



**City of Spokane, Washington
2016 Comprehensive Annual
Financial Report**



CITY OF SPOKANE, WASHINGTON

FINANCE DEPARTMENT

Comprehensive Annual Financial Report

For the Fiscal Year Ended December 31, 2016



Report Prepared By:

Finance Department

Gavin Cooley, CFO
Tim Dunivant, Director of Finance

Accounting Department

Kim Bustos, CPA, Director
Michelle Hughes, CPA, Chief Accountant

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, 2016

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal	7
City Organization Chart	15
List of Elected Officials	16
City Officials	17

FINANCIAL SECTION

Independent Auditor's Report	20
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Management's Discussion and Analysis

Basic Financial Statements

Government-Wide Financial Statements	
Statement of Net Position	42
Statement of Activities.....	43

Governmental Fund Financial Statements	
Balance Sheet.....	45
Reconciliation of the Balance Sheet to the Statement of Net Position	47
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	48
Reconciliation of the Statement of Revenues, Expenditures, and Changes In Fund Balances of Governmental Funds to the Statement of Activities	49

Proprietary Fund Financial Statements	
Statement of Net Position	50
Statement of Revenues, Expenses, and Changes in Fund Net Position	52
Statement of Cash Flows	53

Fiduciary Fund Financial Statements	
Statement of Fiduciary Net Position.....	54
Statement of Changes in Fiduciary Net Position	55

Notes to the Financial Statements	56
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Required Supplementary Information	135
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	
General Fund Accounts	136
Pension Plan Information	
Schedule of Net Pension Liability – SERS, Firefighters, Police.....	137
Schedule of City’s Proportionate Share of the Net Pension Liability – LEOFF 1 and LEOFF 2	140
Schedule of Employer Contributions – Employees’ Retirement System	141
Schedule of Employer contributions – Firefighters’ Pension Fund	142
Schedule of Employer Contributions – Police Pension Fund	142
Schedule of Employer Contributions – LEOFF 1 and LEOFF 2	143
Other Postemployment Benefit Information	
Other Post Employment Benefits –Schedule of Employer Contributions	
Firefighters’ Pension Fund	144
Other Post Employment Benefits –Schedule of Employer Contributions	
Police Pension Fund	144
Other Post Employment Benefits –Schedule of Funding Progress	
Firefighters’ Pension Fund	145
Other Post Employment Benefits –Schedule of Funding Progress	
Police Pension Fund	145
Notes to the Required Supplementary Information.....	146
Schedules	148
Combining Schedules for General Fund Accounts	
Balance Sheet.....	149
Schedule of Revenues, Expenditures, and Changes in Fund Balance	152
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	155
Combining and Individual Fund Financial Statements	165
Governmental Funds	
Nonmajor Governmental Funds	166
Combining Balance Sheet	167
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	168
Nonmajor Special Revenue Funds	169
Combining Balance Sheet	173
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	179
Schedule of Revenues, Expenditures and Changes in Fund Balances	
Budget and Actual.....	185

Nonmajor Debt Service Funds	218
Combining Balance Sheet	219
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	220
Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual.....	221
Nonmajor Capital Projects Funds	228
Combining Balance Sheet	230
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	233
Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual.....	236
Proprietary Funds	
Nonmajor Enterprise Funds	250
Combining Statement of Net Position	251
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	252
Combining Statement of Cash Flows.....	253
Internal Service Funds	254
Combining Statement of Net Position	255
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	257
Combining Statement of Cash Flows.....	259
Fiduciary Funds	262
Pension Trust Funds	
Combining Statement of Plan Net Position.....	264
Combining Statement of Changes in Plan Net Position	266
Agency Funds	
Combining Statement of Net Position	268
Combining Statement of Changes in Net Position.....	269
STATISTICAL SECTION	271
Narrative.....	273
Financial Trends	
Schedule 1 Net Position by Component	274
Schedule 2 Change in Net Position	275
Schedule 3 Fund Balance, Governmental Funds	280
Schedule 4 Change in Fund Balance, All Governmental Funds.....	282
Revenue Capacity	
Schedule 5 Governmental Activities Tax Revenue by Source	284
Schedule 6 Assessed Value and Estimated Actual Value of Taxable Property	285
Schedule 7 Direct and Overlapping Property Tax Rates	287
Schedule 8 Principal Property Tax Taxpayers.....	289

Schedule 9	Property Tax Levies and Collections	290
Schedule 10	Sales Subject to Retail Sales Tax by Industry	292
Schedule 11	Direct and Overlapping Sales Tax Rates.....	294
Schedule 12	Number of Retail Sales Taxpayers by Industry	296
Debt Capacity		
Schedule 13	Ratios of Outstanding Debt by Type	297
Schedule 14	Legal Debt Margin Information.....	299
Schedule 15	Pledged Revenue Coverage.....	301
Schedule 16	Direct and Overlapping Debt.....	303
Demographic Information		
Schedule 17	Demographic and Economic Statistics	304
Schedule 18	Population Comparison.....	304
Schedule 19	Annual Average Civilian Labor Force Unemployment Rates	306
Schedule 20	Principal Employers	308
Operating Information		
Schedule 21	Full Time Equivalent Staff Comparisons.....	309
Schedule 22	Operating and Capital Asset Indicators by Function – General Government	310
Schedule 23	Operating and Capital Asset Indicators by Function – Public Safety	312
Schedule 24	Operating and Capital Asset Indicators by Function – Transportation	316
Schedule 25	Operating and Capital Asset Indicators by Function – Utilities Environment	318
Schedule 26	Operating and Capital Asset Indicators by Function – Culture & Recreation	320
Ongoing Continuing Disclosure		
Schedule A	General Fund Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances	323
Schedule B	General Fund Comparative Balance Sheet	324
Schedule C	Water/Wastewater Comparative Statement of Revenues, Expenditures, and Changes in Fund Balances	325
Schedule D	Water/Wastewater Comparative Balance Sheet.....	326
Ad Valorem	Tax Collection Record	327

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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

August 31, 2017

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, 2016. 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, 2016. 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, additional supplementary information and the statistical section complete the CAFR.

The City is required to undergo an independent, annual single audit in conformity with the auditing standards generally accepted in the United States of America; the standards applicable

to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and 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. As of July 1, 2016 (U.S. Census Bureau), the city's population was estimated at 214,500, 43.0 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 20th 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, 5,751 jobs were added in 2016 and 6,428 jobs were added between 2015 and 2013. Year-end unemployment was 6.3% in 2016 compared to 6.6% in 2015 and 7.4% in 2014.

Spokane County Civilian Labor Force - Unemployment Statistics				
	Spokane County Civilian	Spokane County	Washington State	United States
	Labor Force	Unemployment	Unemployment	Unemployment
	Employment	Rate	Rate	Rate
2016 Q4	239,585	6.30%	5.30%	4.70%
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%
Source: Washington State Employment Security Department-not seasonally adjusted				
US Department of Labor-Bureau of Labor Statistics				

This equates to three years of solid job growth across all industries.

According to the Washington State Employment Security department, for 2016, a significant increase in jobs was posted in the private sector. Key industries posting increases in the first half of 2016 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, Eastern Washington University and Gonzaga. Private firms specializing in research, development and biotechnology have made Spokane their home because of the Health Sciences/Medical School campus at River Pointe, and will play an increasingly important role in the area's economy. Leisure and hospitality gained a boost with construction of a major Spokane downtown hotel and conference center. 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 multi-million 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 37.7% in 2016 compared to 2015 with the airport scheduled to have more seats made available in 2017, which usually translates to more passengers.

Spokane International Airport Statistics						
	Total Operations	%	Total	%	Total	%
	Aircraft Activity	Change	Passengers	Change	Cargo (tons)	Change
2016 Q4	54,313	10.50%	3,234,095	37.74%	67,677	32.47%
2015 Q4	49,152	1.69%	2,348,020	5.05%	51,089	7.01%
2014 Q4	48,337	-1.10%	2,235,245	1.74%	47,744	4.79%
2013 Q4	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 10.1% in 2016, while 2015 was up 17.8% when compared to 2014. The average price was up 6.6% and the median price was up 8.1% while the inventory of homes for sale was down 25.5% over the preceding year. In addition, distressed sales accounted for 12.9% of all sales in 2015 compared to 16.7% in 2014 and less than 7.0% for 2016.

Spokane County Single Family Home Sales								
	Units		Dollar		Average		Median	
	Sold	%	Volume (\$ 000)	%	Price	%	Price	%
2016	7,558	10.1%	1,604,379	18.2%	210,719	6.6%	194,450	8.1%
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 Univ 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 closed 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 Retail Trade	% Change	Total Taxable Sales	% Change
2016	4,533,634,658	5.8%	9,108,290,399	7.0%
2015	4,282,310,014	7.3%	8,512,330,467	5.4%
2014	3,989,207,637	4.1%	8,075,753,577	6.8%
2013	3,831,245,795		7,561,670,086	

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 \$60.07 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.

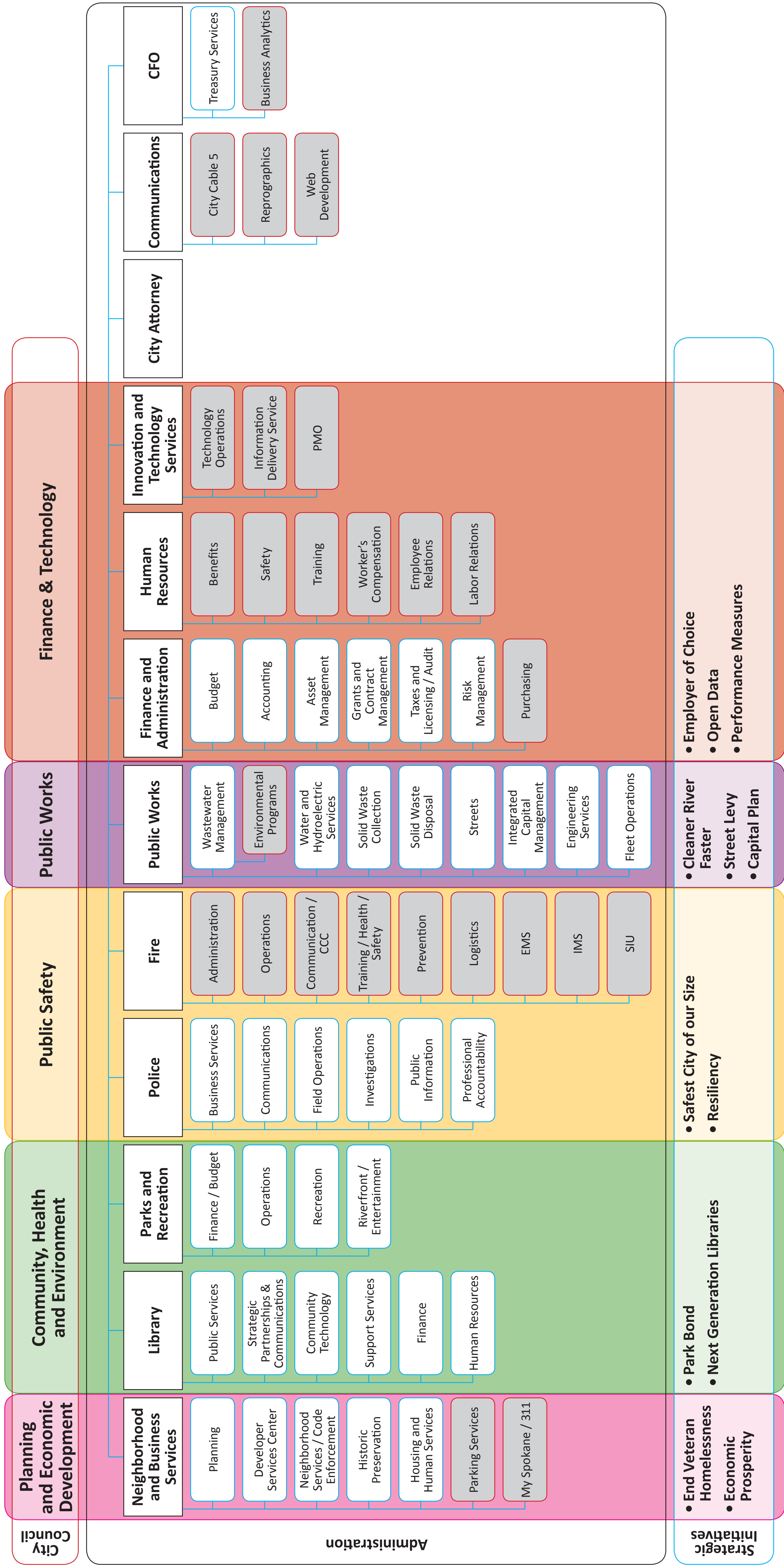
Awards and Acknowledgements

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,

A handwritten signature in black ink, appearing to read "Gavin Cooley". The signature is written in a cursive style with a large, sweeping initial "G".

Gavin Cooley
Chief Financial Officer



City Elected Officials

As of December 31, 2016



Mayor
David Condon



City Council President
Ben Stuckart



Council Member, District 1
Mike Fagan



Council Member, District 1
Amy Waldref



Council Member, District 2
Lori Kinnear



Council Member, District 2
Breean Beggs



Council Member, District 3
Candace Mumm



Council Member, District 3
Karen Stratton

<u>Elected Official</u>	<u>Position</u>	<u>Term Expiration Date</u>
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
Director – Finance & Administration	Tim Dunivant
City Clerk	Terri Pfister
Chief Examiner – Civil Service.....	Gita George-Hatcher
Director – Communications & Marketing.....	Brian Coddington
Fire Chief	Brian Schaeffer
Director – Human Resources	Chris Cavanaugh
Chief Information and Technology Officer	Eric Finch
City Attorney	Michael Ormsby
Director – Neighborhood & Business Services	Jonathan Mallahan
Director of Parks & Recreation.....	Leroy Eadie
Police Chief	Craig Meidel
Executive Director – Library.....	Andrew Chanse
Director – Public Works.....	Scott Simmons

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Financial Section



Office of the Washington State Auditor Pat McCarthy

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

August 28, 2017

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, 2016, 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, 2016, 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, 2016, the City has implemented the Governmental Accounting Standards Board Statement No. 72, *Fair Value Measurement and Application* and Statement No. 77, *Tax Abatement Disclosures*. 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; Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget to Actual for General Fund Accounts; 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 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 August 28, 2017, 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,



Pat McCarthy

State Auditor

Olympia, WA



Government Finance Officers Association

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Presented to

**City of Spokane
Washington**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

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Executive Director/CEO

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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, 2016. 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 \$2.1 billion (net position) for the fiscal year reported.
- Total net position is comprised of the following:
 - (1) Net investment in capital assets of \$2.0 billion 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 \$66.1 million is restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
 - (3) Unrestricted net position of \$14.9 million 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 \$189.4 million this year, a decrease of \$16.5 million from the prior year with the majority of the decrease due to an increase in allowance for uncollectible accounts associated with forgivable loans. Also related to the decrease is a reduction in the amount of bond proceeds restricted for capital projects underway, as those funds are being spent on capital projects. Revenues increased by \$7.4 million overall. Tax revenue increased by \$3.8 million. Investment earnings were reduced by \$10.4 million due to a large reduction in the market valuation of securities held in the investment portfolio. Intergovernmental revenue, licenses and permits, charges for service, fines and miscellaneous revenues increased by \$14 million. Other financing sources decreased by \$70.0 million. This last category of funding, which includes bond proceeds, sale of assets, and transfers in, contains revenues that are often not normal ongoing revenues, but rather occur only as necessary in any particular year. In 2015, this amount reflected the activities of the \$60 million park bond.

Taxes	\$3.8 million
Licenses & Permits	\$0.3 million
Intergovernmental	\$2.0 million
Charges for Service	\$6.4 million
Fines & Forfeitures	\$2.9 million
Miscellaneous	\$2.4 million
Investment earnings	\$(10.4) million
Other Financing Sources	\$(70.0) million

- At the end of the current fiscal year, the fund balance for the General Fund totaled \$39.0 million, excluding the nonspendable and restricted categories, which is 24% of General Fund expenditures excluding transfers.
- Overall, the City maintained its strong financial position in 2016, 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, 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 are reported in governmental activities at the government-wide financial reporting level.

The government-wide financial statements are presented on pages 43-46 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 47-51 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 52-55 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 56-57 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 58 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 \$2,116.3 million as shown below.

Summary of Net Position (in thousands)	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
ASSETS						
Current and other assets	265,483	300,000	372,612	365,369	638,095	665,369
Capital assets	1,537,904	1,534,030	697,726	672,682	2,235,630	2,206,712
Total assets	1,803,387	1,834,030	1,070,338	1,038,051	2,873,725	2,872,081
DEFERRED OUTFLOWS	31,977	21,836	19,041	12,671	51,018	34,507
Total assets + deferred outflows	1,835,364	1,855,866	1,089,379	1,050,722	2,924,743	2,906,588
LIABILITIES						
Current liabilities	22,450	19,601	11,708	15,406	34,158	35,007
Long term liabilities	404,589	397,738	356,221	330,753	760,810	728,491
Total liabilities	427,039	417,339	367,929	346,159	794,968	763,498
DEFERRED INFLOWS	4,471	17,888	8,974	1,834	13,445	19,722
Total liabilities + deferred inflows	431,510	435,227	376,903	347,993	808,413	783,220
NET POSITION						
Net investment in capital assets	1,410,134	1,402,475	625,227	638,845	2,035,361	2,041,320
Restricted	66,069	138,154	-	198,484	66,069	336,638
Unrestricted	(72,348)	(119,990)	87,249	(134,601)	14,901	(254,591)
Total net position	1,403,855	1,420,639	712,476	702,728	2,116,331	2,123,367

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 11.8 and 31.8 for business type activities. For the City overall, the current ratio is 18.7. We consider these ratios to be very strong.

Governmental Activities

Net position decreased by \$16.8 million for governmental activities and is primarily attributable to the recognition of an allowance for uncollectible accounts related to HUD forgivable loans and the reduction in market valuation of city investments due to declining bond markets because of rising interest rates right near the end of the 2016 calendar year. This market value adjustment in city investments was recorded as an unrealized loss, which will likely be removed in future years and not actually be realized when these investments mature, because the city has always had a policy of holding its investments to maturity.

Business-Type Activities

The \$9.7 million increase in business activities' net position is primarily attributable to increased revenues generated by the city's enterprise funds, especially in the sewer/water utility.

It should be noted that 100.5% 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 87.8% of its net position on capital. Capital assets in the business-type activities primarily provide utility services, but they also generate revenues for these funds. The net investment in capital assets makes up 96.2% 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	
	2016	2015	2016	2015	2016	2015
Change in Net Position (in thousands)						
REVENUES						
Program revenues						
Charges for services	39,232	38,020	206,592	195,425	245,824	233,445
Operating grants and contributions	12,355	11,603	143	100	12,498	11,703
Capital grants and contributions	10,281	8,395	8,982	9,553	19,263	17,948
General revenues						
Taxes	199,491	194,525	-	-	199,491	194,525
Disposition of fixed assets	-	-	-	-	-	-
Interest and investment Earnings	(1,033)	6,335	264	1,259	(769)	7,594
Total revenues	260,326	258,878	215,981	206,337	476,307	465,215
EXPENSES						
General government	(29,485)	(29,337)	-	-	(29,485)	(29,337)
Judicial	(4,718)	(4,288)	-	-	(4,718)	(4,288)
Public safety	(121,662)	(116,943)	-	-	(121,662)	(116,943)
Transportation	(48,962)	(53,900)	-	-	(48,962)	(53,900)
Economic environment	(12,696)	(11,449)	-	-	(12,696)	(11,449)
Social services	(9,563)	(8,806)	-	-	(9,563)	(8,806)
Culture and recreation	(31,588)	(31,333)	-	-	(31,588)	(31,333)
Interest on long term debt	(7,938)	(8,876)	-	-	(7,938)	(8,876)
Water/Sewer	-	-	(119,550)	(113,587)	(119,550)	(113,587)
Solid Waste	-	-	(75,372)	(68,143)	(75,372)	(68,143)
Other business activities	-	-	(10,825)	(9,897)	(10,825)	(9,897)
Total expenses	(266,612)	(264,932)	(205,747)	(191,627)	(472,359)	(456,559)

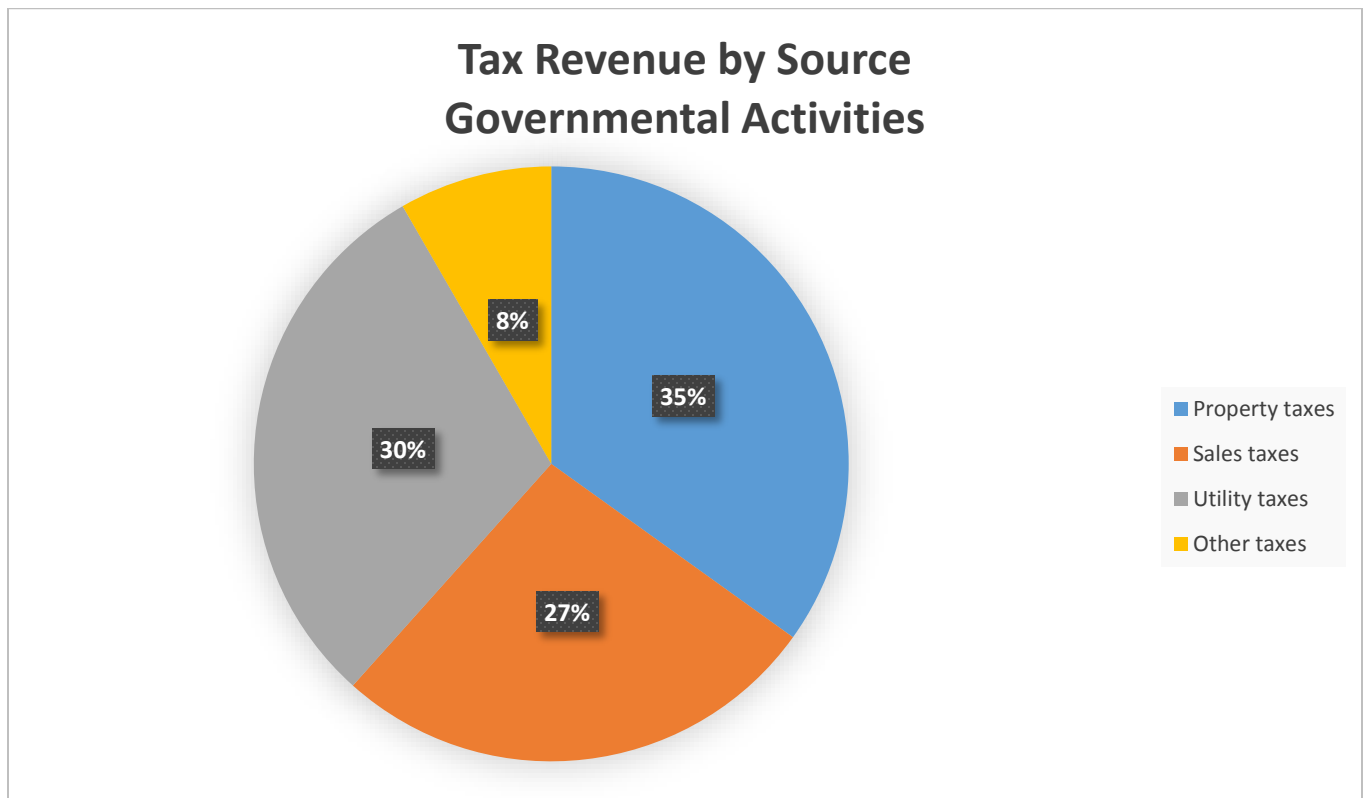
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Excess (deficiency) of revenues over expenses before contributions & transfers	(6,286)	(6,054)	10,234	14,710	3,948	8,656
Transfers	62	7,154	(62)	(7,154)	-	-
Increase (decrease) in net position	(6,224)	1,100	10,172	7,556	3,948	8,656
Prior period adjustment	(10,560)	(245)	(424)	(9)	(10,984)	(254)
Change in accounting principle (GASB 68)	-	(82,487)	-	(69,394)	-	(151,881)
Net Position-January 1	1,420,639	1,502,271	702,728	764,575	2,123,367	2,266,846
Net Position-December 31	1,403,855	1,420,639	712,476	702,728	2,116,331	2,123,367

GOVERNMENTAL REVENUES

The City is heavily reliant on three types of taxes to support governmental operations—more than 77% of the governmental activities revenue is derived from taxes. Charges for services represented 15% of these revenues, grants and contributions represented 9%.

A breakdown of tax revenue is shown below.

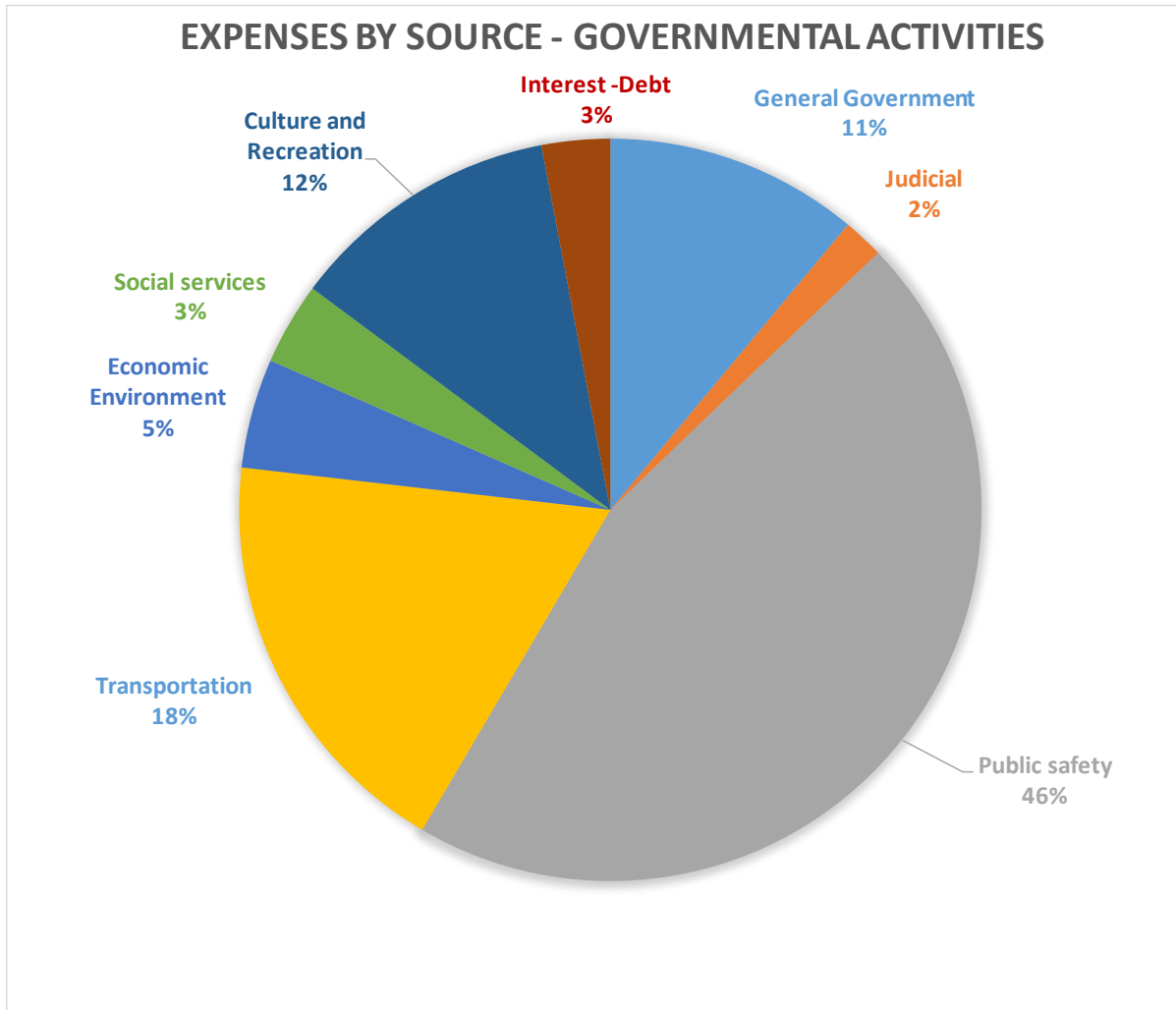


For governmental activities, program revenues cover approximately 23% of governmental operating expenses. This means that the government's taxpayers and the City's other general revenues cover 77% of the

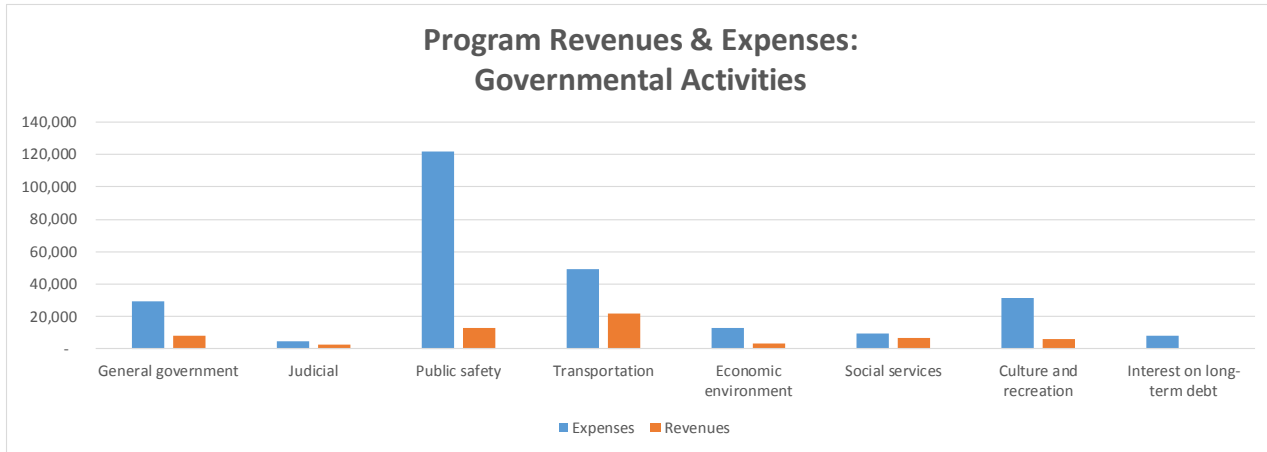
governmental activities. As a result, the general economy and the local businesses have a major impact on the City's revenue streams.

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 2016 or in any year prior to 2016, as these expenditures by the city benefit all city residents and businesses.

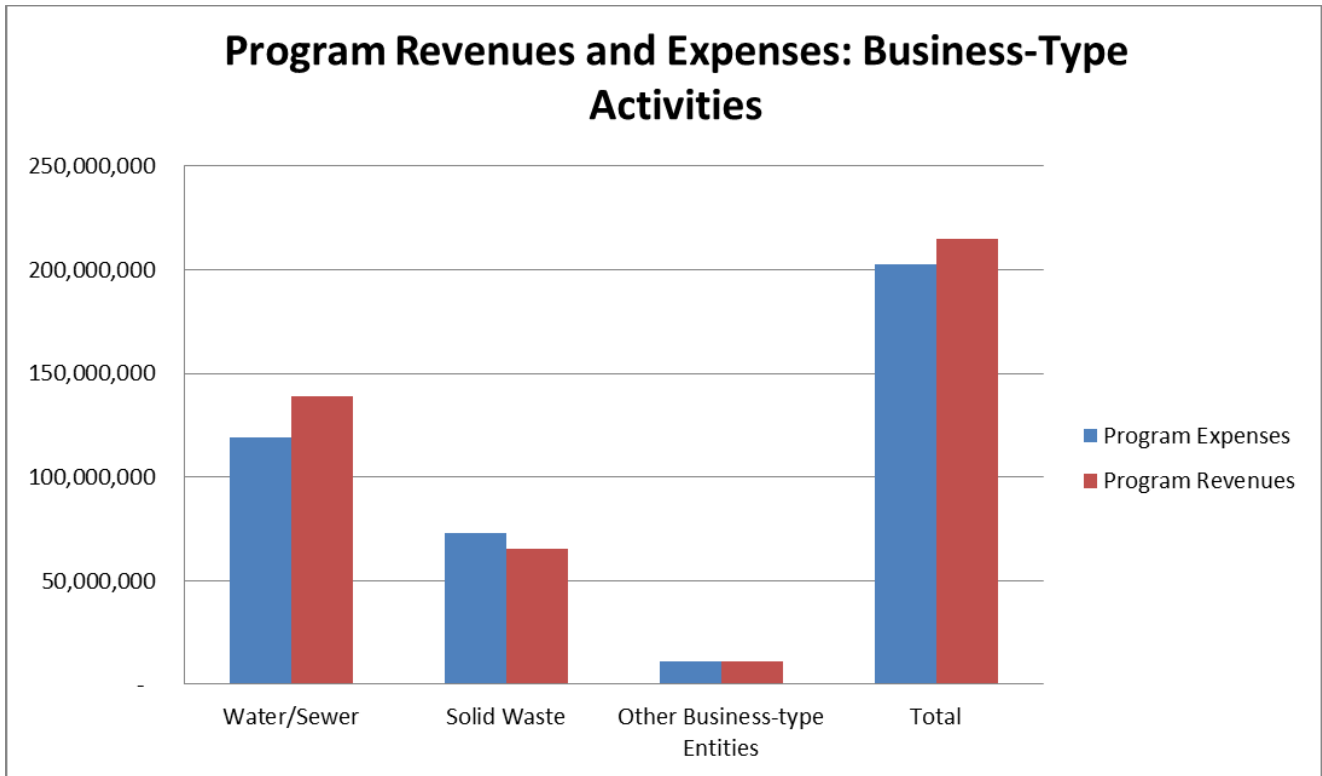
BUSINESS-TYPE ACTIVITIES
Revenues vs. Costs

For all enterprise funds, the City reports a current ratio of 11.43, which is a healthy ratio. The business-type activities report capitalized assets of \$697.7 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 \$75.7 million in unrestricted net position, which provide these funds with adequate resources to maintain service levels and invest in future infrastructure requirements.

The operating revenues for the City's four enterprise funds increased by \$11.1 million or an increase of 5.74% over the prior year while operating expenses increased by \$14.8 million or 8.10% over 2015. As a result, net operating income was \$6.1 million compared to \$9.8 million in 2015. All enterprise funds except the Water/Sewer fund experienced net losses in 2016.

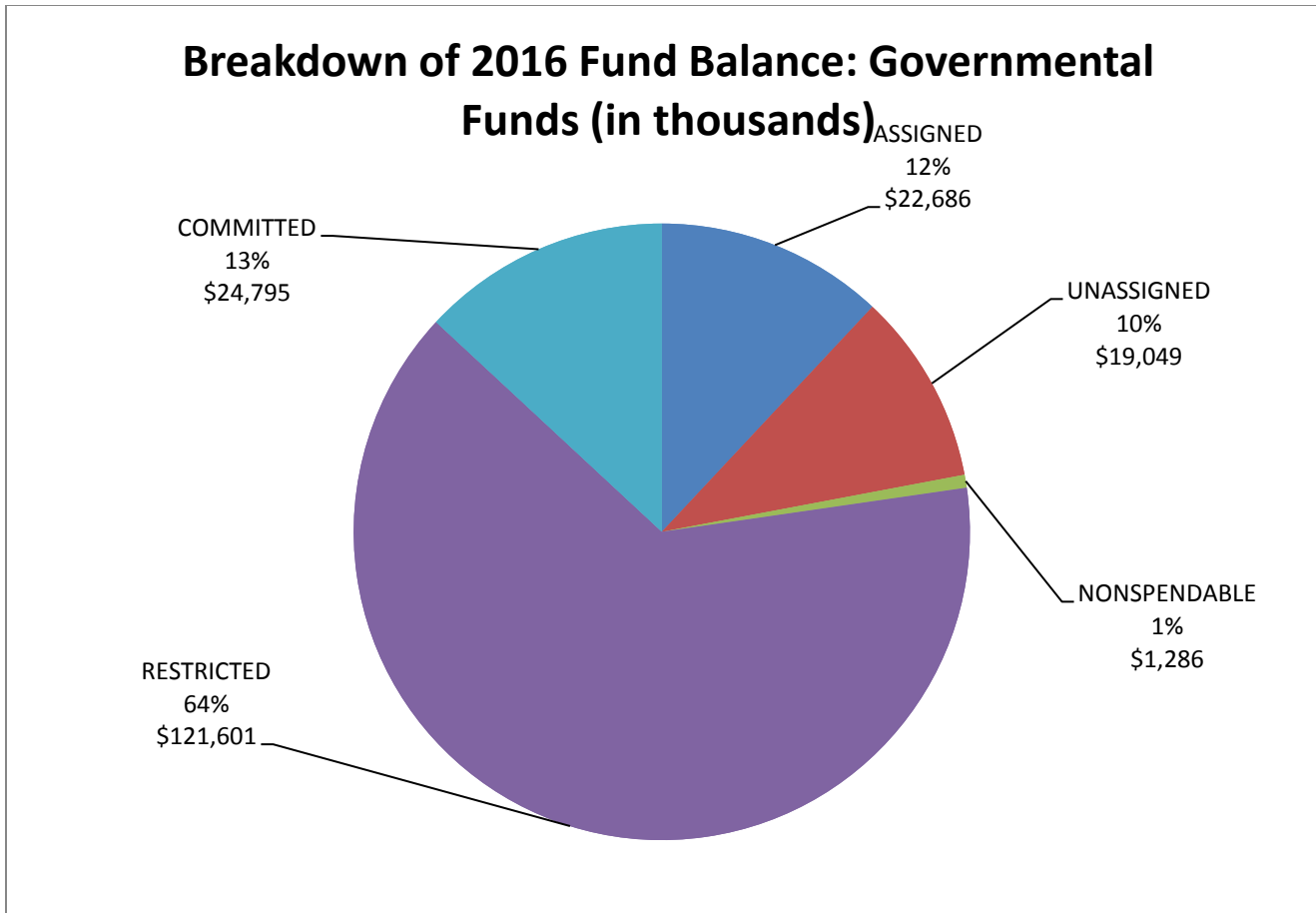
The chart below presents the revenues and expenses of each of the City's business-type activities. This net cost illustrates whether revenues are sufficient to meet current expenses.



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 \$189.4 million. Of this total, \$22.7 million is assigned and \$19.0 million is unassigned. This unassigned amount represents approximately 10% 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 \$1.3 million “not in spendable form” for items that are not expected to be converted to near-term cash such as internal loans; \$121.6 million restricted by external parties, including grantors and creditors, and \$24.8 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 fund balance of the General Fund decreased by \$0.3 million in 2016.

Committed, assigned and unassigned fund balance in the General Fund was \$39.0 million, which as a percentage of expenditures was 24% of annual operations, compared with 25% at the end of 2015. 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 2016 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 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 ten internal service funds.

The **Water/Sewer Fund** - The water/sewer fund reports net position of \$625.7 million, with a \$546.0 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 13.32, which provides this fund with adequate resources to cover cash flow issues.

The water/sewer fund reported operating income of \$16.8 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 2016 operating income will be directed towards those regulatory requirements in the coming years.

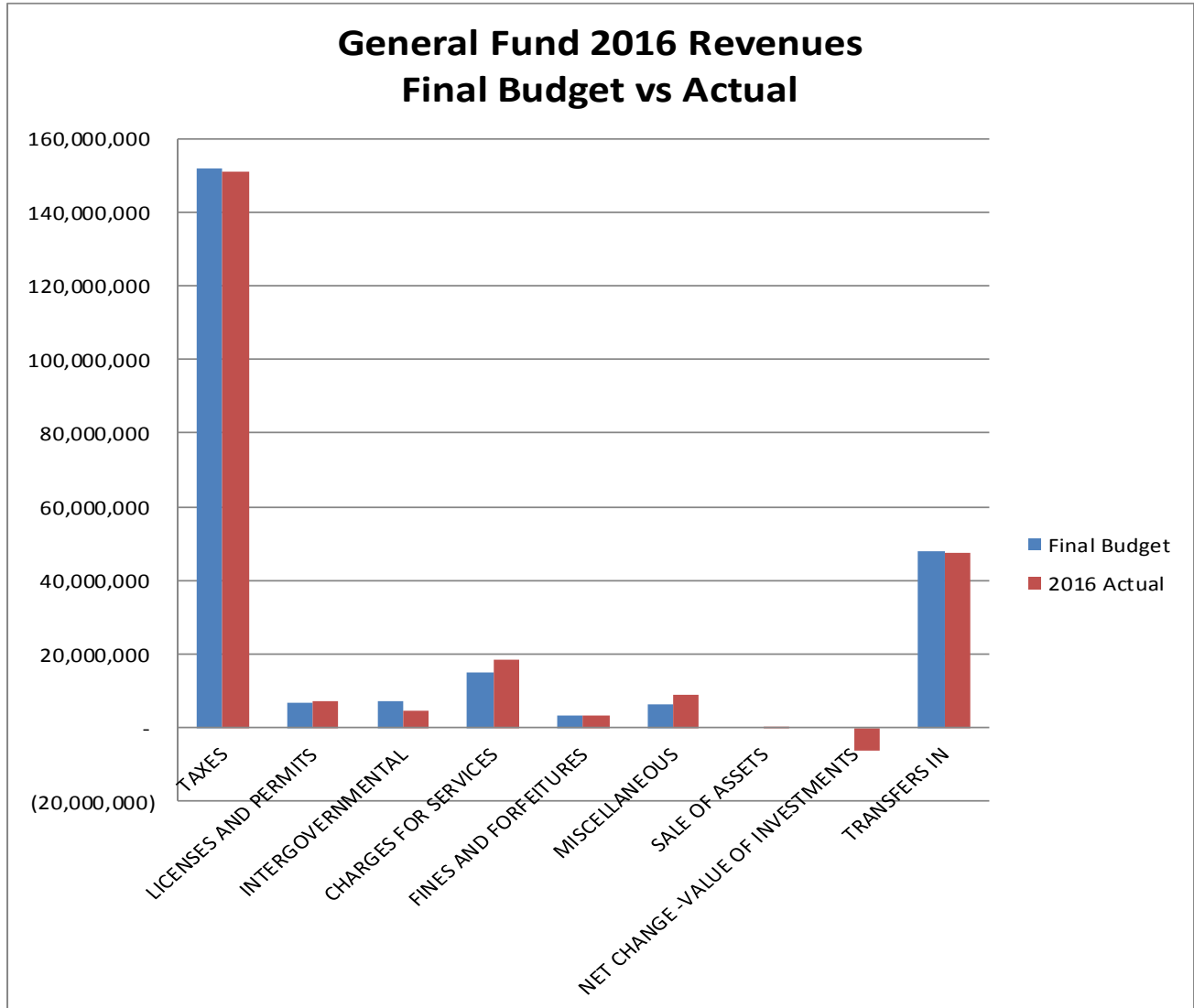
The **Solid Waste Fund** – The solid waste fund reports net position of \$73.3 million. The net investment in capital assets (i.e., the book value of the capital assets less related debt) is \$73.2 million with the remainder being unrestricted net position. The current ratio for this fund is 6.27, which provides this fund with adequate resources to cover cash flow requirements.

The solid waste fund reported an operating loss of \$10.6 million. Depreciation expense was \$11.7 million for the Solid Waste Fund, which accounted for all of the operating loss. It is a fact that the rate revenue increases have not been sufficient to cover all of the current operating expenses of the Department, including depreciation.

Budgetary Highlights

The **General Fund** – In 2016, the original General Fund Revenue budget (excluding transfers and other financing sources) was \$2.3 million more than the 2015 actual results. In addition, the 2016 original expenditure budget (excluding transfers and other financing uses) was \$1.1 million more than the 2015 actual results. There was an unfavorable budget variance in taxes and intergovernmental revenues although this was more than offset by the favorable budget variance in charges for services. As discussed earlier for governmental funds as a whole, investment earnings for the General Fund were reduced by \$6.2 million due to a large reduction in the market valuation of securities held in the investment portfolio. This unrealized loss should be recovered in future years when the individual securities mature, as the city's policy has always been to hold its investment securities to maturity.

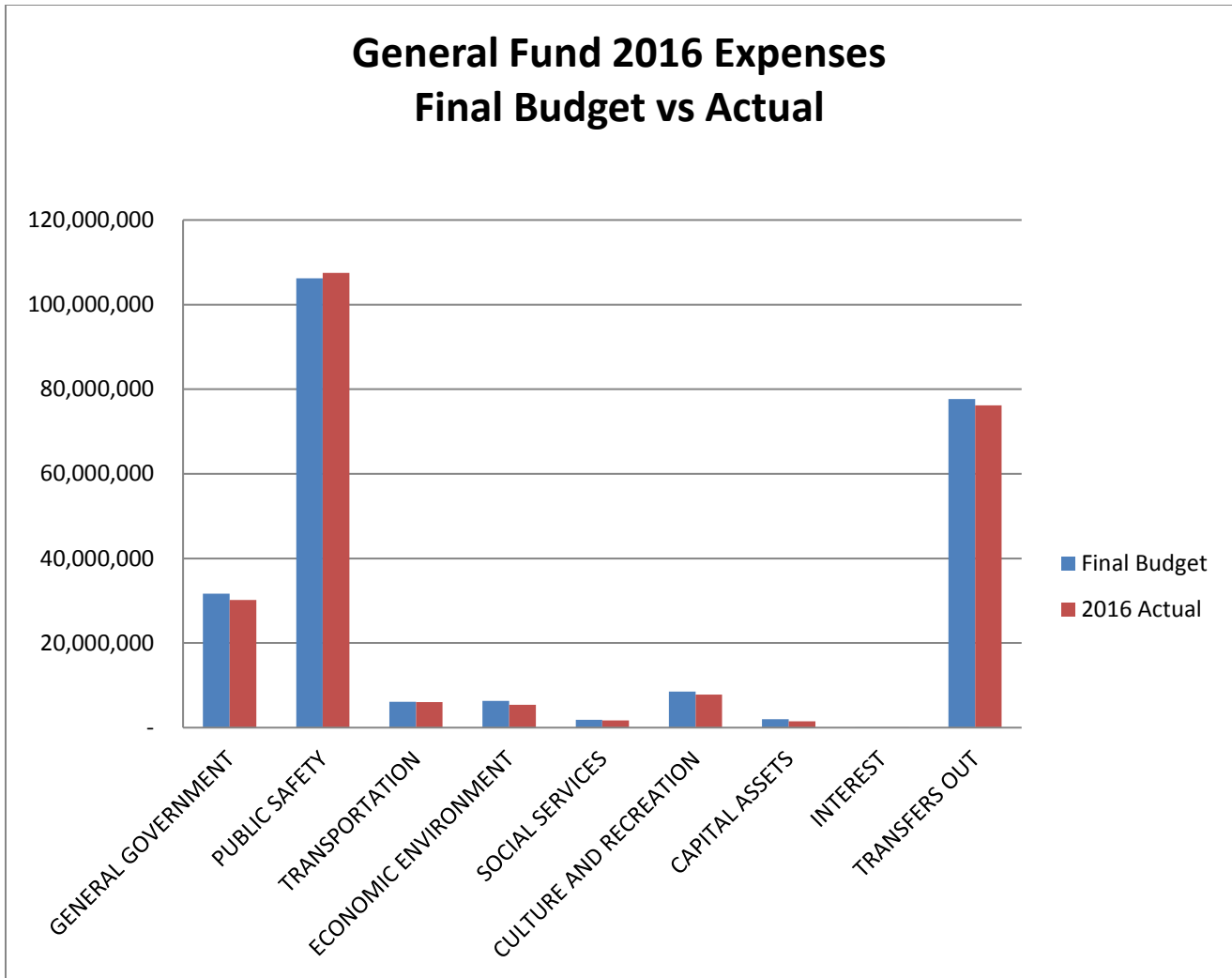
For the past several years, the City has strived to develop a budget that limits expenditures to anticipated revenue for the current year. The City Council amended both the revenue and expenditure budgets during 2016; the amendments resulted in a 0.20% change between the original and final budget for revenues, and a 1.4% change for expenditures.



The actual revenues were approximately \$1.8 million less than the actual expenditures (including transfers out), or 1.0% excess of expenditures over revenues. However, the revenues were reduced by the \$6.2 million unrealized loss due to the net change in the valuation of city investments.

Excluding the effects of transfers in/out, the City had positive expenditure variances of \$2.5 million between the final budget and the actual amounts in all categories except Public Safety, which realized a \$1.3 unfavorable variance. The unfavorable variance in Public Safety was due to salaries and overtime in the Police Department. Generally, the positive variances are related to reduced expenditures across most of the general fund, as the City's management and Council continue to recognize the effects of prior revenue shortfalls and have adjusted 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

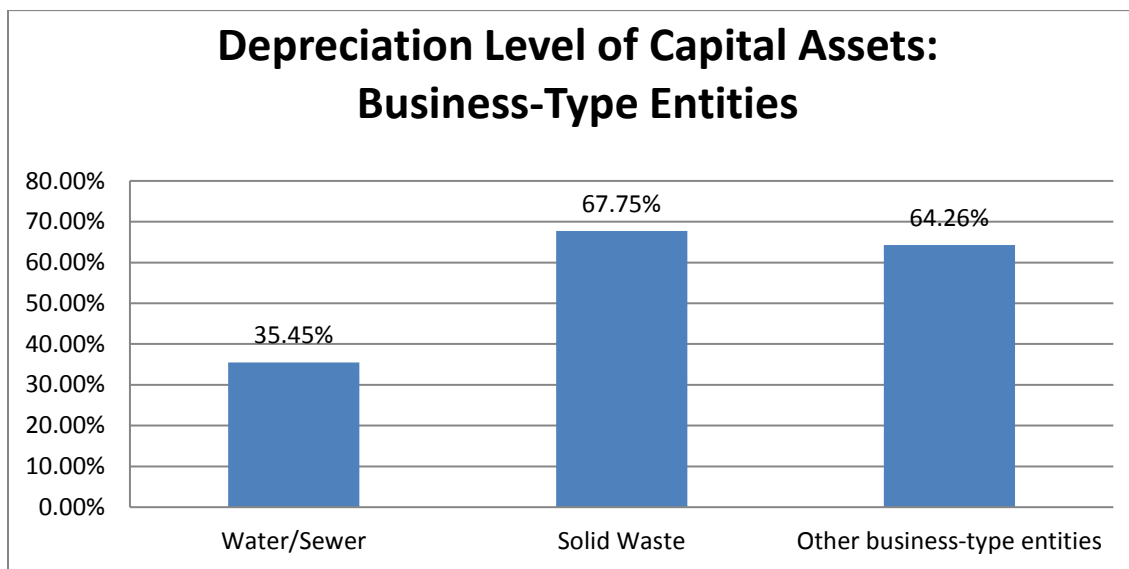
The City's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of December 31, 2016, was \$1,537.9 million and \$697.7 million respectively. See Note 4 for additional information about changes in capital assets during the fiscal year and amounts outstanding at the end of the year.

The following table provides a summary of capital assets.

Summary of Capital Assets (in thousands)	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
NON-DEPRECIABLE ASSETS						
Land	\$ 836,772	\$ 836,608	\$ 13,850	\$ 14,536	\$ 850,622	\$ 851,143
Construction in progress	38,802	29,271	63,264	56,509	102,067	85,780
Total non-depreciable assets	875,575	865,879	77,114	71,045	952,689	936,924
DEPRECIABLE ASSETS						
Buildings	87,571	87,832	319,792	301,412	407,363	389,243
Other improvements	89,126	86,423	104,809	99,894	193,935	186,317
Machinery and equipment	99,244	91,742	150,379	151,004	249,623	242,746
Infrastructure	1,051,321	1,038,982	550,301	525,502	1,601,622	1,564,484
Intangible assets	5,299	5,573	114	114	5,413	5,687
Total depreciable assets	1,332,561	1,310,552	1,125,394	1,077,926	2,457,956	2,388,478
Total cost of capital assets	2,208,135	2,176,430	1,202,508	1,148,971	3,410,645	3,325,402
ACCUMULATED DEPRECIATION	(670,232)	(642,401)	(504,782)	(476,289)	(1,175,014)	(1,118,690)
Total book value of capital assets	\$ 1,537,904	\$ 1,534,030	\$ 697,726	\$ 672,682	\$ 2,235,630	\$ 2,206,712
Percentage depreciated	50%	49%	45%	44%	48%	47%

At December 31, 2016 and December 31, 2015, the depreciable capital assets for governmental activities were 50-49% depreciated.

With the City's business-type activities, 45% of the asset values were depreciated at December 31, 2016 and 44% at December 31, 2015. 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 \$435.2 million. Of this amount, \$192.5 million or 44.2% 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 \$241.4 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 \$36.6 million or 8.3% of the beginning outstanding borrowed debt balance.

Outstanding Borrowings	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
General obligation bonds	\$ 184,533,902	\$ 195,226,287	-	\$ 453,713	184,533,902	\$ 195,680,000
Deferred amounts	7,955,298	8,587,640	-	-	7,955,298	8,587,640
Special assessment debt	180,000	250,000	-	-	180,000	250,000
Capital leases	-	-	326,209	171,992	326,209	171,992
Revenue bonds	-	-	169,680,000	175,600,000	169,680,000	175,600,000
Deferred amounts	-	-	18,907,387	19,442,318	18,907,387	19,442,318
Other government/bank loans	1,066,056	1,178,973	52,527,663	35,950,172	53,593,719	37,129,145
Total	\$ 193,735,256	\$ 205,242,900	\$ 241,441,259	\$ 231,618,195	\$ 435,176,515	\$ 436,861,095

Long-term debt increased by \$34.6 million during 2016, which was the result of a \$16.1 million refunding of existing debt and the issuance of \$18.5 million of new government loans, which is a component of the funding for a large scale upgrade of the Riverside Park water reclamation facility, the city's main treatment plant.

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 2005B 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.

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 nationwide 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.

Basic Financial Statements
Government-wide Financial Statements

City of Spokane, Washington
Statement of Net Position
December 31, 2016

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 10,459,861	\$ 4,589,731	\$ 15,049,592
Equity in pooled investments	195,187,175	282,869,591	478,056,766
Receivables (net)	38,998,768	34,849,862	73,848,630
Internal balances	(27,884,765)	27,884,765	-
Inventories	2,588,010	4,626,852	7,214,862
Other assets	21,777,005	-	21,777,005
Restricted Assets:			
Receivables, noncurrent	24,357,194	66,578	24,423,772
Equity in pooled investments, restricted	-	17,724,453	17,724,453
Capital Assets (Note 4):			
Non-depreciable assets	875,574,787	77,114,241	952,689,028
Depreciable assets, net of depreciation	662,329,321	620,612,115	1,282,941,436
Total capital assets, net of depreciation	1,537,904,108	697,726,356	2,235,630,464
Total Assets	1,803,387,356	1,070,338,188	2,873,725,544
DEFERRED OUTFLOWS			
Pensions	31,977,283	19,041,400	51,018,683
Total deferred outflows	31,977,283	19,041,400	51,018,683
Total Assets Plus Deferred Outflows	1,835,364,639	1,089,379,588	2,924,744,227
LIABILITIES			
Accounts payable and accrued expenses	10,915,287	7,391,613	18,306,900
Other liabilities, current	11,535,175	4,316,001	15,851,176
Long term liabilities (Note 9):			
Due within one year	26,258,152	9,822,273	36,080,425
Due within more than one year	378,330,380	346,398,808	724,729,188
Total Liabilities	427,038,994	367,928,695	794,967,689
DEFERRED INFLOWS			
Loans/Grants	-	8,905,433	8,905,433
Pensions	3,055,890	-	3,055,890
Bond refundings	881,686	-	881,686
Property taxes	533,000	-	533,000
Sale of Future Revenue	-	68,984	68,984
Total deferred inflows	4,470,576	8,974,417	13,444,993
Total Liabilities Plus Deferred Inflows	431,509,570	376,903,112	808,412,682
NET POSITION			
Net investment in capital assets	1,410,134,333	625,227,245	2,035,361,578
Restricted for:			
Capital projects	32,082,310	-	32,082,310
Debt service	4,585,958	-	4,585,958
Grants/other	28,352,563	-	28,352,563
Police and firefighters' pension	959,880	-	959,880
Other	88,032	-	88,032
Unrestricted	(72,348,007)	87,249,231	14,901,224
Total Net Position	\$ 1,403,855,069	\$ 712,476,476	\$ 2,116,331,545

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

City of Spokane, Washington
Statement of Activities
For the Fiscal Period Ended December 31, 2016

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General government	\$ 29,484,994	\$ 7,616,191	\$ 372,745	\$ -	\$ (21,496,058)	\$ -	\$ (21,496,058)
Judicial	4,718,365	2,937,940	-	-	(1,780,425)	-	(1,780,425)
Public safety	121,662,107	10,569,858	2,092,411	-	(108,999,838)	-	(108,999,838)
Transportation	48,961,814	11,454,601	655,584	9,924,069	(26,927,560)	-	(26,927,560)
Economic environment	12,696,196	77,297	3,037,886	239,268	(9,341,745)	-	(9,341,745)
Social services	9,562,525	1,062,186	5,847,964	-	(2,652,375)	-	(2,652,375)
Culture and recreation	31,588,225	5,514,363	348,813	118,170	(25,606,879)	-	(25,606,879)
Interest on long-term debt	7,938,240	-	-	-	(7,938,240)	-	(7,938,240)
Total governmental activities	266,612,466	39,232,436	12,355,403	10,281,507	(204,743,120)	-	(204,743,120)
Business-Type Activities:							
Water/Sewer	119,550,146	130,505,616	48,325	8,981,980	-	19,985,775	19,985,775
Solid Waste	75,371,627	65,276,708	94,346	-	-	(10,000,573)	(10,000,573)
Other business-type activities	10,824,694	10,810,207	-	-	-	(14,487)	(14,487)
Total Business-Type Activities	205,746,467	206,592,531	142,671	8,981,980	-	9,970,715	9,970,715
Total government	\$ 472,358,933	\$ 245,824,967	\$ 12,498,074	\$ 19,263,487	(204,743,120)	9,970,715	(194,772,405)
General revenues:							
Property taxes					69,786,932	-	69,786,932
Sales taxes					53,231,770	-	53,231,770
Utility taxes					59,883,663	-	59,883,663
Other taxes					16,588,509	-	16,588,509
Investment earnings					(1,033,203)	263,700	(769,503)
Transfers					61,588	(61,588)	-
Total general revenues and transfers					198,519,259	202,112	198,721,371
Change in Net Position					(6,223,861)	10,172,827	3,948,966
Prior period adjustment					(10,559,531)	(424,406)	(10,983,937)
Net Position - beginning (restated)					1,420,638,461	702,728,055	2,123,366,516
Net Position - ending					\$ 1,403,855,069	\$ 712,476,476	\$ 2,116,331,545

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

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Basic Financial Statements
Fund Financial Statements

**City of Spokane, Washington
Balance Sheet
Governmental Funds
December 31, 2016**

	General Fund	Other Governmental Funds	Total
ASSETS			
Cash and cash equivalents	\$ 1,803,585	\$ 3,498,651	\$ 5,302,236
Deposits with fiscal agents/trustees	28,951	59,111	88,062
Equity in pooled investments	20,812,665	109,832,304	130,644,969
Taxes receivable	14,291,919	3,338,884	17,630,803
Special assessment receivable	-	2,066,160	2,066,160
Accounts receivable	3,793,523	3,201,900	6,995,423
Interest receivable	1,599,594	327,827	1,927,421
Due from other funds	5,779,973	2,792,240	8,572,213
Interfund loan receivable	2,076,257	986,266	3,062,523
Due from other governments	721,935	7,365,731	8,087,666
Advances to other funds	1,285,800	6,897,330	8,183,130
Inventories	1,198	1,054,465	1,055,663
Notes/contract receivable (non-current)	154,670	24,646,525	24,801,195
Total Assets	<u>52,350,070</u>	<u>166,067,394</u>	<u>218,417,464</u>
DEFERRED OUTFLOWS OF RESOURCES			
Total Deferred Outflows of Resources	-	-	-
Total Assets Plus Deferred Outflows of Resources	<u>\$ 52,350,070</u>	<u>\$ 166,067,394</u>	<u>\$ 218,417,464</u>
LIABILITIES			
Accounts/vouchers payable	\$ 1,569,886	\$ 5,379,590	\$ 6,949,476
Due to other funds	1,183,882	2,625,309	3,809,191
Due to other governments	445,600	42,005	487,605
Revenues collected in advance	57,500	331,589	389,089
Interfund loan payable	-	1,888,443	1,888,443
Other accrued liabilities	5,238,660	1,093,293	6,331,953
Other current liabilities	793,914	3,553,614	4,347,528
Total Liabilities	<u>9,289,442</u>	<u>14,913,843</u>	<u>24,203,285</u>
DEFERRED INFLOWS OF RESOURCES			
Property taxes	2,150,631	2,572,194	4,722,825
Revenues not available	-	74,142	74,142
Total Deferred Inflows of Resources	<u>2,150,631</u>	<u>2,646,336</u>	<u>4,796,967</u>
Total Liabilities Plus Deferred Inflows of Resources	<u>11,440,073</u>	<u>17,560,179</u>	<u>29,000,252</u>
Fund Balance			
Nonspendable	1,285,800	-	1,285,800
Restricted - capital projects	-	87,615,038	87,615,038
Restricted - police & firefighters' pension	-	959,880	959,880
Restricted - grants	607,551	27,745,012	28,352,563
Restricted - debt service	-	4,585,958	4,585,958
Restricted - other	-	88,032	88,032
Committed	2,866,813	21,927,957	24,794,770
Assigned	17,100,707	5,585,338	22,686,045
Unassigned	19,049,126	-	19,049,126
Total Fund Balance	<u>40,909,997</u>	<u>148,507,215</u>	<u>189,417,212</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u>\$ 52,350,070</u>	<u>\$ 166,067,394</u>	<u>\$ 218,417,464</u>

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

Reconciliation of the Balance Sheet
to the Statement of Net Position
Governmental Funds
December 31 2016

Total Fund Balance of Governmental Funds		\$	189,417,212
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			867,866,848
Depreciable assets			1,251,869,353
Less: Accumulated depreciation			(629,868,074)
Total capital assets			1,489,868,127
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.			
			21,777,005
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.			
			28,029,004
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 Taxes		5,404,737	
Grants		389,089	
Revenues Collected for future sales		74,142	
Refunding debt		(881,686)	
Pensions		(3,055,890)	1,930,392
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.			
			29,404,521
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		(184,533,902)	
Deferred amounts on bond issuance		(7,955,298)	
Special assessment debt		(180,000)	
Due to other governments		(1,066,056)	
Revitalization Areas		(3,428,750)	
Pollution Remediation		(1,620,000)	
OPEB (other postemployment benefits) liability		(14,672,662)	
Net pension obligation		(127,090,638)	
Accrued interest on bonds		(617,958)	
Compensated absences		(15,405,928)	
Total long term liabilities			(356,571,192)
Net Position of Governmental Activities		\$	1,403,855,069

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

City of Spokane, Washington
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended December 31, 2016

	General Fund	Other Governmental Funds	Total
REVENUES			
Taxes	\$ 151,201,589	\$ 38,089,549	\$ 189,291,138
Licenses and permits	6,992,715	614,418	7,607,133
Intergovernmental	4,549,060	32,951,302	37,500,362
Charges for services	18,389,565	15,261,642	33,651,207
Fines and forfeitures	3,225,243	4,557,608	7,782,851
Miscellaneous	8,787,853	5,106,129	13,893,982
Net inc(dec) in market value of investments	(6,220,198)	(4,198,018)	(10,418,216)
Total Revenues	186,925,827	92,382,630	279,308,457
EXPENDITURES			
Current:			
General government	30,150,004	9,989,444	40,139,448
Public safety	107,467,432	14,647,982	122,115,414
Transportation	6,057,102	22,766,338	28,823,440
Economic environment	5,402,059	7,723,615	13,125,674
Social services	1,712,802	7,598,425	9,311,227
Culture and recreation	7,785,349	17,372,816	25,158,165
Capital outlays	1,460,157	32,907,678	34,367,835
Debt service:			
Principal	-	5,813,977	5,813,977
Interest	66,518	7,871,722	7,938,240
Total Expenditures	160,101,423	126,691,997	286,793,420
Excess of Revenues Over (Under) Expenditures	26,824,404	(34,309,367)	(7,484,963)
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	130,008	276,471	406,479
Proceeds of bonds issued	-	16,167,449	16,167,449
Payment to escrow agent for refunded bond debt	-	(16,338,420)	(16,338,420)
Transfers in	137,523	35,915,318	36,052,841
Transfers out	(28,917,531)	(7,432,845)	(36,350,376)
Total Other Financing Sources (Uses)	(28,650,000)	28,587,973	(62,027)
Net change in fund balance	(1,825,596)	(5,721,394)	(7,546,990)
Fund Balance - beginning	41,073,772	164,846,562	205,920,334
Prior Period Adjustment	1,661,821	(10,617,953)	(8,956,132)
Fund balance - ending	\$ 40,909,997	\$ 148,507,215	\$ 189,417,212

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

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance
to the Statement of Activities
For the Fiscal year Ended December 31, 2016

Change in fund balance - governmental funds	\$	(7,546,990)
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the current period, capital outlays did not exceed depreciation expense:		
Capital outlays	36,534,108	
Depreciation expense	<u>(31,600,909)</u>	4,933,199
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	(12,897,120)	
Less accumulated depreciation	<u>6,865,196</u>	(6,031,924)
Some revenues in the governmental funds that were not available until the current year were reported in prior years in the Statement of Activities.		
		(988,485)
Some revenues in the governmental funds that were earned in the current year but are unavailable should be reported in the current year Statement of Activities.		
		1,233,589
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount payments exceeded proceeds:		
Additional Bond Issuance	(102,449)	
Principal repayments - general obligation debt	5,982,259	
Principal repayments - special assessment debt	70,000	
Principal repayments - due to other governments	112,917	
Principal repayments - Revitalization Areas	106,225	6,168,952
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
(Increase) decrease in OPEB (other postemployment benefit) liability	(755,462)	
(Increase) decrease in compensated absences	622,082	
(Increase) decrease in Revitalization Area	35,756	
(Increase) decrease in deferred amounts on bond issuance	632,342	
(Increase) decrease in accrued interest	64,280	
Increase (decrease) in Pension Expense	(2,447,464)	
(Increase) decrease in refunding amortization	110,211	(1,738,255)
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.		
		<u>(2,253,947)</u>
Change in net position of governmental activities	\$	(6,223,861)

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

City of Spokane, Washington
Statement of Net Position
Proprietary Funds
December 31, 2016

	Business-type Activities-Enterprise Funds				Governmental Activities Internal Service
	Water/Sewer	Solid Waste	Other Enterprise Funds	Total	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 3,606,955	\$ 659,071	\$ 264,179	\$ 4,530,205	\$ 4,029,742
Deposits with fiscal agents	50,915	8,611	-	59,526	1,039,821
Equity in pooled investments	259,274,712	19,226,253	4,368,626	282,869,591	64,542,206
Accounts receivable	13,821,838	6,587,870	505,317	20,915,025	553,819
Interest receivable	314,025	28,689	3,742	346,456	68,707
Due from other funds	1,813,890	1,050,725	334,277	3,198,892	4,705,907
Interfund loan receivable	2,538,584	274,810	32,731	2,846,125	490,752
Due from other governments	13,563,691	24,690	-	13,588,381	9,855
Inventories	2,610,916	1,973,018	42,918	4,626,852	1,532,347
Prepayments	-	-	-	-	-
Equity in pooled investments, restricted	7,002,316	10,722,137	-	17,724,453	-
Total current assets	304,597,842	40,555,874	5,551,790	350,705,506	76,973,156
Noncurrent assets:					
Non depreciable capital assets:					
Land	10,110,205	2,450,382	1,289,224	13,849,811	6,742,065
Construction in progress	63,264,430	-	-	63,264,430	965,875
Depreciable capital assets:					
Property, plant, and equipment	333,878,770	224,662,477	16,438,321	574,979,568	65,813,519
Infrastructure	550,300,864	-	-	550,300,864	9,579,118
Capitalized software	-	-	-	-	5,299,085
Intangible assets	113,766	-	-	113,766	-
Less accumulated depreciation	(339,518,777)	(153,872,389)	(11,390,917)	(504,782,083)	(40,363,681)
Total capital assets	618,149,258	73,240,470	6,336,628	697,726,356	48,035,981
Other noncurrent assets					
Other noncurrent assets	38,500	28,078	-	66,578	-
Advances to other funds	17,379,389	1,881,382	224,076	19,484,847	3,359,732
Total noncurrent assets	635,567,147	75,149,930	6,560,704	717,277,781	51,395,713
Total assets	940,164,989	115,705,804	12,112,494	1,067,983,287	128,368,869
DEFERRED OUTFLOWS OF RESOURCES					
Pensions	8,631,321	8,748,267	1,661,812	19,041,400	3,948,279
Total deferred outflows of resources	8,631,321	8,748,267	1,661,812	19,041,400	3,948,279
Total assets plus deferred outflows of resources	948,796,310	124,454,071	13,774,306	1,087,024,687	132,317,148

City of Spokane, Washington
Statement of Net Position
Proprietary Funds
December 31, 2016

	Business-type Activities-Enterprise Funds				Governmental Activities Internal Service
	Water/Sewer	Solid Waste	Other Enterprise Funds	Total	
LIABILITIES					
Current Liabilities:					
Accounts payable	4,273,815	2,887,931	146,915	7,308,661	2,860,640
Claims and judgements payable	-	-	-	-	18,686,438
Compensated absences	214,505	86,560	32,537	333,602	198,901
Capital lease payable	-	-	82,942	82,942	-
Due to other funds	6,083,753	2,338,514	226,460	8,648,727	4,019,094
Interfund loan payable	-	-	453,712	453,712	35,084,953
Due to other governments	2,415,806	-	-	2,415,806	-
Revenue bonds payable	7,002,316	-	-	7,002,316	-
Accrued interest	697,066	-	-	697,066	42,563
Other accrued liabilities	1,554,310	935,614	242,550	2,732,474	700,584
Other current liabilities	620,975	215,502	120,531	957,008	112,155
Total current liabilities	22,862,546	6,464,121	1,305,647	30,632,314	61,705,328
Noncurrent Liabilities:					
Revenue bonds payable	181,585,071	-	-	181,585,071	-
General obligation bonds payable	-	-	-	-	-
Due to other government units	50,124,252	-	-	50,124,252	-
Compensated absences	2,929,486	1,223,352	538,091	4,690,929	1,341,210
Noncurrent capital lease payable	-	-	243,268	243,268	-
Net pension liability	56,606,995	32,159,474	9,688,192	98,454,661	28,408,749
Accrued landfill postclosure liability	-	11,300,629	-	11,300,629	-
Total noncurrent liabilities	291,245,804	44,683,455	10,469,551	346,398,810	29,749,959
Total Liabilities	314,108,350	51,147,576	11,775,198	377,031,124	91,455,287
DEFERRED INFLOWS OF RESOURCES					
Pensions	-	-	-	-	-
Unavailable revenues	8,905,443	-	68,984	8,974,427	-
Total deferred inflows of resources	8,905,443	-	68,984	8,974,427	-
Total liabilities plus deferred inflows of resources	323,013,793	51,147,576	11,844,182	386,005,551	91,455,287
NET POSITION					
Net investments in capital assets	545,976,355	73,240,470	6,010,420	625,227,245	48,035,981
Restricted for unspent bond proceeds	-	-	-	-	-
Unrestricted	79,806,162	66,025	(4,080,296)	75,791,891	(7,174,120)
Total Net Position	\$ 625,782,517	\$ 73,306,495	\$ 1,930,124	701,019,136	\$ 40,861,861
				Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.	11,457,340
				Net position of business-type activities	<u>\$ 712,476,476</u>

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

City of Spokane, Washington
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended December 31, 2016

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Water/Sewer	Solid Waste	Other Enterprise Funds	Total	
OPERATING REVENUES					
Charges for goods and services	\$ 130,179,350	\$ 63,183,840	\$ 10,767,542	\$ 204,130,732	\$ 82,019,345
Total operating revenues	130,179,350	63,183,840	10,767,542	204,130,732	82,019,345
OPERATING EXPENSES					
Salaries and wages	22,546,051	13,266,147	4,487,648	40,299,846	11,796,905
Personnel benefits	8,012,401	4,680,962	1,546,833	14,240,196	4,076,637
Supplies	4,762,975	3,562,137	250,028	8,575,140	3,031,438
Other services and charges	25,684,950	30,283,813	3,992,370	59,961,133	15,143,755
Taxes	29,974,703	9,833,580	21,302	39,829,585	145,994
Depreciation/amortization	22,092,339	11,691,138	659,124	34,442,601	4,904,385
Risk transfer payments	273,837	429,922	-	703,759	8,836,061
Claims processing	-	-	-	-	2,715,614
Payments to claimants and beneficiaries	-	-	-	-	31,299,646
Total operating expenses	113,347,256	73,747,699	10,957,305	198,052,260	81,950,435
Operating Income (Loss)	16,832,094	(10,563,859)	(189,763)	6,078,472	68,910
NONOPERATING REVENUES (EXPENSES)					
Interest income	217,958	37,520	8,222	263,700	118,411
Gain (loss) on disposition of capital assets	(331,872)	(2,516,467)	-	(2,848,339)	146,383
Interest expense	(7,242,815)	-	-	(7,242,815)	(718,994)
Other nonoperating revenue	1,964,558	2,148,963	42,665	4,156,186	668,197
Total nonoperating revenues (expenses)	(5,392,171)	(329,984)	50,887	(5,671,268)	213,997
Income (loss) before capital contributions and transfers	11,439,923	(10,893,843)	(138,876)	407,204	282,907
Capital contributions	7,392,013	38,251	-	7,430,264	114,006
Transfers in	-	5,003,114	35,000	5,038,114	6,018,298
Transfers out	(5,093,008)	(4,410)	(2,284)	(5,099,702)	(5,791,545)
Other debt & loans	-	-	-	-	(5,274,560)
Total contributions and transfers	2,299,005	5,036,955	32,716	7,368,676	(4,933,801)
Change in Net Position	13,738,928	(5,856,888)	(106,160)	7,775,880	(4,650,894)
Prior Period Adjustment	(460,616)	33,485	2,725	(424,406)	57,432
Net Position - beginning (restated)	<u>612,043,589</u>	<u>79,163,383</u>	<u>2,036,284</u>		<u>45,512,755</u>
Net Position - ending	<u>\$ 625,782,517</u>	<u>\$ 73,306,495</u>	<u>\$ 1,930,124</u>		<u>\$ 40,861,861</u>
			Change in Net Position	7,775,880	
			Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds	<u>2,396,947</u>	
			Change in net position of business-type activities	<u>\$ 10,172,827</u>	

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

City of Spokane, Washington
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended December 31, 2016

	Business-Type Activities - Enterprise Funds				Governmental Activities Internal Service
	Water/Sewer	Solid Waste	Other Enterprise Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 148,568,640	\$ 64,427,746	\$ 10,478,543	\$ 223,474,929	\$ 82,493,730
Payments to suppliers for services	(34,980,243)	(35,108,932)	(4,207,490)	(74,296,665)	(59,009,551)
Payments to employees	(24,957,109)	(16,242,046)	(4,695,366)	(45,894,521)	(16,013,119)
Payment for taxes - city and state	(29,974,703)	(9,833,580)	(21,302)	(39,829,585)	(145,994)
Other receipts (payments)	553,972	33,485	2,725	590,182	57,432
Net cash provided (used) by operating activities	59,210,557	3,276,673	1,557,110	64,044,340	7,382,498
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in (out)	(5,063,800)	4,998,704	35,000	(30,096)	3,555,914
Net cash provided (used) by noncapital financing activities	(5,063,800)	4,998,704	35,000	(30,096)	3,555,914
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES					
Proceeds from disposal of capital assets	104,399	55,131	-	159,530	175,027
Proceeds from loans, notes, and lease purchase payable	18,538,425	-	453,712	18,992,137	5,085,553
Capital grants and contributions received	-	-	-	-	-
Acquisition and construction of capital assets	(50,791,752)	(5,492,704)	(221,247)	(56,505,703)	(9,929,886)
Principal paid on revenue bonds	(7,865,511)	-	-	(7,865,511)	-
Principal paid on capital leases	-	-	(62,422)	(62,422)	-
Principal paid on interfund loans	-	-	-	-	(8,830,465)
Interest paid on interfund loans	-	-	-	-	(718,995)
Interest paid on revenue bonds	(7,267,481)	-	-	(7,267,481)	-
Interest paid on general obligation bonds	-	-	(453,712)	(453,712)	-
Transfers in (out)	(29,208)	(36,955)	(2,284)	(68,447)	(3,232,337)
Net cash provided (used) by capital and related financing activities	(47,311,128)	(5,474,528)	(285,953)	(53,071,609)	(17,451,103)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	(80,925,973)	(19,415,234)	(2,900,051)	(103,241,258)	(23,382,300)
Proceeds from sales and maturities of investments	32,388,831	13,927,873	455,209	46,771,913	10,189,772
Interest received	11,083	20,364	5,481	36,928	71,364
Net cash provided (used) by investing activities	(48,526,059)	(5,466,997)	(2,439,361)	(56,432,417)	(13,121,164)
Net increase (decrease) in cash and cash equivalents	(41,690,430)	(2,666,148)	(1,133,204)	(45,489,782)	(19,633,855)
Cash and cash equivalents - January 1	45,297,385	3,325,219	1,397,383	50,019,987	23,663,597
Cash and cash equivalents - December 31	\$ 3,606,955	\$ 659,071	\$ 264,179	\$ 4,530,205	\$ 4,029,742
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 16,832,094	\$ (10,563,859)	\$ (189,763)	\$ 6,078,472	\$ 68,910
Adjustments to Reconcile Operating Income					
Depreciation & amortization	22,092,339	11,691,138	659,124	34,442,601	4,904,385
Prior period adjustment	553,972	33,485	2,725	590,182	57,432
Change in Accounting Principle	-	-	-	-	-
Other revenues	1,964,558	2,148,963	42,665	4,156,186	668,197
Other expenses	-	-	-	-	-
Change in Assets: Decrease (Increase)					
Receivables, net of allowance	7,524,789	(905,679)	(331,664)	6,287,446	(194,455)
Deposits with fiscal agents	-	622	-	622	643
Inventories	(122,401)	463,679	(20,176)	321,102	(110,487)
Prepayments	-	-	-	-	(71,857)
Change in Deferred Outflows: Decrease (Increase)	(1,110,651)	(5,167,466)	(92,454)	(6,370,571)	(747,399)
Change in Liabilities: Increase (Decrease)					
Payables	12,020,209	6,865,735	1,486,653	20,372,597	5,198,531
Change in Deferred Inflows: Increase (Decrease)	(544,352)	(1,289,945)	-	(1,834,297)	(2,391,402)
Net Cash provided (used) by operating activities	\$ 59,210,557	\$ 3,276,673	\$ 1,557,110	\$ 64,044,340	\$ 7,382,498
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Contributions of capital assets	\$ 2,145,885	\$ 38,251	\$ -	\$ 2,184,136	\$ 200,327

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

City of Spokane, Washington
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2016

	Pension and Other Employee Benefit Plans	Private-Purpose Trust Funds	Agency Funds
ASSETS			
Current Assets:			
Cash	\$ 896,686	\$ 15,463	\$ 4,391,376
Short term investments	1,254,996	-	-
Receivables, pension and other employee benefit plans:			
Interest and dividends	319,442	-	-
Taxes receivable	300,000	-	-
Other receivables	857	-	11,158
Due from other governments	-	-	102,657
Total Current Assets	2,771,981	15,463	4,505,191
Noncurrent Assets:			
Investments, noncurrent, at fair value:			
U.S. fixed income	71,839,774	-	-
International/global fixed income	1,518,469	-	-
U.S. equities	87,529,212	-	-
Real estate	23,739,250	-	-
International equities	56,796,776	-	-
Alternatives	64,250,771	-	-
Total investments	305,674,252	-	-
Capital assets:			
Software	477,000	-	-
Other improvements	17,539	-	-
Accumulated depreciation	(136,789)	-	-
Investments, noncurrent, all other funds:			
Total Noncurrent Assets	306,032,002	-	-
Total Assets	308,803,983	15,463	4,505,191
DEFERRED OUTFLOWS OF RESOURCES			
Total Deferred Outflows of Resources	-	-	-
Total Assets plus Deferred Outflows of Resources	308,803,983	15,463	4,505,191
LIABILITIES			
Current Liabilities:			
Accounts/vouchers payable	219,910	-	3,415
Warrants payable	-	-	4,038,615
Due to other governments	751	-	459,986
Compensated absences	16,320	-	-
Other accrued liabilities	17,017	-	-
Other current liabilities	225,701	-	3,175
Total Current Liabilities	479,699	-	4,505,191
Noncurrent Liabilities:			
Total Noncurrent Liabilities	-	-	-
Total Liabilities	479,699	-	4,505,191
DEFERRED INFLOWS OF RESOURCES			
Total Deferred Inflows of Resources	-	-	-
Total Liabilities plus Deferred Inflows of Resources	479,699	-	\$ 4,505,191
NET POSITION			
Net position held in trust for:			
Pension benefits	308,324,284	-	
Individuals, organizations, and other governments	-	15,463	
Total Net Position	\$ 308,324,284	\$ 15,463	

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

City of Spokane, Washington
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the fiscal year ended December 31, 2016

	Pension Trust Funds	Private Purpose Trust Funds
ADDITIONS		
Contributions:		
Employer	\$ 15,452,893	\$ -
Plan members	7,586,362	-
Intergovernmental revenue	281,775	-
Medicare retiree drug subsidy	250,296	-
Miscellaneous	19,565	-
Private contributions	-	3,904
Total Contributions	23,590,891	3,904
Investment Income:		
Net increase (decrease) in fair value of investments	11,034,419	-
Interest and dividends	6,706,722	-
Total investment earnings (loss)	17,741,141	-
Less: Investment expense	(465,390)	-
Net investment income (loss)	17,275,751	-
Total Additions	40,866,642	3,904
DEDUCTIONS		
Pension Benefits	27,526,831	-
Medical and dental benefits	5,243,699	-
Pension refunds	729,741	-
Medical and dental administration	431,524	-
Administrative expenses	585,602	3,203
Total Deductions	34,517,397	3,203
Change in Fiduciary Net Position	6,349,245	701
Fund Balance - beginning	301,975,039	14,762
Net position - ending	\$ 308,324,284	\$ 15,463

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

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2016

Note 1	Summary of Significant Accounting Policies	58
Note 2	Deposits and Investments	73
Note 3	Property Taxes	84
Note 4	Capital Assets	85
Note 5	Pension Plans	87
Note 6	Other Post Employment Benefits	103
Note 7	Risk Management	107
Note 8	Short Term Debt	109
Note 9	Long Term Liabilities	110
Note 10	Interfund Balances and Transfers	117
Note 11	Joint Ventures	120
Note 12	Commitments and Contingencies	122
Note 13	Prior Period Adjustments	129
Note 14	Legal Matters	132
Note 15	Subsequent Events	132
Note 16	Tax Abatements	133

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 2016 reporting, the City adopted the following new standard issued by the Governmental Accounting Standards Board (GASB):

GASB 72 (fair value measurement) and GASB 76 (new hierarchy for GAAP as applied to state and local governments) have been applied to these statements for 2016, although the city has always used fair value reporting for all of its investments.

GASB 78 (relates to the reporting for pensions and related assets not within the scope of GASB 68) is not applicable to the city as the city has no pensions of this type.

GASB 77 (Tax Abatement Disclosures)

Tax abatements occur when a government offers reduced taxes to a specific taxpayer for the purpose of spurring economic development. This statement requires disclosing information regarding tax abatement agreements such as, the purpose of the tax abatement program, the tax being abated, dollar amount of taxes abated, provisions for recapturing abated taxes, and the types of commitments made by the government and tax abatement recipients.

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.

Blended Component Unit

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 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, 2016, there were no financial transactions that are reported in the city's financial statements.

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 have been combined as part of the primary government in the government-wide *Statement of Net Position* and the *Statement of Activities*.

The separately issued financial statements of these related organizations are filed with the State Auditor's Office and can be found at <http://portal.sao.wa.gov/ReportSearch>.

Discretely Presented Component Unit

A discretely presented component unit does not function as an integral part of the primary government, its data is presented separately from the data of the primary government.

The University Public Development Authority (PDA) was established to cultivate an urban university district environment favorable to development. As of December 31, 2016, the PDA had \$0 expenses.

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.

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 cost-reimbursement 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 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	(1,439,623)
Housing Stabilization Program Fund	(20,085)
Misc Community Development Grants Fund	(74,287)
Special Assessment Debt Service Fund	(81,767)
Kendall Yards TIF Fund	(88,088)
Total	(1,703,850)

Funds with Deficit Fund Balance/Net Position

The following funds reported deficit fund balance/net position as of December 31, 2016:

Fund	Amount
WIA Youth Fund	253
Building Services Fund	2,911,231
Public Works Utilities Fund	2,400,783
Reprographics Fund	140,241
Accounting Services Fund	7,186,770
Workers' Compensation Fund	94,834
Total	12,734,112

The net position deficit for the Building Services, Public Works Utilities, Reprographics, 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.

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

Encumbrances

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

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 equity in pooled investments. 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 is provided in Note 2.

3. 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.

5. 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.

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

Fund	Amount
Equity in Pooled Investments - Landfill Liability	10,722,137
Current portion of revenue bonds payable	7,002,316
Total	17,724,453

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.

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 city computers
- 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 acquisition 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, 2016 are shown below:

Fund Balance	General Fund	Nonmajor Government Funds	Total
<i>Nonspendable:</i>			
Interfund loans receivable	1,285,800	-	1,285,800
Total Nonspendable Fund Balance	1,285,800	-	1,285,800
<i>Restricted for:</i>			
Capital projects	-	87,615,038	87,615,038
Debt service	-	4,585,958	4,585,958
Grants	607,551	27,745,012	28,352,563
Police/firefighters' pension	-	959,880	959,880
Other	-	88,032	88,032
Total Restricted Fund Balance	607,551	120,993,920	121,601,471
<i>Committed for:</i>			
Revenue stabilization	704,165	-	704,165
City facilities	-	159,117	159,117
Communication	-	5,118,454	5,118,454
Transportation	94,373	5,566,810	5,661,183
Public safety	2,068,276	4,325,000	6,393,276
Culture and recreation	-	6,729,697	6,729,697
Benefits	-	28,879	28,879
Total Committed Fund Balance	2,866,814	21,927,957	24,794,771
<i>Assigned for:</i>			
Contingency reserve	14,258,094	-	14,258,094
General Government	1,089,502	-	1,089,502
Library capital replacement	1,408,174	-	1,408,174
Communication	-	-	-
Human Services	-	948,214	948,214
Law enforcement	-	415,316	415,316
Fire protection	-	-	-
Transportation	-	-	-
Culture and recreation	-	300,000	300,000
Code enforcement	238,417	-	238,417
City facilities/improvement	83,950	3,921,808	4,005,758
Benefits	-	-	-
Other purposes	22,569	-	22,569
Total Assigned Fund Balance	17,100,706	5,585,338	22,686,044
<i>Unassigned:</i>	19,049,126	-	19,049,126
Total	40,909,997	148,507,215	189,417,212

Fund balance has been restated as follows:

	Fund Balance at 12/31/15	Fund Reclassification	Fund Balance as restated 01/01/16
Governmental Funds			
General Fund	\$ 41,300,350	\$ (226,578)	\$ 41,073,772
Traffic Calming Fund	1,668,155	100,000	1,768,155
GO Bond Redemption Fund	7,088,022	126,578	7,214,600
Total	\$ 50,056,527	\$ -	\$ 50,056,527

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
3. 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. At December 31, 2016, \$58.4 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	1,263,039
Nonmajor Governmental Funds	57,178,106
Total	58,441,145

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, 2016, all of the \$495.7 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 SERS.

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, an independent investment consultant and an auditor. 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'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. The investment policy was updated during the reporting period to reflect the new target allocations resulting from an asset allocation study.

Firefighters' Pension System

The Firefighters' Trust Fund investments are restricted by RCW 41.16.040 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 investments other than traditional asset classes of equities, fixed income and real estate. Each alternative investment that SERS enters into has been carefully studied by the System's independent investment consultant, 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's cash and investments at December 31, 2016:

Deposit Type	Value
Reconciliation of Restricted/Unrestricted Cash and Investments:	
Cash	\$ 13,361,939
Petty Cash	500,244
Deposits with Fiscal Agents	1,187,409
Other	34,684
Investments	495,746,535
	510,830,811

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 limit 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, 2016.

Interest Rate Risk	Fair Value	Maturity				Effective Duration (in years)
		Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years	
City Treasurer Investments Categorized						
US Government Agencies	415,888,920	44,410,265	181,643,164	189,835,491	-	4.24
Strip Bonds	79,857,615	23,701,112	14,281,350	14,653,020	27,222,133	6.89
Total investments categorized	495,746,535	68,111,377	195,924,514	204,488,511	27,222,133	
Pension Trust Funds						
Employees' Retirement System						Average Maturity
Fixed Income Mutual Funds	22,783,633	-	22,783,633	-	-	4.11
Corporate Notes and Bonds	8,200,454	233,116	2,526,540	2,761,156	2,679,642	12.40
Asset Backed Securities	6,228,603	-	2,233,124	456,844	3,538,635	19.40
Governmental CMOs	2,925,414	-	-	-	2,925,414	24.17
Municipal Bonds	1,630,889	193,218	883,341	444,995	109,335	5.47
Mortgage Backed						
Governmental Passthrough	1,177,289	-	-	591,579	585,710	17.51
U.S. Government Treasuries	526,905	-	433,687	-	93,218	6.38
	-	-	-	-	-	-
Total investments categorized	43,473,187	426,334	28,860,325	4,254,574	9,931,954	
Investments not required to be categorized:						
Cash and cash equivalents	955,792	-	-	-	-	-
Equity securities	144,325,988	-	-	-	-	-
Real estate	23,739,250	-	-	-	-	-
Alternative investments	64,250,771	-	-	-	-	-
Total investments not categorized	233,271,801	-	-	-	-	-
Total Investments	276,744,988	426,334	28,860,325	4,254,574	9,931,954	
Firefighters' Pension System						
						Average Maturity
US Government Treasuries	11,346,567	4,345,217	2,777,027	4,224,323	-	4.10
Mortgage Backed Securities						
Government Pass Through	7,932,656	26,112	3,351,938	3,737,261	817,345	7.30
Government CMOs	1,497,181	-	-	664,235	832,946	11.63
Corporate Bonds/Notes	8,258,770	1,036,687	7,185,311	36,772	-	2.42
Asset Backed Securities	849,882	-	421,621	170,411	257,850	7.35
Total investments categorized	29,885,056	5,408,016	13,735,897	8,833,002	1,908,141	
Investments not required to be categorized:						
Cash and cash equivalents	449,945	-	-	-	-	-
Total investments not categorized	449,945	-	-	-	-	-
Total Investments	30,335,001	5,408,016	13,735,897	8,833,002	1,908,141	
Police Pension System						
Investments not required to be categorized:						
Cash and cash equivalents	498,181	-	-	-	-	-
Total Investments	498,181	-	-	-	-	-

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 2016 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 one institutional mutual fund and one separately managed account 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 at the time of purchase and any securities subsequently downgraded require specific written permission to hold. 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, 2016.

Investment Type	Fair Value	Investment Credit Rating						
		AAA	AA	A	BBB	BB	B	Not Rated
Spokane Investment Pool								
US Government Agencies	415,888,920	18,145,825	397,743,095	-	-	-	-	-
Strip Bonds	79,857,615	75,993,195	-	-	3,864,420	-	-	-
Total	495,746,535	94,139,020	397,743,095	-	3,864,420	-	-	-
Employees' Retirement System								
Hotchkis & Wiley High Yield Fund Class 1	22,783,633	-	-	-	-	-	22,783,633	-
Corporate Notes and Bonds	8,200,455	53,297	434,535	2,326,882	5,385,741	-	-	-
Asset Backed Securities	6,228,604	5,252,929	877,721	-	-	-	-	97,954
Governmental CMOs	2,925,414	-	-	-	-	-	-	2,925,414
Municipal Bonds	1,630,888	51,139	1,555,483	24,266	-	-	-	-
Mortgage Backed								
Governmental Passthrough	1,177,289	561,671	-	-	-	-	-	615,618
U.S. Government Treasuries	526,905	526,905	-	-	-	-	-	-
Total	43,473,188	6,445,941	2,867,739	-	5,385,741	-	22,783,633	3,638,986
Firefighters' Pension System								
US Government Treasuries	11,346,567	-	11,346,567	-	-	-	-	-
Mortgage Backed Securities								
Government Pass Through	7,932,656	366,558	7,566,098	-	-	-	-	-
Government CMOs	1,497,181	-	1,497,181	-	-	-	-	-
Corporate Bonds/Notes	8,258,769	-	383,610	3,725,293	4,135,656	14,210	-	-
Asset Backed Securities	849,883	-	597,287	252,596	-	-	-	-
Total	29,885,056	366,558	21,390,743	3,977,889	4,135,656	14,210	-	-

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' has no holdings by an issuer that represent five percent or more of SERS' investments. SERS holdings in organizations that manage five percent or more of the Plan's fiduciary net position at December 31, 2016 were:

Organization	% of Net Position
City of Spokane Employees' Retirement System	
Hotchkis & Wiley	14.1%
Sterling Capital Management	9.9%
Artisan Partners	7.0%
Vanguard Funds	6.7%
MFS Investment Management	6.4%
American Funds	6.4%
Evanston Capital Management	5.3%
Jackson Square	5.2%

Firefighters' Pension System

The Firefighters' Trust Fund holdings in issuers that represent five percent or more of the Plan's fiduciary net position at December 31, 2016 were:

Organization	% of Net Position
City of Spokane Firefighter's Pension System	
US Treasury Notes	37.6%
Fannie Mae	22.1%
Freddie Mac	7.2%

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, 2016, there were no holdings exposed to foreign currency risk.

Employees' Retirement System

At December 31, 2016, 26.0% of the System's portfolio is invested in foreign issued securities, which primarily consist of equities, fixed income and alternative investments. 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. The fair market value of the foreign investments as of December 31, 2016 was:

Category	Total Investments	US Issues	Foreign Issues	% Foreign
Cash	955,792	955,792	-	0.00%
Fixed Income	43,473,187	38,299,949	5,173,237	11.90%
Equities	144,325,988	87,020,589	57,305,399	39.70%
Real Estate	23,739,250	23,568,003	171,247	0.70%
Alternatives	64,250,771	54,858,421	9,392,350	14.60%
Total	276,744,988	204,702,755	72,042,233	26.00%

Spokane Firefighters' Trust Fund

The Fire investment policy does not allow investments in foreign issuances. At December 31, 2016, 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, 2016, there were no holdings exposed to foreign currency risk.

Fair Value Measurement

The city categorizes its fair value investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. In accordance with GASB Statement 72 – Fair Value Measurement and Application, the following hierarchy is utilized:

- Level 1 – Quoted prices for an identical asset in an active market
- Level 2 – Market value where prices are determined using observable inputs
- Level 3 – Market value where prices are determined using unobservable inputs

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment's risk.

Fixed income and equity investments classified as Level 1 in the fair value hierarchy are valued directly from a predetermined primary external pricing vendor.

Investments classified as Level 2 represent proportional ownership in a Collective Investment Trust (CIT). All assets in the CIT have observable prices in active markets, with the fair value of the CIT representing a proportionate share of all underlying assets held in the CIT.

The following table presents fair value measurements as of December 31, 2016:

Investment by fair value level	12/31/2016	Investments by Fair Value Level			(NAV)
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Spokane Investment Pool					
US Government Agencies	415,888,920	415,888,920	-	-	-
Strip Bonds	79,857,615	79,857,615	-	-	-
Total	495,746,535	495,746,535	-	-	-
Pension Trust Funds					
Employees' Retirement System					
Cash Equivalents	955,792	955,792	-	-	-
Total Cash Equivalents	955,792	955,792	-	-	-
US Government	4,629,608	4,629,608	-	-	-
US Corporate Fixed Income	7,374,334	7,374,334	-	-	-
International Fixed Income	826,120	826,120	-	-	-
Asset Backed Securities	6,228,604	6,228,604	-	-	-
Municipal Bonds	1,630,888	1,630,888	-	-	-
Fixed Income Mutual Funds	22,783,633	22,783,633	-	-	-
Total Fixed Income	43,473,187	43,473,187	-	-	-
Investments not required to be categorized:					
US Common Stock	23,085,045	23,085,045	-	-	-
International Common Stock	1,179,782	1,179,782	-	-	-
Equity Mutual funds	117,459,273	99,626,094	17,833,179	-	-
Total Equities	141,724,100	123,890,921	17,833,179	-	-
Real estate	11,228,994	-	-	-	11,228,994
Alternative investments	79,362,915	-	-	-	79,362,915
Total - All Investments	276,744,988	168,319,900	17,833,179	-	90,591,909

Firefighters' Pension System					
US Government Treasuries	11,346,567	11,346,567	-	-	-
Mortgage Backed Securities					
Government Pass Through	7,932,656	7,932,656	-	-	-
Government CMOs	1,497,181	1,497,181	-	-	-
Corporate Bonds/Notes	8,258,770	8,258,770	-	-	-
Asset Backed Securities	849,882	849,882	-	-	-
Total	29,885,056	29,885,056	-	-	-

The valuation method for investments measured at the net asset value (NAV) per share, or equivalent, is presented in the table below:

Investment Category	Net Asset Value (NAV)	Unfunded Commitments	Redemption Frequency	Redemption Notice
Equity Fund	15,112,144	-	Monthly	15-90 Days
Long/Short Hedge Fund	29,263,011	-	Quarterly	60-65 Days
Real Estate Fund	11,228,994	2,953,592	N/A	N/A
Absolute Return Hedge Fund	22,177,939	-	Monthly, Quarterly, Semi-Annually	N/A
Closed-End Hedge Fund	4,063,926	3,457,500	N/a	N/A
Fixed Income Fund	8,745,895	-	Quarterly	90 Days
Total	90,591,909	6,411,092		

Equity Fund: One international fund and one US fund that invest long-only in less liquid markets seeking to capture an illiquidity premium. The international fund is a fund of funds and is valued based on the net asset value provided for each of the underlying units. The US fund unit net asset value is based on the value of the underlying holdings.

Long/Short Hedge Fund: Three funds that invest long and short to generate outsize risk-adjusted returns. Two funds are valued at net asset value of units held based on underlying holdings. One fund is a fund of funds and is valued based on the net asset value provided for each of the underlying units.

Real Estate Fund: Five funds that invest primarily in commercial real estate properties and debt instruments. The fair values of these funds has been determined using net assets valued based on the appraised value of the holdings. These funds are not eligible for redemption. Distributions are received as underlying investments within the funds are liquidated, which on average can occur over the span of 5 to 10 years.

Absolute Return Hedge Fund: Four funds that seek to generate consistent positive returns with low volatility and low net market exposure. Each fund's unit net asset value is based on the value of the underlying holdings.

Closed-End Hedge Fund: One fund that invests primarily in medical royalty streams or securities associated with the royalties. The fair value of the funds is determined using discounted cash flow models based on expected future cash flows. The fund is not eligible for redemption. Distributions are received as underlying investments within the funds generate cash flows, which on average can occur over the span of 5 to 10 years.

Fixed Income Fund: One fund that invests in less liquid or distressed debt securities. The US fund unit net asset value is based on the value of the underlying holdings.

Note 3

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.

Property Tax Levy Type	Total Levy (in thousands)	Amount per \$1,000 Assessed Valuation
Regular	56.180	3.524273
EMS	7.846	.492211
Bond	3.427	.221988
Park Bond	2.334	.147968
Total	69.787	4.38644

Note 4

Capital Assets

Capital asset activity for the year ended December 31, 2016 was as follows:

Capital Assets	Jan 01, 2016 Beginning Balance	Increases	Decreases	Dec 31, 2016 Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 836,607,640	\$ 212,368	\$ (47,629)	\$ 836,772,379
Construction in progress	29,270,874	9,531,535	-	38,802,409
Total capital assets, not being depreciated	865,878,514			875,574,788
Capital assets, being depreciated:				
Buildings	x 87,831,632	7,250	(267,883)	87,570,999
Accumulated depreciation	(40,829,988)	(1,241,364)	34,793	(42,036,559)
Net buildings	47,001,644			45,534,440
Other improvements	86,423,030	2,714,024	(10,777)	89,126,277
Accumulated depreciation	(36,706,566)	(4,108,914)	6,466	(40,809,014)
Net other improvements	49,716,464			48,317,263
Machinery and equipment ¹	91,742,181	12,044,750	(4,543,052)	99,243,879
Accumulated depreciation	(65,204,339)	(7,618,340)	3,697,923	(69,124,755)
Net machinery and equipment	26,537,842			30,119,124
Infrastructure	1,038,981,849	21,930,417	(9,591,432)	1,051,320,834
Accumulated depreciation	(497,980,753)	(23,471,437)	4,935,204	(516,516,986)
Net infrastructure	541,001,096			534,803,848
Intangible assets	5,573,266		(274,182)	5,299,084
Accumulated depreciation	(1,679,199)	(65,239.44)	-	(1,744,438)
Net intangible assets	3,894,067			3,554,646
Total Capital assets, being depreciated (net)	668,151,112			662,329,321
Governmental Activities, Capital Assets (net)	\$ 1,534,029,626			\$ 1,537,904,109

Capital Assets	Jan 01, 2016 Beginning Balance	Increases	Decreases	Dec 31, 2016 Ending Balance
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 14,535,823	\$ 3,500	\$ (689,512)	\$ 13,849,811
Construction in progress	\$ 56,509,459	\$ 44,413,131	(37,658,160)	63,264,430
Total capital assets, not being depreciated	71,045,282			77,114,241
Capital assets, being depreciated:				
Buildings	301,411,780	\$ 18,380,064	-	319,791,844
Accumulated depreciation	(185,540,349)	(8,972,479)	-	(194,512,828)
Net buildings	115,871,431			125,279,016
Other improvements	99,893,913	\$ 6,801,211	(1,886,412)	104,808,712
Accumulated depreciation	(42,646,965)	(7,069,025)	875,834	(48,840,156)
Net other improvements	57,246,948			55,968,556
Machinery and equipment	151,004,097	\$ 4,947,798	(5,572,887)	150,379,008
Accumulated depreciation	(85,747,268)	(9,016,178)	4,665,748	(90,097,698)
Net machinery and equipment	65,256,829			60,281,310
Infrastructure	525,502,441	\$ 25,606,862	(808,439)	550,300,864
Accumulated depreciation	(162,276,914)	(9,382,644)	407,796	(171,251,762)
Net infrastructure	363,225,527			379,049,101
Intangible assets	113,766	-	-	113,766
Accumulated amortization	(77,361)	(2,275)	-	(79,636)
Net intangible assets	36,405			34,130
Total Capital assets, being depreciated (net)	601,637,140			620,612,114
Business-Type Activities, Capital Assets (net)	\$ 672,682,422			\$ 697,726,355
DEPRECIATION				
Governmental Activities:				
General government				\$ 967,902
Judicial				70,324
Public safety				3,563,948
Interest on Long term debt				190,011
Transportation				24,169,287
Economic environment				728,983
Mental and physical health				70,959
Culture and recreation				6,743,880
Total Depreciation Expense - Governmental Activities				\$ 36,505,294
Business-Type Activities:				
Water/Sewer				\$ 22,092,339
Solid Waste				11,691,138
Other				659,124
Total Depreciation Expense - Business-Type Activities				\$ 34,442,601

Note 5

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 required to join SERS with the exception of elected official who have the option to join SERS and police or 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 Board members.

SERS provides retirement, death, and disability benefits. All employees hired before January 1, 2009, 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% of the member's highest consecutive two-year average salary by the member's years of creditable service, not to exceed 64.50%. 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 2.00% multiplier with a service cap of 35 years.

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 or reach the normal retirement age of 62. Their retirement benefits are calculated by multiplying 2.00% of the member's highest consecutive two-year average salary by the member's years of creditable service, to a maximum of 70.00%.

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 or reach the normal retirement age of 65. Their retirement benefits are calculated by multiplying 2.00% of the member's highest consecutive three-year average salary by the member's years of creditable service, to a maximum of 70.00%.

For all employee groups, benefits may be reduced on an actuarially equivalent basis according to the retirement annuity option selected for themselves and their beneficiaries.

The SERS Board of Administration considers issuing an ad hoc adjustment for retiree benefits each year. The Board can grant an ad hoc adjustment if the AAL funded ratio is 90% or greater and remains above 90% after the ad hoc adjustment is granted. The AAL funded ratio was less than 90% as of December 31, 2016. The last ad hoc retiree adjustment occurred in 2001. Based on the current AAL 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, "[a]ny 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, "[a]ny 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 State Legislature. Membership includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters and, as of July 24, 2005, emergency medical technicians. 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.

LEOFF Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined per year of service calculated as a percent of final average salary (FAS) 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 ten years of service. Members are eligible for retirement with five years of service at the age of 50. Other benefits include duty and non-duty disability payments, a cost-of living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

LEOFF 2

LEOFF Plan 2 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the final average salary (FAS) per year of service (the FAS is based on the highest consecutive 60 months). Members are eligible for retirement with a full benefit at 53 with at least five years of service credit. 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 three percent for each year prior to age 53. Otherwise, the benefits are actuarially reduced for each year prior to age 53. LEOFF 2 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF 2 members are vested after the completion of five years of eligible service.

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	Inactive Members or Beneficiaries Receiving Benefits	Inactive Members Entitled To But Not Receiving Benefits	Active Plan Members	Total Members	Membership as of the latest actuarial valuation
Employees' Retirement System	1,460	109	1,342	2,911	12/31/2016
Firefighters' Pension System	269	-	1	270	12/31/2016
Police Pension System	210	-	1	211	12/31/2016
LEOFF 1 ¹	7,431	1	62	7,494	6/30/2016
LEOFF2 ¹	4,508	839	17,321	22,668	6/30/2016
Total	13,878	949	18,727	33,554	

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.

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.

Detailed information about the State's pension plans' fiduciary net position is available in the separately issued DRS financial report.

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.

LEOFF 1 & 2

The long-term expected rate of return on the DRS pension plan investments of 7.5 percent 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. The WSIB uses the capital market assumptions and their target asset allocation to simulate future investment returns at various future times. The long-term expected rate of return of 7.5 percent approximately equals the median of the simulated investment returns over a 50-year time horizon.

For the year ended December 31, 2016, 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	6.71%	1.90%	n/a	2.25%	2.48%

Estimated Rates of Return

Below are the estimated real rates of return for the various pension plans as of December 31, 2016:

Long-Term Expected Real Rate of Return	SERS	Firefighters'	Police	LEOFF 1 ¹	LEOFF 2 ¹
Global equity	6.00%	-	-	6.60%	6.60%
US fixed income	1.50%	1.50%	-	1.70%	1.70%
Long Biased	4.00%	-	-	-	-
Opportunistic Credit	7.00%	-	-	-	-
Real estate	2.20%	-	-	5.80%	5.80%
Private equity	-	-	-	9.60%	9.60%
Tangible assets	-	-	-	4.40%	4.40%

¹The inflation component used to create the table is 2.2 percent and represents the Washington State Investment Board's most recent long-term estimate of broad economic inflation.

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, an independent investment consultant and an auditor. 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.

Target Asset Allocations

The target asset allocations as of December 31, 2016 were:

Target Allocation	SERS	Firefighters'	Police	LEOFF 1	LEOFF 2
Global equity	50%	-	-	37%	37%
US fixed income	-	100%	-	20%	20%
Global fixed income	15%	-	-	-	-
Long/short and special opportunities	14%	-	-	-	-
Absolute return	10%	-	-	-	-
Real estate	6%	-	-	15%	15%
Private equity	-	-	-	23%	23%
Commodities	4%	-	-	-	-
Tangible assets	-	-	-	5%	5%
Cash	1%	-	-	-	-
	100%	100%	0%	100%	100%

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, 2016 for SERS, Firefighters' and Police, and dated as of June 30, 2016 for LEOFF Plan 1 & 2 are shown in the table below.

Net Pension Liability					
Component	SERS	Firefighters'	Police	LEOFF 1 ¹	LEOFF 2 ¹
Total pension liability	512,023,333	20,957,329	9,534,768	41,853,975	196,054,614
Plan fiduciary net position	272,301,291	15,044,079	615,066	51,788,487	207,897,107
LESS (Public Facilities District)	(600,946)	-	-	-	-
Net pension liability (asset)	239,121,096	5,913,250	8,919,702	(9,934,512)	(11,842,493)
Plan fiduciary net position as a % of total pension liability	53.24%	71.78%	6.45%	123.74%	106.04%
¹ Total pension liability (TPL) calculated by the Office of the State Actuary (OSA)					

The amount of the asset reported above for LEOFF Plans 1 and 2 reflect a reduction for State pension support provided to the City of Spokane. The amount recognized by the City as its proportionate share of the net pension asset, the related State support, and the total portion of the net pension asset that was associated with the City of Spokane were as follows:

	LEOFF 1 Asset	LEOFF 2 Asset
Employer's proportionate share	(9,934,512)	(11,842,493)
State's proportionate share of the net pension asset associated with the employer	(67,196,793)	(7,720,444)
TOTAL	(77,131,305)	(19,562,937)

At December 31, 2016 the City of Spokane's proportionate share of the collective net pension liabilities was as follows:

	Proportionate Share 12/31/15	Proportionate Share 12/31/16	Change in Proportion
LEOFF 1	0.961340%	0.964248%	0.002908%
LEOFF 2	2.001951%	2.036087%	0.034136%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the *Schedules of Employer and Nonemployer Allocations* for all plans except LEOFF 1.

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2016. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2016, the state of Washington contributed 87.12 percent of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88 percent of employer contributions. LEOFF 1 is fully funded and no further

employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

In fiscal year 2016, the state of Washington contributed 39.46 percent of LEOFF 2 employer contributions pursuant to [RCW 41.26.725](#) and all other employers contributed the remaining 60.54 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2016, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2015, with update procedures used to roll forward the total pension liability to the measurement date.

F. ACTUARIAL 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, 2015.

LEOFF 1 & 2

The total pension liability (TPL) for each of the plans was determined using the most recent actuarial valuation completed in 2016 with a valuation date of June 30, 2015. The actuarial assumptions used in the valuation were based on the results of the Office of State Actuary's (OSA) *2007-2012 Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2015 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2016. Plan liabilities were rolled forward from June 30, 2015, to June 30, 2016, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

Mortality rates were based on the RP-2000 report's Combined Healthy Table and Combined Disabled Table, published by the Society of Actuaries. The OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100 percent Scale BB. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime.

There were minor changes in methods and assumptions since the last valuation.

- For all systems, except LEOFF Plan 2, the assumed valuation interest rate was lowered from 7.8% to 7.7%. Assumed administrative factors were updated.
- Valuation software was corrected on how the nonduty disability benefits for LEOFF Plan 2 active members is calculated.
- New LEOFF Plan 2 benefit definitions were added within the OSA valuation software to model legislation signed into law during the 2015 legislative session.

	Employees' Retirement System	Firefighters' Pension System	Police Pension System	LEOFF 1	LEOFF 2
Valuation date	12/31/2015	12/31/2015	12/31/2015	6/30/2016	6/30/2016
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
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)	21	21	21		
Asset valuation method	Expected value method with 5-year smoothing and 90-110% market value corridor	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 ²	0.0-10.0% ¹	2.5%	2.5%	3.75%	3.75%
Economic inflation	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 PPF benefits.	Based upon 3.5% increase assumption when appropriate, for PPF benefits.	N/A	N/A
		Based upon inflation assumption for some PPF 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
¹ 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%					
² Expected to grow by promotions and longevity for LEOFF 1 and 2					

G. DISCOUNT RATE

Spokane Employees' Retirement System

The blended discount rate used to measure the total pension liability was 5.75%. 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 (3.75 as of 12/31/16; 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 included an assumed 7.7 percent long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. All plans use 7.7 percent except LEOFF 2, which has assumed 7.5 percent. Consistent with the long-term expected rate of return, a 7.5 percent future investment rate of return on invested assets was assumed for the test. Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.5 percent was used to determine the total liability.

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 ¹	301,595,957	239,722,042	187,522,373	5.75%
Firefighters'	8,057,983	5,913,250	4,075,992	4.00%
Police	9,777,443	8,919,702	8,174,705	3.00%
LEOFF 1	(5,901,506)	(9,934,512)	(13,381,834)	7.50%
LEOFF 2	33,209,617	(11,842,493)	(45,681,354)	7.50%
¹ SERS data includes amount related to the Public Facilities District				

H. PENSION EXPENSE

For the year ended December 31, 2016, the City recognized pension expense as follows:

Pension Expense			
Description	SERS	Firefighters'	Police
Service Cost	12,384,960	-	-
Interest Cost	26,359,257	831,429	288,058
Benefit Changes	-	-	-
Experience loss (gain)	1,080,502	-	-
Change in Assumptions	-	-	-
Contributions-Employer	-	-	-
Contributions-Employee	(7,402,905)	-	-
Net Investment Income:			
Expected Return on Investments	-	(576,954)	(18,421)
Investment (gain) loss expensed	(21,048,846)	92,117	3,684
Investment (gain) loss deferred	4,855,457	-	-
Benefits paid, including refunds of employee contributions	-	-	-
Administrative Expense	447,921	30,577	27,666
Amortization	4,620,580	(179,794)	(111,141)
Other Changes	-	-	-
Total Pension Expense	21,296,926	197,375	189,846
LESS (Public Facilities District)	(53,388)	-	
Total Pension Expense	21,243,538	197,375	189,846

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, 2016, the City reported deferred outflows and deferred inflows of resources related to pensions from the following sources.

	SERS		Firefighters'		Police	
	Deferred (Inflows) of Resources	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Deferred Outflows of Resources
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	23,000,624	-	516,305	-	28,131
Change of Assumptions	-	-	-	-	-	-
Differences Between Expected and Actual Experience	-	18,917,871	(1,823,424)	-	(1,002,305)	-
Change in Proportion and Differences Between Contributions and Proportionate Share of Contributions	-	-	-	-	-	-
City Contributions Subsequent to the Measurement Date	-	-	-	-	-	-
Total	-	41,918,495	(1,823,424)	516,305	(1,002,305)	28,131

	LEOFF 1		LEOFF 2	
	Deferred (Inflows) of Resources	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Deferred Outflows of Resources
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	1,009,828	-	4,255,482
Change of Assumptions	-	-	-	44,650
Differences Between Expected and Actual Experience	-	-	-	1,622,743
Change in Proportion and Differences Between Contributions and Proportionate Share of Contributions	-	-	(230,160)	47,002
City Contributions Subsequent to the Measurement Date	-	-	-	1,576,047
Total	-	1,009,828	(230,160)	7,545,924

Deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Amortization of Deferred (Inflows) and Deferred Outflows						
	SERS		Firefighters'		Police	
Recognition Period (Years)	6.0	5.0	9.48	5.0	10.67	5.0
Year	Outflows	Outflows	(Inflows)	Outflows	(Inflows)	Outflows
2017	4,459,342	6,060,591	(229,073)	141,396	(115,606)	8,149
2018	4,459,342	6,060,591	(229,073)	141,396	(115,606)	8,149
2019	4,459,342	6,060,591	(229,073)	141,396	(115,606)	8,149
2020	4,459,342	4,818,851	(229,073)	92,117	(115,606)	3,684
2021	1,080,503	-	(229,073)	-	(115,606)	-
Thereafter	-	-	(678,060)	-	(424,275)	-
Total Deferred (Inflows)/Outflows	18,917,871	23,000,624	(1,823,425)	516,305	(1,002,305)	28,131

Amortization of Deferred (Inflows) and Deferred Outflows				
	LEOFF 1		LEOFF 2	
Recognition Period (Years)	5.0	5.0	5.0	5.0
Year	(Inflows)	Outflows	(Inflows)	Outflows
2017	-	(208,683)	(46,032)	1,529,474
2018	-	(208,683)	(46,032)	(46,573)
2019	-	874,583	(46,032)	3,527,493
2020	-	552,611	(46,032)	2,432,139
2021	-	-	(46,032)	103,391
Thereafter	-	-	-	-
Total Deferred (Inflows)/Outflows	-	1,009,828	(230,160)	7,545,924

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, 2016.

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 \$15.2 million in 2016 and \$14.8 million in 2015.

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 \$30.5 million in total net assets, including those available for other post-employment benefits (see Note 6).

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

LEOFF 2 employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The employer rate included an administrative expense component set at 0.18 percent. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board.

The City's actual contributions to LEOFF 2 were \$3.1 million for the year ended December 31, 2016.

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 2016, the state contributed \$60.3 million to LEOFF Plan 2. The amount recognized by the City for its proportionate share of this amount is \$2.0 million.

Starting on July 1, 2000, LEOFF Plan 1 employers and employees contribute zero percent, as long as the plan remains fully funded. The LEOFF Plan 1 had no required employer or employee contributions for fiscal year 2016.

The required contribution rates expressed as a percentage of current-year covered payroll as of December 31, 2016 are as follows:

Actual Contribution Rates	Employer	Employee
Employees' Retirement System ¹	8.25%	8.25%
Firefighters' Pension System	0.16%	0.00%
Police Pension System	0.16%	0.00%
LEOFF 1 ²	0.18%	0.00%
LEOFF 2 ²	5.23%	8.41%

¹The 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.

²The employer rate includes the employer administrative expense fee currently set at 0.18%.

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	2016	2015 Restated	2014	2013
Employees' Retirement System	7,586,362	7,398,945	6,822,279	6,715,376
Firefighters' Pension System	2,137,287	2,314,579	1,515,765	2,183,389
Police Pension System	766,915	707,300	837,804	845,079
LEOFF 1	469	928	1,294	1,304
LEOFF 2	3,237,717	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.

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
Balance, Beginning of Year (Dec 31, 2014)	491,393,125	285,772,821	205,620,304	21,861,162	-
Changes for the year:					
Service Cost	12,384,960	-	12,384,960	-	-
Interest Cost	26,359,257	-	26,359,257	-	-
Benefit Changes	-	-	-	-	-
Experience loss (gain)	6,483,011	-	6,483,011	5,402,509	-
LESS (Public Facilities District)					
Change in Assumptions	-	-	-	-	-
Contributions-Employer	-	7,398,945	(7,398,945)	-	-
Contributions-Employee	-	7,402,905	(7,402,905)	-	-
Net Investment Income:		(3,228,439)	3,228,439	-	-
Expected Return on Investments	-	-	-	-	-
Investment (gain) loss expensed	-	-	-	-	-
Investment (gain) loss deferred	-	-	-	19,421,828	-
Benefits paid, including refunds of employee contributions	(24,597,020)	(24,597,020)	-	-	-
Administrative Expense	-	(447,921)	447,921	-	-
Other Changes	-	-	-	-	-
Amortization	-	-	-	(4,620,580)	-
LESS (Public Facilities District)					
Net Changes	20,630,208	(13,471,530)	34,101,738	20,203,757	-
Balance, End of Year (Dec 31, 2015)	512,023,333	272,301,291	239,722,042	42,064,919	-
LESS (Public Facilities District)			(600,946)	(146,424)	
Balance, End of Year (Dec 31, 2015 Net of PFD)			239,121,096	41,918,495	

	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
Balance, Beginning of Year (Dec 31, 2014)	21,432,740	13,919,970	7,512,770	197,117	2,052,498
Changes for the year:					
Service Cost	831,429	-	831,429	-	-
Interest Cost	-	-	-	-	-
Benefit Changes	-	-	-	-	-
Experience loss (gain)	-	-	-	-	-
Change in Assumptions	-	-	-	-	-
Contributions-Employer	-	2,345,156	(2,345,156)	-	-
Contributions-Employee	-	-	-	-	-
Net Investment Income:	-	116,370	(116,370)	-	-
Expected Return on Investments	-	-	-	-	-
Investment (gain) loss expensed	-	-	-	-	-
Investment (gain) loss deferred	-	-	-	368,467	-
Benefits paid, including refunds of employee contributions	(1,306,840)	(1,306,840)	-	-	-
Administrative Expense	-	(30,577)	30,577	-	-
Other Changes	-	-	-	-	-
Amortization	-	-	-	(49,279)	(229,073)
Net Changes	(475,411)	1,124,109	(1,599,520)	319,188	(229,073)
Balance, End of Year (Dec 31, 2015)	20,957,329	15,044,079	5,913,250	516,305	1,823,425

	Increase (Decrease)				
	(a)	(b)	(a)-(b)		
Police Pension System	Total Pension Liability	Plan Net Position	Net Pension Liability (NPL)	Deferred Outflows of Resources	Deferred Inflows of Resources
Balance, Beginning of Year (Dec 31, 2014)	9,951,967	613,023	9,338,944	17,859	1,117,911
Changes for the year:					
Service Cost	288,058	-	288,058	-	-
Interest Cost	-	-	-	-	-
Benefit Changes	-	-	-	-	-
Experience loss (gain)	-	-	-	-	-
Change in Assumptions	-	-	-	-	-
Contributions-Employer	-	734,966	(734,966)	-	-
Contributions-Employee	-	-	-	-	-
Net Investment Income:	-	-	-	-	-
Expected Return on Investments	-	-	-	-	-
Investment (gain) loss expensed	-	-	-	14,737	-
Investment (gain) loss deferred	-	-	-	-	-
Benefits paid, including refunds of employee contributions	(705,257)	(705,257)	-	-	-
Administrative Expense	-	(27,666)	27,666	-	-
Other Changes	-	-	-	-	-
Amortization	-	-	-	(4,465)	(115,606)
Net Changes	(417,199)	2,043	(419,242)	10,272	(115,606)
Balance, End of Year (Dec 31, 2015)	9,534,768	615,066	8,919,702	28,131	1,002,305

Note 6

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, 2016, there are 1 active police officer and 1 active firefighter covered under these plans. In addition, there are 167 police and 218 firefighter retirees 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	12/31/2016	12/31/2016
Actuarial value of plan assets	\$ 13,966	\$ -
Actuarial accrued liability (AAL)	50,537	55,943
Unfunded actuarial accrued liability (UAAL)	36,571	55,943
Funded ratio	27.60%	0.00%
Covered payroll	N/A	N/A
UAAL as a percent age of covered payroll	N/A	N/A

Annual Required Contribution

	Firefighters' Pension System	2016	2015	2014
1	Annual normal cost, beginning of year	\$ 3,023	\$ 3,023	\$ 80,932
2	Amortization of UAAL, beginning of year	2,667,814	2,667,814	3,166,015
3	Interest through end of year = $((1+2)*i)$	106,833	106,833	129,878
4	Annual required contribution = $(1+2+3)$	2,777,670	2,777,670	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	2,777,670	3,376,825
8	Employer contributions	(2,777,670)	(2,777,670)	(3,376,825)
9	Change in net OPEB obligation = $(7+8)$	-	-	-
10	Net OPEB obligation at beginning of year	-	-	-
11	Net OPEB obligation at end of year = $(9+10)$	-	-	-
12	Percentage funded = $(8/7)$	100%	100%	100%

	Police Pension System	2016	2015	2014
1	Annual normal cost, beginning of year	\$ 6,845	\$ 6,845	\$ 56,649
2	Amortization of UAAL, beginning of year	3,822,413	3,822,413	4,196,207
3	Interest through end of year =((1+2)*i)	114,878	114,878	127,586
4	Annual required contribution =(1+2+3)	3,944,136	3,944,136	4,380,442
5	Interest on net OPEB obligation	417,516	393,330	363,708
6	Adjustment to annual required contribution	(902,835)	(798,719)	(715,809)
7	Annual OPEB cost =(4+5-6)	3,458,817	3,538,747	4,028,341
8	Employer contributions	(2,703,355)	(2,732,536)	(3,040,948)
9	Change in net OPEB obligation =(7+8)	755,462	806,211	987,393
10	Net OPEB obligation at beginning of year	13,917,200	13,110,989	12,123,596
11	Net OPEB obligation at end of year =(9+10)	14,672,662	13,917,200	13,110,989
12	Percentage funded =(8/7)	78%	77%	75%

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	12/31/16	12/31/16
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	30 year, closed as January 1, 2007	30 year, closed as January 1, 2007
Funding	30 years	30 years
Remaining amortization years (closed)	21	21
Asset valuation method	Fair market value	Fair market value
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, 2016 and 2015 are as follows:

Fund	2016	2015
Risk Management	\$ 5,025,270	\$ 2,762,372
Workers' Compensation	(94,834)	2,078,734
Unemployment Insurance	1,180,186	963,104
Employee Benefits	17,946,531	16,438,815
	<u>\$ 24,057,153</u>	<u>\$ 22,243,025</u>

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	450,000	Unlimited	Stop-loss coverage protects the city from excessive individual claims
Excess Liability Coverage	1,250,000	10,000,000	Protects the city from excessive individual losses
Excess Auto, Employment Practices, and Law Enforcement Liability Coverage	1,500,000	10,000,000	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 2016, 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 \$7.4 million and the Workers' Compensation fund totaled \$9.1 million. The Employee Benefits fund reported IBNR (incurred but not reported) claims of \$2.1 million for 2016. 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, 2015 to December 31, 2016 are shown in the following table:

	General Liability	Workers' Compensation	Health Benefits
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	<u>\$ 7,568</u>	<u>\$ 8,251</u>	<u>\$ 2,082</u>
December 31, 2016:			
Unpaid Claims, Beginning of Fiscal Year	\$ 7,568	\$ 8,251	\$ 2,082
Incurred Claims	1,558	5,081	24,432
Adjustments for prior claims	277	(666)	(30)
Claim Payments	(1,920)	(3,552)	(24,395)
Unpaid Claims, December 31, 2016	<u>\$ 7,483</u>	<u>\$ 9,114</u>	<u>\$ 2,089</u>

Note 8

Short-Term Debt

As construction is done on LID (local improvement district) 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.

At December 31, 2016, the City had no LID progress warrants outstanding.

Progress Warrants	2016
Balance January 1	\$ -
Progress warrants issued	-
Progress warrants redeemed	-
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, financed by a special tax levy; or created by ordinance, adopted by the City Council, and normally financed from general revenues (councilmanic bonds).

General obligation bonds currently outstanding at December 31, 2016 are as follows:

Name of Issuance	Purpose	Interest Rate	Authorized Amount	Original Issue Amount	Debt Outstanding
UTGO 2008 ¹	Finance the development, construction, or improvement of city park and recreational 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	42,900,000	29,260,000
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%	45,430,000	45,070,000	31,840,000
UTGO 2015	Finance improvements to Riverfront Park and the Parks system	1.65% - 2.97%	64,300,000	60,070,000	60,070,000
LTGO 2015 Refunding	Refund UTGO 2004 and UTGO 2007 Refunding bonds	2.45%-3.20%	52,000,000	48,305,000	48,305,000
LTGO 2016 Refunding	Refund LTGO 2005B related to the Parking Facility	3.24%	16,340,000	16,167,449	15,058,902
Total general obligation bonds				\$ 212,512,449	\$ 184,533,902

¹In January 2017, the City issued \$25.0 million in UTGO (unlimited tax general obligation) Refunding Bonds 2017, which are being used to refund UTGO 2008 bonds.

At December 31, 2016, the City has \$4.5 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:

Governmental Activities			
Year	Principal	Interest	Total
2017	5,766,210	7,475,617	13,241,827
2018	5,959,931	7,259,537	13,219,468
2019	6,166,888	7,023,744	13,190,632
2020	6,382,027	6,777,241	13,159,268
2021	6,815,191	6,493,031	13,308,222
2022-2026	33,978,655	28,552,238	62,530,893
2027-2031	70,270,000	17,653,952	87,923,952
2032-2036	49,195,000	3,535,755	52,730,755
Total	\$ 184,533,902	\$ 84,771,115	\$ 269,305,017

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 in advance of a call date, 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 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 2005B 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.

On September 30, 2016 the city issued \$5,728,272 in limited tax general obligation (LTGO) refunding bonds with an average interest rate of 2.32 percent to refund \$5,720,000 of outstanding LTGO 2005A bonds with an average interest rate of 5.00 percent. The bonds were issued to refund all of the City's outstanding LTGO 2005A 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, 2016. As a result, the 2005A bonds were redeemed and the liability for those bonds has been removed from the city's financial statements for 2016. The city refunded the 2005A LTGO bonds to reduce its total combined debt service payments over the next 10 years by \$3,020,242 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,715,121.

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:

Name of Issuance	Purpose	Interest Rate	Debt Outstanding
Public Works Trust Fund Loans	Various street improvements	.50% - 3.00%	\$ 741,056
State Community Development Loans	Various community development projects	0.00%	325,000
Public Works Trust Fund Loans	Various Water/Wastewater System improvements	.50% - 3.00%	13,023,215
State Revolving Loans	Various Water/Wastewater System improvements	1.50% - 2.90%	39,504,448
Total government and other loans			\$ 53,593,719

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

Governmental Activities			
Year	Principal	Interest	Total
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	\$ 1,066,056	\$ 14,644	\$ 1,080,700

Business-Type Activities			
Year	Principal	Interest	Total
2017	2,402,614	667,673	3,070,287
2018	2,993,283	1,106,319	4,099,602
2019	2,678,814	1,069,503	3,748,317
2020	2,723,924	1,017,905	3,741,829
2021	2,770,269	967,057	3,737,326
2022-2026	13,580,509	3,995,583	17,576,092
2027-2031	13,116,277	2,546,914	15,663,191
2032-2036	10,988,203	1,009,474	11,997,677
2037-2043	1,273,772	18,767	1,292,539
Total	\$ 52,527,663	\$ 12,399,195	\$ 64,926,860

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, 2016, the amount of CLID Special Assessment delinquency equals \$350,897.

Name of Issuance	Purpose	Interest Rate	Debt Outstanding
CLID 213	Street/alley improvements	5.00%	40,000
CLID 215	Street/alley improvements	4.50%	25,000
CLID 216	Street/alley improvements	4.60%	115,000
Total special assessment bonds			180,000

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.

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.

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 sole-source drinking water aquifer, and make other necessary improvements to the Water and Wastewater System	3.00% - 5.00%	\$ 169,680,000
Total revenue bonds			\$ 169,680,000

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

Business-Type Activities			
Year	Principal	Interest	Total
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	7,555,000	5,992,528	13,547,528
2022-2026	43,845,000	23,903,135	67,748,135
2027-2031	53,725,000	10,727,603	64,452,603
2032-2034	37,755,000	2,897,700	40,652,700
Total	\$ 169,680,000	\$ 70,923,078	\$ 240,603,078

B. Changes in Long-Term Liabilities

During the year ended December 31, 2016, the following changes occurred in long-term liabilities:

Long-Term Liabilities	Outstanding 12/31/15	Additions	Reductions	Outstanding 12/31/16	Due Within One Year
GOVERNMENTAL ACTIVITIES					
General obligation bonds ¹	195,226,287	16,167,449	(26,859,834)	184,533,902	5,766,210
Deferred amounts:					
Bond premiums at issuance	6,531,634	-	(632,342)	5,899,292	45,198
Bond premiums on refunding	2,056,006	-	-	2,056,006	-
Special assessment debt with governmental commitment	250,000	-	(70,000)	180,000	86,944
Government loans	1,178,973	-	(112,917)	1,066,056	112,917
Revitalization Areas ²	3,570,731	-	(141,981)	3,428,750	95,000
Claims and judgements	17,900,788	785,650	-	18,686,438	18,686,438
Pollution Remediation Liability ³	-	1,620,000	-	1,620,000	-
OPEB (other postemployment benefit) liability	13,917,200	755,462	-	14,672,662	-
Net pension liability	139,313,768	18,204,381	(2,018,762)	155,499,387	-
Compensated absences	17,792,545	-	(846,507)	16,946,038	1,465,444
Total long term liabilities - governmental activities	397,737,932	37,532,942	(30,682,342)	404,588,532	26,258,152
¹ In January 2017, the City issued \$25.0 million in LTGO (limited tax general obligation) Refunding Bonds 2016, which are being used to refund LTGO 2005B bonds.					
² See Note 12 for more information on the purchase and sale agreements related to the revitalization areas.					
³ See Note 12 for more information related to the Pollution Liability					

Long-Term Liabilities	Outstanding 12/31/15	Additions	Reductions	Outstanding 12/31/16	Due Within One Year
BUSINESS-TYPE ACTIVITIES					
Bonds:					
General obligation bonds	453,713	-	(453,713)	-	-
Revenue bonds	175,600,000	-	(5,920,000)	169,680,000	6,215,000
Deferred amounts:					
Bond premiums at issuance	19,442,318	-	(534,931)	18,907,387	787,316
Bond premiums on refunding	-	-	-	-	-
Total bonds payable	195,496,031	-	(6,908,644)	188,587,387	7,002,316
Government loans	35,950,172	18,538,425	(1,960,933)	52,527,663	2,403,414
Net pension liability	82,683,766	15,770,895	-	98,454,661	-
Landfill liabilities:					
Landfill closure	1,332,346	-	(69,941)	1,262,405	-
Postclosure monitoring	10,214,095	-	(175,870)	10,038,225	-
Capital lease payable	171,992	216,640	(62,423)	326,209	82,942
Compensated absences	4,905,057	230,247	(110,773)	5,024,531	333,601
Total long term liabilities - business-type activities	330,753,458	34,756,207	(9,288,584)	356,221,081	9,822,273

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 \$ 18.6 million
Net pension liability \$ 28.8 million
Compensated absences \$ 1.5 million

Legal Debt Margin

For purposes of determining the legal debt margin, the assessed valuation of the City for year 2016 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 - 1.5%	\$ 174,682,932
Utility voted debt - 2.5%	212,921,525
Open space and park facilities voted debt - 2.5%	398,521,483
Total remaining debt capacity	\$ 786,125,939

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, 2016 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, 2016 were approximately \$187,000.

Future Years Operating Lease Payments	Total
2017	324,015
2018	232,845
2019	187,260
Total minimum future rental payments	\$ 744,120

Capital Lease

The City entered into long term capital lease agreements as follows:

Long term capital lease of \$215,088 with TCF Equipment Finance for the purchase of Kubota Tractor for use at the City's golf courses. The lease provides for semi-annual payments with an interest rate of 3.498%.

Long term capital lease of \$216,640 with VGM Financial Services for the purchase of greens mowers/trucks for use at the City's golf courses. The lease provides for semi-annual payments with an interest rate of 3.50%.

Lease payments for the year ended December 31, 2016 were \$62,423.

The capital lease debt outstanding at December 31, 2016 is \$326,209. The annual debt service requirements are as follows:

Business-Type Activities			
Year	Principal	Interest	Total
2017	82,941	9,989	92,930
2018	85,891	7,031	92,922
2019	88,945	3,968	92,913
2020	45,222	1,206	46,428
2021	23,210	135	23,345
Total	\$ 326,209	\$ 22,329	\$ 348,538

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, 2016 were as follows:

Fund	Due From Other Funds	Due To Other Funds
General Fund	5,779,973	1,183,882
Water/Sewer Fund	1,813,890	6,083,753
Solid Waste Fund	1,050,725	2,338,514
Non-major Governmental Funds	2,792,240	2,625,309
Non-major Enterprise Funds	334,277	226,460
Internal Service Funds	4,705,907	4,019,094
Total Government Wide	16,477,012	16,477,012

B. Interfund Loans

Interfund loans are loans between funds for capital or cash flow purposes. Interfund loans outstanding at December 31, 2016 are as follows:

Loan To:	Loan From:
Property Acquisition Fund	Spokane Investment Pool¹
Riverfront Conservation Area	1,512,737
Gardner Building	1,341,976
Alki Building	2,073,974
University District Gateway	3,324,958
West Plains Fire Station	717,368
Public Safety Capital	13,951,699
Library RFID	409,553
Division Gateway	203,283
Nelson Service Center	4,555,578
Bond Refunding ²	5,274,560

Loan To:	Loan From:
Property Acquisition Fund	Spokane Investment Pool¹
CLID 217	100,730
CLID 218	36,790
CLID 219	120,713
CLID 220	23,354
CLID 221	131,546
CLID 222	511,039
CLID 223	514,965
CLID 224A	280,130
Total	<u>35,084,953</u>

Loan To:	Loan From:
Golf Fund	Spokane Investment Pool¹
Bond Refunding ²	453,712

¹The 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.

²LTGO 2005A refunded via Ordinance C35430 approved by City Council on 08/29/16

Loan To (Various):	Loan From (General Fund) ¹ :
Human Services Grant Fund	875,747
Public Safety & Judicial Grant Fund	49,844
Community Development/Human Services Operations Fund ²	600,000
Community Development Block Grant Fund	273,466
HOME Program Fund	89,387
Total	1,888,444

¹Resolution 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.

² 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, 2016 are as follows:

Transfer From: Fund	Transfer To:					Total
	General Fund	Non-major Governmental Funds	Solid Waste Fund	Non-major Enterprise Funds	Internal Service Funds	
General Fund	-	25,027,107	-	-	3,890,424	28,917,531
Water/Sewer Fund	-	5,063,800	-	-	29,208	5,093,008
Solid Waste Fund	-	-	-	-	4,410	4,410
Non-major Governmental Funds	137,522	5,820,554	-	35,000	1,439,769	7,432,845
Non-major Enterprise Funds	-	-	-	-	2,284	2,284
Internal Service Funds	36,604	99,623	5,003,114	-	652,204	5,791,545
Total	174,126	36,011,084	5,003,114	35,000	6,018,299	47,241,623

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 street fund 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 (SIA) 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 2016, \$42,620 was paid to the Spokane Regional Transportation Council.

Spokane International Airport

SIA 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, 2016 for the Spokane International Airport.

Spokane International Airport	2016
Total Assets	\$ 318,972,287
Total Deferred Outflow of Resources	\$ 1,231,285
Total Liabilities	(28,084,992)
Total Deferred Inflow of Resources	(195,476)
Total Net Position	\$ 291,923,104
Total Revenues	\$ 42,740,967
Total Capital Contributions	5,658,429
Total Expenses	(46,735,417)
Net Increase in Net Position	\$ 1,663,979
Net Position, Beginning of Year	\$ 290,259,125
Net Increase in Net Position	1,663,979
Net Position, End of Year	\$ 291,923,104

At December 31, 2016, the airport had \$5,540,000 in long-term revenue bonds outstanding with \$2,180,000 due on the current portion in 2017. 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 \$5,952,622.

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.

Spokane Regional Transportation Council

SRTC 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 Spokane Regional Transportation Council is audited by the Office of State Auditor. At December 31, 2016 the Spokane Regional Transportation Council had no long-term debt outstanding

The unaudited summary for the fiscal year ended December 31, 2016 is presented below.

Spokane Regional Transportation Council	2016
Total Assets	\$ 444,185
Total Liabilities	(444,185)
Total Net Position	\$ -
Total Revenues	\$ 1,364,643
Total Expenses	(1,368,785)
Net Increase in Net Position	\$ (4,143)

The complete financial report may be obtained by contacting the Spokane Regional Transportation Council, 421 West Riverside Avenue, Suite 500, Spokane, WA, 99201.

Water/Sewer Fund – Interlocal Agreements

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.

Dissolved Interlocal Agreement

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.

Note 12

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 \$658,418 with the State of Washington which represents the full present value of the pensions as of June 30, 2016. 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 2016, the City paid an additional amount of \$30,430 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, 2016. 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 12/31/16
1st Avenue, Erie Street to Helena Street and Perry Street, 2nd Avenue to 1st Avenue	915,994	775,968	140,025
2013 Downtown Pedestrian Improvements	56,800	20,588	36,213
2014 Neighborhood Traffic Calming, District #2	476,293	454,556	21,737
2015 Neighborhood Traffic Calming - Phase I	560,796	821	559,974
2016 Residential Grind & Overlay Projects	61,919	53,225	8,693
25th Avenue, Southeast Boulevard to 230 feet east of Lacey	384,049	345,964	38,084
37th from Regal Street to Custer Street	5,754,184	3,340,821	2,413,363
Academy Range Eyebrow Project	115,000	-	115,000
Addison Street/Standard Street Bicycle & Pedestrian	680,158	608,610	71,548
Barnes Road from Phoebe Street to Strong Road	29,000	15,881	13,119
Browne Street/Division Street Couplet from 3rd Avenue to	537,782	438,417	99,365
Central Avenue Wells 1 & 2 Rehabilitation	1,193,049	768,424	424,625
Central Parking Facility Renovation	488,479	466,010	22,469
Council Chambers Remodel Ph I	18,930	-	18,930
CSO 14 & 15	40,700	10,448	30,253
CSO 33-1 Control Facility	11,502,539	18,808	11,483,730
CSO Basin 06 Control Facility Phase II	10,870	-	10,870
CSO Basin 12 Control Facility	7,812,344	6,618,373	1,193,971
CSO Basin 20 Control Facility	76,000	42,174	33,826
CSO Basin 23 Control Facility	9,750	9,060	690
CSO Basin 24-25 Preliminary Design	250,538	42,615	207,923
CSO Basin 25 Improvement	23,800	15,468	8,332
CSO Basin 26 Control Facility	6,049,737	5,485,170	564,567
CSO Basin 34-1 Control Facility	95,000	14,891	80,109
CSO Basin 41 Control Facility	2,123,582	4,340	2,119,242
CSO Basin 6 Control Facility (Part of CSO Abatement Phase I)	5,341,182	5,072,166	269,015
Downtown Bicycle Network Completion Phase III	110,607	-	110,607
Dwight Merkel Lighting Installation	31,000	-	31,000
EDU Range Renovations Project	77,155	-	77,155
Ferrall Street & Broad Avenue Sewer Rehabilitation	157,489	142,892	14,597
Filtration Pilot Study	4,060,700	3,668,604	392,096
Finch Arboretum Streambank Restoration	119,813	116,474	3,340
Finch Arboretum's Woodland Center Railing	6,522	-	6,522
Finch Arboretum's Woodland Center Restroom Remodel	55,000	-	55,000
Five Mile Road from Lincoln Road to Strong Road	10,000	3,250	6,750
Franklin Park Field Lights	297,566	214,484	83,082
Hartson Avenue from Altamont Street to Fiske Street	584,329	535,290	49,039
Havana Wellsite	39,350	-	39,350
Hazel's Creek Downstream Conveyance	1,506,857	1,312,139	194,718
High Drive from Bernard Street to Grand Boulevard	1,117,553	1,014,696	102,857
Howard Street Channel Bridge	4,737,102	1,759,359	2,977,742
I03 Control Facility (TJ Meenach CSO)	18,000	-	18,000
I04 Control Facility (Bridge CSO)	6,557,477	3,594,170	2,963,307
Indiana Avenue from Division Street to Perry Street Phase II	2,382,975	2,168,558	214,417
Interceptor I-07 (Near Napa Street/Riverside Avenue Intersection)	42,000	-	42,000
Lincoln Street/Monroe Street from Second Avenue to Main	3,466,019	1,881,618	1,584,401
Lower Manito Playground Project	82,124	62,938	19,186
Main Street Restriping & Streetscape Improvements between Pine	122,549	78,522	44,027
Manito Park Equipment Barn Chimney	32,780	-	32,780
Manito Park Mirror Pond Reno Phase II	169,628	-	169,628
Millwood Trail, from Spokane Community College to Felts Field	169,167	13,979	155,188
Mission Park Basketball Lighting	8,420	5,669	2,751
Monroe Street Lane Reduction & Hardscape from Indiana Avenue	8,700	-	8,700
Monroe Street/Lincoln Street Couplet from 4th Avenue to Main	6,202,250	5,481,842	720,408
Next Level of Treatment-RPWRF	65,849,615	18,898,469	46,951,146

Pacific Avenue and Perry Street Infiltration Facility	919,401	-	919,401
Peaceful Valley Futsal Court	74,460	-	74,460
Peaceful Valley Lighting Project	8,428	-	8,428
Ray Street from 29th Avenue to 17th Avenue	1,030,040	927,448	102,592
Riverfront - Basalt Rock Emergency Repair	20,000	-	20,000
Riverside Drive Phase II and III - Sherman St to Perry St	3,674,881	1,757,984	1,916,897
Rochester Heights Lighting Upgrade	18,914	-	18,914
Rowan Avenue from Driscoll Street to Perry Street Phase I	4,612,264	4,483,663	128,601
Rowan Avenue from Driscoll Street to Perry Street Phase II	141,653	10,699	130,954
RPWRF LID Parking, Landscape, & Fire Protection Imps	1,583,107	1,362,121	220,986
RPWRF Phase II Upgrades Project Management Office (PMO II)	2,045,021	1,073,963	971,058
RPWRF Small Projects Package	5,005,200	4,571,923	433,278
Silo Digestor No.3 at Riverside Park Water Reclamation Facility	13,531,737	12,295,810	1,235,927
South Hill Library Roof Replacement	93,606	89,300	4,306
Spokane Gorge Restoration Project	9,792	4,332	5,460
Sprague Avenue and Sherman Avenue Pedestrian-Bike Bridge	21,210	8,376	12,834
Underhill CSO 34-2 Storage Facility	9,193,379	-	9,193,379
Union Basin Stormwater Improvements	1,261,310	1,068,103	193,207
University District Pedestrian/Bicycle Bridge	5,439,767	-	5,439,767
Upriver Dam Spillway Rehab Phase II	1,686,879	1,496,480	190,399
Wall Street CSO-Main Street to Spokane Falls Boulevard	879,345	715,562	163,782
Wall Street Surface Improvements	877,425	592,780	284,645
Wellesley Roundabout - relocation of utilities	622,393	613,817	8,576
West Plains to SIA Connection	817,149	658,827	158,322
Witter Pool Deck Repair	431,926	266,741	165,185
Youth Baseball Fencing/Gate Safety	61,671	-	61,671
Total Construction Commitments	\$ 196,692,176	\$ 97,573,680	\$ 99,118,496

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		

E. 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.

F. Postclosure Landfill Monitoring

The \$11.3 million reported as landfill postclosure care liability at December 31, 2016 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 2016. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The City has restricted \$4.5 million in assets related to the post-closure monitoring of the closed portion of the Northside landfill, and \$4.0 million for post-closure monitoring of the open portion of the Northside landfill. No assets have been restricted for future costs of \$ 1.0 million for the Southside landfill based on the City's interpretation of the applicability of Washington Administrative Code 173-304-467. This landfill has a remaining useful life of approximately 9 years.

Landfill Monitoring	Northside Landfill	Southside Landfill	Total
Estimated Post closure costs	\$ 4,448,634	\$ 974,629	\$ 5,423,263
Accrued post closure costs		4,074,520	4,074,520
Accrued closure liability	1,802,845		1,802,845
Total	\$ 6,251,479	\$ 5,049,149	\$ 11,300,628

G. 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 \$1.8 million reported as landfill closure liability at December 31, 2016 represents the cumulative amount reported based on the use of 63 percent of the estimated capacity of Phase 1. The City will recognize the remaining estimated cost of closure of \$1.0 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 2016. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

As of December 31, 2016, the City held \$1.8 million of restricted cash, which is reserved for the closure of the Northside Regional Landfill (Phase 1).

H. Pollution Remediation

Riverfront Park

The City of Spokane has established a Redevelopment Opportunity Zone (ROZ) to align with the ongoing redevelopment efforts by the City of Spokane and the Spokane Park Board within Riverfront Park. This new policy tool was enacted as part of a reform bill to the Model Toxics Control Act (MTCA) enacted by Senate Bill 5296. The fundamental principle of the brownfield reforms is to support efforts that leverage market redevelopment forces to drive cleanup projects forward. As a complement to the traditional enforcement-based approach to cleanup, the brownfield redevelopment focused approach creates incentives to reduce risk and improve the financial feasibility of adaptive re-use of contaminated properties.

The proposed geographic extent of the RFP ROZ focuses on the City-owned public Riverfront Park. Riverfront Park is Spokane's premier example of the brownfield reuse. Riverfront Park occupies 100 acres of land and water in the center of downtown Spokane. The Spokane Falls and the surrounding land had long been a gathering place for people. Native Americans gathered and fished at the falls.

SB 5296 requires that the following criteria be met in order to establish a ROZ:

- At least fifty percent of the upland properties in the zone are brownfield properties whether or not the properties are contiguous.
- The upland portions of the zone are comprised entirely of parcels of property either owned by the designating agency (port, city or county) or whose owner has provided consent in writing to have their property included within the zone.
- The cleanup of brownfield properties will facilitate the implementation of the voter approved Redevelopment Master Plan for the future uses of the properties and is consistent with the city or county comprehensive land use plan for the zone; and
- The proposed properties lie within the incorporated area of a city or within an urban growth area

A Phase I Environmental Site Assessment of the Riverfront park property has identified a number of recognized environmental conditions, including:

- Mining in the Coeur D'Alene Basin has contaminated stretches of the Spokane River with arsenic, cadmium, lead, and zinc (heavy metals). Portions of the subject property border, or are surrounded by, the Spokane River. Because of likely contamination of sediments in the Spokane River and its proximity to the subject property, the identified Spokane River area-wide metals contamination is considered a REC to the subject property.
- Historical occupants of the subject property are considered RECs. These occupants include:
 - Railroads,
 - Laundries and drycleaners,
 - Various types of mills and factories,
 - An asphalt plant,
 - Lumber yards,
 - Foundries,
 - Iron works,
 - Power companies,
 - Machine shops,
 - Pottery shops,
 - Auto service stations,
 - Seed companies,
 - Coal storage, and
 - Other occupants with chemical storage facilities and/or USTs and AS
- The presence and unknown source of large amounts of fill material located throughout the subject property, as well as the possibility that debris from the fire of 1889 is located throughout fill material on the subject property, represent a REC to the subject property.
- The staining observed near a floor drain inside the containment area located under the large compressor in the ice rink compressor room represent a REC to the subject property.

- The leaking piping or fill port in the ice rink area on the subject property represents a REC to the subject property.
- The lack of documentation regarding the removal of the two, 1,000-gallon and one, 250-gallon underground storage tanks (USTs) located at the Bosch Service site represents a REC to the subject property.
- The historic use of and need for additional assessment at the Spokane City Central Park Maintenance Pro site, as well as the lack of documentation regarding the USTs or ASTs at the site, and the presence of multiple contaminants, some at concentrations greater than cleanup levels, represent a REC to the subject property.
- The presence of soil and groundwater contamination greater than cleanup levels at the Anthony's Restaurant (formerly Salty's on the Falls) property represents a REC to the subject property.
- The presence of groundwater contamination greater than cleanup levels at the Continental Baking Company site represents a REC to the subject property.
- The documentation of many activities which could result in soil and/or groundwater contamination at the Carnation Dairy portion of the Carnation Dairy site represents a REC to the subject property.
- The lack of documentation regarding the removal or fate of the 2,000- and 6,000-gallon USTs on the Dairy Garage portion of the Carnation Dairy site represents a REC to the subject property.
- The presence of floor drains and sumps and sediment/sludge with strong petroleum odor present near and inside these structures on the Dairy Garage portion of the Carnation Dairy site represents a REC to the subject property.
- The presence of soil and groundwater contamination greater than MTCA cleanup levels on the Dairy Garage portion of the Carnation Dairy site represent a REC to the subject property.
- The presence of soil contamination greater than MTCA cleanup levels on the parking area portion of the Carnation Dairy site represents a REC to the subject property.
- The presence of soil and historic groundwater contamination greater than cleanup levels at the Convention Center site represents a REC to the subject property.
- The uncertainty regarding possible groundwater contamination at the Upper Falls East/Old Joe Clark's site represents a REC to the subject property.

The City of Spokane entered into an agreement with Stantec Consulting to evaluate potential cleanup alternatives based on the following criteria: effectiveness, implementation feasibility, remedial costs, and general reasonableness. The evaluation of cleanup resulted in three alternatives. These alternatives were used to measure the liability associated with pollution remediation calculated using the probability-weighted amount shown below.

Pollution Remediation Measurement Riverfront Park	Probability of Choice	Estimated Costs	Pollution remediation
Alternative #1 - No Action	0%	\$ -	\$ -
Alternative #2 - Impacted and contaminated soil segregation and stockpiling clean soil for reuse	90%	1,550,000	1,395,000
Alternative #3 - Off-site Disposal of all soil low range	5%	2,000,000	100,000
Alternative #3 - Off-site Disposal of all soil high range	5%	2,500,000	125,000
			\$ 1,620,000

In April 27, 2016, WA State Department of Ecology accepted the Parks and Recreation Division's Voluntary Cleanup Program (VCP) application, following geotech and environmental testing in preparation for the construction of the "Ice Ribbon"

- Environmental testing indicated the presence of PAHs, arsenic, cadmium and lead above MTCA Method A cleanup criteria. Lube oil range hydrocarbons could also be present greater than MTCA Method A Cleanup Criteria. Multiple infrastructure projects are planned for Riverfront Park. Projects will include earthwork (excavation and filling) and modifications to existing stormwater disposal methods within areas identified to have contamination greater than MTCA Method A cleanup criteria.

The Yard

The YARD is located in the Hillyard Area of Northeast Spokane and encompasses approximately 500 acres of Heavy and Light Industrial zoned property. As a key industrial space, the YARD is modernizing to include upgraded transportation options and enterprising redevelopment initiatives.

The City of Spokane has applied for \$600,000 in EPA Brownsfield Assessment and Clean up grant funds to contract for consulting services to evaluate the sites in the Yard, present the cleanup alternatives along with associated costs. There is no reasonable estimate of the pollution remediation liability at this time.

Note 13

Prior Period Adjustments

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

Prior Period Adjustment	
Governmental Activities	\$ (10,559,531)
Business-Type Activities	(424,406)
Total	(10,983,937)

Governmental Activities	
General Fund	\$ 1,661,821
Special Revenue Funds	(10,881,349)
Debt Service Funds	9,882
Capital Projects Funds	253,514
Internal Service Funds	57,432
	(8,898,700)

Governmental Activities	
Capital Asset Correction¹	
Street Fund	(207,438)
Parks Fund	166,607
Total	\$ (40,831)

¹Because 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.

Pollution Remediation	
Parks (Riverfront Park) ¹	(1,620,000)
Total	\$ (1,620,000)

¹Because a Pollution Remediation liability is recognizable by a government when it has voluntarily assumed responsibility for cleanup of an obligating event and is not recorded at the fund level, the added liability in the year of recognition is a correction of prior period balances and only affects the government-wide financial statements.

Governmental Activities

\$1,559,444 increase is due to the city wide recognition of accrued income on the City's investment portfolio. This change affected all funds with investment balances. In the fund financial statements, this is labeled as Equity in Pooled Investments.

\$489,438 increase is due to the correction of prior year accruals.

\$166,607 increase in capital assets for the Parks Fund is due to the correction of prior year accruals.

\$207,438 reduction of prior year construction in progress balance as the projects are inactive or will otherwise not be completed.

\$2,321,439 increase due to balances of Transportation Benefit District being a component unit not previously blended.

\$13,269,021 is a reduction in order to record allowance for uncollectible accounts in various community housing program related to deferred loans balances.

\$1,620,000 reduction to due to the recognition of a liability related to pollution remediation.

Business-Type Activities	
Water/Sewer Fund	(460,616)
Solid Waste Fund	33,485
Other Enterprise Funds	2,725
Total	\$ (424,406)

Business-Type Activities

\$590,182 increase is due to the city wide recognition of accrued income on the City's investment portfolio. This change affected all funds with investment balances. In the fund financial statements, this is labeled as Equity in Pooled Investments.

\$1,014,588 decrease was due to a correction of prior year accruals.

Note 14

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, 2016.

Note 15

Subsequent Events

On January 25, 2017 the city issued \$25,030,000 in unlimited tax general obligation (UTGO) refunding bonds with an average interest rate of 4.80 percent, and a True Interest Cost (TIC) of 2.43% to refund the callable portion of the City's outstanding 2008 UTGO Bonds (Park Bonds) totaling \$27,140,000. As a result of the refinancing, the annual debt service was reduced by an average of approximately \$224,000 annually until the final maturity in 2027. The total savings is \$2,465,264, which has a present value of \$2,145,659. The Bonds were structured with the same final maturity as the 2008 UTGO 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 callable portion of the 2008 UTGO Bonds, which are callable after December 1, 2018. As a result, the callable portion of the 2008 bonds (\$27,140,000) were redeemed and the liability for those bonds has been removed from the city's financial statements for 2016.

Note 16

Tax Abatements

A. Multiple-Family Housing Property Tax Exemption Program

Required disclosure by the City of Spokane concerning compliance with GASB Statement 77 which requires governments that enter into tax abatement agreements to disclose the following information about those agreements:

1. Tax being abated: The City of Spokane adopted the 'Multiple Family Housing Property Tax Exemption Program' in March of 2000 in order to accomplish the following goals:
 - a. encourage more multi-family housing opportunities, including affordable housing opportunities, within the City;
 - b. stimulate the construction of new multifamily housing and the rehabilitation of existing vacant and underutilized buildings for multi-family housing;
 - c. increase the supply of mixed-income multifamily housing opportunities within the City;
 - d. accomplish the planning goals required under the Growth Management Act, chapter 36.70A RCW, as implemented from time to time by the City's current and future comprehensive plans;
 - e. promote community development, neighborhood revitalization, and availability of affordable housing;
 - f. preserve and protect buildings, objects, sites and neighborhoods with historic, cultural, architectural, engineering or geographic significance located within the City; and
 - g. encourage additional housing in areas that are consistent with planning for public transit systems.
 - h. Any one or a combination of these purposes may be furthered by the designation of a residential targeted area
 - i. To accomplish these goals, the City of Spokane offers a partial property tax exemption to eligible property owners who construct new multi-family housing or rehabilitate existing vacant and underutilized buildings for multi-family housing in specific targeted urban centers of the City. Under this incentive, the land is fully taxed but the value of new improvements related to housing is exempt from property taxes. The exemption period is 8 years for market rate projects, and 12 years for projects that price at least 20% of the units to be affordable for low to moderate income households.
2. The authority under which tax abatements are provided: The multiple-family housing property tax exemption is authorized by the Spokane Municipal Code section SMC 8.15 and the Revised Code of Washington section RCW 84.14.
3. Eligibility criteria: To be eligible for a partial property tax exemption under this program, the property must satisfy all of the relevant requirements, as follows:
 - a. Located in a residential targeted area in an urban center.
 - b. The multi-family project must consist of at least 4 dwelling units, either within a solely residential structure or as part of a mixed use development in which at least 50% of the space within the development is intended for permanent residential occupancy.
 - c. New construction, or conversion of non-residential space: A minimum of 4 new dwelling units must be created.
 - d. Rehabilitation or demolition in preparation for new construction: The residential portion must fail to comply with one or more standards of the building codes, and the project must achieve substantial compliance with the applicable standards.
 - e. If existing multi-family housing is occupied, the project must add a minimum of 4 dwelling units. Also, the applicant must provide each existing tenant with housing of comparable size, quality and price and a reasonable opportunity to relocate. If the multi-family

property has been vacant for 12 or more months, the project must rehabilitate at least 4 of the existing dwelling units but does not have to provide additional multi-family units.

- f. If the multi-family structure has not been vacant for 12 months, the project must rehabilitate all the existing structures and create 4 additional units. Eligible market rate projects get 8 years of partial tax exemption. In order to qualify for 12 years of partial tax exemption, at least 20% of the units in a project must be rented or sold for a price affordable to low ($\leq 80\%$ AMI) or moderate (80-115% AMI) income households. Projects intended solely for owner occupancy need only target 20% of the units to moderate-income households. "Affordable" housing means that housing costs (including utilities other than telephone) should not exceed 30% of the occupant's monthly income. The project must comply with all applicable zoning requirements, design review requirements, land use regulations, and building and housing code requirements at the time of new construction, rehabilitation or conversion.
 - g. This program applies to construction or rehabilitation of 4 or more dwelling units in one building on one parcel. The program may also be used for rehabilitation of existing multi-family housing that is in "non-compliance" with one or more standards of the building or housing codes. Work must be completed within 3 years of the date of the Conditional Certificate of Acceptance of Tax Exemption.
4. Mechanism by which taxes are abated: The tax exemption begins January 1 of the year following the calendar year in which the Final Certificate of Tax Exemption is issued, and runs for 8 or 12 years. A property owner within a designated "residential target area" can apply for the property tax exemption. The City Council has designated three residential target areas:
 - a) Central Business District
 - b) Browne's Addition/Peaceful Valley
 - c) Centers and Corridors

An application for this tax exemption program must be submitted before an application for building or other construction permits. Once approved, a contract is filed with the County Assessors office and is noted on the individual's property tax filing. This is not a reduction in current property taxes it is an exemption of taxes on the assessed value of the improvements.

For example an individual has a piece of property with the assessed value of \$40,000 they qualify for an exemption and the improved assessed value is \$240,000 the individual will only pay the taxes on the original \$40,000 until the contract expires.

5. Provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients: The city has no provisions to recapture abated taxes. However, the city has requirements that must be met by the applicants including but not limited to the following. Application for the multi-family housing tax exemption is made through the City of Spokane using the application forms available from the Development Incentives Department located on the 3rd floor of City Hall. The application includes:
 - a) Application for Tax Exemption, including
 - i. Description of Project
 - ii. Preliminary Site and Floor Plans
 - iii. "Before" photos
 - iv. Statement of Potential Tax Liability
 - b) Verification of Code Noncompliance (if applicable)
 - c) Application fee: \$450 + \$80/dwelling unit up to an additional \$560
 - d) Approval Process
 - i. Code Non-compliance..... Building Official, Fire Marshall, or Code Enforcement
 - ii. Application for Conditional Certificate..... Development Incentives
 - iii. Building Permit..... Building Department
 - iv. Resolution..... City Council
 - v. Agreement [the contract] Mayor's Office
 - vi. Conditional Certificate..... Mayor's Office
 - vii. Certificate of Occupancy... Building Department

- viii. Application for Final Certificate..... Development Incentives
 - ix. Partial Tax Exemption..... Assessor's Office
 - e) Within 30 days of receipt of all materials required for a final certificate, the Director of Development Incentives will determine whether the completed work is consistent with the contract and qualifies for the exemption. If the Director determines the work is consistent with the contract and qualifies for the exemption, within 10 days after making the determination, the City will file a Final Certificate of Tax Exemption with the County Auditor, with a copy to the County Assessor and City Clerk.
 - f) If the Director determines that the work is not consistent with the contract or otherwise does not comply with requirements for the tax exemption, including completion within 3 years and affordable housing requirements, the Director will notify the applicant in writing, stating the reasons why the Final Certificate of Tax Exemption will not be issued. The applicant may appeal this decision following the timeframes outlined under the "appeals" portion of this brochure.
 - g) Within 30 days after the first anniversary of the date when the Final Certificate of Tax Exemption was filed and recorded with the Spokane County Auditor, and each year thereafter for the tax exemption period, each property owner must file an annual report form with the Development Incentives Department regarding the current occupancy, use and affordability of the property and describing any improvements or changes that have since been made to the property. Failure to submit the annual report, or changing the use from residential may result in cancellation of the tax exemption.
6. The gross dollar amount of taxes abated during the period: The gross benefit to all property owners during the 2016 fiscal year was \$2,496,018.02.
7. Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.
- a. The program established by this program authorized by the Spokane city council shall expire December 31, 2017, unless extended by the city council by ordinance. Upon expiration, no further applications for a conditional certificate of tax exemption shall be accepted. Incomplete applications shall be returned to the applicant. Pending complete applications for a conditional certificate, extension of conditional certificate and final certificate shall be processed as provided in this city code section.

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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, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
Revenues				
Taxes	\$ 151,737,000	\$ 151,736,000	\$ 151,201,589	\$ (534,411)
Licenses and permits	6,625,500	6,625,500	6,992,715	367,215
Intergovernmental	7,131,555	7,366,790	4,549,060	(2,817,730)
Charges for services	14,661,905	14,780,635	18,389,565	3,608,930
Fines and forfeitures	3,234,500	3,259,020	3,225,243	(33,777)
Miscellaneous	6,301,765	6,301,765	8,787,853	2,486,088
Net inc(dec) in market value of investments	-	-	(6,220,198)	(6,220,198)
Total revenues	189,692,225	190,069,710	186,925,827	(3,143,883)
EXPENDITURES				
General government	30,430,664	31,654,592	30,150,004	1,504,588
Public safety	106,186,721	106,190,953	107,467,432	(1,276,479)
Transportation	6,042,695	6,094,974	6,057,102	37,872
Economic environment	5,452,444	6,302,089	5,402,059	900,030
Social services	1,586,543	1,820,448	1,712,802	107,646
Culture and recreation	8,767,791	8,508,367	7,785,349	723,018
Capital outlays	1,875,382	2,018,299	1,460,157	558,142
Interest	10,000	10,000	66,518	(56,518)
Total expenditures	160,352,240	162,599,722	160,101,423	2,498,299
Excess (deficiency) of revenues over expenditures	29,339,985	27,469,988	26,824,404	(645,584)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	130,008	130,008
Transfers in	47,753,747	47,753,747	137,523	(47,616,224)
Transfers out	(77,484,463)	(77,673,713)	(28,917,531)	48,756,182
Total other financing sources (uses)	(29,730,716)	(29,919,966)	(28,650,000)	1,269,966
Net change in fund balance	(390,731)	(2,449,978)	(1,825,596)	624,382
Fund balance - beginning	41,073,772	41,073,772	41,073,772	-
Prior Period Adjustment	-	-	1,661,821	1,661,821
Fund balance - ending	\$ 40,683,041	\$ 38,623,794	\$ 40,909,997	\$ 2,286,203

Required Supplementary Information

Schedule of Net Pension Liability

SERS

	<u>2016</u>	<u>2015</u>
Total pension liability		
Service cost	\$ 12,384,960	\$ 11,405,611
Interest	26,359,257	25,718,424
Changes of benefit terms	-	86,298
Differences between expected and actual experience	6,483,011	18,507,784
Changes of assumptions	-	-
Benefit payments, including refunds of member contributions	<u>(24,597,020)</u>	<u>(22,884,026)</u>
Net change in total pension liability	20,630,208	32,834,091
Total pension liability—beginning	<u>491,393,125</u>	<u>458,559,034</u>
Total pension liability—ending (a)	<u><u>\$ 512,023,333</u></u>	<u><u>\$ 491,393,125</u></u>
Plan fiduciary net position		
Contributions—employer	\$ 7,398,945	\$ 6,822,279
Contributions—member	7,402,905	6,822,279
Net investment income	(3,228,439)	14,497,901
Benefit payments, including refunds of member contributions	(24,597,020)	(22,884,026)
Administrative expense	(447,921)	(386,713)
Other	-	-
Net change in plan fiduciary net position	(13,471,530)	4,871,720
Plan fiduciary net position—beginning	<u>285,772,821</u>	<u>280,901,101</u>
Plan fiduciary net position—ending (b)	<u><u>\$ 272,301,291</u></u>	<u><u>\$ 285,772,821</u></u>
Plan's net pension liability—ending (a) – (b)	<u><u>\$ 239,722,042</u></u>	<u><u>\$ 205,620,304</u></u>
Less (Public Facilities District)	(600,946)	(474,484)
Plan's net pension liability—Net of the PFD	<u><u>\$ 239,121,096</u></u>	<u><u>\$ 205,145,820</u></u>
Plan fiduciary net position as a percentage of the total pension liability	53.18%	58.16%
Covered-employee payroll	\$ 93,899,096	\$ 89,034,522
Plan's net pension liability as a percentage of covered-employee payroll	255.30%	230.90%

*The amount presented for each fiscal year were determined as of the end of the previous fiscal year.

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).

Schedule of Net Pension Liability Firefighters' Pension

	2016	2015
Total pension liability		
Service cost	\$ -	\$ -
Interest	831,429	938,119
Changes of benefit terms	-	-
Differences between expected and actual experience	-	(2,281,571)
Changes of assumptions	-	-
Benefit payments, including refunds of member contributions	(1,306,840)	(1,340,440)
Net change in total pension liability	(475,411)	(2,683,892)
Total pension liability—beginning	21,432,740	24,116,632
Total pension liability—ending (a)	<u>\$ 20,957,329</u>	<u>\$ 21,432,740</u>
Plan fiduciary net position		
Contributions—employer	\$ 2,345,156	\$ 1,529,654
Contributions—member	-	-
Net investment income	116,370	295,093
Benefit payments, including refunds of member contributions	(1,306,840)	(1,340,440)
Administrative expense	(30,577)	(13,889)
Other	-	-
Net change in plan fiduciary net position	1,124,109	470,418
Plan fiduciary net position—beginning	13,919,970	13,449,552
Plan fiduciary net position—ending (b)	<u>\$ 15,044,079</u>	<u>\$ 13,919,970</u>
Plan's net pension liability—ending (a) – (b)	<u>\$ 5,913,250</u>	<u>\$ 7,512,770</u>
Plan fiduciary net position as a percentage of the total pension liability	71.78%	64.95%
Covered-employee payroll	N/A	N/A
Plan's net pension liability as a percentage of covered-employee payroll	N/A	N/A

*The amount presented for each fiscal year were determined as of the end of the previous fiscal year.

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).

Schedule of Net Pension Liability

Police Pension

	2016	2015
Total pension liability		
Service cost	\$ -	\$ -
Interest	288,058	341,929
Changes of benefit terms	-	-
Differences between expected and actual experience	-	(1,233,517)
Changes of assumptions	-	-
Benefit payments, including refunds of member contributions	(705,257)	(1,100,056)
Net change in total pension liability	(417,199)	(1,991,644)
Total pension liability—beginning	9,951,967	11,943,611
Total pension liability—ending (a)	<u>\$ 9,534,768</u>	<u>\$ 9,951,967</u>
Plan fiduciary net position		
Contributions—employer	\$ 734,966	\$ 850,789
Contributions—member	-	-
Net investment income	-	-
Benefit payments, including refunds of member contributions	(705,257)	(1,100,056)
Administrative expense	(27,666)	(12,985)
Other	-	-
Net change in plan fiduciary net position	2,043	(262,252)
Plan fiduciary net position—beginning	613,023	875,275
Plan fiduciary net position—ending (b)	<u>\$ 615,066</u>	<u>\$ 613,023</u>
Plan's net pension liability—ending (a) - (b)	<u>\$ 8,919,702</u>	<u>\$ 9,338,944</u>
Plan fiduciary net position as a percentage of the total pension liability	6.5%	6.2%
Covered-employee payroll	N/A	N/A
Plan's net pension liability as a percentage of covered-employee payroll	N/A	N/A

*The amount presented for each fiscal year were determined as of the end of the previous fiscal year.

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).

Schedule of City's Proportionate Share of the Net Pension Liability (Asset)

LEOFF 1 (in thousands)

	2016	2015
City's proportion of the net pension liability (asset)	0.9642%	0.9613%
City's proportionate share of the net pension liability (asset) (in thousands)	\$ (9,935)	\$ (11,586)
City's covered employee payroll (in thousands)	\$ 76	\$ 102
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-12989.69%	-11387.85%
Plan's fiduciary net position as a percentage of the total pension liability (asset)	123.74%	127.36%
This table will be built prospectively until it contains 10 years of data		

LEOFF 2 (in thousands)

	2016	2015
City's proportion of the net pension liability (asset)	2.0361%	2.0020%
City's proportionate share of the net pension liability (asset) (in thousands)	\$ (11,842)	\$ (20,576)
City's covered employee payroll (in thousands)	\$ 36,731	\$ 34,918
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-32.24%	-58.93%
Plan's fiduciary net position as a percentage of the total pension liability (asset)	106.04%	111.67%
This table will be built prospectively until it contains 10 years of data		

Schedule of Employer Contributions SERS

	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 9,853,762	\$ 9,069,276	\$ 8,292,066	\$ 8,237,317	\$ 8,325,936
Contributions in relation to the actuarially determined contribution	7,586,362	7,398,945	6,822,279	6,715,376	6,937,750
Contribution deficiency (excess)	\$ 2,267,400	\$ 1,670,331	\$ 1,469,787	\$ 1,521,941	\$ 1,388,186
Covered-employee payroll	\$ 91,955,903	\$ 89,684,182	\$ 86,139,886	\$ 86,650,013	\$ 89,519,355
Contributions as a percentage of covered-employee payroll	8.25%	8.25%	7.92%	7.75%	7.75%

	2011	2010	2009	2008	2007
Actuarially determined contribution	\$ 10,010,885	\$ 8,955,055	\$ 8,267,280	\$ 8,826,967	\$ 5,742,761
Contributions in relation to the actuarially determined contribution	6,799,258	6,580,795	6,474,432	4,875,443	4,518,363
Contribution deficiency (excess)	\$ 3,211,627	\$ 2,374,260	\$ 1,792,848	\$ 3,951,524	\$ 1,224,398
Covered-employee payroll	\$ 90,264,062	\$ 88,093,679	\$ 83,455,429	\$ 74,183,014	\$ 69,261,673
Contributions as a percentage of covered-employee payroll	7.75%	7.75%	7.75%	6.72%	6.72%

Schedule of Employer Contributions Firefighters' Pension

	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 519,891	\$ 519,891	\$ 864,697	\$ 864,697	\$ 1,070,804
Contributions in relation to the actuarially determined contribution	2,137,287	2,314,579	1,515,765	2,183,389	439,804
Contribution deficiency (excess)	\$ (1,617,396)	\$ (1,794,688)	\$ (651,068)	\$ (1,318,692)	\$ 631,000
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A

Schedule of Employer Contributions Police Pension

	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 585,998	\$ 585,998	\$ 586,637	\$ 586,637	\$ 734,291
Contributions in relation to the actuarially determined contribution	766,915	707,300	837,804	845,079	869,885
Contribution deficiency (excess)	\$ (180,917)	\$ (121,302)	\$ (251,167)	\$ (258,442)	\$ (135,594)
Covered-employee payroll	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered-employee payroll	N/A	N/A	N/A	N/A	N/A

Schedule of Employer Contributions LEOFF 1

City's Proportionate Share (in thousands)	2016	2015 Restated
Contractually required contribution	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	-	1
Contribution deficiency (excess)	\$ -	\$ (1)
Covered-employee payroll	76	102
Contributions as a percentage of covered-employee payroll	0.00%	0.57%

This table will be built prospectively until it contains 10 years of data

Schedule of Employer Contributions LEOFF 2

City's Proportionate Share (in thousands)	2016	2015
Contractually required contribution	\$ 3,089	\$ 2,951
Contributions in relation to the actuarially determined contribution	3,103	2,952
Contribution deficiency (excess)	\$ (14)	\$ (1)
Covered-employee payroll	36,731	34,918
Contributions as a percentage of covered-employee payroll	8.45%	8.45%

This table will be built prospectively until it contains 10 years of data

Other Postemployment Benefits Schedule of Employer Contributions Firefighters' Pension (in thousands)

	2016	2015	2014	2013	2012
Employer's annual required contribution	\$ 2,778	\$ 2,778	\$ 3,377	\$ 3,377	\$ 5,056
Employer's actual contribution	2,778	2,778	3,377	3,377	5,099
Percentage contributed	100%	100%	100%	100%	101%
Annual OPEB cost	2,778	2,778	3,377	3,377	5,056
Net OPEB obligation	\$ -	\$ -	\$ -	\$ -	\$ -

	2011	2010	2009	2008	2007
Employer's annual required contribution	\$ 5,056	\$ 4,311	\$ 4,311	\$ 3,657	\$ 3,657
Employer's actual contribution	5,013	4,311	4,311	3,657	3,657
Percentage contributed	99%	100%	100%	100%	100%
Annual OPEB cost	5,056	4,311	4,311	3,657	3,657
Net OPEB obligation	\$ 43	\$ -	\$ -	\$ -	\$ -

Other Postemployment Benefits Schedule of Employer Contributions Police Pension (in thousands)

	2016	2015	2014	2013	2012
Employer's annual required contribution	\$ 3,944	\$ 3,944	\$ 4,380	\$ 4,380	\$ 5,877
Employer's actual contribution	2,703	2,733	3,041	2,496	2,811
Percentage contributed	69%	69%	69%	57%	48%
Annual OPEB cost	3,459	3,539	4,028	4,093	5,712
Net OPEB obligation	\$ 14,673	\$ 13,917	\$ 13,111	\$ 12,124	\$ 10,527

	2011	2010	2009	2008	2007
Employer's annual required contribution	\$ 5,877	\$ 4,573	\$ 4,573	\$ 3,470	\$ 3,470
Employer's actual contribution	2,856	3,398	2,747	2,606	2,522
Percentage contributed	49%	74%	60%	75%	73%
Annual OPEB cost	5,782	4,505	4,541	3,458	3,470
Net OPEB obligation	\$ 7,626	\$ 4,700	\$ 3,593	\$ 1,799	\$ 948

Other Postemployment Benefits Schedule of Funding Progress Firefighters' Pension

Valuation Date	Actuarial Value of Assets (in thousands)	Actuarial Accrued Liabilities (in thousands)	Unfunded Actuarial Liabilities (UAAL) (in thousands)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2006	\$ 3,347	\$ 55,666	\$ 52,319	6.0%	N/A	N/A
12/31/2008	5,133	65,479	60,346	7.8%	N/A	N/A
12/31/2010	7,889	77,975	70,086	10.1%	N/A	N/A
12/31/2012	12,576	62,779	50,203	20.0%	N/A	N/A
12/31/2014	13,998	54,093	40,095	25.9%	N/A	N/A
12/31/2016	13,966	50,537	36,571	27.6%	N/A	N/A

Other Postemployment Benefits Schedule of Funding Progress Police Pension

Valuation Date	Actuarial Value of Assets (in thousands)	Actuarial Accrued Liabilities (in thousands)	Unfunded Actuarial Liabilities (UAAL) (in thousands)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2006	\$ -	\$ 51,370	\$ 51,370	0.0%	N/A	N/A
12/31/2008	-	74,045	74,045	0.0%	N/A	N/A
12/31/2010	-	91,069	91,069	0.0%	N/A	N/A
12/31/2012	-	73,197	73,197	0.0%	N/A	N/A
12/31/2014	-	62,745	62,745	0.0%	N/A	N/A
12/31/2016	-	55,943	55,943	0.0%	N/A	N/A

Schedule of Investment Returns Spokane Employee Retirement System (SERS)

	2016	2015	2014	2013	2012	2011	2010	2009	2008
Annual money-weighted rate of return, net of investment expense	6.71%	-0.94%	5.34%	18.89%	11.70%	-2.80%	13.47%	21.99%	24.68%

Notes to the Required Supplementary Information

For the Fiscal Year Ended December 31, 2016

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.

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Schedules

City of Spokane, Washington
Schedule for General Fund Accounts
Balance Sheet
December 31, 2016

	General Fund	Code Enforcement	Library	Under Freeway Parking	Parking Facilities
ASSETS					
Cash and cash equivalents	\$ 1,543,842	\$ 40,249	\$ 83,185	\$ 17,024	\$ 73
Deposits with fiscal agents/trustees	18,725	-	-	-	-
Equity in pooled investments	15,064,036	174,162	1,562,176	73,666	317
Taxes receivable	13,625,169	462,513	-	-	-
Accounts receivable	3,537,879	-	30,837	12,786	-
Interest receivable	1,596,816	-	1,052	-	-
Due from other funds	6,137,453	67,780	3,743	-	-
Interfund loan receivable	2,028,852	-	12,745	-	-
Due from other governments	294,846	-	-	-	-
Advances to other funds	961,266	-	87,251	-	-
Inventories	1,198	-	-	-	-
Notes/contract receivable (non-current)	-	-	-	-	-
Total Assets	44,810,082	744,704	1,780,989	103,476	390
DEFERRED OUTFLOWS OF RESOURCES					
Total Deferred Outflows of Resources	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	44,810,082	744,704	1,780,989	103,476	390
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts/vouchers payable	1,265,137	22,033	84,630	8,078	-
Due to other funds	879,017	422,740	2,961	1,415	-
Due to other governments	434,775	-	-	-	-
Revenues collected in advance	57,500	-	-	-	-
Other accrued liabilities	3,316,929	61,514	197,875	-	-
Other current liabilities	784,252	-	98	-	-
Total Liabilities	6,737,610	506,287	285,564	9,493	-
DEFERRED INFLOWS OF RESOURCES					
Property taxes	2,010,318	-	-	-	-
Total Deferred Inflows of Resources	2,010,318	-	-	-	-
Total Liabilities Plus Deferred Inflows of Resources	8,747,928	506,287	285,564	9,493	-
FUND BALANCE:					
Nonspendable	961,266	-	87,251	-	-
Restricted - grants	-	-	-	-	-
Committed	704,165	-	-	93,983	390
Assigned	15,347,597	238,417	1,408,174	-	-
Unassigned	19,049,126	-	-	-	-
Total Fund Balance (Deficit)	36,062,154	238,417	1,495,425	93,983	390
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 44,810,082	\$ 744,704	\$ 1,780,989	\$ 103,476	\$ 390

City of Spokane, Washington
Schedule for General Fund Accounts
Balance Sheet
December 31, 2016
(Continued)

	Capital Improvement Program	Hope Acquisition	Housing Trust Grant	Cumulative Reserve
ASSETS				
Cash and cash equivalents	\$ 15,554	\$ 2,966	\$ 596	\$ 4,237
Deposits with fiscal agents/trustees	-	-	-	-
Equity in pooled investments	68,385	253,929	190,615	18,332
Taxes receivable	-	-	-	-
Accounts receivable	-	-	-	-
Interest receivable	-	345	268	-
Due from other funds	-	-	-	-
Interfund loan receivable	11	2,442	1,904	-
Due from other governments	-	-	-	-
Advances to other funds	75	16,716	13,037	-
Inventories	-	-	-	-
Notes/contract receivable (non-current)	-	139,298	15,372	-
Total Assets	84,025	415,696	221,792	22,569
DEFERRED OUTFLOWS OF RESOURCES				
Total Deferred Outflows of Resources	-	-	-	-
Total Assets and Deferred Outflows of Resources	84,025	415,696	221,792	22,569
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts/vouchers payable	-	160	-	-
Due to other funds	-	-	24	-
Due to other governments	-	-	-	-
Revenues collected in advance	-	-	-	-
Other accrued liabilities	-	-	-	-
Other current liabilities	-	-	-	-
Total Liabilities	-	160	24	-
DEFERRED INFLOWS OF RESOURCES				
Property taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Total Liabilities Plus Deferred Inflows of Resources	-	160	24	-
FUND BALANCE:				
Nonspendable	75	16,716	13,037	-
Restricted - grants	-	398,820	208,731	-
Committed	-	-	-	-
Assigned	83,950	-	-	22,569
Unassigned	-	-	-	-
Total Fund Balance (Deficit)	84,025	415,536	221,768	22,569
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 84,025	\$ 415,696	\$ 221,792	\$ 22,569

City of Spokane, Washington
Schedule for General Fund Accounts
Balance Sheet
December 31, 2016
(Continued)

	Emergency Medical Services	Eliminations	Total
ASSETS			
Cash and cash equivalents	\$ 95,859	\$ -	\$ 1,803,585
Deposits with fiscal agents/trustees	10,226	-	28,951
Equity in pooled investments	3,407,047	-	20,812,665
Taxes receivable	204,237	-	14,291,919
Accounts receivable	212,021	-	3,793,523
Interest receivable	1,113	-	1,599,594
Due from other funds	57,634	(486,637)	5,779,973
Interfund loan receivable	30,303	-	2,076,257
Due from other governments	427,089	-	721,935
Advances to other funds	207,455	-	1,285,800
Inventories	-	-	1,198
Notes/contract receivable (non-current)	-	-	154,670
Total Assets	4,652,984	(486,637)	52,350,070
DEFERRED OUTFLOWS OF RESOURCES			
Total Deferred Outflows of Resources	-	-	-
Total Assets and Deferred Outflows of Resources	4,652,984	(486,637)	52,350,070
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts/vouchers payable	189,848	-	1,569,886
Due to other funds	364,362	(486,637)	1,183,882
Due to other governments	10,825	-	445,600
Revenues collected in advance	-	-	57,500
Other accrued liabilities	1,662,342	-	5,238,660
Other current liabilities	9,564	-	793,914
Total Liabilities	2,236,941	(486,637)	9,289,442
DEFERRED INFLOWS OF RESOURCES			
Property taxes	140,313	-	2,150,631
Total Deferred Inflows of Resources	140,313	-	2,150,631
Total Liabilities Plus Deferred Inflows of Resources	2,377,254	(486,637)	11,440,073
FUND BALANCE:			
Nonspendable	207,455	-	1,285,800
Restricted - grants	-	-	607,551
Committed	2,068,275	-	2,866,813
Assigned	-	-	17,100,707
Unassigned	-	-	19,049,126
Total Fund Balance (Deficit)	2,275,730	-	40,909,997
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 4,652,984	\$ (486,637)	\$ 52,350,070

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, 2016
(Continued)

	General Fund	Code Enforcement	Library	Under Freeway Parking	Parking Facilities
REVENUES					
Taxes	\$ 143,433,236	\$ 22,134	\$ -	\$ -	-
Licenses and permits	6,624,475	-	-	-	-
Intergovernmental	3,261,401	-	9,196	-	-
Charges for services	16,681,849	795,857	18,050	-	-
Fines and forfeitures	2,853,200	-	123,343	-	-
Miscellaneous	8,030,908	364,140	109,368	173,704	-
Net inc(dec) in market value of investments	(6,220,198)	-	-	-	-
Total Revenues	174,664,871	1,182,131	259,957	173,704	-
EXPENDITURES					
Current:					
General government	30,150,004	-	-	-	-
Public safety	58,075,957	1,898,483	-	-	-
Transportation	5,962,278	-	-	94,792	-
Economic environment	5,398,495	-	-	-	-
Social services	1,712,802	-	-	-	-
Culture and recreation	45,000	-	7,740,349	-	-
Capital outlays	293,482	-	1,090,489	-	-
Debt service:					
Interest	66,518	-	-	-	-
Total Expenditures	101,704,536	1,898,483	8,830,838	94,792	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	72,960,335	(716,352)	(8,570,881)	78,912	-
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	93,028	35,200	-	-	-
Transfers in	137,522	752,622	9,343,482	-	-
Transfers out	(76,108,488)	-	(56,996)	-	-
Total Other Financing Sources (Uses)	(75,877,938)	787,822	9,286,486	-	-
Net Change in Fund Balance	(2,917,603)	71,470	715,605	78,912	-
Fund Balance - beginning (Note 1)	37,321,456	166,947	779,249	15,071	390
Prior Period Adjustment	1,658,301	-	571	-	-
Fund Balance - beginning (restated)	38,979,757	166,947	779,820	15,071	390
Fund Balance - ending	\$ 36,062,154	\$ 238,417	\$ 1,495,425	\$ 93,983	\$ 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, 2016
(Continued)

	Capital Improvement Program	Hope Acquisition	Housing Trust Grant	Cumulative Reserve
REVENUES				
Taxes	\$ -	\$ -	\$ -	-
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Miscellaneous	3	260	179	-
Net inc(dec) in market value of investments	-	-	-	-
Total Revenues	3	260	179	-
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Transportation	32	-	-	-
Economic environment	-	3,369	195	-
Social services	-	-	-	-
Culture and recreation	-	-	-	-
Capital outlays	-	-	-	-
Debt service:				
Interest	-	-	-	-
Total Expenditures	32	3,369	195	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(29)	(3,109)	(16)	-
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	(29)	(3,109)	(16)	-
Fund Balance - beginning (Note 1)	84,054	418,066	221,308	22,569
Prior Period Adjustment	-	579	476	-
Fund Balance - beginning (restated)	84,054	418,645	221,784	22,569
Fund Balance - ending	\$ 84,025	\$ 415,536	\$ 221,768	\$ 22,569

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, 2016
(Continued)

	Emergency Medical Services	Eliminations	Total
REVENUES			
Taxes	\$ 7,746,219	\$ -	\$ 151,201,589
Licenses and permits	368,240	-	6,992,715
Intergovernmental	1,278,463	-	4,549,060
Charges for services	893,809	-	18,389,565
Fines and forfeitures	248,700	-	3,225,243
Miscellaneous	109,291	-	8,787,853
Net inc(dec) in market value of investments	-	-	(6,220,198)
Total Revenues	<u>10,644,722</u>	<u>-</u>	<u>186,925,827</u>
EXPENDITURES			
Current:			
General government	-	-	30,150,004
Public safety	47,492,992	-	107,467,432
Transportation	-	-	6,057,102
Economic environment	-	-	5,402,059
Social services	-	-	1,712,802
Culture and recreation	-	-	7,785,349
Capital outlays	76,186	-	1,460,157
Debt service:			
Interest	-	-	66,518
Total Expenditures	<u>47,569,178</u>	<u>-</u>	<u>160,101,423</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(36,924,456)</u>	<u>-</u>	<u>26,824,404</u>
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	1,780	-	130,008
Transfers in	37,200,000	(47,296,103)	137,523
Transfers out	(48,150)	47,296,103	(28,917,531)
Total Other Financing Sources (Uses)	<u>37,153,630</u>	<u>-</u>	<u>(28,650,000)</u>
Net Change in Fund Balance	<u>229,174</u>	<u>-</u>	<u>(1,825,596)</u>
Fund Balance - beginning (Note 1)	2,044,662	-	41,073,772
Prior Period Adjustment	1,894	-	1,661,821
Fund Balance - beginning (restated)	<u>2,046,556</u>	<u>-</u>	<u>42,735,593</u>
Fund Balance - ending	<u>\$ 2,275,730</u>	<u>\$ -</u>	<u>\$ 40,909,997</u>

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
General Fund
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Taxes	\$ 143,952,000	\$ 143,951,000	\$ 143,433,236	\$ (517,764)
Licenses and permits	6,329,000	6,329,000	6,624,475	295,475
Intergovernmental	5,722,635	5,957,870	3,261,401	(2,696,469)
Charges for services	13,062,051	13,145,781	16,681,849	3,536,068
Fines and forfeitures	2,899,500	2,924,020	2,853,200	(70,820)
Miscellaneous	5,752,610	5,752,610	8,030,908	2,278,298
Net inc(dec) in market value of investments	-	-	(6,220,198)	(6,220,198)
Total revenues	177,717,796	178,060,281	174,664,871	(3,395,410)
EXPENDITURES				
General government	30,430,664	31,654,592	30,150,004	1,504,588
Public safety	56,579,938	56,345,525	58,075,957	(1,730,432)
Transportation	5,914,804	5,967,083	5,962,278	4,805
Economic environment	5,437,487	6,287,132	5,398,495	888,637
Social services	1,586,543	1,820,448	1,712,802	107,646
Culture and recreation	340,946	54,000	45,000	9,000
Capital outlays	92,788	327,285	293,482	33,803
Debt service:				
Interest and other related costs	10,000	10,000	66,518	(56,518)
Total expenditures	100,393,170	102,466,065	101,704,536	761,529
Excess (deficiency) of revenues over (under) expenditures	77,324,626	75,594,216	72,960,335	(2,633,881)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	93,028	93,028
Transfers in	165,265	165,265	137,522	(27,743)
Transfers out	(77,484,463)	(77,625,563)	(76,108,488)	1,517,075
Total other financing sources (uses)	(77,319,198)	(77,460,298)	(75,877,938)	1,582,360
Net change in fund balance	5,428	(1,866,082)	(2,917,603)	(1,051,521)
Fund Balance - beginning	37,321,456	37,321,456	37,321,456	-
Prior Period Adjustment	123,549	123,549	1,658,301	1,534,752
Fund Balance - beginning (restated)	37,445,005	37,445,005	38,979,757	1,534,752
Fund Balance - ending	\$ 37,450,433	\$ 35,578,923	\$ 36,062,154	\$ 483,231

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Code Enforcement
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Taxes	\$ -	\$ -	22,134	\$ 22,134
Charges for services	829,854	864,854	795,857	(68,997)
Fines and forfeitures	3,000	3,000	-	(3,000)
Miscellaneous	245,000	245,000	364,140	119,140
Total revenues	1,077,854	1,112,854	1,182,131	69,277
EXPENDITURES				
Public safety	1,817,333	1,955,118	1,898,483	56,635
Capital outlays	-	1,500	-	1,500
Total expenditures	1,817,333	1,956,618	1,898,483	58,135
Excess (deficiency) of revenues over (under) expenditures	(739,479)	(843,764)	(716,352)	127,412
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	35,200	35,200
Transfers in	745,000	745,000	752,622	7,622
Total other financing sources (uses)	745,000	745,000	787,822	42,822
Net change in fund balance	5,521	(98,764)	71,470	170,234
Fund Balance - beginning	166,947	166,947	166,947	-
Prior Period Adjustment	-	-	-	-
Fund Balance - beginning (restated)	166,947	166,947	166,947	-
Fund Balance - ending	\$ 172,468	\$ 68,183	\$ 238,417	\$ 170,234

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Library
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 9,196	\$ (90,804)
Charges for services	26,000	26,000	18,050	(7,950)
Fines and forfeitures	200,000	200,000	123,343	(76,657)
Miscellaneous	61,150	61,150	109,368	48,218
Total revenues	387,150	387,150	259,957	(127,193)
EXPENDITURES				
Culture and recreation	8,426,845	8,454,367	7,740,349	714,018
Capital outlays	1,133,500	1,120,978	1,090,489	30,489
Total expenditures	9,560,345	9,575,345	8,830,838	744,507
Excess (deficiency) of revenues over (under) expenditures	(9,173,195)	(9,188,195)	(8,570,881)	617,314
OTHER FINANCING SOURCES (USES)				
Transfers in	9,343,482	9,343,482	9,343,482	-
Transfers out	-	-	(56,996)	(56,996)
Total other financing sources (uses)	9,343,482	9,343,482	9,286,486	(56,996)
Net change in fund balance	170,287	155,287	715,605	560,318
Fund Balance - beginning	779,249	779,249	779,249	-
Prior Period Adjustment	-	-	571	571
Fund Balance - beginning (restated)	779,249	779,249	779,820	571
Fund Balance - ending	\$ 949,536	\$ 934,536	\$ 1,495,425	\$ 560,889

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, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Miscellaneous	\$ 143,725	\$ 143,725	\$ 173,704	\$ 29,979
Total revenues	<u>143,725</u>	<u>143,725</u>	<u>173,704</u>	<u>29,979</u>
EXPENDITURES				
Transportation	127,891	127,891	94,792	33,099
Total expenditures	<u>127,891</u>	<u>127,891</u>	<u>94,792</u>	<u>33,099</u>
Net change in fund balance	15,834	15,834	78,912	63,078
Fund Balance - beginning	15,071	15,071	15,071	-
Prior Period Adjustment	-	-	-	-
Fund Balance - beginning (restated)	<u>15,071</u>	<u>15,071</u>	<u>15,071</u>	<u>-</u>
Fund Balance - ending	<u>\$ 30,905</u>	<u>\$ 30,905</u>	<u>\$ 93,983</u>	<u>\$ 63,078</u>

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, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 3	\$ 3
Total revenues	-	-	3	3
EXPENDITURES				
Transportation	-	-	32	(32)
Capital outlays	83,000	83,000	-	83,000
Total expenditures	83,000	83,000	32	82,968
Net change in fund balance	(83,000)	(83,000)	(29)	82,971
Fund Balance - beginning	84,054	84,054	84,054	-
Prior Period Adjustment	-	-	-	-
Fund Balance - beginning (restated)	84,054	84,054	84,054	-
Fund Balance - ending	\$ 1,054	\$ 1,054	\$ 84,025	\$ 82,971

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Hope Acquisition
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Miscellaneous	\$ 26,400	\$ 26,400	\$ 260	\$ (26,140)
Total revenues	<u>26,400</u>	<u>26,400</u>	<u>260</u>	<u>(26,140)</u>
EXPENDITURES				
Economic environment	14,823	14,823	3,369	11,454
Capital outlays	241,577	241,577	-	241,577
Total expenditures	<u>256,400</u>	<u>256,400</u>	<u>3,369</u>	<u>253,031</u>
Net change in fund balance	(230,000)	(230,000)	(3,109)	226,891
Fund Balance - beginning	418,066	418,066	418,066	-
Prior Period Adjustment	-	-	579	579
Fund Balance - beginning (restated)	<u>418,066</u>	<u>418,066</u>	<u>418,645</u>	<u>579</u>
Fund Balance - ending	<u>\$ 188,066</u>	<u>\$ 188,066</u>	<u>\$ 415,536</u>	<u>\$ 227,470</u>

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, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Miscellaneous	\$ 3,000	\$ 3,000	\$ 179	\$ (2,821)
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>179</u>	<u>(2,821)</u>
EXPENDITURES				
Economic environment	134	134	195	(61)
Capital outlays	198,000	198,000	-	198,000
Total expenditures	<u>198,134</u>	<u>198,134</u>	<u>195</u>	<u>197,939</u>
Net change in fund balance	(195,134)	(195,134)	(16)	195,118
Fund Balance - beginning	221,308	221,308	221,308	-
Prior Period Adjustment	-	-	476	476
Fund Balance - beginning (restated)	<u>221,308</u>	<u>221,308</u>	<u>221,784</u>	<u>476</u>
Fund Balance - ending	<u>\$ 26,174</u>	<u>\$ 26,174</u>	<u>\$ 221,768</u>	<u>\$ 195,594</u>

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, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Taxes	\$ 7,785,000	\$ 7,785,000	\$ 7,746,219	\$ (38,781)
Licenses and permits	296,500	296,500	368,240	71,740
Intergovernmental	1,308,920	1,308,920	1,278,463	(30,457)
Charges for services	744,000	744,000	893,809	149,809
Fines and forfeitures	132,000	132,000	248,700	116,700
Miscellaneous	69,880	69,880	109,291	39,411
Total revenues	10,336,300	10,336,300	10,644,722	308,422
EXPENDITURES				
Public safety	47,789,450	47,890,310	47,492,992	397,318
Capital outlays	126,517	45,959	76,186	(30,227)
Total expenditures	47,915,967	47,936,269	47,569,178	367,091
Excess (deficiency) of revenues over (under) expenditures	(37,579,667)	(37,599,969)	(36,924,456)	675,513
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	1,780	1,780
Transfers in	37,500,000	37,500,000	37,200,000	(300,000)
Transfers out	-	(48,150)	(48,150)	-
Total other financing sources (uses)	37,500,000	37,451,850	37,153,630	(298,220)
Net change in fund balance	(79,667)	(148,119)	229,174	377,293
Fund Balance - beginning	2,044,662	2,044,662	2,044,662	-
Prior Period Adjustment	-	-	1,894	1,894
Fund Balance - beginning (restated)	2,044,662	2,044,662	2,046,556	1,894
Fund Balance - ending	\$ 1,964,995	\$ 1,896,543	\$ 2,275,730	\$ 379,187

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Eliminations
For the Year Ended December 31, 2016

	Actual	Variance with Final Budget-Positive (Negative)
OTHER FINANCING SOURCES (USES)		
Transfers in	\$ (47,296,103)	\$ (47,296,103)
Transfers out	47,296,103	47,296,103
Total other financing sources (uses)	-	-
Net change in fund balance	-	-
Fund Balance - beginning	-	-
Prior Period Adjustment	-	-
Fund Balance - beginning (restated)	-	-
Fund Balance - ending	\$ -	\$ -

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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, 2016**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 2,904,667	\$ 183,670	\$ 410,314	\$ 3,498,651
Deposits with fiscal agents/trustees	59,111	-	-	59,111
Equity in pooled investments	34,500,002	3,866,638	71,465,664	109,832,304
Taxes receivable	2,764,565	357,678	216,641	3,338,884
Special assessment receivable	-	2,066,160	-	2,066,160
Accounts receivable	2,974,950	-	226,950	3,201,900
Interest receivable	29,412	5,812	292,603	327,827
Due from other funds	2,276,210	169,096	346,934	2,792,240
Interfund loan receivable	208,639	31,109	746,518	986,266
Due from other governments	4,449,599	-	2,916,132	7,365,731
Advances to other funds	1,573,616	212,975	5,110,739	6,897,330
Inventories	1,054,465	-	-	1,054,465
Notes/contract receivable (non-current)	24,646,525	-	-	24,646,525
Total Assets	77,441,761	6,893,138	81,732,495	166,067,394
DEFERRED OUTFLOWS OF RESOURCES				
Total Deferred Outflows of Resources	-	-	-	-
Total Assets Plus Deferred Outflows of Resources	77,441,761	6,893,138	81,732,495	166,067,394
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts/vouchers payable	3,186,028	-	2,193,562	5,379,590
Due to other funds	2,370,026	-	255,283	2,625,309
Due to other governments	42,005	-	-	42,005
Revenues collected in advance	8,791	-	322,798	331,589
Interfund loan payable	1,888,443	-	-	1,888,443
Other accrued liabilities	1,093,293	-	-	1,093,293
Other current liabilities	897,947	632	2,655,035	3,553,614
Total Liabilities	9,486,533	632	5,426,678	14,913,843
DEFERRED INFLOWS OF RESOURCES				
Property taxes	258,524	2,306,548	7,122	2,572,194
Revenues not available	74,142	-	-	74,142
Total Deferred Inflows of Resources	332,666	2,306,548	7,122	2,646,336
Total Liabilities Plus Deferred Inflows of Resources	9,819,199	2,307,180	5,433,800	17,560,179
Fund Balance				
Restricted - capital projects	11,316,343	-	76,298,695	87,615,038
Restricted - police & firefighters' pension	959,880	-	-	959,880
Restricted - grants	27,745,012	-	-	27,745,012
Restricted - debt service	-	4,585,958	-	4,585,958
Restricted - other	88,032	-	-	88,032
Committed	21,927,957	-	-	21,927,957
Assigned	5,585,338	-	-	5,585,338
Total Fund Balance	67,622,562	4,585,958	76,298,695	148,507,215
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 77,441,761	\$ 6,893,138	\$ 81,732,495	\$ 166,067,394

City of Spokane, Washington
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended December 31, 2016

	Special Revenue Funds	Debt Service Funds	Capital Projects Fund	Total
REVENUES				
Taxes	\$ 31,763,500	\$ 6,098,952	\$ 227,097	\$ 38,089,549
Licenses and permits	614,418	-	-	614,418
Intergovernmental	21,102,702	552,118	11,296,482	32,951,302
Charges for services	15,261,642	-	-	15,261,642
Fines and forfeitures	4,557,608	-	-	4,557,608
Miscellaneous	2,802,171	874,783	1,429,175	5,106,129
Net inc(dec) in market value of investments	(48,677)	-	(4,149,341)	(4,198,018)
Total Revenues	76,053,364	7,525,853	8,803,413	92,382,630
EXPENDITURES				
Current:				
General government	9,987,303	2,141	-	9,989,444
Public safety	14,647,982	-	-	14,647,982
Transportation	21,780,465	-	985,873	22,766,338
Economic environment	7,723,615	-	-	7,723,615
Social services	7,598,425	-	-	7,598,425
Culture and recreation	17,372,816	-	-	17,372,816
Capital outlays	4,124,810	-	28,782,868	32,907,678
Debt service:				
Principal	-	5,594,835	219,142	5,813,977
Interest	-	7,866,841	4,881	7,871,722
Total Expenditures	83,235,416	13,463,817	29,992,764	126,691,997
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,182,052)	(5,937,964)	(21,189,351)	(34,309,367)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	276,471	-	-	276,471
Proceeds of bonds issued	-	16,167,449	-	16,167,449
Payment to escrow agent for refunded bond debt	-	(16,338,420)	-	(16,338,420)
Transfers in	17,609,500	3,427,978	14,877,840	35,915,318
Transfers out	(2,943,133)	(1,005,808)	(3,483,904)	(7,432,845)
Total Other Financing Sources (Uses)	14,942,838	2,251,199	11,393,936	28,587,973
Net Change in Fund Balance	7,760,786	(3,686,765)	(9,795,415)	(5,721,394)
Fund Balance - beginning	70,743,125	8,262,841	85,840,596	164,846,562
Prior Period Adjustment	(10,881,349)	9,882	253,514	(10,617,953)
Fund Balance - ending	\$ 67,622,562	\$ 4,585,958	\$ 76,298,695	\$ 148,507,215

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.

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 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.

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.

CD Home Rehabilitation Fund

The CD Home Rehabilitation Fund accounts for monies received from Community Development Grant funds to be used for projects authorized under the home rehabilitation program.

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

Emergency Shelter Fund

The Emergency Shelter Fund accounts for all monies received by the City from the United States Department of Housing and Urban Development under the Emergency Shelter Grant Program.

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, 2016

	Street	Pension Contributions	Misc Grant	Domestic Violence Prevention	Traffic Calming Measures	Park
ASSETS						
Cash and cash equivalents	\$ 51,154	\$ 134,429	\$ 1,782	\$ 400	\$ 161,664	\$ 128,282
Deposits with fiscal agents/trustees	-	-	-	-	40,312	-
Equity in pooled investments	2,813,593	581,687	7,709	1,732	2,461,278	6,927,705
Taxes receivable	705,999	307,415	-	-	-	-
Accounts receivable	21,030	194,941	-	-	2,087,218	78,314
Interest receivable	1,266	-	-	-	987	9,085
Due from other funds	1,386,317	-	-	-	-	94,909
Interfund loan receivable	26,274	-	-	-	17,841	67,772
Due from other governments	62,318	-	62,398	-	-	141,518
Advances to other funds	179,872	-	-	-	122,143	463,971
Inventories	874,077	-	-	-	-	177,090
Notes/contract receivable (non-current)	-	-	-	-	-	-
Total Assets	6,121,900	1,218,472	71,889	2,132	4,891,443	8,088,646
DEFERRED OUTFLOWS OF RESOURCES						
Total Deferred Outflows of Resources	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	6,121,900	1,218,472	71,889	2,132	4,891,443	8,088,646
LIABILITIES AND FUND BALANCE						
Accounts/vouchers payable	883,973	68	-	-	152,455	445,426
Due to other funds	768,669	-	61,598	-	96,813	209,631
Due to other governments	-	-	-	-	-	-
Revenues collected in advance	-	-	8,791	-	-	-
Interfund loan payable	-	-	-	-	-	-
Other accrued liabilities	547,275	-	-	-	-	327,882
Other current liabilities	175	-	1,500	-	-	1,868
Total Liabilities	2,200,092	68	71,889	-	249,268	984,807
DEFERRED INFLOWS OF RESOURCES						
Property taxes	-	258,524	-	-	-	-
Revenues not available	-	-	-	-	-	74,142
Total Deferred Inflows of Resources	-	258,524	-	-	-	74,142
Total Liabilities and Deferred Inflows of Resources	2,200,092	258,592	71,889	-	249,268	1,058,949
FUND BALANCE						
Restricted - capital projects	-	-	-	-	-	-
Restricted - police & firefighters' pension	-	959,880	-	-	-	-
Restricted - grants	-	-	-	-	-	-
Restricted - other	-	-	-	-	-	-
Committed	-	-	-	2,132	4,642,175	6,729,697
Assigned	3,921,808	-	-	-	-	300,000
Total Fund Balance	3,921,808	959,880	-	2,132	4,642,175	7,029,697
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 6,121,900	\$ 1,218,472	\$ 71,889	\$ 2,132	\$ 4,891,443	\$ 8,088,646

City of Spokane, Washington
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2016
(Continued)

	Parking Meter	Paths & Trails	Law Enforcement Information Systems	Real Estate Rental	Law Enforcement Block Grant	Human Services Grant
ASSETS						
Cash and cash equivalents	\$ 80,195	\$ 12,170	\$ 19,326	\$ 22,928	\$ 938	\$ 140,760
Deposits with fiscal agents/trustees	-	-	-	-	-	-
Equity in pooled investments	1,031,717	52,659	83,627	99,212	4,057	1,063,341
Taxes receivable	-	2,429	-	-	-	84,538
Accounts receivable	115,430	-	127,216	-	-	120
Interest receivable	825	-	-	-	-	650
Due from other funds	1,996	-	4,431	-	-	-
Interfund loan receivable	6,934	-	-	-	-	4,600
Due from other governments	-	-	380,757	-	-	1,142,119
Advances to other funds	47,471	-	-	-	-	31,494
Inventories	-	-	-	-	-	-
Notes/contract receivable (non-current)	-	-	-	-	-	-
Total Assets	1,284,568	67,258	615,357	122,140	4,995	2,467,622
DEFERRED OUTFLOWS OF RESOURCES						
Total Deferred Outflows of Resources	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	1,284,568	67,258	615,357	122,140	4,995	2,467,622
LIABILITIES AND FUND BALANCE						
Accounts/vouchers payable	114,922	-	68,599	-	-	377,750
Due to other funds	189,832	-	77,003	-	-	254,848
Due to other governments	-	-	36,508	-	-	-
Revenues collected in advance	-	-	-	-	-	-
Interfund loan payable	-	-	-	-	-	875,746
Other accrued liabilities	53,304	-	17,886	-	3,913	-
Other current liabilities	1,875	-	45	4,214	-	2,672
Total Liabilities	359,933	-	200,041	4,214	3,913	1,511,016
DEFERRED INFLOWS OF RESOURCES						
Property taxes	-	-	-	-	-	-
Revenues not available	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-
Total Liabilities and Deferred Inflows of Resources	359,933	-	200,041	4,214	3,913	1,511,016
FUND BALANCE						
Restricted - capital projects	-	67,258	-	-	-	-
Restricted - police & firefighters' pension	-	-	-	-	-	-
Restricted - grants	-	-	-	-	1,082	8,392
Restricted - other	-	-	-	-	-	-
Committed	924,635	-	-	117,926	-	-
Assigned	-	-	415,316	-	-	948,214
Total Fund Balance	924,635	67,258	415,316	117,926	1,082	956,606
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 1,284,568	\$ 67,258	\$ 615,357	\$ 122,140	\$ 4,995	\$ 2,467,622

City of Spokane, Washington
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2016
(Continued)

	Forfeitures & Contributions	Intermodal Facility Operation	Hotel/Motel Lodging Tax	Real Estate Excise Tax	Public Safety & Judicial Grants	Combined Communications Center
ASSETS						
Cash and cash equivalents	\$ 70,018	\$ 6,194	\$ 77,405	\$ 1,603,004	\$ 25,236	\$ 16,276
Deposits with fiscal agents/trustees	-	6,387	-	-	-	-
Equity in pooled investments	566,116	28,338	334,936	6,936,341	109,197	3,978,393
Taxes receivable	1,764	-	451,395	222,376	-	-
Accounts receivable	130,998	-	-	-	8,542	84,969
Interest receivable	562	-	-	-	-	4,746
Due from other funds	29,019	836	-	-	14,721	798
Interfund loan receivable	3,980	16	-	-	-	39,576
Due from other governments	-	-	-	-	176,647	425
Advances to other funds	27,244	106	-	-	-	270,942
Inventories	-	-	-	-	-	-
Notes/contract receivable (non-current)	-	-	-	-	-	-
Total Assets	829,701	41,877	863,736	8,761,721	334,343	4,396,125
DEFERRED OUTFLOWS OF RESOURCES						
Total Deferred Outflows of Resources	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	829,701	41,877	863,736	8,761,721	334,343	4,396,125
LIABILITIES AND FUND BALANCE						
Accounts/vouchers payable	28,098	686	784,259	24	(275)	27,515
Due to other funds	13,303	-	-	-	104,385	334
Due to other governments	-	-	-	-	-	-
Revenues collected in advance	-	-	-	-	-	-
Interfund loan payable	-	-	-	-	49,844	-
Other accrued liabilities	-	-	-	-	14,015	82,939
Other current liabilities	2,772	-	-	-	26	158
Total Liabilities	44,173	686	784,259	24	167,995	110,946
DEFERRED INFLOWS OF RESOURCES						
Property taxes	-	-	-	-	-	-
Revenues not available	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-
Total Liabilities and Deferred Inflows of Resources	44,173	686	784,259	24	167,995	110,946
FUND BALANCE						
Restricted - capital projects	-	-	-	8,761,697	-	-
Restricted - police & firefighters' pension	-	-	-	-	-	-
Restricted - grants	-	-	-	-	166,348	-
Restricted - other	-	-	79,477	-	-	-
Committed	785,528	41,191	-	-	-	4,285,179
Assigned	-	-	-	-	-	-
Total Fund Balance	785,528	41,191	79,477	8,761,697	166,348	4,285,179
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 829,701	\$ 41,877	\$ 863,736	\$ 8,761,721	\$ 334,343	\$ 4,396,125

City of Spokane, Washington
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2016
(Continued)

	Communications Building M&O	Community Development	Community Development / Human Services Operations	Community Development Block Grant Program	Misc Community Development Grants	Home Program Operat
ASSETS						
Cash and cash equivalents	\$ 2,028	\$ 1,023	\$ 7,484	\$ 36,404	\$ 10,267	\$ 59,819
Deposits with fiscal agents/trustees	-	-	-	7,826	-	4,586
Equity in pooled investments	291,691	4,425	32,386	750,531	53,720	258,837
Taxes receivable	-	-	-	-	-	-
Accounts receivable	110,863	-	-	-	-	1,418
Interest receivable	244	-	-	3,041	46	-
Due from other funds	-	-	743,090	93	-	-
Interfund loan receivable	2,865	-	-	6,478	102	-
Due from other governments	295	-	-	467,731	-	140,216
Advances to other funds	19,615	-	-	44,350	696	-
Inventories	-	-	3,298	-	-	-
Notes/contract receivable (non-current)	-	-	-	17,231,351	730,471	6,309,156
Total Assets	427,601	5,448	786,258	18,547,805	795,302	6,774,032
DEFERRED OUTFLOWS OF RESOURCES						
Total Deferred Outflows of Resources	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	427,601	5,448	786,258	18,547,805	795,302	6,774,032
LIABILITIES AND FUND BALANCE						
Accounts/vouchers payable	15,750	-	768	240,660	-	-
Due to other funds	2,040	-	174,129	76,167	1,354	274,572
Due to other governments	-	-	-	-	-	-
Revenues collected in advance	-	-	-	-	-	-
Interfund loan payable	-	-	600,000	273,466	-	89,387
Other accrued liabilities	-	-	46,079	-	-	-
Other current liabilities	3,493	3,444	-	30,124	-	255,544
Total Liabilities	21,283	3,444	820,976	620,417	1,354	619,503
DEFERRED INFLOWS OF RESOURCES						
Property taxes	-	-	-	-	-	-
Revenues not available	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-
Total Liabilities and Deferred Inflows of Resources	21,283	3,444	820,976	620,417	1,354	619,503
FUND BALANCE						
Restricted - capital projects	-	-	-	-	-	-
Restricted - police & firefighters' pension	-	-	-	-	-	-
Restricted - grants	-	2,004	(34,718)	17,927,388	793,948	6,154,529
Restricted - other	-	-	-	-	-	-
Committed	406,318	-	-	-	-	-
Assigned	-	-	-	-	-	-
Total Fund Balance	406,318	2,004	(34,718)	17,927,388	793,948	6,154,529
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 427,601	\$ 5,448	\$ 786,258	\$ 18,547,805	\$ 795,302	\$ 6,774,032

City of Spokane, Washington
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2016
(Continued)

	Housing Assistance	Rental Rehabilitation	UDAG Escrow	WIA Youth Programs	Trial Court Improvement	Criminal Justice Assistance
ASSETS						
Cash and cash equivalents	\$ 592	\$ 21,544	\$ -	\$ -	\$ 13,857	\$ 75,416
Deposits with fiscal agents/trustees	-	-	-	-	-	-
Equity in pooled investments	252,444	1,637,760	815,645	-	59,963	616,660
Taxes receivable	-	-	-	-	-	968,559
Accounts receivable	-	1,500	-	-	-	-
Interest receivable	358	2,211	1,167	-	-	1,152
Due from other funds	-	-	-	-	-	-
Interfund loan receivable	2,531	15,642	8,260	-	-	2,940
Due from other governments	-	-	-	-	-	1,875,175
Advances to other funds	17,325	107,084	56,549	-	-	20,129
Inventories	-	-	-	-	-	-
Notes/contract receivable (non-current)	77,544	298,003	-	-	-	-
Total Assets	350,794	2,083,744	881,621	-	73,820	3,560,031
DEFERRED OUTFLOWS OF RESOURCES						
Total Deferred Outflows of Resources	-	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	350,794	2,083,744	881,621	-	73,820	3,560,031
LIABILITIES AND FUND BALANCE						
Accounts/vouchers payable	-	-	-	-	-	22,691
Due to other funds	-	83	-	-	65,265	-
Due to other governments	-	-	-	-	-	-
Revenues collected in advance	-	-	-	-	-	-
Interfund loan payable	-	-	-	-	-	-
Other accrued liabilities	-	-	-	-	-	-
Other current liabilities	-	2,868	586,916	253	-	-
Total Liabilities	-	2,951	586,916	253	65,265	22,691
DEFERRED INFLOWS OF RESOURCES						
Property taxes	-	-	-	-	-	-
Revenues not available	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-
Total Liabilities and Deferred Inflows of Resources	-	2,951	586,916	253	65,265	22,691
FUND BALANCE						
Restricted - capital projects	-	-	-	-	-	-
Restricted - police & firefighters' pension	-	-	-	-	-	-
Restricted - grants	350,794	2,080,793	294,705	(253)	-	-
Restricted - other	-	-	-	-	8,555	-
Committed	-	-	-	-	-	3,537,340
Assigned	-	-	-	-	-	-
Total Fund Balance	350,794	2,080,793	294,705	(253)	8,555	3,537,340
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 350,794	\$ 2,083,744	\$ 881,621	\$ -	\$ 73,820	\$ 3,560,031

City of Spokane, Washington
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2016
(Continued)

	Housing Stabilization Program	Cable TV Equipment Reserve	Defined Contribution Admin	Transportation Benefit District	Total
ASSETS					
Cash and cash equivalents	\$ -	\$ 23,979	\$ 5,421	\$ 94,672	\$ 2,904,667
Deposits with fiscal agents/trustees	-	-	-	-	59,111
Equity in pooled investments	-	382,961	23,459	2,237,882	34,500,002
Taxes receivable	-	20,090	-	-	2,764,565
Accounts receivable	-	-	-	12,391	2,974,950
Interest receivable	-	400	-	2,672	29,412
Due from other funds	-	-	-	-	2,276,210
Interfund loan receivable	-	2,828	-	-	208,639
Due from other governments	-	-	-	-	4,449,599
Advances to other funds	-	19,357	-	145,268	1,573,616
Inventories	-	-	-	-	1,054,465
Notes/contract receivable (non-current)	-	-	-	-	24,646,525
Total Assets	-	449,615	28,880	2,492,885	77,441,761
DEFERRED OUTFLOWS OF RESOURCES					
Total Deferred Outflows of Resources	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	-	449,615	28,880	2,492,885	77,441,761
LIABILITIES AND FUND BALANCE					
Accounts/vouchers payable	-	22,658	1	-	3,186,028
Due to other funds	-	-	-	-	2,370,026
Due to other governments	-	-	-	5,497	42,005
Revenues collected in advance	-	-	-	-	8,791
Interfund loan payable	-	-	-	-	1,888,443
Other accrued liabilities	-	-	-	-	1,093,293
Other current liabilities	-	-	-	-	897,947
Total Liabilities	-	22,658	1	5,497	9,486,533
DEFERRED INFLOWS OF RESOURCES					
Property taxes	-	-	-	-	258,524
Revenues not available	-	-	-	-	74,142
Total Deferred Inflows of Resources	-	-	-	-	332,666
Total Liabilities and Deferred Inflows of Resources	-	22,658	1	5,497	9,819,199
FUND BALANCE					
Restricted - capital projects	-	-	-	2,487,388	11,316,343
Restricted - police & firefighters' pension	-	-	-	-	959,880
Restricted - grants	-	-	-	-	27,745,012
Restricted - other	-	-	-	-	88,032
Committed	-	426,957	28,879	-	21,927,957
Assigned	-	-	-	-	5,585,338
Total Fund Balance	-	426,957	28,879	2,487,388	67,622,562
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ -	\$ 449,615	\$ 28,880	\$ 2,492,885	\$ 77,441,761

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, 2016

	Street	Pension Contributions	Misc Grant	Domestic Violence Prevention	Traffic Calming Measures	Park
REVENUES						
Taxes	\$ 11,876,397	\$ 7,871,862	\$ -	\$ -	\$ -	\$ -
Licenses and permits	20,255	-	-	-	-	4,489
Intergovernmental	4,184,920	2,030,700	293,398	-	-	828,163
Charges for services	3,520,948	-	-	-	-	4,013,877
Fines and forfeitures	-	-	-	1,697	4,531,057	23,127
Miscellaneous	52,971	-	21,449	-	2,713	1,534,471
Net inc(dec) in market value of investments	-	-	-	-	-	-
Total Revenues	19,655,491	9,902,562	314,847	1,697	4,533,770	6,404,127
EXPENDITURES						
General government	-	9,674,623	13,863	-	-	-
Public safety	1,704,811	-	16,500	-	936,135	-
Transportation	19,243,856	-	-	-	62,719	-
Economic environment	-	-	284,484	-	-	-
Social services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	17,372,816
Capital outlays	67,933	-	-	-	588,639	1,479,226
Debt service:						
Total Expenditures	21,016,600	9,674,623	314,847	-	1,587,493	18,852,042
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,361,109)	227,939	-	1,697	2,946,277	(12,447,915)
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	102,414	-	-	-	-	4,599
Transfers in	2,593,179	-	-	-	-	13,505,508
Transfers out	(42,816)	-	-	-	(72,257)	(446,345)
Total Other Financing Sources (Uses)	2,652,777	-	-	-	(72,257)	13,063,762
Net Change in Fund Balance	1,291,668	227,939	-	1,697	2,874,020	615,847
Fund Balance - beginning (Note 1)	2,629,002	731,941	-	435	1,768,155	6,407,327
Prior Period Adjustment	1,138	-	-	-	-	6,523
Fund Balance - beginning (restated)	2,630,140	731,941	-	435	1,768,155	6,413,850
Fund Balance - ending	\$ 3,921,808	\$ 959,880	\$ -	\$ 2,132	\$ 4,642,175	\$ 7,029,697

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, 2016
(Continued)

	Parking Meter	Paths & Trails	Law Enforcement Information Systems	Real Estate Rental	Law Enforcement Block Grant	Human Services Grant
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	344,351	-	-	-	-	-
Intergovernmental	-	16,011	509,330	-	80,985	5,781,572
Charges for services	3,098,785	-	536,998	-	-	975,628
Fines and forfeitures	-	-	-	-	-	-
Miscellaneous	2,914	-	-	-	-	436
Net inc(dec) in market value of investments	-	-	-	-	-	-
Total Revenues	3,446,050	16,011	1,046,328	-	80,985	6,757,636
EXPENDITURES						
General government	-	-	-	-	-	-
Public safety	1,993,660	-	1,147,012	-	80,985	-
Transportation	-	8	-	-	-	-
Economic environment	-	-	-	-	-	-
Social services	-	-	-	-	-	7,091,664
Culture and recreation	-	-	-	-	-	-
Capital outlays	627,244	-	-	-	-	-
Debt service:						
Total Expenditures	2,620,904	8	1,147,012	-	80,985	7,091,664
Excess (Deficiency) of Revenues Over (Under) Expenditures	825,146	16,003	(100,684)	-	-	(334,028)
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	952	-	-	-	-	-
Transfers in	1,200,000	-	235,813	-	-	-
Transfers out	(1,743,662)	(172,788)	-	-	-	-
Total Other Financing Sources (Uses)	(542,710)	(172,788)	235,813	-	-	-
Net Change in Fund Balance	282,436	(156,785)	135,129	-	-	(334,028)
Fund Balance - beginning (Note 1)	642,041	224,043	239,578	117,926	1,082	1,289,477
Prior Period Adjustment	158	-	40,609	-	-	1,157
Fund Balance - beginning (restated)	642,199	224,043	280,187	117,926	1,082	1,290,634
Fund Balance - ending	\$ 924,635	\$ 67,258	\$ 415,316	\$ 117,926	\$ 1,082	\$ 956,606

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, 2016
(Continued)

	Forfeitures & Contributions	Intermodal Facility Operation	Hotel/Motel Lodging Tax	Real Estate Excise Tax	Public Safety & Judicial Grants	Combined Communications Center
REVENUES						
Taxes	\$ -	\$ -	\$ 3,831,512	\$ 2,765,868	\$ -	\$ 1,332,100
Licenses and permits	-	-	-	-	-	-
Intergovernmental	32,589	-	-	-	794,702	2,018,625
Charges for services	65,223	-	-	-	-	15,318
Fines and forfeitures	1,727	-	-	-	-	-
Miscellaneous	217,512	385,285	-	-	-	7,031
Net inc(dec) in market value of investments	-	-	-	-	-	-
Total Revenues	317,051	385,285	3,831,512	2,765,868	794,702	3,373,074
EXPENDITURES						
General government	-	-	-	-	-	-
Public safety	264,762	-	-	-	794,702	3,041,459
Transportation	-	429,301	-	2,722	-	-
Economic environment	-	-	3,822,147	-	-	-
Social services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlays	122,097	-	-	-	-	245,342
Debt service:						
Total Expenditures	386,859	429,301	3,822,147	2,722	794,702	3,286,801
Excess (Deficiency) of Revenues Over (Under) Expenditures	(69,808)	(44,016)	9,365	2,763,146	-	86,273
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	856	-	-	-	-	-
Transfers in	-	75,000	-	-	-	-
Transfers out	-	-	-	(400,000)	-	-
Total Other Financing Sources (Uses)	856	75,000	-	(400,000)	-	-
Net Change in Fund Balance	(68,952)	30,984	9,365	2,363,146	-	86,273
Fund Balance - beginning (Note 1)	853,995	10,207	70,112	6,398,551	166,348	4,194,414
Prior Period Adjustment	485	-	-	-	-	4,492
Fund Balance - beginning (restated)	854,480	10,207	70,112	6,398,551	166,348	4,198,906
Fund Balance - ending	\$ 785,528	\$ 41,191	\$ 79,477	\$ 8,761,697	\$ 166,348	\$ 4,285,179

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, 2016
(Continued)

	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	184,897	-	-	2,963,237	-	380,309
Charges for services	142,354	-	-	-	-	1,417
Fines and forfeitures	-	-	-	-	-	-
Miscellaneous	55,635	-	-	349,661	61,393	77,350
Net inc(dec) in market value of investments	-	-	-	(47,925)	(752)	-
Total Revenues	382,886	-	-	3,264,973	60,641	459,076
EXPENDITURES						
General government	-	-	-	-	-	-
Public safety	244,090	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	-	(450,684)	3,252,574	(41,397)	844,013
Social services	-	-	385,222	-	16,693	104,846
Culture and recreation	-	-	-	-	-	-
Capital outlays	27,830	-	-	239,268	-	-
Debt service:						
Total Expenditures	271,920	-	(65,462)	3,491,842	(24,704)	948,859
Excess (Deficiency) of Revenues Over (Under) Expenditures	110,966	-	65,462	(226,869)	85,345	(489,783)
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	-	-	-	92,650	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	92,650	-	-
Net Change in Fund Balance	110,966	-	65,462	(134,219)	85,345	(489,783)
Fund Balance - beginning (Note 1)	295,006	2,004	(100,180)	18,060,080	943,043	17,111,575
Prior Period Adjustment	346	-	-	1,527	(234,440)	(10,467,263)
Fund Balance - beginning (restated)	295,352	2,004	(100,180)	18,061,607	708,603	6,644,312
Fund Balance - ending	\$ 406,318	\$ 2,004	\$ (34,718)	\$ 17,927,388	\$ 793,948	\$ 6,154,529

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, 2016
(Continued)

	Housing Assistance	Rental Rehabilitation	UDAG Escrow	WIA Youth Programs	Trial Court Improvement	Criminal Justice Assistance
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	4,085,761
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	70,708	932,556
Charges for services	-	-	-	-	-	11,372
Fines and forfeitures	-	-	-	-	-	-
Miscellaneous	236	27,584	808	-	-	(590)
Net inc(dec) in market value of investments	-	-	-	-	-	-
Total Revenues	236	27,584	808	-	70,708	5,029,099
EXPENDITURES						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	4,423,866
Transportation	-	-	-	-	-	-
Economic environment	210	12,268	-	-	-	-
Social services	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-
Debt service:						
Total Expenditures	210	12,268	-	-	-	4,423,866
Excess (Deficiency) of Revenues Over (Under) Expenditures	26	15,316	808	-	70,708	605,233
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	-	75,000	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(65,265)	-
Total Other Financing Sources (Uses)	-	75,000	-	-	(65,265)	-
Net Change in Fund Balance	26	90,316	808	-	5,443	605,233
Fund Balance - beginning (Note 1)	2,876,650	1,986,931	291,865	(253)	3,112	2,928,887
Prior Period Adjustment	(2,525,882)	3,546	2,032	-	-	3,220
Fund Balance - beginning (restated)	350,768	1,990,477	293,897	(253)	3,112	2,932,107
Fund Balance - ending	\$ 350,794	\$ 2,080,793	\$ 294,705	\$ (253)	\$ 8,555	\$ 3,537,340

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, 2016
(Continued)

	Housing Stabilization Program	Cable TV Equipment Reserve	Defined Contribution Admin	Transportation Benefit District	Total
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	31,763,500
Licenses and permits	-	195,323	-	50,000	614,418
Intergovernmental	-	-	-	-	21,102,702
Charges for services	-	-	45,000	2,834,722	15,261,642
Fines and forfeitures	-	-	-	-	4,557,608
Miscellaneous	-	628	-	4,684	2,802,171
Net inc(dec) in market value of investments	-	-	-	-	(48,677)
Total Revenues	-	195,951	45,000	2,889,406	76,053,364
EXPENDITURES					
General government	-	230,117	68,700	-	9,987,303
Public safety	-	-	-	-	14,647,982
Transportation	-	-	-	2,041,859	21,780,465
Economic environment	-	-	-	-	7,723,615
Social services	-	-	-	-	7,598,425
Culture and recreation	-	-	-	-	17,372,816
Capital outlays	-	45,633	-	681,598	4,124,810
Debt service:					
Total Expenditures	-	275,750	68,700	2,723,457	83,235,416
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(79,799)	(23,700)	165,949	(7,182,052)
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	-	-	-	-	276,471
Transfers in	-	-	-	-	17,609,500
Transfers out	-	-	-	-	(2,943,133)
Total Other Financing Sources (Uses)	-	-	-	-	14,942,838
Net Change in Fund Balance	-	(79,799)	(23,700)	165,949	7,760,786
Fund Balance - beginning (Note 1)	40,781	506,411	52,579	-	70,743,125
Prior Period Adjustment	(40,781)	345	-	2,321,439	(10,881,349)
Fund Balance - beginning (restated)	-	506,756	52,579	2,321,439	59,861,776
Fund Balance - ending	\$ -	\$ 426,957	\$ 28,879	\$ 2,487,388	\$ 67,622,562

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Street Fund
For the Year Ended December 31, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Taxes	\$ 11,194,000	\$ 11,194,000	\$ 11,876,397	\$ 682,397
Licenses and permits	3,500	3,500	20,255	16,755
Intergovernmental	3,305,000	3,305,000	4,184,920	879,920
Charges for services	3,563,875	3,563,875	3,520,948	(42,927)
Miscellaneous	116,993	116,993	52,971	(64,022)
Total revenues	18,183,368	18,183,368	19,655,491	1,472,123
EXPENDITURES				
Public safety	1,722,568	1,778,363	1,704,811	73,552
Transportation	19,528,111	19,687,935	19,243,856	444,079
Capital outlays	60,428	92,553	67,933	24,620
Total expenditures	21,311,107	21,558,851	21,016,600	542,251
Excess (deficiency) of revenues over (under) expenditures	(3,127,739)	(3,375,483)	(1,361,109)	2,014,374
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	102,414	102,414
Transfers in	3,393,179	3,393,179	2,593,179	(800,000)
Transfers out	(194,355)	(194,355)	(42,816)	151,539
Total other financing sources (uses)	3,198,824	3,198,824	2,652,777	(546,047)
Net change in fund balance	71,085	(176,659)	1,291,668	1,468,327
Fund Balance - beginning	2,629,002	2,629,002	2,629,002	-
Prior Period Adjustment	-	-	1,138	1,138
Fund Balance - beginning (restated)	2,629,002	2,629,002	2,630,140	1,138
Fund Balance - ending	\$ 2,700,087	\$ 2,452,343	\$ 3,921,808	\$ 1,469,465

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, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Taxes	\$ 8,235,000	\$ 8,235,000	\$ 7,871,862	\$ (363,138)
Intergovernmental	-	-	2,030,700	2,030,700
Total revenues	<u>8,235,000</u>	<u>8,235,000</u>	<u>9,902,562</u>	<u>1,667,562</u>
EXPENDITURES				
General government	8,235,000	8,235,000	9,674,623	(1,439,623)
Total expenditures	<u>8,235,000</u>	<u>8,235,000</u>	<u>9,674,623</u>	<u>(1,439,623)</u>
Net change in fund balance	-	-	227,939	227,939
Fund Balance - beginning	731,941	731,941	731,941	-
Prior Period Adjustment	-	-	-	-
Fund Balance - beginning (restated)	<u>731,941</u>	<u>731,941</u>	<u>731,941</u>	<u>-</u>
Fund Balance - ending	<u>\$ 731,941</u>	<u>\$ 731,941</u>	<u>\$ 959,880</u>	<u>\$ 227,939</u>

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, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Intergovernmental	\$ 900,000	\$ 900,000	\$ 293,398	\$ (606,602)
Miscellaneous	-	-	21,449	21,449
Total revenues	<u>900,000</u>	<u>900,000</u>	<u>314,847</u>	<u>(585,153)</u>
EXPENDITURES				
General government	-	-	13,863	(13,863)
Public safety	-	-	16,500	(16,500)
Economic environment	900,000	1,411,559	284,484	1,127,075
Total expenditures	<u>900,000</u>	<u>1,411,559</u>	<u>314,847</u>	<u>1,096,712</u>
Net change in fund balance	-	(511,559)	-	511,559
Fund Balance - beginning	-	-	-	-
Prior Period Adjustment	-	-	-	-
Fund Balance - beginning (restated)	-	-	-	-
Fund Balance - ending	<u>\$ -</u>	<u>\$ (511,559)</u>	<u>\$ -</u>	<u>\$ 511,559</u>

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, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Fines and forfeitures	\$ -	\$ -	\$ 1,697	\$ 1,697
Total revenues	-	-	1,697	1,697
Net change in fund balance	-	-	1,697	1,697
Fund Balance - beginning	435	435	435	-
Prior Period Adjustment	-	-	-	-
Fund Balance - beginning (restated)	435	435	435	-
Fund Balance - ending	\$ 435	\$ 435	\$ 2,132	\$ 1,697

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, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Fines and forfeitures	\$ 1,700,000	\$ 1,700,000	\$ 4,531,057	\$ 2,831,057
Miscellaneous	-	-	2,713	2,713
Total revenues	<u>1,700,000</u>	<u>1,700,000</u>	<u>4,533,770</u>	<u>2,833,770</u>
EXPENDITURES				
Public safety	866,654	1,056,472	936,135	120,337
Transportation	114,093	30,369	62,719	(32,350)
Capital outlays	619,302	1,538,781	588,639	950,142
Total expenditures	<u>1,600,049</u>	<u>2,625,622</u>	<u>1,587,493</u>	<u>1,038,129</u>
Excess (deficiency) of revenues over (under) expenditures	<u>99,951</u>	<u>(925,622)</u>	<u>2,946,277</u>	<u>3,871,899</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(100,000)	(100,000)	(72,257)	27,743
Total other financing sources (uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>(72,257)</u>	<u>27,743</u>
Net change in fund balance	<u>(49)</u>	<u>(1,025,622)</u>	<u>2,874,020</u>	<u>3,899,642</u>
Fund Balance - beginning	1,768,155	1,768,155	1,768,155	-
Prior Period Adjustment	-	-	-	-
Fund Balance - beginning (restated)	<u>1,768,155</u>	<u>1,768,155</u>	<u>1,768,155</u>	<u>-</u>
Fund Balance - ending	<u>\$ 1,768,106</u>	<u>\$ 742,533</u>	<u>\$ 4,642,175</u>	<u>\$ 3,899,642</u>

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Park Fund
For the Year Ended December 31, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Licenses and permits	\$ 500	\$ 500	\$ 4,489	\$ 3,989
Intergovernmental	1,762,000	1,762,000	828,163	(933,837)
Charges for services	3,339,336	3,339,336	4,013,877	674,541
Fines and forfeitures	22,000	22,000	23,127	1,127
Miscellaneous	2,196,730	2,196,730	1,534,471	(662,259)
Total revenues	7,320,566	7,320,566	6,404,127	(916,439)
EXPENDITURES				
Culture and recreation	17,902,137	18,516,467	17,372,816	1,143,651
Capital outlays	2,980,700	4,735,197	1,479,226	3,255,971
Total expenditures	20,882,837	23,251,664	18,852,042	4,399,622
Excess (deficiency) of revenues over (under) expenditures	(13,562,271)	(15,931,098)	(12,447,915)	3,483,183
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	4,599	4,599
Transfers in	13,740,008	13,740,008	13,505,508	(234,500)
Transfers out	(512,958)	(547,958)	(446,345)	101,613
Total other financing sources (uses)	13,227,050	13,192,050	13,063,762	(128,288)
Net change in fund balance	(335,221)	(2,739,048)	615,847	3,354,895
Fund Balance - beginning	6,407,327	6,407,327	6,407,327	-
Prior Period Adjustment	-	-	6,523	6,523
Fund Balance - beginning (restated)	6,407,327	6,407,327	6,413,850	6,523
Fund Balance - ending	\$ 6,072,106	\$ 3,668,279	\$ 7,029,697	\$ 3,361,418

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, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Licenses and permits	\$ 276,000	\$ 276,000	\$ 344,351	\$ 68,351
Charges for services	3,012,809	3,012,809	3,098,785	85,976
Miscellaneous	22,000	22,000	2,914	(19,086)
Total revenues	3,310,809	3,310,809	3,446,050	135,241
EXPENDITURES				
General government	95,000	95,000	-	95,000
Public safety	1,807,973	1,960,730	1,993,660	(32,930)
Capital outlays	595,000	769,607	627,244	142,363
Total expenditures	2,497,973	2,825,337	2,620,904	204,433
Excess (deficiency) of revenues over (under) expenditures	812,836	485,472	825,146	339,674
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	952	952
Transfers in	1,200,000	1,200,000	1,200,000	-
Transfers out	(2,024,252)	(2,024,252)	(1,743,662)	280,590
Total other financing sources (uses)	(824,252)	(824,252)	(542,710)	281,542
Net change in fund balance	(11,416)	(338,780)	282,436	621,216
Fund Balance - beginning	642,041	642,041	642,041	-
Prior Period Adjustment	-	-	158	158
Fund Balance - beginning (restated)	642,041	642,041	642,199	158
Fund Balance - ending	\$ 630,625	\$ 303,261	\$ 924,635	\$ 621,374

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, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Intergovernmental	\$ 15,000	\$ 15,000	\$ 16,011	\$ 1,011
Total revenues	15,000	15,000	16,011	1,011
EXPENDITURES				
Transportation	-	-	8	(8)
Capital outlays	20,000	20,000	-	20,000
Total expenditures	20,000	20,000	8	19,992
Excess (deficiency) of revenues over (under) expenditures	(5,000)	(5,000)	16,003	21,003
OTHER FINANCING SOURCES (USES)				
Transfers out	(172,788)	(172,788)	(172,788)	-
Total other financing sources (uses)	(172,788)	(172,788)	(172,788)	-
Net change in fund balance	(177,788)	(177,788)	(156,785)	21,003
Fund Balance - beginning	224,043	224,043	224,043	-
Prior Period Adjustment	-	-	-	-
Fund Balance - beginning (restated)	224,043	224,043	224,043	-
Fund Balance - ending	\$ 46,255	\$ 46,255	\$ 67,258	\$ 21,003

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, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Intergovernmental	\$ 659,088	\$ 659,088	\$ 509,330	\$ (149,758)
Charges for services	222,278	222,278	536,998	314,720
Total revenues	<u>881,366</u>	<u>881,366</u>	<u>1,046,328</u>	<u>164,962</u>
EXPENDITURES				
Public safety	1,147,056	1,188,736	1,147,012	41,724
Total expenditures	<u>1,147,056</u>	<u>1,188,736</u>	<u>1,147,012</u>	<u>41,724</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(265,690)</u>	<u>(307,370)</u>	<u>(100,684)</u>	<u>206,686</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	235,813	235,813	235,813	-
Total other financing sources (uses)	<u>235,813</u>	<u>235,813</u>	<u>235,813</u>	<u>-</u>
Net change in fund balance	<u>(29,877)</u>	<u>(71,557)</u>	<u>135,129</u>	<u>206,686</u>
Fund Balance - beginning	239,578	239,578	239,578	-
Prior Period Adjustment	-	-	40,609	40,609
Fund Balance - beginning (restated)	<u>239,578</u>	<u>239,578</u>	<u>280,187</u>	<u>40,609</u>
Fund Balance - ending	<u>\$ 209,701</u>	<u>\$ 168,021</u>	<u>\$ 415,316</u>	<u>\$ 247,295</u>

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, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Intergovernmental	\$ 152,957	\$ 152,957	\$ 80,985	\$ (71,972)
Total revenues	<u>152,957</u>	<u>152,957</u>	<u>80,985</u>	<u>(71,972)</u>
EXPENDITURES				
Public safety	152,957	152,957	80,985	71,972
Total expenditures	<u>152,957</u>	<u>152,957</u>	<u>80,985</u>	<u>71,972</u>
Net change in fund balance	-	-	-	-
Fund Balance - beginning	1,082	1,082	1,082	-
Prior Period Adjustment	-	-	-	-
Fund Balance - beginning (restated)	<u>1,082</u>	<u>1,082</u>	<u>1,082</u>	-
Fund Balance - ending	<u>\$ 1,082</u>	<u>\$ 1,082</u>	<u>\$ 1,082</u>	<u>-</u>

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, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Intergovernmental	\$ 8,818,469	\$ 11,549,908	\$ 5,781,572	\$ (5,768,336)
Charges for services	959,936	959,936	975,628	15,692
Miscellaneous	-	-	436	436
Total revenues	9,778,405	12,509,844	6,757,636	(5,752,208)
EXPENDITURES				
Economic environment	-	2,256,871	-	2,256,871
Social services	9,799,847	10,664,925	7,091,664	3,573,261
Total expenditures	9,799,847	12,921,796	7,091,664	5,830,132
Net change in fund balance	(21,442)	(411,952)	(334,028)	77,924
Fund Balance - beginning	1,289,477	1,289,477	1,289,477	-
Prior Period Adjustment			1,157	1,157
Fund Balance - beginning (restated)	1,289,477	1,289,477	1,290,634	1,157
Fund Balance - ending	\$ 1,268,035	\$ 877,525	\$ 956,606	\$ 79,081

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, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Intergovernmental	\$ 37,200	\$ 37,200	\$ 32,589	\$ (4,611)
Charges for services	-	-	65,223	65,223
Fines and forfeitures	360,000	360,000	1,727	(358,273)
Miscellaneous	207,100	207,100	217,512	10,412
Total revenues	604,300	604,300	317,051	(287,249)
EXPENDITURES				
Public safety	698,919	601,919	264,762	337,157
Capital outlays	50,000	147,000	122,097	24,903
Total expenditures	748,919	748,919	386,859	362,060
Excess (deficiency) of revenues over (under) expenditures	(144,619)	(144,619)	(69,808)	74,811
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	856	856
Total other financing sources (uses)	-	-	856	856
Net change in fund balance	(144,619)	(144,619)	(68,952)	75,667
Fund Balance - beginning	853,995	853,995	853,995	-
Prior Period Adjustment	-	-	485	485
Fund Balance - beginning (restated)	853,995	853,995	854,480	485
Fund Balance - ending	\$ 709,376	\$ 709,376	\$ 785,528	\$ 76,152

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, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Miscellaneous	\$ 495,848	\$ 495,848	\$ 385,285	\$ (110,563)
Total revenues	495,848	495,848	385,285	(110,563)
EXPENDITURES				
Transportation	512,418	512,418	429,301	83,117
Capital outlays	17,254	17,254	-	17,254
Total expenditures	529,672	529,672	429,301	100,371
Excess (deficiency) of revenues over (under) expenditures	(33,824)	(33,824)	(44,016)	(10,192)
OTHER FINANCING SOURCES (USES)				
Transfers in	75,000	75,000	75,000	-
Total other financing sources (uses)	75,000	75,000	75,000	-
Net change in fund balance	41,176	41,176	30,984	(10,192)
Fund Balance - beginning	10,207	10,207	10,207	-
Prior Period Adjustment	-	-	-	-
Fund Balance - beginning (restated)	10,207	10,207	10,207	-
Fund Balance - ending	\$ 51,383	\$ 51,383	\$ 41,191	\$ (10,192)

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, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Taxes	\$ 4,101,409	\$ 4,101,409	\$ 3,831,512	\$ (269,897)
Total revenues	<u>4,101,409</u>	<u>4,101,409</u>	<u>3,831,512</u>	<u>(269,897)</u>
EXPENDITURES				
General government	1,250	1,250	-	1,250
Economic environment	4,100,159	4,108,159	3,822,147	286,012
Total expenditures	<u>4,101,409</u>	<u>4,109,409</u>	<u>3,822,147</u>	<u>287,262</u>
Net change in fund balance	-	(8,000)	9,365	17,365
Fund Balance - beginning	70,112	70,112	70,112	-
Prior Period Adjustment	-	-	-	-
Fund Balance - beginning (restated)	<u>70,112</u>	<u>70,112</u>	<u>70,112</u>	<u>-</u>
Fund Balance - ending	<u>\$ 70,112</u>	<u>\$ 62,112</u>	<u>\$ 79,477</u>	<u>\$ 17,365</u>

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, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Taxes	\$ 2,065,000	\$ 2,065,000	\$ 2,765,868	\$ 700,868
Total revenues	<u>2,065,000</u>	<u>2,065,000</u>	<u>2,765,868</u>	<u>700,868</u>
EXPENDITURES				
General government	4,008	4,008	-	4,008
Transportation	-	-	2,722	(2,722)
Total expenditures	<u>4,008</u>	<u>4,008</u>	<u>2,722</u>	<u>1,286</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,060,992</u>	<u>2,060,992</u>	<u>2,763,146</u>	<u>702,154</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(4,330,066)	(4,330,066)	(400,000)	3,930,066
Total other financing sources (uses)	<u>(4,330,066)</u>	<u>(4,330,066)</u>	<u>(400,000)</u>	<u>3,930,066</u>
Net change in fund balance	<u>(2,269,074)</u>	<u>(2,269,074)</u>	<u>2,363,146</u>	<u>4,632,220</u>
Fund Balance - beginning	6,398,551	6,398,551	6,398,551	-
Prior Period Adjustment	-	-	-	-
Fund Balance - beginning (restated)	<u>6,398,551</u>	<u>6,398,551</u>	<u>6,398,551</u>	<u>-</u>
Fund Balance - ending	<u>\$ 4,129,477</u>	<u>\$ 4,129,477</u>	<u>\$ 8,761,697</u>	<u>\$ 4,632,220</u>

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, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Intergovernmental	\$ 1,048,979	\$ 1,110,719	\$ 794,702	\$ (316,017)
Total revenues	<u>1,048,979</u>	<u>1,110,719</u>	<u>794,702</u>	<u>(316,017)</u>
EXPENDITURES				
Public safety	1,075,527	1,075,527	794,702	280,825
Total expenditures	<u>1,075,527</u>	<u>1,075,527</u>	<u>794,702</u>	<u>280,825</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(26,548)</u>	<u>35,192</u>	<u>-</u>	<u>(35,192)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	134,717	72,977	-	(72,977)
Total other financing sources (uses)	<u>134,717</u>	<u>72,977</u>	<u>-</u>	<u>(72,977)</u>
Net change in fund balance	108,169	108,169	-	(108,169)
Fund Balance - beginning	166,348	166,348	166,348	-
Prior Period Adjustment	-	-	-	-
Fund Balance - beginning (restated)	<u>166,348</u>	<u>166,348</u>	<u>166,348</u>	<u>-</u>
Fund Balance - ending	<u>\$ 274,517</u>	<u>\$ 274,517</u>	<u>\$ 166,348</u>	<u>\$ (108,169)</u>

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, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Taxes	\$ 1,332,100	\$ 1,332,100	\$ 1,332,100	\$ -
Intergovernmental	2,018,625	2,018,625	2,018,625	-
Charges for services	3,000	3,000	15,318	12,318
Miscellaneous	15,000	15,000	7,031	(7,969)
Total revenues	<u>3,368,725</u>	<u>3,368,725</u>	<u>3,373,074</u>	<u>4,349</u>
EXPENDITURES				
Public safety	3,244,475	3,264,225	3,041,459	222,766
Capital outlays	825,000	920,827	245,342	675,485
Total expenditures	<u>4,069,475</u>	<u>4,185,052</u>	<u>3,286,801</u>	<u>898,251</u>
Net change in fund balance	(700,750)	(816,327)	86,273	902,600
Fund Balance - beginning	4,194,414	4,194,414	4,194,414	-
Prior Period Adjustment	-	-	4,492	4,492
Fund Balance - beginning (restated)	<u>4,194,414</u>	<u>4,194,414</u>	<u>4,198,906</u>	<u>4,492</u>
Fund Balance - ending	<u>\$ 3,493,664</u>	<u>\$ 3,378,087</u>	<u>\$ 4,285,179</u>	<u>\$ 907,092</u>

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, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Intergovernmental	\$ 1,234,896	\$ 1,234,896	\$ 184,897	\$ (1,049,999)
Charges for services	792,354	792,354	142,354	(650,000)
Miscellaneous	1,100	1,100	55,635	54,535
Total revenues	2,028,350	2,028,350	382,886	(1,645,464)
EXPENDITURES				
Public safety	277,250	304,688	244,090	60,598
Capital outlays	1,750,000	1,750,000	27,830	1,722,170
Total expenditures	2,027,250	2,054,688	271,920	1,782,768
Net change in fund balance	1,100	(26,338)	110,966	137,304
Fund Balance - beginning	295,006	295,006	295,006	-
Prior Period Adjustment	-	-	346	346
Fund Balance - beginning (restated)	295,006	295,006	295,352	346
Fund Balance - ending	\$ 296,106	\$ 268,668	\$ 406,318	\$ 137,650

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, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
EXPENDITURES				
Economic environment	\$ 643,981	\$ 642,888	\$ (450,684)	\$ 1,093,572
Social services	(643,981)	(625,481)	385,222	(1,010,703)
Total expenditures	-	17,407	(65,462)	82,869
Net change in fund balance	-	(17,407)	65,462	82,869
Fund Balance - beginning	(100,180)	(100,180)	(100,180)	-
Prior Period Adjustment	-	-	-	-
Fund Balance - beginning (restated)	(100,180)	(100,180)	(100,180)	-
Fund Balance - ending	\$ (100,180)	\$ (117,587)	\$ (34,718)	\$ 82,869

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, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Intergovernmental	\$ 2,997,960	\$ 7,524,276	\$ 2,963,237	\$ (4,561,039)
Miscellaneous	1,000,000	1,943,375	349,661	(1,593,714)
Net inc(dec) in market value of investments	-	-	(47,925)	(47,925)
Total revenues	3,997,960	9,467,651	3,264,973	(6,202,678)
EXPENDITURES				
Economic environment	3,997,960	9,211,661	3,252,574	5,959,087
Capital outlays	-	348,642	239,268	109,374
Total expenditures	3,997,960	9,560,303	3,491,842	6,068,461
Excess (deficiency) of revenues over (under) expenditures	-	(92,652)	(226,869)	(134,217)
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	92,650	92,650	-
Total other financing sources (uses)	-	92,650	92,650	-
Net change in fund balance	-	(2)	(134,219)	(134,217)
Fund Balance - beginning	18,060,080	18,060,080	18,060,080	-
Prior Period Adjustment	-	-	1,527	1,527
Fund Balance - beginning (restated)	18,060,080	18,060,080	18,061,607	1,527
Fund Balance - ending	\$ 18,060,080	\$ 18,060,078	\$ 17,927,388	\$ (132,690)

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, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Miscellaneous	\$ 2,760	\$ 62,760	\$ 61,393	\$ (1,367)
Net inc(dec) in market value of investments	-	-	(752)	(752)
Total revenues	<u>2,760</u>	<u>62,760</u>	<u>60,641</u>	<u>(2,119)</u>
EXPENDITURES				
Economic environment	13,099	13,099	(41,397)	54,496
Social services	-	60,000	16,693	43,307
Total expenditures	<u>13,099</u>	<u>73,099</u>	<u>(24,704)</u>	<u>97,803</u>
Net change in fund balance	(10,339)	(10,339)	85,345	95,684
Fund Balance - beginning	943,043	943,043	943,043	-
Prior Period Adjustment	-	-	(234,440)	(234,440)
Fund Balance - beginning (restated)	<u>943,043</u>	<u>943,043</u>	<u>708,603</u>	<u>(234,440)</u>
Fund Balance - ending	<u>\$ 932,704</u>	<u>\$ 932,704</u>	<u>\$ 793,948</u>	<u>\$ (138,756)</u>

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, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Intergovernmental	\$ 888,961	\$ 3,329,206	\$ 380,309	\$ (2,948,897)
Charges for services	-	-	1,417	1,417
Miscellaneous	142,000	229,912	77,350	(152,562)
Total revenues	1,030,961	3,559,118	459,076	(3,100,042)
EXPENDITURES				
Economic environment	888,961	3,417,130	844,013	2,573,117
Social services	-	-	104,846	(104,846)
Total expenditures	888,961	3,417,130	948,859	2,468,271
Net change in fund balance	142,000	141,988	(489,783)	(631,771)
Fund Balance - beginning	17,111,575	17,111,575	17,111,575	-
Prior Period Adjustment	-	-	(10,467,263)	(10,467,263)
Fund Balance - beginning (restated)	17,111,575	17,111,575	6,644,312	(10,467,263)
Fund Balance - ending	\$ 17,253,575	\$ 17,253,563	\$ 6,154,529	\$ (11,099,034)

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, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 236	\$ 236
Total revenues	-	-	236	236
EXPENDITURES				
Economic environment	2,385	2,385	210	2,175
Capital outlays	264,715	264,715	-	264,715
Total expenditures	267,100	267,100	210	266,890
Net change in fund balance	(267,100)	(267,100)	26	267,126
Fund Balance - beginning	2,876,650	2,876,650	2,876,650	-
Prior Period Adjustment	-	-	(2,525,882)	(2,525,882)
Fund Balance - beginning (restated)	2,876,650	2,876,650	350,768	(2,525,882)
Fund Balance - ending	\$ 2,609,550	\$ 2,609,550	\$ 350,794	\$ (2,258,756)

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, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Miscellaneous	\$ 94,200	\$ 94,200	\$ 27,584	\$ (66,616)
Total revenues	<u>94,200</u>	<u>94,200</u>	<u>27,584</u>	<u>(66,616)</u>
EXPENDITURES				
Economic environment	800,000	800,000	12,268	787,732
Capital outlays	850,000	850,000	-	850,000
Total expenditures	<u>1,650,000</u>	<u>1,650,000</u>	<u>12,268</u>	<u>1,637,732</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,555,800)</u>	<u>(1,555,800)</u>	<u>15,316</u>	<u>1,571,116</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	75,000	75,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>75,000</u>	<u>75,000</u>
Net change in fund balance	<u>(1,555,800)</u>	<u>(1,555,800)</u>	<u>90,316</u>	<u>1,646,116</u>
Fund Balance - beginning	1,986,931	1,986,931	1,986,931	-
Prior Period Adjustment	-	-	3,546	3,546
Fund Balance - beginning (restated)	<u>1,986,931</u>	<u>1,986,931</u>	<u>1,990,477</u>	<u>3,546</u>
Fund Balance - ending	<u>\$ 431,131</u>	<u>\$ 431,131</u>	<u>\$ 2,080,793</u>	<u>\$ 1,649,662</u>

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, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Miscellaneous	\$ 21,405	\$ 21,405	\$ 808	\$ (20,597)
Total revenues	<u>21,405</u>	<u>21,405</u>	<u>808</u>	<u>(20,597)</u>
EXPENDITURES				
Capital outlays	870,000	870,000	-	870,000
Total expenditures	<u>870,000</u>	<u>870,000</u>	<u>-</u>	<u>870,000</u>
Net change in fund balance	(848,595)	(848,595)	808	849,403
Fund Balance - beginning	291,865	291,865	291,865	-
Prior Period Adjustment	-	-	2,032	2,032
Fund Balance - beginning (restated)	<u>291,865</u>	<u>291,865</u>	<u>293,897</u>	<u>2,032</u>
Fund Balance - ending	<u>\$ (556,730)</u>	<u>\$ (556,730)</u>	<u>\$ 294,705</u>	<u>\$ 851,435</u>

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Trial Court Improvement
For the Year Ended December 31, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Intergovernmental	\$ 65,265	\$ 65,265	\$ 70,708	\$ 5,443
Total revenues	<u>65,265</u>	<u>65,265</u>	<u>70,708</u>	<u>5,443</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(65,265)	(65,265)	(65,265)	-
Total other financing sources (uses)	<u>(65,265)</u>	<u>(65,265)</u>	<u>(65,265)</u>	<u>-</u>
Net change in fund balance	-	-	5,443	5,443
Fund Balance - beginning	3,112	3,112	3,112	-
Prior Period Adjustment	-	-	-	-
Fund Balance - beginning (restated)	<u>3,112</u>	<u>3,112</u>	<u>3,112</u>	<u>-</u>
Fund Balance - ending	<u>\$ 3,112</u>	<u>\$ 3,112</u>	<u>\$ 8,555</u>	<u>\$ 5,443</u>

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, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Taxes	\$ 3,790,000	\$ 3,790,000	\$ 4,085,761	\$ 295,761
Intergovernmental	1,500,000	1,500,000	932,556	(567,444)
Charges for services	55,500	55,500	11,372	(44,128)
Miscellaneous	21,000	21,000	(590)	(21,590)
Total revenues	<u>5,366,500</u>	<u>5,366,500</u>	<u>5,029,099</u>	<u>(337,401)</u>
EXPENDITURES				
General government	5,944	5,944	-	5,944
Public safety	5,700,000	5,800,294	4,423,866	1,376,428
Total expenditures	<u>5,705,944</u>	<u>5,806,238</u>	<u>4,423,866</u>	<u>1,382,372</u>
Net change in fund balance	(339,444)	(439,738)	605,233	1,044,971
Fund Balance - beginning	2,928,887	2,928,887	2,928,887	-
Prior Period Adjustment	-	-	3,220	3,220
Fund Balance - beginning (restated)	<u>2,928,887</u>	<u>2,928,887</u>	<u>2,932,107</u>	<u>3,220</u>
Fund Balance - ending	<u>\$ 2,589,443</u>	<u>\$ 2,489,149</u>	<u>\$ 3,537,340</u>	<u>\$ 1,048,191</u>

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, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
TOTAL	\$ -	\$ -	\$ -	\$ -
Net change in fund balance	-	-	-	-
Fund Balance - beginning	40,781	40,781	40,781	-
Prior Period Adjustment	-	-	(40,781)	(40,781)
Fund Balance - beginning (restated)	40,781	40,781	-	(40,781)
Fund Balance - ending	<u>\$ 40,781</u>	<u>\$ 40,781</u>	<u>\$ -</u>	<u>\$ (40,781)</u>

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, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Licenses and permits	\$ 265,094	\$ 265,094	\$ 195,323	\$ (69,771)
Miscellaneous	-	-	628	628
Total revenues	<u>265,094</u>	<u>265,094</u>	<u>195,951</u>	<u>(69,143)</u>
EXPENDITURES				
General government	185,882	212,120	230,117	(17,997)
Public safety	-	96,541	-	96,541
Capital outlays	79,200	354,887	45,633	309,254
Total expenditures	<u>265,082</u>	<u>663,548</u>	<u>275,750</u>	<u>387,798</u>
Net change in fund balance	12	(398,454)	(79,799)	318,655
Fund Balance - beginning	506,411	506,411	506,411	-
Prior Period Adjustment	-	-	345	345
Fund Balance - beginning (restated)	<u>506,411</u>	<u>506,411</u>	<u>506,756</u>	<u>345</u>
Fund Balance - ending	<u>\$ 506,423</u>	<u>\$ 107,957</u>	<u>\$ 426,957</u>	<u>\$ 319,000</u>

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, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Charges for services	\$ -	\$ -	\$ 45,000	\$ 45,000
Miscellaneous	85,000	85,000	-	(85,000)
Total revenues	<u>85,000</u>	<u>85,000</u>	<u>45,000</u>	<u>(40,000)</u>
EXPENDITURES				
General government	83,024	93,024	68,700	24,324
Total expenditures	<u>83,024</u>	<u>93,024</u>	<u>68,700</u>	<u>24,324</u>
Net change in fund balance	1,976	(8,024)	(23,700)	(15,676)
Fund Balance - beginning	52,579	52,579	52,579	-
Prior Period Adjustment	-	-	-	-
Fund Balance - beginning (restated)	<u>52,579</u>	<u>52,579</u>	<u>52,579</u>	<u>-</u>
Fund Balance - ending	<u>\$ 54,555</u>	<u>\$ 44,555</u>	<u>\$ 28,879</u>	<u>\$ (15,676)</u>

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Transportation Benefit District
For the Year Ended December 31, 2016

	Actual	Variance with Final Budget-Positive (Negative)
REVENUES		
Licenses and permits	\$ 50,000	\$ 50,000
Charges for services	2,834,722	2,834,722
Miscellaneous	4,684	4,684
Total revenues	<u>2,889,406</u>	<u>2,889,406</u>
EXPENDITURES		
Transportation	2,041,859	(2,041,859)
Capital outlays	681,598	(681,598)
Total expenditures	<u>2,723,457</u>	<u>(2,723,457)</u>
Net change in fund balance	165,949	165,949
Fund Balance - beginning	-	-
Prior Period Adjustment	2,321,439	2,321,439
Fund Balance - beginning (restated)	<u>2,321,439</u>	<u>2,321,439</u>
Fund Balance - ending	<u>\$ 2,487,388</u>	<u>\$ 2,487,388</u>

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Total
For the Year Ended December 31, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Taxes	\$ 30,717,509	\$ 30,717,509	\$ 31,763,500	\$ 1,045,991
Licenses and permits	545,094	545,094	614,418	69,324
Intergovernmental	25,404,400	35,164,140	21,102,702	(14,061,438)
Charges for services	11,949,088	11,949,088	15,261,642	3,312,554
Fines and forfeitures	2,082,000	2,082,000	4,557,608	2,475,608
Miscellaneous	4,421,136	5,512,423	2,802,171	(2,710,252)
Net inc(dec) in market value of investments	-	-	(48,677)	(48,677)
Total revenues	75,119,227	85,970,254	76,053,364	(9,916,890)
EXPENDITURES				
General government	8,610,108	8,646,346	9,987,303	(1,340,957)
Public safety	16,693,379	17,280,452	14,647,982	2,632,470
Transportation	20,154,622	20,230,722	21,780,465	(1,549,743)
Economic environment	11,346,545	21,863,752	7,723,615	14,140,137
Social services	9,155,866	10,099,444	7,598,425	2,501,019
Culture and recreation	17,902,137	18,516,467	17,372,816	1,143,651
Capital outlays	8,981,599	12,679,463	4,124,810	8,554,653
Total expenditures	92,844,256	109,316,646	83,235,416	26,081,230
Excess (deficiency) of revenues over (under) expenditures	(17,725,029)	(23,346,392)	(7,182,052)	16,164,340
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	92,650	276,471	183,821
Transfers in	18,778,717	18,716,977	17,609,500	(1,107,477)
Transfers out	(7,399,684)	(7,434,684)	(2,943,133)	4,491,551
Total other financing sources (uses)	11,379,033	11,374,943	14,942,838	3,567,895
Net change in fund balance	(6,345,996)	(11,971,449)	7,760,786	19,732,235
Fund Balance - beginning	70,623,448	70,623,448	70,623,448	-
Prior Period Adjustment			(10,881,349)	(10,881,349)
Fund Balance - beginning (restated)	70,623,448	70,623,448	59,742,099	(10,881,349)
Fund Balance - ending	\$ 64,277,452	\$ 58,651,999	\$ 67,502,885	\$ 8,850,886

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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, 2016**

	GO Bond Redemption	Special Assessment Debt Service	Special Assessment Guaranty	Iron Bridge Tax Increment Financing	University District Local Revitalization	Total
ASSETS						
Cash and cash equivalents	\$ 114,006	\$ 9,364	\$ -	\$ 24,183	\$ 36,117	\$ 183,670
Equity in pooled investments	2,971,040	40,518	532,525	166,273	156,282	3,866,638
Taxes receivable	292,426	-	-	3	65,249	357,678
Special assessment receivable	-	2,066,160	-	-	-	2,066,160
Interest receivable	4,932	-	764	116	-	5,812
Due from other funds	169,096	-	-	-	-	169,096
Interfund loan receivable	25,092	-	5,393	624	-	31,109
Advances to other funds	171,782	-	36,920	4,273	-	212,975
Total Assets	3,748,374	2,116,042	575,602	195,472	257,648	6,893,138
DEFERRED OUTFLOWS OF RESOURCES						
Total deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	3,748,374	2,116,042	575,602	195,472	257,648	6,893,138
LIABILITIES						
Liabilities:						
Other current liabilities	-	632	-	-	-	632
Total Liabilities	-	632	-	-	-	632
DEFERRED INFLOWS OF RESOURCES						
Property taxes	240,385	2,066,160	-	3	-	2,306,548
Total deferred inflows of resources	240,385	2,066,160	-	3	-	2,306,548
Total Liabilities Plus Deferred Inflows of Resources	240,385	2,066,792	-	3	-	2,307,180
FUND BALANCE						
Restricted - debt service	3,507,989	49,250	575,602	195,469	257,648	4,585,958
Total Fund Balance	3,507,989	49,250	575,602	195,469	257,648	4,585,958
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 3,748,374	\$ 2,116,042	\$ 575,602	\$ 195,472	\$ 257,648	\$ 6,893,138

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, 2016

	GO Bond Redemption	Special Assessment Debt Service	Special Assessment Guaranty	Iron Bridge Tax Increment Financing	University Local Revitalization	Total
REVENUES						
Taxes	\$ 5,757,943	\$ -	\$ -	\$ 78,602	\$ 262,407	\$ 6,098,952
Intergovernmental	552,118	-	-	-	-	552,118
Miscellaneous	97,423	776,796	492	72	-	874,783
Total Revenues	6,407,484	776,796	492	78,674	262,407	7,525,853
EXPENDITURES						
Current:						
General government	-	-	2,141	-	-	2,141
Debt service:						
Principal	5,524,835	70,000	-	-	-	5,594,835
Interest	7,854,574	12,267	-	-	-	7,866,841
Total Expenditures	13,379,409	82,267	2,141	-	-	13,463,817
Excess of Revenues Over (Under) Expenditures	(6,971,925)	694,529	(1,649)	78,674	262,407	(5,937,964)
OTHER FINANCING SOURCES (USES)						
Proceeds of bonds issued	16,167,449	-	-	-	-	16,167,449
Payment to escrow agent for refunded bond debt	(16,338,420)	-	-	-	-	(16,338,420)
Transfers in	3,427,978	-	-	-	-	3,427,978
Transfers out	-	(759,778)	-	(21,376)	(224,654)	(1,005,808)
Total Other Financing Sources (Uses)	3,257,007	(759,778)	-	(21,376)	(224,654)	2,251,199
Net Change in Fund Balance	(3,714,918)	(65,249)	(1,649)	57,298	37,753	(3,686,765)
Fund Balance - beginning (Note 1)	7,214,600	114,499	575,884	137,963	219,895	8,262,841
Prior Period Adjustment	8,307	-	1,367	208	-	9,882
Fund Balance - beginning (restated)	7,222,907	114,499	577,251	138,171	219,895	8,272,723
Fund Balances - ending	\$ 3,507,989	\$ 49,250	\$ 575,602	\$ 195,469	\$ 257,648	\$ 4,585,958

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, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Taxes	\$ 5,756,700	\$ 5,756,700	\$ 5,757,943	\$ 1,243
Intergovernmental	548,266	548,266	552,118	3,852
Miscellaneous	-	-	97,423	97,423
Total revenues	6,304,966	6,304,966	6,407,484	102,518
EXPENDITURES				
Debt service:				
Principal	5,415,000	27,520,499	5,524,835	21,995,664
Interest	8,011,159	8,011,159	7,854,574	156,585
Total expenditures	13,426,159	35,531,658	13,379,409	22,152,249
Excess (deficiency) of revenues over (under) expenditures	(7,121,193)	(29,226,692)	(6,971,925)	22,254,767
OTHER FINANCING SOURCES (USES)				
Proceeds of bonds issued	-	22,105,499	16,167,449	(5,938,050)
Payment to escrow agent for refunded bond debt	-	-	(16,338,420)	(16,338,420)
Transfers in	7,669,459	7,669,459	3,427,978	(4,241,481)
Total other financing sources (uses)	7,669,459	29,774,958	3,257,007	(26,517,951)
Net change in fund balance	548,266	548,266	(3,714,918)	(4,263,184)
Fund Balance - beginning	7,214,600	7,214,600	7,214,600	-
Prior Period Adjustment	-	-	8,307	8,307
Fund Balance - beginning (restated)	7,214,600	7,214,600	7,222,907	8,307
Fund Balance - ending	\$ 7,762,866	\$ 7,762,866	\$ 3,507,989	\$ (4,254,877)

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, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Miscellaneous	\$ 1,180,000	\$ 1,180,000	\$ 776,796	\$ (403,204)
Total revenues	<u>1,180,000</u>	<u>1,180,000</u>	<u>776,796</u>	<u>(403,204)</u>
EXPENDITURES				
General government	500	500	-	500
Principal	-	-	70,000	(70,000)
Interest	-	-	12,267	(12,267)
Total expenditures	<u>500</u>	<u>500</u>	<u>82,267</u>	<u>(81,767)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,179,500</u>	<u>1,179,500</u>	<u>694,529</u>	<u>(484,971)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,000,000)	(1,000,000)	(759,778)	240,222
Total other financing sources (uses)	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>(759,778)</u>	<u>240,222</u>
Net change in fund balance	179,500	179,500	(65,249)	(244,749)
Fund Balance - beginning	114,499	114,499	114,499	-
Prior Period Adjustment	-	-	-	-
Fund Balance - beginning (restated)	<u>114,499</u>	<u>114,499</u>	<u>114,499</u>	<u>-</u>
Fund Balance - ending	<u>\$ 293,999</u>	<u>\$ 293,999</u>	<u>\$ 49,250</u>	<u>\$ (244,749)</u>

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, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Miscellaneous	\$ 10,000	\$ 10,000	\$ 492	\$ (9,508)
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>492</u>	<u>(9,508)</u>
EXPENDITURES				
General government	10,000	16,892	2,141	14,751
Total expenditures	<u>10,000</u>	<u>16,892</u>	<u>2,141</u>	<u>14,751</u>
Net change in fund balance	-	(6,892)	(1,649)	5,243
Fund Balance - beginning	575,884	575,884	575,884	-
Prior Period Adjustment	-	-	1,367	1,367
Fund Balance - beginning (restated)	<u>575,884</u>	<u>575,884</u>	<u>577,251</u>	<u>1,367</u>
Fund Balance - ending	<u>\$ 575,884</u>	<u>\$ 568,992</u>	<u>\$ 575,602</u>	<u>\$ 6,610</u>

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, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Taxes	\$ 95,000	\$ 95,000	\$ 78,602	\$ (16,398)
Miscellaneous	-	-	72	72
Total revenues	<u>95,000</u>	<u>95,000</u>	<u>78,674</u>	<u>(16,326)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(97,024)	(97,024)	(21,376)	75,648
Total other financing sources (uses)	<u>(97,024)</u>	<u>(97,024)</u>	<u>(21,376)</u>	<u>75,648</u>
Net change in fund balance	(2,024)	(2,024)	57,298	59,322
Fund Balance - beginning	137,963	137,963	137,963	-
Prior Period Adjustment	-	-	208	208
Fund Balance - beginning (restated)	<u>137,963</u>	<u>137,963</u>	<u>138,171</u>	<u>208</u>
Fund Balance - ending	<u>\$ 135,939</u>	<u>\$ 135,939</u>	<u>\$ 195,469</u>	<u>\$ 59,530</u>

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, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Taxes	\$ 250,000	\$ 250,000	\$ 262,407	\$ 12,407
Total revenues	250,000	250,000	262,407	12,407
EXPENDITURES				
Transportation	224,656	224,656	-	224,656
Total expenditures	224,656	224,656	-	224,656
Excess (deficiency) of revenues over (under) expenditures	25,344	25,344	262,407	237,063
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(224,654)	(224,654)
Total other financing sources (uses)	-	-	(224,654)	(224,654)
Net change in fund balance	25,344	25,344	37,753	12,409
Fund Balance - beginning	219,895	219,895	219,895	-
Prior Period Adjustment	-	-	-	-
Fund Balance - beginning (restated)	219,895	219,895	219,895	-
Fund Balance - ending	\$ 245,239	\$ 245,239	\$ 257,648	\$ 12,409

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Total
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Taxes	\$ 6,101,700	\$ 6,101,700	\$ 6,098,952	\$ (2,748)
Intergovernmental	548,266	548,266	552,118	3,852
Miscellaneous	1,190,000	1,190,000	874,783	(315,217)
Total revenues	7,839,966	7,839,966	7,525,853	(314,113)
EXPENDITURES				
General government	10,500	17,392	2,141	15,251
Transportation	224,656	224,656	-	224,656
Debt service:				
Principal	5,415,000	27,520,499	5,594,835	21,925,664
Interest	8,011,159	8,011,159	7,866,841	144,318
Total expenditures	13,661,315	35,773,706	13,463,817	22,309,889
Excess (deficiency) of revenues over (under) expenditures	(5,821,349)	(27,933,740)	(5,937,964)	21,995,776
OTHER FINANCING SOURCES (USES)				
Proceeds of bonds issued	-	22,105,499	16,167,449	(5,938,050)
Payment to escrow agent for refunded bond debt	-	-	(16,338,420)	(16,338,420)
Transfers in	7,669,459	7,669,459	3,427,978	(4,241,481)
Transfers out	(1,097,024)	(1,097,024)	(1,005,808)	91,216
Total other financing sources (uses)	6,572,435	28,677,934	2,251,199	(26,426,735)
Net change in fund balance	751,086	744,194	(3,686,765)	(4,430,959)
Fund Balance - beginning	8,262,841	8,262,841	8,262,841	-
Prior Period Adjustment	-	-	9,882	9,882
Fund Balance - beginning (restated)	8,262,841	8,262,841	8,272,723	9,882
Fund Balance - ending	\$ 9,013,927	\$ 9,007,035	\$ 4,585,958	\$ (4,421,077)

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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 as 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.

City Hall Acquisition and Improvement Fund

The City Hall Acquisition and Improvement Fund accounts for improvements to the City's municipal building.

Capital Projects Construction Fund

The Capital Projects Construction Fund accounts for monies received from proceeds of general obligation bonds and notes, state and federal grants, contributions and donations from private sources to be used for the payment for the cost of capital projects.

Capital Projects 2015 Park Fund

The Capital Projects 2015 Park fund accounts for monies received from proceeds of bonds to finance improvements to Riverfront Park, including infrastructure repair, safety enhancements, modern community event space and other improvements.

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 1999 Park Fund

The Capital Improvements – 1999 Park Fund accounts for monies received from bond proceeds to be used for the construction of two new neighborhood parks, one new community park, consolidation of citywide park maintenance shops and various repair and restoration projects. **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, 2016**

	Capital Improvements 2015 Park	Improvement Project Cost 2001	Fire Improvement	General Capital Improvements	Arterial Street
ASSETS					
Cash and cash equivalents	\$ 7,901	\$ 6,608	\$ -	\$ 21,209	\$ 257,951
Equity in pooled investments	51,393,516	28,588	-	91,771	8,576,005
Taxes receivable	-	-	-	-	208,204
Accounts receivable	-	-	-	-	226,950
Interest receivable	263,890	-	8	-	12,031
Due from other funds	66,018	-	-	4,000	276,916
Interfund loan receivable	560,881	-	-	-	75,546
Due from other governments	-	-	-	-	2,906,352
Advances to other funds	3,839,846	-	-	-	517,195
Total Assets	56,132,052	35,196	8	116,980	13,057,150
DEFERRED OUTFLOWS OF RESOURCES					
Total Deferred Outflows of Resources	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	56,132,052	35,196	8	116,980	13,057,150
LIABILITIES					
Liabilities:					
Accounts/vouchers payable	895,112	-	-	-	1,298,318
Due to other funds	19,926	-	-	-	234,916
Revenues collected in advance	-	-	-	-	322,798
Other current liabilities	-	-	-	-	2,654,530
Total Liabilities	915,038	-	-	-	4,510,562
DEFERRED INFLOWS OF RESOURCES					
Property taxes	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
Total Liabilities and Deferred Inflows of Resources	915,038	-	-	-	4,510,562
FUND BALANCE					
Restricted - capital projects	55,217,014	35,196	8	116,980	8,546,588
Total Fund Balance	55,217,014	35,196	8	116,980	8,546,588
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 56,132,052	\$ 35,196	\$ 8	\$ 116,980	\$ 13,057,150

**City of Spokane, Washington
Combining Balance Sheet
Non Major Capital Projects Funds
December 31, 2016
(Continued)**

	Capital Improvements 1999 Fire	Capital Improvements 2003 Streets	2004 UTGO Street Bonds	Capital Improvements 2008 Parks	Capital Improvements 1995
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 75	\$ 7,655
Equity in pooled investments	-	1,904,576	8,818,702	323	33,123
Taxes receivable	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Interest receivable	-	2,727	13,449	285	-
Due from other funds	-	-	-	-	-
Interfund loan receivable	-	19,288	89,307	-	-
Due from other governments	-	-	-	-	-
Advances to other funds	-	132,046	611,407	-	-
Total Assets	-	2,058,637	9,532,865	683	40,778
DEFERRED OUTFLOWS OF RESOURCES					
Total Deferred Outflows of Resources	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	-	2,058,637	9,532,865	683	40,778
LIABILITIES					
Liabilities:					
Accounts/vouchers payable	-	16	116	-	-
Due to other funds	-	-	441	-	-
Revenues collected in advance	-	-	-	-	-
Other current liabilities	-	-	-	505	-
Total Liabilities	-	16	557	505	-
DEFERRED INFLOWS OF RESOURCES					
Property taxes	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
Total Liabilities and Deferred Inflows of Resources	-	16	557	505	-
FUND BALANCE					
Restricted - capital projects	-	2,058,621	9,532,308	178	40,778
Total Fund Balance	-	2,058,621	9,532,308	178	40,778
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ -	\$ 2,058,637	\$ 9,532,865	\$ 683	\$ 40,778

**City of Spokane, Washington
Combining Balance Sheet
Non Major Capital Projects Funds
December 31, 2016
(Continued)**

	Capital Improvements 1999	Kendall Yards Tax Increment Financing	West Quadrant Tax Increment Financing	University District Local Revitalization	Total
ASSETS					
Cash and cash equivalents	\$ 5,818	\$ -	\$ 78,379	\$ 24,718	\$ 410,314
Equity in pooled investments	172,948	-	339,155	106,957	71,465,664
Taxes receivable	-	704	4,773	2,960	216,641
Accounts receivable	-	-	-	-	226,950
Interest receivable	213	-	-	-	292,603
Due from other funds	-	-	-	-	346,934
Interfund loan receivable	1,496	-	-	-	746,518
Due from other governments	9,780	-	-	-	2,916,132
Advances to other funds	10,245	-	-	-	5,110,739
Total Assets	200,500	704	422,307	134,635	81,732,495
DEFERRED OUTFLOWS OF RESOURCES					
Total Deferred Outflows of Resources	-	-	-	-	-
Total Assets and Deferred Outflows of Resources	200,500	704	422,307	134,635	81,732,495
LIABILITIES					
Liabilities:					
Accounts/vouchers payable	-	-	-	-	2,193,562
Due to other funds	-	-	-	-	255,283
Revenues collected in advance	-	-	-	-	322,798
Other current liabilities	-	-	-	-	2,655,035
Total Liabilities	-	-	-	-	5,426,678
DEFERRED INFLOWS OF RESOURCES					
Property taxes	-	640	3,891	2,591	7,122
Total Deferred Inflows of Resources	-	640	3,891	2,591	7,122
Total Liabilities and Deferred Inflows of Resources	-	640	3,891	2,591	5,433,800
FUND BALANCE					
Restricted - capital projects	200,500	64	418,416	132,044	76,298,695
Total Fund Balance	200,500	64	418,416	132,044	76,298,695
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 200,500	\$ 704	\$ 422,307	\$ 134,635	\$ 81,732,495

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, 2016

	Capital Improvements 2015 Park	Improvement Project Cost 2001	Fire Improvement	General Capital Improvements	Arterial Street
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	11,296,482
Miscellaneous	1,284,523	-	(558)	-	59,604
Net inc(dec) in market value of investments	(4,149,341)	-	-	-	-
Total Revenues	(2,864,818)	-	(558)	-	11,356,086
EXPENDITURES					
Current:					
Transportation	-	-	-	-	904,241
Capital outlays	6,116,809	-	13,677	-	21,546,356
Debt service:					
Principal	-	-	-	-	112,917
Interest	-	-	-	-	4,270
Total Expenditures	6,116,809	-	13,677	-	22,567,784
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,981,627)	-	(14,235)	-	(11,211,698)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	4,000	14,873,840
Transfers out	-	-	-	-	(3,023,904)
Total Other Financing Sources (Uses)	-	-	-	4,000	11,849,936
Net Change in Fund Balance	(8,981,627)	-	(14,235)	4,000	638,238
Fund Balance - beginning	63,992,404	35,196	13,654	112,980	7,898,190
Prior Period Adjustment	206,237	-	589	-	10,160
Fund Balance - beginning (restated)	64,198,641	35,196	14,243	112,980	7,908,350
Fund Balance - ending	\$ 55,217,014	\$ 35,196	\$ 8	\$ 116,980	\$ 8,546,588

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, 2016
(Continued)

	Capital Improvements 1999 Fire	Capital Improvements 2003 Streets	2004 UTGO Street Bonds	Capital Improvements 2008 Parks	Capital Improvements 1995
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Miscellaneous	950	1,780	82,467	11	-
Net inc(dec) in market value of investments	-	-	-	-	-
Total Revenues	950	1,780	82,467	11	-
EXPENDITURES					
Current:					
Transportation	-	858	10,793	-	-
Capital outlays	-	-	767,876	338,150	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total Expenditures	-	858	778,669	338,150	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	950	922	(696,202)	(338,139)	-
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	(450,000)	-	-
Total Other Financing Sources (Uses)	-	-	(450,000)	-	-
Net Change in Fund Balance	950	922	(1,146,202)	(338,139)	-
Fund Balance - beginning	(950)	2,052,844	10,648,388	337,153	40,778
Prior Period Adjustment	-	4,855	30,122	1,164	-
Fund Balance - beginning (restated)	(950)	2,057,699	10,678,510	338,317	40,778
Fund Balance - ending	\$ -	\$ 2,058,621	\$ 9,532,308	\$ 178	\$ 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, 2016
(Continued)

	Capital Improvements 1999	Kendall Yards Tax Increment Financing	West Quadrant Tax Increment Financing	University District Local Revitalization	Total
REVENUES					
Taxes	-	106,790	71,869	48,438	227,097
Intergovernmental	-	-	-	-	11,296,482
Miscellaneous	398	-	-	-	1,429,175
Net inc(dec) in market value of investments	-	-	-	-	(4,149,341)
Total Revenues	398	106,790	71,869	48,438	8,803,413
EXPENDITURES					
Current:					
Transportation	84	69,752	145	-	985,873
Capital outlays	-	-	-	-	28,782,868
Debt service:					
Principal	-	106,225	-	-	219,142
Interest	-	611	-	-	4,881
Total Expenditures	84	176,588	145	-	29,992,764
Excess (Deficiency) of Revenues Over (Under) Expenditures	314	(69,798)	71,724	48,438	(21,189,351)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	14,877,840
Transfers out	-	-	(10,000)	-	(3,483,904)
Total Other Financing Sources (Uses)	-	-	(10,000)	-	11,393,936
Net Change in Fund Balance	314	(69,798)	61,724	48,438	(9,795,415)
Fund Balance - beginning	199,799	69,862	356,692	83,606	85,840,596
Prior Period Adjustment	387	-	-	-	253,514
Fund Balance - beginning (restated)	200,186	69,862	356,692	83,606	86,094,110
Fund Balance - ending	\$ 200,500	\$ 64	\$ 418,416	\$ 132,044	\$ 76,298,695

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Capital Improvements 2015 Park
For the Year Ended December 31, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Miscellaneous	\$ 600,000	\$ 600,000	\$ 1,284,523	\$ 684,523
Net inc(dec) in market value of investments	-	-	(4,149,341)	(4,149,341)
Total revenues	<u>600,000</u>	<u>600,000</u>	<u>(2,864,818)</u>	<u>(3,464,818)</u>
EXPENDITURES				
Capital outlays	20,678,253	63,449,976	6,116,809	57,333,167
Total expenditures	<u>20,678,253</u>	<u>63,449,976</u>	<u>6,116,809</u>	<u>57,333,167</u>
Net change in fund balance	(20,078,253)	(62,849,976)	(8,981,627)	53,868,349
Fund Balance - beginning	63,992,404	63,992,404	63,992,404	-
Prior Period Adjustment	-	-	206,237	206,237
Fund balance - beginning (restated)	<u>63,992,404</u>	<u>63,992,404</u>	<u>64,198,641</u>	<u>206,237</u>
Fund balance - ending	<u>\$ 43,914,151</u>	<u>\$ 1,142,428</u>	<u>\$ 55,217,014</u>	<u>\$ 54,074,586</u>

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, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Miscellaneous	\$ -	\$ -	\$ (558)	\$ (558)
Total revenues	-	-	(558)	(558)
EXPENDITURES				
Capital outlays	-	13,678	13,677	1
Total expenditures	-	13,678	13,677	1
Net change in fund balance	-	(13,678)	(14,235)	(557)
Fund Balance - beginning	13,654	13,654	13,654	-
Prior Period Adjustment	-	-	589	589
Fund balance - beginning (restated)	13,654	13,654	14,243	589
Fund balance - ending	\$ 13,654	\$ (24)	\$ 8	\$ 32

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, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
EXPENDITURES				
Capital outlays	\$ 152,980	\$ 152,980	\$ -	\$ 152,980
Total expenditures	152,980	152,980	-	152,980
Excess (deficiency) revenues over (under) expenditures	(152,980)	(152,980)	-	152,980
OTHER FINANCING SOURCES (USES)				
Transfers in	40,000	40,000	4,000	(36,000)
Total other financing sources (uses)	40,000	40,000	4,000	(36,000)
Net change in fund balance	(112,980)	(112,980)	4,000	116,980
Fund Balance - beginning	112,980	112,980	112,980	-
Prior Period Adjustment	-	-	-	-
Fund balance - beginning (restated)	112,980	112,980	112,980	-
Fund balance - ending	\$ -	\$ -	\$ 116,980	\$ 116,980

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, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Intergovernmental	\$ 17,158,427	\$ 21,576,566	\$ 11,296,482	\$ (10,280,084)
Charges for services	735,600	735,600	-	(735,600)
Miscellaneous	8,460,000	8,460,000	59,604	(8,400,396)
Total revenues	26,354,027	30,772,166	11,356,086	(19,416,080)
EXPENDITURES				
Transportation	508,788	1,862,636	904,241	958,395
Capital outlays	37,269,981	43,957,592	21,546,356	22,411,236
Principal	-	-	112,917	(112,917)
Interest	-	-	4,270	(4,270)
Total expenditures	37,778,769	45,820,228	22,567,784	23,252,444
Excess (deficiency) revenues over (under) expenditures	(11,424,742)	(15,048,062)	(11,211,698)	3,836,364
OTHER FINANCING SOURCES (USES)				
Transfers in	18,542,151	18,542,151	14,873,840	(3,668,311)
Transfers out	(7,127,808)	(7,127,808)	(3,023,904)	4,103,904
Total other financing sources (uses)	11,414,343	11,414,343	11,849,936	435,593
Net change in fund balance	(10,399)	(3,633,719)	638,238	4,271,957
Fund Balance - beginning	7,898,190	7,898,190	7,898,190	-
Prior Period Adjustment	-	-	10,160	10,160
Fund balance - beginning (restated)	7,898,190	7,898,190	7,908,350	10,160
Fund balance - ending	\$ 7,887,791	\$ 4,264,471	\$ 8,546,588	\$ 4,282,117

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, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Miscellaneous	\$ 30,000	\$ 30,000	\$ 1,780	\$ (28,220)
Total revenues	30,000	30,000	1,780	(28,220)
EXPENDITURES				
Transportation	-	-	858	(858)
Capital outlays	1,980,000	1,980,000	-	1,980,000
Total expenditures	1,980,000	1,980,000	858	1,979,142
Net change in fund balance	(1,950,000)	(1,950,000)	922	1,950,922
Fund Balance - beginning	2,052,844	2,052,844	2,052,844	-
Prior Period Adjustment	-	-	4,855	4,855
Fund balance - beginning (restated)	2,052,844	2,052,844	2,057,699	4,855
Fund balance - ending	\$ 102,844	\$ 102,844	\$ 2,058,621	\$ 1,955,777

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, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Miscellaneous	\$ 300,000	\$ 300,000	\$ 82,467	\$ (217,533)
Total revenues	300,000	300,000	82,467	(217,533)
EXPENDITURES				
Transportation	-	-	10,793	(10,793)
Capital outlays	4,018,474	4,499,507	767,876	3,731,631
Total expenditures	4,018,474	4,499,507	778,669	3,720,838
Excess (deficiency) revenues over (under) expenditures	(3,718,474)	(4,199,507)	(696,202)	3,503,305
OTHER FINANCING SOURCES (USES)				
Transfers out	(5,215,245)	(5,215,245)	(450,000)	4,765,245
Total other financing sources (uses)	(5,215,245)	(5,215,245)	(450,000)	4,765,245
Net change in fund balance	(8,933,719)	(9,414,752)	(1,146,202)	8,268,550
Fund Balance - beginning	10,648,388	10,648,388	10,648,388	-
Prior Period Adjustment	-	-	30,122	30,122
Fund balance - beginning (restated)	10,648,388	10,648,388	10,678,510	30,122
Fund balance - ending	\$ 1,714,669	\$ 1,233,636	\$ 9,532,308	\$ 8,298,672

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, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 11	\$ 11
Total revenues	-	-	11	11
EXPENDITURES				
Capital outlays	-	338,150	338,150	-
Total expenditures	-	338,150	338,150	-
Net change in fund balance	-	(338,150)	(338,139)	11
Fund Balance - beginning	337,153	337,153	337,153	-
Prior Period Adjustment	-	-	1,164	1,164
Fund balance - beginning (restated)	337,153	337,153	338,317	1,164
Fund balance - ending	\$ 337,153	\$ (997)	\$ 178	\$ 1,175

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, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
EXPENDITURES				
Capital outlays	\$ 40,778	\$ 40,778	\$ -	\$ 40,778
Total expenditures	40,778	40,778	-	40,778
Net change in fund balance	(40,778)	(40,778)	-	40,778
Fund Balance - beginning	40,778	40,778	40,778	-
Prior Period Adjustment	-	-	-	-
Fund balance - beginning (restated)	40,778	40,778	40,778	-
Fund balance - ending	\$ -	\$ -	\$ 40,778	\$ 40,778

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, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Miscellaneous	\$ -	\$ -	\$ 398	\$ 398
Total revenues	-	-	398	398
EXPENDITURES				
Transportation	-	-	84	(84)
Capital outlays	195,000	195,000	-	195,000
Total expenditures	195,000	195,000	84	194,916
Net change in fund balance	(195,000)	(195,000)	314	195,314
Fund Balance - beginning	199,799	199,799	199,799	-
Prior Period Adjustment	-	-	387	387
Fund balance - beginning (restated)	199,799	199,799	200,186	387
Fund balance - ending	\$ 4,799	\$ 4,799	\$ 200,500	\$ 195,701

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, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Taxes	\$ 90,000	\$ 90,000	\$ 106,790	\$ 16,790
Total revenues	90,000	90,000	106,790	16,790
EXPENDITURES				
Transportation	-	-	69,752	(69,752)
Principal	81,500	81,500	106,225	(24,725)
Interest	7,000	7,000	611	6,389
Total expenditures	88,500	88,500	176,588	(88,088)
Net change in fund balance	1,500	1,500	(69,798)	(71,298)
Fund Balance - beginning	69,862	69,862	69,862	-
Prior Period Adjustment	-	-	-	-
Fund balance - beginning (restated)	69,862	69,862	69,862	-
Fund balance - ending	\$ 71,362	\$ 71,362	\$ 64	\$ (71,298)

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, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Taxes	\$ 75,000	\$ 75,000	\$ 71,869	\$ (3,131)
Total revenues	<u>75,000</u>	<u>75,000</u>	<u>71,869</u>	<u>(3,131)</u>
EXPENDITURES				
Transportation	-	-	145	(145)
Capital outlays	258,200	258,200	-	258,200
Total expenditures	<u>258,200</u>	<u>258,200</u>	<u>145</u>	<u>258,055</u>
Excess (deficiency) revenues over (under) expenditures	<u>(183,200)</u>	<u>(183,200)</u>	<u>71,724</u>	<u>254,924</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(46,800)	(46,800)	(10,000)	36,800
Total other financing sources (uses)	<u>(46,800)</u>	<u>(46,800)</u>	<u>(10,000)</u>	<u>36,800</u>
Net change in fund balance	<u>(230,000)</u>	<u>(230,000)</u>	<u>61,724</u>	<u>291,724</u>
Fund Balance - beginning	356,692	356,692	356,692	-
Prior Period Adjustment	-	-	-	-
Fund balance - beginning (restated)	<u>356,692</u>	<u>356,692</u>	<u>356,692</u>	<u>-</u>
Fund balance - ending	<u>\$ 126,692</u>	<u>\$ 126,692</u>	<u>\$ 418,416</u>	<u>\$ 291,724</u>

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, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Taxes	\$ 49,000	\$ 49,000	\$ 48,438	\$ (562)
Total revenues	49,000	49,000	48,438	(562)
EXPENDITURES				
Capital outlays	54,000	54,000	-	54,000
Total expenditures	54,000	54,000	-	54,000
Net change in fund balance	(5,000)	(5,000)	48,438	53,438
Fund Balance - beginning	83,606	83,606	83,606	-
Prior Period Adjustment	-	-	-	-
Fund balance - beginning (restated)	83,606	83,606	83,606	-
Fund balance - ending	\$ 78,606	\$ 78,606	\$ 132,044	\$ 53,438

City of Spokane, Washington
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Total
For the Year Ended December 31, 2016

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Taxes	\$ 214,000	\$ 214,000	\$ 227,097	\$ 13,097
Intergovernmental	17,158,427	21,576,566	11,296,482	(10,280,084)
Charges for services	735,600	735,600	-	(735,600)
Miscellaneous	9,390,000	9,390,000	1,428,225	(7,961,775)
Net inc(dec) in market value of investments	-	-	(4,149,341)	(4,149,341)
Total revenues	27,498,027	31,916,166	8,802,463	(23,113,703)
EXPENDITURES				
Transportation	508,788	1,862,636	985,873	876,763
Capital outlays	64,647,666	114,939,861	28,782,868	86,156,993
Principal	81,500	81,500	219,142	(137,642)
Interest	7,000	7,000	4,881	2,119
Total expenditures	65,244,954	116,890,997	29,992,764	86,898,233
Excess (deficiency) revenues over (under) expenditures	(37,746,927)	(84,974,831)	(21,190,301)	63,784,530
OTHER FINANCING SOURCES (USES)				
Transfers in	18,582,151	18,582,151	14,877,840	(3,704,311)
Transfers out	(12,389,853)	(12,389,853)	(3,483,904)	8,905,949
Total other financing sources (uses)	6,192,298	6,192,298	11,393,936	5,201,638
Net change in fund balance	(31,554,629)	(78,782,533)	(9,796,365)	68,986,168
Fund Balance - beginning	85,806,350	85,806,350	85,806,350	-
Prior Period Adjustment	-	-	253,514	253,514
Fund balance - beginning (restated)	85,806,350	85,806,350	86,059,864	253,514
Fund balance - ending	\$ 54,251,721	\$ 7,023,817	\$ 76,263,499	\$ 69,239,682

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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, 2016

	Golf	Building Services	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 46,176	\$ 218,003	\$ 264,179
Equity in pooled investments	883,975	3,484,651	4,368,626
Accounts receivable	2,424	502,893	505,317
Interest receivable	984	2,758	3,742
Due from other funds	37,395	296,882	334,277
Interfund loan receivable	6,929	25,802	32,731
Inventories	42,918	-	42,918
Total current assets	<u>1,020,801</u>	<u>4,530,989</u>	<u>5,551,790</u>
Noncurrent assets:			
Capital assets:			
Land	1,289,224	-	1,289,224
Property, plant, and equipment	13,157,781	3,280,540	16,438,321
Less accumulated depreciation	<u>(8,129,076)</u>	<u>(3,261,841)</u>	<u>(11,390,917)</u>
Total capital assets	6,317,929	18,699	6,336,628
Other noncurrent assets:			
Advances to other funds	47,434	176,642	224,076
Total noncurrent assets	<u>6,365,363</u>	<u>195,341</u>	<u>6,560,704</u>
Total Assets	<u>7,386,164</u>	<u>4,726,330</u>	<u>12,112,494</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pensions	251,610	1,410,202	1,661,812
Total deferred outflows of resources	<u>251,610</u>	<u>1,410,202</u>	<u>1,661,812</u>
Total Assets Plus Deferred Outflows of Resources	<u>7,637,774</u>	<u>6,136,532</u>	<u>13,774,306</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	55,880	91,035	146,915
Compensated absences	7,790	24,747	32,537
Capital lease payable	82,942	-	82,942
Due to other funds	6,553	219,907	226,460
Interfund loan payable	453,712	-	453,712
Other accrued liabilities	48,998	193,552	242,550
Other current liabilities	90,579	29,952	120,531
Total current liabilities	<u>746,454</u>	<u>559,193</u>	<u>1,305,647</u>
Noncurrent Liabilities:			
General obligation bonds payable	-	-	-
Compensated absences	97,165	440,926	538,091
Noncurrent capital lease payable	243,268	-	243,268
Net pension liability	1,640,548	8,047,644	9,688,192
Total noncurrent liabilities	<u>1,980,981</u>	<u>8,488,570</u>	<u>10,469,551</u>
Total Liabilities	<u>2,727,435</u>	<u>9,047,763</u>	<u>11,775,198</u>
DEFERRED INFLOWS OF RESOURCES			
Pensions	-	-	-
Unavailable revenues	68,984	-	68,984
Total deferred inflows of resources	<u>68,984</u>	<u>-</u>	<u>68,984</u>
Total Liabilities Plus Deferred Inflows of Resources	<u>2,796,419</u>	<u>9,047,763</u>	<u>11,844,182</u>
NET POSITION			
Net investments in capital assets	5,991,721	18,699	6,010,420
Unrestricted	<u>(1,150,366)</u>	<u>(2,929,930)</u>	<u>(4,080,296)</u>
Total Net Position	<u>4,841,355</u>	<u>(2,911,231)</u>	<u>1,930,124</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 7,637,774</u>	<u>\$ 6,136,532</u>	<u>\$ 13,774,306</u>

City of Spokane, Washington
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Fiscal Year Ended December 31, 2016

	Golf	Building Services	Total
OPERATING REVENUES			
Charges for goods and services	\$ 3,215,889	\$ 7,551,653	\$ 10,767,542
Total operating revenues	3,215,889	7,551,653	10,767,542
OPERATING EXPENSES			
Salaries and wages	1,122,323	3,365,325	4,487,648
Personnel benefits	404,541	1,142,292	1,546,833
Supplies	212,262	37,766	250,028
Other services and charges	1,379,392	2,612,978	3,992,370
Taxes	21,302	-	21,302
Depreciation/amortization	424,814	234,310	659,124
Total operating expenses	3,564,634	7,392,671	10,957,305
Operating income (loss)	(348,745)	158,982	(189,763)
NONOPERATING REVENUES (EXPENSES)			
Interest income	3,217	5,005	8,222
Other nonoperating revenue	4,093	38,572	42,665
Total nonoperating revenues (expenses)	7,310	43,577	50,887
Income (loss) before contributions and transfers	(341,435)	202,559	(138,876)
Transfers in	35,000	-	35,000
Transfers out	-	(2,284)	(2,284)
Change in Net Position	(306,435)	200,275	(106,160)
Net Position - beginning	5,146,952	(3,113,393)	2,033,559
Prior Period Adjustment	838	1,887	2,725
Net Position - beginning (restated)	5,147,790	(3,111,506)	2,036,284
Net Position - ending	\$ 4,841,355	\$ (2,911,231)	\$ 1,930,124

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended December 31, 2016

	Golf	Building Services	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 3,202,230	\$ 7,276,313	\$ 10,478,543
Payments to suppliers for services	(1,613,507)	(2,593,983)	(4,207,490)
Payments to employees	(1,403,216)	(3,292,150)	(4,695,366)
Payment for taxes - city and state	(21,302)	-	(21,302)
Other receipts (payments)	838	1,887	2,725
Net cash provided (used) by operating activities	165,043	1,392,067	1,557,110
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in (out)	35,000	-	35,000
Net cash provided (used) by noncapital financing activities	35,000	-	35,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from disposal of capital assets	-	-	-
Proceeds from loans, notes, and lease purchase payable	453,712	-	453,712
Capital grants and contributions received	-	-	-
Acquisition and construction of capital assets	(221,247)	-	(221,247)
Principal paid on capital leases	(62,422)	-	(62,422)
Principal paid on general obligation bonds	(453,712)	-	(453,712)
Interest paid on revenue bonds	-	-	-
Interest paid on general obligation bonds	-	-	-
Transfers in (out)	-	(2,284)	(2,284)
Net cash provided (used) by capital and related financing activities	(283,669)	(2,284)	(285,953)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	(853,359)	(2,046,692)	(2,900,051)
Proceeds from sales and maturities of investments	450,193	5,016	455,209
Interest received	2,521	2,960	5,481
Net cash provided (used) by investing activities	(400,645)	(2,038,716)	(2,439,361)
Net increase (decrease) in cash and cash equivalents	(484,271)	(648,933)	(1,133,204)
Cash and cash equivalents - January 1	530,447	866,936	1,397,383
Cash and cash equivalents - December 31	\$ 46,176	\$ 218,003	\$ 264,179
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (348,745)	\$ 158,982	\$ (189,763)
Adjustments to Reconcile Operating Income			
Depreciation	424,814	234,310	659,124
Prior period adjustment	838	1,887	2,725
Change in accounting principle	-	-	-
Other revenues	4,093	38,572	42,665
Change in Assets: Decrease (Increase)			
Receivables, net of allowance	(17,752)	(313,912)	(331,664)
Deposits with fiscal agents	-	-	-
Inventories	(20,176)	-	(20,176)
Prepayments	-	-	-
Change in Deferred Outflows: Decrease (Increase)			
	(78,482)	(13,972)	(92,454)
Change in Liabilities: Increase (Decrease)			
Payables	200,453	1,286,200	1,486,653
Change in Deferred Inflows: (Decrease)Increase			
	-	-	-
Net Cash provided (used) by operating activities	\$ 165,043	\$ 1,392,067	\$ 1,557,110

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.

City of Spokane, Washington
Combining Statement of Net Position
Internal Service Funds
December 31, 2016

	Fleet Services	Public Works and Utility	Information Technology	Reprographics	Accounting Services	Risk Management
ASSETS						
Current Assets:						
Cash and cash equivalents	\$ 512,273	\$ 45,371	\$ 1,205,791	\$ 40,667	\$ 54,382	\$ 324,217
Deposits with fiscal agents	-	-	-	-	-	-
Equity in pooled investments	4,587,003	196,323	9,061,632	175,970	185,715	11,447,133
Accounts receivable	2,578	538,592	1,605	938	9,504	-
Interest receivable	3,399	-	5,502	-	309	14,882
Due from other funds	1,297,142	2,921,574	66,030	53,078	191,846	100
Interfund loan receivable	24,049	-	38,929	-	24	114,864
Due from other governments	8,327	-	-	-	-	-
Inventories	1,509,188	-	-	23,159	-	-
Total current assets	7,943,959	3,701,860	10,379,489	293,812	441,780	11,901,196
Noncurrent assets:						
Capital assets:						
Land	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-
Property, plant, and equipment	30,183,046	2,465,784	13,538,407	673,050	139,483	-
Infrastructure	-	-	2,668,490	-	-	-
Capitalized software	-	-	5,299,085	-	-	-
Less accumulated depreciation	(20,427,276)	(2,427,057)	(13,963,346)	(470,062)	(139,483)	-
Total capital assets	9,755,770	38,727	7,542,636	202,988	-	-
Other noncurrent assets:						
Advances to other funds	164,638	-	266,511	-	161	786,373
Total noncurrent assets	9,920,408	38,727	7,809,147	202,988	161	786,373
Total Assets	17,864,367	3,740,587	18,188,636	496,800	441,941	12,687,569
DEFERRED OUTFLOWS OF RESOURCES						
Pensions	930,896	592,075	1,884,159	84,296	(58,073)	21,630
Total deferred outflows of resources	930,896	592,075	1,884,159	84,296	(58,073)	21,630
Total Assets plus Deferred Outflows of Resources	18,795,263	4,332,662	20,072,795	581,096	383,868	12,709,199
LIABILITIES						
Current liabilities:						
Accounts payable	418,645	66,040	299,653	24,713	40,647	37,704
Claims and judgements payable	-	-	-	-	-	7,483,000
Compensated absences	37,260	25,136	56,729	-	69,475	-
Due to other funds	182,546	2,717,043	509,241	150,003	9,707	24,197
Interfund loan payable	-	-	-	-	-	-
Accrued interest	-	-	-	-	-	-
Other accrued liabilities	212,677	89,870	183,965	12,277	133,634	-
Other current liabilities	44,224	6	52,145	-	-	131
Total current liabilities	895,352	2,898,095	1,101,733	186,993	253,463	7,545,032
Noncurrent liabilities:						
Compensated absences	240,871	188,366	366,028	9,245	401,245	-
Net pension liability	5,578,739	3,646,984	8,527,222	525,099	6,915,930	138,897
Total noncurrent liabilities	5,819,610	3,835,350	8,893,250	534,344	7,317,175	138,897
Total Liabilities	6,714,962	6,733,445	9,994,983	721,337	7,570,638	7,683,929
DEFERRED INFLOWS OF RESOURCES						
Total deferred inflows of resources	-	-	-	-	-	-
Total Liabilities plus Deferred Inflows of Resources	6,714,962	6,733,445	9,994,983	721,337	7,570,638	7,683,929
NET POSITION						
Net investments in capital assets	9,755,770	38,727	7,542,636	202,988	-	-
Unrestricted	2,324,531	(2,439,510)	2,535,176	(343,229)	(7,186,770)	5,025,270
Total Net Position	12,080,301	(2,400,783)	10,077,812	(140,241)	(7,186,770)	5,025,270
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 18,795,263	\$ 4,332,662	\$ 20,072,795	\$ 581,096	\$ 383,868	\$ 12,709,199

City of Spokane, Washington
Combining Statement of Net Position
Internal Service Funds
December 31, 2016
(Continued)

	Workers' Compensation	Unemployment Insurance	Employee Benefits	Property Acquisition	Total
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 79,451	\$ 35,101	\$ 271,396	\$ 1,461,093	\$ 4,029,742
Deposits with fiscal agents	658,418	-	349,871	31,532	1,039,821
Equity in pooled investments	9,429,324	1,150,621	18,990,816	9,317,669	64,542,206
Accounts receivable	-	-	-	602	553,819
Interest receivable	13,953	1,247	25,020	4,395	68,707
Due from other funds	1,198	-	649	174,290	4,705,907
Interfund loan receivable	92,010	10,114	180,428	30,334	490,752
Due from other governments	-	-	1,528	-	9,855
Inventories	-	-	-	-	1,532,347
Total current assets	10,274,354	1,197,083	19,819,708	11,019,915	76,973,156
Noncurrent assets:					
Capital assets:					
Land	-	-	-	6,742,065	6,742,065
Construction in progress	-	-	-	965,875	965,875
Property, plant, and equipment	6,535	-	-	18,807,214	65,813,519
Infrastructure	-	-	-	6,910,628	9,579,118
Capitalized software	-	-	-	-	5,299,085
Less accumulated depreciation	(6,535)	-	-	(2,929,922)	(40,363,681)
Total capital assets	-	-	-	30,495,860	48,035,981
Other noncurrent assets:					
Advances to other funds	629,906	69,243	1,235,228	207,672	3,359,732
Total noncurrent assets	629,906	69,243	1,235,228	30,703,532	51,395,713
Total Assets	10,904,260	1,266,326	21,054,936	41,723,447	128,368,869
DEFERRED OUTFLOWS OF RESOURCES					
Pensions	152,514	806	105,689	234,287	3,948,279
Total deferred outflows of resources	152,514	806	105,689	234,287	3,948,279
Total Assets plus Deferred Outflows of Resources	11,056,774	1,267,132	21,160,625	41,957,734	132,317,148
LIABILITIES					
Current liabilities:					
Accounts payable	1,096,961	79,849	428,046	368,382	2,860,640
Claims and judgements payable	9,114,000	-	2,089,438	-	18,686,438
Compensated absences	3,278	201	-	6,822	198,901
Due to other funds	27,040	-	616	398,701	4,019,094
Interfund loan payable	-	-	-	35,084,953	35,084,953
Accrued interest	-	-	-	42,563	42,563
Other accrued liabilities	16,636	157	10,016	41,352	700,584
Other current liabilities	-	-	11,004	4,645	112,155
Total current liabilities	10,257,915	80,207	2,539,120	35,947,418	61,705,328
Noncurrent liabilities:					
Compensated absences	55,194	-	29,349	50,912	1,341,210
Net pension liability	838,499	6,739	645,625	1,585,015	28,408,749
Total noncurrent liabilities	893,693	6,739	674,974	1,635,927	29,749,959
Total Liabilities	11,151,608	86,946	3,214,094	37,583,345	91,455,287
DEFERRED INFLOWS OF RESOURCES					
Total deferred inflows of resources	-	-	-	-	-
Total Liabilities plus Deferred Inflows of Resources	11,151,608	86,946	3,214,094	37,583,345	91,455,287
NET POSITION					
Net investments in capital assets	-	-	-	30,495,860	48,035,981
Unrestricted	(94,834)	1,180,186	17,946,531	(26,121,471)	(7,174,120)
Total Net Position	(94,834)	1,180,186	17,946,531	4,374,389	40,861,861
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 11,056,774	\$ 1,267,132	\$ 21,160,625	\$ 41,957,734	\$ 132,317,148

City of Spokane, Washington
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended December 31, 2016

	Fleet Services	Public Works and Utility	Information Technology	Reprographics	Accounting Services	Risk Management
OPERATING REVENUES						
Charges for goods and services	\$ 13,234,962	\$ 5,538,190	\$ 10,257,153	\$ 761,367	\$ 4,109,719	\$ 5,355,147
Total operating revenues	13,234,962	5,538,190	10,257,153	761,367	4,109,719	5,355,147
OPERATING EXPENSES						
Salaries and wages	2,198,048	1,466,505	3,804,751	191,720	2,678,130	37,034
Personnel benefits	818,399	505,960	1,242,150	90,394	918,617	14,111
Supplies	1,936,897	455,008	118,139	92,525	20,793	46
Other services and charges	5,597,935	3,006,787	2,878,332	746,548	1,248,735	296,320
Taxes	-	145,994	-	-	-	-
Depreciation/amortization	2,092,151	15,691	1,479,694	30,882	-	-
Risk transfer payments	-	-	-	-	-	860,136
Claims processing	-	-	-	-	-	293,652
Payments to claimants and beneficiaries	-	-	-	-	-	1,629,050
Total operating expenses	12,643,430	5,595,945	9,523,066	1,152,069	4,866,275	3,130,349
Operating income (loss)	591,532	(57,755)	734,087	(390,702)	(756,556)	2,224,798
NONOPERATING REVENUES (EXPENSES)						
Interest income	5,377	3	8,641	-	7,030	27,870
Gain (loss) on disposition of fixed assets	170,294	-	(19,742)	-	-	-
Interest expense	-	-	-	-	-	-
Other nonoperating revenue	27,449	2,725	70,102	-	152,320	(25)
Total nonoperating revenues (expenses)	203,120	2,728	59,001	-	159,350	27,845
Income (loss) before contributions and transfers	794,652	(55,027)	793,088	(390,702)	(597,206)	2,252,643
Capital contributions	-	-	51,490	-	-	-
Transfers in	-	-	127,910	-	-	-
Transfers out	(567,125)	(2,156)	-	-	(601)	(86)
Other debt & loans	-	-	-	-	-	-
Change in Net Position	227,527	(57,183)	972,488	(390,702)	(597,807)	2,252,557
Net Position - beginning	11,849,882	(2,343,600)	9,100,578	250,461	(6,589,243)	2,762,372
Prior Period Adjustment	2,892	-	4,746	-	280	10,341
Net Position - beginning (restated)	11,852,774	(2,343,600)	9,105,324	250,461	(6,588,963)	2,772,713
Net Position - ending	\$ 12,080,301	\$ (2,400,783)	\$ 10,077,812	\$ (140,241)	\$ (7,186,770)	\$ 5,025,270

City of Spokane, Washington
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Fiscal Year Ended December 31, 2016
(Continued)

	Workers' Compensation	Unemployment Insurance	Employee Benefits	Property Acquisition	Total
OPERATING REVENUES					
Charges for goods and services	\$ 4,798,709	\$ 550,001	\$ 35,789,314	\$ 1,624,783	\$ 82,019,345
Total operating revenues	4,798,709	550,001	35,789,314	1,624,783	82,019,345
OPERATING EXPENSES					
Salaries and wages	408,012	7,389	260,438	744,878	11,796,905
Personnel benefits	130,417	1,816	82,947	271,826	4,076,637
Supplies	10,800	-	9,229	388,001	3,031,438
Other services and charges	212,966	(2,870)	579,571	579,431	15,143,755
Taxes	-	-	-	-	145,994
Depreciation/amortization	-	-	-	1,285,967	4,904,385
Risk transfer payments	172,675	-	7,800,197	3,053	8,836,061
Claims processing	1,029,200	6,000	1,386,762	-	2,715,614
Payments to claimants and beneficiaries	5,042,088	323,655	24,304,853	-	31,299,646
Total operating expenses	7,006,158	335,990	34,423,997	3,273,156	81,950,435
Operating income (loss)	(2,207,449)	214,011	1,365,317	(1,648,373)	68,910
NONOPERATING REVENUES (EXPENSES)					
Interest income	20,356	2,043	40,188	6,903	118,411
Gain (loss) on disposition of fixed assets	-	-	-	(4,169)	146,383
Interest expense	-	-	-	(718,994)	(718,994)
Other nonoperating revenue	-	-	81,392	334,234	668,197
Total nonoperating revenues (expenses)	20,356	2,043	121,580	(382,026)	213,997
Income (loss) before contributions and transfers	(2,187,093)	216,054	1,486,897	(2,030,399)	282,907
Capital contributions	-	-	-	62,516	114,006
Transfers in	-	-	-	5,890,388	6,018,298
Transfers out	-	-	-	(5,221,577)	(5,791,545)
Other debt & loans	-	-	-	(5,274,560)	(5,274,560)
Change in Net Position	(2,187,093)	216,054	1,486,897	(6,573,632)	(4,650,894)
Net Position - beginning	2,078,734	963,104	16,438,815	10,944,220	45,455,323
Prior Period Adjustment	13,525	1,028	20,819	3,801	57,432
Net Position - beginning (restated)	2,092,259	964,132	16,459,634	10,948,021	45,512,755
Net Position - ending	\$ (94,834)	\$ 1,180,186	\$ 17,946,531	\$ 4,374,389	\$ 40,861,861

City of Spokane, Washington
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended December 31, 2016

continued

	Fleet Services	Public Works and Utility	Information Technology	Reprographics	Accounting Services	Risk Management
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 13,134,390	\$ 5,041,953	\$ 10,329,274	\$ 827,132	\$ 4,186,136	\$ 5,355,022
Payments to suppliers for services	(7,608,475)	(3,207,940)	(2,526,108)	(816,105)	(1,254,128)	(3,144,906)
Payments to employees	(2,991,375)	(1,686,194)	(5,581,657)	141,946	(3,221,414)	(37,958)
Payment for taxes - city and state	-	(145,994)	-	-	-	-
Other receipts (payments)	2,892	-	4,746	-	280	10,341
Net cash provided (used) by operating activities	<u>2,537,432</u>	<u>1,825</u>	<u>2,226,255</u>	<u>152,973</u>	<u>(289,126)</u>	<u>2,182,499</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in (out)	-	-	-	-	-	(86)
Net cash provided (used) by noncapital financing activities	-	-	-	-	-	(86)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from disposal of capital assets	175,027	-	-	-	-	-
Proceeds from loans, notes, and lease purchase payable	-	-	-	-	-	-
Acquisition and construction of capital assets	(1,579,723)	-	(819,536)	-	-	-
Principal paid on interfund loans	-	-	-	-	-	-
Interest paid on interfund loans	-	-	-	-	-	-
Transfers in (out)	(563,968)	(2,156)	-	-	(601)	-
Net cash provided (used) by capital and related financing activities	<u>(1,968,664)</u>	<u>(2,156)</u>	<u>(819,536)</u>	<u>-</u>	<u>(601)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investments	(2,224,712)	(196,323)	(5,237,617)	(175,970)	(184,525)	(3,258,483)
Proceeds from sales and maturities of investments	6,405	-	10,369	-	250,623	877,798
Interest received	3,086	3	4,933	-	6,830	17,307
Net cash provided (used) by investing activities	<u>(2,215,221)</u>	<u>(196,320)</u>	<u>(5,222,315)</u>	<u>(175,970)</u>	<u>72,928</u>	<u>(2,363,378)</u>
Net increase (decrease) in cash and cash equivalents	(1,646,453)	(196,651)	(3,815,596)	(22,997)	(216,799)	(180,965)
Cash and cash equivalents - January 1	2,158,726	242,022	5,021,387	63,664	271,181	505,182
Cash and cash equivalents - December 31	<u>\$ 512,273</u>	<u>\$ 45,371</u>	<u>\$ 1,205,791</u>	<u>\$ 40,667</u>	<u>\$ 54,382</u>	<u>\$ 324,217</u>
CASH FLOWS FROM OPERATING ACTIVITIES						
Operating Income (Loss)	591,532	(57,755)	734,087	(390,702)	(756,556)	2,224,798
Adjustments to Reconcile Operating Income						
Depreciation	2,092,151	15,691	1,479,694	30,882	-	-
Prior period adjustment/fund balance restatement	2,892	-	4,746	-	280	10,341
Change in accounting principle	-	-	-	-	-	-
Other revenues (expenses)	27,449	2,725	70,102	-	152,320	(25)
Change in Assets: Decrease (Increase)						
Receivables, net of allowance	(128,021)	(498,962)	2,019	65,765	(75,903)	(100)
Deposits with fiscal agents	-	-	-	-	-	-
Inventories	(113,104)	-	-	2,617	-	-
Prepayments	-	-	(71,857)	-	-	-
Change in Deferred Outflow: Decrease (Increase)						
	(417,044)	(198,763)	(1,147,765)	360,352	823,961	17,750
Change in Liabilities: Increase (Decrease)						
Payables	813,928	738,889	2,121,984	84,059	(294,747)	(70,265)
Change in Deferred Inflows: Increase (Decrease)						
	(332,351)	-	(966,755)	-	(138,481)	-
Net Cash provided (used) by operating activities	<u>\$ 2,537,432</u>	<u>\$ 1,825</u>	<u>\$ 2,226,255</u>	<u>\$ 152,973</u>	<u>\$ (289,126)</u>	<u>\$ 2,182,499</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES						
Contributions of capital assets	-	-	179,400	-	-	-

**Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended December 31, 2016**

	concluded				
	Workers' Compensation	Unemployment Insurance	Employee Benefits	Property Acquisition	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 4,807,046	\$ 550,001	\$ 35,867,517	\$ 2,395,259	\$ 82,493,730
Payments to suppliers for services	(4,949,283)	(338,948)	(34,239,582)	(924,076)	(59,009,551)
Payments to employees	(522,322)	(19,579)	(284,039)	(1,810,527)	(16,013,119)
Payment for taxes - city and state	-	-	-	-	(145,994)
Other receipts (payments)	13,525	1,028	20,819	3,801	57,432
Net cash provided (used) by operating activities	(651,034)	192,502	1,364,715	(335,543)	7,382,498
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in (out)	-	-	-	3,556,000	3,555,914
Net cash provided (used) by noncapital financing activities	-	-	-	3,556,000	3,555,914
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from disposal of capital assets	-	-	-	-	175,027
Proceeds from loans, notes, and lease purchase payable	-	-	-	5,085,553	5,085,553
Acquisition and construction of capital assets	-	-	-	(7,530,627)	(9,929,886)
Principal paid on loans	-	-	-	(8,830,465)	(8,830,465)
Interest paid on interfund loans	-	-	-	(718,995)	(718,995)
Transfers in (out)	-	-	-	(2,665,612)	(3,232,337)
Net cash provided (used) by capital and related financing activities	-	-	-	(14,660,146)	(17,451,103)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of investments	(2,644,722)	(356,400)	(2,765,252)	(6,338,296)	(23,382,300)
Proceeds from sales and maturities of investments	3,076,367	2,312	547,029	5,418,869	10,189,772
Interest received	11,037	1,175	23,049	3,944	71,364
Net cash provided (used) by investing activities	442,682	(352,913)	(2,195,174)	(915,483)	(13,121,164)
Net increase (decrease) in cash and cash equivalents	(208,352)	(160,411)	(830,459)	(12,355,172)	(19,633,855)
Cash and cash equivalents - January 1	287,803	195,512	1,101,855	13,816,265	23,663,597
Cash and cash equivalents - December 31	\$ 79,451	\$ 35,101	\$ 271,396	\$ 1,461,093	\$ 4,029,742
CASH FLOWS FROM OPERATING ACTIVITIES					
Operating Income (Loss)	(2,207,449)	214,011	1,365,317	(1,648,373)	68,910
Adjustments to Reconcile Operating Income					
Depreciation	-	-	-	1,285,967	4,904,385
Prior period adjustment/fund balance restatement	13,525	1,028	20,819	3,801	57,432
Change in accounting principle	-	-	-	-	-
Other revenues(expense)	-	-	81,392	334,234	668,197
Change in Assets: Decrease (Increase)					
Receivables, net of allowance	(1,198)	-	(2,177)	444,122	(194,455)
Deposits with fiscal agents	9,535	-	(1,012)	(7,880)	643
Inventories	-	-	-	-	(110,487)
Prepayments	-	-	-	-	(71,857)
Change in Deferred Outflows: Decrease (Increase)	(76,620)	(151)	(24,037)	(85,082)	(747,399)
Change in Liabilities: Increase (Decrease)					
Payables	1,646,343	(11,484)	(75,587)	245,411	5,198,531
Change in Deferred Inflows: Increase (Decrease)	(35,170)	(10,902)	-	(907,743)	(2,391,402)
Net Cash provided (used) by operating activities	\$ (651,034)	\$ 192,502	\$ 1,364,715	\$ (335,543)	\$ 7,382,498
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Contributions of capital assets	\$ -	\$ -	\$ -	\$ 20,927	\$ 200,327

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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 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.

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.

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.

EMS Program Director Fund

The EMS Program Director Fund provides a cost sharing mechanism for funding the office of emergency medical services program director.

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, 2016

	Employees' Retirement	Firefighters' Pension	Firefighters' OPEB	Police Pension
ASSETS				
Cash	\$ 247,764	\$ 80,384	\$ 70,357	\$ 428,506
Short term investments	955,792	159,553	139,651	-
Receivables:				
Interest and dividends	190,309	68,861	60,272	-
Taxes receivable	-	-	-	300,000
Other receivables	748	31	28	50
Total Receivables	191,057	68,892	60,300	300,050
Investments, noncurrent, at fair value:				
U.S. fixed income	42,647,067	15,567,297	13,625,410	-
International/global fixed income	826,120	369,203	323,146	-
U.S. equities	87,529,212	-	-	-
Real estate	23,739,250	-	-	-
International equities	56,796,776	-	-	-
Alternatives	64,250,771	-	-	-
Total investments, noncurrent	275,789,196	15,936,500	13,948,556	-
Capital assets:				
Software	352,980	36,925	34,625	52,470
Other improvements	17,539	-	-	-
Less accumulated depreciation/amortization	(105,784)	(8,309)	(9,578)	(13,118)
Total capital assets	264,735	28,616	25,047	39,352
Total Assets	277,448,544	16,273,945	14,243,911	767,908
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	-	-	-	-
Total Assets and Deferred Outflows of Resources	277,448,544	16,273,945	14,243,911	767,908
LIABILITIES				
Current liabilities:				
Accounts/vouchers payable	70,475	8,283	82,759	17
Due to other governments	751	-	-	-
Compensated absences	16,320	-	-	-
Other accrued liabilities	17,017	-	-	-
Other current liabilities	12,200	2,613	195,050	4,539
Total current liabilities	116,763	10,896	277,809	4,556
Noncurrent liabilities:				
Total noncurrent liabilities	-	-	-	-
Total Liabilities	116,763	10,896	277,809	4,556
DEFERRED INFLOWS OF RESOURCES				
Total Deferred Inflows of Resources	-	-	-	-
Total Liabilities plus Deferred Inflows of Resources	116,763	10,896	277,809	4,556
NET POSITION				
Held in trust for pension benefits	277,331,781	16,263,049	13,966,102	763,352
Total Net Position	277,331,781	16,263,049	13,966,102	763,352
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 277,448,544	\$ 16,273,945	\$ 14,243,911	\$ 767,908

City of Spokane, Washington
Combining Statement of Plan Net Position
Pension Funds
December 31, 2016
(Continued)

	Police OPEB	Total
ASSETS		
Cash	\$ 69,675	\$ 896,686
Short term investments	-	1,254,996
Receivables:		
Interest and dividends	-	319,442
Taxes receivable	-	300,000
Other receivables	-	857
Total Receivables	-	620,299
Investments, noncurrent, at fair value:		
U.S. fixed income	-	71,839,774
International/global fixed income	-	1,518,469
U.S. equities	-	87,529,212
Real estate	-	23,739,250
International equities	-	56,796,776
Alternatives	-	64,250,771
Total investments, noncurrent	-	305,674,252
Capital assets:		
Software	-	477,000
Other improvements	-	17,539
Less accumulated depreciation/amortization	-	(136,789)
Total capital assets	-	357,750
Total Assets	69,675	308,803,983
DEFERRED OUTFLOWS OF RESOURCES		
Total deferred outflows of resources	-	-
Total Assets and Deferred Outflows of Resources	69,675	308,803,983
LIABILITIES		
Current liabilities:		
Accounts/vouchers payable	58,376	219,910
Due to other governments	-	751
Compensated absences	-	16,320
Other accrued liabilities	-	17,017
Other current liabilities	11,299	225,701
Total current liabilities	69,675	479,699
Noncurrent liabilities:		
Total noncurrent liabilities	-	-
Total Liabilities	69,675	479,699
DEFERRED INFLOWS OF RESOURCES		
Total Deferred Inflows of Resources	-	-
Total Liabilities plus Deferred Inflows of Resources	69,675	479,699
NET POSITION		
Held in trust for pension benefits	-	308,324,284
Total Net Position	-	308,324,284
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 69,675	\$ 308,803,983

City of Spokane, Washington
Combining Statement of Changes in Plan Net Position
Pension Funds
For the Fiscal Year Ended December 31, 2016

	Employees' Retirement	Firefighters' Pension	Firefighters' OPEB	Police Pension
ADDITIONS				
Contributions:				
Employer	\$ 7,586,362	\$ 1,860,488	\$ 2,631,043	\$ 784,373
Plan members	7,586,362	-	-	-
Intergovernmental revenue	-	281,775	-	-
Medicare retiree drug subsidy	-	-	146,627	-
Miscellaneous	-	10,506	-	-
Total Contributions	15,172,724	2,152,769	2,777,670	784,373
Investment Income:				
Net increase in fair value of investments	11,110,583	(40,216)	(35,948)	-
Interest and dividends	6,072,656	334,795	299,271	-
Less: Investment expense	(380,965)	(42,213)	(42,212)	-
Net investment income (loss)	16,802,274	252,366	221,111	-
Total Additions	31,974,998	2,405,135	2,998,781	784,373
DEDUCTIONS				
Pension Benefits	25,737,515	1,170,687	-	618,629
Medical and dental benefits	-	-	2,770,305	-
Pension refunds	729,741	-	-	-
Medical and dental administration	-	-	238,617	-
Administrative expenses	477,252	15,482	38,356	17,458
Total Deductions	26,944,508	1,186,169	3,047,278	636,087
Net Increase (Decrease)	5,030,490	1,218,966	(48,497)	148,286
Net Position - beginning	272,301,291	15,044,083	14,014,599	615,066
Net Position - ending	\$ 277,331,781	\$ 16,263,049	\$ 13,966,102	\$ 763,352

City of Spokane, Washington
Combining Statement of Changes in Plan Net Position
Pension Funds
For the Fiscal Year Ended December 31, 2016
(Continued)

	Police OPEB	Total
ADDITIONS		
Contributions:		
Employer	\$ 2,590,627	\$ 15,452,893
Plan members	-	7,586,362
Intergovernmental revenue	-	281,775
Medicare retiree drug subsidy	103,669	250,296
Miscellaneous	9,059	19,565
Total Contributions	2,703,355	23,590,891
Investment Income:		
Net increase in fair value of investments	-	11,034,419
Interest and dividends	-	6,706,722
Less: Investment expense	-	(465,390)
Net investment income (loss)	-	17,275,751
Total Additions	2,703,355	40,866,642
DEDUCTIONS		
Pension Benefits	-	27,526,831
Medical and dental benefits	2,473,394	5,243,699
Pension refunds	-	729,741
Medical and dental administration	192,907	431,524
Administrative expenses	37,054	585,602
Total Deductions	2,703,355	34,517,397
Net Increase (Decrease)	-	6,349,245
Net Position - beginning	-	301,975,039
Net Position - ending	\$ -	\$ 308,324,284

**Combining Statement of Changes in Net Position
Agency Funds
For the Fiscal Year Ended December 31, 2016**

continued

	Balance	January 1, 2016	Additions	Deductions	Balance December 31, 2016
Parking and Business Improvement District					
ASSETS					
Cash and equivalents	\$	26,652	\$ 1,089,768	\$ (1,102,584)	\$ 13,836
Due from other governments		8,555	-	-	8,555
Total Assets	\$	35,207	\$ 1,089,768	\$ (1,102,584)	\$ 22,391
LIABILITIES					
Accounts/vouchers payable	\$	-	\$ 3,281	\$ -	\$ 3,281
Due to other governments		9,665	269,807	(260,495)	18,977
Accrued liabilities		415	-	(415)	-
Other current liabilities		25,127	928,461	(953,455)	133
Total Liabilities	\$	35,207	\$ 1,201,549	\$ (1,214,365)	\$ 22,391
Spokane Regional Transportation Council					
ASSETS					
Cash and equivalents	\$	446,320	\$ 1,329,920	\$ (1,426,157)	\$ 350,083
Due from other governments		1,092	94,102	(1,092)	94,102
Other receivables		1,040	-	(1,040)	-
Total Assets	\$	448,452	\$ 1,424,022	\$ (1,428,289)	\$ 444,185
LIABILITIES					
Accounts/vouchers payable	\$	-	\$ 134	\$ -	\$ 134
Due to other governments		445,152	192,346	(196,489)	441,009
Other current liabilities		3,300	51,321	(51,579)	3,042
Total Liabilities	\$	448,452	\$ 243,801	\$ (248,068)	\$ 444,185
Salary Clearing					
ASSETS					
Cash and equivalents	\$	112,288	\$ 194,707,660	\$ (194,670,177)	\$ 149,771
Due from other governments	\$	-	11,158	-	11,158
Other receivables		-	-	-	-
Total Assets	\$	112,288	\$ 194,718,818	\$ (194,670,177)	\$ 160,929
LIABILITIES					
Warrants payable	\$	112,288	\$ 48,641	\$ -	\$ 160,929
Accounts/vouchers payable		-	-	-	-
Total Liabilities	\$	112,288	\$ 48,641	\$ -	\$ 160,929

**Combining Statement of Changes in Net Position
Agency Funds
For the Fiscal Year Ended December 31, 2016**

	Balance	January 1, 2016	Additions	Deductions	Balance December 31, 2016	concluded
Claims Clearing						
ASSETS						
Cash and equivalents	\$	2,918,323	\$ 337,329,973	\$ (336,370,610)	\$	3,877,686
Other receivables		-	-	-		-
Total Assets	\$	2,918,323	\$ 337,329,973	\$ (336,370,610)	\$	3,877,686
LIABILITIES						
Warrants payable	\$	2,913,046	\$ 964,640	\$ -	\$	3,877,686
Accounts/vouchers payable		5,277	-	(5,277)		-
Total Liabilities	\$	2,918,323	\$ 964,640	\$ (5,277)	\$	3,877,686
Fiscal Agency						
ASSETS						
Cash and equivalents	\$	5,000	\$ 26,919,377	\$ (26,924,377)	\$	-
Total Assets	\$	5,000	\$ 26,919,377	\$ (26,924,377)	\$	-
LIABILITIES						
Other long-term liabilities	\$	5,000	\$ -	\$ (5,000)	\$	-
Total Liabilities	\$	5,000	\$ -	\$ (5,000)	\$	-
Total - All Agency Funds						
ASSETS						
Cash and equivalents	\$	3,508,583	\$ 561,376,698	\$ (560,493,905)	\$	4,391,376
Equity in pooled investments		-	-	-		-
Due from other governments		9,647	105,260	(1,092)		113,815
Interest receivable		-	-	-		-
Other receivables		1,040	-	(1,040)		-
Other LT receivables		-	-	-		-
Total Assets	\$	3,519,270	\$ 561,481,958	\$ (560,496,037)	\$	4,505,191
LIABILITIES						
Warrants payable	\$	3,025,334	\$ 1,013,281	\$ -	\$	4,038,615
Accounts/vouchers payable		5,277	3,415	(5,277)		3,415
Due to other governments		454,817	462,153	(456,984)		459,986
Other current liabilities		415	-	(415)		-
Other long-term liabilities		33,427	979,782	(1,010,034)		3,175
Total Liabilities	\$	3,519,270	\$ 2,458,631	\$ (1,472,710)	\$	4,505,191

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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.

Financial Trends

Schedule 1 - Net Position by Component

Last Ten Fiscal Years (expressed in thousands)
(accrual basis of accounting)

continued

	2016	2015	2014	2013	2012
GOVERNMENTAL ACTIVITIES					
Net investment in capital assets	\$ 1,410,134	\$ 1,402,474	\$ 1,416,828	\$ 1,433,814	\$ 1,439,429
Restricted	66,069	138,153	73,800	73,990	89,631
Unrestricted	(72,348)	(119,990)	11,643	19,413	1,159
Total governmental activities net position	1,403,855	1,420,637	1,502,271	1,527,218	1,530,219
BUSINESS-TYPE ACTIVITIES					
Net investment in capital assets	625,227	638,845	611,627	601,683	610,788
Restricted ¹	-	198,484	-	-	13,471
Unrestricted	87,249	(134,601)	152,948	139,665	112,650
Total business-type activities net position	712,476	702,728	764,575	741,348	736,909
PRIMARY GOVERNMENT					
Net investment in capital assets	2,035,362	2,041,319	2,028,455	2,035,497	2,050,217
Restricted	66,069	336,637	73,800	73,990	103,102
Unrestricted	14,901	(254,591)	164,591	159,079	113,809
Total primary government net position	\$ 2,116,332	\$ 2,123,365	\$ 2,266,846	\$ 2,268,567	\$ 2,267,128

Source: City of Spokane Accounting

¹No restriction of fund balance is necessary since the assets are restricted in 2013. Years 2006-2012 have not been restated.

Financial Trends

Schedule 1 - Net Position by Component

Last Ten Fiscal Years (expressed in thousands)
(accrual basis of accounting)

	concluded				
	2011	2010	2009	2008	2007
GOVERNMENTAL ACTIVITIES					
Net investment in capital assets	\$ 1,440,486	\$ 1,421,894	\$ 1,422,123	\$ 1,410,639	\$ 1,398,671
Restricted	100,547	15,165	10,258	9,536	28,468
Unrestricted	(3,362)	107,043	107,886	115,200	93,227
Total governmental activities net position	1,537,671	1,544,102	1,540,267	1,535,375	1,520,366
BUSINESS-TYPE ACTIVITIES					
Net investment in capital assets	584,615	530,846	500,752	463,217	436,018
Restricted ¹	14,632	32,148	23,704	24,591	25,372
Unrestricted	121,040	103,891	135,150	156,400	149,153
Total business-type activities net position	720,287	666,885	659,606	644,208	610,543
PRIMARY GOVERNMENT					
Net investment in capital assets	2,025,101	1,952,740	1,922,875	1,873,856	1,834,689
Restricted	115,179	47,313	33,962	34,127	53,840
Unrestricted	117,678	210,934	243,036	271,600	242,380
Total primary government net position	\$ 2,257,958	\$ 2,210,987	\$ 2,199,873	\$ 2,179,583	\$ 2,130,909

Source: City of Spokane Accounting

¹No restriction of fund balance is necessary since the assets are restricted in 2013. Years 2006-2012 have not been restated.

Financial Trends

Schedule 2 - Changes in Net PositionLast Ten Fiscal Years (expressed in thousands)
(accrual basis of accounting)

continued

	2016	2015	2014	2013	2012
EXPENSES					
Governmental activities:					
General government	\$ 29,485	\$ 29,337	\$ 24,501	\$ 15,181	\$ 28,092
Judicial	4,718	4,288	4,212	6,700	7,451
Public safety	121,662	116,943	112,592	109,027	114,361
Utilities environment ¹	-	-	-	-	-
Transportation	48,962	53,900	46,604	48,666	42,310
Economic environment	12,696	11,449	19,235	22,153	20,303
Social services ⁴	9,563	8,806	99	118	497
Culture and recreation	31,588	31,333	31,201	29,133	37,314
Interest on long-term debt	7,938	8,876	7,358	7,995	8,342
Total governmental activities expenses	266,612	264,932	245,801	238,972	258,670
Business-type activities:					
Water/Sewer ²	119,550	113,586	103,104	97,160	97,360
Solid Waste	75,371	68,143	75,335	74,174	73,192
Other business-type activities	10,825	9,897	8,851	8,607	6,722
Total business-type activities expenses	205,746	191,626	187,290	179,941	177,274
Total primary government expenses	\$ 472,358	\$ 456,558	\$ 433,091	\$ 418,914	\$ 435,944
PROGRAM REVENUES					
Governmental activities:					
General government	\$ 7,617	\$ 10,819	\$ 12,498	\$ 14,697	\$ 16,753
Judicial	2,938	3,097	4,257	5,645	7,385
Public safety	10,570	10,852	7,359	5,561	3,495
Utilities environment ¹	-	-	-	-	-
Transportation	11,454	6,112	1,221	2,500	421
Economic environment	77	209	1,412	1,866	8,075
Social services ⁴	1,062	979	414	282	(4,745)
Culture and recreation	5,514	5,952	3,565	1,472	3,382
Operating grants and contributions	12,355	11,603	11,286	16,159	19,280
Capital grants and contributions	10,282	8,395	10,232	7,269	11,296
Total governmental activities program revenues	61,869	58,018	52,243	55,451	65,342
Business-type activities:					
Charges for services:					
Water/Sewer ²	130,505	126,426	122,389	116,964	114,078
Solid Waste	65,277	59,655	69,409	68,986	67,308
Other business-type activities	10,810	9,344	7,871	9,172	6,617
Operating grants and contributions	143	101	859	-	-
Capital grants and contributions	8,982	9,553	13,043	5,419	7,486
Total business-type activities program revenues	215,717	205,078	213,570	200,540	195,489
Total primary government program revenues	\$ 277,586	\$ 263,096	\$ 265,813	\$ 255,992	\$ 260,831
NET (EXPENSE)/REVENUE					
Governmental activities	(204,743)	(206,914)	(193,558)	(183,521)	(193,328)
Business-type activities	9,971	13,452	26,280	20,599	18,215
Total primary government net expense	\$ (194,772)	\$ (193,462)	\$ (167,278)	\$ (162,922)	\$ (175,113)

¹Utilities environment previously classified as physical environment.²Water and Sewer merged in 2013. Prior years restated.³Human Services Grant Fund reclassified from economic environment to social services in 2015.

Source: City of Spokane Accounting

Financial Trends

Schedule 2 - Changes in Net PositionLast Ten Fiscal Years (expressed in thousands)
(accrual basis of accounting)

	concluded				
	2011	2010	2009	2008	2007
EXPENSES					
Governmental activities:					
General government	\$ 14,785	\$ 16,002	\$ 15,036	\$ 11,147	\$ 19,753
Judicial	6,947	6,810	6,777	6,640	5,909
Public safety	108,308	103,314	102,973	99,769	93,939
Utilities environment ¹	1,985	2,774	3,067	2,762	2,584
Transportation	48,458	44,945	47,564	39,221	37,481
Economic environment	24,571	25,734	23,165	20,238	23,607
Social services ⁴	105	93	93	83	95
Culture and recreation	30,365	25,852	25,378	25,125	21,276
Interest on long-term debt	8,770	7,921	8,758	8,201	6,588
Total governmental activities expenses	244,294	233,445	232,811	213,186	211,232
Business-type activities:					
Water/Sewer ²	92,449	86,263	84,974	74,399	69,444
Solid Waste	67,941	77,426	71,101	68,911	63,682
Other business-type activities	6,651	6,480	6,530	6,747	7,508
Total business-type activities expenses	167,041	170,169	162,605	150,057	140,634
Total primary government expenses	\$ 411,335	\$ 403,614	\$ 395,416	\$ 363,243	\$ 351,866
PROGRAM REVENUES					
Governmental activities:					
General government	\$ 11,653	\$ 11,505	\$ 11,371	\$ 8,945	\$ 7,986
Judicial	4,007	4,803	4,151	3,266	3,124
Public safety	4,708	4,556	5,942	5,867	5,191
Utilities environment ¹	637	482	165	73	139
Transportation	3,199	4,382	3,262	6,199	3,095
Economic environment	2,553	759	1,087	1,172	642
Social services ⁴	129	57	123	104	108
Culture and recreation	2,968	3,187	3,377	3,644	3,637
Operating grants and contributions	16,762	20,640	20,170	14,802	12,647
Capital grants and contributions	18,335	20,860	23,121	15,416	10,069
Total governmental activities program revenues	64,951	71,231	72,769	59,488	46,638
Business-type activities:					
Charges for services:					
Water/Sewer ²	108,390	93,643	89,888	87,303	87,500
Solid Waste	70,944	71,918	70,411	68,680	70,054
Other business-type activities	6,140	6,301	6,028	6,172	6,972
Operating grants and contributions	-	804	249	928	191
Capital grants and contributions	6,677	5,927	7,476	15,014	11,725
Total business-type activities program revenues	192,151	178,593	174,052	178,097	176,442
Total primary government program revenues	\$ 257,102	\$ 249,824	\$ 246,821	\$ 237,585	\$ 223,080
NET (EXPENSE)/REVENUE					
Governmental activities	(179,343)	(162,214)	(160,042)	(153,698)	(164,594)
Business-type activities	25,110	8,424	11,447	28,040	35,808
Total primary government net expense	\$ (154,233)	\$ (153,790)	\$ (148,595)	\$ (125,658)	\$ (128,786)

¹Utilities environment previously classified as physical environment.²Water and Sewer merged in 2013. Prior years restated.³Human Services Grant Fund reclassified from economic environment to social services in 2015.

Source: City of Spokane Accounting

Financial Trends

Schedule 2 - Changes in Net Position

Last Ten Fiscal Years (expressed in thousands)
(accrual basis of accounting)

	continued				
	2016	2015	2014	2013	2012
GENERAL REVENUES & OTHER CHANGES IN NET POSITION					
Governmental activities:					
Property taxes	\$ 69,787	\$ 68,893	\$ 65,833	\$ 63,701	\$ 63,450
Sales taxes	53,231	50,176	48,086	44,871	41,478
Utility taxes	59,884	59,521	58,461	55,400	57,584
Other taxes	16,588	15,933	13,993	13,868	12,759
Interest and investment earnings	(1,033)	6,335	5,539	1,472	3,938
Transfers	62	7,155	203	49	17
Total governmental activities	198,519	208,013	192,115	179,361	179,226
Business-type activities:					
Interest and investment earnings	264	1,259	646	(859)	1,232
Disposition of capital assets	-	-	-	-	-
Transfers	(62)	(7,155)	(203)	(49)	(17)
Total business-type activities	202	(5,896)	443	(909)	1,215
Total primary government	\$ 198,721	\$ 202,117	\$ 192,558	\$ 178,452	\$ 180,441
CHANGE IN NET POSITION					
Governmental activities	(6,224)	1,099	(1,443)	(4,160)	(14,102)
Business-type activities	10,173	7,557	26,723	19,690	19,430
Total primary government	\$ 3,949	\$ 8,656	\$ 25,280	\$ 15,531	\$ 5,328

Source: City of Spokane Accounting

Financial Trends

Schedule 2 - Changes in Net Position

Last Ten Fiscal Years (expressed in thousands)
(accrual basis of accounting)

	concluded				
	2011	2010	2009	2008	2007
GENERAL REVENUES & OTHER CHANGES IN NET POSITION					
Governmental activities:					
Property taxes	\$ 60,900	\$ 57,616	\$ 53,022	\$ 48,873	\$ 53,472
Sales taxes	37,559	36,990	35,403	37,999	31,797
Utility taxes	57,213	52,716	54,437	53,204	46,884
Other taxes	11,704	13,144	12,859	14,241	15,228
Interest and investment earnings	3,304	5,655	6,319	10,019	9,304
Transfers	439	(220)	52	10	(1,173)
Total governmental activities	171,119	165,901	162,092	164,346	155,512
Business-type activities:					
Interest and investment earnings	928	1,816	2,007	6,409	8,071
Disposition of capital assets	-	-	-	-	-
Transfers	(439)	220	(52)	(10)	1,173
Total business-type activities	489	2,036	1,955	6,399	9,244
Total primary government	\$ 171,608	\$ 167,937	\$ 164,047	\$ 170,745	\$ 164,756
CHANGE IN NET POSITION					
Governmental activities	(8,224)	3,687	2,050	10,648	(9,082)
Business-type activities	25,599	10,460	13,402	34,439	45,052
Total primary government	\$ 17,375	\$ 14,147	\$ 15,452	\$ 45,087	\$ 35,970

Source: City of Spokane Accounting

Financial Trends

Schedule 3 -Fund Balance, Governmental Funds

Last Ten Fiscal Years (expressed in thousands)
(modified accrual basis of accounting)

	continued				
	2016	2015	2014	2013	2012
GENERAL FUND					
Nonspendable	1,286	932	713	994	979
Restricted	608	612	643	637	704
Committed	2,867	16,102	15,223	15,014	16,016
Assigned	17,100	3,687	4,517	2,682	2,974
Unassigned	19,049	19,967	17,992	16,291	17,837
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Total general fund	40,909	41,300	39,088	35,618	38,510
ALL OTHER GOVERNMENTAL FUNDS					
Nonspendable	-	7,259	2,678	4,288	3,800
Restricted	120,994	137,541	73,157	73,353	88,927
Committed	21,928	13,892	18,835	16,206	16,185
Assigned	5,585	5,928	1,278	13,429	8,269
Unassigned	-	-	-	-	(4,896)
Reserved	-	-	-	-	-
Unreserved	-	-	-	-	-
Total All Other Governmental Funds	148,507	164,620	95,948	107,276	112,285
Total governmental funds	189,417	205,920	135,036	142,894	150,795

Source: City of Spokane Accounting

Financial Trends

Schedule 3 -Fund Balance, Governmental Funds

Last Ten Fiscal Years (expressed in thousands)
(modified accrual basis of accounting)

	concluded				
	2011	2010	2009	2008	2007
GENERAL FUND					
Nonspendable	1,062	N/A	N/A	N/A	N/A
Restricted	38	N/A	N/A	N/A	N/A
Committed	15,330	N/A	N/A	N/A	N/A
Assigned	3,061	N/A	N/A	N/A	N/A
Unassigned	15,797	N/A	N/A	N/A	N/A
Reserved	-	-	-	-	-
Unreserved	-	36,766	35,991	35,528	33,581
Total general fund	35,288	36,766	35,991	35,528	33,581
ALL OTHER GOVERNMENTAL FUNDS					
Nonspendable	-	N/A	N/A	N/A	N/A
Restricted	96,511	N/A	N/A	N/A	N/A
Committed	12,803	N/A	N/A	N/A	N/A
Assigned	14,876	N/A	N/A	N/A	N/A
Unassigned	(2,094)	N/A	N/A	N/A	N/A
Reserved	-	36,845	31,416	30,333	1,504
Unreserved	-	101,635	86,810	130,099	106,973
Total All Other Governmental Funds	122,096	138,480	118,226	160,432	108,477
Total governmental funds	157,384	175,246	154,217	195,960	142,058

Source: City of Spokane Accounting

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				
	2016	2015	2014 Restated	2013	2012
REVENUES					
Taxes:					
Property taxes	\$ 69,196	\$ 69,188	\$ 65,714	\$ 62,678	\$ 63,262
Sales taxes	53,232	50,176	48,086	44,871	41,478
Utility taxes	59,884	59,521	58,461	48,869	57,584
Other taxes	6,979	6,632	5,719	13,868	3,760
Total taxes	189,291	185,518	177,979	170,286	166,084
Licenses, permits, and fees	7,607	7,307	7,086	6,929	6,598
Intergovernmental	37,500	35,427	35,012	35,407	42,828
Charges for services	33,651	27,263	26,024	25,711	28,200
Fines and forfeitures	7,783	4,913	5,455	4,843	4,755
Miscellaneous	3,476	11,526	10,174	6,672	10,388
Total revenues	279,308	271,954	261,730	249,848	258,853
EXPENDITURES					
General government	40,139	39,414	38,295	30,566	32,089
Public safety	122,115	122,152	115,659	111,634	110,783
Utilities environment ¹	-	-	-	-	11,749
Transportation	28,823	26,207	25,875	27,778	20,594
Economic environment ²	13,126	10,876	19,350	21,536	23,434
Social services ²	9,311	8,783	99	118	108
Culture and recreation	25,158	24,964	24,869	23,257	24,918
Capital outlay	34,368	23,852	22,829	27,266	27,205
Debt service:					
Principal	5,814	6,035	14,882	11,135	11,183
Interest	7,938	8,876	7,219	7,762	8,416
Total expenditures	286,793	271,159	269,077	261,052	270,479
Excess revenues over (under) expenditures	(7,485)	795	(7,347)	(11,204)	(11,626)
OTHER FINANCING SOURCES (USES)					
Long term debt issued	-	60,070	-	-	-
Refunding debt issued	16,167	48,305	-	-	-
Premium on debt issuance	-	7,508	-	-	-
Sale of capital assets	406	210	651	2,316	6,148
Collection of revolving loans	-	-	-	-	-
Other nonrevenues	-	-	-	-	-
Payment to escrow agent for refunded debt	(16,338)	(49,778)	-	-	-
Transfers in	36,053	42,250	41,724	33,529	36,487
Transfers out	(36,350)	(38,598)	(43,194)	(37,463)	(36,314)
Total other financing sources (uses)	(62)	69,967	(819)	(1,617)	6,321
OTHER CHANGES IN FUND BALANCE					
Prior period adjustment	(8,956)	123	420	33	(1,283)
Net change in fund balance	\$ (16,503)	\$ 70,885	\$ (7,746)	\$ (12,789)	\$ (6,588)
Debt service as a percentage of noncapital expenditures (as restated)	5.45%	6.03%	8.98%	8.08%	8.06%

¹Utilities environment includes items previously classified as physical environment.²Human Services Grant Fund reclassified from economic environment to social services in 2015.

Source: City of Spokane Accounting

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				
	2011	2010	2009	2008	2007
REVENUES					
Taxes:					
Property taxes	\$ 60,885	\$ 57,156	\$ 53,120	\$ 48,573	\$ 53,634
Retail sales and use taxes	35,806	35,298	35,403	37,999	39,188
Business taxes	57,213	52,716	54,437	53,204	46,884
Other taxes	2,977	4,684	4,997	6,463	8,278
Total Taxes	156,881	149,854	147,957	146,239	147,984
Licenses, permits, and fees	6,803	7,038	6,220	6,251	5,843
Intergovernmental	41,836	48,131	51,302	37,971	33,025
Charges for services	26,915	25,404	24,716	21,524	17,760
Fines and forfeitures	4,421	5,131	4,249	3,609	3,448
Miscellaneous	9,244	9,997	11,977	14,047	12,486
Total revenues	246,100	245,555	246,421	229,641	220,546
EXPENDITURES					
General government	27,082	28,890	24,798	22,265	20,520
Public safety	103,061	101,099	100,084	98,301	93,344
Utilities and environment ¹	11,181	10,479	10,386	8,927	6,971
Transportation	18,931	18,565	19,357	20,689	17,361
Economic environment ²	23,101	23,328	22,384	20,054	23,562
Social services ²	105	107	107	83	95
Culture and recreation	23,816	22,515	22,629	20,994	19,779
Capital outlay	37,502	48,684	69,513	39,707	26,454
Debt service:					
Principal	10,938	11,838	11,208	13,729	28,920
Interest	8,747	7,447	8,276	6,935	5,435
Total expenditures	264,464	272,952	288,742	251,684	242,441
Excess revenues over (under) expenditures	(18,364)	(27,397)	(42,321)	(22,043)	(21,895)
OTHER FINANCING SOURCES (USES)					
Long term debt issued	-	45,070	-	43,900	60,508
Refunding debt issued	-	-	-	-	-
Premium on debt issuance	-	922	-	745	-
Sale of capital assets	3,194	169	709	787	733
Collection of revolving loans	-	-	-	-	2,298
Other nonrevenues	-	-	9	-	-
Payment to escrow agent for refunded debt	-	-	-	-	-
Transfers in	39,583	42,232	44,413	48,555	37,665
Transfers out	(40,112)	(42,275)	(44,313)	(49,073)	(38,955)
Total other financing sources (uses)	2,665	46,118	818	44,914	62,249
OTHER CHANGES IN FUND BALANCE					
Prior period adjustment	(2,163)	2,307	(239)	31,032	8,606
Net change in fund balance	\$ (17,862)	\$ 21,028	\$ (41,742)	\$ 53,903	\$ 48,960
Debt service as a percentage of noncapital expenditures (as restated)	8.67%	8.60%	8.89%	9.75%	15.91%

¹Utilities environment includes items previously classified as physical environment.

²Human Services Grant Fund reclassified from economic environment to social services in 2015.

Source: City of Spokane Accounting

Schedule 5 - Governmental Activities Tax Revenue by Source

Last Ten Fiscal Years (expressed in thousand)

Function	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Property Taxes	69,196.0	68,986.0	65,713.2	63,117.3	63,262.2	60,885.0	57,156.1	53,120.1	48,572.9	53,634.0
Sales Taxes	53,232.0	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
Utility Taxes	59,884.0	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
Other Taxes	6,979.0	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
Total	189,291.0	185,316.6	177,979.0	170,285.9	166,308.6	156,881.3	149,854.1	147,957.4	146,239.5	148,006.5

Source: City Accounting

Revenue Capacity

Schedule 6 - Assessed and Estimated Value of Taxable Property

Last Ten Fiscal Years (expressed in thousands)

continued

	2016	2015 (Restated)	2014 (Restated)	2013 (Restated)	2012 (Restated)
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 ¹	4.386	4.450	4.440	4.340	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%

¹To be collected in the subsequent year.

Source: Spokane County Assessor

Revenue Capacity

Schedule 6 - Assessed and Estimated Value of Taxable Property

Last Ten Fiscal Years (expressed in thousands)

	concluded				
	2011 (Restated)	2010 (Restated)	2009 (Restated)	2008 (Restated)	2007 (Restated)
Personal property - local	\$ 692,099	\$ 658,905	\$ 589,227	\$ 539,384	\$ 516,357
Personal property - state	337,284	316,273	324,236	343,230	341,050
Real property	17,154,091	17,445,605	17,264,752	16,071,112	14,064,278
Tax-exempt property	(2,989,137)	(2,880,946)	(2,829,612)	(2,565,426)	(2,292,007)
Total taxable assessed value	15,194,337	15,539,837	15,348,603	14,388,300	12,629,678
Total direct tax rate	4.043	3.794	3.731	4.782	5.317
Estimated actual taxable value	19,507,724	19,919,234	19,377,100	18,287,335	17,077,858
Taxable assessed value as a percentage of estimated actual taxable value	77.89%	78.01%	79.21%	78.68%	73.95%

¹To be collected in the subsequent year.

Source: Spokane County Assessor

Revenue Capacity
Schedule 7 - Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years

continued

	2016	2015 (Restated)	2014 (Restated)	2013 (Restated)	2012 (Restated)
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) ¹	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

¹In January 2015, the City issued \$60.0 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.

Source: Spokane County Assessor

Revenue Capacity
Schedule 7 - Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years

	concluded				
	2011 (Restated)	2010 (Restated)	2009 (Restated)	2008 (Restated)	2007 (Restated)
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) ¹	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

¹In January 2015, the City issued \$60.0 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.

Source: Spokane County Assessor

Revenue Capacity
Schedule 8 - Principal Property Tax Taxpayers
 Current Fiscal Year and Nine Years Ago

2016				2007			
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	285,855,249	1	1.79%	Avista Corporation	198,096,653	1	1.45%
Douglass, Harlan D	162,848,547	2	1.02%	Northtown Mall	104,661,500	2	0.76%
Spokane Washington Hospital Co LLC	115,100,398	3	0.72%	Harlan D Douglass	102,420,796	3	0.75%
Cedar Chateau/Creek/Springs Prop	103,262,503	4	0.65%	Owest Corporation	76,913,941	4	0.56%
Hollister Stier Labs, LLC	92,699,988	5	0.58%	Rock Pointe Holdings, LLC	76,809,800	5	0.56%
Providence Health & Services	89,276,896	6	0.56%	Sacred Heart Medical Center	72,072,170	6	0.53%
Northtown Mall	76,054,900	7	0.48%	River Park Square, LLC	56,893,380	7	0.42%
River Park Square, LLC	63,004,117	8	0.40%	Cowles Publishing	44,654,071	8	0.33%
Owest Corporation	59,444,878	9	0.37%	Inland Western Spokane Northpoint	41,983,500	9	0.31%
Davenport Hotel/Tower	57,516,402	10	0.36%	First States Investors 500A, LLC	36,479,760	10	0.27%
Total	1,105,063,878		6.93%		810,985,571		5.92%

Spokane Assessed Valuation

2016	15,940,859,000
2007	13,707,610,592

Sources: Spokane County Assessor, Spokane County

Revenue Capacity
Schedule 9 - Property Tax Levies and Collection Percentage
 Last Ten Fiscal Years (expressed in thousands)

continued

	2016	2015	2014	2013	2012
COLLECTED WITHIN THE FIRST YEAR OF THE LEVY					
Tax levied	69,787	68,271	65,825	63,217	63,760
Amount collected	67,854	66,766	64,269	61,448	61,980
Uncollected taxes in the levy year	1,933	1,505	1,556	1,769	1,780
Percentage collected in the first year	97.23%	97.80%	97.64%	97.20%	97.21%
TOTAL COLLECTIONS					
Previously delinquent taxes collected	1,045	1,527	1,406	1,840	1,032
Total property tax collected	68,899	68,293	65,675	63,288	63,012
Total tax collected as a percentage of the current year levy ¹	98.73%	100.03%	99.77%	100.11%	98.83%

¹If the collection of delinquent taxes from earlier years exceeded the current year's delinquent taxes, the percentage collected may exceed 100%.

Source: Spokane County Assessor

Revenue Capacity
Schedule 9 - Property Tax Levies and Collection Percentage
 Last Ten Fiscal Years (expressed in thousands)

	concluded				
	2011	2010	2009	2008	2007
COLLECTED WITHIN THE FIRST YEAR OF THE LEVY					
Tax levied	61,057	57,830	58,007	53,435	59,945
Amount collected	58,945	55,783	56,164	51,490	57,864
Uncollected taxes in the levy year	2,112	2,047	1,843	1,945	2,081
Percentage collected in the first year	96.54%	96.46%	96.82%	96.36%	96.53%
TOTAL COLLECTIONS					
Previously delinquent taxes collected	1,977	1,572	1,795	1,226	1,814
Total property tax collected	60,922	57,355	57,959	52,716	59,678
Total tax collected as a percentage of the current year levy ¹	99.78%	99.18%	99.92%	98.65%	99.55%

¹If the collection of delinquent taxes from earlier years exceeded the current year's delinquent taxes, the percentage collected may exceed 100%.

Source: Spokane County Assessor

Revenue Capacity

Schedule 10 - Sales Subject to Retail Sales Tax by Industry¹

Last Ten Fiscal Years (expressed in thousands)

continued

	2016	2015	2014	2013	2012
Retail Trade:					
Building materials, garden equipment and supplies	\$ 226,808	\$ 245,650	\$ 219,721	\$ 203,601	\$ 188,568
General Merchandise stores	425,632	423,344	403,410	392,777	413,007
Motor vehicles and parts	444,880	401,872	375,918	347,394	324,422
All other retail sales	1,133,651	1,065,331	1,029,965	997,751	936,204
Total retail sales	2,230,971	2,136,197	2,029,014	1,941,524	1,862,201
Construction	613,964	594,244	611,426	494,080	409,609
Accommodations and food service	651,777	609,583	554,329	522,202	502,990
Wholesale trade	384,789	362,307	360,821	344,160	341,303
Information	214,650	220,662	206,846	198,120	190,046
Manufacturing	85,071	86,774	85,098	78,211	77,005
All other industries	611,762	566,129	531,172	525,231	497,142
Total sales subject to retail sales tax	\$ 4,792,984	\$ 4,575,896	\$ 4,378,706	\$ 4,103,528	\$ 3,880,296
Direct sales tax rate as restated ²	6.5%	6.5%	6.5%	6.5%	6.5%

¹ Industry classifications are based on North American Industry Classification System (NAICS) codes.² State tax rate only; excludes local sales tax rate.

Source: Spokane County Assessor

Revenue Capacity

Schedule 10 - Sales Subject to Retail Sales Tax by Industry¹

Last Ten Fiscal Years (expressed in thousands)

	concluded				
	2011	2010	2009	2008	2007
Retail Trade:					
Building materials, garden equipment and supplies	\$ 186,186	\$ 195,160	\$ 188,667	\$ 202,485	\$ 182,456
General Merchandise stores	405,991	419,941	426,161	415,141	375,609
Motor vehicles and parts	274,396	272,287	271,213	293,139	333,620
All other retail sales	903,536	923,448	918,129	971,117	1,013,997
Total retail sales	1,770,109	1,810,836	1,804,170	1,881,882	1,905,682
Construction	361,236	354,745	398,715	473,291	521,303
Accommodations and food service	462,938	448,952	430,306	441,019	431,004
Wholesale trade	312,034	312,464	326,271	355,355	396,584
Information	183,236	173,360	182,296	188,889	174,437
Manufacturing	77,339	77,810	83,845	96,459	82,511
All other industries	464,039	496,613	490,181	482,707	492,339
Total sales subject to retail sales tax	\$ 3,630,931	\$ 3,674,780	\$ 3,715,784	\$ 3,919,602	\$ 4,003,860
Direct sales tax rate as restated ²	6.5%	6.5%	6.5%	6.5%	6.5%

¹ Industry classifications are based on North American Industry Classification System (NAICS) codes.² State tax rate only; excludes local sales tax rate.

Source: Spokane County Assessor

Revenue Capacity
Schedule 11 - Direct and Overlapping Sales Tax Rates
 Last Ten Fiscal Years

continued

	2016	2015	2014	2013	2012
SALES TAX RATES					
State	6.5000	6.5000	6.5000	6.5000	6.5000
City direct	0.8763	0.8763	0.8761	0.8743	0.8766
County	0.5412	0.5412	0.5372	0.5411	0.5411
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	0.0685	0.0727	0.0706	0.0683
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 ¹	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

¹ 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

	concluded				
	2011	2010	2009	2008	2007
SALES TAX RATES					
State	6.5000	6.5000	6.5000	6.5000	6.5000
City direct	0.8766	0.8765	0.8918	0.8922	0.8927
County	0.5413	0.5415	0.5412	0.5408	0.4414
Spokane Transit	0.5940	0.5940	0.5940	0.5940	0.5940
Department of Revenue Administration	0.0210	0.0210	0.0210	0.0210	0.0200
Other Cities	0.0681	0.0681	0.0530	0.0530	0.0528
Public Facilities District	0.0990	0.0990	0.0990	0.0990	0.0990
Total sales tax rate	8.7000	8.7001	8.7000	8.7000	8.5999

¹ 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 Industry¹

Current Fiscal Year and Nine Years Ago

2016				2007			
Industry	Number of Businesses	Rank	Percent of Total Businesses	Industry	Number of Businesses	Rank	Percent of Total Businesses
Retail trade	7,086	1	33.4%	Retail trade	3,597	1	26.2%
Wholesale trade	3,197	2	15.1%	Construction	2,567	2	18.7%
Construction	2,846	3	13.4%	Wholesale trade	2,090	3	15.2%
All other industries ³	1,659	4	7.8%	All other industries ³	1,193	4	8.7%
Manufacturing	1,493	5	7.0%	Management, education, and health services	1,103	5	8.0%
Professional, scientific, and technical services	1,430	6	6.7%	Other services ²	1,014	6	7.4%
Management, education, and health services	1,423	7	6.7%	Professional, scientific, and technical services	786	7	5.7%
Other services ²	1,129	8	5.3%	Manufacturing	673	8	4.9%
Accommodations and food services	684	9	3.2%	Accommodations and food services	575	9	4.2%
Arts, entertainment, and recreation	<u>286</u>	10	1.3%	Arts, entertainment, and recreation	<u>128</u>	10	0.9%
Total	<u><u>21,233</u></u>		<u><u>100.00%</u></u>		<u><u>13,726</u></u>		<u><u>100.00%</u></u>

¹ Industry classifications are based on North American Industry Classification System (NAICS) codes.

² Other services consist of repair and maintenance, personal service, and religious, civic, and other organizations.

³ All other industries include real estate and rental leasing, transportation and warehousing, and information.

Source: Washington State Department of Revenue

Debt Capacity

Schedule 13 - Ratios of Outstanding Debt by Type¹

Last Ten Fiscal Years (expressed in thousands except per capita)

continued

	2016	2015	2014 Restated	2013	2012
Governmental Activities¹					
General obligation bonds	184,534	195,226	137,956	152,990	163,590
Special assessment bonds	180	250	480	640	965
Revitalization areas	3,429	3,571	1,383	-	-
Public Works Trust Fund loans	741	854	967	1,080	1,290
Promissory notes	325	325	325	325	325
Total governmental activities debt	189,209	200,226	141,111	155,035	166,170
Business-Type Activities¹					
General obligation bonds	-	454	454	454	454
Golf revenue bond	-	-	-	-	520
Solid Waste revenue bond	-	-	-	-	-
Water/Wastewater revenue bond	169,680	195,042	200,937	-	-
Public Works Trust Fund loans/state revolving loans ⁵	52,528	35,950	20,345	10,179	22,335
Capital leases	326	172	-	-	-
Total business-type activities debt	222,534	231,618	221,736	10,633	23,309
Total primary government debt	411,743	431,844	362,847	165,668	189,479
Debt Ratios					
Total Primary Government					
Ratio of total debt to personal income ²	N/A	N/A	1.74%	0.81%	0.96%
Total debt per capita ³	1,920	2,026	1,712	785	847
General Bond Debt					
Ratio of general bonded debt to taxable value of property ⁴	0.90%	1.22%	0.90%	1.02%	1.11%
General bonded debt per capita ³	860	916	651	725	779

¹ Refer to Note 9 for long-term liability activity.² Personal income data can be found in Schedule 17.³ Population data can be found in Schedule 18.⁴ Taxable value of property can be found in Schedule 6.⁵ Previously reported sewer state revolving loans combined with public works trust fund loans (renamed)

Source: City of Spokane Accounting

Debt Capacity

Schedule 13 - Ratios of Outstanding Debt by Type¹

Last Ten Fiscal Years (expressed in thousands except per capita)

	concluded				
	2011	2010	2009	2008	2007
Governmental Activities					
General obligation bonds	174,120	184,335	150,175	160,590	130,290
Special assessment bonds	1,370	1,845	2,525	3,070	3,905
	-	-	-	-	-
Public Works Trust Fund loans	1,538	1,787	2,035	2,283	1,578
Promissory notes	325	325	325	325	325
Total Governmental Activities Debt	177,353	188,292	155,060	166,268	136,098
Business-Type Activities					
General obligation bonds	454	454	454	454	454
Golf revenue bond	1,005	1,465	1,905	2,320	2,715
Solid Waste revenue bond	-	8,260	23,985	38,935	50,150
Water/Wastewater bond	-	-	-	-	-
Public Works Trust Fund loans/state revolving loans ⁵	11,561	12,941	13,123	13,982	14,348
Capital leases	-	-	-	22	44
Total Business-type Activities Debt	13,020	23,120	39,467	55,713	67,711
Total Primary Government Debt	190,373	211,412	194,527	221,981	203,809
Debt Ratios					
Total Primary Government					
Ratio of total debt to personal income ²	1.12%	1.29%	1.21%	1.38%	1.33%
Total debt per capita ³	908	1,020	944	1,084	1,002
General Bond Debt					
Ratio of general bonded debt to taxable value of property ⁴	1.17%	1.21%	0.97%	1.05%	0.91%
General bonded debt per capita ³	833	891	729	787	642

¹ Refer to Note 9 for long-term liability activity.² Personal income data can be found in Schedule 17.³ Population data can be found in Schedule 18.⁴ Taxable value of property can be found in Schedule 6.⁵ Previously reported sewer state revolving loans combined with public works trust fund loans (renamed)

Source: City of Spokane Accounting

Debt Capacity

Schedule 14 - Legal Debt Margin Information

Last Ten Fiscal Years (expressed in thousands)

continued

	2016	2015 (restated)	2014 (restated)	2013 (restated)	2012 (restated)
LEGAL DEBT LIMIT CALCULATION					
Tax assessed value of property ¹	15,940,859	15,362,811	14,954,871	14,700,985	14,906,142
7.5% debt limit	7.50%	7.50%	7.50%	7.50%	7.50%
Debt service limitation	1,195,564	1,152,211	1,121,615	1,102,574	1,117,961
Debt applicable to the limit ² :					
General obligation bonds	184,534	195,680	137,956	152,990	163,590
Promissory notes	325	325	325	325	325
Compensated absences ³	-	-	17,406	15,010	17,285
OPEB (other postemployment benefit) liability ³	-	-	13,111	13,092	10,527
Less assets available from GO Bond Fund	(3,574)	(7,381)	(6,196)	(5,672)	(5,244)
Total net debt applicable to the debt limit	181,285	188,624	162,602	175,745	186,483
Legal debt margin	\$ 1,014,279	\$ 963,587	\$ 959,014	\$ 926,829	\$ 931,478
Ratio of net debt applicable to the debt limit	15.16%	16.37%	14.50%	15.94%	16.68%

¹ Taxable value of property can be found in Schedule 6.² Refer to Note 9 for long-term liability activity.³ Excluded from the calculation beginning in 2015

Source: City of Spokane Accounting

Debt Capacity

Schedule 14 - Legal Debt Margin Information

Last Ten Fiscal Years (expressed in thousands)

	concluded				
	2011 (restated)	2010 (restated)	2009 (restated)	2008 (restated)	2007 (restated)
LEGAL DEBT LIMIT CALCULATION					
Tax assessed value of property ¹	15,194,337	15,539,837	15,348,603	14,388,300	12,629,679
7.5% debt limit	7.50%	7.50%	7.50%	7.50%	7.50%
Debt service limitation	1,139,575	1,165,488	1,151,145	1,079,123	947,226
Debt applicable to the limit²:					
General obligation bonds	174,120	184,335	150,175	160,590	130,290
Promissory notes	325	325	325	325	325
Compensated absences	12,080	11,513	10,758	9,550	7,658
OPEB (other postemployment benefit) liability	7,669	4,700	3,593	1,799	327
Less assets available from GO Bond Fund	(4,828)	(4,916)	(5,309)	(5,317)	(8,296)
Total net debt applicable to the debt limit	189,367	195,957	159,542	166,947	130,304
Legal debt margin	\$ 950,209	\$ 969,531	\$ 991,603	\$ 912,176	\$ 816,922
Ratio of net debt applicable to the debt limit	16.62%	16.81%	13.86%	15.47%	13.76%

¹ Taxable value of property can be found in Schedule 6.² Refer to Note 9 for long-term liability activity.³ Excluded from the calculation beginning in 2015

Source: City of Spokane Accounting

Debt Capacity

Schedule 15 - Pledged Revenue Coverage

Last Ten Fiscal Years (expressed in thousands)

	continued				
	2016	2015	2014	2013	2012
REGIONAL SOLID WASTE MANAGEMENT SYSTEM REVENUE BONDS					
Gross Revenues	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Expenses	-	-	-	-	-
Net Available Revenue	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Coverage Ratio	-	-	-	-	-
GOLF REVENUE BONDS					
Gross Revenues	\$ -	\$ -	\$ -	\$ 3,048	\$ 3,002
Operating Expenses	-	-	-	2,621	2,511
Net Available Revenue	-	-	-	427	491
Debt Service:					
Principal	-	-	-	520	485
Interest	-	-	-	28	72
Coverage Ratio²	-	-	-	0.78	0.88
SPECIAL ASSESSMENT DEBT¹					
Gross Revenues	\$ 777	\$ 807	\$ 880	\$ 1,008	\$ 780
Operating Expenses	-	-	-	-	-
Net Available Revenue	777	807	880	1,008	780
Debt Service:					
Principal	674	664	486	639	751
Interest	85	98	98	107	137
Coverage Ratio	1.02	1.06	1.51	1.35	0.88
WATER/WASTEWATER REVENUE BONDS^{1,3}					
Gross Revenues	\$ 130,179	\$ 129,443	\$ 121,183	\$ -	\$ -
Operating Expenses	91,277	85,762	83,060	-	-
Net Available Revenue	38,902	43,681	38,123	-	-
Debt Service:					
Principal	5,920	5,625	-	-	-
Interest	7,069	7,842	-	-	-
Coverage Ratio	2.99	3.24	-	-	-

¹ Refer to Note 9 for long-term liability activity.² The Golf Fund revenue did not meet the rate covenant for 2011-2013, however the debt was retired in 2013.³ Operating expenses for Golf and Water/Wastewater do not include depreciation.

Debt Capacity

Schedule 15 - Pledged Revenue Coverage

Last Ten Fiscal Years (expressed in thousands)

	concluded				
	2011	2010	2009	2008	2007
REGIONAL SOLID WASTE MANAGEMENT SYSTEM REVENUE BONDS					
Gross Revenues	\$ 72,999	\$ 75,383	\$ 73,261	\$ 76,061	\$ 78,495
Operating Expenses	51,051	54,301	52,903	49,333	47,005
Net Available Revenue	21,948	21,082	20,358	26,728	31,490
Debt Service:					
Principal	8,260	15,725	14,950	11,215	20,605
Interest	336	1,183	1,991	2,534	3,410
Coverage Ratio	2.55	1.25	1.20	1.94	1.31
GOLF REVENUE BONDS					
Gross Revenues	\$ 2,975	\$ 3,277	\$ 3,136	\$ 2,958	\$ 3,195
Operating Expenses	2,555	2,384	2,336	2,237	2,148
Net Available Revenue	420	893	800	721	1,047
Debt Service:					
Principal	446	422	393	369	350
Interest	90	116	141	164	187
Coverage Ratio²	0.78	1.66	1.50	1.35	1.95
SPECIAL ASSESSMENT DEBT¹					
Gross Revenues	\$ 898	\$ 1,030	\$ 897	\$ 1,307	\$ 1,321
Operating Expenses	-	-	-	-	-
Net Available Revenue	898	1,030	897	1,307	1,321
Debt Service:					
Principal	894	633	835	835	1,823
Interest	188	205	194	194	253
Coverage Ratio	0.83	1.23	0.87	1.27	0.64
WATER/WASTEWATER REVENUE BONDS^{1,3}					
Gross Revenues	\$ -	-	-	-	-
Operating Expenses	-	-	-	-	-
Net Available Revenue	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Coverage Ratio	-	-	-	-	-

¹ Refer to Note 9 for long-term liability activity.² The Golf Fund revenue did not meet the rate covenant for 2011-2013, however the debt was retired in 2013.³ Operating expenses for Golf and Water/Wastewater do not include depreciation.

Debt Capacity

Schedule 16 - Direct and Overlapping Debt

As of December 31, 2016 (expressed in thousands)

Jurisdiction	Debt Outstanding ¹	Percentage Applicable to City ²	Estimated Amount of Overlapping Debt
City of Spokane	\$ 184,534	100.00%	\$ 184,534
Overlapping:			
Spokane County	250,694	41.45%	103,913
School District #81	393,785	90.49%	356,336
Mead School District #354	86,960	22.01%	19,140
Cheney School District #360	103,095	20.21%	20,835
West Valley School District #363	19,640	1.53%	300
Liberty School District #362	11,180	0.01%	1
Moran Library*	1,240	12.44%	154
Fire District #8	1,060	6.43%	68
Total Other Jurisdictions	867,654		500,747
Total direct and overlapping debt	\$ 1,052,188		\$ 685,281
Direct and overlapping debt per capita	4,938		3,216

* Did not receive updated county data for Moran Library as of 4-3-2017.

¹Total general obligation debt outstanding at December 31, excluding refunded debt.²Determined by ratio of 2013 assessed valuation of property subject to taxation in overlapping unit to valuation of property subject to taxation in reporting unit.

Source: Spokane County

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)

continued

	2016	2015 (Restated)	2014 (Restated)	2013 (Restated)	2012 (Restated)
City of Spokane⁵					
Personal income² (thousands of dollars)	NA	\$ 8,470,339	\$ 8,197,751	\$ 7,828,499	\$ 7,767,816
Percent change	NA	3.33%	4.72%	0.78%	4.08%
Per capita ²	NA	39,748,187	38,668,636	37,101,890	36,989,599
Median age ¹	-	37.68	-	37.21	37.13
School enrollment ³	30,455	30,125	30,180	29,256	28,868
Unemployment rate ⁴	6.50	6.80	7.10	7.90	8.60
Consumer price index (CPI) ⁴	247.71	243.02	240.20	235.80	232.40
CPI percent change	1.93%	1.17%	1.87%	1.46%	2.15%
State of Washington¹					
Personal income⁵	389,859.0	\$ 372,125	\$ 355,677	\$ 333,169	\$ 326,409
Percent change	4.77%	4.62%	6.76%	2.07%	8.24%
Per capita	53,493.0	51,971	50,421	47,814	47,338

Sources:

¹Washington State Office of Financial Management³Spokane Public Schools District²U.S. Bureau of Economic Analysis⁴U.S. Bureau of Labor Statistics⁵Spokane is now included in the Spokane-Spokane Valley MSA; 2012 was restated as a result

Demographic Information

Schedule 18 - Population Comparison**City of Spokane vs. State of Washington**

Last Ten Fiscal Years (expressed in thousands)

	2016	2015	2014	2013	2012
City of Spokane¹					
Population	214.5	213.1	212.0	211.0	210.0
Net Increase (Decrease)	1.4	1.1	1.0	1.0	1.0
Percent change	0.7%	0.5%	0.5%	0.5%	0.5%
Components of change: (Birth & Death Rates)					
Births	NA	3.7	3.6	3.6	3.5
Deaths	NA	2.6	2.2	2.3	2.2
Net migration	NA	(0.00)	(0.40)	(0.30)	(0.30)
State of Washington¹					
Population	7,183.7	7,061.0	6,968.0	6,882.4	6,817.8
Net Increase (Decrease)	122.70	93.00	85.60	64.60	49.90
Percent change	1.74%	1.33%	1.24%	0.95%	0.74%
Components of change:					
Births	90.1	88.5	87.0	87.1	87.1
Deaths	54.9	52.8	50.7	51.1	49.2
Net migration	87	57	49	29	12

Source:

¹Washington State Office of Financial Management

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				
	2011 (Restated)	2010 (Restated)	2009 (Restated)	2008 (Restated)	2007 (Restated)
City of Spokane⁵					
Personal income ²	\$ 7,463,347	\$ 7,109,846	\$ 6,993,808	\$ 7,167,474	\$ 6,691,096
Percent change	4.97%	1.66%	4.52%	7.12%	8.32%
Per capita ²	35,709,795	34,347,081	33,950,525	35,134,676	32,961
Median age ¹	37.11	37.36	37.11	36.96	36.88
School enrollment ³	29,043	29,034	29,261	29,280	29,543
Unemployment rate ⁴	9.43	9.22	8.80	5.60	4.80
Consumer price index (CPI) ⁴	227.50	221.20	218.80	219.60	212.20
CPI percent change	2.85%	1.10%	-0.36%	3.49%	3.16%
State of Washington¹					
Personal income	\$ 301,568	\$ 284,524	\$ 278,991	\$ 293,949	\$ 279,089
Percent change	5.99%	1.98%	-0.04%	5.32%	8.15%
Per capita	44,202	42,194	41,844	44,794	43,192

Sources:

¹Washington State Office of Financial Management²U.S. Bureau of Economic Analysis³Spokane Public Schools District⁴U.S. Bureau of Labor Statistics⁵Spokane is now included in the Spokane-Spokane Valley MSA; 2012 was restated as a result

Demographic Information

Schedule 18 - Population Comparison**City of Spokane vs. State of Washington**

Last Ten Fiscal Years (expressed in thousands)

	continued				
	2011	2010	2009	2008	2007
City of Spokane¹					
Population	209.0	207.0	206.0	204.0	203.0
Net Increase (Decrease)	2.0	1.0	3.0	1.0	1.0
Percent change	1.0%	0.5%	1.5%	0.5%	0.5%
Components of change:					
Births	3.6	3.4	3.7	3.8	3.6
Deaths	2.2	2.2	2.2	2.3	2.2
Net migration	0.60	(0.20)	0.50	(0.50)	(0.40)
State of Washington¹					
Population	6,767.9	6,724.5	6,672.2	6,608.2	6,525.1
Net Increase (Decrease)	43.40	52.30	147.10	83.10	104.80
Percent change	0.65%	0.78%	2.25%	1.27%	1.63%
Components of change:					
Births	86.4	88.4	89.8	89.6	87.8
Deaths	48.8	47.7	48.1	47.9	46.2
Net migration	6	12	22	41	63

Source:

¹Washington State Office of Financial Management

Demographic Information

Schedule 19 - Annual Average Civilian Labor Force Unemployment Rates**City of Spokane (MSA) vs. State of Washington**

Last Ten Fiscal Years (expressed in thousands)

continued

	2016	2015*	2014	2013	2012
City of Spokane (MSA) ^{1, *}					
Civilian labor force	257,588	256,500	225,031	224,690	229,965
Employment	240,596	239,000	208,951	206,870	210,083
Total unemployment	16,993	17,500	16,080	17,820	19,882
Unemployment percentage rate	6.6%	6.8%	7.1%	7.9%	8.6%
State of Washington¹					
Civilian labor force	3,644	3,544,000	3,488,000	3,434,160	3,481,460
Employment	3,446	3,344,000	3,270,000	3,196,320	3,197,290
Total unemployment	198	200,000	218,000	237,840	284,170
Unemployment percentage rate	5.4%	5.6%	6.3%	6.9%	8.2%

Source:

¹Washington State Office of Financial Management

*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)

concluded

	2011	2010	2009	2008	2007
City of Spokane¹					
Civilian labor force	230,702	235,293	238,026	238,307	231,556
Employment	209,153	212,081	216,121	224,884	220,492
Total unemployment	21,549	23,212	21,905	13,423	11,064
Unemployment percentage rate	9.3%	9.9%	9.2%	5.6%	4.8%
State of Washington¹					
Civilian labor force	3,482,240	3,516,010	3,523,740	3,473,020	3,386,770
Employment	3,161,820	3,166,880	3,194,250	3,284,840	3,232,650
Total unemployment	320,420	349,130	329,490	188,180	154,120
Unemployment percentage rate	9.2%	9.9%	9.4%	5.4%	4.6%

Source:

¹Washington State Office of Financial Management

Demographic Information

Schedule 20- Principal EmployersCurrent Fiscal Year and Nine Years Ago
for Spokane County Employers

2016			2007		
Employer	Rank	Number of Employees	Employer	Rank	Number of Employees
Fairchild Air Force Base	1	6,000	State of Washington	1	6,257
Providence Health Care	2	5,326	Fairchild Air Force Base	2	4,960
State of Washington	3	5,216	United States Government	3	3,463
Spokane Public Schools	4	2,914	Spokane Public Schools	4	3,233
City of Spokane	5	2,089	Sacred Heart Medical Center	5	3,194
Spokane County	6	2,082	Spokane County	6	2,133
Kalispel Tribal Economic Authority	7	1,489	City of Spokane	7	1,972
Central Valley School District	8	1,441	Empire Health Services	8	1,864
Wal-Mart Stores Inc	9	1,434	URM Stores Inc.	9	1,423
URM Stores Inc.	10	1,417	Community Colleges of Spokane	10	1,417
Total		29,408	-		29,916
Percentage of Spokane Metropolitan Statistical Area (MSA)		12.22%			13.57%

Sources:

Journal of Business, Largest Spokane County Employers
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	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General government	289.8	287.8	282.3	286.1	301.8	278.5	279.6	300.6	285.6	280.6
Public safety	840.0	799.3	773.8	754.7	791.3	776.3	807.0	826.5	821.5	804.7
Utilities environment	569.5	643.5	636.0	646.0	660.0	668.0	676.0	641.0	618.0	606.0
Transportation	184.0	130.0	135.2	127.8	135.3	137.3	147.3	146.3	143.3	143.3
Economic environment	49.8	45.0	42.0	53.3	55.5	56.7	62.2	62.0	61.2	60.7
Mental and physical health	5.5	-	-	-	-	-	-	-	-	-
Culture and recreation	176.6	172.2	173.0	169.5	177.9	180.4	185.7	183.7	180.7	179.2
Total	2,115.2	2,077.7	2,042.3	2,037.4	2,121.8	2,097.2	2,157.7	2,160.1	2,110.3	2,074.6
Percentage change	1.8%	1.7%	0.2%	-4.0%	1.2%	-2.8%	-0.1%	2.4%	1.7%	2.4%

Source: City of Spokane Accounting

Operating Information
Schedule 22 - Operating and Capital Asset Indicators by Function
General Government
 Last Ten Fiscal Years

continued

	2016	2015	2014	2013	2012
MUNICIPAL COURT¹					
Number of Filings:					
Parking	59,261	57,364	66,067	55,219	63,429
Infraction	11,537	12,426	12,060	12,636	15,380
Criminal	7,326	7,582	7,303	8,387	8,963
Total filings	78,124	77,372	85,430	76,242	87,772

¹ Does not include photo red violations.

Source: City of Spokane Accounting

Operating Information

Schedule 22 - Operating and Capital Asset Indicators by Function

General Government

Last Ten Fiscal Years

	concluded				
	2011	2010	2009	2008	2007
MUNICIPAL COURT¹					
Number of Filings:					
Parking	57,355	62,327	61,828	62,689	63,932
Infraction	17,889	22,465	24,137	19,481	16,431
Criminal	9,496	10,348	10,827	9,973	10,380
Total filings	84,740	95,140	96,792	92,143	90,743

¹ Does not include photo red violations.

Source: City of Spokane Accounting

Operating Information

Schedule 23- Operating and Capital Asset Indicators by Function**Public Safety**

Last Ten Fiscal Years

continued

	2016	2015	2014	2013 (restated)	2012
POLICE DEPARTMENT					
Adult Arrests	6,576	11,000	8,357	9,621	N/A
Juvenile Arrests	330	853	898	1,033	1,271
Property Crimes:					
Burglary	1,999	2,817	3,365	3,889	3,827
Larceny	8,948	11,408	12,455	13,352	12,600
Auto Theft	1,498	1,746	2,242	2,290	2,095
Arson	28	44	56	59	N/A
Total property crimes	12,473	16,015	18,118	19,590	18,522
Violent Crimes:					
Homicide	7	12	10	11	13
Forcible Rape ¹	113	119	117	166	81
Robbery	239	333	416	518	537
Aggravated Assault	566	647	613	745	737
Total violent crimes	925	1,111	1,156	1,440	1,368
Number of stations	4	4	4	5	10
Number of patrol units	18	18	24	20	16
Number of police vehicles	312	304	283	270	260
Number of motorcycles	13	14	15	15	18
FIRE DEPARTMENT					
Incident response					
Alarm system	1,817	1,911	1,871	1,702	1,720
Structure fire	1,647	1,800	1,555	1,518	1,571
Service call	469	494	439	466	465
Hazardous materials	359	399	353	331	271
Vehicle Fire	175	137	142	158	138
Brush/wildland fire	152	147	158	121	163
Trash/dumpster fire			-	-	187
Extrication	46	34	40	48	43
Miscellaneous	37	30	62	81	N/A
Total incident response	4,702	4,952	4,620	4,425	4,558
Emergency Response					
Basic life support	18,971	18,572	16,867	15,305	14,573
Advanced life support	12,710	12,999	11,530	11,021	10,624
Motor vehicle accident	2,691	2,615	2,482	2,398	2,532
Ambulance transfer only			-	-	14
Total emergency response	34,372	34,186	30,879	28,724	27,743
Inspections conducted	10,854	11,433	11,470	10,552	9,528
Number of fire stations	16	16	15	15	14

Source: City of Spokane Accounting

¹Guidelines for defining rape were changed in 2013

Operating Information

Schedule 23- Operating and Capital Asset Indicators by Function**Public Safety**

Last Ten Fiscal Years

	continued				
	2011	2010	2009	2008	2007
POLICE DEPARTMENT					
Adult Arrests	N/A	N/A	N/A	N/A	8,710
Juvenile Arrests	1,171	1,483	1,480	1,869	N/A
Property Crimes:					
Burglary	3,030	2,859	2,565	2,269	2,175
Larceny	10,231	10,174	8,864	7,218	7,188
Auto Theft	1,778	2,009	1,737	1,538	2,013
Arson	N/A	45	74	58	88
Total property crimes	15,039	15,087	13,240	11,083	11,464
Violent Crimes:					
Homicide	4	6	7	14	12
Forcible Rape ¹	84	80	75	94	88
Robbery	484	432	443	460	414
Aggravated Assault	732	752	745	785	808
Total violent crimes	1,304	1,270	1,270	1,353	1,322
Number of stations	12	13	13	13	13
Number of patrol units	16	16	16	16	14
Number of police vehicles	251	254	253	260	245
Number of motorcycles	19	20	18	17	21
FIRE DEPARTMENT					
Incident response					
Alarm system	1,684	1,640	1,710	1,735	1,773
Structure fire	1,356	1,296	1,291	1,298	1,234
Service call	368	416	386	393	367
Hazardous materials	254	246	294	291	271
Vehicle Fire	145	171	174	179	206
Brush/wildland fire	164	199	173	226	266
Trash/dumpster fire	-	37	108	101	100
Extrication	29	29	28	19	35
Miscellaneous	54	35	34	40	30
Total incident response	4,054	4,069	4,198	4,282	4,282
Emergency Response					
Basic life support	13,009	12,073	11,504	11,654	11,217
Advanced life support	9,810	9,696	9,520	10,597	9,597
Motor vehicle accident	2,208	2,342	1,985	2,208	2,410
Ambulance transfer only	-	-	25	11	23
Total emergency response	25,027	24,111	23,034	24,470	23,247
Inspections conducted	9,230	8,928	9,262	10,081	9,485
Number of fire stations	15	14	14	14	14

Source: City of Spokane Accounting

¹Guidelines for defining rape were changed in 2013

Operating Information

Schedule 23- Operating and Capital Asset Indicators by Function**Public Safety**

Last Ten Fiscal Years

continued

	2016	2015	2014	2013	2012
CODE ENFORCEMENT DEPARTMENT					
Number of illegal dumps - private property	80	99	95	154	106
Number of illegal dumps - right of way	785	623	270	537	1,546
Number of zoning violations	755	743	598	506	445
Number of noise variances	0	1	-	7	48
Number of fire hazard complaints	211	397	385	332	255
Number of building official complaints	286	357	-	281	198
Number of junk vehicle reports	396	286	279	285	238
Number of solid waste complaints	1,165	1,098	937	966	1,010
Number of miscellaneous complaints	2	5	6	6	10
Total complaints	3,680	3,609	2,570	3,074	3,856
BUILDING DEPARTMENT					
Residential permits issued	5,200	2,941	2,755	2,707	2,541
Commercial permits issued	1,139	947	956	828	933
Total permits issued	6,339	3,888	3,711	3,535	3,474
Residential permit values (expressed in thousands)	198,456	168,858	161,300	140,100	101,000
Commercial permit values (expressed in thousands)	214,319	157,005	150,800	394,500	248,000
Total permit values	412,775	325,863	312,100	534,600	349,000

Source: City of Spokane Accounting

Operating Information

Schedule 23- Operating and Capital Asset Indicators by Function**Public Safety**

Last Ten Fiscal Years

	concluded				
	2011	2010	2009	2008	2007
CODE ENFORCEMENT DEPARTMENT					
Number of illegal dumps - private property	105	96	65	80	44
Number of illegal dumps - right of way	1713	2002	989	1096	1182
Number of zoning violations	428	442	359	427	380
Number of noise variances	48	68	24	0	0
Number of fire hazard complaints	314	381	336	377	243
Number of building official complaints	179	259	244	216	236
Number of junk vehicle reports	1	407	319	530	358
Number of solid waste complaints	978	1224	780	991	1086
Number of miscellaneous complaints	8	5	13	29	286
Total complaints	3,774	4,884	3,129	3,746	3,815
BUILDING DEPARTMENT					
Residential permits issued	2663	3369	3199	3212	3196
Commercial permits issued	894	872	805	942	1500
Total permits issued	3557	4241	4004	4154	4696
Residential permit values (expressed in thousands)	108000	75900	80000	119200	151400
Commercial permit values (expressed in thousands)	129000	175800	163000	191900	164500
Total permit values	237000	251700	243000	311100	315900

Source: City of Spokane Accounting

¹Guidelines for defining rape were changed in 2013

Operating Information

**Schedule 24 - Operating and Capital Asset Indicators by Function
Transportation**

Last Ten Fiscal Years

continued

	2016	2015	2014	2013	2012
STREET DEPARTMENT					
Number of parking violations	69,229	64,012	67,666	55,383	64,421
Street resurfacing (lane miles)	18	18	18	14	12
Grind and overlay (square yards)	109,827	87,544	96,751	74,985	63,633
Skin patch (square yards)	7,718	23,832	27,443	9,185	18,300
Potholes repaired (square yards)	10,934	9,956	10,953	12,326	13,124
Deicer applied (expressed in thousand gallons)	982	840	1,001	790	1,166
Traction sand applied (tons)	2,586	3,019	2,245	1,048	1,146
Miles of streets:					
Cement concrete pavement	10	10	10	11	10
Asphalt plant or road mix	931	928	925	923	921
Bituminous surface treatment	N/A	N/A	N/A	N/A	N/A
Gravel or crushed rock	25	25	26	27	28
Dirt and unimproved	31	31	32	32	32
Brick	3	3	3	3	3
Total street miles	1,000	997	996	996	994
Miles of sidewalks	1,282	1,282	1,265	1,084	1,167
Number of street lights ¹	12,430	12,637	12,784	12,905	13,270
Number of traffic signals	263	261	258	256	256
Number of parking meters	3,331	3,378	3,370	2,847	2,744
Number of bridges	40	41	41	40	38

¹ Number of street lights includes city-owned and maintained light poles as well as those leased from Avista.

Source: City of Spokane Accounting

Operating Information

**Schedule 24 - Operating and Capital Asset Indicators by Function
Transportation**

Last Ten Fiscal Years

	concluded				
	2011	2010	2009	2008	2007
STREET DEPARTMENT					
Number of parking violations	56,885	61,103	60,580	61,410	65,013
Street resurfacing (lane miles)	16	13	13	23	11
Grind and overlay (square yards)	60,917	75,774	59,021	78,701	48,016
Skin patch (square yards)	46,705	9,707	29,569	52,933	27,118
Potholes repaired (square yards)	15,301	7,836	11,243	17,068	8,478
Deicer applied (expressed in thousand gallons)	1,115	891	849	1,384	2,047
Traction sand applied (tons)	916	1,278	949	3,238	1,711
Miles of streets:					
Cement concrete pavement	9	10	11	8	8
Asphalt plant or road mix	905	904	904	891	885
Bituminous surface treatment	N/A	N/A	N/A	6	7
Gravel or crushed rock	27	27	29	30	31
Dirt and unimproved	31	31	32	33	22
Brick	3	3	3	3	3
Total street miles	974	974	977	971	956
Miles of sidewalks	1,167	1,155	1,250	1,221	1,229
Number of street lights ¹	13,004	12,990	13,009	13,001	10,687
Number of traffic signals	252	252	251	251	250
Number of parking meters	2,814	2,854	2,848	2,852	2,840
Number of bridges	39	39	38	38	38

¹ Number of street lights includes city-owned and maintained light poles as well as those leased from Avista.

Source: City of Spokane Accounting

Operating Information

Schedule 25 - Operating and Capital Asset Indicators by Function

Utilities Environment

Last Ten Fiscal Years

continued

	2016	2015	2014	2013	2012
WATER DEPARTMENT					
Miles of water mains	1,059	1,053	1,074	1,070	1,061
Number of fire hydrants	7,402	7,356	7,335	7,304	7,297
Storage capacity (expressed in million gallons)	106	106	106	106	106
Number of service connections/water customers	76,500	73,573	74,331	73,879	73,514
Number of new connections	580	810	452	317	155
Average daily production (expressed in thousand gallons)	60,968	65,474	61,856	58,093	57,597
Peak daily production (expressed in thousand gallons)	112,583	138,914	136,041	128,221	119,119
WASTEWATER DEPARTMENT					
Number of accounts/wastewater customers	71,211	70,954	71,280	70,100	69,931
Sanitary sewers (expressed in miles)	873	870	869	868	865
Storm sewers (expressed in miles)	353	357	360	361	367
Daily treatment capacity (expressed in thousand gallons)	56,000	44,000	44,000	44,000	44,000
Average daily treatment (expressed in thousand gallons)	30,172	27,090	29,020	28,460	33,750
SOLID WASTE DEPARTMENT¹					
Electrical generation (expressed in annual mwh)	150,707	137,954	132,776	136,888	170,056
Solid waste disposed (expressed in tons)	279,185	238,110	317,437	296,988	297,914
Ash generated by waste-to-energy facility (expressed in tons)	70,978	66,052	71,593	71,627	76,222
Ferrous metals recovered (expressed in tons)	9,479	8,693	10,358	9,566	8,702
Recycled materials collected (expressed in tons):					
City residential curbside	N/A	N/A	N/A	N/A	10,175
City commercial collection	N/A	N/A	N/A	N/A	1,957
Single Stream residential/commercial collection ²	20,878	19,867	18,447	18,418	N/A
Collection Point Sources (expressed in tons):					
County/Regional curbside and commercial ³	N/A	N/A	14,027	14,788	12,388
Transfer station recycling centers	11,770	N/A	2,920	3,176	3,098
City Hall recycling program		N/A	N/A	N/A	N/A
Centralized composting ⁴	10,249	22,204	36,718	42,950	38,031
Household hazardous waste ⁴	109	150	365	713	891

¹The 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.

²City residential curbside and commercial collections were consolidated in Single Stream collections in 2013

³Curbside and commercial numbers are no longer separated

⁴Compost and HHW numbers no longer include the transfer station amounts in 2015

Source: City of Spokane Accounting

Operating Information

Schedule 25 - Operating and Capital Asset Indicators by Function**Utilities Environment**

Last Ten Fiscal Years

	concluded				
	2011	2010	2009	2008	2007
WATER DEPARTMENT					
Miles of water mains	1051	1045	1007	1003	1002
Number of fire hydrants	7312	7254	7220	7172	7058
Storage capacity (expressed in million gallons)	106	106	105	105	106
Number of service connections	73311	73199	72983	72833	74573
Number of new connections	277	216	234	356	1063
Average daily consumption (expressed in thousand gallons)	56717	56462	61377	58143	62869
Peak daily consumption (expressed in thousand gallons)	119440	125574	126197	142277	129650
WASTEWATER DEPARTMENT					
Number of service connections	69801	69600	69631	69600	69600
Sanitary sewers (expressed in miles)	865	857	857	856	856
Storm sewers (expressed in miles)	367	365	365	360	360
Daily treatment capacity (expressed in thousand gallons)	44000	44000	44000	44000	44000
Average daily treatment (expressed in thousand gallons)	40840	38110	38699	39490	37220
SOLID WASTE MANAGEMENT DEPARTMENT¹					
Electrical generation (expressed in annual mwh)	173044	171142	163250	155500	170533
Solid waste disposed (expressed in tons)	303911	319883	329588	331596	334064
Ash generated by waste-to-energy facility (expressed in tons)	79817	81898	77238	70990	77866
Ferrous metals recovered (expressed in tons)	8986	9085	9434	8466	8869
Recycled materials collected (expressed in tons):					
City residential curbside	8526	8058	8757	9043	9409
City commercial collection	2690	2912	2842	2655	2730
Single Stream residential/commercial collection	N/A	N/A	N/A	N/A	N/A
Collection Point Sources (expressed in tons):					
County/Regional curbside and commercial	8948	9070	8438	8916	9968
Transfer station recycling centers	3494	3846	3791	3514	4474
City Hall recycling program	N/A	N/A	N/A	N/A	22.5
Centralized composting	37184	45308	43714	45855	47211
Household hazardous waste	549	640	793	509	557

¹The 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.

²City residential curbside and commercial collections were consolidated in Single Stream collections in 2013

³Curbside and commercial numbers are no longer separated

⁴Compost and HHW numbers no longer include the transfer station amounts in 2015

Source: City of Spokane Accounting

Operating Information
Schedule 26 - Operating and Capital Asset Indicators by Function
Culture and Recreation
 Last Ten Fiscal Years

continued

	2016	2015	2014	2013	2012
PARKS DEPARTMENT					
Number of parks maintained	84	84	84	84	84
Park acreage	1,285	1,285	1,285	1,285	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	17	17	17	17
Number of tennis courts	41	41	41	41	41
Number of community centers	-	-	1	1	1
Number of basketball courts	39	39	39	39	37
Number of athletic fields	74	74	74	74	74
Number of skate parks	2	3	3	3	3
Number of BMX bike tracks	1	1	1	1	1
Park trails (miles)	33	33	33	31	29
Aquatic center admissions	112,977	102,500	114,000	104,021	118,751
Recreation program registrants	10,257	10,182	10,571	10,694	12,424
Golf rounds	145,960	150,444	131,243	143,081	143,678
Riverfront Park attraction attendees	527,111	628,314	696,178	699,256	791,851
Sports complex field rentals (hours)	14,261	13,424	12,633	12,736	12,828
LIBRARY DEPARTMENT					
Number of libraries	6	6	6	6	6
Number of library patron visits	968,415	978,923	970,083	920,740	940,097
Number of volumes in library collection	405,682	420,564	452,124	501,345	479,398
Number of volumes borrowed	2,312,176	2,132,718	2,151,914	2,099,557	2,013,748

Source: City of Spokane Accounting

Operating Information

**Schedule 26 - Operating and Capital Asset Indicators by Function
Culture and Recreation**

Last Ten Fiscal Years

	concluded				
	2011	2010	2009	2008	2007
PARKS DEPARTMENT					
Number of parks maintained	84	84	84	84	84
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	6	5	5
Number of splash pads	17	17	17	6	6
Number of tennis courts	41	41	41	41	41
Number of community centers	1	1	1	1	1
Number of basketball courts	37	36	36	34	34
Number of athletic fields	74	74	74	72	72
Number of skate parks	3	3	2	2	2
Number of BMX bike tracks	1	1	N/A	N/A	N/A
Park trails (miles)	29	29	27	27	27
Aquatic center admissions	123,850	130,001	N/A	N/A	N/A
Recreation program registrants	13,371	14,994	14,527	13,830	N/A
Golf rounds	141,217	151,587	129,632	161,655	174,212
Riverfront Park attraction attendees	775,792	793,627	726,961	856,224	866,469
Sports complex field rentals (hours)	12,634	N/A	N/A	N/A	N/A
LIBRARY DEPARTMENT					
Number of libraries	6	6	6	6	6
Number of library patron visits	948,826	964,259	931,986	882,698	816,305
Number of volumes in library collection	514,065	506,978	529,194	525,602	533,678
Number of volumes borrowed	2,088,854	2,075,220	2,014,756	1,908,130	1,698,037

Source: City of Spokane Accounting

Ongoing Continuing Compliance

Ongoing Continuing Compliance
Schedule A

City of Spokane
General Fund Comparative Statement of Revenues,
Expenditures and Changes in Fund Balance
2012 - 2016
Years ending December 31

	Audited				
	2016	2015	2014	2013	2012
REVENUES					
Taxes	151,201,589	148,114,876	144,212,210	130,269,475	127,794,361
Licenses and permits	6,992,715	6,769,497	6,559,707	6,424,954	6,182,420
Intergovernmental	4,549,060	8,813,594	4,904,281	3,267,477	5,688,111
Charges for services	18,389,565	14,869,699	14,996,191	14,583,391	16,234,110
Fines and forfeitures	3,225,243	3,268,994	3,429,036	2,862,356	2,874,284
Miscellaneous	8,787,853	5,541,035	5,169,566	2,310,105	5,083,090
Net inc(dec) in market value of investments	(6,220,198)				
Total Revenues	186,925,827	187,377,695	179,270,991	159,717,758	163,856,376
EXPENDITURES					
Current:					
General government	30,150,004	30,259,412	29,794,365	21,852,608	22,935,759
Public safety	107,467,432	106,937,313	99,969,355	89,789,347	86,960,520
Utilities environment	-	-	-	-	11,592,841
Transportation	6,057,102	5,628,838	5,478,905	7,324,204	78,951
Economic environment	5,402,059	4,281,283	5,878,651	5,178,683	5,482,533
Mental and physical health	-	-	99,984	118,064	108,064
Social services ¹	1,712,802	1,573,722	-	-	-
Culture and recreation	7,785,349	8,522,999	8,562,684	8,278,029	8,296,458
Capital outlays	1,460,157	1,971,376	2,048,890	2,216,660	1,801,778
Debt service:					
Interest	66,518	-	-	-	100,902
Total Expenditures	160,101,423	159,174,943	151,832,834	134,757,595	137,357,806
Excess of Revenues Over (Under) Expenditures	26,824,404	28,202,752	27,438,157	24,960,163	26,498,570
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	130,008	62,560	(265)	74,604	2,855,987
Transfers in	137,523	463,420	50,000	400,946	129,534
Transfers out	(28,917,531)	(26,640,585)	(27,267,901)	(27,783,338)	(26,696,808)
Total Other Financing Sources (Uses)	(28,650,000)	(26,114,605)	(27,218,166)	(27,307,788)	(23,711,287)
Change in Fund Balance	(1,825,596)	2,088,147	219,991	(2,347,625)	2,787,283
Other Changes in Fund Balance					
Prior period adjustment	1,661,821	123,549	556,890	(544,521)	(992,165)
Fund Balance - beginning (restated)	41,073,772	39,088,654	38,311,773	38,510,147	36,715,029
Fund Balance - ending	40,909,997	41,300,350	39,088,654	35,618,001	38,510,147

Source: City of Spokane

Ongoing Continuing Compliance
Schedule B

City of Spokane
General Fund Comparative Balance Sheet
2012 - 2016
Years ending December 31

	Audited				
	2016	2015	2014	2013	2012
ASSETS					
Cash and cash equivalents	1,803,585	9,784,982	5,990,964	6,879,471	10,145,454
Deposits with fiscal agents/trustees	28,951	39,468	57,253	69,833	-
Equity in pooled investments	20,812,665	15,167,316	16,651,243	14,363,326	15,615,728
Taxes receivable	14,291,919	13,716,385	13,109,413	12,335,708	11,441,143
Accounts receivable	3,793,523	3,395,080	3,171,307	2,808,852	3,189,640
Interest receivable	1,599,594	468,441	265,312	197,258	211,544
Due from other funds	5,779,973	5,872,342	5,324,271	5,256,194	5,466,581
Interfund loan receivable	2,076,257	1,575,464	2,756,425	166,931	162,403
Due from other governments	721,935	925,452	1,025,942	228,413	4,456
Advances to other funds	1,285,800	931,921	632,769	827,090	816,456
Notes/contracts receivable (non current)	155,868	168,779	220,596	233,777	245,786
Total Assets	52,350,070	52,045,630	49,205,495	43,366,853	47,299,191
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	1,569,886	1,925,043	2,116,933	921,585	1,522,763
Due to other funds	1,183,882	1,313,127	1,003,485	985,599	1,336,677
Due to other governments	445,600	107,855	11,164	236	-
Interfund loan payable	-	-	47,804	-	-
Other accrued liabilities	5,238,660	4,275,669	3,682,699	3,153,649	2,803,249
Other current liabilities	793,914	935,395	1,164,547	860,663	941,106
Revenues collected in advance	57,500	60,000	-	-	-
Total Liabilities	9,289,442	8,617,089	8,026,632	5,921,732	6,603,795
Deferred Inflows	2,150,631	2,128,191	2,090,209	1,827,120	2,185,249
Total Liabilities plus Deferred Inflows of Resources	11,440,073	10,745,280	10,116,841	7,748,852	8,789,044
Fund Balance					
Nonspendable	1,285,800	931,921	713,084	994,020	978,859
Restricted for:					
Capital projects	-	-	-	-	-
Grants	607,551	612,166	643,384	636,836	704,221
Committed	2,866,813	16,101,623	15,223,429	15,014,310	16,015,472
Assigned	17,100,707	3,687,376	4,516,930	2,681,650	2,974,252
Unassigned	19,049,126	19,967,264	17,991,827	16,291,185	17,837,343
Total Fund Balance	40,909,997	41,300,350	39,088,654	35,618,001	38,510,147

Source: City of Spokane

Ongoing Continuing Compliance
Schedule C

City of Spokane
Water/Wastewater System
Historical Operating Results (in thousands)
2014-2016

	Audited		
	2016	2015	2014
Operating Revenues			
Charges for services	130,179	125,752	119,794
Other operating revenue	-	-	-
Total Operating Revenues	130,179	125,752	119,794
Operating Expenses			
Salaries and wages	22,546	22,031	20,687
Personnel benefits	8,012	7,857	7,660
Supplies	4,763	4,856	4,353
Other services and charges	25,685	22,173	23,109
Intergovernmental	-	-	-
Taxes	29,975	28,574	27,252
Depreciation	22,092	20,604	19,185
Risk transfer payments	274	272	-
Total Operating Expenses	113,347	106,368	102,245
Operating Income (Loss)	16,832	19,384	17,549
Nonoperating Revenues & Expenses			
Interest income	218	1,129	502
Gain(Loss) on disposition of fixed assets	(332)	41	(30)
Interest expense	(7,243)	(7,842)	(1,257)
Other non-operating revenue	1,965	2,522	886
Other non-operating expense	-	-	(481)
Total Nonoperating Revenue (Expense)	(5,392)	(4,151)	(380)
Income(Loss) before contributions & transfers	11,440	15,234	17,169
Capital contributions	7,392	7,664	8,966
Transfers in	-	-	-
Transfers out	(5,093)	(7,865)	(155)
Change in Net Position	13,739	15,033	25,980
Prior period adjustment	(461)	(9)	(3,635)
Change in accounting principle (GASB 68)	-	(41,400)	-
Net Position - beginning (restated)	612,043	638,880	616,535
Net Position - ending	625,782	612,504	638,880
Debt Service Calculation Adjustments			
Gross Revenues	132,030	129,443	121,183
Less: Operating Expenses	91,255	85,763	83,060
Amount available for debt service	40,775	43,680	38,123
Debt service amount-principal	5,920	5,625	-
Debt service amount-interest	7,069	7,889	-
Debt service ratio	3.14	3.23	-

Source: City of Spokane

Ongoing Continuing Compliance
Schedule D

City of Spokane
Water/Wastewater System
Balance Sheet (in thousands)
2014-2016

	Audited				
	2016	2015	2014	2013	2012
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 3,607	\$ 45,297	\$ 5,952	\$ 6,276	\$ 7,592
Deposits with fiscal agents/trustees	51	51	51	51	51
Equity in pooled investments	266,277	221,918	287,293	78,341	71,799
Accounts receivable	13,822	12,842	12,518	12,584	11,453
Interest receivable	314	107	235	27	22
Due from other funds	1,814	2,111	1,505	935	935
Interfund loan receivable	2,539	1,748	1,466	910	781
Due from other governments	13,564	21,766	5,872	6,542	9,926
Inventories	2,611	2,489	2,455	2,435	2,457
Total Current Assets	304,598	308,329	317,348	108,101	105,017
Noncurrent Assets:					
Land	10,110	10,107	8,780	8,691	8,647
Construction in progress	63,264	56,509	43,853	54,028	51,890
Property, plant, & equipment	333,879	310,385	306,574	289,363	272,770
Infrastructure	550,301	525,502	487,762	453,533	458,121
Intangible assets	114	114	114	114	114
Less accumulated depreciation	(339,519)	(318,428)	(298,738)	(282,343)	(265,540)
Total Capital Assets	618,149	584,189	548,345	523,386	526,002
Other Noncurrent Assets:					
Other noncurrent assets/deferred amts	39	44	50	5,396	61
Advances to other funds	17,379	13,992	11,553	4,509	3,927
Total Noncurrent Assets	17,418	14,036	11,602	9,905	3,988
Total Assets	940,165	906,554	877,294	641,391	635,007
Deferred outflows of resources-pensions	8,631	7,521	-		
Total assets plus deferred outflows	948,796	914,074	877,294		
Current Liabilities:					
Accounts payable	4,274	7,614	5,558	5,105	4,548
Bonds payable	6,215	5,920	5,894	-	-
Unamortized premium on bonds payable	787	535	-	-	-
Compensated absences	215	191	175	163	143
Due to other funds	6,084	6,963	6,171	5,054	4,432
Due to other governments	2,416	1,412	1,590	1,383	4,476
Accrued interest	697	722	686	50	73
Other accrued liabilities	1,554	1,019	841	739	664
Other current liabilities	621	544	579	575	646
Total Current Liabilities	22,863	24,920	21,495	13,070	14,982
Noncurrent Liabilities:					
Bonds payable	163,465	169,680	195,042	-	-
Unamortized premium on revenue bonds	18,120	18,907	-	-	-
Due to other governments	50,124	34,679	18,880	8,920	9,804
Revenues collected in advance	-	-	-	-	-
Compensated absences	2,929	2,983	2,997	2,953	3,165
Net pension liability	56,607	49,856	-	-	-
Total Noncurrent Liabilities	291,246	276,106	216,919	11,873	12,970
Total Liabilities	314,108	301,026	238,414	24,943	27,952
Deferred inflows of resources-pensions	8,905	544	-		
Total liabilities plus deferred inflows of resources	323,014	301,570	238,414		
Net Position					
Net investments in capital assets	545,976	550,977	527,999	\$ 513,207	\$ 522,523
Restricted	-	198,484	-	-	-
Unrestricted	79,806	(136,957)	110,881	103,242	84,532
Total Net Position	\$ 625,783	\$ 612,504	\$ 638,880	\$ 616,448	\$ 607,055

Ongoing Continuing Compliance
Ad Valorem taxes

The following table shows the City's collection record for *ad valorem* taxes for the last six years.

Tax Collection Record

Tax Year	Amount of Tax Levy				Tax Collected in Year of Levy		Tax Collected as of 12/31/16	
	Regular	EMS	Bond	Total	Amount	%	Amount	%
2016	56,179,935	7,846,266	5,760,653	69,786,854	68,258,554	97.81%	68,258,554	97.81%
2015	55,306,119	7,681,405	5,244,668	68,232,192	66,886,999	98.03%	67,704,306	99.23%
2014	45,314,925	7,477,436	13,162,046	65,954,407	64,616,775	97.97%	65,660,137	99.55%
2013	42,950,918	7,350,493	13,087,046	63,388,457	61,829,621	97.54%	63,334,132	99.91%
2012	42,423,131	7,453,071	13,063,593	62,939,795	61,347,565	97.47%	62,910,284	99.95%
2011	41,257,966	7,597,169	12,433,913	61,289,048	59,639,495	97.31%	61,255,181	99.94%

Source: Spokane County Assessors Office