintenance/Construction) in excess of the 1% statutory limitation.

# **Factors Affecting the City's Financial Condition**

# **Economic Outlook**

Spokane's economy plays a critical role at the center of the region's commercial, manufacturing, transportation, medical, shopping and entertainment businesses. The Spokane regional economy had one of its best years for growth in the last decade, as one will readily see from a number of economic parameters discussed below.

There has been broad based job growth in the Spokane region over the past two years as evidenced from the table below. According to the Washington State Employment Security Department, 6,725 jobs were added in 2015 and over 4,267 were added in 2014. Year-end unemployment was 6.7% in 2015 compared to 7.4% in 2014 and 8.4% in 2013.

	Spokane County Civilian Labor Force - Unemployment Statistics					
		Spokane	Washington			
	Spokane County	County	State	United States		
	Civilian	Unemployment	Unemployment	Unemployment		
	Labor Force	bor Force Rate Rate		Rate		
2015 Q4	233,834	6.60%	5.90%	5.30%		
2014 Q4	231,412	7.40%	5.90%	6.20%		
2013 Q4	227,406	7.60%	6.60%	7.40%		
2012 Q4	231,328	8.60%	7.50%	8.10%		
2011 Q4	232,790	9.30%	8.70%	8.90%		

Source – Washington State Employment Security – not seasonally adjusted US Department of Labor-Bureau of labor Statistics

This equates to two years of solid job growth across all industries. For 2015, a significant increase in jobs was posted with 92% of all job growth in the private sector. Key industries posting increases in the first half of 2015 are transportation/warehousing, advanced manufacturing, healthcare, finance/insurance and agriculture. Not only are jobs being created but an increasing number of replacement workers are needed for workers who are retiring.

Several new developments will continue to create jobs. A new Health Sciences building opened in 2014 with health programs from Washing State University and Eastern Washington University. Private firms specializing in research, development and biotechnology have made Spokane their home because of the Health Sciences campus at River Pointe, and will play an increasingly important role in the area's economy. Economic development targets will continue in industries such as advanced manufacturing and materials, energy products and services, information technology and digital services and logistics and distribution businesses.

The completion of a couple of large downtown projects during 2015, the Davenport Grand Hotel and the Spokane Convention Center expansion, will support increased business and leisure travel to the Spokane region. In addition to the completion of these large construction projects, there will be a significant number of public sector jobs set to hit the Spokane region over the next few years which would include the multimillion dollar projects for Spokane Public Schools, Central Valley School District, on the north-south freeway and at Riverfront Park.

The Washington State Employment Security Department contends that Spokane's economy survived "The Great Recession" and emerged more diversified. The State forecasts steady growth for the future

with a recovery that will continue to be uneven because not all industries will participate. Construction was hard hit in the down cycle and although posting employment increases, will probably not rebound to peak levels until well into the future.

Spokane's recovery is being led by 5 industries, advanced manufacturing, health services, finance/Insurance, transportation/warehousing and education. Without the advantage of mega employers, these five industries have medium sized employers that are flexible and efficient in their markets. The health sciences and future medical school development has been a game changer for Spokane region. High tech companies in manufacturing, scientific and technical industries are creating new jobs and expanding the economic base in 2015/2016.

The Spokane International Airport reported that passenger totals were up 5% in 2015 compared to 2014 with the airport scheduled to have more seats made available in 2016, which usually translates to more passengers.

	Spokane International Airport Statistics						
	Total % Total % Total %						
	Operations	Change	Passengers	Change	Cargo (tons)	Change	
2015	49,152	1.7%	2,348,020	5.0%	51,089	7.0%	
2014	48,337	-1.1%	2,235,245	1.7%	47,744	4.8%	
2013	48,876		2,197,073		45,561		

Source: Spokane International Airport

The Spokane regional real estate market saw home sales surge, prices rise and inventories decline. Data for homes sold through the Spokane Multiple Listing Service show that single family home sales were up 17.8% in 2015, the average price was up 6.1% and the median price was up 7.1% while the inventory of homes for sale was down 20.6%. In addition, distressed sales accounted for 12.9% of all sales in 2015 compared to 16.7% in 2014.

	Spokane County Single Family Home Sales							
	Units		Dollar	Average Dollar Sales				
	Sold	%	Volume (\$ 000)	%	Price	%	Price	%
2015	6,866	17.8%	\$1,356,932	25.2%	\$197,630	6.1%	\$179,900	7.1%
2014	5,829	6.0%	\$1,084,123	7.9%	\$186,251	1.9%	\$168,000	1.9%
2013	5,500		\$1,004,848		\$182,690		\$164,798	

Source: Spokane Association of Realtors
University of Washington

Retail sales have seen two years of significant growth as shown in the table below. With inflation low and prices down for fossil based fuels, consumers were given a boost over this past year. Although some retailers are struggling with their physical store sales (Macy's in Spokane will be closing its downtown store in 2016) and on-line strategies, the overall retail picture is positive and has been positive the past two years.

	Spokane County Reported Taxable Sales						
	Taxable % Total 9						
	Retail Trade	Change	Taxable Sales	Change			
2015	4,219,275,316	7.3%	8,399,705,587	5.5%			
2014	3,930,923,674	3.5%	7,958,647,285	6.7%			
2013	3,798,422,879		7,457,843,716				

Source: Spokane County

# **Major Initiatives and Long Term Financial Planning**

The City and the country faced economic circumstances unparalleled in decades since the inception of the most recent recession. The economic pressures required the City to implement several rounds of cost containment strategies to maintain fiscal responsibility. The city's General Fund and other budgets were reduced, reserves were used strategically and tax increases were kept to a minimum in a time of declining revenues and declining fund balances.

Even with these pressures, the City of Spokane was able to accomplish numerous objectives while providing citizens with the core services they expect. Work is now underway to reinvigorate Riverfront Park. Integrated strategies that leverage street, utility and park resources will help improve the quality of the river. And, a once multi-million dollar gap between revenues and expenses has been eliminated.

City of Spokane voters approved a refinancing proposal to maintain and rebuild streets and renew Riverfront Park. The proposal provides for significant new work for the community at the same rate that citizens pay today for streets and parks.

The 2004 Street Bond greatly improved the overall quality of the city's street system and upgraded about one-third of arterial streets. Building on this success with the refinancing plan, the city will concentrate new investments on the arterial streets, which account for more than 90 percent of vehicle miles traveled through the City. Arterials provide the greatest opportunity for matching dollars, and they serve as the primary location of other infrastructure that may need to be improved. This project will upgrade all 266 miles of arterials to a good condition and maintain them there throughout the 20 years. Work would include everything from major reconstruction to sealing cracks. Other dollars, including those generated through the vehicle license tab fee, would be dedicated to repairs on residential and other non-arterial streets. The levy would generate about \$5 million a year to fund new street work. Those funds would be matched with local utility dollars and state and federal matching funds to support about \$25 million in street improvements annually.

Spokane voters also approved a \$64.3 million bond issue that would be paid off over 20 years to rehabilitate Riverfront Park. The Riverfront Park master plan includes creating a promenade through the park to provide better access, revamping the U.S. Pavilion to make it an outdoor venue for special events, creating a skating pond near Post Street and Spokane Falls Boulevard and constructing a major playground on the north side of the park. Taxpayers will not pay more each year because the new property tax will pay off older, voter-approved park debt and refinance it at a lower interest rate.

# **Awards and Acknowledgements**

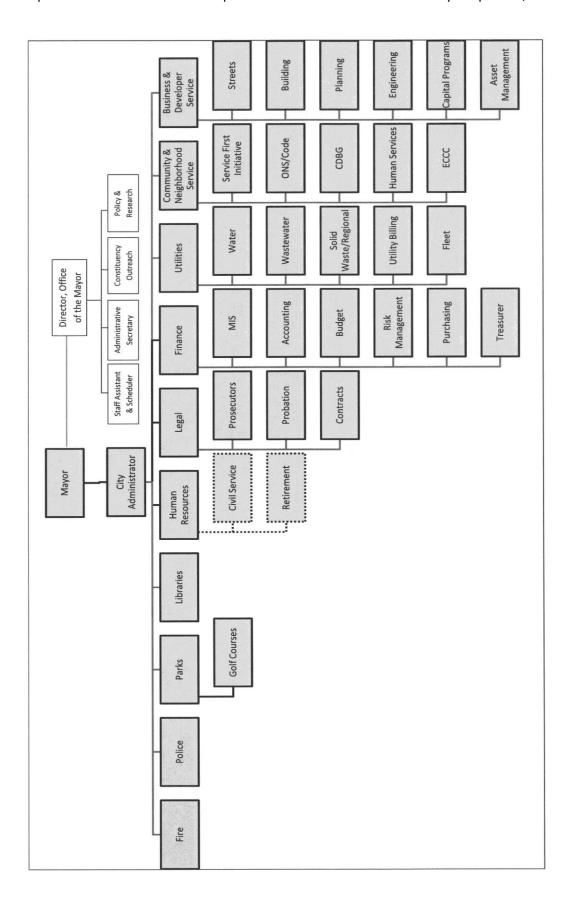
The preparation of this report could not have been accomplished without the professionalism and dedication demonstrated by the financial and management personnel of each city department. Special appreciation is extended to the employees of the Accounting and Finance Department, whose dedicated service made this year and this report a success. This CAFR reflects the Mayor's commitment to the City

Council, the citizens of the City of Spokane, and the financial community to maintain financial statements in conformance with the highest standards of financial accountability.

Sincerely,

Gavin Cooley

Chief Financial Officer



# City Elected Officials

As of December 31, 2015



Mayor David Condon



Council Member, District 1 Mike Fagan



Council Member, District 2 Breean Beggs



Council Member, District 1 Amy Waldref



Council Member, District 3 Candace Mumm



City Council President Ben Stuckart



Council Member, District 2 Lori Kinnear



Council Member, District 3 Karen Stratton

Elected Official	Position	Term Expiration Date
David A. Condon	Mayor	December 31, 2019
Ben Stuckart	Council President	December 31, 2019
Lori Kinnear	Council Member	December 31, 2019
Mike Fagan	Council Member	December 31, 2019
Candace Mumm	Council Member	December 31, 2017
Breean Beggs	Council Member	December 31, 2017
Karen Stratton	Council Member	December 31, 2019
Amber Waldref	Council Member	December 31, 2017

# Appointed Administrative Staff

City Administrator	Theresa Sanders
Chief Financial Officer	Gavin Cooley
Policy Advisor	Tyler Whitney
City Clerk	Terri Pfister
Chief Examiner – Civil Service	Gita George-Hatcher
Director – Communications & Marketing	Brian Coddington
Fire Chief	Bobby Williams
Director – Human Resources	Heather Lowe
Chief Information and Technology Officer	Eric Finch
City Attorney	Nancy Isserlis
Director – Neighborhood & Business Services	Jonathan Mallahan
Director of Parks & Recreation	Leroy Eadie
Acting Police Chief	Patrick Dobrow
Executive Director – Library	Andrew Chanse
Director – Public Works	Scott Simmons

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# **Financial Section**



# Washington State Auditor's Office

### INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

September 20, 2016

Mayor and City Council City of Spokane Spokane, Washington

#### REPORT ON THE FINANCIAL STATEMENTS

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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position 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 December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Matters of Emphasis**

As described in Note 1, during the year ended December 31, 2015, the City has implemented the Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 and Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68. Our opinion is not modified with respect to this matter.

#### Other Matters

#### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis; the Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual for General Fund Accounts and UTGO 2015 funds; and the information identified in the table of contents as the Pension Plan Information and Other Postemployment Benefit Information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying information listed as the Combining and Individual Fund Financial Statements is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such

information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The information identified in the table of contents as the Introductory and Statistical Sections and the Combining Schedules for General Fund Accounts is are 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 do not express an opinion or provide any assurance on it.

### OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated September 20, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the City's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,

TROY KELLEY

STATE AUDITOR

Twy X Kelley

OLYMPIA, WA

# MD&A

# Management's Discussion and Analysis

## 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, 2015. 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 \$2,123.3 million (net position) for the fiscal year reported.
- Total net position is comprised of the following:
- (1) Net investment in capital assets of \$2,041.3 million includes property, equipment and infrastructure, net of accumulated depreciation, and is reduced for outstanding debt related to the purchase or construction of capital assets.
- (2) Net position of \$336.6 million is restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
- (3) Unrestricted net position of (\$254.6) million became a negative amount this year due to the implementation of GASB 68 (as a change in accounting principles) that recorded the net pension obligation (an increase in liabilities) for the city's business and governmental type activities. The unrestricted net position represents the portion available to maintain the City's continuing obligations to citizens and creditors.
- The City's governmental funds reported a total ending fund balance of \$205.9 million this year, an increase of \$70.8 million from the prior year with \$63.1 million of the increase due to bond proceeds restricted for capital projects underway. Revenues increased by \$10.2 million as follows:

Property Taxes	\$3.1 million
Sales Taxes	\$2.1 million
Utility Taxes	\$1.1 million
Other Taxes	\$1.9 million
Investment earnings	\$0.8 million
Other – Miscellaneous	\$1.1 million

- At the end of the current fiscal year, fund balance for the General Fund totaled \$39.8 million, excluding the nonspendable and restricted categories, which is 25% of General Fund expenditures excluding transfers.
- Overall, the City maintained its strong financial position in 2015, and is continuing to maintain a stable financial outlook, despite ongoing budgetary pressures related to the slow economic recovery.

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 Position*. 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 position*. Over time, increases or decreases in net position 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 position 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 utility 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, economic environment, social services, and culture and recreation. Business-type activities include the utility services, golf courses, and the building services 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 40-44 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 major governmental funds. 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 45-49 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 encompass 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 50-53 of this report.

**Fiduciary funds** include three single-employer defined benefit pension plans for City employees as well as various agency funds. The City reports these funds however they are not available for City use. The fund level financial statements for fiduciary funds are presented on pages 54-55 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 56 of this report.

## Financial Analysis of the City as a Whole

Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net position may be observed and used to discuss the changing financial position of the City as a whole.

The City's net position at fiscal year-end is \$2,123.1 million as shown below.

	Governmental Activities		ties Business-Type Activities		Total	
Summary of Net Position (in thousands)	2015	2014	2015	2014	2015	2014
ASSETS						
Current and other assets	300,000	197,447	348,559	372,007	648,559	569,454
Restricted assets	-	-	16,810	17,103	16,810	17,103
Capital assets	1,534,030	1,541,479	672,682	632,426	2,206,712	2,173,905
Total assets	1,834,030	1,738,926	1,038,051	1,021,536	2,872,081	2,760,462
DEFERRED OUTFLOWS	21,836	-	12,671	-	34,507	-
Total assets + deferred outflows	1,855,866	1,738,926	1,050,722	1,021,536	2,906,588	2,760,462
LIABILITIES						
Current liabilities	19,601	45,402	15,406	24,944	35,007	70,346
Long term liabilities	397,739	191,253	330,753	232,018	728,492	423,271
Total liabilities	417,340	236,655	346,159	256,962	763,499	493,617
DEFERRED INFLOWS	17,888	-	1,834	-	19,722	-
Total liabilities + deferred inflows	435,228	236,655	347,993	256,962	783,221	493,617
NET POSITION						
Net investment in capital assets	1,402,475	1,416,828	638,845	611,627	2,041,320	2,028,455
Restricted	138,153	73,800	198,484	-	336,637	73,800
Unrestricted	(119,990)	11,643	(134,601)	152,947	(254,591)	164,590
Total net position	1,420,638	1,502,271	702,728	764,574	2,123,366	2,266,845

The City continues to maintain a healthy 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 12.7 and 21.3 for business type activities. For the City overall, the current ratio is 16.5. We consider these ratios to be very strong.

## **Governmental Activities**

Net position decreased by \$81.6 million for governmental activities and this is primarily attributable to the implementation of GASB 68 as a change in accounting principles that recorded the net pension obligation for the city's business type activities (an increase in liabilities).

The decrease of \$14.3 million in net investment in capital assets is primarily attributable to a related decrease in outstanding debt from principal payments in 2015 as well as a \$7 million reduction of capital assets from 2014 to 2015.

## **Business-Type Activities**

The \$61.8 million decrease in business activities' net position is primarily attributable to the implementation of GASB 68 as a change in accounting principle that recorded the net pension obligation for the city's business type activities (an increase in liabilities of \$69.4 million) which was partially offset by \$7.1 million of net income that came mainly from the City's water/sewer fund.

It should be noted that 99% of the governmental activities' net position is related to the net investment in capital assets. The City uses these capital assets to provide services to its citizens. With business-type activities, the City has committed 91% of its net position on capital. Capital assets in the business-type activities provide utility services, but they also

generate revenues for these funds. The net investment in capital assets makes up 96% of the City's total net position.

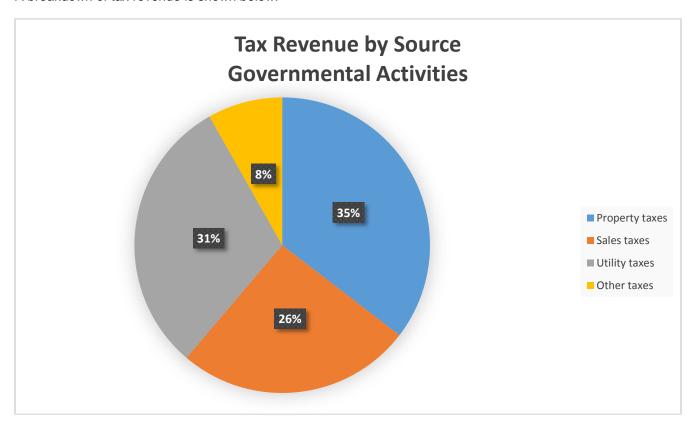
The following page provides a summary of the City's changes in net position:

	Governmental Activities		Business-Type Activities		Total	
Change in Net Position (in thousands)	2015	2014	2015	2014	2015	2014
REVENUES						
Program revenues						
Charges for services	38,020	30,725	195,425	199,669	233,445	230,394
Operating grants and contributions	11,603	11,286	100	859	11,703	12,145
Capital grants and contributions	8,395	10,232	9,553	13,043	17,948	23,275
General revenues						
Taxes	194,524	186,373	-	-	194,524	186,373
Interest and investment Earnings	6,335	5,539	1,259	646	7,594	6,185
Total revenues	258,877	244,155	206,337	214,217	465,214	458,372
EXPENSES						
General government	(29,337)	(24,212)	-	-	(29,337)	(24,212)
Judicial	(4,288)	(4,212)	-	-	(4,288)	(4,212)
Public safety	(116,943)	(112,592)	-	-	(116,943)	(112,592
Transportation	(53,900)	(46,604)	-	-	(53,900)	(46,604)
Economic environment	(11,449)	(19,235)	-	-	(11,449)	(19,235
Social services	(8,806)	(99)	-	-	(8,806)	(99)
Culture and recreation	(31,333)	(31,201)	-	-	(31,333)	(31,201)
Interest on long term debt	(8,876)	(7,358)	-	-	(8,876)	(7,358
Water/Sewer	-	-	(113,587)	(103,104)	(113,587)	(103,104
Solid Waste	-	-	(68,143)	(75,335)	(68,143)	(75,335)
Other business activities	-	-	(9,897)	(8,851)	(9,897)	(8,851)
Total expenses	(264,932)	(245,513)	(191,627)	(187,290)	(456,559)	(432,803)
Excess (deficiency) of revenues over						
expenses before contributions &						
transfers	(6,055)	(1,358)	14,710	26,927	8,655	25,569
Transfers	7,154	203	(7,154)	(203)	-	_
Increase (decrease) in net position	1,099	(1,155)	7,556	26,724	8,655	25,569
Prior period adjustment	(245)		(9)		(254)	
Change in accounting principle (GASB 68)	(82,487)		(69,394)		(151,881)	-
Net Position-January 1	1,502,271	1,503,426	764,575	737,851	2,266,846	2,241,277
Net Position-December 31	1,420,638	1,502,271	702,728	764,575	2,123,366	2,266,846

## **GOVERNMENTAL REVENUES**

The City is heavily reliant on three types of taxes to support governmental operations—more than 74% of the governmental activities revenue is derived from taxes. Charges for services represented 15% of these revenues, grants and contributions represented 9%, and interest earnings made up the remaining 2%.

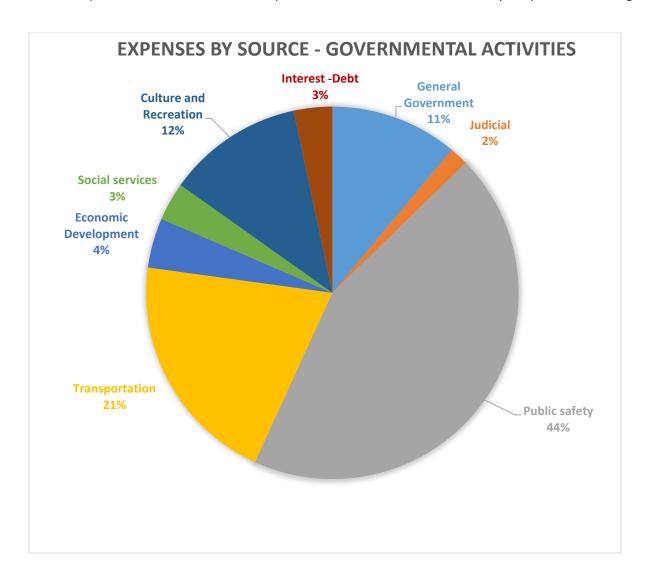
A breakdown of tax revenue is shown below.



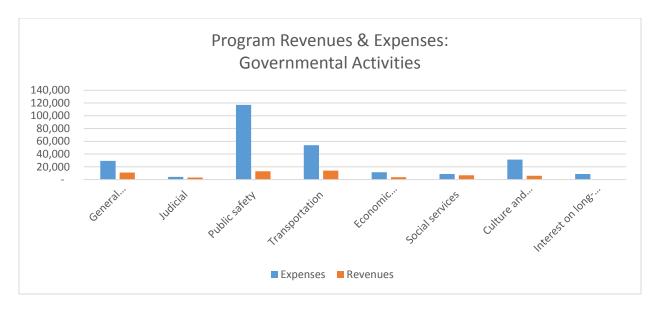
For governmental activities, program revenues cover approximately 23% of governmental operating expenses. This means that the government's taxpayers and the City's other general revenues fund 77% of the governmental activities. As a result, the general economy and the local businesses have a major impact on the City's revenue streams.

## **GOVERNMENTAL FUNCTIONAL EXPENSES**

Public safety continues to be a major priority of the City followed by transportation (streets) and culture and recreation (parks and libraries). At year-end, the allocation by program function is as follows:



The following chart presents the revenues and expenses of each of the City's programs. This net cost illustrates the financial burden that is placed on the City's taxpayers by each of these functions.



Program revenues did not cover the program expenses in any function in 2015 or in any year prior to 2015, as these expenditures by the city benefit all city residents and businesses.

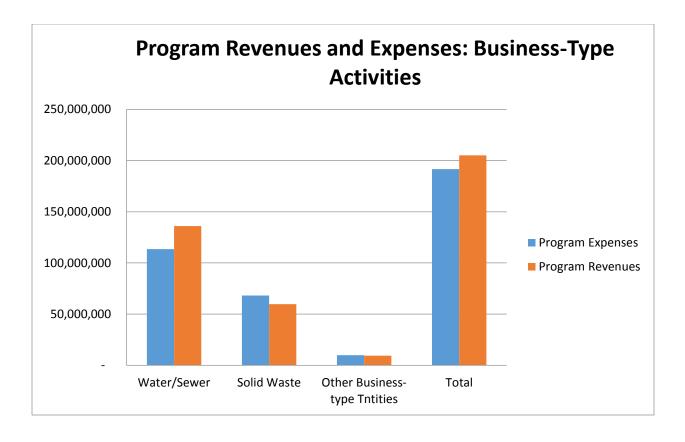
# **BUSINESS-TYPE ACTIVITIES Revenues vs. Costs**

For all enterprise funds, the City reports a current ratio of 21.3, which is a healthy ratio. The business-type activities report capitalized assets of \$601 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 (\$134.6) million in unrestricted net position, which is due to the fact that \$198.4 million of unspent bond proceeds from the revenue bonds issued in 2014 is currently restricted. The implementation of GASB 68 in 2015 resulted in a net pension liability of \$82.6 million further contributed to the deficit of unrestricted net position.

The operating revenues for the City's four enterprise funds decreased by \$8.4 million or a reduction of 3.98% over the prior year while operating expenses increased by \$4.3 million or 2.3% over 2014. The result is that operating income increased by \$13.4 million (compared to a \$26.3 million increase in 2014). All enterprise funds except the Water/Sewer fund experienced net losses in 2015.

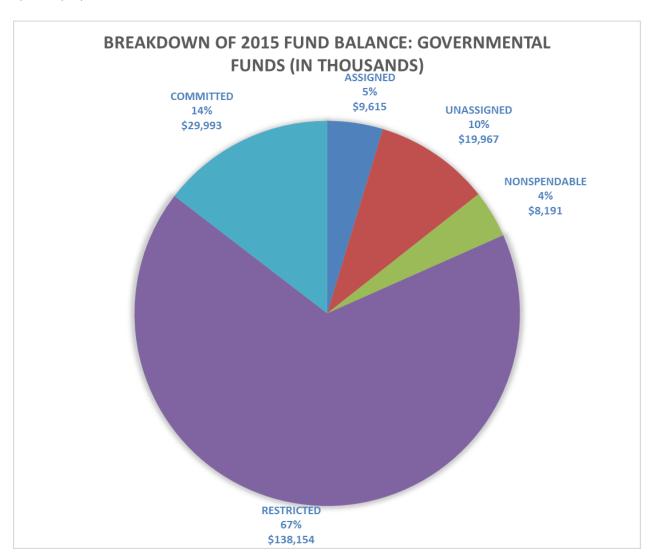
The chart below presents the revenues and expenses of each of the City's business-type activities. This net cost illustrates whether revenues are sufficient to meet current expenses.



# 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 balance of \$205.9 million. Of this total, \$9.6 million is assigned and \$20.0 million is unassigned. This represents approximately 14.4% of the total fund balance, and this constitutes a fund balance that is accessible to meet the City's needs. The remainder of the governmental funds' fund balance includes \$8.2 million "not in spendable form" for items that are not expected to be converted to near-term cash such as internal loans and inventory; \$138.1 million restricted by external parties, including grantors and creditors, and \$30.0 million committed by the City's elected officials for specific purposes.



## **Major Governmental Funds**

The **General Fund** is the City's primary operating fund and the largest source of day-to-day service delivery. Pursuant to the implementation of GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the City has combined several special revenue funds with the general fund for financial reporting purposes. A schedule of the funds included in the General Fund information is included as a supplemental schedule. The General Fund's fund balance increased in 2015 by \$2.2 million.

Committed, assigned and unassigned fund balance in the General Fund was \$39.8 million, which as a percentage of expenditures was 25% of annual operations, compared with 25% at the end of 2014. The General Fund reserves are still considered adequate, and provide the City's management with the ability to effectively manage the economic slowdown and budgetary challenges that are facing many businesses and governments at this time. During the strong economic years in the middle of the previous decade, the City's management and elected officials committed to building a robust reserve to ensure the long-term financial health of the General Fund, and the fund balance at the end of 2015 reflects the results of this commitment. The steps taken to achieve this result and how the reserve has been managed during the current economic situation are discussed in the *Budgetary Highlights* section of this analysis.

The *Capital Improvements 2015 Park Fund* is used to account for the proceeds of UTGO 2015. In January 2015, the City issued \$60.7 million in unlimited tax general obligation bonds (UTGO Series 2015). The Bonds, which were approved by the voters on November 04, 2014, are being used to finance improvements to Riverfront Park and the Parks system.

### Projects include:

- Improvements to parks grounds, infrastructure, and playgrounds
- Renovation of U.S. Pavilion/Event Center
- Improvements to Looff Carrousel building and visitors center
- Enhancements to public safety and improved access and lighting
- · Improvements to and relocation of the ice rink
- Improvements to Sykride
- Improvements to park shelters

## The Proprietary Funds

The City reports four primary enterprise funds, two of which are considered major funds. These two 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/Sewer Fund** - The water/sewer fund reports net position of \$612.5 million, with a \$550.9 million net investment in capital assets (i.e., the book value of the capital assets less related debt). The current ratio for this fund is 16.70, which provides this fund with adequate resources to cover cash flow issues.

The water/sewer fund reported operating income of \$19.4 million. The City's management and elected officials are strategically balancing the amount of utility expenses that the citizens of Spokane can afford with the need to maintain service delivery, maintain and improve the

utility's infrastructure, and provide for growth. Currently, this involves setting utility rate increases to be consistent with the consumer price index and aggressively managing operating expenses. The aggressive management of operating expenses allows for operating revenues to be directed towards investments in the utility's infrastructure. The sewer system is subject to regulatory requirements that will require significant capital improvements over the next several years. Part of the 2015 operating income will be directed towards those regulatory requirements in the coming years.

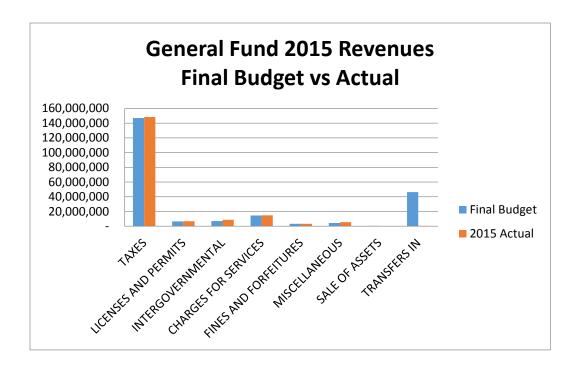
The **Solid Waste Fund** – The solid waste fund reports net position of \$79.1 million. The net investment in capital assets (i.e., the book value of the capital assets less related debt) is \$82 million. The current ratio for this fund is 5.34 which provides this fund with adequate resources to cover cash flow requirements. This fund reports (\$2.8) million in unrestricted net position.

The solid waste fund reported an operating loss of \$8.9 million. \$2.0 million of the loss is due to an increase in depreciation expense for the last two years that is consistent with a 5% reduction in depreciable assets. The remainder of the loss is due, in part, to the fact that the rate revenue increases are not sufficient to cover the current operating expenses of the Department.

## **Budgetary Highlights**

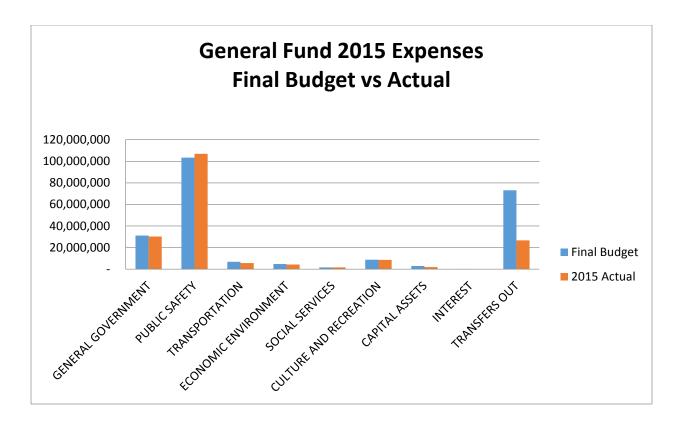
The **General Fund** – In 2015, the original General Fund Revenue budget was \$1.7 million more than the 2014 actual results. In addition, the 2015 original expenditure budget was \$3.4 million more than the 2014 actual results. There was a favorable budget variance in taxes, the majority of which is due to higher than expected sales taxes.

For the past several years, the City has strived to develop a budget that limits expenditures to anticipated revenue for the current year. The City Council amended both the revenue and expenditure budgets during 2015; the amendments resulted in a 1.0% change between the original and final budget for revenues, and a 2.6% change for expenditures.



The actual revenues were approximately \$2.1 million more than the actual expenditures, or 1.1% excess revenues over expenditures. The largest positive expenditure variances between the final budget and the actual amounts were in the transportation, capital asset, general government and transfer out categories. There was a negative budget variances in the public safety category. Generally, the positive variances related to reduced expenditures across most of the general fund, as the City's management and Council continue to recognize the effects of revenue shortfalls and adjust expenditures accordingly.

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. The City is also utilizing longer term budgetary projections to help the management and City Council make strategically sound budget decisions.



# **Capital Assets and Debt Administration**

# **Capital Assets**

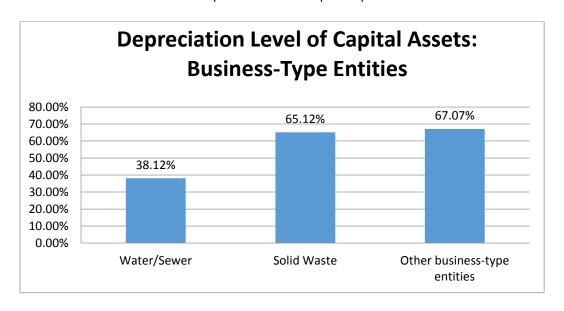
The City's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of December 31, 2015, was \$1,534 million and \$673 million respectively. See Note 4 for additional information about changes in capital assets during the fiscal year and amounts outstanding at the end of the year.

The following table provides a summary of capital assets.

	Governmen	tal Activities	Business-Typ	pe Activities	Total			
Summary of Capital Assets (in thousands)	2015	2014	2015	2014	2015	2014		
NON-DEPRECIABLE ASSETS								
Land	\$ 836,608	\$ 836,359	\$ 14,536	\$ 14,230	\$ 851,143	\$ 850,589		
Construction in progress	29,271	30,135	56,509	50,594	85,780	80,729		
Total non-depreciable assets	865,879	866,494	71,045	64,824	936,924	931,318		
DEPRECIABLE ASSETS								
Buildings	87,832	87,305	301,412	284,687	389,243	371,993		
Other improvements	86,423	83,362	99,894	97,151	186,317	180,513		
Machinery and equipment	91,742	96,832	151,004	148,779	242,746	245,611		
Infrastructure	1,038,982	1,020,872	525,502	487,762	1,564,484	1,508,633		
Intangible assets	5,573	-	114	114	5,687	114		
Total depreciable assets	1,310,552	1,288,371	1,077,926	1,018,493	2,388,478	2,306,864		
Total cost of capital assets	2,176,430	2,154,865	1,148,971	1,083,318	3,325,402	3,238,183		
ACCUMULATED DEPRECIATION	(642,401)	(613,386)	(476,289)	(450,892)	(1,118,690)	(1,064,278)		
Total book value of capital assets	\$ 1,534,030	\$ 1,541,479	\$ 672,682	\$ 632,426	\$ 2,206,712	\$ 2,173,905		
Percentage depreciated	49%	48%	44%	44%	47%	46%		

At December 31, 2015 and December 31, 2014, the depreciable capital assets for governmental activities were 49-48% depreciated.

With the City's business-type activities, 44% of the asset values were depreciated at December 31, 2015 and at December 31, 2014. These percentages indicate that the City is maintaining and replacing their assets at a favorable rate. The percentage of depreciated assets for each of the three enterprise funds that report capital assets is as follows:



## Long-Term Debt

At the end of the fiscal year, the City had long-term debt outstanding of \$436.8 million. Of this amount, \$204.4 million or 46.8% 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 of \$231 million is supported by pledged revenues generated primarily by the business-type activities of the City (revenue bonds and loans from other governments).

During the year, the City retired \$61.1 million or 16.8% of the beginning outstanding borrowed debt balance.

	Governmen	tal Activities	Business-Ty	pe Activities	То	tal	
Outstanding Borrowings	2015	2014	2015	2014	2015	2014	
General obligation bonds	\$ 195,226,287	\$ 137,956,287	453,713	453,713	195,680,000	\$ 138,410,000	
Deferred amounts <sup>1</sup>	8,587,640	3,313,426	-	-	8,587,640	3,313,426	
Special assessment debt	250,000	480,000	-	-	250,000	480,000	
Revenue bonds	-	-	175,600,000	181,225,000	175,600,000	181,225,000	
Deferred amounts	-	-	19,442,318	19,711,699	19,442,318	19,711,699	
Other government/bank loans	1,178,973	1,291,890	35,950,172	20,345,446	37,129,145	21,637,336	
Total	\$ 205,242,900	\$ 143,041,603	\$ 231,446,203	\$ 221,735,858	\$ 436,689,103	\$ 364,777,461	
<sup>1</sup> Not presented in prior years.							

Long-term debt increased by \$71.9 million during 2015, which was the result of a \$48.3 million refunding of existing debt (along with \$2.0 million of bond premiums) and the issuance of \$60.0 million of new general obligation debt (with \$5.5 million of bond premiums) to rebuild a significant portion of Riverfront Park. In addition, nearly \$54 million of debt was either paid off because it matured or was paid off because it was refinanced. Both of the above financings occurred because City of Spokane voters approved a refinancing proposal to maintain and rebuild streets and renew Riverfront Park.

On February 11, 2015, the city issued \$48.3 million in limited tax general obligation (LTGO) refunding bonds to advance refund; (i) \$7.35 million of outstanding 2004 unlimited tax general obligation (UTGO) bonds and (ii) \$38.155 million of outstanding 2007 unlimited tax general obligation (UTGO) and refunding bonds. The Bonds were issued to refund all of the City's outstanding 2004 UTGO Bonds and 2007 UTGO Bonds and to pay the costs of issuance of the Bonds. A portion of the net proceeds from the sale of the Bonds and other available funds were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2004 and 2007 UTGO bonds. As a result, the 2004 and the 2007 UTGO bonds are considered to be defeased and the liability for those bonds has been removed from the government-wide statement of net position.

The city has also started a large scale upgrade (\$100 million dollars) of the Riverside Park water reclamation facility, its main treatment plant. A component of the funding for this project included the state funded issuance in 2015 of \$17.062 million of sewer/water revenue debt.

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. Sales taxes are an "elastic" revenue stream; tax collections are higher in a flourishing economy and are lower in a depressed economy. While enjoying a strong economy in the middle of the last decade, the City of Spokane for the last several years has been dealing with the slow recovery from the nation-wide economic downturn. The City's management and elected officials are responding to the economic conditions with a balanced approach including cutting expenses, encouraging new business activity by minimizing tax increases, and using reserve balances strategically.

# **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, please contact the City's Office of Finance, 808 West Spokane Falls Boulevard, Spokane, WA 99201.

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# **Basic Financial Statements**

# **Government-Wide Financial Statements**

City of Spokane, Washington Statement of Net Position December 31, 2015

	December 31, 2015		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 55,323,255	\$ 50,080,135	\$ 105,403,390
Equity in pooled investments	158,883,822	232,741,157	391,624,979
Receivables (net)	32,287,618	40,805,002	73,092,620
Internal balances	(19,905,378)	19,905,378	
Inventories	2,538,186	4,947,955	7,486,141
Other assets	(71,858)	78,962	7,104
Restricted Assets:			
Cash and cash equivalents + investments	-	16,809,886	16,809,886
Receivables , noncurrent	38,782,385	-	38,782,385
Net pension asset	32,162,324	-	32,162,324
Capital Assets (Note 4):			
Non-depreciable assets	865,878,514	71,045,281	936,923,795
Depreciable assets, net of depreciation	668,151,113	601,637,141	1,269,788,254
Total capital assets, net of depreciation	1,534,029,627	672,682,422	2,206,712,049
Total Assets	1,834,029,981	1,038,050,897	2,872,080,878
DEFERRED OUTFLOWS			
Pensions	21,835,913	12,670,829	34,506,742
Total deferred outflows	21,835,913	12,670,829	34,506,742
Total Assets Plus Deferred Outflows	1,855,865,894	1,050,721,726	2,906,587,621
LIABILITIES			
Accounts payable and accrued expenses	10,003,921	12,746,544	22,750,465
Unearned revenue	139,855	-	139,855
Accrued liabilities	5,501,964	1,821,544	7,323,508
Other liabilities, current	3,955,677	837,825	4,793,502
Long term liabilities (Note 9):			
Due within one year	25,392,187	8,076,791	33,468,979
Due within more than one year	372,345,743	322,676,670	695,022,413
Total Liabilities	417,339,348	346,159,374	763,498,722
DEFERRED INFLOWS			
Property taxes	(246,777)	-	(246,777)
Grants	(29,245)		(29,245)
Pensions	17,172,210	1,834,297	19,006,507
Bond refundings	991,898	-	991,898
Total deferred inflows	17,888,086	1,834,297	19,722,383
Total Liabilities Plus Deferred Inflows	435,227,433	347,993,671	783,221,104
NET POSITION			
	1 400 474 514	/20.044.000	0.041.210.240
Net investment in capital assets Restricted for:	1,402,474,514	638,844,828	2,041,319,342
Capital projects	87,703,608	198,484,123	286,187,731
Debt service	7,890,426	-	7,890,426
Grants/other	41,762,354	_	41,762,354
Police and firefighters' pension	731,941	-	731,941
Other	65,224	- -	65,224
Unrestricted	(119,989,606)	(134,600,896)	(254,590,502)
		·	
Total Net Position	\$ 1,420,638,461	\$ 702,728,055	\$ 2,123,366,516

# City of Spokane, Washington Statement of Activities For the Fiscal Period Ended December 31, 2015

page 1 of 2

					Prog	ram Revenues			
Functions/Programs		Expenses		Charges for Services		Operating Grants & Contributions		Capital Grants & Contributions	
Governmental Activities:									
General government	\$	29,337,132	\$	10,819,276	\$	162,194	\$	-	
Judicial		4,287,794		3,097,232		64,400		-	
Public safety		116,942,571		10,852,114		1,650,922		646,714	
Transportation		53,899,784		6,111,710		177,782		7,738,944	
Economic environment		11,449,437		208,846		3,631,547		-	
Social services		8,806,056		978,875		5,870,944		-	
Culture and recreation		31,333,401		5,952,285		45,126		8,972	
Interest on long-term debt		8,875,820		-		_			
Total governmental activities		264,931,994		38,020,338		11,602,917		8,394,631	
Business-Type Activities:									
Water/Sewer		113,586,328		126,426,145		-		9,552,553	
Solid Waste		68,142,716		59,654,821		100,549		-	
Other business-type entities		9,897,164		9,344,374		-			
Total business-type activities		191,626,208		195,425,340		100,549		9,552,553	
Total government	\$	456,558,202	\$	233,445,678	\$	11,703,466	\$	17,947,184	

# City of Spokane, Washington Statement of Activities

#### For the Fiscal Period Ended December 31, 2015

	page 2 of 2										
	Net (Expense) Revenue and Change in Net Position										
Functions/Programs		overnmental Activities	В	usiness-Type Activities		Total					
Governmental Activities:											
General government	\$	(18,355,662)	\$	-	\$	(18,355,662)					
Judicial		(1,126,162)		-		(1,126,162)					
Public safety		(103,792,820)		-		(103,792,820)					
Transportation		(39,871,347)		-		(39,871,347)					
Economic environment		(7,609,044)		-		(7,609,044)					
Mental and physical health		(1,956,237)		-		(1,956,237)					
Culture and recreation		(25,327,018)		-		(25,327,018)					
Interest on long-term debt		(8,875,820)		-		(8,875,820)					
Total governmental activities		(206,914,109)		-		(206,914,109)					
Business-Type Activities:											
Water/Sewer		-		22,392,370		22,392,370					
Solid Waste		-		(8,387,346)		(8,387,346)					
Other business-type entities		-		(552,790)		(552,790)					
Total business-type activities		-		13,452,234		13,452,234					
Total government	\$	(206,914,109)	\$	13,452,234	\$	(193,461,875)					
General Revenues											
Propertytaxes		68,892,902		_		68,892,902					
Sales taxes		50,176,407		_		50,176,407					
Utilitytaxes		59,521,382		-		59,521,382					
Other taxes		15,933,153		-		15,933,153					
Investment earnings		6,335,443		1,258,861		7,594,304					
Transfers		7,154,570		(7,154,570)		· · ·					
Total general revenues and transfers		208,013,857		(5,895,709)		202,118,148					
Change in Net Position		1,099,748		7,556,525		8,656,273					
Prior period adjustment		(244,772)		(9,343)		(254,115)					
Change in accounting principle (GASB 68)		(82,487,318)		(69,393,823)		(151,881,141)					
		(==,:::,::0)		( / / /-		(,,,					
Net Position - beginning (restated)		1,502,270,804		764,574,696		2,266,845,500					
Net Position - ending	\$	1,420,638,461	\$	702,728,055	\$	2,123,366,516					
-	_		•								

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# **Basic Financial Statements**

# **Fund Financial Statements**

City of Spokane, Washington Balance Sheet Governmental Funds December 31, 2015

 General Fund		UTGO 2015		Other Governmental Funds		Total
\$ 9,784,982 39,468	\$	561,567 -	\$	20,139,128 94,049	\$	30,485,677 133,517
15,167,316		59,183,621		37,957,258		112,308,195
13,716,385		-				16,953,804
3 305 000		-				2,741,431 4,046,883
		82 083				569,495
		- ,		- ,		9,699,286
						2.342.869
925,452		-		6.166.342		7.091.794
931,921		3,749,047		2,393,377		7,074,345
-		-		1,116,326		1,116,326
 168,779		-		38,613,606		38,782,385
 52,045,630		64,071,253		117,229,124		233,346,007
 52,045,630		64,071,253		117,229,124		233,346,007
1,925,043		15,192		4,289,071		6,229,306
		63,657				5,157,801
,		-				206,432
60,000		-				139,855
4 275 770		-				1,459,034 5,020,439
		_				3,847,283
		78.849				22,060,150
 		,.				
 2,128,191				3,237,332		5,365,523
 10,745,280		78,849		16,601,544		27,425,673
931,921		3,749,047		3,509,698		8,190,666
-		60,243,357		27,460,251		87,703,608
-		-				731,941
612,166		-		, ,		41,762,354
-		-				7,890,426
17 101 702		-				65,224
		-				29,993,391 9,615,460
3,667,376 19,967,264		-		J,120,U04 -		19,967,264
\$ 41,300,350	\$	63,992,404	\$	100,627,580	\$	205,920,334
\$	\$ 9,784,982 39,468 15,167,316 13,716,385 - 3,395,080 468,441 5,872,342 1,575,464 925,452 931,921 - 168,779 52,045,630 52,045,630 - 1,925,043 1,313,127 107,855 60,000 - 4,275,669 935,395 8,617,089 - 2,128,191 10,745,280 - 612,166 - 16,101,623 3,687,376 19,967,264	\$ 9,784,982 \$ 39,468 15,167,316 13,716,385 - 3,395,080 468,441 5,872,342 1,575,464 925,452 931,921 - 168,779 52,045,630  1,925,043 1,313,127 107,855 60,000 - 4,275,669 935,395 8,617,089  2,128,191 10,745,280  931,921 - 612,166 - 16,101,623 3,687,376 19,967,264	\$ 9,784,982 \$ 561,567	\$ 9,784,982 \$ 561,567 \$ 39,468	\$ 9,784,982 \$ 561,567 \$ 20,139,128 39,468 - 94,049 15,167,316 59,183,621 37,957,258 13,716,385 - 3,237,419 - 2,741,431 3,395,080 - 651,803 468,441 82,083 18,971 5,872,342 26,548 3,800,396 1,575,464 468,387 299,018 925,452 - 6,166,342 931,921 3,749,047 2,393,377 - 1,116,326 168,779 - 38,613,606 52,045,630 64,071,253 117,229,124  1,925,043 15,192 4,289,071 1,313,127 63,657 3,781,017 107,855 - 98,577 60,000 - 79,855 - 1,459,034 4,275,669 - 744,770 935,395 - 2,911,888 8,617,089 78,849 13,364,212  2,128,191 - 3,237,332 10,745,280 78,849 16,601,544  931,921 3,749,047 3,509,698 - 60,243,357 27,460,251 - 60,243,357 27,460,251 - 731,941 612,166 - 41,150,188 - 7,890,426 - 65,224 16,101,623 - 13,891,768 3,687,376 - 5,928,084 19,967,264 - 5,928,084	\$ 9,784,982 \$ 561,567 \$ 20,139,128 \$ 39,468

#### City of Spokane, Washington Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Funds For the Fiscal Year Ended December 31, 2015

	General Fund	UTGO 2015	Other Governmental Funds	Total
REVENUES Taxes Licenses and permits Intergovernmental Charges for services Fines and forfeitures Miscellaneous Total Revenues	\$ 148,114,876 6,769,497 8,813,594 14,869,699 3,268,994 5,541,035 187,377,695	\$ - \$ - - - 533,733 533,733	37,402,969 \$ 537,334 26,613,434 12,393,725 1,643,822 5,451,208 84,042,492	185,517,845 7,306,831 35,427,028 27,263,424 4,912,816 11,525,976 271,953,920
EXPENDITURES Current: General government Public safety Transportation Economic environment Social services Culture and recreation Capital outlays Debt service: Principal Interest Total Expenditures	 30,259,412 106,937,313 5,628,838 4,281,283 1,573,722 8,522,999 1,971,376	- - - 166,607 677,804 - 426,770 1,271,181	9,155,087 15,214,990 20,578,073 6,594,724 7,209,537 16,274,060 21,202,873 6,034,830 8,449,050	39,414,499 122,152,303 26,206,911 10,876,007 8,783,259 24,963,666 23,852,053 6,034,830 8,875,820 271,159,348
Excess of Revenues Over (Under) Expenditures	28,202,752	(737,448)	(26,670,732)	794,572
OTHER FINANCING SOURCES (USES) Sale of capital assets Proceeds of bonds issued Refunding bonds issued Premium on bonds issued Payment to escrow agent for refunded bond debt Transfers in Transfers out Total Other Financing Sources (Uses)	 62,560 - - - - 463,420 (26,640,585) (26,114,605)	59,277,935 - 5,451,917 - - - 64,729,852	147,203 792,065 48,305,000 2,056,006 (49,778,428) 41,786,599 (11,957,080) 31,351,365	209,763 60,070,000 48,305,000 7,507,923 (49,778,428) 42,250,019 (38,597,665) 69,966,612
Excess (deficiency) of revenues of other sources over (under) expenditures and other taxes	2,088,147	63,992,404	4,680,633	70,761,184
Other Changes in Fund Balance Fund Balance - beginning Prior Period Adjustment	 39,088,654 123,549	- -	95,947,500 (553)	135,036,154 122,996
Fund Balance - beginning (restated)	 39,212,203	-	95,946,947	135,159,150
Fund balance - ending	\$ 41,300,350	\$ 63,992,404 \$	100,627,580 \$	205,920,334

Reconciliation of the Balance Sheet to the Statement of Net Position Governmental Funds December 31, 2015

Total Fund Balance of Governmental Funds	\$ 205,920,334
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:	
Non-depreciable assets 858,078,356	
Depreciable assets 1,238,061,688	
Less: Accumulated depreciation (605,132,360)	
Total capital assets	1,491,007,684
Certain pension trust funds have been funded in excess of the annual required contributions, creating	
a year-end asset. This asset is not a financial resources and therefore is not reported in the funds.	32,162,324
Deferred outflows of resources represent a consumption of fund equity that will be reported as an	
outflow of resources in a future period and therefore are not reported in the funds.	18,635,033
Deferred inflows of resources represent an acquisition of fund equity that will be reported as an inflow of resources in a future period and therefore are not reported in the funds.	
Property tax 5,612,300	
Grants 29,245	
Refunding debt (991,898)	
Pensions (14,780,808)	(10,131,161)
Internal service funds are used by management to charge the costs of certain activities to individual	
funds. The assets and liabilities of the internal service funds are included in governmental activities in	
the Statement of Net Position.	36,394,930
Some liabilities are not due and payable in the current period and therefore are not reported in the	
funds. These liabilities consist of:	
Bonds payable (195,226,287)	
Deferred amounts on bond issuance (8,587,640) Special assessment debt (250,000)	
(200)	
Governmental loans (1,178,973) Revitalization areas (3,570,731)	
OPEB (other postemployment benefits) liability (13,917,200)	
Net pension obligation (113,909,605)	
Accrued interest on bonds (682,238)	
Compensated absences (16,028,010)	
Total long term liabilities	(353,350,684)
Net Position of Governmental Activities	\$ 1,420,638,461

# Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities For the Fiscal year Ended December 31, 2015

Change in fund balance - governmental funds Amounts reported for governmental activities in the Statement of Net Position are different because:	\$ 70,761,1	76
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.		
Capital outlays 26,090	0,367	
Depreciation expense (33,609	9,627)	
	 (7,519,2	(60)
In the Statement of Activities, only the loss on the sale of capital assets is reported whereas in the governmental funds, the proceeds from the sale of capital assets increase financial resources. Thus, the change in fund balance differs from the change		
in net position by the cost of capital assets sold.		
Capital assets sold (7,503	3,124)	
Less accumulated depreciation 4,740	0,721_	
	(2,762,4	03)
Some revenues in the governmental funds that were not available until the current year		
were reported in prior years in the Statement of Activities.	(216,4	87)
Bond proceeds and other financing contracts provide current financial resources to governmental funds, while the repayment of the related debt principal consumes those financial resources. These transactions, however, have no effect on net position. In the current period, these amounts consist of:		
Bonds issued (60,070	0.000)	
Principal repayments - general obligation debt 5,600	0,000	
	0,000	
	2,917	
	1,912	
	(54,035,1	71)
	, , ,	,
Some expense/revenue reductions reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not recognized in the governmental funds. Also payments of certain obligations related to prior periods are recognized in governmental funds but are eliminated in the Statement of Activities. In the current period, the net adjustments consist of:		
(Increase) decrease in OPEB (other postemployment benefit) liability (806	6,211)	
	3,579)	
(Increase) decrease in revitalization areas (2,279	·	
(Increase) decrease in deferred amounts on bond issuance	•	
(Increase) decrease in deferred amounts on bond issuance 2,237	7,807	
(Increase) decrease in accrued interest (279	9,997)	
	·	
Increase (decrease) in pension expense (5,030	0,000)	
	0,211	
	(6,551,0	29)
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 gain of internal		
service funds is reported with governmental activities.	1,422,9	22
Change in net position of governmental activities	\$ 1,099,7	48

#### City of Spokane, Washington Statement of Net Position Proprietary Funds December 31, 2015

	Business-type Activities-Enterprise Funds							
	Water/Sewer	Solic	i Waste		Other Enterprise Funds	Total		Governmental Activities Internal Service
ASSETS								
Current Assets:								
Cash and cash equivalents	\$ 45,297,385	\$ 3	,325,219	\$	1,397,383	\$ 50,019,9	87 \$	23,663,597
Deposits with fiscal agents	50,915		9,233		-	60,1	48	1,040,464
Equity in pooled investments	215,463,210	15	,241,773		2,036,174	232,741,1	57	46,575,627
Accounts receivable	12,841,720	5	,618,128		414,630	18,874,4	78	851,863
Interest receivable	107,150		11,533		1,001	119,6	84	21,660
Due from other funds	2,110,814	1	,087,982		73,352	3,272,1	48	4,212,574
Interfund loan receivable	1,748,049		113,336		16,039	1,877,4	24	366,875
Due from other governments	21,766,174		44,612		54	21,810,8	40	10,688
Inventories	2,488,515	2	,436,697		22,743	4,947,9	55	1,421,860
Prepayments	-		-		-		-	(71,858)
Equity in pooled investments, restricted Interest receivable, restricted	6,454,931	10	,354,955		-	16,809,8	86	-
Total current assets	308,328,863	38	,243,468		3,961,376	350,533,7	07	78,093,350
Noncurrent assets:  Non depreciable capital assets:								
Land	10,106,705	3	,139,893		1,289,224	14,535,8	22	6,529,698
Construction in progress	56,509,459		_		-	56,509,4	59	1,270,460
Depreciable capital assets:								
Property, plant, and equipment	310,385,128	225	,924,230		16,000,434	552,309,7	92	57,297,887
Infrastructure	525,502,441		_		_	525,502,4	41	9,619,118
Capitalized software	-		-		_	,	_	5,573,267
Intangible assets	113,766		-		_	113,7	66	-
Less accumulated depreciation	(318,428,239)	(147	,128,828)		(10,731,791)	(476,288,8		(37,268,487)
Total capital assets	584,189,260	81	,935,295		6,557,867	672,682,4	22	43,021,943
Other noncurrent assets								
Other noncurrent assets	44,000		34,962		_	78.9	62	_
Advances to other funds	13,991,669		907,157		128,378	15,027,2		2,936,537
Total noncurrent assets	598,224,929	82	,877,414		6,686,245	687,788,5	88	45,958,480
Total assets	906,553,792	121	,120,882		10,647,621	1,038,322,2	95	124,051,830
DEFERRED OUTFLOWS OF RESOURCES								
Pensions	7,520,670	3	,580,801		1,569,358	12,670,8	29	3,200,880
Total deferred outflows of resources	7,520,670	3	,580,801		1,569,358	12,670,8	29	3,200,880
Total assets plus deferred outflows of resources	914,074,462	124	,701,683		12,216,979	1,050,993,1	24	127,252,710

City of Spokane, Washington Statement of Net Position Proprietary Funds December 31, 2015

	Busi	ness-type Activitie	s-Enterprise Funds		
	Water/Sewer	Solid Waste	Other Enterprise Funds	Total	Governmental Activities Internal Service
LIABILITIES					
Current Liabilities:					
Accounts payable	7,614,137	4,119,095	150,086	11,883,318	2,775,420
Claims and judgements payable	-	-	-	-	17,900,788
Compensated absences	190,594	84,650	34,897	310,141	194,941
Capital lease payable  Due to other funds	6,963,022	- 2,181,519	40,772 187,250	40,772 9,331,791	- 2,694,416
Interfund loan payable	0,703,022	2,101,317	107,230	7,331,771	28.166.220
Due to other governments	1,412,439	_	_	1,412,439	110,525
Accrued interest	721,733	-	-	721,733	-
Other accrued liabilities	1,019,361	590,127	212,056	1,821,544	481,525
Other current liabilities	544,078	192,259	101,488	837,825	108,394
Total current liabilities	18,465,364	7,167,650	726,549	26,359,563	52,432,229
Current lightlities payable from restricted assets:					
Current liabilities payable from restricted assets:  Revenue bonds payable	5,920,000	_		5,920,000	_
Unamortized premium on revenue bonds	534,931	-	-	534,931	-
Total current liabilities payable from restricted assets	6,454,931	-	-	6,454,931	-
Noncurrent Liabilities:					
Revenue bonds payable	169,680,000	-	-	169,680,000	-
Unamortized premium on revenue bonds	18,907,387	-	-	18,907,387	-
General obligation bonds payable	-	-	453,713	453,713	-
Due to other government units	34,679,228	-	-	34,679,228	-
Compensated absences	2,982,927	1,088,257	523,732	4,594,916	1,569,594
Noncurrent capital lease payable	-	-	131,220	131,220	-
Net pension liability	49,856,068	24,479,492	8,348,206	82,683,766	25,404,162
Accrued landfill postclosure liability		11,546,441	-	11,546,441	-
Total noncurrent liabilities	276,105,610	37,114,190	9,456,871	322,676,671	26,973,756
Total Liabilities	301,025,905	44,281,840	10,183,420	355,491,165	79,405,985
DEFERRED INFLOWS OF RESOURCES					
Pensions	544,352	1,289,945	-	1,834,297	2,391,402
Total deferred inflows of resources	544,352	1,289,945	-	1,834,297	2,391,402
Total liabilities plus deferred inflows of resources	301,570,257	45,571,785	10,183,420	357,325,462	81,797,387
NET POSITION					
Net investments in capital assets	550,977,372	81,935,295	5,932,161	638,844,828	43,021,943
Restricted	198,484,123	-	-	198,484,123	-
Unrestricted	(136,957,290)	(2,805,397)	(3,898,602)	(143,661,289)	2,433,380
Total Net Position	\$ 612,504,205 \$	79,129,898 \$	2,033,559	693,667,662	\$ 45,455,323
Adjus	tment to reflect the co	nsolidation of inter ctivities related to e		9,060,393	

Net position of business-type activities \$ 702,728,055

## City of Spokane, Washington Statement of Revenues, Expenditures, and Changes in Net Position Proprietary Funds For the Fiscal Year Ended December 31, 2015

	Bu				
	Water/Sewer	Solid Waste	Other Enterprise Funds	Total	Governmental Activities Internal Service Funds
OPERATING REVENUES Charges for goods and services	\$ 125,751,886 \$	57,973,051	\$ 9,317,611 \$	193,042,548	\$ 79,143,330
Total operating revenues	125,751,886	57,973,051	9,317,611	193,042,548	79,143,330
OPERATING EXPENSES					
Salaries and wages	22,031,146	12,437,924	4,301,346	38,770,416	11,350,328
Personnel benefits	7.856.983	4,574,496	1,463,965	13,895,444	4,020,320
Supplies	4,856,416	3,475,925	332,266	8,664,607	3,802,003
Other services and charges	22,173,388	25,767,276	2,904,378	50,845,042	14,900,408
Intergovernmental	22,170,000	500	2,304,370	500	14,500,400
Taxes	28,573,669	9,284,915	20,650	37,879,234	162,168
			•		,
Depreciation/amortization	20,604,451	10,923,276	932,145	32,459,872	4,283,811
Risk transfer payments	270,539	439,052	-	709,591	8,598,317
Claims processing	-	-	-	-	2,417,893
Payments to claimants and beneficiaries	-	-	-	-	33,059,353
Total operating expenses	106,366,592	66,903,364	9,954,750	183,224,706	82,594,601
Operating Income (Loss)	19,385,294	(8,930,313)	(637,139)	9,817,842	(3,451,271)
NONORED ATING DEVENUES (EVENUES)					
NONOPERATING REVENUES (EXPENSES)	4 400 000	440.040	40.000	4.050.004	040.070
Interest income	1,128,622	119,946	10,293	1,258,861	210,678
Gain (loss) on disposition of fixed assets	40,806	(1,626,371)	1,800	(1,583,765)	(470)
Interest expense	(7,842,260)	-	-	(7,842,260)	(508,827)
Other nonoperating revenue	2,522,068	1,782,319	24,963	4,329,350	1,548,617
Total nonoperating revenues (expenses)	(4,150,764)	275,894	37,056	(3,837,814)	1,249,998
Income (loss) before capital					
contributions and transfers	15,234,530	(8,654,419)	(600,083)	5,980,028	(2,201,273)
Capital contributions	7,663,938	-	-	7,663,938	1,189,108
Transfers in	<u>-</u>	466,457	274,000	740,457	3,875,939
Transfers out	(7,864,905)	(460)	(29,662)	(7,895,027)	(373,723)
Change in Net Position	15,033,563	(8,188,422)	(355,745)	6,489,396	2,490,051
Net Position - beginning	638.880.395	108.780.595	8.920.442	756.581.432	66.802.829
Change in Accounting Principle	(41,400,410)	(21,462,275)	(6,531,138)	(69,393,823)	(23,840,887)
Prior Period Adjustment	(9,343)	-	-	(9,343)	3,330
Net Position - beginning (restated)	597,470,642	87,318,320	2,389,304	-	42,965,272
Net Position - ending	\$ 612,504,205 \$	79,129,898	\$ 2,033,559	=	\$ 45,455,323
		C	hange in Net Position	6,489,396	
	Adjustments to refle		of internal service fund ed to enterprise funds	1,067,129	
	Chang	e in net position of b	usiness-type activities \$	7,556,525	

# City of Spokane, Washington Statement of Cash Flows Proprietary Funds For the Fiscal Year Ended December 31, 2015

	Business-Type Activities - Enterprise Funds									
	'	Water/Sewer		Solid Waste		Other Enterprise Funds		Total		Governmental ctivities Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES Receipts from customers and users	\$	111,414,617	\$	68,831,390	\$	9,291,663	\$	189,537,670	\$	80,154,834
Receipts from interfund services provided Payments to suppliers for services Payments to employees		(24,480,930) 13,171,229		(35,953,279) 5,192,762		(3,151,628) 1,041,285		(63,585,837) 19,405,276		(63,382,588) 9,175,336
Payments for taxes - city and state Payments for interfund services received		(28,573,669)		(9,284,915)		(20,650)		(37,879,234)		(158,550)
Other receipts (payments)		(41,409,753)		(21,462,275)		(6,528,757)		(69,400,785)		(23,840,887)
Net cash provided (used) by operating activities		30,121,494		7,323,683		631,913		38,077,090		1,948,145
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES										
Transfers in (out)		-		-		137,000		137,000		794,828
Net cash provided (used) by noncapital financing activities		-				137,000		137,000		794,828
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES										
Proceeds from disposal of capital assets		377,366		(17,561,402)		1,800		(17,182,236)		263,001
Proceeds from loans, notes, and lease purchase payable		17,070,634		-		-		17,070,634		-
Capital grants and contributions received		(30,127,002)		-		(221.007)		(30,127,002)		
Acquisition and construction of capital assets		(18,994,784)		-		(331,887)		(19,326,671)		(6,338,641)
Principal paid on intergovernmental loans Principal paid on revenue bonds		(1,448,426)		-		-		(1,448,426)		-
Interest paid on interfund loans		(5,625,000)		-		-		(5,625,000)		(508,827)
Interest paid on interioria loans Interest paid on intergovernmental loans		(187,831)		-		-		(187,831)		(300,027)
Interest paid on revenue bonds		(7,887,806)		-		171.992		(7,715,814)		-
Interest paid on revenue borids Interest paid on general obligation bonds		(7,007,000)		-		1/1,772		(7,713,014)		-
Transfers in (out)		(7,864,905)		465,997		107,338		(7,291,570)		2,680,554
Net cash provided (used) by capital and related financing activities		(54,687,754)		(17,095,405)		(50,757)		(71,833,916)		(3,903,913)
CASH FLOWS FROM INVESTING ACTIVITIES Purchase of investments		(10,762,448)		(11,618,632)		(919,928)		(23,301,008)		(8,003,475)
Proceeds from sales and maturities of investments		73,417,218		19,190,000		799,452		93,406,670		16,592,905
Interest received		1,256,588		118,724		10,272		1,385,584		203,983
Net cash provided (used) by investing activities		63,911,358		7,690,092		(110,204)		71,491,246		8,793,413
Net increase (decrease) in cash and cash equivalents		39,345,098		(2,081,630)		607,952		37,871,420		7,632,473
Cash and cash equivalents - January 1		5,952,287		5,406,849		789,431		12,148,567		16,031,124
Cash and cash equivalents - December 31	\$	45,297,385	\$	3,325,219	¢	1,397,383	\$	50,019,987	¢	23,663,597
Cash and Cash equivalents (2000), per control (1)	<u> </u>	10,277,000	Ψ	0,020,21,	Ψ	1,077,000	Ψ	30,017,737	Ψ	20,000,077
CASH FLOWS FROM OPERATING ACTIVITIES Operating Income (Loss)	\$	19,385,294	\$	(8,930,313)	\$	(637,139)	\$	9,817,842	\$	(3,451,271)
	Ψ	17,000,274	Ψ	(0,700,010)	Ψ	(007,107)	Ψ	7,017,042	Ψ	(0,401,271)
Adjustments to Reconcile Operating Income										
Depreciation & amortization		20,604,451		10,923,276		932,145		32,459,872		4,283,811
Prior period adjustment		(9,343)		-		-		(9,343)		-
Change in Accounting Principle		(41,400,410)		(21,462,275)		(6,531,138)		(69,393,823)		(23,840,887)
Other revenues Other expenses		2,522,068		1,782,319		24,963		4,329,350		1,548,617
Change in Assets: Decrease (Increase)										
Receivables, net of allowance		(16,824,134)		9,075,605		(66,430)		(7,814,959)		(603,481)
Deposits with fiscal agents		-		415		-		415		(13,873)
Inventories		(33,601)		(373,013)		13,381		(393,233)		168,356
Prepayments		5,500		-		-		5,500		64,454
Change in Deferred Outflows : Decrease (Increase) Change in Liabilities: Increase (Decrease)		(7,520,670)		(3,580,801)		(1,569,358)		(12,670,829)		(3,200,880)
Payables		52,847,987		18,598,525		8,465,489		79,912,001		24,601,897
Change in Deferred Inflows: Increase (Decrease)		544,352		1,289,945		-		1,834,297		2,391,402
Net Cash provided (used) by operating activities	\$	30,121,494	\$	7,323,683	\$	631,913	\$	38,077,090	\$	1,948,145
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES										
Contributions of capital assets	\$	7,663,938	\$		\$	-	\$	7,663,938	\$	1,605,185

# City of Spokane, Washington Statement of Fiduciary Net Position Fiduciary Funds December 31, 2015

	Pension and Othe Employee Benefit Plans	r Private-Purpose Trust Funds	)	Agency Funds
SSETS				
urrent Assets:				
ash	\$ 4,560,24	5 \$ 11,6	18 \$	4,563,158
hort term investments		-	-	1,558,325
eceivables, pension and other employee benefit plans:	222.50	F		700
nterest and dividends Faxes receivable	232,58		-	723
her receivables	200,00 4,89		- 11	- 111,566
e from other governments	4,03	-	-	39,428
tal Current Assets	4,997,72	6 14,7	62	6,273,200
ai duiteit Assets	4,991,12	0 14,7	02	0,273,200
oncurrent Assets:				
vestments, noncurrent, at fair value:				
S. fixed income	55,951,81	8	_	
sternational/global fixed income	12,781,40		_	
.S. equities	88,558,26		_	
Real estate	18,008,15		_	
nternational equities	45,490,54		_	
Alternatives	76,069,79		-	
al investments	296,859,99		-	
oital assets:				
ftware	477,00	0	-	
cumulated depreciation	(95,40	0)	-	
estments, noncurrent, all other funds:	<u> </u>			
al Noncurrent Assets	297,241,59		-	
al Assets	302,239,31	8 14,7	62	6,273,200
Assets plus Deferred Outflows of Resources	302,239,31	8 14,7	62	6,273,200
BILITIES				
ABILITIES Irrent Liabilities:				
arrants payable		_	_	3,025,334
counts/vouchers payable	201,84	- 1	-	254,235
e to other governments	201,04	-	-	2,959,789
npensated absences	20,58	7	_	2,939,708
er accrued liabilities	10,24		_	415
er current liabilities	31,60		_	33,427
al Current Liabilities	264,27		_	6,273,200
		•		0,2.0,200
current Liabilities:				
al Noncurrent Liabilities			-	
al Liabilities	264,27	9	-	6,273,200
Liabilities plus Deferred Inflows of Resources	264,27	9	- \$	6,273,200
POSITION				
position held in trust for: ension benefits	287 060 44	Λ	_	
ension benefits ostemployment benefits	287,960,44		-	
	14,014,59	9 - 14,7	- 62	
lividuals, organizations, and other governments  I Net Position	¢ 204.075.00			
ai Net Fusition	\$ 301,975,03	9 \$ 14,7	02	

# City of Spokane, Washington Statement of Changes in Fiduciary Net Position Fiduciary Funds For the fiscal year ended December 31, 2015

	_		
		Pension Trust Funds	Private Purpose Trust Funds
ADDITIONS			
Contributions:			
Employer	\$	15,491,513 \$	-
Plan members		7,402,905	-
Intergovernmental revenue		264,454	-
Medicare retiree drug subsidy		224,149	-
Miscellaneous Private contributions		9,161	- 8,504
Total Contributions	_	23,392,182	8,504
Total Contributions		25,552,102	0,504
Investment Earnings:			
Net increase in fair value of investments		(8,492,200)	-
Interest and dividends		5,999,900	-
Total investment earnings (loss)		(2,492,300)	-
Less: Investment expense		(508,502)	
Net investment earnings (loss)	_	(3,000,802)	<u> </u>
Total Additions		20,391,380	8,504
DEDUCTIONS			
Pension Benefits		25,971,295	-
Medical and dental benefits		5,047,363	-
Pension refunds		637,822	-
Medical and dental administration		461,936	-
Administrative expenses		601,643	
Total Deductions		32,720,059	
Change in Fiduciary Net Position	_	(12,328,679)	8,504
Other Changes in Net Position			
Fund Balance - beginning		314,303,718	6,258
Change in Accounting Principle		-	-
Net Position - beginning		314,303,718	6,258
			,
Net position - ending	\$	301,975,039 \$	14,762

# **Notes to the Financial Statements**

For the Fiscal Year Ended December 31, 2015

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# Note 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 100 years later, the City's population is approximately 209,100 people within an area of about 60.2 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.

Effective for fiscal year 2015 reporting, the state adopted the following new standards issued by the Governmental Accounting Standards Board (GASB):

GASB Statement 68, Accounting and Financial Reporting for Pensions, requires governmental employers with employees participating in defined benefit pension plans that are administered through trusts or equivalent arrangements to report their proportionate share of the net pension liability (or net assets, if the plan net position exceeds the total pension liability) on the face of their accrual based financial statements.

GASB Statement 71, Pension Transition for Contributions Made Subsequent to the Measurement Date, addresses an issue regarding application of the transition provisions of Statement 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

#### A. 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, Parks fund, Employees' Retirement fund, Firefighters' 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 the Spokane Transit Authority 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 members. The City has no oversight responsibility nor does any financial interdependency exist.

#### **Related Organizations**

Blended component units, although legally separate entities, are those considered to be part of the city's operation in substance. They are financially accountable to the city, or have relationships with the city such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. These entities are reported as blended component units because city officials either serve on or appoint the members of the governing bodies of the authorities. The city also has the ability to influence the operations of the authorities through legislation.

The Northeast Public Development Authority was created to invest in community outreach, infrastructure, economic development partnerships, and land development to create business and job opportunities within the northeast development target area. As of December 31, 2015, there were no financial transactions that are reported in the city's financial statements.

The University Public Development Authority (PDA) was established to cultivate an urban university district environment favorable to development. As of December 31, 2015, the PDA had \$1,402 in expenses.

The Spokane Transportation Benefit District (TBD) was created to make transportation improvements consistent with existing state, regional, and local transportation plans. The financial transactions of the TBD are shown in the *Combining Statement of Changes in Assets and Liabilities, Agency Funds*.

#### **Joint Ventures**

The City participates in two joint ventures. These include the Spokane International Airport and the Spokane Regional Transportation Council. The Spokane Regional Transportation Council is accounted for by the City in an Agency fund. The Spokane International Airport is not part of the City and is excluded from the

accompanying financial statements. See Note 11, Joint Ventures, which more fully describes these organizations.

#### B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

#### **Government-Wide Financial Statements**

The city presents two basic government-wide financial statements: the Statement of Net Position and the Statement of Activities. These government-wide financial statements report information on all activities of the primary government unit and its component units, if any. The accompanying fiduciary funds are not included in the government-wide financial statements. The financial information for the primary government is distinguished between governmental and business-type activities. Governmental activities generally are financed through taxes and intergovernmental revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services.

#### **Statement of Net Position**

The Statement of Net Position presents the city's assets and liabilities. As a general rule, balances between governmental and business-type activities are eliminated.

Assets and liabilities are presented in a net assets format in order of liquidity. Net position (assets and deferred outflows of resources less liabilities and deferred inflows of resources) are classified into three categories:

- Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances of bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.
- Restricted net position results when constraints are placed on net asset use either by external parties or by law through enabling legislation.
- Unrestricted net position consists of amounts that do not meet the definition of the two preceding categories.

#### **Statement of Activities**

The Statement of Activities reports the extent to which each major city program is supported by general city revenues or is self-financed through fees and intergovernmental aid. For governmental activities, a major program is defined as a function. For business-type activities, a major program is an identifiable activity.

Program revenues offset the direct expenses of major programs. Direct expenses are those that are clearly identifiable within a specific function or activity. Program revenues are identified using the following criteria:

- Charges to customers for goods and services of the program. A customer is one who directly benefits from
  the goods or services or is otherwise directly affected by the program, such as a city resident or taxpayer or
  other governments or nongovernmental entities.
- Amounts received from outside entities that are restricted to one or more specific programs. These amounts can be operating or capital in nature.
- Earnings on investments that are restricted to a specific program are also considered program revenues.

General revenues consist of taxes and other items not meeting the definition of program revenues.

Generally the effect of internal activities is eliminated. Exceptions to this rule include charges between the workers' compensation and risk management insurance programs and the various other city programs and functions. Elimination of these charges would distort the direct costs and revenues reported for the various activities involved.

#### **Fund Financial Statements**

The city presents separate financial statements for governmental funds, proprietary funds, and fiduciary funds. Major individual governmental funds and major individual proprietary funds are reported in separate columns in the fund financial statements, with nonmajor funds being combined into a single column regardless of fund type. Internal service and fiduciary funds are reported by fund type. Major funds include:

#### **Major Governmental Funds**

- General Fund is the city's primary operating fund. This fund accounts for all financial resources and transactions not accounted for in other funds.
- The Capital Improvements 2015 Park Fund is used to account for the proceeds of UTGO 2015. In
  January 2015, the City issued \$65 million in unlimited tax general obligation bonds (UTGO Series 2015).
  The Bonds, which were approved by the voters on November 04, 2014, are being used to finance
  improvements to Riverfront Park and the Parks system

#### **Major Enterprise Funds**

- Water/Sewer Fund accounts for the operation and construction of the water and wastewater distribution systems, the hydroelectric facilities, and the wastewater treatment facility, and accounts for all revenues and expenses incurred in its operation.
- **Solid Waste Fund** is used to account for the collection and disposal of the city's refuse, including curbside and yard waste recycling. The operation of the waste-to-energy facility is also accounted for in this fund.

# **Operating and Nonoperating Revenues and Expenses**

The city's proprietary funds make a distinction between operating and nonoperating revenues and expenses. Operating revenues and expenses generally result from providing goods and services directly related to the principal operations of the funds. All revenue and expenses not meeting this definition are reported as nonoperating, including interest expense and interest income.

The city includes the following governmental and proprietary fund types within nonmajor funds.

#### **Nonmajor Governmental Funds**

- **Special Revenue Funds** account for the proceeds of specific revenue sources (other than trusts for private organizations, or other governments, or for major capital projects) that are restricted or committed to expenditures for specific purposes. These include a variety of city programs including the city's street program, parks department, and community development programs.
- Debt Service Funds account for the accumulation of resources that are restricted or committed to
  expenditures for, and the payment of, principal and interest on the city's bonds issued in support of
  governmental activities.

 Capital Projects Funds account for financial resources that are restricted or committed to expenditures for the acquisition, construction, or improvement of major city-owned facilities (other than those financed by proprietary funds).

#### **Nonmajor Proprietary Funds**

- **Enterprise Funds** account for the city's business type operations for which a fee is charged to external users for goods or services such as golf and building permits.
- Internal Service Funds account for the city's risk management, data processing, accounting, utility billing, fleet services, and other services provided by one department to other departments of the city on a costreimbursement basis.

# **Fiduciary Funds**

The city reports the following fiduciary funds:

- Pension (and other Employee Benefit) Trust Funds are used to report resources that are required to be
  held in trust by the city for the members and beneficiaries of its defined benefit and other employee benefits
  plans. Included in this category are the Employees' Retirement Fund, the Firefighters' Pension and OPEB
  Funds, and the Police Pension and OPEB Funds.
- Private-Purpose Trust Fund is used to report trust arrangements, other than pension trusts, under which
  trust principal and income benefit individuals, private organizations, or other governments. Included in this
  category is the Finch Arboretum Trust Fund.
- Agency Funds account for resources held by the city in a custodial capacity for other governments, private
  organizations, or individuals. Included in this category are the Parking and Business District Fund, the
  Spokane Regional Transportation Council Fund, the EMS Program Director Fund, the Transportation
  Benefit District Fund, the Salary Clearing Fund, the Claims Clearing Fund and the Fiscal Agency Fund.

The fiduciary funds are not included in the government-wide financial statements

# C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

For government-wide reporting purposes, the city uses the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as the eligibility requirements imposed by the provider have been met.

For fund statement reporting purposes, the city uses the current financial resources measurement focus and modified accrual basis of accounting for governmental funds. With the current financial resources measurement focus, generally only current assets and liabilities are included on the governmental funds balance sheet. Operating statements for these funds present inflows (i.e., revenues and other financing sources) and outflows (i.e., expenditures and other financing uses) of expendable financial resources.

Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be reasonably estimated. "Available" means collectible within the current period or soon enough thereafter to be

used to pay for liabilities of the current period. Primary revenues that are determined to be susceptible to accrual include sales taxes, business and occupation taxes, federal grants in aid, and charges for services.

Revenues from property taxes are determined to be available if collectible within 60 days. Taxes imposed on exchange transactions are accrued when the underlying exchange transaction occurs if collectible within one year. Revenues from licenses, permits, and fees are recognized when received in cash. Revenues related to expenditure-driven grant agreements are recognized when the qualifying expenditures are made, provided that the eligibility criteria is met. Expenditure-driven grant revenue is considered available if it can be collected by the city at the same time cash is disbursed to cover the associated grant expenditure. Pledges are accrued when the eligibility requirements are met and resources are available. All other accrued revenue sources are determined to be available if collected within 12 months.

Property taxes are levied in December for the following calendar year. The first half-year collections are due by April 30, and the second half-year collections are due by October 31. The lien date on property taxes is January 1 of the tax levy year.

Under modified accrual accounting, expenditures are generally recognized when the related liability is incurred. However, unmatured interest on general long-term obligations is recognized when due, and certain compensated absences, other postemployment benefits, and claims and judgments are recognized when the obligations are expected to be liquidated with available expendable financial resources.

The city reports deferred inflows of resources on the balance sheet of its governmental funds under certain conditions. Deferred inflows of resources arise when a potential revenue does not meet both the "measurable" and "available" criteria for revenue recognition in the current period. Deferred inflows of resources also arise when resources are received by the city before it has a legal claim to them, such as when grant monies are received prior to incurring qualifying expenditures/expenses.

All proprietary and trust funds are accounted for using the economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on their respective statement of net position. Operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Net position for trust funds are held in trust for external individuals and organizations.

All proprietary and trust funds are reported using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

#### **Excess of Expenditures Over Appropriations**

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

Fund	Amount
Pension Contributions Fund	316,355
Real Estate Rental Fund	85
Intermodal Facility Operation Fund	27,578
Hotel/Motel Tax Fund	321,921
CDHS Operations Fund	183,154
Housing Stabilization Fund	19,493
Fire/EMS Fund	905,096
Special Assessment Fund	369
Kendall Yards TIF Fund	4,193
Total	1,778,244

#### **Funds with Deficit Fund Balance/Net Position**

The following funds reported deficit fund balance/net position as of December 31, 2015:

Fund	Amount
CDHS Operations Fund	100,180
WIA Youth Fund	253
Capital Improvements 1999 Fire Fund	950
Building Services Fund	3,113,393
Public Works Utilities Fund	2,343,600
Accounting Services Fund	6,589,243
Total	12,147,619

The net position deficit for the Building Services, Public Works Utilities, and Accounting Services Funds is due to the recognition of the net pension liability related to the City's Employee's Retirement System pursuant to GASB 68. It is unknown if/when the deficit will be recovered. The deficit for the CDHS Operations Fund is the result of the 2015 expenditures exceeding the budget authority by \$183,000. The prior year net position was not sufficient to absorb the additional expenditures.

## D. BUDGETARY INFORMATION

Annual appropriated budgets are adopted for all funds within the City, including 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.

The budget basis is substantially the same as the basis of accounting in all governmental funds.

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.
- 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.

## E. ASSETS, LIABILITIES, AND NET POSITION

## 1. Cash and Equivalents

It is the City's policy to invest all temporary cash surpluses. This amount is classified on the balance sheet as cash and cash equivalents in various funds. The interest on these investments is credited to the General Fund. Cash and equivalents include cash on hand, cash in banks, and petty cash funds.

#### 2. Investments

The City Treasurer invests all temporary cash surpluses. For reporting purposes, these pooled investments are stated at fair value or amortized cost, which approximates fair value.

All other noncurrent investments are valued at fair value. Fair values are based on published market prices or from national security exchanges and security pricing services. Additional disclosure describing investments in provided in Note 2.

#### Receivables

Accounts receivable 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 is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either *Interfund Loans Receivable*, *Advances to Other Funds*, *Interfund Loan 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.

#### Inventories

Inventories are valued at average cost. The inventories of governmental funds, parks fund, proprietary funds, water warehouse, water meter shop, wastewater 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 is shown

as Payables from Restricted Assets. Owners and operators of Solid Waste Landfill units are required under the Washington Administrative Code to establish financial assurance for closure and post-closure monitoring of those units. Specific reserve requirements are described in Note 12, Enterprise Funds.

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

Fund	Amount
Equity in Pooled Investments - Landfill Liability	10,354,955
Current portion of revenue bonds payable	6,454,931
Total	16,809,886

#### 7. Other Noncurrent Assets

Other Long-Term Assets include long-term Contracts Receivable in the Sewer fund and Other Long-Term Assets in the Solid Waste fund. See Note 12, Enterprise Funds for a description of noncurrent assets.

#### 8. Unavailable Revenue

Unavailable revenue includes deferred inflows of resources such as property taxes and special assessment receivables, as well as revenues collected in advance for golf.

#### 9. Capital Assets (see Note 4)

Except as noted below, it is the city's policy to capitalize:

- All land;
- All additions and improvements to the city's road system;
- Intangible assets;
- Buildings, building improvements, and leasehold improvements with a cost of \$5,000 or more; and
- All other capital assets with a unit cost of \$5,000 or greater

Capital assets such as property, plant, equipment, and infrastructure (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 one 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.

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

Category	Useful Life (in Years)
Buildings & Improvements	50-60
Infrastructure	40-60
Light/Heavy Duty Vehicles	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; five weeks are accrued at the beginning of the twentieth year, and six weeks are accrued at the beginning of the thirtieth 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 payout 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 Liabilities (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 position. Bond premiums and discounts 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 expensed in the year incurred.

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 Outflows/Inflows of Resources

In addition to assets, the Balance Sheet and Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of fund equity that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The category of deferred outflow of resources reported in the government-wide and proprietary fund statements of net position relates to debt refunding and pensions.

Deferred outflows on debt refunding result when the net carrying value of refunded debt exceeds its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred outflows on pensions are recorded when actual earnings on pension plan investments exceed projected earnings and are amortized to pension expense using a systematic and rational method over a closed five-year period. Deferred outflows on pensions also include the difference between expected and actual experience with regard to economic or demographic factors; changes of assumptions about future economic, demographic, or other input factors; or changes in the city's proportionate share of net pension liability. These are amortized over the average expected remaining service lives of all employees that are provided with pensions through each pension plan. City contributions to pension plans made subsequent to the measurement date are also deferred and reduce net pension liability in the subsequent year.

In addition to liabilities, the Balance Sheet and Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of fund equity that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources reported by the city relate to unavailable revenue, debt refunding, and pensions.

Unavailable revenue arises only under the modified accrual basis of accounting, and so is reported only on the governmental funds balance sheet. Governmental funds report deferred inflows for unavailable revenues primarily from two sources: taxes and long-term receivables. These amounts are recognized as inflows of resources in the periods that the amounts become available.

Deferred inflows on refunding result when the reacquisition price of the refunding debt exceeds the net carrying value of the refunded debt. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred inflows on pensions are recorded when projected earnings on pension plan investments exceed actual earnings and are amortized to pension expense using a systematic and rational method over a closed five-year period. Deferred inflows on pensions also include the difference between expected and actual experience with regard to economic or demographic factors; changes of assumptions about future economic, demographic, or other input factors; or changes in the city's proportionate share of net pension liability. These are amortized over the average expected remaining service lives of all employees that are provided with pensions through each pension plan.

#### 13. Governmental Fund Balance

The city's governmental fund balance balances are classified according to the relative constraints that control how amounts can be spent. Classifications include:

- Nonspendable. Balances that either are not in a spendable form or are legally or contractually required to remain intact.
- **Restricted**. Balances that are restricted for specific purposes by the constitution, enabling legislation or external resource providers such as creditors, grantors, or laws or regulations of other governments.
- **Committed**. Balances that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority. For the city, this formal action takes the form of statutes which are passed by the City Council and approved by the Mayor.
- Assigned. Balances that are constrained by management to be used for specific purposes, but are
  neither restricted nor committed. Because the city's CFO is identified by the City of Spokane's
  Municipal Code as the custodian of all city funds, it is the CFO's responsibility (or their delegate) to
  provide the proper record keeping services needed to appropriately segregate and identify all fund
  balances overseen by the custodian.
- Unassigned. Residual balances that are not constrained in the other classifications.

For purposes of fund balance classification, when both restricted and unrestricted resources are available for use, it is the city's policy to use restricted resources first, then unrestricted resources as they are needed. When unrestricted resources are used, committed resources are used first followed by assigned and unassigned resources respectively.

The detail of the governmental funds committed and assigned fund balances at December 31, 2015 are shown below:

Fund Balance	General Fund	UTGO 2015	Nonmajor Governmental Funds	Total		
Nonspendable:						
Interfund loans receivable	931,921	3,749,047	1,883,346	6,564,314		
Inventories	-	-	1,626,352	1,626,352		
Total Nonspendable Fund Balance	931,921	3,749,047	3,509,698	8,190,666		
Restricted for:						
Capital projects	-	60,243,357	27,460,251	87,703,608		
Debt service	-	-	7,890,426	7,890,426		
Grants	612,166	-	41,150,188	41,762,354		
Police/firefighters' pension	-	-	731,941	731,941		
Other	-	-	65,224	65,224		
Total Restricted Fund Balance	612,166	60,243,357	77,298,030	138,153,553		
Committed for:						
Contingency reserve	14,523,436	-	-	14,523,436		
Revenue stabilization	764,692	-	-	764,692		
City facilities	-	-	128,036	128,036		
Communication	-	-	4,181,778	4,181,778		
Transportation	15,462	-	1,803,399	1,818,861		
Public safety	-	-	3,577,963	3,577,963		
Culture and recreation	-	-	4,158,013	4,158,013		
Fire Protection	798,033	-	-	798,033		
Benefits	-	-	42,579	42,579		
Total Committed Fund Balance	16,101,623	-	13,891,768	29,993,391		
Fund Balance	General Fund	UTGO 2015	Nonmajor Governmental Funds	Total		
Assigned for:						
Library capital replacement	431,753	-	-	431,753		
Human Services	1,260,676	-	-	1,260,676		
Law enforcement	239,578	-	-	239,578		
Fire protection	68,445	-	-	68,445		
Encumbrances	1,644,857	-	6,944,911	8,589,768		
Code enforcement	166,947	-	-	166,947		
City facilities/improvement	106,554	-	-	106,554		
Other purposes	(231,434)	<u> </u>	(1,016,827)	(1,248,261		
Total Assigned Fund Balance	3,687,376	-	5,928,084	9,615,460		
Unassigned:	19,967,264	-	-	19,967,264		
Total	41,300,350	63,992,404	100,627,580	205,920,334		

### 14. Budgetary Reserves/Control

Contingency Reserve. This account was established in 2001 in the Spokane Municipal Code. At each budget cycle commencing with year 2001 and every year thereafter, an amount from the unappropriated general fund fund balance at each year end shall be appropriated to the contingency reserve account. Additional funds may be added to the contingency reserve account in such amounts and at such additional times during the ensuing budget year in accordance with standard emergency budget ordinance procedures.

Disbursements from this account are for the purpose of meeting extraordinary expenditures and are governed by the following criteria:

- 1. Unforeseen circumstances arising after the adoption of the annual budget which require an unavoidable and non-continuing allocation; or
- 2. Unforeseen emergency threatening health and/or safety of the citizens; or
- 3. Unanticipated non-continuing expenses are needed to fulfill an unfunded legislative mandate; or
- 4. Significant operating efficiencies can be achieved resulting in clearly identified near-term and offsetting cost savings. Appropriations from this account are only approved by the standard emergency budget ordinance procedure.

Revenue Stabilization. At each and every year, commencing with the 2008 budget, amounts from the unappropriated general fund fund balance shall be appropriated to the revenue stabilization account until such time the account is funded to the targeted funding level. The initial targeted funding level within the revenue stabilization account was three and one-half percent of budgeted general fund revenues.

Disbursements from the revenue stabilization account may be made to mitigate a general fund revenue shortfall deemed by the City Council to meet the following criteria:

- 1. Revenue shortfall results from revenue collections considered to be materially short of the amount budgeted, or the revenue shortfall results from projected baseline (existing) budgeted revenues for any ensuing year increasing by less than the assumed long-term revenue growth rate in the City's six-year general fund projection for the immediate year; and
- 2. The revenue shortfall is expected to persist through the end of the fiscal year; and
- The revenue shortfall is reasonably expected to persist for a period no longer than three years. A
  revenue shortfall expected to persist beyond three years shall be directly addressed in the current
  annual budget process through long-term budget measures.

Disbursements from the revenue stabilization account may include amounts budgeted in the general fund to supplement revenue shortfalls that occur in other city funds. Appropriations from this account are only approved by the standard emergency budget ordinance procedure.

Park Fund Reserve. The Parks Fund is overseen by an independent board of commissioners. This board approved a reserve of three percent of the annual budget to be maintained for emergencies, risk management and economic uncertainty. All appropriations from this reserve account require prior Parks Board approval unless previously specifically authorized for expenditure in the annual budget.

### 15. Encumbrances

The City establishes encumbrances to record the amount of purchase orders, contracts, and other obligations which have not yet been fulfilled, cancelled, or discharged. Of the \$21.2 million in outstanding encumbrances at December 31, \$10.7 million was carried forward to the subsequent budget year as follows, and have been classified as assigned fund balance unless the fund's net position was already classified as restricted net position as follows:

Fund	Amount
General Fund	1,644,857
UTGO 2015	2,166,236
Nonmajor Governmental Funds	6,944,911
Total	10,756,004

### F. Other Significant Accounting Policies

Budgeting, Accounting and Reporting System (BARS)

The State of Washington 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). The purpose of the BARS 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.

# Note 2

### **Cash and Investments**

### **Deposits and Investments**

The City has the authority to invest in pooled investments (Treasurer's Cash Investments), individual securities and fund investments. The Chief Financial Officer has the authority to determine the availability of funds for pooled and fund investments along with individual security purchases and take into consideration such needs as requests of individual fund managers, current cash needs, and asset/liability matching necessary to optimize interest earnings. Interest earnings on Treasurer's Cash Investments are credited to the General Fund.

### **Custodial Credit Risk**

Custodial credit risk is the risk associated with the failure of a depository financial institution. In the event of a depository financial institution's failure, it is the risk that the city would not be able to recover its deposits or collateralized securities that are in the possession of the outside parties. The City deposits funds only with State of Washington financial institutions approved as qualified public depositories by the Washington State Public Deposit Protection Commission (PDPC). The PDPC, established under chapter 39.58 of the Revised Code of Washington (RCW), makes and enforces regulations and administers a collateral pool program to ensure public funds are protected if a financial institution becomes insolvent. Securities pledged are held by a trustee agent for the benefit of the collateral pool. The city's bank balance is insured by the FDIC up to \$250,000 and fully collateralized by the Washington Public Deposit Protection Commission (WPDPC) for amounts over \$250,000.

The city's investment policy requires that all investments be held by the city's third party safekeeping agent in the city's name. The City policy states that all security transactions will be settled "delivery versus payment"

by the City's safekeeping bank. As of December 31, 2015, all of the \$463.9 million investments in U.S. agency debt obligations were registered, and held by its safekeeping agent in the city's name. Therefore, the city has no outstanding investments that were exposed to custodial credit risk.

### **Investment Policy**

### **City Treasurer Investments**

The city's investment portfolio is designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the primary objectives of safety and liquidity. Core investments are limited to relatively low-risk securities in anticipation of earning a fair return relative to the risk being assumed.

Authority to manage the City's investment program is derived from Spokane Municipal Code 7.15 which delegates responsibility for the City's investment program to the City Investment Committee and daily management responsibility assigned to the City Treasurer. City investment decisions are governed by the "prudent person rule".

There were no significant investment policy changes during the reporting period.

### **Employees' Retirement System**

The Spokane Employees' Retirement System's (SERS) investment management policy is set by the Board of Administration. The investment policy sets strategic asset allocation targets and ranges for all approved asset classes. SERS' investments are governed by the "prudent person rule". SERS investments are categorized by type to give an indication of the level of risk assumed by the System.

The Board of Administration for SERS maintains a formal Statement of Investment Policy, which addresses governing provisions and additional guidelines for the investment process. In fulfilling its responsibilities, the Board of Administration has contracted with investment managers, a custodian, an actuarial firm, and an independent investment consultant. Investment manager contracts include specific guidelines regarding the investments under management. All investments are held in custody. The independent investment consultant monitors the fund on a regular basis and provides quarterly reports to staff and the Board. The SERS' chief investment officer (CIO), who also serves as the Retirement Director, monitors the fund on a regular basis.

The Spokane Employees' Retirement System plan's policy regarding the allocation of invested assets is established, and may be amended, by a majority vote of the SERS Board. It is the policy of the SERS Board to pursue an investment strategy that meets the projected return requirements while minimizing volatility by diversifying the portfolio across a broad selection of distinct asset classes. The SERS investment policy limits the use of cash equivalents to meeting liquidity requirements and reviews rebalancing needs at least quarterly. There were no significant investment policy changes during the reporting period.

### Firefighters' Pension System

The Firefighters' Trust Fund investments are restricted by RCW 41.16.04 and other RCWs as listed in RCW 41.16.040. Authorized investments include investment grade securities issued by the United States, state, municipal corporations, other public bodies, corporate bonds and other investments authorized by RCW. Per the Board's policy, all fixed income securities shall be investment grade or higher at the time of purchase. The overall portfolio average quality must be A+ or higher. There were no significant investment policy changes during the reporting period.

### **Police Pension System**

The Police Pension System operates on a "pay as you go" basis with all funds provided by the City on an as needed basis. All assets are held in cash to pay monthly pension benefits and all other claims as they are received. There were no significant investment policy changes during the reporting period.

### Investments

### **City Treasurer Investments**

State statutes authorize the City to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, bankers' acceptances, commercial paper, and repurchase agreements. The pension trust funds operate under different guidelines. City investments and those of the pension trust funds are all reported at fair market value. Below is a list of city investment limitations.

Authorized Investment Type	Maximum Maturity	Maximum % of Portfolio
US Treasury Securities	5 years	100%
Federal Agency Securities	5 years	90%
Individual Issues	5 years	10%
Individual Agency	5 years	40%
FDIC Guaranteed Senior Debt	5 years	30%
Individual Issuer	5 years	10%
Washington State Local Government Investment Pool	90 Days	100%
Non-Negotiable CDs (PDPC Qualified)	5 years	60%
Individual Issuing Bank	5 years	10%
PDPC Financial Institution Accounts	5 years	10%
Banker's Acceptables (must be A1/P1)	5 years	10%
Individual Banks	5 years	2%
Repurchase Agreements	5 years	25%
General Obligation Debt - State/Local	5 years	10%
City of Spokane Notes/Bonds	5 years	15%
Commerical Paper (must be A1/P1)	5 years	10%
Individual Issuer	5 years	2%

### **Employees' Retirement System**

The SERS Board has an asset allocation policy that includes an allocation to alternative investments. Funding of these limited partnerships began in 2007 and continues on an ongoing basis. The term "alternative investments" encompasses a broad category of nontraditional investments. Each alternative investment that SERS enters into has been carefully studied by the System's independent investment consultant, has been reviewed by staff, and approved the Board. The asset allocation study that was modeled by the independent consultant demonstrated that alternative assets can add value to the portfolio over time through diversification and higher expected returns. The CIO and Board believe that the use of alternative investments increases the expected return of the plan compared to investing only in traditional asset classes.

The following table shows the City and Pension cash and investments at December 31, 2015:

Deposit Type	Value				
Reconciliation of Restricted/Unrestriced Cash and	linve	estments:			
Reconciliation of Resulciea/officea Casif and	1 11146				
Cash	\$	103,801,439			
Petty Cash		367,821			
Deposits with Fiscal Agents		1,234,129			
Investments		463,974,984			
Treasurer's Cash Invested		(55,540,118)			
		513,838,255			

### **Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater is the sensitivity of its fair value to changes in the market interest rates.

### **City Treasurer Investments**

According to its investment policy, the City manages its exposure to interest rate risk by "purchasing a combination of shorter-term and longer-term investments." The city focuses on timing cash flows from maturities so that a portion of the portfolio is maturing as necessary to provide the cash flow and liquidity needed for operations. The City monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio.

### **Employees' Retirement System**

Although the SERS Investment Policy does not specifically address interest rate risk, the System's fixed income portfolio is professionally managed with an expected range of interest rate risk within the portfolio. In addition, the portfolio is closely monitored by the independent consultant and the staff.

### Spokane Firefighters' Trust Fund

The Fire investment policy targets that the average portfolio duration will be 2.5 to 5 years, with no duration limits on individual holdings.

### **Police Pension System**

The Police investment policy requires all assets to be held in cash which does not have any interest rate risk.

The following table shows the City's invested assets and the Pension Fund assets by investment type, market value, segmented maturities and by the average effective duration as of December 31, 2015.

Interest Rate Risk	Fair Value	Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years	Effective Duration (in years)
City Treasurer Investments Categorized						
US Government Agencies	441,432,474	-	264,626,440	176,806,034	-	1.60
Strip Bonds	22,542,510	-	18,098,960	4,443,550	-	2.91
Total investments categorized	463,974,984	-	282,725,400	181,249,584	-	
Investments not required to be categorized:						
Treasurer's Cash	(55,540,118)	(55,540,118)	-	-	-	-
Total Investments	408,434,866	(55,540,118)	282,725,400	181,249,584	-	
Pension Trust Funds						
Employees' Retirement System						
PIMCO Global Advantage Strategy Bond Instl	11,374,469	-	-	11,374,469	-	4.63
Vanguard Short Term Investment Grade 1	10,226,635	-	10,226,635	-	-	2.61
Hotchkis & Wiley High Yield Fund Class 1	10,035,716	-	-	10,035,716	-	4.64
American Beacon Flexible Bond Instl	9,678,670	-	9,678,670	-	-	1.40
Total investments categorized	41,315,490	-	19,905,305	21,410,185	-	
Investments not required to be categorized:						
Cash and cash equivalents	2,604,311	-	-	-	-	-
Equity securities	134,048,811	-	-	-	-	-
Real estate	18,008,159	-	-	-	-	-
Alternative investments	76,069,796	-	-	-	-	-
Total investments not categorized	230,731,077	-	-	-	-	
Total Investments	272,046,567	-	19,905,305	21,410,185	-	
Firefighters' Pension System						
US Government Treasuries	8,672,730	-	4,475,740	4,196,990	-	4.85
Government Pass Through	6,296,023	-	2,309,347	3,634,527	352,149	5.43
Government CMOs	1,636,884	-	-	669,178	967,706	12.87
Corporate Bonds/Notes	9,702,594	142,020	9,171,747	388,827	-	2.96
Asset Backed Securities	1,109,505	-	-	833,926	275,579	7.59
Total investments categorized	27,417,736	142,020	15,956,834	9,723,448	1,595,434	
Investments not required to be categorized:						
Cash and cash equivalents	1,525,538	-	-	-	-	-
Total investments not categorized	1,525,538	-	-	-	-	
Total Investments	28,943,274	142,020	15,956,834	9,723,448	1,595,434	
Police Pension System						
Investments not required to be categorized:						
Cash and cash equivalents	430,396	-	-	-	-	-

### **Credit Risk**

### **City Treasurer Investments**

Credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of the end of the year 2015 for each type of investment. AAA is the highest rating for bonds. The Bank Certificates of Deposit (CD) and Demand Deposit Accounts (DDA) are protected by the Federal Deposit Insurance Corporation (FDIC) insurance up to \$250,000. All CD and DDA deposits not covered by FDIC are covered by the Washington State Public Deposit Protection Commission (PDPC) of the State of Washington. The PDPC is a statutory authority established under the Revised Code of Washington (RCW) 39.58. It constitutes a fully insured or fully collateralized pool.

All securities registered in the City's name carry a minimum rating of Aa2 / AA from Moody's and/or Standard and Poor's respectively.

### **Employees' Retirement System**

Although the SERS Investment Policy does not specifically address credit risk, this risk is mitigated by closely monitoring the credit quality ratings of its fixed income portfolios and by setting criteria for fixed income manager selection. SERS' fixed income assets are comprised of four mutual funds targeting different levels of credit risk.

### Spokane Firefighters' Trust Fund

The Fire investment policy requires that all fixed income securities shall be investment grade or higher at the time of purchase. Specifically, fixed income securities shall not be rated lower than BBB- by Standard & Poor's rating agency unless the Plan grants specific written permission. The average quality for the overall portfolio must be A+ or higher.

### **Police Pension System**

The Police investment policy requires that all assets are held in cash which bears no credit risk.

The following table shows the City's investment pool assets and the Pension Fund assets by credit rating and market value as of December 31, 2015.

				Investment C	redit Rating		
Investment Type	Fair Value	AAA	AA	Α	BBB	ВВ	Not Rated
Spokane Investment Pool							
US Government Agencies	441,432,474	-	441,432,474	-	-	-	
Strip Bonds	22,542,510	-	22,542,510	-	-	-	
Total	463,974,984	-	463,974,984	-	-	-	_
Employees' Retirement System							
PIMCO Global Advantage Strategy Bond Instl	11,374,469	-	-	-	-	-	11,374,469
Vanguard Short Term Investment Grade 1	10,226,635	-	10,226,635	-	-	-	
Hotchkis & Wiley High Yield Fund Class 1	10,035,716	-	-	-	-	10,035,716	
American Beacon Flexible Bond Instl	9,678,671	-	-	-	9,678,671	-	-
Total	41,315,491	-	10,226,635		9,678,671	10,035,716	11,374,469
Firefighters' Pension System							
US Government Treasuries	8,672,731	-	8,672,731	-	-	-	-
Mortgage Backed Securities							
Government Pass Through	6,296,023	-	6,296,023	-	-	-	
Government CMOs	1,636,884	-	1,636,884	-	-	-	-
Corporate Bonds/Notes	9,702,594	-	909,085	4,172,166	4,573,343	48,000	
Asset Backed Securities	1,109,505	-	977,256	132,249	-	-	
Total	27,417,737	-	18,491,979	4,304,415	4,573,343	48,000	

### **Concentration of Credit Risk**

### **City Treasurer Investments**

Concentration risk disclosure is required for all investments in any one issue that is 5% or more of the total of the City's investments. The following include Financial, State, or Municipal Government and Government Sponsored Agencies. The City did not have any holdings in organizations that represent five percent or more of the Governmental Activities net position.

### **Employees' Retirement System**

SERS holdings in organizations that represent five percent or more of the Plan's fiduciary net position at December 31, 2015 were:

Organization	% of Net Position
City of Spokane Employees' Retirment System	
Vanquard Funds	12.2%
Hotchkis & Wiley	8.9%
Pacific Investment Management Co.	7.3%
MFS Investment Management	6.0%
Delaware Investments	5.5%
OrbiMed Advisors	5.4%
Evanston Capital Management	5.3%
Artisan Partners	5%

### Firefighters' Pension System

The Firefighters' Trust Fund holdings in organizations that represent five percent or more of the Plan's fiduciary net position at December 31, 2015 were:

Organization	% of Net Position
City of Spokane Firefighter's Pension System	
US Treasury Notes	30.9%
Fannie Mae	22.2%

### **Police Pension System**

The Police Pension System did not have any holdings in organizations that represent five percent or more of the System's fiduciary net position.

### **Foreign Currency Risk**

### **City Treasurer Investments**

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment.

The City investment policy requires all assets to be held in US Dollars. At December 31, 2015, there were no holdings exposed to foreign currency risk.

### **Employees' Retirement System**

At December 31, 2015, 21.9% of the System's portfolio is invested in international mutual funds focusing on international markets and a limited partnership fund of funds, which primarily consist of foreign equities. The fair market value of the foreign funds is \$47.7 million as of December 31, 2015. Additionally, SERS has \$11.7 million invested in international fixed income. The SERS Investment Policy does not specifically address foreign currency risk; however, the System considers foreign currency risk during the selection and monitoring process of fund managers.

### **Spokane Firefighters' Trust Fund**

The Fire investment policy does not allow investments in foreign issuances. At December 31, 2015, there were no holdings exposed to foreign currency risk.

### **Police Pension System**

The investment policy requires all asset to be held in US Dollars. At December 31, 2015, there were no holdings exposed to foreign currency risk.

# **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. The property tax timeline is as follows:

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 due
May 31	Assessed value of property established for next year's levy at 100% of market value
October 31	Second of two equal installment payments due

In governmental funds, property taxes are recorded as receivables when levied, offset by a deferred inflow of resources. Property taxes collected within 60 days after year-end are considered measurable and available and are recognized as revenues in the fund statements. 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. 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. The following special levies exist:

- Emergency Medical Services
- General Obligation Bonds
- Park Bond (UTGO 2015 Bond)

The following table reflects the levy amounts and tax assessments that will be collected in the subsequent year. See additional information in Schedule 6 of the statistical section.

Total Levy (in thousands)	Amount per \$1,000 Assessed Valuation		
56.180	3.524273		
7.846	.492211		
3.427	.221988		
2.334	.147968		
69.787	4.38644		
	56.180 7.846 3.427 2.334		

# **Capital Assets**

Capital asset activity for the year ended December 31, 2015 was as follows:

Capital Assets	Jan 01, 2015 Beginning Balance	Increases	Decreases		Dec 31, 2015 Ending Balance
GOVERMENTAL ACTIVITIES					
Capital assets not being depreciated				+	
Land	\$ 836,359,142	\$ 248,498	\$ - 9	5	836,607,640
Construction in progress	30,134,951	(270,325)	(593,752)		29,270,874
Total capital assets, not being depreciated	866,494,093				865,878,514
Capital assets, being depreciated:					
Buildings	87,305,227	590,305	(63,900)		87,831,632
Accumulated depreciation	(38,693,452)	(2,140,437)	3,901		(40,829,988)
Net buildings	48,611,775			F	47,001,644
Other improvements	83,361,937	3,064,393	(3,300)	+	86,423,030
Accumulated depreciation	(31,566,388)	(5,141,141)	963		(36,706,566)
Net other improvements	51,795,549			F	49,716,464
Machinery and equipment 1	91,258,792	6,906,685	(6,423,296)	+	91,742,181
Accumulated depreciation	(62,785,965)	(7,300,259)	4,881,886		(65,204,338)
Net machinery and equipment	28,472,827			Į	26,537,844
Infrastructure	1,020,871,665	23,737,798	(5,627,614)	+	1,038,981,849
Accumulated depreciation	(479,008,157)	(23,171,923)	4,199,327		(497,980,753)
Net infrastructure	541,863,508				541,001,096
Intangible assets	5,573,266	-	-	+	5,573,266
Accumulated depreciation	(1,332,079)	(347,120)	-		(1,679,199)
Net intangible assets	4,241,187				3,894,067
Total Capital assets, being depreciated (net)	674,984,846				668,151,114
Governmental Activities, Capital Assets (net)	\$ 1,541,478,939		4	5	1,534,029,628

Capital Assets		Jan 01, 2015 Beginning Balance	Increases		Decreases	Dec 31, 2015 Ending Balance
BUSINESS-TYPE ACTIVITIES cont.						
Capital assets not being depreciated						
Land	\$	14,230,000	\$ 1,326,671	\$	(1,020,848) \$	14,535,823
Construction in progress		50,594,396	41,319,787		(35,404,724)	56,509,459
Total capital assets, not being depreciated		64,824,396				71,045,282
Capital assets, being depreciated:						
Buildings		284,687,431	16,724,349		_	301,411,780
Accumulated depreciation		(176,774,771)	(8,765,578)		_	(185,540,349)
Net buildings		107,912,660	·			115,871,431
Other improvements		97,151,464	9,493,641		(6,751,192)	99,893,913
Accumulated depreciation		(36,169,870)	(6,478,540)		1,445	(42,646,965)
Net other improvements		60,981,594	,			57,246,948
Machinery and equipment		148,779,183	9,783,026		(7,558,112)	151,004,097
Accumulated depreciation		(83,539,310)	(8,967,455)	1	6.759.496	(85,747,269)
Net machinery and equipment		65,239,873	,			65,256,828
Infrastructure		487,761,626	38,342,403		(601,588)	525,502,441
Accumulated depreciation		(154,332,619)	(8,247,045)		302,750	(162,276,914)
Net infrastructure		333,429,007	,			363,225,527
Intangible assets		113,766	<u>-</u>		-	113,766
Accumulated amortization		(75,086)	(2,275)			(77,361)
Net intangible assets		38,680				36,405
Total Capital assets, being depreciated (net)		567,601,814				601,637,139
Business-Type Activities, Capital Assets (net)	\$	632,426,210			\$	672,682,421
DEPRECIATION						
Governmental Activities:						
General government					\$	588,609
Judicial						690,247
Public safety						4,706,824
Transportation						23,624,569
Economic environment						675,813
Mental and physical health						161,903
Culture and recreation						7,445,472
Total Depreciation Expense - Governmental A	ctiviti	es			\$	37,893,437
Business-Type Activities:						
Water/Sewer					\$	20,604,451
Solid Waste						10,923,276
Other						932,145
Total Depreciation Expense - Business-Type Ac	tivitie				\$	32,459,872

### **Pension Plans**

### A. GENERAL

The City administers three single-employer, defined benefit retirement plans:

- Spokane Employees' Retirement System (SERS)
- Spokane Firefighters' Pension
- Spokane Police Relief and Pension

The Law Enforcement Officers' and Fire Fighters' (LEOFF) system is a contributory multi-employer cost-sharing system operated by the State of Washington.

### B. PLAN DESCRIPTIONS

### **Spokane Employees' Retirement System**

The Spokane Employees' Retirement System (SERS) is a single employer defined benefit pension plan covering employees of the City of Spokane, administered in accordance with Chapters 3.05 and 4.14 of the Spokane Municipal Code (SMC).

SERS is a pension trust fund of the City of Spokane and is presented within the fiduciary funds of the City's comprehensive annual financial report. SERS has separate legal standing. The City is financially accountable for SERS because a financial burden is imposed on the City using the criteria of financial accountability. SERS has determined that there are no entities that require inclusion within its financial statements.

All permanent employees of the City, including employees of the Plan, are eligible to belong to SERS with the exception of police and firefighters who are members of the Washington State Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF).

Management of SERS is vested in the SERS Board, which consists of seven members—three members are elected by active employee plan members, three members are appointed by the Spokane City Council, and one member (who may not be an elected official or employee of the city) is appointed by the other six members.

ERS provides retirement, death, and disability benefits. All employees hired on or before December 31, 2008 who participate in SERS are eligible for service retirement after completing five years of service if they are age 50 or older. Their retirement benefits are calculated by multiplying 2.15% by the member's highest consecutive two-year average salary times the member's years of creditable service, not to exceed 64.5%.

All employees hired on or after January 1, 2009 who participate in SERS are eligible for service retirement after completing five years of service and are age 50 or older; however, this group of employees must have their age plus years of service equal to 75 before they can receive a pension. In addition, the normal retirement age for the Plan is 62. Their retirement benefits are calculated by multiplying 2.0% of the member's highest consecutive two-year average salary by the member's years of creditable service, not to exceed-70.0%.

Employees hired prior to January 1, 2009, have a choice at retirement of choosing a 2.15% multiplier with a service cap of 30 years or a 2.0% multiplier with a service cap of 35 years. For either group, benefits may be reduced on an actuarially equivalent basis based on the retirement annuity option selected.

All employees hired on or after January 1, 2015 who participate in SERS are eligible for service retirement after completing seven years of service and are age 50 or older; however, this group of employees must have their age plus years of service equal to 80 before they can receive a pension. In addition, the normal retirement age for the Plan is 65. Their retirement benefits are calculated by multiplying 2.0% of the member's highest consecutive three-year average salary by the member's years of creditable service, not to exceed 70.0%. Benefits may be reduced on an actuarially equivalent basis based on the retirement annuity option selected.

The SERS Board of Administration considers issuing ad hoc adjustments for retiree benefits each year. The Board can grant an ad hoc adjustment if the GASB 67 funded ratio is 90% or greater and remains above 90% after the ad hoc adjustment is granted. The GASB 67 funded ratio is less than 90% as of December 31, 2015. The last ad hoc retiree adjustment occurred in 2001. Based on the current GASB 67 funded ratio, it will take continued significant favorable experience in the investment markets or a future increase in contribution levels to raise the funded ratio above the ad hoc threshold.

### Firefighters' Pension System

The Firefighters' Pension System is a single-employer defined benefit pension plan established and administered by the City in accordance with the requirements of the Revised Code of Washington.

The plan provides retirement and medical benefits to all firefighters who were hired prior to March 1, 1970 (Pre-LEOFF officers). Firefighters hired on or after March 1, 1970 but before October 1, 1977, (LEOFF 1 officers) receive their pensions from the State of Washington and medical coverage from the City of Spokane. Firefighters hired after October 1, 1977 (LEOFF 2 officers) are not covered by these plans. According to RCW 41.26.090 "Any member having five or more service credit years and having attained the age of fifty years shall be eligible for a service retirement allowance and shall be retired upon the member's written request effective the first day following the date upon which the member is separated from service."

The plan provides death, disability, and medical benefits. The City is responsible for the medical expenses for active and retired employees covered under this plan.

The Board consists of five members—the Mayor or his/her designated representative who shall be an elected official of the City, the City Clerk, the Chairperson of finance of City Council and two regularly employed or retired firefighters. The two firefighters select a third eligible member who serves as an alternate in the event of the absence of one of the firefighters.

The Firefighters' Pension Board was established pursuant to the authority of RCW 41.16.020, and its powers, duties and responsibilities are established by state law.

### Police Relief and Pension System

The Police Relief and Pension System is a single-employer defined benefit pension plan established and administered by the City in accordance with the requirements of the Revised Code of Washington.

The plan provides retirement and medical benefits to all uniformed police who were hired prior to March 1, 1970 (Pre-LEOFF officers). Police hired on or after March 1, 1970 but before October 1, 1977 (LEOFF 1 officers), receive their pensions from the State of Washington and medical coverage from the City of Spokane. Police hired after October 1, 1977 (LEOFF 2 officers) are not covered by these plans. According to RCW 41.26.090

"Any member having five or more service credit years and having attained the age of fifty years shall be eligible for a service retirement allowance and shall be retired upon the member's written request effective the first day following the date upon which the member is separated from service."

The plan provides death, disability, and medical benefits. The City is responsible for the medical expenses for active and retired employees covered under this plan.

The Board consists of seven members—the Mayor or his/her designated representative who shall be an elected official of the City, the Council President, the City Clerk, the City Treasurer and three active or retired members of the Police Department.

The Police Pension Board was established pursuant to the authority of RCW 41.20.010 and its powers, duties and responsibilities are established by state law.

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

LEOFF was established in 1970 by the Legislature. Membership includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters and, as of July 24, 2005, emergency medical technicians. LEOFF membership is comprised primarily of non-state employees, with Department of Fish and Wildlife enforcement officers, who were first included effective July 27, 2003, being an exception. LEOFF retirement benefit provisions are established in Chapter 41.26 RCW and may be amended only by the State Legislature.

LEOFF is a cost-sharing multiple-employer retirement system comprised of two separate defined benefit plans. LEOFF members 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.

Effective July 1, 2003, the LEOFF Plan 2 Retirement Board was established by Initiative 790 to provide governance of LEOFF Plan 2. The Board's duties include adopting contribution rates and recommending policy changes to the Legislature.

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 through state legislative appropriations. Employee contributions to the LEOFF Plan 1 and Plan 2 defined benefit plans accrue interest at a rate specified by the Director of DRS. During DRS' fiscal year 2013, the rate was five and one-half percent compounded quarterly. Members in LEOFF Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest earnings, in lieu of any retirement benefit, upon separation from LEOFF-covered employment.

The benefit per year of service calculated as a percent of final average salary (FAS) is as follows:

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

The FAS 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. A cost-of-living allowance is granted (based on the Consumer Price Index).

### **LEOFF 1 and LEOFF 2 Allocation Method**

LEOFF Plan 1 allocation percentages reported in the *Schedules of Employer and Nonemployer Allocations* are based on the total historical employer contributions to LEOFF Plan 1 (1971-2000) and LEOFF Plan 1 retirement benefit payments during fiscal year 2015.

LEOFF Plan 1 is fully funded, and no further employer contributions have been required since June 2000; see *RCW 41.26.080*. If the plan becomes underfunded, funding of the remaining liability will require new legislation.

The city's allocation percentage for LEOFF Plan 1 is 0.961340% and for LEOFF Plan 2 is 2.001951%.

### LEOFF 1

LEOFF Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement with five years of service at the age of 50.

LEOFF Plan 1 provides death and disability benefits. Death benefits for survivors of Plan 1 members on active duty consist of the following: (1) If there is an eligible spouse, 50 percent of the FAS, plus 5 percent of FAS for each eligible surviving child, with a limitation on the combined benefit of 60 percent of the FAS; or (2) If there is no eligible spouse, eligible children receive 30 percent of FAS for the first child plus 10 percent for each additional child, subject to a 60 percent limitation of the FAS, divided equally.

A one-time duty-related death benefit is provided to the beneficiary or the estate of a LEOFF Plan 1 member who dies as a result of injuries or illness sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by the Department of Labor and Industries.

The LEOFF Plan 1 disability benefit is 50 percent of the FAS plus 5 percent for each child up to a maximum of 60 percent. Upon recovery from disability before the age of 50, a member is restored to service with full credit for service while disabled. Upon recovery after the age of 50, the benefit continues as the greater of the member's disability benefit or service retirement benefit.

### LEOFF 2

LEOFF Plan 2 members are vested after the completion of five years of eligible service.

Plan 2 members are eligible for retirement at the age of 53 with five years of service, or at age 50 with 20 years of service. Plan 2 members receive a benefit of 2 percent of the FAS per year of service (the FAS is based on the highest consecutive 60 months), actuarially reduced to reflect the choice of a survivor option. Members who retire prior to the age of 53 receive reduced benefits. If the member has at least 20 years of service and is age 50, the reduction is 3 percent for each year prior to age 53. Otherwise, the benefits are actuarially reduced for each year prior to age 53. A cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3 percent annually.

LEOFF Plan 2 provides disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 benefit amount is 2 percent of the FAS for each year of service. Benefits are reduced to reflect the choice of survivor option and for each year that the member's age is less than 53, unless the

disability is duty-related. If the member has at least 20 years of service and is age 50, the reduction is 3 percent for each year prior to age 53.

A disability benefit equal to 70 percent of their FAS, subject to offsets for workers' compensation and Social Security disability benefits received, is also available to those LEOFF Plan 2 members who are catastrophically disabled in the line of duty and incapable of future substantial gainful employment in any capacity. Effective June 2010, benefits to LEOFF Plan 2 members who are catastrophically disabled include payment of eligible health care insurance premiums.

Members of LEOFF Plan 2 who leave service because of a line of duty disability are allowed to withdraw 150 percent of accumulated member contributions. This withdrawal benefit is not subject to federal income tax. Alternatively, members of LEOFF Plan 2 who leave service because of a line of duty disability may be eligible to receive a retirement benefit of at least 10 percent of FAS and 2 percent per year of service beyond five years. The first 10 percent of the FAS is not subject to federal income tax.

LEOFF Plan 2 retirees may return to work in an eligible position covered by another retirement system, choose membership in that system and suspend their pension benefits, or not choose membership and continue receiving pension benefits without interruption.

A one-time duty-related death benefit is provided to the beneficiary or the estate of a LEOFF Plan 2 member who dies as a result of injuries or illness sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by the Department of Labor and Industries.

Benefits to eligible surviving spouses and dependent children of LEOFF Plan 2 members killed in the course of employment include the payment of eligible health care insurance premiums.

Legislation passed in 2009 provides to the Washington state registered domestic partners of LEOFF Plan 2 members the same treatment as married spouses, to the extent that the treatment is not in conflict with federal laws.

LEOFF members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of these options are available to their survivors.

### Plan Membership

Membership of each City administered plan as well as the LEOFF plans in which the city is a contributing employer, as of the last actuarial valuation, is as follows:

Plan	or Beneficiaries	Inactive Members Entitled To But Not Receiving Benefits	Active Plan Members	Total Members	Membership as of the latest actuarial valuation
Employees' Retirement System	1,424	97	1,300	2,821	12/31/2015
Firefighters' Pension System	285	-	2	287	12/31/2014
Police Pension System	223	-	2	225	12/31/2014
LEOFF 1 <sup>1</sup>	7,605	2	120	7,727	6/30/2014
LEOFF2 <sup>1</sup>	3,235	749	16,773	20,757	6/30/2014
Total	12,772	848	18,197	31,817	

operated by the State of Washington.

### **Stand Alone Statements**

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to: Department of Retirement Systems, Communications Unit, P.O. Box 48380, Olympia, WA 98504-8380; or it may be downloaded from the DRS website at www.drs.wa.gov.

#### C. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Basis of Accounting**

For purposes of measuring the net pension liability, deferred outflows/deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's pension plans and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the City. For this purpose, employee and employer contributions are recorded as revenues in the period in which payroll is due and benefit payments, including refunds of employee contributions, are recognized when due and payable. Interest income is recognized when earned and dividend income is recognized on the ex-dividend date. Investments are reported at fair value.

### Stand Alone Statements

The methods and assumptions required for financial reporting are the same methods and assumptions used in determining a plan's funding requirement and are described in the publicly available actuarial reports for the three pension plans administered by the City of Spokane. Those reports may be obtained by writing to the Retirement Department, City Hall, 808 West Spokane Falls Blvd, Suite 604, Spokane, Washington, 99201 or by calling (509) 625-6330.

### **Use of Estimates**

Management is required to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at year end, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### D. DEPOSITS AND INVESTMENTS

### Rate of Return

The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested is presented in a table below for all plans.

### SERS, Firefighters', and Police Pension

The long-term expected rate of return on pension plan investments was determined using statistical methods to determine the best-estimate future real rate of return (net of pension plan investment expense and inflation) based on long-term performance of the major asset classes. These returns are used to determine the estimated portfolio return based on the target asset allocation percentage of each asset class. Best estimates of geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2015, are summarized in the following table:

### **LEOFF 1 & 2**

The long-term expected rate of return on pension plan investments was determined using a building-block method. The Washington State Investment Board (WSIB) used a best estimate of expected future rates of return (expected returns, net of pension plan investment expense, including inflation) to develop each major asset class. Those expected returns make up one component of WSIB's Capital Market Assumptions (CMAs).

The CMAs contain three pieces of information for each class of assets WSIB currently invests in:

- -Expected annual return
- -Standard deviation of the annual return
- -Correlations between the annual returns of each asset class with every other asset class

WSIB uses the CMAs and their target asset allocation to simulate future investment returns at various future times.

The long-term expected rate of return of 7.50 percent approximately equals the median of the simulated investment returns over a 50-year time horizon, adjusted to remove or dampen any short-term changes to WSIB's CMAs that aren't expected over the entire 50-year measurement period.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015, are summarized in this table.

The inflation component used to create the table is 2.20 percent and represents WSIB's most recent long-term estimate of broad economic inflation.

For the year ended December 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan expense, is shown in the table below:

	SERS	Firefighters'	Police	LEOFF 1	LEOFF 2
Rate of return	-0.94%	1.01%	n/a	4.51%	4.64%

### **Targeted Rates of Return**

Below are the targeted rates of return for the various pension plans as of December 31, 2015:

Long-term expected real rate of return	SERS	Firefighters'	Police	LEOFF 1	LEOFF 2
Global equity	7.0%	-	-	6.6%	6.6%
US fixed income	-	1.5%	-	1.7%	1.7%
Global fixed income	3.5%	-	-	-	-
Long/short and special opportunities	7.1%	-	-	-	-
Absolute return	4.0%	-	-	-	-
Realestate	6.6%	-	-	5.8%	5.8%
Private equity	0.0%	-	-	9.6%	9.6%
Commodities	6.5%	-	-	-	-
Tangible assets	0.0%	-	-	4.4%	4.4%
Cash	0.5%	-	-	-	_

### Investments

Each plan's investments may be used only for the benefit of the members of that plan in accordance with the terms of the plan.

No investments were made in loans to or leases with any Plan official, government employer official, or party related to a Plan official.

### Spokane Employees' Retirement System

The SERS investment management policy is set by the Board of Administration. The investment policy sets strategic asset allocation targets and ranges for all approved asset classes. SERS' investments are governed by the "prudent person rule." The prudent person rule, as set forth by state statute, establishes a standard for all fiduciaries, which includes anyone who has authority with respect to the System. SERS investments are categorized by type to give an indication of the level of risk assumed by the System.

Investments of the pension trust funds are reported at fair market value. The Board of Administration maintains a formal Statement of Investment Policy, which addresses governing provisions and additional guidelines for the investment process. In fulfilling its responsibilities, the Board of Administration has contracted with investment managers, a custodian, and an independent investment consultant. Investment manager contracts include specific guidelines regarding the investments under management. All investments are held in custody. The independent investment consultant monitors the fund on a regular basis and provides quarterly reports to staff and the Board. The SERS' Retirement Director monitors the fund on a regular basis.

The Board has an asset allocation policy that includes an allocation to alternative investments. Funding of these limited partnerships began in 2007 and continues on an ongoing basis. The term "alternative investments" encompasses a broad category of nontraditional investments. Each alternative investment that SERS enters into has been carefully studied by the System's independent investment consultant, has been reviewed by staff, and approved the Board. The asset allocation study that was modeled by the independent consultant demonstrated that alternative assets can add value to the portfolio over time through

diversification and higher expected returns. The Retirement Director and Board believe that the use of alternative investments increases the expected return of the plan compared to investing only in traditional asset classes.

### Firefighters' Pension System

The investment management policy is set by the Board of Administration. The investment policy sets strategic asset allocation targets and ranges for all approved asset classes. Investments are governed by the "prudent person rule." The prudent person rule, as set forth by state statute, establishes a standard for all fiduciaries, which includes anyone who has authority with respect to the System.

Investments of the trust funds are reported at fair market value. The Board of Administration maintains a formal Statement of Investment Policy, which addresses governing provisions and additional guidelines for the investment process. In fulfilling its responsibilities, the Board of Administration has contracted with an investment manager, a custodian, and an independent investment consultant. The investment manager contract includes specific guidelines regarding the investments under management. All investments are held in custody. The independent investment consultant monitors the fund on a regular basis and provides annual reports to staff and the Board. The Retirement Director monitors the fund on a regular basis.

### **Police Relief and Pension System**

The Police Pension System operates on a "pay as you go" basis with all funds provided by the City on an as needed basis. All assets are held in cash to pay monthly pension benefits and all other claims as they are received.

The target asset allocations as of December 31, 2015 were:

Target allocation	SERS	Firefighters'	Police	LEOFF 1	LEOFF 2
Global equity	50.0%	-	-	37.0%	37.0%
US fixed income	-	100.0%	-	20.0%	20.0%
Global fixed income	15.0%	-	-	-	-
Long/short and special opportunities	14.0%	-	-	-	-
Absolute return	10.0%	-	-	-	-
Realestate	6.0%	-	-	15.0%	15.0%
Private equity	-	-	-	23.0%	23.0%
Commodities	4.0%	-	-	-	-
Tangible assets	-	-	-	5.0%	5.0%
Cash	1.0%	-	100.0%	-	-
	100.0%	100.0%	100.0%	100.0%	100.0%

### **Methods Used to Value Investments**

All fixed income, common stock, and short-term investments are reflected in the Statement of Fiduciary Net Position and are listed at fair market 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.

Certain investments, such as mutual funds and limited partnerships, deduct their management fees before the fund itself reports net investment income for the period. These investment expenses are netted against investment income in the Statement of Changes in Fiduciary Net Position to arrive at a net investment income amount.

Investments are exposed to various risks, such as interest rate, market, credit, and regulatory risk. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in values of investments will occur in the near term and that such changes could materially affect total net position and the amounts reported in the Statement of Fiduciary Net Position. See Note 2 for additional information related to interest rate and credit risk.

### E. NET PENSION LIABILITY

The components of the net pension liability was calculated based on the actuarial reports dated December 31, 2015 for SERS, December 31, 2014 for Firefighters' and Police, and dated as of June 30, 2014 for LEOFF Plan 1 & 2, calculated in accordance with GASB 67/68, are shown in the table below.

Component	SERS	Firefighters'	Police	LEOFF 1 <sup>1</sup>	LEOFF 2 <sup>1</sup>
Total pension liability	491,393,125	21,432,740	9,951,967	42,346,335	176,269,163
Plan fiduciary net position	285,772,821	13,919,970	613,023	53,932,606	196,845,215
Net pension liability (asset)	205,620,304	7,512,770	9,338,944	(11,586,272)	(20,576,052)
Plan fidudiary net position as a % of total pension liability	6.16%	127.36%	111.67%		
<sup>1</sup> Total pension liability (TPL) calculated by the Of					

### F. ACTURIAL ASSUMPTIONS

### SERS, Firefighters & Police Pension Systems

The total net pension liability was determined by an actuarial evaluation using the following actuarial assumptions, applied to all periods in the measurement. For all three plans, the measurement date was December, 31, 2014. The valuation date was December 31, 2014 for SERS, the Firefighters', and Police Pension Systems.

### **Actuarial Assumptions for LEOFF 1 & 2**

The total pension liability (TPL) for each of the plans was determined using the most recent actuarial valuation completed in 2015 with a valuation date of June 30, 2014. Besides the discount rate, the actuarial assumptions used in the valuation are summarized in the Actuarial Section of DRS' *Comprehensive Annual Financial Report* located on the DRS employer-resource GASB webpage. These assumptions reflect the results of *OSA's 2007-2012 Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2014 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2015. Plan liabilities were rolled forward from June 30, 2014, to June 30, 2015.

	Employees' Retirement System	Firefighters' Pension System	Police Pension System	LEOFF 1	LEOFF 2
Valuation date	12/31/2014	12/31/2014	12/31/2014	6/30/2015	6/30/2015
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age norma
Amortization method					
Funding	Level % of pay over not more than 30 years	30-year, closed as of January 1, 2007	30-year, closed as of January 1, 2007	50 year	50 year
Remaining amortization years (closed)					
Asset valuation method	Expected value method with 5-year smoothing and 90- 110% market value	Fair market value	Fair market value	Fair market value	Fair market value
Actuarial assumptions					
Investment rate of return	7.5%	4.0%	3.0%	7.50%	7.50%
Projected salary increases	0.0-10.0%	2.5%	2.5%	3.75%	3.75%
Includes inflation at	3.0%	2.5%	2.5%	3.00%	3.00%
Cost of living adjustments	0.0%	Based upon 3.5% increase assumption when appropriate, for FPF benefits.	Based upon 3.5% increase assumption when appropriate, for PPF benefits.	N/A	N/A
		Based upon inflation assumption for some FPF benefits and all LEOFF benefits.	Based upon inflation assumption for some PPF benefits and all LEOFF benefits.		
Mortality	1994 Group Annuity Mortality Statistic Table	RP-2000 Mortality Tables	RP-2000 Mortality Tables	RP-2000 Mortality Tables, Combined Healthy Table and Combined Disabled Table	RP-2000 Mortality Tables, Combined Healthy Table and Combined Disabled Table

<sup>1</sup>0% for members with more than 5 years of services in years 2013, 2014 and 2015. Otherwise, ranges from 3.0% for employees with 16 or more years of service to 10.0% for employees with less than two years of service

### G. DISCOUNT RATE

### Spokane Employees' Retirement System

The blended discount rate used to measure the total pension liability was 5.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current 8.25% contribution rate and that city contributions will be made at the same rate. GASB 67 requires the use of a blended discount rate to the extent future contributions are not projected to be sufficient to provide future benefits for the current closed group of plan participants. If that is the case, the expected long-term rate of return on plan assets (7.5%) is used for the period where assets are projected to be sufficient and the current yield on the 20-year AA municipal bonds (3.50% as of 12/31/15) is used thereafter.

### Firefighters' Pension System

The discount rate used to measure the total pension liability was 4.0%. This discount rate was used for calculations pursuant to GASB 67 as the plan assets are not projected to be depleted prior to payment of the final benefits.

### **Police Relief and Pension System**

The discount rate used to measure the total pension liability was 3.0%. This discount rate was used for calculations pursuant to GASB 67 as the plan assets are not projected to be depleted prior to payment of the final benefits.

### **LEOFF 1 & 2**

The discount rate used to measure the total pension liability was 7.50 %. To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments of current plan members.

Consistent with current law, the asset sufficiency test included an assumed 7.70 % long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. (All plans use 7.70 percent except LEOFF Plan 2, which has assumed 7.50 percent).

Consistent with the long-term expected rate of return, a 7.50 percent future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue being made at contractually required rates.

### Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following table represents the net pension liability calculated using the blended discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percent lower or 1 percent higher than the current rate:

Net Pension (Asset) Liability Sensitivity to the Discount Rate								
Plan	1% Decrease	Current Discount Rate	1% Increase	Current Discount Rate				
SERS	301,595,957	239,722,042	187,522,373	5.5%				
Firefighters'	8,057,983	5,913,250	4,075,992	4.0%				
Police	9,777,443	8,919,702	8,174,705	3.0%				
LEOFF 1	(7,123,952)	(11,586,272)	(15,143,758)	7.5%				
LEOFF 2	20,605,581	(20,576,052)	(51,566,794)	7.5%				

### H. PENSION EXPENSE

For the year ended December 31, 2015, the City recognized pension expense as follows:

Pension	Expense		
Description	SERS	Firefighters'	Police
Service Cost	11,405,611	-	-
Interest Cost	25,718,424	938,119	341,929
Benefit Changes	86,298	-	-
Experience loss (gain)	1,613,582	(229,073)	(115,606
Change in Assumptions	-	-	-
Contributions-Employer	-	-	-
Contributions-Employee	(6,822,279)	-	-
Net Investment Income:	-	-	-
Expected Return on Investments	(20,706,601)	(541,489)	(22,324
Investment (gain) loss expensed	1,241,740	49,279	4,465
Investment (gain) loss deferred	-	-	-
Benefits paid, including refunds of employee contributions	-	-	-
Administrative Expense	386,713	13,889	12,985
Other Changes	-	-	-
Total Pension Expense	12,923,488	230,725	221,449

### I. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows on pensions are recorded when actual earnings on pension plan investments exceed projected earnings and are amortized to pension expense using a systematic and rational method over a closed five-year period. Deferred outflows on pensions also include the difference between expected and actual experience with regard to economic or demographic factors; changes of assumptions about future economic, demographic, or other input factors; or changes in the city's proportionate share of net pension liability. These are amortized over the average expected remaining service lives of all employees that are provided with pensions through each pension plan. City contributions to pension plans made subsequent to the measurement date are also deferred and reduce net pension liability in the subsequent year.

Deferred inflows on pensions are recorded when projected earnings on pension plan investments exceed actual earnings and are amortized to pension expense using a systematic and rational method over a closed five-year period. Deferred inflows on pensions also include the difference between expected and actual experience with regard to economic or demographic factors; changes of assumptions about future economic, demographic, or other input factors; or changes in the city's proportionate share of net pension liability. These are amortized over the average expected remaining service lives of all employees that are provided with pensions through each pension plan.

At December 31, 2015, the City reported deferred outflows and deferred inflows of resources related to pensions from the following sources.

Year	SERS	Firefighters'	Police	LEOFF 1 <sup>1</sup>	LEOFF 2 <sup>1</sup>
2015	-	-	-	391,198	1,246,887
2016	(993,392)	(39,423)	(3,572)	391,198	1,246,887
2017	(993,392)	(39,423)	(3,572)	391,198	1,246,887
2018	(993,392)	(39,423)	(3,572)	391,198	1,246,887
2019	(993,392)	(39,424)	(3,572)	391,198	1,246,887
2020	(993,392)	(39,424)	(3,571)	-	
Thereafter	-	-	-	-	-
Total Deferred (Inflows)/Outflows	(4,966,960)	(197,117)	(17,859)	1,955,990	6,234,435
Recognition Period (in years)	5.0	5.0	5.0	5.0	5.0

Differences Between Expected and Actual Experience								
Year	SERS	Firefighters'	Police	LEOFF 1 <sup>1</sup>	LEOFF 2 <sup>1</sup>			
2015	-	-	-	-	(290,609)			
2016	(1,472,903)	206,074	104,771	-	(290,609)			
2017	(1,472,903)	206,074	104,771	-	(290,609)			
2018	(1,472,903)	206,074	104,771	-	(290,609)			
2019	(1,472,903)	206,074	104,771	-	(290,609)			
2020	(1,472,903)	206,074	104,771	-	(290,609)			
Thereafter	(9,529,687)	1,022,128	594,056	-	(58,122)			
Total Deferred (Inflows)/Outflows	(16,894,202)	2,052,498	1,117,911	-	(1,801,776)			
Recognition Period (in years)	11.47	9.96	10.67	-	6.2			

Change of Assumptions							
Year	SERS	Firefighters'	Police	LEOFF 1 <sup>1</sup>	LEOFF 2 <sup>1</sup>		
2015	-	-	-	-	(8,754)		
2016	-	-	-	-	(8,754)		
2017	-	-	-	-	(8,754)		
2018	-	-	-	-	(8,754)		
2019	-	-	-	-	(8,754)		
2020	-	-	-	-	(8,754)		
Thereafter	-	-	-	-	(1,749)		
Total Deferred (Inflows)/Outflows	-	-	-	-	(54,273)		
Recognition Period (in							
years)	-	-	-	-	6.2		

Year	SERS	Firefighters'	Police	LEOFF 1 <sup>1</sup>	LEOFF 2 <sup>1</sup>
2015	-	-	-	-	-
2016	-	-	-	-	(1,620,399
2017	-	-	-	-	-
2018	-	-	-	-	-
2019	-	-	-	-	-
2020	-	-	-	-	-
Thereafter	-	-	-	-	-
Total Deferred (Inflows)/Outflows	-	_	-	-	(1,620,399
Recognition Period (in years)	_	_	_	_	1.0

Change in Proportion								
Year	SERS	Firefighters'	Police	LEOFF 1 <sup>1</sup>	LEOFF 2 <sup>1</sup>			
2015	-	-	-	-	11,681			
2016	-	-	-	-	11,681			
2017	-	-	-	-	11,681			
2018	-	-	-	-	11,681			
2019	-	-	-	-	11,681			
2020	-	-	-	-	11,681			
Thereafter	-	-	-	-	2,334			
Total Deferred (Inflows)/Outflows	-	-	-	-	72,420			
Recognition Period (in years)	-	-	-	-	6.2			

### J. FUNDING POLICIES

The tables at the end of this section provide the actual contribution rates for all plans (expressed as a percentage of current year covered payroll) at the close of December 31, 2015.

### Spokane Employees' Retirement System

Member and employer contribution rates are established by SMC Chapter 4.14. The funding of SERS is currently based on the entry age normal method. SERS funding objective is to achieve and maintain an actuarial liability funded status between 90% and 110%. Member contributions are 8.25% of eligible compensation and are deducted from the member's salary and paid into the retirement fund; the City contributes 8.25% of eligible compensation for a combined total of 16.50%. 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. Combined contributions from employees and the employer were \$14.8 million in 2015 and \$13.6 million in 2014.

There are no long-term contracts for contributions outstanding and no legally required reserves.

### Firefighters' Pension System

The City of Spokane is obligated by ordinance and RCW to make all required contributions to the plans. The major sources of funding for the Firefighters' Pension fund are property taxes, investment earnings, and the State fire insurance premium tax. Currently, there are no required employee contributions made to these pension plans.

The plan is partially funded with \$29.1 million in total net assets.

### **Police Relief and Pension System**

The City of Spokane is obligated by ordinance and RCW to make all required contributions to the plans. The major sources of funding for the Police Pension fund is local retail sales and use tax. Currently, there are no required employee contributions made to these pension plans.

All benefits are funded on a pay-as-you-go basis.

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

Employer and employee contribution rates are developed by the Office of the State Actuary to fully fund the plans. Starting on July 1, 2000, Plan 1 employers and employees contribute zero percent as long as the plan remains fully funded. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For DRS' fiscal year 2014, the state contributed \$55.6 million to LEOFF Plan 2.

The methods used to determine the contribution requirements are established under state statute in accordance with Chapters 41.26 and 41.45 RCW.

Special funding situations reported in the state of Washington's DRS Schedules of Employer and Nonemployer Allocations consist of:

LEOFF Plan 2 contributions from the state of Washington pursuant to *RCW 41.26.725* LEOFF Plan 1 allocation percentage for the state of Washington as described in Section B

LEOFF 1 and 2 include a special funding situation in which the state, as a non-employer contributing entity, has a legal obligation to make contribution directly to the plans (RCW 41.26.275). Although the state makes the contributions, individual employers are required to recognize pension expense and an equal amount of revenue for their share of the contributions.

As a result, a \$1.9 million pension expense and state share revenues has been recorded for Police/Fire related to LEOFF 2. LEOFF 1 is fully funded and there have been no contributions since 2000.

The required contribution rates expressed as a percentage of current-year covered payroll as of December 31, 2015 are as follows:

Actual Contribution Rates	Employer	Employee	State
Employees' Retirement System <sup>1</sup>	8.25%	8.25%	N/A
Firefighters' Pension System	0.16%	0.00%	N/A
Police Pension System	0.16%	0.00%	N/A
LEOFF 1 <sup>2</sup>	0.18%	0.00%	N/A
LEOFF 2 <sup>2</sup>	5.23%	8.41%	3.36%

<sup>&</sup>lt;sup>1</sup>The annual required contribution was developed to equal actual employer contributions, if possible. If not, the maximum allowable amortization period is used. Because the contribution rates are fixed, the effective amortization period for the unfunded accrued liability will change over time as actual experience emerges that is different from the actuarial assumptions.

### K. EMPLOYER CONTRIBUTIONS PAID

The following table presents the City's contributions to cost-sharing plans in accordance with the funding policy. There are no long term contracts for contributions for any of the retirement plans administered by the City.

Actual Contributions	2015	2014	2013
Employees' Retirement System	7,398,945	6,822,279	6,715,376
Firefighters' Pension System	2,345,156	1,515,765	2,183,389
Police Pension System	734,966	837,804	845,079
LEOFF 1	928	1,294	1,304
LEOFF 2	3,169,951	3,048,949	2,740,733

### L. CHANGES IN BENEFIT PROVISIONS

All employees hired on or after January 1, 2015 who participate in SERS are eligible for service retirement after completing five years of service and are age 50 or older; however, this group of employees must have their age plus years of service equal to 80 before they can draw a pension. Their retirement benefits are calculated by multiplying 2.0% of the member's highest consecutive three-year average salary times the member's years of creditable service, not to exceed 70.0%. The normal retirement age for these employees is 65, and vesting occurs after seven years of employment.

<sup>&</sup>lt;sup>2</sup>The employer rate includes the employer administrative expense fee currently set at 0.18%.

## M. GASB 68 SUMMARY RECONCILIATION

	Increase (Decrease)							
	(a)	(b)	(a)-(b)					
Employees' Retirement System	Total Pension Liability	Plan Net Position	Net Pension Liability (NPL)	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense		
Balance, Beginning of Year (Dec 31, 2013)	458,559,034	280,901,101	177,657,933	-	-	-		
Changes for the year:								
Service Cost	11,405,611	-	11,405,611	-	-	11,405,611		
Interest Cost	25,718,424	-	25,718,424	-	-	25,718,424		
Benefit Changes	86,298	-	86,298	-	-	86,298		
Experience loss (gain)	18,507,784	-	18,507,784	16,894,202	-	1,613,582		
Change in Assumptions	-	-	-	-	-	-		
Contributions-Employer	-	6,822,279	(6,822,279)	-	-	-		
Contributions-Employee	-	6,822,279	(6,822,279)	-	-	(6,822,279)		
Net Investment Income:	-	14,497,901	(14,497,901)	-	-	-		
Expected Return on Investments	-	-	-	-	-	(20,706,601)		
Investment (gain) loss expensed	-	-	-	-	-	1,241,740		
Investment (gain) loss deferred		-	-	4,966,960	-	-		
Benefits paid, including refunds of								
employee contributions	(22,884,026)	(22,884,026)	-	-	-	-		
Administrative Expense	-	(386,713)	386,713	-	-	386,713		
Other Changes	-	-	-	-	-	-		
Amortization	-	-	-	-	-	-		
Net Changes	32,834,091	4,871,720	27,962,371	21,861,162	-	12,923,488		
Balance, End of Year (Dec 31, 2014)	491,393,125	285,772,821	205,620,304	21,861,162	-	12,923,488		

	Increase (Decrease)						
	(a)	(b)	(a)-(b)	-			
Firefighters' Pension System	Total Pension Liability	Plan Net Position	Net Pension Liability (NPL)	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense	
Balance, Beginning of Year (Dec 31, 2013)	24,116,632	13,449,552	10,667,080	-	-	-	
Changes for the year:							
Service Cost	-	-	-	-	-	-	
Interest Cost	938,119	-	938,119	-	-	938,119	
Benefit Changes	-	-	-	-	-	-	
Experience loss (gain)	(2,281,571)	-	(2,281,571)	-	2,052,498	(229,073	
Change in Assumptions	-	-	-	-	-	-	
Contributions-Employer	-	1,529,654	(1,529,654)	-	-	-	
Contributions-Employee	-	-	-	-	-	-	
Net Investment Income:	-	295,093	(295,093)	-	-	-	
Expected Return on Investments	-	-	-	-	-	(541,489	
Investment (gain) loss expensed	-	-	-	-	-	49,279	
Investment (gain) loss deferred		-	-	197,117	-	-	
Benefits paid, including refunds of employee contributions	(1,340,440)	(1,340,440)	_	_	_	-	
Administrative Expense	-	(13,889)	13,889	-	_	13,889	
Other Changes	-	-	-	-	-	-	
Amortization	-	-	-	-	-	-	
Net Changes	(2,683,892)	470,418	(3,154,310)	197,117	2,052,498	230,725	
Balance, End of Year (Dec 31, 2014)	21,432,740	13,919,970	7,512,770	197,117	2,052,498	230,725	

	Increase (Decrease)						
	(a)	(b)	(a)-(b)				
Police Pension System	Total Pension Liability	Plan Net Position	Net Pension Liability (NPL)	Deferred Oufflows of Resources	Deferred Inflows of Resources	Pension Expense	
Balance, Beginning of Year (Dec 31, 2013)	11,943,611	875,275	11,068,336	-	-	-	
Changes for the year:							
Service Cost	-	-	-	-	-	-	
Interest Cost	341,929	-	341,929	-	-	341,929	
Benefit Changes	-	-	-	-	-	-	
Experience loss (gain)	(1,233,517)	-	(1,233,517)	-	1,117,911	(115,606)	
Change in Assumptions	-	-	-	-	-	-	
Contributions-Employer	-	850,789	(850,789)	-	-	-	
Contributions-Employee	-	-	-	-	-	-	
Net Investment Income:	-	-	-	-	-	-	
Expected Return on Investments	-	-	-	-	-	(22,324)	
Investment (gain) loss expensed	-	-	-	-	-	4,465	
Investment (gain) loss deferred		-	-	17,859	-	-	
Benefits paid, including refunds of							
employee contributions	(1,100,056)	(1,100,056)	-	-	-	-	
Administrative Expense	-	(12,985)	12,985	-	-	12,985	
Other Changes	-	-	-	-	-	-	
Amortization	-	-	-	-	-	-	
Net Changes	(1,991,644)	(262,252)	(1,729,392)	17,859	1,117,911	221,449	
Balance, End of Year (Dec 31, 2014)	9,951,967	613,023	9,338,944	17,859	1,117,911	221,449	

# Other Post-Employment Benefits

To comply with accrual accounting standards, the cost of post-employment healthcare benefits, like the cost of pension benefits, generally should be recognized during the period in which the cost occurs rather than in the future year when the benefit will be paid. In adopting the requirements of GASB Statement 45 during the year ended December 31, 2007, the City recognizes the cost of post-employment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the City's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2007 liability.

### **Plan Description**

The Firefighters' and Police Pension Systems are single-employer defined benefit funds established and administered by the City in accordance with the requirements of the Revised Code of Washington. The other post-employment benefit (OPEB) plans are accounted for in these funds.

The Police and Fire other post-employment benefit plans provide medical benefits to all firefighters and uniformed police who were hired prior to March 1, 1970. Police and firefighters hired on or after March 1, 1970, but before October 1, 1977, receive their pensions from the State of Washington and medical coverage from the City of Spokane. Police and firefighters hired after October 1, 1977, are not covered by these plans.

Both plans provide death, disability and medical benefits. As of the most recent actuarial valuation date, December 31, 2014, there are 2 active police officers and 2 active firefighters covered under these plans. In addition, there are 180 police and 229 firefighter retirees and beneficiaries receiving other post-employment benefits from the two plans.

The City is responsible for the medical expenses for active and retired employees covered under these plans. For the Police OPEB Plan, all benefits are funded on a pay-as-you-go basis. The Firefighters' OPEB Plan is funded in part with \$14.0 million of net assets.

### **Funding Policy**

The City is obligated by ordinance and the Revised Code of Washington to make all required contributions to the plans. The major sources of funding for these plans are property taxes, investment earnings, the State fire insurance premium tax, and local retail sales and use taxes. There are no required employee contributions made to these plans.

The Schedule of Funding Progress, which follows the notes to the financial statements, in the Required Supplemental Information shows historical information on the funded ratio and other actuarial funding data for these plans.

Funded Status (in thousands)	Firefighters' OPEB	Police OPEB
Actuarial valuation date	12/31/2014	12/31/2014
Actuarial value of plan assets	\$ 13,998	\$ -
Actuarial accrued liability (AAL)	54,093	62,745
Unfunded actuarial accrued liability (UAAL)	40,095	62,745
Funded ratio	26%	0%
Covered payroll	N/A	N/A
UAAL as a percentage of covered payroll	N/A	N/A

# **Annual Required Contribution**

	Firefighters' Pension System		2015	2014	2013
1	Annual normal cost, beginning of year	\$	3,023	\$ 80,932	\$ 80,932
2	Amortization of UAAL, beginning of year		2,667,814	3,166,015	3,166,015
3	Interest through end of year =((1+	2)*i)	106,833	129,878	129,878
4	Annual required contribution =(1+2	+3)	2,777,670	3,376,825	3,376,825
5	Interest on net OPEB obligation		-	-	-
6	Adjustment to annual required contribution		-	-	-
7	Annual OPEB cost =(4+	5-6)	2,777,670	3,376,825	3,376,825
8	Employer contributions		(2,777,670)	(3,376,825)	(3,376,825)
9	Change in net OPEB obligation =(	<b>7</b> +8)	-	-	-
10	Net OPEB obligation at beginning of year		-	-	-
11	Net OPEB obligation at end of year = (9+	10)	-	-	-
12	Percentage funded =(	3/7)	100%	100%	100%

	Police Pension System		2015	2014	2013
1	Annual normal cost, beginning of year		\$ 6,845	\$ 56,649	\$ 56,649
2	Amortization of UAAL, beginning of year		3,822,413	4,196,207	4,196,207
3	Interest through end of year =((	1+2)*i)	114,878	127,586	127,586
4	Annual required contribution =(	1+2+3)	3,944,136	4,380,442	4,380,442
5	Interest on net OPEB obligation		393,330	363,708	315,814
6	Adjustment to annual required contribution	on	(798,719)	(715,809)	(603,495)
7	Annual OPEB cost =	(4+5-6)	3,538,747	4,028,341	4,092,761
8	Employer contributions		(2,732,536)	(3,040,948)	(2,496,290)
9	Change in net OPEB obligation	=(7+8)	806,211	987,393	1,596,471
10	Net OPEB obligation at beginning of year		13,110,989	12,123,596	10,527,125
11	Net OPEB obligation at end of year =	(9+10)	13,917,200	13,110,989	12,123,596
12	Percentage funded	=(8/7)	77%	75%	61%

### **Actuarial Information and Significant Actuarial Assumptions**

The actuarial assumptions are intended to estimate the future experience of the members of the above mentioned plans.

	Firefighters' OPEB	Police OPEB
Valuation date	12/31/2014	12/31/2014
Actuarial cost method	Entry age normal	Entry age normal
	30 year, closed as	30 year, closed as
Amortization method	January 1, 2007	January 1, 2007
Remaining amortization years (closed)	23	23
Asset valuation method	Fair market value	Fair market value
Actuarial assumptions		
Investment rate of return	4.0%	3.0%

# Note 7

# **Risk Management**

The City is self-insured for Unemployment Insurance, Workers' Compensation, General Liability, and Medical/Dental benefits. Unrestricted net position (assets less liabilities) in the self-insurance funds as of December 31, 2015 and 2014 are as follows:

Fund		2015	2014
Risk Management	\$	2,762,372 \$	2,298,333
Workers' Compensation		2,078,734	4,175,918
Unemployment Insurance		963,104	884,291
Employee Benefits		16,438,815	16,405,196
	\$	22,243,025 \$	23,763,738
	_		

Under the city's self-insurance program, the following commercial insurance policies are purchased to protect the city from claims which exceed anticipated funding levels. In 2013, one workers' compensation and one general liability claim exceeded the SIR, and in 2015 two general liability claims exceeded the SIR.

Policy Type	Deductible	Coverage Limits	Description
Excess Workers' Compensation & Employer's Liability - All Employees	\$ 1,000,000	Statutory Limit	Protects the city from unanticipated levels of workers' compensation
Boiler & Machinery	25,000	100,000,000	Protects the city from loss due to damage to buildings and contents from boilers and machinery
Property (Wastewater Treatment Facility)	1,000,000	279,800,000	Protects the city from loss by fire and other extended coverages
Property (Upriver Dam)	1,000,000	100,000,000	Protects the city from loss by fire and other extended coverages
Property (Waste to Energy)	1,000,000	100,000,000	Protects the city from loss by fire and other extended coverages
Property (Other than WWTP, Dam& WTE)	1,000,000	100,000,000	Protects the city from loss by fire and other extended coverages
Medical Stop Loss	425,000	Unlimited	Stop-loss coverage protects the city from excessive individual claims
Excess Liability Coverage	1,500,000	15,000,000	Protects the city from excessive individual losses
Inland Marine -Fire Truck Physical Damage	5% Value 10,000 min 50,000 max	20,848,272	Protects the City from loss due to damaged fire trucks
Crime & Fidelity, Employee Theft, Forgery or Alteration, Funds Transfer Fraud	50,000	5,000,000	Protect the city from loss due to employee dishonesty and other extended coverages

### **Claims Liability Valuation**

In 2015, the City conducted an actuarial review to determine the estimated claims liability for the Risk Management and Workers' Compensation funds. The estimated loss reserves for the Risk Management fund totaled \$7.6 million and the Workers' Compensation fund totaled \$8.3 million. The Employee Benefits fund reported IBNR (incurred but not reported) claims of \$2.0 million for 2015. Starting in 2014, the City became self-insured for all medical plans. Claims expenses are recognized in the Employee Benefits and the Unemployment Insurance funds for claims processed through the fiscal year end. No IBNR claims are reported in the Unemployment Insurance 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.

Changes in the claims liability from fiscal year ended December 31, 2014 to December 31, 2015 are shown in the following table:

	General Liability	 orkers' pensation	Health Benefits
December 31, 2014:			
Unpaid claims, beginning of fiscal year	\$ 6,811	\$ 8,561	\$ 1,981
Incurred claims	1,018	1,466	24,957
Adjustments for prior claims	1,015	1,450	(1,172)
Claim payments	(2,082)	(3,614)	(22,971)
Unpaid claims, December 31, 2014	\$ 6,762	\$ 7,863	\$ 2,795
	General Liability	orkers' pensation	Health Senefits
December 31, 2015:	 		
Unpaid claims, beginning of fiscal year	\$ 6,762	\$ 7,863	\$ 2,795
Incurred claims	2,590	2,165	24,402
Adjustments for prior claims	1,132	1,711	1,173
Claim payments	 (2,916)	 (3,488)	(26,288)
Unpaid claims, December 31, 2015	\$ 7,568	\$ 8,251	\$ 2,082

## Note 8

# **Short-Term Debt**

At December 31, 2015, the City had no local improvement district (LID) progress warrants outstanding. 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. Progress warrants issued during 2015 had interest rates ranging from 2.29% to 4.665%. A summary of progress warrant activity for 2015 follows:

Progress Warrants	2015
Balance January 1	\$ 527,011
Progress warrants issued	108,179
Progress warrants redeemed	(635,190)
Balance December 31	\$ -

## Note 9

# **Long-Term Liabilities**

#### 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.

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 are financed by a special tax levy; or created by ordinance, adopted by the City Council, and are then normally financed from general revenues.

General obligation bonds currently outstanding at December 31, 2015 are as follows:

Name of Issuance	Purpose	Interest Rate	Original Issue Amount	Debt Outstanding
LTGO 2003B	Street projects	2.00% - 5.25%	14,755,000	-
UTGO 2004 <sup>1</sup>	Street maintenance and road improvement/construction expenses for major arterials, public safety corridors, and residiential street repair	3.00% - 5.25%	24,151,000	
LTGO 2005A	Acquisition and construction of and improvements to Riverfront Park, including the Spokane Falls Gondola Sky Ride, construction of the Iron Bridge project, and refund LTGO 1999 bonds	5.00%	5,720,000	5,720,000
LTGO 2005B	Payment in full on an outstanding Taxable Bond Anticipation Note and other permitted costs associated with the settlement and litigation related to the Parking Facility	4.34% - 5.34%	25,625,000	16,065,000
UTGO 2005 <sup>2</sup>	Refund UTGO 1999A bonds	3.00% - 4.00%	8,880,000	-
UTGO 2007 <sup>1</sup>	Street maintenance and road improvement/construction expenses for major arterials, public safety corridors, and residiential street repair, Refund callable portions of the outstanding 1997 Refunded and 1999B Refunded bonds	4.00% - 5.00%	58,090,000	-
UTGO 2008	Finance the development, construction, or improvement of city park and recreations! facilities at the Joe Albi Stadium site, and to fund one or more capital reserves to finance future capital improvements to facilities	3.50% - 5.00%	42,900,000	31,300,000
UTGO 2010A/B	Acquisition, construction, and installation of repairs and improvements to certain streets, including major arterials, public safety corridors, and residential streets; and helping pave unpaved city streets	2.00% - 5.713%	45,070,000	34,220,000
UTGO 2015	Finance improvements to Riverfront Park and the Parks system	1.65% - 2.97%	60,070,000	60,070,000
LTGO 2015 Refunding	Refund UTGO 2004 and UTGO 2007 Refunding bonds	2.45%-3.20%	48,305,000	48,305,000
Total general obligation bonds			\$ 333,566,000	\$ 195,680,000

At December 31, 2015, the City has \$8.1 million available in debt service funds to service the general bonded debt. The annual debt service requirements to maturity for general obligation bonds are as follows:

	Governmen	tal A	Activities	
Year	Principal		Interest	Total
2016	5,415,000		8,251,971	13,666,971
2017	5,650,000		8,024,028	13,674,028
2018	5,860,000		7,791,669	13,651,669
2019	6,085,000		7,537,834	13,622,834
2020	6,320,000		7,271,469	13,591,469
2021-2025	30,525,000		32,037,324	62,562,324
2026-2030	72,406,287		21,684,033	94,090,319
2031-2035	62,965,000		5,762,828	68,727,828
Total	\$ 195,226,287	\$	98,361,156	\$ 293,587,443

		Business-Typ	oe A	ctivities	
Year	ı	rincipal		Interest	Total
2016		-		45,188	45,188
2017		-		45,188	45,188
2018		-		45,188	45,188
2019		-		45,188	45,188
2020		-		45,188	45,188
2021-2025		-		225,940	225,940
2026-2030		453,713		178,461	632,174
2031-2035		-		-	-
Total	\$	453,713	\$	630,341	\$ 1,084,054

#### **Debt Refundings**

When advantageous and permitted by statute and bond covenants, the city authorizes the refunding of outstanding bonds. When the city refunds outstanding bonds, the net proceeds of each refunding issue are used to purchase U.S. government securities that are placed in irrevocable trusts with escrow agents to provide for all future debt service payments on the refunded bonds.

As a result, the refunded bonds are considered defeased and the liability is removed from the government-wide statement of net position.

On February 11, 2015, the city issued \$48.3 million of limited tax general obligation refunding bonds with an average interest rate of 3.4 percent to refund \$45.5 million of limited tax general obligation bonds with an average interest rate of 4.8 percent. The refunding resulted in a \$2.8 million gross debt service savings over the next 7 years and a net present value savings of \$21,440.

#### **Government Loans**

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

Purpose	Interest Rate	Debt Outstanding
Various street improvements	.50% - 3.00%	\$ 1,178,973
Various community development projects	0.00%	-
Various Water/Wastewater System improvements	.50% - 3.00%	8,494,303
Various Water/Wastewater System improvements	1.50% - 2.90%	27,455,869
		\$ 37,129,144
	Various street improvements  Various community development projects  Various Water/Wastewater System improvements	Various street improvements .50% - 3.00%  Various community development projects 0.00%  Various Water/Wastewater System improvements .50% - 3.00%  Various Water/Wastewater System improvements 1.50% - 2.90%

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

		Governmen	tal Ac	ivities	
Year	i	Principal	In	iterest	Total
2016		112,917		4,270	117,187
2017		112,917		3,705	116,622
2018		112,917		3,141	116,058
2019		112,917		2,576	115,493
2020		112,917			112,917
2021-2025		289,388		5,223	294,610
2026-2030		-		-	-
2031-2035		-		-	-
2036-2040		-		-	-
2041-2043		325,000		-	325,000
Total	\$	1,178,973	\$	18,914	\$ 1,197,887

	Business-Typ	oe A	ctivities	
Year	Principal		Interest	Total
2016	1,270,945		182,666	1,453,611
2017	2,044,845		480,476	2,525,321
2018	2,047,688		748,010	2,795,698
2019	1,785,291		708,825	2,494,116
2020	1,816,865		673,548	2,490,413
2021-2025	9,102,738		2,812,458	11,915,196
2026-2030	7,725,986		1,857,974	9,583,960
2031-2035	7,701,648		853,746	8,555,394
2036-2040	2,454,167		75,054	2,529,221
Total	\$ 35,950,172	\$	8,392,757	\$ 44,342,931

#### **Special Assessment Bonds**

The City has issued special assessment bonds for various capital construction purposes. These bonds will be repaid from amounts levied against the property owners benefited by this construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt

service payment is due, the City must provide resources to cover the deficiency until other foreclosure proceeds are received. As of December 31, 2015, the amount of CLID Special Assessment delinquency equals \$379,148.

Name of Issuance	Issue Date	Maturity	Interest Rate	Debt Outstanding	Due Within One Year
CLID 213	7/1/2004	7/1/2026	5.00%	50,000	16,000
CLID 214	8/15/2005	8/15/2015	4.376%	15,000	15,000
CLID 215	8/1/2006	8/1/2016	4.50%	50,000	45,000
CLID 216	8/15/2007	8/15/2017	4.60%	135,000	61,667
Total special assessment bonds				\$ 250,000	\$ 137,667

#### **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 money raised through the bond sale, in large part, will help the City implement its Integrated Clean Water Plan. The plan includes work to manage overflows from combined sanitary and stormwater sewers, address untreated stormwater going to the river, and to add an additional level of wastewater treatment at the City's Riverside Park Water Reclamation Facility.

Revenue bonds outstanding at year-end are as follows:

Name of Issuance	Purpose	Interest Rate	Debt Outstanding
Water and Wastewater System Revenue Bonds 2014	Finance capital improvements that will improve the health of the Spokane River, protect the region's solesource drinking water aquifer, and make other necessary improvements to the Water and Wastewater System	3.00% - 5.00%	\$ 175,600,000
Total revenue bonds			\$ 175,600,000

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

	Business-	Тур	e Activities	
Year	Principal		Interest	Total
2016	5,920,000		7,628,528	13,548,528
2017	6,215,000		7,332,528	13,547,528
2018	6,530,000		7,021,778	13,551,778
2019	6,855,000		6,695,278	13,550,278
2020	7,200,000		6,352,528	13,552,528
2021-2025	41,755,000		25,990,885	67,745,885
2026-2030	51,730,000		16,023,180	67,753,180
2031-2035	49,395,000		4,809,375	54,204,375
Total	\$ 175,600,000	\$	81,854,080	\$ 257,454,080

#### B. Changes in Long-Term Liabilities

During the year ended December 31, 2015, the following changes occurred in long-term liabilities:

Long-Term Liabilities	Outstanding 12/31/14	Additions	Reductions	Outstanding 12/31/15	Due Within One Year
GOVERMENTAL ACTIVITIES					
General obligation bonds <sup>1</sup>	137,956,287	108,375,000	(51,105,000)	195,226,287	5,415,000
Deferred amounts:					
Bond premiums at issuance	3,269,087	5,451,917	(2,189,370)	6,531,634	306,530
Bond premiums on refunding	44,339	2,056,006	(44,339)	2,056,006	<del>-</del>
Special assessment debt with governmental commitment	480,000	-	(230,000)	250,000	137,667
Government loans	1,291,890	-	(112,917)	1,178,973	112,917
Revitalization Areas <sup>2</sup>	1,383,384	2,279,259	(91,912)	3,570,731	98,000
Claims and judgements	17,419,933	480,855	-	17,900,788	17,900,788
OPEB (other postemployment benefit) liability	13,110,989	806,211	-	13,917,200	-
Net pension liability	25,627,027	113,686,741	-	139,313,768	-
Compensated absences	17,406,481	503,579	(117,515)	17,792,545	1,421,286
Total long term liabilities - governmental activities	217,989,417	233,639,568	(53,891,053)	397,737,932	25,392,188
In January 2016, the City issued \$16.1 million in LTGO (limited t				to refund LTGO 2005B	bonds.
<sup>2</sup> See Note 13 for more information on the purchase and sale o				to refund LTGO 2005B	bonds.
<sup>2</sup> See Note 13 for more information on the purchase and sale of BUSINESS-TYPE ACTIVITIES				to refund LTGO 2005B	bonds.
In January 2016, the City issued \$16.1 million in LTGO (limited to 2 See Note 13 for more information on the purchase and sale of BUSINESS-TYPE ACTIVITIES  Bonds:  General obligation bonds				to refund LTGO 2005B	bonds.
<sup>2</sup> See Note 13 for more information on the purchase and sale of BUSINESS-TYPE ACTIVITIES  Bonds:	agreements related to ti	he revitalization areas			-
BUSINESS-TYPE ACTIVITIES Bonds: General obligation bonds Revenue bonds	agreements related to ti	he revitalization areas	-	453,713	-
BUSINESS-TYPE ACTIVITIES Bonds: General obligation bonds Revenue bonds	agreements related to ti	he revitalization areas	-	453,713	-
<sup>2</sup> See Note 13 for more information on the purchase and sale of BUSINESS-TYPE ACTIVITIES  Bonds:  General obligation bonds  Revenue bonds  Deferred amounts:	453,713 181,225,000	he revitalization areas	(5,625,000)	<b>453,713</b> 175,600,000	5,920,000
BUSINESS-TYPE ACTIVITIES Bonds: General obligation bonds Revenue bonds Deferred amounts: Bond premiums at issuance	453,713 181,225,000 19,711,699	he revitalization areas	(5,625,000)	453,713 175,600,000 19,442,318	5,920,000
BUSINESS-TYPE ACTIVITIES Bonds: General obligation bonds Revenue bonds Deferred amounts: Bond premiums at issuance Bond premiums on refunding	453,713 181,225,000 19,711,699	he revitalization areas	- (5,625,000) (269,381)	453,713 175,600,000 19,442,318	- 5,920,000 534,931 - 6,454,931
BUSINESS-TYPE ACTIVITIES Bonds: General obligation bonds Revenue bonds Deferred amounts: Bond premiums at issuance Bond premiums on refunding Total bonds payable Government loans	453,713 181,225,000 19,711,699 - 201,390,412	he revitalization areas	(5,625,000) (269,381) - (5,894,381)	453,713 175,600,000 19,442,318 - 195,496,031	- 5,920,000 534,931 - 6,454,931
BUSINESS-TYPE ACTIVITIES BONDAS: General obligation bonds Revenue bonds Deferred amounts: Bond premiums at issuance Bond premiums on refunding Total bonds payable	453,713 181,225,000 19,711,699 - 201,390,412	he revitalization areas	(5,625,000) (269,381) - (5,894,381)	453,713 175,600,000 19,442,318 - 195,496,031 35,950,172	- 5,920,000 534,931 - 6,454,931
BUSINESS-TYPE ACTIVITIES BONDAS: General obligation bonds Revenue bonds Deferred amounts: Bond premiums at issuance Bond premiums on refunding Total bonds payable Government loans Net pension liability	453,713 181,225,000 19,711,699 - 201,390,412	he revitalization areas	(5,625,000) (269,381) - (5,894,381)	453,713 175,600,000 19,442,318 - 195,496,031 35,950,172	- 5,920,000 534,931 - 6,454,931
BUSINESS-TYPE ACTIVITIES BUSINESS-TYPE ACTIVITIES Bonds: General obligation bonds Revenue bonds Deferred amounts: Bond premiums at issuance Bond premiums on refunding Total bonds payable Government loans Net pension liability Landfill liabilities:	453,713 181,225,000 19,711,699 - 201,390,412 20,345,446	17,062,742 82,683,766	(5,625,000) (269,381) - (5,894,381) (1,458,016)	453,713 175,600,000 19,442,318 - 195,496,031 35,950,172 82,683,766	5,920,000 534,931 - 6,454,931 1,270,945
BUSINESS-TYPE ACTIVITIES BUSINESS-TYPE ACTIVITIES Bonds: General obligation bonds Revenue bonds Deferred amounts: Bond premiums at issuance Bond premiums on refunding Total bonds payable Government loans Net pension liability Landfill liabilities: Landfill closure	453,713 181,225,000 19,711,699 - 201,390,412 20,345,446 - 1,756,909	17,062,742 82,683,766	. (5,625,000) (269,381) (5,894,381) (1,458,016) - (424,563)	453,713 175,600,000 19,442,318 - 195,496,031 35,950,172 82,683,766 1,332,346	- 5,920,000 534,931 - 6,454,931 1,270,945 -
BUSINESS-TYPE ACTIVITIES BONDAS: General obligation bonds Revenue bonds Deferred amounts: Bond premiums at issuance Bond premiums on refunding Total bonds payable Government loans Net pension liability Landfill liabilities: Landfill closure Post closure monitoring	453,713 181,225,000 19,711,699 - 201,390,412 20,345,446 - 1,756,909 11,281,689	17,062,742 82,683,766	. (5,625,000) (269,381) - (5,894,381) (1,458,016) - (424,563) (1,067,594)	453,713 175,600,000 19,442,318 - 195,496,031 35,950,172 82,683,766 1,332,346 10,214,095	5,920,000 534,931 - 6,454,931 1,270,945

Internal service funds predominantly serve the governmental funds. Accordingly, long-term liabilities for the internal service funds are included as part of the governmental activities as follows:

Claims and judgments payable \$17.9 million
Net pension liability \$25.4 million
Compensated absences \$1.7 million

#### **Legal Debt Margin**

For purposes of determining the legal debt margin, the assessed valuation of the City for year 2015 is \$15,940 million. Under State of Washington statutes, general obligation indebtedness pursuant to a vote of the electorate is limited to 2.5% of actual value of taxable property located within the City. Indebtedness without a vote of the people is limited to 1.5% of actual value subject to the limitation that total general purpose indebtedness may not exceed 2.5% of total valuation. There is a 2.5% limitation each for utility purposes and open space and park facilities purposes.

Legal Debt Margin		Total
General purpose voted and non-voted debt <sup>1</sup>	\$	301,267,539
Utility voted debt - 2.5%		398,521,483
Open space and park facilities voted debt - 2.5%		307,151,483
Total remaining debt capacity	\$	1,006,940,505
<sup>1</sup> Includes \$169.5 million debt capacity for non-voted	deb	ot

#### C. Leases

#### **Operating Leases**

The City entered into a long-term 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, as amended, provides for the following rental payments:

Effective May 1, 2011 the City pays \$0.085 cents per square foot for 1,608,887 feet.

The City has the option of renewing the lease for four consecutive five-year periods subject to certain conditions. The lease ends April 30, 2018. Lease payments for the year ended December 31, 2015 amounted to \$136,755.

The City entered into long term lease contracts with Xerox Corporation for two printers and Copiers Northwest for copy machines. Lease payments for the year ended December 31, 2015 were \$187,106.

Future Years Lease Payments	Total
2016	364,787
2017	366,237
2018	276,567
2019	232,536
Total minimum future rental payments	\$ 1,240,126

#### **Capital Lease**

The City entered into a long term capital lease agreement of \$215,088 with TCF Equipment Finance for the purchase of Kubota Tractor for use at the City's golf courses. The lease, which will be repaid by the Golf Fund, provides for semi-annual payments with an interest rate of 3.498%. Lease payments for the year ended December 31, 2015 were \$43,096.

The capital lease debt outstanding at December 31, 2015 is \$171,992. The annual debt service requirements are as follows:

Business-Type Activities					
Year	Principal	Interest	Total		
2016	40,772	5,704	46,476		
2017	42,221	4,255	46,476		
2018	43,722	2,754	46,476		
2019	45,277	1,200	46,477		
Total	\$ 171,992	\$ 13,913	\$ 185,905		

# Note 10

#### **Interfund Balance and Transfers**

#### A. Interfund Balances

Due to and 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, 2015 were as follows:

Fund	Due From Other Funds	Due To Other Funds	
General Fund	5,872,342	1,313,127	
Water/Sewer Fund	2,110,814	6,963,022	
Solid Waste Fund	1,087,982	2,181,519	
Non-major Government al Funds	3,826,944	3,844,674	
Non-major Enterprise Funds	73,352	187,250	
Internal Service Funds	4,212,574	2,694,416	
Total Government Wide	17,184,008	17,184,008	
		-	

#### B. Interfund Loans

Interfund loans are loans between funds for capital or cash flow purposes. Interfund loans outstanding at December 31, 2015 are as follows:

Loan To:	Loan From:
Property Acquisition Fund	Spokane Investment Pool <sup>1</sup>
Riverfront Conservation Area	1,824,960
Gardner Building	1,410,451
Alki Building	2,179,799
University District Gateway	3,450,101
West Plains Fire Station	753,973
Public Safety Capital	10,508,614
Library RFID	455,082
Division Gateway	300,000
Nelson Service Center	5,000,000

Loan To:	Loan From:
Property Acquisition Fund	Spokane Investment Pool <sup>1</sup>
CLID 217	168,147
CLID 218	74,106
CLID 219	185,181
CLID 220	91,519
CLID 221	164,981
CLID 222	844,715
CLID 223	558,214
CLID 224A	306,902
Less Agency Fund Portion	(110,525)
Total	28,166,220

<sup>&</sup>lt;sup>1</sup>The Spokane Investment Pool is allowed to invest up to 15% of its balance in City of Spokane bonds. Loans from this pool provide funds with which to pay the cost of acquiring property for public purposes.

Loan To (Various):	Loan From (General Fund) <sup>1</sup> :			
Misc Grant Fund	17,653			
Human Services Grant Fund	830,256			
Community Development / Human Services Operations Fund	300,000			
Community Development Block Grant Fund	114,268			
HOME Program Fund	196,857			
Total	1,459,034			
<sup>1</sup> Resolution 2014-0080 authorizes grant invoices to be paid out of the General Fund before requesting the grant funding from the grantor, and replenishing the General Fund within 30 days.				
<sup>2</sup> Resolution 2014-0120 authorizes the establishment of a working cash balance that is necessary to facilitate compliance with the federal grant requirements related to cash management.				

#### C. Interfund Transfers

Interfund transfers represents a sharing of resources between funds. At the fund level, these transfers increase or decrease individual fund resources, but they do not affect the City's total resources. Interfund transfers for the year ending December 31, 2015 are as follows:

Transfer To:					
General Fund	Non-major Governmental Funds	Solid Waste Fund	Non-major Enterprise Funds	Internal Service Funds	Total
-	24,063,589	-	25,000	2,551,996	26,640,585
-	7,700,000	-	-	164,905	7,864,905
-	-	-	-	460	460
163,420	9,992,605	466,456	249,000	1,085,599	11,957,080
-	22,690	-	-	6,972	29,662
300,000	7,716	-	-	66,007	373,723
463,420	41,786,600	466,456	274,000	3,875,939	46,866,415
	- - 163,420 - 300,000	General Fund Governmental Funds  - 24,063,589  - 7,700,000   163,420 9,992,605  - 22,690  300,000 7,716	Solid Waste Fund	Non-major Governmental Funds   Solid Waste Funds   Non-major Enterprise Funds	General Fund   Non-major Governmental Funds   Solid Waste Funds   Non-major Enterprise Funds   Service Funds     - 24,063,589   - 25,000   2,551,996     - 7,700,000     164,905       -   460     163,420   9,992,605   466,456   249,000   1,085,599     - 22,690   -   -   6,972     300,000   7,716   -   -   66,007

The General Fund transfers were provided to various governmental funds to support day-to-day operations. The water/sewer funds were transferred mainly to reimburse the arterial streetfund for services it provided on construction projects. Other funds made debt service transfers to pay for the benefits they received in the financing of projects and equipment done on their behalf. Transfers to the information technology fund are the result of transferring custody of computers and other peripheral equipment purchased by other city departments.

### Note 11

## **Joint Ventures**

The City participates in two joint ventures. These are the Spokane International Airport and the Spokane Regional Transportation Council (SRTC). The City does not contribute any monies toward the operation of the Spokane International Airport. General fund monies are contributed to support the Spokane Regional Transportation Council. In 2015, \$42,460 was paid to the Spokane Regional Transportation Council.

<u>Spokane International Airport</u> is jointly operated by the City and County of Spokane through a joint operating agreement in accordance with the "Airport Joint Operating Agreement"; which was last amended February 2, 2010. This agreement is pursuant to RCW 14.08.200. The unaudited summary below is for the fiscal year ended December 31, 2015 for the Spokane International Airport.

Spokane International Airport		2015
Total Assets	\$	320,554,285
Total Deferred Outflow of Resources	\$	603,135
Total Liabilities		(29,879,517)
Total Deferred Inflow of Resources		(1,018,778)
Total Net Position	\$	290,259,125
Total Revenues	\$	39,435,548
Total Capital Contributions		8,827,247
Total Expenses		(43,072,116)
Net Increase in Net Position	\$	5,190,679
Net Position, Beginning of Year <sup>1</sup>	\$	285,068,446
Net Increase in Net Position		5,190,679
Net Position, End of Year	\$	290,259,125
<sup>1</sup> Beginning Balance Restated due to GAS	SB 68 adju	ustment

At December 31, 2015, the airport had \$ 7,635,000 in long-term revenue bonds outstanding with \$ 2,095,000 due on the current portion in 2016. 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 totaled \$6,406,797.

The Spokane Airport Board administers the operations of the airport. It is composed of seven members, three of which are appointed by the County, three 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 207, Spokane, WA, 99224.

The Spokane Regional Transportation Council operates under an Interlocal Agreement adopted by participating entities that include the City of Spokane, Spokane County, Spokane Transit Authority (STA),

the City of Spokane Valley, Washington State Department of Transportation (WSDOT), Washington State Transportation Commission, the Spokane Airport Board (SAB), 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 Board consisting of fourteen voting members and three ex-officio non-voting members. Voting members consist of two County Commissioners, two City Council members, three elected officials representing the small cities, one elected official representing small towns, one representative from the City of Spokane Valley, one person representing STA, (the STA Chief Executive Officer), one representative from WSDOT, one member from the Washington State Transportation Commission, one member from a major employer, and one member representing the SAB (the SAB Chief Executive Officer). Ex-officio members consist of one member representing rail, the Chair of the Transportation Advisory Committee, and the Chair of the SRTC Transportation Technical Committee. The Board selects management of the Council. Control over collection and disbursement of funds resides with the Council.

The unaudited summary below is for the fiscal year ended December 31, 2015. The Spokane Regional Transportation Council is audited by the Office of State Auditor.

Spokane Regional Transportation Council	2015
Total Assets	\$ 448,452
Total Liabilities	(448,452)
Total Net Position	\$ -
Total Revenues	\$ 1,588,233
Total Expenses	(1,516,560)
Net Increase in Net Position	\$ 71,673

At December 31, 2015 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.

# Note 12

# **Enterprise Funds**

#### A. Water/Sewer Fund

#### **Property, Plant and Equipment**

Some hydrants and some water mains are recorded at estimated costs.

#### 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 Riverside Park Water Reclamation Facility. 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 treatment charges, pretreatment charges, and 10/44ths of water quality capital improvements at the Riverside Park Water Reclamation Facility 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 Riverside Park Water Reclamation Facility. Per the agreement, the City will process up to 680,000 gallons per day for Airway Heights. The final capacity payment was received in 2006. Airway Heights no longer sends flows for treatment to the Riverside Park Water Reclamation Facility.

The City of Spokane and Fairchild Air Force Base entered into an agreement under which Fairchild Air Force Base agreed to pay \$3,000,000, in 1992 dollars, for sewage treatment capacity at the Riverside Park Water Reclamation Facility. Per the agreement, the City will process up to 1,000,000 gallons per day for Fairchild. Payments are revised annually and are anticipated to be collected in full by the end of the year 2015.

#### **Spokane County Utility Tax Payments**

In October 2003, Spokane County began withholding the portion of its wastewater bill it computed as representing municipal taxes. In November 2003, Spokane County commenced a lawsuit to determine if the municipal taxes should be included as an expense in the calculation of the wastewater treatment rate for Spokane County. In January 2007, an agreement was reached in mediation between the City and Spokane County, which was approved by the Spokane City Council on April 30, 2007.

The agreement resulted in Spokane County paying \$1,500,000 to the City on the outstanding balance of their utility bill and the City removing the tax component from its billings to Spokane County. The County will continue to make payments to the City, on a sliding percentage rate of their charges for wastewater utility services, in lieu of taxes, until the year 2021. Beginning in the year 2022, there will be no further payments in lieu of taxes.

#### Water and Wastewater System Revenue Bonds (Green Bonds)

In November 2014, the City of Spokane sold \$181,225,000 in Water Wastewater Utility revenue bonds to pay for a series of projects that are designed to improve the health of the Spokane River and to protect the aquifer that provides Spokane residents with their drinking water.

The bonds were designated as "green" bonds because they will be used to pay for "green" projects that provide environmental benefits. The work will improve water quality, protect water resources, and save energy, among other things.

The money raised through the bond sale, in large part, will help the City implement its Integrated Clean Water Plan. The plan includes work to manage overflows from combined sanitary and stormwater sewers, address untreated stormwater going to the river, and to add an additional level of wastewater treatment at the City's Riverside Park Water Reclamation Facility.

Payments on the bonds will be semi-annual, beginning June 2015.

#### B. Solid Waste Fund

On November 17, 2014 the Interlocal Agreement between Spokane County and the City of Spokane that formed the Spokane Regional Solid Waste System (a department within the City of Spokane) terminated. The Spokane Valley and North County Transfer Stations were sold to Spokane County and a new Interlocal Agreement between Spokane County and the City of Spokane was executed whereby Spokane County would deliver all solid waste received at their newly acquired Spokane Valley and North County Transfer Stations to the City of Spokane's Waste to Energy Facility for final disposal.

With the City of Spokane no longer responsible for regional solid waste management, the Spokane Regional Solid Waste System Department within the City of Spokane was eliminated.

In late November 2014, Spokane Municipal Code was amended to rename the two City of Spokane Solid Waste Departments; 1) Solid Waste Collection Department and 2) Solid Waste Disposal Department.

In addition, the Spokane Municipal Code was also amended to clarify the Solid Waste Management Fund, which now reads;

There is established the "Solid Waste Fund of the City".

All receipts for the collection and disposal of garbage and refuse received by the solid waste collection and disposal departments shall be deposited with the city treasurer and become a part of the solid waste fund.

All the expenses and expenditures relating to solid waste collection department and solid waste disposal department shall be paid from the solid waste fund.

#### **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 in 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 was charged to expense over a 20 year period as these amounts were recovered through rates charged to customers. The deferred cost was fully amortized during 2007.

#### Northside Regional Landfill

Beginning in 1992, the City started using a recently completed Northside Regional Landfill for the disposal of bypass waste and demolition debris. The 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 require the City to place a final cover on the Northside Regional Landfill when it stops

accepting waste and to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. Postclosure care consists of (1) maintaining the integrity and effectiveness of the final cover; (2) maintaining and operating the leachate collection system; (3) maintaining and operating the ground and surface water monitoring systems; and (4) maintaining and operating the gas monitoring systems. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City recognizes a portion of these costs in each operating period based on landfill capacity used as of the balance sheet date.

The \$1.2 million reported as landfill closure liability at December 31, 2015 represents the cumulative amount reported based on the use of 63 percent of the estimated capacity of Phase 1. This landfill has a remaining useful life of approximately 10 years. The City will recognize the remaining estimated cost of closure of \$1 million as the remaining estimated capacity (Phase 1) is filled. All amounts recognized are based on what it would cost to perform all closure and postclosure care in 2015. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

As of December 31, 2015, the City held \$1.8 million of restricted cash, which is reserved for the closure of the Northside Regional Landfill (Phase 1).

#### **Postclosure Landfill Monitoring**

The \$11.5 million reported as landfill postclosure care liability at December 31, 2015 represents the cumulative amount required to monitor and maintain the closed portion of the Northside landfill, the open portion (Phase 1) of the Northside Regional landfill and the closed Southside landfill for the next 20-30 years. All amounts recognized are based on what it would cost to perform all postclosure care in 2015. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The City has restricted \$2.6 million in assets related to the post-closure monitoring of the closed portion of the Northside landfill, and \$2.5 million for post-closure monitoring of the open portion of the Northside landfill. No assets have been restricted for future costs of \$1.5 million for the Southside landfill based on the City's interpretation of the applicability of Washington Administrative Code 173-304-467.

#### 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 5.25%. The unrefunded 1991 Golf Bonds have matured and were paid in full on December 1, 2006.

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.

The Golf Fund revenue did not meet the rate covenant for 2013. The net revenue ratio, as stated above, requires the net revenue be 1.25 times the debt service on the bonds. Although the net revenue ratio was only 0.78 for 2013, the debt was fully retired during 2013.

## Note 13

# **Commitments & Contingencies**

#### A. Disability Supplemental Pensions

The Department of Labor and Industries made a determination that six 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, which provides monthly pension benefits. Since the City is self-insured, the City is responsible for funding these pension benefits. The City has deposited \$667,953 with the State of Washington which represents the full present value of the pensions as of June 30, 2015. The State will invest this amount 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 re-evaluated and excess monies are returned to the City, or deficit monies are remitted to the State. In 2015, the city paid an additional amount of \$39,343 as part of the current year re-evaluation.

#### B. Downtown Housing Stabilization

The Downtown Housing Stabilization Program is a program developed by the Financial Issues Task Force of the Downtown Capital Needs Committee in the early 1990s. The Stabilization Program was 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. No new loans have been made under this program since 1994.

#### C. Spokane Public Facilities District

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: This agreement was modified in May 2009 and contains the following stipulations:

- 1. The City will transfer to the PFD all admission 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. The \$100,000 allocation shall be adjusted annually by using the Consumer Price Index (CPI) or other closely related index if that

index is discontinued. If the CPI is greater than 2%, the City can consider negotiation of transferring the incremental increase to the District, but is not required to do so.

3. The City will transfer to the PFD all stadium tax revenues collected.

This agreement is valid through December 31, 2038.

#### D. Construction Commitments

The City has active construction projects as of December 31, 2015. The projects include street construction, parks, water/sewer infrastructure and transfer station upgrades, and technology upgrades. At year end, outstanding construction commitments are as follows:

Construction Commitments	Original Commitment	Spent to Date	Remaining Commitment at 12/31/15
2013 Traffic Calming Projects			
(2013098/2013099/2013100)	611,924	581,328	30,596
2014 Community Development Sidewalks (2014046)	422,836	422,186	650
2014 Traffic Calming Projects (2014066/2014067)	476,293	270,379	205,914
2015 Community Development Sidewalks (2015041)	429,737	408,250	21,487
2015 Residential Grind & Overlay Project	50,594	41,247	9,347
43rd & Hatch CSO 20 Control Facility (2013042)	4,035,934	3,300,617	735,317
Addison St/Standard St Bicycle & Pedestrian Corridor (2013162)	680,158	440,222	239,936
City-Wide Heat Applied Thermoplastic Markings (2012070)	434,276	318,981	115,296
Clark Avenue Riverbank Stabilization	126,222	120,416	5,806
CSO 6 Control Facility Phase II	2,228,875	1,909,816	319,059
Cured in Place Pipe 2014 Sanitary Sewer Rehab (2014119)	1,751,169	1,633,824	117,345
Downtown Bicycle Network Phase II project (2014154)	91,873	69,052	22,821
Finch Arboretum Low Impact Development	212,701	196,135	16,566
Francis Ave to Division St to ECLITS (2011076)	713,203	629,956	83,247
Garden Park Booster Station Replacement	951,434	794,937	156,498
Garden Springs Restoration (2013191)	116,474	111,116	5,358
Grant & Liberty Park Restrooms Re-roof	33,233	-	33,233
Hartson - Altamont to Fiske (2014083)	615,494	320,084	295,410
Havana & Glenrose Water and Road Improvements (2014079)	3,956,350	3,117,542	838,807
High Dr - Bernard St to Grand Blvd (2014056)	2,328,176	2,031,321	296,855
Indian Canyon Golf Course Maintenance Building Reroof	16,553	-	16,553
Install Outdoor excersise equipment at Mission Park	11,577	5,899	5,677
Installation of Boiler at Water Dept	16,851	16,076	775
Landfill Biogas Filter System	96,580	79,865	16,715
Lincoln Heights Reservoir #2 Relining	493,411	470,715	22,696
Lincoln/Monroe - 17th to 8th Ave Bond Gap (2013210) Indiana Reconstruction - from Division St to Dakota St -	2,869,117	2,718,392	150,725
Phase I (2014134)	1,711,441	1,627,091	84,350
Main/Division Intersection Improvement (2011103)	486,595	1,027,071	486,595
Monroe St/Lincoln St Couplet 8th Ave to 2nd Ph 1	400,070		400,373
(2012115)	6,202,250	1,696,865	4,505,385
Nelson Center/Ops Complex Remodel	17,171,482	15,639,752	1,531,730
Otis Hotel Sidewalks (2015188) - Immediate Repairs	42,600	-	42,600
Panorama Dr. Water Main Replacement (2014075)	1,367,608	1,205,745	161,863
Ray St. from 29th to 17th Ave (2012116)	1,030,040	927,448	102,592
Rebecca Street from Pratt to 7th (2014090)	556,279	475,457	80,822

Total Construction Commitments	\$ 96,117,273	\$ 73,971,779	\$ 22,145,494
Rowan Avenue Sldewalk (2012134)	298,945	283,997	14,947
Erie st 1st Ave to MLK Way (2014115)	482,581	456,541	26,039
Wall St CSO (2015083)	879,345	660,342	219,003
Improvements	1,583,107	957,030	626,077
LID Parking, Landscaping and Fire Protection			
1st from Helena to Altamont (2014118)	145,000	-	145,000
Beemis St Bypass	10,658	9,155	1,503
Central Ave Well Station Rehabilitation	131,550	79,971	51,579
CSO 6 Control Facility Phase I	5,648,933	4,818,842	830,091
Lincoln Heights Reservior # 1 Repainting	496,242	473,416	22,826
Spillway Stop log pump station	250,000		250,000
Woodland Center in Finch Arboretum Re-roof	26,071	-	26,071
Upriver Dam Spillway Rehabilitation Phase II	1,686,879		1,686,879
Upgrade to Central Ave Well Pump Station	29,200	27,837	1,363
Upgrade Primary Solids Pump Station	5,005,200	4,489,879	515,321
Union Basin Stormwater Improvements	1,261,310	886,030	375,280
Underhill CSO 34-2 Storage Facility & Freya-Thor Trunk	9,193,379	8,078,606	1,114,773
South Hill Library Roof Replacement	92,123	3,630	88,494
Facility	13,531,737	9,390,945	4,140,792
Sidewalk at Cowley, Grant and Kehoe Park	20,000	18,260	1,740
SFD Fire Station Remodels for extractor Installations	12,859	-	12,859
(2014135)	2,962,597	1,756,585	1,206,013
Office at Marietta Site  Rowan Ave Rehabilitation - Driscol to Alberta Ph I	30,219	-	30,219
Refurbishing/Carpentry for Construction Management	00.010		

#### D. Developer Improvements

In 2007, the City Council adopted Ordinance C34758 authorizing an "Amended and Restated Reimbursement Agreement". Under Article V of that agreement, the developer may offer to sell the City certain public improvements according to the terms of a "Form of Purchase and Sale Agreement." Since 2012 the developer has exercised that right and entered into the following agreements with the City.

Contract	Description	Amount	Interest Rate	Expiration Date
OPR 2012-0484	Kendall Yards Tendered Improvements 2nd Addition	\$ 574,038	0.1443%	12/15/2032
OPR 2013-0651	Kendall Yards Tendered Improvements 4th Addition	808,603	0.1443%	12/15/2032
OPR 2015-0555	Kendall Yards Tendered Improvements 5th Addition	612,033	0.1443%	12/15/2032
OPR 2015-0038	Kendall Yards Tendered Improvements Commercial Addition	1,446,910	0.1443%	12/15/2032
OPR 2014-0543	Burgans' Block	250,000	30 yr Treasury Bond + 2%	12/31/2034
		\$ 3,691,584		

## Note 14

# **Prior Period Adjustments**

The Statement of Activities reports a change to net position as follows:

Prior Period Adjustment	
Governmental Activities	\$ (82,732,090)
Business-Type Activities	(69,403,166)
Total	(152,135,256)

Governmental Activities		
General Fund	\$	123,549
Community Development		
Block Grant		(553)
		122,996
Capital Asset Correction <sup>1</sup>		
Street Fund		(483,817)
Community Dev. Block Grant		
Funds		112,919
Capital Improvements 1999		(200)
Asset Mgmt Fund		3,330
Total	\$	(367,768)
<sup>1</sup> Because capital assets in the g	govern	nmental

<sup>1</sup>Because capital assets in the governmental funds are not reflected in the fund financial statements, corrections of prior period balances only affect the government-wide financial statements.

#### **Governmental Activities**

\$123,549 increase in the General Fund due to the correction of prior year accruals.

\$553 decrease in Community Development Block Grant Fund due to the correction of prior year accruals.

\$506,560 decrease in Street Fund due to cancellation of the Latah Creek project and \$4,817 decrease due to cancellation of the North Indian Trail project. \$27,560 increase due to a 2003 calculation error.

\$112,919 increase in Community Development Block Grants due to improvements made to Community Centers less depreciation.

\$200 decrease in the Capital Improvements 1999 Funds for 6 months depreciation on 2014 retainage not paid until 2015.

\$3,330 increase in Asset Management Fund due to commissioning costs, less depreciation on vehicles placed in service in 2014.

(9,343)
\$ (9,343)
\$

#### **Business-Type Activities**

\$3,212 decrease in the Water/Sewer Fund due to the correction of prior year accruals, and a decrease of \$6,131 to correct a prior amount recorded in long term debt proceeds.

#### **Net Pension Liability**

GASB Statement 68, Accounting and Financial Reporting for Pensions, requires governmental employers with employees participating in defined benefit pension plans that are administered through trusts or equivalent arrangements to report their proportionate share of the net pension liability (NPL) or net pension assets (NPA), if the plan net position exceeds the total pension liability on the face of their accrual based financial statements.

The beginning net pension liability less the amount previously recorded as net pension obligation is reflected as a change in accounting principle. The Statement of Activities was impacted as follows:

Change in Accounting Principle (GASB 68)					
Governmental Activities					
SERS-NPL	(82,146,175)				
Firefighters' Pension-NPL	(10,667,080)				
Police Pension-NPL	(11,068,336)				
LEOFF 1-NPA	11,619,884				
LEOFF 1-Deferred Inflow	(4,305,483)				
LEOFF 2-NPA	26,720,542				
LEOFF 2-Deferred Outflow	1,497,220				
LEOFF 2-Deferred Inflow	(14,137,890)				
Total Governmental Activities	(82,487,318)				
Business-Type Activities					
SERS-NPL	(69,393,823)				
Total	\$ (151,881,141)				

# Note 15

# **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. There are no known pending or anticipated legal matters that would materially affect the financial statements of the City for the year ending December 31, 2015.

# Note 16

# **Subsequent Events**

On January 20, 2016 the city issued \$16,167,449 in limited tax general obligation (LTGO) refunding bonds with an average interest rate of 3.24 percent to refund \$16,065,000 of outstanding LTGO 2005B bonds with an average interest rate of 5.31 percent.

The bonds were issued to refund all of the City's outstanding LTGO 2005B bonds and to pay the costs of issuance of the bonds. A portion of the net proceeds from the sale of the bonds and other available funds were deposited in an irrevocable trust with an escrow agent to redeem the 2005B bonds, which were callable after December 1, 2015. As a result, the 2005B bonds were redeemed and the liability for those bonds has been removed from the city's financial statements for 2016.

The city refunded the 2005 LTGO bonds to reduce its total combined debt service payments over the next 12 years by \$2,396,158 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,872,801.

# **Required Supplementary Information**

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual General Fund Accounts For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
Resources Taxes Licenses and permits Intergovernmental	\$ 146,976,005 6,449,500 5,927,413	\$ 146,976,005 \$ 6,499,500 6,921,209	148,114,876	1,138,871 269,997 1,892,385
Charges for services Fines and forfeitures Miscellaneous	 13,966,959 3,188,500 4,465,981	14,631,959 3,288,500 4,509,981	14,869,699 3,268,994 5,541,035	237,740 (19,506) 1,031,054
Total resources	180,974,358	182,827,154	187,377,695	4,550,541
EXPENDITURES General government Public safety Transportation Economic environment Social services Culture and recreation Capital outlays	31,195,405 98,914,060 8,542,972 5,465,893 120,080 8,587,197 2,416,267	31,073,353 103,427,057 6,808,292 4,726,243 1,589,688 8,725,614 2,884,480	30,259,412 106,937,313 5,628,838 4,281,283 1,573,722 8,522,999 1,971,376	813,941 (3,510,256) 1,179,454 444,960 15,966 202,615 913,104
Interest	 10,000	10,000	-	10,000
Total expenditures	 155,251,874	159,244,727	159,174,943	69,784
Excess resources over expenditures	 25,722,484	23,582,427	28,202,752	4,620,325
OTHER FINANCING SOURCES (USES) Sale of capital assets Transfers in Transfers out	500,000 46,129,634 (73,085,647)	500,000 46,324,634 (73,044,444)	62,560 463,420 (26,640,585)	(437,440) (45,861,214) 46,403,859
Total other financing sources (uses)	(26,456,013)	(26,219,810)	(26,114,605)	105,205
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(733,529)	(2,637,383)	2,088,147	4,725,530
Other changes in fund balance				
Fund balance - beginning Prior Period Adjustment	 39,088,654 123,459	39,088,654 123,459	39,088,654 123,459	- -
Fund balance - beginning (restated)	39,212,203	39,212,203	39,212,203	<u>=_</u>
Fund balance - ending	\$ 38,478,674	\$ 36,574,820 \$	41,300,350	4,725,530

#### City of Spokane, Washington 2015 UTGO Capital Projects Fund Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual For the Year Ended December 31, 2015

	Final Budgeted Amount	Actual Amount	Variance with Final Budget - Positive (Negative)
REVENUES	•	<b>4</b> 500 700 <b>4</b>	500 700
Miscellaneous	\$ -	\$ 533,733 \$	533,733
Total revenues		533,733	533,733
EXPENDITURES			
Culture and recreation	696,602	166,607	529,995
Capital outlays	63,892,250	677,804	63,214,446
Interest	141,000	426,770	(285,770)
Total expenditures	64,729,852	1,271,181	63,458,671
Excess (deficiency) of revenues over (under) expenditures	(64,729,852)	(737,448)	63,992,404
OTHER FINANCING SOURCES (USES)			
Proceeds of bonds issued	59,277,935	59,277,935	-
Premium on bonds issued	5,451,917	5,451,917	-
Total other financing sources (uses)	64,729,852	64,729,852	<u>-</u>
Net change in fund balance*	-	63,992,404	63,992,404
Fund balance - beginning	<u> </u>	=	<u> </u>
Fund balance - ending	\$ -	\$ 63,992,404 \$	63,992,404

<sup>\*</sup>The net change in fund balance was included in the budget as an appropriation (i.e. spendown) of fund balance.

## **Required Supplementary Information**

### **Schedule of Net Pension Liability**

	SERS		irefighters'	Police
	 2015		2015	2015
Total pension liability				
Service cost	\$ 11,405,611	\$	- \$	-
Interest	25,718,424		938,119	341,929
Changes of benefit terms	86,298		-	-
Differences between expected and actual experience	18,507,784		(2,281,571)	(1,233,517)
Changes of assumptions	-		-	-
Benefit payments, including refunds of member contributions	(22,884,026)		(1,340,440)	(1,100,056)
Net change in total pension liability	32,834,091		(2,683,892)	(1,991,644)
Total pension liability—beginning	458,559,034		24,116,632	11,943,611
Total pension liability—ending (a)	\$ 491,393,125	\$	21,432,740 \$	9,951,967
Plan fiduciary net position				
Contributions—employer	\$ 6,822,279	\$	1,529,654 \$	850,789
Contributions—state				
Contributions—member	6,822,279		-	-
Net investment income	14,497,901		295,093	-
Benefit payments, including refunds of member contributions	(22,884,026)		(1,340,440)	(1,100,056)
Administrativ e expense	(386,713)		(13,889)	(12,985)
Other	-		-	-
Net change in plan fiduciary net position	4,871,720		470,418	(262,252)
Plan fiduciary net position—beginning	280,901,101		13,449,552	875,275
Plan fiduciary net position—ending (b)	\$ 285,772,821	\$	13,919,970 \$	613,023
Plan's net pension liability—ending (a) – (b)	\$ 205,620,304	\$	7,512,770 \$	9,338,944
Plan fiduciary net position as a percentage of the total pension liability	58.2%		64.9%	6.2%
Covered-employee payroll Plan's net pension liability as a percentage of covered-	\$ 89,034,522		N/A	N/A
employee payroll	230.90%		N/A	N/A

Legislative and administrative changes. Effective January 1, 2015, the following changes were enacted for all employees hired on or after January 1, 2015. 1) Early retirement is permitted at any time after attaining age 50 with the sum of age plus years of eligible service greater than or equal to 80, 2) Final compensation is defined as the highest average annual compensation received during any three consecutive years, 3) Normal retirement date is defined as the first day of the month coinciding with or next following the attainment of age 65 and completion of 7 years of eligible service, and 4) Benefit eligibility at termination requires at least 7 years of eligible service.

Effective September 1, 2014, the annual Contribution Rate was changed to 16.50% of payroll (8.25% of pay paid by the Employee, 8.25% of pay paid by the Employer). Previously the Contribution Rate was 15.50% of payroll (7.75% of pay paid by the Employee, 7.75% of pay paid by the Employer).

With the implementation of GASB 68, the City of Spokane allocated the Plan's unfunded liability and expense to all funds of the City. As of December 31, 2015, the proportionate share allocated for SERS was 299,345 of net pension liability, 31,826 of deferred outflows, 85,759 of deferred inflows, and 8,882 of pension expense.

# Schedule of City's Proportionate Share of the Net Pension Liability

(Dollars in Thousands)

		LEOFF 1		LEOFF 2
City's proportion of the net pension liability (asset)		0.9613%		2.0020%
City's proportionate share of the net pension liability (asset)	\$	(11,586.27)	\$	(20,576.05)
City's cov ered employee payroll	\$	101.74	\$	34,917.63
City's proportionate share of the net pension liability (asset) as a				
percentage of its covered payroll		-11388.27%		-58.93%
Plan's fiduciary net position as a percentage of the total pension liability				

# Schedule of Employer Contributions SERS

	2015 2014		2013			2012	2011		
Actuarially determined contribution  Contributions in relation to the actuarially	\$	9,069,276	\$ 8,292,066	\$	8,237,317	\$	8,325,936	\$	10,010,885
determined contribution		7,398,945	6,822,279		6,715,376		6,937,750		6,799,258
Contribution deficiency (excess)	\$	1,670,331	\$ 1,469,787	\$	1,521,941	\$	1,388,186	\$	3,211,627
Cov ered-employee payroll Contributions as a percentage of cov ered- employee payroll	\$	89,684,182 8.25%	\$ 86,139,886 7.92%	\$	86,650,013 7.75%	\$	89,519,355 7.75%	\$	90,264,062 7.75%
		2010	2009		2008		2007		2006
Actuarially determined contribution	\$	8,955,055	\$ 8,267,280	\$	8,826,967	\$	5,742,761	\$	6,231,299
Contributions in relation to the actuarially		6,580,795	6,474,432		4,875,443		4,518,363		4,287,457
Contribution deficiency (excess)	\$	2,374,260	\$ 1,792,848	\$	3,951,524	\$	1,224,398	\$	1,943,842
Covered-employee payroll	\$	88,093,679	\$ 83,455,429	\$	74,183,014	\$	69,261,673	\$	67,750,706
Contributions as a percentage of covered- employee payroll		7.75%	7.75%		6.72%		6.72%		6.72%

# Schedule of Employer Contributions SERS cont.

#### Notes to Schedule

Valuation date: 12/31/2015

Actuarially determined contribution rates are calculated as of December 31, of the end of the fiscal year in which contributions are reported Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age normal

Amortization method Lev el percentage of payroll, closed

Remaining amortization period 22 years

Asset valuation method 5-year smoothed market

Inflation 3.0%

Salary increases 0% for member with more than 5 years of service in years 2013, 2014 and 2015

Otherwise in accordance with the following table based on service:

Years of	Annual
Service	Increase
<3	10.0%
3-4	8.0%
5-15	3.5%
16+	3.0%

Investment rate of return 7.5%, net of pension plan investment expense

Retirement age In accordance

	Retirement
Age	Probability
<50	0.0%
50-57	4.5%
58-61	7.0%
62	25.0%
63-64	15.0%
65	25.0%
66-68	20.0%
69-74	15.0%
75+	100.0%
10040	

Mortality 1994 Group

# Schedule of Employer Contributions Firefighters' Pension

	 2015	 2014	 2013	2012		
Actuarially determined contribution  Contributions in relation to the actuarially	\$ 519,891	\$ 864,697	\$ 864,697	\$	1,070,804	
determined contribution	2,314,579	1,515,765	2,183,389		439,804	
Contribution deficiency (excess)	\$ (1,794,688)	\$ (651,068)	\$ (1,318,692)	\$	631,000	
Cov ered-employee payroll	N/A	N/A	N/A		N/A	
Contributions as a percentage of covered-						
employee payroll	N/A	N/A	N/A		N/A	

#### Notes to Schedule

Valuation date: December 31, 2014

Actuarially determined contribution rates are calculated as of December 31, of the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age normal

Amortization method 30 year, closed as of January 1, 2007

Remaining amortization period 23 years

Asset valuation method Fair Market Value

Inflation2.5%Salary increasesN/AInv estment rate of return4.00%

Cost-of-Living Adjustments

Based upon 3.5% increase assumption when appropriate, for FPF benefits.

Based upon inflation assumption when appropriate, for FPF benefits and all LEOFF  $\,$ 

benefits.

Mortality Table-Actives and Service Retirees RP-2000 Mortality Table for males (combined healthy), Fully Generational Projection,

using 50% of Projection Scale AA, with ages set back one year.

Mortality Table-Disabled Retirees RP-2000 Mortality Table for males (combined healthy), Fully Generational Projection,

using 50% of Projection Scale AA, with ages set forward two years.

Mortality Table-Spouses RP-2000 Mortality Table for females (combined healthy), Fully Generational Projection,

using 50% of Projection Scale AA, with ages set forward one year.

# Schedule of Employer Contributions Police Pension

	 2015	 2014	2013	 2012
Actuarially determined contribution Contributions in relation to the actuarially	\$ 585,998	\$ 586,637	\$ 586,637	\$ 734,291
determined contribution	707,300	837,804	845,079	869,885
Contribution deficiency (excess)	\$ (121,302)	\$ (251,167)	\$ (258,442)	\$ (135,594)
Cov ered-employee payroll  Contributions as a percentage of covered-	N/A	N/A	N/A	N/A
employee payroll	N/A	N/A	N/A	N/A

#### Notes to Schedule

Valuation date: December 31, 2014

Actuarially determined contribution rates are calculated as of December 31, of the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age normal

Amortization method 30 year, closed as of January 1, 2007

Remaining amortization period 23 years

Asset valuation method Fair Market Value

 Inflation
 2.5%

 Salary increases
 N/A

 Investment rate of return
 3.00%

Cost-of-Living Adjustments

Based upon 3.5% increase assumption when appropriate, for PPF benefits.

Based upon inflation assumption when appropriate, for PPF benefits and all LEOFF

benefits.

Mortality Table-Actives and Service Retirees RP-2000 Mortality Table for males (combined healthy), Fully Generational Projection,

using 50% of Projection Scale AA, with ages set back one year.

Mortality Table-Disabled Retirees RP-2000 Mortality Table for males (combined healthy), Fully Generational Projection,

using 50% of Projection Scale AA, with ages set forward two years.

Mortality Table-Spouses RP-2000 Mortality Table for females (combined healthy), Fully Generational Projection,

using 50% of Projection Scale AA, with ages set forward one year.

# Schedule of Employer Contributions LEOFF 1 and LEOFF 2

City Portion	2	2015	2015			
	LE	OFF 1	LEOFF 2			
(dollars in thousands)						
Contractually Required Contributions	\$	-	2,951,637			
Contributions in relation to the actuarially						
determined contribution		0	2,952,097			
Contribution deficiency (excess)	\$	(0)	\$ (460	)		
Cov ered-employee payroll		1	34,917,629			
Contributions as a percentage of covered-						
employee payroll		0.57%	8.45%	5		
Plesae note that GASB 68 was implemented in	2015 and	prior to 2015,	the city did not rep	ort a proportio	onate share of	these pensions

# Other Postemployment Benefits Schedule of Employer Contributions Firefighters' Pension

	П	2015	1	2014	2013	П	2012	2011		2010		2009	П	2008		2007
Employer's annual													П			
required contribution	\$	2,778		3,377	\$ 3,377	\$	5,056	\$ 5,056	5	4,311	\$	4,311	\$	3,657	\$	3,657
Employer's actual													П			
contribution		2,778		3,377	3,377		5,099	5,013		4,311		4,311		3,657		3,657
Percentage			1	•					ľ		ľ		П		ľ	
contributed		100%		100%	100%		101%	99%		100%		100%		100%		100%
													П			
Annual OPEB cost		2,778		3,377	3,377		5,056	5,056		4,311		4,311		3,657		3,657
Net OPEB obligation	П	-		-	-		-	43		-		-	П			-

# Other Postemployment Benefits Schedule of Employer Contributions Police Pension

	2015	2014	2013	2012	2011		2010	2009		2008	2007
Employer's annual required contribution	\$ 3,944	4,380	\$ 4,380	\$ 5,877	\$ 5,877 \$	5	4,573 \$	4,573	\$	3,470 \$	3,470
Employer's actual contribution	2,733	3,041	2,496	2,811	2,856		3,398	2,747		2,606	2,522
Percentage contributed	69%	69%	57%	48%	49%		74%	60%	,	75%	73%
Annual OPEB cost	3,539	4,028	4,093	5,712	5,782		4,505	4,541		3,458	3,470
Net OPEB obligation	13,917	13,111	12,124	10,527	7,626		4,700	3,593		1,799	948

# Other Postemployment Benefits Schedule of Funding Progress Firefighters' Pension

	Valuation of Postretirement Benefits Other Than Pensions - Firefighter's Pension Fund												
	GASB Statements No. 43 and No. 45 Schedule of Funding Progress												
City of Spokane													
December 31, 2015													
(rounded to thou	sands)												
		Actuarial	Unfunded Actuarial			UAAL As A							
	Actuarial Value	Accrued	Accrued Liabilities		Covered	Percentage of							
Valuation Date	of Assets	Liabilities	(UAAL)	Funded Ratio	Payroll	Covered Payroll							
12/31/2006	\$ 3,347	\$ 55,666	\$ 52,319	6%	N/A	N/A							
12/31/2008	5,133	65,479	60,346	8%	N/A	N/A							
12/31/2010	7,889	77,975	70,086	10%	N/A	N/A							
12/31/2012	12,576	62,779	50,203	20%	N/A	N/A							
12/31/2014	13,998	54,093	40,095	26%	N/A	N/A							

# Other Postemployment Benefits Schedule of Funding Progress Police Pension

	Valuation of Postretirement Benefits Other Than Pensions - Police Relief & Pension Fund												
	GASE	Statements No. 4	43 and No. 45 Schedι	le of Funding Pro	gress								
City of Spokane													
December 31, 2015													
(rounded to thous	sands)												
		Actuarial	Unfunded Actuarial			UAAL As A							
	Actuarial Value	Accrued	Accrued Liabilities		Covered	Percentage of							
Valuation Date	of Assets	Liabilities	(UAAL)	Funded Ratio	Payroll	Covered Payroll							
12/31/2006	\$ -	\$ 51,370	\$ 51,370	0%	N/A	N/A							
12/31/2008	-	74,045	74,045	0%	N/A	N/A							
12/31/2010	-	91,069	91,069	0%	N/A	N/A							
12/31/2012	-	73,197	73,197	0%	N/A	N/A							
12/31/2014	-	62,745	62,745	0%	N/A	N/A							

# Notes to the Required Supplementary Information

For the Fiscal Year Ended December 31, 2015

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.

## **Schedules**

#### City of Spokane, Washington Schedule for General Fund Accounts Balance Sheet December 31, 2015 Page 1 of 3

	General Fund	Code Enforcemen	t Library	Under Freeway Parking	Parking Facilities
ASSETS					
Cash and cash equivalents	\$ 8,943,880		\$ 425,685	\$ 20,377	\$ 390
Deposits with fiscal agents/trustees	29,242		-	-	-
Equity in pooled investments	12,005,179		555,530	-	-
Taxes receivable	12,938,440				-
Accounts receivable	2,948,567		31,915	7,351	-
Interest receivable	467,808		258	-	-
Due from other funds	5,791,956			-	-
Interfund loan receivable	1,550,556	-	4,376	- 0 / 40	-
Due from other governments	473,611	-		3,640	-
Advances to other funds	732,551	-	35,026	-	-
Notes/contract receivable (non-current)		-	<del>-</del>	-	<u> </u>
Total Assets	45,881,790	654,810	1,052,790	31,368	390
LIABILITIES AND FUND BALANCE Liabilities:					
Accounts/vouchers payable	1,668,590	24,734	55,182	5,892	_
Due to other funds	1,237,279			10.405	_
Due to other governments	107,855		-,	10,400	_
Revenues collected in advance	60,000		_	_	_
Other accrued liabilities	2.613.440		214.335	_	_
Other current liabilities	925,035		- 98		
Total Liabilities	6,612,199	487,863	3 273,541	16,297	
DEFERRED INFLOWS OF RESOURCES					
Property taxes	1,720,234			-	
Total Liabilities Plus Deferred Inflows of Resources	8,332,433	487,863	3 273,541	16,297	-
		,		,	
FUND BALANCE:					
Nonspendable	732,551	-	35,026	-	-
Restricted - grants	-	-	-	-	-
Committed	15,288,129		-	15,071	390
Assigned	1,561,413		744,223	-	-
Unassigned	19,967,264	-	-	-	
Total Fund Balance	\$ 37,549,357	\$ 166,947	\$ 779,249	\$ 15,071	\$ 390

#### City of Spokane, Washington Schedule for General Fund Accounts Balance Sheet December 31, 2015 Page 2 of 3

	Capital Improvement Program	Hope Acquisition	Housing Trust Grant	Cumulative Reserve
ASSETS				
Cash and cash equivalents	\$ 82,890	\$ 8,702	\$ 622	\$ 22,569
Deposits with fiscal agents/trustees Equity in pooled investments	1,086	242,452	189,092	-
Taxes receivable	1,000	242,432	107,072	-
Accounts receivable	-	-	-	-
Interest receivable	-	113	88	-
Due from other funds	-	10	-	-
Interfund loan receivable  Due from other governments	9	1,910	1,489	-
Advances to other funds	69	15,286	11,922	-
Notes/contract receivable (non-current)	-	150,684	18,095	-
,				
Total Assets	 84,054	419,157	221,308	22,569
LIABILITIES AND FUND BALANCE Liabilities: Accounts/vouchers payable Due to other funds Due to other governments Revenues collected in advance Other accrued liabilities Other current liabilities	 - - - - -	1,035 56 - - -	- - - - -	- - - - -
Total Liabilities	 -	1,091	-	
<b>DEFERRED INFLOWS OF RESOURCES</b> Property taxes	 			
Total Liabilities Plus Deferred Inflows of Resources	 -	1,091	-	
FUND BALANCE:				
Nonspendable	69	15,286	11,922	_
Restricted - grants	-	402,780	209,386	-
Committed	-	-	-	-
Assigned	83,985	-	-	22,569
Unassigned	 			<del>-</del>
Total Fund Balance	\$ 84,054	\$ 418,066	\$ 221,308	\$ 22,569

#### City of Spokane, Washington Schedule for General Fund Accounts Balance Sheet December 31, 2015 Page 3 of 3

		Emergency Medical Services	Eliminations	Total
ASSETS				
Cash and cash equivalents	\$	200,921	\$ -	\$ 9,784,982
Deposits with fiscal agents/trustees		10,226	-	39,468
Equity in pooled investments		2,173,977	-	15,167,316
Taxes receivable		443,970	-	13,716,385
Accounts receivable		407,247	-	3,395,080
Interest receivable		174	-	468,441
Due from other funds		211,827	(373,340)	5,872,342
Interfund Ioan receivable		17,124	-	1,575,464
Due from other governments		448,201	-	925,452
Advances to other funds		137,067	-	931,921
Notes/contract receivable (non-current)		-	-	168,779
Total Assets		4,050,734	(373,340)	52,045,630
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts/vouchers payable		169,610	-	1,925,043
Due to other funds		4,061	(373,340)	1,313,127
Due to other governments		-	-	107,855
Revenues collected in advance		-	-	60,000
Other accrued liabilities		1,415,505	-	4,275,669
Other current liabilities	_	10,262	-	935,395
Total Liabilities		1,599,438	(373,340)	8,617,089
DEFERRED INFLOWS OF RESOURCES				
Property taxes		407,957	_	2,128,191
• •				
Total Liabilities Plus Deferred Inflows of Resources		2,007,395	(373,340)	10,745,280
FUND BALANCE:				
Nonspendable		137,067		931,921
Restricted - grants		137,067	-	612,166
Committed		798.033	_	16,101,623
Assigned		1,108,239	_	3,687,376
Unassigned			-	19,967,264
- -				
Total Fund Balance	\$	2,043,339	\$ -	\$ 41,300,350

# City of Spokane, Washington Schedule of General Fund Accounts Statement of Revenues, Expenditures, and Changes in Fund Balances For the Fiscal Year Ended December 31, 2015 Page 1 of 3

		General Fund	Code Enforcement	Library	Under Freeway Parking	Parl Faci	
REVENUES							
Taxes	\$	140,444,123	\$ 19,289	\$ -	\$ -	\$	-
Licenses and permits		6,419,461	-	-	-		-
Intergovernmental		6,145,269	-	45,126	-		-
Charges for services		12,699,262	811,652	18,006	-		-
Fines and forfeitures		2,887,440	-	146,954	150 400		-
Miscellaneous	-	4,970,727	224,894	122,127	159,433		-
Total Revenues		173,566,282	1,055,835	332,213	159,433		-
EXPENDITURES							
Current:							
General government		30,259,412	-	-	=		-
Public safety		56,807,008	1,697,357	-	-		-
Transportation		5,449,208	-	-	179,630		-
Economic environment		4,256,265	-	-	-		-
Social services		1,573,722	-	-	-		-
Culture and recreation		321,996	-	8,201,003	=		-
Capital outlays		589,226	-	935,510	83,467		-
Debt service:							
Total Expenditures		99,256,837	1,697,357	9,136,513	263,097		-
Excess of Revenues Over (Under)							
Expenditures		74,309,445	(641,522)	(8,804,300)	(103,664)		_
OTHER FINANCING SOURCES (USES)							
Sale of capital assets		50,747	_	100	-		_
Transfers in		463,420	648,323	9.003.397	-		_
Transfers out		(72,530,309)	-	(56,996)	-		_
Total Other Financing Sources (Uses)		(72,016,142)	648,323	8,946,501	-		-
Change in Fund Balance		2,293,303	6,801	142,201	(103,664)		-
Other Changes in Fund Balance							
Fund Balance - beginning		35,132,505	160,146	637,048	118,735		390
Prior Period Adjustment		123,549	100,140	-	110,733		-
•			1/01//	(07.040	110.705		200
Fund Balance - beginning (restated)		35,256,054	160,146	637,048	118,735		390
Fund Balance - ending	\$	37,549,357	\$ 166,947	\$ 779,249	\$ 15,071	\$	390

# City of Spokane, Washington Schedule of General Fund Accounts Statement of Revenues, Expenditures, and Changes in Fund Balances For the Fiscal Year Ended December 31, 2015 Page 2 of 3

	 Capital mprovement Program	Hope Acquisition	Housing Trust Grant	Cumulative Reserve
REVENUES				
Taxes	\$ - \$	-	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services Fines and forfeitures	-	-	-	-
Miscellaneous	5	1,103	847	-
Total Revenues	 5	1,103	847	
roidi kevenees	 	1,100	017	
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Transportation Economic environment	-	24.752	266	-
Social services	-	24,752	200	-
Culture and recreation	_	_	-	_
Capital outlays	4,763	-	-	-
Debt service:				
Total Expenditures	 4,763	24,752	266	
Excess of Revenues Over (Under)				
Expenditures	 (4,758)	(23,649)	581	
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	_	-	_
Transfers in	-	-	-	-
Transfers out	 =	-	-	=_
Total Other Financing Sources (Uses)	 -	-	-	
Change in Fund Balance	(4,758)	(23,649)	581	-
Other Changes in Fund Balance				
<b>Fund Balance - beginning</b> Prior Period Adjustment	88,812 -	441,715 -	220,727	22,569 -
Fund Balance - beginning (restated)	 88,812	441,715	220,727	22,569
Fund Balance - ending	\$ 84,054 \$	418,066	\$ 221,308	
	 - / T	-,,,,,,	, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	, ,,,,,

# City of Spokane, Washington Schedule of General Fund Accounts Statement of Revenues, Expenditures, and Changes in Fund Balances For the Fiscal Year Ended December 31, 2015 Page 3 of 3

		_					
Taxes         \$ 7,651,464         - \$ 148,114,876           Licenses and permits         350,036         - 6,769,497           Intergovernmental         2,623,199         - 8,813,594           Charges for services         1,340,779         - 14,869,699           Fines and forfeitures         234,600         - 3,268,994           Miscellaneous         61,899         - 5,541,035           Total Revenues         - 12,261,977         - 187,377,695           EXPENDITURES         - 2         30,259,412           Current:         - 30,259,412         - 30,259,412           Ceneral government         30,259,412         - 10,937,313           Public safety         48,432,948         - 106,937,313         - 5,628,838           Economic environment         4,281,283         5,628,838         - 15,73,722           Culture and recreation         4,281,283         5,628,838         - 1,971,376           Debt services         1,573,722         - 1,971,376         - 1,971,376           Capital outlays         358,410         - 1,971,376         - 1,971,376           Excess of Revenues Over (Under)         48,791,358         - 159,174,943         - 1,971,376           Excess of Revenues Over (Under)         1,971,376         - 2			Medical		Eliminations		Total
Licenses and permits   350,036   - 6,769,497   Intergovernmental   2,623,199   - 8,813,594   Charges for services   1,340,779   - 14,869,699   Fines and forfeitures   234,600   - 3,268,994   Miscellaneous   61,899   - 5,541,035   Total Revenues   12,261,977   - 187,377,695      EXPENDITURES   Current:   General government   -	REVENUES						
Licenses and permits   350,036   - 6,769,497   Intergovernmental   2,623,199   - 8,813,594   Charges for services   1,340,779   - 14,869,699   Fines and forfeitures   234,600   - 3,268,994   Miscellaneous   61,899   - 5,541,035   Total Revenues   12,261,977   - 187,377,695      EXPENDITURES   Current:   General government   -	Taxes	\$	7.651.464	\$	_ 9	\$	148.114.876
Intergovernmental		Ψ		Ψ		*	
Charges for services         1,340,779         - 14,869,699           Fines and forfeitures         234,600         - 3,268,994           Miscellaneous         61,899         - 5,541,035           Total Revenues         12,261,977         - 187,377,695           EXPENDITURES           Current:         - 30,259,412           General government         30,259,412           Public safety         48,432,948         - 106,937,313           Transportation         5,628,838           Economic environment         5,628,838           Economic environment         1,573,722           Culture and recreation         8,522,999           Capital outlays         358,410         - 1,971,376           Debt service:         - 1,971,376           Total Expenditures         48,791,358         - 159,174,943           Excess of Revenues Over (Under)         Excess of Revenues Over (Under)         28,202,752           OTHER FINANCING SOURCES (USES)         36,295,381         - 28,202,752           OTHER Financing Sources (Uses)         36,295,000         (45,946,720)         463,420           Transfers out         - 45,946,720         (26,640,585)           Total Other Financing Sources (Uses)         36,306,713	•				_		
Fines and forfeitures         234,600         -         3,268,994           Miscellaneous         61,899         -         5,541,035           Total Revenues         12,261,977         -         187,377,695           EXPENDITURES         Current:         Second         -         187,377,695           EXPENDITURES         Second         -         -         30,259,412           Public safety         48,432,948         -         106,937,313           Transportation         -         -         5,628,838           Economic environment         -         -         5,628,838           Economic environment         -         -         1,573,722           Culture and recreation         -         -         8,522,999           Capital outlays         358,410         -         1,971,376           Debt service:         -         -         159,174,943           Excess of Revenues Over (Under)         -         -         28,202,752           OTHER FINANCING SOURCES (USES)         36,6529,381)         -         28,202,752           OTHER FINANCING SOURCES (USES)         36,295,000         (45,946,720)         463,420           Transfers in         36,299,5000         (45,946,720)					_		
Miscellaneous         61,899         -         5,541,035           Total Revenues         12,261,977         -         187,377,695           EXPENDITURES         Current:           General government         -         -         30,259,412           Public safety         48,432,948         -         106,937,313           Transportation         -         -         5,628,838           Economic environment         -         -         4,281,283           Social services         -         -         1,573,722           Culture and recreation         -         -         8,522,999           Cupital outlays         358,410         -         1,971,376           Debt service:         -         1,971,378         -         159,174,943           Excess of Revenues Over (Under)         -         28,202,752           OTHER FINANCING SOURCES (USES)         36,529,381         -         28,202,752           OTHER FINANCING SOURCES (USES)         36,295,000         (45,946,720)         463,420           Transfers in         36,295,000         (45,946,720)         463,420           Transfers out         -         45,946,720         (26,640,585)           Total Other Financing Sources					_		
Total Revenues					_		
EXPENDITURES Current: General government - 30,259,412 Public safety 48,432,948 - 106,937,313 Transportation - 5,628,838 Economic environment - 4,281,283 Social services - 1,573,722 Culture and recreation - 8,522,999 Capital outlays 358,410 - 1,971,376 Debt service: Total Expenditures 48,791,358 - 159,174,943  Excess of Revenues Over (Under) Expenditures (36,529,381) - 28,202,752  OTHER FINANCING SOURCES (USES) Sale of capital assets 11,713 - 62,560 Transfers in 36,295,000 (45,946,720) 463,420 Transfers out - 45,946,720 (26,640,585) Total Other Financing Sources (Uses) 36,306,713 - (26,114,605)  Change in Fund Balance (222,668) - 2,088,147  Other Changes in Fund Balance Fund Balance - beginning 2,266,007 - 39,088,654 Prior Period Adjustment - 123,549  Fund Balance - beginning (restated) 2,266,007 - 39,212,203		-			=		
Current:         General government         -         -         30,259,412           Public safety         48,432,948         -         106,937,313           Transportation         -         -         5,628,838           Economic environment         -         -         4,281,283           Social services         -         -         1,573,722           Culture and recreation         -         -         8,522,999           Capital outlays         358,410         -         1,971,376           Debt service:         -         -         159,174,943           Excess of Revenues Over (Under)         -         -         28,202,752           OTHER FINANCING SOURCES (USES)         -         159,174,943           OTHER FINANCING SOURCES (USES)         -         28,202,752           OTHER FINANCING SOURCES (USES)         -         28,202,752           OTHER FINANCING SOURCES (USES)         -         45,946,720         463,420           Transfers out         -         -         45,946,720         (26,640,585)           Total Other Financing Sources (Uses)         36,306,713         -         (26,114,605)           Change in Fund Balance         (222,668)         -         2,088,147	Total Revenues	-	12,201,777				107,077,070
General government							
Public safety         48,432,948         -         106,937,313           Transportation         -         -         5,628,838           Economic environment         -         -         4,281,283           Social services         -         -         1,573,722           Culture and recreation         -         -         8,522,999           Capital outlays         358,410         -         1,971,376           Debt service:         -         -         1,971,376           Debt service:         -         -         1,971,376           Excess of Revenues Over (Under)         -         -         1,971,376           Excess of Revenues Over (Under)         -         -         28,202,752           OTHER FINANCING SOURCES (USES)           Sale of capital assets         11,713         -         62,560           Transfers in         36,295,000         (45,946,720)         463,420           Transfers out         -         45,946,720         (26,640,585)           Total Other Financing Sources (Uses)         36,306,713         -         (26,114,605)           Change in Fund Balance         (222,668)         -         2,088,147           Other Changes in Fund Balance         - <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>00.050.410</td>							00.050.410
Transportation         -         -         5,628,838           Economic environment         -         -         4,281,283           Social services         -         -         1,573,722           Culture and recreation         -         -         8,522,999           Capital outlays         358,410         -         1,971,376           Debt service:         -         -         159,174,943           Excess of Revenues Over (Under)         -         -         159,174,943           Excess of Revenues Over (Under)         -         -         28,202,752           OTHER FINANCING SOURCES (USES)         36,529,381)         -         28,202,752           OTHER FINANCING SOURCES (USES)         11,713         -         62,560           Transfers in         36,295,000         (45,946,720)         463,420           Transfers out         -         -         45,946,720         (26,640,585)           Total Other Financing Sources (Uses)         36,306,713         -         (26,114,605)           Change in Fund Balance         (222,668)         -         2,088,147           Other Changes in Fund Balance         -         39,088,654           Prior Period Adjustment         -         -         39,212			-		-		
Economic environment   -	•		48,432,948		-		
Social services         -         1,573,722           Culture and recreation         -         8,522,999           Capital outlays         358,410         -         1,971,376           Debt service:         -         -         159,174,943           Excess of Revenues Over (Under)         -         -         28,202,752           OTHER FINANCING SOURCES (USES)         -         -         28,202,752           OTHER FINANCING SOURCES (USES)         -         -         62,560           Transfers in         36,295,000         (45,946,720)         463,420           Transfers out         -         45,946,720         (26,640,585)           Total Other Financing Sources (Uses)         36,306,713         -         (26,114,605)           Change in Fund Balance         (222,668)         -         2,088,147           Other Changes in Fund Balance         -         2,266,007         -         39,088,654           Prior Period Adjustment         -         -         39,088,654           Fund Balance - beginning (restated)         2,266,007         -         39,212,203	•		-		-		
Culture and recreation         -         -         8,522,999           Capital outlays         358,410         -         1,971,376           Debt service:         -         -         159,174,943           Excess of Revenues Over (Under)         -         28,202,752           OTHER FINANCING SOURCES (USES)         -         28,202,752           OTHER FINANCING SOURCES (USES)         11,713         -         62,560           Transfers in         36,295,000         (45,946,720)         463,420           Transfers out         -         45,946,720         (26,640,585)           Total Other Financing Sources (Uses)         36,306,713         -         (26,114,605)           Change in Fund Balance         (222,668)         -         2,088,147           Other Changes in Fund Balance         -         39,088,654         -         39,088,654           Prior Period Adjustment         -         -         39,088,654         -         -         39,212,203			-		-		
Capital outlays         358,410         -         1,971,376           Debt service:         Total Expenditures         48,791,358         -         159,174,943           Excess of Revenues Over (Under) Expenditures         (36,529,381)         -         28,202,752           OTHER FINANCING SOURCES (USES)           Sale of capital assets         11,713         -         62,560           Transfers in         36,295,000         (45,946,720)         463,420           Transfers out         -         45,946,720         (26,640,585)           Total Other Financing Sources (Uses)         36,306,713         -         (26,114,605)           Change in Fund Balance         (222,668)         -         2,088,147           Other Changes in Fund Balance           Fund Balance - beginning         2,266,007         -         39,088,654           Prior Period Adjustment         -         2,266,007         -         39,088,654           Fund Balance - beginning (restated)         2,266,007         -         39,212,203			-		-		
Debt service:         48,791,358         -         159,174,943           Excess of Revenues Over (Under)         (36,529,381)         -         28,202,752           OTHER FINANCING SOURCES (USES)         (36,529,381)         -         28,202,752           OTHER FINANCING SOURCES (USES)         36,295,000         (45,946,720)         463,420           Transfers in         36,295,000         (45,946,720)         463,420           Transfers out         -         45,946,720         (26,640,585)           Total Other Financing Sources (Uses)         36,306,713         -         (26,114,605)           Change in Fund Balance         (222,668)         -         2,088,147           Other Changes in Fund Balance         2,266,007         -         39,088,654           Prior Period Adjustment         -         -         39,088,654           Fund Balance - beginning (restated)         2,266,007         -         39,212,203					-		
Total Expenditures         48,791,358         -         159,174,943           Excess of Revenues Over (Under) Expenditures         (36,529,381)         -         28,202,752           OTHER FINANCING SOURCES (USES)         11,713         -         62,560           Sale of capital assets         11,713         -         62,560           Transfers in         36,295,000         (45,946,720)         463,420           Transfers out         -         45,946,720         (26,640,585)           Total Other Financing Sources (Uses)         36,306,713         -         (26,114,605)           Change in Fund Balance         (222,668)         -         2,088,147           Other Changes in Fund Balance         2,266,007         -         39,088,654           Prior Period Adjustment         -         2,266,007         -         39,088,654           Fund Balance - beginning (restated)         2,266,007         -         39,212,203	•		358,410		-		1,971,376
Excess of Revenues Over (Under) Expenditures (36,529,381) - 28,202,752  OTHER FINANCING SOURCES (USES) Sale of capital assets 11,713 - 62,560 Transfers in 36,295,000 (45,946,720) 463,420 Transfers out - 45,946,720 (26,640,585) Total Other Financing Sources (Uses) 36,306,713 - (26,114,605)  Change in Fund Balance (222,668) - 2,088,147  Other Changes in Fund Balance Fund Balance - beginning 2,266,007 - 39,088,654 Prior Period Adjustment - 123,549  Fund Balance - beginning (restated) 2,266,007 - 39,212,203							
Expenditures         (36,529,381)         -         28,202,752           OTHER FINANCING SOURCES (USES)           Sale of capital assets         11,713         -         62,560           Transfers in         36,295,000         (45,946,720)         463,420           Transfers out         -         45,946,720         (26,640,585)           Total Other Financing Sources (Uses)         36,306,713         -         (26,114,605)           Change in Fund Balance         (222,668)         -         2,088,147           Other Changes in Fund Balance         -         39,088,654           Prior Period Adjustment         -         39,088,654           Fund Balance - beginning (restated)         2,266,007         -         39,212,203	Total Expenditures	_	48,/91,358		-		159,1/4,943
Expenditures         (36,529,381)         -         28,202,752           OTHER FINANCING SOURCES (USES)           Sale of capital assets         11,713         -         62,560           Transfers in         36,295,000         (45,946,720)         463,420           Transfers out         -         45,946,720         (26,640,585)           Total Other Financing Sources (Uses)         36,306,713         -         (26,114,605)           Change in Fund Balance         (222,668)         -         2,088,147           Other Changes in Fund Balance         -         39,088,654           Prior Period Adjustment         -         39,088,654           Fund Balance - beginning (restated)         2,266,007         -         39,212,203	Excess of Revenues Over (Under)						
Sale of capital assets         11,713         -         62,560           Transfers in         36,295,000         (45,946,720)         463,420           Transfers out         -         45,946,720         (26,640,585)           Total Other Financing Sources (Uses)         36,306,713         -         (26,114,605)           Change in Fund Balance         (222,668)         -         2,088,147           Other Changes in Fund Balance         -         39,088,654           Prior Period Adjustment         -         -         39,088,654           Fund Balance - beginning (restated)         2,266,007         -         39,212,203			(36,529,381)		_		28,202,752
Sale of capital assets         11,713         -         62,560           Transfers in         36,295,000         (45,946,720)         463,420           Transfers out         -         45,946,720         (26,640,585)           Total Other Financing Sources (Uses)         36,306,713         -         (26,114,605)           Change in Fund Balance         (222,668)         -         2,088,147           Other Changes in Fund Balance         -         39,088,654           Prior Period Adjustment         -         -         39,088,654           Fund Balance - beginning (restated)         2,266,007         -         39,212,203	•						
Transfers in Transfers out         36,295,000         (45,946,720)         463,420           Transfers out         -         45,946,720         (26,640,585)           Total Other Financing Sources (Uses)         36,306,713         -         (26,114,605)           Change in Fund Balance         (222,668)         -         2,088,147           Other Changes in Fund Balance         -         39,088,654           Prior Period Adjustment         -         -         39,088,654           Fund Balance - beginning (restated)         2,266,007         -         39,212,203	OTHER FINANCING SOURCES (USES)						
Transfers out         -         45,946,720         (26,640,585)           Total Other Financing Sources (Uses)         36,306,713         -         (26,114,605)           Change in Fund Balance         (222,668)         -         2,088,147           Other Changes in Fund Balance         -         -         39,088,654           Prior Period Adjustment         -         -         123,549           Fund Balance - beginning (restated)         2,266,007         -         39,212,203	Sale of capital assets		11,713		_		62,560
Transfers out         -         45,946,720         (26,640,585)           Total Other Financing Sources (Uses)         36,306,713         -         (26,114,605)           Change in Fund Balance         (222,668)         -         2,088,147           Other Changes in Fund Balance         -         -         39,088,654           Prior Period Adjustment         -         -         123,549           Fund Balance - beginning (restated)         2,266,007         -         39,212,203	Transfers in		36,295,000		(45,946,720)		463,420
Change in Fund Balance       (222,668)       - 2,088,147         Other Changes in Fund Balance       -       39,088,654         Fund Balance - beginning       2,266,007       - 39,088,654         Fund Balance - beginning (restated)       2,266,007       - 39,212,203	Transfers out		_				(26,640,585)
Other Changes in Fund Balance           Fund Balance - beginning         2,266,007         - 39,088,654           Prior Period Adjustment         - 123,549           Fund Balance - beginning (restated)         2,266,007         - 39,212,203	Total Other Financing Sources (Uses)		36,306,713		-		(26,114,605)
Other Changes in Fund Balance           Fund Balance - beginning         2,266,007         - 39,088,654           Prior Period Adjustment         - 123,549           Fund Balance - beginning (restated)         2,266,007         - 39,212,203	Change in Fund Ralance		(222 448)		_		2 088 147
Fund Balance - beginning         2,266,007         - 39,088,654           Prior Period Adjustment         - 123,549           Fund Balance - beginning (restated)         2,266,007         - 39,212,203	Change in rona balance		(222,000)				2,000,147
Prior Period Adjustment         -         -         123,549           Fund Balance - beginning (restated)         2,266,007         -         39,212,203	Other Changes in Fund Balance						
Prior Period Adjustment         -         -         123,549           Fund Balance - beginning (restated)         2,266,007         -         39,212,203	Fund Balance - beginning		2 266 007		=		39 088 454
Fund Balance - beginning (restated) 2,266,007 - 39,212,203			2,200,007		_		
	•						
Fund Balance - ending \$ 2,043,339 \$ - \$ 41,300,350	Fund Balance - beginning (restated)		2,266,007		-		39,212,203
	Fund Balance - ending	\$	2,043,339	\$	- 5	\$	41,300,350

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual General Fund For the Year Ended December 31, 2015

	_				
		Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
RESOURCES					
Taxes	\$	139,406,000 \$	139,406,000 \$	140.444.123 \$	1.038.123
Licenses and permits	т.	6,153,000	6,153,000	6,419,461	266,461
Intergovernmental		4,706,280	4,888,472	6,145,269	1,256,797
Charges for services		12,542,642	12,542,642	12,699,262	156,620
Fines and forfeitures		2,873,500	2,873,500	2,887,440	13,940
Miscellaneous	_	3,990,110	3,990,110	4,970,727	980,617
Total resources		169,671,532	169,853,724	173,566,282	3,712,558
EXPENDITURES					
General government		30,562,684	31,073,353	30,259,412	813,941
Public safety		54,063,658	54,059,679	56,807,008	(2,747,329)
Transportation		6,415,544	6,567,114	5,449,208	1,117,906
Economic environment		5,451,243	4,711,593	4,256,265	455,328
Social services		120,080	1,589,688	1,573,722	15,966
Culture and recreation		327,000	340,417	321,996	18,421
Capital outlays		85,000	577,544	589,226	(11,682)
Interest	_	10,000	10,000	-	10,000
Total expenditures		97,035,209	98,929,388	99,256,837	(327,449)
Excess resources over expenditures		72,636,323	70,924,336	74,309,445	3,385,109
OTHER FINANCING SOURCES (USES)					
Sale of capital assets		-	-	50,747	50,747
Transfers in		463,420	463,420	463,420	-
Transfers out		(73,029,741)	(72,988,538)	(72,530,309)	458,229
Total other financing sources (uses)	_	(72,566,321)	(72,525,118)	(72,016,142)	508,976
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		70.002	(1,600,782)	2.293.303	3.894.085
over (under) experiancies und offici uses		70,002	(1,000,702)	2,270,000	3,074,003
Other changes in fund balance					
Fund Balance - beginning		35,132,505	35,132,505	35,132,505	-
Prior Period Adjustment	_	123,549	123,549	123,549	<u> </u>
Fund Balance - beginning (restated)		35,256,054	35,256,054	35,256,054	
Fund Balance - ending	\$	35,326,056 \$	33,655,272 \$	37,549,357 \$	3,894,085
	_		<u> </u>		

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Code Enforcement For the Year Ended December 31, 2015

	_				
		Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
RESOURCES Taxes Intergovernmental Charges for services Miscellaneous	\$	- \$ 189,533 830,317 198,000	189,533 830,317 198,000	\$ 19,289 \$ - 811,652 224,894	19,289 (189,533) (18,665) 26,894
Total resources		1,217,850	1,217,850	1,055,835	(162,015)
EXPENDITURES Public safety Transportation		- 1,786,336	1,903,539	1,697,357 -	206,182
Total expenditures	_	1,786,336	1,903,539	1,697,357	206,182
Excess resources over expenditures		(568,486)	(685,689)	(641,522)	44,167
OTHER FINANCING SOURCES (USES) Transfers in	_	562,817	562,817	648,323	85,506
Total other financing sources (uses)		562,817	562,817	648,323	85,506
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		(5,669)	(122,872)	6,801	129,673
Other changes in fund balance Fund Balance - beginning Prior Period Adjustment		160,146	160,146	160,146 -	- -
Fund Balance - beginning (restated)		160,146	160,146	160,146	-
Fund Balance - ending	\$	154,477	37,274	\$ 166,947 \$	129,673

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Library For the Year Ended December 31, 2015

		Original Budget		Final Budget		Actual	Variance with Final Budget-Positive (Negative)
RESOURCES							
Taxes	\$	5	\$	5	\$		(5)
Intergovernmental Charges for services		26.000		26,000		45,126 18,006	45,126 (7,994)
Fines and forfeitures		200,000		200,000		146,954	(53,046)
Miscellaneous		53,150		53,150		122,127	68,977
Total resources		279,155		279,155		332,213	53,058
EXPENDITURES							
Culture and recreation		8,260,197		8,385,197		8,201,003	184,194
Capital outlays		1,465,000		1,340,000		935,510	404,490
Total expenditures	_	9,725,197		9,725,197		9,136,513	588,684
Excess resources over expenditures	_	(9,446,042)		(9,446,042)		(8,804,300)	641,742
OTHER FINANCING SOURCES (USES)							
Sale of capital assets		500,000		500,000		100	(499,900)
Transfers in		9,003,397		9,003,397		9,003,397	-
Transfers out		(55,906)		(55,906)		(56,996)	(1,090)
Total other financing sources (uses)		9,447,491		9,447,491		8,946,501	(500,990)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		1,449		1,449		142,201	140,752
Other changes in fund balance							
<b>Fund Balance - beginning</b> Prior Period Adjustment		637,048		637,048		637,048	- -
Fund Balance - beginning (restated)		637,048		637,048		637,048	
Fund Balance - ending	\$	638,497	\$	638,497	\$	779,249	140,752
-			_		_		

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Under Freeway Parking For the Year Ended December 31, 2015

	 Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
RESOURCES Miscellaneous	\$ 141,821 \$	141,821 \$	159,433 \$	17,612
Total resources	 141,821	141,821	159,433	17,612
EXPENDITURES Transportation Capital outlays Total expenditures	 206,408 100,000 306,408	241,178 100,000 341,178	179,630 83,467 263,097	61,548 16,533 78,081
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(164,587)	(199,357)	(103,664)	95,693
Other changes in fund balance Fund Balance - beginning Prior Period Adjustment	 118,735 -	118,735	118,735	- -
Fund Balance - beginning (restated)	 118,735	118,735	118,735	
Fund Balance - ending	\$ (45,852) \$	(80,622) \$	15,071 \$	95,693

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Parking Facilities For the Year Ended December 31, 2015

	Original Budç	get Fin	al Budget	Actual	Variance with Final Budget-Positive (Negative)
TOTAL	\$	- \$	- \$	- \$	-
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		-	-	-	-
Other changes in fund balance Fund Balance - beginning Prior Period Adjustment		390	390 -	390 -	- -
Fund Balance - beginning (restated)		390	390	390	<u>-</u>
Fund Balance - ending	\$	390 \$	390 \$	390 \$	-

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Capital Improvement Program For the Year Ended December 31, 2015

	Oriç	ginal Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
RESOURCES Miscellaneous	\$	- \$	- \$	5 \$	5
Total resources		-	-	5	5
EXPENDITURES Capital outlays		-	4,763	4,763	
Total expenditures		-	4,763	4,763	
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		-	(4,763)	(4,758)	5
Other changes in fund balance Fund Balance - beginning Prior Period Adjustment		88,812 -	88,812 -	88,812 -	- -
Fund Balance - beginning (restated)		88,812	88,812	88,812	
Fund Balance - ending	\$	88,812 \$	84,049 \$	84,054 \$	5

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Hope Acquisition For the Year Ended December 31, 2015

		Original Budget		Final Budget	Actual	Variance with Final Budget-Positive (Negative)	
RESOURCES Miscellaneous	\$	26,400	\$	26,400 \$	1,103 \$	(25,297)	
Total resources		26,400		26,400	1,103	(25,297)	
EXPENDITURES Economic environment Capital outlays		14,650 241,750		14,650 241,750	24,752 -	(10,102) 241,750	
Total expenditures		256,400		256,400	24,752	231,648	
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		(230,000)		(230,000)	(23,649)	206,351	
Other changes in fund balance Fund Balance - beginning Prior Period Adjustment		441,715		441,715 -	441 <i>,</i> 715 -	<u>-</u>	
Fund Balance - beginning (restated)		441,715		441,715	441,715		
Fund Balance - ending	\$	211,715	\$	211,715 \$	418,066 \$	206,351	

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Housing Trust Grant For the Year Ended December 31, 2015

		Original Budget	Variance with Final Budget-Positive (Negative)		
RESOURCES Miscellaneous	\$	3,000	\$ 3,000	\$ 847	\$ (2,153)
Total resources		3,000	3,000	847	(2,153)
EXPENDITURES Economic environment Capital outlays		- 198,000	- 198,000	266	(266) 198,000
Total expenditures		198,000	198,000	266	197,734
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		(195,000)	(195,000)	581	195,581
Other changes in fund balance Fund Balance - beginning Prior Period Adjustment		220,727	220,727	220,727	<u>-</u>
Fund Balance - beginning (restated)		220,727	220,727	220,727	
Fund Balance - ending	\$	25,727	\$ 25,727	\$ 221,308	\$ 195,581

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Cumulative Reserve For the Year Ended December 31, 2015

					-	
	Oriç	ginal Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)	
TOTAL	\$	- \$	-	\$ -	\$ -	
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		-	-	-	-	
Other changes in fund balance Fund Balance - beginning Prior Period Adjustment		22,569 -	22,569 -	22,569	-	
Fund Balance - beginning (restated)		22,569	22,569	22,569		
Fund Balance - ending	\$	22,569 \$	22,569	\$ 22,569	\$ -	

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Emergency Medical Services For the Year Ended December 31, 2015

		Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
RESOURCES Taxes Licenses and permits Intergovernmental Charges for services Fines and forfeitures Miscellaneous	\$	7,570,000 296,500 1,031,600 568,000 115,000 53,500	\$ 7,570,000 346,500 1,843,204 1,233,000 215,000 97,500	\$ 7,651,464 \$ 350,036 2,623,199 1,340,779 234,600 61,899	81,464 3,536 779,995 107,779 19,600 (35,601)
Total resources		9,634,600	11,305,204	12,261,977	956,773
EXPENDITURES General government Public safety Transportation Capital outlays		632,721 44,850,402 134,684 326,517	47,463,839 - 422,423	- 48,432,948 - 358,410	(969,109) - 64,013
Total expenditures		45,944,324	47,886,262	48,791,358	(905,096)
Excess resources over expenditures	_	(36,309,724)	(36,581,058)	(36,529,381)	51,677
OTHER FINANCING SOURCES (USES) Sale of capital assets Transfers in		36,100,000	36,295,000	11,713 36,295,000	11,713
Total other financing sources (uses)		36,100,000	36,295,000	36,306,713	11,713
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		(209,724)	(286,058)	(222,668)	63,390
Other changes in fund balance Fund Balance - beginning Prior Period Adjustment		2,266,007	2,266,007	2,266,007	
Fund Balance - beginning (restated)		2,266,007	2,266,007	2,266,007	
Fund Balance - ending	\$	2,056,283	\$ 1,979,949	\$ 2,043,339 \$	63,390

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Eliminations For the Year Ended December 31, 2015

	Origi	nal Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
OTHER FINANCING SOURCES (USES) Transfers in Transfers out	\$	- \$ -	- \$ -	(45,946,720) \$ 45,946,720	(45,946,720) 45,946,720
Total other financing sources (uses)	-	-		-	
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		-	-	-	-
Other changes in fund balance					
Fund Balance - beginning Prior Period Adjustment		-	- -	-	- -
Fund Balance - beginning (restated)		-	-	-	-
Fund Balance - ending	\$	- \$	- \$	- \$	-

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Total For the Year Ended December 31, 2015

	_				
		Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
RESOURCES					
Taxes	\$	146.976.005 \$	146,976,005 \$	148.114.876 \$	1.138.871
Licenses and permits	Ψ	6,449,500	6,499,500	6,769,497	269,997
Intergovernmental		5,927,413	6,921,209	8,813,594	1,892,385
Charges for services		13,966,959	14,631,959	14,869,699	237,740
Fines and forfeitures		3,188,500	3,288,500	3,268,994	(19,506)
Miscellaneous		4,465,981	4,509,981	5,541,035	1,031,054
Total resources		180,974,358	182,827,154	187,377,695	4,550,541
EXPENDITURES					
General government		31,195,405	31,073,353	30,259,412	813,941
Public safety		98,914,060	103,427,057	106,937,313	(3,510,256)
Transportation		8.542.972	6,808,292	5,628,838	1,179,454
Economic environment		5,465,893	4,726,243	4,281,283	444,960
Social services		120,080	1,589,688	1,573,722	15,966
Culture and recreation		8,587,197	8,725,614	8,522,999	202,615
Capital outlays		2,416,267	2,884,480	1,971,376	913,104
Interest		10,000	10,000	-	10,000
Total expenditures	_	155,251,874	159,244,727	159,174,943	69,784
Excess resources over expenditures		25,722,484	23,582,427	28,202,752	4,620,325
OTHER FINANCING SOURCES (USES)					
Sale of capital assets		500,000	500,000	62,560	(437,440)
Transfers in		46,129,634	46,324,634	463,420	(45,861,214)
Transfers out		(73,085,647)	(73,044,444)	(26,640,585)	46,403,859
Total other financing sources (uses)		(26,456,013)	(26,219,810)	(26,114,605)	105,205
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		(733,529)	(2,637,383)	2,088,147	4,725,530
Other changes in fund balance					
Fund Balance - beginning		39,088,654	39,088,654	39,088,654	-
Prior Period Adjustment		123,549	123,549	123,549	
Fund Balance - beginning (restated)		39,212,203	39,212,203	39,212,203	
Fund Balance - ending	\$	38,478,674 \$	36,574,820 \$	41,300,350 \$	4,725,530

2015 Comprehensive Annual F	Financial Re	port
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## Combining and Individual Fund Financial Statements

### **Nonmajor**

### **Governmental Funds**

The Nonmajor Governmental Funds fall into one of the three categories as described below.

#### **Special Revenue Funds**

Special Revenue Funds account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, other governments, or for major capital projects) that are restricted or committed to expenditures for specified purposes.

#### **Debt Service Funds**

Debt Service Funds account for the accumulation of resources that are restricted or committed to expenditures for, and the payment of, principal and interest on the City's bonds issued in support of governmental activities.

#### **Capital Projects Funds**

Capital Projects Funds account for financial resources that are restricted or committed to expenditures for the acquisition, construction, or improvement of City facilities and road infrastructure.

City of Spokane, Washington Combining Balance Sheet Nonmajor Governmental Funds December 31, 2015

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 14,194,104	\$ 3,861,503	\$ 2,083,521	\$ 20,139,128
Deposits with fiscal agents/trustees	94,049	-	-	94,049
Equity in pooled investments	18,030,277	3,899,159	16,027,822	37,957,258
Taxes receivable	2,621,831	390,680	224,908	3,237,419
Special assessment receivable	-	2,741,431	-	2,741,431
Accounts receivable	543,887	-	107,916	651,803
Interest receivable	8,898	2,226	7,847	18,971
Due from other funds	1,565,665		2,234,731	3,800,396
Interfund loan receivable	142,052	30,714	126,252	299,018
Due from other governments	2,270,936	1,749	3,893,657	6,166,342
Advances to other funds Inventories	1,137,005	245,837	1,010,535	2,393,377
Notes/contract receivable (non-current)	1,116,326 38,613,606	-	-	1,116,326 38,613,606
Total Assets	 80,338,636	11,173,299	25,717,189	117,229,124
Total Assets	 00,330,030	11,1/3,277	23,/17,107	117,227,124
LIABILITIES AND FUND BALANCE Liabilities: Accounts/vouchers payable Due to other funds Due to other governments Revenues collected in advance Interfund loan payable Other accrued liabilities Other current liabilities Total Liabilities	 3,164,157 3,002,706 98,208 78,866 1,459,034 744,770 953,317 9,501,058	- - - - - 633 633	1,124,914 778,311 369 989 - - 1,957,938 3,862,521	4,289,071 3,781,017 98,577 79,855 1,459,034 744,770 2,911,888 13,364,212
DEFERRED INFLOWS OF RESOURCES				
Property taxes	 194,453	3,036,403	6,476	3,237,332
Total Liabilities Plus Deferred Inflows of Resources	9,695,511	3,037,036	3,868,997	16,601,544
Fund Balance Nonspendable	2,253,326	245,837	1,010,535	3,509,698
Restricted - capital projects	6,622,594	240,00/	20,837,657	27,460,251
Restricted - police & firefighters' pension	731,941	_	20,037,037	731,941
Restricted - grants	41,150,188	_	_	41,150,188
Restricted - debt service	-1,100,100	7,890,426	_	7,890,426
Restricted - other	65,224	-	_	65,224
Committed	13,891,768	_	_	13,891,768
Assigned	5,928,084	-	-	5,928,084
Total Fund Balance	\$ 70,643,125	\$ 8,136,263	\$ 21,848,192	\$ 100,627,580

#### City of Spokane, Washington Combining Statement of Revenues, Expenditures, and Changes in Fund Balance Nonmajor Governmental Funds For the Fiscal Year Ended December 31, 2015

	Special Revenue Funds	Debt Service Funds	Pi	Capital rojects Fund	Total
REVENUES					
Taxes	\$ 31,483,482 \$	5,718,222	\$	201,265 \$	37,402,969
Licenses and permits	536,334	-		1,000	537,334
Intergovernmental	17,421,896	550,933		8,640,605	26,613,434
Charges for services	11,612,334	-		781,391	12,393,725
Fines and forfeitures Miscellaneous	1,643,822 3,537,094	877,916		1,036,198	1,643,822 5,451,208
Total Revenues	 66,234,962	7,147,071		0,660,459	84,042,492
EXPENDITURES					
Current:	9,151,607	3,109		371	9,155,087
General government Public safety	15,212,819	3,109		2.171	15,214,990
Transportation	20.096.469	_		481,604	20.578.073
Economic environment	6,594,724	_		-	6,594,724
Social services	7,209,537	-		-	7,209,537
Culture and recreation	16,274,060	-		-	16,274,060
Capital outlays	3,861,547	_	1	7,341,326	21,202,873
Debt service:					
Principal	-	5,830,000		204,830	6,034,830
Interest	 -	8,443,436		5,614	8,449,050
Total Expenditures	 78,400,763	14,276,545	1	8,035,916	110,713,224
Excess of Revenues Over (Under) Expenditures	 (12,165,801)	(7,129,474)	(	7,375,457)	(26,670,732)
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	56,793	-		90,410	147,203
Proceeds of bonds issued	-	792,065		-	792,065
Refunding bonds issued	=	48,305,000		-	48,305,000
Premium on bonds issued	-	2,056,006		-	2,056,006
Payment to escrow agent for refunded bond debt		(49,778,428)			(49,778,428)
Transfers in	17,551,676	8,050,223	1	6,184,700	41,786,599
Transfers out	(3,255,474)	(931,508)		7,770,098)	(11,957,080)
Total Other Financing Sources (Uses)	14,352,995	8,493,358		8,505,012	31,351,365
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	2,187,194	1,363,884		1,129,555	4,680,633
, , ,					,
Other Changes in Fund Balance	10 151 151	,	_	. 710 / 27	050:555
Fund Balance - beginning	68,456,484	6,772,379	2	20,718,637	95,947,500
Prior Period Adjustment	 (553)	-		-	(553)
Fund Balance - beginning (restated)	68,455,931	6,772,379	2	0,718,637	95,946,947
Fund Balance - ending	\$ 70,643,125 \$	8,136,263	\$ 2	21,848,192 \$	100,627,580

### **Nonmajor**

### **Special Revenue Funds**

Special Revenue Funds account for the proceeds of specific revenue sources (other than trusts for individuals, private organizations, other governments, or for major capital projects) that are restricted or committed to expenditures for specified purposes. Nonmajor Special Revenue Funds are described below:

#### Street Fund

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.

#### **Pension Contributions Fund**

The Pension Contributions Fund is used to account for amounts levied and dedicated for police and fire pensions pursuant to RCW 41.16.050 and RCW 41.20.130. These accumulated funds are remitted to the respective pension trust funds.

#### **Miscellaneous Grants Fund**

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.

#### **Domestic Violence Prevention Fund**

The Domestic Violence Prevention Fund will be used consistent with the provisions of RCW 10.99.080 (2), which includes establishing and funding domestic violence advocacy and domestic violence prevention and prosecution programs. This fund will be supported by y assessments issued pursuant to RCW 10.99.080, as well as other available funds.

#### **Traffic Calming Measures Fund**

The Traffic Calming Measures Fund accounts for amounts received from traffic safety camera infractions. The revenue from these violations is restricted for the purpose of traffic calming projects.

#### **Parks Fund**

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. It also includes monies received to be used for capital expenditures of the Park Department, as well as the activity of urban forestry, which enhances the street trees and the urban forest; public education; and planting, maintenance, protection, inspection and removal of public trees.

Included within the Parks Fund is the urban forestry fund, which accounts for monies related to the enhancement of the street trees and urban forest, including planting, maintenance, protection, inspection, and removal of public trees based on the criteria established by the National Arbor Day Foundation in order to maintain Tree City, USA status.

The Cumulative Reserve Fund is also included, which is used to account for monies earmarked for specific purposes consistent with the objectives of the Parks Fund.

#### **Parking Meter Revenue Fund**

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.

#### Paths & Trails Reserve Fund

The Paths and Trails Reserve Fund receives monies from the Road and Street Fuel Tax in accordance with RCW, Chapter 47.30.

#### **Law Enforcement Information Systems Fund**

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.

#### **Real Estate Rental Fund**

The Real Estate Rental Fund accounts for monies received from and the maintenance of rental properties held for future infrastructure development.

#### **Local Law Enforcement Block Grant Fund**

The Local Law Enforcement Block Grant Fund accounts for federal and state block grant monies related to law enforcement.

#### **Human Services Grants Fund**

The Human Services Grants Fund is used to account for Federal, State, or local human services grant funds not accounted for in another fund.

#### **Forfeitures and Contributions Fund**

The Forfeitures and Contributions Fund accounts for revenue received from forfeitures of proceeds and instrumentalities of illegal drug activities, revenues from joint operations with other agencies, donations to particular programs and incidental sales of promotions items. Unobligated net proceeds shall be used exclusively for the expansion and improvement of controlled substances related law enforcement activity.

#### **Intermodal Facility Operation Fund**

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.

#### Hotel/Motel Tax Fund

The Hotel/Motel Tax Fund accounts for monies received from the Transient Accommodations Tax that is subsequently transferred to debt service and operating funds.

#### **Real Estate Excise Tax Fund**

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.

#### **Public Safety and Judicial Grants Fund**

The Public Safety and Judicial Grants Fund accounts for monies received from federal, state, and local grants related to public safety and law enforcement.

#### **Combined Communications Center**

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.

#### **Communications Building Maintenance & Operations Fund**

The Communications Building Maintenance and Operations Fund accounts for funds to be used for the administration, maintenance and operation of the City's communications building. This building is jointly used by the City of Spokane and Spokane County in accordance with an interlocal agreement.

#### **Community Development/Human Services Operations Fund**

The Community Development Fund accounts for the execution of the Community Block Grant as specified by Title 1 of the Housing and Community Development Grant of 1974.

#### **Community Development Block Grant Program Fund**

The Community Development Block Grant Program Fund is a special revenue fund used to further account for Community Block Grant funds as specified by Title 1 of the Housing and Community Development Grant of 1974.

#### **Miscellaneous Community Development Grants Fund**

The Miscellaneous Community Development Grants Fund accounts for grant monies received that are not accounted for in another fund.

#### **HOME Program Grant Fund**

The HOME Program Grant Fund accounts for monies received from the U.S. Department of Housing and Urban Development HOME Grant program.

#### **Housing Assistance Program Fund**

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.

#### **Rental Rehabilitation Fund**

The Rental Rehabilitation Fund accounts for all monies received by the City from HUD under the Rental Rehabilitation Grant Program.

#### **UDAG Escrow Fund**

The UDAG Escrow Fund accounts for loan repayments received by the City under the HUD Action Grant Program.

#### **Workforce Development Council Funds**

The Workforce Development Council Funds account for monies received from the Federal government to be used for job training under the Workforce Investment Act (WIA). The funds consist of: WIA Youth Programs Fund

#### **Trial Court Improvement Fund**

The Trial Court Improvement Fund accounts for monies received from the State to be used for municipal court staffing, programs, facilities and services as appropriated by the City Council.

#### **Criminal Justice Assistance Fund**

The Criminal Justice Assistance Fund accounts for monies received from the State to be used for criminal justice purposes.

#### **Housing Stabilization Program Fund**

The Housing Stabilization Program Fund accounts for loans and loan guarantees as prescribed in the program administered by the City Community Development department.

### **Cable TV Equipment Reserve Fund**

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.

### **Defined Contribution Administrative Fund**

The Defined Contribution Administration Fund accounts for the receipt of revenues and for the payment of expenditures related to the 457 Plan.

#### City of Spokane, Washington Combining Balance Sheet Nonmajor Special Revenue Funds December 31, 2015 Page 1 of 6

	Street	Pension Contributions	Misc Grant	Domestic Violence Prevention	Traffic Calming Measures	Park
ASSETS						
Cash and cash equivalents  Deposits with fiscal agents/trustees	5 603,283	719,887 \$ -	8,762 \$	435	\$ 1,401,799 25,664	\$ 625,098
Equity in pooled investments Taxes receivable	2,334,788 690,176	- 225,644	-	-	-	5,754,682
Accounts receivable Interest receivable	33,492 1,244	-	-	-	385,874	75,504 2,699
Due from other funds	968,219	-	-	-	5,977	140,901
Interfund loan receivable  Due from other governments	18,391 4,160	-	26,364	-	-	45,330 -
Advances to other funds Inventories	147,206 932,577	-	-	-	-	362,825 183,749
Notes/contract receivable (non-current)		-	-	-	-	<del>-</del>
Total Assets	5,733,536	945,531	35,126	435	1,819,314	7,190,788
LIABILITIES AND FUND BALANCE Liabilities:						
Accounts/vouchers payable	942,120	148	8,711	-	50,927	348,624
Due to other funds	1,798,839	15,661	(30)	-	100,232	147,877
Due to other governments	-	3,328	-	-	-	-
Revenues collected in advance	-	-	8,792	-	-	70,074
Interfund Ioan payable	-	-	17,653	-	-	-
Other accrued liabilities	363,400	-	-	-	-	208,804
Other current liabilities	175	-	-	-	-	8,082
Total Liabilities	3,104,534	19,137	35,126	=	151,159	783,461
DEFERRED INFLOWS OF RESOURCES		104.452				
Property taxes		194,453	-	=	-	<del></del> -
Total Liabilities Plus Deferred Inflows of Resources	3,104,534	213,590	35,126	-	151,159	783,461
Fund Balance						
Nonspendable	1,079,783	-	=	-	-	546,569
Restricted - capital projects	-	-	=	-	-	-
Restricted - police & firefighters' pension	-	731,941	=	-	-	-
Restricted - grants	-	-	-	-	-	-
Restricted - other	-	-	-	-	-	-
Committed	-	-	-	435	1,326,827	4,158,013
Assigned	1,549,219	-	-	-	341,328	1,702,745
Total Fund Balance	2,629,002	731,941 \$	- \$	435	\$ 1,668,155	\$ 6,407,327

City of Spokane, Washington Combining Balance Sheet Nonmajor Special Revenue Funds December 31, 2015 Page 2 of 6

	Parking Met	er Paths & '		Law Enforcement Information Systems	Real Estate Rental	Law Enforcement Block Grant	Human Services Grant
ASSETS Cash and cash equivalents	\$ 651,3	24 \$ 22	21,507 \$	237,569	\$ 122,140	\$ 4,995	\$ 726,357
Deposits with fiscal agents/trustees	,		-		-		-
Equity in pooled investments	128,5	90	-	=	-	-	456,812
Taxes receivable		-	2,536	=	-	-	71,609
Accounts receivable	10,2	38	-	-	-	-	2,772
Interest receivable		60	-	-	-	-	212
Due from other funds	10,5	00	-	-	-	-	5,250
Interfund Ioan receivable	1,0	13	-	-	-	-	3,598
Due from other governments		-	-	138,248	-	-	988,437
Advances to other funds	8,1	07	-	-	-	-	28,801
Inventories		-	-	-	-	-	-
Notes/contract receivable (non-current)		-	-	=	=	-	=
Total Assets	809,8	32 22	24,043	375,817	122,140	4,995	2,283,848
LIABILITIES AND FUND BALANCE Liabilities:							
Accounts/vouchers payable	101,2	68	-	12,265	_	-	115,238
Due to other funds	32,4		-	5,826	-	-	48,141
Due to other governments		-	-	94,880	-	-	-
Revenues collected in advance		-	-	-	-	-	-
Interfund Ioan payable		-	-	-	-	-	830,256
Other accrued liabilities	29,6		-	23,225	-	3,913	-
Other current liabilities	4,4		-	43	4,214	-	736
Total Liabilities	167,8	41	=	136,239	4,214	3,913	994,371
<b>DEFERRED INFLOWS OF RESOURCES</b> Property taxes		-	-			<u>-</u>	<u> </u>
Total Liabilities Plus Deferred Inflows of Resources	167,8	41	-	136,239	4,214	3,913	994,371
Fund Balance							
Nonspendable	8,1	07	-	-	-	-	28,801
Restricted - capital projects			24,043	=	-	-	· =
Restricted - police & firefighters' pension		-	-	-	-	-	-
Restricted - grants		-	-	-	-	1,082	-
Restricted - other		-	-	-	-	-	-
Committed	476,5		-	-	117,926	-	-
Assigned	157,3	62	=	239,578			1,260,676
Total Fund Balance	\$ 642,0	41 \$ 22	24,043 \$	239,578	\$ 117,926	\$ 1,082	\$ 1,289,477

City of Spokane, Washington Combining Balance Sheet Nonmajor Special Revenue Funds December 31, 2015 Page 3 of 6

	Forfeit Contrib		Intermodal Facility Operation	Hotel/Motel Lodging Tax		Real Estate Excise Tax	Public Safety & Judicial Grants	Combined Communications Center
ASSETS								
Cash and cash equivalents	\$	414,646 \$	8,754	\$ 375,471	1 \$	6,215,151	\$ 60,832	\$ 49,319
Deposits with fiscal agents/trustees		-	55,389		-	-	-	2 0 41 700
Equity in pooled investments  Taxes receivable		395,164 1,816	1,544	486,703	-	183,453	28	3,841,780
Accounts receivable		1,816	-	486,703	5	183,433	21,188	-
Interest receivable		183	1		_	-	21,100	1,442
Due from other funds		29,609			_	_	53,122	13,833
Interfund loan receivable		3,113	12		_	_	-	30,262
Due from other governments		37,680	=		-	=	164,766	147,575
Advances to other funds		24,915	97		_	-	2	242,220
Inventories		-	-		-	-	-	-
Notes/contract receivable (non-current)		-			-	-		
Total Assets		918,888	65,797	862,174	4	6,398,604	299,938	4,326,431
LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts/vouchers payable		35,498	9	792,062	2	53	24,234	21,243
Due to other funds		25,257	-		-	-	91,263	42,952
Due to other governments		-	=		-	-	=	=
Revenues collected in advance Interfund loan payable		-	-		-	-	=	-
Other accrued liabilities		-	-		-	-	18,072	67,664
Other current liabilities		4.138	55,581		_	-	10,072	158
Total Liabilities		64,893	55,590	792,062	2	53	133,590	132,017
DEFERRED INFLOWS OF RESOURCES								
Property taxes		-	-		-	-	-	-
Total Liabilities Plus Deferred Inflows of Resources		64,893	55,590	792,062	2	53	133,590	132,017
Fund Balance								
Nonspendable		24,915	97		_	_	2	242,220
Restricted - capital projects		24,713	-		_	6,398,551	_	242,220
Restricted - police & firefighters' pension		_	_		_	-	-	_
Restricted - grants		-	-		_	-	166,346	=
Restricted - other		-	-	62,112	2	_	-	-
Committed	:	329,080	10,110		-	-	-	3,836,617
Assigned		-	-	8,000	)	-		115,577
Total Fund Balance	\$	853,995 \$	10,207	\$ 70,112	2 \$	6,398,551	\$ 166,348	\$ 4,194,414

City of Spokane, Washington Combining Balance Sheet Nonmajor Special Revenue Funds December 31, 2015 Page 4 of 6

	Communication Building M&O	s Community Development	Community Development / Human Services Operations	Community Development Block Grant Program	Misc Community Development Grants	Home Program
ASSETS						
Cash and cash equivalents	\$ 10,210	\$ 5,448	\$ 11,832	•	\$ 5,631	•
Deposits with fiscal agents/trustees	-	-	-	7,951	-	5,045
Equity in pooled investments	200,708	-	-	724,945	14,572	-
Taxes receivable	-	-	-	-	-	-
Accounts receivable	-		-	1,101	-	1,906
Interest receivable	93			1,005	20	-
Due from other funds	42,952		288,523	6,736	- 115	-
Interfund loan receivable	1,581		-	5,737	115	-
Due from other governments	54,333		-	709,373	923	-
Advances to other funds Inventories	12,654	-	-	45,922	923	-
Notes/contract receivable (non-current)	-	<del>-</del>	-	17,380,138	931,347	17,335,120
Notes/confidentecelvable (non-conem)		<u>-</u>		17,300,130	751,547	17,555,120
Total Assets	322,531	5,448	300,355	18,998,232	952,608	17,584,969
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts/vouchers payable	10,198		1,635	210,475	9,395	=
Due to other funds	13,833	-	68,889	584,716	170	26,490
Due to other governments	-	-	-	-	-	-
Revenues collected in advance	-	-	-	-	-	-
Interfund Ioan payable	=	=	300,000	114,268	=	196,857
Other accrued liabilities	-	-	30,011	-	=	-
Other current liabilities	3,494			28,693	0.575	250,047
Total Liabilities	27,525	3,444	400,535	938,152	9,565	473,394
DEFERRED INFLOWS OF RESOURCES						
Property taxes		<u> </u>	-	-	-	
Total Liabilities Plus Deferred Inflows of						
Resources	27,525	3,444	400,535	938,152	9,565	473,394
Fund Balance						
Nonspendable	12,654	-	-	45,922	923	-
Restricted - capital projects	-	-	-	-	-	-
Restricted - police & firefighters' pension	-	<del>-</del>	-	-	=	-
Restricted - grants	-	2,004	(117,586)	18,014,158	942,120	17,111,575
Restricted - other	-	-	-	-	-	-
Committed	254,915	-	-	-	-	-
Assigned	27,437	-	17,406	=	=	
Total Fund Balance	\$ 295,006	\$ 2,004	\$ (100,180)	\$ 18,060,080	\$ 943,043	\$ 17,111,575

City of Spokane, Washington Combining Balance Sheet Nonmajor Special Revenue Funds December 31, 2015 Page 5 of 6

	Housing Assistance	Rental Rehabilitation	UDAG Escrow	WIA Youth Programs	Trial Court Improvement	Criminal Justice Assistance
ASSETS						
Cash and cash equivalents	\$ 959	\$ 6,069	\$ -	\$ -	\$ 3,112	\$ 1,101,376
Deposits with fiscal agents/trustees	-	-	-	-	-	-
Equity in pooled investments	251,288	1,553,209	820,225	-	-	1,271,170
Taxes receivable	=	=	-	-	=	943,928
Accounts receivable Interest receivable	- 117	- 721	- 381	-	-	590
Due from other funds	117	43	301	-	-	370
Interfund loan receivable	1.979	12.235	6,461	_		10.013
Due from other governments	-	12,200	-	_	_	10,015
Advances to other funds	15,843	97,928	51,714	_	_	80,146
Inventories	-	-		-	-	-
Notes/contract receivable (non-current)	2,606,479	319,741	-	<u>-</u>		
Total Assets	2,876,665	1,989,946	878,781	-	3,112	3,407,223
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts/vouchers payable	-	19	-	-	-	478,336
Due to other funds	15	129	-	-	-	-
Due to other governments	-	-	-	-	-	-
Revenues collected in advance	-	-	-	-	-	-
Interfund Ioan payable	-	-	-	-	-	-
Other accrued liabilities	=	- 0.047	-	-	=	=
Other current liabilities  Total Liabilities	15	2,867 3,015	586,916 586,916	253 253	-	478,336
Total Liabilities	15	3,015	386,916	233	-	4/8,336
DEFERRED INFLOWS OF RESOURCES						
Property taxes		-	-	-	-	
Total Liabilities Plus Deferred Inflows of						
Resources	15	3,015	586,916	253	-	478,336
		-	-			<u> </u>
Fund Balance						
Nonspendable	15,843	97,928	51,714	-	-	80,146
Restricted - capital projects	-	-	-	-	-	-
Restricted - police & firefighters' pension	- 0.000.007	1 000 000	0.40.151	- (0.50)	=	=
Restricted - grants Restricted - other	2,860,807	1,889,003	240,151	(253)	3.112	-
Committed	-	-	-	-	3,112	2,748,448
Assigned					-	100,293
Total Fund Balance	\$ 2,876,650	\$ 1,986,931	\$ 291,865	\$ (253)	\$ 3,112	\$ 2,928,887

City of Spokane, Washington Combining Balance Sheet Nonmajor Special Revenue Funds December 31, 2015 Page 6 of 6

	Housing Stabilization Program	Cable TV Equipment Reserve	Defined Contribution Admin	Total
ASSETS				
Cash and cash equivalents	\$ -	\$ 191,326	\$ 52,590	\$ 14,194,104
Deposits with fiscal agents/trustees	-	-	-	94,049
Equity in pooled investments	=	280,772	=	18,030,277
Taxes receivable	=	15,966	=	2,621,831
Accounts receivable	=	-	=	543,887
Interest receivable	-	130	-	8,898
Due from other funds	-	-	-	1,565,665
Interfund loan receivable	-	2,212	-	142,052
Due from other governments	-	-	-	2,270,936
Advances to other funds	-	17,702	-	1,137,005
Inventories	-	-	=	1,116,326
Notes/contract receivable (non-current)	40,781	-	-	38,613,606
Total Assets	40,781	508,108	52,590	80,338,636
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts/vouchers payable	-	1,697	2	3,164,157
Due to other funds	-	-	9	3,002,706
Due to other governments	-	-	-	98,208
Revenues collected in advance	-	-	-	78,866
Interfund loan payable	-	-	-	1,459,034
Other accrued liabilities	-	-	-	744,770
Other current liabilities		-	-	953,317
Total Liabilities	=	1,697	11	9,501,058
DEFERRED INFLOWS OF RESOURCES				
Property taxes	<del>-</del>	-	-	194,453
Total Liabilities Plus Deferred Inflows of Resources		1,697	11	9,695,511
resources		1,07/		7,073,311
Fund Balance				
Nonspendable	-	17,702	-	2,253,326
Restricted - capital projects	-	-	-	6,622,594
Restricted - police & firefighters' pension	-	-	-	731,941
Restricted - grants	40,781	-	-	41,150,188
Restricted - other	-	-	-	65,224
Committed	-	90,246	42,579	13,891,768
Assigned	-	398,463	10,000	5,928,084
Total Fund Balance	\$ 40,781	\$ 506,411	\$ 52,579	\$ 70,643,125

# City of Spokane, Washington Combining Statement of Revenues, Expenditures, and Changes in Fund Balance Non Major Special Revenue Funds For the Fiscal Year Ended December 31, 2015 Page 1 of 6

		Street	Pension Contributions	Misc Grant	Domestic Violence Prevention	Traffic Calming Measures	Park
REVENUES	_						
Taxes	\$	11,540,134	\$ 9,013,869	\$ -	\$	- \$ -	\$ -
Licenses and permits		6,882	-	121.077			1,080
Intergovernmental		3,174,041	-	131,077			406,725
Charges for services		3,172,957	-	-		- 1 4/7 55/	2,881,797
Fines and forfeitures Miscellaneous		15//1/	-	-	43.		27,266
Total Revenues		156,616 18,050,630	9,013,869	131,077		<u> </u>	2,239,489 5,556,357
ioidi kevenues		10,030,630	7,013,007	131,077	43	3 1,467,336	3,336,337
EXPENDITURES							
General government		_	8,835,948	_		_	1,052
Public safety		1,582,659	-	_		- 811,416	-
Transportation		19,482,783	_	-		- 13,124	42,324
Economic environment		-	-	131,077			-
Social services		=	=	-			=
Culture and recreation		=	=	-			16,274,060
Capital outlays		101,232	=	=		- 1,154,144	1,155,381
Total Expenditures		21,166,674	8,835,948	131,077		- 1,978,684	17,472,817
Excess of Revenues Over (Under) Expenditures		(3,116,044)	177,921		43	5 (511,128)	(11,916,460)
OTHER FINANCING SOURCES (USES)							
Sale of capital assets		49,225	=	=		= =	3,690
Transfers in		3,293,179	-	-			12,936,514
Transfers out		(85,632)	-	-		- (100,000)	(349,000)
Total Other Financing Sources (Uses)		3,256,772		-	•	- (100,000)	12,591,204
Change in Fund Balance		140,728	177,921	-	43	5 (611,128)	674,744
Other Changes in Fund Balance							
Fund Balance - beginning Prior Period Adjustment		2,488,274 -	554,020 -	-		- 2,279,283 	5,732,583
Fund Balance - beginning (restated)		2,488,274	554,020	-		- 2,279,283	5,732,583
Fund Balance - ending	\$	2,629,002	\$ 731,941	\$ -	\$ 43	5 \$ 1,668,155	\$ 6,407,327

# City of Spokane, Washington Combining Statement of Revenues, Expenditures, and Changes in Fund Balance Non Major Special Revenue Funds For the Fiscal Year Ended December 31, 2015 Page 2 of 6

	Parking Meter	Paths & Trails	Law Enforcement Information Systems	Real Estate Rental	Law Enforcement Block Grant	Human Services Grant
REVENUES		<b>^</b>	•	•	•	
Taxes Licenses and permits	\$ - 335,598	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	333,376	15,757	-	-	35,929	5,941,808
Charges for services	3,051,849	13,737	1,272,175	-	33,727	915,718
Fines and forfeitures	3,031,047		1,2/2,1/3	_		713,710
Miscellaneous	2,956	1,251	_	_	_	2,052
Total Revenues	3,390,403	17,008	1,272,175	-	35,929	6,859,578
EXPENDITURES						
General government	100,000	-	-	85	-	-
Public safety	1,890,395	=	1,235,866	=	35,929	=
Transportation	-	1,595	-	-	-	-
Economic environment	-	-	-	-	-	855
Social services	-	-	-	-	-	6,713,113
Culture and recreation	-	-	-	-	-	-
Capital outlays	138,111	-	-	=	=	-
Total Expenditures	2,128,506	1,595	1,235,866	85	35,929	6,713,968
Excess of Revenues Over (Under) Expenditures	1,261,897	15,413	36,309	(85)		145,610
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	1,223	-	-	-	-	-
Transfers in	1,200,000	-	-	-	-	-
Transfers out	(2,257,422)	-	-	-	-	
Total Other Financing Sources (Uses)	(1,056,199)	-		-		
Change in Fund Balance	205,698	15,413	36,309	(85)	-	145,610
Other Changes in Fund Balance						
<b>Fund Balance - beginning</b> Prior Period Adjustment	436,343	208,630	203,269	118,011	1,082	1,143,867
Fund Balance - beginning (restated)	436,343	208,630	203,269	118,011	1,082	1,143,867
Fund Balance - ending	\$ 642,041	\$ 224,043	\$ 239,578	\$ 117,926	\$ 1,082	\$ 1,289,477

# City of Spokane, Washington Combining Statement of Revenues, Expenditures, and Changes in Fund Balance Non Major Special Revenue Funds For the Fiscal Year Ended December 31, 2015 Page 3 of 6

		Forfeitures & Contributions		Intermodal Facility Operation	Hotel/Motel Lodging Tax	Real Estate Excise Tax		Public Safety & Judicial Grants	c	Combined communications Center
REVENUES	_		_		 	 	_			
Taxes	\$	-	\$	= .	\$ 3,441,869	\$ 2,400,705	\$	=	\$	1,260,000
Licenses and permits Intergovernmental		53,273		-	-	=		592,699		1,921,800
Charges for services		25.162		_	-	-		372,677		17,532
Fines and forfeitures		148,565		_	_	_				17,552
Miscellaneous		175,389		435,287	_	_		_		15,959
Total Revenues		402,389		435,287	3,441,869	2,400,705		592,699		3,215,291
EXPENDITURES										
General government		_		-	_	5,102		-		-
Public safety		253,497		-	-	-		592,699		3,139,782
Transportation		-		556,643	-	-		-		-
Economic environment		-		-	3,444,088	-		-		-
Social services		-		-	-	-		-		-
Culture and recreation		-		-	-	-		-		-
Capital outlays		76,607		-	-	-				393,711
Total Expenditures	_	330,104		556,643	3,444,088	5,102		592,699		3,533,493
Excess of Revenues Over (Under) Expenditures		72,285		(121,356)	(2,219)	2,395,603				(318,202)
OTHER FINANCING SOURCES (USES)										
Sale of capital assets		2,655		-	-	_		-		-
Transfers in		-		121,983	-	-		-		-
Transfers out		-		-	-	(400,000)		-		-
Total Other Financing Sources (Uses)		2,655		121,983	-	(400,000)		-		-
Change in Fund Balance		74,940		627	(2,219)	1,995,603		-		(318,202)
Other Changes in Fund Balance										
<b>Fund Balance - beginning</b> Prior Period Adjustment		779,055 -		9,580 -	72,331 -	4,402,948		166,348		4,512,616 -
Fund Balance - beginning (restated)		779,055		9,580	72,331	4,402,948		166,348		4,512,616
Fund Balance - ending	\$	853,995	\$	10,207	\$ 70,112	\$ 6,398,551	\$	166,348	\$	4,194,414

# City of Spokane, Washington Combining Statement of Revenues, Expenditures, and Changes in Fund Balance Non Major Special Revenue Funds For the Fiscal Year Ended December 31, 2015 Page 4 of 6

	Communications Building M&O	Community Development	Community Development / Human Services Operations	Community Development Block Grant Program	Misc Community Development Grants	Home Program
REVENUES						
Taxes	\$ - \$	-	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	181,644	-	-	2,691,099	-	957,154
Charges for services	139,852	-	-	-	-	-
Fines and forfeitures	-	-	-		-	-
Miscellaneous	1,245	-	-	384,471	698	83,360
Total Revenues	322,741	=	-	3,075,570	698	1,040,514
EXPENDITURES						
General government	-	=	=	=	=	-
Public safety	242,165	=	=	=	=	-
Transportation	-	-	-	-	-	-
Economic environment	-	=	(266,788)	2,722,375	239,152	300,684
Social services	-	=	467,349	-	=	29,075
Culture and recreation	-	-	-	-	-	-
Capital outlays	24,819	-	-	712,480	-	
Total Expenditures	266,984	-	200,561	3,434,855	239,152	329,759
Excess of Revenues Over (Under) Expenditures	55,757	<u>-</u>	(200,561)	(359,285)	(238,454)	710,755
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out		-	=	=	=	<u> </u>
Total Other Financing Sources (Uses)	-	=	-	=	=	<u> </u>
Change in Fund Balance	55,757	-	(200,561)	(359,285)	(238,454)	710,755
Other Changes in Fund Balance						
Fund Balance - beginning Prior Period Adjustment	239,249	2,557 (553)	100,381	18,419,365	1,181,497 -	16,400,820
Fund Balance - beginning (restated)	239,249	2,004	100,381	18,419,365	1,181,497	16,400,820
Fund Balance - ending	\$ 295,006 \$	2,004	\$ (100,180)	\$ 18,060,080	\$ 943,043	\$ 17,111,575

# City of Spokane, Washington Combining Statement of Revenues, Expenditures, and Changes in Fund Balance Non Major Special Revenue Funds For the Fiscal Year Ended December 31, 2015 Page 5 of 6

	Housing Assistance	Rental Rehabilitation	UDAG Escrow	WIA Youth Programs	Trial Court Improvement	Criminal Justice Assistance
REVENUES		•	•	•	<b>.</b>	
Taxes Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,826,905
Intergovernmental	_	_	_	_	66,112	1,252,778
Charges for services	_	_	_	_		45,292
Fines and forfeitures	-	_	_	_	_	-
Miscellaneous	1,127	26,702	3,522	-	=	5,710
Total Revenues	1,127	26,702	3,522	-	66,112	5,130,685
EXPENDITURES						
General government	-	-	=	-	=	-
Public safety	-	-	-	-	-	5,428,411
Transportation	-	-	-	-	-	-
Economic environment	267	3,521	=	-	-	-
Social services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlays		-	-	-	-	<del>-</del> _
Total Expenditures	267	3,521		-	-	5,428,411
Excess of Revenues Over (Under) Expenditures	860	23,181	3,522	-	66,112	(297,726)
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out		-	-	-	(63,420)	
Total Other Financing Sources (Uses)	<u>-</u>	-	-	-	(63,420)	
Change in Fund Balance	860	23,181	3,522	=	2,692	(297,726)
Other Changes in Fund Balance						
<b>Fund Balance - beginning</b> Prior Period Adjustment	2,875,790	1,963,750	288,343	(253)	420	3,226,613
Fund Balance - beginning (restated)	2,875,790	1,963,750	288,343	(253)	420	3,226,613
Fund Balance - ending	\$ 2,876,650	\$ 1,986,931	\$ 291,865	\$ (253)	\$ 3,112	\$ 2,928,887

# City of Spokane, Washington Combining Statement of Revenues, Expenditures, and Changes in Fund Balance Non Major Special Revenue Funds For the Fiscal Year Ended December 31, 2015 Page 6 of 6

		Housing Stabilization Program	Cable TV Equipment Reserve	Defined Contribution Admin		Total
REVENUES						
Taxes	\$	- \$	- :	\$ -	\$	31,483,482
Licenses and permits		=	192,774	-		536,334
Intergovernmental		=	-	-		17,421,896
Charges for services		-	-	90,000		11,612,334
Fines and forfeitures		=	-	-		1,643,822
Miscellaneous		-	1,260	-		3,537,094
Total Revenues	_	-	194,034	90,000		66,234,962
EXPENDITURES						
General government		-	149,477	59,943		9,151,607
Public safety		-	_	-		15,212,819
Transportation		-	=	-		20,096,469
Economic environment		19,493	-	-		6,594,724
Social services		-	-	-		7,209,537
Culture and recreation		-	-	-		16,274,060
Capital outlays		-	105,062	-		3,861,547
Total Expenditures	_	19,493	254,539	59,943		78,400,763
Excess of Revenues Over (Under) Expenditures		(19,493)	(60,505)	30,057		(12,165,801)
OTHER FINANCING SOURCES (USES)						
Sale of capital assets		-	-	-		56,793
Transfers in		-	-	-		17,551,676
Transfers out		-	-	-		(3,255,474)
Total Other Financing Sources (Uses)	_	-	-	-		14,352,995
Change in Fund Balance		(19,493)	(60,505)	30,057		2,187,194
Other Changes in Fund Balance						
<b>Fund Balance - beginning</b> Prior Period Adjustment		60,274	566,916 -	22,522		68,456,484 (553)
Fund Balance - beginning (restated)	_	60,274	566,916	22,522	-	68,455,931
Fund Balance - ending	\$	40,781 \$	506,411	\$ 52,579	\$	70,643,125

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Street Fund For the Year Ended December 31, 2015

	0	riginal Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
RESOURCES Taxes Licenses and permits Intergovernmental Charges for services Miscellaneous	\$	10,825,000 \$ 3,500 3,205,000 3,341,240 121,493	3,500 3,500 3,205,000 3,341,240 121,493	\$ 11,540,134 \$ 6,882 3,174,041 3,172,957 156,616	715,134 3,382 (30,959) (168,283) 35,123
Total resources		17,496,233	17,496,233	18,050,630	554,397
EXPENDITURES Public safety Transportation Capital outlays		1,678,086 19,479,257 87,703	1,637,035 20,084,234 157,378	1,582,659 19,482,783 101,232	54,376 601,451 56,146
Total expenditures		21,245,046	21,878,647	21,166,674	711,973
Excess resources over expenditures		(3,748,813)	(4,382,414)	(3,116,044)	1,266,370
OTHER FINANCING SOURCES (USES) Sale of capital assets Transfers in Transfers out		3,493,179 (96,130)	3,793,179 (96,130)	49,225 3,293,179 (85,632)	49,225 (500,000) 10,498
Total other financing sources (uses)	-	3,397,049	3,697,049	3,256,772	(440,277)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		(351,764)	(685,365)	140,728	826,093
Other Changes in Fund Balance Fund Balance - beginning Change in Accounting Principle		2,488,274 -	2,488,274	2,488,274 -	- 
Fund Balance - beginning (restated)		2,488,274	2,488,274	2,488,274	
Fund Balance - ending	\$	2,136,510 \$	1,802,909	\$ 2,629,002 \$	826,093

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Pension Contributions Fund For the Year Ended December 31, 2015

	(	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
RESOURCES Taxes	\$	8,220,000 \$	8,220,000	\$ 9,013,869	793,869
Total resources		8,220,000	8,220,000	9,013,869	793,869
EXPENDITURES General government		8,519,593	8,519,593	8,835,948	(316,355)
Total expenditures		8,519,593	8,519,593	8,835,948	(316,355)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		(299,593)	(299,593)	177,921	477,514
Other Changes in Fund Balance Fund Balance - beginning Change in Accounting Principle		554,020 -	554,020 -	554,020 -	
Fund Balance - beginning (restated)		554,020	554,020	554,020	
Fund Balance - ending	\$	254,427 \$	254,427	\$ 731,941	477,514

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Miscellaneous Grants Fund For the Year Ended December 31, 2015

	(	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
RESOURCES Intergovernmental	¢	900,000 \$	933,421 \$	131,077 \$	(802,344)
Total resources	Ψ	900,000	933,421	131,077	(802,344)
EXPENDITURES Economic environment		900,000	1,351,906	131,077	1,220,829
Total expenditures		900,000	1,351,906	131,077	1,220,829
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		-	(418,485)	-	418,485
Other Changes in Fund Balance Fund Balance - beginning Change in Accounting Principle		- -	-	-	- -
Fund Balance - beginning (restated)		-	-	-	
Fund Balance - ending	\$	- \$	(418,485) \$	- \$	418,485

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Domestic Violence Prevention Fund For the Year Ended December 31, 2015

		Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>RESOURCES</b> Fines and forfeitures	\$	- \$	- \$	435 \$	
Total resources	_	-	-	435	435
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		-	-	435	435
Other Changes in Fund Balance Fund Balance - beginning Change in Accounting Principle		-	- -	- -	-
Fund Balance - beginning (restated)		-	-	-	
Fund Balance - ending	\$	- \$	- \$	435 \$	435

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Traffic Calming Measures Fund For the Year Ended December 31, 2015

	c	Priginal Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
RESOURCES					
Fines and forfeitures	\$	1,700,000 \$	1,700,000 \$	1,467,556 \$	(232,444)
Total resources		1,700,000	1,700,000	1,467,556	(232,444)
EXPENDITURES Public safety Transportation Capital outlays		972,000 8,698 619,302	990,510 25,339 1,226,798	811,416 13,124 1,154,144	179,094 12,215 72,654
Total expenditures		1,600,000	2,242,647	1,978,684	263,963
Excess resources over expenditures		100,000	(542,647)	(511,128)	31,519
OTHER FINANCING SOURCES (USES) Transfers out		(100,000)	(100,000)	(100,000)	<u>-</u> _
Total other financing sources (uses)		(100,000)	(100,000)	(100,000)	
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		-	(642,647)	(611,128)	31,519
Other Changes in Fund Balance					
Fund Balance - beginning Change in Accounting Principle		2,279,283	2,279,283	2,279,283	- -
Fund Balance - beginning (restated)		2,279,283	2,279,283	2,279,283	<u> </u>
Fund Balance - ending	\$	2,279,283 \$	1,636,636 \$	1,668,155 \$	31,519

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Park Fund For the Year Ended December 31, 2015

	_	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
RESOURCES Licenses and permits Intergovernmental Charges for services Fines and forfeitures Miscellaneous	\$	500 431,000 2,834,817 18,000 2,214,000	\$ 500 431,000 2,834,817 18,000 2,214,000	\$ 1,080 \$ 406,725 2,881,797 27,266 2,239,489	5 580 (24,275) 46,980 9,266 25,489
Total resources	_	5,498,317	5,498,317	5,556,357	58,040
EXPENDITURES General government Transportation Economic environment Culture and recreation Capital outlays		129,475 - 353,813 16,305,125 1,793,300	- - - 17,302,622 2,121,806	1,052 42,324 - 16,274,060 1,155,381	(1,052) (42,324) - 1,028,562 966,425
Total expenditures		18,581,713	19,424,428	17,472,817	1,951,611
Excess resources over expenditures		(13,083,396)	(13,926,111)	(11,916,460)	2,009,651
OTHER FINANCING SOURCES (USES) Sale of capital assets Transfers in Transfers out Total other financing sources (uses)	_	13,247,978 (444,564) 12,803,414	13,272,978 (731,064) 12,541,914	3,690 12,936,514 (349,000) 12,591,204	3,690 (336,464) 382,064 49,290
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		(279,982)	(1,384,197)	674,744	2,058,941
Other Changes in Fund Balance Fund Balance - beginning Change in Accounting Principle		5,732,583 -	5,732,583	5,732,583 -	- -
Fund Balance - beginning (restated)		5,732,583	5,732,583	5,732,583	-
Fund Balance - ending	\$	5,452,601	\$ 4,348,386	\$ 6,407,327 \$	2,058,941

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Parking Meter Revenue Fund For the Year Ended December 31, 2015

	C	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
RESOURCES Licenses and permits Charges for services Miscellaneous	\$	276,000 \$ 3,012,809 22,000	276,000 3,012,809 22,000	\$ 335,598 \$ 3,051,849 2,956	59,598 39,040 (19,044)
Total resources		3,310,809	3,310,809	3,390,403	79,594
EXPENDITURES General government Public safety Capital outlays		310,000 1,576,378 200,000	100,000 2,005,695 266,669	100,000 1,890,395 138,111	- 115,300 128,558
Total expenditures		2,086,378	2,372,364	2,128,506	243,858
Excess resources over expenditures		1,224,431	938,445	1,261,897	323,452
OTHER FINANCING SOURCES (USES) Sale of capital assets Transfers in Transfers out		1,200,000 (2,257,422)	- 1,200,000 (2,257,422)	1,223 1,200,000 (2,257,422)	1,223 - -
Total other financing sources (uses)		(1,057,422)	(1,057,422)	(1,056,199)	1,223
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		167,009	(118,977)	205,698	324,675
Other Changes in Fund Balance Fund Balance - beginning Change in Accounting Principle		436,343 -	436,343	436,343 -	- -
Fund Balance - beginning (restated)		436,343	436,343	436,343	<u> </u>
Fund Balance - ending	\$	603,352 \$	317,366	\$ 642,041 \$	324,675

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Paths Trails Reserve Fund For the Year Ended December 31, 2015

	(	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
RESOURCES Intergovernmental Miscellaneous	\$	15,000	\$ 15,000	\$ 15,757 1,251	\$ 757 1,251
Total resources		15,000	15,000	17,008	2,008
EXPENDITURES Transportation Capital outlays		20,000	2,000 18,000	1,595	405 18,000
Total expenditures	-	20,000	20,000	1,595	18,405
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		(5,000)	(5,000)	15,413	20,413
Other Changes in Fund Balance Fund Balance - beginning Change in Accounting Principle	_	208,630	208,630	208,630	
Fund Balance - beginning (restated)		208,630	208,630	208,630	<u>-</u>
Fund Balance - ending	\$	203,630	\$ 203,630	\$ 224,043	\$ 20,413

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Law Enforcement Information Systems Fund For the Year Ended December 31, 2015

	C	riginal Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
RESOURCES					
Intergovernmental Charges for services	\$	710,000 \$ 969,967	710,000 969,967	\$ - \$ 1,272,175	(710,000) 302,208
Total resources		1,679,967	1,679,967	1,272,175	(407,792)
EXPENDITURES Public safety Capital outlays		1,263,452 60,098	1,396,071 60,098	1,235,866	160,205 60,098
Total expenditures		1,323,550	1,456,169	1,235,866	220,303
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		356,417	223,798	36,309	(187,489)
Other Changes in Fund Balance Fund Balance - beginning Change in Accounting Principle		203,269	203,269	203,269 -	- -
Fund Balance - beginning (restated)		203,269	203,269	203,269	
Fund Balance - ending	\$	559,686 \$	427,067	\$ 239,578	(187,489)

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Real Estate Rental Fund For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual		Variance with Final Budget- Positive (Negative)
<b>EXPENDITURES</b> General government	\$ - \$	-	\$ 8	5 \$	(85)
Total expenditures	 -		8	5	(85)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	-	(8)	5)	(85)
Other Changes in Fund Balance					
<b>Fund Balance - beginning</b> Change in Accounting Principle	 118,011	118,011	118,01	1 -	- -
Fund Balance - beginning (restated)	 118,011	118,011	118,01	1	
Fund Balance - ending	\$ 118,011 \$	118,011	\$ 117,92	6 \$	(85)

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Law Enforcement Block Grant Fund For the Year Ended December 31, 2015

	c	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
RESOURCES Intergovernmental	\$	258,094 \$	5 258,094	\$ 35,929	\$ (222,165)
Total resources		258,094	258,094	35,929	(222,165)
<b>EXPENDITURES</b> Public safety		258,094	258,094	35,929	222,165
Total expenditures		258,094	258,094	35,929	222,165
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		-	-	-	-
Other Changes in Fund Balance Fund Balance - beginning Change in Accounting Principle		1,082	1,082	1,082	<u>-</u>
Fund Balance - beginning (restated)		1,082	1,082	1,082	
Fund Balance - ending	\$	1,082 \$	1,082	\$ 1,082	\$ 

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Human Services Grant Fund For the Year Ended December 31, 2015

	c	riginal Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
RESOURCES					
Intergovernmental Charges for services Miscellaneous	\$	6,678,041 \$ 959,936	14,511,977 959,936 -	\$ 5,941,808 915,718 2,052	\$ (8,570,169) (44,218) 2,052
Total resources		7,637,977	15,471,913	6,859,578	(8,612,335)
EXPENDITURES Economic environment Social services Capital outlays		7,634,984 - 3,000	15,665,847 268,994 3,000	855 6,713,113 -	15,664,992 (6,444,119) 3,000
Total expenditures		7,637,984	15,937,841	6,713,968	9,223,873
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		(7)	(465,928)	145,610	611,538
Other Changes in Fund Balance Fund Balance - beginning Change in Accounting Principle		1,143,867	1,143,867	1,143,867	- -
Fund Balance - beginning (restated)		1,143,867	1,143,867	1,143,867	
Fund Balance - ending	\$	1,143,860 \$	677,939	\$ 1,289,477	\$ 611,538

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Forfeitures Contributions Fund For the Year Ended December 31, 2015

(	Original Budget		Final Budget		Actual	Variance with Final Budget- Positive (Negative)
\$	52,000 195,000 98,800	\$	52,000 195,000 171,000	\$	53,273 \$ 25,162 148,565 175,389	53,273 (26,838) (46,435) 4,389
	345,800		418,000		402,389	(15,611)
	328,780 200,000 528,780		648,159 256,000 904,159		253,497 76,607 330,104	394,662 179,393 574,055
	(182,980)		(486,159)		72,285	558,444
_	-		-		2,655 2,655	2,655 2,655
	(182,980)		(486,159)		74,940	561,099
	779,055 -		779,055 -		779,055 -	- -
	779,055		779,055		779,055	
\$	596,075	\$	292,896	\$	853,995 \$	561,099
	\$	\$ -52,000 195,000 98,800 345,800 328,780 200,000 528,780 (182,980)  - (182,980) 779,055	52,000 195,000 98,800 345,800 328,780 200,000 528,780 (182,980)	\$ - \$ - \$ 52,000 195,000 195,000 195,000 195,000 171,000 345,800 418,000 345,800 418,000 256,000 256,000 256,000 182,980 (486,159) (182,980) (486,159) 779,055 779,055 779,055 779,055 779,055 779,055	\$ - \$ - \$ 52,000 52,000 195,000 195,000 98,800 171,000  345,800 418,000  328,780 648,159 200,000 256,000  528,780 904,159 (182,980) (486,159)   (182,980) (486,159)  779,055 779,055  779,055 779,055	\$ - \$ 53,273 \$ 52,000 52,000 25,162 195,000 195,000 148,565 98,800 171,000 175,389  345,800 418,000 402,389  328,780 648,159 253,497 200,000 256,000 76,607  528,780 904,159 330,104  (182,980) (486,159) 72,285  2,655  2,655  (182,980) (486,159) 74,940  779,055 779,055 779,055

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Intermodal Facility Operation Fund For the Year Ended December 31, 2015

	_	Original Budget	Final Budget		Actual	Variance with Final Budget- Positive (Negative)
RESOURCES				_		
Miscellaneous	\$	495,848	\$ 495,848	\$	435,287	\$ (60,561)
Total resources		495,848	495,848		435,287	(60,561)
EXPENDITURES Transportation Capital outlays		501,811 27,254	501,811 27,254		556,643	(54,832) 27,254
Total expenditures	_	529,065	529,065		556,643	(27,578)
Excess resources over expenditures		(33,217)	(33,217)		(121,356)	(88,139)
OTHER FINANCING SOURCES (USES) Transfers in	_	61,621	61,621		121,983	60,362
Total other financing sources (uses)		61,621	61,621		121,983	60,362
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		28,404	28,404		627	(27,777)
Other Changes in Fund Balance Fund Balance - beginning Change in Accounting Principle	_	9,580 -	9,580		9,580 -	- -
Fund Balance - beginning (restated)		9,580	9,580		9,580	
Fund Balance - ending	\$	37,984	\$ 37,984	\$	10,207	\$ (27,777)

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Hotel/Motel Lodging Tax Fund For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
RESOURCES Taxes	\$ 3,110,000 \$	3,110,000 \$	3,441,869 \$	331,869
Total resources	 3,110,000	3,110,000	3,441,869	331,869
EXPENDITURES Economic environment	 3,110,000	3,122,167	3,444,088	(321,921)
Total expenditures	 3,110,000	3,122,167	3,444,088	(321,921)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	(12,167)	(2,219)	9,948
Other Changes in Fund Balance Fund Balance - beginning Change in Accounting Principle	 72,331 -	72,331 -	72,331 -	- -
Fund Balance - beginning (restated)	 72,331	72,331	72,331	
Fund Balance - ending	\$ 72,331 \$	60,164 \$	70,112 \$	9,948

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Real Estate Excise Tax Fund For the Year Ended December 31, 2015

	0	riginal Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
RESOURCES Taxes	\$	2,065,000	\$ 2,065,000	\$ 2,400,705	\$ 335,705
Total resources		2,065,000	2,065,000	2,400,705	335,705
EXPENDITURES General government		6,574	6,574	5,102	1,472
Total expenditures		6,574	6,574	5,102	1,472
Excess resources over expenditures		2,058,426	2,058,426	2,395,603	337,177
OTHER FINANCING SOURCES (USES) Transfers out		(3,019,819)	(3,019,819)	(400,000)	2,619,819
Total other financing sources (uses)		(3,019,819)	(3,019,819)	(400,000)	2,619,819
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		(961,393)	(961,393)	1,995,603	2,956,996
Other Changes in Fund Balance Fund Balance - beginning Change in Accounting Principle		4,402,948	4,402,948	4,402,948	- 
Fund Balance - beginning (restated)		4,402,948	4,402,948	4,402,948	
Fund Balance - ending	\$	3,441,555	\$ 3,441,555	\$ 6,398,551	\$ 2,956,996

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Public Safety and Judicial Grants Fund For the Year Ended December 31, 2015

	O	riginal Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
RESOURCES Intergovernmental	\$	806,487	\$ 806,487	\$ 592,699 \$	(213,788)
Total resources		806,487	806,487	592,699	(213,788)
<b>EXPENDITURES</b> Public safety		1,036,926	1,036,926	592,699	444,227
Total expenditures		1,036,926	1,036,926	592,699	444,227
Excess resources over expenditures		(230,439)	(230,439)	-	230,439
OTHER FINANCING SOURCES (USES) Transfers in		220,000	220,000	-	(220,000)
Total other financing sources (uses)		220,000	220,000		(220,000)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		(10,439)	(10,439)	-	10,439
Other Changes in Fund Balance Fund Balance - beginning Change in Accounting Principle		166,348 -	166,348 -	166,348 -	- -
Fund Balance - beginning (restated)		166,348	166,348	166,348	
Fund Balance - ending	\$	155,909	\$ 155,909	\$ 166,348 \$	10,439

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Combined Communications Center Fund For the Year Ended December 31, 2015

	O	riginal Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
RESOURCES Taxes Intergovernmental Charges for services	\$	1,260,000 \$ 1,921,800	1,260,000 1,921,800	\$ 1,260,000 1,921,800 17,532	\$ - - 17,532
Miscellaneous		40,000	40,000	15,959	(24,041)
Total resources		3,221,800	3,221,800	3,215,291	(6,509)
EXPENDITURES Public safety Capital outlays		3,216,825 496,049	3,195,188 517,686	3,139,782 393,711	55,406 123,975
Total expenditures		3,712,874	3,712,874	3,533,493	179,381
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		(491,074)	(491,074)	(318,202)	172,872
Other Changes in Fund Balance Fund Balance - beginning Change in Accounting Principle		4,512,616 -	4,512,616 -	4,512,616 -	- -
Fund Balance - beginning (restated)		4,512,616	4,512,616	4,512,616	
Fund Balance - ending	\$	4,021,542 \$	4,021,542	\$ 4,194,414	\$ 172,872

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Communications Building Maintenance Operations Fund For the Year Ended December 31, 2015

	Ori	ginal Budget	Final Budget	Actual		Variance with Final Budget- Positive (Negative)
RESOURCES	•	150,000 ф	150,000	<b>.</b> 101	<i>,</i> , , , , , ,	01.444
Intergovernmental Charges for services	\$	150,000 \$ 115,000	150,000 115,000	\$ 181, 139,	644 \$ 852	31,644 24,852
Miscellaneous		1,100	1,100		245	145
Total resources		266,100	266,100	322,	741	56,641
EXPENDITURES						
Public safety Capital outlays		321,493 -	288,802 67,772	242, 24,	165 819	46,637 42,953
Total expenditures		321,493	356,574	266,	984	89,590
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		(55,393)	(90,474)	55,	757	146,231
Other Changes in Fund Balance						
Fund Balance - beginning Change in Accounting Principle		239,249	239,249	239,	249	- -
Fund Balance - beginning (restated)		239,249	239,249	239,	249	<u>-</u>
Fund Balance - ending	\$	183,856 \$	148,775	\$ 295,	006 \$	146,231

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Community Development Human Services Operation Fund For the Year Ended December 31, 2015

		Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
EXPENDITURES Economic environment Social services	\$	- \$ -	17,407	\$ (266,788) \$ 467,349	284,195 (467,349)
Total expenditures	_	-	17,407	200,561	(183,154)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		-	(17,407)	(200,561)	(183,154)
Other Changes in Fund Balance Fund Balance - beginning Change in Accounting Principle		100,381	100,381	100,381	- -
Fund Balance - beginning (restated)	_	100,381	100,381	100,381	<u>-</u>
Fund Balance - ending	\$	100,381 \$	82,974	\$ (100,180) \$	(183,154)

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Community Development Block Grant Program Fund For the Year Ended December 31, 2015

	0	riginal Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
RESOURCES Intergovernmental	\$	4,380,689 \$	7,715,845	\$ 2,691,099 \$	(5,024,746)
Miscellaneous		900,000	1,900,000	384,471	(1,515,529)
Total resources		5,280,689	9,615,845	3,075,570	(6,540,275)
EXPENDITURES Economic environment Capital outlays		3,537,665 800,000	7,717,769 955,057	2,722,375 712,480	4,995,394 242,577
Total expenditures		4,337,665	8,672,826	3,434,855	5,237,971
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		943,024	943,019	(359,285)	(1,302,304)
Other Changes in Fund Balance Fund Balance - beginning Change in Accounting Principle		18,419,365 -	18,419,365	18,419,365 -	- -
Fund Balance - beginning (restated)		18,419,365	18,419,365	18,419,365	<u>-</u>
Fund Balance - ending	\$	19,362,389 \$	19,362,384	\$ 18,060,080 \$	(1,302,304)

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Miscellaneous Community Development Grants Fund For the Year Ended December 31, 2015

_		iginal Budge <del>l</del>	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
RESOURCES Intergovernmental Miscellaneous	\$	600,000 \$	600,000	\$ - \$ 698	(600,000) 698
Total resources		600,000	600,000	698	(599,302)
EXPENDITURES Economic environment		564,112	564,112	239,152	324,960
Total expenditures		564,112	564,112	239,152	324,960
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		35,888	35,888	(238,454)	(274,342)
Other Changes in Fund Balance Fund Balance - beginning Change in Accounting Principle		1,181,497 -	1,181,497 -	1,181,497 -	- -
Fund Balance - beginning (restated)		1,181,497	1,181,497	1,181,497	
Fund Balance - ending	\$	1,217,385 \$	1,217,385	\$ 943,043 \$	(274,342)

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Home Program Fund For the Year Ended December 31, 2015

	Oi	riginal Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
RESOURCES Intergovernmental	\$	959,734 \$	2,405,066	\$ 957,154 \$	,
Miscellaneous		142,000	142,000	83,360	(58,640)
Total resources		1,101,734	2,547,066	1,040,514	(1,506,552)
EXPENDITURES Economic environment Social services		1,051,736 -	2,497,070	300,684 29,075	2,196,386 (29,075)
Total expenditures		1,051,736	2,497,070	329,759	2,167,311
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		49,998	49,996	710,755	660,759
Other Changes in Fund Balance Fund Balance - beginning Change in Accounting Principle		16,400,820 -	16,400,820	16,400,820 -	- -
Fund Balance - beginning (restated)		16,400,820	16,400,820	16,400,820	
Fund Balance - ending	\$	16,450,818 \$	16,450,816	\$ 17,111,575 \$	660,759

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Housing Assistance Fund For the Year Ended December 31, 2015

		Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)		
RESOURCES Intergovernmental Miscellaneous	\$	5,000	\$	5,000	\$	- 1,127	\$ (5,000) 1,127
Total resources		5,000		5,000		1,127	(3,873)
EXPENDITURES Economic environment Capital outlays		5,000 265,000		5,000 265,000		267 -	4,733 265,000
Total expenditures		270,000		270,000		267	269,733
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		(265,000)		(265,000)		860	265,860
Other Changes in Fund Balance Fund Balance - beginning Change in Accounting Principle		2,875,790		2,875,790 -		2,875,790	- -
Fund Balance - beginning (restated)		2,875,790		2,875,790		2,875,790	=
Fund Balance - ending	\$	2,610,790	\$	2,610,790	\$	2,876,650	\$ 265,860

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Rental Rehabilitation Fund For the Year Ended December 31, 2015

		riginal Budget	Final Budget		Actual		Variance with Final Budget- Positive (Negative)
RESOURCES	¢	0.4.200 \$	0.4.000	ď	27.702	ď	//7 400)
Miscellaneous	\$	94,200 \$	94,200	\$	26,702	φ_	(67,498)
Total resources		94,200	94,200		26,702		(67,498)
EXPENDITURES Economic environment Capital outlays		13,000 1,216,163	13,000 1,216,163		3,521		9,479 1,216,163
Total expenditures		1,229,163	1,229,163		3,521		1,225,642
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		(1,134,963)	(1,134,963)		23,181		1,158,144
Other Changes in Fund Balance Fund Balance - beginning Change in Accounting Principle		1,963,750 -	1,963,750		1,963,750		- -
Fund Balance - beginning (restated)		1,963,750	1,963,750		1,963,750		
Fund Balance - ending	\$	828,787 \$	828,787	\$	1,986,931	\$	1,158,144

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual UDAG Escrow Fund For the Year Ended December 31, 2015

	Oi	riginal Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
RESOURCES Miscellaneous	\$	21,405 \$	21,405	\$ 3,522 \$	(17,883)
Total resources		21,405	21,405	3,522	(17,883)
EXPENDITURES Economic environment Capital outlays Total expenditures		21,405 870,000 891,405	21,405 870,000 891,405	- -	21,405 870,000 891,405
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		(870,000)	(870,000)	3,522	873,522
Other Changes in Fund Balance Fund Balance - beginning Change in Accounting Principle		288,343 -	288,343	288,343	- -
Fund Balance - beginning (restated)		288,343	288,343	288,343	<u>-</u>
Fund Balance - ending	\$	(581,657) \$	(581,657)	\$ 291,865	873,522

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Criminal Justice Assistance Fund For the Year Ended December 31, 2015

- -		riginal Budget		Final Budget		Actual		Variance with Final Budget- Positive (Negative)
RESOURCES Taxes	\$	3.700.000	¢	3,700,000	¢	3.826.905	\$	126.905
Intergovernmental	Ψ	1,395,000	Ψ	1,395,000	Ψ	1.252.778	Ψ	(142,222)
Charges for services		72,500		72,500		45,292		(27,208)
Miscellaneous		18,000		18,000		5,710		(12,290)
Total resources		5,185,500		5,185,500		5,130,685		(54,815)
EXPENDITURES								
General government		6,408		- 700 (00				2/1.001
Public safety		5,660,000		5,789,692		5,428,411		361,281
Total expenditures		5,666,408		5,789,692		5,428,411		361,281
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		(480,908)		(604,192)		(297,726)		306,466
Other Changes in Fund Balance		2.007.712		2.007.712		2.007.712		
Fund Balance - beginning Change in Accounting Principle		3,226,613		3,226,613		3,226,613		<u>-</u>
Fund Balance - beginning (restated)		3,226,613		3,226,613		3,226,613		
Fund Balance - ending	\$	2,745,705	\$	2,622,421	\$	2,928,887	\$	306,466

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Housing Stabilization Program For the Year Ended December 31, 2015

	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)	
EXPENDITURES Economic environment	\$ - \$	-	\$ 19,493	\$ (19,493)	
Total expenditures	 -	-	19,493	(19,493)	
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	-	(19,493)	(19,493)	
Other Changes in Fund Balance					
Fund Balance - beginning Change in Accounting Principle	 60,274	60,274	60,274	<u>-</u>	
Fund Balance - beginning (restated)	 60,274	60,274	60,274		
Fund Balance - ending	\$ 60,274 \$	60,274	\$ 40,781	\$ (19,493)	

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Cable TV Equipment Reserve Fund For the Year Ended December 31, 2015

	c	Priginal Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
RESOURCES Licenses and permits Miscellaneous	\$	264,000 \$	264,000	\$ 192,774 \$ 1,260	(71,226) 1,260
Total resources		264,000	264,000	194,034	(69,966)
EXPENDITURES General government Public safety Capital outlays		- 186,251 79,200	348,017 - 304,913	149,477 - 105,062	198,540 - 199,851
Total expenditures		265,451	652,930	254,539	398,391
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		(1,451)	(388,930)	(60,505)	328,425
Other Changes in Fund Balance Fund Balance - beginning Change in Accounting Principle		566,916 -	566,916 -	566,916 -	- -
Fund Balance - beginning (restated)		566,916	566,916	566,916	
Fund Balance - ending	\$	565,465 \$	177,986	\$ 506,411 \$	328,425

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Defined Contribution Administration Fund For the Year Ended December 31, 2015

_ 		Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
RESOURCES Charges for services Miscellaneous	\$	- \$ 100,000	100,000	\$ 90,000	\$ 90,000 (100,000)
Total resources		100,000 100,000		90,000	(10,000)
EXPENDITURES General government	_	99,451	99,451	59,943	39,508
Total expenditures		99,451	99,451	59,943	39,508
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		549	549	30,057	29,508
Other Changes in Fund Balance Fund Balance - beginning Change in Accounting Principle		22,522	22,522	22,522	- -
Fund Balance - beginning (restated)		22,522	22,522	22,522	
Fund Balance - ending	\$	23,071 \$	23,071	\$ 52,579	\$ 29,508

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### **Nonmajor**

### **Debt Service Funds**

Debt Service Funds account for the accumulation of resources that are restricted or committed to expenditures for, and the payment of, principal and interest on the City's bonds issued in support of governmental activities. Debt Service Funds are described below.

#### **GO Bond Redemption Fund**

The G O Bond Redemption Fund accounts for principal and interest payments on the City's entire outstanding unlimited general obligation bonds. Also, some limited general obligation bond principal and interest are paid by this fund.

#### **Special Assessment Debt Fund**

The Special Assessment Debt Fund accounts for principal and interest payments on all local improvement district bonds after an improvement project is completed.

#### **Special Assessment Guaranty Fund**

The Special Assessment Guaranty Fund guarantees the payment of local improvement bonds and warrants issued to pay for local improvements made.

#### Iron Bridge TIF (Tax Increment Financing) Fund

The Iron Bridge TIF Fund accounts for deposited property taxes related to improved property contained in the Iron Bridge Tax Increment Financing District. The resources will be used pay general long-term debt principal and interest related to the district.

#### University District LRF (Local Revitalization Financing) Fund

The University District LRF Debt Service Fund accounts for sales taxes received as part of the interlocal agreement with the State of Washington for the University District revitalization area. These taxes are restricted for the purpose of debt service on related infrastructure in the revitalization area.

### City of Spokane, Washington Combining Balance Sheet Non Major Debt Service Funds December 31, 2015

		GO Bond Redemption	Special Assessment Debt Service	Special Assessment Guaranty	Increment District Lo		University District Local Revitalization	Total
ASSETS								
Cash and cash equivalents	\$	3,540,650	\$ 113,383	\$ -	\$ 50,016	\$	157,454	\$ 3,861,503
Equity in pooled investments		3,279,565	-	537,512	82,082		-	3,899,159
Taxes receivable		328,235	-	-	4		62,441	390,680
Special assessment receivable		-	2,741,431	-	-		-	2,741,431
Interest receivable		1,938	-	249	39		-	2,226
Interfund loan receivable		25,833	-	4,234	647		-	30,714
Due from other governments		-	1,749	-			-	1,749
Advances to other funds		206,773		33,889	5,175			245,837
Total Assets	-	7,382,994	2,856,563	575,884	137,963		219,895	11,173,299
LIABILITIES AND FUND BALANCE Liabilities: Other current liabilities		_	633	_	_		_	633
Total Liabilities		-	633	-	-		-	633
<b>DEFERRED INFLOWS OF RESOURCES</b> Property taxes		294,972	2,741,431	-	-		-	3,036,403
Total Liabilities Plus Deferred Inflows of Resources		294,972	2,742,064	=	-		-	3,037,036
Fund Balance:								
Nonspendable		206,773	-	33,889	5,175		-	245,837
Restricted - debt service		6,881,249	114,499	541,995	132,788		219,895	7,890,426
Total Fund Balance	\$	7,088,022	\$ 114,499	\$ 575,884	\$ 137,963	\$	219,895	\$ 8,136,263

#### City of Spokane, Washington Combining Statement of Revenues, Expenditures, and Changes in Fund Balance Non Major Debt Service Funds For the Fiscal Year Ended December 31, 2015

		GO Bond Redemption	Special Assessment Debt Service	Special Assessment Guaranty	Iron Bridge Tax Increment Financing	University Local Revitalization	Total
REVENUES							
Taxes	\$	5,380,794	\$ -	\$ -	\$ 80,133	\$ 257,295	\$ 5,718,222
Intergovernmental		550,933	-	-	-	-	550,933
Miscellaneous	-	14,730	860,395	2,422	369	_	877,916
Total Revenues		5,946,457	860,395	2,422	80,502	257,295	7,147,071
EXPENDITURES							
Current:							
General government		-	-	3,109	-	-	3,109
Debt service:							
Principal		5,600,000	230,000	-	-	-	5,830,000
Interest		8,419,628	23,808	-	-	-	8,443,436
Total Expenditures		14,019,628	253,808	3,109	_		14,276,545
Excess of Revenues Over (Under)		(0.0=0.1=1)					
Expenditures		(8,073,171)	606,587	(687)	80,502	257,295	(7,129,474)
OTHER FINANCING SOURCES (USES)							
Proceeds of bonds issued		792,065	-	-	-	-	792,065
Refunding bonds issued		48,305,000	-	-	-	-	48,305,000
Premium on bonds issued		2,056,006	-	-	-	-	2,056,006
Payment to escrow agent for		(40.770.400)					(40.770.400)
refunded bond debt Transfers in		(49,778,428)	-	_	-	-	(49,778,428) 8,050,223
Transfers out		8,050,223	(664,103)	_	(42,750)	(224,655)	(931,508)
Total Other Financing Sources (Uses)	_	9,424,866	(664,103)		(42,750)	(224,655)	8,493,358
rotal office randing cooleds (cool,	_	7,121,000	(00 1,100)		(12,700)	(22 1,000)	0,170,000
Change in Fund Balance		1,351,695	(57,516)	(687)	37,752	32,640	1,363,884
Other Changes in Fund Balance Change in Accounting Principle		-	-	-	-	-	-
Fund Balance - beginning (restated)	_	5,736,327	172,015	576,571	100,211	187,255	6,772,379
Fund Balances - ending	\$	7,088,022	\$ 114,499	\$ 575,884	\$ 137,963	\$ 219,895	\$ 8,136,263

### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual GO Bond Redemption Fund For the Year Ended December 31, 2015

	c	riginal Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
RESOURCES					
Taxes	\$	5,100,000 \$	5,100,000	\$ 5,380,794 \$	
Intergovernmental Miscellaneous		548,266	548,266	550,933	2,667
Miscellaneous		<u>-</u>	<u> </u>	14,730	14,730
Total resources		5,648,266	5,648,266	5,946,457	298,191
EXPENDITURES Debt service:					
Principal		7,200,000	7,200,000	5,600,000	1,600,000
Interest		8,347,664	8,347,664	8,419,628	(71,964)
Total expenditures		15,547,664	15,547,664	14,019,628	1,528,036
Excess resources over expenditures		(9,899,398)	(9,899,398)	(8,073,171)	1,826,227
OTHER FINANCING SOURCES (USES)					
Proceeds of bonds issued		-	-	792,065	792,065
Refunding bonds issued		-	-	48,305,000	48,305,000
Premium on bonds issued Payment to escrow agent for refunded bond		-	-	2,056,006	2,056,006
debt		-	-	(49,778,428)	(49,778,428)
Transfers in		10,382,223	10,382,223	8,050,223	(2,332,000)
Total other financing sources (uses)		10,382,223	10,382,223	9,424,866	(957,357)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		482,825	482,825	1,351,695	868,870
Other Changes in Fund Balance					
Fund Balance - beginning Change in Accounting Principle		5,736,327 -	5,736,327 -	5,736,327	- -
Fund Balance - beginning (restated)		5,736,327	5,736,327	5,736,327	
Fund Balance - ending	\$	6,219,152 \$	6,219,152	\$ 7,088,022 \$	868,870

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Special Assessment Debt Service Fund For the Year Ended December 31, 2015

	_	Original Budget		Final Budget		Actual	Variance with Final Budget- Positive (Negative)
RESOURCES	<b>•</b>	000 000	¢	000 000	<b>.</b>	0/0 205	(110 (05)
Miscellaneous	\$	980,000	\$	980,000	\$	860,395 \$	(119,605)
Total resources		980,000		980,000		860,395	(119,605)
EXPENDITURES							
General government		500		500		-	500
Principal		700,000		700,000		230,000	470,000
Interest	_	100,000		100,000		23,808	76,192
Total expenditures		800,500		800,500		253,808	546,692
Excess resources over expenditures		179,500		179,500		606,587	427,087
OTHER FINANCING SOURCES (USES)							
Transfers in		1,268,600		1,268,600		-	(1,268,600)
Transfers out	_	(1,430,000)		(1,430,000)		(664,103)	765,897
Total other financing sources (uses)		(161,400)		(161,400)		(664,103)	(502,703)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		18,100		18,100		(57,516)	(75,616)
Other Changes in Fund Balance							
Fund Balance - beginning Change in Accounting Principle		172,015 -		172,015 -		172,015 -	- -
Fund Balance - beginning (restated)		172,015		172,015		172,015	<u> </u>
Fund Balance - ending	\$	190,115	\$	190,115	\$	114,499 \$	(75,616)

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Special Assessment Guaranty Fund For the Year Ended December 31, 2015

	C	Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
RESOURCES Miscellaneous	\$	10,000 \$	10,000	\$ 2,422	\$ (7,578)
Total resources	_	10,000	10,000	2,422	(7,578)
EXPENDITURES General government		10,000	15,196	3,109	12,087
Total expenditures		10,000	15,196	3,109	12,087
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		-	(5,196)	(687)	4,509
Other Changes in Fund Balance					
Fund Balance - beginning Change in Accounting Principle		576,571 -	576,571 -	576,571 -	- 
Fund Balance - beginning (restated)		576,571	576,571	576,571	
Fund Balance - ending	\$	576,571 \$	571,375	\$ 575,884	\$ 4,509

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Iron Bridge Tax Increment Financing Debt Fund For the Year Ended December 31, 2015

		Original Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
RESOURCES Taxes Miscellaneous	\$	100,000 \$	100,000	\$ 80,133 \$ 369	(19,867) 369
Total resources	_	100,000	100,000	80,502	(19,498)
EXPENDITURES Interest	_	42,750	42,750	-	42,750
Total expenditures		42,750	42,750	-	42,750
Excess resources over expenditures	_	57,250	57,250	80,502	23,252
OTHER FINANCING SOURCES (USES) Transfers out		-	-	(42,750)	(42,750)
Total other financing sources (uses)		-	-	(42,750)	(42,750)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		57,250	57,250	37,752	(19,498)
Other Changes in Fund Balance					
Fund Balance - beginning Change in Accounting Principle		100,211	100,211	100,211	- -
Fund Balance - beginning (restated)		100,211	100,211	100,211	<u> </u>
Fund Balance - ending	\$	157,461 \$	157,461	\$ 137,963 \$	(19,498)

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual University District Local Revitalization Debt Fund For the Year Ended December 31, 2015

	Or	iginal Budget	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
RESOURCES Taxes	\$	250,000 \$	250,000	\$ 257,295 \$	7,295
Total resources		250,000	250,000	257,295	7,295
OTHER FINANCING SOURCES (USES) Transfers out		(224,656)	(224,656)	(224,655)	1_
Total other financing sources (uses)	-	(224,656)	(224,656)	(224,655)	1_
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		25,344	25,344	32,640	7,296
Other Changes in Fund Balance Fund Balance - beginning Change in Accounting Principle		187,255 -	187,255 -	187,255 -	-
Fund Balance - beginning (restated)		187,255	187,255	187,255	<u> </u>
Fund Balance - ending	\$	212,599 \$	212,599	\$ 219,895 \$	7,296

## **Nonmajor**

## **Capital Projects Funds**

Capital Projects Funds account for financial resources that are restricted or committed to expenditures for the acquisition, construction, or improvement of City facilities and road infrastructure. Capital Projects Funds are described below.

#### **Improvement Project Cost Fund 2001**

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.

#### **Fire Improvement Fund**

The Fire Improvement Fund accounts for capital improvements for fire protection purposes.

#### **General Capital Improvement Fund**

The General Capital Improvement Fund is used a reserve for general government capital repairs and maintenance projects.

#### **Arterial Street Fund**

The Arterial Street Fund accounts for the development of the arterial street system within the City.

#### **Capital Improvements 1999 Fire Fund**

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.

#### **Capital Improvements 2003 Streets Fund**

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.

#### **Capital Improvements 2004 Streets Fund**

The Capital Improvements – 2004 Streets Fund accounts for monies received from bond proceeds to be used for the maintenance and construction of various streets within the City.

### Capital Improvements 2008 Parks Fund

The Capital Improvements – 2008 Parks Fund accounts for monies received from bond proceeds to be used for the development, construction, or improvement of City park and recreational facilities and related infrastructure.

#### **Capital Improvement 1995 Fund**

The 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.

#### **Capital Improvements 1999 Fund**

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.

#### Kendall Yards TIF (Tax Increment Financing) Fund

The Kendall Yards TIF Fund accumulates property taxes related to improved property contained in the Kendall Yards Sub-Area of the West Quadrant Tax Increment Area. These funds will be accumulated to pay for public infrastructure improvements in the Sub-Area.

#### West Quadrant TIF (Tax Increment Financing) Fund

The West Quadrant TIF Fund accumulates property taxes related to improved property contained in the West Quadrant Tax Increment Area, other than property in the Kendall Yards Sub-Area. These funds will be accumulated to pay for public infrastructure improvements in the Area.

#### University District LRF (Local Revitalization Financing) Fund

The University District LRF Capital Projects Fund accounts for monies received from bond proceeds, as well as incremental sales and property taxes in the University District Local Revitalization Area. These funds are used to pay for public infrastructure improvements in the Area.

City of Spokane, Washington Combining Balance Sheet Non Major Capital Projects Funds December 31, 2015 Page 1 of 3

		Improvement Project Cost 2001	Fire Improvement	General Capital Improvements	Arterial Street	Capital Improvements 1999 Fire
ASSETS						
Cash and cash equivalents	\$	35,196	\$ 7,598	\$ 112,980	\$ 1,320,372	\$ -
Equity in pooled investments		-	12,214	-	5,082,963	-
Taxes receivable		-	-	-	217,368	-
Accounts receivable		-	-	-	107,916	-
Interest receivable		-	6	-	2,612	-
Due from other funds Interfund loan receivable		-	- 0/	-	610,518 40,039	-
Due from other governments		-	96	-	3,876,410	-
Advances to other funds		-	770	-	320,475	-
Advances to other totias			770	<del>-</del>	320,473	
Total Assets	_	35,196	20,684	112,980	11,578,673	
LIABILITIES AND FUND BALANCE Liabilities:						
Accounts/vouchers payable		-	7,020	-	948,027	950
Due to other funds		-	-	-	773,676	-
Due to other governments		-	-	-	369	-
Revenues collected in advance		-	-	-	989	-
Other current liabilities		-	10	-	1,957,422	
Total Liabilities		-	7,030	-	3,680,483	950
<b>DEFERRED INFLOWS OF RESOURCES</b> Property taxes		-	-	-	-	
Total Liabilities Plus Deferred Inflows of Resources	_		7,030		3,680,483	950
Fund Balance:						
Nonspendable		-	770	-	320,475	-
Restricted - capital projects		35,196	12,884	112,980	7,577,715	(950)
Total Fund Balance	\$	35,196	\$ 13,654	\$ 112,980	\$ 7,898,190	\$ (950)

City of Spokane, Washington Combining Balance Sheet Non Major Capital Projects Funds December 31, 2015 Page 2 of 3

	Capital Improvements 2003 Streets	2004 UTGO Street Bonds	Capital Improvements 2008 Parks	Capital Improvements 1995	Capital Improvements 1999
ASSETS					
Cash and cash equivalents Equity in pooled investments Taxes receivable	1,916,089	\$ - 8,573,921 -	\$ 26,685 294,035	\$ 40,778 (10,540)	\$ 30,810 159,140
Accounts receivable Interest receivable	- 889	4,123	148	-	- 69
Due from other funds Interfund loan receivable	15,093	1,624,213 67,537	- 2,316	- 1,171	-
Due from other governments Advances to other funds	120,807	7,464 540,575	- 18,539	- 9,369	9,783 
Total Assets	2,052,878	10,817,833	341,723	40,778	199,802
LIABILITIES AND FUND BALANCE Liabilities:					
Accounts/vouchers payable	34	165,299	3,575	-	3
Due to other funds	-	4,146	489	-	-
Due to other governments	-	-	-	-	-
Revenues collected in advance Other current liabilities	<u> </u>	- -	506	- -	- -
Total Liabilities	34	169,445	4,570	-	3
<b>DEFERRED INFLOWS OF RESOURCES</b> Property taxes				-	
Total Liabilities Plus Deferred Inflows of Resources	34	169,445	4,570		3
Fund Balance:					
Nonspendable Restricted - capital projects	120,807 1,932,037	540,575 10,107,813	18,539 318,614	9,369 31,409	199,799
Total Fund Balance	\$ 2,052,844	\$ 10,648,388	\$ 337,153	\$ 40,778	\$ 199,799

City of Spokane, Washington Combining Balance Sheet Non Major Capital Projects Funds December 31, 2015 Page 3 of 3

	_				
	_	Kendall Yards Tax Increment Financing	West Quadrant Tax Increment Financing	University District Local Revitalization	Total
ASSETS  Cash and cash equivalents Equity in pooled investments Taxes receivable	\$	69,753 - 470	\$ 356,023 - 4,871	\$ 83,326 - 2,199	\$ 2,083,521 16,027,822 224,908
Accounts receivable Interest receivable Due from other funds Interfund loan receivable Due from other governments Advances to other funds		- - - - -	- - - -	- - - - -	107,916 7,847 2,234,731 126,252 3,893,657 1,010,535
Total Assets		70,223	360,894	85,525	25,717,189
LIABILITIES AND FUND BALANCE Liabilities: Accounts/vouchers payable Due to other funds		-	6	-	1,124,914 778,311
Due to other governments Revenues collected in advance Other current liabilities	_	- - - -	- - -	- - - -	778,311 369 989 1,957,938
Total Liabilities		-	6	-	3,862,521
<b>DEFERRED INFLOWS OF RESOURCES</b> Property taxes	_	361	4,196	1,919	6,476
Total Liabilities Plus Deferred Inflows of Resources	_	361	4,202	1,919	3,868,997
Fund Balance: Nonspendable Restricted - capital projects	_	- 69,862	- 356,692	- 83,606	1,010,535 20,837,657
Total Fund Balance	\$	69,862	\$ 356,692	\$ 83,606	\$ 21,848,192

# City of Spokane, Washington Combining Statement of Revenues, Expenditures, and Changes in Fund Balance Non Major Capital Projects Funds For the Fiscal Year Ended December 31, 2015 Page 1 of 3

	Improve Project 200	Cost	Fire Improvement	General Capital Improvements	Arterial Street	Capital Improvements 1999 Fire
REVENUES						
Taxes Licenses and permits	\$	- \$	-	\$ -	\$ - 1,000	\$ -
Intergovernmental		-	-	-	8,640,605	_
Charges for services		_	-	-	781,391	_
Miscellaneous		-	4,699	-	970,603	_
Total Revenues		-	4,699	-	10,393,599	-
EXPENDITURES Current:						
General government		-	- 0.171	-	-	-
Public safety Transportation		-	2,171	-	- 462,371	-
Capital outlays		_	383,093	-	14,698,750	-
Debt service:			303,073		14,070,730	
Principal		-	-	-	112,917	-
Interest		-	-	-	4,834	
Total Expenditures		-	385,264	-	15,278,872	
Excess of Revenues Over (Under) Expenditures		_	(380,565)	-	(4,885,273)	
OTHER FINANCING SOURCES (USES)						
Sale of capital assets		-	-	-	90,410	-
Transfers in Transfers out		-	-	40,000	16,144,700	-
Total Other Financing Sources (Uses)	-	<u> </u>		40,000	(7,111,668) 9,123,442	
Change in Fund Balance		-	(380,565)	40,000	4,238,169	-
Other Changes in Fund Balance Change in Accounting Principle		-	-	-	-	-
Fund Balance - beginning (restated)	3	5,196	394,219	72,980	3,660,021	(950)
Fund Balance - ending	\$ 3	5,196	13,654	\$ 112,980	\$ 7,898,190	\$ (950)

# City of Spokane, Washington Combining Statement of Revenues, Expenditures, and Changes in Fund Balance Non Major Capital Projects Funds For the Fiscal Year Ended December 31, 2015 Page 2 of 3

	Special Assessment Construction	Capital Improvements 2003 Streets	2004 UTGO Street Bonds	Capital Improvements 2008 Parks	Capital Improvements 1995
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Miscellaneous		8,610	49,709	1,910	
Total Revenues		8,610	49,709	1,910	
EXPENDITURES Current:					
General government	-	-	-	-	-
Public safety Transportation	-	912	18,080	-	-
Capital outlays	-	912	2,074,734	167,743	-
Debt service:			2,07 1,70 1	.0,,, .0	
Principal	-	-	-	-	-
Interest Total Expenditures		912	2,092,814	167,743	
Total Experiationes	<del>-</del>	712	2,072,014	167,743	<del>-</del> _
Excess of Revenues Over (Under) Expenditures		7,698	(2,043,105)	(165,833)	<u> </u>
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	=	-	=	=	-
Transfers in Transfers out	(369)	-	(658,061)	-	-
Total Other Financing Sources (Uses)	(369)	_	(658,061)	-	-
Change in Fund Balance	(369)	7,698	(2,701,166)	(165,833)	-
Other Changes in Fund Balance Change in Accounting Principle	-	-	-	-	-
Fund Balance - beginning (restated)	369	2,045,146	13,349,554	502,986	40,778
Fund Balance - ending	\$ -	\$ 2,052,844	\$ 10,648,388	\$ 337,153	\$ 40,778

# City of Spokane, Washington Combining Statement of Revenues, Expenditures, and Changes in Fund Balance Non Major Capital Projects Funds For the Fiscal Year Ended December 31, 2015 Page 3 of 3

	_									
		Capital Improvements 1999		Kendall Yards Tax Increment Financing		West Quadrant Tax Increment Financing		University District Local Revitalization		Total
REVENUES										
Taxes	\$	_	\$	92,802	\$	70,384	\$	38,079	\$	201,265
Licenses and permits	Ψ	_	Ψ	72,002	Ψ	70,004	Ψ	-	Ψ	1,000
Intergovernmental		_		_		-		_		8,640,605
Charges for services		-		-		-		-		781,391
Miscellaneous		667		-		-		-		1,036,198
Total Revenues		667		92,802		70,384		38,079		10,660,459
EXPENDITURES Current:										
General government		371		_		-		_		371
Public safety		-		-		-		_		2,171
Transportation		88		-		153		-		481,604
Capital outlays		2,006		-		_		15,000		17,341,326
Debt service:										
Principal		-		91,913		-		-		204,830
Interest		-		780		-		-		5,614
Total Expenditures		2,465		92,693		153		15,000		18,035,916
Excess of Revenues Over (Under)										
Expenditures	-	(1,798)		109		70,231		23,079		(7,375,457)
OTHER FINANCING SOURCES (USES) Sale of capital assets										90,410
Transfers in		-		-		-		-		16,184,700
Transfers out		_		_		_		_		(7,770,098)
Total Other Financing Sources (Uses)	_	-		-		-		-		8,505,012
Change in Fund Balance		(1,798)		109		70,231		23,079		1,129,555
Other Changes in Fund Balance Change in Accounting Principle		-		-		-		-		-
Fund Balance - beginning (restated)	_	201,597		69,753		286,461		60,527		20,718,637
Fund Balance - ending	\$	199,799	\$	69,862	\$	356,692	\$	83,606	\$	21,848,192

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Fire Improvement Fund For the Year Ended December 31, 2015

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
RESOURCES Miscellaneous	\$ - \$	; -	\$ 4,699	4,699
Total resources	 -	-	4,699	4,699
EXPENDITURES Public safety Capital outlays	 400,000	405,000	2,171 383,093	(2,171) 21,907
Total expenditures	 400,000	405,000	385,264	19,736
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(400,000)	(405,000)	(380,565)	24,435
Other Changes in Fund Balance				
Fund Balance - beginning Change in Accounting Principle	 394,219 -	394,219 -	394,219 -	<u>-</u>
Fund balance - beginning (restated)	 394,219	394,219	394,219	
Fund balance - ending	\$ (5,781) \$	(10,781)	\$ 13,654	24,435

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual General Capital Improvements Fund For the Year Ended December 31, 2015

		Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
EXPENDITURES Capital outlays	\$	113,000 \$	113,000	\$ - \$	113,000
Total expenditures	Ψ	113,000	113,000	<u>Ψ</u> Ψ	113,000
Excess resources over expenditures		(113,000)	(113,000)	-	113,000
OTHER FINANCING SOURCES (USES) Transfers in		40,000	40,000	40,000	<u>-</u>
Total other financing sources (uses)		40,000	40,000	40,000	
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		(73,000)	(73,000)	40,000	113,000
Other Changes in Fund Balance					
Fund Balance - beginning Change in Accounting Principle		72,980 -	72,980 -	72,980 -	- -
Fund balance - beginning (restated)		72,980	72,980	72,980	
Fund balance - ending	\$	(20) \$	(20)	\$ 112,980 \$	113,000

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Arterial Street Fund For the Year Ended December 31, 2015

	 			Variance with
	Original Budgeted Amount	Final Budget	Actual	Final Budget- Positive (Negative)
RESOURCES Licenses and permits Intergovernmental Charges for services Miscellaneous	\$ - \$ 19,531,797 888,100 5,095,263	- \$ 21,471,609 888,100 5,095,263	1,000 \$ 8,640,605 781,391 970,603	1,000 (12,831,004) (106,709) (4,124,660)
Total resources	 25,515,160	27,454,972	10,393,599	(17,061,373)
EXPENDITURES Transportation Capital outlays Principal Interest	920,331 27,234,503 - -	913,096 34,773,625 - -	462,371 14,698,750 112,917 4,834	450,725 20,074,875 (112,917) (4,834)
Total expenditures	28,154,834	35,686,721	15,278,872	20,407,849
Excess resources over expenditures	 (2,639,674)	(8,231,749)	(4,885,273)	3,346,476
OTHER FINANCING SOURCES (USES) Sale of capital assets Transfers in Transfers out	- 11,459,585 (9,204,242)	- 13,959,585 (7,106,801)	90,410 16,144,700 (7,111,668)	90,410 2,185,115 (4,867)
Total other financing sources (uses)	 2,255,343	6,852,784	9,123,442	2,270,658
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(384,331)	(1,378,965)	4,238,169	5,617,134
Other Changes in Fund Balance				
Fund Balance - beginning Change in Accounting Principle	 3,660,021	3,660,021 -	3,660,021	- -
Fund balance - beginning (restated)	 3,660,021	3,660,021	3,660,021	<u> </u>
Fund balance - ending	\$ 3,275,690 \$	2,281,056 \$	7,898,190 \$	5,617,134

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Special Assessment Construction For the Year Ended December 31, 2015

		Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
OTHER FINANCING SOURCES (USES) Proceeds of bonds issued Transfers out	\$	1,430,000 \$	1,430,000	\$ - \$ (369)	(1,430,000) (369)
Total other financing sources (uses)	_	1,430,000	1,430,000	(369)	(1,430,369)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		1,430,000	1,430,000	(369)	(1,430,369)
Other Changes in Fund Balance					
Fund Balance - beginning Change in Accounting Principle		369	369	369 -	- -
Fund balance - beginning (restated)		369	369	369	
Fund balance - ending	\$	1,430,369 \$	1,430,369	\$ - \$	(1,430,369)

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Capital Improvements 2003 Streets Fund For the Year Ended December 31, 2015

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
RESOURCES Miscellaneous	\$ 30,000	\$ 30,000	\$ 8,610 \$	(21,390)
Total resources	30,000	30,000	8,610	(21,390)
EXPENDITURES Transportation Capital outlays Total expenditures	 1,980,000 1,980,000	1,980,000	912 - 912	(912) 1,980,000 1,979,088
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(1,950,000)	(1,950,000)	7,698	1,957,698
Other Changes in Fund Balance				
Fund Balance - beginning Change in Accounting Principle	2,045,146	2,045,146	2,045,146	<u>-</u>
Fund balance - beginning (restated)	 2,045,146	2,045,146	2,045,146	
Fund balance - ending	\$ 95,146	\$ 95,146	\$ 2,052,844 \$	1,957,698

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual 2004 UTGO Street Bonds Fund For the Year Ended December 31, 2015

	_	Original Budgeted Amount		Final Budget		Actual		Variance with Final Budget- Positive (Negative)
RESOURCES	•	000.000	•	000.000	•	10.700	•	(050,001)
Miscellaneous	\$	300,000	\$	300,000	\$	49,709	\$	(250,291)
Total resources		300,000		300,000		49,709		(250,291)
EXPENDITURES Transportation Capital outlays		14,538,000		2,400 15,611,037		18,080 2,074,734		(15,680) 13,536,303
Total expenditures		14,538,000		15,613,437		2,092,814		13,520,623
Excess resources over expenditures		(14,238,000)		(15,313,437)		(2,043,105)		13,270,332
OTHER FINANCING SOURCES (USES) Transfers out		-		(183,401)		(658,061)		(474,660)
Total other financing sources (uses)		-		(183,401)		(658,061)		(474,660)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		(14,238,000)		(15,496,838)		(2,701,166)		12,795,672
Other Changes in Fund Balance								
Fund Balance - beginning Change in Accounting Principle		13,349,554		13,349,554		13,349,554		- -
Fund balance - beginning (restated)		13,349,554		13,349,554		13,349,554		
Fund balance - ending	\$	(888,446)	\$	(2,147,284)	\$	10,648,388	\$	12,795,672

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Capital Improvements 2008 Parks Fund For the Year Ended December 31, 2015

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
<b>RESOURCES</b> Miscellaneous	\$ - \$	- \$	1,910 \$	1,910
Total resources	 -	-	1,910	1,910
EXPENDITURES Capital outlays Total expenditures	 400,000 400,000	524,088 524,088	167,743 167,743	356,345 356,345
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(400,000)	(524,088)	(165,833)	358,255
Other Changes in Fund Balance				
Fund Balance - beginning Change in Accounting Principle	 502,986 -	502,986	502,986 -	<del>-</del>
Fund balance - beginning (restated)	 502,986	502,986	502,986	
Fund balance - ending	\$ 102,986 \$	(21,102) \$	337,153 \$	358,255

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Capital Improvements 1995 Fund For the Year Ended December 31, 2015

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
EXPENDITURES Capital outlays	\$ -	\$ 40,779	\$ -	\$ 40,779
Total expenditures	 -	40,779	-	40,779
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	-	(40,779)	-	40,779
Other Changes in Fund Balance				
Fund Balance - beginning Change in Accounting Principle	 40,778	40,778 -	40,778 -	<del>-</del>
Fund balance - beginning (restated)	 40,778	40,778	40,778	
Fund balance - ending	\$ 40,778	\$ (1)	\$ 40,778	\$ 40,779

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Capital Improvements 1999 Fund For the Year Ended December 31, 2015

		Original Budgeted Amount	Final Budget		Actual		Variance with Final Budget- Positive (Negative)
RESOURCES Miscellaneous	\$	- \$	_	\$	667	\$	667
Total resources	Ψ	- Ψ	-	Ψ	667	Ψ_	667
EXPENDITURES General government Transportation Capital outlays		- - 195,000	2,000 - 193,000		371 88 2,006		1,629 (88) 190,994
Total expenditures		195,000	195,000		2,465		192,535
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		(195,000)	(195,000)		(1,798)		193,202
Other Changes in Fund Balance							
Fund Balance - beginning Change in Accounting Principle		201,597	201,597		201,597		- -
Fund balance - beginning (restated)		201,597	201,597		201,597		<u> </u>
Fund balance - ending	\$	6,597 \$	6,597	\$	199,799	\$	193,202

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Kendall Yards Tax Increment Financing Fund For the Year Ended December 31, 2015

		Original Budgeted Amount		Final Budget		Actual		Variance with Final Budget- Positive (Negative)
RESOURCES Taxes	\$	48,500	\$	48,500	\$	92,802	\$	44,302
Total resources	Ψ	48,500	Ψ	48,500	Ψ	92,802	Ψ	44,302
EXPENDITURES Capital outlays Principal Interest		88,500 - -		39,405 48,687 408		91,913 780		39,405 (43,226) (372)
Total expenditures		88,500		88,500		92,693		(4,193)
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses		(40,000)		(40,000)		109		40,109
Other Changes in Fund Balance								
Fund Balance - beginning Change in Accounting Principle		69,753 -		69,753		69,753 -		- -
Fund balance - beginning (restated)		69,753		69,753		69,753		
Fund balance - ending	\$	29,753	\$	29,753	\$	69,862	\$	40,109

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual West Quadrant Tax Increment Financing Fund For the Year Ended December 31, 2015

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
RESOURCES Taxes	\$ 107,000	\$ 107,000	\$ 70,384 \$	(36,616)
Total resources	 107,000	107,000	70,384	(36,616)
EXPENDITURES Transportation Capital outlays Total expenditures	 337,000	340,551 340,551	153 - 153	(153) 340,551 340,398
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(230,000)	(233,551)	70,231	303,782
Other Changes in Fund Balance				
Fund Balance - beginning Change in Accounting Principle	 286,461	286,461	286,461	<u>-</u>
Fund balance - beginning (restated)	 286,461	286,461	286,461	
Fund balance - ending	\$ 56,461	\$ 52,910	\$ 356,692 \$	303,782

#### City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual University District Local Revitalization Fund For the Year Ended December 31, 2015

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget- Positive (Negative)
RESOURCES Taxes	\$ 24,000 \$	24,000 \$	38,079 \$	14,079
Total resources	 24,000	24,000	38,079	14,079
EXPENDITURES Capital outlays Total expenditures	 54,000 54,000	54,000 54,000	15,000 15,000	39,000 39,000
Excess (deficiency) of revenues and other sources over (under) expenditures and other uses	(30,000)	(30,000)	23,079	53,079
Other Changes in Fund Balance				
Fund Balance - beginning Change in Accounting Principle	 60,527 -	60,527	60,527 -	- 
Fund balance - beginning (restated)	 60,527	60,527	60,527	
Fund balance - ending	\$ 30,527 \$	30,527 \$	83,606 \$	53,079

## **Nonmajor**

## **Enterprise Funds**

Enterprise Funds account for any activity for which a fee is charged to external users for goods or services. If an activity's principal revenue source meets any one of the following criteria, it is required to be reported as an enterprise fund: (1) an activity financed with debt that is secured solely by pledge of the net revenues from fees and charges for the activity; (2) laws or regulations which require that the activity's costs of providing services, including capital costs, be recovered with fees and charges, rather than with taxes or similar revenues; or (3) pricing policies which establish fees and charges designed to recover the activity's costs, including capital costs.

The Nonmajor Enterprise Funds are described below:

#### **Golf Fund**

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.

### **Building Services Fund**

The Building Services Fund is responsible for ensuring compliance and enforcement of building codes within the City of Spokane.

### City of Spokane, Washington Combining Statement of Net Position Nonmajor Enterprise Funds December 31, 2015

	-				
		Golf	Building Services	Total	
ASSETS					
Current Assets:					
Cash and cash equivalents	\$	530,447 \$	866,936 \$	1,397,383	
Equity in pooled investments		499,729	1,536,445	2,036,174	
Accounts receivable		2,119	412,511	414,630	
Interest receivable  Due from other funds		288	713 73,352	1,001 73,352	
Interfund loan receivable		3,936	12,103	16,039	
Due from other governments		54	-	54	
Inventories		22,743	-	22,743	
Total current assets		1,059,316	2,902,060	3,961,376	
Restricted Assets:					
Revenue bond reserves:					
Equity in pooled investments, restricted		-	=	-	
Interest receivable, restricted Total restricted assets	-	-	=	=	
Total lesificied assets		-	-	-	
Noncurrent assets: Capital assets:					
Land		1,289,224	_	1,289,224	
Property, plant, and equipment		12,719,894	3.280.540	16,000,434	
Less accumulated depreciation		(7,704,260)	(3,027,531)	(10,731,791)	
Total capital assets		6,304,858	253,009	6,557,867	
Other noncurrent assets:					
Advances to other funds		31,507	96,871	128,378	
Total noncurrent assets		6,336,365	349,880	6,686,245	
Total Assets		7,395,681	2 251 040	10,647,621	
TOTAL ASSETS		7,373,001	3,251,940	10,047,021	
DEFERRED OUTFLOWS OF RESOURCES Pensions		173,128	1,396,230	1,569,358	
	-				
Total Assets Plus Deferred Outflows of Resources		7,568,809	4,648,170	12,216,979	
LIABILITIES					
Current Liabilities:		/1 /00	00.207	150.007	
Accounts payable Compensated absences		61,690 4.156	88,396 30,741	150,086 34,897	
Capital lease payable		40,772	-	40,772	
Due to other funds		12,790	174,460	187,250	
Other accrued liabilities		78,839	133,217	212,056	
Other current liabilities		80,211	21,277	101,488	
Total current liabilities		278,458	448,091	726,549	
Noncurrent Liabilities:					
General obligation bonds payable		453,713	-	453,713	
Compensated absences		115,032	408,700	523,732	
Noncurrent capital lease payable		131,220	-	131,220	
Net pension liability Total noncurrent liabilities		1,443,434 2,143,399	6,904,772 7,313,472	8,348,206 9,456,871	
Total Liabilities		2,421,857	7,761,563	10,183,420	
NET POSITION		E /70 150	0.63.000	E 020 1/1	
Net investments in capital assets Unrestricted		5,679,152 (532,200)	253,009 (3,366,402)	5,932,161 (3,898,602)	
Total Net Position	\$	5,146,952 \$	(3,113,393) \$	2,033,559	

# City of Spokane, Washington Combining Statement of Revenues, Expenses, and Changes in Net Position Nonmajor Enterprise Funds For the Fiscal Year Ended December 31, 2015

		Golf	Building Services	Total
OPERATING REVENUES Charges for goods and services	\$	3,146,044 \$	6,171,567 \$	9,317,611
Charges for goods and sorvices	Ψ	5,140,044 φ	0,171,507 φ	7,517,011
Total operating revenues		3,146,044	6,171,567	9,317,611
OPERATING EXPENSES				
Salaries and wages		1,115,572	3,185,774	4,301,346
Personnel benefits		363,037	1,100,928	1,463,965
Supplies		254,195	78,071	332,266
Other services and charges		1,306,501	1,597,877	2,904,378
Taxes		20,650	-	20,650
Depreciation/amortization		383,888	548,257	932,145
Total operating expenses		3,443,843	6,510,907	9,954,750
Operating income (loss)		(297,799)	(339,340)	(637,139)
NONOPERATING REVENUES (EXPENSES) Interest income Gain (loss) on disposition of fixed assets Other nonoperating revenue		2,035 1,800 (1,208)	8,258 - 26,171	10,293 1,800 24,963
Total nonoperating revenues (expenses)		2,627	34,429	37,056
Income (loss) before contributions and transfers		(295,172)	(304,911)	(600,083)
Transfers in		274.000	_	274.000
Transfers out		(22,690)	(6,972)	(29,662)
Change in Net Position		(43,862)	(311,883)	(355,745)
Net Position - beginning		6,418,290	2,502,152	8,920,442
Change in Accounting Principle		(1,227,476)	(5,303,662)	(6,531,138)
Net Position - beginning (restated)		5,190,814	(2,801,510)	2,389,304
Net Position - ending	\$	5,146,952 \$	(3,113,393) \$	2,033,559

### Combining Statement of Cash Flows Nonmajor Enterprise Funds For the Fiscal Year Ended December 31, 2015

	Golf	Building Services	Total
CASH FLOWS FROM OPERATING ACTIVITIES  Receipts from customers and users  Receipts from interfund services provided	\$ 3,272,884	\$ 6,018,779	\$ 9,291,663
Payments to suppliers for services Payments to employees Payment for taxes - city and state	(1,508,914) (203,886) (20,650)	(1,642,714) 1,245,171	(3,151,628) 1,041,285 (20,650)
Payments for interfund services received Other receipts (payments)	 (1,225,095)	(5,303,662)	(6,528,757)
Net cash provided (used) by operating activities	 314,339	317,574	631,913
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES Transfers in (out)	137,000	-	137,000
Net cash provided (used) by noncapital financing activities	 137,000		137,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES Proceeds from disposal of capital assets	1,800	-	1,800
Proceeds from loans, notes, and lease purchase payable Capital grants and contributions received	-	-	-
Acquisition and construction of capital assets Principal paid on revenue bonds	(331,887)	-	(331,887)
Principal paid on general obligation bonds Interest paid on revenue bonds Interest paid on general obligation bonds	171,992	-	171,992
Transfers in (out)	 114,310	(6,972)	107,338
Net cash provided (used) by capital and related financing activities	 (43,785)	(6,972)	(50,757)
CASH FLOWS FROM INVESTING ACTIVITIES	(010.04.1)	// (O.1)	(0.10.000)
Purchase of investments Proceeds from sales and maturities of investments Interest received	(913,244) 799,452 2,228	(6,684) - 8,044	(919,928) 799,452 10,272
Net cash provided (used) by investing activities	(111,564)	1,360	(110,204)
Net increase (decrease) in cash and cash equivalents	295,990	311,962	607,952
Cash and cash equivalents - January 1	 234,457	554,974	 789,431
Cash and cash equivalents - December 31	\$ 530,447	\$ 866,936	\$ 1,397,383
CASH FLOWS FROM OPERATING ACTIVITIES Operating Income (Loss)	\$ (297,799)	\$ (339,340)	\$ (637,139)
Adjustments to Reconcile Operating Income Depreciation	383,888	548,257	932,145
Prior period adjustment Change in accounting principle Other revenues	(1,227,476) (1,208)	(5,303,662) 26,171	(6,531,138) 24,963
Change in Assets: Decrease (Increase) Receivables, net of allowance Deposits with fiscal agents	112,529	(178,959)	(66,430)
Inventories Prepayments	13,381	-	13,381
Change in Deferred Outflows: Decrease (Increase) Change in Liabilities: Increase (Decrease)	(173,128)	(1,396,230)	(1,569,358)
Payables Change in Deferred Inflows: (Decrease)Increase	 1,504,152	6,961,337	8,465,489
Net Cash provided (used) by operating activities	\$ 314,339	\$ 317,574	\$ 631,913

### **Internal Service Funds**

Internal Service Funds account for City activities that provide goods and services to other City departments on a cost-reimbursement basis. Internal Service Funds are described below:

#### Fleet Services Fund

The Fleet Services Fund has the responsibility for the maintenance and repair of all City owned vehicles, except Fire department vehicles, and the procurement and disposal of said vehicles and equipment.

#### **Public Works and Utility Fund**

The Public Works and Utility Fund has the responsibility of accounting for the billing of the water, sewer, and refuse charges of its customers.

#### Information Technology Fund

The Information Technology Fund provides data processing services, telephone services, and centralized mailing for all departments of the City.

#### Reprographics Fund

The City of Spokane Reprographics provides duplication and printing services to all City Departments and includes management of the floor copiers in City Hall.

#### **Accounting Services Fund**

The Accounting Services Fund provides financial consulting, accounting, payroll, and purchasing services for all departments of the City.

#### **Risk Management**

The Risk Management Fund accounts for the payment of claims, insurance premiums and risk management administration.

#### Workers' Compensation Fund

The Workers' Compensation Fund accounts for funds received from other City departments for the payment of benefits provided by State law, insurance, safety programs for the City and administrative expenses of the fund.

#### **Unemployment Insurance Fund**

The Unemployment Compensation Fund accounts for the payment of unemployment insurance benefits and for the administrative expenses of the fund.

#### **Employee Benefits Fund**

The Employee Benefits Fund provides and administers all benefits for the employees of all departments of the City.

#### **Property Acquisition Fund**

The Property Acquisition Fund obtains financing, procures property, and services debt related to property for other City departments.

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#### City of Spokane, Washington Combining Statement of Net Position Internal Service Funds December 31, 2015 Page 1 of 2

	Fleet Services	Public Works and Utility	Information Technology	Reprographics	Accounting Services	Risk Management
ASSETS	-					
Current Assets:						
Cash and cash equivalents	\$ 2,158,726 \$	242,022 \$	5,021,387	\$ 63,664	\$ 271,181 \$	505,182
Deposits with fiscal agents	-	-	-	-	-	-
Equity in pooled investments	2,388,012	-	3,865,650	-	235,308	9,307,541
Accounts receivable	16,186	563,896	1,675	1,797	7,404	-
Interest receivable	1,108	-	1,794	-	109	4,319
Due from other funds	1,153,152	2,397,307	67,979	117,984	118,043	-
Interfund Ioan receivable	18,810	-	30,449	-	1,854	73,316
Due from other governments	10,688	-	-	-	-	-
Inventories	1,396,084	-	(71.050)	25,776	=	-
Prepayments Total current assets	7,142,766	3,203,225	(71,858) 8,917,076	209,221	633,899	9,890,358
	771.1277.00	0,200,220	3,7 1.7 ,0.7 3	207,221	000,0,,	,,0,0,000
Noncurrent assets:						
Capital assets:						
Land	-	-	-	-	-	-
Construction in progress	29,844,602	2,465,784	12,819,916	673,050	139,483	-
Property, plant, and equipment Infrastructure	27,044,002	2,403,704	2,708,490	6/3,030	137,403	-
Capitalized software	_		5,573,267	_	_	_
Less accumulated depreciation	(19,568,514)	(2,411,365)	(13,058,537)	(439,180)	(139,483)	_
Total capital assets	10,276,088	54,419	8,043,136	233,870	-	-
Ollege and a second sec						
Other noncurrent assets: Advances to other funds	150,561	-	243,725	-	14,836	586,829
Total noncurrent assets	10,426,649	54,419	8,286,861	233,870	14,836	586,829
Total Assets	17,569,415	3,257,644	17,203,937	443,091	648,735	10,477,187
<b>DEFERRED OUTFLOWS OF RESOURCES</b> Pensions	513,852	393,312	736,394	444,648	765,888	39,380
Total Assets plus Deferred Outflows of Resources	18,083,267	3,650,956	17,940,331	887,739	1,414,623	10,516,567
LIABILITIES						
Current liabilities: Accounts payable	414,687	287,214	262,123	1,215	28,628	2,598
Claims and judgements payable	414,007	207,214	202,123	1,213	20,020	7,568,000
Compensated absences	24,785	19,485	54,433	_	79,716	3,898
Due to other funds	149,061	2,241,654	5,398	153,150	6,324	40,007
Interfund Ioan payable	-	· · · · -	-	· -	· -	-
Due to other governments	-	-	-	-	-	-
Other accrued liabilities	107,447	55,680	143,765	7,668	113,414	2,093
Other current liabilities	42,206	366	51,297	-	-	131
Total curent liabilities	738,186	2,604,399	517,016	162,033	228,082	7,616,727
Noncurrent liabilities:						
Compensated absences	329,689	214,101	429,659	17,000	433,563	15,588
Net pension liability	4,833,159	3,176,056	6,926,323	458,245	7,203,740	121,880
Total noncurrent liabilities	5,162,848	3,390,157	7,355,982	475,245	7,637,303	137,468
Total Liabilities	5,901,034	5,994,556	7,872,998	637,278	7,865,385	7,754,195
Pensions	332,351	-	966,755	-	138,481	<u> </u>
Total Liabilities plus Deferred Inflows of Resources	6,233,385	5,994,556	8,839,753	637,278	8,003,866	7,754,195
NET POSITION						
NET POSITION  Net investments in capital assets	10.077.000	54.410	8,043,136	222 070		
Unrestricted	10,276,088 1,573,794	54,419 (2,398,019)	1,057,442	233,870 16,591	(6,589,243)	2,762,372
Total Net Position	\$ 11,849,882 \$	(2,343,600) \$	9,100,578	\$ 250,461	\$ (6,589,243) \$	2,762,372

#### City of Spokane, Washington Combining Statement of Net Position Internal Service Funds December 31, 2015 Page 2 of 2

	Workers' Compensation	Unemployment Insurance	Employee Benefits	Property Acquisition	Total
ASSETS	-				
Current Assets:					
Cash and cash equivalents	\$ 287,803	\$ 195,512	\$ 1,101,855	\$ 13,816,265	\$ 23,663,597
Deposits with fiscal agents	667,953	-	348,859	23,652	1,040,464
Equity in pooled investments	9,881,996	817,882	16,983,669	3,095,569	46,575,627
Accounts receivable	-	-	-	260,905	851,863
Interest receivable	4,634	379	7,881	1,436	21,660
Due from other funds		- 4 4 4 0	-	358,109	4,212,574
Interfund loan receivable	77,840	6,442	133,780	24,384	366,875
Due from other governments Inventories	-	-	-	-	10,688 1,421,860
Prepayments	-	-	-	-	(71,858)
Total current assets	10,920,226	1,020,215	18,576,044	17,580,320	78,093,350
Noncurrent assets:					
Capital assets:					
Land	-	_	_	6,529,698	6,529,698
Construction in progress	_	_	_	1,270,460	1,270,460
Property, plant, and equipment	6,535	-	-	11,348,517	57,297,887
Infrastructure	-	-	-	6,910,628	9,619,118
Capitalized software	-	-	-	-	5,573,267
Less accumulated depreciation	(6,535)	=	=	(1,644,873)	(37,268,487)
Total capital assets	-	-	-	24,414,430	43,021,943
Other noncurrent assets:					
Advances to other funds	623,048	51,566	1,070,800	195,172	2,936,537
Total noncurrent assets	623,048	51,566	1,070,800	24,609,602	45,958,480
Total Assets	11,543,274	1,071,781	19,646,844	42,189,922	124,051,830
<b>DEFERRED OUTFLOWS OF RESOURCES</b> Pensions	75,894	655	81,652	149,205	3,200,880
Total Assets plus Deferred Outflows of Resources	11,619,168	1,072,436	19,728,496	42,339,127	127,252,710
LIABILITIES					
Current liabilities:					
Accounts payable	442,609	92,012	594,491	649,843	2,775,420
Claims and judgements payable	8,251,000	=	2,081,788	=	17,900,788
Compensated absences	4,097	-	-	8,527	194,941
Due to other funds	25,945	-	1,691	71,186	2,694,416
Interfund Ioan payable	-	-	-	28,166,220	28,166,220
Due to other governments	15.044	-	- 10.1/0	110,525	110,525
Other accrued liabilities Other current liabilities	15,246	134	10,163	25,915 4,290	481,525
Total curent liabilities	8,738,897	92,146	10,104 2,698,237	29,036,506	108,394 52,432,229
	-,,,	,0	_,=, =,_=0,	.,,	,,,
Noncurrent liabilities:	50.500	101	20.072	17.070	1 5 (0 50 )
Compensated absences	52,528	126	30,062	47,278	1,569,594
Net pension liability Total noncurrent liabilities	713,839	6,158	561,382	1,403,380	25,404,162
rordi nonconem liabililes	766,367	6,284	591,444	1,450,658	26,973,756
Total Liabilities	9,505,264	98,430	3,289,681	30,487,164	79,405,985
Pensions	35,170	10,902	<u> </u>	907,743	2,391,402
Total Liabilities plus Deferred Inflows	0.540.424	100 222	2 200 701	21 204 007	01 707 207
of Resources	9,540,434	109,332	3,289,681	31,394,907	81,797,387
NET POSITION					
Net investments in capital assets	-	-	-	24,414,430	43,021,943
Unrestricted	2,078,734	963,104	16,438,815	(13,470,210)	2,433,380
Total Net Position	\$ 2,078,734	\$ 963,104	\$ 16,438,815	\$ 10,944,220	\$ 45,455,323

# City of Spokane, Washington Combining Statement of Revenues, Expenses, and Changes in Net Position Internal Service Funds For the Fiscal Year Ended December 31, 2015 Page 1 of 2

	Fleet Serv	ices	Public Works and Utility	Information Technology	Reprographics	Accounting Services	Risk Management
OPERATING REVENUES							
Charges for goods and services	\$ 12,016	,134 \$	5,057,885	\$ 10,308,892	\$ 616,236	\$ 4,289,725	\$ 5,996,445
Total operating revenues	12,016	,134	5,057,885	10,308,892	616,236	4,289,725	5,996,445
OPERATING EXPENSES							
Salaries and wages	2,201	,299	1,436,405	3,515,367	200,684	2,671,721	55,368
Personnel benefits	836	,846	513,601	1,180,442	89,928	953,723	14,253
Supplies	2,366	.531	415,548	237,899	83,710	45,929	39
Other services and charges	4,929		2,722,183	3,520,993	253,427	881,629	331,820
Taxes	.,, _,	-	158,550	-	3,150	-	-
Depreciation/amortization	2,063	410	29,650	1,517,655	38,225		
Risk transfer payments	2,000	,010	27,030	1,517,055	30,223		981.603
		-	-	-	-	-	,
Claims processing		-	-	-	-	-	286,525
Payments to claimants and beneficiaries	-	-	-	-	-	-	3,823,060
Total operating expenses	12,397	,857	5,275,937	9,972,356	669,124	4,553,002	5,492,668
Operating income (loss)	(381	,723)	(218,052)	336,536	(52,888)	(263,277)	503,777
NONOPERATING REVENUES (EXPENSES)							
Interest income	10	.722	(620)	17,354	_	1.036	39,318
Gain (loss) on disposition of fixed assets		.815	(3,986)	(22,409)	_	1,000	07,010
Interest expense		,010	(0,700)	(22,407)			
Other nonoperating revenue	107	,207	2,988	1,928	1,000	133,100	-
· •							
Total nonoperating revenues (expenses)	129	,744	(1,618)	(3,127)	1,000	134,136	39,318
Income (loss) before contributions and transfers	(251	,979)	(219,670)	333,409	(51,888)	(129,141)	543,095
Capital contributions	182	,111	-	62,727	-	-	-
Transfers in	54	,208	=.	51,935	-	-	-
Transfers out		,458)	(1,372)	(25,101)	-	(5,453)	(172)
Change in Net Position	(326	,118)	(221,042)	422,970	(51,888)	(134,594)	542,923
Not Position Indianing	16.684	247	565.945	15.628.773	302,349	100 0/71	2,298,333
Net Position - beginning	-,			-,	30∠,349	(92,067)	
Change in Accounting Principle Prior Period Adjustment	(4,508	,24/)	(2,688,503)	(6,951,165) -	-	(6,362,582)	(78,884)
Net Position - beginning (restated)	12,176	,000	(2,122,558)	8,677,608	302,349	(6,454,649)	2,219,449
0 01 ,					,	(-,-,-,-,	
Net Position - ending	\$ 11,849	,882 \$	(2,343,600)	\$ 9,100,578	\$ 250,461	\$ (6,589,243)	\$ 2,762,372

# City of Spokane, Washington Combining Statement of Revenues, Expenses, and Changes in Net Position Internal Service Funds For the Fiscal Year Ended December 31, 2015 Page 2 of 2

	Workers' Compensation	Unemployment Insurance	Employee Benefits	Property Acquisition	Total
OPERATING REVENUES					
Charges for goods and services	\$ 4,049,707	\$ 549,997 \$	34,957,995 \$	1,300,314 \$	79,143,330
Total operating revenues	4,049,707	549,997	34,957,995	1,300,314	79,143,330
OPERATING EXPENSES					
Salaries and wages	358,132	2,719	254,441	654,192	11,350,328
Personnel benefits	113,172	806	83,216	234,333	4,020,320
Supplies	12.046	-	5.065	635,236	3,802,003
Other services and charges	219,919	9,308	542.825	1,488,733	14,900,408
Taxes	,		,	468	162,168
Depreciation/amortization	_	_	_	634,671	4,283,811
Risk transfer payments	143,796		7,466,268	6,650	8,598,317
Claims processing	677.885	5,875	1,447,608	8,830	2,417,893
				=	
Payments to claimants and beneficiaries	4,019,057	439,994	24,777,242	-	33,059,353
Total operating expenses	5,544,007	458,702	34,576,665	3,654,283	82,594,601
Operating income (loss)	(1,494,300)	91,295	381,330	(2,353,969)	(3,451,271)
NONOPERATING REVENUES (EXPENSES)					
Interest income	49,050	3,740	76,164	13,914	210.678
Gain (loss) on disposition of fixed assets	47,030	3,7 40	70,104	14,110	(470)
Interest expense				(508,827)	(508,827)
	-	-	20 100		
Other nonoperating revenue	<del>-</del>	<u>-</u>	39,198	1,263,196	1,548,617
Total nonoperating revenues (expenses)	49,050	3,740	115,362	782,393	1,249,998
Income (loss) before contributions and transfers	(1,445,250)	95,035	496,692	(1,571,576)	(2,201,273)
Capital contributions	-	-	_	944.270	1,189,108
Transfers in	_	_	_	3,769,796	3,875,939
Transfers out	_	_	_	(31,167)	(373,723)
nunsiers our				(31,107)	(3/3,/23)
Change in Net Position	(1,445,250)	95,035	496,692	3,111,323	2,490,051
Net Position - beginning	4,175,918	884,291	16,405,196	9,949,844	66,802,829
Change in Accounting Principle	(651,934)	(16,222)	(463,073)	(2,120,277)	(23,840,887)
Prior Period Adjustment	(001,734)	(10,222)	(403,073) -	3,330	3,330
Net Position - beginning (restated)	3,523,984	868,069	15,942,123	7,832,897	42,965,272
Net Position - ending		\$ 963,104 \$	16,438,815 \$	10,944,220 \$	45,455,323
Men i osmon - enamy	\$ 2,078,734	φ 703,10 <del>4</del> \$	10,430,013 \$	10,744,220 \$	40,400,020

#### City of Spokane, Washington Combining Statement of Cash Flows Internal Service Funds For the Fiscal Year Ended December 31, 2015 Page 1 of 2

	Fleet Services		Public Works and Utility		Information Technology	Re	prographics	Accounting Services	M	Risk anagement
CASH FLOWS FROM OPERATING ACTIVITIES			did offiny		reciliology			Jei vices	7410	
Receipts from customers and users	\$ 11,993,952	\$	5,254,289	\$	10,310,999	\$	616,883	\$ 4,330,406	\$	5,996,609
Receipts from interfund services provided					-					
Payments to suppliers for services	(7,373,835)		(3,015,889)		(4,398,071)		(313,146)	(907,285)		(4,612,399)
Payments to employees	1,631,245		827,545		2,496,578		(275,778)	2,838,190		14,381
Payment for taxes - city and state	-		(158,550)		-		-	-		-
Payments for interfund services received							-			-
Other receipts (payments)	(4,508,247)		(2,688,503)		(6,951,165)		-	(6,362,582)		(78,884)
Net cash provided (used) by operating activities	1,743,115		218,892		1,458,341		27,959	(101,271)		1,319,707
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES Transfers in (out)			-					-		(172)
Net cash provided (used) by noncapital financing activities			_		_		_	-		(172)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES Proceeds from disposal of capital assets	252,876		(3,985)		-		-	-		-
Acquisition and construction of capital assets	(1,456,530)		6,164		(665,822)		-	-		-
Interest paid on capital leases	-		-		-		-	-		-
Interest paid on interfund loans	-		-		-		-	-		-
Transfers in (out)	(256,250)		(1,372)		-		-	(5,453)		
Net cash provided (used) by capital and related financing activities	(1,459,904)		807		(665,822)		-	(5,453)		
CASH FLOWS FROM INVESTING ACTIVITIES										
Purchase of investments	(10,246)		-		(16,817)		-	(300,994)		(4,036,636)
Proceeds from sales and maturities of investments	-		-				-	200,000		2,600,000
Interest received	10,246		(620)		16,817		-	998		37,600
Net cash provided (used) by investing activities	-		(620)		-		-	(99,996)		(1,399,036)
Net increase (decrease) in cash and cash equivalents	283,211		219,079		792,519		27,959	(206,720)		(79,501)
Cash and cash equivalents - January 1	1,875,515		22,943		4,228,868		35,705	477,901		584,683
Cash and cash equivalents - December 31	\$ 2,158,726	\$	242,022	\$	5,021,387	\$	63,664	\$ 271,181	\$	505,182
CASH FLOWS FROM OPERATING ACTIVITIES Operating Income (Loss)	(381,723)		(218,052)		336,536		(52,888)	(263,277)		503,777
Adjustments to Reconcile Operating Income										
Depreciation	2,063,610		29,650		1,517,655		38,225	-		-
Prior period adjustment/fund balance restatement			-		-		-	-		-
Change in accounting principle	(4,508,247)		(2,688,503)		(6,951,165)			(6,362,582)		(78,884)
Other revenues (expenses)	107,207		2,988		1,928		1,000	133,100		-
Change in Assets: Decrease (Increase)					-		-			
Receivables, net of allowance	(129,389)		193,430				(80,606)	(92,419)		164
Deposits with fiscal agents	-		-		178		-	-		-
Inventories	157,150		-		-		11,206	-		-
Prepayments	-		-		64,454		-	-		-
Change in Deferred Outflow: Decrease (Increase)	(513,852)		(393,312)		(736,394)		(444,648)	(765,888)		(39,380)
Change in Liabilities: Increase (Decrease)	4/1/000		2 202 701		/ 050 204		EEE /70	7 1 1 1 2 1 4		934,030
Payables  Change in Deferred Inflows: Increase (Decrease)	4,616,008 332,351		3,292,691		6,258,394 966,755		555,670	7,111,314 138,481		-
Net Cash provided (used) by operating activities	\$ 1,743,115	\$	218,892	s	1,458,341	\$	27,959	\$ (101,271)	s	1,319,707
F	,,	т.	,	•	,,	•	, ,	 ,,)	•	, ,
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES										
Contributions of capital assets	\$ 182,111	\$	-	\$	285,391	\$	-	\$ -	\$	

#### Combining Statement of Cash Flows Internal Service Funds For the Fiscal Year Ended December 31, 2015 Page 2 of 2

	Worke Compens		employment Insurance	Employee Benefits	Property Acquisition	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users Receipts from interfund services provided	\$ 4,06	8,777	\$ 549,997	\$ 34,997,200	\$ 2,035,722	\$ 80,154,834
Payments to suppliers for services	(4,530	),002)	(503,262)	(35,412,711)	(2,315,988)	(63,382,588)
Payments to employees	21	3,101	13,139	146,879	1,270,056	9,175,336
Payment for taxes - city and state		-	-	-	-	(158,550)
Payments for interfund services received Other receipts (payments)	1/51	,934)	(16,222)	(463,073)	(2,120,277)	(23,840,887)
Net cash provided (used) by operating activities		),058)	43,652	(731,705)	(1,130,487)	1,948,145
		,,,,,	,	( // /	(.,,	.,,,
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in (out)	-	-	-	-	795,000	794,828
Net cash provided (used) by noncapital financing activities		-	-		795,000	794,828
CASH FLOWS FROM CAPITAL AND RELATED FINANCING						
ACTIVITIES					14110	0/0.001
Proceeds from disposal of capital assets  Acquisition and construction of capital assets		-	-	-	14,110 (4,222,453)	263,001 (6,338,641)
Interest paid on capital leases		-	-	-	(4,222,433)	(0,330,041)
Interest paid on interfund loans		-	-	-	(508,827)	(508,827)
Transfers in (out)		-	-	-	2,943,629	2,680,554
Net cash provided (used) by capital and related financing activities		-	_	-	(1,773,541)	(3,903,913)
CASH FLOWS FROM INVESTING ACTIVITIES	10.51		(0. (. (0.)	4. 070 750		(0.000 (75)
Purchase of investments  Proceeds from sales and maturities of investments	(2,547	0,000	(3,642) 50,000	(1,073,758) 1,300,000	(13,465) 9,142,905	(8,003,475) 16,592,905
Interest received		7,917	3,642	73,898	13,485	203,983
Net cash provided (used) by investing activities		0,000	50,000	300,140	9,142,925	8,793,413
Net increase (decrease) in cash and cash equivalents	(100	),058)	93,652	(431,565)	7,033,897	7,632,473
Cash and cash equivalents - January 1	38	7,861	101,860	1,533,420	6,782,368	16,031,124
Cash and cash equivalents - December 31	\$ 28	7,803	\$ 195,512	\$ 1,101,855	\$ 13,816,265	\$ 23,663,597
CASH FLOWS FROM OPERATING ACTIVITIES						
Operating Income (Loss)	(1,494	1,300)	91,295	381,330	(2,353,969)	(3,451,271)
Adjustments to Reconcile Operating Income						
Depreciation		-	-	-	634,671	4,283,811
Prior period adjustment/fund balance restatement Change in accounting principle	(45)	- (934,	(16,222)	(463,073)	(2,120,277)	(23,840,887)
Other revenues (expense)	(00)	-	(10,222)	39,198	1,263,196	1,548,617
Change in Assets: Decrease (Increase)				21,2	.,,	.,,
Receivables, net of allowance		9,328	-	147	(504,136)	(603,481)
Deposits with fiscal agents		9,741	-	(140)	(23,652)	(13,873)
Inventories		-	-	-		168,356
Prepayments  Change in Deferred Outflows: Decrease (Increase)	175	- 5,894)	(655)	(81,652)	(149,205)	64,454 (3,200,880)
Change in Liabilities: Increase (Decrease)	(/ 5	,,074)	(055)	(01,032)	(147,200)	(3,200,000)
Payables	1,26	7,831	(41,668)	(607,515)	1,215,142	24,601,897
Change in Deferred Inflows: Increase (Decrease)	3	5,170	10,902	-	907,743	2,391,402
Net Cash provided (used) by operating activities	\$ (900	),058)	\$ 43,652	\$ (731,705)	\$ (1,130,487)	\$ 1,948,145
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES						
Contributions of capital assets	\$	-	\$ -	\$	\$ 1,137,683	\$ 1,605,185

## **Fiduciary Funds**

Fiduciary Funds account for assets held in a trustee or agent capacity for outside parties, including individuals, private organizations, and other governments.

#### **Pension Trust Funds**

Pension Trust Funds are used to report resources that are required to be held in trust by the City for the members and beneficiaries of defined benefit and defined contribution pension plans, including other employee benefit plans. The Pension Trust Funds are described below:

#### **Employees' Retirement Fund**

The Employees' Retirement Fund provides pension benefits for most non-uniformed employees. Major sources of revenues are from investment interest and employer and employee contributions.

#### Firefighters' Pension Fund

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.

#### Firefighters' OPEB Fund

The Firefighters' other post-employment benefit plans provide medical benefits to all firefighters who were hired prior to March 1, 1970. Firefighters hired on or after March 1, 1970, but before October 1, 1977, receive their pensions from the State of Washington and medical coverage from the City of Spokane. Firefighters hired after October 1, 1977, are not covered by these plans.

#### **Police Pension Fund**

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.

#### **Police OPEB Fund**

The Police other post-employment benefit plans provide medical benefits to all uniformed police who were hired prior to March 1, 1970. Police hired on or after March 1, 1970, but before October 1, 1977, receive their pensions from the State of Washington and medical coverage from the City of Spokane. Police hired after October 1, 1977, are not covered by these plans.

## **Agency Funds**

Agency Funds account for resources held by the City in a custodial capacity for other governments, private organizations, or individuals. The Agency Funds are described below:

#### **Parking and Business Improvement District Fund**

The Parking and Business Improvement District Fund accounts for monies received from the Downtown Spokane and Business Improvement Area special assessment levy and expenditures for improvements made in the downtown core area.

#### **Spokane Regional Transportation Council Fund**

The Spokane Regional Transportation Council Fund accounts for all monies received from the City, Spokane County, the State of Washington, and the Federal government for this purpose. Expenditures are made for approved planning and transportation projects.

#### **Transportation Benefit District Fund**

The Transportation Benefit District Fund is used to account for funds from vehicle fees collected by the State Department of Licensing pursuant to RCW 82.80.140, RCW 36.73.060 and Resolution 2011-0001 adopted by the City of Spokane Transportation Benefit District Governing Board. The fund will be used to pay for transportation improvements authorized pursuant to Chapter 36.73 RCW, Chapter 8.16 SMC and Resolution 2011-0001.

#### Salary Clearing Fund

The Salary Clearing Fund accounts for outstanding checks due to City employees

#### **Claims Clearing Fund**

The Claims Clearing Fund accounts for all outstanding checks of the City, other than checks due to City employees.

#### **Fiscal Agency Fund**

The Fiscal Agency Fund provides accounts for those monies budgeted and appropriated for the payment of bonds and coupons payable at either of the fiscal agencies of the State of Washington in Seattle, Washington or New York, New York. All payments of such bonds and coupons shall be charged against this fund.

#### City of Spokane, Washington Combining Statement of Plan Net Position Pension Funds December 31, 2015 Page 1 of 2

		Employees' Retirement	efighters' Pension	Firefighters' OPEB	Police Pension
ASSETS					
Cash	\$	2,604,311	\$ 787,281	\$ 738,257	\$ 430,396
Receivables:					
Interest and dividends		67,283	85,309	79,993	-
Taxes receivable Other receivables		-	- 1,717	- 1,611	158,553
Total Receivables		67,283	87,026	81,604	158,553
Investments and appropriate of fair value.				-	
Investments, noncurrent, at fair value: U.S. fixed income		29,941,022	13,423,337	12,587,459	_
International/global fixed income		11,374,469	726,076	680,863	_
U.S. equities		88,558,262	-	-	-
Real estate		18,008,159	-	-	-
International equities		45,490,549	-	-	-
Alternatives		76,069,796	-	-	-
Total investments, noncurrent		269,442,257	14,149,413	13,268,322	-
Capital assets:					
Software		352,980	36,925	34,625	52,470
Less accumulated depreciation/amortization		(70,596)	(7,385)	(6,925)	(10,494)
Total capital assets		282,384	29,540	27,700	41,976
Total Assets		272,396,235	15,053,260	14,115,883	630,925
LIABILITIES					
Current liabilities:					
Accounts/vouchers payable		51,409	7,606	99,811	-
Compensated absences		20,587	-	-	-
Other accrued liabilities Other current liabilities		10,243 12,705	1 571	1 472	15 050
Total current liabilities		94.944	1,571 9,177	1,473	15,859 15,859
Total conorn liabilities		, ,,, , , ,	,,,,,	101,201	10,007
Noncurrent liabilities:					
Total noncurrent liabilities		-	-	-	-
Total Liabilities		94,944	9,177	101,284	15,859
Total Deferred Inflows of Resources		-	-	-	<u>-</u>
Total Liabilities plus Deferred Inflows of Resources		94,944	9,177	101,284	15,859
NET POSITION					
Net assets held in trust for:					
Pension benefits		272,301,291	15,044,083	-	615,066
Postemployment benefits			-	14,014,599	
Total Net Position	\$	272,301,291	\$ 15,044,083	\$ 14,014,599	\$ 615,066
	_		 	 	 

#### City of Spokane, Washington Combining Statement of Plan Net Position Pension Funds December 31, 2015 Page 2 of 2

	Police OPEB	Total
ASSETS Cash	\$ -	\$ 4,560,245
Cusii	<b>-</b>	\$ 4,360,243
Receivables:		000 505
Interest and dividends Taxes receivable	- 41,447	232,585 200,000
Other receivables	1,568	
Total Receivables	43,015	437,481
Investments, noncurrent, at fair value:		
U.S. fixed income	_	55,951,818
International/global fixed income	-	12,781,408
U.S. equities	-	88,558,262
Real estate	-	18,008,159
International equities	-	45,490,549
Alternatives		76,069,796
Total investments, noncurrent		296,859,992
Capital assets:		
Software	-	477,000
Less accumulated depreciation/amortization		(95,400)
Total capital assets		381,600
Total Assets	43,015	302,239,318
LIABILITIES		
Current liabilities:		
Accounts/vouchers payable	43,015	201,841
Compensated absences	-	20,587
Other accrued liabilities	-	10,243
Other current liabilities Total current liabilities	43,015	31,608 264,279
	,	
Noncurrent liabilities:		
Total noncurrent liabilities		
Total Liabilities	43,015	264,279
Total Deferred Inflows of Resources		<u> </u>
Total Liabilities plus Deferred Inflows of Resources	43,015	264,279
NET POSITION		
Net assets held in trust for:		
Pension benefits	-	287,960,440
Postemployment benefits		14,014,599
Total Net Position	\$ -	\$ 301,975,039

# City of Spokane, Washington Combining Statement of Changes in Plan Net Position Pension Funds For the Fiscal Year Ended December 31, 2015 Page 1 of 2

	 Employees' Retirement	Firefighters' Pension	Firefighters' OPEB	Police Pension
ADDITIONS Contributions: Employer Plan members	\$ 7,398,945 7,402,905	\$ 2,080,093	\$ 2,637,475	\$ 734,966
Intergovernmental revenue Medicare retiree drug subsidy Miscellaneous	 	264,454 - 613	- 135,409 4,786	- - -
Totla Contributions Investment Income: Net increase in fair value of	 14,801,850	2,345,160	2,777,670	734,966
investments Interest and dividends Less: Investment expense	(8,167,829) 5,369,569 (430,179)	(164,890) 320,422 (39,162)	(159,481) 309,909 (39,161)	- - -
Net investment income (loss)	 (3,228,439)	116,370	111,267	-
Total Additions	 11,573,411	2,461,530	2,888,937	734,966
Pension Benefits Medical and dental benefits Pension refunds	23,959,198 - 637,822	1,306,840 - -	2,571,026	705,257 - -
Medical and dental administration Administrative expenses	- 447,921	30,577	253,485 47,731	- 27,666
Total Deductions	 25,044,941	1,337,417	2,872,242	732,923
Net Increase (Decrease)	(13,471,530)	1,124,113	16,695	2,043
Net Position - beginning	285,772,821	13,919,970	13,997,904	613,023
Change in Accounting Principle	 -	-	-	<u>-</u> .
Net Position - beginning (restated)	 285,772,821	13,919,970	13,997,904	613,023
Net Position - ending	\$ 272,301,291	\$ 15,044,083	\$ 14,014,599	\$ 615,066

# City of Spokane, Washington Combining Statement of Changes in Plan Net Position Pension Funds For the Fiscal Year Ended December 31, 2015 Page 2 of 2

	<u> </u>		
	Police OP	ЕВ	Total
ADDITIONS Contributions:			
Employer	\$ 2.640	.034 \$	15.491.513
Plan members	ψ 2,040		7,402,905
Intergovernmental revenue		_	264,454
Medicare retiree drug subsidy	88	,740	224,149
Miscellaneous	3	,762	9,161
Totla Contributions	2,732	.536	23,392,182
Investment Income:			
Net increase in fair value of			
investments		-	(8,492,200)
Interest and dividends		-	5,999,900
Less: Investment expense		-	(508,502)
Net investment income (loss)		-	(3,000,802)
Total Additions	2,732	,536	20,391,380
DEDUCTIONS			
Pension Benefits		-	25,971,295
Medical and dental benefits	2,476	,337	5,047,363
Pension refunds		-	637,822
Medical and dental administration	208		461,936
Administrative expenses	47	,748	601,643
Total Deductions	2,732	,536	32,720,059
Net Increase (Decrease)		-	(12,328,679)
Net Position - beginning		-	314,303,718
Change in Accounting Principle		-	
Net Position - beginning (restated)		-	314,303,718
Net Position - ending	\$	- \$	301,975,039

#### Combining Statement of Changes in Net Position Agency Funds For the Fiscal Year Ended December 31, 2015 Page 1 of 2

	Balance	e January 1, 2015	Additions		Deductions	Balanc	e December 31, 2015
Parking and Business Improvement District ASSETS	et						
Cash and equivalents  Due from other governments	\$	11,339 \$ 8,555	1,033,775	\$	1,018,462	\$	26,652 8,555
Total Assets	\$	19,894 \$	1,033,775	\$	1,018,462	\$	35,207
LIABILITIES							
Accounts/vouchers payable Due to other governments Accrued liabilities	\$	3,719 \$ 16,175	1,750 415	\$	3,719 8,260	\$	- 9,665 <b>4</b> 15
Other current liabilities		<u> </u>	25,127				25,127
Total Liabilities	\$	19,894 \$	27,292	\$	11,979	\$	35,207
Spokane Regional Transportation Counci	ı						
ASSETS	<u> </u>	420 125 ¢	1 / 40 010	¢	1 /22 724	¢	44/ 200
Cash and equivalents  Due from other governments	\$	439,135 \$	1,640,919	4	1,633,734	\$	446,320 1.092
Other receivables		-	1,040		-		1,040
Total Assets	\$	439,135 \$	1,642,011	\$	1,633,734	\$	448,452
LIABILITIES							
Accounts/vouchers payable	\$	- \$		\$	-	\$	
Due to other governments Other current liabilities		436,344 2,791	71,673 509		62,865		445,152 3,300
Total Liabilities	\$	439,135 \$	72,182	\$	62,865	\$	448,452
Transportation Benefit District							
Cash and equivalents Equity in pooled investments	\$	617,752 \$ 1,590,017	2,740,658 1,630,380	\$	2,303,835 1,662,072	\$	1,054,575 1,558,325
Due from other governments Interest and dividends		6,452	29,781 723		6,452		29,781 723
Other receivables		72,561	38,470		505		110,526
Total Assets	\$	2,286,782 \$	4,440,012	\$	3,972,864	\$	2,753,930
LIABILITIES							
Accounts/vouchers payable Due to other governments Other current liabilities	\$	126,229 \$ 2,160,553	122,729 344,419	\$	- - -	\$	248,958 2,504,972 -
Total Liabilities	\$	2,286,782 \$	467,148	\$	-	\$	2,753,930

#### Combining Statement of Changes in Net Position Agency Funds For the Fiscal Year Ended December 31, 2015 Page 2 of 2

	Balance	e January 1, 2015		Additions		Deductions	Balanc	e December 31, 2015
Salary Clearing ASSETS								
Cash and equivalents  Due from other governments	\$ \$	107,558 12	\$ \$	189,193,572 -	\$ \$	189,188,842 12	\$ \$	112,288 -
Other receivables  Total Assets	\$	107,570	\$	189,193,572	\$	189,188,854	\$	112,288
LIABILITIES Warrants payable Accounts/vouchers payable	\$	107,570	\$	9,412	\$	4,694	\$	112,288
Total Liabilities	\$	107,570	\$	9,412	\$	4,694	\$	112,288
Claims Clearing								
ASSETS Cash and equivalents Other receivables	\$	4,141,367	\$	-	\$	1,223,044	\$	2,918,323
Total Assets	\$	4,141,367	\$	=	\$	-	\$	2,918,323
LIABILITIES Warrants payable	\$	4,141,367	\$	(5,277)	\$	1,223,044	\$	2.913.046
Accounts/vouchers payable	Ψ —		•	5,277		-		5,277
Total Liabilities		4,141,367	\$	-	\$	1,223,044	\$	2,918,323
Fiscal Agency								
ASSETS Cash and equivalents	¢	5,000	\$	27,209,623	¢	27,209,623	\$	5,000
Total Assets	<u>\$</u> \$	5,000	\$	27,209,623	\$ \$	27,207,623	\$	5,000
LIABILITIES								
Other long-term liabilities	\$	5,000	\$	-	\$		\$	5,000
Total Liabilities		5,000	\$	-	\$	=	\$	5,000
Total - All Agency Funds								
ASSETS Cash and equivalents Equity in pooled investments Due from other governments Interest receivable	\$	5,322,151 1,590,017 15,019	\$	221,818,547 1,630,380 30,873 723	\$	222,577,540 1,662,072 6,464	\$	4,563,158 1,558,325 39,428 723
Other receivables  Total Assets	\$	72,561 6,999,748	\$	39,510 223,520,033	\$	505 224,246,581	\$	111,566 6,273,200
		277.13	-T		Т			5,2: 5,255
LIABILITIES Warrants payable Accounts/vouchers payable Due to other governments Other current liabilities	\$	4,248,937 129,948 2,613,072 2,791	\$	4,135 128,006 417,842 509	\$	1,227,738 3,719 71,125	\$	3,025,334 254,235 2,959,789 3,300
Other long-term liabilities  Total Liabilities	\$	5,000 6,999,748	\$	550,942	\$	1,302,582	\$	5,000 6,247,658
		-,,		, ,		,,,	-	-, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,

# **Statistical Section**

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#### **Statistical Section**

This section of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the City's financial performance and fiscal health has changed over time.

#### **Revenue Capacity**

These schedules contain information to help the reader assess the City's most significant revenue sources: property taxes and retail sales taxes.

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt, and the City's ability to issue additional debt in the future.

#### **Demographic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment in which the City's financial activities take place.

#### **Operating Information**

These schedules offer operating data to help the reader understand how the information in the City's financial report relates to the services it provides and the activities it performs.

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Financial Trends

Schedule 1 - Net Position by Component

Last Ten Fiscal Years (expressed in thousands)
(accrual basis of accounting)

						continued
		2015	2014	2013	2012	2011
GOVERNMENTAL ACTIVITIES  Net investment in capital assets	\$	1,317,123 \$	1,416,828 \$	1,433,814 \$	1,439,429 \$	1,440,486
Restricted	Ψ	138,153	73,800	73,990	89,631	100,547
Unrestricted		(35,751)	11,643	19,413	1,159	(3,362)
onlesincied	-	(33,731)	11,043	17,413	1,137	(3,362)
Total governmental activities net position		1,419,525	1,502,271	1,527,218	1,530,219	1,537,671
BUSINESS-TYPE ACTIVITIES						
Net investment in capital assets		441,064	611,627	601,683	610,788	584,615
Restricted <sup>1</sup>		198,484	-	-	13,471	14,632
Unrestricted		63,180	152,948	139,665	112,650	121,040
Total business-type activities net position		702,728	764,575	741,348	736,909	720,287
PRIMARY GOVERNMENT						
Net investment in capital assets		1,758,187	2,028,455	2,035,497	2,050,217	2,025,101
Restricted		336,637	73,800	73,990	103,102	115,179
Unrestricted		27,429	164,591	159,079	113,809	117,678
		0.100.050 #	0044044	0.040.547.	0.047.100	0.057.050
Total primary government net position	<u>\$</u>	2,122,253 \$	2,266,846 \$	2,268,567 \$	2,267,128 \$	2,257,958

<sup>&</sup>lt;sup>1</sup>No restriction of fund balance is necessary since the assets are restricted in 2013. Years 2004-2012 have not been restated.

Financial Trends

Schedule 1 - Net Position by Component

Last Ten Fiscal Years (expressed in thousands)
(accrual basis of accounting)

						concluded
		2010	2009	2008	2007	2006
GOVERNMENTAL ACTIVITIES	•	1 401 004 🐧	1 400 100 \$	1 (10 (00 \$	1,000,771, #	1 400 01 4
Net investment in capital assets	\$	1,421,894 \$	1,422,123 \$		1,398,671 \$	1,402,016
Restricted		15,165	10,258	9,536	28,468	37,751
Unrestricted	-	107,043	107,886	115,200	93,227	80,957
Total governmental activities net position		1,544,102	1,540,267	1,535,375	1,520,366	1,520,724
BUSINESS-TYPE ACTIVITIES						
Net investment in capital assets		530,846	500,752	463,217	436,018	382,864
Restricted <sup>1</sup>		32,148	23,704	24,591	25,372	31,914
Unrestricted		103,891	135,150	156,400	149,153	150,752
Total business-type activities net position		666,885	659,606	644,208	610,543	565,530
PRIMARY GOVERNMENT						
Net investment in capital assets		1,952,740	1,922,875	1,873,856	1,834,689	1,784,880
Restricted		47,313	33,962	34,127	53,840	69,665
Unrestricted		210,934	243,036	271,600	242,380	231,709
Total primary government net position	\$	2,210,987 \$	2,199,873 \$	2,179,583 \$	2,130,909 \$	2,086,254

<sup>&</sup>lt;sup>1</sup>No restriction of fund balance is necessary since the assets are restricted in 2013. Years 2004-2012 have not been restated.

Financial Trends

#### Schedule 2 - Changes in Net Position

Last Ten Fiscal Years (expressed in thousands) (accrual basis of accounting)

					continued
	2015	2014	2013	2012	2011
EXPENSES					
Governmental activities:					
General government	40,254 \$	24,501 \$	15,181 \$	28,092 \$	14,785
Judicial	3,987	4,212	6,700	7,451	6,947
Public safety	116,659	112,592	109,027	114,361	108,308
Utilities environment <sup>1</sup>		-	-	-	1,985
Transportation	49,442	46,604	48,666	42,310	48,458
Economic environment <sup>3</sup>	11,430	19,235	22,153	20,303	24,571
Social services <sup>3</sup>	8,817	99	118	497	105
Culture and recreation	32,032	31,201	29,133	37,314	30,365
Interest on long-term debt	8,876	7,358	7,995	8,342	8,770
Total governmental activities expenses	271,497	245,802	238,973	258,670	244,294
Business-type activities:					
Water/Sewer <sup>2</sup>	113,586	103,104	97,160	97,360	92,449
Solid Waste	68,143	75,335	74,174	73,192	67,941
Other business-type activities	9,897	8,851	8,607	6,722	6,651
Total business-type activities expenses	191,626	187,290	179,941	177,274	167,041
Total primary government expenses	463,123	433,092	418,914	435,944	411,335
PROGRAM REVENUES					
Governmental activities:	1417/ 6	10.400 €	14/07 6	1/750 6	11 /50
General government Judicial	14,176 \$ 3,160	12,498 \$ 4,257	14,697 \$ 5,645	16,753 \$ 7,385	11,653 4,007
Public safety	7,920	7,359	5,561	3,495	4,708
1	7,720	7,557	3,301	3,473	
Utilities environment <sup>1</sup> Transportation	- 827	- 1,221	2,500	- 421	637 3,199
_		•			•
Economic environment <sup>3</sup>	(6,769)	1,412	1,866	8,075	2,553
Social services <sup>3</sup>	2,348	414	282	(4,745)	129
Culture and recreation	17,267	3,565	1,472	3,382	2,968
Operating grants and contributions	14,957	11,286	16,159	19,280	16,762
Capital grants and contributions	9,584	10,232	7,269	11,296	18,335
Total governmental activities program	(0.470	50.044	FF 4F1	(5.240	/ / 051
revenues _	63,470	52,244	55,451	65,342	64,951
Business-type activities:					
Charges for services:					
Water/Sewer <sup>2</sup>	126,426	122,389	116,964	114,078	108,390
Solid Waste	59,655	69,409	68,986	67,308	70,944
Other business-type activities	9,344	7,871	9,172	6,617	6,140
Operating grants and contributions	100	859	-	-	
Capital grants and contributions	9,553	13,043	5,419	7,486	6,677
Total business-type activities program revenues	205,078	213,571	200,541	195,489	100 151
Total primary government program revenues	268,548 \$	265,815 \$	255,992 \$	260,831 \$	192,151 257,102
NET /EVDENSE\/DE\/ENITE					
NET (EXPENSE)/REVENUE	200 027	(102 FEO)	(102 FOO)	(102 200)	(179,343)
Governmental activities Business-type activities	208,027 (13,452)	(193,558) 26,281	(183,522) 20,600	(193,328) 18,215	25,110
Total primary government net expense	194,575 \$	(167,277) \$	(162,922) \$	(175,113) \$	(154,233)
1 Halilities any iron months reviewely algoritied as play	1/4,5/5 \$	[10/,Z//] \$	[104,/44] \$	(1/0,110) \$	(104,200)

<sup>&</sup>lt;sup>1</sup>Utilities environment previously classified as physical environment.

<sup>&</sup>lt;sup>2</sup>Water and Sewer merged in 2013. Prior years restated.

<sup>&</sup>lt;sup>3</sup>Human Services Grant Fund reclassified from economic environment to social services in 2015.

Financial Trends

#### Schedule 2 - Changes in Net Position

Last Ten Fiscal Years (expressed in thousands) (accrual basis of accounting)

							concluded
	2010	2009		2008	2007		2006
EXPENSES							
Governmental activities:							
General government	16,002 \$	15,036	\$	11,147 \$		\$	17,865
Judicial	6,810	6,777		6,640	5,909		5,467
Public safety	103,314	102,973		99,769	93,939		83,101
Utilities environment <sup>1</sup>	2,774 44,945	3,067		2,762	2,584		2,272
Transportation	•	47,564		39,221	37,481		35,168
Economic environment <sup>3</sup>	25,734	23,165		20,238	23,607		22,377
Social services <sup>3</sup>	93	93		83	95		82
Culture and recreation	25,852	25,378		25,125	21,276		20,140
Interest on long-term debt	7,921	8,758		8,201	6,588		5,227
Total governmental activities expenses	233,445	232,811		213,186	211,232		191,699
Business-type activities:							
Water/Sewer <sup>2</sup>	86,263	84,974		74,399	69,444		62,902
Solid Waste	77,426	71,101		68,911	63,682		61,767
Other business-type activities	6,480	6,530		6,747	7,508		6,800
Total business-type activities expenses	170,169	162,605	_	150,057	140,634		131,469
Total primary government expenses	403,614 \$	395,416	\$	363,243 \$	351,866	\$	323,168
PROGRAM REVENUES							
Governmental activities:	11 505 \$	11 271	¢.	0.045 \$	7.007	ď	0.071
General government Judicial	11,505 \$ 4,803	11,371 4,151	Ф	8,945 \$ 3,266	7,986 3,124	Ф	9,261 3,350
Public safety	4,556	5,942		5,867	5,191		5,475
Utilities environment <sup>1</sup>	482	165		73	139		118
Transportation	4,382	3,262		6,199	3,095		2,924
Economic environment <sup>3</sup>	759	1,087		1,172	642		111
Social services <sup>3</sup>		·		-			
Culture and recreation	57 3,187	123 3,377		104 3,644	108 3,637		101 3,586
Operating grants and contributions	20,640	20,170		14,802	12,647		16,812
Capital grants and contributions	20,860	23,121		15,416	10,069		9,414
Total governmental activities program	20,000	207.21		.0,	. 0,007		,,
revenues	71,231	72,769		59,488	46,638		51,152
During and the angular differen							
Business-type activities: Charges for services:							
Water/Sewer <sup>2</sup>	93,643	89,888		87,303	87,500		80,493
Solid Waste	71,918	70,411		68,680	70,054		67,287
Other business-type activities	6,301	6,028		6,172	6,972		7,453
Operating grants and contributions	804	249		928	191		736
Capital grants and contributions	5,927	7,476		15,014	11,725		18,410
Total business-type activities program							
revenues	178,593	174,052		178,097	176,442		174,379
Total primary government program revenues	249,824 \$	246,821	\$	237,585 \$	223,080	\$	225,531
NET (EXPENSE)/REVENUE							
Governmental activities	(162,214)	(160,042)		(153,698)	(164,594)		(140,547)
Business-type activities	8,424	11,447	đ	28,040	35,808	¢	42,910
Total primary government net expense	(153,790) \$	(148,595)	\$	(125,658) \$	(128,786)	<b>\</b>	(97,637)

<sup>&</sup>lt;sup>1</sup>Utilities environment previously classified as physical environment.

<sup>&</sup>lt;sup>2</sup>Water and Sewer merged in 2013. Prior years restated.

<sup>&</sup>lt;sup>3</sup>Human Services Grant Fund reclassified from economic environment to social services in 2015.

Financial Trends

Schedule 2 - Changes in Net Position

Last Ten Fiscal Years (expressed in thousands)
(accrual basis of accounting)

_						continued
	2015		2014	2013	2012	2011
GENERAL REVENUES & OTHER CHANGES IN NET POSITION						
Governmental activities:						
Property taxes Sales taxes Utility taxes Other taxes Interest and investment earnings Transfers Total governmental activities	68,893 50,176 59,521 15,933 6,335 7,155 208,013	\$	65,833 5 48,086 58,461 13,993 5,539 203 192,115	63,701 \$ 44,871 55,400 13,868 1,472 49 179,361	63,450 \$ 41,478 57,584 12,759 3,938 17 179,226	60,900 37,559 57,213 11,704 3,304 439 171,119
Business-type activities:						
Interest and investment earnings Transfers	1,259 (7,155)		646 (203)	(859) (49)	1,232 (17)	928 (439)
Total business-type activities  Total primary government	(5,896) 202,117	\$	443 192,558	(909) \$ 178,452 \$	1,215 180,441 \$	489 171,608
=	202/117	Ψ	1,72,000	γ 17 37 102 φ	φ	
CHANGE IN NET POSITION						
Governmental activities	(14)		(1,443)	(4,160)	(14,102)	(8,224)
Business-type activities	7,557		26,723	19,690	19,430	25,599
Total primary government	7,543	\$	25,280	\$ 15,531 \$	5,328 \$	17,375

Financial Trends

Schedule 2 - Changes in Net Position

Last Ten Fiscal Years (expressed in thousands)
(accrual basis of accounting)

<u>-</u>							C	concluded
	2010		2009		2008	2007		2006
GENERAL REVENUES & OTHER CHANGES IN NET POSITION								
Governmental activities:								
Property taxes Sales taxes Utility taxes Other taxes Interest and investment earnings Transfers Total governmental activities	57,616 36,990 52,716 13,144 5,655 (220) 165,901	\$	53,022 35,403 54,437 12,859 6,319 52 162,092	\$	48,873 \$ 37,999 53,204 14,241 10,019 10 164,346	53,472 31,797 46,884 15,228 9,304 (1,173) 155,512	\$	52,295 37,765 45,494 17,362 7,228 (38) 160,106
Business-type activities:								
Interest and investment earnings Transfers	1,816 220		2,007 (52)		6,409 (10)	8,071 1,1 <i>7</i> 3		7,291 38
Total business-type activities	2,036	_	1,955	_	6,399	9,244	_	7,329
Total primary government =	167,937	\$	164,047	\$	170,745 \$	164,756	\$	167,435
CHANGE IN NET POSITION								
Governmental activities	3,687		2,050		10,648	(9,082)		19,559
Business-type activities	10,460		13,402		34,439	45,052		50,239
Total primary government	14,147	\$	15,452	\$	45,087 \$	35,970	\$	69,798

Financial Trends

Schedule 3 -Fund Balance, Governmental Funds
Last Ten Fiscal Years (expressed in thousands)
(modified accrual basis of accounting)

						continued
	201	5	2014	2013	2012	2011
GENERAL FUND  Nonspendable Restricted Committed Assigned Unassigned	3	932 \$ 612 ,102 ,687 ,967	713 643 15,223 4,517 17,992	\$ 994 637 15,014 2,682 16,291	16,016 2 2,974	38 15,330 3,061
Reserved Unreserved		-	-		- 	
Total general fund	41	,300	39,088	35,618	38,510	35,288
ALL OTHER GOVERNMENTAL FUNDS  Nonspendable Restricted Committed Assigned Unassigned	137 13	,259 ,541 ,892 ,928	2,678 73,157 18,835 1,278	4,288 73,353 16,206 13,429	88,927 16,185	96,511 12,803
Reserved Unreserved		-	-	-	 	<u>-</u>
Total All Other Governmental Funds	164	,620	95,948	107,276	112,285	122,096
Total governmental funds	\$ 205	,920 \$	135,036	\$ 142,894	\$ 150,795	\$ 157,384

Financial Trends

Schedule 3 -Fund Balance, Governmental Funds
Last Ten Fiscal Years (expressed in thousands)
(modified accrual basis of accounting)

concluded

	 2010	2009	2008	2007	2006
GENERAL FUND					
Nonspendable	\$ N/A \$	N/A \$	N/A \$	N/A \$	N/A
Restricted	N/A	N/A	N/A	N/A	N/A
Committed	N/A	N/A	N/A	N/A	N/A
Assigned	N/A	N/A	N/A	N/A	N/A
Unassigned	N/A	N/A	N/A	N/A	N/A
Reserved	-	-	-	_	-
Unreserved	 36,766	35,991	35,528	33,581	19,458
Total general fund	 36,766	35,991	35,528	33,581	19,458
ALL OTHER GOVERNMENTAL FUNDS					
Nonspendable	N/A	N/A	N/A	N/A	N/A
Restricted	N/A	N/A	N/A	N/A	N/A
Committed	N/A	N/A	N/A	N/A	N/A
Assigned	N/A	N/A	N/A	N/A	N/A
Unassigned	N/A	N/A	N/A	N/A	N/A
Reserved	36,845	31,416	30,333	1,504	1,316
Unreserved	 101,635	86,810	130,099	106,973	72,324
Total All Other Governmental Funds	 138,480	118,226	160,432	108,477	73,640
Total governmental funds	\$ 175,246 \$	154,217 \$	195,960 \$	142,058 \$	93,098

Financial Trends

#### Schedule 4 -Changes in Fund Balance All Governmental Fund Types

Last Ten Fiscal Years (expressed in thousands) (modified accrual basis of accounting)

							continued
		2015	2014 Restated		2013	2012	2011
REVENUES							-
Taxes:							
Property taxes	\$	69,188 \$	65,714	\$	62,678 \$	63,262 \$	60,885
Sales taxes	-	50,176	48,086	•	44,871	41,478	35,806
Utility taxes		59,521	58,461		48,869	57,584	57,213
Other taxes		6,632	5,719		13,868	3,760	2,977
Total taxes		185,517	177,979		170,286	166,084	156,881
Licenses, permits, and fees		7,307	7,086		6,929	6,598	6,803
Intergovernmental		35,427	35,012		35,407	42,828	41,836
Charges for services		27,263	26,024		25,711	28,200	26,915
Fines and forfeitures		4,913	5,455		4,843	4,755	4,421
Miscellaneous		11,526	10,174		6,672	10,388	9,244
Total revenues		271,953	261,730		249,848	258,853	246,100
EXPENDITURES							
General government		39,414	38,295		30,566	32,089	27,082
Public safety		122,152	115,659		111,634	110,783	103,061
Utilities environment <sup>1</sup>		_	_		-	11,749	11,181
Transportation		26,207	25,875		27,778	20,594	18,931
Economic environment <sup>2</sup>		10,876	19,350		21,536	23,434	23,101
Social services <sup>2</sup>		8,783	100		118	108	105
Culture and recreation		24,964	24,862		23,257	24,918	23,816
Capital outlay		23,852	22,835		27,266	27,205	37,502
Debt service:							
Principal		6,035	14,882		11,135	11,183	10,938
Interest		8,876	7,219		7,762	8,416	8,747
Total expenditures		271,159	269,077		261,052	270,479	264,464
Excess revenues over (under) expenditures	-	794	(7,347)		(11,204)	(11,626)	(18,364)
OTHER FINANCING SOURCES (USES)							
Long term debt issued		60,070	_		_	_	_
Refunding debt issued		48,305					
Premium on debt issuance		7,508					
Sale of capital assets		210	651		2,316	6,148	3,194
Collection of revolving loans		-	-		-	-	_
Other nonrevenues		-	-		-	-	_
Premium on debt issuance		-	-		-	-	-
Payment to escrow agent for refunded debt		(49,778)					
Transfers in		42,250	41,724		33,529	36,487	39,583
Transfers out		(38,598)	(43,194)		(37,463)	(36,314)	(40,112)
Total other financing sources (uses)	-	69,967	(819)		(1,617)	6,321	2,665
OTHER CHANGES IN FUND BALANCE							
Prior period adjustment		123	420		33	(1,283)	(2,163)
Net change in fund balance	\$	70,884 \$	(7,746)	\$	(12,789) \$	(6,588) \$	(17,862)
Debt service as a percentage of noncapital expenditures (as restated)		6.42%	9.86%		8.79%	8.76%	9.50%

<sup>&</sup>lt;sup>1</sup>Utilities environment includes items previously classified as physical environment.

<sup>&</sup>lt;sup>2</sup>Human Services Grant Fund reclassified from economic environment to social services in 2015.

Financial Trends

#### Schedule 4 -Changes in Fund Balance All Governmental Fund Types

Last Ten Fiscal Years (expressed in thousands) (modified accrual basis of accounting)

						concluded
		2010	2009	2008	2007	2006
REVENUES						
Taxes:	¢.	C7 1 C/ ¢	F2 100 ¢	10 F70 ¢	F2 /24 ¢	FO 277
Property taxes	\$	57,156 \$ 35,298	53,120 \$	37.999	53,634 \$	52,377 37.099
Sales taxes			35,403		39,188	37,099 45,494
Utility taxes Other taxes		52,716 4,684	54,437 4,997	53,204 6,463	46,884 8,278	43,494 9,260
Total taxes		149,854	147,957	146,239	147,984	144,230
Licenses, permits, and fees		7,038	6,220	6,251	5.843	5,829
Intergovernmental		48,131	51,302	37,971	33,025	33,259
Charges for services		25,404	24,716	21,524	17,760	16,377
Fines and forfeitures		5,131	4,249	3,609	3,448	3,549
Miscellaneous		9,997	11,977	14.047	12,486	16,948
Total revenues		245,555	246,421	229,641	220,546	220,192
		2.0,000	2.0,.2.	227,011	220,010	2207.72
EXPENDITURES						
General government		28,890	24,798	22,265	20,520	19,275
Public safety		101,099	100,084	98,301	93,344	82,024
Utilities environment <sup>1</sup>		10,479	10,386	8,927	6,971	6,329
Transportation		18,565	19,357	20,689	17,361	15,424
Economic environment <sup>2</sup>		23,328	22,384	20,054	23,562	22,505
Social services <sup>2</sup>		107	107	83	95	95
Culture and recreation		22,515	22,629	20,994	19,779	18,844
Capital outlay		48,684	69,513	39,707	26,454	33,860
Debt service:		40,004	07,010	07,707	20,404	00,000
Principal Principal		11,838	11,208	13,729	28,920	14,613
Interest		7,447	8,276	6,935	5,435	5,543
Total expenditures		272,952	288,742	251,684	242,441	218,512
Excess revenues over (under) expenditures		(27,397)	(42,321)	(22,043)	(21,895)	1,680
OTHER FINANCING SOURCES (USES)						
Long term debt issued		45,070		43,900	60,508	403
Sale of capital assets		169	- 709	43,700 787	733	1,126
Collection of revolving loans		107	707	707	2.298	2,626
Other nonrevenues		_	9	_	2,270	2,020
Premium on debt issuance		922	-	745	_	_
Transfers in		42,232	44.413	48,555	37,665	39,794
Transfers out		(42,275)	(44,313)	(49,073)	(38,955)	(39,033)
Total other financing sources (uses)		46,118	818	44,914	62,249	4,916
• ,					·	
OTHER CHANGES IN FUND BALANCE						
Prior period adjustment		2,307	(239)	31,032	8,606	71
Net change in fund balance	\$	21,028 \$	(41,742) \$	53,903 \$	48,960 \$	6,667
Debt service as a percentage of noncapital						
expenditures (as restated)		9.41%	9.75%	10.80%	18.91%	12.25%

<sup>&</sup>lt;sup>1</sup>Utilities environment includes items previously classified as physical environment.

<sup>&</sup>lt;sup>2</sup>Human Services Grant Fund reclassified from economic environment to social services in 2015.

#### Schedule 5 - Governmental Activities Tax Revenue by Source

Last Ten Fiscal Years (expressed in thousand)

Function	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Property Taxes	69,187.2	65,713.2	63,117.3	63,262.2	60,885.0	57,156.1	53,120.1	48,572.9	53,634.0	52,377.0
Sales Taxes	50,176.4	48,085.6	44,870.9	41,702.8	35,806.6	35,297.9	35,403.3	37,998.9	39,187.8	37,099.0
Utility Taxes	59,977.8	59,198.2	58,055.9	57,584.0	57,212.8	52,716.2	54,436.6	53,204.4	46,883.5	45,494.4
Other Taxes	6,176.4	4,982.0	4,241.9	3,759.6	2,977.0	4,683.9	4,997.3	6,463.2	8,301.2	9,262.1
Total	185,517.8	177,979.0	170,286.0	166,308.6	156,881.4	149,854.1	147,957.3	146,239.4	148,006.5	144,232.5

Revenue Capacity

### Schedule 6 - Assessed and Estimated Value of Taxable Property

Last Ten Fiscal Years (expressed in thousands)

				(	continued
	 2015	2014	2013	2012	2011
Personal property - local	\$ 762,159 \$	754,285 \$	738,771 \$	714,758 \$	672,486
Personal property - state	606,618	584,821	549,624	486,363	363,389
Real property	18,131,310	17,471,665	16,983,134	17,060,441	16,937,286
Tax-exempt property	 (3,559,228)	(3,447,960)	(3,316,658)	(3,560,577)	(3,067,019)
Total taxable assessed value	15,940,859	15,362,811	14,954,871	14,700,985	14,906,142
Total direct tax rate	4.39	4.45	4.44	4.34	4.234
Estimated actual taxable value	20,540,024	19,868,954	19,274,215	19,365,207	19,365,426
Taxable assessed value as a percentage of estimated actual taxable value	77.61%	77.32%	77.59%	75.91%	76.97%

Revenue Capacity

Schedule 6 - Assessed and Estimated Value of Taxable Property
Last Ten Fiscal Years (expressed in thousands)

							C	oncluded	
	-	2010	2009	200	08	2007	,	2006	
Personal property - local	\$	692,099	\$ 658,905 \$	5	89,227 \$	539	9,384 \$	516,3	357
Personal property - state		337,284	316,273	3:	24,236	343	3,230	341,0	)50
Real property		17,154,091	17,445,605	17,2	64,752	16,07	1,112	14,064,2	278
Tax-exempt property		(2,989,137)	(2,880,946)	(2,82	9,612)	(2,565	,426)	(2,292,00	07)
Total taxable assessed value		15,194,337	15,539,837	15,3	48,603	14,388	3,300	12,629,6	578
Total direct tax rate		4.043	3.794		3.731	2	1.782	5.3	31 <i>7</i>
Estimated actual taxable value		19,507,724	19,919,234	19,3	77,100	18,287	7,335	17,077,8	858
Taxable assessed value as a percentage of estimated actual taxable value		77.89%	78.01%	7	9.21%	78	.68%	73.9	5%

Revenue Capacity

Schedule 7 - Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

				C	ontinued
	2015	2014	2013	2012	2011
CITY DIRECT RATES					
General Fund	3.083	3.150	2.651	2.556	2.490
EMS Fund	0.492	0.500	0.500	0.500	0.500
General Obligation Debt Service	0.222	0.240	0.910	0.918	0.888
UTGO 2015 Bond (Riverfront Park) <sup>1</sup>	0.148	0.110	N/A	N/A	N/A
Fire Pension	0.441	0.450	0.379	0.365	0.356
Total city direct rates	4.386	4.450	4.440	4.339	4.234
OVERLAPPING RATES					
State	2.100	2.264	2.373	2.445	2.346
County	1.471	1.505	1.349	1.346	1.279
School District	5.972	6.018	6.037	6.065	5.906
Total overlapping rates	9.543	9.787	9.759	9.856	9.531
Total property tax rate (as restated)	13.929	14.237	14.199	14.195	13.765

<sup>&</sup>lt;sup>1</sup>In January 2015, the City issued \$55.7 million in unlimited tax general obligation bonds (UTGO Series 2015). The bonds, which were approved by the voters on November 04, 2014, are being used to finance improvements to Riverfront Park and the Parks system.

Revenue Capacity **Schedule 7 - Direct and Overlapping Property Tax Rates**Last Ten Fiscal Years

				co	oncluded
	2010	2009	2008	2007	2006
CITY DIRECT RATES					
General Fund	2.376	2.271	2.262	2.347	2.832
EMS Fund	0.500	0.324	0.360	0.373	0.411
General Obligation Debt Service	0.828	0.791	0.849	0.676	1.089
UTGO 2015 Bond (Riverfront Park) <sup>1</sup>	N/A	N/A	N/A	N/A	N/A
Fire Pension	0.339	0.361	0.323	0.335	0.450
Total city direct rates	4.043	3.747	3.794	3.731	4.782
OVERLAPPING RATES					
State	2.241	2.002	1.898	1.929	2.194
County	1.239	1.198	1.191	1.226	1.361
School District	5.654	4.824	4.342	4.211	4.739
Total overlapping rates	9.134	8.024	7.431	7.366	8.294
Total property tax rate (as restated)	13.177	11.771	11.225	11.097	13.076

<sup>&</sup>lt;sup>1</sup>In January 2015, the City issued \$55.7 million in unlimited tax general obligation bonds (UTGO Series 2015). The bonds, which were approved by the voters on November 04, 2014, are being used to finance improvements to Riverfront Park and the Parks system.

Revenue Capacity **Schedule 8 - Principal Property Tax Taxpayers**Current Fiscal Year and Nine Years Ago

	15		2006							
Tax Payer		Tax Assessed Valuation	Rank	Percent of Total Tax Assessed Valuation	Tax Payer		Tax Assessed Valuation	Rank	Percent of Total Tax Assessed Valuation	
Avista Corporation	\$	288,150,888	1	1.81%	Avista Corporation	\$	180,541,457	1	1.50%	
Harlan D Douglass		153,530,989	2	0.96%	Northtown Mall		113,028,300	2	0.94%	
Spokane Washington Hospital Co LLC		115,513,335	3	0.72%	Harlan D Douglass		86,959,924	3	0.72%	
Cedar Chateau/Creek/Springs Property		99,521,727	4	0.62%	Qwest Corporation		78,701,219	4	0.66%	
Hollister Stier Labs LLC		87,755,106	5	0.55%	Sacred Heart Medical Center		73,574,735	5	0.61%	
Northtown Mall		78,625,700	6	0.49%	Cowles Publishing		61,235,103	6	0.51%	
Providence Health & Services		74,334,505	7	0.47%	Inland Western Spokane Northpoint		41,983,500	7	0.35%	
River Park Square LLC		62,135,063	8	0.39%	First States Investors 500A, LLC		34,307,160	8	0.29%	
Davenport Hotel/Tower		58,975,053	9	0.37%	Comcast of PA/WA/WV LP		25,251,985	9	0.21%	
Qwest Corporation		57,406,649	10	0.36%	Waterford on South Hill		24,904,774	10	0.21%	
Total	\$	1,075,949,015		6.74%		\$	720,488,157		6.00%	

Spokane Assessed Valuation

2015\$ 15,940,858,000

2006 \$ 12,002,000,392

Sources: Spokane County Assessor, Spokane County

## Schedule 9 - Property Tax Levies and Collection Percentage

Last Ten Fiscal Years (expressed in thousands)

				C	ontinued
	2015	2014	2013	2012	2011
COLLECTED WITHIN THE FIRST YEAR OF THE LEVY					
Tax levied	\$ 68,271 \$	65,825 \$	63,217 \$	63,760 \$	61,057
Amount collected	 66,766	64,269	61,448	61,980	58,945
Uncollected taxes in the levy year	1,505	1,556	1,769	1,780	2,112
Percentage collected in the first year	97.80%	97.64%	97.20%	97.21%	96.54%
TOTAL COLLECTIONS					
Previously delinquent taxes collected	1,527	1,406	1,840	1,032	1,977
Total property tax collected	 68,293	65,675	63,288	63,012	60,922
Total tax collected as a percentage of the current year $\mbox{levy}^{\mbox{\scriptsize 1}}$	 100.03%	99.77%	100.11%	98.83%	99.78%

<sup>&</sup>lt;sup>1</sup>If the collection of delinquent taxes from earlier years exceeded the current year's delinquent taxes, the percentage collected may exceed 100%.

### Schedule 9 - Property Tax Levies and Collection Percentage

Last Ten Fiscal Years (expressed in thousands)

				CC	ncluded
	2010	2009	2008	2007	2006
COLLECTED WITHIN THE FIRST YEAR OF THE LEVY					
Tax levied	\$ 57,830 \$	58,007 \$	53,435 \$	59,945 \$	57,261
Amount collected	55,783	56,164	51,490	57,864	55,696
Uncollected taxes in the levy year	2,047	1,843	1,945	2,081	1,565
Percentage collected in the first year	96.46%	96.82%	96.36%	96.53%	97.27%
TOTAL COLLECTIONS					
Previously delinquent taxes collected	1,572	1,795	1,226	1,814	1,430
Total property tax collected	57,355	57,959	52,716	59,678	57,126
Total tax collected as a percentage of the current year $\mbox{levy}^1$	99.18%	99.92%	98.65%	99.55%	99.76%

<sup>&</sup>lt;sup>1</sup>If the collection of delinquent taxes from earlier years exceeded the current year's delinquent taxes, the percentage collected may exceed 100%.

# Schedule 10 - Sales Subject to Retail Sales Tax by Industry<sup>1</sup> Last Ten Fiscal Years (expressed in thousands)

				(	continued
	2015	2014	2013	2012	2011
Retail Trade: Building materials, garden equipment and supplies General Merchandise stores Motor vehicles and parts All other retail sales	\$ 245,650 \$ 423,344 401,872 1,065,331	219,721 \$ 403,410 375,918 1,029,965	203,601 \$ 392,777 347,394 997,751	188,568 \$ 413,007 324,422 936,204	186,186 405,991 274,396 903,536
Total retail sales	2,136,197	2,029,014	1,941,524	1,862,201	1,770,109
Construction	594,244	611,426	494,080	409,609	361,236
Accommodations and food service	609,583	554,329	522,202	502,990	462,938
Wholesale trade	362,307	360,821	344,160	341,303	312,034
Information	220,662	206,846	198,120	190,046	183,236
Manufacturing	86,774	85,098	78,211	77,005	77,339
All other industries	 566,129	531,172	525,231	497,142	464,039
Total sales subject to retail sales tax	\$ 4,575,896 \$	4,378,706 \$	4,103,528 \$	3,880,296 \$	3,630,931
Direct sales tax rate as restated <sup>2</sup>	6.5%	6.5%	6.5%	6.5%	6.5%

<sup>&</sup>lt;sup>1</sup> Industry classifications are based on North American Industry Classification System (NAICS) codes.

 $<sup>^2</sup>$  State tax rate only; excludes local sales tax rate.

# Schedule 10 - Sales Subject to Retail Sales Tax by Industry<sup>1</sup> Last Ten Fiscal Years (expressed in thousands)

				C	oncluded
	 2010	2009	2008	2007	2006
Retail Trade: Building materials, garden equipment and supplies General Merchandise stores Motor vehicles and parts All other retail sales	\$ 195,160 \$ 419,941 272,287 923,448	188,667 \$ 426,161 271,213 918,129	202,485 \$ 415,141 293,139 971,117	182,456 \$ 375,609 333,620 1,013,997	176,532 368,010 321,940 971,493
Total retail sales	1,810,836	1,804,170	1,881,882	1,905,682	1,837,975
Construction	354,745	398,715	473,291	521,303	503,590
Accommodations and food service	448,952	430,306	441,019	431,004	400,000
Wholesale trade	312,464	326,271	355,355	396,584	370,131
Information	173,360	182,296	188,889	174,437	167,697
Manufacturing	77,810	83,845	96,459	82,511	83,544
All other industries	 496,613	490,181	482,707	492,339	474,056
Total sales subject to retail sales tax	\$ 3,674,780 \$	3,715,784 \$	3,919,602 \$	4,003,860 \$	3,836,993
Direct sales tax rate as restated <sup>2</sup>	6.5%	6.5%	6.5%	6.5%	6.5%

<sup>&</sup>lt;sup>1</sup> Industry classifications are based on North American Industry Classification System (NAICS) codes.

<sup>2</sup> State tax rate only; excludes local sales tax rate.

Revenue Capacity
Schedule 11 - Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

				С	ontinued
	2015	2014	2013	2012	2011
SALES TAX RATES					
State	6.5000	6.5000	6.5000	6.5000	6.5000
City direct	0.8763	0.8761	0.8743	0.8766	0.8766
County	0.5412	0.5372	0.5411	0.5411	0.5413
Spokane Transit	0.5940	0.5940	0.5940	0.5940	0.5940
Department of Revenue Administration	0.0210	0.0210	0.0210	0.0210	0.0210
Other Cities	0.0685	0.0727	0.0706	0.0683	0.0681
Public Facilities District	0.0990	0.0990	0.0990	0.0990	0.0990
Total sales tax rate	8.7000	8.7000	8.7000	8.7000	8.7000

## COMPONENTS OF CURRENT YEAR SALES TAX RATE

State	6.500
Local <sup>1</sup>	1.000
Public Safety	0.100
Criminal Justice	0.100
Spokane Transit	0.600
Juvenile Detention and Facilities	0.100
Public Facilities District	0.100
Mental Health	0.100
Emergency Communications and Equipment	0.100
Total	8.700

<sup>&</sup>lt;sup>1</sup> Taxable retail sales based upon Local .05-1.00% county/city sales tax collections per RCW 82.14.030.

Source: Washington State Department of Revenue Sales Tax Distribution Summary

Revenue Capacity
Schedule 11 - Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

				C	oncluded
	2010	2009	2008	2007	2006
SALES TAX RATES					
State	6.5000	6.5000	6.5000	6.5000	6.5000
City direct	0.8765	0.8918	0.8922	0.8927	0.8930
County	0.5415	0.5412	0.5408	0.4414	0.4413
Spokane Transit	0.5940	0.5940	0.5940	0.5940	0.5940
Department of Revenue Administration	0.0210	0.0210	0.0210	0.0200	0.0200
Other Cities	0.0681	0.0530	0.0530	0.0528	0.0527
Public Facilities District	0.0990	0.0990	0.0990	0.0990	0.0990
Total sales tax rate	8.7001	8.7000	8.7000	8.5999	8.6000

 $<sup>^{1}</sup>$ Taxable retail sales based upon Local .05-1.00% county/city sales tax collections per RCW 82.14.030.

Source: Washington State Department of Revenue Sales Tax Distribution Summary

Revenue Capacity

Schedule 12 - Number of Retail Sales Taxpayers by Industry<sup>1</sup>

Current Fiscal Year and Nine Years Ago

	2015		2006							
Industry	Number of Rank Total Businesses Businesses		Industry	Number of Businesses	Rank	Percent of Total Businesses				
Retail trade	6,394	1	32%	Retail trade	3,547	1	27%			
Wholesale trade	3,132	2	16%	Construction	2,417	2	18%			
Construction	2,710	3	14%	Wholesale trade	1,958	3	15%			
All other industries <sup>3</sup>	1,567	4	8%	Other services <sup>2</sup>	1,046	4	8%			
Manufacturing	1,404	5	7%	Management, education, and health services	1,036	5	8%			
Management, education, and health services	1,375	6	7%	Professional, scientific, and technical services	756	6	6%			
Professional, scientific, and technical services	1,282	7	6%	Accommodations and food services	574	7	4%			
Other services <sup>2</sup>	1,095	8	6%	Manufacturing	585	8	4%			
Accommodations and food services	675	9	3%	All other industries <sup>3</sup>	1,223	9	9%			
Arts, entertainment, and recreation	271	10	1%	Arts, entertainment, and recreation	129	10	1%			
Total	19,905		100%		13,271		100%			

 $<sup>^{</sup>m 1}$  Industry classifications are based on North American Industry Classification System (NAICS) codes.

Source: Washington State Department of Revenue

<sup>&</sup>lt;sup>2</sup>Other services consist of repair and maintenance, personal service, and religious, civic, and other organizations.

<sup>&</sup>lt;sup>3</sup> All other industries include real estate and rental leasing, transportation and warehousing, and information.

**Debt Capacity** 

## Schedule 13 - Ratios of Outstanding Debt by Type<sup>1</sup>

Last Ten Fiscal Years (expressed in thousands except per capita)

				(	continued
	 2015	2014 Restated	2013	2012	2011
Governmental Activities <sup>1</sup> General obligation bonds Special assessment bonds Revitalization areas Public Works Trust Fund loans Promissory notes	\$ 195,226 S 250 3,571 854 325	480 1,383 967 325	152,990 \$ 640 - 1,080 325	163,590 \$ 965 - 1,290 325	174,120 1,370 - 1,538 325
Total governmental activities debt	200,226	141,111	155,035	166,170	177,353
Business-Type Activities <sup>1</sup> General obligation bonds Golf revenue bond Solid Waste revenue bond Water/Wastewate revenue bond Public Works Trust Fund loans/state revolving loans <sup>5</sup> Capital leases	454 - - 195,042 35,950 172	454 - - 200,937 20,345 -	454 - - - - 10,179 -	454 520 - - 22,335	454 1,005 - - 11,561
Total business-type activities debt	 231,618	221,736	10,633	23,309	13,020
Total primary government debt	\$ 431,844	\$ 362,847 \$	165,668 \$	189,479 \$	190,373
Debt Ratios					
<b>Total Primary Government</b> Ratio of total debt to personal income <sup>2</sup> Total debt per capita <sup>3</sup>	N/A 2,026	1.74% 1,712	0.81% 785	0.96% 847	1.12% 908
General Bond Debt Ratio of general bonded debt to taxable value of property <sup>4</sup> General bonded debt per capita <sup>3</sup>	1.22% 916	0.90% 651	1.02% 725	1.11% 779	1.17% 833

<sup>&</sup>lt;sup>1</sup> Refer to Note 9 for long-term liability activity.

 $<sup>^{2}</sup>$  Personal income data can be found in Schedule 16.

<sup>&</sup>lt;sup>3</sup> Population data can be found in Schedule 17.

<sup>&</sup>lt;sup>4</sup> Taxable value of property can be found in Schedule 5.

<sup>&</sup>lt;sup>5</sup> Previously reported sewer state revolving loans combined with public works trust fund loans (renamed)

**Debt Capacity** 

## Schedule 13 - Ratios of Outstanding Debt by Type 1

Last Ten Fiscal Years (expressed in thousands except per capita)

				C	oncluded
	 2010	2009	2008	2007	2006
Governmental Activities <sup>1</sup> General obligation bonds Special assessment bonds	\$ 184,335 \$ 1,845	150,175 \$ 2,525	160,590 \$ 3,070	130,290 \$ 3,905	99,080 4,683
Revitalization areas Public Works Trust Fund Ioans Promissory notes	1,787 325	2,035 325	2,283 325	1,578 325	1,848 325
Total governmental activities debt	188,292	155,060	166,268	136,098	105,936
Business-Type Activities <sup>1</sup> General obligation bonds Golf revenue bond	454 1,465	454 1,905	454 2,320	454 2,715	454 3,095
Solid Waste revenue bond Water/Wastewate revenue bond	8,260 -	23,985	38,935 -	50,150	70,755 -
Public Works Trust Fund Ioans/state revolving Ioans <sup>5</sup> Capital leases	12,941 -	13,123	13,982 22	14,348 44	13,480 64
Total business-type activities debt	 23,120	39,467	55,713	67,711	87,848
Total primary government debt	\$ 211,412 \$	194,527 \$	221,981 \$	203,809 \$	193,784
Debt Ratios					
<b>Total Primary Government</b> Ratio of total debt to personal income <sup>2</sup> Total debt per capita <sup>3</sup>	1.29% 1,020	1.20% 944	1.38% 1,084	1.33% 1,002	1.37% 959
<b>General Bond Debt</b> Ratio of general bonded debt to taxable value of property <sup>4</sup> General bonded debt per capita <sup>3</sup>	1.21% 891	0.97% 729	1.05% 787	0.91% 642	0.78% 490

<sup>&</sup>lt;sup>1</sup> Refer to Note 9 for long-term liability activity.

<sup>2</sup> Personal income data can be found in Schedule 16.

 $<sup>^{3}</sup>$  Population data can be found in Schedule 17.

<sup>&</sup>lt;sup>4</sup> Taxable value of property can be found in Schedule 5.

<sup>&</sup>lt;sup>5</sup> Previously reported sewer state revolving loans combined with public works trust fund loans (renamed)

Debt Capacity

Schedule 14 - Legal Debt Margin Information
Last Ten Fiscal Years (expressed in thousands)

						continued
	2015	2014		2013	2012	2011
LEGAL DEBT LIMIT CALCULATION						
Tax assessed value of property <sup>1</sup> 7.5% debt limit	\$ 15,940,859 3 7.50%	\$ 15,362,8 7.50		14,954,871 7.50%	\$ 14,700,985 7.50%	\$ 14,906,142 7.50%
Debt service limitation	1,195,564	1,152,2	1	1,121,615	1,102,574	1,117,961
Debt applicable to the limit <sup>2</sup> :						
General obligation bonds	195,680	137,9		152,990	163,590	174,120
Promissory notes Compensated absences	325	3: 17,4	25	325 15,010	325 17.285	325 12,080
OPEB (other postemployment benefit) liability <sup>3</sup>	_	17,4		13,010	10,527	7,669
Less assets available from GO Bond Fund	(7,381)	(6,19		(5,672)	(5,244)	(4,828)
Total net debt applicable to the debt limit	 188,624	162,6		175,745	186,483	189,366
Legal debt margin	\$ 1,006,940	\$ 989,6	)9 \$	945,870	\$ 916,091	\$ 928,595
Ratio of net debt applicable to the debt limit	15.78%	14.11	%	15.67%	16.91%	16.94%

<sup>&</sup>lt;sup>1</sup> Taxable value of property can be found in Schedule 6.

<sup>&</sup>lt;sup>2</sup> Refer to Note 9 for long-term liability activity.

 $<sup>^{3}</sup>$  Excluded from the calculation beginning in 2015.

Debt Capacity

Schedule 14 - Legal Debt Margin Information
Last Ten Fiscal Years (expressed in thousands)

					concluded
	2010	2009	2008	2007	2006
LEGAL DEBT LIMIT CALCULATION					
Tax assessed value of property <sup>1</sup> 7.5% debt limit	\$ 15,194,337 \$ 7.50%	15,539,837 \$ 7.50%	15,348,603 \$ 7.50%	14,388,300 \$ 7.50%	12,629,679 7.50%
Debt service limitation	 1,139,575	1,165,488	1,151,145	1,079,123	947,226
Debt applicable to the limit <sup>2</sup> :					
General obligation bonds	184,335	150,175	160,590	130,290	99,080
Promissory notes	325	325	325	325	325
Compensated absences	11,513	10,758	9,550	7,658	7,541
OPEB (other postemployment benefit) liability <sup>3</sup>	4,700	3,593	1,799	327	124
Less assets available from GO Bond Fund	(4,916)	(5,309)	(5,317)	(8,296)	(8,344)
Total net debt applicable to the debt limit	 195,957	159,542	166,947	130,304	98,726
Legal debt margin	\$ 943,618 \$	1,005,946 \$	984,198 \$	948,819 \$	848,500
Ratio of net debt applicable to the debt limit	17.20%	13.69%	14.50%	12.07%	10.42%

<sup>&</sup>lt;sup>1</sup> Taxable value of property can be found in Schedule 6.

<sup>&</sup>lt;sup>2</sup> Refer to Note 9 for long-term liability activity.

<sup>&</sup>lt;sup>3</sup> Excluded from the calculation beginning in 2015.

Debt Capacity

Schedule 15 - Pledged Revenue Coverage
Last Ten Fiscal Years (expressed in thousands)

					С	ontinued
		2015	2014	2013	2012	2011
REGIONAL SOLID WASTE MANAGEMENT SYSTEM REVENUE BONDS	S <sup>1</sup>					
Gross Revenues	\$	- 9	- \$	- \$	- \$	72,999
Operating Expenses		-	-	-	-	51,051
Net Available Revenue		-	-	-	-	21,948
Debt Service:						
Principal		-	-	-	-	8,260
Interest		-	-	-	-	336
Coverage Ratio		-	-	-	-	2.55
GOLF REVENUE BONDS <sup>1,3</sup>						
Gross Revenues	\$	- 9	- \$	3,048 \$	3,0025	2,975
Operating Expenses		-	-	2,621	2,511	2,555
Net Available Revenue	·	-	-	427	491	420
Debt Service:						
Principal		-	-	520	485	446
Interest		-	-	28	72	90
Coverage Ratio <sup>2</sup>		-	-	0.78	0.88	0.78
SPECIAL ASSESSMENT DEBT <sup>1</sup>						
Gross Revenues	\$	807 3	880 \$	1,008 \$	780 \$	898
Operating Expenses		-	-	-	-	_
Net Available Revenue		807	880	1,008	780	898
Debt Service:						
Principal		664	486	639	751	722
Interest		98	98	107	137	157
Coverage Ratio		1.06	1.51	1.35	0.88	1.02
WATER/WASTEWATER REVENUE BONDS <sup>1,3</sup>						
Gross Revenues	\$	129,443	121,183 \$	- \$	- \$	-
Operating Expenses		85,762	83,060		-	
Net Available Revenue		43,681	38,123	-	-	_
Debt Service:						
Principal		5,625	-	-	-	-
Interest		7,842	-	-	-	-
Coverage Ratio		3.24	-	-	-	_

<sup>&</sup>lt;sup>1</sup> Refer to Note 9 for long-term liability activity.

<sup>&</sup>lt;sup>2</sup>The Golf Fund revenue did not meet the rate covenant for 2011-2013, however the debt was retired in 2013.

<sup>&</sup>lt;sup>3</sup>Operating expenses for Golf and Water/Wastewater do not include depreciation. Source: City of Spokane Accounting

Debt Capacity

Schedule 15 - Pledged Revenue Coverage
Last Ten Fiscal Years (expressed in thousands)

concluded 2010 2009 2008 2007 2006 REGIONAL SOLID WASTE MANAGEMENT SYSTEM REVENUE BONDS<sup>1</sup> 78,495 \$ Gross Revenues \$ 75,383 \$ 73,261 \$ 76,061 \$ 74,526 Operating Expenses 47,005 54,301 52,903 49,333 45,133 Net Available Revenue 21,082 20,358 26,728 31,490 29,393 **Debt Service:** 15,725 14,950 11,215 20,605 13,030 Principal Interest 1,991 2,534 4,219 1,183 3,410 Coverage Ratio 1.25 1.20 1.94 1.31 1.70 GOLF REVENUE BONDS<sup>1,3</sup> Gross Revenues \$ 3,277 \$ 3,136 \$ 2,958 \$ 3,195 \$ 3,039 Operating Expenses 2,384 2,336 2,237 2,148 2,000 Net Available Revenue 893 800 721 1,047 1,039 **Debt Service:** Principal 422 393 369 350 177 Interest 141 116 164 187 357 Coverage Ratio<sup>2</sup> 1.50 1.35 1.95 1.95 1.66 SPECIAL ASSESSMENT DEBT1 Gross Revenues \$ 1,030 \$ 897 \$ 1,307 \$ 1,321 \$ 2,658 Operating Expenses Net Available Revenue 1,030 897 1,307 1,321 2,658 **Debt Service:** 969 Principal 633 835 835 1,823 Interest 205 194 194 253 281 **Coverage Ratio** 1.23 0.87 1.27 0.64 2.13 WATER/WASTEWATER REVENUE BONDS<sup>3</sup> Gross Revenues \$ \$ - \$ - \$ - \$ Operating Expenses Net Available Revenue **Debt Service:** Principal Interest **Coverage Ratio** 

<sup>&</sup>lt;sup>1</sup> Refer to Note 9 for long-term liability activity.

<sup>&</sup>lt;sup>2</sup>The Golf Fund revenue did not meet the rate covenant for 2011-2013, however the debt was retired in 2013.

<sup>&</sup>lt;sup>3</sup>Operating expenses for Golf and Water/Wastewater do not include depreciation.

**Debt Capacity** 

## Schedule 16 - Direct and Overlapping Debt

As of December 31, 2015 (expressed in thousands)

Jurisdiction		Debt Outstanding <sup>1</sup>	Percentage Applicable to City <sup>2</sup>	Estimated Amount of Overlapping Debt
City of Spokane	\$	195,680	100.00%	\$ 195,680
Spokane County Overlapping				-
School District #81		409,595	87.28%	357,495
Mead School District #354		82,525	20.59%	16,992
Cheney School District #360		70,855	6.25%	4,428
West Valley School District #363		23,133	1.51%	349
Liberty School District #362		540	0.01%	-
Moran Library		1,240	10.68%	132
Fire District #8		1,315	5.26%	69
Fire District #9	_	<u>-</u>	9.71%	
Total Other Jurisdictions		589,203		379,465
Total direct and overlapping debt	\$	784,883	=	\$ 575,145
Direct and overlapping debt per capita		3,683		2,699

<sup>&</sup>lt;sup>1</sup>Total general obligation debt outstanding at December 31, excluding refunded debt.

Source: Spokane County

 $<sup>^{2}</sup>$ Determined by ratio of 2013 assessed valuation of property subject to taxation in overlapping unit to valuation of property subject to taxation in reporting unit.

Demographic Information

Schedule 17 - Demographic and Economic Statistics

City of Spokane vs. State of Washington

Last Ten Fiscal Years (expressed in millions except per capita)

								contin	ued
		2015		2014		2013	2012	20	011
City of Spokane⁵									
Personal income <sup>2</sup>	\$	N/A	\$	20,800	\$	20,351	\$ 19,650	\$	17,028
Percent change		N/A		2.21%		3.57%	15.40%		4.28%
Per capita <sup>2</sup>		N/A		98		96	94		81
Median age <sup>1</sup>		37.68		N/A		37.21	37.13		37.11
School enrollment <sup>3</sup>		30,125		30,180		29,256	28,868		29,043
Unemployment rate <sup>4</sup>		6.8		7.1		7.9	8.6		9.43
Consumer price index (CPI) <sup>4</sup>		243.02		240.2		235.8	232.4		227.5
CPI percent change		1.17%		1.87%		1.46%	2.16%		2.84%
State of Washington <sup>1</sup>									
Personal income <sup>5</sup>	\$	366,790	\$	350,130	\$	327,871	\$ 317,575	\$ 2	99,685
Percent change	•	4.76%	·	6.79%	•	3.24%	5.97%	•	5.76%
Per capita		51,146		49,583		47,031	46,045		43,878
Sources:									

<sup>&</sup>lt;sup>1</sup>Washington State Office of Financial Management

Demographic Information

Schedule 18 - Population Comparison City of Spokane vs. State of Washington

Last Ten Fiscal Years (expressed in thousands)

Lasi Terriscai Tears (expressed iii					continued
	2015	2014	2013	2012	2011
City of Spokane <sup>1</sup>					
Population	213.1	212.0	211.0	210.0	209.0
Net Increase (Decrease)	1.1	1.0	1.0	1.0	2.0
Percent change	0.5%	0.5%	0.5%	0.5%	1.0%
Components of change:					
Births	NA	NA	60.2	56.8	58.3
Deaths	NA	NA	41.1	39.8	39.1
Net migration	NA	NA	2,484	1,252	(489)
State of Washington <sup>1</sup>					
Population	7,061	6,968	6,882	6,818	6,768
Net Increase (Decrease)	93.00	85.60	64.60	49.90	43.40
Percent change	1.33%	1.24%	0.95%	0.74%	0.65%
Components of change:					
Births	88.5	89.4	88.4	84.1	85.3
Deaths	52.8	52.8	50.5	48.6	48
Net migration	57,600	49,200	26,572	14,389	6,055

Source: <sup>1</sup>Washington State Office of Financial Management

<sup>3</sup>Spokane Public Schools District

<sup>&</sup>lt;sup>2</sup>U.S. Bureau of Economic Analysis

<sup>&</sup>lt;sup>4</sup>U.S. Bureau of Labor Statistics

 $<sup>^5</sup>$ Spokane is now included in the Spokane-Spokane Valley MSA; 2012 was restated as a result

Demographic Information

Schedule 17 - Demographic and Economic Statistics

City of Spokane vs. State of Washington

Last Ten Fiscal Years (expressed in millions except per capita)

					concluded
	2010	2009	2008	2007	2006
City of Spokane⁵					
Personal income <sup>2</sup> Percent change	\$ \$ 16,329 1.22%	\$ \$ 16,132 5.23%	\$ \$ 16,094  \$ 4.98%	\$ 15,330 8.32%	\$ \$ 14,153 8.66%
Per capita <sup>2</sup>	79	78	79	76	70
Median age <sup>1</sup>	37.36	37.11	36.96	36.88	36.79
School enrollment <sup>3</sup>	29,034	29,261	29,280	29,543	29,875
Unemployment rate⁴	9.22	8.80	5.60	4.80	5.00
Consumer price index (CPI) <sup>4</sup>	221.20	218.80	219.60	212.20	205.70
CPI percent change	1.10%	-0.36%	3.49%	3.16%	3.42%
State of Washington <sup>1</sup>					
Personal income <sup>5</sup> Percent change Per capita	\$ \$ 283,368 2.40% 42,024	\$ \$ 276,728 1.50% 41,504	\$ \$ 289,434 \$ 6.17% 44,106	\$ 272,625 8.15% 42,192	\$ \$ 252,091 9.58% 39,570

#### Sources:

Demographic Information

Schedule 18 - Population Comparison City of Spokane vs. State of Washington

Last Ten Fiscal Years (expressed in thousands)

				(	concluded
	2010	2009	2008	2007	2006
City of Spokane <sup>1</sup>					
Population	207.0	206.0	204.0	203.0	202.0
Net Increase (Decrease)	1.0	3.0	1.0	1.0	3.0
Percent change	0.5%	1.5%	0.5%	0.5%	1.5%
Components of change:					
Births	60.0	61.0	60.7	60.4	56.4
Deaths	39.2	40.8	38.7	37.2	35.7
Net migration	2,716	4,102	4,070	4,968	6,430
State of Washington <sup>1</sup>					
Population	6,724.5	6,672.2	6,608.2	6,525.1	6,420.3
Net Increase (Decrease)	52.30	147.10	83.10	104.80	121.50
Percent change	0.78%	2.25%	1.27%	1.63%	1.93%
Components of change:					
Births	88.2	89.8	89.6	87.8	83.2
Deaths	47.7	48.1	47.9	46.2	45.3
Net migration	11,834	22,192	41,538	63,237	83,549

### Source:

<sup>&</sup>lt;sup>1</sup>Washington State Office of Financial Management

<sup>&</sup>lt;sup>3</sup>Spokane Public Schools District

<sup>2</sup>U.S. Bureau of Economic Analysis

<sup>&</sup>lt;sup>4</sup>U.S. Bureau of Labor Statistics

<sup>5</sup>Spokane is now included in the Spokane-Spokane Valley MSA; 2012 was restated as a result

<sup>&</sup>lt;sup>1</sup>Washington State Office of Financial Management

Demographic Information

## Schedule 19 - Annual Average Civilian Labor Force Unemployment Rates City of Spokane vs. State of Washington

Last Ten Fiscal Years (expressed in thousands)

				CC	ntinued
	2015*	2014	2013	2012	2011
City of Spokane <sup>1</sup>					
Civilian labor force	256,500	225,031	224,690	229,965	230,702
Employment	239,000	208,951	206,870	210,083	209,153
Total unemployment	17,500	16,080	17,820	19,882	21,549
Unemployment percentage rate	6.8%	7.1%	7.9%	8.6%	9.3%
State of Washington <sup>1</sup>					
Civilian labor force	3,544,000	3,488,000	3,434,160	3,481,460	3,482,240
Employment	3,344,000	3,270,000	3,196,320	3,197,290	3,161,820
Total unemployment	200,000	218,000	237,840	284,170	320,420
Unemployment percentage rate	5.6%	6.3%	6.9%	8.2%	9.2%

## Source:

<sup>&</sup>lt;sup>1</sup> Washington State Office of Financial Management:

<sup>\*</sup>Changed from Spokane County Data to Spokane-Spokane Valley MSA in 2015

## Demographic Information Schedule 19 - Annual Average Civilian Labor Force Unemployment Rates City of Spokane vs. State of Washington

Last Ten Fiscal Years (expressed in thousands)

				CC	ncluded
	2010	2009	2008	2007	2006
City of Spokane <sup>1</sup>					
Civilian labor force	235,293	238,026	238,307	231,556	225,647
Employment	212,081	216,121	224,884	220,492	214,445
Total unemployment	23,212	21,905	13,423	11,064	11,202
Unemployment percentage rate	9.9%	9.2%	5.6%	4.8%	5.0%
State of Washington <sup>1</sup>					
Civilian labor force	3,516,010	3,523,740	3,473,020	3,386,770	3,319,250
Employment	3,166,880	3,194,250	3,284,840	3,232,650	3,155,380
Total unemployment	349,130	329,490	188,180	154,120	163,870
Unemployment percentage rate	9.9%	9.4%	5.4%	4.6%	4.9%

## Source:

<sup>&</sup>lt;sup>1</sup>Washington State Office of Financial Management

Demographic Information

Schedule 20 - Principal Employers

Current Fiscal Year and Nine Years Ago

2015			2006		
Employer	Rank	Number of Employees	Employer	Rank	Number of Employees
Fairchild Air Force Base	1	5,950	92nd Air Refueling Wing-FAFB	1	4,992
Providence Health Care	2	5,167	Spokane Public Schools	2	3,231
State of Washington	3	5,020	Sacred Heart Medical Center	3	3,040
Spokane Public Schools	4	3,406	State of Washington	4	3,020
City of Spokane	5	2,085	United States Government	5	2,790
Spokane County	6	2,022	Spokane County	6	2,083
Central Valley School District	7	1,630	City of Spokane	7	1,943
Walmart Stores Inc.	8	1,407	Empire Health Services	8	1,700
URM Stores Inc.	9	1,403	Community Colleges of Spokane	9	1,368
Kalispel Tribal Economic Authority	10	1,351	Eastern Washington University	10	1,280
Total		29,441	-		25,447
Percentage of County Employment		12.32%			12.18%

Sources:

Journal of Business

Bureau of Labor and Statistics

Operating Information
Schedule 21 - Full Time Equivalent Staff Comparison
Last Ten Fiscal Years (expressed in millions except per capita)

Function	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
General government	287.8	282.3	286.1	301.8	278.5	279.6	300.6	285.6	280.6	270.6
Public safety	799.3	773.8	754.7	791.3	776.3	807.0	826.5	821.5	804.7	785.0
Utilities environment	643.5	636.0	646.0	660.0	668.0	676.0	641.0	618.0	606.0	599.0
Transportation	130.0	135.2	127.8	135.3	137.3	147.3	146.3	143.3	143.3	137.3
Economic environment Mental and physical health	45.0	42.0	53.3	55.5	56.7	62.2	62.0	61.2	60.7	56.7
Culture and recreation	172.2	173.0	169.5	- 177.9	180.4	185.7	183.7	180.7	179.2	176.9
Total	2,077.8	2,042.3	2,037.4	2,121.8	2,097.2	2,157.8	2,160.1	2,110.3	2,074.5	2,025.5
Percentage change	1.7%	0.2%	-4.0%	1.2%	-2.8%	-0.1%	2.4%	1.7%	2.4%	1.7%

## Operating Information Schedule 22 - Operating and Capital Asset Indicators by Function

General Government Last Ten Fiscal Years

continued 2014 2015 2013 2012 2011 MUNICIPAL COURT1 Number of Filings: Parking 57,364 66,067 55,219 63,429 57,355 Infraction 12,426 12,060 12,636 15,380 17,889 Criminal 7,303 8,387 9,496 7,582 8,963 Total filings 77,372 85,430 76,242 87,772 84,740

<sup>&</sup>lt;sup>1</sup> Does not include photo red violations.

# Operating Information Schedule 22 - Operating and Capital Asset Indicators by Function General Government

Last Ten Fiscal Years

	-			С	oncluded
	2010	2009	2008	2007	2006
MUNICIPAL COURT <sup>1</sup> Number of Filings:					
Parking	62,327	61,828	62,689	63,932	60,002
Infraction	22,465	24,137	19,481	16,431	27,653
Criminal	10,348	10,827	9,973	10,380	10,970
Total filings	95,140	96,792	92,143	90,743	98,625

<sup>&</sup>lt;sup>1</sup> Does not include photo red violations.

Operating Information Schedule 23- Operating and Capital Asset Indicators by Function Public Safety Last Ten Fiscal Years

	-			C	ontinued
	2015	2014	2013	2012	2011
POLICE DEPARTMENT	-				
Adult Arrests	11,000	8,357	9,621	N/A	N/A
Juvenile Arrests	853	898	1,033	1,271	1,171
Property Crimes:	0.017	0.045	0.000	0.007	0.000
Burglary	2,817	3,365	3,889	3,827	3,030
Larceny	11,408	12,455	13,352	12,600	10,231
Auto Theft Arson	1,746 44	2,242 56	2,290 59	2,095 N/A	1,778 N/A
Total property crimes	16,015	18,118	19,590	18,522	15,039
Violent Crimes:					
Homicide	12	10	11	13	4
Forcible Rape <sup>1</sup>	119	117	166	81	84
Robbery	333	416	518	537	484
Aggravated Assault	647	613	745	737	732
Total violent crimes	1,111	1,156	1,440	1,368	1,304
Number of stations	4	4	5	10	12
Number of patrol units	18	24	20	16	16
Number of police vehicles	304	283	270	260	251
Number of motorcycles	14	15	15	18	19
FIRE DEPARTMENT					
Incident response					
Alarm system	1,911	1,871	1,702	1,720	1,684
Structure fire	1,800	1,555	1,518	1,571	1,356
Service call	494	439	466	465	368
Hazardous materials	399	353	331	271	254
Vehicle Fire	137 147	142	158 121	138	145
Brush/wildland fire Trash/dumpster fire	14/	158	121	163 187	164
Extrication	34	40	48	43	29
Miscellaneous	30	62	81	N/A	54
Total incident response	4,952	4,620	4,425	4,558	4,054
Emergency Response					
Basic life support	18,572	16,867	15,305	14,573	13,009
Advanced life support	12,999	11,530	11,021	10,624	9,810
Motor vehicle accident	2,615	2,482	2,398	2,532	2,208
Ambulance transfer only				14	
Total emergency response	34,186	30,879	28,724	27,743	25,027
Inspections conducted	11,433	11,470	10,552	9,528	9,230
Number of fire stations	16	15	15	14	15

<sup>&</sup>lt;sup>1</sup>Guidelines for defining rape were changed in 2013

## Operating Information Schedule 23- Operating and Capital Asset Indicators by Function **Public Safety**

Last Ten Fiscal Years

				C	ontinued
	2010	2009	2008	2007	2006
POLICE DEPARTMENT					
Adult Arrests	N/A	N/A	N/A	8,710	8,896
Juvenile Arrests	1,483	1,480	1,869	N/A	N/A
Property Crimes:					
Burglary	2,859	2,565	2,269	2,175	2,165
Larceny	10,174	8,864	7,218	7,188	7,340
Auto Theft	2,009	1,737	1,538	2,013	2,299
Arson	45	74	58	88	66
Total property crimes	15,087	13,240	11,083	11,464	11,870
Violent Crimes:					
Homicide	6	7	14	12	10
Forcible Rape <sup>1</sup>	80	75	94	88	91
Robbery	432	443	460	414	392
Aggravated Assault	752	745	785	808	704
Total violent crimes	1,270	1,270	1,353	1,322	1,197
Number of stations	13	13	13	13	12
Number of patrol units	16	16	16	14	14
Number of police vehicles	254	253	260	245	250
Number of motorcycles	20	18	17	21	21
FIRE DEPARTMENT					
Incident response					
Alarm system	1,640	1,710	1,735	1,773	1,856
Structure fire	1,296	1,291	1,298	1,234	1,280
Service call	416	386	393	367	349
Hazardous materials	246	294	291	271	302
Vehicle Fire	171	174	179	206	229
Brush/wildland fire	199	173	226	266	285
Trash/dumpster fire	37	108	101	100	82
Extrication	29	28	19	35	22
Miscellaneous	35	34	40	30	30
Total incident response	4,069	4,198	4,282	4,282	4,435
Emergency Response					
Basic life support	12,073	11,504	11,654	11,217	10,044
Advanced life support	9,696	9,520	10,597	9,597	8,989
Motor vehicle accident	2,342	1,985	2,208	2,410	2,231
Ambulance transfer only		25	11	23	17
Total emergency response	24,111	23,034	24,470	23,247	21,281
Inspections conducted	8,928	9,262	10,081	9,485	10,566
Number of fire stations	14	14	14	14	14

 $<sup>{}^{</sup>m l}$  Guidelines for defining rape were changed in 2013

## Operating Information Schedule 23- Operating and Capital Asset Indicators by Function **Public Safety**

Last Ten Fiscal Years

<u>-</u>				C	ontinued
	2015	2014	2013	2012	2011
CODE ENFORCEMENT DEPARTMENT					
Number of illegal dumps - private property	99	95	154	106	105
Number of illegal dumps - right of way	623	270	537	1,546	1,713
Number of zoning violations	743	598	506	445	428
Number of noise variances	1	_	7	48	48
Number of fire hazard complaints	397	385	332	255	314
Number of building official complaints	357	_	281	198	179
Number of junk vehicle reports	286	279	285	238	1
Number of solid waste complaints	1,098	937	966	1,010	978
Number of miscellaneous complaints	5	6	6	10	8
Total complaints	3,609	2,570	1,870	1,711	1,480
BUILDING DEPARTMENT					
Residential permits issued	2,941	2,755	2,707	2,541	2,663
Commercial permits issued	947	956	828	933	894
Total permits issued	3,888	3,711	3,535	3,474	3,557
Residential permit values (expressed in					
thousands)	168,858	161,300	140,100	101,000	108,000
Commercial permit values (expressed in					
thousands)	157,005	150,800	394,500	248,000	129,000
Total permit values	325,863	312,100	534,600	349,000	237,000

 $<sup>^{1}\</sup>mathrm{Guidelines}$  for defining rape were changed in 2013

## Operating Information Schedule 23- Operating and Capital Asset Indicators by Function **Public Safety**

Last Ten Fiscal Years

Lusi ieirriscui reuis				C	oncluded
	2010	2009	2008	2007	2006
CODE ENFORCEMENT DEPARTMENT					
Number of illegal dumps - private property	96	65	80	44	86
Number of illegal dumps - right of way	2,002	989	1,096	1,182	1,467
Number of zoning violations	442	359	427	380	203
Number of noise variances	68	24	-	-	-
Number of fire hazard complaints	381	336	377	243	69
Number of building official complaints	259	244	216	236	90
Number of junk vehicle reports	407	319	530	358	99
Number of solid waste complaints	1,224	780	991	1,086	659
Number of miscellaneous complaints	5	13	29	286	149
Total complaints	2,276	1,692	2,143	2,209	1,066
BUILDING DEPARTMENT					
Residential permits issued	3,369	3,199	3.212	3,196	3,872
Commercial permits issued	872	805	942	1,500	1,015
Total permits issued	4,241	4,004	4,154	4,696	4,887
Residential permit values (expressed in					
thousands)	75,900	80,000	119,200	151,400	192,762
Commercial permit values (expressed in					
thousands)	175,800	163,000	191,900	164,500	281,232
Total permit values	251,700	243,000	311,100	315,900	473,994

 $<sup>^{1}\</sup>mathrm{Guidelines}$  for defining rape were changed in 2013

## Operating Information Schedule 24 - Operating and Capital Asset Indicators by Function Transportation

Last Ten Fiscal Years

	_			C	ontinued
	2015	2014	2013	2012	2011
STREET DEPARTMENT					
Number of parking violations	64,012	67,666	55,383	64,421	56,885
Street resurfacing (lane miles) Grind and overlay (square yards)	18 87,544	18 96,751	14 74,985	12 63.633	16 60,917
Skin patch (square yards)	23,832	27,443	9,185	18,300	46,705
Potholes repaired (square yards)	9,956	10,953	12,326	13,124	15,301
Deicer applied (expressed in thousand					
gallons)	840	1,001	790	1,166	1,115
Traction sand applied (tons)	3,019	2,245	1,048	1,146	916
Miles of streets:					
Cement concrete pavement	10	10	11	10	9
Asphalt plant or road mix	928	925	923	921	905
Bituminous surface treatment	N/A	N/A	N/A	N/A	N/A
Gravel or crushed rock	25	26	27	28	27
Dirt and unimproved	31	32	32	32	31
Brick	3	3	3	3	3
Total street miles	997	996	996	994	975
Miles of sidewalks	1,282	1,265	1,084	1,167	1,167
Number of street lights <sup>1</sup>	12,637	12,784	12,905	13,270	13,004
Number of traffic signals	261	258	256	256	252
Number of parking meters	3,378	3,370	2,847	2,744	2,814
Number of bridges	41	41	40	38	39

<sup>1</sup> Number of street lights includes city-owned and maintained light poles as well as those leased from Avista.

## Operating Information Schedule 24 - Operating and Capital Asset Indicators by Function Transportation

Last Ten Fiscal Years

				C	oncluded
	2010	2009	2008	2007	2006
STREET DEPARTMENT Number of parking violations	61,103	60,580	61,410	65,013	60,027
Training Training	0.7.00	30,000	0.,0	33,313	00,02,
Street resurfacing (lane miles)	13	13	23	11	16
Grind and overlay (square yards)	75,774	59,021	78,701	48,016	72,433
Skin patch (square yards)	9,707	29,569	52,933	27,118	25,898
Potholes repaired (square yards)	7,836	11,243	17,068	8,478	7,011
Deicer applied (expressed in thousand					
gallons)	891	849	1,384	2,047	882
Traction sand applied (tons)	1,278	949	3,238	1,711	582
Miles of streets:					
Cement concrete pavement	10	11	8	8	8
Asphalt plant or road mix	904	904	891	885	883
Bituminous surface treatment	N/A	N/A	6	7	7
Gravel or crushed rock	27	29	30	31	33
Dirt and unimproved	31	32	33	22	32
Brick	3	3	3	3	3
Total street miles	975	979	971	956	966
Miles of sidewalks	1,155	1,250	1,221	1,229	1,215
Number of street lights <sup>1</sup>	12,990	13,009	13,001	10,687	10,681
Number of traffic signals	252	251	251	250	250
Number of parking meters	2,854	2,848	2,852	2,840	2,717
Number of bridges	39	38	38	38	38

<sup>1</sup> Number of street lights includes city-owned and maintained light poles as well as those leased from Avista.

Operating Information Schedule 25 - Operating and Capital Asset Indicators by Function Utilities Environment Last Ten Fiscal Years

<u>-</u>					continued
	2015	2014	2013	2012	2012
WATER DEPARTMENT					
Miles of water mains	1,053	1,074	1,070	1,061	1,051
Number of fire hydrants	7,356	7,335	7,304	7,297	7,312
Storage capacity (expressed in million gallons)	106	106	106	106	106
Number of service connections/water customers	73,573	74,331	73,879	73,514	73,311
Number of new connections	810	452	317	155	277
Average daily production (expressed in thousand gallons)	65,474	61,856	58,093	57,597	56,717
Peak daily production (expressed in thousand gallons)	138,914	136,041	128,221	119,119	119,440
WASTEWATER DEPARTMENT					
Number of accounts/wastewater customers	70,954	71,280	70,100	69,931	69,801
Sanitary sewers (expressed in miles)	870	869	868	865	865
Storm sewers (expressed in miles)	357	360	361	367	367
Daily treatment capacity (expressed in thousand gallons)	44,000	44,000	44,000	44,000	44,000
Average daily treatment (expressed in thousand gallons)	27,090	29,020	28,460	33,750	40,840
SOLID WASTE DEPARTMENT <sup>1</sup>					
Electrical generation (expressed in annual mwh)	137,954	132,776	136,888	170,056	173,044
Solid waste disposed (expressed in tons)	238,110	317,437	296,988	297,914	303,911
Ash generated by waste-to-energy facility (expressed in tons)	66,052	71,593	71,627	76,222	79,817
Ferrous metals recovered (expressed in tons)	8,693	10,358	9,566	8,702	8,986
Recycled materials collected (expressed in tons):					
City residential curbside	N/A	N/A	N/A	10,175	8,526
City commercial collection	N/A	N/A	N/A	1,957	2,690
Single Stream residential/commercial collection <sup>2</sup>	19,867	18,447	18,418	N/A	N/A
Collection Point Sources (expressed in tons):					
County/Regional curbside and commercial <sup>3</sup>	N/A	14,027	14,788	12,388	8,948
Transfer station recycling centers	N/A	2,920	3,176	3,098	3,494
City Hall recycling program	N/A	N/A	N/A	N/A	N/A
Centralized composting <sup>4</sup>	22,204	36,718	42,950	38,031	37,184
Household hazardous waste⁴	150	365	713	891	549

<sup>&</sup>lt;sup>1</sup>The Solid Waste fund is composed of two departments: Solid Waste Collection is curbside sollection from city customers; Solid Waste Disposal includes the Waste to Energy burner and the landfills.

<sup>&</sup>lt;sup>2</sup>City residential curbside and commercial collections were consolidated in Single Stream collections in 2013

<sup>&</sup>lt;sup>3</sup>Curbside and commercial numbers are no longer separated

<sup>&</sup>lt;sup>4</sup>Compost and HHW numbers no longer include transfer station amounts in 2015

Operating Information

## Schedule 25 - Operating and Capital Asset Indicators by Function

**Utilities Environment** 

Last Ten Fiscal Years

Lusi lettriscui reuis				ı	concluded
	2010	2009	2008	2007	2006
WATER DEPARTMENT					
Miles of water mains	1,045	1,007	1,003	1,002	989
Number of fire hydrants	7,254	7,220	7,172	7,058	6,860
Storage capacity (expressed in million gallons)	106	105	105	106	100
Number of service connections/water customers	73,199	72,983	72,833	74,573	71,885
Number of new connections	216	234	356	1,063	609
Average daily production (expressed in thousand gallons)	56,462	61,377	58,143	62,869	65,208
Peak daily production (expressed in thousand gallons)	125,574	126,197	142,277	129,650	150,371
WASTEWATER DEPARTMENT					
Number of accounts/wastewater customers	69,600	69,631	69,600	69,600	67,000
Sanitary sewers (expressed in miles)	857	857	856	856	871
Storm sewers (expressed in miles)	365	365	360	360	356
Daily treatment capacity (expressed in thousand gallons)	44,000	44,000	44,000	44,000	44,000
Average daily treatment (expressed in thousand gallons)	38,110	38,699	39,490	37,220	41,360
SOLID WASTE DEPARTMENT <sup>1</sup>					
Electrical generation (expressed in annual mwh)	171,142	163,250	155,500	170,533	171,400
Solid waste disposed (expressed in tons)	319,883	329,588	331,596	334,064	354,704
Ash generated by waste-to-energy facility (expressed in tons)	81,898	77,238	70,990	77,866	81,679
Ferrous metals recovered (expressed in tons)	9,085	9,434	8,466	8,869	8,377
Recycled materials collected (expressed in tons):					
City residential curbside	8,058	8,757	9,043	9,409	8,976
City commercial collection	2,912	2,842	2,655	2,730	2,646
Single Stream residential/commercial collection <sup>2</sup>	N/A	N/A	N/A	N/A	N/A
Collection Point Sources (expressed in tons):					
County/Regional curbside and commercial <sup>3</sup>	9,070	8,438	8,916	9,968	10.461
Transfer station recycling centers	3,846	3,791	3,514	4,474	4,316
City Hall recycling program	N/A	N/A	N/A	23	22
Centralized composting <sup>4</sup>	45,308	43,714	45,855	47,211	42,905
Household hazardous waste⁴	640	793	509	557	686

<sup>&</sup>lt;sup>1</sup>The Solid Waste fund is composed of two departments: Solid Waste Collection is curbside collection from city customers; Solid Waste Disposal includes the Waste to Energy burner and the landfills.

<sup>&</sup>lt;sup>2</sup>City residential curbside and commercial collections were consolidated in Single Stream collections in 2013

<sup>&</sup>lt;sup>3</sup>Curbside and commercial numbers are no longer separated

<sup>4</sup>Compost and HHW numbers no longer include transfer station amounts in 2015

Operating Information
Schedule 26 - Operating and Capital Asset Indicators by Function
Culture and Recreation

Last Ten Fiscal Years

			continued		
	2015	2014	2013	2012	2011
PARKS DEPARTMENT					
Number of parks maintained	84	84	84	84	84
Park acreage	1,285	1,285	1,285	1,281	1,281
Number of golf courses	4	4	4	4	4
Number of swimming pools	6	6	6	6	6
Number of splash pads	17	1 <i>7</i>	17	17	17
Number of tennis courts	41	41	41	41	41
Number of community centers	-	1	1	1	1
Number of basketball courts	39	39	39	37	37
Number of athletic fields	74	74	74	74	74
Number of skate parks	3	3	3	3	3
Number of BMX bike tracks	1	1	1	1	1
Park trails (miles)	33	33	31	29	29
Aquatic center admissions	102,500	114,000	104,021	118,751	123,850
Recreation program registrants	10,182	10,571	10,694	12,424	13,371
Golf rounds	150,444	131,243	143,081	143,678	141,217
Riverfront Park attraction attendees	628,314	696,178	699,256	791,851	775,792
Sports complex field rentals (hours)	13,424	12,633	12,736	12,828	12,634
LIBRARY DEPARTMENT					
Number of libraries	6	6	6	6	6
Number of library patron visits	978,923	970,083	920,740	940,097	948,826
Number of volumes in library collection	420,564	452,124	501,345	479,398	514,065
Number of volumes borrowed	2,132,718	2,151,914	2,099,557	2,013,748	2,088,854

# Operating Information Schedule 26 - Operating and Capital Asset Indicators by Function Culture and Recreation

Last Ten Fiscal Years

Lusi Terri riscui Teurs				С	oncluded
	2010	2009	2008	2007	2006
PARKS DEPARTMENT					
Number of parks maintained	84	84	84	84	82
Park acreage	1,281	1,281	1,281	1,281	1,281
Number of golf courses	4	4	4	4	4
Number of swimming pools	6	6	5	5	7
Number of splash pads	17	1 <i>7</i>	6	6	6
Number of tennis courts	41	41	41	41	37
Number of community centers	1	1	1	1	1
Number of basketball courts	36	36	34	34	15
Number of athletic fields	74	74	72	72	72
Number of skate parks	3	2	2	2	2
Number of BMX bike tracks	1	N/A	N//A	N/A	N/A
Park trails (miles)	29	27	27	27	27
Aquatic center admissions	130,001	N/A	N/A	N/A	N/A
Recreation program registrants	14,994	14,527	13,830	N/A	N/A
Golf rounds	151,587	129,632	161,655	174,212	167,258
Riverfront Park attraction attendees	793,627	726,961	856,224	866,469	862,220
Sports complex field rentals (hours)	N/A	N/A	N/A	N/A	N/A
LIBRARY DEPARTMENT					
Number of libraries	6	6	6	6	6
Number of library patron visits	964,259	931,986	882,698	816,305	814,147
Number of volumes in library collection	506,978	529,194	525,602	533,678	547,825
Number of volumes borrowed	2,075,220	2,014,756	1,908,130	1,698,037	1,787,500