

CITY OF SPOKANE, WASHINGTON FINANCE DEPARTMENT

Comprehensive Annual Financial Report

For the Fiscal Year Ended December 31, 2018



Report Prepared By:

Finance Department

Gavin Cooley, CFO

Accounting Department

Michelle Hughes, CPA, Accounting Director Christi Baird, 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, 2018

TABLE OF CONTENTS

INTRODUCTORY SECTION

Letter of Transmittal	6
City Organization Chart	15
List of Elected Officials	16
City Officials	17
FINANCIAL SECTION	19
Independent Auditor's Report	20
Management's Discussion and Analysis	24
Basic Financial Statements	39
Government-Wide Financial Statements	
Statement of Net Position	40
Statement of Activities	41
Governmental Fund Financial Statements	
Balance Sheet	43
Reconciliation of the Balance Sheet to the Statement of Net Position	45
Statement of Revenues, Expenditures, and Changes in Fund Balances	47
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

Required Supplementary Information	145
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	
General Fund Accounts	146
Pension Plan Information	
Schedule of Net Pension Liability – SERS, Firefighters, Police	147
Schedule of City's Proportionate Share of the Net Pension Liability – LEOFF 1 and LEOFF 2	150
Schedule of Employer Contributions – Employees' Retirement System	151
Schedule of Employer contributions – Firefighters' Pension Fund	152
Schedule of Employer Contributions – Police Pension Fund	153
Schedule of Employer Contributions – LEOFF 1 and LEOFF 2	155
Other Postemployment Benefit Information	
Other Post Employment Benefits – Schedule Net OPEB Liability	
Firefighters' Pension Fund	157
Other Post Employment Benefits – Schedule Net OPEB Liability	101
Police Pension Fund	158
	150
Other Post Employment Benefits – Schedule Total OPEB Liability	450
Retiree Medical 2	159
Other Post Employment Benefits – Schedule of Employer Contributions	
Firefighters' Pension Fund	160
Other Post Employment Benefits – Schedule of Employer Contributions	
Police Pension Fund	161
Notes to the Required Supplementary Information Major Funds Other than Special Revenue Budget to Actual	163 164
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	104
UTGO Library Fund	165
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	
Arterial Street Fund	166
Schedules	167
Combining Schedules for General Fund Accounts	
Balance Sheet	168
Schedule of Revenues, Expenditures, and Changes in Fund Balance	171
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	174
Combining and Individual Fund Financial Statements	183
Governmental Funds	
	184
Nonmajor Governmental Funds	
Combining Balance Sheet	185
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	186
Nonmajor Special Revenue Funds	187
Combining Balance Sheet	191
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	197
Schedule of Revenues, Expenditures and Changes in Fund Balances	
Budget and Actual	203

•	ce Funds						
•	alance Sheet	235					
•	atement of Revenues, Expenditures and Changes in Fund Balances	236					
Schedule of F	Revenues, Expenditures and Changes in Fund Balances						
Budg	et and Actual	237					
Nonmaior Capital Pro	jects Funds	243					
	alance Sheet	245					
<u> </u>	atement of Revenues, Expenditures and Changes in Fund Balances	248					
	Revenues, Expenditures and Changes in Fund Balances						
	et and Actual	251					
Proprietary Funds							
	Funds	262					
•	atement of Net Position	263					
	atement of Revenues, Expenses and Changes in Fund Net Position						
	atement of Cash Flows	265					
Community Co		200					
Internal Service Funds	S	266					
•	atement of Net Position						
	atement of Revenues, Expenses and Changes in Fund Net Position	271					
Combining St	atement of Cash Flows	274					
Fiduciary Funds		276					
Pension Trust Funds							
	atement of Plan Net Position	277					
•	atement of Changes in Plan Net Position	279					
A manay Francis							
Agency Funds	otomont of Not Decition	204					
•	ratement of Net Position						
Combining St	atement of Changes in Net Position	282					
STATISTICAL	SECTION	284					
Narrative		285					
Financial Trends							
Schedule 1	Net Position by Component	286					
Schedule 2	Change in Net Position	288					
Schedule 3	•						
Schedule 4	Change in Fund Balance, All Governmental Funds	292 294					
Revenue Capacity							
Schedule 5	Governmental Activities Tax Revenue by Source	296					
Schedule 6	Assessed Value and Estimated Actual Value of Taxable Property	297					
Schedule 7	Direct and Overlapping Property Tax Rates	299					
Schedule 8	Principal Property Tax Taxpayers	301					
-	1 1 7						

	Schedule 9	Property Tax Levies and Collections	302
	Schedule 10	Sales Subject to Retail Sales Tax by Industry	304
	Schedule 11	Direct and Overlapping Sales Tax Rates	306
	Schedule 12	Number of Retail Sales Taxpayers by Industry	308
Debt C	apacity		
	Schedule 13	Ratios of Outstanding Debt by Type	309
	Schedule 14	Legal Debt Margin Information	311
	Schedule 15	Pledged Revenue Coverage	313
	Schedule 16	Direct and Overlapping Debt	315
Demog	graphic Information	on	
	Schedule 17	Demographic and Economic Statistics	316
	Schedule 18	Population Comparison	316
	Schedule 19	Annual Average Civilian Labor Force Unemployment Rates	318
	Schedule 20	Principal Employers	320
Operat	ting Information		
	Schedule 21	Full Time Equivalent Staff Comparisons	321
	Schedule 22	Operating and Capital Asset Indicators by Function – General Government	322
	Schedule 23	Operating and Capital Asset Indicators by Function – Public Safety	324
	Schedule 24	Operating and Capital Asset Indicators by Function – Transportation	328
	Schedule 25	Operating and Capital Asset Indicators by Function – Utilities Environment	330
	Schedule 26Op	perating and Capital Asset Indicators by Function – Culture & Recreation	332
Ongoir	ng Continuing Dis	sclosure	
	Schedule A	General Fund Comparative Statement of Revenues, Expenditures,	
		and Changes in Fund Balances	335
	Schedule B	General Fund Comparative Balance Sheet	336
	Schedule C	Water/Wastewater Comparative Statement of Revenues, Expenditures,	
		and Changes in Fund Balances	337
	Schedule D	Water/Wastewater Comparative Balance Sheet	338
	Ad Valorem	Tax Collection Record	339

Introductory Section

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

Gavin Cooley, Chief Financial Officer

September 16, 2019

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, 2018.

Management assumes 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. 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 of Spokane's financial statements for the fiscal year ended December 31, 2018. 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. The MD&A compliments this letter of transmittal 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 April 1, 2018 (Office of Financial Management), the City's population was estimated at 220,100, 43.3 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.

Spokane is the largest healthcare, health sciences and medical education hub from Seattle to Minneapolis, and Calgary to Salt Lake City, and provides services to a population of approximately 1.2 million. With over 4,000 health-related businesses, Spokane has companies in Health IT, pharmaceutical manufacturing, biological products, surgical and medical instruments, medical laboratories and software development. Highlights of the City's healthcare industry include:

- 9 major hospitals employing 43,000 people; well over 20% of Spokane's employment base
- Medical research and development activities are expanding in neuroscience, cancer, cardiovascular, diabetes, infectious disease, addiction, aging, speech and hearing
- Spokane's University District, 770 acres adjoining downtown Spokane, provides connections between the healthcare industry center and the institutions of medical and health sciences education. Medical education partners in the District include:
 - University of Washington School of Medicine-Gonzaga University Regional Health
 Partnership site of the WWAMI medical education program
 - Washington State University Health Sciences Spokane Campus
 - Washington State University Elson S. Floyd College of Medicine

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.

Elected leadership is stable with the City's current Mayor, David Condon, currently serving the remainder of his second term after becoming the first Mayor of Spokane to be re-elected since 1973 and City Council President Ben Stuckart likewise serving his second term.

Types of Service Provided and Reporting Entity

Various City 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 and Planning Cycle

The City enacts calendar year budgets every year. 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 process serves as the foundation for the City of Spokane's financial planning and control. In recent years this process has added new elements of communication that have enhanced both transparency and final budgets that better align with the City's adopted budget principles. This formal budget process begins with the Mayor's release of the General Fund Draft Fiscal Guidance (DFG) to the City Council in the first half of the budget year. The DFG forms the foundation for continued collaborative discussions between the Administration and City Council leading up to the Mayor's release of the draft Programmatic Budget in September. The Mayor then presents the proposed line item 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.

In addition to the annual operational budget, each year the City adopts by ordinance a 6-year Citywide Capital Improvement Program. The 2019 – 2024 plan adopted in 2018 provides for \$761 million in citywide capital expenditures that is 83% funded at the time of adoption.

In 2017 the City has also embarked on its' first-ever Joint Administration-City Council Strategic Plan. Workgroups, led by Council and Administration chairs, prioritized the near-term strategies into 2-Year Action Plans as part of a full 6-Year Strategic Plan that focuses on four key initiative areas, Safe & Healthy, Urban Experience, Innovative Infrastructure and Sustainable Resources. The Plan also includes plans for \$51.9 million in catalytic investments that furthers strategic outcomes and relies on one-time money without adding ongoing cost.

The annual operational budget, when paired with the 6-year Capital Budget and Joint Strategic Plan, presents a complete view of the City's direction and implementation of citizen priorities.

Relevant Financial Policies

For the past decade the City has consistently adhered to budget principles which have been adopted by both the Administration and City Council as follows:

- 1) Match General Fund expenditures to current year revenue (don't rely on carryover fund balance)
- 2) Don't pay for on-going expenses with one-time money
- 3) Maintain prudent budget reserves
- 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 strong General Fund reserves, including both an Expense Contingency Reserve and a Revenue Stabilization Account. The Spokane Municipal Code outlines the targeted funding levels for both of these reserve accounts at 10% and 3.5% of General Fund expenditures and revenues respectively and sets forth the requirements for disbursements therefrom. In 2018 these reserves are funded at 79% of target and the City Council has established a target of 100% funding by 2020.

The City's total General Fund fund balance, including reserves and unassigned fund balance, stands at \$52.5 million, or 30% of actual 2018 General Fund expenditures. This is well above the City's 20% target.

Since 2014, the City has followed an adopted policy of limiting annual utility rate increases for the City's Water, Wastewater, and Solid Waste utility funds to the 50-year CPI average estimated at 2.9%. These predictable increases help promote affordability for our utility customers, while still supporting a substantial investment in our utility infrastructure and strong utility reserves.

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 2019 is \$3.16 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 annual 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 9,512 jobs were added in 2018, 3,478 jobs were added in 2017, and 8,173 jobs were added between 2016 and 2014. Year-end unemployment was 5.6% in 2018 compared to 5.7% in 2017, 6.3% in 2016 and 6.6% in 2015.

	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			
2018 Q4	252,575	5.60%	4.50%	3.90%			
2017 Q4	243,063	5.70%	4.60%	4.10%			
2016 Q4	239,585	6.30%	4.90%	4.70%			
2015 Q4	233,834	6.60%	5.60%	5.30%			
2014 Q4	231,412	7.40%	5.80%	6.20%			
	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 2017-2018, a significant increase in jobs was posted in the private sector. Key industries posting increases in the first half of 2018 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.

The Washington State Employment Security Department notes several new developments will continue to create jobs. A new Health Sciences campus opened in 2014 with health programs from Washington 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. Amazon is building a fulfillment center (warehouse) to be opened in 2019, which in addition to warehousing will increase air and road transportation employment. Leisure and hospitality gained a boost with construction of a major Spokane downtown hotel and conference center. Spokane may benefit from a migration of IT firms moving to Spokane trying to reduce stress for their workers. Contributing to labor stress in major urban areas are increased cost of living, labor shortages and high commute times. 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 Spokane International Airport reported that passenger totals were up 12.6% in 2018 compared to 2017.

Spokane International Airport Statistics							
	Total Operations	%	Total	%	Total	%	
	Aircraft Activity	Change	Passengers	Change	Cargo (tons)	Change	
2018 Q4	68,256	6.98%	3,998,272	12.60%	70,807	-2.17%	
2017 Q4	63,801	2.18%	3,550,912	9.80%	72,376	7.42%	
2016 Q4	62,439	27.03%	3,234,095	3.22%	67,376	-2.66%	
2015 Q4	49,152	1.69%	3,133,342	4.91%	69,218	5.97%	
2014 Q4	48,337		2,986,652		65,319		
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 1.2% in 2018, while 2017 was up 7.3%, 2016 was up 10.7%, and 2015 was up 17.8% when compared to 2014. The average price was up 11.6% and the median price was up 11.9% while the inventory of homes for sale was down 21.% over the preceding year. In addition, distressed sales accounted for 2.6% of all sales in 2018 compared to 5.5% in 2017 and 8.1% in 2016.

	Spokane County Single Family Home Sales							
					Average		Median	
	Units		Dollar		Sales		Sales	
	Sold	%	Volume (\$ 000)	%	Price	%	Price	%
2018	8,258	1.2%	2,095,060	12.6%	255,120	11.6%	234,900	11.9%
2017	8,159	7.3%	1,861,192	16.0%	228,678	7.8%	210,000	7.7%
2016	7,601	10.7%	1,604,379	18.2%	212,189	7.4%	195,000	8.4%
2015	6,866	17.8%	1,356,932	25.2%	197,630	6.1%	179,900	7.1%
2014	5,829		1,084,123		186,251		168,000	
					Source	Spokane	Association of	Realtors
							Univ Wa	ashington

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), there are new retailers like Nike opening along with on-line strategies, the overall retail picture is positive and has been positive the past two years.

Spokane County Reported Taxable Sales						
	Taxable	%	Total	%		
	Retail Trade	Change	Taxable Sales	Change		
2018	5,115,187,988	8.0%	10,641,719,618	8.4%		
2017	4,738,201,430	4.6%	9,813,141,378	7.7%		
2016	4,531,353,761	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		8,075,753,577			
	Source: WA State Department of Revenue					

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 has allowed the City to build up its reserves.

In 2015 Spokane voters 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.

City of Spokane voters approved a refinancing proposal to maintain and rebuild streets and renew Riverfront Park in 2015. The proposal provides for significant new work for the community at the same rate that citizens pay today for streets and parks.

Spokane has worked very hard to keep the cost of government affordable to the citizens we swerve. While the family median income has grown to \$59,129, the highest level in at least 10 years.

The City has worked hard toward a strategic plan that will guide future budgets and foster long-term sustainability and tie everything together. The plan prioritizes four strategic initiatives: Safe and Healthy; Innovative Infrastructure; Urban Experience; and Sustainable Resources. The annual budget continues to align and direct resources to the community's priorities in each of the above areas.

In December of 2018 Spokane voters approved a \$73.6 million bond issue that would be paid off over 25 years to finance capital improvements to and expansion of the Spokane Public Library facilities.

Awards and Acknowledgements

The preparation of this report could not have been accomplished without the professionalism and dedication demonstrated by the financial and management personnel of each City department. Special appreciation is extended to the employees of the Accounting and Finance

Department, whose dedicated service made this year and this report a success. This CAFR reflects the Mayor's commitment to the City Council, the citizens of the City of Spokane, and the financial community to maintain financial statements in conformance with the highest standards of financial accountability.

Sincerely,

Gavin Cooley

Chief Financial Officer

	CFO	Treasury Services	Business Analytics								
	Communications	City Cable 5	Reprographics	Web Development							
	City Attorney										
Ogy	Innovation and Technology Services	Technology Operations	Information Delivery Service	PMO							
Finance & Technology	Human Resources	Benefits	Safety	Training	Worker's Compensation	Employee Relations	Labor Relations				oice
Fini	Finance and Administration	Budget	Accounting	Asset Management	Grants and Contract Management	Taxes and Licensing / Audit	Risk Management	Purchasing			 Employer of Choice Open Data Performance Measures
Public Works	Public Works	Wastewater Management	Environmental Programs	Water and Hydroelectric Services	Solid Waste Collection	Solid Waste Disposal	Streets	Integrated Capital Management	Engineering Services	Fleet Operations	Cleaner RiverFasterStreet LevyCapital Plan
Safety	Fire	Administration	Operations	Communication / CCC	Training / Health / Safety	Prevention	Logistics	EMS	IMS	SIU	ır Size
Public Safety	Police	Business Services	Communications	Field Operations	Investigations	Public Information	Professional Accountability				Safest City of ourResiliency
nunity, Health Environment	Parks and Recreation	Finance / Budget	Operations	Recreation	Riverfront / Entertainment						Libraries
Community, Health and Environment	Library	Public Services	Strategic Partnerships & Communications	Community Technology	Support Services	Finance	Human Resources				Park BondNext Generation Libraries
Planning and Economic Development	Neighborhood and Business Services	Planning	Developer Services Center	Neighborhood Services / Code Enforcement	Historic Preservation	Housing and Human Services	Parking Services	My Spokane / 311			End Veteran HomelessnessEconomic Prosperity
Council				uo	inistrati	mbA					Strategic sevitatinl

15

2018 Comprehensive Annual Financial Report

City Elected Officials

As of December 31, 2018



Mayor David Condon



Council Member, District 1 Mike Fagan



Council Member, District 2 Breean Beggs



Council Member, District 1 Kate Burke



Council Member, District 3 Candace Mumm



City Council President Ben Stuckart



Council Member, District 2 Lori Kinnear



Council Member, District 3 Karen Stratton

Elected Official	Position	Term Expiration Date
David A. Condon	Mayor	December 31, 2019
Ben Stuckart	Council President	December 31, 2019
Lori Kinnear	Council Member	December 31, 2019
Mike Fagan	Council Member	December 31, 2019
Candace Mumm	Council Member	December 31, 2021
Breean Beggs	Council Member	December 31, 2021
Karen Stratton	Council Member	December 31, 2019
Kate Burke	Council Member	December 31, 2021

Appointed Administrative Staff

City Administrator	Theresa Sanders
Chief Financial Officer	Gavin Cooley
Director of Finance and Administration	Vacant
Policy Advisor	Vacant
City Clerk	Terri Pfister
Acting Chief Examiner – Civil Service	Amber Richards
Director – Communications & Marketing	Brian Coddington
Fire Chief	Brian Schaeffer
Director – Human Resources	Christine Cavanaugh
Chief Information and Technology Officer	Eric Finch
City Attorney	Michael Ormsby
Director – Neighborhood & Business Services	Dawn Kinder
Director of Parks & Recreation	Leroy Eadie
Police Chief	Craig Meidl
Executive Director – Library	
	Andrew Chanse

This page intentionally left blank.

Financial Section



Office of the Washington State Auditor Pat McCarthy

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

September 16, 2019

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, as of and for the year ended December 31, 2018, 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 did not audit the financial statements of the Spokane Employees' Retirement System (SERS), which represents 47 percent, 59 percent and zero percent, respectively, of the assets, net position and revenues of the aggregate remaining fund information. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for SERS, is based solely on the report of the other auditors. 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, based on our audit and the report of the other auditors, 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, as of December 31, 2018, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the table of contents 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 Combining and Individual Fund Financial Statements are presented for the purposes of additional analysis and are 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.

Our audit was conducted for the sole purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The Introductory and Statistical Sections and the Major Funds Other than Special Revenue Budget to Actual and Combining Schedules for General Fund Accounts are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated September 16, 2019, 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

Tat Muchy

State Auditor

Olympia, WA

This page intentionally left blank.

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, 2018. 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 \$2.1 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 \$72.5 million is restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations.
- (3) Unrestricted net position of (\$11.8) million became a negative amount in 2017 due to the implementation of GASB 75 (as a change in accounting principles) that recorded the net post-employment benefits other than pensions (an increase in liabilities) for the City's business and governmental type activities. The unrestricted net position represents the portion available to maintain the City's continuing obligations to citizens and creditors.

The City's governmental funds reported a total ending fund balance of \$261.5 million this year, an increase of \$76.4 million from the prior year with the majority of the increase related to UTGO bond proceeds in December that are restricted for Library Capital improvements. Revenues increased by \$7.2 million overall. Tax revenue increased by \$9.7 million. Investment earnings decreased by \$5.7 million due to a large unrealized loss 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 \$5.8 million. Other financing sources increase by \$86 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 2018, this amount reflected the activities of the \$73 million Library Bond.

Taxes	\$ 9.7 million
Licenses & Permits	\$(0.3) million
Intergovernmental	\$ 1.8 million
Charges for Service	\$ 3.7 million
Fines & Forfeitures	\$(0.8) million
Miscellaneous	\$(1.3) million
Investment earnings	\$(5.7) million
Other Financing Sources	\$86.0 million

- At the end of the current fiscal year, the fund balance for the General Fund totaled \$52.5 million, excluding the nonspendable and restricted categories, which is 30.1% of General Fund expenditures excluding transfers.
- Overall, the City maintained its strong financial position in 2018, 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 40-41 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.

The Schedule of Revenues, Expenditures and Changes in Fund Balance budgetary comparisons (budget to actual) are included in the Required Supplementary Information for the major governmental funds. Budgetary comparison schedules for all other governmental funds can be found in a later section of this report. These schedules demonstrate compliance with the City's adopted and final revised budget.

The basic governmental fund financial statements are presented on pages 43-49 of this report.

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

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

The basic proprietary fund financial statements are presented on pages 50-53 of this report.

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

Notes To The Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 56 of this report.

Financial Analysis of the City as a Whole

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

The City's net position at fiscal year-end is \$2,138.6 million as shown below.

Summary of Net Position (in thousands)	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
ASSETS						
Current and other assets	376,962	284,188	236,845	327,838	613,807	612,026
Capital assets	1,576,762	1,563,379	873,343	759,233	2,450,105	2,322,612
Total assets	1,953,724	1,847,567	1,110,188	1,087,071	3,063,912	2,934,638
DEFERRED OUTFLOWS	23,878	30,250	12,782	18,048	36,660	48,298
Total assets	1,977,602	1,877,817	1,122,970	1,105,119	3,100,572	2,982,936
LIABILITIES						
Current liabilities	24,312	24,985	10,562	13,706	34,874	38,691
Long term liabilities	485,365	482,059	325,330	367,361	810,695	849,420
Total liabilities	509,677	507,044	335,892	381,067	845,569	888,111
DEFERRED INFLOWS	77,385	22,299	39,026	5,135	116,411	27,434
Total liabilities	587,062	529,343	374,918	386,202	961,980	915,545
NET POSITION						
Net investment in capital assets	1,426,083	1,417,656	651,835	608,260	2,077,918	2,025,916
Restricted	72,522	71,617	-	-	72,522	71,617
Unrestricted	(108,065)	(140,799)	96,217	110,657	(11,848)	(30,142)
Total net position	1,390,540	1,348,474	748,052	718,917	2,138,592	2,067,391

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 15.5 and 22.4 for business type activities. For the City overall, the current ratio is 17.6. We consider these ratios to be very strong.

Governmental Activities

Net position increased by \$42.1 million for governmental activities and is primarily attributable to issuing a \$73 million dollar Library Bond to finance Library Capital and renovations.

Business-Type Activities

The \$28.6 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 102.6% 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 87.1% 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 97.2% 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	
Change in Net Position (in thousands)	2018	2017	2018	2017	2018	2017
REVENUES						
Program revenues						
Charges for services	36,245	38,291	242,539	221,997	278,784	260,288
Operating grants and contributions	16,837	16,048	-	102	16,837	16,150
Capital grants and contributions	17,917	18,008	6,132	1,322	24,049	19,330
General revenues						
Taxes	222,797	211,065			222,797	211,065
Disposition of fixed assets	-	-			-	_
Interest and investment Earnings	6,094	11,911	609	496	6,703	12,406
Total revenues	299,890	295,323	249,280	223,917	549,170	519,240
EXPENSES						
General government	(32,894)	(34,805)	-	-	(32,894)	(34,805)
Judicial	(4,468)	(4,796)	-	-	(4,468)	(4,796)
Public safety	(109,281)	(109,266)	-	-	(109,281)	(109,266)
Transportation	(62,755)	(54,677)	-	-	(62,755)	(54,677)
Economic environment	(15,035)	(13,685)	-	-	(15,035)	(13,685)
Social services	(10,681)	(10,503)	-	-	(10,681)	(10,503)
Culture and recreation	(24,241)	(30,998)	-	-	(24,241)	(30,998)
Interest on long term debt	(8,124)	(7,189)	-	-	(8,124)	(7,189)
Water/Sewer	-	-	(124,202)	(120,807)	(124,202)	(120,807)
Solid Waste	-	-	(79,340)	(78,803)	(79,340)	(78,803)
Other business activities	-	-	(9,678)	(10,098)	(9,678)	(10,098)
Total expenses	(267,480)	(265,919)	(213,220)	(209,708)	(480,699)	(475,625)

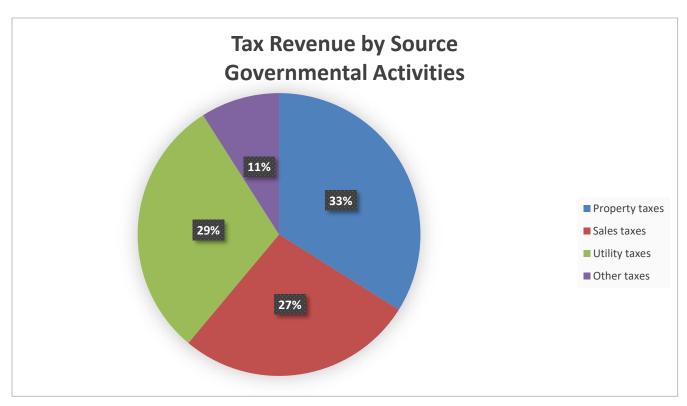
Table continued from previous page

Excess (deficiency) of revenues over expenses before contributions & transfers	32,410	29,404	36,059	14.209	68.471	43,613
ii diisicis	32,410	27,404	36,037	14,207	00,471	43,013
Transfers	6,948	5,070	(6,948)	(5,070)	-	(0)
Increase (decrease) in net position	39,358	34,474	29,111	9,139	68,471	43,613
Prior period adjustment	2,708	3,716	23	(356)	2,731	3,360
Change in accounting principle (GASB						
75)	-	(93,571)	-	(2,343)	-	(95,914)
Net Position-January 1	1,348,474	1,403,855	718,917	712,477	2,067,391	2,116,332
Net Position-December 31	1,390,540	1,348,474	748,052	718,917	2,138,592	2,067,391

GOVERNMENTAL REVENUES

The City is heavily reliant on three types of taxes to support governmental operations—more than 74% of the governmental activities revenue is derived from taxes. Charges for services represented 12% of these revenues, grants and contributions represented 12% and interest earnings made up the remaining 2%.

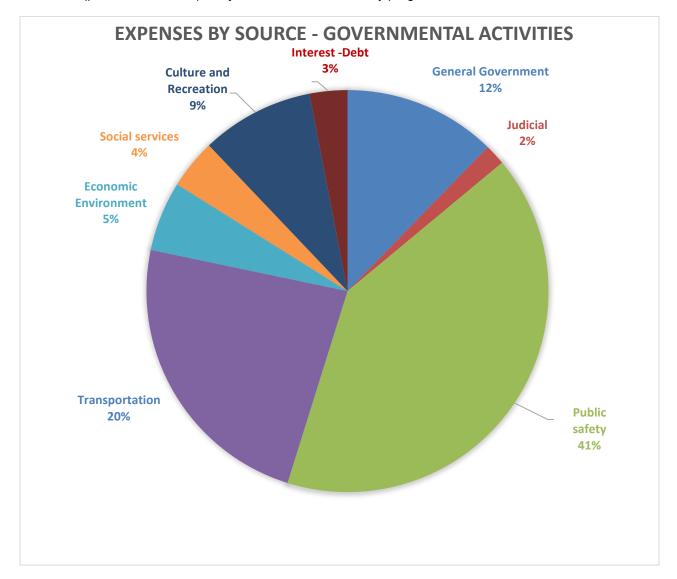
A breakdown of tax revenue is shown below.



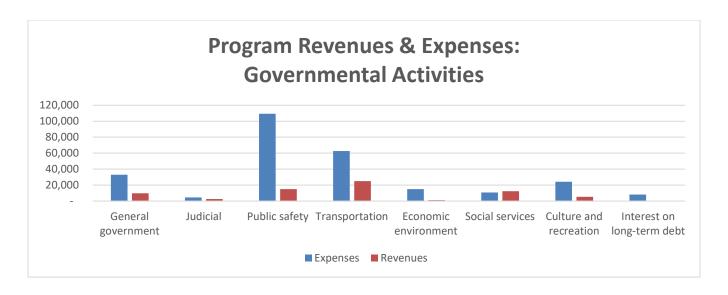
For governmental activities, program revenues cover approximately 26.5% of governmental operating expenses. This means that the government's taxpayers and the City's other general revenues cover 73.5% of the governmental activities. As a result, the general economy and the local businesses have a major 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 only covered the program expenses in the Social Services function in 2018. Program revenues have not covered program expenses in any year prior to 2018, as these expenditures by the city benefit all city residents and businesses.

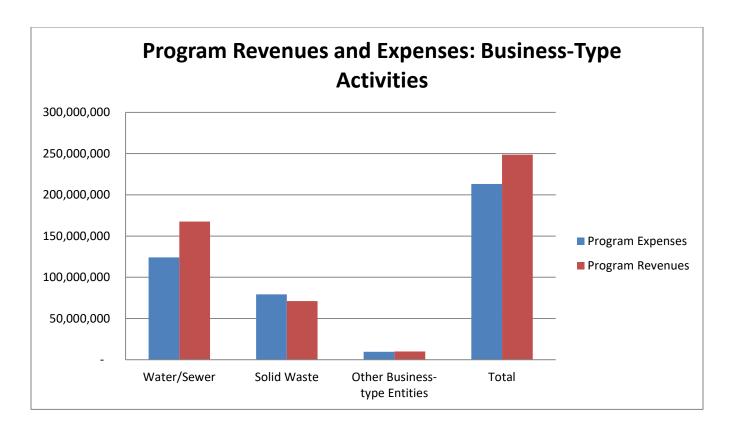
BUSINESS-TYPE ACTIVITIES Revenues vs. Costs

For all enterprise funds, the City reports a current ratio of 6.8, which is a healthy ratio. The business-type activities report capitalized assets of \$873.3 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 \$96.2 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 business-type activities increased by \$25.2 million or an increase of 11.3% over the prior year while operating expenses increased by \$3.5 million or 1.7% over 2017. As a result, net operating income was \$35.4 million compared to \$14.2 million in 2017.

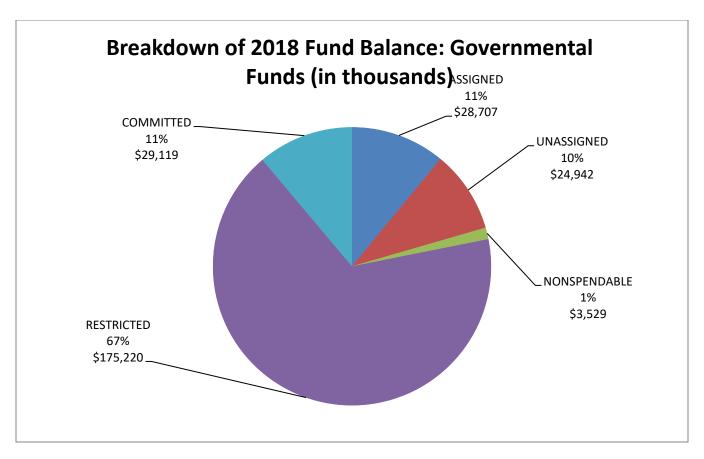
The chart below presents the revenues and expenses of each of the City's business-type activities. This net cost illustrates whether revenues are sufficient to meet current expenses.



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 \$261.5 million. Of this total, \$28.7 million is assigned and \$24.9 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 \$3.5 million "not in spendable form" for items that are not expected to be converted to near-term cash such as internal loans; \$175.2 million restricted by external parties, including grantors and creditors, and \$29.1 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 increased by \$ 4.5 million in 2018.

Committed, assigned and unassigned fund balance in the General Fund was \$52.5 million, which as a percentage of expenditures was 36% of annual operations, compared with 28.4% at the end of 2017. 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 2018 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 **2018 UTGO Library Capital Bond Fund** is used to account for the proceeds of UTGO 2018. In December 2018, the City issued \$73.6 million in unlimited tax general obligation bonds (UTGO Series 2018). The Bonds, which were approved by the voters on November 6, 2018, are being used to finance improvements to and expansion of the Spokane Public Library facilities.

The *Arterial Streets Fund* accounts for the development of the arterial street system within the City. The fund balance of the Arterial Streets Fund increased \$9.9 million to total \$17.2 million at 12/31/2018, all of which is considered restricted for arterial street development. The fund balance represents 50.0% of total expenditures.

Fund balance increased primarily due to transfer of funds from the Reet Fund and closing the 3404 Street Bond to fund Streets Capital Projects.

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 \$679 million, with a \$587.2 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 6.9, which provides this fund with adequate resources to cover cash flow issues.

The water/sewer fund reported operating income of \$21.8 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 2018 operating income will be directed towards those regulatory requirements in the coming years.

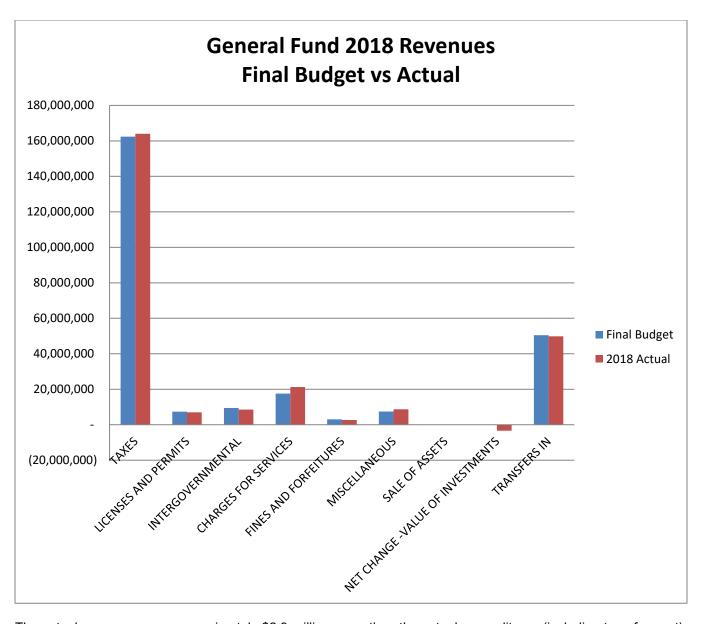
The **Solid Waste Fund** – The solid waste fund reports net position of \$52.4 million. The net investment in capital assets (i.e., the book value of the capital assets less related debt) is \$58.9 million with the remainder being unrestricted net position. The current ratio for this fund is 6.8, which provides this fund with adequate resources to cover cash flow requirements.

The solid waste fund reported an operating loss of \$10.8 million. Depreciation expense was \$10.8 million for the Solid Waste Fund, which accounted for 100% of it's 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 2018, the original General Fund Revenue budget (excluding transfers and other financing sources) was \$.8 million decrease from the 2017 actual results. In addition, the 2018 original expenditure budget (excluding transfers and other financing uses) was \$6.6 million more than the 2017 actual results. There was an unfavorable budget variance in intergovernmental revenues although this was more than offset by the favorable budget variance in taxes, charges for services and miscellaneous. As discussed earlier for governmental funds as a whole, investment earnings for the General Fund have increased by \$2 million due to a large gain in the market valuation of securities held in the investment portfolio. This unrealized gain is a recovery of losses in past years as the individual securities mature since the city's policy is to hold its investment securities to maturity.

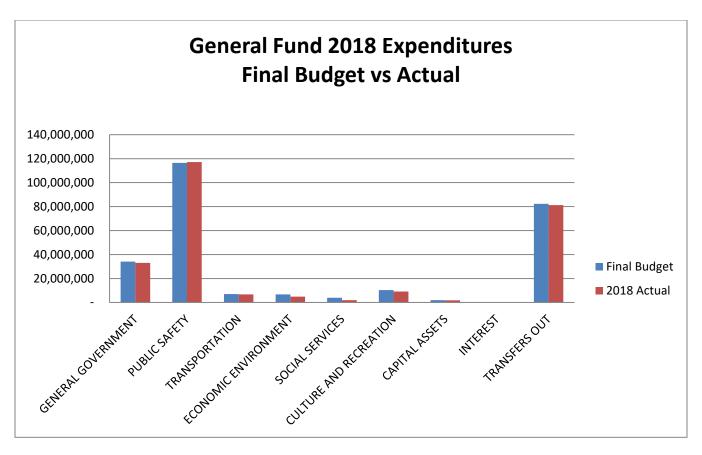
For the past several years, the City has strived to develop a budget that limits expenditures to anticipated revenue for the current year. The City Council amended both the revenue and expenditure budgets during 2018; the amendments resulted in a 1.2% change between the original and final budget for revenues, and a 3.5% change for expenditures.



The actual revenues were approximately \$2.9 million more than the actual expenditures (including transfers out), or 1.4% excess of revenues over expenditures.

Excluding the effects of transfers in/out, the City had positive expenditure variances of \$5.8 million between the final budget and the actual amounts in all categories except Public Safety, which realized a \$0.6 million unfavorable variances. 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

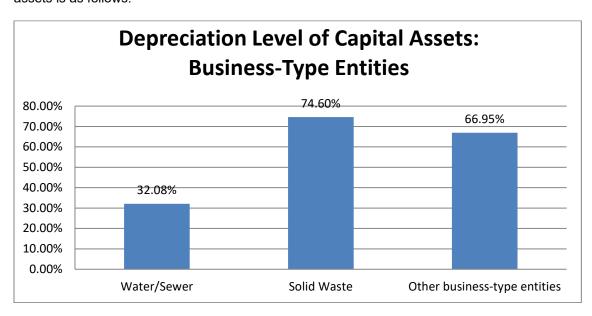
The City's investment in capital assets, net of accumulated depreciation, for governmental and business-type activities as of December 31, 2018, was \$1,426.1 million and \$651.8 million respectively. See Note 4 for additional information about changes in capital assets during the fiscal year and amounts outstanding at the end of the year.

The following table provides a summary of capital assets.

	Governmen	tal Activities	Business-Ty	pe Activities	Total			
Summary of Capital Assets (in thousands)	2018	2017	2018	2017	2018	2017		
NON-DEPRECIABLE ASSETS								
Land	\$ 839,616	\$ 839,422	\$ 14,849	\$ 14,552	\$ 854,464	\$ 853,974		
Construction in progress	40,880	36,582	169,495	124,599	210,376	161,181		
Total non-depreciable assets	880,496	876,004	184,344	139,151	1,064,840	1,015,155		
DEPRECIABLE ASSETS								
Buildings	96,494	92,981	323,902	321,987	420,397	414,968		
Other improvements	97,895	96,390	108,740	106,991	206,635	203,380		
Machinery and equipment	105,656	101,423	159,199	155,016	264,855	256,439		
Infrastructure	1,118,424	1,087,874	663,802	570,902	1,782,226	1,658,777		
Intangible assets	5,450	5,450	114	114	5,564	5,564		
Total depreciable assets	1,423,919	1,384,118	1,255,757	1,155,009	2,679,676	2,539,127		
Total cost of capital assets	2,304,414	2,260,122	1,440,101	1,294,160	3,744,516	3,554,282		
ACCUMULATED DEPRECIATION	(727,652)	(696,743)	(566,759)	(534,927)	(1,294,411)	(1,231,670)		
Total book value of capital assets	\$ 1,576,762	\$ 1,563,379	\$ 873,342	\$ 759,233	\$ 2,450,105	\$ 2,322,612		
Percentage depreciated	51%	50%	45%	46%	48%	49%		

At December 31, 2018 and December 31, 2017, the depreciable capital assets for governmental activities were 51% - 50% depreciated.

With the City's business-type activities, 45% of the asset values were depreciated at December 31, 2018 and 46% at December 31, 2017. 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 \$502 million. Of this amount, \$259.6 million or 51.7% 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 \$241.8 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 \$18.1million or 4.2% of the beginning outstanding borrowed debt balance.

	Governmental Activities Business-Type Activities				Total			
Outstanding Borrowings	2018	2017	2018	2017	2018	2017		
General obligation bonds	\$ 244,287,761	\$ 176,407,692	_	_	244,287,761	\$ 176,407,692		
Deferred amounts	15,277,740	11,280,530	-	-	15,277,740	11,280,530		
Special assessment debt	5,000	115,000	-	-	5,000	115,000		
Capital leases	-	-	157,377	243,268	157,377	243,268		
Revenue bonds	-	_	156,935,000	163,465,000	156,935,000	163,465,000		
Deferred amounts	-	_	17,107,463	18,120,071	17,107,463	18,120,071		
Other government/bank loans	715,222	828,139	67,607,971	65,226,384	68,323,193	66,054,522		
Total	\$ 260,285,722	\$ 188,631,361	\$ 241,807,811	\$ 247,054,723	\$ 502,093,534	\$ 435,686,084		

Long-term debt increased by \$66.9 million during 2018, which was the result issuing a new \$73.6 Million bond. In December of 2018, the City of Spokane sold \$73,605,000 in UTGO bonds for the purpose of providing funds to finance capital improvements to the Spokane Public Library facilities and collection.

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

Economic Conditions Affecting the City

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

Contacting the City's Financial Management

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

Basic Financial Statements

Government-wide Financial Statements

City of Spokane, Washington Statement of Net Position December 31, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 72,142,586	\$ 23,458,056	•
Equity in pooled investments	196,803,035	126,008,303	322,811,338
Receivables (net)	44,856,592	38,622,178	83,478,770
Internal balances	(21,697,670)	21,697,670	-
Inventories	3,150,726	5,267,852	8,418,578
Net Pension Asset	58,737,599	-	58,737,599
Restricted Assets:			
Receivables, noncurrent	22,969,479	57,304	23,026,783
Equity in pooled investments, restricted Capital Assets (Note 4):	-	21,734,552	21,734,552
Non-depreciable assets	880,495,778	184,344,163	1,064,839,941
Depreciable assets, net of depreciation	696,266,671	688,998,258	1,385,264,929
Total capital assets, net of depreciation	1,576,762,449	873,342,421	2,450,104,870
Total Assets	1,953,724,796	1,110,188,336	3,063,913,132
Total Assets	1,733,724,770	1,110,100,550	3,003,713,132
DEFERRED OUTFLOWS			
Pensions	23,398,767	12,659,871	36,058,638
Opeb	479,687	122,515	602,202
Total deferred outflows	23,878,454	12,782,386	36,660,840
Total Assets Plus Deferred Outflows	1,977,603,250	1,122,970,722	3,100,573,972
LIABILITIES			
Accounts payable and accrued expenses	14,670,871	6,045,186	20,716,057
Unearned revenue	2,481	-	2,481
Other liabilities, current	9,638,796	3,896,490	13,535,286
Long term liabilities (Note 9):	7,000,770	0,070,170	10,000,200
Due within one year	25,583,137	11,839,776	37,422,913
Due within more than one year	459,781,792	314,111,306	773,893,098
Total Liabilities	509,677,077	335,892,758	845,569,835
DEFERRED INFLOWS			
Pensions	74,362,974	38,740,149	113,103,123
Sale of Future Revenue	11,892	150,511	162,403
Bond refundings	2,707,167	130,311	2,707,167
Opeb	303,204	135,268	438,472
Total deferred inflows	77,385,237	39,025,928	116,411,165
Total Liabilities Plus Deferred Inflows	587,062,314	374,918,686	961,981,000
NET POSITION			
Net investment in capital assets	1 42/ 092 910	651.835.057	2.077.017.977
	1,426,082,810	631,633,037	2,077,917,867
Restricted for:	20.074./70		20.074./70
Capital projects Debt service	32,874,670 8,965,486	-	32,874,670 8,965,486
		-	
Grants/other	28,467,327	-	28,467,327
Impact Fees	724,399	-	724,399
Police and firefigthers' pension	1,356,898	-	1,356,898
Other	134,250		134,250
Unrestricted	(108,064,904)	96,216,979	(11,847,925)
Total Net Position	\$ 1,390,540,936	\$ 748,052,036	\$ 2,138,592,972

City of Spokane, Washington Statement of Activities For the Fiscal Period Ended December 31, 2018

			Progra	ım Revenue:	s		Ne	et (Expense) R	even	nue and Chang	jes i	n Net Position
Functions/Programs	Expenses	Charges for Services	G	Operating Grants and Contributions		Capital Grants and Contributions		Governmental Activities	E	Business-Type Activities		Total
Governmental Activities:												
General government	\$ 32,895,437 \$	9,568,005	\$	135,069	\$	114,000	\$	(23,078,363)	\$	-	\$	(23,078,363)
Judicial	4,469,062	2,448,525		-		-		(2,020,537)		-		(2,020,537)
Public safety	109,280,781	9,458,872		5,312,384		247,446		(94,262,079)		-		(94,262,079)
Transportation	62,754,838	7,832,233		-		17,085,308		(37,837,297)		=		(37,837,297)
Economic environment	15,034,551	367,875		328,063		398,892		(13,939,721)		=		(13,939,721)
Social services	10,680,530	1,449,964		10,894,254		_		1,663,688		_		1,663,688
Culture and recreation	24,240,729	5,119,782		166,768		71,188		(18,882,991)		_		(18,882,991)
Interest on long-term debt	8,123,624	-		-				(8,123,624)		_		(8,123,624)
Total governmental activities	267,479,552	36,245,256		16,836,538		17,916,834		(196,480,924)		-		(196,480,924)
Business-Type Activities:												
Water/Sewer	124,201,016	161,533,060		_		6,131,961		=.		43,464,005		43,464,005
Solid Waste	79,340,043	71,088,363		_		-		=.		(8,251,680)		(8,251,680)
Other business-type activities	9,678,340	9,917,024		_		_		_		238,684		238,684
Total business-type activities	213,219,399	242,538,447		-		6,131,961		-		35,451,009		35,451,009
		,,				57.5.7.5.				00,101,001		557.5.755.
Total government	\$ 480,698,951 \$	278,783,703	\$	16,836,538	\$	24,048,795		(196,480,924)		35,451,009		(161,029,915)
	General revenues:											
	Property taxes							73,109,055				73.109.055
	Sales taxes							60,328,891		_		60,328,891
	Utility taxes							64,414,402		=		64,414,402
	Other taxes									-		
								24,944,317 6,093,872		609.211		24,944,317
	Investment earnings											6,703,083
	Transfers							6,948,007		(6,948,007)		
	Total general revenue	es and transfers						235,838,544		(6,338,796)		229,499,748
	Change in Net Position	on						39,357,620		29,112,213		68,469,833
	-											
	Net Position - beginn	ing						1,348,475,138		718,917,096		2,067,392,234
	Prior period adjustme	ent						2,708,178		22,727		2,730,905
	Net Position - beginn	ing (restated)						1,351,183,316		718,939,823		2,070,123,139
	Net Position - ending						\$	1,390,540,936	\$	748,052,036	\$	2,138,592,972

Basic Financial Statements

Fund Financial Statements

City of Spokane, Washington Balance Sheet Governmental Funds December 31, 2018

				2018 UTGO		
		General Fund		Library Capital Bond		Arterial Street
ASSETS						
Cash and cash equivalents Deposits with fiscal agents/trustees	\$	19,202,028 22,698	\$	23,520	\$	8,424,840 -
Equity in pooled investments Taxes receivable		15,752,233 14,150,058		70,105,842		7,782,471 205,023
Special assessment receivable		-		-		-
Accounts receivable Interest receivable		3,791,054 1,680,644		13,597		56,594 5,591
Due from other funds Interfund loan receivable		7,953,360 2,748,169		1,254,390		773,309 90,047
Due from other governments		1,365,447		-		5,080,666
Advances to other funds Inventories		2,182,911 71,195		6,870,035		493,167
Notes/contract receivable (non-current) Total Assets	_	121,927 69,041,724		78,267,384		22,911,708
	_	07,041,724		70,207,304		22,711,700
DEFERRED OUTFLOWS OF RESOURCES Total Deferred Outflows of Resources	_			-		
Total Assets Plus Deferred Outflows of Resources	\$	69,041,724	\$	78,267,384	\$	22,911,708
LIABILITIES						
Accounts/vouchers payable Due to other funds	\$	3,104,662 1,396,865	\$	8,975	\$	2,045,444 194,646
Due to other governments		904,468		-		5,283
Revenues collected in advance Interfund loan payable		-		-		-
Other accrued liabilities Other current liabilities		5,605,502 781,425		-		- 912,519
Total Liabilities	_	11,792,922		8,975		3,157,892
DEFERRED INFLOWS OF RESOURCES						
Property taxes Unavailable Revenues Special Assessments		1,729,971		-		-
Unavailable Revenues Impact Fees		-		-		1,836,664
Revenues not available Total Deferred Inflows of Resources		1,729,971		<u> </u>		1,836,664
Total Liabilities Plus Deferred Inflows of Resources		13,522,893		8,975		4,994,556
Fund Balance						
Nonspendable Restricted - capital projects		2,254,106		- 78,258,409		- 17,192,753
Restricted - police & firefighters' pension Restricted - grants		- 781,744		-		-
Restricted - impact fees				-		724,399
Restricted - debt service Restricted - Other		-		-		-
Committed		5,600,258		-		-
Assigned Unassigned		21,940,989 24,941,734		<u>-</u>		<u>-</u>
Total Fund Balance	_	55,518,831		78,258,409		17,917,152
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$	69,041,724	\$	78,267,384	\$	22,911,708
	=		_		_	

City of Spokane, Washington Balance Sheet Governmental Funds December 31, 2018

		Other Governmental Funds	Total
ASSETS Cash and cash equivalents Deposits with fiscal agents/trustees Equity in pooled investments Taxes receivable Special assessment receivable Accounts receivable Interest receivable Due from other funds	\$	23,851,003 105,028 52,165,871 4,311,637 1,201,813 4,852,554 171,801 3,803,723	\$ 51,501,391 127,726 145,806,417 18,666,718 1,201,813 8,700,202 1,871,633 12,530,392
Interfund loan receivable Due from other governments Advances to other funds Inventories Notes/contract receivable (non-current) Total Assets	_	890,508 3,762,321 4,877,134 1,275,306 22,847,552 124,116,251	4,983,114 10,208,434 14,423,247 1,346,501 22,969,479 294,337,067
DEFERRED OUTFLOWS OF RESOURCES Total Deferred Outflows of Resources	_	-	<u> </u>
Total Assets Plus Deferred Outflows of Resources	\$	124,116,251	\$ 294,337,067
LIABILITIES Accounts/vouchers payable Due to other funds Due to other governments Revenues collected in advance Interfund loan payable Other accrued liabilities Other current liabilities Total Liabilities	\$	5,036,788 3,225,334 342,126 10,788 2,349,592 939,374 624,460 12,528,462	\$ 10,195,869 4,816,845 1,251,877 10,788 2,349,592 6,544,876 2,318,404 27,488,251
Property taxes Unavailable Revenues Special Assessments Unavailable Revenues Impact Fees Revenues not available Total Deferred Inflows of Resources		402,416 1,201,813 - 160,526 1,764,755	2,132,387 1,201,813 1,836,664 160,526 5,331,390
Total Liabilities Plus Deferred Inflows of Resources		14,293,217	32,819,641
Fund Balance Nonspendable Restricted - capital projects Restricted - police & firefighters' pension Restricted - grants Restricted - impact fees Restricted - debt service Restricted - Other Committed Assigned Unassigned		1,275,306 40,121,867 1,356,898 27,683,723 - 8,965,486 134,250 23,519,200 6,766,304	3,529,412 135,573,029 1,356,898 28,465,467 724,399 8,965,486 134,250 29,119,458 28,707,293 24,941,734
Total Fund Balance		109,823,034	261,517,426
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$	124,116,251	\$ 294,337,067

2018 Comprehensive Annual Financial Report

City of Spokane, Washington

Reconciliation of the Balance Sheet to the Statement of Net Position Governmental Funds December, 31 2018

Total Fund Balance of Governmental Funds	\$	261,517,426
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 Depreciable assets Less: Accumulated depreciation Total capital assets	3,844	1,524,289,789
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.		58,737,599
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 Special Assesments Impact Fees Grants Revenues Collected for future sales Refunding debt	2,647 ,813 5,664),788),526 7,167)	20,182,534 (57,322,027)
Due to other governments Revitalization Areas Pollution Remediation OPEB (other postemployment benefits) liability Net pension obligation (71.5 (3,052) (1,620) (1,620) (75,897)	7,740) 5,000) 5,223) 2,870) 0,000) 1,301) 7,116)	(448,874,334)
Net Position of Governmental Activities	\$	1,390,540,936

This page intentionally left blank.

City of Spokane, Washington Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Funds For the Fiscal Year Ended December 31, 2018

	General Fund		2018 UTGO Library Capital Bond		Arterial Street
\$	163.991.450	\$	_	\$	_
Ψ		Ψ	-	Ψ	-
	8,564,165		-		18,499,995
	21,238,944		-		-
	2,707,721		-		-
					51,505
					-
	208,838,934		1,796,541		18,551,500
	33 037 079		_		_
			-		-
			-		7,679,309
	4,829,039		-		-
	1,943,320		-		-
	9,143,132		-		-
	1,728,595		544,038		26,582,095
	-		-		112,917
	-				3,141
	1/4,526,311		1,2/6,60/		34,377,462
	34,312,623		519,934		(15,825,962)
	95.538		_		_
	-		73.605.000		_
	_		4,133,475		-
	810,265		-		32,768,175
	(32,270,701)		-		(7,001,556)
	(31,364,898)		77,738,475		25,766,619
	2,947,725		78,258,409		9,940,657
	51.023.158		-		7,252,096
	1,547,948		-		724,399
\$	55,518,831	\$	78,258,409	\$	17,917,152
	\$	\$ 163,991,450 7,015,148 8,564,165 21,238,944 2,707,721 8,717,359 (3,395,853) 208,838,934 33,037,079 117,110,880 6,734,266 4,829,039 1,943,320 9,143,132 1,728,595 	\$ 163,991,450 \$ 7,015,148 8,564,165 21,238,944 2,707,721 8,717,359 (3,395,853) 208,838,934 33,037,079 117,110,880 6,734,266 4,829,039 1,943,320 9,143,132 1,728,595 174,526,311 34,312,623 95,538 51,547,948	\$ 163,991,450 \$ - 7,015,148 - 8,564,165 - 21,238,944 - 2,707,721 - 8,717,359 56,815 (3,395,853) 1,739,726 208,838,934 1,796,541 33,037,079 - 117,110,880 - 6,734,266 - 4,829,039 - 1,943,320 - 9,143,132 - 1,728,595 544,038 - 732,569 174,526,311 1,276,607 34,312,623 519,934 95,538 - 73,605,000 - 4,133,475 810,265 - (32,270,701) - (31,364,898) 77,738,475 2,947,725 78,258,409 51,023,158 - 1,547,948 -	\$ 163,991,450 \$ - \$ 7,015,148 - 21,238,944 - 2,707,721 - 8,717,359 56,815 (3,395,853) 1,739,726 208,838,934 1,796,541 33,037,079 - 117,110,880 - 6,734,266 - 4,829,039 - 1,943,320 - 9,143,132 - 1,728,595 544,038 -

City of Spokane, Washington Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Funds For the Fiscal Year Ended December 31, 2018

	Other Governmental Funds	Total
REVENUES Taxes Licenses and permits Intergovernmental Charges for services Fines and forfeitures Miscellaneous Net inc(dec) in market value of investments Total Revenues	\$ 46,038,974 527,278 19,687,362 17,519,640 3,410,595 4,109,831 (877,983) 90,415,697	\$ 210,030,424 7,542,426 46,751,522 38,758,584 6,118,316 12,935,510 (2,534,110) 319,602,672
EXPENDITURES Current: General government Public safety Transportation Economic environment Social services Culture and recreation Capital outlays Debt service: Principal Interest Total Expenditures	8,979,494 13,468,058 27,171,472 10,834,104 7,772,683 18,858,930 19,683,466 6,073,493 7,255,151 120,096,851	42,016,573 130,578,938 41,585,047 15,663,143 9,716,003 28,002,062 48,538,194 6,186,410 7,990,861 330,277,231
Excess of Revenues Over (Under) Expenditures	(29,681,154)	(10,674,559)
OTHER FINANCING SOURCES (USES) Sale of capital assets Proceeds of bonds issued Premium on bonds issued Transfers in Transfers out Total Other Financing Sources (Uses)	6,164,801 - - 26,915,117 (19,721,190) 13,358,728	6,260,339 73,605,000 4,133,475 60,493,557 (58,993,447) 85,498,924
Net change in fund balance	(16,322,426)	74,824,365
Fund Balance - beginning Prior Period Adjustment	126,145,460	184,420,714 2,272,347
Fund balance - ending	\$ 109,823,034	\$ 261,517,426

2018 Comprehensive Annual Financial Report

City of Spokane, Washington

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities For the Fiscal year Ended December 31, 2018

Change in fund balance - governmental funds Amounts reported for governmental activities in the Statement of Net Position are different because:	\$	74,824,365
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 exceeded depreciation expense: Capital outlays Depreciation expense (31,539,185)		19,393,434
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 Less accumulated depreciation (13,966,813)	•	(8,957,927)
Some revenues in the governmental funds that were not available until the current year were reported in prior years in the Statement of Activities.		
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.		3,044,472
Bond proceeds provide current financial resources to governmental tunds, 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 liaiblities in the Statement of Net Position. This is the amount payments exceeded proceeds: Issuance of general obligation debt Principal repayments - general obligation debt Principal repayments - special assessment debt Principal repayments - due to other governments Principal repayments - Revitalization Areas 112,917 Principal repayments - Revitalization Areas		(67,418,593)
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 Expense (Increase) decrease in compensated absences (Increase) decrease in deferred amounts on bond issuance (Increase) decrease in deferred amounts on existing bond issuance (Increase) decrease in accrued interest (Increase) decrease in Pension Expense (Increase) decrease in refunding amortization Some expenses of expense require the use of current separate sepa))	17,538,915
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.		932,954
Change in net position of governmental activities	\$	39,357,620

City of Spokane, Washington Statement of Net Position Proprietary Funds December 31, 2018

			Busi	ness-type Activ	ities	-Enterprise Fund	ds		-	
	_	Water/Sewer		Solid Waste		Other Enterprise Funds		Total		Governmental Activities Internal Service
ASSETS										
Current assets:										
Cash and cash equivalents	\$	18,402,500	\$	3,015,820	\$	1,981,454	\$	23,399,774	\$	18,774,870
Deposits with fiscal agents		50,915		7,367		-		58,282		1,738,599
Equity in pooled investments		106,514,414		15,844,119		3,649,770		126,008,303		50,996,618
Accounts receivable		14,059,367		6,812,596		160,997		21,032,960		643,164
Interest receivable		120,346		22,312		2,363		145,021		35,949
Due from other funds		444,885		47,732		419,353		911,970		3,058,326
Interfund loan receivable		1,987,084		522,465		54,566		2,564,115		820,113
Due from other governments		17,327,011		117,186		-		17,444,197		5,723
Inventories		3,246,841		1,956,720		64,291		5,267,852		1,804,225
Prepayments		-		-		-		-		60,215
Equity in pooled investments, restricted		8,074,642		13,659,910				21,734,552		
Total current assets		170,228,005		42,006,227		6,332,794		218,567,026		77,937,802
Noncurrent assets:										
Non depreciable capital assets:		11 100 000		0.450.200		1 000 004		1 4 0 40 005		/ 740 0/5
Land		11,109,289		2,450,382		1,289,224		14,848,895		6,742,065
Construction in progress		168,023,380		1,418,201		53,687		169,495,268		3,762,315
Depreciable capital assets:		2.47.270.020		000 150 070		1 / 200 /70		FO1 041 F70		74 /74 001
Property, plant, and equipment		347,378,030		228,153,868		16,309,672		591,841,570		74,674,331
Infrastructure		663,801,828		-		-		663,801,828		9,550,407
Capitalized software		-		-		-		-		5,450,022
Intangible assets		113,766		- 470 000 544		-		113,766		-
Less accumulated depreciation	_	(381,851,718)		(173,089,546)		(11,817,642)		(566,758,906)		(47,706,476)
Total capital assets	_	808,574,575		58,932,905		5,834,941		873,342,421		52,472,664
Other noncurrent assets										
Other noncurrent assets		27,500		29,804		-		57,304		-
Advances to other funds		10,882,854		2,861,432		298,850		14,043,136		4,491,585
Total noncurrent assets		819,484,929		61,824,141		6,133,791		887,442,861		56,964,249
Total assets	_	989,712,934		103,830,368		12,466,585		1,106,009,887		134,902,051
DEFERRED OUTFLOWS OF RESOURCES										
Pensions	_	7,253,078		4,206,573		1,200,220		12,659,871		3,664,783
Opeb Outflows		75,892		37,608		9,015		122,515		31,137
Total deferred outflows of resources		7,328,970		4,244,181		1,209,235		12,782,386		3,695,920
Total assets plus deferred outflows of resources		997,041,904		108,074,549		13,675,820		1,118,792,273		138,597,971
	_					-,,				

City of Spokane, Washington Statement of Net Position Proprietary Funds December 31, 2018

	Bus	iness-type Activitie	s-Enterprise Funds		
	Water/Sewer	Solid Waste	Other Enterprise Funds	Total	Governmental Activities Internal Service
LIABILITIES					
Current Liabilities:					
Accounts payable	2,520,930	3,426,223	98,039	6,045,192	2,492,711
Claims and judgments payable	-	-	-	-	17,042,283
Compensated absences	215,675	78,842	37,053	331,570	150,008
Capital lease payable	-	-	88,945	88,945	-
Due to other funds	8,034,358	1,742,099	250,802	10,027,259	1,656,581
Interfund loan payable	-	-	367,571	367,571	38,608,142
Due to other governments	3,154,290	-	-	3,154,290	1,920
Revenue bonds payable	8,074,642	-	-	8,074,642	-
Accrued interest	830,544	-	-	830,544	42,563
Other accrued liabilities	1,268,763	727,516	234,097	2,230,376	703,851
Other current liabilities	605,683	249,782	136,815	992,280	29,102
Tallal and a Library 1975 a					
Total current liabilities	24,704,885	6,224,462	1,213,322	32,142,669	60,727,161
Non-compact Carlo 1999 co.					
Noncurrent Liabilities: Revenue bonds payable	165.967.821			165,967,821	
Due to other government units	64,917,674	-	-	64,917,674	-
Compensated absences	3,377,043	1,600,101	538,157	5,515,301	1,652,655
Noncurrent capital lease payable	3,377,043	1,600,101	68,433	68,433	1,032,033
Net pension liability	34,846,897	20,210,174	5,766,371	60,823,442	17,607,184
Total opeb liability	1,870,811	927,045	222,417	3,020,273	766,959
Accrued landfill postclosure liability	1,070,011	13,831,983	222,417	13,831,983	700,737
Accided latialiii posiciosore liability		10,001,700		10,001,700	
Total noncurrent liabilities	270,980,246	36,569,303	6,595,378	314,144,927	20,026,798
Total Liabilities	295,685,131	42,793,765	7,808,700	346,287,596	80,753,959
DEFERRED INFLOWS OF RESOURCES					
Pensions	22.194.963	12.872.424	3.672.762	38,740,149	11.214.507
Opeb	83,792	41,523	9,953	135,268	34,373
Sale of Future Revenue	-	-	150,511	150,511	11,892
			100,011	100,011	11,072
Total deferred inflows of resources	22,278,755	12,913,947	3,833,226	39,025,928	11,260,772
Total liabilities plus deferred inflows of resources	317,963,886	55,707,712	11,641,926	385,313,524	92,014,731
NET POSITION					
Net investments in capital assets Restricted for unspent bond proceeds	587,224,588	58,932,905	5,677,564	651,835,057	52,472,664
Unrestricted	91,853,430	- (6,566,068)	(3,643,670)	81,643,692	(5,889,424)
Total Net Position	\$ 679,078,018 \$	52,366,837 \$	2,033,894	733,478,749	46,583,240

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds. ______14,573,287

Net position of business-type activities \$ 748,052,036

City of Spokane, Washington Statement of Revenues, Expenses, and Changes in Net Position Proprietary Funds For the Fiscal Year Ended December 31, 2018

	В	usiness-type Activitie	es - Enterprise Funds		
	Water/Sewer	Solid Waste	Other Enterprise Funds	Total	Governmental Activities Internal Service Funds
OPERATING REVENUES					
Charges for goods and services	\$ 141,699,889 \$	69,050,847	\$ 10,071,771 \$	220,822,507	\$ 90,703,128
Total operating revenues	141,699,889	69,050,847	10,071,771	220,822,507	90,703,128
OPERATING EXPENSES					
Salaries and wages	24,517,098	14,806,448	4,878,815	44,202,361	13,706,919
Personnel benefits	8,191,878	5,253,815	1,642,909	15,088,602	4,732,859
Supplies	6.001.377	4,232,711	408,960	10,643,048	7,801,660
Other services and charges	24,627,446	33,351,308	2,745,378	60,724,132	15,722,595
Intergovernmental	24,027,440	308	2,745,576	308	13,722,373
Taxes	22 440 202	10,984,262	22,854	44,647,409	125 204
	33,640,293				135,296
Depreciation/amortization	22,494,549	10,799,159	374,651	33,668,359	5,784,587
Risk transfer payments	385,632	425,494	-	811,126	10,646,783
Claims processing	-	-	-	-	2,485,693
Payments to claimants and beneficiaries		-	-	-	33,137,704
Total operating expenses	119,858,273	79,853,505	10,073,567	209,785,345	94,154,096
Operating Income (Loss)	21,841,616	(10,802,658)	(1,796)	11,037,162	(3,450,968)
NONOREDATING REVENUES (EVRENSES)					
NONOPERATING REVENUES (EXPENSES)	107 200	101 204	10.400	/00 011	170 401
Interest income	497,389	101,324	10,498	609,211	179,481
Gain (loss) on disposition of capital assets	(237,867)	(961)	2,338	(236,490)	(732,089)
Interest expense	(7,032,974)	-	-	(7,032,974)	(836,714)
Other nonoperating revenue	7,045,875	2,184,382	173,247	9,403,504	1,211,013
Total nonoperating revenues (expenses)	272,423	2,284,745	186,083	2,743,251	(178,309)
Income (loss) before capital					
contributions and transfers	22,114,039	(8,517,913)	184,287	13,780,413	(3,629,277)
Capital contributions	20,926,794	-	-	20,926,794	558,705
Transfers in	25,000	-	-	25,000	9,277,770
Transfers out	(6,214,037)	(700,000)	(58,970)	(6,973,007)	(3,921,220)
Total contributions and transfers	14,737,757	(700,000)	(58,970)	13,978,787	5,915,255
Change in Net Position	36,851,796	(9,217,913)	125,317	27,759,200	2,285,978
Net Position - beginning	642,182,216	61,600,942	1,913,664	705,696,822	44,712,026
Prior Period Adjustment	44,006	(16,192)	(5,087)	22,727	(414,764)
Net Position - beginning (restated)	642,226,222	61,584,750	1,908,577	_	44,297,262
Net Position - ending	\$ 679,078,018 \$	52,366,837	\$ 2,033,894	<u>.</u> :	\$ 46,583,240
		Ch	ange in Net Position	27,759,200	
	Adjustments to reflect t		internal service fund d to enterprise funds	1,353,013	
The makes to the Committee of the control of	Change	in net position of bu	siness-type activities <u>\$</u>	29,112,213	

City of Spokane, Washington Statement of Cash Flows Proprietary Funds For the Fiscal Year Ended December 31, 2018

	Business-Type Activities - Enterprise Funds					
	Water/Sewer	Solid Waste	Other Enterprise Funds	Total	Governmental Activities Internal Service	
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 140,627,453 \$			222,109,800		
Payments to suppliers for services	(34,209,888)	(34,319,346)	(3,212,308)	(71,741,542)	(69,708,463)	
Payments to employees Payment for taxes - city and state	(32,363,523) (33,640,293)	(19,370,389) (10,984,570)	(6,871,327)	(58,605,239) (44,647,545)	(17,769,731) (135,280)	
Other receipts (payments)	128,197	(16,192)	(22,682) 2,701	114,706	(666,303)	
Net cash provided (used) by operating activities	40,541,946	6,229,943	458,291	47,230,180	3,054,271	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers in (out)	(6,189,037)	(700,000)	(50,000)	(6,939,037)	(1,585,201)	
Net cash provided (used) by noncapital financing activities	(6,189,037)	(700,000)	(50,000)	(6,939,037)	(1,585,201)	
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES Proceeds from disposal of capital assets	283,194	29,600	2,479	315,273	88,316	
Proceeds from loans, notes, and lease purchase payable	4,915,069	-	(44,473)	4,870,596	8,149,160	
Capital grants and contributions received	463,993	-	·	463,993	-	
Acquisition and construction of capital assets	(137,052,700)	(2,539,490)	(100,153)	(139,692,343)	(9,182,543)	
Principal paid on intergovernmental loans	(2,761,313)	-	-	(2,761,313)		
Principal paid on revenue bonds	(6,530,000)	-	-	(6,530,000)	-	
Principal paid on capital leases	-	-	(41,419)	(41,419)	(5.004.(50)	
Principal paid on interfund loans Interest paid on interfund loans	-	-	-	-	(5,224,652)	
Interest paid on interioria loans Interest paid on intergovernmental loans	(890,550)	-	-	(890,550)	(836,714)	
Interest paid on revenue bonds	(6,994,570)	_	-	(6,994,570)	-	
Interest paid on general obligation bonds	-	-	-	-	-	
Transfers in (out)	12,433,349	-	(8,970)	12,424,379	6,876,760	
Net cash provided (used) by capital and related financing activities	(136,133,528)	(2,509,890)	(192,536)	(138,835,954)	(129,673)	
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investments	(42,469,284)	(1,020,645)	(660,260)	(44,150,189)	(4,405,183)	
Proceeds from sales and maturities of investments	157,188,279	500,000	2,078,105	159,766,384	18,347,186	
Interest received	523,102 115,242,097	96,897 (423,749)	7,982 1,425,827	627,981 116,244,175	174,744 14,116,747	
Net cash provided (used) by investing activities	113,242,077	(423,747)	1,423,627	116,244,173	14,116,747	
Net increase (decrease) in cash and cash equivalents	13,461,478	2,596,306	1,641,582	17,699,366	15,456,144	
Cash and cash equivalents - January 1	4,941,021	419,514	339,872	5,700,407	3,318,726	
Cash and cash equivalents - December 31	\$ 18,402,500	3,015,820	\$ 1,981,454 \$	23,399,774	\$ 18,774,870	
CASH FLOWS FROM OPERATING ACTIVITIES Operating Income (Loss)	\$ 21,841,616 \$	(10,802,656)	\$ (1,795) \$	11,037,165	\$ (3,450,968)	
	φ 21,041,010 4	(10,002,030)	φ (1,775) φ	11,037,103	φ (3,430,760)	
Adjustments to Reconcile Operating Income	00 10 1 = 1=	10 700 15		00 / 10 0==		
Depreciation & amortization	22,494,549	10,799,159	374,649	33,668,357	5,784,587	
Prior period adjustment Change in Accounting Principle	128,197	(16,192)	(5,087)	106,918	(668,464)	
Other revenues Other expenses	7,045,875	2,184,380	173,246	9,403,501	1,168,018	
Change in Assets: Decrease (Increase) Receivables, net of allowance	(8,112,811)	(317,983)	316,890	(8,113,904)	(469,467)	
Deposits with fiscal agents Inventories	(100 240)	3,202	4 21 4	3,202	(24,990)	
Prepayments	(188,349)	115,855	4,216	(68,278)	(23,482) 23,414	
Change in Deferred Outflows : Decrease (Increase) Change in Liabilities: Increase (Decrease)	3,012,533	1,831,411	591,557	5,435,501	1,468,727	
Payables Change in Deferred Inflows: Increase (Decrease)	(25,066,669) 19,387,005	(8,822,365) 11,255,132	(4,176,753) 3,181,368	(38,065,787) 33,823,505	(10,676,856) 9,923,752	
Net Cash provided (used) by operating activities	\$ 40,541,946	6,229,943	\$ 458,291 \$	47,230,180	\$ 3,054,271	
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES	¢ 0.400.400		ф	0 (00 (00	¢	
Contributions of capital assets	\$ 8,493,439		\$ - \$	8,493,439	\$ 476,327	

City of Spokane, Washington Statement of Fiduciary Net Position Fiduciary Funds December 31, 2018

	-				
	Pe	nsion and Other Employee Benefit Plans	Private-Purpose Trust Funds		Agency Funds
ASSETS					
Cash	\$	905,075	\$ 34,545	\$	517,751
Short term investments		859,764	-		-
Receivables, pension and other employee benefit					
plans:					
Interest and dividends		351,797	-		-
Taxes receivable		500,000	-		-
Due from other governments		20,432	-		415
Other receivables		1,839	5,235		-
Investments, noncurrent, at fair value:					
U.S. fixed income		66,283,866	-		-
International/global fixed income		1,087,757	-		-
U.S. equities		75,843,382	-		-
Real estate		25,314,141	-		-
International equities		58,948,145	-		-
Alternatives		82,721,805	=		=_
Total investments		310,199,096	-		-
Capital assets:					
Software		477,000	-		-
Other improvements		17,539	-		-
Accumulated depreciation		(184,489)	-		-
Investments, noncurrent, all other funds:					
Total Assets		313,148,053	39,780		518,166
LIABILITIES					
Accounts/vouchers payable		164,247	-		
Due to other governments		267	-		515,498
Compensated absences		26,401	-		-
Other accrued liabilities		13,541	-		-
Other current liabilities		30,394			2,668
Total Liabilities		234,850	-		518,166
NET POSITION					
Net position held in trust for:					
Pension benefits		299,886,662	-		
Postemployment benefits		13,026,541	-		
Individuals, organizations, and other governments		-	39,780	-	
Total Net Position	\$	312,913,203	\$ 39,780		
				=	

City of Spokane, Washington Statement of Changes in Fiduciary Net Position Fiduciary Funds For the fiscal year ended December 31, 2018

	Pension and Other Employee Benefit Plans	Private Purpose Trust Funds
ADDITIONS		
Contributions:		
Employer	\$ 17,113,549	\$ -
Plan members	9,188,781	-
Intergovernmental revenue	345,789	-
Medicare retiree drug subsidy	270,821	-
Miscellaneous	256,364	-
Private contributions	 -	11,181
Total Contributions	 27,175,304	11,181
Investment Income:		
Net increase (decrease) in fair value of investments	(23,173,053)	-
Interest and dividends	5,497,326	-
Total investment earnings (loss)	(17,675,727)	-
Less: Investment expense	(523,736)	-
Net investment income (loss)	 (18,199,463)	<u> </u>
Total Additions	 8,975,841	11,181
DEDUCTIONS		
Pension Benefits	29,565,324	_
Medical and dental benefits	5,936,280	-
Pension refunds	554,422	-
Medical and dental administration	391,919	-
Administrative expenses	 709,345	
Total Deductions	 37,157,290	<u> </u>
Change in Fiduciary Net Position	 (28,181,449)	11,181
Fund Balance - beginning	 341,094,652	28,599
Net position - ending	\$ 312,913,203	\$ 39,780

Notes to the Financial Statements

For the Fiscal Year Ended December 31, 2017

Note 1	Summary of Significant Accounting Policies	57
Note 2	Deposits and Investments	71
Note 3	Property Taxes	82
Note 4	Capital Assets	83
Note 5	Pension Plans	85
Note 6	Other Post Employment Benefits	102
Note 7	Risk Management	113
Note 8	Short Term Debt	115
Note 9	Long Term Liabilities	116
Note 10	Interfund Balances and Transfers	123
Note 11	Joint Ventures	126
Note 12	Commitments and Contingencies	130
Note 13	Prior Period Adjustments	137
Note 14	Legal Matters	139
Note 15	Subsequent Events	139
Note 16	Tax Abatements	140

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 220,100 people within an area of about 70.07 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 2018 reporting, the City evaluated the following new standards issued by the Governmental Accounting Standards Board (GASB):

GASB 85 *Omnibus 2017.* This statement is to improve consistency in accounting and financial reporting by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Note 6 Defined Other Post- Employment Benefits and presenting payroll related measures in the Required Supplementary Information required no changes under this guidance.

GASB 86 Certain Debt Extinguishment Issues. This statement is to improve consistency in accounting and financial reporting for certain debt extinguishments and to enhance the decision –usefulness of that information. This statement is not applicable to the City of Spokane.

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 Spokane Transportation Benefit District (TBD) was created to make transportation improvements consistent with existing state, regional, and local transportation plans and was dissolved and absorbed by the primary government effective 1/6/2018.

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 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, 2018, there were no financial transactions that are reported in the City's financial statements.

Joint Ventures

The City participates in 3 joint ventures. These include the Spokane International Airport, the Spokane Regional Transportation Council and the West Plains-Airport Area Public Development Authority. The Spokane Regional Transportation Council is accounted for by the City in an Agency fund. The Spokane International Airport and the West Plains-Airport Area Public Development Authority are not part of the City and are 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/deferred outflows and liabilities/deferred inflows. As a general rule, balances between governmental and business-type activities are eliminated.

Assets and liabilities are presented 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 an asset's 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.
- 2018 UTGO Library Capital Bond Fund accounts for monies received from proceeds of general obligation bonds to finance improvements to and expansion of the Spokane Public Library facilities.

• **Arterial Street Fund** is used exclusively for the construction, improvement and repair of the arterial streets and for any other legally approved street in the City.

Major Enterprise Funds

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

Operating and Nonoperating Revenues and Expenses

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

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

Nonmajor Governmental Funds

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

Nonmajor Proprietary Funds

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

Fiduciary Funds

The City reports the following fiduciary funds:

Pension (and other Employee Benefit) Trust Funds are used to report resources that are required to be
held in trust by the city for the members and beneficiaries of its defined benefit and other employee benefits
plans. Included in this category are the Employees' Retirement Fund, the Firefighters' Pension and OPEB
Funds, and the Police Pension and OPEB Funds.

- **Private-Purpose Trust Fund** is used to report trust arrangements, other than pension trusts, under which trust principal and income benefit individuals, private organizations, or other governments. Included in this category is the Finch Arboretum Trust Fund.
- Agency Funds account for resources held by the city in a custodial capacity for other governments, private
 organizations, or individuals. Included in this category are the Parking and Business District Fund and the
 Spokane Regional Transportation Council 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, un-matured 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 for the year ended December 31, 2018:

Fund	Amount
2018 UTGO Library Capital Bond	1,276,607
Intermodal Facility Operation	59,928
Kendall Yards TIF Fund	137,363
Total	1,473,898

Funds with Deficit Fund Balance/Net Position

The following funds reported deficit fund balance/net position as of December 31, 2018:

Fund	Amount
2008 Parks	108
Building Services Fund	1,991,086
Public Works Utilities Fund	2,711,788
Reprographics Fund	143,400
Accounting Services Fund	5,116,179
My Spokane	1,113,862
Total	11,076,424

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 and the net OPEB liability related to the City's Retiree Medical Plan 2 pursuant to GASB 75. 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 re-appropriated 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 in 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.

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	13,659,910
Current portion of revenue bonds payable	8,074,642
Total	21,734,552

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.

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.

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.

Deferred outflows on OPEB are recorded when there is a difference between expected and actual earnings changes in assumptions and difference between projected an actual earnings on plan investments. When these amounts increase OPEB expense they are labeled an outflow. These outflows are amortized on a level dollar basis with no interest added for the deferred amounts. Deferred experience gains/losses and changes in assumptions are amortized over the average remaining service lives of all the employees that are provided with benefits though the OPEB plan at the beginning of the measurement period.

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.

Deferred inflows on OPEB are recorded when there is a difference between expected and actual earnings changes in assumptions and difference between projected an actual earnings on plan investments. When these amounts decrease OPEB expense they are labeled an inflow. These inflows are amortized on a level dollar basis with no interest added for the deferred amounts. Deferred experience gains/losses and changes in assumptions are amortized over the average remaining service lives of all the employees that are provided with benefits though the OPEB plan at the beginning of the measurement period.

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, 2018 are shown below:

Fund Balance	General Fund	2018 UTGO Library Capital Bond	Arterial Street	Nonmajor Government Funds	Total
Nonspendable:					
Interfund loans receivable	2,182,911	-	-	-	2,182,911
Inventories	-	-	-	1,275,306	1,275,306
Prepaids	71,195				71,195
Total Nonspendable Fund Balance	2,254,106	-	-	1,275,306	3,529,412
Restricted for:					
Capital projects	-	78,258,409	17,192,753	40,121,867	135,573,029
Debt service	-	-	-	8,965,486	8,965,486
Impact Fees			724,399		724,399
Grants	781,744	-	-	27,683,723	28,465,467
Police/firefighters' pension	-	-	-	1,356,898	1,356,898
Other	-	-	-	134,250	134,250
Total Restricted Fund Balance	781,744	78,258,409	17,917,152	78,262,224	175,219,529
Committed for:					
Revenue stabilization	3,954,999	-	-	-	3,954,999
City facilities	-	-	-	184,162	184,162
Communication	-	-	-	5,297,537	5,297,537
Transportation	169,144	-	-	7,012,611	7,181,755
Public safety	1,476,115	_	-	7,864,728	9,340,843
Culture and recreation	-	-	-	3,086,283	3,086,283
Benefits	-	-	-	73,879	73,879
Total Committed Fund Balance	5,600,258	-	_	23,519,200	29,119,458
Assigned for:					
Contingency reserve	14,879,422	-	-	-	14,879,422
General Government	3,973,210	_	-	-	3,973,210
Library capital replacement	2,390,330	-	-	-	2,390,330
Communication	-	_	_	-	-
Human Services	-	-	-	477,259	477,259
Law enforcement	-	-	-	6,862	6,862
Fire protection	-	_	_	-	-
Transportation	_	_	_	_	_
Culture and recreation	-	-	_	300,000	300,000
Code enforcement	591,532	-	-	-	591,532
City facilities/improvement	83,926	-	-	5,971,513	6,055,439
Benefits	_	-	_	-	-
Other purposes	22,569	-	-	10,670	33,239
Total Assigned Fund Balance	21,940,989	_	-	6,766,304	28,707,293
Unassigned:	24,941,734	-	_		24,941,734
Total	55,518,831	78,258,409	17,917,152	109,823,034	261,517,426

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, 2018, \$53.1 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	4,084,290
Nonmajor Governmental Funds	49,058,239
Total	53,142,529

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 manages the Spokane Investment Pool (an internal investment pool) and 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, 2018, all of the \$344.5 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. There was no change investment policy during the reporting period.

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 assets are held in cash to pay monthly pension benefits and all other claims as they are received. The Police System is funded by property taxes that are irrevocable once contributed.

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 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 equites, 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, 2018:

Deposit Type	Value
Reconciliation of Restricted/Unrestricted	d Cash and Investments:
Cash	\$ 93,064,730
Petty Cash	611,305
Deposits with Fiscal Agents	1,924,607
Investments	344,545,890
	440,146,532

Interest Rate Risk

Interest rate risk is the risk the City may face should interest rate variances affect the fair value of investments. 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 City is in compliance with its policies.

The following table shows the City's invested assets and the pension fund assets by investment type, fair value, segmented maturities, and by the average effective duration as of December 31, 2018.

			Matu	rity		
Interest Rate Risk	Fair Value	Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years	Effective Duration (in years)
City Treasurer Investments Categorized						
US Government Agencies	308,120,278	46,345,688	224,855,975	36,918,615	-	4.24
Strip Bonds	36,425,613	-	7,046,815	23,944,781	5,434,016	6.89
Total investments categorized	344,545,890	46,345,688	231,902,790	60,863,396	5,434,016	
Pension Trust Funds						
Employees' Retirement System						Average Maturity
Fixed Income Mutual Funds	11,491,293	11,491,293	-	-	-	-
Corporate Notes and Bonds	9,075,413	311,865	3,195,347	2,305,857	3,262,344	5.86
Asset Backed Securities	5,977,991	-	1,622,312	1,156,943	3,198,736	10.37
Governmental CMOs	4,144,001	-	-	459,920	3,684,081	16.70
Municipal Bonds	1,452,796	30,665	686,874	551,334	183,923	17.56
Mortgage Backed						
Governmental Passthrough	1,183,087	-	-	224,344	958,743	19.89
U.S. Government Treasuries	1,762,744	-	587,443	25,257	1,150,044	17.31
	-	-	-	-	-	-
Total investments categorized	35,087,325	11,833,823	6,091,976	4,723,655	12,437,871	
Investments not required to be categorized:						
Cash equivalents	554,256	-	-	-	-	
Equity securities	134,791,527	-	-	-	-	
Real estate	25,314,141	-	-	-	-	
Alternative investments	82,721,805	-	-	-	-	
Total investments not categorized	243,381,729	-	-	-	-	
Total Investments	278,469,054	11,833,823	6,091,976	4,723,655	12,437,871	
Firefighters' Pension System						Average Maturity
US Government Treasuries	13,273,549	3,699,575	2,895,609	6,175,785	502,580	4.38
Mortgage Backed Securities						
Government Pass Through	5,301,275	129,246	34,067	3,830,339	1,307,623	9.45
Government CMOs	3,194,459	-	-	2,349,492	844,967	8.31
Corporate Bonds/Notes	9,755,518	1,056,558	6,400,609	2,298,352	-	2.73
Asset Backed Securities	759,497	-	114,434	451,133	193,930	5.15
Total investments categorized	32,284,298	4,885,379	9,444,719	15,105,101	2,849,100	1
Investments not required to be categorized:						
Cash equivalents	280,811	-	-	-	-	-
Total investments not categorized	280,811	-	-	-	-	
Total Investments	32,565,109	4,885,379	9,444,719	15,105,101	2,849,100	
Police Pension System						
Investments not required to be categorized:						
Cash equivalents	24,697	-	-	-	-	-
Total Investments_	24,697	-	-	-	-	

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 2018 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 City is in compliance with its policies.

The following table shows the City's internal investment pool assets and the Pension Fund assets by credit rating and fair value as of December 31, 2018.

				,	Invest	ment Credit Ratir	ng		
Investment Type		Fair Value	AAA	AA+	Α	ВВВ	ВВ	В	Not Rated
US Government Agencies		36,425,609		7,362,823	-	-	-	-	29,062,787
Strip Bonds		308,120,281		306,663,346	-		-	-	1,456,935
•	Total	344,545,890	-	314,026,168	-	-	-		30,519,722
Employees' Retirement System									
Fixed Income Mutual Funds		11,491,293	-	-	-	-	-	-	11,491,293
Corporate Notes and Bonds		9,075,412	91,820	315,452	2,740,977	5,826,507	44,640	-	56,016
Asset Backed Securities		5,977,991	5,748,870	-	-	-	-	-	229,121
Governmental CMOs		4,144,001	-	4,144,001	-	-	-	-	
Municipal Bonds		1,452,795	73,415	1,280,774	25,149	73,457	-	-	
Mortgage Backed Securities									
Governmental Passthrough		1,183,087	1,183,087	-	-	-	-	-	
U.S. Government Treasuries		1,762,746	1,762,746	-	-	-	-	-	
	Total	35,087,325	8,859,939	5,740,226		5,899,964	44,640	-	11,776,429
Firefighters' Pension System									
US Government Treasuries		13,273,549	-	13,273,549	-	-	-	-	
Mortgage Backed Securities									
Government Pass Through		5,301,275	-	5,301,275	-	-	-	-	
Government CMOs		3,194,459	-	3,194,459	-	-	-	-	
Corporate Bonds/Notes		9,755,518	-	724,932	4,445,842	4,584,744	-	-	
Asset Backed Securities		759,497	-	267,790	491,707	-	-	-	
	Total	32,284,298	- 1	22,762,004	4,937,550	4,584,744	-	-	-

Concentration of Credit Risk

City Treasurer Investments

Concentration risk disclosure is required for all investments in any one issue that is five percent 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 City's total investments.

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 net assets at December 31, 2018 were:

Organization	% of Net Position
City of Spokane Employees' Retirment System	
Sterling Capital Management	9.9%
Hotchkis & Wiley	9.0%
Artisan Partners	7.0%
American Funds	6.8%
Vanguard Funds	6.8%
Evanston Capital Management	5.4%
Contrarian Capital Management	5.2%
Jackson Square	5.2%

Firefighters' Pension System

The Firefighters' Trust Fund holdings in issuers that represent five percent or more of the Plan's net assets at December 31, 2018 were:

Organization	% of Net Position
City of Spokane Firefighter's Pension System	
US Treasury Notes	44.7%
Fannie Mae	20.0%

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, 2018, there were no holdings exposed to foreign currency risk.

Employees' Retirement System

At December 31, 2018, 29.4% 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 value of the foreign investments as of December 31, 2018 was:

Category	Total Investments	US Issues	Foreign Issues	% Foreign
Cash	554,256	554,256	-	0.00%
Fixed Income	49,551,806	42,407,189	7,144,617	14.40%
Equities	134,791,528	77,591,023	57,200,505	42.40%
Real Estate	25,314,141	25,130,755	183,386	0.70%
Alternatives	68,257,323	51,019,994	17,237,329	25.30%
Total	278,469,054	196,703,217	81,765,837	29.40%

Spokane Firefighters' Trust Fund

The Fire investment policy does not allow investments in foreign issuances. At December 31, 2018, 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, 2018, there were no holdings exposed to foreign currency risk.

Spokane Investment Pool

This is an internal investment pool that is utilized for the investment of funds at the fund level. Fund ownership is measured by the actual amount of funds invested. The investment strategy is at the directive of the Chief Financial Officer. The interest earnings of the pool are allocated across the Special Revenue (excluding specific grant related funds), Debt Service, Capital Project, Internal Service and Enterprise Funds based on the average book value of fund investments multiplied by the average of the last 84 months of the State LGIP's monthly rate in effect as of 12/31/2018. The General Fund and Grant Related funds excluded above receive the full calculated rate of the pool with any excess earnings being allocated directly to the General Fund. Unrealized Gains and losses are allocated based on the percentage of book value owned by the funds that are selected to participate. In 2018, the selected funds were Treasurer's Cash, General Fund, Community Development Block Grants, CDBG Revolving Loan, Home Program, Housing Assistance Program, Housing Trust Grant, the Park Bond, and the Library Bond.

Investments in Local Government Investment Pool (LGIP)

The City of Spokane is a participant in the Local Government Investment Pool was authorized by Chapter 294, Laws of 1986, and is managed and operated by the Washington State Treasurer. The State Finance Committee is the administrator of the statute that created the pool and adopts rules. The State Treasurer is responsible for establishing the investment policy annually and proposed changes are reviewed by the LGIP advisor Committee.

Investments in the LGIP, a qualified external investment pool, are reported at amortized costs which approximates fair value. The LGIP is an unrated external investment pool. The pool portfolio is invested in a manner that meets the maturity, quality, diversification and liquidity requirements set forth by the GASBS 79 for external investments at amortized costs. The LGIP does not have any legally binding guarantees of share values. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals.

The Office of the State treasurer prepares a stand-alone LGIP financial report. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, WA 98540-0200, online at http://www.tre.wa.gov.

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, 2018:

		Quoted Prices In Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	
Investment by fair value level	12/31/2018	(Level 1)	(Level 2)	(Level 3)	(NAV)
US Government Agencies	308.120.278	308,120,278	_	-	_
Strip Bonds	36,425,609	36,425,609		_	_
Total	344,545,887	344,545,887	-	-	-
Danaian Truck Francis					
Pension Trust Funds Employees' Retirement System					
Cash Equivalents	554,256	554,256	-	-	-
Total Cash Equivalents	554,256	554,256	-	-	-
US Government	7.089.834	7.089.834	-	-	
US Corporate Fixed Income	8,390,879	8,390,879	-	-	-
International Fixed Income	684,533	684,533	-	-	-
Asset Backed Securities	5,977,991	5,977,991	-	-	-
Municipal Bonds	1,452,795	1,452,795	-	-	-
Fixed Income Mutual Funds	11,491,293	11,491,293			
Total Fixed Income	35,087,325	35,087,325	-	-	-
US Common Stock	17,651,848	17,651,848	-		
International Common Stock	583,537	583,537			
Equity Mutual funds	112,129,047	99,169,281	12,959,766		
Total Equities	130,364,432	117,404,666	12,959,766		
Real estate	15,796,228	_	_	_	15,796,228
Alternative investments	96,666,813	-		-	96,666,813
Total - All Investments	278,469,054	153,046,247	12,959,766	-	112,463,041
Eirofightors' Ponsion System					
Firefighters' Pension System US Government Treasuries	13,273,549	13,273,549		_	
Mortgage Backed Securities	10,2/0,047	10,2/0,047	<u>-</u>	-	
Government Pass Through	5,301,275	5,301,275		_	
Government CMOs	3,194,459	3,194,459		-	
Corporate Bonds/Notes	9,755,518	9,755,518		-	
Asset Backed Securities	759,497	759,497		_	
Total	32,284,298	32,284,298		_	

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	13,945,009	-	Monthly, Annually	15-90 Days
Long/Short Hedge Fund	23,157,321	-	Quarterly	60-65 Days
Real Estate Fund	15,796,228	1,398,976	N/A	N/A
Absolute Return Hedge Fund	29,754,219	-	Monthly, Quarterly, Semi- Annually	30-45 Days
Closed-End Hedge Fund	5,023,732	2,505,731	N/A	N/A
Fixed Income Fund	24,786,533	-	Quarterly	90 Days
Total	112,463,042	3,904,707		

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 principle, 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	59,029	3.305525	
EMS	8,551	0.478823	
Bond	3,193	0.184313	
Park Bond	2,337	0.132119	
Total	73,109	4.100780	

Note 4

Capital Assets

Capital asset activity for the year ended December 31, 2018 was as follows:

Capital Assets	Jan 01, 2018 Beginning Balance	Increases	Decreases	Dec 31, 2018 Ending Balance
GOVERMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	839,422,014	303,572	(110,067)	839,615,519
Construction in progress ¹	36,574,709	23,708,399	(19,402,849)	40,880,259
Total capital assets, not being depreciated	875,996,723			880,495,778
Capital assets, being depreciated:				
Buildings ¹	93,275,631	3,595,180	(376,497)	96,494,314
Accumulated depreciation ¹	(44,964,475)	(2,067,538)	157,890	(46,874,123)
Net buildings ¹	48,311,156			49,620,191
Other improvements ¹	95,526,848	2,692,800	(325,126)	97,894,522
Accumulated depreciation ¹	(44,840,515)	(4,410,737)	124,407	(49,126,845)
Net other improvements ¹	50,686,334			48,767,677
Machinery and equipment	101,422,948	9,512,059	(5,279,060)	105,655,947
Accumulated depreciation	(68,035,113)	(6,178,051)	3,824,701	(70,388,463)
Net machinery and equipment	33,387,835			35,267,484
Infrastructure ¹	1,088,737,347	33,462,235	(3,775,786)	1,118,423,796
Accumulated depreciation ¹	(536,859,156)	(24,397,858)	2,348,653	(558,908,361)
Net infrastructure ¹	551,878,191			559,515,435
Intangible assets	5,450,022	-	-	5,450,022
Accumulated amortization	(2,084,551)	(269,587)	-	(2,354,138)
Net intangible assets	3,365,471			3,095,884
Total Capital assets, being depreciated (net) ¹	687,628,986			696,266,671
Governmental Activities, Capital Assets (net) ¹	1,563,625,709			1,576,762,449

Capital Assets		Jan 01, 2018 Beginning Balance			Increases		Decreases		Dec 31, 2018 Ending Balance
BUSINESS-TYPE ACTIVITIES cont.				\pm					
Capital assets not being depreciated									
Land	\$	14,551,977	\$	\$	296,918	\$	-	\$	14,848,895
Construction in progress		124,598,922			133,753,649		(88,857,302)		169,495,268
Total capital assets, not being depreciated	-	139,150,899	-	+					184,344,163
Capital assets, being depreciated:									
Buildings		321,987,119			1,915,274		-		323,902,393
Accumulated depreciation		(203,758,532))		(9,260,063)		=		(213,018,595
Net buildings		118,228,587	-	1					110,883,798
Other improvements		106,990,594		+	1,698,222		51,420		108,740,236
Accumulated depreciation		(55,249,429))	T	(6,535,458)		-		(61,784,887
Net other improvements		51,741,165		I	·	П			46,955,349
Machinery and equipment	+	155,015,706		+	5,702,593		(1,519,357)		159,198,942
Accumulated depreciation		(95,698,805)	т	\top	(8,622,101)	П	1,276,928		(103,043,978
Net machinery and equipment		59,316,901		I	(2,2 , 2 ,				56,154,964
Infrastructure		570,902,199		+	93,565,805		(666,177)		663,801,826
Accumulated depreciation ¹	Т	(179,860,536)		\top	(9,248,459)	П	281,737		(188,827,259
Net infrastructure		391,041,662		Ī	(1,210,101)				474,974,568
Intangible assets	+	113,766	+	+			_		113,766
Accumulated amortization		(81,911)		\top	(2,276)	П	_		(84,187
Net intangible assets		31,855		T	(, , , , ,	П			29,579
Total Capital assets, being depreciated (net)		620,360,171	Ī	T		П			688,998,258
Business-Type Activities, Capital Assets (net)	\$	\$ 759,511,070		I				\$	873,342,421
DEPRECIATION	+		H	+					
Governmental Activities:									
General government								\$	1,267,433
Judicial									132,617
Public safety									4,011,202
Transportation									25,977,160
Economic environment									332,968
Social Services									605,632
Culture and recreation									4,996,759
Total Depreciation Expense - Governmental A	ctivi	lies						\$	37,323,771
Business-Type Activities:									/- /-
Water/Sewer								\$	22,494,549
Solid Waste				_				H	10,799,159
Other									374,651
Total Depreciation Expense - Business-Type Ac	tiviti	es						\$	33,668,359
¹ Beginning Balance Restated				I					

The City paid \$7,032,974 in interest expense related to business-type activities during 2018. None of this balance was capitalized.

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.

The following table represents the aggregate pension amounts for all plans subject to the requirements of GASB 68 for the year 2018:

Aggregate Pension Amounts – All Plans					
Pension liabilities	\$	154,327,742			
Pension assets		58,737,599			
Deferred outflows of resources		36,058,638			
Deferred inflows of resources		(113,103,123)			
Pension expense/expenditures		2,684,978			

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 officials 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 but before 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 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 but before January 1, 2018, 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%.

All employees hired on or after January 1, 2018, who participate in SERS, are eligible for service retirement after completing seven years of service and reach the normal retirement age of 65. Early retirement, with no reduction of benefits, may be elected when an employee's age plus years of service equal to 90 before or if they are age 50 or older and have completed 30 years of service. A reduced early retirement may be elected with benefits reduced by 2.5% per year for each year before the retiree would be eligible for full retirement. Their retirement benefits are calculated by multiplying 2.00% by the member's years of creditable service times the member's highest consecutive three-year average salary, with an annual cap on overtime plus base pay equal to 120% of base pay. The maximum of retirement factor is 80.00%

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, 2017. 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.

The State of Washington contributes a 25% of taxes collected on fire insurance premiums to the Firefighters' Pension System and is considered a non-employer contributing entity. The revenue received through this tax amounted to \$\$345,789 in 2018.

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 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	Total Members	
Employees' Retirement System	1,424	123	1,481	3,028	12/31/2018
Firefighters' Pension System	250	-	-	250	12/31/2018
Police Pension System	197	-	-	197	12/31/2018
Total	1,871	123	1,481	3,475	

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 exdividend 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 financial statements for SERS and actuarial reports for the Police and Firefighters' pension plans administered by the City of Spokane. Those stand-alone statements for the SERS retirement systems 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 7.4 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, 2018, 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	-6.30%	1.71%	2.07%	9.56%	9.56%

Estimated Rates of Return

Below are the estimated real rates of return for the various pension plans as of December 31, 2018:

Long-Term Expected Real Rate of Return	SERS	Firefighters'	Police	LEOFF 1 ¹	LEOFF 2 ¹
Global equity	6.00%	-	-	6.30%	6.30%
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	-	-	-	9.30%	9.30%
Tangible assets	-	_	-	4.90%	4.90%

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 assets are held in cash to pay monthly pension benefits and all other claims as they are received. The Police System is funded by property taxes that are irrevocable once contributed.

Target Asset Allocations

The target asset allocations as of December 31, 2018 were:

Target Allocation	SERS	Firefighters'	Police	LEOFF 1	LEOFF 2
Global equity	50%	-	-	32%	32%
US fixed income	_	100%	-	20%	20%
Global fixed income	15%	-	-	-	
Long/short and special opportunities	14%	-	-	-	-
Absolute return	10%	-	-	-	-
Real estate	6%	-	-	18%	18%
Private equity	-	-	-	23%	23%
Commodities	4%	-	-	-	-
Tangible assets	-	-	-	7%	7%
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, 2018 for SERS, Firefighters' and Police, and dated as of June 30, 2018 for LEOFF Plan 1 & 2 are shown in the table below.

Net pension liability (Asset)							
Component	SERS	Firefighters'	Police	LEOFF 1 ¹	LEOFF 2 ¹		
Total pension liability	458,119,623	17,797,055	6,038,299	38,704,974	224,593,308		
Plan fiduciary net position	308,637,220	17,740,227	899,431	55,897,288	266,138,593		
LESS (Public Facilities District)	(350,357)	-	-	-	-		
Net pension liability (asset)	149,132,046	56,828	5,138,868	(17,192,314)	(41,545,285)		
Plan fidudiary net position as a % of total pension liability	67.42%	99.68%	14.90%	144.42%	118.50%		

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	(17,192,314)	(41,545,285)
State's proportionate share of the net pension asset associated with the employer	(116,288,383)	(26,899,788)
TOTAL	(133,480,697)	(68,445,073)

At December 31, 2018 the City of Spokane's proportionate share of the collective net pension liabilities was as follows:

	Proportionate Share 12/31/17	Proportionate Share 12/31/18	Change in Proportion
LEOFF 1	0.954411%	0.946973%	-0.007438%
LEOFF 2	2.021074%	2.046346%	0.025272%

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 2018. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2018, 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 2018, the state of Washington contributed 39.30 percent of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 60.70 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2018, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2017, 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, 2017.

LEOFF 1 & 2

The total pension liability (TPL) for each of the plans was determined using the most recent actuarial valuation completed in 2017 with a valuation date of June 30, 2017. The actuarial assumptions used in the valuation were based on the results of the Office of State Actuary's (OSA) 2007-2012 Experience Study and the 2017 Economic Experience Study.

Additional assumptions for subsequent events and law changes are current as of the 2017 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2018. Plan liabilities were rolled forward from June 30, 2017, to June 30, 2018, 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 changes in methods and assumptions since the last valuation.

- Lowered the valuation interest rate from 7.7% to 7.5% for all systems except LEOFF 2. For LEOFF 2, the valuation interest rate was lowered from 7.5% to 7.4%.
- Lowered the assumed general salary growth from 3.75% to 3.5% for all systems.
- Lowered the assumed inflation from 3.0% to 2.75% for all systems.
- Modified how the valuation software calculates benefits paid to remarried duty-related death survivors
 of LEOFF 2 members.
- Updated the trend that the valuation software uses to project medical inflation for LEOFF 2 survivors of a duty-related death, and for certain LEOFF 2 medical-related duty disability benefits.

	Employees' Retirement System	Firefighters' Pension System	Police Pension System	LEOFF 1	LEOFF 2
Valuation date	12/31/2018	12/31/2018	12/31/2018	6/30/2017	6/30/2017
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	frozen initial liability	aggregate
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	lev el %	n/a
Remaining amortization years (closed)	22	n/a	19	7	n/a
Asset valuation method	Expected value method with 5-year smoothing and 90- 110% market value corridor	Fair market v alue	Fair market v alue	8-year graded smoothed fair v alue	Fair market v alue
Actuarial assumptions					
Investment rate of return	7.5%	3.0%	3.0%	7.50%	7.40%
Projected salary increases ²	2.5-12.0%	n/a	n/a	3.50%	3.50%
Economic inflation	2.3%	2.5%	2.5%	2.75%	2.75%
Cost of living adjustments	0.0%	Based upon 3.5% increase assumption when appropriate, for FPF benefits.	Based upon 3.5% increase assumption when appropriate, for PPF benefits.	CPI Increase	CPI Increase, maximum 3%
		Based upon inflation assumption for some FPF benefits and all LEOFF benefits.	Based upon inflation assumption for some PPF benefits and all LEOFF benefits.		
Mortality	RP - 2000 Fully Generational Mortality Tables	RP-2000 Mortality Tables for males (combined healthy), Fully Generational Projection, using 50% of Projection Scale AA,	· · · · · · · · · · · · · · · · · · ·	RP-2000 Mortality Tables, Combined Healthy Table and Combined Disabled Table	RP-2000 Mortality Tables, Combined Healthy Table and Combined Disabled Table

G. DISCOUNT RATE

Spokane Employees' Retirement System

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current 9.0% contribution rate and that city contributions will be made at the same rate. The contribution rate for all participants and the City increased to 9.25% on December 16, 2018. The contribution rate is now tied to the Actuarially Determined Contribution (ADC) rate as determined by the Plan's actuary in the annual valuation. These changes were sufficient to eliminate the projected depletion of assets and return the discount rate to the 7.50% assumed rate of return.

Firefighters' 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.

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 7.40%. To determine that rate, an asset sufficiency test included an assumed 7.5 percent long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. All plans use 7.5 percent except LEOFF 2, which has assumed 7.4 percent. Consistent with the long-term expected rate of return, a 7.4 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 7.4 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	198,000,057	149,482,403	108,110,636	7.50%						
Firefighters'	1,976,031	56,828	(1,580,374)	3.00%						
Police	5,664,663	5,138,868	4,679,793	3.00%						
LEOFF 1	(13,676,819)	(17,192,314)	(20,218,953)	7.50%						
LEOFF 2	(5,524,745)	(41,545,285)	(70,924,224)	7.40%						

¹SERS data includes amount related to the Public Facilities District. \$350,357 of the current discount is PFD.

H. PENSION EXPENSE

For the year ended December 31, 2018, the City recognized pension expense as follows:

Pension Expense						
Description	SERS	Firefighters'	Police			
Service Cost	13,133,393	-	-			
Interest Cost	29,336,782	684,842	222,541			
Benefit Changes	165,092	-	-			
Experience loss (gain)	(638,373)	(1,114,154)	(1,349,629)			
Change in Assumptions	(12,829,449)	1,637,202	-			
Contributions-Employer	-	-	-			
Contributions-Employee	(8,113,319)	-	-			
Net Investment Income:						
Expected Return on Investments	(20,366,115)	(673,036)	(24,940)			
Investment (gain) loss expensed	(4,543,891)	64,315	4,967			
Investment (gain) loss deferred	-	-	-			
Benefits paid, including refunds of employee contributions	-	-	-			
Administrative Expense	563,078	29,362	29,531			
Amortization	10,832,178	(13,932)	(103,322)			
Other Changes	-	-	-			
Total Pension Expense	7,539,376	614,599	(1,220,852)			
LESS (Public Facilities District)	(17,671)	-	-			
Total Pension Expense	7,521,705	614,599	(1,220,852)			

For the year ended December 31, 2018 the City recognized pension expense for the following state plans:

Pension Expense					
LEOFF 1	(2,661,610.40)				
LEOFF 2	(1,568,863.27)				
TOTAL	(4,230,473.67)				

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, 2018, 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	-	12,775,228	-	712,011	-	44,108
Change of Assumptions	(94,977,165)	-	-	-	-	-
Differences Between Expected and Actual Experience	-	18,232,791	(1,365,279)	-	(771,093)	-
Change in Proportion and Differences Between Contributions and Proportionate Share of Contributions	(9,201)	32,524	-	-	-	-
City Contributions Subsequent to the Measurement Date	-	-	-	-	-	-
Total	(94,986,366)	31,040,543	(1,365,279)	712,011	(771,093)	44,108

	LEOFF 1		LEO	FF 2
	Deferred	Deferred	Deferred	Deferred
	(Inflows) of	Outflows of	(Inflows) of	Outflows of
	Resources	Resources	Resources	Resources
Net Difference Between Projected and Actual Investment Earnings on Pension				
Plan Investments	(1,395,765)	-	(7,270,984)	-
Change of Assumptions	-	_	(5,962,500)	23,517
Differences Between Expected and Actual Experience	-	-	(964,686)	2,225,500
Change in Proportion and Differences Between Contributions and Proportionate Share of Contributions	-	-	(386,451)	131,034
Contributions subsequent to the measurement date	-	-	-	1,881,925
Total	(1,395,765)	-	(14,584,620)	4,261,976

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, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

		SERS		Firefighte	ers'	Police	•
Recognition Period (Years)	6.0	6.0	5.0	0.00	5.0	10.67	5.0
Year	(Inflow)	Outflows	Outflows	(Inflows)	Outflows	(Inflows)	Outflows
2019	(19,480,832)	6,517,743	6,702,291	(229,073)	279,456	(115,606)	17,251
2020	(19,480,832)	6,517,744	5,460,549	(229,073)	230,178	(115,606)	12,786
2021	(19,480,832)	3,138,903	645,079	(229,073)	138,061	(115,606)	9,103
2022	(19,480,832)	2,058,402	(83)	(229,073)	64,315	(115,606)	4,967
2023	(17,063,036)	-	(83)	(229,073)	-	(115,606)	-
Thereafter	-	-	-	(219,912)	-	(193,062)	_
Total Deferred (Inflows)/Outflows	(94,986,366)	18,232,791	12,807,752	(1,365,279)	712,011	(771,093)	44,108

	LEOFF	1	LEOFF 2		
Recognition Period (Years)	5.0	5.0	5.0	5.0	
Year	(Inflows)	Outflows	(Inflows)	Outflows	
2019	1,333	-	(1,478,253)	560,209	
2020	(314,872)	-	(2,579,123)	560,209	
2021	(857,586)	-	(4,618,730)	259,376	
2022	(224,640)	-	(1,796,762)	155,474	
2023	-	-	(765,947)	155,474	
Thereafter	-	-	(3,345,805)	689,310	
Total Deferred (Inflows)/Outflows	(1,395,765)	-	(14,584,620)	2,380,051	

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, 2018.

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 9.0% of eligible compensation and are deducted from the member's salary and paid into the retirement fund; the City contributes 9.0 % of eligible compensation for a combined total of 18.0%. Effective December 16, 2018, the annual Contribution Rate was changed to a combined total of 18.50%. Member contributions are 9.25% of eligible compensation and the City contributions 9.25% of eligible compensation. It is contemplated that the contribution by the City will, when added to the member's contribution, plus other revenues, be enough to properly fund the retirement benefits set forth. Combined contributions from employees and the employer were \$18.4 million in 2018 and \$16.2 million in 2017.

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 \$32.9 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.

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.

Effective July 1, 2017, when a LEOFF employer charges a fee or recovers costs for services rendered by a LEOFF 2 member to a non-LEOFF employer, the LEOFF employer must cover both the employer and state contributions on the LEOFF 2 basic salary earned for those services.

The City's actual contributions to LEOFF 2 were \$3.67 million for the year ended December 31, 2018.

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 2018, the state contributed \$68.2 million to LEOFF Plan 2. The amount recognized by the City for its proportionate share of this amount is \$2.3 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 2018.

The required contribution rates expressed as a percentage of current-year covered payroll as of December 31, 2018 are as follows:

Actual Contribution Rates	Employer	Employee
Employees' Retirement System ¹	9.00%	9.00%
Firefighters' Pension System	0.16%	0.00%
Police Pension System	0.16%	0.00%
LEOFF 1 ²	0.18%	0.00%
LEOFF 2 ²	5.43%	8.75%

¹Effective December 18, 2018, SERS annual contribution rate was changed to 18.5% of payroll (9.25% paid by employee, 9.25% paid by payroll.

²The employer rate includes the emloyrer administrative expense fee currently let 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	2018	2017	2016	2015
Employees' Retirement System	9,187,420	8,113,319	7,586,362	7,398,945
Firefighters' Pension System ¹	2,827,071	2,179,136	2,137,287	2,314,579
Police Pension System ¹	487,803	637,580	766,915	707,300
LEOFF 1	-	-	-	-
LEOFF 2	3,667,460	3,382,581	3,237,717	3,169,951
¹ Firefighters' and Police Pension System contrib	outions have been res	stated for 2017.		

L. CHANGES IN BENEFIT PROVISIONS

All employees hired on or after January 1, 2018, who participate in SERS, are eligible for service retirement after completing seven years of service and reach the normal retirement age of 65. Early retirement, with no reduction of benefits, may be elected when an employee's age plus years of service equal to 90 before or if they are age 50 or older and have completed 30 years of service. A reduced early retirement may be elected with benefits reduced by 2.5% per year for each year before the retiree would be eligible for full retirement. Their retirement benefits are calculated by multiplying 2.00% by the member's years of creditable service times the member's highest consecutive three-year average salary, with an annual cap on overtime plus base pay equal to 120% of base pay. The maximum of retirement factor is 80.00%.

M. GASB 68 SUMMARY RECONCILIATION

	Increase (Decrease)						
	(a)	(b)	(a)-(b)	,			
Employees' Retirement System	Total Pension Liability	Plan Net Position	Net Pension Liability (NPL)	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense	
Balance, Beginning of Year (Dec 31, 2016)	523,734,979	277,331,781	246,403,198	44,369,356	12,118,555	-	
Changes for the year:							
Service Cost	13,133,393	-	13,133,393	-	-	13,133,393	
Interest Cost	29,336,782	-	29,336,782	-	-	29,336,782	
Benefit Changes	165,092	-	165,092	-	-	165,092	
Experience loss (gain)	(3,830,239)	-	(3,830,239)	-	3,191,866	(638,373	
Change in Assumptions	(76,976,691)	-	(76,976,691)	-	64,147,242	(12,829,449	
Contributions-Employer	-	8,113,319	(8,113,319)	-	-		
Contributions-Employee	-	8,113,319	(8,113,319)	-	-	(8,113,319	
Net Investment Income		43,085,572	(43,085,572)	-			
Expected Return on Investments	-	-	-	-	-	(20,366,115	
Investment (gain) loss expensed	-	-	-	-	-	(4,543,891	
Investment (gain) loss deferred	-	-	-	-	18,175,566	-	
Benefits paid, including refunds of employee contributions	(27,443,693)	(27,443,693)	-	=	-	-	
Administrative Expense	-	(563,078)	563,078	-	-	563,078	
Other Changes	-	-	-	-	-	-	
Amortization	=	-	-	(13,255,889)	(2,423,711)	10,832,178	
Net Changes	(65,615,356)	31,305,439	(96,920,795)	(13,255,889)	83,090,963	7,539,376	
Balance, End of Year (Dec 31, 2017)	458,119,623	308,637,220	149,482,403	31,113,467	95,209,518	7,539,376	
LESS (Public Facilities District)			(350,357)	(72,924)	(223,152)	(17,671	
Balance, End of Year (Dec 31, 2017) Net of PFD			149,132,046	31,040,543	94,986,366	7,521,705	

	Increase (Decrease)						
	(a)	(b)	(a)-(b)				
Firefighters' Pension System	Total Pension Liability	Plan Net Position	Net Pension Liability (NPL)	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense	
Balance, Beginning of Year (Dec 31, 2016)	17,642,583	16,263,049	1,379,534	669,891	1,594,352	-	
Changes for the year:							
Service Cost	-	-	-	-	-	-	
Interest Cost	684,842	-	684,842	-	-	684,842	
Benefit Changes	-	-	-	-	-	-	
Experience loss (gain)	(1,114,154)	-	(1,114,154)	-	-	(1,114,154)	
Change in Assumptions	1,637,202	-	1,637,202	-	-	1,637,202	
Contributions-Employer	-	2,208,498	(2,208,498)	-	-	-	
Contributions-Employee	-	-	-	-	-	-	
Net Investment Income	-	351,460	(351,460)	-	-	-	
Expected Return on Investments	-	-	-	-	-	(673,036)	
Investment (gain) loss expensed	-	-	-	-	-	64,315	
Investment (gain) loss deferred	-	-	-	257,261	-	-	
Benefits paid, including refunds of employee contributions	(1,053,418)	(1,053,418)	-	-	-	-	
Administrative Expense	-	(29,362)	29,362	-	-	29,362	
Other Changes	-	-	-	-	-	-	
Amortization			-	(215,141)	(229,073)	(13,932)	
Net Changes	154,472	1,477,178	(1,322,706)	42,120	(229,073)	614,599	
Balance, End of Year (Dec 31, 2017)	17,797,055	17,740,227	56,828	712,011	1,365,279	614,599	

	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	Pension Expense
Balance, Beginning of Year (Dec 31, 2016)	7,666,992	763,352	6,903,640	36,523	886,699	-
Changes for the year:						
Service Cost	-	-	-	-	-	-
Interest Cost	222,541	-	222,541	-	-	222,541
Benefit Changes	-	-	-	-	-	-
Experience loss (gain)	(1,349,629)	-	(1,349,629)	-	-	(1,349,629)
Change in Assumptions	-	-	-	-	-	-
Contributions-Employer	-	667,111	(667,111)	-	-	-
Contributions-Employee	-	-	-	-	-	-
Net Investment Income	-	104	(104)	-	-	-
Expected Return on Investments	-	-	-	-	-	(24,940
Investment (gain) loss expensed	-	-	-	-	-	4,967
Investment (gain) loss deferred	-	-	-	19,869	-	-
Benefits paid, including refunds of employee contributions	(501,605)	(501,605)	-	-	-	_
Administrative Expense	-	(29,531)	29,531	-	-	29,531
Other Changes	-	-	-	-	-	-
Amortization	-	-	-	(12,284)	(115,606)	(103,322)
Net Changes	(1,628,693)	136,079	(1,764,772)	7,585	(115,606)	(1,220,852)
Balance, End of Year (Dec 31, 2017)	6,038,299	899,431	5,138,868	44,108	771,093	(1,220,852)

Note 6

Defined Benefit Other Post-Employment Benefit (OPEB) Plans

Summary of Significant Accounting Policies

Postemployment Benefits Other Than Pensions (OPEB). For the purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position for the City of Spokane's Firefighter's and Police Retiree Benefits Plan and additions to/deductions from the City's fiduciary net position have been determined on the same basis as they are reported by the City. For this purpose, the City recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

The following table represents the aggregate OPEB amounts for all plans subject to the requirements of GASB 75 for the year 2018:

Aggregate OPEB Amounts – All Plans						
OPEB liabilities	\$	96,188,533				
OPEB assets	\$	-				
Deferred outflows of resources	\$	602,202				
Deferred inflows of resources	\$	(438,472)				
OPEB expense/expenditures	\$	(2,411,956)				

Plan Descriptions

The Firefighters', Police Pension Systems and Retiree Medical Plan 2 are single-employer defined benefit funds established and administered by the City in accordance with the requirements of the Revised Code of Washington. The Firefighters' and Police Pension System other post-employment benefit (OPEB) plans are accounted for in their respective pension 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. These OPEB plans are closed to new entrants. Both plans provide death, disability and medical benefits.

The Retiree Medical Plan 2 is a single-employer defined benefit plan not administered by any trust and is an unfunded liability.

The Retiree Medical Plan 2 other post-employment benefit plan provides Pre-Medicare retirees the ability to choose between two plans, Premera (PPO) and Group Health (HMO). Coverage stops at Medicare eligibility. Retirees pay the full rate for these plans. Only certain employee groups are currently covered by the Retiree Medical Plan 2 based on the benefit being negotiated in the recent union contracts. The current covered employee groups and rates are as follows as of the beginning of the current plan year:

Current Covered Employee Groups		Rates for 2018	
Union 270 - Clerical			
Union 270 - Labor			Group
Union 270 - Library		Premera	Health
Library Managerial	Retiree	\$ 750.50	\$ 565.76
Police Lieutenants and Captains	Retiree and Spouse	\$1,369.44	\$1,070.06
Police Guild			
Prosecutor's Association - SCPA			
Managerial & Professional "A" & "B"			
Mayor/Council			
Exempt Confidential			
Fire Managerial & Elected Officials			

Eligibility for benefits in the Retiree Medical Plan 2 is based on the employee's date of hire and the union they are members of at the time of retirement. Different eligibility conditions for the different employee groups are:

Retiree Medical Plan 2 Eligibility requirements							
1. Non-LEOFF Employees							
a. Hired Prior to January 1, 2009	The attainment of age 50 and completion of 5 years of service						
b. Hired between January 1, 2009	b. Hired between January 1, 2009 The attainment of age 62 and the completions of 5 years of						
and January 1, 2015	service, or age plus years of service equal or exceeds 75 points						
c. Hired on or after The attainment of age 65 and the completions of 5 years of							
January 1, 2015 service, or age plus years of service equal or exceeds 80 points							
2. LEOFF Employees service, or the attainment of age 50 and completion of 20 years							
of service							

At December 31, 2018, the following employees were covered by the benefit terms:

Plan	Inactive Members or Beneficiaries Receiving Benefits	Members Entitled To But Not Receiving	Active Plan Members	Total Members	Membership as of the latest actuarial valuation
Firefighters' Pension System	209	-	1	210	1/1/2018
Police Pension System	159	-	1	160	1/1/2018
Total	368	-	2	370	

Plan	Active	Retiree	Surviving Spouse		Membership as of the latest actuarial valuation
Retiree Medical Plan 2	1,704	39	3	1,746	1/1/2018

Funding Policy

The City is obligated by ordinance and the Revised Code of Washington to make all required contributions to the Firefighters' and Police benefit 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 City is obligated to make all required contributions to the Retiree Medical Plan 2 benefit plans as per negotiated by each labor union and ratified by City Council.

The Actuarially determined contribution is based on the funding policy. Since the plans are not currently funded, the Actuarially Determined Contributions for the fiscal years ending December 31, 2018 and December 31, 2017 for the plans are shown in the following tables.

Funded Status (in thousands)	Firefighters' OPEB	Police OPEB	Retiree Medical Plan 2
Actuarial valuation date	1/1/2018	1/1/2018	1/1/2018
Actuarial value of plan assets	\$ 13,818	-	\$ -
Actuarial accrued liability (AAL)	49,789	50,427	9,790
Unfunded actuarial accrued liability (UAAL)	35,971	50,427	9,790
Funded ratio	27.75%	0.00%	0.00%
Actual contributions	2,880	2,518	262
Covered payroll	N/A	N/A	79,229
UAAL as a percentage of covered payroll	N/A	N/A	12.36%

Actuarial Determined Contribution

	Firefighters' Pension System		2018		2017	
A.	Normal Cost					
	Normal cost without expense load	\$	_	\$	-	
	2. Expense load, if any		_		_	
	3. Total normal cost: (1) = (2)		_		_	
В.	Amortization Amount					
	1. Unfunded Liability					
	a. Actuarial liability for recommended contribution	\$	49,788,921	\$	56,825,408	
	b. Value of plan assets for recommended contribution		13,817,774		13,966,102	
	c. Unfunded/(surplus) liability: (a)-(b)		35,971,147		42,859,306	
	2. Amortization period in years		19		20	
	3. Discount rate		3.00%		3.00%	
	4. Amortization amount		2,438,141		2,796,911	
C.	Recommended Contribution at Beginning of Plan Year: A(3) - B(4)	\$	2,438,141	\$	2,796,911	
D.	Interest Adjustment for Timing of Contribution					
	1. Estimated contribution dated		12/31/2018		12/31/2017	
	2. Fractional year from beginning of plan year		1.00		1.00	
	3. Interest on contribution to end of the fiscal year		73,144		83,907	
E.	Recommended contribution at the end of the fiscal year: C + D(3)		2,511,285		2,880,818	
F.	Actuarial Funding Method	Entry	Age Normal	Entry	/ Age Normal	

	Police Pension System		2018		2017
A.	Normal Cost				
	Normal cost without expense load	\$	-	\$	3,125
	2. Expense load, if any		_		_
	3. Total normal cost: (1) = (2)		_		3,125
В.	Amortization Amount				
	1. Unfunded Liability				
	a. Actuarial liability for recommended contribution	\$	51,789,586	\$	55,942,921
	b. Value of plan assets for recommended contribution		_		_
	c. Unfunded/(surplus) liability: (a)-(b)		51,789,586		55,942,921
	2. Amortization period in years		19		20
	3. Discount rate		3.00%		3.00%
	4. Amortization amount		3,510,322		3,650,721
C.	Recommended Contribution at Beginning of Plan Year: A(3) - B(4)	\$	3,510,322	\$	3,653,846
D.	Interest Adjustment for Timing of Contribution				
	1. Estimated contribution dated		12/31/2018		12/31/2017
	2. Fractional year from beginning of plan year		1.00		1.00
	3. Interest on contribution to end of the fiscal year		105,310		109,615
E.	Recommended contribution at the end of the fiscal year: C + D(3)		3,615,632		3,763,461
F.	Actuarial Funding Method	Entry	Age Normal	Entr	y Age Normal

	Retiree Medical Plan 2		2018		2017
A.	Normal Cost				
	Normal cost without expense load	\$	715,217	\$	518,369
	2. Expense load, if any		-		-
	3. Total normal cost: (1) = (2)		715,217		518,369
В.	Amortization Amount				
	1. Unfunded Liability				
	a. Actuarial liability for recommended contribution	\$	9,790,066	\$	7,661,362
	b. Value of plan assets for recommended contribution		_		_
	c. Unfunded/(surplus) liability: (a)-(b)		9,790,066		7,661,362
	2. Amortization period in years		30		30
	3. Discount rate		3.25%		3.75%
	4. Amortization amount		499,523		414,176
C.	Recommended Contribution at Beginning of Plan Year: A(3) - B(4)	\$	1,214,740	\$	932,545
D.	Interest Adjustment for Timing of Contribution				
	1. Estimated contribution dated		12/31/2018		12/31/2017
	2. Fractional year from beginning of plan year		1.00		1.00
	3. Interest on contribution to end of the fiscal year		39,479		34,970
E.	Recommended contribution at the end of the fiscal year: C + D(3)		1,254,219		967,515
F.	Actuarial Funding Method	Entry	Age Normal	Entr	y Age Normal

Actuarial Information and Significant Actuarial Assumptions

The City's net OPEB liability was measured as of December 31, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

The total OPEB liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	Firefighters' OPEB	Police OPEB	Retiree Medial Plan 2
Inflation	0.00% per year	0.00% per year	Not Applicable
Salary increases	0.00% per year	0.00% per year	Not Applicable
nvestment rate of return	3.00% per year	N/A	Not Applicable
Discount Rate	3.00% per year	3.25% per year	3.25% per year
Healthcare cost trend rates	9.00% for 2018, decreasing each year to an ultimate rate of 4.5% for 2037 and later years.	9.00% for 2018, decreasing each year to an ultimate rate of 4.5% for 2037 and later years.	9.5% for 2018, decreasing 0.5% per year to an ultimate rate of 5.00% for 2027 and later years.

Mortality	Mortality rates were based on the RP-2000 Combined Healthy Mortality Table, Fully Generational Projection, using 50% of Projection Scale AA, with ages set back one year for males and forward one year for females.	Mortality rates were based on the RP-2000 Combined Healthy Mortality Table, Fully Generational Projection, using 50% of Projection Scale AA, with ages set back one year for males and forward one year for females.	Mortality rates were based on the Society of Actuaries 1994 Group Annuity Mortality static table for Non-LEOFF members and the RP-2000 Combined Mortality table, fully generational projection with Scale BB, with male rates set back one year and female rates set forward one year for LEOFF members.
Actuarial Experience	The actuarial assumptions used in the January 1, 2018 valuation were based on the results of an actuarial experience study for the period that ended December 31,2016.	The actuarial assumptions used in the January 1, 2018 valuation were based on the results of an actuarial experience study for the period that ended December 31, 2016.	Since this is a new plan, the actuarial assumptions are the same as the pension plan assumptions for this valuation. Once the plan has enough years of experience on its own, an experience study will be completed.
Expected Rate of Return	The long-term expected rate of return on OPEB plan investments was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target assets allocation percentage and by adding expected inflation.	Since the plan is not currently funded, there is no long-term expected rate of return on plan investments for this valuation.	Since the plan is not currently funded, there are no long-term expected rate of return on plan investments is 0.0% for this valuation.
Discount Rate	The discount rate used to measure the total pension liability was 3.00%. the projection of cash flows used to determine the discount rate assumed that City's future contributions will be made at rates equal to 90% of the annual benefit payments expected to be paid from the trust. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.	funded, the discount rate is equal to the 20-year municipal bond rate in effect for the beginning of the plan year.	Since the plan is not currently funded, the discount rate is equal to the 20-year municipal bond rate in effect for the beginning of the plan year.

The long-term expected rate of return on OPEB plan investments for the Firefighter's other post-employment benefits plan was determined using the building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target assets allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Firefighters' OPEB						
Asset Class	Target Allocation	Long-Term Expected Real Rate of Return				
Cash and short-term investments	2.50%	2.00%				
Domestic Equities	0.00%	N/A				
U.S. Aggregate Bond	96.90%	3.32%				
High Yield debt	0.00%	N/A				
Other investments	0.60%	3.00%				
Total	100.00%					

Since the Police and Retiree Medical Plan 2 other post-employment benefit plans are not currently funded, there are no long-term expected rate of return on plan investments for this valuation.

The discount rate used to measure the net OPEB liability for the Firefighter's post-employment benefits plan was 3.00%. the projection of cash flows used to determine the discount rate assumed that City future contributions will be made at rates equal to 90% of the annual benefit payments expected to be paid from the trust. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Since the Police and Retiree Medical Plan 2 other post-employment benefit plans are not currently funded, the discount rate is equal to the 20-year municipal bond rate in effect for the beginning of the plan year.

Changes in the Net OPEB Liability

Changes in the City's Firefighter and Police Net OPEB Liability as of December 31, 2018 are shown in the following tables:

	Increase (Decrease)				
	(a)	(b)	(a)-(b)		
Firefighters' Other Post Employment Benefit Plan	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (NOL)		
Balance, Beginning of Year (Dec 31, 2017)	56,825,408	13,966,102	42,859,306		
Changes for the year:					
Service Cost	-	-	-		
Interest on the total OPEB liability	1,659,545	-	1,659,545		
Difference between expected and actual experience	5,303,077	-	5,303,077		
Changes in plan provisions	-	-	-		
Employer contributions	-	2,880,818	(2,880,818)		
Changes in assumptions	(10,984,642)	-	(10,984,642)		
Net Investment Income:	-	279,438	(279,438)		
Benefits paid, including refunds of employee contributions	(3,014,467)	(3,014,467)	-		
Administrative Expense	-	(294,117)	294,117		
Other Changes	-	-	-		
Net Changes	(7,036,487)	(148,328)	(6,888,159)		
Balance, End of Year (Dec 31, 2018)	49,788,921	13,817,774	35,971,147		

	Increase (Decrease)				
	(a)	(b)	(a)-(b)		
Police Other Post Employment Benefit Plan	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (NOL)		
Balance, Beginning of Year (Dec 31, 2017)	52,867,571	-	52,867,571		
Changes for the year:					
Service Cost	2,352	-	2,352		
Interest on the total OPEB liability	1,939,973	-	1,939,973		
Difference between expected and actual experience	3,104,252	-	3,104,252		
Changes in plan provisions	-	-	-		
Employer contributions	-	2,518,563	(2,518,563)		
Changes in assumptions	(5,212,240)	-	(5,212,240)		
Net Investment Income:	-	104	(104)		
Benefits paid, including refunds of employee contributions	(2,274,588)	(2,274,588)	-		
Administrative Expense		(244,079)	244,079		
Other Changes	-	-	-		
Net Changes	(2,440,251)		(2,440,251)		
Balance, End of Year (Dec 31, 2018)	50,427,320	-	50,427,320		

Changes in the Total OPEB Liability

Changes in the City's Retiree Medical Plan 2 Total OPEB Liability as of December 31, 2018 are shown in the following table:

	Increase (Decrease) (a)
Retiree Medical Plan 2 Other Post Employment Benefit Plan	Total OPEB Liability
Balance, Beginning of Year (Dec 31, 2017)	7,661,362
Changes for the year:	
Service Cost	518,369
Interest on the total OPEB liability	301,836
Difference between expected and actual experience	(182,268)
Changes in benefit terms	1,306,207
Employer contributions	-
Changes in assumptions	446,102
Net Investment Income:	-
Benefits paid, including refunds of employee contributions	(261,542)
Administrative Expense	
Other Changes	
Net Changes	2,128,704
Balance, End of Year (Dec 31, 2018)	9,790,066

Sensitivity of the net OPEB liability to changes in the discount rate and healthcare costs trend rates. The following presents the net OPEB liability of the City for the Firefighters' and Police plans, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Net OPEB Liability Sensitivity to the Discount Rate								
Plan	1% Decrease	Current Discount Rate	1% Increase	Current Discount Rate				
Firefighters'	41,449,679	35,971,147	31,330,055	3.00%				
Police	56,248,226	50,427,320	45,508,880	3.25%				

Sensitivity of the Total OPEB liability to changes in the discount rate and healthcare costs trend rates. The following presents the Total OPEB liability of the City for the Retiree Medical Plan 2, as well as what the City's Total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Total OPEB Liability Sensitivity to the Discount Rate							
Plan 1% Decrease Current Discount Rate Current Discount Rate							
Retiree Medical Plan 2	10,746,817	9,790,066	8,918,940	3.25%			

Sensitivity of the net OPEB liability to changes in healthcare costs trend rates. The following presents the net OPEB liability of the City's Firefighters' and Police, as well as what the City's net OPEB liability would be if it were calculated 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates:

Net OPEB Liability Sensitivity to the Healthcare Cost Trend Rate								
Plan 1% Decrease Current Discount Rate 1% Increase Current Discount F								
Firefighters'	31,695,104	35,971,147	40,860,536	9.0% Decreasing to 4.5%				
Police	45,874,511	50,427,320	55,653,090	9.0% Decreasing to 4.5%				

Sensitivity of the Total OPEB liability to changes in healthcare costs trend rates. The following presents the Total OPEB liability of the City's Retiree Medical Plan 2, as well as what the City's net OPEB liability would be if it were calculated 1-percentage-point lower or 1-percentage-point higher than the current healthcare trend rates:

Total OPEB Liability Sensitivity to the Healthcare Cost Trend Rate							
Plan 1% Decrease Current Discount 1% Increase Current Discount Rate							
Retiree Medical Plan 2	8,641,586	9,790,066	11,145,660	9.5% Decreasing to 5.0%			

OPEB plan fiduciary net position, and Total OPEB Liability detailed information is available in the separately issued actuarial reports. For further information please contact the Spokane Retirement Department at 509-625-6330.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2018, the City recognized OPEB expense reduction of \$2,440,251 for Police, \$6,949,465 for Firefighters', an increase in OPEB expense of \$965,531 for the Retiree Medical 2 Plan for a total OPEB expense reduction of \$8,422,185. At December 31, 2018, the City Reported Deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Firefighte	er's OPEB	Police	OPEB
	Deferred Outflows of	Deferred (Inflows) of	Deferred Outflows of	Deferred (Inflows) of
	Resources	Resources	Resources	Resources
Differences Between Expected and Actual Experience	_	_	_	-
Change of Assumptions	-	-		
Net differene between projected and actual earnings on pension plan investments	205,068	-	-	-
Total	205,068	-	-	-

	Retiree Medical Plan 2		
	Deferred	Deferred	
	Outflows of	(Inflows) of	
	Resources	Resources	
Differences Between Expected and Actual			
Experience	-	(296,638)	
Change of Assumptions	397,134	(141,834)	
Net differene between projected and actual			
earnings on pension plan investments	-		
Total	397,134	(438,472)	

Amounts reported as deferred outflow of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	Firefighte	er's OPEB	Police	OPEB
Recognition Period (Years)		5.0		
Year	Outflows	(Inflows)	Outflows	(Inflows)
2019	60,251	-	-	-
2020	60,251	-	-	-
2021	60,251	-	-	-
2022	24,315	-	-	-
2023	-	-	-	-
Thereafter	-	-	-	-

	Retiree Medical Plan 2		
Recognition Period (Years)	9.11	9.1	
Year	Outflows	(Inflows)	
2019	48,968	(58,910)	
2020	48,968	(58,910)	
2021	48,968	(58,910)	
2022	48,968	(58,910)	
2023	48,968	(58,910)	
Thereafter	152,292	(143,919)	
Total Deferred (Inflows)/Outflows	397,134	(438,472)	

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, 2018 and 2017 are as follows:

Fund	2018	2017
Risk Management	\$ 9,385,900	\$ 7,091,993
Workers' Compensation	629,640	(435,548)
Unemployment Insurance	1,130,066	1,143,564
Employee Benefits	16,037,704	16,372,023
	\$ 27,183,310	\$ 24,172,032

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, in 2015, two general liability claims exceeded the SIR, in 2017, one general liability claim exceeded the SIR, and in 2018 one incident involving two workers' compensation claims exceeded the SIR.

Policy Type	Deductible	Coverage Limits	Description
Excess Workers' Compensation & Employer's Liability - All Employees	\$ 1,250,000	Statutory Limit	Protects the city from unanticipated levels of workers' compensation
Boiler & Machinery	25,000	200,000,000	Protects the city from loss due to damage to buildings and contents from boilers and machinery
Property (Wastewater Treatment Facility)	1,000,000		Protects the city from loss by fire and other extended coverages
Property (Upriver Dam)	1,000,000	120,000,000	Protects the city from loss by fire and other extended coverages
Property (Waste to Energy)	250,000	258,290,592	Protects the city from loss by fire and other extended coverages
Property (Other than WWTP, Dam& WTE)	1,000,000	150,000,000	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	1.25M to 1.5M	20,000,000	Protects the city from excessive individual losses
Inland Marine -Fire Truck Physical Damage	5% Value 10,000 min 50,000 max	23,120,560	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 2018, 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 \$6.1 million and the Workers' Compensation fund totaled \$8.9 million. The Employee Benefits fund reported IBNR (incurred but not reported) claims of \$2.1 million for 2018. 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, 2017 to December 31, 2018 are shown in the following table:

Claims Liability (in thousands)	General Liabiltiy	Workers' Compensation	Health Benefits
Unpaid Claims, January 01, 2017	7,483	9,114	2,089
Incurred Claims	1,101	2,181	27,011
Adjustments for prior claims	1,016	1,844	1,516
Claim Payments	(3,072)	(4,092)	(28,587)
Unpaid Claims, December 31, 2017	6,528	9,047	2,029
Claims Liability (in thousands)	General Liabiltiy	Workers' Compensation	Health Benefits
Claims Liability (in thousands) Unpaid Claims, January 01, 2018	General Liability 6,528		Health Benefits 2,029
, ,	•	Compensation	
Unpaid Claims, January 01, 2018	6,528	Compensation 9,047	2,029
Unpaid Claims, January 01, 2018 Incurred Claims	6,528	9,047 1,799	2,029 26,200

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, 2018, the City had no LID progress warrants outstanding.

Progress Warrants	2018
Balance January 1	\$ -
Progress warrants issued	-
Progress warrants redeemed	_
Balance December 31	\$ -

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.

On December 20, 2018 issued \$73.6 million of unlimited tax obligation bonds with an average interest rate of 3.2 percent were issued to finance voter-approved improvements to and expansion of the Spokane Public Library facilities.

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, 2018 are as follows:

Name of Issuance	Purpose	Interest Rate	Authorized Amount	Original Issue Amount	Debt Outstanding
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	26,830,000
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	12,667,761
UTGO 2017 Refunding	Refund UTGO 2008 Parks/Auquatics	4.00%-5.00%	30,000,000	25,030,000	22,810,000
UTGO 2018	Finance improvements to and expansion of the Spokane Public Library facilities	3.125%-5.00%	77,000,000	73,605,000	73,605,000
Total general obligation bonds				\$ 268,247,449	\$ 244,287,761

At December 31, 2018, the City has \$8.96 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				
2019	6,441,888	9,806,443	16,248,331				
2020	6,732,027	9,679,466	16,411,493				
2021	7,290,191	9,377,756	16,667,947				
2022	5,088,458	9,045,371	14,133,829				
2023	5,694,179	8,816,089	14,510,268				
2024-2028	57,101,018	38,496,586	95,597,604				
2029-2033	89,055,000	22,707,388	111,762,388				
2034-2038	37,750,000	8,747,985	46,497,985				
2039-2043	29,135,000	3,442,506	32,577,506				
Total	\$ 244,287,761	\$ 120,119,591	\$ 364,407,352				
			32,				

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.

During the year there were no refunding of prior issued bonds.

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%	\$ 515,222
State Community Development Loans	Various community development projects	0.00%	200,000
Public Works Trust Fund Loans	Various Water/Wastewater System improvements	.50% - 3.00%	61,673,417
State Revolving Loans	Various Water/Wastewater System improvements	1.50% - 2.90%	5,934,554
Total government and other lo	រាពន		\$ 68,323,192

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

Business-Type Activities						
Year	Principal	Interest	Total			
2019	2.690,297	924,236	3.614.534			
2020	3,518,318	1,372,732	4,891,050			
2021	3,613,442	1,324,396	4,937,838			
2022	3,677,547	1,254,611	4,932,158			
2023	3,627,929	1,183,237	4,811,166			
2024-2028	17,735,580	4,818,841	22,554,420			
2029-2033	17,665,801	2,881,048	20,546,849			
2034-2038	12,998,578	953,193	13,951,771			
2039-2042	2,080,479	50,529	2,131,007			
Total	\$ 67,607,971	\$ 14,762,823	\$ 82,370,794			

Governmental Activities						
Year	Prin	cipal	lr	iterest		Total
2019		112,917		2,576		115,493
2020		112,917		2,012		114,929
2021		112,917		1,446		114,364
2022		58,824		882		59,706
2023		58,824		588		59,412
2024-2028		58,824		294		59,118
2029-2033		-		-		-
2034-2038		-		-		-
2039-2043		200,000		-		200,000
Total	\$	715,222	\$	7,798	\$	723,020

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, 2018, the amount of CLID Special Assessment delinquency equals \$181,600.

Name of Issuance	Purpose	Interest Rate	Debt Outstanding
CLID 216	Street/alley improvements	4.60%	5,000
Total special assessment bonds			\$ 5,000

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.

The city has pledged future water waste water capital rate revenues, net of specified operating expenses, to repay \$181,225 million in water wastewater revenue bonds issued in December 2015. Proceeds from the bonds provided financing for 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. The bonds are payable solely from Water and Wastewater capital rates and are payable through 2034. The total principal and interest remaining to be paid on the bonds is \$216,806,248. Principal and interest paid for the current year and total customer net revenues were \$13,551,778 and \$13,551,778, respectively.

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%	\$ 156,935,000
Total revenue bonds			\$ 156,935,000

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

Business-Type Activities					
Year		Principal		Interest	Total
2019		6,855,000		6,695,278	13,550,278
2020		7,200,000		6,352,527	13,552,527
2021		7,555,000		5,992,528	13,547,528
2022		7,935,000		5,614,777	13,549,777
2023		8,330,000		5,218,028	13,548,028
2024-2028		47,765,000		19,988,235	67,753,235
2029-2033		58,235,000		9,520,125	67,755,125
2034		13,060,000		489,750	13,549,750
Total	\$	156,935,000	\$	59,871,248	\$ 216,806,248

B. Changes in Long-Term Liabilities

During the year ended December 31, 2018, the following changes occurred in long-term liabilities:

Long-Term Liabilities	Outstanding 12/31/17	Additions	Reductions	Outstanding 12/31/18	Due Within One Year
GOVERMENTAL ACTIVITIES					
General obligation bonds	176,407,692	73,605,000	(5,724,931)	244,287,761	6,441,888
Deferred amounts:					
Bond premiums at issuance	5,451,917	4,133,475	-	9,585,391	14,570
Bond premiums on refunding	5,828,613	-	(136,265)	5,692,349	206,855
Special assessment debt with governmental commitment	115,000	-	(110,000)	5,000	5,000
Government loans	828,139	-	(112,917)	715,222	112,917
Revitalization Areas ¹	3,291,429	-	(238,559)	3,052,870	239,561
Claims and judgments	17,604,099	-	(561,816)	17,042,283	17,042,283
Pollution Remediation Liability ²	1,620,000			1,620,000	
OPEB liability ³	101,038,395	1,458,275	(9,328,410)	93,168,260	-
Net pension liability	153,856,099	-	(60,351,799)	93,504,300	-
Compensated absences	16,017,867	804,851	(131,224)	16,691,494	1,520,063
	400.050.050		(7, (0,5,000)		05.500.10
Total long term liabilities - governmental activities	482,059,250	80,001,601	(76,695,922)	485,364,930	25,583,137
See Note 12 for more information on the purchase and sale (See Note 12 for more information related to the Pollution Lic (See Note 6 for more information related to newly presented	ability				
See Note 12 for more information related to the Pollution Lic See Note 6 for more information related to newly presented	ability				
See Note 12 for more information related to the Pollution Lic	ability				
See Note 12 for more information related to the Pollution Lic See Note 6 for more information related to newly presented BUSINESS-TYPE ACTIVITIES	ability			-	-
See Note 12 for more information related to the Pollution Lic See Note 6 for more information related to newly presented BUSINESS-TYPE ACTIVITIES Bonds:	ability	GASB 74/75		-	6,855,000
See Note 12 for more information related to the Pollution Lic See Note 6 for more information related to newly presented BUSINESS-TYPE ACTIVITIES Bonds: General obligation bonds	ability I OPEB Liability related to	GASB 74/75	-	- 156,935,000	6,855,000
See Note 12 for more information related to the Pollution Lic See Note 6 for more information related to newly presented BUSINESS-TYPE ACTIVITIES Bonds: General obligation bonds Revenue bonds	ability I OPEB Liability related to	GASB 74/75	-	- 156,935,000 17,107,463	- 6,855,000
See Note 12 for more information related to the Pollution Lic See Note 6 for more information related to newly presented BUSINESS-TYPE ACTIVITIES Bonds: General obligation bonds Revenue bonds	ability I OPEB Liability related to - 163,465,000	GASB 74/75	- (6,530,000)		
See Note 12 for more information related to the Pollution Lic See Note 6 for more information related to newly presented BUSINESS-TYPE ACTIVITIES Bonds: General obligation bonds Revenue bonds Deferred amounts:	ability I OPEB Liability related to - 163,465,000	GASB 74/75	- (6,530,000)		
See Note 12 for more information related to the Pollution Lic See Note 6 for more information related to newly presented BUSINESS-TYPE ACTIVITIES Bonds: General obligation bonds Revenue bonds Deferred amounts: Bond premiums at issuance	Debility I OPEB Liability related to		- (6,530,000) (1,012,608)	17,107,463	1,376,352 - 8,231,352
See Note 12 for more information related to the Pollution Lic See Note 6 for more information related to newly presented BUSINESS-TYPE ACTIVITIES Bonds: General obligation bonds Revenue bonds Deferred amounts: Bond premiums at issuance Bond premiums on refunding	Debility I OPEB Liability related to		- (6,530,000) (1,012,608) - (7,542,608)	17,107,463 - 174,042,463	1,376,352 - 8,231,352
See Note 12 for more information related to the Pollution Lic See Note 6 for more information related to newly presented BUSINESS-TYPE ACTIVITIES Bonds: General obligation bonds Revenue bonds Deferred amounts: Bond premiums at issuance Bond premiums on refunding Total bonds payable Government loans	- 163,465,000 - 181,585,071 - 65,226,384		- (6,530,000) (1,012,608) - (7,542,608) (4,408,372)	17,107,463 - 174,042,463 67,607,971	1,376,352 - 8,231,352 2,690,296
See Note 12 for more information related to the Pollution Lice See Note 6 for more information related to newly presented BUSINESS-TYPE ACTIVITIES Bonds: General obligation bonds Revenue bonds Deferred amounts: Bond premiums at issuance Bond premiums on refunding Fotal bonds payable Government loans Net pension liability	- 163,465,000 - 18,120,071 - 181,585,071 65,226,384 100,228,763		- (6.530,000) (1.012,608) - (7.542,608) (4,408,372) (39,405,321)	17,107,463 - 174,042,463 67,607,971 60,823,442	1,376,352 - 8,231,352 2,690,296
See Note 12 for more information related to the Pollution Lic See Note 6 for more information related to newly presented BUSINESS-TYPE ACTIVITIES Bonds: General obligation bonds Revenue bonds Deferred amounts: Bond premiums at issuance Bond premiums on refunding Total bonds payable Government loans Net pension liability Total OPEB liability ¹	- 163,465,000 - 18,120,071 - 181,585,071 65,226,384 100,228,763		- (6.530,000) (1.012,608) - (7.542,608) (4,408,372) (39,405,321)	17,107,463 - 174,042,463 67,607,971 60,823,442	1,376,352 - 8,231,352 2,690,296
See Note 12 for more information related to the Pollution Lices Note 6 for more information related to newly presented BUSINESS-TYPE ACTIVITIES Bonds: General obligation bonds Revenue bonds Deferred amounts: Bond premiums at issuance Bond premiums on refunding Total bonds payable Government loans Net pension liability Total OPEB liability Landfill liabilities:	163,465,000 18,120,071 - 181,585,071 65,226,384 100,228,763 2,349,844	GASB 74/75 6,789,959 - 670,429	- (6.530,000) (1.012,608) - (7.542,608) (4,408,372) (39,405,321)	17,107,463 - 174,042,463 67,607,971 60,823,442 3,020,273	1,376,352 - 8,231,352 2,690,296
See Note 12 for more information related to the Pollution Lice See Note 6 for more information related to newly presented BUSINESS-TYPE ACTIVITIES Bonds: General obligation bonds Revenue bonds Deferred amounts: Bond premiums at issuance Bond premiums on refunding Fotal bonds payable Government loans Net pension liability Fotal OPEB liability Landfill liabilities: Landfill closure	Debility I OPEB Liability related to		- (6.530,000) (1.012,608) - (7.542,608) (4,408,372) (39,405,321)	17,107,463 - 174,042,463 67,607,971 60,823,442 3,020,273	1,376,352 - 8,231,352 2,690,296 - -
See Note 12 for more information related to the Pollution Lice See Note 6 for more information related to newly presented BUSINESS-TYPE ACTIVITIES Bonds: General obligation bonds Revenue bonds Deferred amounts: Bond premiums at issuance Bond premiums on refunding Fotal bonds payable Government loans Net pension liability Fotal OPEB liability Landfill liabilities: Landfill closure Post closure monitoring	Debility I OPEB Liability related to 163,465,000 18,120,071 - 181,585,071 65,226,384 100,228,763 2,349,844 1,845,784 10,359,859		- (6.530,000) (1,012,608) - (7,542,608) (4,408,372) (39,405,321) -	17,107,463 - 174,042,463 67,607,971 60,823,442 3,020,273 2,000,472 11,831,510	1,376,352 - 8,231,352 2,690,296

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

Claims and judgments payable \$17.0 million
Net pension liability \$17.6 million
Compensated absences \$1.8 million

Funds used to liquidate compensated absences and net pension liability were general fund, operational special revenue funds, all internal service funds and the enterprise funds.

Legal Debt Margin

For purposes of determining the legal debt margin, the assessed valuation of the City for year 2018 is \$17,858 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.

	Total
Legal Debt Margin	Total
General purpose voted and non-voted debt - 1.5%	\$ 206,375,076
Utility voted debt - 2.5%	201,635,449
Open space and park facilities voted debt - 2.5%	446,438,431
Total remaining debt capacity	\$ 854,448,956

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 exercised its option to renew the lease for five-year periods subject to certain conditions extending it to April 20, 2023. Lease payments for the year ended December 31, 2018 amounted to \$136,755.

The City was assigned a lease in the Airport Business Park formerly leased by Wheelabrator Spokane Incorporated. Effective November 2014 the City pays \$.080 cents per square foot for 52,272 feet. The Lease is open ended indefinitely. Lease payments for the year ended December 31, 2018 amounted to \$4,182.

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, 2018 were approximately \$324,996.

Future Years Operating Lease Payments	Total
2019	328,886
2020	330,452
2021	335,692
2022	341,090
2023	142,784
Total minimum future rental payments	\$ 1,478,902

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, 2018 were \$85,891.

The capital lease debt outstanding at December 31, 2018 is \$157,377. The annual debt service requirements are as follows:

Business-Type Activities			
Year	Principal	Interest	Total
2019	88,945	4,224	93,169
2020	45,222	1,470	46,692
2021	23,210	136	23,346
2022	-		_
Total	\$ 157,377	\$ 5,830	\$ 163,207

Accumulated depreciation related to the above assets is \$ 203,522.

Interfund Balances 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, 2018 were as follows:

Fund	Due From Other Funds	Due To Other Funds
General Fund	7,953,360	1,396,865
Arterial Streets	773,309	194,646
Water/Sewer Fund	444,886	8,034,357
Solid Waste Fund	47,731	1,742,100
Non-major Governmental Funds	3,803,722	3,225,337
Non-major Enterprise Funds	419,353	250,802
Internal Service Funds	3,058,327	1,656,581
Total Government Wide	16,500,688	16,500,688

B. Interfund Loans

Interfund loans are loans between funds for capital or cash flow purposes. The SIP Interfund loans are accounted for in the Property Acquisition Fund and all debt service is transferred in from the borrowing funds. Interfund loans outstanding at December 31, 2018 are as follows:

Loan To:	Loan From:
Property Acquisition Fund	Spokane Investment Pool ¹
Riverfront Conservation Area	868,767
Gardner Building	1,201,699
Alki Building	1,857,181
University District Gateway	3,063,556
West Plains Fire Station	642,382
Public Safety Capital	17,488,542
Library RFID	314,910
Nelson Service Center	3,618,617
Engineering	178,400
Golf Courses	2,500,000
Strategic Investments	1,493,675
Bond Refunding ²	4,275,015

Loan To:	Loan From:		
Property Acquisition Fund	Spokane Investment Pool ¹		
CLID 217	-		
CLID 219	96,275		
CLID 221	96,010		
CLID 222	264,621		
CLID 223	424,337		
CLID 224A	224,155		
Total	38,608,142		

Loan To:	Loan From:
Golf Fund	Spokane Investment Pool ¹
Bond Refunding ²	367,571
¹ The Spokane Investment Pool is allowed	to invest up to

'The Spokane Investment Pool is allowed to invest up to 15% of its balance in City of Spokane bonds. Loans from this pool provide funds with which to pay the cost of acquiring captial expenditures 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 :
Misc. Grants Fund	88,073
Human Services Grant Fund	972,928
Public Safety & Judicial Grant Fund	4,316
Community Development/Human Services Operations Fund ²	600,000
Community Development Block Grant Fund	589,436
HOME Program Fund	94,839
Total	2,349,592

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, 2018 are as follows:

Transfer From:	Transfer To:									
Fund	General Fund	Arterial Street	Non-major Governmental Funds	Water/Sewer Fund	Solid Waste Fund	Non-major Enterprise Funds	Internal Service Funds	Total		
General Fund	-	9,280,000	16,447,952	-	-	-	6,542,749	32,270,701		
Arterial Streets	-	-	6,501,556	-	-	-	500,000	7,001,556		
Water/Sewer Fund	-	5,790,500	423,536	-	-	-	-	6,214,036		
Solid Waste Fund	-	-	700,000	-	-	-	-	700,000		
Non-major Governmental Funds	810,265	14,453,600	2,792,073	25,000	-	-	1,640,252	19,721,190		
Non-major Enterprise Funds	-	-	50,000	-	-	-	8,970	58,970		
Internal Service Funds	91,349	3,244,075	-	-	-	-	585,797	3,921,221		
Total	901,614	32,768,175	26,915,117	25,000	-	-	9,277,768	69,887,674		

The General Fund transfers were provided to various governmental funds to support day-to-day operations. Arterial Streets Fund transfers were provided for street maintenance, capital projects and debt service. 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. Transfers from Asset Management to General fund were for capital assets contributed and are a one-sided entry adjusted for in the Government wide statements.

Joint Ventures

The City participates in three joint ventures. These are the Spokane International Airport (SIA), the Spokane Regional Transportation Council (SRTC) and the West Plains/Airport Area Public Development Authority. 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 2018, \$43,600 was paid to the Spokane Regional Transportation Council. General fund monies are contributed to support the West Plains Public Development Authority. In 2018, \$120,000 was paid to the West Plains/Airport Area Public Development Authority.

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, 2018 for the Spokane International Airport.

Spokane International Airport	2018
Total Assets	\$ 341,128,500
Total Deferred Outflow of Resources	1,450,134
Total Liabilities	(22,828,240)
Total Deferred Inflow of Resources	(2,657,409)
Total Net Position	\$ 317,092,985
Total Revenues	\$ 40,202,868
Total Capital Contributions	14,866,934
Total Expenses	(50,127,186)
Total Nonoperating Revenue & Exepenses	12,543,658
Net Increase in Net Position	\$ 17,486,274
Net Position, Beginning of Year	\$ 299,606,711
Net Increase in Net Position	17,486,274
Net Position, End of Year	\$ 317,092,985

At December 31, 2018, the airport had other long-term debts payable totaling \$5,042,888.

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, 2018 the Spokane Regional Transportation Council had no long-term debt outstanding

The unaudited summary for the fiscal year ended December 31, 2018 is presented below.

Spokane Regional Transportation Council	2018
operation to grow and the control of	
Total Assets	\$ 485,393
Total Liabilities	(485,393)
Total Net Position	\$ -
Total Revenues	\$ 1,575,706
Total Expenses	(1,513,352)
Net Decrease in Net Position	\$ 62,354

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

West Plains/Airport Area Public Development Authority

West Plains/Airport Area Public Development Authority operates under an Interlocal Agreement adopted by participating entities that include the City of Spokane and Spokane County

The PDA operates under a Board consisting of five voting members and two at-large business representatives selected by the five permanent Board Members. Each Board Member shall have an equal vote and vote in all Board decisions. Initial funding for the PDA's operating and expense budget will be for the first three (3) years, the County, City and Spokane Airport shall each provide \$60,000 per year as preliminary funding for operation of the PDA. The Board shall have oversee the activities of the corporate officers, establish and or/implement policy, participate in corporate activity, and shall have stewardship for management and determination of all corporate affairs.

The West Plains/Airport Area Public Development Authority is audited by the Office of the State Auditor.

The unaudited summary for the fiscal year ended December 31, 2018 is presented below.

West Plains Airport Area Public Development Authority	2018
Total Assets	\$ 323,933
Total Liabilities	
Total Net Position	\$ 323,933
Total Revenues	\$ 459,679
Total Expenses	(135,745)
Net Decrease in Net Position	\$ 323,934

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. The final capacity payment was received in 2017.

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.

Commitments & Contingencies

A. Disability Supplemental Pensions

The Department of Labor and Industries made a determination that ten 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 \$1,327,340 with the State of Washington which represents the full present value of the pensions as of June 30, 2018. 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 2018, the City paid a deficit in the amount of \$60,106 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, 2018. 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 12/31/18
2013 Downtown Pedestrian Improvements	1,682,712	471,443	1,211,269
2015 Neighborhood Traffic Calming (Cycle 5) District 1	138,172	91,734	46,438
2015 Neighborhood Traffic Calming (Cycle 5) District 3	332,533	277,312	55,221
2016 Neighborhood Traffic Calming Projects (Cycle 6) District 1	20,245	5,265	14,980
2016 Neighborhood Traffic Calming Projects (Cycle 6) District 2	266,510	91,843	174,667
2016 Neighborhood Traffic Calming Projects (Cycle 6) District 3	104,084	34,234	69,850
2016 School Radar TC Projects (Cycle 6) District 1	60,968	19,895	41,073
2016 School Radar TC Projects (Cycle 6) District 3	315,739	88,074	227,665
2016 TBD Sidewalk - Hartson Avenue, Regal Street to Thor Street	44,822	44,499	323
2017 ADA Curb Ramps	292,189	231,032	61,157
2017 Residential Chip Seal	1,588,889	1,325,644	263,245
2018 Residential Chip Seal	1,001,264	859,062	142,202
2018 Residential Grind and Overlay North	2,568,500	2,077,168	491,332
2018 Residential Grind and Overlay South	2,003,651	1,076,795	926,856
Barnes Road from Phoebe Street to Strong Road	2,003,831	1,743,530	283,895
CDA Park entrances	246,433	225,291	21,142
Centennial Trail; Mission Avenue Gap Phase I	564,724	417,810	146,914
Central Avenue Well #2 Rehabilitation	1,352,630	1,131,701	220,929
	965,184	418,197	
City Hall Exterior Restoration CSO 14 & 15			546,987
	3,744,204	3,418,552	325,652
CSO 33-1 Control Facility CSO 34-1	11,899,174	11,517,545	381,629
	11,939,124	7,690,969	4,248,155
CSO Basin 23 Control Facility	1,469,823	1,135,498	334,325
CSO Basin 24-25 Preliminary Design	23,856,234	22,886,356	969,878
CSO Basin 25 Improvement	2,268,394	1,901,848	366,546
CSO Basin 25 Improvement - Phase 1 (Reference 2015178)	2,003,302	1,956,458	46,844
CSO Basin 26 Control Facility	36,683,423	24,390,210	12,293,213
CSO Basin 41 Control Facility	2,088,816	1,768,441	320,375
Don Kardong Bridge	74,500	54,778	19,722
Driscoll Boulevard and Arthur Street Sidewalk(TBD)	385,896	258,875	127,021
Dutch Jake's Park	57,934	36,744	21,190
East Central Stormwater Projects	3,112,303	1,539,355	1,572,948
Emergency Bypass for Clarke Ave Lift Station	114,455	112,279	2,176
Esmeralda Golf Course Irrigation Redesign	26,900	5,302	21,598
Falls Ave - Lower Crossing to Elm	203,036	172,526	30,510
Fire Station Roof Repairs	113,345	107,490	5,855
Five Mile Booster Station	38,700	15,060	23,640
Glover Field Boat Ramp A&E Services for Design and CM	398,488	164,044	234,444
Greene Street and Ermina Avenue Intersection Signalization Design	322,363	279,200	43,163
Havana Wellsite	1,884,369	1,295,851	588,518
High Drive Sewer Line Replacement - 29th Avenue to 21st Avenue	2,653,200	2,172,360	480,840
HVAC System Upgrade - RPWRF	53,366	11,720	41,646
Indian Canyon Golf Course Irrigation Redesign	2,196,030	1,409,066	786,964
Indian Canyon Golf Course Tree Work	52,306	2,883	49,423
Interceptor I-03	7,998,246	7,517,202	481,044
Interceptor I-04	6,509,289	5,852,489	656,800
Interceptor I-07 (Near Napa Street/Riverside Avenue Intersection)	4,772,261	4,411,518	360,743
Latah Hangman Trail Corridor	15,000	11,898	3,102
Lincoln Street/Monroe Street from Second Avenue to Main Avenue	3,717,908	3,536,563	181,345
Manito Park Mirror Pond renovation	68,370	10,690	57,680
Monroe Street I - Indiana Avenue to Grace Avenue	4,735,170	4,095,349	639,821
Monroe Street II - Grace Avenue to Kiernan Avenue	4,954,839	4,417,538	537,301
Monroe Street/Lincoln Street Couplet from 4th Avenue to Main Avenue			
Phase I	6,202,250	5,926,145	276,105
NLT - Silo Digester No. 3	13,531,737	12,827,036	704,701
Portable Lime System Installation - WTE	154,159	137,478	16,681

POST ST & BRIDGE AVE CONNECTIO	166,121	-	166,121
Post Street Pedestrian and Utility Bridge Replacement	1,934,000	1,660,926	273,074
Regal - Bemiss - Shaw Pedestrian Safety Improvements	645,300	642,240	3,060
Remodel of Spokane Central Service Center Gym	14,757	-	14,757
Renovation of the EDU Range - Police	70,000	-	70,000
Replacement of Refuse Cranes - WTE	4,477,845	1,270,233	3,207,612
Resurface Tennis Courts - Comstock Park	46,016	41,786	4,230
RFP arborist services	396,563	327,970	68,593
RFP Bond Project Management services	1,053,317	1,023,700	29,617
RFP geotechnical engineering, park-wide	419,821	331,340	88,481
RFP North Bank design	718,400	131,668	586,732
RFP Park-wide inspections	123,559	99,186	24,373
RFP Park-wide Permitting	270,000	245,087	24,913
RFP Promenade	21,120	-	21,120
RFP Public Spaces Design	2,299,857	2,122,325	177,532
Ridgeview Elementary Sidewalk	1,117,651	1,111,209	6,442
Riverfront Park - SkyRide	115,257	59,225	56,032
Riverside Drive Phase II and III - Sherman St to Perry St	3,559,087	3,257,402	301,685
Riverside Drive Phase IIB	4,363,847	3,639,458	724,389
Rochester Heights	63,872	60,260	3,612
RPWRF Package A Upgrades	19,902,966	19,626,043	276,923
SE Sports Complex	125,655	100,583	25,072
Sharp Avenue Stormwater Improvements	3,625,349	2,839,186	786,163
South Crestline Street Swale Reconstruction	115,000	109,715	5,285
South Gorge Trail Completion	9,750	1,989	7,761
Spokane Gorge Restoration Project	43,000	20,945	22,055
SPOKANE Pavilion Design Build Project	24,920,154	9,910,494	15,009,660
Spokane Street Preservation - North	2,664,664	-	2,664,664
Sprague Avenue and Sherman Avenue Pedestrian-Bike Bridge Plaza			
Improvements	840,900	377,204	463,696
Sprague Avenue Rebuild Phase I	8,449,714	8,143,648	306,066
Spray Dryer Absorber (SDA) Penthouse Floor Replacement - WTE	110,000	84,960	25,040
Storm Water District #3	16,246	15,218	1,028
Sunset Boulevard from Royal Street to Lindeke Street	4,704,355	3,454,978	1,249,377
University District - Pedestrian Overpass	12,379,096	10,161,954	2,217,142
Upriver Dam - Powerhouse #1 Kaplan Generator	892,584	317,584	575,000
WTE - Lime Slurry Tank Replacement	157,033	77,792	79,241
WW Next Level of Treatment Program	95,764,156	88,011,848	7,752,308
Total Construction Commitments	\$ 372,472,600	\$ 302,956,001	\$ 69,516,599

E. 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%	12/31/2032
OPR 2015-0038	Kendall Yards Tendered Improvements Commercial Addition	1,446,910	0.1443%	12/31/2032
OPR 2014-0543	Burgans' Block	250,000	30 yr Treasury Bond + 2%	12/31/2034
		\$ 3,691,584		

F. 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.

G. Postclosure Landfill Monitoring

The \$13.8 million reported as landfill postclosure care liability at December 31, 2018 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 2018. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The City has restricted \$5.4 million in assets related to the post-closure monitoring of the closed portion of the Northside landfill, and \$5.8 million for post-closure monitoring of the open portion of the Northside landfill. No assets have been restricted for future costs of \$.6 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 8 years.

Landfill Monitoring	fill Monitoring Northside Landfill		Southside Landfill		Total	
Estimated Post closure costs	\$	5,421,566	\$	-	\$	5,421,566
Accrued post closure costs		5,841,734		568,210		6,409,944
Accrued closure liability		2,000,472		-		2,000,472
Total	\$	13,263,772	\$	568,210	\$	13,831,982

H. 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 \$2 million reported as landfill closure liability at December 31, 2018 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 \$1.1 million as the remaining estimated capacity (Phase 1) is filled. All amounts recognized are based on what it would cost to perform all closure and postclosure care in 2018. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

As of December 31, 2018, the City held \$2 million of restricted cash, which is reserved for the closure of the Northside Regional Landfill (Phase 1).

I. 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 (REC), 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,
 - o An asphalt plant,
 - Lumber yards,
 - o Foundries,
 - Iron works,
 - o Power companies,
 - Machine shops,
 - Pottery shops,
 - Auto service stations,
 - Seed companies,
 - o 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.

Probability of Choice	Estimated Costs	Pollution remediation
000	Φ.	.
0%	Ъ -	\$ -
90%	1,550,000	1,395,000
5%	2,000,000	100,000
5%	2,500,000	125,000 \$ 1,620,000
	0% 90% 5%	Choice Costs 0% \$ - 90% 1,550,000 5% 2,000,000

On 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 Brownfields 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.

The City has included in its estimated liability those portions of the environmental remediation work that are currently deemed to be reasonably estimable. Cost estimates were developed using the expected case flow technique in accordance with GASB Statement No. 49, Accounting and Financial Reporting for Pollution Remediation Obligations.

The City is aggressively pursuing other third parties that may have contributed to contamination of the sites within the City and continues to evaluate all properties for various contaminants in order to better understand the extent of any contamination and/or possible claims for cleanup costs. The City has not yet received any recovery from other Parties for their share of remediation work that will offset the City's estimated environmental liability which was zero for 2017 and 2018.

Prior Period Adjustments

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

Prior Period Adjustment	
Governmental Activities	\$ 2,708,178
Business-Type Activities	22,727
Total	2,730,905

Governmental Funds	
General Fund	\$ 1,547,948
Arterial Street Fund	724,399
Internal Service Funds	(414,764)
Total	1,857,583

Governmental Funds	
OPEB Correction ¹	
General Fund OPEB Liability	772,445
General Fund OPEB Deferred Items	78,150
Total	\$ 850,595

¹Because OPEB Liability and Deferred items are not recorded in governmental funds they are not reflected in the fund financial statements, corrections of prior period balances only affect the government-wide financial statements.

Governmental Activities

\$1,547,948 increase due to utility tax audits resulting in tax recovery.

\$724,399 increase due to reclassification of restricted net position due to impact fees.

\$ 850,595 increase due to OPEB items shifting from Government Wide adjustments to ISF and Enterprise funds.

\$ 668,464 reduction due to prior year OPEB related items shifting to ISF.

\$ 253,700 increase due to correction of prior year capital assets.

Business-Type Activities	
Water/Sewer Fund	\$ 44,006
Solid Waste Fund	(16,192)
Other Enterprise Funds	(5,087)
Total	\$ 22,727

Business-Type Activities

\$ 25,834 decrease was due to a correction of prior year accruals OPEB liability and related deferred items.

\$ 227,829 decrease was due to adding accrued interest to long term debt

\$276,390 increase due to prior year calculation error in capital assets.

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, 2018.

Note 15

Subsequent Events

There are no subsequent events for the fiscal year ending December 31, 2018.

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;
 - 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 (≤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 is 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 2018 fiscal year was \$2,302,073.20.
- 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 and has been extended to expire December 31, 2028, 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.

The City is also subject to tax abatements (exemptions) for two programs in the 2018 fiscal year (1) Multi-unit urban housing (2) High Unemployment County Sales & Use Tax Deferral for Manufacturing Facilities that are granted by the Washington State Department of Revenue. The amount of tax benefit received by the taxpayers for the calendar year 2018 have been estimated by the WA State DOR and are available on their website at https://dor.wa.gov/doing-business/information-local-governments/governmental-accounting-standards-board-gasb-statement-no-77.

Under the Multi-unit urban housing the following are exempt from taxation:

- (1)(a) The value of new housing construction, conversion, and rehabilitation improvements qualifying under chapter RCW 84.14.020 is exempt from ad valorem property taxation, as follows:
- (i) For properties for which applications for certificates of tax exemption eligibility are submitted under chapter 84.14 RCW before July 22, 2007, the value is exempt for ten successive years beginning January 1 of the year immediately following the calendar year of issuance of the certificate; and
- (ii) For properties for which applications for certificates of tax exemption eligibility are submitted under chapter 84.14 RCW on or after July 22, 2007, the value is exempt:
- (A) For eight successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate; or
- (B) For twelve successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate, if the property otherwise qualifies for the exemption under chapter 84.14 RCW and meets the conditions in this subsection (1)(a)(ii)(B). For the property to qualify for the twelve-year exemption under this subsection, the applicant must commit to renting or selling at least twenty percent of the multifamily housing units as affordable housing units to low and moderate-income households, and the property must satisfy that commitment and any additional affordability and income eligibility conditions adopted

by the local government under this chapter. In the case of projects intended exclusively for owner occupancy, the minimum requirement of this subsection (1)(a)(ii)(B) may be satisfied solely through housing affordable to moderate-income households.

- (b) The exemptions provided in (a)(i) and (ii) of this subsection do not include the value of land or non-housing-related improvements not qualifying under this chapter.
- (2) When a local government adopts guidelines pursuant to RCW 84.14.030(2) and includes conditions that must be satisfied with respect to individual dwelling units, rather than with respect to the multiple-unit housing as a whole or some minimum portion thereof, the exemption may, at the local government's discretion, be limited to the value of the qualifying improvements allocable to those dwelling units that meet the local guidelines.
- (3) In the case of rehabilitation of existing buildings, the exemption does not include the value of improvements constructed prior to the submission of the application required under this chapter. The incentive provided by this chapter is in addition to any other incentives, tax credits, grants, or other incentives provided by law.
- (4) This chapter does not apply to increases in assessed valuation made by the assessor on non-qualifying portions of building and value of land nor to increases made by lawful order of a county board of equalization, the department of revenue, or a county, to a class of property throughout the county or specific area of the county to achieve the uniformity of assessment or appraisal required by law.
- (5) At the conclusion of the exemption period, the new or rehabilitated housing cost shall be considered as new construction for the purposes of chapter 84.55 RCW.

Under the High Unemployment County Sales & Use Tax Deferral for Manufacturing Facilities unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

- (1) "Applicant" means a person applying for a tax deferral under this chapter.
- (2) "Department" means the department of revenue.
- (3) "Eligible area" means:
- (a) Through June 30, 2010, a rural county as defined in RCW 82.14.370; and
- (b) Beginning July 1, 2010, a qualifying county.
- (4)(a) "Eligible investment project" means an investment project that is located, as of the date the application required by RCW 82.60.030 is received by the department, in an eligible area as defined in subsection (3) of this section.
- (b) "Eligible investment project" does not include any portion of an investment project undertaken by a light and power business as defined in RCW 82.16.010(4), other than that portion of a cogeneration project that is used to generate power for consumption within the manufacturing site of which the cogeneration project is an integral part, or investment projects that have already received deferrals under this chapter.
 - (5) "Initiation of construction" has the same meaning as in RCW 82.63.010.
- (6) "Investment project" means an investment in qualified buildings or qualified machinery and equipment, including labor and services rendered in the planning, installation, and construction of the project.
 - (7) "Manufacturing" means the same as defined in RCW 82.04.120. "Manufacturing" also includes:
- (a) Before July 1, 2010: (i) Computer programming, the production of computer software, and other computer-related services, but only when the computer programming, production of computer software, or other computer-related services are performed by a manufacturer as defined in RCW 82.04.110 and contribute to the production of a new, different, or useful substance or article of tangible personal property for sale; (ii) the activities performed by research and development laboratories and commercial testing laboratories; and (iii) the conditioning of vegetable seeds; and
- (b) Beginning July 1, 2010: (i) The activities performed by research and development laboratories and commercial testing laboratories; and (ii) the conditioning of vegetable seeds.
 - (8) "Person" has the meaning given in RCW 82.04.030.
- (9) "Qualified buildings" means construction of new structures, and expansion or renovation of existing structures for the purpose of increasing floor space or production capacity used for manufacturing or research and development activities, including plant offices and warehouses or other facilities for the storage of raw material or finished goods if such facilities are an essential or an integral part of a factory, mill, plant, or laboratory used for manufacturing or research and development. If a building is used partly for manufacturing or research and development and partly for other purposes, the applicable tax deferral must be determined by apportionment of the costs of construction under rules adopted by the department.

- (10) "Qualified employment position" means a permanent full-time employee employed in the eligible investment project during the entire tax year. The term "entire tax year" means a full-time position that is filled for a period of twelve consecutive months. The term "full-time" means at least thirty-five hours a week, four hundred fifty-five hours a quarter, or one thousand eight hundred twenty hours a year.
- (11) "Qualified machinery and equipment" means all new industrial and research fixtures, equipment, and support facilities that are an integral and necessary part of a manufacturing or research and development operation. "Qualified machinery and equipment" includes: Computers; software; data processing equipment; laboratory equipment; manufacturing components such as belts, pulleys, shafts, and moving parts; molds, tools, and dies; operating structures; and all equipment used to control or operate the machinery.
- (12) "Qualifying county" means a county that has an unemployment rate, as determined by the employment security department, which is at least twenty percent above the state average for the three calendar years immediately preceding the year in which the list of qualifying counties is established or updated, as the case may be, as provided in RCW 82.60.120.
 - (13) "Recipient" means a person receiving a tax deferral under this chapter.
- (14) "Research and development" means the development, refinement, testing, marketing, and commercialization of a product, service, or process before commercial sales have begun, but only when such activities are intended to ultimately result in the production of a new, different, or useful substance or article of tangible personal property for sale. As used in this subsection, "commercial sales" excludes sales of prototypes or sales for market testing if the total gross receipts from such sales of the product, service, or process do not exceed one million dollars.

Information relevant to disclosure of those programs for the fiscal year ended December 31, 2018 is:

Tax Abatement Program State Imposed	unt of Taxes Abated ng the Fiscal Year 2018				
Multi-unit urban housing	\$ 264,274				
High Unemployment County					
Sales & Use Tax Deferral for Total	\$ 126,095 390,369				

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, 2018

		Original Budget		Final Budget	Actual	Variance with Final Budget-Positive (Negative)
Revenues						
Taxes	\$	162,383,469	\$	162,383,469 \$	163,991,450 \$	1,607,981
Licenses and permits	Ψ	7,322,000	Ψ	7.322.000	7.015.148	(306,852)
Intergovernmental		9,402,852		9,446,846	8,564,165	(882,681)
Charges for services		16,898,340		17,539,966	21,238,944	3,698,978
Fines and forfeitures		3,052,670		3,052,670	2,707,721	(344,949)
Miscellaneous		7,241,058		7,476,464	8,717,359	1,240,895
Net inc(dec) in market value of investments		-		-	(3,395,853)	(3,395,853)
Total revenues		206,300,389		207,221,415	208,838,934	1,617,519
EXPENDITURES						
General government		32,704,766		34,045,217	33,037,079	1,008,138
Public safety		115,403,830		116,545,329	117,110,880	(565,551)
Transportation		6,945,578		6,944,896	6,734,266	210,630
Economic environment		6,508,358		6,674,065	4,829,039	1,845,026
Social services		2,078,530		3,879,894	1,943,320	1,936,574
Culture and recreation		9,166,488		10,325,416	9,143,132	1,182,284
Capital outlays		1,376,032		1,877,376	1,728,595	148,781
Total expenditures		174,183,582		180,292,193	174,526,311	5,765,882
Excess (deficiency) of revenues over expenditures		32,116,807		26,929,222	34,312,623	7,383,401
OTHER FINANCING SOURCES (USES)						
Sale of capital assets		-		-	95,538	95,538
Transfers in		49,948,095		50,450,495	810,265	(49,640,230)
Transfers out		(81,949,150)		(82,338,182)	(32,270,701)	50,067,481
Total other financing sources (uses)		(32,001,055)		(31,887,687)	(31,364,898)	522,789
Net change in fund balance		115,752		(4,958,465)	2,947,725	7,906,190
Fund balance - beginning		41,073,772		41,073,772	51,023,158	9,949,386
Prior Period Adjustment				-	1,547,948	1,547,948
Fund balance - ending	\$	41,189,524	\$	36,115,307 \$	55,518,831 \$	19,403,524

Required Supplementary Information

Schedule of Changes in Net Pension Liability and Related Ratios SERS as of Measurement Date 12/31/2017

	2018	2017	2016	2015
Total pension liability				
Service cost	¢ 12.122.202	¢ 10.007.547	¢ 10.204.070	\$ 11,405,611
	\$ 13,133,393	\$ 12,896,547	\$ 12,384,960	
Interest	29,336,782	27,443,176	26,359,257	25,718,424
Changes of benefit terms	165,092	10 201 445	- 402.011	86,298
Differences between expected and actual experience	(3,830,239)	12,381,445	6,483,011	18,507,784
Changes of assumptions	(76,976,691)	(14,542,266)	-	-
Benefit payments, including refunds of member contributions	(27,443,693)	(26,467,256)	(24,597,020)	(22,884,026)
Net change in total pension liability	(65,615,356)	11,711,646	20,630,208	32,834,091
Total pension liability—beginning Total pension liability—ending (a)	523,734,979	512,023,333	491,393,125	458,559,034
total pension itability—enaing (a)	\$ 458,119,623	\$ 523,734,979	\$ 512,023,333	\$ 491,393,125
Plan fiduciary net position				
Contributions—employer	\$ 8,113,319	\$ 7,586,362	\$ 7,398,945	\$ 6,822,279
Contributions—member	8,113,319	7,586,362	7,402,905	6,822,279
Net investment income	43,085,572	16,802,274	(3,228,439)	14,497,901
Benefit payments, including refunds of member contributions	(27,443,693)	(26,467,256)	(24,597,020)	(22,884,026)
Administrative expense	(563,078)	(477,252)	(447,921)	(386,713)
Other				
Net change in plan fiduciary net position	31,305,439	5,030,490	(13,471,530)	4,871,720
Plan fiduciary net position—beginning	277,331,781	272,301,291	285,772,821	280,901,101
Plan fiduciary net position—ending (b)	\$ 308,637,220	\$ 277,331,781	\$ 272,301,291	\$ 285,772,821
Plan's net pension liability—ending (a) – (b)	\$ 149,482,403	\$ 246,403,198	\$ 239,722,042	\$ 205,620,304
Less (Public Facilities District)	(350,357)	(601,330)	(600,946)	(474,484)
Plan's net pension liability—Net of the PFD	\$ 149,132,046	\$ 245,801,868	\$ 239,121,096	\$ 205,145,820
Plan fiduciary net position as a percentage of the total pension liability	67.42%	53.01%	53.24%	58.21%
Pensionable covered payroll	\$ 102,844,614	\$ 102,378,550	\$ 93,899,096	\$ 89,034,522
Plan's net pension liability as a percentage of covered payroll	145.35%	240.68%	255.30%	230.94%

^{*}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. The System added a new benefit tier for employees hired on or after January 1, 2018. The details of the tier are included in the "Benefits Provided" of Note 1 to the Financial Statements.

Effective December 16, 2018, the annual Contribution Rate was changed to 18.50% of payroll (9.25% of pay paid by the Employee, 9.25% of pay paid by the Employee). Previously the Contribution Rate was 18.00% of payroll (9.00% of pay paid by the employee, 9.00% paid by employer from December 17, 2017 and 16.5% of payroll (8.25% of pay paid by the Employee, 8.25% of pay paid by the Employer) since September 1, 2014

Schedule of Changes in Net Pension Liability and Related Ratios Firefighters' Pension as of Measurement Date 12/31/2017

	2018	2017	2016	2015
Total pension liability				
Service cost	\$ -	\$ -	\$ -	\$ -
Interest	684,842	815,109	831,429	938,119
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(1,114,154)	(2,959,170)	-	(2,281,571)
Changes of assumptions	1,637,202	-	-	-
Benefit payments, including refunds of member contributions	(1,053,418)	(1,170,685)	(1,306,840)	(1,340,440)
Net change in total pension liability	154,472	(3,314,746)	(475,411)	(2,683,892)
Total pension liability—beginning	17,642,583	20,957,329	21,432,740	24,116,632
Total pension liability—ending (a)	\$ 17,797,055	\$ 17,642,583	\$ 20,957,329	\$ 21,432,740
Plan fiduciary net position				
Contributions—employer	\$ 2,208,498	\$ 2,152,769	\$ 2,345,156	\$ 1,529,654
Contributions—member	-	-	_	=
Net investment income	351,460	252,368	116,370	295,093
Benefit payments, including refunds of member contributions	(1,053,418)	(1,170,685)	(1,306,840)	(1,340,440)
Administrative expense	(29,362)	(15,482)	(30,577)	(13,889)
Other				
Net change in plan fiduciary net position	1,477,178	1,218,970	1,124,109	470,418
Plan fiduciary net position—beginning	16,263,049	15,044,079	13,919,970	13,449,552
Plan fiduciary net position—ending (b)	\$ 17,740,227	\$ 16,263,049	\$ 15,044,079	\$ 13,919,970
Plan's net pension liability—ending (a) – (b)	\$ 56,828	\$ 1,379,534	\$ 5,913,250	\$ 7,512,770
Plan fiduciary net position as a percentage of the total pension liability	99.68%	92.18%	71.78%	64.95%
Covered payroll	N/A	N/A	N/A	N/A
Plan's net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A

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

Schedule of Changes in Net Pension Liability Related Ratios Police Pension as of Measurement Date 12/31/2017

	2018		2017			2016	 2015
Total pension liability							
Service cost	\$	-	\$	-	\$	-	\$ -
Interest		222,541		276,832		288,058	341,929
Changes of benefit terms		-		-		-	-
Differences between expected and actual experience		(1,349,629)		(1,525,979)		-	(1,233,517)
Changes of assumptions		-				-	-
Benefit payments, including refunds of member contributions		(501,605)		(618,629)		(705,257)	(1,100,056)
Net change in total pension liability		(1,628,693)		(1,867,776)	<u>-</u>	(417,199)	(1,991,644)
Total pension liability—beginning		7,666,992		9,534,768		9,951,967	 11,943,611
Total pension liability—ending (a)	\$	6,038,299	\$	7,666,992	\$	9,534,768	\$ 9,951,967
Plan fiduciary net position							
Contributions—employer	\$	667,111	\$	784,373	\$	734,966	\$ 850,789
Contributions—member		-		-		-	-
Net investment income		104		-		-	-
Benefit payments, including refunds of member contributions		(501,605)		(618,629)		(705,257)	(1,100,056)
Administrative expense		(29,531)		(17,458)		(27,666)	(12,985)
Other				<u> </u>			
Net change in plan fiduciary net position		136,079		148,286		2,043	(262,252)
Plan fiduciary net position—beginning		763,352		615,066		613,023	875,275
Plan fiduciary net position—ending (b)	\$	899,431	\$	763,352	\$	615,066	\$ 613,023
Plan's net pension liability—ending (a) – (b)	\$	5,138,868	\$	6,903,640	\$	8,919,702	\$ 9,338,944
Plan fiduciary net position as a percentage of the total pension liability		14.90%		9.96%		6.45%	6.16%
Covered payroll		N/A		N/A		N/A	N/A
Plan's net pension liability as a percentage of covered payroll		N/A		N/A		N/A	N/A

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

Schedule of City's Proportionate Share of the Net Pension Liability (Asset) as of Measurement Date 6/30/2018 LEOFF 1 (in thousands)

	LEOFF 1							
		2018		2017		2016		2015
City's proportion of the net pension liability (asset)		0.9470%		0.9544%		0.9642%		0.9613%
City's proportionate share of the net pension liability (asset) (in								
thousands)	\$	(17,192)	\$	(14,481)	\$	(9,935)	\$	(11,586)
State's proportionate share of the net pension liability (asset) associated								
with the employer	\$	(116,288)	\$	(97,946)	\$	(67,197)		n/a
City's cov ered payroll (in thousands)	\$	33	\$	52	\$	76	\$	102
City's proportionate share of the net pension liability (asset) as a								
percentage of its covered payroll	-	51343.38%		-27900.33%		-12989.69%		-11387.85%
Plan's fiduciary net position as a percentage of the total pension liability								
(asset)		144.42%		135.96%		123.74%		127.36%
This table will be built prospectively until it contains 10 years of data								

Schedule of City's Proportionate Share of the Net Pension Liability (Asset) as of Measurement Date 6/30/2018 LEOFF 2 (in thousands)

	LEOFF 2									
		2018		2017		2016		2015		
City's proportion of the net pension liability (asset)		2.0463%		2.0211%		2.0361%		2.0020%		
City's proportionate share of the net pension liability (asset) (in										
thousands)	\$	(41,545)	\$	(28,046)	\$	(11,842)	\$	(20,576)		
State's proportionate share of the net pension liability (asset) associated with the employer	\$	(26,900)	\$	(18,193)	\$	(7,720)		n/a		
City's covered payroll (in thousands)	\$	40,704	\$	38,050	\$	36,731	\$	34,918		
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll		-102.07%		-73.71%		-32.24%		-58.93%		
Plan's fiduciary net position as a percentage of the total pension liability (asset)		118.50%		113.36%		106.04%		111.67%		
		3.22,0		3.007				151,75		
This table will be built prospectively until it contains 10 years of data										

Schedule of Employer Contributions SERS as of 12/31/2018

	 2018	2017	2016	2015	2014
Actuarially determined contribution Contributions in relation to the actuarially	\$ 10,044,342	\$ 9,765,949	\$ 9,853,762 \$	9,069,276 \$	8,292,066
determined contribution	 9,187,420	8,113,319	7,586,362	7,398,945	6,822,279
Contribution deficiency (excess)	\$ 856,922	\$ 1,652,630	\$ 2,267,400 \$	1,670,331 \$	1,469,787
Covered payroll	\$ 102,082,444	\$ 98,343,261	\$ 91,955,903 \$	89,684,182 \$	86,139,886
Contributions as a percentage of covered payroll	9.00%	8.25%	8.25%	8.25%	7.92%
	 2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 8,237,317	\$ 8,325,936	\$ 10,010,885 \$	8,955,055 \$	8,267,280
Contributions in relation to the actuarially determined contribution	6,715,376	6,937,750	6,799,258	6,580,795	6,474,432
Contribution deficiency (excess)	\$ 1,521,941	\$ 1,388,186	\$ 3,211,627 \$	2,374,260 \$	1,792,848
Covered payroll	\$ 86,650,013	\$ 89,519,355	\$ 90,264,062 \$	88,093,679 \$	83,455,429
Contributions as a percentage of covered payroll	7.75%	7.75%	7.53%	7.47%	7.76%

Notes to Schedule

Valuation date: December 31, 2018

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

Actuarial cost method Amortization method Remaining amortization period Asset valuation method Inflation Salary increases Entry age normal Level percentage of payroll, closed 22 years 5-year smoothed market

25%

In accordance with the following table based on service:

<u>Years of Service</u>	<u>Annual Increase</u>
<1	12.0%
1-2	10.0%
3	8.0%
4	5.0%
5-9	4.0%
10-19	3.0%
20+	2.5%

Investment rate of return

7.5%, net of pension plan investment expense

Retirement age

In accordance with the following table based on age:

<u>Age</u>	Retirement Probability
<50	0.0%
50-58	5.0%
59-61	10.0%
62	25.0%
63	20.0%
64	25.0%
65	30.0%
66	25.0%
67	20.0%
68	10.0%
69	25.0%
70	15.0%
71-74	30.0%
75+	100.0%

Schedule of Employer Contributions Firefighters' Pension as of 12/31/2018

	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 3,819	\$ 98,333	\$ 519,891 \$	519,891	\$ 864,697
Contributions in relation to the actuarially determined contribution	2,827,071	2,179,136	2,137,287	2,314,579	1,515,765
Contribution deficiency (excess)	\$ (2,823,252)	\$ (2,080,803)	\$ (1,617,396) \$	(1,794,688)	\$ (651,068)
Covered payroll	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A
	 2013	2012			
Actuarially determined contribution	\$ 864,697	\$ 1,070,804			
Contributions in relation to the actuarially determined contribution	 2,183,389	439,804			
Contribution deficiency (excess)	\$ (1,318,692)	\$ 631,000			
Covered payroll	N/A	N/A			
Contributions as a percentage of covered payroll	N/A	N/A			

Notes to Schedule

Valuation date: December 31, 2018

Actuarial cost method Amortization method Remaining amortization period Asset valuation method Entry age normal 30-year, closed as of January 1, 2007 19 years Fair Market Value

Investment Rate of Return Projected Salary Increases Inflation Cost-of-Living Adjustments	appropriate, for F	increase assumption when PF benefits. ion assumption for some FPF				
Service Retirement	Age 50-53 54 55-56 57 58-59 60-61 62-63 64-65 66	Annual Rate 7.0% 11.0% 12.0% 15.0% 16.0% 23.0% 24.0% 25.0% 100.0%				
Disability Rates	Age 30 35 40 45 50 55 60	Annual Rate 0.8% 1.5% 2.3% 4.0% 7.0% 9.0% 10.0%				
Mortality Table-Actives and Service Retirees	RP-2000 Mortality Table for males (combined healthy), Fully Generational Projection, using 50% of projections Scale AA, with age set back one year.					
Mortality Table – Disabled Retirees	RP-2000 Mortality Table for males (combined healthy), Fully Generational Projection, using 50% of projections Scale AA, with a set forward two years.					
Mortality Table – Spouses	RP-2000 Mortality Table for females (combined healthy), Fully Generational Projection, using 50% of projections Scale AA, with ag					

set forward one years.

Schedule of Employer Contributions Police Pension as of 12/31/2018

	2018 2017		2017	2016		2015	2014
Actuarially determined contribution Contributions in relation to the actuarially	\$	345,413 \$	5 447,851	\$	585,998 \$	585,998 \$	586,637
determined contribution		487,803	637,580		766,915	707,300	837,804
Contribution deficiency (excess)	\$	(142,390)	(189,729)	\$	(180,917) \$	(121,302) \$	(251,167)
Covered payroll		N/A	N/A		N/A	N/A	N/A
Contributions as a percentage of covered payroll		N/A	N/A		N/A	N/A	N/A

	2013			2012
Actuarially determined contribution	\$	586,637	\$	734,291
Contributions in relation to the actuarially determined contribution		845,079		869,885
Contribution deficiency (excess)	\$	(258,442)	\$	(135,594)
Covered payroll		N/A		N/A
Contributions as a percentage of covered payroll		N/A		N/A
		N/A		N/A

Notes to Schedule

Valuation date: December 31, 2017

Actuarial cost method Entry age normal

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

Remaining amortization period 20 years

Asset valuation method Fair Market Value

Records and Data Census data as well as financial information used for this

was received from the City and reviewed for reasonableness

only.
Investment Rate of Return 3.0%
Projected Salary Increases N/A

Inflation 2.50%
Cost-of-Living Adjustments Based

Based upon 3.5% increase assumption when

appropriate, for PPF benefits.

Based upon inflation assumption for some PPF

benefits and all LEOFF benefits.

Service Retirement	<u>Age</u>	<u>Annual Rate</u>
	50-53	7.0%
	54	11.0%
	55-56	12.0%
	57	15.0%
	58-59	16.0%
	60-61	23.0%
	62-63	24.0%
	64-65	25.0%
	66	100.0%
Disability Rates	Age	Annual Rate
2.00.0, 1.0	<u>Age</u> 30	0.8%
	35	1.5%
	40	2.3%
	A.E.	4.097

30	0.8%
35	1.5%
40	2.3%
45	4.0%
50	7.0%
55	9.0%
60	10.0%

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

Generational Projection, using 50% of projections Scale AA, with ages

set back one year.

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

Generational Projection, using 50% of projections Scale AA, with ages

set forward two years.

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

Generational Projection, using 50% of projections Scale AA, with ages

set forward one years.

Other Terminations of employment None

Family Composition All active members are assumed to be married, with no children, when

they retire. Marital status of retires has been supplied by the City. Wives are assumed to be three years younger than their husbands. Surviving

spouses are assumed not to remarry.

Vesting Terminating members may forfeit a vested right to a deferred benefit

if they withdraw their accumulated contributions. For the purpose of

the valuation, it is assumed that no forfeitures will occur.

Schedule of Employer Contributions LEOFF 1 as of 12/31/2018

City's Proportionate Share (in thousands)	2018	2017	2016	2015
City's Proportionate Share (in thousands) Contractually required contributions Actuarially Determined contribution (ADC) Contributions in relation to the ADC Contribution deficiency (excess)	\$ -	- \$ -	- \$ -	\$ - -
•	\$ -	- \$ -	- \$ -	\$ (1)
Covered payroll	(0 (0 0	0
Contributions as a percentage of coveredpayroll	0.00%	% 0.00%	% 0.00%	0.00%

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

Schedule of Employer Contributions LEOFF 2 as of 12/31/2018

City's Proportionate Share (in thousands)	20	018	2017	2016	2015
Contractually required contributions	\$	3,562	\$ 3,200	\$ -	\$
Actuarially Determined contribution (ADC)		3,207	3,033	3,089	2,951
Contributions in relation to the ADC		3,572	3,195	3,103	2,952
Contribution deficiency (excess)	\$	(365)	\$ (162)	\$ (14)	\$ (1)
Covered payroll		40,704	38,049	36,731	34,918
Contributions as a percentage of covered payroll		8.78%	8.40%	8.45%	8.45%

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

Schedule of Investment Returns as of 12/31/2018 Spokane Employee Retirement System (SERS)

	2018	2017	2016	2015	2014
Annual money-weighted rate of					
return, net of investment expense	-6.30%	15.40%	6.71%	-0.94%	5.34%
	2012	2011	2010	2009	2008
Anuual money-weighted rate of					
return, net of investment expense	11.70%	-2.80%	13.47%	21.99%	24.68%
Fire					
	2018	2017	2016	2015	2014
Annual money-weighted rate of					
return, net of investment expense	1.71%	2.17%	1.90%	1.01%	2.58%
	2013	2012	2011	2010	2009
Annual money-weighted rate of					
return, net of investment expense	0.32%	5.97%	3.93%	4.63%	1.27%
Police					
	2018	2017	2016	2015	2014
Annual money-weighted rate of					
return, net of investment expense	2.70%	0.90%	0.00%	0.00%	0.00%
	2013	2012	2011	2010	2009
Annual money-weighted rate of					
return, net of investment expense	0.00%	0.00%	0.00%	0.00%	0.00%

Other Post Employment Benefits

Schedule of Changes in the City's Firefighters' Retirement Net OPEB Liability and Related Ratios as of measurement date 12/31/2017

	2018		2017	
Total Firefighters' OPEB liability				
Service cost	\$		\$	4.364
Interest	Ψ	1,659,545	Ψ	1,721,361
Changes of benefit terms		1,007,040		1,721,501
Differences between expected and actual experience		5,303,077		(889,509)
Changes of assumptions		(10,984,642)		(007,307)
Benefit payments, including refunds of member contributions		(3,014,467)		(2,770,305)
Net change in total opeb liability				
Total opeb liability—beginning		(7,036,487)		(1,934,089) 58,759,497
Total opeb liability—ending (a)	\$	56,825,408 49,788,921	\$	56,825,408
Total open hability chang (a)	<u> </u>	47,700,721	Ψ	30,023,400
Plan fiduciary net position				
Contributions—employer	\$	2,880,818	\$	2,777,670
Contributions—member		-		-
Net investment income		279,438		221,113
Benefit payments, including refunds of member contributions		(3,014,467)		(2,770,305)
Administrative expense		(294,117)		(276,975)
Other		-		-
Net change in plan fiduciary net position		(148,328)		(48,497)
Plan fiduciary net position—beginning		13,966,102		14,014,599
Plan fiduciary net position—ending (b)	\$	13,817,774	\$	13,966,102
			<u> </u>	
Plan's net pension liability—ending (a) – (b)	\$	35,971,147	\$	42,859,306
Plan fiduciary net position as a percentage of the total opeb liability		27.75%		24.58%
Covered payroll		N/A		N/A
Plan's net opeb liability as a percentage of covered payroll		N/A		N/A

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

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

Schedule of Changes in the City's Police Retirement Net OPEB Liability and Related Ratios as of measurement date 12/31/2017

	 2018		2017
Total Police OPEB liability			
Service cost	\$ 2,352	\$	5,875
Interest	1,939,973		1,999,833
Changes of benefit terms	-		-
Differences between expected and actual experience	3,104,252		(3,649,221)
Changes of assumptions	(5,212,240)		(1,384,401)
Benefit payments, including refunds of member contributions	(2,274,588)		(2,473,394)
Net change in total opeb liability	 (2,440,251)	-	(5,501,308)
Total opeb liability—beginning	52,867,571		58,368,879
Total opeb liability—ending (a)	\$ 50,427,320	\$	52,867,571
Plan fiduciary net position			
Contributions—employer	\$ 2,518,563	\$	2,703,355
Contributions—member	-		-
Net investment income	-		-
Benefit payments, including refunds of member contributions	(2,274,588)		(2,473,394)
Administrative expense	(244,079)		(229,961)
Other	 		-
Net change in plan fiduciary net position	(104)		-
Plan fiduciary net position—beginning	_		_
Plan fiduciary net position—ending (b)	\$ (104)	\$	-
Plan's net opeb liability—ending (a) – (b)	\$ 50,427,424	\$	52,867,571
Plan fiduciary net position as a percentage of the total opeb liability	0.00%		0.00%
Covered payroll	\$ -	\$	-
Plan's net opeb liability as a percentage of covered payroll	N/A		N/A

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

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

Schedule of Changes in the City's Retiree Medical Plan 2 Total OPEB Liability and Related Ratios not held in trust as of measurement date 12/31/2017

	2018	2017
Total Retiree Medical Plan 2 OPEB liability		
Service cost	\$ 518,369	\$ 512,615
Interest	301,836	275,198
Changes of benefit terms	1,306,207	-
Differences between expected and actual experience	(182,268)	(172,229)
Changes of assumptions	446,102	(181,786)
Benefit payments, including refunds of member contributions	(261,542)	(245,206)
Net change in total opeb liability	2,128,704	188,592
Total opeb liability—beginning	7,661,362	7,472,770
Total opeb liability—ending (a)	\$ 9,790,066	\$ 7,661,362
Plan fiduciary net position		
Contributions—employer	\$ 261,542	\$ 245,206
Contributions—member	Ψ 201,012	Ψ 210,200
Net investment income	_	_
Benefit payments, including refunds of member contributions	(261,542)	(245,206)
Administrative expense	(201,042)	(240,200)
Other	_	_
Net change in plan fiduciary net position		
Plan fiduciary not position, boginning		
Plan fiduciary net position—beginning Plan fiduciary net position—ending (b)	\$ -	\$ -
Plan's total opeb liability—ending (a) – (b)	\$ 9,790,066	\$ 7,661,362
Trains folds open hability change (a)	\$ 7,770,088	ψ 7,001,30 <u>2</u>
Plan fiduciary net position as a percentage of the total opeb liability	0.00%	0.00%
Covered-employee payroll	\$ 79,229,367	\$ 78,014,109
Plan's total opeb liability as a percentage of covered-employee payroll	12.36%	9.82%

Notes to Schedule

Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used each period:

2018	3.00%
2017	3.75%

^{*} Until a full 10 -year trend is compiled, only information for those years available is presented. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

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

Other Postemployment Benefit Schedule of Employer Contributions Firefighters' Pension (in thousands) as of 12/31/2018

	2018		2017	2016	2015		2014
Actuarially determined							
contribution	\$	2,881	\$ 2,778	\$ 2,778	\$	3,377	\$ 3,377
Contribution in kelation to the							
Actuarially Determined		2,881	2,778	2,778		3,377	3,377
Contribution Deficiency (Excess)		-	-	-		-	-
Covered Payroll Contributions as a Percentage of		-	-	-		-	-
Covered Payroll		N/A	N/A	N/A		N/A	N/A

	2013	2012	2011	2010	2009
Actuarially determined contribution	\$ 5,056	\$ 5,056	\$ 4,311	\$ 4,311	\$ 3,657
Contribution in Relation to the Actuarially Determined Contribution	5,099	5,013	4,311	4,311	3,657
Contribution Deficiency (Excess)	(43)	43	-	-	-
Covered Payroll	-	-	-	-	-
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A

Notes to Schedule

Valuation Date: December 31, 2018

1. Actuarially determined contribution is determined for the plan year that ends in the fiscal year.

2. Methods and assumptions used to determine the contribution

a. Actuarial cost method
 b. Amortization method
 b. Level dollar, closed

c. Remaining amortization period 20 years

d. Asset valuation method
e. Rate of inflation
f. Salary increase

Market value of assets

0.00% per year
0.00% per year

g. Investment rate of return
h. Discount rate
3.00% per year for current valuation
3.00% per year for current valuation

 Mortality table
 RP-2000 Combined Mortality table, fully generational projection with Scale BB, with male rates set back one year and female rates

set forward one year

j. Retirement age Rates vary by age from age 50 to 66

Other Postemployment Benefits Schedule of Employer Contributions Police Pension (in thousands) as of 12/31/2018

	2018	2017	2016	2016 2015	
Actuarial determined contribution	\$ 3,763	\$ 3,944	\$ 3,944	\$ 4,380	\$ 4,380
Actuarially Determined	0.510	0.700	0.700	0.041	0.407
Contribution	2,518	2,703	2,733	3,041	2,496
Contribution Deficiency (Excess)	1,245	1,241	1,211	1,339	1,884
Covered Payroll	-	_	_	-	-
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A

	2013	2012	2011	2010	2009
Actuarial determined contribution	\$ 5,877	\$ 5,877	\$ 4,573	\$ 4,573	\$ 3,470
Actuarially Determined Contribution	2,811	2,856	3,398	2,747	2,606
Contribution Deficiency (Excess)	3,066	3,021	1,175	1,826	864
Covered Payroll	-	-	-	-	-
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A

Notes to Schedule

Valuation Date: December 31, 2018

1. Actuarially determined contribution is determined for the plan year that ends in the fiscal year.

2. Methods and assumptions used to determine the contribution

k. Actuarial cost method Entry age normal Level dollar, closed

m. Remaining amortization period 20 years

n. Asset valuation method
o. Rate of inflation
p. Salary increase
Market value of assets
0.00% per year
0.00% per year

q. Investment rate of return N/A

r. Discount rate 3.00% per year for current valuation

s. Mortality table RP-2000 Combined Mortality table, fully generational projection with Scale BB, with male rates set back one year and female rates

set forward one year

t. Retirement age Rates vary by age from age 50 to 66

Schedule of Investment Returns for OPEB held in trust as of 12/31/2017

Fire OPEB

	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	1.71%	2.17%	1.90%	1.01%	2.58%
	2013	2012	2011	2010	2009
Annual money-weighted rate of return, net of investment expense	0.32%	5.97%	3.93%	4.63%	1.27%

Police OPEB

	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	2.70%	0.90%	0.00%	0.00%	0.00%
	2013	2012	2011	2010	2009
Annual money-weighted rate of return, net of investment expense	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to the Required Supplementary Information

For the Fiscal Year Ended December 31, 2018

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.

Major Funds Other Than Special Revenue Budget to Actual

2018 UTGO Library Capital Bond Fund

The 2018 UTGO Library Capital Bond Fund accounts for monies received from proceeds of general obligation bonds to finance improvements to and expansion of the Spokane Public Library facilities.

Arterial Street Fund

The Arterial Street Fund accounts for the development of the arterial street system within the City.

City of Spokane, Washington 2018 UTGO Library Capital Bond Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual For the Year Ended December 31, 2018

	 Actual	Variance with Final Budget-Positive (Negative)
REVENUES		
Miscellaneous	\$ 56,815	\$ 56,815
Net inc(dec) in market value of investments	 1,739,726	1,739,726
Total revenues	 1,796,541	1,796,541
EXPENDITURES		
Capital outlays	544,038	(544,038)
Interest	 732,569	(732,569)
Total expenditures	 1,276,607	(1,276,607)
Excess (Deficiency) of Revenues Over (Under) Expenditures	 519,934	519,934
OTHER FINANCING SOURCES (USES)		
Proceeds of bonds issued	73,605,000	73,605,000
Premium on bonds issued	 4,133,475	4,133,475
Total other financing sources (uses)	 77,738,475	77,738,475
Net change in fund balance*	 78,258,409	78,258,409
Fund balance - beginning	 	
Fund balance - ending	\$ 78,258,409	\$ 78,258,409

 $^{^*}$ The net change in fund balance was included in the budget as an appropriation (i.e. spendown) of fund balance.

City of Spokane, Washington Arterial Street Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual For the Year Ended December 31, 2018

	 Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Intergovernmental	\$ 18,145,800	\$ 30,627,562	\$ 18,499,995	(, , , ,
Charges for services	65,882	65,882	-	(65,882)
Miscellaneous	 1,270,000	1,270,000	51,505	(1,218,495)
Total revenues	 19,481,682	31,963,444	18,551,500	(13,411,944)
EXPENDITURES				
Transportation	860,601	2,065,610	7,679,309	(5,613,699)
Capital outlays	31,523,476	59,162,749	26,582,095	32,580,654
Principal	-	112,918	112,917	1
Interest	-	3,706	3,141	565
Total expenditures	 32,384,077	61,344,983	34,377,462	26,967,521
Excess (Deficiency) of Revenues Over (Under)				
Expenditures	 (12,902,395)	(29,381,539)	(15,825,962)	13,555,577
OTHER FINANCING SOURCES (USES)				
Transfers in	16,535,167	23,325,667	32,768,175	9,442,508
Transfers out	(6,501,888)	(7,001,556)	(7,001,556)	-
Total other financing sources (uses)	 10,033,279	16,324,111	25,766,619	9,442,508
Net change in fund balance*	 (2,869,116)	(13,057,428)	9,940,657	22,998,085
Fund balance - beginning	7,898,190	7,898,190	7,252,096	(646,094)
Prior Period Adjustment	-	-	724,399	724,399
Fund balance - ending	\$ 5,029,074	\$ (5,159,238)	\$ 17,917,152	23,076,390

^{*}The net change in fund balance was included in the budget as an appropriation (i.e. spendown) of fund balance.

Schedules

City of Spokane, Washington Schedule for General Fund Accounts Balance Sheet December 31, 2018

	General Fund	Code Enforcement	Library	Under Freeway Parking	Parking Facilities
ASSETS					
Cash and cash equivalents	\$ 18,311,724	\$ 189,642	\$ 184,735	\$ 135,197	\$ 291
Deposits with fiscal agents/trustees	12,472	-	-	-	· -
Equity in pooled investments	10,559,720	64,699	2,479,305	46,124	99
Taxes receivable	13,216,053	743,461	- 07.705	-	-
Accounts receivable	3,599,544	-	27,785	9,982	-
Interest receivable Due from other funds	1,677,706 7,694,328	290,684	1,413 13,541	184	-
Interfund loan receivable	2,658,433	270,004	44,411	104	_
Due from other governments	313,621	_	-	_	_
Advances to other funds	1,691,454	_	243,228	_	_
Inventories	60,000	-	-	_	_
Notes/contract receivable (non-current)	-	-	-	-	_
Total Assets	59,795,055	1,288,486	2,994,418	191,487	390
DEFERRED OUTFLOWS OF RESOURCES					
Total Deferred Outflows of Resources		-	-	-	-
Total Assets and Deferred Outflows of Resources	59,795,055	1,288,486	2,994,418	191,487	390
LIABILITIES AND FUND BALANCE Liabilities:					
Accounts/vouchers payable	2,733,488	25,095	128,041	19,693	-
Due to other funds	975,967	618,054	1,613	559	-
Due to other governments Other accrued liabilities	904,468 3,321,780	53,805	231,108	-	-
Other current liabilities	770,373	33,003	231,106	_	_
Office Coffern liabilities	770,373		70	-	
Total Liabilities	8,706,076	696,954	360,860	20,252	
DEFERRED INFLOWS OF RESOURCES					
Property taxes	1,588,160	-	-	2,481	-
Total Deferred Inflows of Resources	1,588,160	-	-	2,481	_
Total Liabilities Plus Deferred Inflows of Resources	10,294,236	696,954	360,860	22,733	
FUND BALANCE:					
Nonspendable	1,751,454	-	243,228	_	_
Restricted - grants	-	-	-	-	_
Committed	3,954,999	-	-	168,754	390
Assigned	18,852,632	591,532	2,390,330	-	-
Unassigned	24,941,734	-	-	-	-
Total Fund Balance (Deficit)	49,500,819	591,532	2,633,558	168,754	390
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$ 59,795,055	\$ 1,288,486	\$ 2,994,418	\$ 191,487	\$ 390
and rolla balance	ψ 37,773,033	ψ 1,200,400	ψ 4,774,410	ψ 171,40/	ψ J7U

City of Spokane, Washington Schedule for General Fund Accounts Balance Sheet December 31, 2018 (Continued)

	Capital Improvement Program	Hope Acquisition	Housing Trust Grant	Cumulative Reserve
ASSETS	ф (1.701	¢	¢.	f 17,000
Cash and cash equivalents Deposits with fiscal agents/trustees	\$ 61,781	\$ -	\$ -	\$ 16,828
Equity in pooled investments	22,125	439,428	195,139	5,741
Taxes receivable	-	-	-	-
Accounts receivable Interest receivable	-	10,000 226	3,500 302	-
Due from other funds	-	220	302	-
Interfund loan receivable	20	8,062	3,492	_
Due from other governments	-	-	-	-
Advances to other funds	105	44,153	19,125	-
Inventories	-	11/200	- - /0F	-
Notes/contract receivable (non-current) Total Assets	84,031	116,302 618,171	5,625 227,183	22,569
	2 1,755	2.2,		,
DEFERRED OUTFLOWS OF RESOURCES	-			
Total Deferred Outflows of Resources			-	
Total Assets and Deferred Outflows of Resources	84,031	618,171	227,183	22,569
LIABILITIES AND FUND BALANCE Liabilities:				
Accounts/vouchers payable Due to other funds	-	166	166	-
Due to other governments	-	-	-	_
Other accrued liabilities	-	-	-	-
Other current liabilities		-	-	
Total Liabilities	-	166	166	<u> </u>
DEFERRED INFLOWS OF RESOURCES				
Property taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	_
Total Liabilities Plus Deferred Inflows of Resources		166	166	<u> </u>
FUND BALANCE:				
Nonspendable	105	44,153	19,125	_
Restricted - grants	-	573,852	207,892	-
Committed	-	-	-	-
Assigned	83,926	-	-	22,569
Unassigned			-	- _
Total Fund Balance (Deficit)	84,031	618,005	227,017	22,569
Total Liabilities, Deferred Inflows of Resources,				
and Fund Balance	\$ 84,031	\$ 618,171	\$ 227,183	\$ 22,569

City of Spokane, Washington Schedule for General Fund Accounts Balance Sheet December 31, 2018 (Continued)

	_	Emergency Medical Services	Eliminations	Total
ASSETS				
Cash and cash equivalents	\$	301,830	\$ - \$	19,202,028
Deposits with fiscal agents/trustees		10,226	-	22,698
Equity in pooled investments		1,939,853	-	15,752,233
Taxes receivable Accounts receivable		190,544	_	14,150,058
Interest receivable		140,243 997	-	3,791,054 1,680,644
Due from other funds		216,369	(261,746)	7,953,360
Interfund loan receivable		33,751	(201,740)	2,748,169
Due from other governments		1,051,826	_	1,365,447
Advances to other funds		184,846	_	2,182,911
Inventories		11,195	-	71,195
Notes/contract receivable (non-current)				121,927
Total Assets		4,081,680	(261,746)	69,041,724
DEFERRED OUTFLOWS OF RESOURCES				
Total Deferred Outflows of Resources		-	-	
Total Assets and Deferred Outflows of Resources		4,081,680	(261,746)	69,041,724
LIABILITIES AND FUND BALANCE Liabilities:				
Accounts/vouchers payable		198,345	-	3,104,662
Due to other funds		62,086	(261,746)	1,396,865
Due to other governments		-	-	904,468
Other accrued liabilities		1,998,809	-	5,605,502
Other current liabilities		10,954	-	781,425
Total Liabilities		2,270,194	(261,746)	11,792,922
DEFERRED INFLOWS OF RESOURCES				
Property taxes		139,330	_	1,729,971
Total Deferred Inflows of Resources		139,330	-	1,729,971
Total Liabilities Plus Deferred Inflows of Resources		2,409,524	(261,746)	13,522,893
FUND BALANCE:				
Nonspendable		196,041	-	2,254,106
Restricted - grants		-	-	781,744
Committed		1,476,115	-	5,600,258
Assigned		-	-	21,940,989
Unassigned		-		24,941,734
Total Fund Balance (Deficit)		1,672,156	-	55,518,831
Total Liabilities, Deferred Inflows of Resources,				
and Fund Balance	\$	4,081,680	\$ (261,746) \$	69,041,724

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, 2018 (Continued)

	-				
	General Fund	Code Enforcement	Library	Under Freeway Parking	Parking Facilities
REVENUES					
Taxes	\$ 154,328,235	\$ 25,919	\$ 1,250,028	\$ -	\$ -
Licenses and permits	6,669,724	-	-	-	-
Intergovernmental	3,869,741	-	11,574	-	-
Charges for services	18,612,061	953,429	20,919	-	-
Fines and forfeitures	2,355,717	-	111,142	-	-
Miscellaneous	7,636,611	538,573	269,668	191,696	-
Net inc (dec) in market value of					
investments	(3,400,696)	-	-	-	<u> </u>
Total Revenues	190,071,393	1,517,921	1,663,331	191,696	-
EXPENDITURES Current:					
General government	33,037,079	_	_	_	_
Public safety	59,980,288	2,037,323	_	-	_
Transportation	6,580,183	_,,,,,,_,	-	154,083	_
Economic environment	4,828,187	-	-	-	_
Social services	1,943,320	-	-	-	_
Culture and recreation	816,907	-	8,326,225	-	_
Capital outlays	368,224	-	1,228,222	-	_
Debt service:					
Total Expenditures	107,554,188	2,037,323	9,554,447	154,083	
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	82,517,205	(519,402)	(7,891,116)	37,613	<u> </u>
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	43,576	-	-	-	-
Transfers in	810,265	691,902	8,602,400	-	-
Transfers out	(81,159,857)	-	(56,996)	-	-
Total Other Financing Sources (Uses)	(80,306,016)	691,902	8,545,404	-	
Net Change in Fund Balance	2,211,189	172,500	654,288	37,613	
Fund Balance - beginning (Note 1) Prior Period Adjustment	45,741,682 1,547,948	419,032	1,979,270	131,141	390
Fund Balance - ending	\$ 49,500,819	\$ 591,532	\$ 2,633,558	\$ 168,754	\$ 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, 2018 (Continued)

	Impr	apital ovement ogram	Hope Acquisition	Housing Trust Grant	Cumulative Reserve
REVENUES	.	,	^	•	•
Taxes Licenses and permits	\$	- ;	\$ - -	\$ -	\$ -
Intergovernmental		-	-	-	-
Charges for services		-	-	-	-
Fines and forfeitures		-	-	-	-
Miscellaneous Net inc(dec) in market value of		3	4,312	1,445	-
investments		_	-	4,843	-
Total Revenues		3	4,312	6,288	-
EVERNETURE					
EXPENDITURES Current:					
General government		_	_	-	-
Public safety		-	-	-	-
Transportation		-	-	-	-
Economic environment Social services		-	409	443	-
Culture and recreation		-	- -	-	- -
Capital outlays		-	-	-	-
Debt service:					
Total Expenditures		-	409	443	
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	-	3	3,903	5,845	-
OTHER FINANCING SOURCES (USES)					
Sale of capital assets		_	_	_	-
Transfers in		-	-	-	-
Transfers out		-	-	-	
Total Other Financing Sources (Uses)	-	-	-	-	<u> </u>
Net Change in Fund Balance		3	3,903	5,845	
Fund Balance - beginning (Note 1) Prior Period Adjustment		84,028	614,102	221,172	22,569
Fund Balance - ending	\$	84,031	\$ 618,005	\$ 227,017	\$ 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, 2018 (Continued)

		Emergency Medical Services	Eliminations	Total
REVENUES Taxes	\$	8,387,268	\$ 	\$ 163,991,450
Licenses and permits Intergovernmental Charges for services		345,424 4,682,850 1,652,535	- -	7,015,148 8,564,165 21,238,944
Fines and forfeitures Miscellaneous Net inc(dec) in market value of		240,862 75,051	-	2,707,721 8,717,359
investments Total Revenues		15,383,990	-	(3,395,853) 208,838,934
EXPENDITURES Current:				
General government		-	-	33,037,079
Public safety Transportation		55,093,269	-	117,110,880 6,734,266
Economic environment		_	_	4,829,039
Social services		-	-	1,943,320
Culture and recreation		-	-	9,143,132
Capital outlays Debt service:		132,149	-	1,728,595
Total Expenditures	_	55,225,418	-	174,526,311
Excess (Deficiency) of Revenues Over (Under) Expenditures		(39,841,428)	-	34,312,623
OTHER FINANCING SOURCES (USES) Sale of capital assets		51,962	-	95,538
Transfers in Transfers out		39,700,000 (48,150)	(48,994,302) 48,994,302	810,265 (32,270,701)
Total Other Financing Sources (Uses)		39,703,812	40,774,302	(31,364,898)
Net Change in Fund Balance		(137,616)		2,947,725
Fund Balance - beginning (Note 1) Prior Period Adjustment		1,809,772	-	51,023,158 1,547,948
Fund Balance - ending	\$	1,672,156	\$ 	\$ 55,518,831

City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual General Fund For the Year Ended December 31, 2018

	-					
		Original Budget	Final Budget	ļ	Actual	Variance with Final Budget-Positive (Negative)
REVENUES						
Taxes	\$	152,663,469	152,663,469	\$	154,328,235	\$ 1,664,766
Licenses and permits	·	6,972,000	6,972,000	•	6,669,724	(302,276)
Intergovernmental		4,832,311	4,832,311		3,869,741	(962,570)
Charges for services		14,491,153	14,601,153		18,612,061	4,010,908
Fines and forfeitures		2,749,670	2,749,670		2,355,717	(393,953)
Miscellaneous		6,632,100	6,643,100		7,636,611	993,511
Net inc(dec) in market value of investments		-	-		(3,400,696)	(3,400,696)
Total revenues		188,340,703	188,461,703		190,071,393	1,609,690
EXPENDITURES						
General government		32,704,766	34.045.217		33.037.079	1.008.138
Public safety		59,413,826	59,693,203		59,980,288	(287,085)
Transportation		6,798,018	6,797,336		6,580,183	217,153
Economic environment		6,011,758	6,177,465		4,828,187	1,349,278
Social services		2,078,530	3,879,894		1,943,320	1,936,574
Culture and recreation		50,000	848,928		816,907	32,021
Capital outlays Debt service:		56,114	173,485		368,224	(194,739)
Total expenditures		107,113,012	111,615,528		107,554,188	4,061,340
Form (deficiency) of more recovery (seeds.)						_
Excess (deficiency) of revenues over (under) expenditures		81,227,691	76,846,175		82,517,205	5,671,030
OTHER FINANCING SOURCES (USES)						
Sale of capital assets		-	-		43,576	43,576
Transfers in		810,265	810,265		810,265	-
Transfers out		(81,844,003)	(82,233,035)		(81,159,857)	1,073,178
Total other financing sources (uses)		(81,033,738)	(81,422,770)		(80,306,016)	1,116,754
Net change in fund balance		193,953	(4,576,595)		2,211,189	6,787,784
Fund Balance - beginning Prior Period Adjustment		37,321,456 -	37,321,456		45,741,682 1,547,948	8,420,226 1,547,948
Fund Balance - ending	\$	37,515,409	32,744,861	\$	49,500,819	\$ 16,755,958

City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Code Enforcement For the Year Ended December 31, 2018

		Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES Taxes	\$	- \$	- \$	25,919	5 25,919
Charges for services	φ	1,431,336	1,431,336	953,429	(477,907)
Fines and forfeitures		3,000	3,000	733,427	(3,000)
Miscellaneous		245,000	245,000	538,573	293,573
Total revenues		1,679,336	1,679,336	1,517,921	(161,415)
EXPENDITURES Public safety		2,289,801	2,448,116	2,037,323	410,793
Total expenditures		2,289,801	2,448,116	2,037,323	410,793
Excess (deficiency) of revenues over (under) expenditures		(610,465)	(768,780)	(519,402)	249,378
OTHER FINANCING SOURCES (USES)					
Transfers in		837,830	837,830	691,902	(145,928)
Total other financing sources (uses)		837,830	837,830	691,902	(145,928)
Net change in fund balance		227,365	69,050	172,500	103,450
Fund Balance - beginning		166,947	166,947	419,032	252,085
Fund Balance - ending	\$	394,312 \$	235,997 \$	591,532	355,535

City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Library For the Year Ended December 31, 2018

		Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES					
Taxes	\$	1,255,000 \$	1,255,000 \$	1,250,028 \$, , ,
Intergovernmental		250,000	250,000	11,574	(238,426)
Charges for services		22,000	22,000	20,919	(1,081)
Fines and forfeitures		140,000	140,000	111,142	(28,858)
Miscellaneous	-	110,250	262,250	269,668	7,418
Total revenues		1,777,250	1,929,250	1,663,331	(265,919)
EXPENDITURES					
Culture and recreation		9,116,488	9,476,488	8,326,225	1,150,263
Capital outlays		1,194,918	1,489,318	1,228,222	261,096
Total expenditures		10,311,406	10,965,806	9,554,447	1,411,359
Excess (deficiency) of revenues over (under) expenditures		(8,534,156)	(9,036,556)	(7,891,116)	1,145,440
OTHER FINANCING SOURCES (USES)					
Transfers in		8,600,000	9,102,400	8,602,400	(500,000)
Transfers out		(56,996)	(56,996)	(56,996)	-
Total other financing sources (uses)		8,543,004	9,045,404	8,545,404	(500,000)
Net change in fund balance		8,848	8,848	654,288	645,440
Fund Balance - beginning		779,249	779,249	1,979,270	1,200,021
Fund Balance - ending	\$	788,097 \$	788,097 \$	2,633,558 \$	1,845,461

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, 2018

	Ori	ginal Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES Miscellaneous	\$	173,108 \$	173,108	\$ 191,696 \$	18,588_
Total revenues		173,108	173,108	191,696	18,588
EXPENDITURES Transportation		147,560	147,560	154,083	(6,523)
Total expenditures		147,560	147,560	154,083	(6,523)
Net change in fund balance		25,548	25,548	37,613	12,065
Fund Balance - beginning		15,071	15,071	131,141	116,070
Fund Balance - ending	\$	40,619 \$	40,619	\$ 168,754 \$	128,135

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, 2018

	Actual	Variance with Final Budget-Positive (Negative)
REVENUES Miscellaneous	\$ 3	\$ 3
Total revenues	 3	3
Net change in fund balance	3	3
Fund Balance - beginning	84,028	(26)
Fund Balance - ending	\$ 84,031	\$ (23)

City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Hope Acquisition For the Year Ended December 31, 2018

	Or 	iginal Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES Miscellaneous	\$	8,300 \$	8,300	\$ 4,312	\$ (3,988)
Total revenues		8,300	8,300	4,312	(3,988)
EXPENDITURES Economic environment		286,300	286,300	409	285,891
Total expenditures		286,300	286,300	409	285,891
Net change in fund balance		(278,000)	(278,000)	3,903	281,903
Fund Balance - beginning		418,066	418,066	614,102	196,036
Fund Balance - ending	\$	140,066 \$	140,066	\$ 618,005	\$ 477,939

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, 2018

	C	Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES Miscellaneous Net inc(dec) in market value of investments	\$	3,300	\$ 3,300	\$ 1,445 4,843	\$ (1,855) 4,843
Total revenues		3,300	3,300	6,288	2,988
EXPENDITURES Economic environment		210,300	210,300	443	209,857
Total expenditures		210,300	210,300	443	209,857
Net change in fund balance		(207,000)	(207,000)	5,845	212,845
Fund Balance - beginning		221,308	221,308	221,172	(136)
Fund Balance - ending	\$	14,308	\$ 14,308	\$ 227,017	\$ 212,709

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, 2018

		Original Budget	Fir	nal Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES Taxes Licenses and permits Intergovernmental Charges for services Fines and forfeitures Miscellaneous	\$	8,465,000 350,000 4,320,541 953,851 160,000 69,000	\$	8,465,000 350,000 4,364,535 1,485,477 160,000 141,406	\$ 8,387,268 3 345,424 4,682,850 1,652,535 240,862 75,051	(77,732) (4,576) 318,315 167,058 80,862 (66,355)
Total revenues		14,318,392		14,966,418	15,383,990	417,572
EXPENDITURES Public safety Capital outlays Total expenditures		53,700,203 125,000 53,825,203		54,404,010 214,573 54,618,583	55,093,269 132,149 55,225,418	(689,259) 82,424 (606,835)
Excess (deficiency) of revenues over (under) expenditures	_	(39,506,811)		(39,652,165)	(39,841,428)	(189,263)
OTHER FINANCING SOURCES (USES) Sale of capital assets Transfers in Transfers out		- 39,700,000 (48,151)		- 39,700,000 (48,151)	51,962 39,700,000 (48,150)	51,962 - 1
Total other financing sources (uses)		39,651,849		39,651,849	39,703,812	51,963
Net change in fund balance		145,038		(316)	(137,616)	(137,300)
Fund Balance - beginning		2,044,662		2,044,662	1,809,772	(234,890)
Fund Balance - ending	\$	2,189,700	\$	2,044,346	\$ 1,672,156	(372,190)

City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual General Fund Combined Accounts Total For the Year Ended December 31, 2018

	_				
		Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES					
Taxes	\$	162,383,469 \$	162,383,469	\$ 163,991,450 \$	1,607,981
Licenses and permits	·	7,322,000	7,322,000	7,015,148	(306,852)
Intergovernmental		9,402,852	9,446,846	8,564,165	(882,681)
Charges for services		16,898,340	17,539,966	21,238,944	3,698,978
Fines and forfeitures		3,052,670	3,052,670	2,707,721	(344,949)
Miscellaneous		7,241,058	7,476,464	8,717,359	1,240,895
Net inc(dec) in market value of investments		-	-	(3,395,853)	(3,395,853)
Total revenues		206,300,389	207,221,415	208,838,934	1,617,519
EXPENDITURES					
General government		32,704,766	34.045.217	33.037.079	1.008.138
Public safety		115,403,830	116,545,329	117,110,880	(565,551)
Transportation		6,945,578	6,944,896	6,734,266	210,630
Economic environment		6,508,358	6,674,065	4,829,039	1,845,026
Social services		2,078,530	3,879,894	1,943,320	1,936,574
Culture and recreation		9,166,488	10,325,416	9,143,132	1,182,284
Capital outlays Debt service:		1,376,032	1,877,376	1,728,595	148,781
Total expenditures		174,183,582	180,292,193	174,526,311	5,765,882
Excess (deficiency) of revenues over (under) expenditures		32,116,807	26,929,222	34,312,623	7,383,401
experianores		02,110,007	20,727,222	04,012,020	7,000,401
OTHER FINANCING SOURCES (USES)				05.500	05 500
Sale of capital assets		-		95,538	95,538
Transfers in		49,948,095	50,450,495	810,265	(49,640,230)
Transfers out		(81,949,150)	(82,338,182)	(32,270,701)	50,067,481
Total other financing sources (uses)	_	(32,001,055)	(31,887,687)	(31,364,898)	522,789
Net change in fund balance		115,752	(4,958,465)	2,947,725	7,906,190
Fund Balance - beginning Prior Period Adjustment		41,050,813	41,050,813	51,000,199 1,547,948	9,949,386 1,547,948
Fund Balance - ending	\$	41,166,565 \$	36,092,348	\$ 55,495,872 \$	19,403,524

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, 2018

		Special Revenue Funds	Debt Service Funds		Capital Projects Funds	G	Total Sovernmental Funds
ASSETS							
Cash and cash equivalents Deposits with fiscal agents/trustees	\$	18,708,603 \$ 105,028	4,157,809	\$	984,591	\$	23,851,003 105,028
Equity in pooled investments		24,167,983	4,397,144		23,600,744		52,165,871
Taxes receivable		4,064,568	234,782		12,287		4,311,637
Special assessment receivable		4,004,300	1,201,813		12,207		1,201,813
Accounts receivable		4,852,554	1,201,013		-		4,852,554
Interest receivable		18,135	2,444		151,222		171,801
Due from other funds		2,552,972	2,444		1,250,751		3,803,723
Interfund loan receivable		328,024	54,646		507,838		890,508
			34,040		307,036		
Due from other governments		3,762,321	-		0.701.207		3,762,321
Advances to other funds Inventories		1,796,520 1,275,306	299,288		2,781,326		4,877,134 1,275,306
			-		-		
Notes/contract receivable (non-current)	-	22,847,552	10 2 47 00 /				22,847,552
Total Assets		84,479,566	10,347,926		29,288,759		124,116,251
DEFERRED OUTFLOWS OF RESOURCES							
Total Deferred Outflows of Resources		-	-				
Total Assets Plus Deferred Outflows of Resources	=	84,479,566	10,347,926		29,288,759		124,116,251
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts/vouchers payable		2,944,786	-		2,092,002		5,036,788
Due to other funds		3,184,288	12,340		28,706		3,225,334
Due to other governments		342,126	-		-		342,126
Revenues collected in advance		10,788	-		-		10,788
Interfund loan payable		2,349,592	-		-		2,349,592
Other accrued liabilities		939,374	-		-		939,374
Other current liabilities		623,321	633		506		624,460
Total Liabilities		10,394,275	12,973		2,121,214		12,528,462
DEFERRED INFLOWS OF RESOURCES							
Property taxes		224,368	167,654		10,394		402,416
Unavailable Revenues Special Assessments		-	1,201,813		-		1,201,813
Revenues not available		160,526	-		-		160,526
Total Deferred Inflows of Resources		384,894	1,369,467		10,394		1,764,755
Total Liabilities Plus Deferred Inflows of Resources		10,779,169	1,382,440		2,131,608		14,293,217
Fund Balance							
Nonspendable		1,275,306	-		-		1,275,306
Restricted - capital projects		12,964,716	-		27,157,151		40,121,867
Restricted - police & firefighters' pension		1,356,898	-		-		1,356,898
Restricted - grants		27,683,723	-		-		27,683,723
Restricted - debt service		-	8,965,486		-		8,965,486
Restricted - Other		134,250	-		-		134,250
Committed		23,519,200	-		-		23,519,200
Assigned	_	6,766,304					6,766,304
Total Fund Balance		73,700,397	8,965,486	-	27,157,151		109,823,034
*							
Total Liabilities, Deferred Inflows of Resources, and Fund Balance	\$	84,479,566 \$	10,347,926	\$	29,288,759	ŧ	124,116,251
	Ψ	5 1, 1, 7,000 ¥	10,047,720	Ψ		r	. 2 1,1 10,201

City of Spokane, Washington Combining Statement of Revenues, Expenditures, and Changes in Fund Balance Nonmajor Governmental Funds For the Fiscal Year Ended December 31, 2018

		Special Revenue Funds	Debt Service Funds	Capital Projects Fund	Total
REVENUES					
Taxes	\$	39,784,100 \$	5,760,823 \$	494,051 \$	46,038,974
Licenses and permits		527,278		· -	527,278
Intergovernmental		19,147,897	539,465	-	19,687,362
Charges for services		17,519,640	-	-	17,519,640
Fines and forfeitures		3,410,595	-	-	3,410,595
Miscellaneous		3,104,519	512,573	492,739	4,109,831
Net inc(dec) in market value of investments		15,659	-	(893,642)	(877,983)
Total Revenues		83,509,688	6,812,861	93,148	90,415,697
EXPENDITURES					
Current:					
General government		8,974,179	5,315	-	8,979,494
Public safety		13,468,058	-	-	13,468,058
Transportation		27,170,759	-	713	27,171,472
Economic environment		10,774,104	-	60,000	10,834,104
Social services		7,772,683	-	-	7,772,683
Culture and recreation		18,858,930	-	-	18,858,930
Capital outlays		4,618,711	-	15,064,755	19,683,466
Debt service:			5.004.001	000 5 (0	4 070 400
Principal		-	5,834,931	238,562	6,073,493
Interest		91,637,424	7,254,350 13,094,596	801 15,364,831	7,255,151 120,096,851
Total Expenditures		71,037,424	13,074,376	13,364,631	120,076,031
Excess (Deficiency) of Revenues Over (Under)					
Expenditures		(8,127,736)	(6,281,735)	(15,271,683)	(29,681,154)
OTHER FINANCING SOURCES (USES)					
Sale of capital assets		90.801	_	6,074,000	6,164,801
Transfers in		20,011,340	6,871,448	32,329	26,915,117
Transfers out		(9,584,673)	(691,084)	(9,445,433)	(19,721,190)
Total Other Financing Sources (Uses)	-	10,517,468	6,180,364	(3,339,104)	13,358,728
Net Change in Fund Balance		2,389,732	(101,371)	(18,610,787)	(16,322,426)
Fund Balance - beginning		71,310,665	9,066,857	45,767,938	126,145,460
Fund Balance - ending	\$	73,700,397 \$	8,965,486 \$	27,157,151 \$	109,823,034

Nonmajor

Special Revenue Funds

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

Street Fund

The Street Fund is responsible for the maintenance of all City streets and bridges. Also, construction activities for City streets are coordinated through this fund.

Pension Contributions Fund

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

Miscellaneous Grants Fund

The Miscellaneous Grants Fund accounts for all federal, state, and local grants, which should be accounted for outside the general fund, and for which no other fund exists.

Domestic Violence Protection Fund

The Domestic Violence Protection Fund is used to account for funds from the penalty assessments issued pursuant to RCW 10.99.080 as well as other available funds. The fund will be used consistent with the provisions of RCW 10.99.080 (2), which includes establishing and funding domestic violence advocacy and domestic violence prevention and prosecution programs.

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.

Historic Preservation Fund

The Historic Preservation Fund accounts for funds received by the city in payment for demolition permits. The funds will be disbursed on the recommendation of the city's historic preservation officer, and pursuant to an historic preservation incentive program established by the historic landmarks commission and approved by the city council by ordinance.

Park 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.

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 (which includes the Community Development, the Community Development/Human Services Operations, and Community Development Block Grant Program funds) 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.

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.

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.

Transportation Benefit District

The Transportation Benefit District Fund is used to account for funds from vehicle fees collected by the State Department of Licensing pursuant to RCW 82.80.140, RCW 36.73.060 and Resolution 2011-0001 adopted by the City of Spokane Transportation Benefit District Governing Board. The fund will be used to pay for transportation improvements authorized pursuant to Chapter 36.73 RCW, Chapter 8.16 SMC and Resolution 2011-0001.

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.

Street	
Cash and cash equivalents	
Deposits with fiscal agents/trustees	
Equity in pooled investments 2,276,197 291,101 2.237 843 2,947,706 Taxes receivable 910,221 260,842	7,583
Takes receivable	-
Accounts receivable 31,665 194,941 - - 2,725,225 Interest receivable 910 50 - 2,097 Due from other funds 1,543,101 - - - 8,171 Interfund loan receivable 26,327 - - 47,812 Due from other governments 62,319 - 265,573 - - Advances to other funds 144,186 - - - Inventories 1,116,543 - - - Inventories 1,116,543 - - - Interfund loan receivable (non-current) - - - Interfund loasets - - Inventories 8,577,327 1,600,193 274,365 3,315 7,067,559 DEFERRED OUTFLOWS OF RESOURCES - Interfund loan payable 738,298 - Interfund loan payable 738,298 - Interfund loan payable Interfund loan payable Interfund loan payable Interfund loan payable Interfund loan payable	2,587
Interest receivable	-
Due from other funds	500
Interfund loan receivable 26,327 - - 47,812 26 26 27 - - 47,812 27 27 27 27 27 27 27	-
Due from other governments 62,319 - 265,573 - Advances to other funds 144,186 - 261,858 Inventories 1,116,543 - - - - - -	-
Advances to other funds	-
Inventories 1,116,543 - - - - - -	-
Notes/contract receivable (non-current) - - - - - - - - -	-
DEFERRED OUTFLOWS OF RESOURCES Total Deferred Outflows of Resources S,577,327 1,600,193 274,365 3,315 7,067,559	-
DEFERRED OUTFLOWS OF RESOURCES Total Deferred Outflows of Resources S.577.327 1,600,193 274,365 3,315 7,067,559	-
Total Deferred Outflows of Resources -	10,670
Total Assets and Deferred Outflows of Resources 8,577,327 1,600,193 274,365 3,315 7,067,559	
LIABILITIES AND FUND BALANCE Accounts/vouchers payable 738,298 - - - 135,909 Due to other funds 597,633 - 177,500 - 718,558 Due to other governments - 18,927 - - - Revenues collected in advance - - 8,792 - - Interfund loan payable - - 88,073 - - Other accrued liabilities 362,038 - - - - Other current liabilities 175 - - - - Total Liabilities 1,698,144 18,927 274,365 - 854,467 DEFERRED INFLOWS OF RESOURCES Property taxes - 224,368 - - - - Revenues not available - - - - - - Total Deferred Inflows of Resources - 224,368 - - - - -	
Accounts/vouchers payable 738,298 - - - 135,909 Due to other funds 597,633 - 177,500 - 718,558 Due to other governments - 18,927 - - - Revenues collected in advance - - 8,792 - - Interfund loan payable - - 88,073 - - Other accrued liabilities 362,038 - - - - Other current liabilities 175 - - - - Total Liabilities 1,698,144 18,927 274,365 - 854,467 DEFERRED INFLOWS OF RESOURCES Property taxes - 224,368 - - - - Revenues not available - - - - - - Total Deferred Inflows of Resources - 224,368 - - - -	10,670
Accounts/vouchers payable 738,298 - - - 135,909 Due to other funds 597,633 - 177,500 - 718,558 Due to other governments - 18,927 - - - Revenues collected in advance - - 8,792 - - Interfund loan payable - - 88,073 - - Other accrued liabilities 362,038 - - - - Other current liabilities 175 - - - - Total Liabilities 1,698,144 18,927 274,365 - 854,467 DEFERRED INFLOWS OF RESOURCES Property taxes - 224,368 - - - - Revenues not available - - - - - - Total Deferred Inflows of Resources - 224,368 - - - -	
Due to other funds 597,633 - 177,500 - 718,558 Due to other governments - 18,927 - - - Revenues collected in advance - - 8,792 - - Interfund loan payable - - - 88,073 - - Other accrued liabilities 362,038 - - - - - Other current liabilities 175 - - - - - Total Liabilities 1,698,144 18,927 274,365 - 854,467 DEFERRED INFLOWS OF RESOURCES Property taxes - 224,368 - - - - Revenues not available - - - - - - Total Deferred Inflows of Resources - 224,368 - - - -	_
Due to other governments - 18,927 - - - Revenues collected in advance - - 8,792 - - Interfund loan payable - - 88,073 - - Other accrued liabilities 362,038 - - - - Other current liabilities 175 - - - - Total Liabilities 1,698,144 18,927 274,365 - 854,467 DEFERRED INFLOWS OF RESOURCES - 224,368 - - - - Property taxes - 224,368 - - - - Revenues not available - - - - - - Total Deferred Inflows of Resources - 224,368 - - - -	_
Revenues collected in advance - - 8,792 - - Interfund loan payable - - 88,073 - - Other accrued liabilities 362,038 - - - - Other current liabilities 175 - - - - Total Liabilities 1,698,144 18,927 274,365 - 854,467 DEFERRED INFLOWS OF RESOURCES Property taxes - 224,368 - - - Revenues not available - - - - - Total Deferred Inflows of Resources - 224,368 - - - -	
Interfund loan payable - - 88,073 - - Other accrued liabilities 362,038 - - - - Other current liabilities 175 - - - - Total Liabilities 1,698,144 18,927 274,365 - 854,467 DEFERRED INFLOWS OF RESOURCES Property taxes - 224,368 - - - Revenues not available - - - - - Total Deferred Inflows of Resources - 224,368 - - -	_
Other accrued liabilities 362,038 - - - - - Other current liabilities 175 - - - - - Total Liabilities 1,698,144 18,927 274,365 - 854,467 DEFERRED INFLOWS OF RESOURCES Property taxes - 224,368 - - - - Revenues not available - - - - - - Total Deferred Inflows of Resources - 224,368 - - - -	
Other current liabilities 175 -<	
Total Liabilities 1,698,144 18,927 274,365 - 854,467 DEFERRED INFLOWS OF RESOURCES Property taxes - 224,368 - - - Revenues not available - - - - - Total Deferred Inflows of Resources - 224,368 - - - -	-
Property taxes - 224,368 - - - Revenues not available -	
Property taxes - 224,368 - - - Revenues not available -	
Revenues not available -	_
Total Deferred Inflows of Resources - 224,368 - - -	_
Total Liabilities and Deferred Inflows of	_
Resources 1,698,144 243,295 274,365 - 854,467	_
FUND BALANCE	
Nonspendable 1,116,543	-
Restricted - capital projects	-
Restricted - police & firefighters' pension - 1,356,898	-
Restricted - grants	-
Restricted - Other	-
Committed 3,315 6,213,092	-
Assigned <u>5,762,640</u>	10,670
Total Fund Balance 6,879,183 1,356,898 - 3,315 6,213,092	10,670
Total Liabilities, Deferred Inflows of Resources and Fund Balance \$ 8,577,327 \$ 1,600,193 \$ 274,365 \$ 3,315 \$ 7,067,559 \$	10,670

	Park	Parking Meter	Paths & Trails	Law Enforcement Information Systems	Real Estate Rental	Law Enforcement Block Grant
ASSETS						
Cash and cash equivalents	\$ 594,673	\$ \$ 400,772	\$ 289,155	\$ 17,319	\$ 91,070	\$ 3,724
Deposits with fiscal agents/trustees		-	=	-	=	-
Equity in pooled investments	2,629,961	801,065	98,649	5,909	31,070	1,271
Taxes receivable		-	2,392	-	=	-
Accounts receivable	92,009		=	-	=	-
Interest receivable	2,985		-	-	-	-
Due from other funds	309,448		-	592	-	-
Interfund loan receivable	45,549		-	- 05 520	-	-
Due from other governments Advances to other funds	512,826 249,465		-	25,530	-	-
Inventories	156,903		=	=	=	-
	136,903	-	=	=	=	-
Notes/contract receivable (non-current) Total Assets	4,593,819	1,382,294	390,196	49,350	122,140	4,995
	.,,,,,,,,,,,	.,,,,,,,		,	,	
DEFERRED OUTFLOWS OF RESOURCES Total Deferred Outflows of Resources		. <u>-</u>	-	-	-	<u> </u>
Total Assets and Deferred Outflows of Resources	4,593,819	1,382,294	390,196	49,350	122,140	4,995
LIABILITIES AND FUND BALANCE						
Accounts/vouchers payable	441,559	52,098	=	688	=	_
Due to other funds	74,659		_	260	-	_
Due to other governments	. ,,		_	36,508	-	_
Revenues collected in advance			_	-	-	_
Interfund loan payable		-	-	-	=	-
Other accrued liabilities	358,512	41,977	-	4,988	=	-
Other current liabilities	15,377		=	44	4,214	-
Total Liabilities	890,107		=	42,488	4,214	-
DEFERRED INFLOWS OF RESOURCES						
Property taxes		=	=	-	-	-
Revenues not available	160,526		-	-	-	-
Total Deferred Inflows of Resources Total Liabilities and Deferred Inflows of	160,526	-	-	-	-	-
Resources	1,050,633	373,902		42,488	4,214	<u> </u>
FUND BALANCE						
Nonspendable	156,903	-	-	-	-	-
Restricted - capital projects		-	390,196	-	-	-
Restricted - police & firefighters' pension		-	-	-	-	-
Restricted - grants		-	-	-	-	4,995
Restricted - Other		. =	=	=	=	=
Committed	3,086,283	799,519	-	-	117,926	-
Assigned	300,000	208,873	-	6,862	-	-
Total Fund Balance	3,543,186	1,008,392	390,196	6,862	117,926	4,995
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 4,593,819	\$ 1,382,294	\$ 390,196	\$ 49,350	\$ 122,140	\$ 4,995

	Human Services Grant	Forfeitures & Contributions	Intermodal Facility Operation	Hotel/Motel Lodging Tax	Real Estate Excise Tax	Public Safety & Judicial Grants
ASSETS						
Cash and cash equivalents	\$ 311,637	\$ 306,504	\$ 24,880	\$ 392,456	\$ 6,385,795	\$ 83,006
Deposits with fiscal agents/trustees	-	-	31,552	-	-	-
Equity in pooled investments	152,423	475,600	9,978	133,891	2,178,597	28,318
Taxes receivable	153,833	1,764	=	560,263	434,224	=
Accounts receivable	=	28,747	=	-	=	9,980
Interest receivable	85	307	-	-	-	-
Due from other funds	-	37,459	207	19	117	31,563
Interfund loan receivable	846	6,995	27	-	-	-
Due from other governments	1,238,168	21,760	-	-	-	316,671
Advances to other funds	4,633	38,309	150	-	-	-
Inventories	-	-	-	-	-	-
Notes/contract receivable (non-current)		-	-	-	-	
Total Assets	1,861,625	917,445	66,794	1,086,629	8,998,733	469,538
DEFERRED OUTFLOWS OF RESOURCES Total Deferred Outflows of Resources		-	-	-	-	
Total Assets and Deferred Outflows of Resources	1,861,625	917,445	66,794	1,086,629	8,998,733	469,538
LIABILITIES AND EUND DALANCE						_
LIABILITIES AND FUND BALANCE	100.024	27.545		0/1//7		10.000
Accounts/vouchers payable	190,934 219,388	36,545 19,348	258	961,667 2,705	-	12,039
Due to other funds	217,300	17,340	230	2,703	-	258,194
Due to other governments Revenues collected in advance	-	-	-	-	-	1,996
Interfund loan payable	972,928	-	-	-	-	4,316
Other accrued liabilities	//2,/20	_	_	_	_	13,046
Other current liabilities	1,116	1,532	300	-	-	13,046
Total Liabilities	1,384,366	57,425	558	964,372		289.618
	1,304,300	37,423	550	704,372		207,010
DEFERRED INFLOWS OF RESOURCES						
Property taxes	-	-	-	-	-	-
Revenues not available Total Deferred Inflows of Resources	-	-	=	=	-	<u> </u>
Total Liabilities and Deferred Inflows of						
Resources	1,384,366	57,425	558	964,372	-	289,618
FUND BALANCE						
Nonspendable	_	_	_	_	_	_
Restricted - capital projects	_	_	_	_	8,998,733	_
Restricted - police & firefighters' pension	=	=	=	=	-	=
Restricted - grants	=	=	=	=	=	179,920
Restricted - Other	-	_	-	122,257	-	-
Committed	-	860,020	66,236	-	-	-
Assigned	477,259	-	-	_	-	-
Total Fund Balance	477,259	860,020	66,236	122,257	8,998,733	179,920
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 1,861,625	\$ 917,445	\$ 66,794	\$ 1,086,629	\$ 8,998,733	\$ 469,538

	Combined Communications Center	Communications Building M&O	Community Development	Community Development / Human Services Operations	Community Development Block Grant Program	Misc Community Development Grants
ASSETS						
Cash and cash equivalents	\$ 479,392	\$ 10,044	\$ -	\$ 158,014	\$ 81,061	\$ 19
Deposits with fiscal agents/trustees	-	-	-	-	-	-
Equity in pooled investments	3,511,349	529,044	-	53,909	839,992	702,709
Taxes receivable	262,898	-	-	-	-	-
Accounts receivable	-	-	-	-	1,200,000	17,500
Interest receivable	2,798	421	-	-	3,465	169
Due from other funds	12,572	307	-	546,858	2,702	-
Interfund loan receivable	61,419	9,643	-	-	15,882	12,914
Due from other governments	256,278	-	-	-	895,393	-
Advances to other funds	336,379	52,813	-	-	86,979	70,725
Inventories	-	-	-	1,860	-	-
Notes/contract receivable (non-current)		-	-	-	14,586,054	659,498
Total Assets	4,923,085	602,272	-	760,641	17,711,528	1,463,534
DEFERRED OUTFLOWS OF RESOURCES						
Total Deferred Outflows of Resources		-	-	-	-	-
Total Assets and Deferred Outflows of Resources	4,923,085	602,272		760,641	17,711,528	1,463,534
LIABILITIES AND FUND BALANCE						
Accounts/vouchers payable	3,124	17,682	_	2,966	168,349	50,078
Due to other funds	161,959	8,841	_	7,195	584,068	219
Due to other governments	-	-	_		-	
Revenues collected in advance	=	=	_	=	=	=
Interfund loan payable	_	_	_	600,000	589,436	=
Other accrued liabilities	97,195	_	_	61,618	-	_
Other current liabilities	158	3,494	_	-	4,325	_
Total Liabilities	262,436	30,017	=	671,779	1,346,178	50,297
DEFERRED INFLOWS OF RESOURCES						
Property taxes	_	_	_	_	_	-
Revenues not available	-	_	_	-	_	-
Total Deferred Inflows of Resources	_	-	-	-	-	-
Total Liabilities and Deferred Inflows of Resources	262,436	30,017	_	671,779	1,346,178	50,297
Resources	202,400	00,017		0/1,///	1,040,170	00,277
FUND BALANCE						
Nonspendable	-	-	-	1,860	-	-
Restricted - capital projects	-	-	-	-	-	-
Restricted - police & firefighters' pension	-	-	-	-	-	-
Restricted - grants	-	-	-	87,002	16,365,350	1,413,237
Restricted - Other	-	-	-	=	-	=
Committed	4,660,649	572,255	-	-	-	=
Assigned		=	=	=	=	=
Total Fund Balance	4,660,649	572,255	-	88,862	16,365,350	1,413,237
Total Liabilities, Deferred Inflows of Resources						
and Fund Balance	\$ 4,923,085	\$ 602,272	\$ -	\$ 760,641	\$ 17,711,528	\$ 1,463,534
	•					-

	Home Program	Housing Assistance	Rental Rehabilitation	UDAG Escrow	Trial Court Improvement	Criminal Justice Assistance
ASSETS						
Cash and cash equivalents	\$ 25,398	\$ -	\$ 1,118	\$ -	\$ 8,942	\$ 3,682,695
Deposits with fiscal agents/trustees	=	-	-	-	=	=
Equity in pooled investments	926,662	141,118	72,475	791,380	3,051	2,064,923
Taxes receivable	-	-	-	=	=	1,458,733
Accounts receivable	435,000	2,500	17,000	-	=	-
Interest receivable	803	217	14	637	-	651
Due from other funds	17.407		1 202	14.510	-	92
Interfund loan receivable Due from other governments	16,427 167,803	2,525	1,323	14,519	-	14,833
Advances to other funds	89,970	13,831	7,244	79,516	_	81,239
Inventories	-	10,001	7,211	77,510	_	
Notes/contract receivable (non-current)	5,528,082	70,052	2,003,866	_	=	=
Total Assets	7,190,145	230,243	2,103,040	886,052	11,993	7,303,166
			,,.	,		.,
DEFERRED OUTFLOWS OF RESOURCES Total Deferred Outflows of Resources		-	-	-	-	<u>-</u>
Total Assets and Deferred Outflows of Resources	7,190,145	230,243	2,103,040	886,052	11,993	7,303,166
LIABILITIES AND FUND BALANCE						
Accounts/vouchers payable	42,369	-	546	-	-	15,082
Due to other funds	45,560	166	2,947	-	-	-
Due to other governments	-	-	-	-	-	286,691
Revenues collected in advance	=	=	=	=	=	=
Interfund loan payable	94,839	-	-	-	-	-
Other accrued liabilities	-	-	-	-	-	-
Other current liabilities	48	-	2,869	586,917	-	-
Total Liabilities	182,816	166	6,362	586,917	-	301,773
DEFERRED INFLOWS OF RESOURCES						
Property taxes	=	=	=	=	=	=
Revenues not available		-	-	-	-	
Total Deferred Inflows of Resources Total Liabilities and Deferred Inflows of		- _	-		- _	-
Resources	182,816	166	6,362	586,917	=	301,773
FUND BALANCE						
Nonspendable	-	_	_	_	-	-
Restricted - capital projects	-	-	-	-	-	-
Restricted - police & firefighters' pension	-	-	-	-	-	-
Restricted - grants	7,007,329	230,077	2,096,678	299,135	-	-
Restricted - Other	=	=	=	=	11,993	=
Committed	-	-	-	-	-	7,001,393
Assigned		-	-	-	-	
Total Fund Balance	7,007,329	230,077	2,096,678	299,135	11,993	7,001,393
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 7,190,145	\$ 230,243	\$ 2,103,040	\$ 886,052	\$ 11,993	\$ 7,303,166

	Transportation Benefit District	Cable TV Equipment Reserve	Defined Contribution Admin	Total
ASSETS				
Cash and cash equivalents	\$ 923,072	\$ 45.824	\$ 55,092	\$ 18,708,603
Deposits with fiscal agents/trustees	-	-	-	105,028
Equity in pooled investments	2,429,515	15,657	18,796	24,167,983
Taxes receivable	-,, ,	19,398		4,064,568
Accounts receivable	_	_	_	4,852,554
Interest receivable	1,991	_	_	18,135
Due from other funds	56,217	44	7	2,552,972
Interfund loan receivable	38,795	_	_	328,024
Due from other governments	-	-	_	3.762.321
Advances to other funds	212,470	2	_	1,796,520
Inventories	-	_	_	1,275,306
Notes/contract receivable (non-current)	-	-	_	22,847,552
Total Assets	3,662,060	80,925	73,895	84,479,566
		-	·	· · · · · · · · · · · · · · · · · · ·
DEFERRED OUTFLOWS OF RESOURCES Total Deferred Outflows of Resources			-	
Total Assets and Deferred Outflows of Resources	3,662,060	80,925	73,895	84,479,566
LIABILITIES AND FUND BALANCE				
Accounts/vouchers payable	58.632	16.221	_	2.944.786
Due to other funds	27,641	71	16	3,184,288
Due to other governments	27,041	, ,	-	342,126
Revenues collected in advance	_	_	_	10,788
Interfund loan payable	_	_	_	2,349,592
Other accrued liabilities	_	_	_	939.374
Other current liabilities	_	_	_	623,321
Total Liabilities	86,273	16,292	16	10,394,275
	30,270	10,272	10	10,074,270
DEFERRED INFLOWS OF RESOURCES Property taxes				224,368
Revenues not available	-	-	-	160,526
Total Deferred Inflows of Resources				384,894
Total Liabilities and Deferred Inflows of				
Resources	86,273	16,292	16	10,779,169
FUND BALANCE				
Nonspendable	_	-	_	1,275,306
Restricted - capital projects	3,575,787	-	_	12,964,716
Restricted - police & firefighters' pension	-	_	_	1,356,898
Restricted - grants	_	-	_	27,683,723
Restricted - Other	_	_	_	134,250
Committed	_	64,633	73,879	23,519,200
Assigned	_		-	6,766,304
Total Fund Balance	3,575,787	64,633	73,879	73,700,397
		3 .,000	,	
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$ 3,662,060	\$ 80,925	\$ 73,895	\$ 84,479,566

	Street		Pension Contributions	Misc Grant	Domestic Violence Prevention	Traffic Calming Measures	Historic Preservation
REVENUES							
Taxes	\$ 13,938,8	344 \$	8,110,567	\$ -	\$ -	\$ -	\$ -
Licenses and permits	3,5	279	=	=	=	-	8,270
Intergovernmental	3,733,	42	=	707,900	=	-	=
Charges for services	6,468,	592	-	-	-	-	-
Fines and forfeitures		-	-	-	643	3,360,213	-
Miscellaneous Net inc(dec) in market value of investments	126,	39	-	19,055	-	9,986	-
Total Revenues	24,270,	796	8,110,567	726,955	643	3,370,199	8,270
EXPENDITURES							
General government		_	7,930,663	101,561	=	=	=
Public safety		-	-	128,708	-	889,919	-
Transportation	24,362,	62	-	-	-	78,772	-
Economic environment		-	-	97,793	-	-	-
Social services		-	-	-	-	-	-
Culture and recreation		-	-	-	-	-	-
Capital outlays	91,	796	-	398,893	-	1,005,913	-
Debt service:							
Total Expenditures	24,454,	358	7,930,663	726,955	=	1,974,604	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(183,	562)	179,904	-	643	1,395,595	8,270
OTHER FINANCING SOURCES (USES)							
Sale of capital assets	51,0)51	-	-	-	-	-
Transfers in	3,122,		_	_	_	_	2,400
Transfers out	(203,0		-	-	-	(745,000)	-
Total Other Financing Sources (Uses)	2,970,	•	-	-	=	(745,000)	2,400
Net Change in Fund Balance	2,786,	561	179,904	=	643	650,595	10,670
Fund Balance - beginning (Note 1)	4,092,	522	1,176,994	-	2,672	5,562,497	-
Fund Balance - ending	\$ 6,879,	83 \$	1,356,898	\$ -	\$ 3,315	\$ 6,213,092	\$ 10,670

	Park	Parking Meter	Paths & Trails	Law Enforcement Information Systems	Real Estate Rental	Law Enforcement Block Grant
REVENUES						_
Taxes	\$ - :	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	4,445	278,121	=	=	=	=
Intergovernmental	587,956	=	16,505	=	=	=
Charges for services	3,382,596	3,375,799	=	118,304	-	-
Fines and forfeitures	19,739	-	-	-	-	-
Miscellaneous Net inc(dec) in market value of investments	1,293,996	14,120	-	-	-	-
Total Revenues	5,288,732	3,668,040	16,505	118,304	-	-
EXPENDITURES						
General government	43,763	-	-	-	-	-
Public safety	-	2,618,156	-	163,586	-	-
Transportation	-	-	-	-	-	-
Economic environment	-	171,127	-	-	-	-
Social services	-	-	-	-	-	-
Culture and recreation	18,858,930	-	-	-	-	-
Capital outlays	2,213,116	-	-	-	-	-
Debt service:						
Total Expenditures	21,115,809	2,789,283	-	163,586	-	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,827,077)	878,757	16,505	(45,282)		<u>=</u> _
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	-	-	-	-	-	-
Transfers in	14,764,578	1,250,000	-	-	-	-
Transfers out	(640,823)	(1,925,228)	-	-	-	<u>-</u> _
Total Other Financing Sources (Uses)	14,123,755	(675,228)	-	-	-	
Net Change in Fund Balance	(1,703,322)	203,529	16,505	(45,282)	-	
Fund Balance - beginning (Note 1)	5,246,508	804,863	373,691	52,144	117,926	4,995
Fund Balance - ending	\$ 3,543,186	\$ 1,008,392	\$ 390,196	\$ 6,862	\$ 117,926	\$ 4,995

	Human Services Grant	Forfeitures & Contributions	Intermodal Facility Operation	Hotel/Motel Lodging Tax	Real Estate Excise Tax	Public Safety & Judicial Grants
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ 4,309,348	\$ 4,034,586	\$ -
Licenses and permits	-	-	=	=	-	-
Intergovernmental	6,565,100	60,687	-	=	=	876,980
Charges for services	1,328,070	94,433	13,000	-	-	-
Fines and forfeitures	-	30,000	-	-	-	-
Miscellaneous Net inc(dec) in market value of investments	178 -	300,959	408,303	-	- -	654
Total Revenues	7,893,348	486,079	421,303	4,309,348	4,034,586	877,634
EXPENDITURES						
General government	_	_	593,206	1.723	_	_
Public safety		257,515	373,200	1,725	_	674,777
Transportation		237,513			2.829	0/4,///
Economic environment		_		4,301,812	2,027	
Social services	7,758,868	_	_	4,001,012	_	_
Culture and recreation		_	_	_	_	_
Capital outlays		114,990			_	188.962
Debt service:		114,770				100,702
Total Expenditures	7,758,868	372,505	593,206	4,303,535	2,829	863,739
Total Experiances	7,730,000	37 2,303	373,200	4,000,000	2,027	000,737
Excess (Deficiency) of Revenues Over (Under) Expenditures	134,480	113,574	(171,903)	5,813	4,031,757	13,895
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	_	_	_	_	_	_
Transfers in	_	_	150,000	_	_	=
Transfers out	_	_	-	_	(6,005,348)	-
Total Other Financing Sources (Uses)		-	150,000	-	(6,005,348)	-
Net Change in Fund Balance	134,480	113,574	(21,903)	5,813	(1,973,591)	13,895
Fund Balance - beginning (Note 1)	342,779	746,446	88,139	116,444	10,972,324	166,025
Fund Balance - ending	\$ 477,259	\$ 860,020	\$ 66,236	\$ 122,257	\$ 8,998,733	\$ 179,920

	Combined Communications Center	Communications Building M&O	Community Development / Human Services Operations	Community Development Block Grant Program	Misc Community Development Grants	Home Program
REVENUES						
Taxes	\$ 1,577,390	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	3,163,344	-	1,105,122
Charges for services	2,143,566	339,804	182,448	-	-	-
Fines and forfeitures	-	=	=	-	-	-
Miscellaneous Net inc(dec) in market value of investments	14,657	1,915	26	503,541	2,410 (504)	363,592 22,783
Total Revenues	3,735,613	341,719	182,474	3,656,763	1,906	1,491,497
roidi kevelides	3,733,013	341,717	102,474	3,030,703	1,700	1,771,777
EXPENDITURES						
General government	_	_	_	-	_	_
Public safety	3,476,068	267,701	=	-	-	-
Transportation	-	=	=	-	-	-
Economic environment	-	-	-	4,901,853	71,996	1,215,240
Social services	-	-	-	-	13,815	-
Culture and recreation	-	-	-	-	-	-
Capital outlays	112,457	10,826	=	149,316	-	-
Debt service:						
Total Expenditures	3,588,525	278,527	=	5,051,169	85,811	1,215,240
Excess (Deficiency) of Revenues Over (Under) Expenditures	147,088	63,192	182,474	(1,394,406)	(83,905)	276,257
	·					·
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	-	-	-	39,750	-	-
Transfers in	-	-	-	-	722,181	-
Transfers out		-	-	-	-	<u> </u>
Total Other Financing Sources (Uses)		-	-	39,750	722,181	<u> </u>
Net Change in Fund Balance	147,088	63,192	182,474	(1,354,656)	638,276	276,257
Fund Balance - beginning (Note 1)	4,513,561	509,063	(93,612)	17,720,006	774,961	6,731,072
Fund Balance - ending	\$ 4,660,649	\$ 572,255	\$ 88,862	\$ 16,365,350	\$ 1,413,237	\$ 7,007,329

	Hous Assisto		Rental Rehabilitation	UDAG	Escrow	Trial Court Improveme		Criminal Justice Assistance	Transportation Benefit District
REVENUES									
Taxes	\$	- \$	-	\$	=	\$	- \$	4,757,595	\$ 3,055,770
Licenses and permits		-	-		-		-	-	-
Intergovernmental		-	-		-	66,	123	2,264,238	-
Charges for services		-	=		-		-	8,028	=
Fines and forfeitures		-	-				-	=	-
Miscellaneous		967	28,823		2,863		-	3,028	9,428
Net inc(dec) in market value of investments		3,502	_		_		_	_	_
Total Revenues		4,469	28,823		2,863	66,	123	7,032,889	3,065,198
EXPENDITURES									
General government		-	-		-		-	-	-
Public safety		-	-		-		-	4,991,628	-
Transportation		-	-		-		-	-	2,726,596
Economic environment		505	13,778		-		-	-	-
Social services		-	-		-		-	-	-
Culture and recreation		=	-		-		-	-	-
Capital outlays		-	-		-		-	-	321,238
Debt service:									
Total Expenditures	-	505	13,778				-	4,991,628	3,047,834
Excess (Deficiency) of Revenues Over (Under) Expenditures		3,964	15,045		2,863	66,	123	2,041,261	17,364
OTHER FINANCING SOURCES (USES)									
Sale of capital assets		-	-		-		-	-	-
Transfers in		-	-		-		-	-	-
Transfers out		-	-		-	(65,2	265)	-	-
Total Other Financing Sources (Uses)		-	-			(65,	265)	-	-
Net Change in Fund Balance		3,964	15,045		2,863		358	2,041,261	17,364
Fund Balance - beginning (Note 1)	2	226,113	2,081,633		296,272	11,	135	4,960,132	3,558,423
Fund Balance - ending	\$ 2	230,077 \$	2,096,678	\$	299,135	\$ 11,	993 \$	7,001,393	\$ 3,575,787

		Cable TV Equipment Reserve	Defined Contribution Admin	Total
REVENUES				
Taxes	\$	-	\$ -	\$ 39,784,100
Licenses and permits		233,163	-	527,278
Intergovernmental		-	-	19,147,897
Charges for services		=	65,000	17,519,640
Fines and forfeitures		=	-	3,410,595
Miscellaneous		(121)	=	3,104,519
Net inc(dec) in market value of				15 /50
investments Total Revenues		233,042	65,000	15,659 83,509,688
loidi kevelilles	-	233,042	65,000	63,307,666
EXPENDITURES				
General government		236,435	66,828	8,974,179
Public safety		-	-	13,468,058
Transportation		-	-	27,170,759
Economic environment		-	-	10,774,104
Social services		-	-	7,772,683
Culture and recreation		-	-	18,858,930
Capital outlays		11,204	-	4,618,711
Debt service:				
Total Expenditures		247,639	66,828	91,637,424
5 (D. f. t) . (D				
Excess (Deficiency) of Revenues Over (Under) Expenditures		(14,597)	(1,828)	(8,127,736)
OTHER FINANCING COURGES (USES)				
OTHER FINANCING SOURCES (USES)				00.001
Sale of capital assets		-	-	90,801
Transfers in		-	-	20,011,340
Transfers out				(9,584,673)
Total Other Financing Sources (Uses)		- _	-	10,517,468
Net Change in Fund Balance		(14,597)	(1,828)	2,389,732
Fund Balance - beginning (Note 1)		79,230	75,707	71,310,665
Fund Balance - ending	\$	64,633	\$ 73,879	\$ 73,700,397

City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Street Fund For the Year Ended December 31, 2018

		Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES					
Taxes	\$	12,280,000 \$	12,930,000 \$	13,938,844	\$ 1,008,844
Licenses and permits		3,500	3,500	3,279	(221)
Intergovernmental		3,445,000	3,445,000	3,733,942	288,942
Charges for services		3,623,875	5,936,023	6,468,592	532,569
Miscellaneous		116,993	216,993	126,139	(90,854)
Total revenues	_	19,469,368	22,531,516	24,270,796	1,739,280
EXPENDITURES					
Public safety		188,333	187,333	_	187,333
Transportation		21,934,273	25,201,447	24,362,562	838,885
Capital outlays		50,000	109,000	91,796	17,204
,	-		·		
Total expenditures		22,172,606	25,497,780	24,454,358	1,043,422
Excess (deficiency) of revenues over (under)					
expenditures		(2,703,238)	(2,966,264)	(183,562)	2,782,702
OTHER FINANCING SOURCES (USES)					
Sale of capital assets		_	_	51,051	51,051
Transfers in		3,122,181	3,122,181	3,122,181	-
Transfers out		(203,009)	(203,009)	(203,009)	<u> </u>
Total other financing sources (uses)	_	2,919,172	2,919,172	2,970,223	51,051
Net change in fund balance		215,934	(47,092)	2,786,661	2,833,753
Fund Balance - beginning		2,629,002	2,629,002	4,092,522	1,463,520
Fund Balance - ending	\$	2,844,936 \$	2,581,910 \$	6,879,183	\$ 4,297,273

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, 2018

	Original Budgeted Amount	Fin	al Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES					
Taxes Intergovernmental	\$ 8,480,000 3,000,000	\$	8,480,000 3,000,000	\$ 8,110,567	\$ (369,433) (3,000,000)
Total revenues	 11,480,000		11,480,000	8,110,567	(3,369,433)
EXPENDITURES General government	 11,480,000		11,480,000	7,930,663	3,549,337
Total expenditures	 11,480,000		11,480,000	7,930,663	3,549,337
Net change in fund balance	-		-	179,904	179,904
Fund Balance - beginning	731,941		731,941	1,176,994	445,053
Fund Balance - ending	\$ 731,941	\$	731,941	\$ 1,356,898	\$ 624,957

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, 2018

		Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)	
REVENUES Intergovernmental	\$	980,000 \$	2,368,769	\$ 707,900	\$ (1,660,869)	
Miscellaneous	<u> </u>	-	79,027	19,055	(59,972)	
Total revenues		980,000	2,447,796	726,955	(1,720,841)	
EXPENDITURES						
General government		-	211,789	101,561	110,228	
Public safety		-	156,316	128,708	27,608	
Economic environment		980,000	1,479,700	97,793	1,381,907	
Capital outlays		-	600,000	398,893	201,107	
Total expenditures		980,000	2,447,805	726,955	1,720,850	
Net change in fund balance		-	(9)	-	9	
Fund Balance - beginning		-	-	-	-	
Fund Balance - ending	\$	- \$	(9)	\$ -	\$ 9	

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, 2018

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Fines and forfeitures	\$ 500	\$ 500	\$ 643	\$ 143
Total revenues	 500	500	643	143
EXPENDITURES Public safety	 3,000	3,000		3,000
Total expenditures	 3,000	3,000	-	3,000
Net change in fund balance	(2,500)	(2,500)	643	3,143
Fund Balance - beginning	435	435	2,672	2,237
Fund Balance - ending	\$ (2,065)	\$ (2,065)	\$ 3,315	\$ 5,380

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, 2018

		Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)	
REVENUES Fines and forfeitures Miscellaneous	\$	2,958,000 \$	2,958,000 \$	3,360,213 S 9,986	\$ 402,213 9,986	
Total revenues		2,958,000	2,958,000	3,370,199	412,199	
EXPENDITURES Public safety Transportation Capital outlays		948,500 21,357 1,232,063	948,500 21,357 1,871,765	889,919 78,772 1,005,913	58,581 (57,415) 865,852	
Total expenditures		2,201,920	2,841,622	1,974,604	867,018	
Excess (deficiency) of revenues over (under) expenditures		756,080	116,378	1,395,595	1,279,217	
OTHER FINANCING SOURCES (USES) Transfers out		(745,000)	(745,000)	(745,000)	<u> </u>	
Total other financing sources (uses)		(745,000)	(745,000)	(745,000)		
Net change in fund balance		11,080	(628,622)	650,595	1,279,217	
Fund Balance - beginning		1,768,155	1,768,155	5,562,497	3,794,342	
Fund Balance - ending	\$	1,779,235 \$	1,139,533 \$	6,213,092	5,073,559	

City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Historic Preservation For the Year Ended December 31, 2018

	Buc	iginal Igeted Fina nount	l Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES					
Licenses and permits	<u>\$</u>	- \$	- \$	8,270	8,270
Total revenues		-	-	8,270	8,270
OTHER FINANCING SOURCES (USES) Transfers in		-	-	2,400	2,400
Total other financing sources (uses)		-	-	2,400	2,400
Net change in fund balance		-	-	10,670	10,670
Fund Balance - beginning		-	-	-	-
Fund Balance - ending	\$	- \$	- \$	10,670	10,670

City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Park Fund For the Year Ended December 31, 2018

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES Licenses and permits	\$ 1,000 \$		\$ 4,445	
Intergovernmental	1,241,000	1,241,000	587,956	(653,044)
Charges for services Fines and forfeitures	3,736,036 15.000	3,736,036 15,000	3,382,596 19 <i>.</i> 739	(353,440) 4,739
Miscellaneous	2,111,030	2,111,030	1,293,996	(817,034)
Total revenues	7,104,066	7,104,066	5,288,732	(1,815,334)
EXPENDITURES				
General government	-	-	43,763	(43,763)
Culture and recreation	18,905,153	19,002,326	18,858,930	143,396
Capital outlays	 3,203,223	6,069,256	2,213,116	3,856,140
Total expenditures	 22,108,376	25,071,582	21,115,809	3,955,773
Excess (deficiency) of revenues over (under) expenditures	 (15,004,310)	(17,967,516)	(15,827,077)	2,140,439
OTHER FINANCING SOURCES (USES)				
Transfers in	14,813,759	15.113.759	14,764,578	(349,181)
Transfers out	 (690,005)	(990,005)	(640,823)	349,182
Total other financing sources (uses)	 14,123,754	14,123,754	14,123,755	1_
Net change in fund balance	(880,556)	(3,843,762)	(1,703,322)	2,140,440
Fund Balance - beginning	6,407,327	6,407,327	5,246,508	(1,160,819)
Fund Balance - ending	\$ 5,526,771 \$	2,563,565	\$ 3,543,186	\$ 979,621

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, 2018

		Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)	
REVENUES						
Licenses and permits	\$	316,000 \$	316,000 \$	278,121	,	
Charges for services Miscellaneous		3,165,332 11,000	3,165,332 11,000	3,375,799 14,120	210,467	
Miscellarieous		11,000	11,000	14,120	3,120	
Total revenues		3,492,332	3,492,332	3,668,040	175,708	
EXPENDITURES Public safety		2,161,683	2,845,904	2,618,156	227,748	
Economic environment		1,998,610	1,998,610	171,127	1,827,483	
Capital outlays		300,000	-		-	
Total expenditures	_	4,460,293	4,844,514	2,789,283	2,055,231	
Excess (deficiency) of revenues over (under) expenditures		(967,961)	(1,352,182)	878,757	2,230,939	
OTHER FINANCING COURCES (HCFC)						
OTHER FINANCING SOURCES (USES) Transfers in		1,440,000	1,440,000	1.250.000	(190,000)	
Transfers out		(2,410,253)	(2,310,253)	(1,925,228)	385,025	
Total other financing sources (uses)		(970,253)	(870,253)	(675,228)	195,025	
Net change in fund balance		(1,938,214)	(2,222,435)	203,529	2,425,964	
Fund Balance - beginning		642,041	642,041	804,863	162,822	
Fund Balance - ending	\$	(1,296,173) \$	(1,580,394) \$	1,008,392	\$ 2,588,786	

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, 2018

	 Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)		
REVENUES						
Intergovernmental	\$ 15,000 \$	15,000 \$	16,505	\$ 1,505		
Total revenues	 15,000	15,000	16,505	1,505		
OTHER FINANCING SOURCES (USES) Transfers out	 (10,000)	(10,000)	<u>-</u>	10,000		
Total other financing sources (uses)	 (10,000)	(10,000)	-	10,000		
Net change in fund balance	5,000	5,000	16,505	11,505		
Fund Balance - beginning	224,043	224,043	373,691	149,648		
Fund Balance - ending	\$ 229,043 \$	229,043 \$	390,196	\$ 161,153		

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, 2018

		Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES Intergovernmental Charges for services	\$	95,021 \$	95,021 \$	- 118,304	\$ (95,021) 118,304
Total revenues	_	95,021	95,021	118,304	23,283
EXPENDITURES Public safety		170,334	170,334	163,586	6,748
Total expenditures	-	170,334	170,334	163,586	6,748
Excess (deficiency) of revenues over (under) expenditures	_	(75,313)	(75,313)	(45,282)	30,031
OTHER FINANCING SOURCES (USES) Transfers in		95,020	95,020	-	(95,020)
Total other financing sources (uses)	-	95,020	95,020	-	(95,020)
Net change in fund balance		19,707	19,707	(45,282)	(64,989)
Fund Balance - beginning		239,578	239,578	52,144	(187,434)
Fund Balance - ending	\$	259,285 \$	259,285 \$	6,862	\$ (252,423)

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, 2018

		Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)			
REVENUES Intergovernmental	\$	9,124,317 \$	9,185,836 \$	6,565,100 \$	(2,620,736)			
Charges for services	Ф	9,124,317 \$ 968,423	968,423	1,328,070	359,647			
Miscellaneous		10,450	10,450	178	(10,272)			
Total revenues		10,103,190	10,164,709	7,893,348	(2,271,361)			
EXPENDITURES Social services		10,172,190	15,088,301	7,758,868	7,329,433			
Total expenditures		10,172,190	15,088,301	7,758,868	7,329,433			
Net change in fund balance		(69,000)	(4,923,592)	134,480	5,058,072			
Fund Balance - beginning		1,289,477	1,289,477	342,779	(946,698)			
Fund Balance - ending	\$	1,220,477 \$	(3,634,115) \$	477,259 \$	4,111,374			

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, 2018

		Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES Intergovernmental	\$	30.000 \$	122.337	\$ 60,687	\$ (61,650)
Charges for services	Ψ	65,000	65,000	94,433	29,433
Fines and forfeitures		15,000	15,000	30,000	15,000
Miscellaneous		243,000	318,000	300,959	(17,041)
Total revenues		353,000	520,337	486,079	(34,258)
EXPENDITURES Public safety Capital outlays		375,950 100,000	417,604 276,423	257,515 114,990	160,089 161,433
Total expenditures		475,950	694,027	372,505	321,522
Excess (deficiency) of revenues over (under) expenditures		(122,950)	(173,690)	113,574	287,264
OTHER FINANCING SOURCES (USES) Sale of capital assets	_	4,000	4,000	-	(4,000)
Total other financing sources (uses)		4,000	4,000	-	(4,000)
Net change in fund balance		(118,950)	(169,690)	113,574	283,264
Fund Balance - beginning		853,995	853,995	746,446	(107,549)
Fund Balance - ending	\$	735,045	684,305	\$ 860,020	\$ 175,715

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, 2018

		Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES Charges for services	\$	- \$	-	\$ 13,000	\$ 13,000
Miscellaneous	Ψ	495,848	495,848	408,303	(87,545)
Total revenues	_	495,848	495,848	421,303	(74,545)
EXPENDITURES General government Transportation Capital outlays	_	512,686 3,338 17,254	512,686 3,338 17,254	593,206 - -	(80,520) 3,338 17,254
Total expenditures		533,278	533,278	593,206	(59,928)
Excess (deficiency) of revenues over (under) expenditures		(37,430)	(37,430)	(171,903)	(134,473)
OTHER FINANCING SOURCES (USES) Transfers in		150,000	150,000	150,000	<u>-,</u>
Total other financing sources (uses)		150,000	150,000	150,000	<u> </u>
Net change in fund balance		112,570	112,570	(21,903)	(134,473)
Fund Balance - beginning		10,207	10,207	88,139	77,932
Fund Balance - ending	\$	122,777 \$	122,777	\$ 66,236	\$ (56,541)

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, 2018

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES Taxes	\$ 4,326,279	\$ 4,326,279	\$ 4,309,348	\$ (16,931)
Total revenues	 4,326,279	4,326,279	4,309,348	(16,931)
EXPENDITURES General government Economic environment	 1,743 4,324,520	1,743 4,341,320	1,723 4,301,812	20 39,508
Total expenditures	 4,326,263	4,343,063	4,303,535	39,528
Net change in fund balance	16	(16,784)	5,813	22,597
Fund Balance - beginning	70,112	70,112	116,444	46,332
Fund Balance - ending	\$ 70,128	\$ 53,328	\$ 122,257	\$ 68,929

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, 2018

	_	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES Taxes	\$	3,000,000 \$	3,000,000	\$ 4,034,586	5 1,034,586
Total revenues		3,000,000	3,000,000	4,034,586	1,034,586
EXPENDITURES Transportation Economic environment		3,531 -	3,531 5,000,000	2,829 -	702 5,000,000
Total expenditures		3,531	5,003,531	2,829	5,000,702
Excess (deficiency) of revenues over (under) expenditures		2,996,469	(2,003,531)	4,031,757	6,035,288
OTHER FINANCING SOURCES (USES) Transfers out		(2,285,167)	(7,285,167)	 (6,005,348)	1,279,819
Total other financing sources (uses)		(2,285,167)	(7,285,167)	(6,005,348)	1,279,819
Net change in fund balance		711,302	(9,288,698)	(1,973,591)	7,315,107
Fund Balance - beginning		6,398,551	6,398,551	10,972,324	4,573,773
Fund Balance - ending	\$	7,109,853 \$	(2,890,147)	\$ 8,998,733	5 11,888,880

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, 2018

		Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES Intergovernmental Miscellaneous	\$	982,711 \$ -	982,711 \$	876,980 654	\$ (105,731) 654
Total revenues		982,711	982,711	877,634	(105,077)
EXPENDITURES Public safety Capital outlays		992,241 50,000	928,358 232,050	674,777 188,962	253,581 43,088
Total expenditures		1,042,241	1,160,408	863,739	296,669
Excess (deficiency) of revenues over (under) expenditures	_	(59,530)	(177,697)	13,895	191,592
OTHER FINANCING SOURCES (USES) Transfers in		134,717	134,717	-	(134,717)
Total other financing sources (uses)		134,717	134,717	-	(134,717)
Net change in fund balance		75,187	(42,980)	13,895	56,875
Fund Balance - beginning		166,348	166,348	166,025	(323)
Fund Balance - ending	\$	241,535 \$	123,368 \$	179,920	\$ 56,552

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, 2018

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Taxes Intergovernmental	\$ 1,577,390 \$ 1,921,304	1,577,390 \$	1,577,390	\$ - -
Charges for services	4,000	1,925,304	2,143,566	218,262
Miscellaneous	 6,700	6,700	14,657	7,957
Total revenues	 3,509,394	3,509,394	3,735,613	226,219
EXPENDITURES				
Public safety	3,687,455	3,694,865	3,476,068	218,797
Capital outlays	 75,000	213,008	112,457	100,551
Total expenditures	 3,762,455	3,907,873	3,588,525	319,348
Net change in fund balance	(253,061)	(398,479)	147,088	545,567
Fund Balance - beginning	4,194,414	4,194,414	4,513,561	319,147
Fund Balance - ending	\$ 3,941,353 \$	3,795,935 \$	4,660,649	\$ 864,714

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, 2018

		Original Budgeted Amount		Final Budget		Actual		Variance with Final Budget-Positive (Negative)
REVENUES Intergovernmental	\$	194,788	\$	194,788	\$		\$	(194,788)
Charges for services	Ψ	149,969	Ψ	149,969	Ψ	339.804	Ψ	189,835
Miscellaneous		500		500		1,915		1,415
Total revenues	_	345,257		345,257		341,719		(3,538)
EXPENDITURES Public safety		289,804		331,696		267,701		63,995
Capital outlays		50,000		50,000		10,826		39,174
Total expenditures		339,804		381,696		278,527		103,169
Net change in fund balance		5,453		(36,439)		63,192		99,631
Fund Balance - beginning		295,006		295,006		509,063		214,057
Fund Balance - ending	\$	300,459	\$	258,567	\$	572,255	\$	313,688

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, 2018

	Original Budgeted Amount	Final Budget	Actual		Variance with Final udget-Positive (Negative)
REVENUES Charges for services Miscellaneous	\$ - S	\$ -	\$ 182,448 26	,	182,448 26
Total revenues	 	-	182,474		182,474
EXPENDITURES Economic environment Social services	 308,336 (163,089)	308,336 (163,089)	- -	-	308,336 (163,089)
Total expenditures	 145,247	145,247	-		145,247
Excess (deficiency) of revenues over (under) expenditures	 (145,247)	(145,247)	182,474	ļ	327,721
OTHER FINANCING SOURCES (USES) Transfers in	 150,000	150,000		-	(150,000)
Total other financing sources (uses)	 150,000	150,000	-	-	(150,000)
Net change in fund balance	4,753	4,753	182,474	ļ	177,721
Fund Balance - beginning	(100,180)	(100,180)	(93,612	2)	6,568
Fund Balance - ending	\$ (95,427)	\$ (95,427)	\$ 88,862	! \$	184,289

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, 2018

	 Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES Intergovernmental Miscellaneous Net inc(dec) in market value of investments	\$ 8,036,809 \$ 1,878,643	8,036,809 1,878,643	\$ 3,163,344 503,541 (10,122)	\$ (4,873,465) (1,375,102) (10,122)
Total revenues	 9,915,452	9,915,452	3,656,763	(6,258,689)
EXPENDITURES Economic environment Capital outlays	 10,125,452	11,991,375 255,027	4,901,853 149,316	7,089,522 105,711
Total expenditures	 10,125,452	12,246,402	5,051,169	7,195,233
Excess (deficiency) of revenues over (under) expenditures	 (210,000)	(2,330,950)	(1,394,406)	936,544
OTHER FINANCING SOURCES (USES) Sale of capital assets	 -	-	39,750	39,750
Total other financing sources (uses)	 -	-	39,750	39,750
Net change in fund balance	(210,000)	(2,330,950)	(1,354,656)	976,294
Fund Balance - beginning	18,060,080	18,060,080	17,720,006	(340,074)
Fund Balance - ending	\$ 17,850,080 \$	15,729,130	\$ 16,365,350	\$ 636,220

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, 2018

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES Miscellaneous Net inc(dec) in market value of investments	\$ 21,000	\$ 21,000	\$ 2,410 (504)	\$ (18,590) (504)
Total revenues	 21,000	21,000	1,906	(19,094)
EXPENDITURES Economic environment Social services	 51,000	2,031,000 20,000	71,996 13,815	1,959,004 6,185
Total expenditures	 51,000	2,051,000	85,811	1,965,189
Excess (deficiency) of revenues over (under) expenditures	 (30,000)	(2,030,000)	(83,905)	1,946,095
OTHER FINANCING SOURCES (USES) Transfers in	 -	2,000,000	722,181	(1,277,819)
Total other financing sources (uses)	 -	2,000,000	722,181	(1,277,819)
Net change in fund balance	(30,000)	(30,000)	638,276	668,276
Fund Balance - beginning	943,043	943,043	774,961	(168,082)
Fund Balance - ending	\$ 913,043	\$ 913,043	\$ 1,413,237	\$ 500,194

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, 2018

	 Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)	
REVENUES Intergovernmental Miscellaneous Net inc(dec) in market value of investments	\$ 2,314,778 \$ 250,200	2,314,778 250,200	\$ 1,105,122 363,592 22,783	\$ (1,209,656) 113,392 22,783	
Total revenues	 2,564,978	2,564,978	1,491,497	(1,073,481)	
EXPENDITURES Economic environment	 3,264,978	5,311,561	1,215,240	4,096,321	
Total expenditures	 3,264,978	5,311,561	1,215,240	4,096,321	
Net change in fund balance	(700,000)	(2,746,583)	276,257	3,022,840	
Fund Balance - beginning	17,111,575	17,111,575	6,731,072	(10,380,503)	
Fund Balance - ending	\$ 16,411,575 \$	14,364,992	\$ 7,007,329	\$ (7,357,663)	

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, 2018

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES Miscellaneous Net inc(dec) in market value of investments	\$ 2,500	\$ 2,500	\$ 967 3,502	\$ (1,533) 3,502
Total revenues	 2,500	2,500	4,469	1,969
EXPENDITURES Economic environment	 276,500	276,500	505	275,995
Total expenditures	 276,500	276,500	505	275,995
Net change in fund balance	(274,000)	(274,000)	3,964	277,964
Fund Balance - beginning	2,876,650	2,876,650	226,113	(2,650,537)
Fund Balance - ending	\$ 2,602,650	\$ 2,602,650	\$ 230,077	\$ (2,372,573)

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, 2018

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				
Miscellaneous	\$ 95,400 \$	95,400 \$	28,823	(66,577)
Total revenues	 95,400	95,400	28,823	(66,577)
EXPENDITURES Economic environment	 116,400	132,586	13,778	118,808
Total expenditures	 116,400	132,586	13,778	118,808
Net change in fund balance	(21,000)	(37,186)	15,045	52,231
Fund Balance - beginning	1,986,931	1,986,931	2,081,633	94,702
Fund Balance - ending	\$ 1,965,931 \$	1,949,745 \$	2,096,678	146,933

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, 2018

		Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES Miscellaneous	\$	1,000	\$ 1,000	\$ 2,863	\$ 1,863
Miscellarieous	<u> </u>	1,000	β 1,000	φ 2,003	β 1,003
Total revenues		1,000	1,000	2,863	1,863
EXPENDITURES					
Economic environment		882,000	882,000	-	882,000
Capital outlays		-	10,000	-	10,000
Total expenditures		882,000	892,000	-	892,000
Net change in fund balance		(881,000)	(891,000)	2,863	893,863
Fund Balance - beginning		291,865	291,865	296,272	4,407
Fund Balance - ending	\$	(589,135)	\$ (599,135)	\$ 299,135	\$ 898,270

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, 2018

		Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES Intergovernmental	\$	65,265 \$	65,265	\$ 66,123	\$ 858
Total revenues	Ψ	65,265	65,265	66,123	
iolal revenues	-	03,203	63,263	00,123	858
OTHER FINANCING SOURCES (USES) Transfers out		(65,265)	(65,265)	(65,265)	<u>-</u> _
Total other financing sources (uses)		(65,265)	(65,265)	(65,265)	
Net change in fund balance		-	-	858	858
Fund Balance - beginning		3,112	3,112	11,135	8,023
Fund Balance - ending	\$	3,112 \$	3,112	\$ 11,993	\$ 8,881

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, 2018

	. <u></u>				
		Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES	_	4.100.000 ф	4100.000 4	4757 505	157.505
Taxes	\$	4,100,000 \$ 928,000	4,100,000 \$ 928.000	4,757,595 S 2,264,238	
Intergovernmental Charges for services		6,500	6,500	2,264,238 8,028	1,336,238 1,528
Miscellaneous		1,000	1,000	3,028	2,028
7711300114110003		1,000	1,000	0,020	2,020
Total revenues		5,035,500	5,035,500	7,032,889	1,997,389
EXPENDITURES					
Public safety		5,604,110	5,604,110	4,991,628	612,482
Total expenditures		5,604,110	5,604,110	4,991,628	612,482
Net change in fund balance		(568,610)	(568,610)	2,041,261	2,609,871
Fund Balance - beginning		2,928,887	2,928,887	4,960,132	2,031,245
Fund Balance - ending	\$	2,360,277 \$	2,360,277 \$	7,001,393	4,641,116

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, 2018

	 Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES				_
Taxes Miscellaneous	\$ 2,978,017 \$ -	2,978,017 \$ -	3,055,770 S 9,428	77,753 9,428
Total revenues	 2,978,017	2,978,017	3,065,198	87,181
EXPENDITURES				
Transportation Capital outlays	 2,383,136 594,881	4,260,031 415,913	2,726,596 321,238	1,533,435 94,675
Total expenditures	 2,978,017	4,675,944	3,047,834	1,628,110
Net change in fund balance	-	(1,697,927)	17,364	1,715,291
Fund Balance - beginning	-	-	3,558,423	3,558,423
Fund Balance - ending	\$ - \$	(1,697,927) \$	3,575,787	5,273,714

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, 2018

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES Licenses and permits Miscellaneous	\$ 265,094 \$	265,094 \$	233,163 \$ (121)	(31,931) (121)
Total revenues	 265,094	265,094	233,042	(32,052)
EXPENDITURES General government Capital outlays	 200,901 64,200	255,901 49,200	236,435 11,204	19,466 37,996
Total expenditures	 265,101	305,101	247,639	57,462
Net change in fund balance	(7)	(40,007)	(14,597)	25,410
Fund Balance - beginning	506,411	506,411	79,230	(427,181)
Fund Balance - ending	\$ 506,404 \$	466,404 \$	64,633 \$	(401,771)

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, 2018

		Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES					
Charges for services	\$	80,000 \$	80,000	\$ 65,000 \$	(15,000)
Total revenues	_	80,000	80,000	65,000	(15,000)
EXPENDITURES General government		77,966	77,966	66,828	11,138
Total expenditures	<u> </u>	77,966	77,966	66,828	11,138
Net change in fund balance		2,034	2,034	(1,828)	(3,862)
Fund Balance - beginning		52,579	52,579	75,707	23,128
Fund Balance - ending	\$	54,613 \$	54,613	\$ 73,879 \$	19,266

City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Total For the Year Ended December 31, 2018

	-				
		Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES					
Taxes	\$	36,741,686 \$	37,391,686	\$ 39,784,100	\$ 2,392,414
Licenses and permits	Ψ	585,594	585,594	527.278	(58,316)
Intergovernmental		32,373,993	31,995,314	19,147,897	(12,847,417)
Charges for services		11,799,135	16,032,587	17,519,640	1,487,053
Fines and forfeitures		2,988,500	2,988,500	3,410,595	422,095
Miscellaneous		5,245,264	5,499,291	3,104,519	(2,394,772)
Net inc(dec) in market value of investments		-		15,659	15,659
Total revenues		89,734,172	94,492,972	83,509,688	(10,983,284)
EXPENDITURES					
General government		12,273,296	12,540,085	8.974.179	3,565,906
Public safety		14,421,410	15,288,020	13,468,058	1,819,962
Transportation		24,345,635	29,489,704	27,170,759	2,318,945
Economic environment		22,327,796	33,752,988	10,774,104	22,978,884
Social services		10,009,101	14,945,212	7,772,683	7,172,529
Culture and recreation		18,905,153	19,002,326	18,858,930	143,396
Capital outlays		5,736,621	10,168,896	4,618,711	5,550,185
Total expenditures		108,019,012	135,187,231	91,637,424	43,549,807
Excess (deficiency) of revenues over (under)					
expenditures		(18,284,840)	(40,694,259)	(8,127,736)	32,566,523
OTHER FINANCING COURCES (HISES)					
OTHER FINANCING SOURCES (USES) Sale of capital assets		4,000	4,000	90,801	86,801
Transfers in		19,905,677	22.205.677	20.011.340	(2,194,337)
Transfers out		(6,408,699)	(11,608,699)	(9,584,673)	2,024,026
	-	,	,		·
Total other financing sources (uses)		13,500,978	10,600,978	10,517,468	(83,510)
Net change in fund balance		(4,783,862)	(30,093,281)	2,389,732	32,483,013
Fund Balance - beginning		70,581,585	70,581,585	71,187,744	606,159
Fund Balance - ending	\$	65,797,723 \$	40,488,304	\$ 73,577,476	\$ 33,089,172

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, 2018

	-	O Bond demption	Special Assessment Debt Service	Special Assessment Guaranty	Iron Bridge Tax Increment Financing	University District Local Revitalization	Total
ASSETS Cash and cash equivalents Equity in pooled investments Taxes receivable Special assessment receivable Interest receivable Interfund loan receivable Advances to other funds		3,802,823 3,701,396 194,168 - 1,981 44,104 241,550	\$ 95,817 32,689 - 1,201,813 - -	\$ 514,842 - - 415 9,445 51,730	\$ 57,608 79,452 135 - 48 1,097 6,008	\$ 201,561 68,765 40,479 - -	\$ 4,157,809 4,397,144 234,782 1,201,813 2,444 54,646 299,288
Total Assets		7,986,022	1,330,319	576,432	144,348	310,805	10,347,926
DEFERRED OUTFLOWS OF RESOURCES Total deferred outflows of resources Total assets and deferred outflows of resources		7,986,022	1,330,319	- 576,432	144,348	310,805	10,347,926
LIABILITIES Liabilities: Due to other funds Other current liabilities Total Liabilities		- -	12,340 633 12,973	- - -	- - -	- - -	12,340 633 12,973
DEFERRED INFLOWS OF RESOURCES Property taxes Unavailable Revenues Special Assessments Total deferred inflows of resources		167,654 <u>-</u> 167,654	1,201,813 1,201,813	- -	- -	- -	167,654 1,201,813 1,369,467
Total Liabilities Plus Deferred Inflows of Resources		167,654	1,214,786				1,382,440
FUND BALANCE Restricted - debt service		7,818,368	115,533	576,432	144,348	310,805	8,965,486
Total Fund Balance		7,818,368	115,533	576,432	144,348	310,805	8,965,486
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$	7,986,022	\$ 1,330,319	\$ 576,432	\$ 144,348	\$ 310,805	\$ 10,347,926

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, 2018

		GO Bond Redemption		Special Assessment Debt Service		Special Assessment Guaranty		Iron Bridge Tax Increment Financing	University Local Revitalization	Total
REVENUES										
Taxes	\$	5,436,851	\$	_	\$	_	\$	73,972	\$ 250,000	\$ 5,760,823
Intergovernmental	·	539,465	Ċ	_	•	_	Ċ	-		539,465
Miscellaneous		8,699		501,791		1,866		217	-	512,573
Total Revenues		5,985,015		501,791		1,866		74,189	250,000	6,812,861
EXPENDITURES Current:										
General government				3,552		1,763				5,315
Debt service:		-		3,332		1,/63		-	-	3,313
Principal		5,724,931		110,000		_		_	_	5,834,931
Interest		7,248,687		5,663		_		_	_	7,254,350
Total Expenditures		12,973,618		119,215		1,763		-	-	13,094,596
Excess of Revenues Over (Under) Expenditures		(6,988,603)		382,576		103		74,189	250,000	(6,281,735)
OTHER FINANCING SOURCES (USES) Transfers in		6,871,448								6,871,448
Transfers out		6,871,448		(365,068)		-		(101,361)	(224,655)	(691,084)
Total Other Financing Sources (Uses)		6,871,448		(365,068)				(101,361)	(224,655)	6,180,364
iolal Office finalicing sources (uses)	_	0,071,440		(303,000)				(101,301)	(224,033)	0,100,304
Net Change in Fund Balance		(117,155)		17,508		103		(27,172)	25,345	(101,371)
Fund Balance - beginning (Note 1)		7,935,523		98,025		576,329		171,520	285,460	9,066,857
Fund Balances - ending	\$	7,818,368	\$	115,533	\$	576,432	\$	144,348	\$ 310,805	\$ 8,965,486

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, 2018

	(Original Budget	Final Budget	Actual	I	Variance with Final Budget-Positive (Negative)
REVENUES Taxes Intergovernmental Miscellaneous	\$	5,509,450 \$ 592,720	5,509,450 592,720 -	\$ 5,436,851 539,465 8,699	\$	(72,599) (53,255) 8,699
Total revenues	_	6,102,170	6,102,170	5,985,015		(117,155)
EXPENDITURES Debt service: Principal Interest		5,724,931 7,249,022	5,724,931 7,249,022	5,724,931 7,248,687		335
Total expenditures	_	12,973,953	12,973,953	12,973,618		335
Excess (deficiency) of revenues over (under) expenditures		(6,871,783)	(6,871,783)	(6,988,603)		(116,820)
OTHER FINANCING SOURCES (USES) Transfers in		6,871,783	6,871,783	6,871,448		(335)
Total other financing sources (uses)		6,871,783	6,871,783	6,871,448		(335)
Net change in fund balance		-	-	(117,155)		(117,155)
Fund Balance - beginning		7,214,600	7,214,600	7,935,523		720,923
Fund Balance - ending	\$	7,214,600 \$	7,214,600	\$ 7,818,368	\$	603,768

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, 2018

		Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)		
REVENUES							
Miscellaneous	\$	1,125,000 \$	1,125,000	\$	501,791	\$	(623,209)
Total revenues	_	1,125,000	1,125,000		501,791		(623,209)
EXPENDITURES							
General government		-	-		3,552		(3,552)
Principal		125,000	125,000		110,000		15,000
Interest		40,000	40,000		5,663		34,337
Total expenditures		165,000	165,000		119,215		45,785
Excess (deficiency) of revenues over (under) expenditures	_	960,000	960,000		382,576		(577,424)
OTHER FINANCING SOURCES (USES) Transfers out		(1,000,000)	(1,000,000)		(365,068)		634,932
Total other financing sources (uses)	_	(1,000,000)	(1,000,000)		(365,068)		634,932
Net change in fund balance		(40,000)	(40,000)		17,508		57,508
Fund Balance - beginning		114,499	114,499		98,025		(16,474)
Fund Balance - ending	\$	74,499 \$	74,499	\$	115,533	\$	41,034

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, 2018

	Ori	iginal Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES Miscellaneous	\$	2,500 \$	2,500 \$	1,866 \$	6 (634)
Miscellaricous	Ψ	2,000 φ	2,300 ψ	1,000 4	(004)
Total revenues		2,500	2,500	1,866	(634)
EXPENDITURES General government		10,000	17,283	1,763	15,520
Total expenditures		10,000	17,283	1,763	15,520
Net change in fund balance		(7,500)	(14,783)	103	14,886
Fund Balance - beginning		575,884	575,884	576,329	445
Fund Balance - ending	\$	568,384 \$	561,101 \$	576,432 \$	15,331

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, 2018

	Ori	iginal Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES Taxes	\$	88,500 \$	88,500 \$	73,972	\$ (14,528)
Miscellaneous	Ψ ———			217	217
Total revenues		88,500	88,500	74,189	(14,311)
OTHER FINANCING SOURCES (USES) Transfers out		(101,361)	(101,361)	(101,361)	
Total other financing sources (uses)		(101,361)	(101,361)	(101,361)	
Net change in fund balance		(12,861)	(12,861)	(27,172)	(14,311)
Fund Balance - beginning		137,963	137,963	171,520	33,557
Fund Balance - ending	\$	125,102 \$	125,102 \$	144,348	19,246

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, 2018

	•	Original Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES Taxes	\$	275,000	\$ 275,000	\$ 250,000	\$ (25,000)
Total revenues	_	275,000	275,000	250,000	(25,000)
OTHER FINANCING SOURCES (USES) Transfers out		(224,655)	(224,655)	(224,655)	
Total other financing sources (uses)		(224,655)	(224,655)	(224,655)	<u> </u>
Net change in fund balance		50,345	50,345	25,345	(25,000)
Fund Balance - beginning		219,895	219,895	285,460	65,565
Fund Balance - ending	\$	270,240	\$ 270,240	\$ 310,805	\$ 40,565

City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Total For the Year Ended December 31, 2018

	0	riginal Budget	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES					
Taxes	\$	5,872,950 \$	5,872,950		, , ,
Intergovernmental		592,720	592,720	539,465	(53,255)
Miscellaneous		1,127,500	1,127,500	512,573	(614,927)
Total revenues		7,593,170	7,593,170	6,812,861	(780,309)
EXPENDITURES					
General government		10,000	17,283	5,315	11,968
Debt service:					
Principal		5,849,931	5,849,931	5,834,931	15,000
Interest		7,289,022	7,289,022	7,254,350	34,672
Total expenditures		13,148,953	13,156,236	13,094,596	61,640
Excess (deficiency) of revenues over (under) expenditures		(5,555,783)	(5,563,066)	(6,281,735)	(718,669)
OTHER FINANCING SOURCES (USES)					
Transfers in		6,871,783	6,871,783	6,871,448	(335)
Transfers out		(1,326,016)	(1,326,016)	(691,084)	634,932
Total other financing sources (uses)		5,545,767	5,545,767	6,180,364	634,597
Net change in fund balance		(10,016)	(17,299)	(101,371)	(84,072)
Fund Balance - beginning		8,262,841	8,262,841	9,066,857	804,016
Fund Balance - ending	\$	8,252,825 \$	8,245,542	\$ 8,965,486	\$ 719,944

Nonmajor

Capital Project 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.

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.

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.

General Capital Improvement Fund

The General Capital Improvement Fund is used a reserve for general government capital repairs and maintenance 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, 2018

	_				
		Capital Improvements 2015 Park	provement pject Cost 2001	General Capital Improvements	2004 UTGO Street Bonds
ASSETS					
Cash and cash equivalents	\$	266,182 \$	\$ 26,242	\$ 16,061	\$ -
Equity in pooled investments		23,355,651	8,954	5,479	-
Taxes receivable		-	-	-	-
Interest receivable		151,132	-	-	-
Due from other funds		1,218,324	-	32,329	-
Interfund loan receivable		507,838	-	-	-
Advances to other funds	_	2,781,326	- 05.107	-	
Total Assets	_	28,280,453	35,196	53,869	-
DEFERRED OUTFLOWS OF RESOURCES					
Total Deferred Outflows of Resources	_	-	_		
	_				
Total Assets and Deferred Outflows of Resources	_	28,280,453	35,196	53,869	
LIABILITIES Liabilities: Accounts/vouchers payable Due to other funds Other current liabilities Total Liabilities	_	2,083,252 28,546 - 2,111,798	- - -	- - -	- - -
DEFERRED INFLOWS OF RESOURCES					
Property taxes Total Deferred Inflows of Resources	_	<u>-</u>	-	-	
Total Deletted Illiows of Resources	_	<u> </u>	-	<u> </u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	_	2,111,798	_		
FUND BALANCE					
Restricted - capital projects		26,168,655	35,196	53,869	
Total Fund Balance		26,168,655	 35,196	53,869	
Total Liabilities, Deferred Inflows of Resources					
and Fund Balance	\$	28,280,453 \$	\$ 35,196	\$ 53,869	\$

City of Spokane, Washington Combining Balance Sheet Non Major Capital Projects Funds December 31, 2018 (Continued)

	Capital provements 008 Parks	Capital Improvements 1995	Capital Improvements 1999	Kendall Yards Tax Increment Financing
ASSETS				
Cash and cash equivalents	\$ 297		•	\$ -
Equity in pooled investments Taxes receivable	101	10,373	15	- 889
Interest receivable	- -	- -	90	-
Due from other funds	-	-	98	-
Interfund loan receivable	-	-	-	-
Advances to other funds	 	-	-	
Total Assets	 398	40,778	250	889
DEFERRED OUTFLOWS OF RESOURCES				
Total Deferred Outflows of Resources	-	-	_	-
Total Assets and Deferred Outflows of Resources	 398	40,778	250	889
LIABILITIES				
Liabilities: Accounts/vouchers payable	_	_	_	_
Due to other funds	_	-	160	-
Other current liabilities	 506	-	-	-
Total Liabilities	 506	-	160	-
DEFERRED INFLOWS OF RESOURCES				
Property taxes	_	-	_	889
Total Deferred Inflows of Resources	-	-	-	889
Total Liabilities and Deferred Inflows of				
Resources	 506	-	160	889
FUND BALANCE				
Restricted - capital projects	 (108)	40,778	90	
Total Fund Balance	 (108)	40,778	90	-
Total Liabilities, Deferred Inflows of Resources				
and Fund Balance	\$ 398	\$ 40,778	\$ 250	\$ 889

City of Spokane, Washington Combining Balance Sheet Non Major Capital Projects Funds December 31, 2018 (Continued)

	_			
		West Quadrant Tax Increment Financing	University District Local Revitalization	Total
ASSETS Cash and cash equivalents Equity in pooled investments Taxes receivable Interest receivable Due from other funds Interfund loan receivable Advances to other funds Total Assets	\$	517,157 176,434 8,421 - - - 702,012	\$ 128,200 43,737 2,977 - - - - 174,914	\$ 984,591 23,600,744 12,287 151,222 1,250,751 507,838 2,781,326 29,288,759
DEFERRED OUTFLOWS OF RESOURCES Total Deferred Outflows of Resources	_	-	-	-
Total Assets and Deferred Outflows of Resources	_	702,012	174,914	29,288,759
LIABILITIES Liabilities: Accounts/vouchers payable Due to other funds Other current liabilities Total Liabilities		- - -	8,750 - - 8,750	2,092,002 28,706 506 2,121,214
DEFERRED INFLOWS OF RESOURCES Property taxes Total Deferred Inflows of Resources	_	7,288 7,288	2,217 2,217	10,394 10,394
Total Liabilities and Deferred Inflows of Resources		7,288	10,967	2,131,608
FUND BALANCE Restricted - capital projects	_	694,724	163,947	27,157,151
Total Fund Balance		694,724	163,947	27,157,151
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$	702,012	\$ 174,914	\$ 29,288,759

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, 2018

	Capital Improvemen 2015 Park		mprovement Project Cost 2001	General Capital Improvements	Capital Improvements 2003 Streets	2004 UTGO Street Bonds
REVENUES						
Taxes	\$	- \$	-	\$ -	\$ -	\$ -
Miscellaneous	494,27	7	-	-	(1,142)	(782)
Net inc(dec) in market value of						
investments	(893,64)	,	-	-	-	-
Total Revenues	(399,36	5)	_	-	(1,142)	(782)
EXPENDITURES Current:						
Transportation		-	-	-	-	642
Economic environment		-	-	-	-	-
Capital outlays	14,890,84	4	-	3,736	4,115	4,338
Debt service:						
Principal		-	-	-	=	-
Interest Total Expenditures	14,890,84	-	-	3,736	4,115	4,980
ioidi experidiiores	14,070,04	+		3,736	4,113	4,700
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,290,20	?)	-	(3,736)	(5,257)	(5,762)
OTHER FINANCING SOURCES (USES)						
Sale of capital assets	6,074,00)	_	_	_	_
Transfers in	5,51 1,55	-	_	32,329	-	_
Transfers out		-	-	-	-	(9,445,433)
Total Other Financing Sources (Uses)	6,074,00)	=	32,329	=	(9,445,433)
Net Change in Fund Balance	(9,216,20	?)	-	28,593	(5,257)	(9,451,195)
Fund Balance - beginning	35,384,86	4	35,196	25,276	5,257	9,451,195
Fund Balance - ending	\$ 26,168,65	5 \$	35,196	\$ 53,869	\$ -	\$ -

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, 2018 (Continued)

	_						
		Capital Improvements 2008 Parks	Capital Improvements 1995	;	Capital Improvements 1999	-	Kendall Yards ax Increment Financing
REVENUES							
Taxes	\$	-	\$ -	\$	-	\$	239,299
Miscellaneous		-	-		386		-
Net inc(dec) in market value of							
investments	_	-	-		-		-
Total Revenues	_	-			386		239,299
EXPENDITURES Current:							
Transportation		-	_		71		_
Economic environment		-	_		-		-
Capital outlays		-	-		161,722		-
Debt service:							
Principal		-	-		-		238,562
Interest	_	-			- 1/1 700		801
Total Expenditures	_	-	-		161,793		239,363
Excess (Deficiency) of Revenues Over (Under) Expenditures	_	-	-		(161,407)		(64)
OTHER FINANCING SOURCES (USES)							
Sale of capital assets Transfers in		-	-		-		-
Transfers out		_	_		_		_
Total Other Financing Sources (Uses)	_	-	-		-		-
Net Change in Fund Balance	_	-	-		(161,407)		(64)
Fund Balance - beginning		(108)	40,778		161,497		64
Fund Balance - ending	\$	(108)	\$ 40,778	\$	90	\$	

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, 2018 (Continued)

		West Quadrant Tax Increment Financing		University District Local Revitalization	Total
REVENUES Taxes Miscellaneous	\$	190,187 -	\$	64,565 -	\$ 494,051 492,739
Net inc(dec) in market value of investments Total Revenues		190,187		64,565	(893,642) 93,148
EXPENDITURES	_				
Current: Transportation Economic environment Capital outlays Debt service:		- - -		- 60,000 -	713 60,000 15,064,755
Principal Interest Total Expenditures		- -			238,562 801 15,364,831
Excess (Deficiency) of Revenues Over (Under) Expenditures		190,187		4,565	(15,271,683)
OTHER FINANCING SOURCES (USES) Sale of capital assets Transfers in Transfers out Total Other Financing Sources (Uses)	_	- - -		- - -	6,074,000 32,329 (9,445,433) (3,339,104)
Net Change in Fund Balance		190,187		4,565	(18,610,787)
Fund Balance - beginning		504,537		159,382	45,767,938
Fund Balance - ending	\$	694,724	\$	163,947	\$ 27,157,151

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, 2018

		Original Budgeted Amount	Final Budget	Actual	Variance w Final Budget-Posi (Negative	itive
REVENUES Miscellaneous Net inc(dec) in market value of investments	\$	600,000	\$ 600,000	\$ 494,277 (893,642)	\$ (105,7 (893,6	,
Total revenues	-	600,000	600,000	(399,365)	(999,3	365)
EXPENDITURES Capital outlays		28,180,962	32,008,908	14,890,844	17,118,0	064
Total expenditures	-	28,180,962	32,008,908	14,890,844	17,118,0	064
Excess (deficiency) revenues over (under) expenditures		(27,580,962)	(31,408,908)	(15,290,209)	16,118,6	399
OTHER FINANCING SOURCES (USES) Sale of capital assets		-	-	6,074,000	6,074,0	000
Total other financing sources (uses)	-	-		6,074,000	6,074,0	000
Net change in fund balance		(27,580,962)	(31,408,908)	(9,216,209)	22,192,6	399
Fund Balance - beginning		63,992,404	63,992,404	35,384,864	(28,607,5	540)
Fund balance - ending	\$	36,411,442	\$ 32,583,496	\$ 26,168,655	\$ (6,414,8	341)

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, 2018

	 Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)	
EXPENDITURES Capital outlays	\$ 40,000 \$	40,000 \$	3,736	36,264	
Total expenditures	 40,000	40,000	3,736	36,264	
Excess (deficiency) revenues over (under) expenditures	 (40,000)	(40,000)	(3,736)	36,264	
OTHER FINANCING SOURCES (USES) Transfers in	 40,000	40,000	32,329	(7,671)	
Total other financing sources (uses)	 40,000	40,000	32,329	(7,671)	
Net change in fund balance	-	-	28,593	28,593	
Fund Balance - beginning	112,980	112,980	25,276	(87,704)	
Fund balance - ending	\$ 112,980 \$	112,980 \$	53,869	(59,111)	

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, 2018

		Original Budgeted Amount		Final Budget	Actual	Variance with Final Budget-Positive (Negative)	
REVENUES Miscellaneous	\$	30,000	\$	30,000	\$ (1,142) \$	(31,142)	
Total revenues	<u>Ψ</u>	30,000	Ψ	30,000	(1,142)	(31,142)	
EXPENDITURES Capital outlays		1,980,000		1,980,000	4,115	1,975,885	
Total expenditures		1,980,000		1,980,000	4,115	1,975,885	
Net change in fund balance		(1,950,000)		(1,950,000)	(5,257)	1,944,743	
Fund Balance - beginning		2,052,844		2,052,844	5,257	(2,047,587)	
Fund balance - ending	\$	102,844	\$	102,844	\$ - \$	(102,844)	

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, 2018

		Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)	
REVENUES Miscellaneous	\$	- \$	_	\$ (782) \$	(782)	
	φ	- φ	-	, , ,	· · · · · ·	
Total revenues		-	-	(782)	(782)	
EXPENDITURES Transportation		-	-	642	(642)	
Capital outlays		8,456,371	9,515,533	4,338	9,511,195	
Total expenditures	_	8,456,371	9,515,533	4,980	9,510,553	
Excess (deficiency) revenues over (under) expenditures		(8,456,371)	(9,515,533)	(5,762)	9,509,771	
OTHER FINANCING SOURCES (USES) Transfers out		(30,000)	(30,000)	(9,445,433)	(9,415,433)	
Total other financing sources (uses)		(30,000)	(30,000)	(9,445,433)	(9,415,433)	
Net change in fund balance		(8,486,371)	(9,545,533)	(9,451,195)	94,338	
Fund Balance - beginning		10,648,388	10,648,388	9,451,195	(1,197,193)	
Fund balance - ending	\$	2,162,017 \$	1,102,855	\$ - \$	(1,102,855)	

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, 2018

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)	
EXPENDITURES Capital outlays	\$ - 9	\$ 400	\$ -	\$ 400	
Total expenditures	 -	400	-	400	
Net change in fund balance	-	(400)	-	400	
Fund Balance - beginning	337,153	337,153	(108)	(337,261)	
Fund balance - ending	\$ 337,153 \$	336,753	\$ (108)	\$ (336,861)	

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, 2018

	 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	-
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, 2018

		Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)	
REVENUES Miscellaneous	\$	- \$	- \$	386	\$ 386	
Miscellarieous	<u> </u>	- p	<u>-</u> ф	300	р 300	
Total revenues		-		386	386	
EXPENDITURES Transportation Capital outlays		- 150,500	- 162,500	71 161,722	(71) 778	
Total expenditures	_	150,500	162,500	161,793	707	
Net change in fund balance		(150,500)	(162,500)	(161,407)	1,093	
Fund Balance - beginning		199,799	199,799	161,497	(38,302)	
Fund balance - ending	\$	49,299 \$	37,299 \$	90	\$ (37,209)	

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, 2018

	 Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)	
REVENUES Taxes	\$ 127,000 \$	S 127,000 S	\$ 239,299	\$ 112,299	
Total revenues	 127,000	127,000	239,299	112,299	
EXPENDITURES Principal Interest	 100,000 2,000	100,000 2,000	238,562 801	(138,562) 1,199	
Total expenditures	 102,000	102,000	239,363	(137,363)	
Net change in fund balance	25,000	25,000	(64)	(25,064)	
Fund Balance - beginning	69,862	69,862	64	(69,798)	
Fund balance - ending	\$ 94,862	94,862	- :	\$ (94,862)	

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, 2018

		Original Budgeted Amount		Final Budget		Actual		Variance with Final Budget-Positive (Negative)	
REVENUES Taxes	\$	75,000	\$	75,000	\$	190,187	\$	115,187	
Total revenues	<u>Ψ</u>	75,000	Ψ	75,000	Ψ	190,187	Ψ	115,187	
EXPENDITURES Capital outlays		250,000		425,000		-		425,000	
Total expenditures		250,000		425,000		-		425,000	
Excess (deficiency) revenues over (under) expenditures		(175,000)		(350,000)		190,187		540,187	
OTHER FINANCING SOURCES (USES) Transfers out		(80,000)		(80,000)				80,000	
Total other financing sources (uses)		(80,000)		(80,000)		-		80,000	
Net change in fund balance		(255,000)		(430,000)		190,187		620,187	
Fund Balance - beginning		356,692		356,692		504,537		147,845	
Fund balance - ending	\$	101,692	\$	(73,308)	\$	694,724	\$	768,032	

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, 2018

	 Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)	
REVENUES Taxes	\$ 73,500	\$ 73,500	\$ 64,565	\$ (8,935)	
Total revenues	 73,500	73,500	64,565	(8,935)	
EXPENDITURES Economic environment Capital outlays	 - 50,000	110,000 50,000	60,000	50,000 50,000	
Total expenditures	 50,000	160,000	60,000	100,000	
Net change in fund balance	23,500	(86,500)	4,565	91,065	
Fund Balance - beginning	83,606	83,606	159,382	75,776	
Fund balance - ending	\$ 107,106	(2,894)	\$ 163,947	\$ 166,841	

City of Spokane, Washington Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual Total For the Year Ended December 31, 2018

	Original Budgeted Amount	Final Budget	Actual	Variance with Final Budget-Positive (Negative)
REVENUES Taxes Miscellaneous Net inc(dec) in market value of investments	\$ 275,500 \$ 630,000	275,500 630,000	\$ 494,051 \$ 492,739 (893,642)	218,551 (137,261) (893,642)
Total revenues	 905,500	905,500	93,148	(812,352)
EXPENDITURES Transportation Economic environment Capital outlays Principal Interest	 39,148,611 100,000 2,000	110,000 44,223,119 100,000 2,000	713 60,000 15,064,755 238,562 801	(713) 50,000 29,158,364 (138,562) 1,199
Total expenditures	 39,250,611	44,435,119	15,364,831	29,070,288
Excess (deficiency) revenues over (under) expenditures	 (38,345,111)	(43,529,619)	 (15,271,683)	28,257,936
OTHER FINANCING SOURCES (USES) Sale of capital assets Transfers in Transfers out	 - 40,000 (110,000)	- 40,000 (110,000)	6,074,000 32,329 (9,445,433)	6,074,000 (7,671) (9,335,433)
Total other financing sources (uses)	 (70,000)	(70,000)	(3,339,104)	(3,269,104)
Net change in fund balance	(38,415,111)	(43,599,619)	(18,610,787)	24,988,832
Fund Balance - beginning	77,894,506	77,894,506	45,732,742	(32,161,764)
Fund balance - ending	\$ 39,479,395 \$	34,294,887	\$ 27,121,955	5 (7,172,932)

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, 2018

		Golf	Building Services	Total
ASSETS	-			
Current Assets:				
Cash and cash equivalents	\$	12,830 \$ 506,634	1,968,624 \$	1,981,454
Equity in pooled investments Accounts receivable		16,650	3,143,136 144,347	3,649,770 160,997
Interest receivable		373	1,990	2,363
Due from other funds		3,616	415,737	419,353
Interfund loan receivable		9,214	45,352	54,566
Inventories Total current assets		64,291 613,608	5,719,186	64,291
Noncurrent assets:				
Capital assets:				
Land		1,289,224	-	1,289,224
Construction in progress Property, plant, and equipment		53,687 13,003,262	3,306,410	53,687 16,309,672
Less accumulated depreciation		(8,534,605)	(3,283,037)	(11,817,642)
Total capital assets		5,811,568	23,373	5,834,941
Other noncurrent assets:				
Advances to other funds		50,466 5,862,034	248,384	298,850
Total noncurrent assets Total Assets		6,475,642	271,757 5,990,943	6,133,791 12,466,585
101417.33513		0, 17 0,0 12	0,770,710	12, 100,000
DEFERRED OUTFLOWS OF RESOURCES		100 770	1.001.440	1 000 000
Pensions Opeb Outflows		198,772 1,708	1,001,448 7,307	1,200,220 9,015
Total deferred outflows of resouces		200,480	1,008,755	1,209,235
Total Assets Plus Deferred Outflows of Resources	_	6,676,122	6,999,698	13,675,820
LIABILITIES				
Current Liabilities:				
Accounts payable		70,862	27,177	98,039
Compensated absences		12,710	24,343	37,053
Capital lease payable Due to other funds		88,945 76,716	174,086	88,945 250,802
Interfund loan payable		367,571	-	367,571
Other accrued liabilities		29,420	204,677	234,097
Other current liabilities		102,614	34,201	136,815
Total current liabilities		748,838	464,484	1,213,322
Noncurrent Liabilities:		7/ 0/4	4/2.002	E20 1 E7
Compensated absences Noncurrent capital lease payable		76,064 68,433	462,093	538,157 68,433
Net pension liability		954,988	4,811,383	5,766,371
Total opeb liability		42,165	180,252	222,417
Total noncurrent liabilities		1,141,650	5,453,728	6,595,378
Total Liabilities		1,890,488	5,918,212	7,808,700
DEFERRED INFLOWS OF RESOURCES				
Pensions		608,258	3,064,504	3,672,762
Opeb Sale of Future Revenue		1,885 150,511	8,068	9,953
Total deferred inflows of resources	_	760,654	3,072,572	150,511 3,833,226
Total Liabilities Plus Deferred Inflows of Resources		2,651,142	8,990,784	11,641,926
NET POSITION				
Net investments in capital assets		5,654,191	23,373	5,677,564
Unrestricted		(1,629,211)	(2,014,459)	(3,643,670)
Total Net Position		4,024,980	(1,991,086)	2,033,894
Total Liabilities, Deferred Inflows of Resources and Net Position	\$	6,676,122 \$	6,999,698 \$	13,675,820

City of Spokane, Washington Combining Statement of Revenues, Expenses, and Changes in Net Position Nonmajor Enterprise Funds For the Fiscal Year Ended December 31, 2018

		Golf	Building Services	Total
OPERATING REVENUES Charges for goods and services	\$	3,303,299 \$	6,768,472 \$	10,071,771
Charges for goods and services	Ψ	3,303,277 φ	0,700,472 \$	10,071,771
Total operating revenues		3,303,299	6,768,472	10,071,771
OPERATING EXPENSES				
Salaries and wages		1,160,693	3,718,122	4,878,815
Personnel benefits		382,089	1,260,820	1,642,909
Supplies		329,797	79,163	408,960
Other services and charges		1,351,538	1,393,840	2,745,378
Taxes		22,854	-	22,854
Depreciation/amortization		363,724	10,927	374,651
Total operating expenses		3,610,695	6,462,872	10,073,567
Operating income (loss)		(307,396)	305,600	(1,796)
NONOPERATING REVENUES (EXPENSES)				
Interest income		1,554	8,944	10,498
Gain (loss) on disposition of fixed assets		(141)	2,479	2,338
Other nonoperating revenue		176,301	(3,054)	173,247
Total nonoperating revenues (expenses)		177,714	8,369	186,083
Income (loss) before contributions and transfers		(129,682)	313,969	184,287
Transfers out		(50,000)	(8,970)	(58,970)
Change in Net Position		(179,682)	304,999	125,317
Net Position - beginning		4,212,450	(2,298,786)	1,913,664
Prior Period Adjustment		(7,788)	2,701	(5,087)
Net Position - beginning (restated)		, ,		1,908,577
riet i osilioti - pedittilitid (testatea)		4,204,662	(2,296,085)	1,700,377
Net Position - ending	\$	4,024,980 \$	(1,991,086) \$	2,033,894

Combining Statement of Cash Flows Nonmajor Enterprise Funds For the Fiscal Year Ended December 31, 2018

		Solf	Building Services	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$	3,530,499	\$ 7,031,408 \$	10,561,907
Payments to suppliers for services		(1,679,528)	(1,532,780)	(3,212,308)
Payments to employees		(1,597,829)	(5,273,498)	(6,871,327)
Payment for taxes - city and state		(22,682)	-	(22,682)
Other receipts (payments)		-	2,701	2,701
Net cash provided (used) by operating activities		230,460	227,831	458,291
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in (out)		(50,000)	-	(50,000)
Net cash provided (used) by noncapital financing activities		(50,000)	-	(50,000)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from disposal of capital assets		-	2,479	2,479
Proceeds from loans, notes, and lease purchase payable Capital grants and contributions received		(44,473)	-	(44,473)
Acquisition and construction of capital assets		(86,804)	(13,349)	(100,153)
Principal paid on capital leases		(41,419)	(13,547)	(41,419)
Principal paid on general obligation bonds		-	_	-
Interest paid on revenue bonds		-	-	-
Interest paid on general obligation bonds		-	-	-
Transfers in (out)		-	(8,970)	(8,970)
Net cash provided (used) by capital and related financing				
activities		(172,696)	(19,840)	(192,536)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments		(651,620)	(8,640)	(660,260)
Proceeds from sales and maturities of investments		650,000	1,428,105	2,078,105
Interest received		(658)	8,640	7,982
Net cash provided (used) by investing activities		(2,278)	1,428,105	1,425,827
Net increase (decrease) in cash and cash equivalents		5,486	1,636,096	1,641,582
Cash and cash equivalents - January 1		7,344	332,528	339,872
Cash and cash equivalents - December 31	\$	12,830	\$ 1,968,624 \$	1,981,454
CASH FLOWS FROM OPERATING ACTIVITIES Operating Income (Loss)	\$	(307,395)	\$ 305,600 \$	(1,795)
				, ,
Adjustments to Reconcile Operating Income		363,722	10,927	274 / 40
Depreciation Prior period adjustment		(7,788)	2,701	374,649 (5,087)
Change in accounting principle		(7,700)	2,701	(3,007)
Other revenues		176,300	(3,054)	173,246
Change in Assets: Decrease (Increase)			(-,,	
Receivables, net of allowance		50,900	265,990	316,890
Deposits with fiscal agents		-	-	-
Inventories		4,216	-	4,216
Prepayments		-	-	-
Change in Deferred Outflows: Decrease (Increase) Change in Liabilities: Increase (Decrease)		95,341	496,216	591,557
Payables		(664,976)	(3,511,777)	(4,176,753)
Change in Deferred Inflows: (Decrease)Increase		520,140	2,661,228	3,181,368
Net Cash provided (used) by operating activities	\$	230,460	\$ 227,831 \$	458,291
ito. Gas., provided (osed) by operaling delivines	<u> </u>	200,700	y 221,001 9	730,271

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.

Purchasing and Stores Fund

The Purchasing and Stores Fund accounts for operations of the Purchasing Stores Department.

Accounting Services Fund

The Accounting Services Fund provides financial consulting, accounting, payroll, and purchasing services for all departments of the City.

My Spokane

The My Spokane Fund is the centralized customer service center for the City, processing services requests and answering customer questions.

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, 2018

	Fleet Services	Public Works and Utility	Information Technology	Reprographics
ASSETS Current Assets:				
Cash and cash equivalents Deposits with fiscal agents	\$ 1,454,918	\$ 349,085	\$ 5,279,663	\$ 173,760
Equity in pooled investments	2,800,053	119,096	5,530,931	59,281
Accounts receivable Interest receivable	2,696 1,854	631,882	345 3,002	1,405
Due from other funds	1,507,457	60,152	58,522	63,435
Interfund Ioan receivable	42,270	=	68,426	-
Due from other governments	5,060	=	=	-
Inventories Prepayments	1,776,836	-	60,215	27,389
Total current assets	7,591,144	1,160,215	11,001,104	325,270
Noncurrent assets:				
Capital assets:				
Land	-	-	-	-
Construction in progress Property, plant, and equipment	33,229,837	2,458,104	12,369,712	673.050
Infrastructure	-	2,100,101	2,639,779	-
Capitalized software	-	-	5,299,085	-
Less accumulated depreciation	(22,154,156)	(2,450,759)	(14,829,605)	(515,171)
Total capital assets	11,075,681	7,345	5,478,971	157,879
Other noncurrent assets: Advances to other funds	231,504	-	374,752	-
Total noncurrent assets	11,307,185	7,345	5,853,723	157,879
Total Assets	18,898,329	1,167,560	16,854,827	483,149
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	712,713	455,106	1,136,860	65,388
Opeb Outflows Total deferred outflows of resources	5,083 717,796	2,145 457,251	8,141 1,145,001	556 65,944
Total Assets plus Deferred Outflows	717,770	107,201	1,110,001	00,711
of Resources	19,616,125	1,624,811	17,999,828	549,093
LIABILITIES				
Current liabilities:				
Accounts payable Claims and judgments payable	392,859	36,441	249,918	14,941
Compensated absences	40,705	26,476	44,483	=
Due to other funds	29,030	445,525	271,499	121,933
Interfund loan payable	-	-	-	-
Due to other governments	=	=	-	=
Accrued interest Other accrued liabilities	- 144,816	52,488	224,136	10,833
Other current liabilities	8,126	360	1,459	1,395
Total curent liabilities	615,536	561,290	791,495	149,102
Noncurrent liabilities:				
Compensated absences	284,078	141,196	463,026	14,821
Net pension liability	3,424,179	2,186,525	5,461,964	314,153
Total opeb liability	125,500	52,561	200,431	13,710
Total noncurrent liabilities	3,833,757	2,380,282	6,125,421	342,684
Total Liabilities	4,449,293	2,941,572	6,916,916	491,786
DEFERRED INFLOWS OF RESOURCES				
Pensions	2,180,955	1,392,659	3,478,877	200,093
Opeb Sale of Future Revenue	5,612	2,368	8,989	614
Total deferred inflows of resources	2,186,567	1,395,027	3,487,866	200,707
Total Liabilities plus Deferred Inflows of Resources	6,635,860	4,336,599	10,404,782	692,493
NET POSITION				
NET POSITION Net investments in capital assets Unrestricted	11,075,681 1,904,584	7,345 (2,719,133)	5,478,971 2,116,075	157,879 (301,279)
Total Net Position	12,980,265	(2,711,788)	7,595,046	(143,400)
Total Liabilities, Deferred Inflows of	. 2,700,200	(2,, 11,, 00)	7,070,040	(1.10,100)
Resources and Net Position	\$ 19,616,125	\$ 1,624,811	\$ 17,999,828	\$ 549,093

City of Spokane, Washington Combining Statement of Net Position Internal Service Funds December 31, 2018 (Continued)

	Purchasing	Accounting Services	My Spokane	Risk Management
ASSETS	-			
Current Assets:				
Cash and cash equivalents	\$ 6,609	\$ 465,83	5 \$ 43,454	\$ 694,676
Deposits with fiscal agents Equity in pooled investments	2,255	513,16	4 13,460	13,304,506
Accounts receivable	-	6,74		-
Interest receivable	=	29	1 -	10,141
Due from other funds	106,468	81,84		8,102
Interfund Ioan receivable	-	6,62	-	241,615
Due from other governments Inventories	268			-
Prepayments	=			-
Total current assets	115,600	1,074,50	7 499,435	14,259,040
Noncurrent assets:				
Capital assets:				
Land	-			-
Construction in progress	-		<u> </u>	-
Property, plant, and equipment	5,496	133,98	-	=
Infrastructure Capitalized software	-			-
Less accumulated depreciation	(5,496)	(133,98	6) -	=
Total capital assets	-	·		-
Other noncurrent assets:				
Advances to other funds	-	36,28	9 -	1,323,277
	-			
Total noncurrent assets Total Assets	115,600	36,28		1,323,277
Total Assets	113,600	1,110,79	0 477,433	15,582,317
DEFERRED OUTFLOWS OF RESOURCES				
Pensions	-	739,84		13,641
Opeb Outflows Total deferred outflows of resources		11,87 751,71		13,641
Total Assets plus Deferred Outflows	-	701,71	102,020	10,011
of Resources	115,600	1,862,51	1 661,463	15,595,958
LIABILITIES				
Current liabilities: Accounts payable	110	5,34	5 2,504	_
Claims and judgments payable	-	3,54		6,062,000
Compensated absences	-	29,58	8 418	-
Due to other funds	4	250,25	6 391,071	40,651
Interfund loan payable	=	86	5 1,055	=
Due to other governments Accrued interest	-	00		-
Other accrued liabilities	23,801	130,25	0 43,418	-
Other current liabilities				131
Total curent liabilities	23,915	416,30	4 438,466	6,102,782
Noncurrent liabilities:				
Compensated absences	91,372	437,74	8 44,458	=
Net pension liability	=	3,554,51		
Total opeb liability Total noncurrent liabilities	91,372	293,04 4,285,30		
Total Liabilities	115,287	4,701,61		6,168,317
DEFERRED INFLOWS OF RESOURCES Pensions		2 243 04	8 492,657	41,741
Opeb	-	2,263,96 13,11		41,741
Sale of Future Revenue				
Total deferred inflows of resources		2,277,07	8 493,797	41,741
Total Liabilities plus Deferred Inflows				
of Resources	115,287	6,978,69	0 1,775,325	6,210,058
NET POSITION				
Net investments in capital assets Unrestricted	212	15 114 17	- 0) /1 113 0/0	- 0 305 000
OFFERMICIEC	313	(5,116,17	9) (1,113,862)	9,385,900
Total Net Position	313	(5,116,17	9) (1,113,862)	9,385,900
Total Liabilities, Deferred Inflows of	.	d 10/0==	1 # //1	d 15 505 053
Resources and Net Position	\$ 115,600	\$ 1,862,51	1 \$ 661,463	\$ 15,595,958

City of Spokane, Washington Combining Statement of Net Position Internal Service Funds December 31, 2018 (Continued)

	Workers' Compensation	Unemployment Insurance	Employee Benefits	Property Acquisition	Total
ASSETS					
Current Assets: Cash and cash equivalents Deposits with fiscal agents	\$ 220,396 1,327,340	\$ 90,344	\$ 744,116 359,238	\$ 9,252,014 52,021	\$ 18,774,870 1,738,599
Equity in pooled investments Accounts receivable	8,304,012	999,845	16,193,451	3,156,564	50,996,618 643,164
Interest receivable	6,326	780	12,921	634	35,949
Due from other funds	3,645	134	5,550	720,495	3,058,326
Interfund Ioan receivable	150,967	17,778	292,429	2	820,113
Due from other governments Inventories	-	-	395	-	5,723
Prepayments	-	=	=	=	1,804,225 60,215
Total current assets	10,012,686	1,108,881	17,608,100	13,181,820	77,937,802
Noncurrent assets:					
Capital assets: Land				6,742,065	6,742,065
Construction in progress	-	=	=	3,762,315	3,762,315
Property, plant, and equipment	-	-	-	25,804,146	74,674,331
Infrastructure	-	=	-	6,910,628	9,550,407
Capitalized software	-	=	=	150,937	5,450,022
Less accumulated depreciation Total capital assets	-	_	-	(7,617,303) 35,752,788	(47,706,476) 52,472,664
Other noncurrent assets:					
Advances to other funds	826,813	97,365	1,601,573	12	4,491,585
Total noncurrent assets Total Assets	826,813 10,839,499	97,365 1,206,246	1,601,573 19,209,673	35,752,800 48,934,620	56,964,249 134,902,051
DEFERRED OUTFLOWS OF RESOURCES	110.155	1.001	71.71.4	100 477	0.444.700
Pensions Oneh Outflows	113,155	1,891	71,716 477	193,477 1,272	3,664,783
Opeb Outflows Total deferred outflows of resources	556 113,711	1,891	72,193	194,749	31,137 3,695,920
Total Assets plus Deferred Outflows of Resources	10,953,210	1,208,137	19,281,866	49,129,369	138,597,971
LIABILITIES					
Current liabilities:					
Accounts payable	435,243	61,877	492,127		2,492,711
Claims and judgments payable Compensated absences	8,874,000 3,278	-	2,106,283	5,060	17,042,283 150,008
Due to other funds	18,938	2			1,656,581
Interfund Ioan payable	-	-	-	38,608,142	38,608,142
Due to other governments	-	-	-	-	1,920
Accrued interest	- 02 /45	-	-	42,563	42,563
Other accrued liabilities Other current liabilities	23,645	593	13,370 12,081	36,501 5,550	703,851 29,102
Total curent liabilities	9,355,104	62,472		39,584,414	60,727,161
Noncurrent liabilities:					
Compensated absences	64,271	731	41,723	69,231	1,652,655
Net pension liability	543,646	9,083			17,607,184
Total opeb liability	13,671	- 0.01.4	11,623		766,959
Total noncurrent liabilities Total Liabilities	621,588 9,976,692	9,814 72,286	397,899 3,024,180	1,030,076 40,614,490	20,026,798 80,753,959
DEFERRED INFLOWS OF RESOURCES					
Pensions	346,264	5,785	219,456		11,214,507
Opeb	614	-	526		34,373
Sale of Future Revenue Total deferred inflows of resources	346,878	5,785	219,982	11,892 605,344	11,892 11,260,772
Total Liabilities plus Deferred Inflows of Resources	10,323,570	78,071	3,244,162	41,219,834	92,014,731
NET POSITION					
NET POSITION Net investments in capital assets Unrestricted	- 629,640	- 1,130,066	- 16,037,704	35,752,788 (27,843,253)	52,472,664 (5,889,424)
Total Net Position	629,640	1,130,066	16,037,704	7,909,535	46,583,240
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 10,953,210	\$ 1,208,137	\$ 19,281,866	\$ 49,129,369	\$ 138,597,971

City of Spokane, Washington Combining Statement of Revenues, Expenses, and Changes in Net Position Internal Service Funds For the Fiscal Year Ended December 31, 2018

		Fleet Services	Public Works and Utility		Information Technology	Reprographics
OPERATING REVENUES						
Charges for goods and services	\$	14,633,264	\$ 5,755,170	\$	11,719,252 \$	685,931
Total operating revenues		14,633,264	5,755,170		11,719,252	685,931
OPERATING EXPENSES						
Salaries and wages		2,469,398	1,091,704		4,595,858	223,648
Personnel benefits		915,079	393.022		1,486,880	97,896
Supplies		5,701,501	481,959		584,915	88,627
Other services and charges		3,161,660	3,725,074		4,818,028	285,562
Taxes		16	135,280		-	
Depreciation/amortization		1,644,676	15,691		1,311,041	22,554
Risk transfer payments		1,011,070	10,071		1,011,011	22,001
Claims processing		_	_		_	_
Payments to claimants and beneficiaries					_	
r dymems to claimains and beneficiales	-					
Total operating expenses		13,892,330	5,842,730		12,796,722	718,287
Operating income (loss)	_	740,934	(87,560)		(1,077,470)	(32,356)
NONOPERATING REVENUES (EXPENSES)						
Interest income		8,336	4		13,495	-
Gain (loss) on disposition of fixed assets		90,112	-		(3,547)	-
Interest expense		=	=		=	=
Other nonoperating revenue	_	26,136	2,613		50,280	<u> </u>
Total nonoperating revenues (expenses)		124,584	2,617		60,228	
Income (loss) before contributions and transfers		865,518	(84,943)		(1,017,242)	(32,356)
Capital contributions		101,952	_		11,510	_
Transfers in		7,309	_		8,970	_
Transfers out		(578,081)	_		(7,309)	_
Haristets out		(370,001)			(7,507)	
Change in Net Position		396,698	(84,943)		(1,004,071)	(32,356)
Net Position - beginning		12,578,121	(2,622,415)		8,599,189	(111,569)
Prior Period Adjustment	_	5,446	(4,430)		(72)	525
Net Position - beginning (restated)		12,583,567	(2,626,845)		8,599,117	(111,044)
Net Position - ending	¢	12,980,265	¢ (0.711.700)	¢	7,595,046 \$	(1.42.400)
Met i ositioti - etiality	\$	12,700,200	\$ (2,711,788)	Þ	/,373,U 4 6 \$	(143,400)

City of Spokane, Washington Combining Statement of Revenues, Expenses, and Changes in Net Position Internal Service Funds For the Fiscal Year Ended December 31, 2018 (Continued)

	Purch	nasing	Accounting Services	Му	Spokane	Risk Management
OPERATING REVENUES						
Charges for goods and services	\$	722,173 \$	4,042,687	\$	1,141,068 \$	5,000,007
Total operating revenues		722,173	4,042,687		1,141,068	5,000,007
OPERATING EXPENSES						
Salaries and wages Personnel benefits Supplies		544,252 148,326 153	2,525,507 898,101 20,246		666,959 266,316 16,441	23,236 5,206 31
Other services and charges Taxes		29,129	38,970		616,760	295,922
Depreciation/amortization Risk transfer payments Claims processing Payments to claimants and beneficiaries		- - - -	- - - -		- - - -	818,745 303,974 1,312,339
Total operating expenses		721,860	3,482,824		1,566,476	2,759,453
Operating income (loss)		313	559,863		(425,408)	2,240,554
NONOPERATING REVENUES (EXPENSES) Interest income Gain (loss) on disposition of fixed assets Interest expense Other nonoperating revenue		- - - -	17,484 - - 179,709		- - - (87)	48,900 - - 4,860
Total nonoperating revenues (expenses)			197,193		(87)	53,760
Income (loss) before contributions and transfers		313	757,056		(425,495)	2,294,314
Capital contributions Transfers in Transfers out		- - -	- - -		- 83,235 -	- (407)
Change in Net Position		313	757,056		(342,260)	2,293,907
Net Position - beginning Prior Period Adjustment		- -	(5,972,403) 99,168		(232) (771,370)	7,091,993
Net Position - beginning (restated)		=	(5,873,235)		(771,602)	7,091,993
Net Position - ending	\$	313 \$	(5,116,179)	\$	(1,113,862) \$	9,385,900

City of Spokane, Washington Combining Statement of Revenues, Expenses, and Changes in Net Position Internal Service Funds For the Fiscal Year Ended December 31, 2018 (Continued)

	-				
	Workers' Compensation	Unemployment Insurance	Employee Benefits	Property Acquisition	Total
OPERATING REVENUES					
Charges for goods and services	\$ 6,065,197	\$ 300,000 \$	39,050,897 \$	1,587,482 \$	90,703,128
Total operating revenues	6,065,197	300,000	39,050,897	1,587,482	90,703,128
OPERATING EXPENSES					
Salaries and wages Personnel benefits Supplies	486,241 146,497 12,147	11,555 3,610	301,994 91,763 7,659	766,567 280,163 887,981	13,706,919 4,732,859 7,801,660
Other services and charges	116,134	4,303	470,623	2,160,430	15,722,595
Taxes Depreciation/amortization Risk transfer payments Claims processing Payments to claimants and beneficiaries	195,306 862,846 3,225,948	6,000 291,536	9,625,789 1,312,873 28,307,881	2,790,625 6,943 -	135,296 5,784,587 10,646,783 2,485,693 33,137,704
Total operating expenses	5,045,119	317,004	40,118,582	6,892,709	94,154,096
Operating income (loss)	1,020,078	(17,004)	(1,067,685)	(5,305,227)	(3,450,968)
NONOPERATING REVENUES (EXPENSES) Interest income Gain (loss) on disposition of fixed assets Interest expense Other nonoperating revenue	28,469 - - 16,641	3,506 - - -	57,883 - - - 675,483	1,404 (818,654) (836,714) 255,378	179,481 (732,089) (836,714) 1,211,013
Total nonoperating revenues (expenses)	45,110	3,506	733,366	(1,398,586)	(178,309)
Income (loss) before contributions and transfers	1,065,188	(13,498)	(334,319)	(6,703,813)	(3,629,277)
Capital contributions Transfers in Transfers out	- - -	- - -	- - -	445,243 9,178,256 (3,335,423)	558,705 9,277,770 (3,921,220)
Change in Net Position	1,065,188	(13,498)	(334,319)	(415,737)	2,285,978
Net Position - beginning Prior Period Adjustment	(435,548)	1,143,564	16,372,023 -	8,069,303 255,969	44,712,026 (414,764)
Net Position - beginning (restated)	(435,548)	1,143,564	16,372,023	8,325,272	44,297,262
Net Position - ending	\$ 629,640	\$ 1,130,066 \$	16,037,704 \$	7,909,535 \$	46,583,240

City of Spokane, Washington Combining Statement of Cash Flows Internal Service Funds For the Fiscal Year Ended December 31, 2018

	Fleet Services	Public Works and Utility	Information Technology	Reprographics	Purchasing	Accounting Services	continued My Spokane
CASH FLOWS FROM OPERATING ACTIVITIES Receipts from customers and users Payments to suppliers for services Payments to employees Payment for taxes - city and state	\$ 14,647,516 (9,276,018) (3,298,698)	(4,000,488)	\$ 11,770,959 (5,568,649) (5,722,788)	\$ 690,586 \$ (388,523) (311,406)	615,436 (29,167) (577,405)	\$ 4,163,387 180,349 (4,129,266)	\$ 1,005,178 (493,990) 203,358
Other receipts (payments) Net cash provided (used) by operating activities	5,446 2,078,246	- 152,957	(72) 479,450	525 (8,818)	- 8,864	99,168 313,638	(771,370) (56,824)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers in (out)	(1,264)				-	_	83,235
Net cash provided (used) by noncapital financing activities	(1,264)	-	-	-	-	-	83,235
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES Proceeds from disposal of capital assets Proceeds from loans, notes, and lease purchase	83,516	-	4,800	-	-	-	-
payable Acquisition and construction of capital assets	- (3,171,539)	-	(190,523)	-	-	-	-
Principal paid on interfund loans Interest paid on interfund loans	(5,171,557)	-	(170,323)	-	-	-	-
Transfers in (out) Net cash provided (used) by capital and	(578,081)				-		
related financing activities	(3,666,104)	-	(185,723)	-	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES Purchase of investments Proceeds from sales and maturities of	(8,052)	153187	(13,036)	-	(2,255)	(1,262)	-
investments Interest received	2,560,976 8,053	- 4	4,061,444 13,036	149,634	-	78,795 17,269	9,433
Net cash provided (used) by investing activities	2,560,977	153191	4,061,444	149,634	(2,255)	94,802	9,433
Net increase (decrease) in cash and cash equivalents	971,855	306,148	4,355,171	140,816	6,609	408,440	35,844
Cash and cash equivalents - January 1	483,063	42,937	924,492	32,944	-	57,395	7,610
Cash and cash equivalents - December 31	\$ 1,454,918	\$ 349,085	5,279,663	\$ 173,760 \$	6,609	\$ 465,835	\$ 43,454
CASH FLOWS FROM OPERATING ACTIVITIES Operating Income (Loss)	740,934	(87,560)	(1,077,470)	(32,356)	313	559,863	(425,408)
Adjustments to Reconcile Operating Income Depreciation	1,644,676	15,691	1,311,041	22,554	_	_	_
Prior period adjustment/fund balance restatement	5,446	(4,430)	(72)	525		99,168	(771,370)
Change in accounting principle	-	(4,400)	-	-	-	-	-
Other revenues (expenses)	26,136	2,613	-	-	-	179,709	(87)
Change in Assets: Decrease (Increase) Receivables, net of allowance	(11,884)	(56,348)	51,707	2,933	(106,737)	(59,009)	(135,803)
Deposits with fiscal agents Inventories	(22,013)	-	- 02 414	(1,469)	-	-	-
Prepayments Change in Deferred Outflow: Decrease (Increase)	770 702	157,837	23,414	24 502	-	477 701	- (142,029)
(Increase) Change in Liabilities: Increase (Decrease)	279,783		428,053	26,592	115.000	477,701	(162,028)
Payables Change in Deferred Inflows: Increase (Decrease)	(2,498,831) 1,913,999	(1,095,586) 1,220,740	(3,314,110)	(203,082) 175,485	115,288	(2,976,121)	943,596 494,276
Net Cash provided (used) by operating	1,/10,///	1,220,740	3,330,007	175,700		2,002,021	7,7,2,0
activities	\$ 2,078,246	\$ 152,957	\$ 479,450	\$ (8,818) \$	8,864	\$ 313,638	\$ (56,824)
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES							
Contributions of capital assets	\$ 109,261	\$ - :	13,171	\$ - \$	- :	\$ -	\$ -

Combining Statement of Cash Flows Internal Service Funds For the Fiscal Year Ended December 31, 2018

						concluded
	Risk Management	Workers' Compensation	Unemployment Insurance	Employee Benefits	Property Acquisition	Total
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 4,996,917			39,717,387 \$		91,334,048
Payments to suppliers for services	(3,198,038)	(4,665,461)	(339,520)	(39,533,421)	(2,395,537)	(69,708,463)
Payments to employees Payment for taxes - city and state	(67,406)	(750,104)	(15,947)	(467,639)	(1,220,074)	(17,769,731) (135,280)
Other receipts (payments)	-	-		-	_	(666,303)
Net cash provided (used) by operating activities	1,731,473	649,684	(55,601)	(283,673)	(1,955,125)	3,054,271
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES Transfers in (out)					(1,667,172)	(1,585,201)
Net cash provided (used) by noncapital financing activities					(1,667,172)	(1,585,201)
her cash provided (used) by horicapilal illiancing activities					(1,007,172)	(1,363,201)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Proceeds from disposal of capital assets	-	-	-	-	-	88,316
Proceeds from loans, notes, and lease purchase payable	-	-	-	-	8,149,160	8,149,160
Acquisition and construction of capital assets	-	-	-	-	(5,820,481)	(9,182,543)
Principal paid on interfund loans	-	-	-	-	(5,224,652)	(5,224,652)
Interest paid on interfund loans Transfers in (out)	(407)	-	-	-	(836,714) 7,455,248	(836,714)
Net cash provided (used) by capital and related financing	(407)		-	-	7,433,246	6,876,760
activities	(407)	-	-	-	3,722,561	(129,673)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investments	(2,644,040)	(1,827,473)	(3,387)	(56,113)	(2,752)	(4,405,183)
Proceeds from sales and maturities of investments	1,209,826	1,316,785	121,867	921,318	7,917,108	18,347,186
Interest received	46,657	27,473	3,387	56,113	2,752	174,744
Net cash provided (used) by investing activities	(1,387,557)	(483,215)	121,867	921,318	7,917,108	14,116,747
Net increase (decrease) in cash and cash equivalents	343,509	166,469	66,266	637,645	8,017,372	15,456,144
Cash and cash equivalents - January 1	351,167	53,927	24,078	106,471	1,234,642	3,318,726
Cash and cash equivalents - December 31	\$ 694,676	\$ 220,396	\$ 90,344 \$	744,116 \$	9,252,014 \$	18,774,870
CASH FLOWS FROM OPERATING ACTIVITIES						
Operating Income (Loss)	2,240,554	1,020,078	(17,004)	(1,067,685)	(5,305,227)	(3,450,968)
Adjustments to Reconcile Operating Income						
Depreciation	-	-	_	_	2,790,625	5,784,587
Prior period adjustment/fund balance restatement	-	-	-	-	2,269	(668,464)
Change in accounting principle	-	-	-	-	-	
Other revenues (expense)	4,860	16,641	-	675,483	262,663	1,168,018
Change in Assets: Decrease (Increase)	(= 0 = 0)			/o == //		
Receivables, net of allowance	(7,950)	(2,141)	(134)	(2,554)	(141,547)	(469,467)
Deposits with fiscal agents Inventories	-	(14,448)	-	(6,439)	(4,103)	(24,990) (23,482)
Prepayments	-	-		-	_	23,414
Change in Deferred Outflows: Decrease (Increase)	12,607	74,437	1,039	47,094	125,612	1,468,727
Change in Liabilities: Increase (Decrease)	12,007	, 4,407	1,007	47,074	0,012	.,.50,, 27
Payables	(553,170)	(740,372)	(44,487)	(116,973)	(193,008)	(10,676,856)
Change in Deferred Inflows: Increase (Decrease)	34,572	295,489	4,985	187,401	507,591	9,923,752
Net Cash provided (used) by operating activities	\$ 1,731,473	\$ 649,684	\$ (55,601) \$	(283,673) \$	(1,955,125) \$	3,054,271
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES						
Contributions of capital assets	\$ -	\$ -	\$ - \$	- \$	353,895	476,327

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.

City of Spokane, Washington Combining Statement of Plan Net Position Pension Funds December 31, 2018

		Employees' Retirement	Firefighters' Pension	Firefighters' OPEB	Police Pension
ASSETS Cash Short term investments	\$	108,124 554,256	\$ 151,825 169.633	\$ 99,507 111,178	\$ 545,619 24,697
SHOT TOTAL TOTAL		004,200	107,000	111,170	24,077
Receivables: Interest and dividends Taxes receivable		191,119	97,031	63,594	53 477,625
Due from other governments		1,174	11,528	7,555	175
Other receivables		1,661	54	36	88
Total Receivables		193,954	108,613	71,185	477,941
Investments management at fair value.					
Investments, noncurrent, at fair value: U.S. fixed income		34,402,792	19,258,771	12,622,303	_
International/global fixed income		684,533	243,580	159,644	_
U.S. equities		75,843,382	240,000	107,044	_
Real estate		25,314,141	-	-	_
International equities		58,948,145	-	-	_
Alternatives		82,721,805	-	-	-
Total investments, noncurrent	-	277,914,798	19,502,351	12,781,947	-
Consideration of the constant					
Capital assets: Software		352.980	45,835	25,715	26,235
Other improvements		17,539	45,055	23,713	20,233
Less accumulated depreciation/amortization		(141,082)	(17,741)	(7,302)	(9,182)
Total capital assets	-	229,437	28,094	18,413	17,053
Total Assets		279.000.569	19,960,516	13,082,230	1,065,310
LIABILITIES		10.010		FF (02)	
Accounts/vouchers payable		69,269 128	-	55,603	-
Due to other governments Compensated absences		26,401	-	86	-
Other accrued liabilities		13,541	-	-	_
Other current liabilities		12,004	2,779		15,611
Total Liabilities		121,343	2,779	55,689	15,611
		121,010	2,,,,	00,00,	10,011
NET POSITION Held in trust for pension benefits Postemployment benefits		278,879,226	19,957,737	- 13,026,541	1,049,699
i osiempioymem penems	-		-	13,020,341	<u>-</u> _
Total Net Position		278,879,226	19,957,737	13,026,541	1,049,699

City of Spokane, Washington Combining Statement of Plan Net Position Pension Funds December 31, 2018 (Continued)

	Police OPEB	Total
ASSETS Cash Short term investments	\$ - -	\$ 905,075 859,764
Receivables: Interest and dividends Taxes receivable Due from other governments Other receivables Total Receivables	22,375 - - 22,375	351,797 500,000 20,432 1,839 874,068
Investments, noncurrent, at fair value: U.S. fixed income International/global fixed income U.S. equities Real estate International equities Alternatives Total investments, noncurrent	- - - - - -	66,283,866 1,087,757 75,843,382 25,314,141 58,948,145 82,721,805 310,199,096
Capital assets: Software Other improvements Less accumulated depreciation/amortization Total capital assets Total Assets	26,235 - (9,182) 17,053 39,428	477,000 17,539 (184,489) 310,050 313,148,053
LIABILITIES Accounts/vouchers payable Due to other governments Compensated absences Other accrued liabilities Other current liabilities Total Liabilities	39,375 53 - - - 39,428	164,247 267 26,401 13,541 30,394 234,850
NET POSITION Held in trust for pension benefits Postemployment benefits	-	299,886,662 13,026,541
Total Net Position		312,913,203

City of Spokane, Washington Combining Statement of Changes in Plan Net Position Pension Funds For the Fiscal Year Ended December 31, 2018

		Employees' Retirement	Firefighters' Pension	F	irefighters' OPEB		Police Pension				
ADDITIONS											
Contributions:											
Employer	\$	9,187,420	\$ 2,509,706	\$	2,191,423	\$	514,369				
Plan members		9,188,781	-		-		-				
Intergovernmental revenue		-	345,789		-		-				
Medicare retiree drug subsidy		-	-		161,096		-				
Miscellaneous		-	-		158,766		-				
Totla Contributions		18,376,201	2,855,495		2,511,285		514,369				
Investment Income:											
Net increase in fair value of											
investments		(23,011,419)	(93,748)		(67,886)		-				
Interest and dividends		4,731,880	445,952		318,805		345				
Less: Investment expense	_	(436,406)	(43,665)		(43,665)		-				
Net investment income (loss)	_	(18,715,945)	308,539		207,254		345				
Total Additions	_	(339,744)	3,164,034		2,718,539		514,714				
DEDUCTIONS											
Pension Benefits		28,309,344	918,100		-		337,880				
Medical and dental benefits		-	-		3,240,950		-				
Pension refunds		554,422	-		-		-				
Medical and dental administration		-	-		219,039		-				
Administrative expenses		554,484	28,424		49,783		26,566				
Total Deductions	_	29,418,250	946,524		3,509,772		364,446				
Net Increase (Decrease)		(29,757,994)	2,217,510		(791,233)		150,268				
Net Position - beginning		308,637,220	17,740,227		13,817,774		899,431				
Net Position - ending	\$	278,879,226	\$ 19,957,737	\$	13,026,541	\$	1,049,699				

City of Spokane, Washington Combining Statement of Changes in Plan Net Position Pension Funds For the Fiscal Year Ended December 31, 2018 (Continued)

	F	Police OPEB	Total
ADDITIONS			
Contributions:			
Employer	\$	2,710,631	\$ 17,113,549
Plan members		-	9,188,781
Intergovernmental revenue		-	345,789
Medicare retiree drug subsidy		109,725	270,821
Miscellaneous		97,598	256,364
Totla Contributions		2,917,954	27,175,304
Investment Income: Net increase in fair value of			
investments		_	(23,173,053)
Interest and dividends		344	5,497,326
Less: Investment expense		-	(523,736)
Net investment income (loss)		344	(18,199,463)
Total Additions		2,918,298	8,975,841
DEDUCTIONS			
Pension Benefits		-	29,565,324
Medical and dental benefits		2,695,330	5,936,280
Pension refunds		-	554,422
Medical and dental administration		172,880	391,919
Administrative expenses		50,088	709,345
Total Deductions		2,918,298	37,157,290
Net Increase (Decrease)		-	(28,181,449)
Net Position - beginning		-	341,094,652
Net Position - ending	\$		\$ 312,913,203

City of Spokane, Washington Combining Statement of Net Position Agency Funds December 31, 2018

	Parking & Business Improvement District			Spokane Regional Transportation Council	Total
ASSETS					
Cash	\$	32,773	\$	484,978	\$ 517,751
Due from other governments		-		415	415
Total Assets		32,773		485,393	518,166
LIABILITIES					
Due to other governments		32,640		482,858	515,498
Other current liabilities		133		2,535	2,668
Total Liabilities		32,773		485,393	518,166

Combining Statement of Changes in Net Position Agency Funds For the Fiscal Year Ended December 31, 2018

							С	ontinued
	Balance	January 1, 2018		Additions		Deductions	Balance Deember 31	,2018
Parking and Business Improvement District	<u>_</u>							
ASSETS Cash and equivalents Due from other governments	\$	61,330	\$	-	\$	(28,558)	\$	32,772
Total Assets	\$	61,330	\$	-	\$	(28,558)	\$	32,772
LIABILITIES Accounts/vouchers payable	\$	_	¢		\$	-	\$	
Due to other governments Accrued liabilities	Ψ	61,197	Ψ	-	Ψ	(28,558)	φ	32,639
Other current liabilities		133		-		-		133
Total Liabilities	\$	61,330	\$	-	\$	(28,558)	\$	32,772
Spokane Regional Transportation Council	_							
ASSETS	•	400.000	•	C4 00F	•		•	404.070
Cash and equivalents Due from other governments Other receivables	\$	423,883 - -	Þ	61,095 415 -	Þ	- - -	\$	484,978 415 -
Total Assets	\$	423,883	\$	61,510	\$	-	\$	485,393
LIABILITIES	•	00	•		•	(00)	•	
Accounts/vouchers payable Due to other governments Other current liabilities	\$	36 420,504 3,343	\$	62,354	\$	(36) - (808)		482,858 2,535
Total Liabilities	\$	423,883	\$	62,354	\$	(844)	\$	485,393
Total All Agonov Funda								
ASSETS Cash and equivalents	\$	485,213	\$	61,095	\$	(28,558)	\$	517,750
Equity in pooled investments Due from other governments Interest receivable	\$	61,197	\$	-	\$	(28,558)	\$	32,639
Other receivables Other LT receivables	φ	-	Ψ	-	φ	-	Ψ	-
Total Assets	\$	546,410	\$	61,095	\$	(57,116)	\$	550,389
LIABILITIES								
Warrants payable Accounts/vouchers payable	\$	36	\$	_	\$	(36)	\$	_
Due to other governments Other current liabilities	Ψ	481,701 3,476	Ψ	62,354	Ψ	(28,558) (808)		515,497 2,668
Other long-term liabilities Total Liabilities	\$	485,213	\$	62,354	\$	(29,402)	\$	518,165
					_	1	•	

This page intentionally left blank.

Statistical Section

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
	2018	2017	2016	2015	2014
GOVERNMENTAL ACTIVITIES					
Net investment in capital assets	\$ 1,426,083 \$	1,417,656 \$	1,410,134 \$	1,402,474 \$	1,416,828
Restricted	72,523	71,618	66,069	138,153	73,800
Unrestricted	 (108,065)	(140,799)	(72,348)	(119,990)	11,643
Total governmental activities net position	 1,390,541	1,348,475	1,403,855	1,420,637	1,502,271
BUSINESS-TYPE ACTIVITIES	/E1 025	(00.0/0	(05.007	/20.045	611.627
Net investment in capital assets Restricted ¹	651,835	608,260	625,227	638,845 198,484	611,62/
Unrestricted	 96,217	110,657	87,249	(134,601)	152,948
Total business-type activities net position	 748,052	718,917	712,476	702,728	764,575
PRIMARY GOVERNMENT					
Net investment in capital assets	2,077,918	2,025,916	2,035,362	2,041,319	2,028,455
Restricted	72,523	71,618	66,069	336,637	73,800
Unrestricted	 (11,848)	(30,142)	14,901	(254,591)	164,591
Total primary government net position	\$ 2,138,593 \$	2,067,392 \$	2,116,332 \$	2,123,365 \$	2,266,846

Source: City of Spokane Accounting

¹No restriction of fund balance is necessary since the assets are restricted in 2013. Years 2009-2012 have not been restated.

Financial Trends

Schedule 1 - Net Position by Component
Last Ten Fiscal Years (expressed in thousands)
(accrual basis of accounting)

					concluded
	2013	2012	2011	2010	2009
GOVERNMENTAL ACTIVITIES					
Net investment in capital assets	\$ 1,433,814 \$	1,439,429 \$	1,440,486 \$	1,421,894 \$	1,422,123
Restricted	73,990	89,631	100,547	15,165	10,258
Unrestricted	 19,413	1,159	(3,362)	107,043	107,886
Total governmental activities net position	 1,527,218	1,530,219	1,537,671	1,544,102	1,540,267
BUSINESS-TYPE ACTIVITIES					
Net investment in capital assets	601,683	610,788	584,615	530,846	500,752
Restricted ¹	-	13,471	14,632	32,148	23,704
Unrestricted	 139,665	112,650	121,040	103,891	135,150
Total business-type activities net position	 741,348	736,909	720,287	666,885	659,606
PRIMARY GOVERNMENT					
Net investment in capital assets	2,035,497	2,050,217	2,025,101	1,952,740	1,922,875
Restricted	73,990	103,102	115,179	47,313	33,962
Unrestricted	 159,079	113,809	117,678	210,934	243,036
Total primary government net position	\$ 2,268,567 \$	2,267,128 \$	2,257,958 \$	2,210,987 \$	2,199,873

¹No restriction of fund balance is necessary since the assets are restricted in 2013. Years 2009-2012 have not been restated.

Financial Trends

Schedule 2 - Changes in Net Position

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

					conti	inued
	2018	2017	2016	2015	20	14
EXPENSES						
Governmental activities:						
General government	\$ 32,895	\$ 34,805	\$ 29,485	29,337	\$	24,501
Judicial	4,469	4,796	4,718	4,288		4,212
Public safety	109,281	109,266	121,662	116,943		112,592
Utilities environment ¹	-	-	-	-		-
Transportation	62,755	54,677	48,962	53,900		46,604
Economic environment	15,035	13,685	12,696	11,449		19,235
Social services⁴	10,681	10,503	9,563	8,806		99
Culture and recreation	24,241	30,998	31,588	31,333		31,201
Interest on long-term debt	 8,124	7,189	7,938	8,876		7,358
Total governmental activities expenses	 267,480	265,918	266,612	264,932		245,801
Business-type activities:						
Water/Sewer ²	124,201	120,807	119,550	113,586		103,104
Solid Waste	79,340	78,803	75,371	68,143		75,335
Other business-type activities	 9,678	 10,098	 10,825	9,897		8,851
Total business-type activities expenses	 213,219	 209,707	 205,746	191,626		187,290
Total primary government expenses	\$ 480,699	\$ 475,625	\$ 472,358 \$	456,558	\$	433,091
PROGRAM REVENUES						
Governmental activities:						
General government	\$	\$ 9,208	\$ 7,617 \$		\$	12,498
Judicial	2,449	3,095	2,938	3,097		4,257
Public safety	9,459	8,235	10,570	10,852		7,359
Utilities environment	-	-	-	-		-
Transportation	7,832	10,532	11,454	6,112		1,221
Economic environment	368	82	77	209		1,412
Social services ⁴	1,450	1,003	1,062	979		414
Culture and recreation	5,120	3,479	5,514	5,952		3,565 11,286
Operating grants and contributions	16,837	16,048	12,355 10,282	11,603 8,395		
Capital grants and contributions Total governmental activities program revenues	17,917 70,999	18,008 69,690	61,869	58,018		10,232 52,243
Business-type activities:						
Charges for services:						
Water/Sewer ²	161,533	143,396	130,505	126,426		122,389
Solid Waste	71,088	68,303	65,277	59,655		69,409
Other business-type activities	9,917	10,298	10,810	9,344		7,871
Operating grants and contributions	-	102	143	101		859
Capital grants and contributions	6,132	1,322	8,982	9,553		13,043
Total business-type activities program revenues	248,670	223,421	215,717	205,078		213,570
Total primary government program revenues	\$ 319,669	\$ 293,111	\$ 277,586 \$	263,096	\$	265,813
NET (EXPENSE)/REVENUE						
Governmental activities	(196,481)	(196,228)	(204,743)	(206,914)		(193,558)
Business-type activities	 35,451	13,714	9,971	13,452		26,280
Total primary government net expense	\$ (161,030)	\$ (182,514)	\$ (194,772) \$	(193,462)	\$	(167,278)

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.

Financial Trends

Schedule 2 - Changes in Net Position

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

					C	concluded
	2013	2012	2011	2010		2009
EXPENSES						
Governmental activities:						
General government	\$ 15,181	\$ 28,092	\$ 14,785	\$ 16,002	\$	15,036
Judicial	6,700	7,451	6,947	6,810		6,777
Public safety	109,027	114,361	108,308	103,314		102,973
Utilities environment ¹	-	-	1,985	2,774		3,067
Transportation	48,666	42,310	48,458	44,945		47,564
Economic environment	22,153	20,303	24,571	25,734		23,165
Social services ⁴	118	497	105	93		93
Culture and recreation	29,133	37,314	30,365	25,852		25,378
Interest on long-term debt	7,995	8,342	8,770	7,921		8,758
Total governmental activities expenses	 238,972	258,670	244,294	233,445		232,811
Business-type activities:						
Water/Sewer ²	97,160	97,360	92,449	86,263		84,974
Solid Waste	74,174	73,192	67,941	77,426		71,101
Other business-type activities	8,607	6,722	6,651	6,480		6,530
Total business-type activities expenses	 179,941	177,274	167,041	170,169		162,605
Total primary government expenses	\$ 418,914	\$ 435,944	\$ 411,335	\$ 403,614	\$	395,416
PROGRAM REVENUES						
Governmental activities:						
General government	\$ 14,697	\$ 16,753	\$ 11,653	\$ 11,505	\$	11,371
Judicial	5,645	7,385	4,007	4,803		4,151
Public safety	5,561	3,495	4,708	4,556		5,942
Utilities environment ¹	-	-	637	482		165
Transportation	2,500	421	3,199	4,382		3,262
Economic environment	1,866	8,075	2,553	759		1,087
Social services ⁴	282	(4,745)	129	57		123
Culture and recreation	1,472	3,382	2,968	3,187		3,377
Operating grants and contributions	16,159	19,280	16,762	20,640		20,170
Capital grants and contributions	7,269	11,296	18,335	20,860		23,121
Total governmental activities program revenues	 55,451	65,342	64,951	71,231		72,769
Business-type activities:						
Charges for services:						
Water/Sewer ²	116,964	114,078	108,390	93,643		89,888
Solid Waste	68,986	67,308	70,944	71,918		70,411
Other business-type activities	9,172	6,617	6,140	6,301		6,028
Operating grants and contributions	-	-	-	804		249
Capital grants and contributions	 5,419	7,486	6,677	5,927		7,476
Total business-type activities program revenues	 200,540	195,489	192,151	178,593		174,052
Total primary government program revenues	\$ 255,992	\$ 260,831	\$ 257,102	\$ 249,824	\$	246,821
NET (EXPENSE)/REVENUE						
Governmental activities	(183,521)	(193,328)	(179,343)	(162,214)		(160,042)
Business-type activities	 20,599	18,215	25,110	8,424		11,447
Total primary government net expense	\$ (162,922)	\$ (175,113)	\$ (154,233)	\$ (153,790)	\$	(148,595)

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.

Financial Trends

Schedule 2 - Changes in Net Position

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

							continued
	2018		2017	2016	2015		2014
GENERAL REVENUES & OTHER CHANGES IN NET POSITION							
Governmental activities:							
Property taxes	\$	73,109	\$ 71,597	\$ 69,787	\$ 68,893	\$	65,833
Sales taxes		60,329	57,325	53,231	50,176		48,086
Utility taxes		64,414	63,087	59,884	59,521		58,461
Other taxes		24,944	19,056	16,588	15,933		13,993
Interest and investment earnings		6,094	11,911	(1,033)	6,335		5,539
Transfers		6,948	5,070	62	7,155		203
Total governmental activities		235,839	228,046	198,519	208,013		192,115
Business-type activities:							
Interest and investment earnings		609	496	264	1,259		646
Disposition of capital assets		-	-	-	-		-
Transfers		(6,948)	(5,070)	(62)	(7,155)		(203)
Total business-type activities		(6,339)	(4,575)	202	(5,896)		443
Total primary government	\$	229,500	\$ 223,472	\$ 198,721	\$ 202,117	\$	192,558
CHANGE IN NET POSITION							
Governmental activities		39,358	31,819	(6,224)	1,099		(1,443)
Business-type activities		29,112	9,139	10,173	7,557		26,723
Total primary government	\$	68,470	\$ 40,958	\$ 3,949	\$ 8,656	\$	25,280

Financial Trends

Schedule 2 - Changes in Net Position

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

					concluded
	2013	2012	2011	2010	2009
GENERAL REVENUES & OTHER CHANGES IN NET POSITION					
Governmental activities:					
Property taxes	\$ 63,701	\$ 63,450	\$ 60,900	57,616	\$ 53,022
Sales taxes	44,871	41,478	37,559	36,990	35,403
Utility taxes	55,400	57,584	57,213	52,716	54,437
Other taxes	13,868	12,759	11,704	13,144	12,859
Interest and investment earnings	1,472	3,938	3,304	5,655	6,319
Transfers	49	17	439	(220)	52
Total governmental activities	 179,361	179,226	171,119	165,901	162,092
Business-type activities:					
Interest and investment earnings	(859)	1,232	928	1,816	2,007
Disposition of capital assets	-	-	-	-	-
Transfers	(49)	(17)	(439)	220	(52)
Total business-type activities	(909)	1,215	489	2,036	1,955
Total primary government	\$ 178,452	\$ 180,441	\$ 171,608 \$	167,937	\$ 164,047
CHANGE IN NET POSITION					
Governmental activities	(4,160)	(14,102)	(8,224)	3,687	2,050
Business-type activities	 19,690	19,430	25,599	10,460	13,402
Total primary government	\$ 15,531	\$ 5,328	\$ 17,375 \$	14,147	\$ 15,452

Financial Trends
Schedule 3 -Fund Balance, Governmental Funds

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

					continued
	2018	2017	2016	2015	2014
GENERAL FUND					
Nonspendable	\$ 2,254 \$	1,843 \$	1,286 \$	932 \$	713
Restricted	782	799	608	612	643
Committed	5,600	2,554	2,867	16,102	15,223
Assigned	21,941	18,289	17,100	3,687	4,517
Unassigned	24,942	27,538	19,049	19,967	17,992
Reserved	-	=	-	-	-
Unreserved	 -	-	-	-	
Total general fund	 55,519	51,023	40,909	41,300	39,088
ALL OTHER GOVERNMENTAL FUNDS					
Nonspendable	1,275	1,395	-	7,259	2,678
Restricted	174,438	106,203	120,994	137,541	73,157
Committed	23,519	22,068	21,928	13,892	18,835
Assigned	6,766	3,731	5,585	5,928	1,278
Unassigned	-	-	-	-	-
Reserved	-	-	-	-	-
Unreserved	 -	-	-	-	-
Total All Other Governmental Funds	 205,999	133,398	148,507	164,620	95,948
Total governmental funds	\$ 261,517 \$	184,421 \$	189,417 \$	205,920 \$	135,036

Financial Trends

Schedule 3 -Fund Balance, Governmental Funds

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

		continued			concluded
	2013	2012	2011	2010	2009
GENERAL FUND					_
Nonspendable	\$ 994 \$	979	\$ 1,062	N/A	N/A
Restricted	637	704	38	N/A	N/A
Committed	15,014	16,016	15,330	N/A	N/A
Assigned	2,682	2,974	3,061	N/A	N/A
Unassigned	16,291	17,837	15,797	N/A	N/A
Reserved	-	-	-	-	-
Unreserved	 -	-	-	36,766	35,991
Total general fund	 35,618	38,510	35,288	36,766	35,991
ALL OTHER GOVERNMENTAL FUNDS					
Nonspendable	4,288	3,800	-	N/A	N/A
Restricted	73,353	88,927	96,511	N/A	N/A
Committed	16,206	16,185	12,803	N/A	N/A
Assigned	13,429	8,269	14,876	N/A	N/A
Unassigned	-	(4,896)	(2,094)	N/A	N/A
Reserved	-	-	-	36,845	31,416
Unreserved	 -	-	-	101,635	86,810
Total All Other Governmental Funds	 107,276	112,285	122,096	138,480	118,226
Total governmental funds	\$ 142,894 \$	150,795	\$ 157,384 \$	175,246 \$	154,217

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				
		2018	2017	2016	2015	2014 Restated			
REVENUES									
Taxes:									
Property taxes	\$	71,993 \$	71,324	\$ 69,196	\$ 69,188	\$ 65,714			
Sales taxes		60,329	57,325	53,232	50,176	48,086			
Utility taxes		64,414	63,087	59,884	59,521	58,461			
Other taxes		13,295	8,589	6,979	6,632	5,719			
Total taxes		210,030	200,325	189,291	185,518	177,979			
Licenses, permits, and fees		7,542	7,844	7,607	7,307	7,086			
Intergovernmental		46,752	44,915	37,500	35,427	35,012			
Charges for services		38,759	35,053	33,651	27,263	26,024			
Fines and forfeitures		6,118	6,936	7,783	4,913	5,455			
Miscellaneous		10,401	14,699	3,476	11,526	10,174			
Total revenues		319,603	309,772	279,308	271,954	261,730			
EXPENDITURES									
General government		42,017	39,973	40,139	39,414	38,295			
Public safety		130,579	125,471	122,115	122,152	115,659			
Utilities environment ¹		-	-	-		-			
Transportation		41,585	31,769	28,823	26,207	25,875			
Economic environment ²		15,663	13,173	13,126	10,876	19,350			
Social services ²		9,716	10,332	9,311	8,783	99			
Culture and recreation		28,002	25,358	25,158	24,964	24,869			
Capital outlay		48,538	54,014	34,368	23,852	22,829			
Debt service:		10,000	0 1,01 1	0 1,000	20,002	22,027			
Principal		6,186	6,456	5,814	6,035	14,882			
Interest		7,991	7,189	7,938	8,876	7,219			
Total expenditures	-	330,277	313,736	286,793	271,159	269,077			
Excess revenues over (under) expenditures		(10,675)	(3,964)	(7,485)	795	(7,347)			
OTHER FINANCING SOURCES (USES)									
Long term debt issued		73,605	_	_	60,070	_			
Refunding debt issued		-	25,030	16,167	48,305	_			
Premium on debt issuance		4,133	3,781	-	7,508	_			
Sale of capital assets		6,260	859	406	210	651			
Collection of revolving loans		-	-	-	-	-			
Other nonrevenues		-	_	_	_	_			
Payment to escrow agent for refunded debt		-	(28,854)	(16,338)	(49,778)	-			
Transfers in		60,494	46,365	36,053	42,250	41,724			
Transfers out		(58,993)	(47,832)	(36,350)	(38,598)	(43,194)			
Total other financing sources (uses)		85,499	(651)	(62)	69,967	(819)			
OTHER CHANGES IN FUND BALANCE									
Prior period adjustment		2,272	(381)	(8,956)	123	420			
Net change in fund balance	\$	77,097 \$	(4,996)	\$ (16,503)	\$ 70,885	\$ (7,746)			
Debt service as a percentage of noncapital expenditures (as restated)		5.03%	5.25%	5.45%	6.03%	8.98%			

 $^{^{\}rm l}$ Utilities environment includes items previously classified as physical environment.

 $^{^2\}mbox{Human}$ Services Grant Fund reclassified from economic environment to social services in 2015.

Financial Trends

Schedule 4 -Changes in Fund Balance All Governmental Fund Types

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

							concluded		
		2013	2012	201	11	2	010		2009
REVENUES									
Taxes:									
Property taxes	\$	62,678 \$	63,262	\$	60,885	\$	57,156	\$	53,120
Retail sales and use taxes		44,871	41,478		35,806		35,298		35,403
Business taxes		48,869	57,584		57,213		52,716		54,437
Other taxes		13,868	3,760		2,977		4,684		4,997
Total Taxes		170,286	166,084		156,881		149,854		147,957
Licenses, permits, and fees		6,929	6,598		6,803		7,038		6,220
Intergovernmental		35,407	42,828		41,836		48,131		51,302
Charges for services		25,711	28,200		26,915		25,404		24,716
Fines and forfeitures		4,843	4,755		4,421		5,131		4,249
Miscellaneous		6,672	10,388		9,244		9,997		11,977
Total revenues	-	249,848	258,853		246,100		245,555		246,421
EXPENDITURES									
General government		30,566	32,089		27,082		28,890		24,798
Public safety		111,634	110,783		103,061		101,099		100,084
Utilities and environment ¹		-	11,749		11,181		10,479		10,386
Transportation		27,778	20,594		18,931		18,565		19,357
Economic environment ²		21,536	23,434		23,101		23,328		22,384
Social services ²		118	108		105		107		107
Culture and recreation		23,257	24,918		23,816		22,515		22,629
Capital outlay		27,266	27,205		37,502		48,684		69,513
Debt service:		,	,				,		21,7212
Principal		11,135	11,183		10,938		11,838		11,208
Interest		7,762	8,416		8,747		7,447		8,276
Total expenditures	-	261,052	270,479		264,464		272,952		288,742
Excess revenues over (under) expenditures		(11,204)	(11,626)		(18,364)		(27,397)		(42,321)
OTHER FINANCING SOURCES (USES)									
Long term debt issued		_	_		_		45,070		_
Refunding debt issued		_	_		_		-		_
Premium on debt issuance		_	_		_		922		_
Sale of capital assets		2,316	6,148		3,194		169		709
Collection of revolving loans		-	-		-		-		-
Other nonrevenues		-	_		_		_		9
Payment to escrow agent for refunded debt		-	_		_		_		-
Transfers in		33,529	36,487		39,583		42,232		44,413
Transfers out		(37,463)	(36,314)		(40,112)		(42,275)		(44,313)
Total other financing sources (uses)		(1,617)	6,321		2,665		46,118		818
OTHER CHANGES IN FUND BALANCE									
Prior period adjustment		33	(1,283)		(2,163)		2,307		(239)
Net change in fund balance	\$	(12,789) \$	(6,588)	\$	(17,862) \$	i	21,028	\$	(41,742)
Debt service as a percentage of noncapital expenditures (as restated)		8.08%	8.06%		8.67%		8.60%		8.89%

 $^{^{\}rm l}$ Utilities environment includes items previously classified as physical environment.

 $^{^2}$ Human Services Grant Fund reclassified from economic environment to social services in 2015.

Schedule 5 - Governmental Activities Tax Revenue by Source Last Ten Fiscal Years (expressed in thousand)

Function	20)18	2017	2016	2015	2015		2013	2012		2011		2010		2009	
Property Taxes	\$ 71	1,992.6	\$ 71,324.0	\$ 69,196.0	\$ 68,986.0	\$	65,713.2	\$ 63,117.3	\$	63,262.2	\$	60,885.0	\$	57,156.1	\$	53,120.1
Sales Taxes	60	0,328.9	57,325.0	53,232.0	50,176.4		48,085.6	44,870.9		41,702.8		35,806.6		35,297.9		35,403.3
Utility Taxes	64	4,414.4	63,087.0	59,884.0	59,977.8		59,198.2	58,055.9		57,584.0		57,212.8		52,716.2		54,436.6
Other Taxes	13	3,294.5	8,589.0	6,979.0	6,176.4		4,982.0	4,241.9		3,759.6		2,977.0		4,683.9		4,997.3
Total	\$ 210	0,030.4	\$ 200,325.0	\$ 189,291.0	\$ 185,316.6	\$	177,979.0	\$ 170,285.9	\$	166,308.6	\$	156,881.3	\$	149,854.1	\$	147,957.4

Source: City Accounting

Schedule 6 - Assessed and Estimated Value of Taxable Property

Last Ten Fiscal Years (expressed in thousands)

					continued
	 2018	2017	2016	2015 Restated	2014 Restated
Personal property - local	\$ 790,199	\$ 780,107	\$ 762,159	\$ 754,285	\$ 738,771
Personal property - state	649,035	607,568	606,618	584,821	549,624
Real property	20,357,120	19,000,194	18,131,310	17,471,665	16,983,134
Tax-exempt property	 (3,938,816)	(3,716,703)	(3,559,228)	(3,447,960)	(3,316,658)
Total taxable assessed value	17,857,537	16,671,166	15,940,859	15,362,811	14,954,871
Total direct tax rate ¹	4.101	4.302	4.386	4.450	4.440
Estimated actual taxable value	20,917,898	19,217,887	20,540,024	19,868,954	19,274,215
Taxable assessed value as a percentage of estimated actual taxable value	85.37%	86.75%	77.61%	77.32%	77.59%

 $[\]ensuremath{^{1}}\text{To}$ be collected in the subsequent year.

Schedule 6 - Assessed and Estimated Value of Taxable Property

Last Ten Fiscal Years (expressed in thousands)

						concluded
	20	13 Restated	2012 Restated	2011 Restated	2010 Restated	2009 Restated
Personal property - local	\$	714,758	\$ 672,486	\$ 692,099	\$ 658,905	\$ 589,227
Personal property - state		486,363	363,389	337,284	316,273	324,236
Real property		17,060,441	16,937,286	17,154,091	17,445,605	17,264,752
Tax-exempt property		(3,560,577)	(3,067,019)	(2,989,137)	(2,880,946)	(2,829,612)
Total taxable assessed value		14,700,985	14,906,142	15,194,337	15,539,837	15,348,603
Total direct tax rate		4.340	4.234	4.043	3.794	3.731
Estimated actual taxable value		19,365,207	19,365,426	19,507,724	19,919,234	19,377,100
Taxable assessed value as a percentage of estimated actual taxable value		75.91%	76.97%	77.89%	78.01%	79.21%

 $[\]ensuremath{^{1}}\text{To}$ be collected in the subsequent year.

Revenue Capacity

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

					continued
	2018	2017	2016	2015 Restated	2014 Restated
CITY DIRECT RATES					
General Fund	2.892	3.031	3.083	3.150	2.651
EMS Fund	0.479	0.500	0.492	0.500	0.500
General Obligation Debt Service	0.184	0.196	0.222	0.240	0.910
UTGO 2015 Bond (Riverfront Park)	0.132	0.142	0.148	0.110	N/A
Fire Pension	0.413	0.433	0.441	0.450	0.379
Total city direct rates	4.101	4.302	4.386	4.450	4.440
OVERLAPPING RATES					
State	2.000	2.000	2.100	2.264	2.373
County	1.328	1.411	1.471	1.505	1.349
School District	5.656	5.914	5.972	6.018	6.037
Total overlapping rates	8.985	9.325	9.543	9.787	9.759
Total property tax rate (as restated)	13.085	13.627	13.929	14.237	14.199

¹InDecember 2018, the City issued \$73.6 million in unlimited tax general obligation bonds (UTGO Series 2018) Library bonds for capital improvements to the Library System

Revenue Capacity

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

					concluded
	2013 Restated	2012 Restated	2011 Restated	2010 Restated	2009 Restated
CITY DIRECT RATES					
General Fund	2.556	2.490	2.376	2.271	2.262
EMS Fund	0.500	0.500	0.500	0.324	0.360
General Obligation Debt Service	0.918	0.888	0.828	0.791	0.849
UTGO 2015 Bond (Riverfront Park) ¹	N/A	N/A	N/A	N/A	N/A
Fire Pension	0.365	0.356	0.339	0.361	0.323
Total city direct rates	4.339	4.234	4.043	3.747	3.794
OVERLAPPING RATES					
State	2.445	2.346	2.241	2.002	1.898
County	1.346	1.279	1.239	1.198	1.191
School District	6.065	5.906	5.654	4.824	4.342
Total overlapping rates	9.856	9.531	9.134	8.024	7.431
Total property tax rate (as restated)	14.195	13.765	13.177	11.771	11.225

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

Tax Payer	2018 Tax Assessed Valuation	Rank	Percent of Total Tax Assessed Valuation	Tax Payer	2009 Tax Assessed Valuation	Rank	Percent of Total Tax Assessed Valuation
Avista Corportation - Electric	266,300,664	1	1.49%	Avista Corportation	164.050.500	1	1.06%
·				·			
Douglass, Harlan D	93,492,940	2	0.52%	Douglass, Harlan D	119,940,951	2	0.77%
Providence Health & Services-WA	85,092,092	3	0.48%	Providence Health & Services-WA	105,941,159	3	0.68%
Northtown Mall	72,068,900	4	0.40%	Northtown Mall	101,399,640	4	0.65%
River Park Square, LLC	64,962,926	5	0.36%	Rock Pointe Holdings, LLC	76,809,800	5	0.49%
C-III Asset Management, LLC	60,583,960	6	0.34%	Qwest Corporation	75,081,422	6	0.48%
Comcast of PA/WA/WV LP	50,561,926	7	0.28%	River Park Square, LLC	61,672,623	7	0.40%
Avista Corporation - Gas	45,835,447	8	0.26%	Inland Western Spokane Northpointe, LLC	45,338,360	8	0.29%
Multicare Health System	43,080,743	9	0.24%	Cowles Publishing	40,781,239	9	0.26%
3503 RP Spokane Northpointe LLC	43,773,980	10	0.25%	Hollister Stier Labs, LLC	40,773,789	10	0.26%
Total	825,753,578		4.62%		831,789,483		5.35%
Spokane Assessed Valuation							
20 20							

Sources: Spokane County Assessor, Spokane County

Schedule 9 - Property Tax Levies and Collection Percentage

Last Ten Fiscal Years (expressed in thousands)

<u>-</u>					continued
	2018	2017	2016	2015	2014
COLLECTED WITHIN THE FIRST YEAR OF THE LEVY					
Tax levied	73,109	71,597	69,787	68,271	65,825
Amount collected	70,832	69,839	67,854	66,766	64,269
Uncollected taxes in the levy year	2,277	1,758	1,933	1,505	1,556
Percentage collected in the first year	96.89%	97.54%	97.23%	97.80%	97.64%
TOTAL COLLECTIONS					
Previously delinquent taxes collected	1,159	1,492	1,045	1,527	1,406
Total property tax collected	71,992	71,331	68,899	68,293	65,675
Total tax collected as a percentage of the current year levy $^{\rm 1}$	98.47%	99.63%	98.73%	100.03%	99.77%

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

Schedule 9 - Property Tax Levies and Collection Percentage

Last Ten Fiscal Years (expressed in thousands)

					concluded
	2013	2012	2011	2010	2009
COLLECTED WITHIN THE FIRST YEAR OF THE LEVY					
Tax levied	63,217	63,760	61,057	57,830	58,007
Amount collected	61,448	61,980	58,945	55,783	56,164
Uncollected taxes in the levy year	1,769	1,780	2,112	2,047	1,843
Percentage collected in the first year	97.20%	97.21%	96.54%	96.46%	96.82%
TOTAL COLLECTIONS					
Previously delinquent taxes collected	1,840	1,032	1,977	1,572	1,795
Total property tax collected	63,288	63,012	60,922	57,355	57,959
Total tax collected as a percentage of the current year levy $^{\rm 1}$	100.11%	98.83%	99.78%	99.18%	99.92%

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

Schedule 10 - Sales Subject to Retail Sales Tax by Industry¹

Last Ten Fiscal Years (expressed in thousands)

						(continued
	20	118	2017	2016	2015		2014
Retail Trade:							
Building materials, garden equipment and supplies General Merchandise stores Motor vehicles and parts All other retail sales	\$	262,862 391,920 457,313 1,307,049	\$ 243,360 422,858 474,805 1,177,170	\$ 226,808 425,632 444,880 1,133,651	\$ 245,650 423,344 401,872 1,065,331	\$	219,721 403,410 375,918 1,029,965
Total retail sales		2,419,144	2,318,192	2,230,971	2,136,197		2,029,014
Construction		820,472	764,351	613,964	594,244		611,426
Accomodations and food service		720,435	691,683	651,777	609,583		554,329
Wholesale trade		401,160	394,727	384,789	362,307		360,821
Information		222,678	226,566	214,650	220,662		206,846
Manufacturing		103,984	94,677	85,071	86,774		85,098
All other industries		722,294.80	645,866.06	611,762	566,129		531,172
Total sales subject to retail sales tax	\$	5,410,167	\$ 5,136,061	\$ 4,792,984	\$ 4,575,896	\$	4,378,706
Direct sales tax rate as restated ²		6.5%	6.5%	6.5%	6.5%		6.5%

 $^{^{\}rm 1}$ Industry classifications are based on North American Industry Classification System (NAICS) codes.

 $^{^{\}rm 2}$ State tax rate only; excludes local sales tax rate.

Schedule 10 - Sales Subject to Retail Sales Tax by Industry¹

Last Ten Fiscal Years (expressed in thousands)

					concluded
	2013	2012	2011	2010	2009
Retail Trade:					
Building materials, garden equipment and supplies General Merchandise stores Motor vehicles and parts All other retail sales	\$ 203,601 392,777 347,394 997,751	\$ 188,568 413,007 324,422 936,204	\$ 186,186 405,991 274,396 903,536	\$ 195,160 419,941 272,287 923,448	\$ 188,667 426,161 271,213 918,129
Total retail sales	1,941,524	1,862,201	1,770,109	1,810,836	1,804,170
Construction	494,080	409,609	361,236	354,745	398,715
Accomodations and food service	522,202	502,990	462,938	448,952	430,306
Wholesale trade	344,160	341,303	312,034	312,464	326,271
Information	198,120	190,046	183,236	173,360	182,296
Manufacturing	78,211	77,005	77,339	77,810	83,845
All other industries	 525,231	497,142	464,039	 496,613	490,181
Total sales subject of retail sales tax	\$ 4,103,528	\$ 3,880,296	\$ 3,630,931	\$ 3,674,780	\$ 3,715,784
Direct sales tax rate as restated ²	6.5%	6.5%	6.5%	6.5%	6.5%

 $^{^{\}rm 1}$ Industry classifications are based on North American Industry Classification System (NAICS) codes.

 $^{^{\}rm 2}$ State tax rate only; excludes local sales tax rate.

Revenue Capacity

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

					continued
	2018	2017	2016	2015	2014
SALES TAX RATES					
State	6.5000	6.5000	6.5000	6.5000	6.5000
City direct	0.8763	0.8763	0.8763	0.8763	0.8761
County	0.5412	0.5412	0.5412	0.5412	0.5372
Spokane Transit	0.6940	0.6940	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	0.0685	0.0685	0.0727
Public Facilities District	0.0990	0.0990	0.0990	0.0990	0.0990
Total sales tax rate	8.8000	8.8000	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	0.700
Juvenile Detention and Facilities	0.100
Public Facilities Disctrict	0.100
Mental Health	0.100
Emergency Communications and Equipment	0.100
Total	8.800

Source: Washington State Department of Revenue Sales Tax Distribution Summary

¹ Taxable retail sales based upon Local .05-1.00% county/city sales tax collections per RCW 82.14.030.

Revenue Capacity

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

					concluded
	2013	2012	2011	2010	2009
SALES TAX RATES					
State	6.5000	6.5000	6.5000	6.5000	6.5000
City direct	0.8743	0.8766	0.8766	0.8765	0.8918
County	0.5411	0.5411	0.5413	0.5415	0.5412
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	0.0706	0.0683	0.0681	0.0681	0.0530
Public Facilities District	0.0990	0.0990	0.0990	0.0990	0.0990
Total sales tax rate	8.7000	8.7000	8.7000	8.7001	8.7000

Source: Washington State Department of Revenue Sales Tax Distribution Summary

¹ Taxable retail sales based upon Local .05-1.00% county/city sales tax colle ¹ Taxable retail sales based upon Local .05-1.00% county/city sales tax collections per RCW {

Schedule 12 - Number of Retail Sales Taxpayers by Industry $^{\rm 1}$

Current Fiscal Year and Nine Years Ago

	2018			2009							
Industry	Number of Businesses	Rank	Percent of Total Businesses	Industry	Number of Businesses	Rank	Percent of Total Businesses				
Retail trade	7,290	1	33.9%	Retail trade	5,073	1	29.8%				
Wholesale trade	3,231	2	15.0%	Construction	2,621	2	15.4%				
Construction	2,774	3	12.9%	Wholesale trade	2,602	3	15.3%				
Manufacturing	1,550	4	7.2%	Management, education, and health services	1,278	4	7.5%				
Professional, scientific, and technical services	1,520	5	7.1%	Other services ²	1,177	5	6.9%				
Management, education, and health services	1,394	6	6.5%	Manufacturing	1,076	6	6.3%				
All other industries3	1,093	7	5.1%	Professional, scientific, and technical services	1,060	7	6.2%				
Other services2	1,061	8	4.9%	All other industries ³	975	8	5.7%				
Information	889	9	4.1%	Accommodations and food services	619	9	3.6%				
Accommodations and food services _	692	10	3.2%	Information 51	546	10	3.2%				
Total	21,494		100.00%	_	17,027		100.00%				

 $^{^{1}}$ Industry classifications are based on North American Industry Classification System (NAICS) codes.

Source: Washington State Department of Revenue

 $^{^2}O ther services consist of repair and maintenance, personal service, and religious, civic, and other organizations.\\$

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

Schedule 13 - Ratios of Outstanding Debt by Type¹

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

<u>-</u>					continued
	2018	2017	2016 Restated	2015 Restated	2014 Restated
Governmental Activities ¹					
General obligation bonds	244,288	176,408	184,534	195,226	137,956
Special assessment bonds	5	115	180	250	480
Revitalization areas	3,053	3,291	3,429	3,571	1,383
Public Works Trust Fund Ioans	515	628	741	854	967
Promissory notes	200	200	325	325	325
Total governmental activities debt	248,061	180,642	189,209	200,226	141,111
Business-Type Activities ¹					
General obligation bonds	_	_	-	454	454
Golf revenue bond	-	_	-	-	_
Solid Waste revenue bond	-	_	-	-	_
Water/Wastewate revenue bond	156,935	163,465	169,680	195,042	200,937
Public Works Trust Fund loans/state revolving loans ⁵	67,608	65,226	52,528	35,950	20,345
Capital leases	157	243	326	172	
Total business-type activities debt	224,700	228,935	222,534	231,618	221,736
Total primary government debt	472,761	409,577	411,743	431,844	362,847
Debt Ratios					
Total Primary Government					
Ratio of total debt to personal income ²	103.22%	98.26%	0.99%	1.09%	0.94%
Total debt per capita ³	2,148	1,864	1,920	2,026	1,712
General Bond Debt					
Ratio of general bonded debt to taxable value of property ⁴	1.37%	1.05%	1.16%	1.27%	0.92%
General bonded debt per capita ³	1,110	803	860	916	651

¹ Refer to Note 9 for long-term liability activity.

 $^{^{\}rm 2}$ Personal income data can be found in Schedule 17.

 $^{^{3}}$ Population data can be found in Schedule 18.

 $^{^{\}rm 4}\,\text{Taxable}$ value of property can be found in Schedule 6.

 $^{^5 \! \}text{Previously}$ reported sewer state revolving loans combined with public works trust fund loans (renamed)

Schedule 13 - Ratios of Outstanding Debt by Type¹

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

continued 2013 Restated 2012 Restated 2011 Restated 2010 Restated 2009 Restated **Governmental Activities** General obligation bonds 152,990 163,590 174,120 184,335 150,175 Special assessment bonds 640 965 1,370 1,845 2,525 Public Works Trust Fund Ioans 1.080 1,290 1,538 1.787 2.035 Promissory notes 325 325 325 325 325 **Total Governmental Activities Debt** 155,035 166,170 177,353 188,292 155,060 **Business-Type Activities** General obligation bonds 454 454 454 454 454 Golf revenue bond 520 1.005 1,465 1.905 Solid Waste revenue bond 8.260 23,985 Water/Wastewater bond Public Works Trust Fund loans/state revolving loans⁵ 10,179 22,335 12,941 13,123 11,561 Capital leases Total Business-type Activities Debt 10,633 23,309 13,020 23,120 39,467 **Total Primary Government Debt** 165,668 189,479 190,373 211,412 194,527 **Debt Ratios Total Primary Government** Ratio of total debt to personal income² 0.45% 0.51% 0.53% 0.62% 0.57% Total debt per capita³ 785 908 1,020 847 944 General Bond Debt Ratio of general bonded debt to taxable value of property⁴ 1.04% 1.10% 1.15% 1.19% 0.98% General bonded debt per capita³ 725 779 833 891 729

¹ Refer to Note 9 for long-term liability activity.

 $^{^{\}rm 2}$ Personal income data can be found in Schedule 17.

 $^{^{3}}$ Population data can be found in Schedule 18.

 $^{^{\}rm 4}\,\text{Taxable}$ value of property can be found in Schedule 6.

⁵Previously reported sewer state revolving loans combined with public works trust fund loans (renamed)

Schedule 14 - Legal Debt Margin Information

Last Ten Fiscal Years (expressed in thousands)

					continued
	2018	2017	2016 Restated	2015 Restated	2014 Restated
LEGAL DEBT LIMIT CALCULATION					
Tax assessed value of property ¹	17,857,537	16,671,166	15,940,859	15,362,811	14,954,871
7.5% debt limit	7.50%	7.50%	7.50%	7.50%	7.50%
Debt service limitation	1,339,315	1,250,337	1,195,564	1,152,211	1,121,615
Debt applicable to the limit ² :					
General obligation bonds	244,288	176,408	184,534	195,226	137,956
Promissory notes	200	200	325	325	325
Compensated absences ³	16,691	16,018	16,946	17,793	17,406
OPEB (other postemployment benefit) liability ³	-	-	-	-	13,111
Less assets available from GO Bond Fund	(7,984)	(8,115)	(3,574)	(7,381)	(6,196)
Total net debt applicable to the debt limit	253,195	184,511	198,231	205,963	162,602
Legal debt margin	\$ 1,086,120 \$	1,065,827 \$	997,333 \$	946,248 \$	959,014
Ratio of net debt applicable to the debt limit	18.90%	14.76%	16.58%	17.88%	14.50%

¹ Taxable value of property can be found in Schedule 6.

² Refer to Note 9 for long-term liability activity.

³Excluded from the calculation beginning in 2015

Schedule 14 - Legal Debt Margin Information

Last Ten Fiscal Years (expressed in thousands)

					concluded
	2013 Restated	2012 Restated	2011 Restated	2010 Restated	2009 Restated
LEGAL DEBT LIMIT CALCULATION					_
Tax assessed value of property ¹	14,700,985	14,906,142	15,194,337	15,539,837	15,348,603
7.5% debt limit	7.50%	7.50%	7.50%	7.50%	7.50%
Debt service limitation	1,102,574	1,117,961	1,139,575	1,165,488	1,151,145
Debt applicable to the limit ² :					
General obligation bonds	152,990	163,590	174,120	184,335	150,175
Promissory notes	325	325	325	325	325
Compensated absences	15,010	17,285	12,080	11,513	10,758
OPEB (other postemployment benefit) liability	13,092	10,527	7,669	4,700	3,593
Less assets available from GO Bond Fund	(5,672)	(5,244)	(4,828)	(4,916)	(5,309)
Total net debt applicable to the debt limit	175,745	186,483	189,367	195,957	159,542
Legal debt margin	\$ 926,829	\$ 931,478 \$	950,209	5 969,531	991,603
Ratio of net debt applicable to the debt limit	15.94%	16.68%	16.62%	16.81%	13.86%

¹ Taxable value of property can be found in Schedule 6.

² Refer to Note 9 for long-term liability activity.

³Excluded from the calculation beginning in 2015

Schedule 15 - Pledged Revenue Coverage

Last Ten Fiscal Years (expressed in thousands)

					continued
	2018	2017	2016	2015	2014
REGIONAL SOLID WASTE MANAGEMENT SYSTEM REVENUE BONDS					
Gross Revenues	\$ - \$	-	\$ -	\$ -	\$ -
Operating Expenses	 -	-	-		<u>-</u>
Net Available Revenue	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Coverage Ratio	-	-	-	-	-
GOLF REVENUE BONDS					
Gross Revenues	\$ - \$	-	\$ -	\$ -	\$ -
Operating Expenses	 -	-	-	-	<u>-</u>
Net Available Revenue	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Coverage Ratio ²	-	-	-	-	-
SPECIAL ASSESSMENT DEBT ¹					
Gross Revenues	\$ 502 \$	482	\$ 777	\$ 807	\$ 880
Operating Expenses	 -	-	-	-	-
Net Available Revenue	502	482	777	807	880
Debt Service:					
Principal	317	297	674		
Interest	48	59	85	98	98
Coverage Ratio	1.37	1.35	1.02	1.06	1.51
WATER/WASTEWATER REVENUE BONDS ^{1,3}					
Gross Revenues	\$ 141,700 \$	135,391	\$ 130,179	\$ 129,443	\$ 121,183
Operating Expenses	 97,364	94,058	91,277		
Net Available Revenue	44,336	41,333	38,902	43,681	38,123
Debt Service:					
Principal	6,530	6,215	5,920		
Interest	5,982	6,519	7,069	7,842	-
Coverage Ratio	3.54	3.25	2.99	3.24	-

¹ Refer to Note 9 for long-term liability activity.

²The Golf Fund revenue did not meet the rate covenant for 2011-2013, however the debt was retired in 2013.

 $^{^{3}\}mbox{Operating}$ expenses for Golf and Water/Wastewater do not include depreciation.

Schedule 15 - Pledged Revenue Coverage

Last Ten Fiscal Years (expressed in thousands)

	 				concluded
	 2013	2012	2011	2010	2009
REGIONAL SOLID WASTE MANAGEMENT SYSTEM REVENUE BONDS					
Gross Revenues	\$ - \$	_	\$ 72,999 \$	75,383 \$	73,261
Operating Expenses	 -	-	51,051	54,301	52,903
Net Available Revenue	-	-	21,948	21,082	20,358
Debt Service:					
Principal	-	-	8,260	15,725	14,950
Interest	-	-	336	1,183	1,991
Coverage Ratio	-	-	2.55	1.25	1.20
GOLF REVENUE BONDS					
Gross Revenues	\$ 3,048 \$	3,002	\$ 2,975 \$	3,277 \$	
Operating Expenses	 2,621	2,511	2,555	2,384	2,336
Net Available Revenue	427	491	420	893	800
Debt Service:	500	405	447	400	202
Principal Interest	520 28	485 72	446 90	422 116	393 141
meresi	20	/2	70	110	141
Coverage Ratio ²	0.78	0.88	0.78	1.66	1.50
SPECIAL ASSESSMENT DEBT ¹					
Gross Revenues	\$ 1,008 \$	780	\$ 898 \$	1,030 \$	897
Operating Expenses	 -	-	-	-	
Net Available Revenue	1,008	780	898	1,030	897
Debt Service:					
Principal	639	751	894	633	835
Interest	107	137	188	205	194
Coverage Ratio	1.35	0.88	0.83	1.23	0.87
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.

 $^{^{\}rm 3}\textsc{Operating}$ expenses for Golf and Water/Wastewater do not include depreciation.

Debt Capacity

Schedule 16 - Direct and Overlapping Debt

As of December 31, 2018 (expressed in thousands)

Jurisdiction	Debt	Outstanding ¹	Percentage Applicable to City ²	Estimated Amount of Overlapping Debt		
City of Spokane	\$	244,288	100.00%	\$	244,288	
Overlapping: Spokane County		123,640	41.45%		51,249	
School District #81		469,765	90.49%		425,090	
Mead School District #354		183,135	22.01%		40,308	
Cheney School District #360		143,625	20.21%		29,027	
West Valley School District #363		13,075	1.53%		200	
Liberty School District #362		12,481	0.01%		1	
Moran Library		805	12.44%		100	
Fire District #8		545	6.43%		35	
Total Other Jurisdictions		947,071			546,010	
Total direct and overlapping debt	\$	1,191,358		\$	790,298	
Direct and overlapping debt per capita		5,413			3,591	

Source: Spokane County

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.

Schedule 17 - Demographic and Economic Statistics City of Spokane vs. State of Washington

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

					continued
	2018	2017	2016 Restated	2015 Restated	2014 Restated
City of Spokane ⁵ Personal income2 (thousands of dollars)	NA	\$ 9,553	\$ 8,883	\$ 8,470 \$	8,198
Percent change	NA NA	7,533	4.88%	3.33%	4.72%
•					
Per capita ²	NA	43,962	41,414	39,748	38,669
Median age ¹	-	-	-	37.68	-
School enrollment ³	30,795	30,817	30,455	30,125	30,180
Unemployment rate ⁴	5.40	5.60	6.50	6.80	7.10
Consumer price index (CPI) ⁴	263.26	254.74	247.71	243.02	240.20
CPI percent change	3.35%	2.84%	1.93%	1.17%	1.87%
State of Washington ¹					
Personal income ⁵	\$ 458,017	\$ 416,816	\$ 397,772	379,951	358,988
Percent change	9.88%	4.79%	4.69%	5.84%	7.75%
Per capita	60,781.0	56,283.0	54,632	53,119	50,942

Sources:

Demographic Information

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

Last Ten Fiscal Years (expressed in thousands)

	2018	2017	2016 Restated	2015 Restated	2014 Restated
City of Spokane1					
Population	220.1	217.3	214.5	213.1	212.0
Net Increase (Decrease)	2.8	2.8	1.4	1.1	1.0
Percent change	1.3%	1.3%	0.7%	0.5%	0.5%
Components of change: (Birth & Death Rates)					
Births	NA	NA	3.5	3.7	3.6
Deaths	NA	NA	NA	2.6	2.2
Net migration	NA	NA	NA	2.20	2.40
State of Washington1					
Population	7,427.6	7,310.0	7,183.7	7,061.0	6,968.0
Net Increase (Decrease)	117.57	126.30	122.70	93.00	85.60
Percent change	1.61%	1.76%	1.74%	1.33%	1.24%
Components of change:					
Births	92.0	91.2	90.0	88.5	87.0
Deaths	58.4	55.4	54.6	52.8	50.7
Net migration	151	162	158	129	122

Source

¹Washington State Office of Financial Management

²U.S. Bureau of Economic Analysis

³Spokane Public Schools District ⁴U.S. Bureau of Labor Statistics

 $^{^{5}\}mbox{Spokane}$ is now included in the Spokane-Spokane Valley MSA; 2012 was restated as a result

¹Washington State Office of Financial Management

Schedule 17 - Demographic and Economic Statistics City of Spokane vs. State of Washington

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

						concluded
	201	13 Restated	2012 Restated	2011 Restated	2010 Restated	2009 Restated
City of Spokane⁵ Personal income ²	\$	7,828	\$ 7,768	\$ 7,463	\$ 7,110	\$ 6,994
Percent change		0.78%	4.08%	4.97%	1.66%	-2.42%
Per capita ²		37,102	36,990	35,710	34,347	33,951
Median age ¹		37.21	37.13	37.11	37.36	37.11
School enrollment ³		29,256	28,868	29,034	29,034	29,261
Unemployment rate⁴		7.90	8.60	9.43	9.22	8.80
Consumer price index (CPI) ⁴		235.80	232.40	227.50	221.20	218.80
CPI percent change		1.46%	2.15%	2.85%	1.10%	-0.36%
State of Washington ¹						
Personal income	\$	333,169	\$ 326,409	\$ 301,586	\$ 284,524	\$ 278,991
Percent change		2.07%	8.23%	6.00%	1.98%	-5.09%
Per capita		47,846	47,338	44,202	42,194	41,844

Sources:

Demographic Information

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

Last Ten Fiscal Years (expressed in thousands)

	continued				
	2013 Restated	2012 Restated	2011 Restated	2010 Restated	2009 Restated
City of Spokane1					
Population	211.0	210.0	209.0	207.0	206.0
Net Increase (Decrease)	1.0	1.0	2.0	1.0	2.0
Percent change	0.5%	0.5%	1.0%	0.5%	1.0%
Components of change:					
Births	3.6	3.5	3.6	3.4	3.7
Deaths	2.3	2.2	2.2	2.2	2.2
Net migration	2.30	2.30	3.40	2.20	3.50
State of Washington1					
Population	6,882.4	6,817.8	6,767.9	6,724.5	6,672.2
Net Increase (Decrease)	64.60	49.90	43.40	52.30	64.00
Percent change	0.95%	0.74%	0.65%	0.78%	0.97%
Components of change:					
Births	87.1	87.1	86.4	88.4	89.8
Deaths	51.1	49.2	48.8	47.7	48.1
Net migration	101	88	81	93	106

Source

¹Washington State Office of Financial Management

²U.S. Bureau of Economic Analysis

³Spokane Public Schools District ⁴U.S. Bureau of Labor Statistics

 $^{^{5}\}mbox{Spokane}$ is now included in the Spokane-Spokane Valley MSA; 2012 was restated as a result

¹Washington State Office of Financial Management

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
	2018	2017	2016	2015*	2014
City of Spokane (MSA) 1,*					
Civilian labor force	267,611	263,374	257,588	256,500	225,031
Employment	252,575	248,715	240,596	239,000	208,951
Total unemployment	15,036	14,659	16,993	17,500	16,080
Unemployment percentage rate	5.6%	5.6%	6.6%	6.8%	7.1%
State of Washington ¹					
Civilian labor force	3,822,984	3,725,000	3,644,000	3,544,000	3,488,000
Employment	3,652,583	3,547,000	3,446,000	3,344,000	3,270,000
Total unemployment	170,401	178,000	198,000	200,000	218,000
Unemployment percentage rate	4.5%	4.8%	5.4%	5.6%	6.3%

Source:

¹Washington State Office of Financial Management

^{*}Changed from Spokane County data to Spokane-Spokane Valley MSA in 2015

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

Last Ten Fiscal Years (expressed in thousands)

					concluded
	2013	2012	2011	2010	2009
City of Spokane ¹					
Civilian labor force	224,690	229,965	230,702	235,293	238,026
Employment	206,870	210,083	209,153	212,081	216,121
Total unemployment	17,820	19,882	21,549	23,212	21,905
Unemployment percentage rate	7.9%	8.6%	9.3%	9.9%	9.2%
State of Washington ¹					
Civilian labor force	3,434,160	3,481,460	3,482,240	3,516,010	3,523,740
Employment	3,196,320	3,197,290	3,161,820	3,166,880	3,194,250
Total unemployment	237,840	284,170	320,420	349,130	329,490
Unemployment percentage rate	6.9%	8.2%	9.2%	9.9%	9.4%

Source:

¹Washington State Office of Financial Management

Demographic Information Schedule 20- Principal Employers Current Fiscal Year and Nine Years Ago for Spokane County Employers

2018	2009					
Employer	Rank	Number of Employees	Employer	Rank	Nun Emp	
Fairchild Air Force Base	1	5,935	State of Washington	1		
Providence Heath Care	2	5,425	Fairchild Air Force Base	2		
State of Washington	3	5,100	Sacred Heart Medical Center	3		
Spokane Public Schools	4	3,568	Spokane Public Schools	4		
Multicare - Inland Nortwest Region	5	3,110	Spokane County	5		
City of Spokane	6	2,174	City of Spokane	6		
ookane County	7	2,124	United States Government	7		
alispel Tribal Economic Authority	8	1,882	Deaconess Medical Center	8		
Central Valley School District	9	1,614	Northern Quest Resort & Casino	9		
Wal-Mart Stores Inc.	10	1,431	URM Stores Inc.	10		
otal		32,363				
Percentage of Spokane Metropolitan Statistical Area (MSA) 12.81%						

Sources:

Journal of Business, Largest Spokane County Employers Bureau of Labor and Statistics

https://advantagespokane.com/major-employers/

Operating Information

Schedule 21 - Full Time Equivalent Staff Comparison
Last Ten Fiscal Years (expressed in millions except per capita)

Function	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General government	303.0	291.0	289.8	287.8	282.3	286.1	301.8	278.5	279.6	300.6
Public safety	885.8	893.8	840.0	799.3	773.8	754.7	791.3	776.3	807.0	826.5
Utilities environment	577.0	573.0	569.5	643.5	636.0	646.0	660.0	668.0	676.0	641.0
Transportation	198.0	185.0	184.0	130.0	135.2	127.8	135.3	137.3	147.3	146.3
Economic environment	62.5	52.0	49.8	45.0	42.0	53.3	55.5	56.7	62.2	62.0
Mental and physical health	10.5	10.0	5.5	-	-	-	-	-	-	-
Culture and recreation	188.7	179.3	176.6	172.2	173.0	169.5	177.9	180.4	185.7	183.7
Total	2,225.4	2,184.1	2,115.2	2,077.7	2,042.3	2,037.4	2,121.8	2,097.2	2,157.7	2,160.1
Percentage change	1.9%	3.3%	1.8%	1.7%	0.2%	-4.0%	1.2%	-2.8%	-0.1%	2.4%

Source: City of Spokane Accounting

In Budget Ledger, On-Line Inquiry

Schedule 22 - Operating and Capital Asset Indicators by Function General Government

Last Ten Fiscal Years

continued 2018 2017 2016 2015 2014 MUNICIPAL COURT1 Number of Filings: Parking 51,643 58.523 59,261 57,364 66,067 Infraction 10,521 10,242 11,537 12,426 12,060 Criminal 7,773 7,215 7,326 7,582 7,303 Total filings 69,937 75,980 78,124 77,372 85,430

 $^{^{\}rm l}$ Does not include photo red violations.

22,465

10,348

95,140

24,137

10,827

96,792

Operating Information

Schedule 22 - Operating and Capital Asset Indicators by Function General Government

Last Ten Fiscal Years

Infraction

Criminal

Total filings

 2013
 2012
 2011
 2010
 2009

 MUNICIPAL COURT¹

 Number of Fillings:

 Parking
 55,219
 63,429
 57,355
 62,327
 61,828

12,636

8,387

76,242

15,380

8,963

87,772

17,889

9,496

84,740

¹ Does not include photo red violations.

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

Last Ten Fiscal Years

					continued
	2018	2017	2016	2015	2014
POLICE DEPARTMENT					
Adult Arrests	6,347	4,663	6,576	11,000	8,357
Juvenile Arrests	342	457	330	853	898
Property Crimes:					
Burglary	2,157	2,015	1,999	2,817	3,365
Larceny	12,473	11,319	8,948	11,408	12,455
Auto Theft	1,760	1,654	1,498	1,746	2,242
Arson	45	48	28	44	56
Total property crimes	16,435	15,036	12,473	16,015	18,118
Violent Crimes:					
Homicide	8	6	7	12	10
Forcible Rape ¹	302	186	113	119	117
Robbery	293	212	239	333	416
Aggravated Assault	1,093	831	566	647	613
Total violent crimes	1,696	1,235	925	1,111	1,156
Number of stations	5	5	4	4	4
Number of patrol units	18	18	18	18	24
Number of police vehicles	335	326	312	304	283
Number of motorcycles	16	12	13	14	15
FIRE DEPARTMENT					
Incident response					
Alarm system	2,136	2,206	1,817	1,911	1,871
Structure fire	1,896	1,869	1,647	1,800	1,555
Service call	521	548	469	494	439
Hazardous materials	367	382	359	399	353
Vehicle Fire	170	182	175	137	142
Brush/wildland fire	206	215	152	147	158
Trash/dumpster fire					-
Extrication	61	66	46	34	40
Miscellaneous	62	90	37	30	62
Total incident response	5,419	5,558	4,702	4,952	4,620
Emergency Response					
Basic life support	19,807	18,979	18,971	18,572	16,867
Advanced life support	16,208	15,158	12,710	12,999	11,530
Motor vehicle accident	2,816	2,771	2,691	2,615	2,482
Ambulance transfer only	5	12			
Total emergency response	38,836	36,920	34,372	34,186	30,879
Inspections conducted	11,945	10,558	10,854	11,433	11,470
Number of fire stations	16	16	16	16	15

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
	2013 Restated	2012	2011	2010	2009
POLICE DEPARTMENT					
Adult Arrests	9,621	N/A	N/A	N/A	N/A
Juvenile Arrests	1,033	1,271	1,171	1,483	1,480
Property Crimes:					
Burglary	3,889	3,827	3,030	2,859	2,565
Larceny	13,352	12,600	10,231	10,174	8,864
Auto Theft	2,290	2,095	1,778	2,009	1,737
Arson	59	N/A	N/A	45	74
Total property crimes	19,590	18,522	15,039	15,087	13,240
Violent Crimes:					
Homicide	11	13	4	6	7
Forcible Rape ¹	166	81	84	80	75
Robbery	518	537	484	432	443
Aggravated Assault	745	737	732	752	745
Total violent crimes	1,440	1,368	1,304	1,270	1,270
Number of stations	5	10	12	13	13
Number of patrol units	20	16	16	16	16
Number of police vehicles	270	260	251	254	253
Number of motorcycles	15	18	19	20	18
FIRE DEPARTMENT					
Incident response					
Alarm system	1,702	1,720	1,684	1,640	1,710
Structure fire	1,518	1,571	1,356	1,296	1,291
Service call	466	465	368	416	386
Hazardous materials	331	271	254	246	294
Vehicle Fire	158	138	145	171	174
Brush/wildland fire	121	163	164	199	173
Trash/dumpster fire	-	187	-	37	108
Extrication	48	43	29	29	28
Miscellaneous	81	N/A	54	35	34_
Total incident response	4,425	4,558	4,054	4,069	4,198
Emergency Response					
Basic life support	15,305	14,573	13,009	12,073	11,504
Advanced life support	11,021	10,624	9,810	9,696	9,520
Motor vehicle accident	2,398	2,532	2,208	2,342	1,985
Ambulance transfer only	_	14	-	-	25
Total emergency response	28,724	27,743	25,027	24,111	23,034
Inspections conducted	10,552	9,528	9,230	8,928	9,262
Number of fire stations	15	14	15	14	14

¹Guidelines for defining rape were changed in 2013

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

Last Ten Fiscal Years

					continued
	2018	2017	2016	2015	2014
CODE ENFORCEMENT DEPARTMENT					
Number of illegal dumps - private property	12	60	80	99	95
Number of illegal dumps - right of way	226	723	785	623	270
Number of illegal dumps - combined (after 4/2018)	1,053	-	-	-	-
Number of zoning violations	1,103	704	755	743	598
Number of noise variances	1	-	-	1	-
Number of fire hazard complaints	336	266	211	397	385
Number of building official complaints	355	314	286	357	-
Number of junk vehicle reports	338	542	396	286	279
Number of solid waste complaints	1,656	1,042	1,165	1,098	937
Number of miscellaneous complaints	2	2	2	5	6
Total complaints	5,082	3,653	3,680	3,609	2,570
BUILDING DEPARTMENT					
Residential permits issued	2,883	3,708	5,200	2,941	2,755
Commercial permits issued	905	945	1,139	947	956
Total permits issued	3,788	4,653	6,339	3,888	3,711
Residential permit values (expressed in thousands)	184,044	216,450	198,456	168,858	161,300
Commercial permit values (expressed in thousands)	274,544	299,192	214,319	157,005	150,800
Total permit values	458,588	515,642	412,775	325,863	312,100

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

Last Ten Fiscal Years

					concluded
	2013	2012	2011	2010	2009
CODE ENFORCEMENT DEPARTMENT					
Number of illegal dumps - private property	154	106	105	96	65
Number of illegal dumps - right of way	537	1546	1713	2002	989
Number of illegal dumps - combined (after 4/2018)	-	0	0	0	0
Number of zoning violations	506	445	428	442	359
Number of noise variances	7	48	48	68	24
Number of fire hazard complaints	332	255	314	381	336
Number of building official complaints	281	198	179	259	244
Number of junk vehicle reports	285	238	1	407	319
Number of solid waste complaints	966	1010	978	1224	780
Number of miscellaneous complaints	6	10	8	5	13
Total complaints	3,074	3,856	3,774	4,884	3,129
BUILDING DEPARTMENT					
Residential permits issued	2,707	2,541	2,663	3,369	3,199
Commercial permits issued	828	933	894	872	805
Total permits issued	3,535	3,474	3,557	4,241	4,004
Residential permit values (expressed in thousands)	140,100	101,000	108,000	75,900	80,000
Commercial permit values (expressed in thousands)	394,500	248,000	129,000	175,800	163,000
Total permit values	534,600	349,000	237,000	251,700	243,000

Schedule 24 - Operating and Capital Asset Indicators by Function Transportation

Last Ten Fiscal Years

_					continued
_	2018	2017	2016	2015	2014
STREET DEPARTMENT					
Number of parking violations	51,660	64,526	69,229	64,012	67,666
Street resurfacing (lane miles)	13	14	18	18	18
Grind and overlay (square yards)	114,753	134,439	109,827	87,544	96,751
Skin patch (square yards)	33,900	46,492	7,718	23,832	27,443
Potholes repaired (square yards)	15,556	21,344	10,934	9,956	10,953
Deicer applied (expressed in thousand gallons)	1,104	1,760	982	840	1,001
Traction sand applied (tons)	1,608	8,048	2,586	3,019	2,245
Salt/Delcer (tons)	9,209	5,485	2	13	16
Miles of streets:					
Cement concrete pavement	11	11	10	10	10
Asphalt plant or road mix	932	932	931	928	925
Bituminous surface treatment	N/A	N/A	N/A	N/A	N/A
Gravel or crushed rock	25	25	25	25	26
Dirt and unimproved	31	31	31	31	32
Brick	3	3	3	3	3
Total street miles	1,002	1,001	1,000	997	996
Miles of sidewalks	1,198	1,218	1,282	1,282	1,265
Number of street lights ¹	12,645	12,462	12,430	12,637	12,784
Number of traffic signals	267	264	263	261	258
Number of parking meters	3,309	3,321	3,331	3,378	3,370
Number of parking kiosks	10	10			
Number of bridges	40	40	40	41	41

¹ Number of street lights includes city-owned and maintained light poles as well as those leased from Avista. Salt/Deicer (added in 2017)
Parking Kiosks (added in 2017)

Schedule 24 - Operating and Capital Asset Indicators by Function Transportation

Last Ten Fiscal Years

					concluded
	2013	2012	2011	2010	2009
STREET DEPARTMENT					
Number of parking violations	55,383	64,421	56,885	61,103	60,580
Street resurfacing (Iane miles)	14	12	16	13	13
Grind and overlay (square yards)	74,985	63,633	60,917	75,774	59,021
Skin patch (square yards)	9,185	18,300	46,705	9,707	29,569
Potholes repaired (square yards)	12,326	13,124	15,301	7,836	11,243
Deicer applied (expressed in thousand gallons)	790	1,166	1,115	891	849
Traction sand applied (tons)	1,048	1,146	916	1,278	949
	24				
Miles of streets:					
Cement concrete pavement	11	10	9	10	11
Asphalt plant or road mix	923	921	905	904	904
Bituminous surface treatment	N/A	N/A	N/A	N/A	N/A
Gravel or crushed rock	27	28	27	27	29
Dirt and unimproved	32	32	31	31	32
Brick	3	3	3	3	3
Total street miles	996	994	974	974	977
Miles of sidewalks	1,084	1,167	1,167	1,155	1,250
Number of street lights ¹	12,905	13,270	13,004	12,990	13,009
Number of traffic signals	256	256	252	252	251
Number of parking meters	2,847	2,744	2,814	2,854	2,848
Number of bridges	40	38	39	39	38

 $^{^{\}rm 1}$ Number of street lights includes city-owned and maintained light poles as well as those leased from Avista.

Schedule 25 - Operating and Capital Asset Indicators by Function

Utilities Environment

Last Ten Fiscal Years

<u> </u>					continued
	2018	2017	2016	2015	2014
WATER DEPARTMENT					_
Miles of water mains	1,071	1,064	1,059	1,053	1,074
Number of fire hydrants	7,534	7,459	7,402	7,356	7,335
Storage capacity (expressed in million gallons)	106	106	106	106	106
Number of service connections/water customers	81,740	78,437	76,500	73,573	74,331
Number of new connections	609	498	580	810	452
Average daily production (expressed in thousand gallons)	65,194	63,202	60,968	65,474	61,856
Peak daily production (expressed in thousand gallons)	150,546	166,035	112,583	138,914	136,041
WASTEWATER DEPARTMENT					
Number of accounts/wastewater customers	72,481	72,261	71,211	70,954	71,280
Sanitary sewers (expressed in miles)	876	876	873	870	869
Storm sewers (expressed in miles)	353	355	353	357	360
Daily treatment capacity (expressed in thousand gallons)	56,000	56,000	56,000	44,000	44,000
Average daily treatment (expressed in thousand gallons)	33,360	37,510	30,172	27,090	29,020
SOLID WASTE DEPARTMENT ¹					
Electrical generation (expressed in annual mwh)	151,327	142,139	150,707	137,954	132,776
Solid waste disposed (expressed in tons)	297,309	293,959	279,185	238,110	317,437
Ash generated by waste-to-energy facility (expressed in tons	67,627	67,356	70,978	66,052	71,593
Ferrous metals recovered (expressed in tons)	9,263	9,228	9,479	8,693	10,358
Recycled materials collected (expressed in tons):					
City residential curbside	N/A	N/A	N/A	N/A	N/A
City commercial collection	N/A	N/A	N/A	N/A	N/A
Single Stream residential/commercial collection ²	21,483	21,762	20,878	19,867	18,447
Che	ecking on this one Ch	ecking on this one			
Collection Point Sources (expressed in tons):					
County/Regional curbside and commercial ³	N/A	N/A	N/A	N/A	14,027
Transfer station recycling centers	2,344	2,137	2,157	N/A	2,920
City Hall recycling program	N/A	N/A	N/A	N/A	N/A
Centralized composting ⁴	9,751	8,972	10,249	22,204	36,718
Household hazardous waste ⁴	108	120	109	150	365

¹The Solid Waste fund is composed of two departments: Solid Waste Collection is curbside sollection from city customers; Solid Waste Disposal includes the Waste to Energy burner and the landfills.

 $^{^2}$ City residential curbside and commercial collections were consolidated in Single Stream collections in 2013

 $^{^{3}\}mbox{Curbside}$ and commercial numbers are no longer separated

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

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

Last Ten Fiscal Years

concluded 2013 2012 2011 2010 2009 WATER DEPARTMENT Miles of water mains 1.070 1061 1051 1045 1007 Number of fire hydrants 7.304 7297 7312 7254 7220 Storage capacity (expressed in million gallons) 106 106 106 106 105 73311 73199 72983 Number of service connections 73,879 73514 Number of new connections 317 155 277 216 234 58,093 57597 56717 56462 61377 Average daily consumption (expressed in thousand gallons) Peak daily consumption (expressed in thousand gallons) 128,221 119119 119440 125574 126197 WASTEWATER DEPARTMENT Number of service connections 70,100 69931 69801 69600 69631 Sanitary sewers (expressed in miles) 868 865 865 857 857 Storm sewers (expressed in miles) 361 367 367 365 365 Daily treatment capacity (expressed in thousand gallons) 44,000 44000 44000 44000 44000 Average daily treatment (expressed in thousand gallons) 28,460 33750 40840 38110 38699 SOLID WASTE MANAGEMENT DEPARTMENT 136,888 170056 173044 163250 Electrical generation (expressed in annual mwh) 171142 296,988 297914 303911 319883 329588 Solid waste disposed (expressed in tons) Ash generated by waste-to-energy facility (expressed in tons) 71,627 76222 79817 81898 77238 Ferrous metals recovered (expressed in tons) 9.566 8702 8986 9085 9434 Recycled materials collected (expressed in tons): 10175 8058 8757 City residential curbside N/A 8526 City commercial collection N/A 1957 2690 2912 2842 Single Stream residential/commercial collection 18,418 N/A N/A N/A N/A Collection Point Sources (expressed in tons): 14,788 12388 8948 9070 8438 County/Regional curbside and commercial Transfer station recycling centers 3.176 3098 3494 3846 3791 City Hall recycling program N/A N/A N/A N/A N/A Centralized composting 42,950 38031 37184 45308 43714 Household hazardous waste 713 891 549 640 793

¹The Solid Waste fund is composed of two departments; Solid Waste Collection is curbside sollection from city customers; Solid Waste Disposal includes the Waste to Energy burner and the landfills.

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

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

Last Ten Fiscal Years

					continued
	2018	2017	2016	2015	2014
PARKS DEPARTMENT					
Number of parks maintained	84	84	84	84	84
Park acreage	1,285	1,285	1,285	1,285	1,285
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
Number of basketball courts	39	39	39	39	39
Number of athletic fields	74	74	74	74	74
Number of skate parks	2	2	2	3	3
Number of BMX bike tracks	1	1	1	1	1
Park trails (miles)	35	35	33	33	33
Aquatic center admissions	119,219	117,000	112,977	102,500	114,000
Recreation program registrants	12,882	9,847	10,257	10,182	10,571
Golfrounds	138,404	131,706	145,960	150,444	131,243
Riverfront Park attraction attendees	346,313	42,469	527,111	628,314	696,178
Sports complex field rentals (hours)	16,517	22,121	14,261	13,424	12,633
LIBRARY DEPARTMENT					
Number of libraries	6	6	6	6	6
Number of library patron visits	918,392	907,618	968,415	978,923	970,083
Number of volumes in library collection	392,557	402,819	405,682	420,564	452,124
Number of volumes borrowed	1,926,716	2,039,532	2,312,176	2,132,718	2,151,914

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

Last Ten Fiscal Years

concluded 2013 2012 2011 2008 2007 PARKS DEPARTMENT Number of parks maintained 84 84 84 84 84 1.285 1.281 1.281 1.281 Park acreaae 1,281 Number of golf courses 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 1 1 Number of basketball courts 39 37 37 36 36 Number of athletic fields 74 74 74 74 74 Number of skate parks 3 3 3 3 2 Number of BMX bike tracks 1 1 1 1 N/A 29 Park trails (miles) 31 29 29 27 104,021 118,751 123,850 Aquatic center admissions 130,001 N/A Recreation program registrants 12,424 14,994 14,527 10,694 13,371 143,081 151,587 129,632 Golf rounds 143,678 141,217 791,851 Riverfront Park attraction attendees 699,256 775,792 793,627 726,961 12,828 Sports complex field rentals (hours) 12,736 12,634 N/A N/A LIBRARY DEPARTMENT Number of libraries 6 6 6 6 6 920,740 940,097 948,826 964,259 931,986 Number of library patron visits Number of volumes in library collection 501,345 479,398 514,065 506,978 529,194 Number of volumes borrowed 2,099,557 2,013,748 2,088,854 2,075,220 2,014,756

Ongoing Continuing Compliance

Ongoing Continuing Compliance Schedule A

City of Spokane General Fund Comparative Statement of Revenues, Expenditures and Changes in Fund Balance 2014 - 2018 Years ending December 31

			Audited		
	2018	2017	2016	2015	2014
REVENUES					
Taxes	163,991,450	160,019,356	151,201,589	148,114,876	144,212,210
Licenses and permits	7,015,148	7,315,253	6,992,715	6,769,497	6,559,707
Intergovernmental	8,564,165	6,375,196	4,549,060	8,813,594	4,904,281
Charges for services	21,238,944	19,585,639	18,389,565	14,869,699	14,996,191
Fines and forfeitures	2,707,721	3,338,326	3,225,243	3,268,994	3,429,036
Miscellaneous	8,717,359	8,165,828	8,787,853	5,541,035	5,169,566
Net inc(dec) in market value of investments	(3,395,853)	1,987,713	(6,220,198)	-	-
Total Revenues	208,838,934	206,787,311	186,925,827	187,377,695	179,270,991
EXPENDITURES					
Current:					
General government	33,037,079	31,433,935	30,150,004	30,259,412	29,794,365
Public safety	117,110,880	112,748,488	107,467,432	106,937,313	99,969,355
Utilities environment	-	-	_	-	-
Transportation	6,734,266	6,346,328	6,057,102	5,628,838	5,478,905
Economic environment	4,829,039	4,583,044	5,402,059	4,281,283	5,878,651
Mental and physical health	-	-	-	-	99,984
Social services ¹	1,943,320	2,167,341	1,712,802	1,573,722	-
Culture and recreation	9,143,132	8,774,374	7,785,349	8,522,999	8,562,684
Capital outlays	1,728,595	1,531,171	1,460,157	1,971,376	2,048,890
Debt service:					
Interest	-	(3,488)	66,518	-	
Total Expenditures	174,526,311	167,581,193	160,101,423	159,174,943	151,832,834
	., .,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	, ,		107,17 1,7 10	101/002/001
Excess of Revenues Over (Under) Expenditures _	34,312,623	39,206,118	26,824,404	28,202,752	27,438,157
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	95,538	294,390	130,008	62,560	(265)
Transfers in	810,265	890,265	137,523	463,420	50,000
Transfers out	(32,270,701)	(30,277,359)	(28,917,531)	(26,640,585)	(27,267,901)
-	·	,	,	,	
Total Other Financing Sources (Uses)	(31,364,898)	(29,092,704)	(28,650,000)	(26,114,605)	(27,218,166)
Change in Fund Balance	2,947,725	10,113,414	(1,825,596)	2,088,147	219,991
			. ,		
Other Changes in Fund Balance	1 547 040	(0.53)	1 //1 001	100 540	5E/ 000
Prior period adjustment	1,547,948	(253)	1,661,821	123,549	556,890
Fund Balance - beginning (restated)	52,571,106	40,909,744	42,735,593	39,212,203	38,868,663
Fund Balance - ending	55,518,831	51,023,158	40,909,997	41,300,350	39,088,654

Ongoing Continuing Compliance Schedule B

City of Spokane General Fund Comparative Balance Sheet 2014 - 2018 Years ending December 31

			Audited		
_	2018	2017	2016	2015	2014
ASSETS					
Cash and cash equivalents	19,202,028	2,148,475	1,803,585	9,784,982	5,990,964
Deposits with fiscal agents/trustees	22,698	30,795	28,951	39,468	57,253
Equity in pooled investments	15,752,233	26,036,402	20,812,665	15,167,316	16,651,243
Taxes receivable	14,150,058	15,033,874	14,291,919	13,716,385	13,109,413
Accounts receivable	3,791,054	3,822,305	3,793,523 1,599,594	3,395,080	3,171,307
Interest receivable	1,680,644	1,871,345 6,631,438	1,399,394 5,779,973	468,441 5,872,342	265,312 5,324,271
Due from other funds Interfund loan receivable	7,953,360 2,748,169	6,631,436 2,710,106	2,076,257	3,672,342 1,575,464	2,756,425
Due from other governments	1,365,447	2,057,003	721,935	925,452	1,025,942
Advances to other funds	2,182,911	1,839,594	1,285,800	931,921	632,769
Inventory	71,195	1,007,074	1,205,000	751,721	002,707
Notes/contracts receivable (non	71,175				
current)	121,927	129,694	155,868	168,779	220,596
	(0.041.704	(0.011.001	50.050.070	50.045.400	10.005.105
Total Assets	69,041,724	62,311,031	52,350,070	52,045,630	49,205,495
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	3,104,662	2,465,054	1,569,886	1,925,043	2,116,933
Due to other funds	1,396,865	463,016	1,183,882	1,313,127	1,003,485
Due to other governments	904,468	473,175	445,600	107,855	11,164
Interfund loan payable	-	_	-	-	47,804
Other accrued liabilities	5,605,502	5,411,728	5,238,660	4,275,669	3,682,699
Other current liabilities	781,425	766,385	793,914	935,395	1,164,547
Revenues collected in advance	-	2,481	57,500	60,000	-
Total Liabilities	11,792,922	9,581,839	9,289,442	8,617,089	8,026,632
Deferred Inflows	1,729,971	1,706,034	2,150,631	2,128,191	2,090,209
Total liabilities plus Deferred Inflows					
Total Liabilities plus Deferred Inflows of Resources	13,522,893	11,287,873	11,440,073	10,745,280	10,116,841
		, ,	, ,	,,	
Fund Balance					
Nonspendable	2,254,106	1,842,594	1,285,800	931,921	713,084
Restricted for:					
Capital projects	-	-	-	-	-
Grants	781,744	799,281	607,551	612,166	643,384
Committed	5,600,258	2,554,288	2,866,813	16,101,623	15,223,429
Assigned	21,940,989	18,289,409	17,100,707	3,687,376	4,516,930
Unassigned	24,941,734	27,537,586	19,049,126	19,967,264	17,991,827
Total Fund Balance	55,518,831	51,023,158	40,909,997	41,300,350	39,088,654

Ongoing Continuing Compliance Schedule C

City of Spokane Water/Wastewater System Historical Operating Results (in thousands) 2014-2018

	Audited					
- -	2018	2017	2016	2015	2014	
Operating Revenues	1.41.700	125 201	120 170	105 750	110 704	
Charges for services Total Operating Revenues	141,700 141,700	135,391 135,391	130,179 130,179	125,752 125,752	119,794 119,794	
Total Operating Nevertoes	141,700	100,071	100,177	120,702	117,774	
Operating Expenses						
Salaries and wages	24,517	23,615	22,546	22,031	20,687	
Personnel benefits	8,192	7,759	8,012	7,857	7,660	
Supplies Other continues and aborroom	6,001	5,087	4,763	4,856 22,173	4,353	
Other services and charges Taxes	24,627 33,640	25,865 31,451	25,685 29,975	28,574	23,109 27,252	
Depreciation	22,495	22,323	22,092	20,604	19,185	
Risk transfer payments	386	280	274	271	-	
Total Operating Expenses	119,858	116,381	113,347	106,367	102,245	
Operating Income (Loss)	21,842	19,010	16,832	19,385	17,549	
Nonoperating Revenues & Expenses						
Interest income	497	427	218	1,129	502	
Gain(Loss) on disposition of fixed assets	(238)	(315)	(332)	41	(30)	
Interest expense	(7,033)	(7,176)	(7,243)	(7,842)	(1,257)	
Other non-operating revenue	7,046	2,179	1,965	2,522	886	
Other non-operating expense		-	-	-	(481)	
Total Nonoperating Revenue (Expense)	272	(4,885)	(5,392)	(4,151)	(380)	
Income(Loss) before contributions & transfers	22,114	14,125	11,440	15,235	17,169	
Capital contributions	20,927	9,169	7,392	7,664	8,966	
Transfers in	25	-		-	-	
Transfers out	(6,214)	(5,050)	(5,093)	(7,865)	(155)	
Change in Net Position	36,852	18,244	13,739	15,034	25,980	
Prior period adjustment Change in accounting principle (GASB 75)	44 -	(358) (1,486)	(461) -	(9) (41,400)	(3,635)	
Net Position - beginning (restated)	642,226	623,939	612,044	597,471	616,535	
Net Position - ending	679,078	642,182	625,783	612,504	638,880	
Debt Service Calculation Adjustments						
Gross Revenues	149,005	137,681	132,030	129,443	121,183	
Less: Operating Expenses	97,364	94,058	91,255	85,762	83,060	
Amount available for debt service	51,642	43,624	40,775	43,681	38,123	
Debt service amount-principal	6,530	6,215	5,920	5,625		
Debt service amount-interest	7,022	7,333	7,629	5,625 7,888	-	
Debt service ratio	3.81	3.22	3.01	3.23	-	

Ongoing Continuing Compliance Schedule D

City of Spokane Water/Wastewater System Balance Sheet (in thousands) 2014-2018

	Audited						
		2018		2017	2016	2015	2014
ASSETS							_
Current Assets:							
Cash and cash equivalents	\$	18,403	\$	4,941	\$ 3,607	\$ 45,297	\$ 5,952
Deposits with fiscal agents/trustees		51		51	51	51	51
Equity in pooled investments		114,589		223,061	266,277	221,918	287,293
Accounts receivable		14,059		14,114	13,822	12,842	12,518
Interest receivable		120		146	314	107	235
Due from other funds		445		349	1,814	2,111	1,505
Interfund Ioan receivable		1,987		2,775	2,539	1,748	1,466
Due from other governments		17,327		9,251	13,564	21,766	5,872
Inventories		3,247		3,058	2,611	2,489	2,455
Total Current Assets		170,228		257,745	304,598	308,329	317,348
Noncurrent Assets:							
Land		11,109		10,812	10,110	10,107	8,780
Construction in progress		168,023		124,488	63,264	56,509	43,853
Property, plant, & equipment		347,378		340,309	333,879	310,385	306,574
Infrastructure		663,802		570,902	550,301	525,502	487,762
Intangible assets		114		114	114	114	114
Less accumulated depreciation		(381,852)		(360,725)	(339,519)	(318,428)	(298,738)
Total Capital Assets		808,575		685,900	618,149	584,189	548,345
Other Noncurrent Assets:							
Other noncurrent assets/deferred amts		28		33	39	44	50
Advances to other funds		10,883		16,342	17,379	13,992	11,553
Total Noncurrent Assets		10,910		16,375	17,418	14,036	11,602
Total Assets		989,713		960,021	940,165	906,554	877,294
Deferred outflows of resources-pensions		7,329		10,342	8,631	7,521	-
Total assets plus deferred outflows		997,042		970,362	948,796	914,074	877,294
Current Liabilities:							
Accounts payable		2,521		8,127	4,274	7,614	5,558
Bonds payable		6,698.29		6,530	6,215	5,920	5,894
Unamortized premium on bonds payable		1,376		1,013	787	535	-
Compensated absences		216		215	215	191	175
Due to other funds		8,034		5,481	6,084	6,963	6,171
Due to other governments		3,154		2,731	2,416	1,412	1,590
Accrued interest		831		670	697	722	686
Other accrued liabilities		1,269		1,315	1,554	1,019	841
Other current liabilities		606		565	621	544	579
Total Current Liabilities		24,705		26,646	22,863	24,920	21,495
Noncurrent Liabilities:		150.027		157.025	1/2///	1/0/00	105.040
Bonds payable		150,237		156,935	163,465	169,680	195,042
Unamortized premium on revenue bonds		15,731		17,107	18,120	18,907	-
Due to other governments		64,918		62,496	50,124	34,679	18,880
Revenues collected in advance		-		- 2.100	-	- 0.002	-
Compensated absences		3,377		3,188	2,929	2,983	2,997
Net pension liability		34,847		57,431	56,607	49,856	-
Net opeb liability		1,871		1,485	- 001.047	- 07/ 10/	- 01 / 010
Total Noncurrent Liabilities		270,980		298,642	291,246	276,106	216,919
Total Liabilities		295,685		325,288	314,108	301,026	238,414
Deferred inflows of resources-pensions Total liabilities plus deferred inflows of		22,279		2,892	8,905	544	
resources		317,964		328,180	323,014	301,570	238,414
lesources		317,704		320,100	323,014	301,370	230,414
Net Position							
Net investments in capital assets		587,225		535,171	545,976	550,977	527,999
Restricted		507,225		-	545,776	198,484	521,777
Unrestricted		91,853		107,011	79,806	(136,957)	110,881
Total Net Position	\$	679,078	\$	642,182	\$ 625,783	\$ 612,504	\$ 638,880
		, ,	- 1'	,	,,	, : =,	, ,

Ongoing Continuing Compliance Ad Valorem taxes

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

Tax Collection Record

Tax	Amount of Tax Levy				Tax Collected in Year of Levy		Tax Collected as of 12/31/2018	
Year	Regular	EMS	Bond	Total	Amount	%	Amount	%
2018	59,028,539	8,550,595	5,529,921	73,109,055	71,536,310	97.85%	71,536,310	97.85%
2017	57,751,977	8,335,583	5,509,818	71,597,378	70,071,280	97.87%	71,129,030	99.35%
2016	56,179,935	7,846,266	5,760,653	69,786,854	68,258,554	97.81%	69,568,417	99.69%
2015	55,306,119	7,681,405	5,244,668	68,232,192	66,886,999	98.03%	68,183,071	99.93%
2014	45,314,925	7,477,436	13,162,046	65,954,407	64,616,775	97.97%	65,947,682	99.99%
2013	42,950,918	7,350,493	13,087,046	63,388,457	61,829,621	97.54%	63,383,809	99.99%
2012	42,423,131	7,453,071	13,063,593	62,939,795	61,347,565	97.47%	62,935,596	99.99%
2011	41,257,966	7,597,169	12,433,913	61,289,048	59,639,495	97.31%	61,285,705	99.99%

Source: Spokane County