

**NEW ISSUE  
BOOK-ENTRY ONLY  
BANK QUALIFIED**

**S&P Rating: AA  
See "RATING"**

*In the opinion of Pacifica Law Group LLP, Seattle, Washington, Bond Counsel, under existing law and subject to certain qualifications described herein, the interest on the Bonds is excludable from gross income for federal income tax purposes. In addition, interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. See "TAX MATTERS" herein.*



**CITY OF NORTH BEND, WASHINGTON**  
**\$3,695,000\***  
**LIMITED TAX GENERAL OBLIGATION BONDS, 2018**

**DATED: Date of Initial Delivery**

**DUE: December 1, as shown on inside cover**

The City of North Bend, Washington (the "City"), Limited Tax General Obligation Bonds, 2018 (the "Bonds") will be issued as fully registered bonds in the name of Cede & Co., as Registered Owner and as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Individual purchases and sales of the Bonds may be made in book-entry form only in denominations of \$5,000 or any integral multiple thereof within a maturity. Purchasers will not receive certificates representing their interest in the Bonds. See "THE BONDS."

The Bonds will bear interest payable semiannually on each June 1 and December 1 to maturity or prior redemption, as applicable, beginning June 1, 2019. The principal of and interest on the Bonds are payable by the fiscal agent of the State of Washington, currently U.S. Bank National Association (the "Bond Registrar"). For so long as the Bonds remain in book-entry only form, the Bond Registrar will make such payments only to DTC, which, in turn, is obligated to remit such principal and interest to DTC participants for subsequent disbursement to Beneficial Owners of the Bonds as described herein under APPENDIX D—"BOOK-ENTRY SYSTEM."

The Bonds are subject to redemption prior to maturity as described herein. See "THE BONDS—Redemption."

The Bonds are being issued for the purpose of providing funds to finance and/or reimburse the City for a portion of the costs necessary to acquire, design, construct, develop, improve, equip and furnish a city hall facility and to pay costs of issuance for the Bonds. See "USE OF PROCEEDS."

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**Maturity Dates, Principal Amounts, Interest Rates, Yields, Prices, and CUSIP Numbers on Inside Cover**

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The Bonds are limited tax general obligations of the City. The City has covenanted and agreed irrevocably that it will include in its budget and levy an ad valorem tax upon all the property within the City subject to taxation in an amount that will be sufficient, together with all other revenues and money of the City legally available for such purposes, to pay the principal of and interest on the Bonds when due. The City has irrevocably pledged that such tax will be within and as a part of the tax permitted to cities without a vote of the electorate, and that a sufficient portion of each annual levy to be levied and collected will be irrevocably set aside, pledged and appropriated for the payment of the Bonds. The full faith, credit and resources of the City have been pledged irrevocably for the annual levy and collection of such taxes and for the prompt payment of such principal and interest. The City's taxing authority is subject to certain limitations as described herein. The Bonds do not constitute a debt or indebtedness of the State of Washington or any political subdivision thereof other than the City. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

The City has designated the Bonds as "qualified tax-exempt obligations" for banks, thrift institutions and other financial institutions under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

*The Bonds are offered when, as and if issued, subject to the approving legal opinion of Pacifica Law Group LLP, Seattle, Washington, Bond Counsel, and certain other conditions. A form of Bond Counsel's opinion is attached hereto as Appendix A. It is anticipated that the Bonds in definitive book-entry form will be available for delivery through the facilities of DTC in New York, New York, or to the Bond Registrar on behalf of DTC by Fast Automated Securities Transfer, on or about September 6, 2018.*

*This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.*



**CITY OF NORTH BEND, WASHINGTON**

**\$3,695,000\***

**LIMITED TAX GENERAL OBLIGATION BONDS, 2018**

<b>Maturity Year December 1*</b>	<b>Principal Amounts*</b>	<b>Interest Rates</b>	<b>Yields</b>	<b>Prices</b>	<b>CUSIP** Nos. (657617)</b>
2019	\$ 55,000	%	%		
2020	95,000				
2021	95,000				
2022	100,000				
2023	105,000				
2024	105,000				
2025	110,000				
2026	115,000				
2027	120,000				
2028	125,000				
2029	130,000				
2030	135,000				
2031	140,000				
2032	145,000				
2033	150,000				
2034	155,000				
2035	165,000				
2036	175,000				
2037	180,000				
2038	190,000				
2039	200,000				
2040	210,000				
2041	220,000				
2042	230,000				
2043	245,000				

\* Preliminary, subject to change.

\*\* CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (“CGS”) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright© 2018 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. Neither the City nor its agents or counsel assume responsibility for the accuracy of such numbers.

**CITY OF NORTH BEND, WASHINGTON  
211 MAIN AVENUE NORTH  
NORTH BEND, WASHINGTON 98045  
www.northbendwa.gov<sup>(1)</sup>**

**MAYOR AND CITY COUNCIL**

<b>Name</b>	<b>Position</b>
Kenneth G. Hearing	Mayor
Brenden Elwood	Councilmember
Alan Gothelf	Councilmember
Jonathan Rosen	Councilmember
Christopher Garcia	Councilmember
Trevor Kostanich	Councilmember
Martin Volken	Councilmember
Ross Loudenback	Councilmember

**City Officials**

Londi Lindell	City Administrator
Dawn Masko	Deputy City Administrator/Finance Director

**Underwriter**

KeyBanc Capital Markets  
1301 5<sup>th</sup> Avenue, Floor 25  
Seattle, WA 98101

**Bond Counsel and Disclosure Counsel**

Pacifica Law Group LLP  
Seattle, Washington

**Bond Registrar**

Fiscal Agent for the State of Washington, currently:  
U.S. Bank National Association  
Seattle, Washington

<sup>(1)</sup> The City's website is not part of this Official Statement, and investors should not rely on information presented in the City's website in determining whether to purchase the Bonds. This inactive textual reference to the City's website is not a hyperlink and does not incorporate the City's website by reference.

The order and placement of materials in this Official Statement, including the Appendices, are not to be deemed to be a determination of relevance, materiality or importance, and this Official Statement, including the cover page and Appendices, must be considered in its entirety. The offering of the Bonds is made only by means of this entire Official Statement.

The information within this Official Statement has been compiled from sources considered reliable and, while not guaranteed as to accuracy, is believed to be correct as of its date. The City makes no representation regarding the accuracy or completeness of the information in APPENDIX D—“BOOK-ENTRY SYSTEM,” which has been obtained from DTC’s website, or information provided by the Underwriter. The information and expressions of opinions herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the information set forth herein since the date hereof.

No dealer, broker, sales representative, or other person has been authorized by the City or the Underwriter to give any information or to make any representations with respect to the Bonds other than as contained in this Official Statement and, if given or made, such information or representations must not be relied upon as having been authorized by the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful for such persons to make such offer, solicitation or sale.

Certain statements contained in this Official Statement do not reflect historical facts, but rather are forecasts and “forward-looking statements.” No assurance can be given that the future results discussed herein will be achieved, and actual results may differ materially from the forecasts shown. In this respect, the words “estimate,” “project,” “anticipate,” “expect,” “intend,” “believe” and similar expressions are intended to identify forward-looking statements. The achievement of certain results or other expectations contained in forward-looking statements involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. All estimates, projections, forecasts, assumptions and other forward-looking statements are expressly qualified in their entirety by the cautionary statements set forth in this Official Statement. These forward-looking statements speak only as of the date they were prepared. The City does not plan to issue any updates or revisions to those forward-looking statements if or when their expectations or events, conditions or circumstances on which such statements are based occur and specifically disclaims any such obligation.

The presentation of certain information, including tables of receipts from taxes and other revenues, is intended to show recent historical information and is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as it might be shown by such financial and other information, will necessarily continue to be repeated in the future. Information relating to debt and tax limitations is based on existing statutes and constitutional provisions. Changes in State law could alter these provisions.

The Bonds have not been registered under the Securities Act of 1933, as amended, and the Bond Ordinance has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such Acts. No federal or state securities commission or regulatory authority has passed upon the merits of the Bonds or the accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

For the sole purpose of the Underwriter’s compliance with Securities and Exchange Commission Rule 15c2-12, the City has “deemed final” this Preliminary Official Statement as of its date, except for the omission of information as to offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, maturity dates, delivery dates, and other terms of the Bonds dependent on such matters.

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## OFFICIAL STATEMENT

### CITY OF NORTH BEND, WASHINGTON

#### **\$3,695,000\*** **LIMITED TAX GENERAL OBLIGATION BONDS, 2018**

### INTRODUCTION

The City of North Bend, Washington (the “City”), a municipal corporation duly organized and existing under the laws of the State of Washington (the “State”), furnishes this Official Statement in connection with the offering of \$3,695,000\* aggregate principal amount of Limited Tax General Obligation Bonds, 2018 (the “Bonds”). This Official Statement, which includes the cover page, the inside cover page and appendices, provides information concerning the City and the Bonds.

The Bonds are to be issued pursuant to Ordinance No. 18-079, passed by the City Council (the “Council”) on June 19, 2018 (the “Bond Ordinance”), and under and in accordance with the North Bend Municipal Code and the laws and provisions of the State, including chapters 35A.21, 35.37, 39.36 and 39.46 of the Revised Code of Washington (“RCW”). Issuance of the Bonds does not require voter approval. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Bond Ordinance, a form of which is available from the City.

The summaries of and references to all documents, statutes, reports and other instruments referred to herein do not purport to be complete, comprehensive or definitive, and each such summary and reference is qualified in its entirety by reference to each such document, statute, report or instrument. The capitalization of any word not conventionally capitalized, or otherwise defined herein, indicates that such word is defined in a particular agreement or other document and, as used herein, has the meaning given it in such agreement or document.

All references herein to the Bonds and the Bond Ordinance are qualified in their entirety to the actual documents, copies of all of which will be available for inspection at the offices of the City.

In the preparation of the projections in this Official Statement, the City has made certain assumptions with respect to conditions that may occur in the future. Although the City believes these assumptions are reasonable for the purpose of the projections, they are dependent upon future events, and actual conditions may differ from those assumed. To the extent actual future events or conditions differ from those assumed by the City or provided to the City by others, the actual results will vary from those projected.

### THE BONDS

#### **General**

The Bonds will be dated their date of delivery and will be issued in fully registered form in denominations of \$5,000 each or integral multiples thereof within a maturity. The Bonds will mature on the dates and in the principal amounts set forth on the inside cover of this Official Statement and will bear interest from their date, payable on June 1, 2019 and semiannually thereafter on December 1 and June 1 of each year, until maturity or prior redemption, as applicable, at the rates set forth on the inside cover of this Official Statement. Interest on the Bonds will be calculated on the basis of a year of 360 days and twelve 30-day months.

The Bonds will be issued in registered form, initially registered in the name Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). Individual purchases of the Bonds will be made initially in book-entry form only and purchasers will not receive certificates representing their interest in the Bonds purchased. So long as Cede & Co., as nominee of DTC, is the Registered Owner of the Bonds, references herein to the Registered Owners or bond owners will mean Cede & Co. and will not mean the “Beneficial Owners” of the Bonds. In this Official Statement, the term “Beneficial Owner” will mean the person for whom a DTC participant acquires an interest in the Bonds. See APPENDIX D—“BOOK-ENTRY SYSTEM.”

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\* Preliminary, subject to change.

## **Bond Registrar**

The City has adopted the system of registration for the Bonds approved, from time to time, by the State Finance Committee (the "Committee"). Pursuant to chapter 43.80 RCW, the Committee designates one or more fiscal agents for bonds issued within the State. The State's fiscal agent, currently U.S. Bank National Association (the "Bond Registrar"), will authenticate the Bonds and act as the paying agent and registrar for the purpose of paying the principal of and interest on the Bonds, recording the purchase and registration, exchange or transfer, and payment of Bonds and performing the other respective obligations of the paying agent and registrar. No resignation or removal of the Bond Registrar shall become effective until a successor has been appointed and has accepted the duties of Bond Registrar.

To pay the principal of and interest on the Bonds when due, the City will remit money from the City's debt service fund (the "Debt Service Fund") to the Bond Registrar. For so long as all Bonds are held by DTC, payments of principal thereof and interest thereon will be made as provided in accordance with the operational arrangements of DTC referred to in the Letter of Representations as described in APPENDIX D—"BOOK-ENTRY SYSTEM." In the event that the Bonds are no longer held by a depository, interest on the Bonds will be paid by check or draft mailed to the Registered Owners at the addresses for such Registered Owners appearing on the Bond Register on the Record Date (as defined below), or, upon the written request of a Registered Owner of more than \$1,000,000 of Bonds (received by the Bond Registrar at least by the Record Date), such payment shall be made by the Bond Registrar by wire transfer to the account within the United States designated by the Registered Owner. Principal of the Bonds shall be payable upon presentation and surrender of such Bonds by the Registered Owners at the designated office of the Bond Registrar. "Record Date" is defined in the Bond Ordinance as the close of business for the Bond Registrar that is 15 days preceding any interest and/or principal payment or redemption date.

If any Bond is duly presented for payment and funds have not been provided by the City on the applicable payment date, then interest will continue to accrue thereafter on the unpaid principal thereof at the rate stated on the Bond until the Bond is paid.

## **Redemption**

*Optional Redemption.* The Bonds maturing on or after December 1, 20\_\_\* are subject to redemption at the option of the City, in whole or in part, on any date on or after \_\_\_\_\_ 1, 20\_\_\* at a price equal to 100% of the principal amount to be redeemed, without premium, plus accrued interest, if any, to the date fixed for redemption.

*Selection of Bonds for Redemption.* For as long as the Bonds are held in book-entry only form, the selection of particular Bonds within a maturity to be redeemed shall be made in accordance with the operational arrangements then in effect at DTC. If the Bonds are no longer held by a depository, the selection of such Bonds to be redeemed and the surrender and reissuance thereof, as applicable, shall be made as follows. If the City redeems at any one time fewer than all of the Bonds having the same maturity date, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot (or in such manner determined by the Bond Registrar ) in increments of \$5,000. In the case of a Bond of a denomination greater than \$5,000, the City and the Bond Registrar shall treat each Bond as representing such number of separate Bonds each of the denomination of \$5,000 as is obtained by dividing the actual principal amount of such Bond by \$5,000.

*Notice of Redemption; Conditional Redemption.* For so long as the Bonds are held in uncertificated form by a depository, notice of redemption shall be given in accordance with the operational arrangements of DTC as then in effect, and neither the City nor the Bond Registrar will provide any notice of redemption to any Beneficial Owners. The notice of redemption may be conditional. Unless waived by any owner of Bonds to be redeemed, official notice of any such redemption (which redemption may be conditioned by the Bond Registrar on the receipt of sufficient funds for redemption or otherwise) shall be given by the Bond Registrar on behalf of the City by mailing a copy of an official redemption notice by first class mail at least 20 days and not more than 60 days prior to the date fixed for redemption to the Registered Owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such Registered Owner to the Bond Registrar.

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\* Preliminary, subject to change.

On or prior to any redemption date, unless such redemption has been rescinded or revoked, the City shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

*Rescission.* The City retains the right to rescind any redemption notice and the related optional redemption of Bonds by giving notice of rescission to the affected Registered Owners at any time on or prior to the scheduled redemption date. Any notice of optional redemption that is so rescinded shall be of no effect, and the Bonds for which the notice of optional redemption has been rescinded shall remain outstanding.

*Effect of Redemption.* If notice of redemption has been given and not rescinded or revoked, or if the conditions set forth in a conditional notice of redemption have been satisfied or waived, the Bonds or portions of Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. All Bonds which have been redeemed shall be canceled by the Bond Registrar and shall not be reissued.

### **Open Market Purchase**

The City has reserved the right to purchase any or all of the Bonds offered to it at any time at a price deemed reasonable by the City plus accrued interest to the date of purchase.

### **Defeasance**

In the event that the City, to effect the payment, retirement or redemption of any Bond, sets aside in the Debt Service Fund or in another special account, cash or noncallable Government Obligations (defined below) or any combination of cash and/or noncallable Government Obligations, in amounts and maturities which, together with the known earned income therefrom, are sufficient to redeem or pay and retire such Bond in accordance with its terms and to pay when due the interest and redemption premium, if any, thereon, and such cash and/or noncallable Government Obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Debt Service Fund for the payment of the principal of and interest on such Bond. The owner of a Bond so provided for shall cease to be entitled to any lien, benefit or security of the Bond Ordinance except the right to receive payment of principal, premium, if any, and interest from the Debt Service Fund or such special account, and such Bond shall be deemed to be not outstanding under the Bond Ordinance.

The Bond Ordinance defines "Government Obligations" as those obligations now or hereafter defined as such in chapter 39.53 RCW constituting direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, as such chapter may be amended or restated.

## **USE OF PROCEEDS**

### **Purpose**

The Bonds are being issued for the purpose of providing funds to finance and/or reimburse the City for a portion of the costs necessary to acquire, design, construct, develop, improve, equip and furnish a city hall facility, including related parking (the "Project"), and to pay costs of issuance for the Bonds.

**Sources and Uses of Bond Proceeds**

The table below sets forth the expected sources and uses of Bond proceeds (amounts in table will be rounded to the nearest dollar).

**TABLE 1:  
SOURCES AND USES OF FUNDS**

<u>Sources of Bond Proceeds</u>	<u>Total</u>
Principal Amount of the Bonds <sup>(1)</sup>	\$ 3,695,000
[Net] Original Issue Premium/Discount	
Total Sources:	\$
<u>Uses of Bond Proceeds</u>	
Deposit to Project Fund	\$
Costs of Issuance <sup>(2)</sup>	
Total Uses:	\$

(1) Preliminary, subject to change. Information for Table 1 will be included in the final Official Statement.

(2) Includes legal fees, rating agency fees, printing costs, underwriting discount, additional proceeds, and other costs associated with the issuance of the Bonds.

**SECURITY AND SOURCES OF PAYMENT FOR THE BONDS**

The Bonds are limited tax general obligation bonds of the City. The City, as authorized by law and the Bond Ordinance, has covenanted and agreed irrevocably that it will include in its budget and levy an *ad valorem* tax upon all the property within the City subject to taxation an amount that will be sufficient, together with all other revenues and money of the City legally available for such purposes, to pay the principal of and interest on the Bonds when due. The City has irrevocably pledged that such tax will be within and as a part of the tax levy permitted to cities without a vote of the electorate, and that a sufficient portion of each annual levy to be levied and collected will be irrevocably set aside, pledged and appropriated for the payment of the Bonds. The full faith, credit and resources of the City have been pledged irrevocably for the annual levy and collection of such taxes and for the prompt payment of such principal and interest.

There are limitations on the rate and amount of property taxes the City may levy. See “TAXING AUTHORITY.” There also are limits on the amount of non-voted indebtedness the City may incur. See “CITY INDEBTEDNESS—Debt Capacity.” The City may, subject to applicable laws, apply other funds available to make payments with respect to the Bonds. The City expects to use other available General Fund revenue and real estate excise tax revenue to pay a portion of debt service on the Bonds, but such funds have not been pledged by the City for such purpose. See “TAXING AUTHORITY—Collection of Other Taxes.”

Bond owners do not have a security interest in particular revenues or assets of the City. The Bonds do not constitute a debt or indebtedness of the State or any political subdivision thereof other than the City. State law provides that the payment of general obligation bonds is enforceable in mandamus against the issuer. There is no express provision in the State Constitution or statutes on the priority of payment of debt service on general obligations incurred by a Washington municipality. Certain taxes and other money deposited in the City’s governmental funds are restricted by State law to specific purposes and may not be available to pay debt service on the Bonds. The rights and remedies of anyone seeking enforcement of the Bonds are subject to laws of bankruptcy and insolvency and to other laws affecting the rights and remedies of creditors and to the exercise of judicial discretion. See “CERTAIN INVESTMENT CONSIDERATIONS—Limitations on Remedies.”

**CITY INDEBTEDNESS**

**General**

As prescribed by State statutes, the unlimited tax general obligation indebtedness permitted for cities, *subject to a 60% majority vote of registered voters*, is limited to 2.5% of assessed value for general purposes, 2.5% for certain utility purposes and 2.5% for open space, park facilities and capital facilities associated with economic development. Within

the 2.5% of assessed value for general purposes, the City may, *without a vote of the electors*, incur general obligation indebtedness (such as the Bonds) in an amount not to exceed 1.5% of assessed value. Additionally, within the 2.5% of assessed value for general purposes, the City may, also without a vote of the electors, enter into leases if the total principal component of the lease payments, together with the other nonvoted general obligation indebtedness of the City, does not exceed 1.5% of assessed value. The combination of unlimited tax and limited tax general obligation debt for general purposes, including leases, cannot exceed 2.5% of assessed value and for all purposes cannot exceed 7.5% of assessed value.

*Without a vote of the electorate*, the City may incur debt as follows:

- (1) Pursuant to an ordinance specifying the amount and object of the expenditure of the proceeds, the City may borrow money for corporate purposes and issue bonds and notes within the constitutional and statutory limitations on indebtedness.
- (2) The City may execute conditional sales contracts for the purchase of real or personal property.
- (3) The City may execute leases with or without an option to purchase.

Bonds issued to refund outstanding general obligation indebtedness of either type may be issued without voter approval. In an emergency, the City Council may put a plan into effect and authorize indebtedness outside the current budget.

A Washington municipal corporation may borrow money and issue short-term obligations the proceeds of which may be used for any lawful purpose. Such obligations may be issued in anticipation of the receipt of revenues, taxes, or grants or the sale of (i) general obligation bonds, if the bonds may be issued without the consent of the voters or if previously ratified by the voters; (ii) revenue bonds if the bonds have been authorized by ordinance or resolution; or (iii) local improvement district bonds if the bonds have been authorized by ordinance or resolution. Short-term obligations issued in anticipation of taxes must be repaid within six months after the end of the fiscal year in which they are issued.

### **Debt Capacity**

As noted above, the City may, without a vote of the electors, incur general obligation indebtedness (such as the Bonds) in an amount not to exceed 1.5% of assessed value. RCW 39.36.030 provides an exception to the City's statutory debt limitation if refinancing indebtedness does not increase the total amount of the City's indebtedness. In an emergency, the City may put a plan into effect and authorize indebtedness outside of the current budget.

In computing total general obligation indebtedness, the following "assets" may be deducted against the principal amount of indebtedness outstanding: (i) money and investments on deposit in general obligation bond retirement funds; (ii) taxes (both current and delinquent) levied for the payment of general obligation indebtedness; and (iii) delinquent (but not current) taxes due to the general fund.

*[remainder of page intentionally left blank]*

The following tables provide the outstanding general obligation debt of the City and show the calculation of the general obligation debt capacity of the City as of the expected issue date of the Bonds, calculated to include the Bonds:

**TABLE 2:  
OUTSTANDING GENERAL OBLIGATION DEBT<sup>(1)</sup>  
(AS OF THE EXPECTED DATE OF DELIVERY OF THE BONDS)**

<u>Limited Tax General Obligation Bonds</u>	<u>Date of Issue</u>	<u>Date of Final Maturity</u>	<u>Amount Issued</u>	<u>Amount Outstanding</u>
LTGO Bonds, 2012	6/27/2012	12/1/2021	\$ 1,305,000	\$ 550,000
LTGO Refunding Bonds, 2015	7/30/2015	12/1/2026	1,900,000	1,580,000
LTGO Bond, 2016 <sup>(2)</sup>	8/10/2016	8/10/2019	3,500,000	669,758
The Bonds <sup>(3)</sup>	9/6/2018	12/1/2043	3,695,000	3,695,000
<b>Total Nonvoted General Obligation Debt:</b>				<b>\$ 6,494,758</b>
<u>Unlimited Tax General Obligation Bonds</u>				
UTGO Bonds, 2011	5/17/2011	12/1/2030	\$ 2,250,000	\$ 1,705,000
<b>Total General Obligation Direct Debt of the City:</b>				<b>\$ 8,199,758</b>

<sup>(1)</sup> Amounts in table rounded to the nearest dollar.

<sup>(2)</sup> The City issued its Limited Tax General Obligation Bond, 2016 (Revolving Line of Credit) (the “2016 LTGO Line of Credit”) to evidence a revolving line of credit issued by KeyBank, National Association. The 2016 LTGO Line of Credit bears interest at a variable rate, determined monthly, at a per annum rate of interest established on each computation date equal to the one month LIBOR (London Interbank Offered Rate) rate plus 2.58%, multiplied by 0.79%, subject to adjustment upon, among other occurrences, the occurrence of an event of default. The loan documents require interest-only payments through the three year term of the loan, with outstanding principal due at maturity (August 10, 2019). The City may request draws upon the 2016 LTGO Line of Credit from time to time in accordance with the ordinance authorizing its issuance. The aggregate principal amount of outstanding draws at any one time may not exceed \$3,500,000.

<sup>(3)</sup> Preliminary, subject to change.

Source: *The City of North Bend*

The City may issue general obligation debt if, at the time the debt is issued, the City has sufficient debt capacity. Once the debt has been issued, changes in assessed valuation have no effect on the validity of outstanding debt or the City’s ability to refund outstanding debt. Future declines in assessed valuation can impact the ability to issue future general obligation debt.

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The information in the following table is based on the current assessed valuation and the general obligation debt of the City expected to be outstanding on the date of delivery of the Bonds, including the Bonds. Amounts in table have been rounded to the nearest dollar.

**TABLE 3:  
COMPUTATION OF DEBT CAPACITY**

2018 Tax Collection Year Assessed Value	\$ 1,361,174,490
<b>General Purposes</b>	
Non-Voted Debt Capacity (1.5% of Assessed Valuation)	\$ 20,417,617
Outstanding Non-Voted General Obligation Debt	
The Bonds <sup>(1)</sup>	3,695,000
Other Non-Voted General Obligation Debt <sup>(2)</sup>	5,630,000
Total Non-Voted General Obligation Debt <sup>(1)</sup>	9,325,000
Remaining Non-Voted General Purpose Debt Capacity <sup>(1)</sup>	\$ 11,092,617
Voted and Non-Voted Debt Capacity (2.5% of Assessed Valuation)	\$ 34,029,362
Outstanding Voted and Non-Voted General Obligation Debt	
Outstanding Voted General Obligation Debt	1,705,000
Total Non-Voted General Obligation Debt (calculated above) <sup>(1)</sup>	9,325,000
Total Voted and Non-Voted Debt <sup>(1)</sup>	11,030,000
Remaining Debt Capacity for General Municipal Purposes <sup>(1)</sup>	\$ 22,999,362
<b>Utility Purposes (Voted)</b>	
Debt Capacity (2.5% of Assessed Valuation)	\$ 34,029,362
Utility Purpose Bonds Outstanding	0
Remaining General Obligation Debt Capacity for This Purpose	\$ 34,029,362
<b>Parks and Open Space and Economic Development Purposes (Voted)</b>	
Debt Capacity (2.5% of Assessed Valuation)	\$ 34,029,362
Park and Open Space and Economic Development Purpose Bonds Outstanding	0
Remaining General Obligation Debt Capacity for This Purpose	\$ 34,029,362

<sup>(1)</sup> Preliminary, subject to change.

<sup>(2)</sup> Reflects the total amount of all available draws (\$3,500,000) under the City's revolving line of credit evidenced by the 2016 LTGO Line of Credit. See Table 2.

Source: *The City of North Bend*

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**Summary of Limited Tax General Obligation Bonds Debt Service Requirements**

The following table shows the scheduled debt service for the Bonds and other nonvoted limited tax general obligation bonds of the City (rounded to the nearest dollar).

**TABLE 4:  
LIMITED TAX GENERAL OBLIGATION BONDS DEBT SERVICE REQUIREMENTS<sup>(1)</sup>**

Year <sup>(4)</sup>	Outstanding LTGO Bonds <sup>(2)</sup>		The Bonds <sup>(3)</sup>		Total
	Principal	Interest	Principal	Interest	
2018	\$ 290,000	\$ 33,113	-	-	
2019	290,000	59,775	\$ 55,000	-	
2020	305,000	53,300	95,000	-	
2021	310,000	44,150	95,000	-	
2022	170,000	34,850	100,000	-	
2023	180,000	30,600	105,000	-	
2024	190,000	23,400	105,000	-	
2025	195,000	15,800	110,000	-	
2026	200,000	8,000	115,000	-	
2027	-	-	120,000	-	
2028	-	-	125,000	-	
2029	-	-	130,000	-	
2030	-	-	135,000	-	
2031	-	-	140,000	-	
2032	-	-	145,000	-	
2033	-	-	150,000	-	
2034	-	-	155,000	-	
2035	-	-	165,000	-	
2036	-	-	175,000	-	
2037	-	-	180,000	-	
2038	-	-	190,000	-	
2039	-	-	200,000	-	
2040	-	-	210,000	-	
2041	-	-	220,000	-	
2042	-	-	230,000	-	
2043	-	-	245,000	-	
<b>Total</b>	<b>\$ 2,130,000</b>	<b>\$ 302,988</b>	<b>\$ 3,695,000</b>		

(1) Totals may not foot due to rounding.

(2) See Table 2. Excludes debt service on the City’s 2016 LTGO Line of Credit. See footnote 2 of Table 2. The loan documents for the 2016 LTGO Line of Credit require interest-only payments through the three year term of the loan, with outstanding principal due at maturity (August 10, 2019). The City may request draws upon the 2016 LTGO Line of Credit from time to time in accordance with the ordinance authorizing its issuance. The aggregate principal amount of outstanding draws at any one time may not exceed \$3,500,000. The current balance of outstanding draws is approximately \$669,758. The City expects to refinance any balance of the 2016 Line of Credit in 2019 with proceeds of special fund utility revenue bonds (issuance of such bonds is subject to Council approval).

(3) Preliminary, subject to change.

(4) Calendar years ending December 31.

Source: *City of North Bend and the Underwriter*

**Summary of Overlapping Debt**

A number of other taxing districts are located within all or a portion of the City, including the county, a port district, school districts, a fire district, and other special purpose districts. Taxable property located within the City is subject to property taxes imposed by these overlapping taxing districts including the City. The table on the following page sets forth the outstanding principal amount of general obligation debt of the City, adjusted to reflect the issuance of the

Bonds (the “Direct Debt”) and the outstanding principal amount of general obligation debt incurred by other governmental entities whose taxing jurisdiction includes a part or all of the City and the estimated portion of that debt which is applicable to the property within the City (the “Overlapping Debt”). The estimate of the percentage of a governmental entity’s debt which is applicable to property within the City is based on the proportion of the overlapping jurisdiction that lies within the City.

The City has obtained the information regarding the Overlapping Debt from the overlapping taxing districts, King County (the “County”) and other sources the City believes to be reliable, but the City has not independently verified the accuracy or completeness of such information. No person should rely upon such information as being accurate or complete. Furthermore, the amounts described below relate only to general obligation bonds issued by the various taxing districts and reported in their most recent audited financial statements. These amounts may not reflect bank loans or other obligations incurred after the date of such financial statements and certain leases or other contracts that may constitute indebtedness under State law. The table below reflects only existing general obligations payable from property taxes and does not reflect obligations secured by a pledge of other revenues such as utility revenues, excise taxes, sales taxes, and/or motor vehicle excise taxes (such as obligations paid from sales taxes and/or motor vehicle taxes). The taxing districts listed below may have issued additional general obligation debt since the dates indicated below and these and other taxing districts may have plans for future general obligation debt issuances.

**TABLE 5:  
ESTIMATED OVERLAPPING DEBT  
(as of December 31, 2017)**

<u>Overlapping Taxing Districts</u>	<u>2018 Assessed Value</u>	<u>Percent Overlap</u>	<u>Outstanding General Obligation Debt</u>	<u>Estimated Overlapping Debt</u>
King County	\$ 534,662,434,753	0.3%	\$ 751,298,000	\$ 1,912,698
King County Rural Library District	318,077,690,314	0.4	89,230,000	381,849
Port of Seattle	534,662,434,753	0.3	385,745,000 <sup>(1)</sup>	982,052
Snoqualmie Valley School District No. 410	8,780,173,822	15.5	243,655,000	37,773,395
Snoqualmie Valley Hospital	9,368,187,991	14.5	47,008,284	6,830,187
King County Fire District No. 38	1,958,094,272	0.1	2,190,000	2,635
Si View Metropolitan Park District	3,232,295,866	42.1	5,748,000	2,420,580
Total			<u>\$ 1,524,874,284</u>	<u>\$ 50,303,395</u>

<sup>(1)</sup> As of May 2, 2018.

Source: King County and the individual taxing districts

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## Direct and Overlapping Debt

The following table presents information regarding the City's direct debt (including the Bonds) and the estimated portion of the debt of overlapping taxing districts allocated to the City's residents.

**TABLE 6:  
DIRECT AND OVERLAPPING DEBT**

Regular Assessed Value (2018 Tax Collection Year)	\$ 1,361,174,490
Estimated 2018 Population <sup>(1)</sup>	6,825
<b>Debt Information</b>	
Direct Debt <sup>(2)</sup>	\$ 11,030,000
Estimated Overlapping Debt (as previously detailed herein)	50,303,395
Total Direct Debt and Overlapping Debt <sup>(2)</sup>	\$ 61,333,395
<b>Bonded Debt Ratios</b>	
Direct Debt to Assessed Value <sup>(2)</sup>	0.81%
Direct Debt and Overlapping Debt to Assessed Value <sup>(2)</sup>	4.5%
Per Capita Assessed Value	\$ 199,439
Per Capita Direct Debt <sup>(2)</sup>	\$ 1,616
Per Capital Total Direct and Overlapping Debt <sup>(2)</sup>	\$ 8,987

<sup>(1)</sup> Estimate derived from the State of Washington, Office of Financial Management, Forecasting Division.

<sup>(2)</sup> Includes the Bonds. Preliminary, subject to change.

## Debt Payment Record

The City's August 1, 2018 debt service payment for certain outstanding water and sewer revenue bonds was submitted to the paying agent and bond registrar for such bonds on the due date but after the paying agent's cut-off time to timely remit the payment to bondholders on such date. As a result, the debt service payment was remitted to bondholders one day past due. The delay was due to administrative error and was not related to the City's ability to pay its obligations. The City has filed an event notice as required under Securities and Exchange Commission Rule 15c2-12. No refunding bonds have been issued to prevent an impending default.

## Future Financings

Other than the Bonds, the City has no authorized but unissued general obligation bonds outstanding. The City does not have current plans to issue any other general obligation bonds within the next 12 months.

## TAXING AUTHORITY

### Authorized Property Tax Levies

The City is authorized to impose a regular property tax levy without a vote of the people for general purposes, including payment of debt service on the Bonds, and subject to limitations (see "Regular Property Tax Limitations" below).

Cities in the State are authorized to impose a regular property tax levy at a maximum rate of \$3.375 per \$1,000 of assessed value. This amount is increased to an amount not to exceed \$3.60 per \$1,000 of assessed value if the city is annexed into a library district, a regional fire service protection authority, and/or a fire protection district, less the actual regular levy made by the library district, regional fire service protection authority, and/or fire protection district. Further, a city may impose an additional \$0.225 per \$1,000 of assessed value beyond the applicable maximum rate of \$3.375 or \$3.60 (for annexed cities) if the city has a fire pension fund, which must be used to the extent required for firefighters' pension funding purposes, otherwise this tax may be levied and used for any other municipal purpose.

The City is annexed into the King County Rural Library District (the "Library District"), which is authorized to levy regular property taxes at a maximum rate of \$0.50 per \$1,000 assessed valuation. The Library District's actual 2018 regular property tax levy rate is \$0.366811 per \$1,000 of assessed value. A small portion of the City (0.1%) overlaps

with King County Fire Protection District No. 38 for purposes of an excess property tax levy, but the City is not annexed into the fire district for purposes of regular property tax levies. The City does not have a fire pension fund.

If the Library District imposed its regular property tax at the maximum rate, the maximum regular levy rate for the City would be an amount of not to exceed \$3.10 per \$1,000 of assessed valuation. For 2018, the City's maximum regular levy rate is \$3.23319 per \$1,000 of assessed value (calculated as \$3.60 per \$1,000 of assessed value, less the Library District regular levy (\$0.36681 per \$1,000 of assessed value)). The City's regular levy for the 2018 collection year is \$1.21898 per \$1,000 of assessed value.

Excess levies are imposed, upon voter approval, to pay debt service on unlimited tax general obligation bonds. An excess levy also may be imposed without a vote to prevent the impairment of a contract (RCW 84.52.052). The City currently imposes an excess levy of \$0.13027 per \$1,000 of assessed value in connection with the City's outstanding Unlimited Tax General Obligation Bonds, 2011.

### **Overlapping Taxing Districts**

The overlapping taxing districts within the City have the statutory power to levy regular property taxes at the following rates subject to the limitations provided by chapter 84.55 RCW and to levy excess voter-approved property taxes. For purposes of demonstration, representative levy rates for "levy code 1925" of the County, as well as the statutory levy authority of each type of overlapping district currently formed in such area, are listed below. Levy code 1925 represents the tax levy code with the greatest assessed value, but it does not include all of the property within the City; as a result, additional taxing districts, not listed below, currently or may in the future levy taxes within the City.

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The information in the following table does not reflect all approved property tax adjustments that are expected to be levied in future years.

**TABLE 7:  
STATUTORY REGULAR LEVY AUTHORITY AND  
REPRESENTATIVE 2018 REGULAR AND EXCESS LEVY RATES**  
(Rates per \$1,000 of assessed value)

Taxing District	Statutory Regular Levy Authority	Representative Regular Levy Rate	Representative Excess Levy Rate	Representative Aggregate Levy Rate
King County	\$ 1.80000 <sup>(1)</sup>	\$ 1.29474 <sup>(1)</sup>	0.03261	\$ 1.32735
Port of Seattle	0.45000	0.05361	0.08157	0.13518
The City	3.37500	1.21898	0.13027	1.34925
Cities and Towns	0.22500 <sup>(2)</sup>	—	—	—
State Schools Levy	3.60000 <sup>(3)</sup>	2.91820 <sup>(4)</sup>	—	2.91820
Snoqualmie Valley School District No. 410	—	—	4.76248	4.76248
Snoqualmie Valley Hospital	0.75000	0.40151	—	0.40151
King County Rural Library District	0.50000	0.36681	0.04509	0.41190
Emergency Medical Services	0.50000	0.23940	—	0.23940
King County Flood Control District	0.25000	0.10708	—	0.10708
Si View Metropolitan Park District	0.75000	0.51699	0.15206	0.66905
Total Representative Levy Rates:		\$ 7.11732	\$ 5.20408	\$ 12.32140

<sup>(1)</sup> Pursuant to RCW 84.52.043(1), a county may increase its levy from \$1.80 per \$1,000 of assessed value to a rate not to exceed \$2.475 per \$1,000 of assessed value for general county purposes if (i) the total levies for both the county and any road district within the county do not exceed \$4.05 per \$1,000 of assessed value and (ii) no other taxing district has its levy reduced as a result of the increased county levy. The representative regular levy rate includes the Veteran’s Relief and Human Services and Mental Health levies.

<sup>(2)</sup> RCW 41.16.060. To be used for pension funding purposes, if required; otherwise this tax may be levied and used for any other municipal purpose.

<sup>(3)</sup> RCW 84.52.043(1). The levy by the State shall not exceed \$3.60 per \$1,000 of assessed value adjusted to the State equalized value in accordance with the indicated ratio fixed by the State Department of Revenue to be used exclusively for the support of the common schools.

<sup>(4)</sup> For taxes levied for collection in calendar years 2018, 2020 and 2021, the aggregate rate of property taxes levied by the State exclusively for the support of the common schools will be \$2.70 per \$1,000 of assessed value adjusted to the State equalized value in accordance with the indicated ratio fixed by the State Department of Revenue; however, this levy rate will be reduced in 2019 to \$2.40 per \$1,000 of assessed value adjusted to the State equalized ratio. The rate may be greater than \$2.70 or \$2.40, as applicable, in certain counties due to equalization ratios greater than 100%.

Source: King County Assessor’s Office

### General Property Tax Levies

The following sections provide a general description of the City’s authority to levy property taxes and limitations thereon, the method of determining the assessed value of real and personal property, tax collection procedures, and tax collection information.

*Authorized Property Taxes.* The City is authorized to levy both “regular” property taxes and “excess” property taxes.

- (1) *Regular Property Taxes.* Regular property taxes are subject to constitutional and statutory limitations as to rates and amounts and commonly are imposed by taxing districts for general municipal purposes, including the payment of debt service on limited tax general obligation indebtedness, such as the Bonds. Regular property taxes do not require voter approval except as described below.

- (2) *Excess Property Taxes.* Excess property taxes are not subject to limitation as to rates or amounts but must be authorized by a 60% approving popular vote, as provided in Article VII, Section 2 of the State Constitution and RCW 84.52.052. To be valid, such popular vote must have a minimum voter turnout of 40% of the number who voted at the last City general election, except that one-year excess tax levies also are valid if the turnout is less than 40% and the measure receives a number of affirmative votes equal to or greater than 24% of the number who voted at the last City general election. Excess levies may be imposed without a popular vote when necessary to prevent impairment of the obligations of contracts.

### **Regular Property Tax Limitations**

The authority of a city to levy taxes without a vote of the people for general city purposes, including the payment of debt service on limited tax general obligation indebtedness, such as the Bonds, is subject to the limitations described below. Information relating to regular property tax limitations is based on existing statutes and constitutional provisions and is subject to change by the State Legislature at any time. Changes in such laws could alter the impact of other interrelated tax limitations on the City.

*Uniformity Requirement.* Article VII, Section 1 of the Washington Constitution requires that property taxes be levied at a uniform rate upon the same class of property within the territorial limits of a taxing district levying such taxes. With certain limited exceptions, all real estate constitutes one class of property for purposes of this uniformity requirement. Aggregate property tax levy rates vary within the City due to its different overlapping taxing districts. In the event that the maximum permissible levy rate by a taxing district varies within the taxing district, the lowest permissible rate for any part of the taxing district must be applied throughout the entire taxing district.

*Maximum Rate Limitation.* Title 84 RCW authorizes the imposition of regular tax levies to various statutory maximums (See “Authorized Property Tax Levies” and “Overlapping Taxing Districts” herein).

*The 1% Aggregate Regular Levy Limitation.* Article VII, Section 2 of the Washington Constitution, as amended in 1973, limits aggregate regular property tax levies by the State (which may not exceed \$3.60 per \$1,000 of assessed value, as it may be adjusted, to be used exclusively for the support of the common schools) and all taxing districts, except port districts and public utility districts, to 1% of the true and fair value of property. RCW 84.52.050 provides the same limitation by statute.

*\$5.90/\$1,000 Aggregate Regular Levy Limitation.* The State Constitution and statutes limit the aggregate of all regular property tax levies imposed on any given tax parcel by the State and all overlapping taxing districts, except port districts and public utility districts, to 1% of the true and fair value of property. Within the 1% limitation described above, the levy by the State may not exceed \$3.60 per \$1,000 of assessed valuation and the aggregate of all regular levies by all taxing districts (other than the State and other than certain specified levies) may not exceed \$5.90 per \$1,000 of assessed valuation (the “\$5.90 limitation”). Those specified levies excluded from the \$5.90 limitation include port or public utility district levies; excess property tax levies; levies for acquiring conservation futures; levies for emergency medical care or emergency medical services; levies to finance affordable housing for very low-income residents; certain portions of levies by metropolitan park districts; certain levies imposed by ferry districts; levies for criminal justice purposes; certain portions of levies by fire protection districts; levies by counties for transit-related purposes; portions of certain levies by certain flood control zone districts; and levies imposed by a regional transit authority. The list of levies excluded from the \$5.90 limitation is statutory and subject to change by the State Legislature at any time, and certain of these exclusions are set to expire in 2018.

Because various taxing districts may overlap, the aggregate levy rate applied to any two tax parcels within a single taxing district may not be identical. If the aggregate levy rate exceeds the aggregate rate limitation on any single parcel within a taxing district, the regular levy rates of certain taxing districts that include that parcel may be reduced. Because of the constitutional requirement for uniformity of taxation within a taxing district (described above), any reduction affects the entire taxing district. If reductions are required, they are made by the County Assessor, in accordance with State statutes and guidance from the State Department of Revenue (“DOR”), setting forth a prioritization of regular levies. The regular levies of the State, counties, road districts, cities, towns, port districts, and public utility districts are considered “senior” levies; the regular levies of all other taxing districts are considered “junior” levies. State statute prescribes the order in which the levies of the various junior levies are reduced or eliminated in order to comply with the aggregate rate limitations. Senior levies, such as the City’s, are not subject to reduction or elimination based on

aggregate rate limitations. The current regular levy rates within the City are below both the individual and aggregate levy rate limitations.

The tax levy for unlimited tax general obligation bonds is a special excess levy approved by the voters, and as such, is not subject to the limitations on regular levies described above. The Bonds are not unlimited tax general obligation bonds.

*Regular Levy Increase Limitation.* The regular property tax increase limitation (chapter 84.55 RCW) limits the total dollar amount of regular property taxes levied by an individual local taxing district, such as the City, to the amount of such taxes levied in the highest of the three most recent years multiplied by a limit factor, plus an adjustment to account for taxes on new construction, annexations, improvements and State-assessed property at the previous year's rate. The limit factor is the lesser of 101% of the highest levy in the three previous years (excluding new construction, improvements, and State-assessed property) or 100% plus inflation, unless a greater amount is approved by a simple majority of the voters. With a supermajority vote of the Council, the limit factor is a flat 101%.

RCW 84.55.092 allows the property tax levy to be set at the amount that would be allowed if the tax levy for taxes due in each year since 1986 had been set at the full amount allowed under chapter 84.55 RCW. This is sometimes referred to as "banked" levy capacity. The City does not have any banked levy capacity.

Within the rate limitations described above and only after so authorized by a majority vote of its electors, a taxing district may levy, indefinitely or for a limited period or to satisfy a limited purpose, an amount greater than otherwise would be allowed by the tax increase limitation, as allowed by RCW 84.55.050. This is known as a "levy lid lift." A newly created taxing district can initiate its levy at the maximum permitted statutory levy rate, unless that rate would exceed any of the limitations described above. The City has not and does not expect to ask voters to approve a levy lid lift in the near future.

*Relationship Between Rate and Amount Limitations.* Regular levies are limited by both the rate limitations and the amount limitations described above and, therefore, may need to be reduced below one threshold to avoid exceeding the other. Because the regular property tax increase limitation applies to the total dollar amount levied rather than to the levy rate, increases in the assessed value of all property in the taxing district (excluding new construction, improvements, annexations and State-assessed property) which exceed the rate of growth in taxes allowed by the limit factor result in decreased regular tax levy rates, unless voters authorize a higher levy or the taxing district uses banked levy capacity. Decreases in the assessed value of all property in the taxing district (including new construction, improvements, annexations and State-assessed property) or increases in such assessed value that are less than the rate of growth in taxes imposed, among other events, may result in increased regular tax levy rates. Thus, as assessed values rise, the levy amount increase limitation may restrict levy rate growth. As assessed values fall, the levy rate limitation may restrict growth in the levy amount. See Table 10 titled "REGULAR LEVY TAX COLLECTION RECORD" below for historical assessed valuation, and regular property tax levy rates and amounts for the City.

### **Assessed Value**

The King County Assessor (the "Assessor"), determines the value of all real and personal property throughout the County that is subject to ad valorem taxation, except certain utility properties which are valued by the State Department of Revenue. The Assessor is an elected official whose duties and methods of determining value are prescribed and controlled by statute and by detailed regulations promulgated by the State Department of Revenue.

For tax purposes, the assessed value of property is 100% of its market value. Three approaches may be used to determine real property value: market data, replacement cost and income generating capacity. In the County, all property is subject to an annual property valuation and an on-site revaluation at least once every six years. The property is listed by the Assessor on a roll at its current assessed value and the roll is filed in the Assessor's office. The Assessor's determinations are subject to revisions by the County Board of Equalization and, for certain property, subject to further revisions by the State Board of Tax Appeals.

**Property Tax Collection Procedure**

Property taxes are levied in specific amounts and the rate for all taxes levied for all taxing districts in the County is determined, calculated and fixed by the Assessor based upon the assessed value of the property within the various taxing districts. The Assessor specifies the taxes to be levied within each taxing district on a tax roll that contains the total amount of taxes to be so levied and collected. By January 15 of each year, the tax roll is delivered to the County Treasurer, or equivalent thereof, who creates a tax account for each taxpayer and is responsible for the collection of taxes due to each account. All such taxes are due and payable on April 30 of each year, but if the amount due from a taxpayer exceeds \$50, one-half may be paid then and the balance no later than October 31 of that year. Delinquent taxes are subject to interest at the rate of 12% per year computed on a monthly basis from the date of delinquency until paid. In addition, a penalty of 3% is assessed on June 1 of the year in which the tax was due and 8% on December 1 of the year due. All collections of interest on delinquent taxes are credited to the County’s current expense fund.

The method of giving notice of payment of taxes due, the accounting for the money collected, the division of the taxes among the various taxing districts, notices of delinquency, and collection procedures are all covered by detailed statutes. The lien on property taxes is prior to all other liens or encumbrances of any kind on real or personal property subject to taxation. By law the City may not commence foreclosure of a tax lien on real property until three years have passed since the first delinquency. The State’s courts have not decided whether the Homestead Law (chapter 6.13 RCW) may give the occupying homeowner a right to retain the first \$125,000 (effective July 22, 2007) of proceeds of the forced sale of the family residence or other “homestead” property for delinquent general property taxes. (*See Algona v. Sharp*, 30 Wn. App. 837, 638 P.2d 627 (1982)), holding the homestead right superior to the improvement district assessments). The United States Bankruptcy Court for the Western District of Washington has held that the homestead exemption applies to the lien for property taxes, while the State Attorney General has taken the position that it does not.

**Assessed Valuation and Historical Property Tax Collection Record**

Set forth in the following table are the historical and current assessed valuation of taxable property located within the City. Assessed valuation within the City is based upon 100% of estimated actual valuation.

**TABLE 8:  
TRENDS IN ASSESSED VALUE**

<b>Tax Collection Year</b>	<b>Regular Assessed Valuation</b>	<b>Percentage Change</b>
2018	\$ 1,361,174,490	14.0%
2017	1,193,543,129	9.3
2016	1,092,011,439	6.7
2015	1,023,444,893	19.9
2014	853,937,108	4.7
2013	815,719,638	-

*Source: King County Assessor’s Office*

The following table shows the City’s levy rates and dollar amounts levied since 2013.

**TABLE 9:  
AD VALOREM TAX LEVIES  
(dollars per \$1,000 of Assessed Valuation)**

Collection Year	Levy Rates				Levy Amounts			
	Regular	Bond <sup>(1)</sup>	EMS <sup>(2)</sup>	Total <sup>(3)</sup>	Regular	Bond <sup>(1)</sup>	EMS <sup>(2)</sup>	Total <sup>(3)</sup>
2018	\$1.21898	0.13027	-	\$1.34925	\$1,653,838	\$175,986	-	\$1,829,824
2017	1.28559	0.15107	-	1.43666	1,530,103	179,140	-	1,709,243
2016	1.38942	0.16756	-	1.55698	1,512,864	181,603	-	1,694,467
2015	1.44063	0.18326	-	1.62389	1,470,303	186,205	-	1,656,508
2014	1.60481	0.22665	-	1.83146	1,365,914	191,847	-	1,557,761
2013	1.59533	0.22987	-	1.82520	1,296,327	185,527	-	1,481,854

<sup>(1)</sup> For voter-approved general obligation bonds.

<sup>(2)</sup> Emergency medical service (“EMS”) levy. The City does not collect an EMS levy.

<sup>(3)</sup> Totals may not foot due to rounding.

Source: King County Assessor’s Office

The following table shows the City’s regular property tax levy and property tax collection record for the years shown.

**TABLE 10:  
REGULAR LEVY  
TAX COLLECTION RECORD**

Collection Year	Regular Assessed Valuation <sup>(1)</sup>	Regular Property Tax Levy Rate	Regular Property Tax Levy	Regular Property Tax Collection	
				Percent Collected in the Year of the Levy	Percent Collected to Date (As of July 1, 2018)
2018	\$ 1,361,174,490	\$ 1.21898	\$ 1,653,838	<sup>(2)</sup>	51.95% <sup>(2)</sup>
2017	1,193,543,129	1.28559	1,530,103	98.08%	99.25
2016	1,092,011,439	1.38942	1,512,864	98.10	99.68
2015	1,023,444,893	1.44063	1,470,303	98.38	99.95
2014	853,937,108	1.60481	1,365,914	97.73	99.99
2013	815,719,638	1.59533	1,296,327	98.56	99.98

<sup>(1)</sup> Assessed value is based upon 100% of estimated actual valuation.

<sup>(2)</sup> In process of collection.

NOTE: Taxes are due and payable on April 30 of each year of the levy. The entire tax or first half must be paid on or before April 30, otherwise the total amount becomes delinquent on May 1. The second half of the tax is payable on or before October 31, becoming delinquent November 1.

Source: King County Assessor’s and Treasurer’s Offices

The following table shows the City’s top 10 taxpayers based on percentage of assessed valuation.

**TABLE 11:  
MAJOR PROPERTY TAXPAYERS**

<b>City Taxpayer</b>	<b>Assessed Valuation</b>	<b>% of Total City Assessed Valuation</b>
Rock Creek Re Investors LLC	\$ 56,356,000	4.14%
Nintendo	32,809,943	2.41
CPG Partners LP	29,518,351	2.17
Middle Fork Development LLC	19,661,000	1.44
Pulte Homes of WA	9,064,000	0.67
Safeway	8,872,361	0.65
Puget Sound Energy (PSE) – Gas/Electric	8,096,019	0.59
Level 3 Communications	7,704,413	0.57
John Day Homes, Inc.	7,614,598	0.56
Mt Si/BLAI LP	7,263,498	0.53
Subtotal—The City’s Top 10 Largest Taxpayers	<u>\$ 186,960,183</u>	<u>13.74</u>
All other City Taxpayers	<u>1,174,214,307</u>	<u>86.26</u>
Total City Taxpayers	<u>\$ 1,361,174,490</u>	<u>100.00%</u>

*Source: King County Assessor’s Office*

**Collection of Other Taxes**

In addition to regular property tax levies, the City is authorized to impose various other taxes, fees, and charges, including but not limited to those described below. The City’s major sources of General Fund tax revenue are its regular property tax levy, sales and use taxes, utility taxes and business and occupation taxes. See Table 13 below.

As noted above, the State Constitution requires that all taxes on property be uniform. The Washington Supreme Court has ruled that personal income is considered property, overturning prior attempts within the State to impose graduated income taxes. On July 10, 2017, the City of Seattle adopted a local personal total income tax on high-income residents; the Seattle income tax has been challenged. A Superior Court judge ruled Seattle’s income tax illegal in November 2017. The City of Seattle subsequently filed an appeal to the State Supreme Court, although it is unknown whether the State Supreme Court will decide to hear the case. Therefore, it is unknown at this time what the outcome of this case may be. The City does not currently impose an income tax, and has no plans to do so.

*Local Sales and Use Tax.* The State currently imposes a sales and use tax of 6.5%. Cities, counties and certain other municipal corporations are authorized to levy incremental local sales and use taxes (also called “local option” sales and use taxes) for various purposes. The sales tax currently is applied to a broad base of tangible personal property and selected services purchased by consumers, including construction (labor and materials), machinery and supplies used by businesses, services and repair of real and personal property, and many other transactions not taxed in other states. The use tax supplements the sales tax by taxing the use of certain services and by taxing the use of certain personal property on which a sales tax has not been paid (such as items purchased in a state that imposes no sales tax). The State Legislature, and the voters through the initiative process, have changed the base of the sales and use tax on occasion, and this may occur again in the future. Sales taxes upon applicable retail sales are collected by the seller from the consumer. Use taxes are payable by the consumer upon applicable rendering of services or uses of personal property. Each seller is required to hold taxes collected in trust until remitted to DOR, which usually occurs on a monthly basis. DOR collects and distributes all sales and use tax revenue in the State and retains 1% of the taxes collected to offset administration costs. Distribution to local governments occurs on a monthly basis and lags approximately two months behind collection. State law does not provide a general exemption for businesses, nonprofits, or governmental entities from payment of sales and use taxes.

In 2003, the State Legislature approved legislation authorizing the State's membership in the Streamlined Sales and Use Tax Agreement (the "SSUTA"), in an effort to make sales and use taxes in the State more uniform with other states. Congress has required that state sales taxes be more uniform before Congress will permit taxation of interstate catalogue and Internet sales. In 2007, the State Legislature adopted legislation fully conforming to the SSUTA. Effective July 1, 2008, the sales tax system changed in the State from an origin-based system to a destination-based system. Under destination sourcing, sales taxes are credited to the taxing jurisdiction where the purchaser takes delivery of the goods (based on the local tax rate), which may differ from the point of sale with respect to goods delivered to the purchaser.

The City has not received mitigation payments from the State. In 2017, the State Legislature enacted Engrossed House Bill 2163, Chapter 28, Laws of 2017, 3rd special session ("EHB 2163"). Pursuant to EHB 2163, the State will cease mitigation payments to local governments on September 30, 2019; however, EHB 2163 is expected to increase revenues from local sales and use taxes remitted by customers within the State and by sellers and "marketplace facilitators" located outside the State, including from certain online purchases. In *South Dakota v. Wayfair* (No. 17-494, June 21, 2018), the U.S. Supreme Court held for the first time that states have the authority to collect sales taxes directly from out-of-state sellers having no physical presence in the taxing state.

*Criminal Justice Tax.* The criminal justice tax is an additional local sales and use tax of 0.1% for funding criminal justice programs. The criminal justice sales tax distribution is based on population. This tax is levied only by the County and is imposed County-wide, but the receipts are shared with the cities within the County, including the City. The adoption of this tax does not require a vote of the people. Of the revenue collected for criminal justice, 10% is distributed to the County and 90% to cities and the County on a per capita basis based on the estimated population as determined by the State Office of Financial Management as of April 1 of each year. Revenues from the criminal justice tax are deposited into the City's General Fund, but may only be used for criminal justice purposes, including the construction, improvements and expansion of jails, court facilities, juvenile justice facilities and services with ancillary benefits to the civil justice system (such as domestic violence programs and services).

*Real Estate Excise Tax.* The City is authorized to impose a real estate excise tax ("REET") on each sale of real property at the rate of 0.25% of the selling price ("REET 1") plus an additional 0.25% of the selling price ("REET 2"). This is in addition to the real estate excise tax imposed by the State at the rate of 1.28%.

REET 1 in the amount of 0.25% of the selling price is imposed by the City pursuant to RCW 82.46.010 and may be used for financing certain "capital projects" specified in a capital facilities plan element of the City's comprehensive plan or, within certain limitations, maintenance and operating expenses. Eligible "capital projects" for REET 1 include: streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm and sanitary sewer systems, parks, recreational facilities, law enforcement facilities, fire protection facilities, trails, libraries, administrative and judicial facilities. A limited amount of REET 1 revenue may be used for maintenance and operation expenses of capital facilities if certain conditions are satisfied.

REET 2 may be imposed pursuant to RCW 82.46.035(2) in the amount of 0.25% of the selling price and may be used for certain capital projects specified in a capital facilities plan element of a city's comprehensive plan or, within certain limitations, maintenance and operating expenses. Eligible "capital projects" for REET 2 include: streets, roads, highways, sidewalks, street and road lighting systems, traffic signals, bridges, domestic water systems, storm and sanitary sewer systems, and planning, construction, reconstruction, repair, rehabilitation, or improvement of parks. REET 2 excludes the use of funds to acquire land for parks. A limited amount of REET 2 revenue may be used for maintenance and operation expenses of capital facilities if certain conditions are satisfied.

The City must deposit and account for real estate excise tax proceeds in a separate capital projects fund or account. REET 1 and REET 2 revenues must be tracked separately because the uses to which they may be put are different. Real estate excise taxes are collected by the County Treasurer and distributed to the City periodically. Distributions may be suspended if the City is not compliant with RCW 36.70A.340 (relating to growth management planning).

*Utility Taxes.* Utility taxes are taxes applied to utilities providing services in the City including City-owned and privately-owned utilities. The City imposes a gross receipts utility business and occupation tax on investor- and City-owned utilities, also known as a utility tax. The following table displays the maximum utility tax rate permitted under State law without voter approval and the City’s current utility tax rate.

**TABLE 12:  
UTILITY TAX DETAIL**

<b>Utility</b>	<b>Maximum Rate without Voter Approval</b>	<b>Current Rate<sup>(1)</sup></b>
Telephone	6.0%	6.0%
Electric	6.0	6.0
Natural Gas	6.0	6.0
Solid Waste	None	6.0
Cable Television	None	None <sup>(2)</sup>

<sup>(1)</sup> The rate must not be unduly discriminatory against cable operators and subscribers and therefore should be consistent with the other utility rates charged.

<sup>(2)</sup> Chapter 5.06 of the North Bend Municipal Code allows the City to collect a utility tax on the gross income from the cable business derived from the cable service provided to customers residing in the City. The City is not currently imposing this tax and is considering doing so in the future.

*Source: The City of North Bend*

*Other Taxes and Licenses.* Several other taxes and regulatory licenses and fees are administered by the City and affect businesses in the City.

*[remainder of page intentionally left blank]*

The following table shows the historical and budgeted General Fund and certain other tax revenue collected by the City.

**TABLE 13:  
GENERAL FUND AND OTHER FUND TAX REVENUE<sup>(1)</sup>**

	Audited			Unaudited		Budgeted
	2013	2014	2015	2016	2017	2018
General Fund						
Property Taxes	\$ 1,297,717	\$ 1,320,734	\$ 1,477,862	\$ 1,506,897	\$ 1,519,431	\$ 1,651,453
Sales & Use Taxes <sup>(2)</sup>	2,012,949	2,068,397	2,305,283	2,457,580	2,613,410	2,732,425
Interfund Taxes <sup>(3)</sup>	263,810	270,957	290,162	285,199	362,638	365,000
Business & Occupation Taxes <sup>(4)</sup>	1,527,381	1,551,143	1,557,657	1,678,538	1,820,597	1,848,530
Excise Taxes	879	274	1,009	899	820	1,000
Penalties & Interest <sup>(5)</sup>	4,333	4,892	3,032	5,128	5,238	5,300
<b>Total General Fund Taxes</b>	<b>\$ 5,107,069</b>	<b>\$ 5,216,397</b>	<b>\$ 5,635,005</b>	<b>\$ 5,934,241</b>	<b>\$ 6,322,134</b>	<b>\$ 6,603,708</b>
Other Funds						
Hotel/Motel Taxes	\$ 10,261	\$ 11,359	\$ 12,365	\$ 13,225	\$ 14,143	\$ 14,500
Franchise Fees (Tax)	47,525	48,032	66,615	61,921	78,020	90,000
Real Estate Excise Taxes	425,712	435,736	506,541	556,108	592,791	710,000
<b>Total Taxes from Other Funds</b>	<b>\$ 483,498</b>	<b>\$ 495,127</b>	<b>\$ 585,521</b>	<b>\$ 631,254</b>	<b>\$ 684,954</b>	<b>\$ 900,745</b>
<b>Total Taxes</b>	<b>\$ 5,590,567</b>	<b>\$ 5,711,524</b>	<b>\$ 6,220,526</b>	<b>\$ 6,565,495</b>	<b>\$ 7,007,088</b>	<b>\$ 7,504,183</b>

<sup>(1)</sup> Columns may not foot due to rounding. Information for the years ending December 31, 2013 through 2015 is based on the City's audited financial statements; information for the years ending December 31, 2016 and 2017 is unaudited, preliminary and subject to change; and information for the year ending December 31, 2018 is based on the City's current budget, and is also preliminary, subject to change. Table does not include funds related to repayment of the City's Unlimited Tax General Obligation Bonds, 2011 (excess property tax levy), or the City's water system, sewer system, storm system, solid waste and recycling operations, or utility local improvement districts.

<sup>(2)</sup> Includes local sales and uses taxes, including the criminal justice taxes, described above. Does not include sales and use tax within North Bend Transportation Benefit District No. 1. See "Transportation Benefit District" below.

<sup>(3)</sup> Reflects utility taxes imposed on City-owned utilities.

<sup>(4)</sup> On May 3, 2016 the City Council adopted Ordinance No. 1587 amending the North Bend Municipal Code relating to Business & Occupation Taxes to create a square footage tax with tiered rates based on the square footage of the buildings subject to the tax.

<sup>(5)</sup> Includes fines and penalties imposed by the City, such as business and occupation tax penalties.

Source: *The City of North Bend*

### Transportation Benefit District

In accordance with chapter 36.73 RCW, the Council adopted Ordinance No. 1436 on July 19, 2011, creating the North Bend Transportation Benefit District No. 1 (the "North Bend TBD") with boundaries coterminous with the boundaries of the City. The North Bend TBD was originally organized as a legally separate municipal entity and taxing authority from the City, but its funds were included on the City's financial statements. In 2011, the qualified electorate within the North Bend TBD approved a proposition authorizing a sales and use tax of 0.2% within the North Bend TBD for the purpose of paying for approved transportation benefit district projects and associated debt. Pursuant to Ordinance No. 1620 adopted by the Council on April 4, 2017, the City assumed all of the rights, powers, immunities, functions and obligations of the North Bend TBD, and as a result, the North Bend TBD was absorbed into the City and is no longer considered a legally separate entity. As a result, the voter-approved sales and use tax continues to be imposed by the City and used for authorized transportation related projects consistent with the requirements of chapter 36.73 RCW.

**Financial and Budgetary Information**

**TABLE 14:  
FUND RESOURCES AND USES ARISING FROM CASH TRANSACTIONS  
(Years Ending December 31)<sup>(1)</sup>**

	Audited			Unaudited		Budgeted
	2013	2014	2015	2016	2017	2018
FUND BALANCE, JANUARY 1 <sup>(2)</sup>	\$ 1,551,349	\$ 1,260,146	\$ 998,557	\$ 1,244,252	\$ 1,335,944	\$ 1,799,072
REVENUES						
Taxes	\$ 5,009,955	\$ 5,114,507	\$ 5,527,312	\$ 5,819,924	\$ 6,202,430	\$ 6,482,806
Licenses & Permits	559,952	288,979	277,596	349,599	584,901	641,652
Intergovernmental Revenues	195,504	217,055	191,076	217,284	228,688	238,812
Charges for Goods & Services	190,081	94,154	80,791	182,667	381,686	281,450
Fines & Penalties	67,951	76,344	73,611	87,952	85,712	84,760
Miscellaneous Revenues	16,898	23,158	35,697	38,644	41,798	56,580
Other Financing Sources	159,556	3,164	86,744	142	1,049	72
TOTAL REVENUES	\$ 6,199,897	\$ 5,817,361	\$ 6,272,827	\$ 6,696,212	\$ 7,526,264	\$ 7,786,132
TOTAL RESOURCES	\$ 7,751,246	\$ 7,077,507	\$ 7,271,384	\$ 7,940,464	\$ 8,862,208	\$ 9,585,204
EXPENDITURES						
General Government	\$ 996,282	\$ 1,221,876	\$ 1,122,442	\$ 1,274,191	\$ 1,411,657	\$ 1,741,320
Public Safety	2,945,314	2,941,423	3,024,513	3,181,797	3,302,203	3,858,674
Transportation	644,630	722,241	696,759	770,770	956,607	1,052,235
Natural & Economic Environment	448,068	479,528	560,131	672,384	637,654	893,929
Mental & Physical Health	32,720	28,650	30,096	30,310	39,332	42,900
Social Services	432,269	429,807	457,834	494,101	587,172	711,244
Debt Service	43,468	43,389	43,738	31,623	31,539	31,435
Capital Outlay	68,673	109,641	160,060	74,570	101,723	81,318
TOTAL EXPENDITURES	\$ 5,611,424	\$ 5,976,555	\$ 6,095,573	\$ 6,529,746	\$ 7,067,887	\$ 8,413,055
EXCESS OF RESOURCES OVER (UNDER)						
EXPENDITURES	\$ 2,139,822	\$ 1,100,952	\$ 1,175,811	\$ 1,410,718	\$ 1,794,321	\$ 1,172,149
Non-Revenues <sup>(3)</sup>	533,359	272,950	262,423	270,702	544,235	732,084
Less: Non-Expenditures <sup>(3)</sup>	(1,413,036)	(201,222)	(193,984)	(345,478)	(539,484)	(533,859)
FUND BALANCE, DECEMBER 31 <sup>(2)</sup>	\$ 1,260,145	\$1,172,680	\$ 1,244,250	\$ 1,335,942	\$ 1,799,072	\$ 1,370,374

(1) Includes data for the City's General Fund and other City funds. Table does not include funds related to repayment of the City's Unlimited Tax General Obligation Bonds, 2011 (excess property tax levy), or the City's water system, sewer system, storm system, solid waste and recycling operations, or utility local improvement districts. See Appendix E and Appendix F for a summary of the City's funds and accounts. Columns may not foot due to rounding. Information for years ending December 31, 2013 through 2015 is from the City's audited financial statements; information for the years ending December 31, 2016 and 2017 is unaudited, preliminary and subject to change, and information for the year ending December 31, 2018 is based on the City's current budget, and is also preliminary, subject to change.

(2) Beginning fund balance may differ from ending fund balance from prior year due to rounding and/or compliance with GASB 54. For instance, for reporting purposes in compliance with GASB 54, in 2013 and 2014 funds associated with the General Fund (101 Streets, 102 Street Capital and 108 Economic Development) were rolled into the General Fund for reporting purposes, in 2015 the 102 Street Capital Fund was rolled out of the General Fund resulting in a reduced beginning fund balance from 2014, and in years 2015 through 2018 funds associated with the General Fund (101 Streets and 108 Economic Development) were rolled into the General Fund for reporting purposes in compliance with GASB 54.

(3) Non-Revenues and Non-Expenditures consist of transfers between the General Fund and other funds.

Source: *The City of North Bend*

## THE CITY OF NORTH BEND

The City was incorporated in 1909 and operates under the laws of the State applicable to a noncharter code city operating under the mayor-council plan of government as set forth in chapter 35A.21 RCW. The City is a general purpose government and provides a range of general government services including planning and community development, street maintenance and improvements, parks and recreation, public works, solid waste and recycling, and general administrative services. The City contracted for police services with King County until March 2014 when it entered into a contract with the City of Snoqualmie. Fire services are provided through Eastside Fire and Rescue, an agency created by an interlocal agreement among the City, Fire District No. 38, King County Fire Protection District No. 10, the City of Issaquah and the City of Sammamish. In addition, the City owns and operates water, sewer and storm water utility systems.

### Governance

The City operates under a Mayor-Council form of government, with the Mayor and seven-member Council elected by the voters of the City for four-year terms. Council members are elected at large. The Mayor appoints the City Administrator who serves as the City’s chief administrative officer responsible for carrying out the policies and direction set by the Mayor and Council. The Council is responsible for, among other things, passing ordinances and resolutions, adopting the budget, and adopting general policies and goals for the City. The Council holds regular meetings and special meetings as needed. All meetings are open to the public as provided by law.

Current members of the City Council are listed in the following table.

**TABLE 15:  
ELECTED OFFICIALS**

Name	Position	Term Expires December 31,
Kenneth G. Hearing	Mayor	2019
Brenden Elwood	Councilmember	2019
Alan Gothelf	Councilmember	2021
Jonathan Rosen	Councilmember	2019
Christopher Garcia	Councilmember	2019
Trevor Kostanich	Councilmember	2019
Martin Volken	Councilmember	2019
Ross Loudenback	Councilmember	2021

*Source: The City of North Bend*

**Mayor.** The chief executive and administrative officer of the City is the Mayor who is elected to a four-year term. Mr. Kenneth Hearing has served as the City’s Mayor since January 2004. Prior to being elected as Mayor, he served on the North Bend Planning Commission from 1999 to 2003. He has served as the President of the Sound Cities Association and Snoqualmie Valley Government Association, and sits on many local and regional boards and committees.

**City Administrator.** The chief administrative officer of the City is the City Administrator who is hired by, is responsible to, and serves at the pleasure of the Mayor. Ms. Londi Lindell has served as City Administrator since 2012. Prior to coming to the City, she owned a consulting business that provided contract consulting, legal and real estate services to clients on various municipal matters. Prior to that, she served as the Deputy City Manager/City Attorney for the City of Mercer Island and as the Assistant City Manager/City Attorney for the City of Federal Way. She holds a Juris Doctorate degree from Seattle University.

**Deputy City Administrator/Finance Director.** Ms. Dawn Masko, the City’s Finance Director, has held that position since November 2013. Prior to employment with the City, she served as City Administrator for the City of DuPont, and as Finance Director for the City of University Place. Ms. Masko earned a bachelor’s degree in Accounting Science from the University of Puget Sound.

**Labor Relations**

As of June 30, 2018, the City had 43 full-time employees, three part-time employees, and two seasonal temporary employees. City employees who are eligible under State law to be represented by a labor organization are employed under provisions of a negotiated contract with the bargaining unit listed below. The City considers its relationship with the bargaining units to be good.

**TABLE 16:  
LABOR RELATIONS DETAIL**

<b>Labor Union</b>	<b>No. of Employees</b>	<b>Contract Expiration</b>
Teamsters – Office/Clerical	16	December 31, 2019
Teamsters – Public Works	16	December 31, 2020

*Source: The City of North Bend*

**Budget**

The City adopts a biennial appropriated budget for all governmental funds. On May 20, 2014, the City Council passed Ordinance No. 14-054 authorizing the change to biennial budgeting effective for the budget years of 2015-2016. Actual expenditures in the first year may not exceed the first year plan appropriations, and second year plan appropriations shall only be expended in the second year. Any changes to the budget appropriations will occur with Council approval as part of quarterly budget adjustments or as part of the mid-biennium budget review in accordance with the provisions of chapter 35A.34 RCW.

These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. The biennial budget is implemented as two, one-year financial plans, therefore all appropriations for these funds lapse at the fiscal year end. Biennial appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

Budgeted amounts are authorized to be transferred between departments within any fund; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the City Council.

**Accounting and Auditing**

Accounting systems and budgetary controls are prescribed by the Office of the State Auditor in accordance with RCW 43.09.200 and RCW 43.09.230. State statutes require audits for cities to be conducted by the Office of the State Auditor. The City complies with the systems and controls prescribed by the Office of the State Auditor and establishes procedures and records which reasonably assure safeguarding of assets and the reliability of financial reporting.

The City reports financial activity in accordance with the *Cash Basis Budgeting, Accounting, and Reporting System* (“BARS”) manual prescribed by the State Auditor’s Office under the authority of chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (“GAAP”) in the following manner: financial transactions are recognized on a cash basis of accounting; component units are required to be disclosed, but are not included in the financial statements; government-wide statements, as defined in GAAP, are not presented; all funds are presented, rather than a focus on major funds; the Schedule of Liabilities is required to be presented with the financial statements as supplementary information; supplementary information required by GAAP is not presented; ending balances are not presented using the classifications defined in GAAP.

Financial transactions of the City are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The government’s resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements. See Note 1 in the financial statements attached hereto as Appendix E and Appendix F for a summary of the governmental, proprietary and fiduciary funds used by the City.

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

The State Auditor is required to examine the affairs of all taxing districts in the State at least once every three years. The City has historically been audited on a two-year cycle. The examination must include, among other things, the financial condition and resources of the City, whether the laws and constitution of the State are being complied with, and the methods and accuracy of the accounts and reports of the City. Reports of the auditor’s examinations are required to be filed in the office of the State Auditor and with the City Finance Director.

The most recent audited financial statements for the City for fiscal years ending December 31, 2014 and 2015 were prepared by the Finance Director and audited by the Office of the State Auditor. The State Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The State Auditor also has not performed any procedures related to this Official Statement.

The audited financial statements of the City for fiscal years ending December 31, 2014 and 2015 are attached to this Official Statement as Appendix E. The unaudited financial statements of the City for the year ended December 31, 2016 and 2017 are attached hereto as Appendix F. Such unaudited financial statements are preliminary, and are subject to change. The City’s next audit, for fiscal years ending December 31, 2016 and 2017, is expected to be available in September or October 2018.

**Investments**

It is the City’s policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds, with the exception of certain Special Revenue Funds, in accordance with the City’s Financial Policies.

All investments must be in accordance with State law. Chapter 39.59 RCW authorizes the investment of funds of local governments in the following instruments: (i) bonds of the State or any local government in the State, (ii) general obligation bonds of any other state or local government thereof which have at the time of investment one of the three highest credit ratings of a nationally recognized rating agency, (iii) registered warrants of a local government in the same county as the local government making the investment, (iv) obligations of the U.S. government, its agencies and wholly owned corporations, or obligations issued or guaranteed by supranational institutions, provided, that at the time of investment, the United States government is the largest shareholder of such institution, (v) obligations of the Federal Home Loan Bank, Federal Land Bank and Fannie Mae, and obligations of other government-sponsored corporations whose obligations are or may become eligible as collateral for advances to member banks of the Federal Reserve System, (vi) bankers’ acceptances purchased on the secondary market, (vii) commercial paper purchased on the secondary market, subject to State Investment Board policies, and (viii) corporate notes purchased on the secondary market, subject to State Investment Board policies.

As of June 30, 2018, the City’s cash and investments on a fair value basis, totaled approximately \$26,420,116, not including City pension funds. The investment portfolio was distributed in various types of instruments as shown in the following table:

**TABLE 17:  
CITY INVESTMENTS  
(AS OF JUNE 30, 2018) <sup>(1)</sup>**

Local Government Investment Pool (See below)	\$ 13,160,675
U.S. Agencies	12,034,717
Total	\$ 25,195,392

<sup>(1)</sup> Unaudited.

Source: City of North Bend

*State Local Investment Pool.* The LGIP is a voluntary investment vehicle administered by the State Treasurer’s Office. Since it was created in 1986, over 530 local governments (including counties, cities, towns, special taxing districts, community colleges and universities, State agencies and other public entities in the State) have participated in the LGIP. During fiscal year ending June 30, 2017, the average balance in the LGIP portfolio was \$12.8 billion maintained by 608

participants. In its management of LGIP, the State Treasurer is required to adhere, at all times, to the principles appropriate for the prudent investment of public funds. These principles are, in order of priority, (i) the safety of principal; (ii) the assurance of sufficient liquidity to meet cash flow demands; and (iii) providing a competitive interest rate relative to other comparable investment alternatives. Historically, the LGIP has had sufficient liquidity to meet all cash flow demands.

The LGIP, authorized by chapter 43.250 RCW, is a voluntary pool which provides its participants the opportunity to benefit from the economies of scale inherent in pooling. It is also intended to offer participants increased safety of principal and the ability to achieve a higher investment yield than would otherwise be available to them. Although not regulated by the U.S. Securities and Exchange Commission (the "SEC"), the LGIP is invested in a manner generally consistent with the SEC guidelines for Rule 2a-7 money market funds. To provide for safety and liquidity of funds, the LGIP policy is to invest in only those high quality, short-term instruments authorized by statute. Investments are restricted to fixed rate securities that mature in 397 days or less, except for securities utilized in repurchase agreements and U.S. government floating or variable rate notes which may have a maximum maturity of 762 days, provided they have reset dates within one year and that on any reset date can reasonably be expected to have a fair value that approximates their amortized cost. The portfolio's weighted average maturity will not exceed 60 days, and a weighted average life will not exceed 120 days. The LGIP investment policy limits the types of securities available for investment to obligations of the U.S. government or its agencies, obligations of government-sponsored corporations, banker's acceptances, commercial paper, deposits with qualified public depositaries, and obligations of the State or its political subdivisions. Certain authorized investments have credit rating requirements at the time of purchase. The City may withdraw funds in their entirety on less than 24-hours' notice.

## **Pension**

Substantially all full-time and qualifying part-time employees of the City participate in one of the following statewide cost-sharing multiple-employer plans administered by the State's Department of Retirement Systems ("DRS"): the State Public Employees Retirement System ("PERS") Plans 1, 2 or 3. Contributions by both employees and employers are based on gross wages. PERS participants who joined the system by September 30, 1977 are Plan 1 members. Those PERS participants who joined on or after October 1, 1977, are Plan 2 members, unless they exercise an option to transfer to Plan 3. PERS participants joining on or after September 1, 2002, have the irrevocable option of choosing membership in PERS Plan 2 or PERS Plan 3. PERS Plan 3 is a hybrid defined benefit/defined contribution plan in which the employer contributes to the defined benefit portion and the employee contributes to the defined contribution portion. The State Legislature establishes, and from time to time amends, laws pertaining to the creation, administration and funding of these retirement systems; however, employees are contractually entitled to receive plan benefits.

The information in this section has been obtained from the City's financial statements and information on the websites of DRS and of the Office of the State Actuary (the "OSA"), a nonpartisan legislative agency charged with advising the Legislature and Governor on pension benefits and funding policy. DRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information for each plan. The DRS Comprehensive Annual Financial Report ("DRS CAFR") may be obtained from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov) (which is not incorporated herein by this reference).

*Plan Funding; Contribution Rates and Amounts.* All DRS retirement plans are funded by a combination of funding sources: (1) contributions from the State; (2) contributions from employers (including the State as employer and the City and other governmental employers); (3) contributions from employees; and (4) investment returns. Retirement funds are held in the Commingled Trust Fund and invested by the State Investment Board, a 15-member board created by the Legislature in 1981. The dollar-weighted average annual investment return of the Commingled Trust Fund for the ten-year period from July 1, 2007 to June 30, 2017 was 6.40%.

Under State statute, employer and employee contribution rates are adopted by the Pension Funding Council ("PFC") in even-numbered years for the next ensuing State biennium. The rate-setting process begins with an actuarial valuation by the OSA, which makes non-binding recommendations to the State Legislature's Select Committee on Pension Policy, which then recommends contribution rates to the PFC. No later than the end of July in even-numbered years, the PFC adopts contribution rates, which are subject to revision by the Legislature. For all PERS plans, the Legislature has established a minimum employer contribution rate of 3.50%, to be used for the sole purpose of amortizing a portion of the unfunded actuarial accrued liability of PERS Plan 1 and to remain in effect until the actuarial accrued liability of

PERS Plan 1 is fully funded. In the 2017–2019 State biennium, a portion of the employer contribution rate equal to 5.03% is used for this purpose.

The following table outlines the current contribution rates of employees and employers.

**TABLE 18:  
Contribution Rates for the 2017–2019 State Biennium  
Expressed as a Percentage of Covered Payroll**

PERS	Employee	City <sup>(1)</sup>
Plan 1	6.00%	12.70%
Plan 2	6.12	12.70
Plan 3	5.00 to 15.00 <sup>(2)</sup>	12.70

<sup>(1)</sup> Includes 0.18% DRS administrative expense rate.

<sup>(2)</sup> Employees who are members of PERS Plan 3 do not contribute to the cost of the defined-benefit plan.

Source: DRS

OSA has published projected employer contribution rates for the 2019–2021 State biennium, anticipating substantially higher PERS contribution rates; however, such projections are subject to change.

For the fiscal year ended December 31, 2017, the City had 37 employees participating in PERS Plan 2, four employees participating in PERS Plan 3, and no employees participating in PERS Plan 1. The City’s total pension contribution for PERS in fiscal years 2016 and 2017 was \$315,137 and \$354,402, respectively.

*Actuarial Valuation Methods and Assumptions.* OSA prepares actuarial calculations to develop contribution rates for employers and employees. OSA uses the Entry Age Normal (“EAN”) cost method to report each Plan’s funded status. The annual cost of benefits under EAN is comprised of two components: normal cost, plus amortization of the unfunded liability. The normal cost is most commonly determined on an individual basis from a member’s age at plan entry and is designed to be a level percentage of pay throughout a member’s career. Comparing the EAN liabilities to the actuarial value of assets (“AVA”) on the valuation date provides an appropriate measure of a plan’s funded status and is acceptable according to current Governmental Accounting Standards Board (“GASB”) Statements 67 and 68. For purposes of determining the actuarial accrued liability of each plan and the unfunded portion thereof, OSA uses actuarial cost and asset valuation methods determined by the Legislature, which differ from plan to plan. For purposes of calculating contribution rates, the Legislature determines the long-term assumed rate of investment return to be used by OSA. The long-term assumed rate of investment return is 7.7% for all PERS plans. OSA further assumes a salary growth rate of 3.75% per year, an inflation rate of 3% per year and a plan membership growth rate of 0.95% per year.

*Plan Funding Status and Unfunded Actuarial Liability.* Assets of PERS Plans 2 and 3 are accounted for in the same pension trust fund and may legally be used to pay the defined benefits of any PERS Plan 2 or 3 members. Otherwise, assets for one plan may not be used to fund benefits for another plan: however, all employers in PERS are required to make contributions at a rate (percentage of payroll) determined by the OSA every two years for the sole purpose of amortizing the PERS Plan 1 unfunded actuarial accrued liability within a rolling 10-year period.

The OSA 2016 Actuarial Valuation, as of June 30, 2016, was as follows:

**TABLE 19:  
FUNDED STATUS ON AN ACTUARIAL VALUATION BASIS<sup>(1)</sup>  
(DOLLARS IN MILLIONS)**

	PERS 1	PERS 2/3
Actuarial Accrued Liability	\$ 12,323	\$ 34,759
Actuarial Value of Assets	6,958	30,262
Unfunded Actuarial Accrued Liability/(Surplus)	5,365	4,497
Funded Ratio	56%	87%

<sup>(1)</sup> As of June 30, 2016, the most recent actuarial valuation date. Liabilities valued using the EAN cost method at an assumed investment rate of return of 7.7%. All assets valued under the actuarial asset method.

*Source: OSA 2016 Actuarial Valuation, August 2017*

*GASB 67/68 Reporting.* GASB Statement 68, Accounting and Financial Reporting for Pensions (“GASB 68”), became effective for the City for the year ended December 31, 2015. Among the changes imposed by GASB 68 are that lower discount rates are required to be used for underfunded plans in certain cases and the difference between expected and actual investment returns each year will be recognized over a closed five-year smoothing period. DRS determines each participating employer’s proportionate share of each plan’s liability, and OSA determines each plan’s accounting valuation. GASB 68 affects the accounting for pensions but does not change the funding status of the plans calculated by OSA or pension contribution rates that are set based on statutory assumptions.

**TABLE 20:  
SCHEDULE OF NET PENSION LIABILITY<sup>(1)</sup>  
(DOLLARS IN MILLIONS)**

	PERS 1	PERS 2/3
Total Pension Liability	\$ 12,242	\$ 38,475
Fiduciary Net Position	7,497	35,001
Net Pension Liability/(Asset)	4,745	3,475
Funded Ratio	61.2%	91.0%
City Proportionate Share of Net Pension Liability/(Asset)	1.21	1.15
City Proportionate Share as %	0.025549%	0.032967%

<sup>(1)</sup> As of June 30, 2017. The Total Pension Liability and Net Pension Liability for the State fiscal year ended June 30, 2017 was determined based on the OSA 2016 Actuarial Valuation (as of June 30, 2016), with the results rolled forward to June 30, 2017. The following actuarial assumptions were used and were applied to all prior periods included in the measurement: 3.0% total economic inflation, 3.75% salary inflation (plus growth by promotions and longevity) and 7.5% rate of investment returns.

*Source: 2017 DRS CAFR and DRS Participating Employer Financial Information for the fiscal year ended June 30, 2017*

### **Other Post-Employment Benefits**

GASB issued a standard concerning Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions (“GASB 45”). In addition to pensions, many state and local governmental employers provide other post employment benefits (“OPEB”) as a part of total compensation to attract and retain the services of qualified employees. OPEB includes post employment healthcare, as well as other forms of post-employment benefits when provided separately from a pension plan. The standard provides for the measurement, a recognition and display of OPEB expenses/expenditures, related liabilities (assets), note disclosures and if applicable, required supplementary information in the financial reports.

The City does not provide any post-employment benefits.

## **Risk Management**

The City is a member of the Association of Washington Cities Risk Management Service Agency (“AWC RMSA”). The AWC RMSA is a local government risk sharing pool formed to provide property and casualty insurance coverage to participating members of the Association of Washington Cities (“AWC”). The members are made up of cities, towns and other local governmental entities throughout the State. AWC RMSA was originally organized January 1, 1989, pursuant to RCW 48.62.031, RCW 36.16.138 and chapter 39.34 RCW (the “Interlocal Cooperation Act”).

AWC RMSA’s general objectives are to provide its members with a comprehensive risk management program, stabilize insurance costs, and minimize the loss exposure of its members through a program of risk-sharing, joint indemnification of losses, and proactive management intervention. A member is entitled to withdraw from AWC RMSA at the end of any fiscal year by providing a 12 month written notice of its intent to withdraw. Members are subject to supplemental premium assessments in the event of deficiencies. As of December 31, 2017 and 2016, 99 and 98 members, respectively, participated in the AWC RMSA.

AWC RMSA provides property coverage up to the maximum limit of \$250 million per loss. Property other than vehicles, equipment, and dilapidated buildings are paid at replacement cost of the damaged or destroyed property at the time of loss. Vehicles, equipment, and dilapidated buildings are paid at actual cash value at the time of loss. AWC RMSA also provides general liability coverage including law enforcement liability, automobile liability, employment practices liability, and public officials’ errors and omissions liability with coverage up to \$15 million in per occurrence limits and \$53 million in aggregate limits. Other types of coverage include boiler and machinery coverage up to \$100 million per occurrence, crime, employee fidelity, and faithful performance coverage up to \$1 million per occurrence, and pollution liability coverage up to \$2 million per occurrence. Optional aviation liability coverage is available to applicable members, under a group purchase, with coverage up to \$2 million per occurrence.

Members pay an annual assessment to the AWC RMSA. Member assessments are collected in advance and recognized as revenue in the period for which insurance protection is provided. The assessment is calculated based on the worker hours, property values and losses. Assessments provide members with all coverage and services.

AWC RMSA uses reinsurance agreements to reduce its exposure to large losses on all types of insured events. Reinsurance permits recovery of a portion of losses from reinsurers, although it does not discharge the primary liability of AWC RMSA as direct insurer of the risks reinsured.

The AWC RMSA establishes a loss fund for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses.

## **TAX MATTERS**

*General.* In the opinion of Bond Counsel, under existing law and subject to certain qualifications described below, interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the “Code”), and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. The proposed form of opinion of Bond Counsel with respect to the Bonds to be delivered on the date of issuance of the Bonds is set forth in Appendix A.

The Code contains a number of requirements that apply to the Bonds, and the City has made certain representations and has covenanted to comply with each such requirement. Bond Counsel’s opinion assumes the accuracy of the representations made by the City and is subject to the condition that the City comply with the above-referenced covenants. If the City fails to comply with such covenants or if the City’s representations are inaccurate or incomplete, interest on the Bonds could be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Except as expressly stated herein, Bond Counsel expresses no opinion regarding any tax consequences related to the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on, the Bonds. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds.

*Original Issue Premium and Discount.* If the initial offering price to the public at which a Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes “original issue discount” for purposes of federal income taxes. If the initial offering price to the public at which a Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes “original issue premium” for purposes of federal income taxes. De minimis original issue discount and original issue premium is disregarded.

Under the Code, original issue discount is treated as interest excluded from federal gross income to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Bond. The Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Bonds who purchase the Bonds after the initial offering of a substantial amount of such maturity. Owners of such Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Bonds under federal individual alternative minimum tax.

Under the Code, original issue premium is amortized on an annual basis over the term of the Bond (said term being the shorter of the Bond’s maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Bond is amortized each year over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Bond premium is not deductible for federal income tax purposes. Owners of premium Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to federal income tax consequences of owning such Bonds.

*Post Issuance Matters.* The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel’s judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service (“IRS”) or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the City, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS.

Bond Counsel’s engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the City or the Owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the City and its appointed counsel, including the Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the City legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the City or the Owners to incur significant expense.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

*Bank Qualified.* The City has designated the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3)(B) of the Code.

## CONTINUING DISCLOSURE UNDERTAKING

Pursuant to a certificate to be executed by the City on or prior to the date of issuance and delivery of the Bonds (a “Continuing Disclosure Certificate”), the City will covenant for the benefit of the owners and the “Beneficial Owners” (as defined in the Continuing Disclosure Certificate) of the Bonds pursuant to Securities and Exchange Commission Rule 15c2-12 (the “Rule”) to provide certain financial information and operating data not later than the end of nine months after the end of each of the City’s fiscal years (presently, December 31), commencing with the report for the fiscal year ended December 31, 2017, and to provide notices of the occurrence of certain enumerated events with respect to the Bonds. The information will be filed by or on behalf of the City with the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access (“EMMA”) system. See Appendix B for a form of the Continuing Disclosure Certificate.

*Other Ongoing Disclosure Undertakings of the City.* The City previously entered into continuing disclosure undertakings under the Rule (the “Prior Undertakings”) in connection with certain of its outstanding obligations. The City failed to timely file certain operating data related to its outstanding water and sewer revenue bonds for the fiscal year ended December 31, 2012, a notice of a rating upgrade related to its water and sewer revenue bonds, and notice of a delinquent debt service payment with respect to certain outstanding water and sewer revenue bonds (see “CITY INDEBTEDNESS—Debt Payment Record”). The City has filed the information required by the Prior Undertakings, along with event notices disclosing the untimely filings.

## RATING

As noted on the cover page of this Official Statement, S&P Global Ratings has assigned a rating of “AA” to the Bonds. No application was made to any other rating agency for the purpose of obtaining an additional rating on the Bonds. The rating reflects only the view of the rating agency and an interpretation of such rating may be obtained only from the rating agency furnishing the same. There is no assurance that such rating will continue for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agency, if, in the judgment of such agency, circumstances so warrant. Any such revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds. Any further explanation of the rating may be obtained from the rating agency.

## UNDERWRITING

KeyBanc Capital Markets, Inc. (the “Underwriter”) has agreed, subject to the terms of a Bond Purchase Agreement, to purchase the Bonds from the City at a price of \_\_\_\_\_% of the par value of the Bonds and will be reoffered at a price of \_\_\_\_\_% of the par value of the Bonds. The Bonds are being reoffered for sale to the public at the prices shown on the inside cover of this Official Statement. Concessions from the initial offering price may be allowed to selected dealers and special purchasers. The initial offering prices are subject to change after the date of this Official Statement.

## CERTAIN LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of Bonds by the City are subject to the approving legal opinion of Pacifica Law Group LLP, Seattle, Washington, Bond Counsel. A copy of the form of opinion of Bond Counsel is attached hereto as Appendix A. Pacifica Law Group LLP is also serving as Disclosure Counsel to the City in connection with the issuance of the Bonds.

## LITIGATION

### **No Litigation Concerning the Bonds**

There is no litigation pending or threatened in any court (local, state, or federal) to restrain or enjoin the issuance or delivery of the Bonds, or questioning the creation, organization, existence, or title to office of the officers of the Department or the City, the validity or enforceability of the Bond Ordinance, or the proceedings for the authorization, execution, sale, and delivery of the Bonds.

## **Other Litigation**

Because of the nature of its activities, the City is subject to various pending and threatened legal actions which arise in the ordinary course of business. See Note 7 in the attached financial statements. Based on its past experience and the information currently known, the City does not believe that any pending litigation would materially adversely affect the ability of the City to pay when due the principal of or interest on the Bonds.

## **POTENTIAL CONFLICTS OF INTEREST**

Some or all of the fees of the Underwriter, the Bond Registrar, Disclosure Counsel and Bond Counsel are contingent upon the issuance and sale of the Bonds. None of the members of the City Council or other officers of the City have interests in the issuance of the Bonds that are prohibited by applicable law. From time to time Bond Counsel and Disclosure Counsel serve as counsel to other parties involved with the Bonds, such as the Underwriter, with respect to transactions other than the issuance of the Bonds.

## **CERTAIN INVESTMENT CONSIDERATIONS**

*Prospective purchasers of the Bonds should consider the matters set forth below as well as other information contained in this Official Statement in evaluating an investment in the Bonds. This section does not purport to be a comprehensive list or description of all potential risks which, if realized, could adversely affect the payment or the value of the Bonds. The order of presentation of these factors below is not intended to create any implication as to the relative importance of any one risk factor over another.*

## **Initiative and Referendum**

Under the State Constitution, the voters of the State have the ability to initiate legislation and modify existing legislation through the powers of initiative and referendum, respectively. The initiative power in Washington may not be used to amend the State Constitution. Initiatives and referenda are submitted to the voters upon receipt of a petition signed by at least 8% (initiative) and 4% (referenda) of the number of voters registered and voting for the office of Governor at the preceding regular gubernatorial election. Any law approved in this manner by a majority of the voters may not be amended or repealed by the Legislature within a period of two years following enactment, except by a vote of two-thirds of all the members elected to each house of the Legislature. After two years, the law is subject to amendment or repeal by the Legislature in the same manner as other laws.

Under State law, powers of initiative and referendum are available to voters of cities, towns and counties, if the local legislative body elects to adopt such powers, or if a petition is presented and receives the requisite percentage of votes at an election. The City has adopted the power of initiative and referendum for the qualified electors of the City as provided pursuant to RCW 35A.11.080 through 35A.11.100. Under the North Bend Municipal Code, City voters may initiate local legislation and City Code amendments, and modify existing legislation, and through referendum may prevent legislation passed by the City Council from becoming law. With certain exceptions, ordinances passed by the City Council will go into effect 30 days from the time of final passage and are subject to referendum during the interim. Under State law, the Bond Ordinance may not be a proper subject for a referendum petition. Nonetheless, any referendum period will have expired and the Bond Ordinance will become effective before the date of issuance and delivery of the Bonds. As of the date of this Preliminary Official Statement, no referendum petition has been filed.

In recent years there has been an increase in the number of initiatives and referenda filed in Washington, including state initiatives targeting property taxes imposed by local jurisdictions. The City cannot predict whether this trend will continue, whether any filed initiatives will receive the requisite signatures to be certified to the ballot, and whether such initiatives will be approved by the voters and, if challenged, upheld by the courts.

## **Limitations on Remedies**

Any remedies available to the owners of the Bonds upon the occurrence of an event of default under the Bond Ordinance are in many respects dependent upon judicial actions, which are in turn often subject to discretion and delay and could be both expensive and time-consuming to obtain. If the City fails to comply with its covenants under the Bond Ordinance or to pay principal of or interest on the Bonds, there can be no assurance that available remedies will be adequate to fully protect the interests of the owners of the Bonds.

In addition to the limitations on remedies contained in the Bond Ordinance, the rights and obligations under the Bonds and the Bond Ordinance may be limited by and are subject to bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium, and other laws relating to or affecting creditors' rights, to the application of equitable principles, and to the exercise of judicial discretion in appropriate cases. The opinion to be delivered by Pacifica Law Group LLP, as Bond Counsel, concurrently with the issuance of the Bonds, will be subject to limitations regarding bankruptcy, insolvency and other laws relating to or affecting creditors' rights. A copy of the form of legal opinion of Bond Counsel is set forth in Appendix A.

### **No Acceleration**

Under the Bond Ordinance, a Bond owner cannot require acceleration of debt service on the Bonds upon the occurrence of an event of default. The City is liable for principal and interest payments only as they become due. In the event of multiple defaults in payment of principal or interest on the Bonds, the bond owners would be required to bring a separate action for each such payment not made. This could give rise to a difference in interests between owners of earlier and later maturing Bonds.

### **Municipal Bankruptcies**

Under current Washington law, local governments, such as the City, may be able to file for bankruptcy under Chapter 9 of the United States Bankruptcy Code (the "Bankruptcy Code"). A creditor, however, cannot bring an involuntary bankruptcy proceeding against a municipality, including the City. The federal bankruptcy courts have broad discretionary powers under the Bankruptcy Code. Taxing districts in the State are expressly authorized to carry out a plan of readjustment if approved by the appropriate court. If the City were to become a debtor in a federal bankruptcy case, owners of the Bonds may not be able to exercise any of their remedies under the Bond Ordinance during the course of a proceeding. Legal proceedings to resolve issues could be time-consuming and expensive, and substantial delays and/or reductions in payments could result.

### **Federal Budget and Sequestration**

The City receives grants and other funds from the federal government (either directly or indirectly through the State or local governmental agencies). These federal funds may be adversely impacted by federal legislative and executive actions, including to cuts to federal spending. Federal funding is subject to federal legislative action, including through the federal budget process. Budgetary acts, including the sequestration provisions of the Budget Control Act of 2011 ("Sequestration"), could continue to affect the availability of federal funds. At this time it is not possible to predict the final form of any federal legislative or executive actions or other budgetary acts that may be enacted, including but not limited to budgetary acts taken in connection with federal tax reform legislation, or what the impact may be on federal grant funds or Sequestration. It is possible that any portion or all of the subsidy payments received by the City could be affected by Sequestration.

### **Seismic, Volcanic, Flooding and Other Risks**

The State is in an area of seismic activity, with frequent small earthquakes and occasionally moderate to larger earthquakes. The Puget Sound region is characterized by geotechnical conditions that could result in areas of liquefaction and landslide in an earthquake. In addition to the various faults beneath the State, the State is within the Cascadia subduction zone, a fault beneath the Pacific Ocean, which produced a large earthquake several hundred years ago and is thought to be capable of causing extensive damage if another earthquake occurs. There have been four major earthquakes in the last 50 years, the most recent in 2001, which measured 6.8 on the Richter Scale. The occurrence of such an earthquake along the Washington coast or elsewhere in the Pacific could result in a major tsunami, which in turn could cause additional and extensive damage to areas within the City and other areas adjacent to Puget Sound. Other natural disasters, such as volcanic eruptions, flooding, mud slides and windstorms, are also possible.

The north portion of the City is located within the 100-year floodplain of the South and Middle Forks of the Snoqualmie River, which experienced several destructive floods since 1975. The corridors along both Forks on the east and west side of the City are also located in the 100-year floodplain. A large number of structures in the City are within the 100-year floodplain. High water and flooding most commonly occur from November through March during periods of heavy rainfall and/or rapid snowmelt. The City has adopted a Floodplain Management Plan and related documents which describe local flood hazards, provide information specific to the natural functions of the floodplain within the

City, identify problem areas, describe preventative measures and property projection for residents, and provide an action plan for projects identified in the plan. The City has also partnered with other local agencies, including King County and the neighboring City of Snoqualmie, to take a comprehensive approach to identifying and prioritizing the flood mitigation needs in the upper Snoqualmie Valley.

The City is working with the King County Flood Control District (“KCFCD”), a special purpose government created in 2007 by the King County Council to provide funding and policy oversight for flood protection projects and programs in King County on activities that would mitigate flood impacts. In 2017 the KCFCD completed approximately \$31 million in projects and funding for projects in the Snoqualmie River basin. Projects in the upper basin included \$1.4 million for flood repair and \$2.8 million for flood mitigation/raising homes.

In 2016 and 2017 the KCFCD also initiated the Snoqualmie River Hydraulic and Hydrologic Study to investigate changes in downstream flooding from Upper Valley flood reduction projects. These studies are designed to help the entire upper and lower Snoqualmie Valley provide better early warning for flood control through increased gaging sites and warning systems.

The loss of life and property damage that could result from a major earthquake, volcanic eruption, flood, or other natural disaster could have a material and adverse impact on the City and its residents, property, economy and financial condition. The City can give no assurance regarding the effect of any such natural disaster or that proceeds of insurance carried by the City would be sufficient, if available, to rebuild and reopen facilities of the City or that surrounding facilities and infrastructure could or would be rebuilt and reopened in a timely manner following a major natural disaster.

**OFFICIAL STATEMENT**

At the time of delivery of the Bonds, one or more officials of the City will furnish a certificate stating that to the best of his or her knowledge, this Official Statement, as of its date and as of the date of delivery of the Bonds does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained herein, in light of the circumstances under which they were made, not misleading (however, the City will make no representation regarding the information provided by or obtained from DTC or the Underwriter).

All estimates, assumptions, statistical information and other statements contained herein, while taken from sources the City considers reliable, are not guaranteed by the City. The statements relating to the Bond Ordinance are in summarized form, and in all respects are subject to and qualified in their entirety by express reference to the provisions of such document in its complete form. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers of the Bonds. The City has authorized the preparation and distribution of this Official Statement.

CITY OF NORTH BEND, WASHINGTON

By: \_\_\_\_\_  
Dawn Masko  
Deputy City Administrator/Finance Director

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**APPENDIX A**

**FORM OF BOND COUNSEL OPINION**

\_\_\_\_\_, 2018

City of North Bend  
North Bend, Washington

KeyBanc Capital Markets, Inc.  
Seattle, Washington

Re: City of North Bend, Washington  
Limited Tax General Obligation Bonds, 2018 — \$ \_\_\_\_\_

Ladies and Gentlemen:

We have acted as bond counsel to the City of North Bend, Washington (the “City”), and have examined a certified transcript of all of the proceedings taken in the matter of the issuance by the City of its Limited Tax General Obligation Bonds, 2018, in the aggregate principal amount of \$ \_\_\_\_\_ (the “Bonds”). The Bonds are issued pursuant to Ordinance No. 18-079 of the City Council, passed June 19, 2018 (the “Bond Ordinance”), to provide funds to finance and/or reimburse the City for a portion of the costs necessary to acquire, design, construct, develop, improve and equip a police and public safety facility and to pay costs of issuance for the Bonds. Capitalized terms not otherwise defined herein shall have the meanings given such terms in the Bond Ordinance.

The Bonds are subject to redemption prior to their stated maturities as provided in the Official Statement prepared in connection with the issuance of the Bonds.

Regarding questions of fact material to our opinion, we have relied on representations of the City in the Bond Ordinance and in the certified proceedings and on other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation. The City has designated the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”).

Based on the foregoing, we are of the opinion that, under existing law:

1. The Bonds have been legally issued and constitute valid and binding general obligations of the City, except to the extent that the enforcement of the rights and remedies of the holders and owners of the Bonds may be limited by laws relating to bankruptcy, insolvency, moratorium, reorganization or other similar laws of general application affecting the rights of creditors, by the application of equitable principles and the exercise of judicial discretion.

2. The Bond Ordinance is a legal, valid and binding obligation of the City, has been duly adopted and is enforceable in accordance with its terms, except to the extent that enforcement may be limited by laws relating to bankruptcy, insolvency, moratorium, reorganization or other similar laws of general application affecting the rights of creditors, by the application of equitable principles and the exercise of judicial discretion.

3. Both principal of and interest on the Bonds are payable out of annual levies of ad valorem taxes to be made upon all of the taxable property within the City permitted to be levied without a vote of the electorate in the amounts which, together with other available funds, will be sufficient to pay such principal and interest as the same shall become due.

4. Interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. The opinion set forth in the preceding sentence is subject to the condition that the City comply with all requirements of the Code, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The City has covenanted to comply with all applicable requirements. Failure to comply with certain of such covenants may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Except as expressly stated above, we express no opinion regarding any tax consequences related to the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on, the Bonds. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds.

We have not been engaged nor have we undertaken to review the accuracy, completeness or sufficiency of the official statement or other offering material related to the Bonds (except to the extent, if any, stated in the official statement), and we express no opinion relating thereto, or relating to the undertaking by the City to provide ongoing disclosure pursuant to Securities and Exchange Commission Rule 15c2-12.

This opinion is given as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

PACIFICA LAW GROUP LLP

## APPENDIX B

### FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this “Certificate”) is executed and delivered by the City of North Bend, Washington (the “City”), in connection with the issuance by the City of its Limited Tax General Obligation Bonds, 2018 (the “Bonds”) pursuant to Ordinance No. 18-079 of the City Council, passed on June 19, 2018 (the “Bond Ordinance”). Pursuant to the Bond Ordinance, the City hereby covenants and agrees as follows:

Section 1. Purpose of this Certificate. This Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (each as defined below).

Section 2. Definitions. In addition to the definitions set forth herein, in the Bond Ordinance or in the Official Statement, which apply to any capitalized term used in this Certificate unless otherwise defined herein, the following capitalized terms shall have the following meanings:

*Commission* means the Securities and Exchange Commission.

*MSRB* means the Municipal Securities Rulemaking Board.

*Participating Underwriter* means the original underwriter of the Bonds required to comply with the Rule in connection with offering the Bonds.

*Rule* means Section (b)(5) of Commission’s Rule 15c2-12 under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provisions of Annual Information.

(a) *Financial Statements/Operating Data.* The City agrees to provide or cause to be provided to the MSRB, the following annual financial information and operating data for the prior fiscal year (commencing in 2019 for the fiscal year ended December 31, 2018);

(1) Annual financial statements, which statements may or may not be audited, showing ending fund balances for the City’s general fund prepared in accordance with the Budgeting Accounting and Reporting System prescribed by the Washington State Auditor pursuant to RCW 43.09.200 (or any successor statute);

(2) The assessed valuation of taxable property in the City;

(3) Ad valorem taxes due and percentage of taxes collected;

(4) Property tax levy rate per \$1,000 of assessed valuation; and

(5) Outstanding general obligation debt of the City.

Items (2)-(5) shall be required only to the extent that such information is not included in the annual financial statements.

The information and data described above shall be provided on or before the last day of the ninth month after the end of the City’s fiscal year. The City’s fiscal year currently ends on December 31. The City may adjust such fiscal year by providing written notice of the change of fiscal year to the MSRB. In lieu of providing such annual financial information and operating data, the City may cross refer to other documents available to the public on the MSRB’s internet website or filed with the Commission.

If not provided as part of the annual financial information discussed above, the City shall provide the City's audited annual financial statement prepared in accordance with the Budgeting Accounting and Reporting System prescribed by the Washington State Auditor pursuant to RCW 43.09.200 (or any successor statute) when and if available to the MSRB.

(b) *Listed Events.* The City further agrees to provide or cause to be provided to the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the event, notice of the occurrence of any of the following events with respect to the Bonds:

- Principal and interest payment delinquencies;
- Non-payment related defaults, if material;
- Unscheduled draws on debt service reserves reflecting financial difficulties;
- Unscheduled draws on credit enhancements reflecting financial difficulties;
- Substitution of credit or liquidity providers, or their failure to perform;
- Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- Modifications to the rights of Bondholders, if material;
- Optional, contingent or unscheduled Bond calls other than scheduled sinking fund redemptions for which notice is given pursuant to Exchange Act Release 34-23856, if material, and tender offers;
- Defeasances;
- Release, substitution, or sale of property securing repayment of the Bonds, if material;
- Rating changes;
- Bankruptcy, insolvency, receivership or similar event of the City;
- The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- Appointment of a successor or additional trustee or the change of name of a trustee, if material.

Section 4.        Notification Upon Failure to Provide Financial Data. The City agrees to provide or cause to be provided, in a timely manner, to the MSRB notice of its failure to provide the annual financial information described in above on or prior to the date set forth in above.

Section 5.        EMMA; Format for Filings with the MSRB. Until otherwise designated by the MSRB or the Commission, any information or notices submitted to the MSRB in compliance with the Rule are to be submitted through the MSRB's Electronic Municipal Market Access system ("EMMA"), currently located at [www.emma.msrb.org](http://www.emma.msrb.org). All notices, financial information and operating data required by this undertaking to be provided to the MSRB must be in an electronic format as prescribed by the MSRB. All documents provided to the MSRB pursuant to this undertaking must be accompanied by identifying information as prescribed by the MSRB.

Section 6.        Termination/Modification. The City's obligations to provide annual financial information and notices of listed events shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. Any provision of this undertaking shall be null and void if the City (1) obtains an opinion of nationally recognized bond counsel to the effect that the portion of the Rule that requires that provision is invalid, has been repealed retroactively or otherwise does not apply to the Bonds and (2) notifies the MSRB of such opinion and the cancellation of all or any portion of this undertaking.

Notwithstanding any other provision of this certificate, the City may amend this certificate, and any provision of the undertaking contained herein may be waived, in accordance with Rule, which, as currently interpreted by the Commission, requires that (i) the amendment or waiver be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the City, or type of business conducted; (ii) the undertaking, as amended or waived, would have complied with the requirements of Rule at the time of the primary offering, after taking into account any amendments or

interpretations of Rule, as well as any change in circumstances; and (iii) the amendment or waiver does not materially impair the interests of holders of the Bonds, as determined either by parties unaffiliated with the City (such as bond counsel) or by the approving vote of holders of the Bonds.

In the event of any amendment or waiver of the undertaking provided for in this certificate, the City shall describe such amendment or waiver in the next annual report, and shall include a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a listed event above, and (ii) the annual report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 7.      Bond Owner's Remedies. The right of any bondowner or beneficial owner of Bonds to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the City's obligations under this undertaking, and any failure by the City to comply with the provisions of this undertaking shall not be an event of default with respect to the Bonds. For purposes of this Certificate, "beneficial owner" means any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds, including persons holding Bonds through nominees or depositories.

Section 8.      Dissemination Agent. The City may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under this Certificate, and may discharge any such dissemination agent, with or without appointing a successor dissemination agent.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2018.

CITY OF NORTH BEND, WASHINGTON

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## APPENDIX C

### ECONOMIC AND DEMOGRAPHIC INFORMATION

The City is located in King County (the “County”), in Western Washington, approximately 30 miles east of the City of Seattle in the upper valley of the Snoqualmie River in the foothills of the Cascade Mountains. Historically, the economy in the City was dependent on the logging and milling industry and agriculture. The economy of the area is now closely tied to the overall economy of the Seattle Primary Metropolitan Statistical Area (PMSA), which is comprised of King and Snohomish Counties, and includes the cities of Seattle, Bellevue and Everett, as many residents commute to these urban centers for employment.

Tourism is an important part of the City’s economy. Tourism attractions include the North Bend Premium Outlet Mall, Snoqualmie Valley Historical Museum, North Bend Visitor Center & Mountain View Art Gallery, Mount Si, restaurants, theaters, and outdoor and recreational activities, including hiking, backpacking, fishing, river sports, climbing, and mountain biking. The Snoqualmie Valley Trail, an approximately 32-mile biking, walking, running and horseback riding trail, runs through the City. The Cascade Mountain Range, located approximately 20 miles from the City, provides seasonal outdoor activities, including skiing and other snow sports. The City is also home to Nintendo North Bend, a production facility and distribution center for the video game console manufacturer Nintendo.

#### Population

Population data for the City and the County are as follows:

**TABLE C-1  
POPULATION<sup>(1)</sup>**

<b>Year</b>	<b>City of North Bend</b>	<b>King County</b>
2018 <sup>(1)</sup>	6,825	2,190,200
2017	6,605	2,153,700
2016	6,570	2,105,100
2015	6,460	2,052,800
2014	6,280	2,017,250
2010 <sup>(2)</sup>	5,371	1,931,249
2000 <sup>(2)</sup>	4,893	1,737,034

<sup>(1)</sup> Preliminary estimate.

<sup>(2)</sup> Census data.

Source: *Washington State Office of Financial Management, April 2018*

## King County

The County is located in the Puget Sound region in Washington and covers more than 2,200 square miles. The County is the largest metropolitan county in the State in terms of number of cities and employment, and includes more than one quarter of the State's population.

*Income.* Historical personal income and per capita income levels for the County and the State are shown below:

**TABLE C-2  
TOTAL PERSONAL AND PER CAPITA INCOME**

Year	King County		State of Washington	
	Total Personal Income (000's)	Per Capita Income	Total Personal Income (000's)	Per Capita Income
2016	\$ 166,006,277	\$ 77,213	\$ 397,772,297	\$ 54,579
2015	159,665,109	75,518	379,950,931	53,064
2014	149,434,812	71,882	358,988,169	50,890
2013	135,176,058	66,073	333,168,842	47,814
2012	131,263,349	65,345	326,408,854	47,338

*Source:* U.S. Department of Commerce, Bureau of Economic Analysis ("BEA")

*Median Household Income.* Median household income estimation is based on 1990 and 2000 Census data, and on the Census Bureau's American Community Surveys' estimates for 2006-2010.

**TABLE C-3  
MEDIAN HOUSEHOLD INCOME**

Year	King County	State of Washington
2017 <sup>(1)</sup>	\$ 89,142	\$ 68,550
2016 <sup>(2)</sup>	84,897	65,500
2015	80,998	63,439
2014	75,045	60,153
2013	71,122	57,284

<sup>(1)</sup> Projection into 2017.

<sup>(2)</sup> Preliminary estimate.

*Source:* Washington State Office of Financial Management

*Taxable Retail Sales.* Taxable retail sales reflect only those sales subject to retail sales tax. Historic taxable retail sales for the County and the City are shown below:

**TABLE C-4  
TAXABLE RETAIL SALES**

	<u>King County</u>	<u>City of North Bend</u>
2018 <sup>(1)</sup>	\$ 15,358,937,153	\$ 62,436,723
2017	62,910,608,935	256,372,910
2016	59,530,882,870	239,807,351
2015	54,890,159,770	235,915,200
2014	49,638,174,066	220,959,889

<sup>(1)</sup> First quarter estimates; annual data not yet available.  
*Source: Washington State Department of Revenue, August 2018*

*Building Permits.* The number and valuation of new single-family and multi-family residential building permits in the County and the City are listed below:

**TABLE C-5  
KING COUNTY  
RESIDENTIAL BUILDING PERMITS**

<u>Year</u>	<u>New Single Family Units</u>		<u>New Multi-Family Units</u>		<u>Total Value</u>
	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>	
2018 <sup>(1)</sup>	2,371	\$ 903,076,803	259	\$ 744,256,056	\$ 1,647,332,859
2017	4,356	1,735,074,421	14,285	2,174,576,693	3,909,651,114
2016	4,254	1,616,722,532	13,445	1,759,255,696	2,375,978,228
2015	4,010	1,539,049,136	14,527	2,227,509,189	3,766,558,325
2014	4,215	1,478,116,875	10,488	1,401,889,919	2,880,006,794
2013	4,419	1,419,065,243	7,858	1,053,237,846	2,472,303,089

<sup>(1)</sup> Residential Building Permits through June, 2018.  
*Source: U.S. Bureau of the Census*

**TABLE C-6  
CITY OF NORTH BEND  
RESIDENTIAL BUILDING PERMITS**

<u>Year</u>	<u>New Single Family Units</u>		<u>New Multi-Family Units</u>		<u>Total Value</u>
	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>	
2018 <sup>(1)</sup>	59	\$ 20,321,835	0	0	\$ 20,321,835
2017	120	35,903,784	0	0	35,903,784
2016	37	11,806,367	0	0	11,806,367
2015	24	9,679,513	0	0	9,679,513
2014	32	12,281,765	0	0	12,281,765

<sup>(1)</sup> Residential Building Permits through June, 2018.  
*Source: U.S. Bureau of the Census*

*Employment.* The following table presents State-wide employment data in 2015 for certain major employers in the Puget Sound area.

**TABLE C-7  
PUGET SOUND  
MAJOR EMPLOYERS**

<b>Employer</b>	<b>Employees</b>
The Boeing Company	78,225
Joint Base Lewis-McChord	58,074
Navy Region Northwest	46,693
Microsoft Corp.	43,618
Amazon.com Inc. <sup>(1)(2)</sup>	24,000
University of Washington	23,639
Wal-Mart Stores Inc. <sup>(2)</sup>	19,484
Providence Health & Services	17,669
Fred Meyer Stores	15,500
King County Government	13,800
Starbucks Corp.	12,610
CHI Franciscan Health	11,847
Nordstrom Inc.	10,867
City of Seattle	10,343
Swedish Medical Center	9,627
Costco Wholesale Corp.	9,264
Fairchild Air Force Base	9,110
U.S. Postal Service	7,645
Alaska Air Group Inc.	7,150
Group Health Cooperative	6,587
Seattle Public Schools	6,317
United Parcel Service of America Inc., dba UPS	6,000
Washington State University	5,915
Target	5,493
Multicare Health System	4,741

<sup>(1)</sup> Headcount reflects full- and part-time members.

*Source:: Puget Sound Business Journal, Book of Lists, September, 2017*

Employment within the County is described in the following tables.

Civilian Labor Force data is based on household surveys of residents. NAICS data are estimates based on surveys of employers and benchmarked based on covered employment as reported by all employers.

**TABLE C-8  
KING COUNTY  
NONAGRICULTURAL WAGE & SALARY WORKERS<sup>(2)</sup>**

	Annual Average				
	2018 <sup>(1)</sup>	2017	2016	2015	2014
Civilian Labor Force	1,257,789	1,206,794	1,204,361	1,178,040	1,158,195
Total Employment	1,213,227	1,162,260	1,156,940	1,127,580	1,103,941
Total Unemployment	44,562	44,534	47,421	50,460	54,254
Percent of Labor Force	3.5%	3.7%	3.9%	4.3%	4.7%
<b>NAICS INDUSTRY<sup>(3)</sup></b>	<b>2018<sup>(1)</sup></b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Total Nonfarm	1,417,825	1,398,542	1,357,150	1,312,050	1,270,933
Total Private	1,234,900	1,217,167	1,178,958	1,137,917	1,101,400
Goods Producing	177,925	177,875	177,367	174,908	168,300
Mining and Logging	575	533	525	575	458
Construction	73,825	74,367	71,200	66,800	60,667
Manufacturing	103,525	102,983	105,658	107,542	107,150
Service Providing	1,239,900	1,220,667	1,179,783	1,137,142	1,102,633
Trade, Transportation, and Utilities	275,175	269,192	254,617	244,908	236,225
Information	105,100	102,867	96,400	89,058	86,058
Financial Activities	71,450	70,967	70,383	69,675	68,792
Professional and Business Services	230,875	227,542	222,375	215,733	207,433
Educational and Health Services	185,050	179,325	174,042	167,008	164,225
Leisure and Hospitality	140,050	140,792	135,683	130,108	124,575
Other Services	49,275	48,608	48,092	46,517	45,792
Government	182,925	181,375	178,192	174,133	169,533
Federal Government	19,675	20,092	20,075	20,008	20,017
State Government	61,575	60,733	60,008	58,942	57,150
State Government Educational Services	45,400	45,217	45,775	44,725	42,975
Local Government	101,675	100,550	98,108	95,183	92,367
Local Government Educational Services	43,500	42,808	41,875	40,767	39,317
Workers in Labor/Management Disputes	0	0	0	0	0

<sup>(1)</sup> Preliminary average through June 2018.

<sup>(2)</sup> Excludes proprietors, self-employed, members of the armed services, workers in private households, and agriculture. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

<sup>(3)</sup> North American Industry Classification System.

Source: Washington State Employment Security Department, July 2018

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## APPENDIX D

### BOOK-ENTRY SYSTEM

*The following information has been provided by DTC. The City makes no representation regarding the accuracy or completeness thereof. Beneficial Owners should therefore confirm the following with DTC or the Direct Participants (as hereinafter defined). Language in [brackets] with ~~strike-through~~ has been deleted as permitted by DTC as it does not pertain to the Bonds.*

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for ~~[each issue of]~~ the Securities, ~~[each]~~ in the aggregate principal amount of such issue, and will be deposited with DTC. ~~[If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]~~

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

[6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

~~[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.]~~

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

**APPENDIX E**  
**AUDITED FINANCIAL STATEMENTS FOR THE CITY**  
**(ATTACHED)**

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Washington State Auditor's Office

Government that works for citizens

## Financial Statements Audit Report

# City of North Bend

King County

For the period January 1, 2014 through December 31, 2015



Washington State Auditor's Office

December 5, 2016

Mayor and City Council  
City of North Bend  
North Bend, Washington

### Report on Financial Statements

Please find attached our report on the City of North Bend's financial statements.

We are issuing this report in order to provide information on the City's financial condition.

Sincerely,

TROY KELLEY  
STATE AUDITOR  
OLYMPIA, WA

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Published December 5, 2016

Report No. 1018065



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**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**City of North Bend  
King County  
January 1, 2014 through December 31, 2015**

Mayor and City Council  
City of North Bend  
North Bend, Washington

We have audited, 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, the financial statements of the City of North Bend, King County, Washington, as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the City’s financial statements, and have issued our report thereon dated November 22, 2016.

We issued an unmodified opinion on the fair presentation of the City’s financial statements in accordance with its regulatory basis of accounting. We issued an adverse opinion on the fair presentation with regard to accounting principles generally accepted in the United States of America (GAAP) because the financial statements are prepared by the City using accounting practices prescribed by Washington State statutes and the State Auditor’s *Budgeting, Accounting and Reporting System* (BARS) manual described in Note 1, which is a basis of accounting other than GAAP. The effects on the financial statements of the variances between the basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audits of the financial statements, we considered the City’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City’s internal control. Accordingly, we do not express an opinion on the effectiveness of the City’s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However,

this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.



TROY KELLEY  
STATE AUDITOR  
OLYMPIA, WA

November 22, 2016

INDEPENDENT AUDITOR'S REPORT ON  
FINANCIAL STATEMENTS

City of North Bend  
King County  
January 1, 2014 through December 31, 2015

Mayor and City Council  
City of North Bend  
North Bend, Washington

**REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of the City of North Bend, King County, Washington, for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the City's financial statements, as listed on page 11.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Washington State statutes and the *Budgeting, Accounting and Reporting System* (BARS) manual prescribed by the State Auditor described in Note 1. This includes determining that the basis of accounting is acceptable for the presentation of the financial statements in the circumstances. Management is also responsible for 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 an opinion on these financial statements based on our audits. We conducted our audits 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.

**Unmodified Opinion on Regulatory Basis of Accounting (BARS Manual)**

As described in Note 1, the City of North Bend has prepared these financial statements to meet the financial reporting requirements of Washington State statutes using accounting practices prescribed by the State Auditor's *Budgeting, Accounting and Reporting System* (BARS) manual. Those accounting practices differ from accounting principles generally accepted in the United States of America (GAAP). The differences in these accounting practices are also described in Note 1.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the City of North Bend, for the years ended December 31, 2015 and 2014, on the basis of accounting described in Note 1.

**Basis for Adverse Opinion on U.S. GAAP**

Auditing standards issued by the American Institute of Certified Public Accountants (AICPA) require auditors to formally acknowledge when governments do not prepare their financial statements, intended for general use, in accordance with GAAP. The effects on the financial statements of the variances between GAAP and the accounting practices the City used, as described in Note 1, although not reasonably determinable, are presumed to be material. As a result, we are required to issue an adverse opinion on whether the financial statements are presented fairly, in all material respects, in accordance with GAAP.

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**Adverse Opinion on U.S. GAAP**

The financial statements referred to above were not intended to, and in our opinion they do not, present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City of North Bend, as of December 31, 2015 and 2014, or the changes in financial position or cash flows for the years then ended, due to the significance of the matter discussed in the above "Basis for Adverse Opinion on U.S. GAAP" paragraph.

**Other Matters*****Supplementary and Other Information***

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying Schedules of Liabilities are presented for purposes of additional analysis, as required by the prescribed BARS manual. These schedules are not a required part of the 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. The information has been subjected to the auditing procedures applied in the audit of the 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 financial statements taken as a whole.

**OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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.



TROY KELLEY  
STATE AUDITOR  
OLYMPIA, WA

November 22, 2016

**FINANCIAL SECTION**

**City of North Bend  
King County  
January 1, 2014 through December 31, 2015**

**FINANCIAL STATEMENTS**

- Fund Resources and Uses Arising from Cash Transactions – 2015
- Fund Resources and Uses Arising from Cash Transactions – 2014
- Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2015
- Fiduciary Fund Resources and Uses Arising from Cash Transactions – 2014
- Notes to Financial Statements – 2015
- Notes to Financial Statements – 2014

**SUPPLEMENTARY AND OTHER INFORMATION**

- Schedule of Liabilities – 2015
- Schedule of Liabilities – 2014

**City of North Bend  
Fund Resources and Uses Arising from Cash Transactions  
For the Year Ended December 31, 2015**

		Total for All Funds	001 General Fund	102 Capital Streets
		(Memo Only)		
<b>Beginning Cash and Investments</b>				
30810	Reserved	6,787,872	-	129,123
30880	Unreserved	5,806,971	998,557	45,000
388 & 588	Prior Period Adjustments, Net	-	-	-
<b>Operating Revenues</b>				
310	Taxes	6,233,751	5,527,312	-
320	Licenses and Permits	345,914	277,596	-
330	Intergovernmental Revenues	505,421	191,076	42,098
340	Charges for Goods and Services	6,218,894	80,791	-
350	Fines and Penalties	73,611	73,611	-
360	Miscellaneous Revenues	2,284,338	35,697	2,450
Total Operating Revenues:		15,661,929	6,186,083	44,548
<b>Operating Expenditures</b>				
510	General Government	1,259,559	1,122,442	-
520	Public Safety	3,024,513	3,024,513	-
530	Utilities	3,220,700	-	-
540	Transportation	1,027,873	696,759	62,135
550	Natural and Economic Environment	997,595	560,131	-
560	Social Services	30,096	30,096	-
570	Culture and Recreation	459,366	457,834	-
598	Miscellaneous Expenses	-	-	-
Total Operating Expenditures:		10,019,701	5,891,774	62,135
Net Operating Increase (Decrease):		5,642,227	294,309	(17,587)
<b>Nonoperating Revenues</b>				
370-380, 395 & 398	Other Financing Sources	728,090	86,744	-
391-393	Debt Proceeds	12,584,483	-	-
397	Transfers-In	1,200,034	262,423	165,379
Total Nonoperating Revenues:		14,512,608	349,167	165,379
<b>Nonoperating Expenditures</b>				
580, 596 & 599	Other Financing Uses	12,069,165	-	-
591-593	Debt Service	3,593,287	43,738	-
594-595	Capital Expenditures	1,951,144	160,060	-
597	Transfers-Out	1,200,034	193,984	308,370
Total Nonoperating Expenditures:		18,813,630	397,781	308,370
<b>Net Increase (Decrease) in Cash and Investments:</b>		<b>1,341,204</b>	<b>245,693</b>	<b>(160,578)</b>
<b>Ending Cash and Investments</b>				
5081000	Reserved	7,689,271	-	13,545
5088000	Unreserved	6,246,779	1,244,252	-
<b>Total Ending Cash and Investments</b>		<b>13,936,050</b>	<b>1,244,252</b>	<b>13,545</b>

The accompanying notes are an integral part of this statement.

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103 Streets Overlay	106 Impact Fees & Mitigation	107 Hotel/Motel Tax	116 Park Capital Improvement	125 Development Projects (CED)	215 2010 LTGO Debt Service (Credit Line & To)
61,608	921,945	4,420	64,823	123,499	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	12,365	-	-	-
11,826	-	-	46,351	-	-
-	268,503	-	-	729,976	-
-	-	-	-	-	-
-	2,757	-	-	-	-
11,826	271,260	12,365	46,351	729,976	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	9,000	-	428,464	-
-	-	-	-	-	-
-	-	-	1,532	-	-
-	-	9,000	1,532	428,464	-
11,826	271,260	3,365	44,819	301,512	-
-	-	-	-	-	-
-	-	-	-	-	1,903,032
68,934	-	-	-	-	158,356
68,934	-	-	-	-	2,061,388
-	-	-	-	-	1,903,032
-	-	-	-	-	158,356
26,605	-	-	27,805	-	-
-	147,211	-	14,437	262,423	-
26,605	147,211	-	42,242	262,423	2,061,388
54,155	124,049	3,365	2,577	39,090	(0)
115,763	1,045,993	7,785	67,400	162,588	-
-	-	-	-	-	-
115,763	1,045,993	7,785	67,400	162,588	-

The accompanying notes are an integral part of this statement.

216 2011 Fire Station Bond Redempt	217 2012 LTGO (TBD) Bond Redempt	218 2015 LTGO Bond Redemption Fund	310 Municipal Projects	320 Capital Improvement (REET)	401 Water Operations
175,277	12,096	-	629,675	585,931	89,618
-	-	-	359,622	-	1,378,803
-	-	-	-	-	-
187,534	-	-	-	506,541	-
-	-	-	-	-	-
-	-	-	137,518	-	-
-	147,775	-	-	-	1,826,988
-	-	-	-	-	-
557	126	4,095	2,798	1,996	5,523
188,090	147,901	4,095	140,316	508,537	1,832,512
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	1,143,549
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
188,090	147,901	4,095	140,316	508,537	688,963
-	-	-	-	-	94,036
-	-	-	-	-	602,291
-	-	32,608	512,334	-	-
-	-	32,608	512,334	-	696,327
-	-	-	-	-	87,590
183,500	148,200	36,703	-	43,738	249,051
-	-	-	534,800	-	208,373
-	-	-	35,879	237,730	-
183,500	148,200	36,703	570,679	281,468	545,014
4,590	(299)	0	81,971	227,069	840,276
179,868	11,797	-	581,987	813,000	530,001
-	-	-	489,280	-	1,778,697
179,868	11,797	-	1,071,267	813,000	2,308,697

The accompanying notes are an integral part of this statement.

402 Sewer Operations	404 Storm & FLOOD Operations	405 Solid Waste & Recycling Operations	451 ULID #6 Bond Redemption	452 ULID#6 Bond Reserve	501 Equipment Operations	502 Equipment Reserve
219,445	129,854	-	1,858,369	1,782,191	-	-
1,379,462	1,132,559	131,935	-	-	-	381,032
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,703	66,615	-	-	-	-
-	42,429	34,123	-	-	-	-
1,834,053	828,335	-	-	-	449,649	52,824
-	-	-	-	-	-	-
4,118	3,485	446	2,215,667	4,029	595	-
1,838,171	875,953	101,183	2,215,667	4,029	450,244	52,824
-	-	-	-	-	137,117	-
-	-	-	-	-	-	-
1,396,718	641,949	38,484	-	-	-	-
-	-	-	-	-	268,979	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,396,718	641,949	38,484	-	-	406,096	-
441,453	234,004	62,699	2,215,667	4,029	44,148	52,824
504,379	36,350	-	-	-	6,581	-
135,130	914,270	-	9,029,760	-	-	-
-	-	-	-	-	-	-
639,509	950,620	-	9,029,760	-	6,581	-
135,130	913,652	-	9,029,760	-	-	-
436,062	215,161	-	1,501,574	533,465	43,738	-
930,421	44,316	-	-	-	6,991	11,773
-	-	-	-	-	-	-
1,501,613	1,173,130	-	10,531,335	533,465	50,729	11,773
<b>(420,651)</b>	<b>11,495</b>	<b>62,699</b>	<b>714,093</b>	<b>(529,436)</b>	<b>(0)</b>	<b>41,051</b>
219,445	114,885	-	2,572,461	1,252,755	-	-
958,812	1,159,022	194,634	-	-	-	422,083
<b>1,178,257</b>	<b>1,273,907</b>	<b>194,634</b>	<b>2,572,461</b>	<b>1,252,755</b>	<b>-</b>	<b>422,083</b>

The accompanying notes are an integral part of this statement.

The accompanying notes are an integral part of this statement.

**City of North Bend**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2014**

		Total for All Funds (Memo Only)	001 General Fund	103 Streets Overlay	106 Impact Fees & Mitigation	107 Hotel/Motel Tax	116 Park Capital Improvement	125 Development Projects (CED)	215 2010 LTGO Debt Service (Credit Line & To	216 2011 Fire Station Bond Redempt
<b>Beginning Cash and Investments</b>										
30810	Reserved	4,374,891	554,370	153,117	1,101,584	1,661	33,982	151,916	-	170,095
30880	Unreserved	8,994,046	705,776	-	-	-	-	-	-	-
388 & 588	Prior Period Adjustments, Net	-	-	-	-	-	-	-	-	-
<b>Operating Revenues</b>										
310	Taxes	5,751,244	5,114,507	-	-	11,359	-	-	-	189,642
320	Licenses and Permits	338,397	288,979	-	-	-	-	-	-	-
330	Intergovernmental Revenues	828,264	217,055	236,082	-	-	60,703	-	-	-
340	Charges for Goods and Services	5,462,622	94,154	-	306,013	-	-	304,633	-	-
350	Fines and Penalties	76,344	76,344	-	-	-	-	-	-	-
360	Miscellaneous Revenues	1,581,769	23,158	-	1,654	-	-	-	-	371
<b>Total Operating Revenues:</b>		<b>14,038,639</b>	<b>5,814,197</b>	<b>236,082</b>	<b>307,666</b>	<b>11,359</b>	<b>60,703</b>	<b>304,633</b>	<b>-</b>	<b>190,012</b>
<b>Operating Expenditures</b>										
510	General Government	1,362,436	1,221,876	-	-	-	-	-	-	-
520	Public Safety	2,941,423	2,941,423	-	-	-	-	-	-	-
530	Utilities	3,157,999	-	-	-	-	-	-	-	-
540	Transportation	999,883	722,241	-	-	-	-	-	-	-
550	Natural and Economic Environment	730,428	479,528	-	-	8,600	-	242,300	-	-
560	Social Services	28,650	28,650	-	-	-	-	-	-	-
570	Culture and Recreation	429,807	429,807	-	-	-	-	-	-	-
<b>Total Operating Expenditures:</b>		<b>9,650,625</b>	<b>5,823,525</b>	<b>-</b>	<b>-</b>	<b>8,600</b>	<b>-</b>	<b>242,300</b>	<b>-</b>	<b>-</b>
<b>Net Operating Increase (Decrease):</b>		<b>4,388,013</b>	<b>(9,328)</b>	<b>236,082</b>	<b>307,666</b>	<b>2,759</b>	<b>60,703</b>	<b>62,333</b>	<b>-</b>	<b>190,012</b>
<b>Nonoperating Revenues</b>										
370-380, 395 & 398	Other Financing Sources	498,559	3,164	-	-	-	-	-	-	-
391-393	Debt Proceeds	529,266	-	-	-	-	-	-	-	-
397	Transfers-In	1,585,388	272,950	100,000	-	-	-	-	191,501	-
<b>Total Nonoperating Revenues:</b>		<b>2,613,214</b>	<b>276,114</b>	<b>100,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>191,501</b>	<b>-</b>
<b>Nonoperating Expenditures</b>										
580, 596 & 599	Other Financing Uses	87,590	-	-	-	-	-	-	-	-
591-593	Debt Service	2,964,281	43,389	-	-	-	-	-	191,501	184,830
594-595	Capital Expenditures	3,138,063	109,641	427,591	41,623	-	29,862	-	-	-
597	Transfers-Out	1,585,388	201,222	-	445,683	-	-	90,750	-	-
<b>Total Nonoperating Expenditures:</b>		<b>7,775,322</b>	<b>354,252</b>	<b>427,591</b>	<b>487,306</b>	<b>-</b>	<b>29,862</b>	<b>90,750</b>	<b>191,501</b>	<b>184,830</b>
<b>Net Increase (Decrease) in Cash and Investments:</b>		<b>(774,096)</b>	<b>(87,466)</b>	<b>(91,509)</b>	<b>(179,640)</b>	<b>2,759</b>	<b>30,841</b>	<b>(28,417)</b>	<b>0</b>	<b>5,182</b>
<b>Ending Cash and Investments</b>										
5081000	Reserved	6,832,649	129,123	61,608	921,945	4,420	64,823	123,499	-	175,277
5088000	Unreserved	5,762,194	1,043,557	-	-	-	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>12,594,843</b>	<b>1,172,680</b>	<b>61,608</b>	<b>921,945</b>	<b>4,420</b>	<b>64,823</b>	<b>123,499</b>	<b>-</b>	<b>175,277</b>

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The accompanying notes are an integral part of this statement.

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217 2012 LTGO (TBD) Bond Redempt	310 Municipal Projects	320 Capital Improvement (REET)	401 Water Operations	402 Sewer Operations	404 Storm & FLOOD Operations
-	-	423,918	89,618	219,445	129,855
45	939,996	-	1,339,522	2,287,718	1,037,670
-	-	-	-	-	-
-	-	435,736	-	-	-
-	-	-	-	-	1,386
157,539	147,084	-	-	-	-
-	-	-	1,643,364	1,751,874	820,341
-	-	-	-	-	-
42	2,601	1,019	3,295	4,945	2,466
157,581	149,685	436,756	1,646,659	1,756,819	824,193
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,023,504	1,564,501	538,271
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,023,504	1,564,501	538,271
157,581	149,685	436,756	623,155	192,318	285,922
-	-	-	154,735	297,270	43,391
-	-	-	529,266	-	-
-	586,758	-	-	-	-
-	586,758	-	684,001	297,270	43,391
-	-	-	87,590	-	-
145,530	-	43,389	201,740	434,823	158,371
-	504,942	-	978,544	963,022	76,053
-	182,200	231,354	-	-	-
145,530	687,142	274,742	1,267,874	1,397,845	234,424
12,051	49,301	162,013	39,282	(908,257)	94,889
12,096	674,451	585,931	89,618	219,445	129,855
-	314,846	-	1,378,803	1,379,462	1,132,558
12,096	989,297	585,931	1,468,421	1,598,907	1,262,413

The accompanying notes are an integral part of this statement.

405 Solid Waste & Recycling Operations	451 ULID #6 Bond Redemption	452 ULID#6 Bond Reserve	501 Equipment Operations	502 Equipment Reserve
-	-	1,345,330	-	-
82,926	2,270,557	-	247	329,590
-	-	-	-	-
-	-	-	-	-
48,032	-	-	-	-
9,801	-	-	-	-
22,673	-	-	462,180	57,391
-	-	-	-	-
227	1,539,311	2,680	-	-
80,733	1,539,311	2,680	462,180	57,391
-	-	-	140,560	-
-	-	-	-	-
31,724	-	-	-	-
-	-	-	277,641	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
31,724	-	-	418,201	-
49,009	1,539,311	2,680	43,979	57,391
-	-	-	-	-
-	-	-	-	-
-	-	434,180	-	-
-	-	434,180	-	-
-	-	-	-	-
-	1,517,319	-	43,389	-
-	-	-	836	5,949
-	434,180	-	-	-
-	1,951,499	-	44,225	5,949
49,009	(412,188)	436,860	(246)	51,442
-	1,858,369	1,782,191	-	-
131,935	-	-	-	381,032
131,935	1,858,369	1,782,191	-	381,032

The accompanying notes are an integral part of this statement.

**City of North Bend**  
**Fiduciary Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2015**

	<b>Total for All Funds (Memo Only)</b>	<b>635 Treasurers Trust</b>	<b>690 Transportation Benefit District (TBD)</b>
308 Beginning Cash and Investments	703,376	61,969	641,407
388 & 588 Prior Period Adjustments, Net	-	-	-
310-360 Revenues	478,390	-	478,390
380-390 Other Increases and Financing Sources	233,724	233,724	-
510-570 Expenditures	152,085	-	152,085
580-590 Other Decreases and Financing Uses	290,374	233,012	57,362
Net Increase (Decrease) in Cash and Investments:	269,655	712	268,943
508 Ending Cash and Investments	973,030	62,680	910,350

**City of North Bend**  
**Fiduciary Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2014**

	<b>Total for All Funds (Memo Only)</b>	<b>635 Treasurers Trust</b>	<b>690 Transportation Benefit District (TBD)</b>
308 Beginning Cash and Investments	603,699	218,076	385,623
388 & 588 Prior Period Adjustments, Net	-	-	-
310-360 Revenues	453,742	-	453,742
380-390 Other Increases and Financing Sources	244,986	244,986	-
510-570 Expenditures	162,620	-	162,620
580-590 Other Decreases and Financing Uses	436,428	401,089	35,339
Net Increase (Decrease) in Cash and Investments:	99,680	(156,103)	255,783
508 Ending Cash and Investments	703,376	61,969	641,407

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The accompanying notes are an integral part of this statement.

The accompanying notes are an integral part of this statement.

**CITY OF NORTH BEND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of North Bend was incorporated on March 12, 1909 and operates under the laws of the State of Washington applicable to a Code City with a Mayor-Council form of government. The City is a general purpose government and provides a broad range of general government services including planning and community development, street maintenance and improvements, parks and recreation, public works, solid waste and recycling, and general administrative services. The City contracted for police services with King County until March 2014 when it entered into a contract with the City of Snoqualmie. Fire services are provided through a partnership with Eastside Fire and Rescue. In addition, the City owns and operates water, sewer and storm water utility systems. The City uses single-entry, cash basis accounting which is a departure from Generally Accepted Accounting Principles (GAAP).

The City of North Bend reports financial activity in accordance with the *Cash Basis Budgeting, Accounting, and Reporting System* (BARS) Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are not presented using the classifications defined in GAAP.

**A. Fund Accounting**

Financial transactions of the City of North Bend are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The City's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements. The following fund types are used by the City of North Bend:

**GOVERNMENTAL FUND TYPES:**

**General Fund**

This fund is the primary operating fund of the City of North Bend. It accounts for all financial resources except those required or elected to be accounted for in another fund.

**Special Revenue Funds**

These funds account for specific revenue sources that are restricted or committed to expenditures for specified purposes of the City of North Bend.

**Debt Service Funds**

These funds account for the financial resources that are restricted, committed, or assigned to expenditures for principal, interest and related costs on general long-term debt.

**Capital Projects Funds**

These funds account for financial resources which are restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets.

**PROPRIETARY FUND TYPES:**

**Enterprise Funds**

These funds account for operations that provide goods or services to the general public and are supported primarily through user charges.

**Internal Service Funds**

These funds account for operations that provide goods or services to other departments or funds of the City of North Bend on a cost reimbursement basis.

**FIDUCIARY FUND TYPES:**

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

**Agency Funds**

These funds are used to account for assets that the City of North Bend holds on behalf of others in a custodial capacity.

**B. Basis of Accounting and Measurement Focus**

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

In accordance with state law the City of North Bend also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

**C. Budgets**

The City of North Bend adopts biennial appropriated budgets for all governmental funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. The biennial budget is implemented as two, one-year financial plans, therefore all appropriations for these funds lapse at the fiscal year end.

Biennial appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

2015 was the first year of the 2015-2016 Biennium. The budget amounts shown in the financial statements reflect that portion of the total appropriation that was authorized for fiscal year 2015. The appropriated and actual expenditures for the legally adopted budgets were as follows:

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
General Fund	\$6,521,010	\$6,191,453	\$329,557
Streets Operations Fund	710,122	673,352	36,770
Capital Streets Fund	381,419	370,505	10,914
Streets Overlay Fund	56,200	26,605	29,595
Impact Fees & Mitigation Fund	359,071	147,211	211,860
Hotel/Motel Tax Fund	9,000	9,000	-
Economic Development Fund	139,725	128,209	11,516
Park Capital Improvement Fund	65,082	43,774	21,308
Development Projects (CED) Fund	775,000	690,887	84,113
2010 LTGO Debt Service Fund	194,576	158,356	36,220
2011 Fire Station Bond Redemption Fund	183,700	183,500	200
2012 LTGO (TBD) Bond Redemption Fund	148,400	148,200	200
2015 LTGO Bond Redemption Fund	40,010	36,703	3,307
Municipal Projects Fund	1,088,072	570,679	517,393
Capital Improvement Fund	449,665	281,468	168,197
Water Operations & Capital Fund	1,821,368	1,688,563	132,805
Sewer Operations & Capital Fund	3,113,225	2,763,200	350,025
Storm Operations & Capital Fund	1,756,118	1,691,978	64,140
Flood Operations Fund	126,984	123,101	3,883
Solid Waste & Recycling Operations Fund	45,349	38,484	6,865
ULID #6 Revenue Bond Redemption Fund	10,744,041	10,531,335	212,706
ULID #6 Revenue Bond Reserve Fund	533,465	533,465	-
Equipment Operations Fund	340,934	312,717	28,217
Technology Operations Fund	164,095	144,108	19,987
Technology Reserve Fund	12,150	11,773	377
<b>Total All Funds</b>	<b>\$27,498,629</b>	<b>\$18,214,044</b>	<b>\$2,280,152</b>

Budgeted amounts are authorized to be transferred between departments within any fund; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the City of North Bend's legislative body. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year by ordinance by a majority vote of the City Council.

**D. Cash and Investments**

See Note 2 - *Deposits and Investments*.

**E. Capital Assets**

Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of 5 years. Capital assets and inventory are recorded as capital expenditures when purchased.

**F. Compensated Absences**

The amount of vacation leave that may be accumulated depends on bargaining unit contracts or if an employee is non-represented. All accumulated vacation leave is payable upon separation or retirement up to the maximum limit.

1. Non-represented employees may accumulate up to one year's vacation leave based on their years of service up to a maximum of 200 hours.
2. Employees represented by a bargaining unit may accumulate up to one year's vacation leave based on their years of service up to a maximum of 160 hours.

Sick leave may be accumulated up to a maximum of 960 hours. Upon separation of employment, employees shall be compensated for any accrued sick leave at 25% of the accrued sick leave value based on the final rate of pay of the employee, except for Public Works employees represented by Local Union No. 763 who will be compensated for any accrued sick leave at 25% of the accrued sick leave value up to a maximum of 160 hours.

Compensatory hours accrued by non-exempt employees will be paid at the overtime rate of 1.5 times the employee's regular rate of pay upon separation of employment.

All leave payments are recognized as expenditures when paid.

**G. Long-Term Debt**

See Note 5 - *Debt Service Requirements*.

**H. Other Financing Sources or Uses**

The City of North Bend's *Other Financing Sources or Uses* consist of all interfund receivables and payables, and interfund transactions. A separate schedule of interfund loans receivable and payable is furnished in Note 4 - *Interfund Loans*.

I. **Risk Management**

The City of North Bend is a member of the Association of Washington Cities Risk Management Service Agency (AWC RMSA). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC RMSA was formed on January 1, 1989 when 32 municipalities in the State of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2015, 102 municipalities/entities participate in the AWC RMSA pool.

The AWC RMSA allows members to establish a program of joint insurance and provides risk management services to all members. All coverages are on an occurrence basis. The AWC RMSA provides all risk property, comprehensive crime, general liability, automobile liability, police liability, public officials' liability, employee fidelity and faithful performance, and equipment breakdown insurance coverage. Equipment breakdown is included with the property insurance carrier and fidelity (crime) coverage is a stand-alone policy which the AWC RMSA procures for its members. The AWC RMSA also allows members with airports to group purchase airport liability coverage.

Members pay an annual assessment to the AWC RMSA. The AWC RMSA is responsible for payment of all covered causes of loss against the jurisdiction above the stated retention. All members in the AWC RMSA have \$10 million in both per occurrence and aggregate liability limits. For the first \$1 million, AWC RMSA is self-insured for its Self-Insured Retention (SIR) of \$250,000, per occurrence, and is reinsured by Berkley Public Entity for the additional \$750,000. For the \$9 million in excess coverage limits, an excess liability policy is purchased from Starr Indemnity & Liability Company. The excess property coverage is purchased through Lexington Insurance Company using the Pool's broker, Arthur J. Gallagher Risk Management Services. In 2015, AWC RMSA carried a retention of \$100,000 and limits up to \$250 million. Since AWC RMSA is a cooperative program, there is joint liability among the participating members.

Members contract to remain in the AWC RMSA pool for a minimum of one year and must give a one-year notice before terminating participation. Even after termination, a member is still responsible for contributions to the Pool for any unresolved, unreported, and in-process claims for the period they were signatory to the Interlocal Governmental Agreement.

The AWC RMSA establishes a loss fund for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses.

In accordance with WAC 200.100.02023, the AWC RMSA is governed by a board of directors which is comprised of elected officials of participating members.

J. **Reserved Portion of Ending Cash and Investments**

Beginning and Ending Cash and Investments is reported as reserved when it is subject to restrictions on use imposed by external parties or due to internal commitments established by ordinance or resolution of the City Council. When expenditures that meet restrictions are incurred, the City of North Bend intends to use reserved resources first before using unreserved amounts.

Fund balances not available for spending due to restrictions imposed on them by external parties and/or due to internal commitments are reported as reserved.

Reservations of Ending Cash and Investments at the end of 2015 in the amount of \$8,661,685 consist of:

102	Capital Streets	Legislative Restriction – Tax & City Council Ordinance 1249 (Capital Streets)	\$13,545
103	Streets Overlay	Reserve established by City Council Ordinance 1421	115,763
106	Impact Fees & Mitigation	Legislative Restriction & Developer Agreements	1,045,993
107	Hotel/Motel Tax	Legislative Restriction – Tax	7,785
116	Park Capital Improvement	Legislative Restriction – Tax & Grant Restrictions	67,400
125	Development Projects (CED)	Developer Agreements	162,588
216	2011 Fire Station Bond	Legislative Restriction – Tax	179,868
217	2012 LTGO (TBD) Bond	Bond Restriction	11,797
310	Municipal Projects	Grants & Legislative Restrictions	581,987
320	Capital Improvements (REET)	Legislative Restriction – Tax	813,000
401	Water Operations	Bond & PWTF Loan Restrictions	530,001
402	Sewer Operations	Bond Restriction	219,445
404	Storm & Flood Operations	Bond Restriction	114,267
451	ULID #6 Bond Redemption	Bond Restriction	2,572,461
452	ULID #6 Bond Reserve	Bond Restriction	1,252,755
635	Treasurers Trust	Trust Restriction	62,680
690	Transportation Benefit District	Trust Restriction	910,350

**NOTE 2 – DEPOSITS AND INVESTMENTS**

It is the City of North Bend's policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds, with the exception of interest from Special Revenue

Funds and Internal Service Funds, (except for Impact Fees Fund 106) which is allocated to the General Fund, per the provisions of RCW 35A.40.050.

All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation (FDIC) and/or the Washington Public Deposit Protection Commission (WPDPC). All investments are insured, registered or held by the City of North Bend or its agent in the City of North Bend's name.

Investments are reported at fair value. Investments by type at December 31, 2016 are as follows:

<u>Type of Investment</u>	<u>City of North Bend's Own Investments</u>	<u>Investments held by North Bend for Others</u>	<u>Total</u>
L.G.I.P.	\$12,022,222	\$-	\$12,022,222
Certificate of Deposits (CD)	499,155	-	499,155
U.S. Government Securities	1,303,742	-	1,303,742
Total	<u>\$13,825,119</u>	<u>\$-</u>	<u>\$13,825,119</u>

### NOTE 3 - PROPERTY TAX

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

Property tax revenues are recognized when cash is received by the City of North Bend. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

The City of North Bend's regular levy for the year 2015 was \$1.44063 per \$1,000 on an assessed valuation of \$1,023,444,893 for a total regular levy of \$1,470,303.

In 2015, the City of North Bend also levied \$0.18326 per \$1,000 for construction of a new Fire Station for a total additional levy of \$186,205.

### NOTE 4 – INTERFUND LOANS

The following table displays Interfund loan activity during 2015:

<u>Borrowing Fund</u>	<u>Lending Fund</u>	<u>Balance 1/1/2015</u>	<u>New Loans</u>	<u>Repayments</u>	<u>Balance 12/31/2015</u>
*Water (401)	Sewer (402)	\$87,590	\$--	\$87,590	\$-
	<b>TOTALS</b>	<b>\$87,590</b>	<b>\$--</b>	<b>\$87,590</b>	<b>\$-</b>

\*Note: This Interfund Loan has a maximum authorized amount of \$383,000 per Ordinance #1444.

### NOTE 5 – DEBT SERVICE REQUIREMENTS

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the City of North Bend and summarizes the City's debt transactions for the year ended December 31, 2015.

The debt service requirements for general obligation bonds, revenue bonds, Public Works Trust Fund loans and State Revolving Fund loans, including both principal and interest, are as follows:

	<u>General Obligation Bonds</u>	<u>Revenue Bonds</u>	<u>Other Debt <sup>1</sup></u>	<u>Total Debt</u>
2016	533,300	1,789,749	471,898	2,794,947
2017	530,300	1,782,263	470,935	2,783,498
2018	531,700	1,761,512	469,793	2,763,005
2019	527,250	1,733,263	405,036	2,665,549
2020	536,575	1,689,762	403,893	2,630,230
2021 – 2025	2,088,975	6,583,950	1,773,139	10,446,064
2026 – 2030	940,750	4,779,700	466,725	6,187,175
2031 – 2032	-	1,639,850	127,572	1,767,422
<b>TOTALS</b>	<b>\$5,688,850</b>	<b>\$21,760,049</b>	<b>\$4,588,991</b>	<b>\$32,037,890</b>

<sup>1</sup> Other Debt includes Public Works Trust Fund Loans and State Revolving Fund Loans.

### NOTE 6 - PENSION PLANS

Substantially all City full-time and qualifying part-time employees participate in the Public Employees' Retirement System (PERS) administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans.

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems, 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  
PO Box 48380  
Olympia, WA 98504-8380

Also, The DRS CAFR may be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov). At June 30, 2015 (the measurement dates of the plans), the City of North Bend's proportionate share of the collective net pension liabilities, as reported on Schedule 09, was as follows:

	Allocation %	Liability (Asset)
PERS 1	0.022286%	\$1,165,765
PERS 2/3	0.028785%	1,028,504

#### NOTE 7 – HEALTH & WELFARE

The City of North Bend is a member of the Association of Washington Cities Employee Benefit Trust Health Care Program (AWC Trust HCP). Chapter 48.62 RCW provides that two or more local government entities may, by Interlocal agreement under Chapter 39.34 RCW, form together or join a pool or organization for the joint purchasing of insurance, and/or joint self-insurance, to the same extent that they may individually purchase insurance, or self-insure.

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC Trust HCP was formed on January 1, 2014 when participating cities, towns, and non-city entities of the AWC Employee Benefit Trust in the State of Washington joined together by signing an Interlocal Governmental Agreement to jointly self-insure certain health benefit plans and programs for participating employees, their covered dependents and other beneficiaries through a designated account within the Trust. As of December 31, 2015, 261 cities/towns/non-city entities participate in the AWC Trust HCP.

The AWC Trust HCP allows members to establish a program of joint insurance and provides health and welfare services to all participating members. The AWC Trust HCP pools claims without regard to individual member experience. The pool is actuarially rated each year with the assumption of projected claims run-out for all current members. The AWC Trust HCP includes medical insurance through Group Health, Regence BlueShield and Asuris Northwest Health, dental insurance through Delta Dental of Washington, and vision insurance through Vision Service Plan. Eligible members are cities and towns within the state of Washington. Non-City Entities (public agency, public corporation, intergovernmental agency, or political subdivision within the state of Washington) are eligible to apply for coverage into the AWC Trust HCP, submitting application to the Board of Trustees for review as required in the Trust Agreement.

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. The AWC Trust HCP purchases stop loss insurance for Regence/Asuris plans at an Individual Stop Loss (ISL) of \$1.5 million through Life Map, and Group Health ISL at \$750,000 through Sun Life. The aggregate policy is for 200% of expected medical claims.

Participating employers contract to remain in the AWC HCP for a minimum of three years. Participating employers with over 250 employees must provide written notice of termination of all coverage a minimum of 12 months in advance of the termination date, and participating employers with fewer than 250 employees must provide written notice of termination of all coverage a minimum of 6 months in advance of termination date. When all coverage is being terminated, termination will only occur on December 31. Participating employers terminating a group or line of coverage must notify the HCP a minimum of 60 days prior to termination. A participating employer's termination will not obligate that member to past debts, or further

contributions to the HCP. Similarly, the terminating member forfeits all rights and interest to the HCP account.

The operations of the Health Care Program are managed by the Board of Trustees or its delegates. The Board of Trustees is comprised of four regionally elected officials from Trust member cities or towns, the Employee Benefit Advisory Committee Chair and Vice Chair, and two appointed individuals from the AWC Board of Directors, who are from Trust member cities or towns. The Trustees or its appointed delegates review and analyze Health Care Program related matters and make operational decisions regarding premium contributions, reserves, plan options and benefits in compliance with Chapter 48.62 RCW. The Board of Trustees has decision authority consistent with the Trust Agreement, Health Care Program policies, Chapter 48.62 RCW and Chapter 200-110-WAC.

The accounting records of the Trust HCP are maintained in accordance with methods prescribed by the State Auditor's office under the authority of Chapter 43.09 RCW. The Trust HCP also follows applicable accounting standards established by the Governmental Accounting Standards Board ("GASB"). Year-end financial reporting is done on an accrual basis and submitted to the Office of the State Auditor as required by Chapter 200-110 WAC. The audit report for the AWC Trust HCP is available from the Washington State Auditor's office.

#### NOTE 8 - OTHER DISCLOSURES

##### A. Related Party Transactions and Joint Ventures:

- 1) Eastside Fire and Rescue: In 1999, through an Interlocal agreement as provided by RCW 39.34, the consolidation of several agencies created a new Fire and Emergency Medical Services agency called Eastside Fire and Rescue (EF&R). The agencies (principals) joining in this consolidation were King County Fire Protection Districts 10 and 38, and the Cities of Issaquah and North Bend, with the City of Sammamish joining in January 2001. The current Interlocal Agreement is for a seven-year period ending December 31, 2021. Any party may withdraw at the end of any seven-year term by filing with the other parties a notice of withdrawal in January of the seventh year.

EF&R is a joint venture partnership. The entities retain an equity interest in EF&R based on their support of EF&R operations. As of December 31, 2015 the equity percentage was as follows:

• Fire District No. 10	\$1,374,083	40.328%
• Fire District No. 38	\$219,312	6.437%
• City of Issaquah	\$754,588	22.147%
• City of North Bend	\$148,724	4.365%
• City of Sammamish	\$910,517	26.723%

EF&R is governed by a Joint Board of Directors which consists of eight Directors appointed from each of the principal's elected officials. The City of Issaquah, City of Sammamish and Fire District 10 are allotted two Board members each; the City of North Bend and Fire District 38 are allotted one Board member each.

The amount of annual contribution for each partner is determined by a funding model agreed upon by all partners and outlined in Exhibit A of the Interlocal Agreement. The funding model utilizes calls for service by first due area of response for each fire station, assessed valuations, and weighted incident types (Fire or EMS), to establish each partner's cost which collectively funds the overall operation. The incident weighting portion of the funding model, which was a revision from the previous funding model, is being phased in gradually over the years 2015 to 2021. Funding formula ratios will be recalculated based upon updated information for the years 2019-2021. Each partner makes monthly payments for their annual operating contribution and an annual payment for their portion of the equipment replacement fund and facilities maintenance fund.

Complete audited financial statements for Eastside Fire & Rescue can be obtained at 175 Newport Way NW, Issaquah, WA 98027.

- 2) **Transportation Benefit District (TBD):** On July 19, 2011, the City Council adopted Ordinance No. 1436 establishing the North Bend Transportation Improvement District No. 1 (TBD) coextensive with the boundaries of the City. The TBD is an independent taxing district that is governed by a board composed of the seven members of the North Bend City Council who serve in an ex-officio and independent capacity. The primary purpose of the District is to fund, construct, and provide transportation improvements within its boundaries.

The TBD Board passed Resolution No. 01-2011 authorizing the placement of Proposition 1 on the November general election ballot. Proposition 1 – which approved a rate increase of two-tenths of one percent on the sales and use tax within the city limits of North Bend for the purpose of paying for TBD projects, including the repayment of indebtedness and costs incurred to finance those improvements – was passed by City of North Bend voters on November 8, 2011.

In order to most efficiently utilize public funds, and to avoid duplication of effort, TBD accounting is performed by the City of North Bend and the TBD's money is accounted for in City Agency Fund No. 690. In 2015, the TBD received total collections from sales and use taxes of \$476,286. The Transportation Benefit District issues a separate Annual Financial Report which is audited by the Washington State Auditor's Office.

- B. **Explosion in Downtown:** On April 25, 2014, the City suffered a catastrophic explosion that totally destroyed 3 buildings and damaged over 50 additional structures. The City sustained damage to a restroom/storage building in Torgeson Park and damage to sidewalk, curb, gutters, railing and landscaping. The City received a letter from Travelers Insurance, the insurance company for the owner of the subject property, identifying the City as a possible subrogation party because the City had issued tenant improvement permits at a restaurant that was being constructed on the property. The City reviewed all permits issued at the subject property and determined that the permits were issued appropriately consistent with all applicable codes, rules and regulations. Ultimately no claim or lawsuit was filed. The City was compensated by its insurance company for all damage to its park building as a result of the explosion. Efforts to redevelop the site are currently underway.

- C. **Wastewater Treatment Plant Repairs:** The City completed three major construction upgrades at its Wastewater Treatment Plant that began in late 2014 and continued into 2015. A small fire in a Fenton dryer during the second quarter of 2014 rendered it inoperable, so the City installed an alternative conveyer conveyance system that bypassed the old dryer and resulted in hauling de-watered sludge. This project was completed in May 2015 and insurance proceeds were received to cover a portion of the costs associated with the repair, equipment and temporary increase in operational costs from hauling watered sludge to another WWTP for treatment and disposal. Second, a concrete effluent weir gate and associated piping was added to the oxidation ditch, which removed a bottleneck and lowered the spill potential during high flow events. Third, the replacement of two older oxidation ditch rotors improved functionality.

Design is currently underway for replacement of the older two Ultraviolet (UV) systems in the WWTP electrical building. Additionally, a new third UV system will be included in the replacement package that will provide additional capacity and required redundancy. Construction of the entire UV system will occur during the 2016 dry season when the inflows to the WWTP are lower. Substantial electrical, control panel and worker safety improvements will also be occurring.

In 2016 the City prepared a preliminary facilities treatment plan for the WWTP that included evaluating possible options for the future WWTP. Options include retrofitting the existing WWTP, building a new WWTP elsewhere in the City, and regionalization by conveying City sewer to the City of Snoqualmie's WWTP down one of several corridors and building major capacity upgrades at the Snoqualmie WWTP. Due to financial constraints the City's preferred option at this point is retrofitting the existing WWTP and funding options are currently being explored. It is anticipated that short-term financing will be in place by the summer of 2016.

The City hired a Wastewater Treatment Plant Manager in early 2015 and is currently in the recruitment process for a new SCADA Supervisor position to be hired in 2016. These two positions will provide critical oversight and technical support for the WWTP's operations.

- D. **Sewer Rate Study:** The City began working on an updated Sewer Rate Study in 2016. Sewer rates will likely need to increase to pay to replace the aging infrastructure which is past its useful life, construct new infrastructure per expanded Department of Ecology (DOE) Permit requirements, and to provide capacity upgrades. The study includes analyzing Sewer rates and General Facilities Charges (GFCs) to ensure that the utility is charging current and future customers correctly for current operations and future growth.
- E. **Sewer ULID #6 Assessment Appeal:** The City formed ULID #6 on November 20, 2007 for the purpose of providing the funds necessary to construct certain improvements to the sanitary sewer system in the Tanner and Truck Town areas of the City. 34 of the 415 parcels filed written protests with the Hearing Examiner during the final assessment roll public hearing process. The City Council reduced the assessments on 4 parcels and denied all other protests. The final Assessment roll of \$19,020,359 for Sewer ULID #6 was finalized by the City Council on March 20, 2012. One appeal was filed by six entities/individuals representing assessments in the amount of \$1,547,651, seeking to have the assessments revoked. The Washington State Court of Appeals invalidated the original assessments on these specific properties, but

noted that the City could reassess the six applicants. The appellants, unhappy with this decision, then asked the Supreme Court to review this decision. The Supreme Court denied review. Following these appeal proceedings the City adopted a new ordinance authorizing the reassessment of the appellants' properties, which the appellants again challenged in Superior Court. The Superior Court granted judgment to the City on November 13, 2015, dismissing the appellants' claims and affirming the City's authority to proceed with the reassessments. No appeal was filed, so the Superior Court's judgment is now final. The City is currently in the process of retaining a new appraiser to value the special benefits that accrued to these properties as a result of construction of the sewer system improvements, and to prepare reassessments for these properties. The City funded the sewer improvements using Bond Anticipation Notes, which were paid in full when the City issued Revenue Bonds in the amount of \$16,985,000 in June 2012.

- F. **Property Foreclosure:** The City is statutorily required to commence foreclosure proceedings of delinquent Local Improvement District assessments. Seven properties (with three different property owners) moved forward in the foreclosure process: one case was dismissed when the balance owed was paid in full; another property was recently purchased, the title company issued a check to pay the balance, and the case will be dismissed when the check clears; and the City is still trying to reach a settlement in the third case, with primary witness disclosure due in June 2015.
- G. **GASB 54 Compliance:** Per the provisions of GASB 54, Special Revenue Funds are only allowed to be reported if they are used to account for activities that are substantially funded (20% or more) by a restricted or committed revenue sources. Special Revenue Funds that do not meet this requirement are rolled-up into the General Fund for reporting purposes. For 2015, Fund 101 (Streets Operations) and Fund 108 (Economic Development) are rolled-up into the General Fund (001) totals.
- H. **Public Safety Sales Tax Ballot Measure:** On May 20, 2014 the City Council passed a resolution placing a public safety sales tax measure on the November 4, 2014 election ballot. This local sales & use tax of one-tenth of one percent (0.1%) is authorized by RCW 82.14.450 for public safety purposes. By State law, the additional revenue generated from this tax would be split 85% to the City of North Bend and 15% to King County, and at least one-third must be used for criminal justice or fire protection purposes, or both. It is North Bend's intention to use all of the proceeds generated for public safety and criminal justice purposes. The additional 0.1% sales & use tax is anticipated to generate approximately \$200,000 annually, and is being used for an additional police officer, for additional police emphasis patrols as needed, and to offset increase fire protection service costs. This ballot measure passed and the sales tax increase became effective April 1, 2015.
- I. **Transition to Biennial Budgeting:** On May 20, 2014, the City Council passed Ordinance No. 14-054 authorizing the change to biennial budgeting effective for the budget years of 2015-2016. A biennial budget was adopted by Ordinance No. 14-124 on December 2, 2014. The biennial budget will be implemented as two one-year financial plans. Actual expenditures in the first year may not exceed the first year plan appropriations, and second year plan appropriations shall only be expended in the second year. Any changes to the budget

appropriations will occur with Council approval as part of quarterly budget adjustments or as part of the mid-biennium budget review. The mid-biennium budget review occurred during the last four months of the year in accordance with the provisions of RCW 35A.34, with the modification ordinance adoption on December 8, 2015.

- J. **Bond Rating Upgrade:** On September 10, 2014 the City of North Bend was notified by Standard & Poor's Ratings Services that they had raised the City's unlimited tax and limited tax General Obligation bond rating from AA- to AA with a stable outlook. The AA rating means that, in S&P's opinion, the City of North Bend has a very strong capacity to meet financial commitments and they view the City's economy as very strong. This rating was reviewed and affirmed by S&P on June 15, 2015 and a rating of AA/Stable was also assigned to the new 2015 LTGO bonds.
- Additionally, Standard & Poor's Ratings Services revised the outlook to positive from stable and affirmed it's A+ long-term rating on the City's previously issued water and sewer revenue bonds. The rating of A+/positive was also assigned to the new 2015 Water and Sewer Revenue refunding bonds.
- K. **Visitor Information Center (VIC):** The North Bend Visitor Information Center and Mountain View Art Gallery opened in late September 2014 in a building leased by the City of North Bend. In 2015 the City entered into a contract for services with the North Bend Downtown Foundation to define responsibilities and financial obligations. Per the Agreement, the City paid the Downtown Foundation \$48,520 in 2015 to operate and manage the VIC. The City is also responsible for the building lease, utilities and custodial services, and exterior beautification efforts. Funding for the City's contribution comes from lodging taxes and General Fund revenues.
- L. **LTGO Bond Refinancing:** The City Council adopted Ordinance No. 15-1554 on May 19, 2015 authorizing refunding the existing 2010 Limited Tax General Obligation (LTGO) Bonds and issuing new LTGO Bonds in an amount not to exceed \$2,100,000. The 2015 LTGO bonds were issued on July 9, 2015 in the amount of \$1,900,000. The new bonds have a twelve year redemption schedule with a final maturity date of December 1, 2026 and an average coupon interest rate of 2.88%.
- M. **Revenue Bond Refinancing:** The City Council adopted Ordinance No. 15-1555 on May 19, 2015 authorizing refunding portions of the existing 2006 Revenue Bonds (\$910,000) and 2012 Revenue Bonds (\$8,725,000) and issuing new Water and Revenue Sewer Bonds in a total amount not to exceed \$10,000,000. The 2015 Water and Sewer Revenue Refunding Bonds were issued on July 9, 2015 in the amount of \$9,245,000. The new bonds have a seventeen year redemption schedule with a final maturity date of August 1, 2032 and an average coupon interest rate of 3.53%.
- N. **Salish Avenue SE Extension Annexation:** Petitioned by property owners in 2013, the Salish Avenue SE Extension Annexation, a small annexation area located southeast of the City's boundaries, was approved by the King County Boundary Review Board in February 2015 and accepted by the City Council on March 17, 2015.

- O. Square Footage Business & Occupation Tax: On May 3, 2016 the City Council adopted Ordinance No. 1587 amending the North Bend Municipal Code relating to Business & Occupation Taxes to create a square footage tax with tiered rates based on the square footage of the buildings subject to the tax. The square footage tax is applicable to warehouses, distribution facilities, self-storage facilities, industrial and/or light manufacturing use or research space with a square footage of 10,000 or more. The ordinance provides an exemption for vacant buildings for no more than 2 years. The additional revenue generated from this tax will be dedicated to the maintenance of the City's street infrastructure, with a primary emphasis on pavement management.
- P. Glazier Antique Mall Deed of Trust and Full Reconveyance: The City attempted to acquire a property through purchase of a Promissory Note (Note) and Deed of Trust from Judy Olson. The Deed of Trust was secured by a property located on North Bend Way improved by a structure commonly known as the Antique Mall. Under the terms of the Note, the Borrower could pay off the Note with no prepayment penalty. The Borrower elected to do so and the City executed a full reconveyance of the Deed of Trust in May 2016 and returned the Note to William Glazier, owner of the Antique Mall.
- Q. D4 Real Estate Development v. City of North Bend: A developer ("D4D") filed a LUPA petition challenging the City's refusal to accept D4D's development application under the current moratorium on applications and approvals for development in the cottage residential zoning district. The Complaint seeks declaratory judgment, specific performance, and unquantified damages. The lawsuit was filed and served on May 16, 2016, and as of the date of this report, the City has only filed its notice of appearance in the matter.

**CITY OF NORTH BEND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of North Bend was incorporated on March 12, 1909 and operates under the laws of the State of Washington applicable to a Code City with a Mayor-Council form of government. The City is a general purpose government and provides a broad range of general government services including planning and community development, street maintenance and improvements, parks and recreation, public works, solid waste and recycling, and general administrative services. The City contracted for police services with King County until March 2014 when it entered into a contract with the City of Snoqualmie. Fire services are provided through a partnership with Eastside Fire and Rescue. In addition, the City owns and operates water, sewer and storm water utility systems. The City uses single-entry, cash basis accounting which is a departure from Generally Accepted Accounting Principles (GAAP).

The City of North Bend reports financial activity in accordance with the *Cash Basis Budgeting, Accounting, and Reporting System* (BARS) Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are not presented using the classifications defined in GAAP.

**A. Fund Accounting**

Financial transactions of the City of North Bend are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The City's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements. The following fund types are used by the City of North Bend:

**GOVERNMENTAL FUND TYPES:****General Fund**

This fund is the primary operating fund of the City of North Bend. It accounts for all financial resources except those required or elected to be accounted for in another fund.

**Special Revenue Funds**

These funds account for specific revenue sources that are restricted or committed to expenditures for specified purposes of the City of North Bend.

**Debt Service Funds**

These funds account for the financial resources that are restricted, committed, or assigned to expenditures for principal, interest and related costs on general long-term debt.

**Capital Projects Funds**

These funds account for financial resources which are restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets.

**PROPRIETARY FUND TYPES:****Enterprise Funds**

These funds account for operations that provide goods or services to the general public and are supported primarily through user charges.

**Internal Service Funds**

These funds account for operations that provide goods or services to other departments or funds of the City of North Bend a cost reimbursement basis.

**FIDUCIARY FUND TYPES:**

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

**Agency Funds**

These funds are used to account for assets that the City of North Bend holds on behalf of others in a custodial capacity.

**B. Basis of Accounting and Measurement Focus**

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

In accordance with state law the City of North Bend also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

**C. Budgets**

The City of North Bend adopts annual appropriated budgets for all governmental funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

The appropriated and actual expenditures for the legally adopted budgets were as follows:

<b>Fund/Department</b>	<b>Final Appropriated Amounts</b>	<b>Actual Expenditures</b>	<b>Variance</b>
General Fund	\$6,185,149	\$6,093,972	\$91,177
Streets Operations Fund	719,007	684,261	34,746
Capital Streets Fund	147,762	115,911	31,851
Streets Overlay Fund	474,026	427,591	46,435
Impact Fees & Mitigation Fund	682,183	487,306	194,877
Hotel/Motel Tax Fund	8,600	8,600	-
Economic Development Fund	90,634	71,729	18,905
Park Capital Improvement Fund	33,000	29,862	3,138
Development Projects (CED) Fund	365,500	333,050	32,450
2010 LTGO Debt Service Fund	191,900	191,501	399
2011 Fire Station Bond Redemption Fund	335,100	184,830	150,270
2012 LTGO (TBD) Bond Redemption Fund	145,825	145,530	295
Municipal Projects Fund	1,590,498	687,142	903,356
Capital Improvement Fund	303,446	274,742	28,704
Water Operations & Capital Fund	2,828,242	2,291,378	536,864
Sewer Operations & Capital Fund	3,278,467	2,962,345	316,122
Storm Operations & Capital Fund	670,285	668,267	2,018
Flood Operations Fund	104,785	104,428	357
Solid Waste & Recycling Operations Fund	50,476	31,724	18,752
ULID #6 Construction Fund	-	-	-
ULID #6 Revenue Bond Redemption Fund	1,952,100	1,951,499	601
Equipment Operations Fund	336,458	321,031	15,427
Technology Operations Fund	145,517	141,396	4,121
Technology Reserve Fund	5,950	5,949	1
<b>Total All Funds</b>	<b>\$20,644,910</b>	<b>\$18,214,044</b>	<b>\$2,430,866</b>

Budgeted amounts are authorized to be transferred between departments within any fund; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the City of North Bend's legislative body. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year by ordinance by a majority vote of the City Council.

**D. Cash and Investments**

See Note 2 - *Deposits and Investments*.

**E. Capital Assets**

Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of 5 years. Capital assets and inventory are recorded as capital expenditures when purchased.

**F. Compensated Absences**

The amount of vacation leave that may be accumulated depends on bargaining unit contracts or if an employee is non-represented. All accumulated vacation leave is payable upon separation or retirement up to the maximum limit.

1. Non-represented employees may accumulate up to one year's vacation leave based on their years of service up to a maximum of 200 hours.
2. Employees represented by a bargaining unit may accumulate up to one year's vacation leave based on their years of service up to a maximum of 160 hours.

Sick leave may be accumulated up to a maximum of 960 hours. Upon separation of employment, employees shall be compensated for any accrued sick leave at 25% of the accrued sick leave value based on the final rate of pay of the employee, except for Public Works employees represented by Local Union No. 763 who will be compensated for any accrued sick leave at 25% of the accrued sick leave value up to a maximum of 160 hours.

Compensatory hours accrued by non-exempt employees will be paid at the overtime rate of 1.5 times the employee's regular rate of pay upon separation of employment.

All leave payments are recognized as expenditures when paid.

**G. Long-Term Debt**

See Note 5 - *Debt Service Requirements*.

**H. Other Financing Sources or Uses**

The City of North Bend's *Other Financing Sources or Uses* consist of all interfund receivables and payables, and interfund transactions. A separate schedule of interfund loans receivable and payable is furnished in Note 4 – *Interfund Loans*.

**I. Risk Management**

The City of North Bend is a member of the Association of Washington Cities Risk Management Service Agency (AWC RMSA). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC RMSA was formed on January 1, 1989 when 32 municipalities in the State of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2014, 94 municipalities/entities participate in the AWC RMSA pool.

The AWC RMSA allows members to establish a program of joint insurance and provides risk management services to all members. All coverages are on an occurrence basis. The AWC RMSA provides all risk property, comprehensive crime, general liability, automobile liability, police liability, public officials' liability, employee fidelity and faithful performance, and equipment breakdown insurance coverage. Equipment breakdown is included with the property insurance carrier and fidelity (crime) coverage is a stand-alone policy which the AWC RMSA procures for its members. The AWC RMSA also allows members with airports to group purchase airport liability coverage.

Members pay an annual assessment to the AWC RMSA. The AWC RMSA is responsible for payment of all covered causes of loss against the jurisdiction above the stated retention. All members in the AWC RMSA have \$10 million in both per occurrence and aggregate liability limits. For the first \$1 million, AWC RMSA is self-insured for its Self-Insured Retention (SIR) of \$250,000, per occurrence, and is reinsured by Berkley Public Entity for the additional \$750,000. For the \$9 million in excess coverage limits, an excess liability policy is purchased from Starr Indemnity & Liability Company. The excess property coverage is purchased through Lexington Insurance Company using the Pool's broker, Arthur J. Gallagher Risk Management Services. In 2014, AWC RMSA carried a retention of \$50,000 and limits up to \$250 million. Since AWC RMSA is a cooperative program, there is joint liability among the participating members.

Members contract to remain in the AWC RMSA pool for a minimum of one year and must give a one-year notice before terminating participation. Even after termination, a member is still responsible for contributions to the Pool for any unresolved, unreported, and in-process claims for the period they were signatory to the Interlocal Governmental Agreement.

The AWC RMSA establishes a loss fund for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses.

In accordance with WAC 200.100.02023, the AWC RMSA is governed by a board of directors which is comprised of elected officials of participating members.

**J. Reserved Portion of Ending Cash and Investments**

Beginning and Ending Cash and Investments is reported as reserved when it is subject to restrictions on use imposed by external parties or due to internal commitments established by ordinance or resolution of the City Council. When expenditures that meet restrictions are incurred, the City of North Bend intends to use reserved resources first before using unreserved amounts.

Fund balances not available for spending due to restrictions imposed on them by external parties and/or due to internal commitments are reported as reserved.

Reserved fund balances at the end of 2014 in the amount of \$7,536,027 are set aside as follows:

001	General Fund	Legislative Restriction – Tax & City Council Ordinance 1249 (Capital Streets)	\$129,123
103	Streets Overlay	Reserve established by City Council Ordinance 1421	61,608
106	Impact Fees & Mitigation	Legislative Restriction & Developer Agreements	921,945
107	Hotel/Motel Tax	Legislative Restriction – Tax	4,420
116	Park Capital Improvement	Legislative Restriction – Tax & Grant Restrictions	64,823
125	Development Projects (CED)	Developer Agreements	123,499
216	2011 Fire Station Bond	Legislative Restriction – Tax	175,277
217	2012 LTGO (TBD) Bond	Bond Restriction	12,096
310	Municipal Projects	Grants & Legislative Restrictions	674,451
320	Capital Improvements (REET)	Legislative Restriction – Tax	585,931
401	Water Operations	Bond Restriction	89,618
402	Sewer Operations	Bond Restriction	219,445
404	Storm & Flood Operations	Bond Restriction	129,855
451	ULID #6 Bond Redemption	Bond Restriction	1,858,369
452	ULID #6 Bond Reserve	Bond Restriction	1,782,191
635	Treasurers Trust	Trust Restriction	61,969
690	Transportation Benefit District	Trust Restriction	641,407

**NOTE 2 – DEPOSITS AND INVESTMENTS**

It is the City of North Bend's policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds, with the exception of interest from Special Revenue Funds and Internal Service Funds, (except for Impact Fees Fund 106) which is allocated to the General Fund, per the provisions of RCW 35A.40.050.

All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation (FDIC) and/or the Washington Public Deposit Protection Commission (WPDPCC). All investments are insured, registered or held by the City of North Bend or its agent in the City of North Bend's name.

Investments are reported at fair value. Investments by type at December 31, 2014 are as follows:

Investments by type at December 31, 2014 are as follows:

<u>Type of Investment</u>	<u>City of North Bend's Own Investments</u>	<u>Investments held by North Bend for Others</u>	<u>Total</u>
L.G.I.P.	\$11,772,647	\$-	\$11,772,647
Certificate of Deposits (CD)	497,660	-	497,660
U.S. Government Securities	1,303,742	-	1,303,742
Total	<u>\$13,574,049</u>	<u>\$-</u>	<u>\$13,574,049</u>

**NOTE 3 - PROPERTY TAX**

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

Property tax revenues are recognized when cash is received by the City of North Bend. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

The City of North Bend's regular levy for the year 2014 was \$1.60481 per \$1,000 on an assessed valuation of \$853,937,108 for a total regular levy of \$1,365,919.

In 2014, the City of North Bend also levied \$0.22665 per \$1,000 for construction of a new Fire Station for a total additional levy of \$191,847.

**NOTE 4 – INTERFUND LOANS**

The following table displays Interfund loan activity during 2014:

Borrowing Fund	Lending Fund	Balance 1/1/2014	New Loans	Repayments	Balance 12/31/2014
*Water (401)	Sewer (402)	\$175,180	\$--	\$87,590	\$87,590
	<b>TOTALS</b>	<b>\$175,180</b>	<b>\$--</b>	<b>\$</b>	<b>\$87,590</b>

\*Note: This Interfund Loan has a maximum authorized amount of \$383,000 per Ordinance #1444.

**NOTE 5 – DEBT SERVICE REQUIREMENTS**

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the City of North Bend and summarizes the City's debt transactions for the year ended December 31, 2014.

The debt service requirements for general obligation bonds, revenue bonds, Public Works Trust Fund loans and State Revolving Fund loans, including both principal and interest, are as follows:

	General Obligation Bonds	Revenue Bonds	Other Debt <sup>1</sup>	Total Debt
2015	536,693	1,998,937	484,216	3,019,846
2016	528,343	1,871,051	482,712	2,882,106
2017	524,593	1,855,256	481,207	2,861,056
2018	525,243	1,833,705	479,703	2,838,651
2019	524,943	1,804,620	414,585	2,744,148
2020 – 2024	2,211,580	7,575,659	2,010,429	11,797,668
2025 – 2029	1,571,344	5,610,716	644,678	7,826,738
2030 – 2032	117,390	2,753,326	197,702	3,068,418
<b>TOTALS</b>	<b>\$6,540,129</b>	<b>\$25,303,270</b>	<b>\$5,195,232</b>	<b>\$37,038,631</b>

<sup>1</sup> Other Debt includes Public Works Trust Fund Loans and State Revolving Fund Loans.

**NOTE 6 - PENSION PLANS**

Substantially all City full-time and qualifying part-time employees participate in the Public Employees' Retirement System (PERS) administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. Actuarial information is on a system-wide basis and is not considered pertinent to the City of North Bend's financial statements. Contributions to the system by both employee and employer are based upon gross wages covered by plan benefits.

Historical trend or other information regarding each plan is presented in the Washington State Department of Retirement Systems annual financial report. A copy of this report may be obtained by writing to:

Department of Retirement Systems  
Communications Unit  
PO Box 48380  
Olympia, WA 98504-8380

**NOTE 7 – HEALTH & WELFARE**

The City of North Bend is a member of the Association of Washington Cities Employee Benefit Trust Health Care Program (AWC Trust HCP). Chapter 48.62 RCW provides that two or more local government entities may, by Interlocal agreement under Chapter 39.34 RCW, form together or join a pool or organization for the joint purchasing of insurance, and/or joint self-insurance, to the same extent that they may individually purchase insurance, or self-insure.

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC Trust HCP was formed on January 1, 2014 when participating cities, towns, and non-city entities of the AWC Employee Benefit Trust in the State of Washington joined together by signing an Interlocal Governmental Agreement to jointly self-insure certain health benefit plans and programs for participating employees, their covered dependents and other beneficiaries through a designated account within the Trust. As of December 31, 2014, 263 cities/towns/non-city entities participate in the AWC Trust HCP.

The AWC Trust HCP allows members to establish a program of joint insurance and provides health and welfare services to all participating members. The AWC Trust HCP pools claims without regard to individual member experience. The pool is actuarially rated each year with the assumption of projected claims run-out for all current members. The AWC Trust HCP includes medical insurance through Regence BlueShield and Asuris Northwest Health, dental insurance through Delta Dental of Washington, and vision insurance through Vision Service Plan. Eligible members are cities and towns within the state of Washington. Non-City Entities (public agency, public corporation, intergovernmental agency, or political subdivision within the state of Washington) are eligible to apply for coverage into the AWC Trust HCP, submitting application to the Board of Trustees for review as required in the Trust Agreement.

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. The AWC Trust HCP purchases stop loss insurance for Regence/Asuris plans at an Individual Stop Loss (ISL) of \$1.5 million through Life Map, and Group Health ISL at \$750,000 through Sun Life. The aggregate policy is for 200% of expected medical claims.

Participating employers contract to remain in the AWC HCP for a minimum of three years. Participating employers with over 250 employees must provide written notice of termination of all coverage a minimum of 12 months in advance of the termination date, and participating employers with fewer than 250 employees must provide written notice of termination of all coverage a minimum of 6 months in advance of termination date. When all coverage is being

terminated, termination will only occur on December 31. Participating employers terminating a group or line of coverage must notify the HCP a minimum of 60 days prior to termination. A participating employer's termination will not obligate that member to past debts, or further contributions to the HCP. Similarly, the terminating member forfeits all rights and interest to the HCP account.

The operations of the Health Care Program are managed by the Board of Trustees or its delegates. The Board of Trustees is comprised of four regionally elected officials from Trust member cities or towns, the Employee Benefit Advisory Committee Chair and Vice Chair, and the AWC Board of Directors President and Vice President. The Trustees or its appointed delegates review and analyze Health Care Program related matters and make operational decisions regarding premium contributions, reserves, plan options and benefits in compliance with Chapter 48.62 RCW. The Board of Trustees has decision authority consistent with the Trust Agreement, Health Care Program policies, Chapter 48.62 RCW and Chapter 200-110-WAC.

The accounting records of the Trust HCP are maintained in accordance with methods prescribed by the State Auditor's office under the authority of Chapter 43.09 RCW. The Trust HCP also follows applicable accounting standards established by the Governmental Accounting Standards Board ("GASB"). Year-end financial reporting is done on an accrual basis and submitted to the Office of the State Auditor as required by Chapter 200-110 WAC. The audit report for the AWC Trust HCP is available from the Washington State Auditor's office.

#### NOTE 8 - OTHER DISCLOSURES

##### A. Related Party Transactions and Joint Ventures:

- 1) Eastside Fire and Rescue: In 1999, through an Interlocal agreement as provided by RCW 39.34, the consolidation of several agencies created a new Fire and Emergency Medical Services agency called Eastside Fire and Rescue (EF&R). The agencies (principals) joining in this consolidation were King County Fire Protection Districts 10 and 38, and the Cities of Issaquah and North Bend, with the City of Sammamish joining in January 2001. The current Interlocal Agreement is for a seven-year period ending December 31, 2021. Any party may withdraw at the end of any seven-year term by filing with the other parties a notice of withdrawal in January of the seventh year.

EF&R is a joint venture partnership. The entities retain an equity interest in EF&R based on their support of EF&R operations. As of December 31, 2014 the equity percentage was as follows:

• Fire District No. 10	\$1,323,355	40.89%
• Fire District No. 38	\$201,537	6.23%
• City of Issaquah	\$701,326	21.92%
• City of North Bend	\$139,429	4.31%
• City of Sammamish	\$862,458	26.65%

EF&R is governed by a Joint Board of Directors which consists of eight Directors appointed from each of the principal's elected officials. The City of Issaquah, City of Sammamish and

Fire District 10 are allotted two Board members each; the City of North Bend and Fire District 38 are allotted one Board member each.

The amount of annual contribution for each partner is determined by a funding model agreed upon by all partners and outlined in Exhibit A of the Interlocal Agreement. The funding model utilizes calls for service by first due area of response for each fire station, assessed valuations, and weighted incident types (Fire or EMS), to establish each partner's cost which collectively funds the overall operation. The incident weighting portion of the funding model, which was a revision from the previous funding model, is being phased in gradually over the years 2015 to 2021. Funding formula ratios will be recalculated based upon updated information for the years 2019-2021. Each partner makes monthly payments for their annual operating contribution and an annual payment for their portion of the equipment replacement fund and facilities maintenance fund.

Complete audited financial statements for Eastside Fire & Rescue can be obtained at 175 Newport Way NW, Issaquah, WA 98027.

- 2) Transportation Benefit District (TBD): On July 19, 2011, the City Council adopted Ordinance No. 1436 establishing the North Bend Transportation Improvement District No. 1 (TBD) coextensive with the boundaries of the City. The TBD is an independent taxing district that is governed by a board composed of the seven members of the North Bend City Council who serve in an ex-officio and independent capacity. The primary purpose of the District is to fund, construct, and provide transportation improvements within its boundaries.

The TBD Board passed Resolution No. 01-2011 authorizing the placement of Proposition 1 on the November general election ballot. Proposition 1 – which approved a rate increase of two-tenths of one percent on the sales and use tax within the city limits of North Bend for the purpose of paying for TBD projects, including the repayment of indebtedness and costs incurred to finance those improvements – was passed by City of North Bend voters on November 8, 2011.

In order to most efficiently utilize public funds, and to avoid duplication of effort, TBD accounting is performed by the City of North Bend and the TBD's money is accounted for in City Agency Fund No. 690. In 2014, the TBD received total collections from sales and use taxes of \$452,606. The Transportation Benefit District issues a separate Annual Financial Report which is audited by the Washington State Auditor's Office.

- B. Explosion in Downtown: On April 25, 2014, the City suffered a catastrophic explosion that totally destroyed 3 buildings and damaged over 50 additional structures. The City sustained damage to a restroom/storage building in Torgeson Park and damage to sidewalk, curb, gutters, railing and landscaping. The City received a letter from Travelers Insurance, the insurance company for the owner of the subject property, identifying the City as a possible subrogation party because the City had issued tenant improvement permits at a restaurant that was being constructed on the property. The City has reviewed all permits issued at the subject property and determined that the permits were issued appropriately consistent with all applicable codes, rules and regulations. The City believes if any claim is filed against the

City, the lawsuit will be quickly resolved in the City's favor. The City was also compensated by its insurance company for all damage to its park building as a result of the explosion. Efforts to redevelop the site are currently underway.

- C. Wastewater Treatment Plant Repairs: The City's Wastewater Treatment Plant experienced a small fire in its Fenton dryer during the second quarter of 2014 making it inoperable. Starting in May 2014 the City was required to haul its watered sludge to another WWTP for treatment and disposal. The cost of such hauling is over \$100,000 a month. An insurance claim is pending and the City expects to receive proceeds to cover repair costs to the dryer and associated equipment and increased operational costs associated with the fire.

The City has been working to address some ongoing issues and needed upgrades at the Wastewater Treatment Plant (WWTP). The oxidation ditch had an effluent weir gate added which removed a bottleneck during high flow events. In addition, the replacement of two oxidation ditch rotors improved functionality. The City also installed an alternative conveyer conveyance system for bypassing the Fenton dryer and this project was completed in May 2015. The Treatment Plant's SCADA system is also receiving some needed equipment tie-ins and programming.

- D. Sewer ULID #6 Assessment Appeal: The City formed ULID #6 on November 20, 2007 for the purpose of providing the funds necessary to construct certain improvements to the sanitary sewer system in the Tanner and Truck Town areas of the City. 34 of the 415 parcels filed written protests with the Hearing Examiner during the final assessment roll public hearing process. The City Council reduced the assessments on 4 parcels and denied all other protests. The final Assessment roll of \$19,020,359 for Sewer ULID #6 was finalized by the City Council on March 20, 2012. One appeal was filed by six entities/individuals representing assessments in the amount of \$1,547,651, seeking to have the assessments revoked. The Washington State Court of Appeals authorized the City to reassess the six appellants and the appellants, unhappy with this decision, have asked the Supreme Court to review this decision. The Supreme Court denied review. The City has commenced the reassessment process against the six appellants. As expected, appellants are challenging the reassessment. The City is confident it will prevail in any subsequent litigation. The City funded the sewer improvements using Bond Anticipation Notes, which were paid in full when the City issued Revenue Bonds in the amount of \$16,985,000 in June 2012.
- E. Litigation: Herman v. City of North Bend - A local tattoo parlor owner filed a lawsuit claiming that his First Amendment rights were violated when the City refused to grant him a business license to operate a tattoo parlor as part of a home occupation business in the Downtown Commercial zone. The City filed a Motion for an injunction in connection with the City's counterclaim that the plaintiff is operating a business in violation of City land use codes and business license codes. The trial was held in early 2015 and the trial court ruled in the City's favor dismissing all of Herman's claims with prejudice. The City paid no damages.
- F. Litigation: New Cingular Wireless (AT&T) - This case arose when customer of New Cingular Wireless noticed that they were being charged for local utility tax on their monthly statements. The customers brought a class action suit alleging that they were wrongfully

charged and that they wrongfully paid these taxes. The matter was settled. As part of the settlement, Cingular sued the City North Bend and numerous other Washington cities seeking to recover monies it paid to cities as utility tax (which it then passed through to its customers). A global settlement was reached with all Washington cities and North Bend paid \$1,636 to settle this matter.

- G. Property Foreclosure: The City is statutorily required to commence foreclosure proceedings of delinquent Local Improvement District assessments on seven properties.
- H. GASB 54 Compliance: Per the provisions of GASB 54, Special Revenue Funds are only allowed to be reported if they are used to account for activities that are substantially funded (20% or more) by a restricted or committed revenue sources. Special Revenue Funds that do not meet this requirement are rolled-up into the General Fund for reporting purposes. For 2014, Fund 101 (Streets Operations), 102 (Capital Streets), and 108 (Economic Development) are rolled-up into the General Fund (001) totals.
- I. Public Safety Sales Tax Ballot Measure: On May 20, 2014 the City Council passed a resolution placing a public safety sales tax measure on the November 4, 2014 election ballot. This local sales & use tax of one-tenth of one percent (0.1%) is authorized by RCW 82.14.450 for public safety purposes. By State law, the additional revenue generated from this tax would be split 85% to the City of North Bend and 15% to King County, and at least one-third must be used for criminal justice or fire protection purposes, or both. It is North Bend's intention to use all of the proceeds generated for public safety and criminal justice purposes. The additional 0.1% sales & use tax is anticipated to generate approximately \$200,000 annually, will be used to hire an additional police officer, for additional police emphasis patrols as needed, and to offset increase fire protection service costs. This ballot measure passed and the sales tax increase became effective April 1, 2015.
- J. Transition to Biennial Budgeting: On May 20, 2014, the City Council passed Ordinance No. 14-054 authorizing the change to biennial budgeting effective for the budget years of 2015-2016. A biennial budget was adopted by Ordinance No. 14-124 on December 2, 2014. The biennial budget will be implemented as two one-year financial plans. Actual expenditures in the first year may not exceed the first year plan appropriations, and second year plan appropriations shall only be expended in the second year. Any changes to the budget appropriations will occur with Council approval as part of quarterly budget adjustments or as part of the mid-biennium budget review. The mid-biennium budget review will occur during the last four months of the year in accordance with the provisions of RCW 35A.34.
- K. Bond Rating Upgrade: On September 10, 2014 the City of North Bend was notified by Standard & Poor's Ratings Services that they had raised the City's unlimited tax and limited tax General Obligation bond rating from AA- to AA with a stable outlook. The AA rating means that, in S&P's opinion, the City of North Bend has a very strong capacity to meet financial commitments and they view the City's economy as very strong.
- L. Visitor Information Center (VIC): The North Bend Visitor Information Center and Mountain View Art Gallery opened in late September 2014 in a building leased by the City of North

Bend. In 2015 the City entered into a contract for services with the North Bend Downtown Foundation to define responsibilities and financial obligations. Per the Agreement, the City will pay the Downtown Foundation \$48,520 in 2015 to operate and manage the VIC. The City is also responsible for the building lease, utilities and custodial services, and exterior beautification efforts. Funding for the City's contribution comes from lodging taxes and General Fund revenues.

M. LTGO Bond Refinancing: The City Council adopted Ordinance No. 15-1554 on May 19, 2015 authorizing refunding the existing 2010 LTGO Bonds and issuing new LTGO Bonds in a total amount not to exceed \$2,100,000. The bonds will be sold at a negotiated sale based on favorable market conditions, with an expected delivery date of the 2015 LTGO Bonds in early July 2015.

N. Revenue Bond Refinancing: The City Council adopted Ordinance No. 15-1555 on May 19, 2015 authorizing refunding portions of the existing 2006 Revenue Bonds and 2012 Revenue Bonds and issuing new Water and Revenue Sewer Bonds in a total amount not to exceed \$10,000,000. The bonds will be sold at a negotiated sale based on favorable market conditions, with an expected delivery date of the 2015 Revenue Bonds in early July 2015.

O. Salish Avenue SE Extension Annexation: Petitioned by property owners in 2013, the Salish Avenue SE Extension Annexation, a small annexation area located southeast of the City's boundaries, was approved by the King County Boardary Review Board in February 2015 and accepted by the City Council on March 17, 2015.

**City of North Bend  
Schedule of Liabilities  
For the Year Ended December 31, 2015**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
<b>General Obligation Debt/Liabilities</b>						
251.11	2012 Non-Voted LTGO Bonds (TBD)	12/1/2021	930,000	-	125,000	805,000
251.11	GO Refunding Bonds - 2015 LTGO	12/1/2026	-	1,774,030	18,674	1,755,356
251.21	GO Refunding Bonds - 2015 LTGO	12/1/2026	-	125,970	1,326	124,644
251.11	GO Refunding Bonds - 2010 LTGO	7/1/2030	1,784,750	-	1,784,750	-
251.21	GO Refunding Bonds - 2010 LTGO	7/1/2030	315,250	-	315,250	-
251.22	2011 Voted UTGO Bonds (Fire Station)	12/1/2030	2,005,000	-	100,000	1,905,000
263.98	Compensated Absences - Governmental Funds		105,563	24,359	-	129,922
<b>Total General Obligation Debt/Liabilities:</b>			<b>5,140,563</b>	<b>1,924,359</b>	<b>2,345,000</b>	<b>4,719,922</b>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
263.82	SRF - SOE - I&I Project - Phase I	7/1/2018	231,007	-	54,038	176,969
252.11	Revenue Bonds - 2010 Water & Sewer Refunding	9/1/2021	1,765,000	-	315,000	1,450,000
263.82	SRF - DOE - I&I Project - Phase II	1/1/2024	335,001	-	35,036	299,965
263.82	DOE - CCWF - WWTP Phase 2 (A,B & C)	1/1/2024	1,381,831	-	129,077	1,252,754
252.11	Revenue Bonds - Storm Capital Projects	9/1/2026	1,050,000	-	980,000	70,000
263.82	PWTF Loan - Water Source Development	9/1/2026	1,554,285	-	129,524	1,424,761
263.82	SRF Loan - Drinking H2O - CT Piping	9/1/2026	142,876	-	11,906	130,970
263.82	PWTF Loan - 415th Ave SE - Water Main Replacement	6/1/2032	523,664	602,291	49,667	1,076,288
252.11	Revenue Bonds - 2012 ULID #6	8/1/2032	15,285,000	-	9,575,000	5,710,000
252.11	Revenue Bonds - 2015 Storm Capital Projects Refunding	8/1/2032	-	850,000	-	850,000
252.11	Revenue Bonds - 2015 Refunding (2012 ULID #6)	8/1/2032	-	8,395,000	-	8,395,000
259.12	Compensated Absences - Proprietary Funds		75,276	17,824	-	93,100
264.30	Net Pension Liability		-	2,194,269	-	2,194,269
<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>			<b>22,343,940</b>	<b>12,059,384</b>	<b>11,279,248</b>	<b>23,124,076</b>
<b>Total Liabilities:</b>			<b>27,484,503</b>	<b>13,983,743</b>	<b>13,624,248</b>	<b>27,843,998</b>

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**Schedule of Liabilities  
For the Year Ended December 31, 2014**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
<b>General Obligation Debt/Liabilities</b>						
251.11	2012 Non-Voted LTGO Bonds (TBD)	12/1/2021	1,050,000	-	120,000	930,000
251.11	GO Refunding Bonds - 2010 LTGO	7/1/2030	1,898,250	-	113,500	1,784,750
251.19	GO Refunding Bonds - 2010 LTGO	7/1/2030	321,750	-	6,500	315,250
251.14	2011 Voted UTGO Bonds (Fire Station)	12/1/2030	2,105,000	-	100,000	2,005,000
259.11	Compensated Absences - Governmental Funds		89,626	15,937	-	105,563
	<b>Total General Obligation Debt/Liabilities:</b>		<b>5,464,626</b>	<b>15,937</b>	<b>340,000</b>	<b>5,140,563</b>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
263.82	SRF - DOE - I&I Project - Phase I	7/1/2018	282,744	-	51,737	231,007
252.11	Revenue Bonds - 2010 Water & Sewer Refunding	9/1/2021	2,070,000	-	305,000	1,765,000
263.82	SRF - DOE - I&I Project - Phase II	1/1/2024	369,518	-	34,517	335,001
263.82	DOE - CCWF - WWTP Phase 2 (A,B & C)	1/1/2024	1,508,994	-	127,163	1,381,831
252.11	Revenue Bonds - Storm Capital Projects	9/1/2026	1,115,000	-	65,000	1,050,000
263.82	PWTF Loan - Water Source Development	9/1/2026	1,683,809	-	129,524	1,554,285
263.82	SRF Loan - Drinking H2O - CT Piping	9/1/2026	154,782	-	11,906	142,876
252.11	Revenue Bonds - 2012 ULID #6	8/1/2032	16,135,000	-	850,000	15,285,000
263.82	PWTF Loan - 415th Ave SE - Water Main Replacement	6/1/2032	-	529,266	5,602	523,664
259.12	Compensated Absences - Proprietary Funds		75,024	252	-	75,276
	<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>		<b>23,394,871</b>	<b>529,518</b>	<b>1,580,449</b>	<b>22,343,940</b>
	<b>Total Liabilities:</b>		<b>28,859,497</b>	<b>545,455</b>	<b>1,920,449</b>	<b>27,484,503</b>

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**ABOUT THE STATE AUDITOR'S OFFICE**

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

<b>Contact information for the State Auditor's Office</b>	
<b>Public Records requests</b>	<a href="mailto:PublicRecords@sao.wa.gov">PublicRecords@sao.wa.gov</a>
<b>Main telephone</b>	(360) 902-0370
<b>Toll-free Citizen Hotline</b>	(866) 902-3900
<b>Website</b>	<a href="http://www.sao.wa.gov">www.sao.wa.gov</a>

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**APPENDIX F**  
**UNAUDITED FINANCIAL STATEMENTS FOR THE CITY**  
**(ATTACHED)**

*The financial statements of the City for the fiscal years ended December 31, 2016 and 2017 included in this Appendix have not been audited, are preliminary, and are subject to change.*

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**ANNUAL REPORT**

**CITY OF NORTH BEND, WA**

**MCAG # 0421**

**FINANCE DEPARTMENT  
211 Main Ave North  
PO Box 896  
North Bend, WA 98045**

<http://www.northbendwa.gov>

*Submitted pursuant to RCW 43.09.230*

*To The*

**STATE AUDITOR'S OFFICE**

***FOR THE FISCAL YEAR ENDED DECEMBER 31, 2016***

Certified Correct this 30<sup>th</sup> day of May, 2017

**CITY OF NORTH BEND**

**2016 ANNUAL FINANCIAL REPORT**

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**CITY OF NORTH BEND**

**DIRECTORY OF OFFICIALS**

**December 31, 2016**

***ELECTED OFFICIALS***

<u>Mayor</u>	<u>TERM</u>	<u>EXPIRATION</u>
Kenneth G. Hearing.....	4 Years .....	12/31/19

**Council Members**

Jonathan Rosen.....	4 Years .....	12/31/19
Alan Gothelf .....	4 Years .....	12/31/19
Trevor Kostanich .....	4 Years .....	12/31/19
Ross Loudenback.....	4 Years .....	12/31/17
Brenden Elwood .....	4 Years .....	12/31/19
Jeanne Pettersen .....	4 Years .....	12/31/17
Martin Volken .....	4 Years .....	12/31/19

***APPOINTED OFFICIALS***

City Administrator.....	Londi Lindell
Assistant City Administrator/Finance Director.....	Dawn Masko
City Attorney .....	Michael Kenyon
Community & Economic Development Director .....	Gina Estep
Public Works Director / Engineer.....	Mark Rigos
Public Works Project Manager / Engineer.....	Donald DeBerg
Deputy Finance Director.....	Beth Wright
City Clerk .....	Susie Oppedal
Police.....	City of Snoqualmie
Fire .....	Eastside Fire & Rescue

**City of North Bend  
Fund Resources and Uses Arising from Cash Transactions  
For the Year Ended December 31, 2016**

	<u>Total for All Funds (Memo Only)</u>	<u>001 General Fund</u>	<u>102 Capital Streets</u>	<u>103 Streets Overlay</u>
<b>Beginning Cash and Investments</b>				
30810 Reserved	7,682,262	-	13,545	115,763
30880 Unreserved	6,253,788	1,244,252	-	-
388 / 588 Prior Period Adjustments, Net	-	-	-	-
<b>Revenues</b>				
310 Taxes	6,570,375	5,819,924	-	-
320 Licenses and Permits	418,450	349,599	-	-
330 Intergovernmental Revenues	367,797	217,284	44,725	-
340 Charges for Goods and Services	7,054,304	182,667	-	-
350 Fines and Penalties	103,281	87,952	-	-
360 Miscellaneous Revenues	3,985,925	38,644	-	2,316
Total Revenues:	18,500,132	6,696,071	44,725	2,316
<b>Expenditures</b>				
510 General Government	1,424,679	1,274,191	-	-
520 Public Safety	3,181,797	3,181,797	-	-
530 Utilities	3,530,659	-	-	-
540 Transportation	1,060,568	770,770	44,527	21,620
550 Natural and Economic Environment	1,355,103	672,384	-	-
560 Social Services	30,310	30,310	-	-
570 Culture and Recreation	605,598	494,101	-	-
Total Expenditures:	11,188,714	6,423,552	44,527	21,620
Excess (Deficiency) Revenues over Expenditures:	7,311,418	272,517	198	(19,304)
<b>Other Increases in Fund Resources</b>				
391-393, 596 Debt Proceeds	463,505	-	-	-
397 Transfers-In	1,835,461	270,702	129,462	150,000
385 Special or Extraordinary Items	-	-	-	-
386 / 389 Custodial Activities	-	-	-	-
381, 395, 398 Other Resources	2,809	142	-	-
Total Other Increases in Fund Resources:	2,301,775	270,844	129,462	150,000
<b>Other Decreases in Fund Resources</b>				
594-595 Capital Expenditures	1,998,495	74,570	-	182,079
591-593, 599 Debt Service	2,844,900	31,623	-	-
597 Transfers-Out	1,835,461	345,478	112,689	-
585 Special or Extraordinary Items	21,263	-	-	-
586 / 589 Custodial Activities	-	-	-	-
581 Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:	6,700,119	451,671	112,689	182,079
<b>Increase (Decrease) in Cash and Investments:</b>	<b>2,913,074</b>	<b>91,690</b>	<b>16,971</b>	<b>(51,383)</b>
<b>Ending Cash and Investments</b>				
5081000 Reserved	10,234,888	-	30,515	64,380
5088000 Unreserved	7,103,092	1,335,944	-	-
<b>Total Ending Cash and Investments</b>	<b>17,337,980</b>	<b>1,335,944</b>	<b>30,515</b>	<b>64,380</b>

The accompanying notes are an integral part of this statement.

**City of North Bend  
Fund Resources and Uses Arising from Cash Transactions  
For the Year Ended December 31, 2016**

**City of North Bend  
Fund Resources and Uses Arising from Cash Transactions  
For the Year Ended December 31, 2016**

		106 Impact Fees & Mitigation	107 Hotel/Motel Tax	116 Park Capital Improvement	125 Development Projects (CED)
<b>Beginning Cash and Investments</b>					
30810	Reserved	1,045,993	7,785	67,400	162,588
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
<b>Revenues</b>					
310	Taxes	-	13,225	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	30,878	-
340	Charges for Goods and Services	498,342	-	-	1,062,392
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	4,173	-	332	-
Total Revenues:		502,515	13,225	31,210	1,062,392
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	14,000	-	668,720
560	Social Services	-	-	-	-
570	Culture and Recreation	111,497	-	-	-
Total Expenditures:		111,497	14,000	-	668,720
Excess (Deficiency) Revenues over Expenditures:		391,018	(775)	31,210	393,672
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	-	-
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	8,549	-	15,807	-
591-593, 599	Debt Service	-	-	-	-
597	Transfers-Out	445,076	-	-	270,702
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		453,625	-	15,807	270,702
<b>Increase (Decrease) in Cash and Investments:</b>		<b>(62,607)</b>	<b>(775)</b>	<b>15,403</b>	<b>122,970</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	983,386	7,010	82,803	285,558
5088000	Unreserved	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>983,386</b>	<b>7,010</b>	<b>82,803</b>	<b>285,558</b>

		216 2011 Fire Station Bond Redempt	217 2012 LTGO (TBD) Bond Redempt	218 2015 LTGO Bond Redemption	219 2016 LTGP (LOC) Bond Redemption
<b>Beginning Cash and Investments</b>					
30810	Reserved	179,868	11,797	-	-
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
<b>Revenues</b>					
310	Taxes	181,118	-	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	148,400	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	944	254	0	211
Total Revenues:		182,062	148,654	0	211
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	-	-
Excess (Deficiency) Revenues over Expenditures:		182,062	148,654	0	211
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	463,505
397	Transfers-In	-	-	193,624	3,340
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		-	-	193,624	466,845
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	-	-	-	-
591-593, 599	Debt Service	181,275	145,575	193,624	38,671
597	Transfers-Out	-	-	-	428,385
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		181,275	145,575	193,624	467,056
<b>Increase (Decrease) in Cash and Investments:</b>		<b>787</b>	<b>3,079</b>	<b>(0)</b>	<b>-</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	180,655	14,876	-	-
5088000	Unreserved	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>180,655</b>	<b>14,876</b>	<b>-</b>	<b>-</b>

**City of North Bend  
Fund Resources and Uses Arising from Cash Transactions  
For the Year Ended December 31, 2016**

**City of North Bend  
Fund Resources and Uses Arising from Cash Transactions  
For the Year Ended December 31, 2016**

	310 Municipal Projects	320 Capital Improvement (REET)	401 Water Operations	402 Sewer Operations
<b>Beginning Cash and Investments</b>				
30810 Reserved	574,978	813,000	530,001	219,445
30880 Unreserved	496,289	-	1,778,697	958,812
388 / 588 Prior Period Adjustments, Net	-	-	-	-
<b>Revenues</b>				
310 Taxes	-	556,108	-	-
320 Licenses and Permits	-	-	-	-
330 Intergovernmental Revenues	51,162	-	-	-
340 Charges for Goods and Services	-	-	1,828,578	1,968,460
350 Fines and Penalties	-	-	-	15,329
360 Miscellaneous Revenues	145,903	5,034	11,724	5,160
Total Revenues:	197,066	561,142	1,840,302	1,988,948
<b>Expenditures</b>				
510 General Government	-	-	-	-
520 Public Safety	-	-	-	-
530 Utilities	-	-	1,188,795	1,578,683
540 Transportation	-	-	-	-
550 Natural and Economic Environment	-	-	-	-
560 Social Services	-	-	-	-
570 Culture and Recreation	-	-	-	-
Total Expenditures:	-	-	1,188,795	1,578,683
Excess (Deficiency) Revenues over Expenditures:	197,065	561,142	651,507	410,266
<b>Other Increases in Fund Resources</b>				
391-393, 596 Debt Proceeds	-	-	-	-
397 Transfers-In	659,948	-	-	428,385
385 Special or Extraordinary Items	-	-	-	-
386 / 389 Custodial Activities	-	-	-	-
381, 395, 398 Other Resources	-	-	2,667	-
Total Other Increases in Fund Resources:	659,948	-	2,667	428,385
<b>Other Decreases in Fund Resources</b>				
594-595 Capital Expenditures	992,448	-	95,470	457,749
591-593, 599 Debt Service	-	31,623	250,653	390,392
597 Transfers-Out	-	177,879	16,395	19,735
585 Special or Extraordinary Items	21,263	-	-	-
586 / 589 Custodial Activities	-	-	-	-
581 Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:	1,013,711	209,502	362,518	867,876
<b>Increase (Decrease) in Cash and Investments:</b>	<b>(156,698)</b>	<b>351,640</b>	<b>291,656</b>	<b>(29,225)</b>
<b>Ending Cash and Investments</b>				
5081000 Reserved	441,360	1,164,640	530,001	219,445
5088000 Unreserved	473,210	-	2,269,872	1,191,273
<b>Total Ending Cash and Investments</b>	<b>914,570</b>	<b>1,164,640</b>	<b>2,799,873</b>	<b>1,410,718</b>

	404 Storm & FLOOD Operations	405 Solid Waste & Recycling Operations	451 ULID #6 Bond Redemption	452 ULID#6 Bond Reserve
<b>Beginning Cash and Investments</b>				
30810 Reserved	114,885	-	2,572,461	1,252,755
30880 Unreserved	1,159,022	194,634	-	-
388 / 588 Prior Period Adjustments, Net	-	-	-	-
<b>Revenues</b>				
310 Taxes	-	-	-	-
320 Licenses and Permits	6,930	61,921	-	-
330 Intergovernmental Revenues	-	23,748	-	-
340 Charges for Goods and Services	839,489	7,546	-	-
350 Fines and Penalties	-	-	-	-
360 Miscellaneous Revenues	6,019	1,090	3,758,304	5,816
Total Revenues:	852,438	94,305	3,758,304	5,816
<b>Expenditures</b>				
510 General Government	-	-	-	-
520 Public Safety	-	-	-	-
530 Utilities	647,115	39,358	76,708	-
540 Transportation	-	-	-	-
550 Natural and Economic Environment	-	-	-	-
560 Social Services	-	-	-	-
570 Culture and Recreation	-	-	-	-
Total Expenditures:	647,115	39,358	76,708	-
Excess (Deficiency) Revenues over Expenditures:	205,323	54,947	3,681,596	5,816
<b>Other Increases in Fund Resources</b>				
391-393, 596 Debt Proceeds	-	-	-	-
397 Transfers-In	-	-	-	-
385 Special or Extraordinary Items	-	-	-	-
386 / 389 Custodial Activities	-	-	-	-
381, 395, 398 Other Resources	-	-	-	-
Total Other Increases in Fund Resources:	-	-	-	-
<b>Other Decreases in Fund Resources</b>				
594-595 Capital Expenditures	130,499	-	-	-
591-593, 599 Debt Service	152,585	-	1,397,255	-
597 Transfers-Out	19,122	-	-	-
585 Special or Extraordinary Items	-	-	-	-
586 / 589 Custodial Activities	-	-	-	-
581 Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:	302,206	-	1,397,255	-
<b>Increase (Decrease) in Cash and Investments:</b>	<b>(96,883)</b>	<b>54,947</b>	<b>2,284,341</b>	<b>5,816</b>
<b>Ending Cash and Investments</b>				
5081000 Reserved	114,885	-	4,856,802	1,258,571
5088000 Unreserved	1,089,789	249,580	-	-
<b>Total Ending Cash and Investments</b>	<b>1,204,674</b>	<b>249,580</b>	<b>4,856,802</b>	<b>1,258,571</b>

**City of North Bend**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2016**

	501 Equipment Operations	502 Equipment Reserve
<b>Beginning Cash and Investments</b>		
30810 Reserved	-	-
30880 Unreserved	-	422,083
388 / 588 Prior Period Adjustments, Net	-	-
<b>Revenues</b>		
310 Taxes	-	-
320 Licenses and Permits	-	-
330 Intergovernmental Revenues	-	-
340 Charges for Goods and Services	414,254	104,175
350 Fines and Penalties	-	-
360 Miscellaneous Revenues	-	-
Total Revenues:	414,254	104,175
<b>Expenditures</b>		
510 General Government	150,488	-
520 Public Safety	-	-
530 Utilities	-	-
540 Transportation	223,651	-
550 Natural and Economic Environment	-	-
560 Social Services	-	-
570 Culture and Recreation	-	-
Total Expenditures:	374,139	-
Excess (Deficiency) Revenues over Expenditures:	40,115	104,175
<b>Other Increases in Fund Resources</b>		
391-393, 596 Debt Proceeds	-	-
397 Transfers-In	-	-
385 Special or Extraordinary Items	-	-
386 / 389 Custodial Activities	-	-
381, 395, 398 Other Resources	-	-
Total Other Increases in Fund Resources:	-	-
<b>Other Decreases in Fund Resources</b>		
594-595 Capital Expenditures	8,492	32,834
591-593, 599 Debt Service	31,623	-
597 Transfers-Out	-	-
585 Special or Extraordinary Items	-	-
586 / 589 Custodial Activities	-	-
581 Other Uses	-	-
Total Other Decreases in Fund Resources:	40,115	32,834
<b>Increase (Decrease) in Cash and Investments:</b>	<b>0</b>	<b>71,341</b>
<b>Ending Cash and Investments</b>		
5081000 Reserved	-	-
5088000 Unreserved	-	493,424
<b>Total Ending Cash and Investments</b>	<b>-</b>	<b>493,424</b>

**City of North Bend**  
**Fiduciary Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2016**

	Total for All Funds (Memo Only)	635 Treasurers Trust	690 Transportation Benefit District (TBD)
308 Beginning Cash and Investments	973,030	62,680	910,350
388 & 588 Prior Period Adjustments, Net	-	-	-
310-360 Revenues	494,571	-	494,571
380-390 Other Increases and Financing Sources	223,422	223,422	-
510-570 Expenditures	155,087	-	155,087
580-590 Other Decreases and Financing Uses	346,652	141,092	205,560
Net Increase (Decrease) in Cash and Investments:	216,254	82,330	133,924
508 Ending Cash and Investments	1,189,285	145,011	1,044,274

The accompanying notes are an integral part of this statement.

**CITY OF NORTH BEND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2016**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of North Bend was incorporated on March 12, 1909 and operates under the laws of the State of Washington applicable to a Code City with a Mayor-Council form of government. The City is a general purpose government and provides a broad range of general government services including planning and community development, street maintenance and improvements, parks and recreation, public works, solid waste and recycling, and general administrative services. The City contracted for police services with King County until March 2014 when it entered into a contract with the City of Snoqualmie. Fire services are provided through a partnership with Eastside Fire and Rescue. In addition, the City owns and operates water, sewer and storm water utility systems.

The City of North Bend reports financial activity in accordance with the *Cash Basis Budgeting, Accounting, and Reporting System* (BARS) Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are not presented using the classifications defined in GAAP.

**A. Fund Accounting**

Financial transactions of the City of North Bend are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The City's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements. The following fund types are used by the City of North Bend:

**GOVERNMENTAL FUND TYPES:**

**General Fund**

This fund is the primary operating fund of the City of North Bend. It accounts for all financial resources except those required or elected to be accounted for in another fund.

**Special Revenue Funds**

These funds account for specific revenue sources that are restricted or committed to expenditures for specified purposes of the City of North Bend.

**Debt Service Funds**

These funds account for the financial resources that are restricted, committed, or assigned to expenditures for principal, interest and related costs on general long-term debt.

**Capital Projects Funds**

These funds account for financial resources which are restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets.

**PROPRIETARY FUND TYPES:**

**Enterprise Funds**

These funds account for operations that provide goods or services to the general public and are supported primarily through user charges.

**Internal Service Funds**

These funds account for operations that provide goods or services to other departments or funds of the City of North Bend on a cost reimbursement basis.

**FIDUCIARY FUND TYPES:**

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

**Agency Funds**

These funds are used to account for assets that the City of North Bend holds on behalf of others in a custodial capacity.

**B. Basis of Accounting and Measurement Focus**

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

In accordance with state law the City of North Bend also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

**C. Budgets**

The City of North Bend adopts biennial appropriated budgets for all governmental funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. The biennial budget is implemented as two, one-year financial plans, therefore all appropriations for these funds lapse at the fiscal year end.

Biennial appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

2016 was the second year of the 2015-2016 Biennium. The budget amounts shown in the financial statements reflect that portion of the total appropriation that was authorized for fiscal year 2016. The appropriated and actual expenditures for the legally adopted budgets were as follows:

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
General Fund	\$6,912,756	\$6,766,074	\$146,682
Streets Operations Fund	730,018	691,634	38,384
Capital Streets Fund	168,728	157,216	11,512
Streets Overlay Fund	222,725	203,698	19,027
Impact Fees & Mitigation Fund	1,286,780	565,122	721,658
Hotel/Motel Tax Fund	14,000	14,000	-
Economic Development Fund	147,622	126,631	20,991
Park Capital Improvement Fund	57,805	15,807	41,998
Development Projects (CED) Fund	939,540	939,422	118
2011 Fire Station Bond Redemption Fund	181,600	181,275	325
2012 LTGO (TBD) Bond Redemption Fund	145,900	145,575	325
2015 LTGO Bond Redemption Fund	194,074	193,624	450
2016 LTGO (LOC) Bond Fund	904,500	467,056	437,444
Municipal Projects Fund	2,364,217	1,013,711	1,350,506
Capital Improvement Fund	290,293	209,502	80,791
Water Operations & Capital Fund	1,916,336	1,551,313	365,023
Sewer Operations & Capital Fund	2,961,269	2,446,559	514,710
Storm Operations & Capital Fund	992,770	817,610	195,060
Flood Operations Fund	181,645	131,710	30,035
Solid Waste & Recycling Operations Fund	39,539	39,358	181
ULID #6 Revenue Bond Redemption Fund	1,507,284	1,473,963	33,321
Equipment Operations Fund	312,910	255,274	57,636
Technology Operations Fund	170,102	158,980	11,122
Equipment Reserve Fund	30,000	24,568	5,432
Technology Reserve Fund	8,572	8,266	306
<b>Total All Funds</b>	<b>\$22,680,985</b>	<b>\$18,597,948</b>	<b>\$3,884,959</b>

Budgeted amounts are authorized to be transferred between departments within any fund; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the City of North Bend's legislative body. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year by ordinance by a majority vote of the City Council.

**D. Cash and Investments**

See Note 2 - Deposits and Investments.

**E. Capital Assets**

Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of 5 years. Capital assets and inventory are recorded as capital expenditures when purchased.

**F. Compensated Absences**

The amount of vacation leave that may be accumulated depends on bargaining unit contracts or if an employee is non-represented. All accumulated vacation leave is payable upon separation or retirement up to the maximum limit.

1. Non-represented employees may accumulate up to one year's vacation leave based on their years of service up to a maximum of 200 hours.
2. Employees represented by a bargaining unit may accumulate up to one year's vacation leave based on their years of service up to a maximum of 160 hours.

Sick leave may be accumulated up to a maximum of 960 hours. Upon separation of employment, employees shall be compensated for any accrued sick leave at 25% of the accrued sick leave value based on the final rate of pay of the employee, except for Public Works employees represented by Local Union No. 763 who will be compensated for any accrued sick leave at 25% of the accrued sick leave value up to a maximum of 160 hours.

Compensatory hours accrued by non-exempt employees will be paid at the overtime rate of 1.5 times the employee's regular rate of pay upon separation of employment.

All leave payments are recognized as expenditures when paid.

**G. Long-Term Debt**

See Note 5 - Debt Service Requirements.

**H. Risk Management**

The City of North Bend is a member of the Association of Washington Cities Risk Management Service Agency (AWC RMSA). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC RMSA was formed on January 1, 1989 when 32 municipalities in the State of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2016, 98 municipalities/entities participate in the AWC RMSA pool.

The AWC RMSA allows members to establish a program of joint insurance and provides risk management services to all members. All coverages are on an occurrence basis. The AWC RMSA provides all risk property, comprehensive crime, general liability, automobile liability, police liability, public officials' liability, employee fidelity and faithful performance, and equipment breakdown insurance coverage. Equipment breakdown is included with the property insurance carrier and fidelity (crime) coverage is a stand-alone policy, which the AWC RMSA procures for its members. The AWC RMSA also allows members with airports to group purchase airport liability coverage.

Members pay an annual assessment to the AWC RMSA. The AWC RMSA is responsible for payment of all covered causes of loss against the jurisdiction above the stated retention. All members in the AWC RMSA have \$15 million in both per occurrence and aggregate liability limits. For the first \$1 million, AWC RMSA is self-insured for its Self-Insured Retention (SIR) of \$250,000, per occurrence, and is reinsured by Berkley Public Entity for the additional \$750,000. For the \$9 million in excess coverage limits, an excess liability policy is purchased from Argonaut Insurance Company. The \$5 million in excess liability coverage limits above the first layer of excess coverage is purchased from Allied World National Assurance Company. The excess property coverage is purchased through Lexington Insurance Company using the Pool's broker, Arthur J. Gallagher Risk Management Services. In 2016, AWC RMSA carried a retention of \$100,000 and limits up to \$250 million. Since AWC RMSA is a cooperative program, there is joint liability among the participating members.

Members contract to remain in the AWC RMSA pool for a minimum of one year and must give a one-year notice before terminating participation. Even after termination, a member is still responsible for contributions to the Pool for any unresolved, unreported, and in-process claims for the period they were signatory to the Interlocal Governmental Agreement.

The AWC RMSA establishes a loss fund for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses.

In accordance with WAC 200.100.02023, the AWC RMSA is governed by a board of directors which is comprised of elected officials of participating members.

**I. Reserved Portion of Ending Cash and Investments**

Beginning and Ending Cash and Investments is reported as reserved when it is subject to restrictions on use imposed by external parties or due to internal commitments established by ordinance or resolution of the City Council. When expenditures that meet restrictions are incurred, the City of North Bend intends to use reserved resources first before using unreserved amounts.

Reservations of Ending Cash and Investments at the end of 2016 in the amount of \$11,424,172 consist of:

102	Capital Streets	Legislative Restriction – Tax & City Council Ordinance 1249 (Capital Streets)	\$30,515
103	Streets Overlay	Reserve established by City Council Ordinance 1421	64,380
106	Impact Fees & Mitigation	Legislative Restriction & Developer Agreements	983,386
107	Hotel/Motel Tax	Legislative Restriction – Tax	7,010
116	Park Capital Improvement	Legislative Restriction – Tax & Grant Restrictions	82,804
125	Development Projects (CED)	Developer Agreements	285,558
216	2011 Fire Station Bond	Legislative Restriction – Tax	180,655
217	2012 LTGO (TBD) Bond	Bond Restriction	14,876
310	Municipal Projects	Grants & Legislative Restrictions	441,360
320	Capital Improvements (REET)	Legislative Restriction – Tax	1,164,640
401	Water Operations	Bond & PWTF Loan Restrictions	530,001
402	Sewer Operations	Bond Restriction	219,445
404	Storm & Flood Operations	Bond Restriction	114,885
451	ULID #6 Bond Redemption	Bond Restriction	4,856,802
452	ULID #6 Bond Reserve	Bond Restriction	1,258,571
635	Treasurers Trust	Trust Restriction	145,010
690	Transportation Benefit District	Trust Restriction	1,044,274

**NOTE 2 – DEPOSITS AND INVESTMENTS**

It is the City of North Bend's policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds, with the exception of certain Special Revenue Funds, in accordance with the City's Financial Policies.

All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation (FDIC) and/or the Washington Public Deposit Protection Commission (WPDP). All investments are insured, registered or held by the City of North Bend or its agent in the City of North Bend's name.

Investments are reported at fair value. Investments by type at December 31, 2016 are as follows:

<u>Type of Investment</u>	<u>City of North Bend's Total Investments</u>
State Treasurer's Local Investment Pool (L.G.I.P.)	\$ 4,518,316
Opus Bank Public Interest Accounts	10,038,338
Certificate of Deposits (CD)	500,750
U.S. Government Securities	<u>1,302,920</u>
<b>Total</b>	<b><u>\$16,360,324</u></b>

**NOTE 3 - PROPERTY TAX**

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

Property tax revenues are recognized when cash is received by the City of North Bend. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

The City of North Bend's regular levy for the year 2016 was \$1.38942 per \$1,000 on an assessed valuation of \$1,092,011,439 for a total regular levy of \$1,512,864.

In 2016, the City of North Bend also levied \$0.16756 per \$1,000 for construction of a new Fire Station for a total additional levy of \$181,603.

**NOTE 4 – DEBT SERVICE REQUIREMENTS**

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the City of North Bend and summarizes the City's debt transactions for the year ended December 31, 2016.

The debt service requirements for general obligation bonds, revenue bonds, Public Works Trust Fund loans and State Revolving Fund loans, including both principal and interest, are as follows:

	General Obligation Bonds	Revenue Bonds	Other Debt <sup>1</sup>	Total Debt
2017	605,300	1,782,263	470,935	2,858,498
2018	606,700	1,761,512	469,793	2,838,005
2019	4,102,250	1,733,263	405,036	6,240,548
2020	536,575	1,689,762	403,893	2,630,230
2021	533,025	1,650,950	402,750	2,586,725
2022 – 2026	1,942,200	5,972,750	1,578,172	9,493,122
2027 – 2031	554,500	4,578,250	322,886	5,455,636
2032	-	801,550	63,628	865,178
<b>TOTALS</b>	<b>\$8,880,550</b>	<b>\$19,970,300</b>	<b>\$4,117,093</b>	<b>\$32,967,943</b>

<sup>1</sup> Other Debt includes Public Works Trust Fund Loans and State Revolving Fund Loans.

**NOTE 5 - PENSION PLANS**

Substantially all City full-time and qualifying part-time employees participate in the Public Employees' Retirement System (PERS) administered by the Washington State Department of Retirement Systems, under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans.

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems, 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  
PO Box 48380  
Olympia, WA 98504-8380

Also, The DRS CAFR may be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov).

At June 30, 2016 (the measurement dates of the plans), the City of North Bend's proportionate share of the collective net pension liabilities, as reported on Schedule 09, was as follows:

	Allocation %	Liability (Asset)
PERS 1	0.024097%	\$1,294,122
PERS 2/3	0.030917%	1,556,647

**NOTE 6 – HEALTH & WELFARE**

The City of North Bend is a member of the Association of Washington Cities Employee Benefit Trust Health Care Program (AWC Trust HCP). Chapter 48.62 RCW provides that two or more local government entities may, by Interlocal agreement under Chapter 39.34 RCW, form together or join a pool or organization for the joint purchasing of insurance, and/or joint self-insurance, to the same extent that they may individually purchase insurance, or self-insure.

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC Trust HCP was formed on January 1, 2014 when participating cities, towns, and non-city entities of the AWC Employee Benefit Trust in the State of Washington joined together by signing an Interlocal Governmental Agreement to jointly self-insure certain health benefit plans and programs for participating employees, their covered dependents and other beneficiaries through a designated account within the Trust. As of December 31, 2016, 258 cities/towns/non-city entities participate in the AWC Trust HCP.

The AWC Trust HCP allows members to establish a program of joint insurance and provides health and welfare services to all participating members. The AWC Trust HCP pools claims

without regard to individual member experience. The pool is actuarially rated each year with the assumption of projected claims run-out for all current members. The AWC Trust HCP includes medical, dental and vision insurance through the following carriers: Group Health Cooperative/Group Health Options, Inc., Regence BlueShield, Asuris Northwest Health, Delta Dental of Washington, and Vision Service Plan. Eligible members are cities and towns within the state of Washington. Non-City Entities (public agency, public corporation, intergovernmental agency, or political subdivision within the state of Washington) are eligible to apply for coverage into the AWC Trust HCP, submitting application to the Board of Trustees for review as required in the Trust Agreement.

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. In 2016, the AWC Trust HCP purchased stop loss insurance for Regence/Asuris plans at an Individual Stop Loss (ISL) of \$1.5 million through Life Map, and Group Health ISL at \$750,000 through Sun Life. The aggregate policy is for 200% of expected medical claims.

Participating employers contract to remain in the AWC HCP for a minimum of three years. Participating employers with over 250 employees must provide written notice of termination of all coverage a minimum of 12 months in advance of the termination date, and participating employers with fewer than 250 employees must provide written notice of termination of all coverage a minimum of 6 months in advance of termination date. When all coverage is being terminated, termination will only occur on December 31. Participating employers terminating a group or line of coverage must notify the HCP a minimum of 60 days prior to termination. A participating employer's termination will not obligate that member to past debts, or further contributions to the HCP. Similarly, the terminating member forfeits all rights and interest to the HCP account.

The operations of the Health Care Program are managed by the Board of Trustees or its delegates. The Board of Trustees is comprised of four regionally elected officials from Trust member cities or towns, the Employee Benefit Advisory Committee Chair and Vice Chair, and two appointed individuals from the AWC Board of Directors, who are from Trust member cities or towns. The Trustees or its appointed delegates review and analyze Health Care Program related matters and make operational decisions regarding premium contributions, reserves, plan options and benefits in compliance with Chapter 48.62 RCW. The Board of Trustees has decision authority consistent with the Trust Agreement, Health Care Program policies, Chapter 48.62 RCW and Chapter 200-110-WAC.

The accounting records of the Trust HCP are maintained in accordance with methods prescribed by the State Auditor's office under the authority of Chapter 43.09 RCW. The Trust HCP also follows applicable accounting standards established by the Governmental Accounting Standards Board ("GASB"). Year-end financial reporting is done on an accrual basis and submitted to the Office of the State Auditor as required by Chapter 200-110 WAC. The audit report for the AWC Trust HCP is available from the Washington State Auditor's office.

**NOTE 7 - OTHER DISCLOSURES**

**A. Related Party Transactions and Joint Ventures:**

- 1) **Eastside Fire and Rescue:** In 1999, through an Interlocal agreement as provided by RCW 39.34, the consolidation of several agencies created a new Fire and Emergency Medical Services agency called Eastside Fire and Rescue (EF&R). The agencies (principals) joining in this consolidation were King County Fire Protection Districts 10 and 38, and the Cities of Issaquah and North Bend, with the City of Sammamish joining in January 2001. The current Interlocal Agreement is for a seven-year period ending December 31, 2021. Any party may withdraw at the end of any seven-year term by filing with the other parties a notice of withdrawal in January of the seventh year.

EF&R is a joint venture partnership. The entities retain an equity interest in EF&R based on their support of EF&R operations. As of December 31, 2016 the equity percentage was as follows:

• Fire District No. 10	\$2,342,061	39.21%
• Fire District No. 38	\$389,851	6.53%
• City of Issaquah	\$1,359,338	22.75%
• City of North Bend	\$263,568	4.41%
• City of Sammamish	\$1,618,738	27.10%

EF&R is governed by a Joint Board of Directors which consists of eight Directors appointed from each of the principal's elected officials. The City of Issaquah, City of Sammamish and Fire District 10 are allotted two Board members each; the City of North Bend and Fire District 38 are allotted one Board member each.

The amount of annual contribution for each partner is determined by a funding model agreed upon by all partners and outlined in Exhibit A of the Interlocal Agreement. The funding model utilizes calls for service by first due area of response for each fire station, assessed valuations, and weighted incident types (Fire or EMS), to establish each partner's cost which collectively funds the overall operation. The incident weighting portion of the funding model, which was a revision from the previous funding model, is being phased in gradually over the years 2015 to 2021. Funding formula ratios will be recalculated based upon updated information for the years 2019-2021. Each partner makes monthly payments for their annual operating contribution and an annual payment for their portion of the equipment replacement fund and facilities maintenance fund.

Complete audited financial statements for Eastside Fire & Rescue can be obtained at 175 Newport Way NW, Issaquah, WA 98027.

- 2) **Transportation Benefit District (TBD):** On July 19, 2011, the City Council adopted Ordinance No. 1436 establishing the North Bend Transportation Improvement District No. 1 (TBD) coextensive with the boundaries of the City. The TBD is an independent taxing district that is governed by a board composed of the seven members of the North Bend City Council who serve in an ex-officio and independent capacity. The primary

purpose of the District is to fund, construct, and provide transportation improvements within its boundaries.

The TBD Board passed Resolution No. 01-2011 authorizing the placement of Proposition 1 on the November general election ballot. Proposition 1 – which approved a rate increase of two-tenths of one percent on the sales and use tax within the city limits of North Bend for the purpose of paying for TBD projects, including the repayment of indebtedness and costs incurred to finance those improvements – was passed by City of North Bend voters on November 8, 2011.

In order to most efficiently utilize public funds, and to avoid duplication of effort, TBD accounting is performed by the City of North Bend and the TBD's money is accounted for in City Agency Fund No. 690. In 2016, the TBD received total collections from sales and use taxes of \$489,126. The Transportation Benefit District issues a separate Annual Financial Report which is audited by the Washington State Auditor's Office.

On April 4, 2017, under the authority of WA Second Engrossed Substitute Senate Bill (ESSB) 5987, the City Council adopted Ordinance No. 1620 dissolving the North Bend TBD No. 1 and assuming the rights, powers, functions, and obligations of the TBD. As a result, the TBD has ceased to exist as a separate quasi-municipal corporation and independent taxing district. There will be little, if any, effect resulting from this assumption, as the TBD existed for the sole purpose of acquiring, constructing, improving, providing and funding transportation improvements within the TBD's boundaries, which are contiguous with the boundaries of the City of North Bend. The sales and use tax levied and collected by the TBD for eligible transportation projects and associated debt payments will instead be levied and collected directly by the City. The allowed uses of the sales and use tax remain unchanged. The TBD will now be operated as a department of the City and all revenues and expenditures will be accounted for in Special Revenue Fund No. 190. A final separate Annual Financial Report will be prepared for 2017 and filed with the Washington State Auditor's Office.

- B. **Wastewater Treatment Plant Upgrades:** The City began systematic repairs and upgrades to the Wastewater Treatment Plant (WWTP) in late 2014 following a small fire in a Fenton dryer that rendered it inoperable. The City installed an alternative conveyance system that bypassed the old dryer and resulted in hauling de-watered sludge; added a concrete effluent weir gate and associated piping to the oxidation ditch, which removed a bottleneck and lowered the spill potential during high flow events; and improved functionality by replacing two older oxidation ditch rotors.

In 2016 the City prepared a preliminary facilities treatment plan for the WWTP that included evaluating possible options for the future WWTP. Options include retrofitting the existing WWTP, building a new WWTP elsewhere in the City, and regionalization by conveying City sewer to the City of Snoqualmie's WWTP down one of several corridors and building major capacity upgrades at the Snoqualmie WWTP. Due to financial constraints the City's preferred option at this point is retrofitting the existing WWTP and funding options are currently being explored. Short-term financing was obtained in 2016 with the issuance of an LTGO Bond in the form of a revolving line of credit and long-term financing

for the improvements will be obtained as the projects identified in the facilities plan are implemented.

Design is currently underway for replacement of the older two Ultraviolet (UV) systems in the WWTP electrical building. Additionally, a new third UV system will be included in the replacement package that will provide additional capacity and required redundancy. Construction of the entire UV system will occur during the 2017 dry season when the inflows to the WWTP are lower. Substantial electrical, control panel and worker safety improvements will also be occurring.

Design is also underway for improvements to the WWTP's main influent pump station. These improvements will install facilities to remove large objects from the influent flow to protect the pumps and lead to a longer service life. Additionally, provisions will be installed to allow for emergency bypass pumping of the station in the event of a total system failure. Construction of these improvements is anticipated to occur during the 2017 dry season.

Design work for a new clarifier will begin in the fall of 2017 with construction anticipated for the dry season of 2018.

The City hired a Wastewater Treatment Plant Manager in early 2015 and a SCADA Supervisor in 2016. These positions are providing critical oversight and technical support for the WWTP's operations. An additional WWTP Operator is slated to be hired in 2017.

- C. **Sewer Rate Study:** The City completed an updated Sewer Rate Study in 2016 which analyzed sewer rates and General Facilities Charges (GFCs) to ensure that the utility is charging current and future customers the appropriate rates to fund current operations and future growth. The City Council adopted updated sewer rates in July 2016, which became effective on September 1, 2016. The updated rates will provide funding to replace the aging infrastructure which is past its useful life, construct new infrastructure per expanded Department of Ecology (DOE) Permit requirements, and to provide capacity upgrades. The City Council also adopted updated General Facilities Charges (GFCs) to ensure that new customers are paying their fair share of the existing and future infrastructure costs.
- D. **Stormwater Rate Study:** The City is currently working on a Stormwater rate study with anticipated completion in 2017 and implementation in 2018. Pending adoption by City Council, the updated rates will provide funding for capital projects identified in the Stormwater Comprehensive Plan, a portion of the projects in the 6-year Transportation Improvement Program that have a stormwater element, WWTP stormwater upgrades necessary with the plant expansion, operation and maintenance costs related to City maintained stormwater infrastructure, and a future staff member to handle NPDES (National Pollutant Discharge Elimination System) and Certified Floodplain Manager duties.
- E. **Sewer ULID #6 Assessment Appeal:** The City formed ULID #6 on November 20, 2007 for the purpose of providing the funds necessary to construct certain improvements to the sanitary sewer system in the Tanner and Truck Town areas of the City. 34 of the 415 parcels filed written protests with the Hearing Examiner during the final assessment roll public hearing process. The City Council reduced the assessments on 4 parcels and denied all other

protests. The final Assessment roll of \$19,020,359 for Sewer ULID #6 was finalized by the City Council on March 20, 2012. The City funded the sewer improvements using Bond Anticipation Notes, which were paid in full when the City issued Revenue Bonds in the amount of \$16,985,000 in June 2012.

One appeal was filed by six entities/individuals representing assessments in the amount of \$1,547,651, seeking to have the assessments revoked. The Washington State Court of Appeals invalidated the original assessments on these specific properties, but noted that the City could reassess the six applicants. The appellants, unhappy with this decision, then asked the Supreme Court to review this decision. The Supreme Court denied review. Following these appeal proceedings the City adopted a new ordinance authorizing the reassessment of the appellants' properties, which the appellants again challenged in Superior Court. The Superior Court granted judgment to the City on November 13, 2015, dismissing the appellants' claims and affirming the City's authority to proceed with the reassessments. No appeal was filed, so the Superior Court's judgment is now final. The City has retained a new appraiser to value the special benefits that accrued to these properties as a result of construction of the sewer system improvements, and to prepare reassessments for these properties. Draft appraisal reports have been completed. The City is preparing to file the reassessment roll and will then commence the required hearing process to confirm the new assessments.

- F. Property Foreclosure: The City is statutorily required to commence foreclosure proceedings of delinquent Local Improvement District assessments. Seven properties (with three different property owners) moved forward in the foreclosure process in 2015. As of 2016, all legal matters were dismissed and the claims paid and/or settled in full to the City's satisfaction.
- G. D4 Real Estate Development v. City of North Bend: A developer ("D4D") filed a LUPA petition challenging the City's refusal to accept D4D's development application under the current moratorium on applications and approvals for development in the cottage residential zoning district. The Complaint seeks declaratory judgment, specific performance, and unquantified damages. The lawsuit was filed and served on May 16, 2016 and was dismissed in March 2017 after a LUPA hearing on the merits. The City paid no damages and it has not been appealed.
- H. Contingencies and Litigation: There is currently no pending litigation against the City. The Forster Woods HOA has drafted a Summons & Complaint and have threatened suit against the City. As drafted, but not yet filed with the Court, the HOA is seeking a declaratory judgment and injunction forcing the City to remove street trees and repair sidewalks and median areas in Forster Woods. Although no money damages are sought, the repairs could cost several hundred thousand dollars over some period of time (as estimated by Public Works). The City is working to schedule a pre-filing mediation to attempt to resolve issues.
- I. GASB 54 Compliance: Per the provisions of GASB 54, Special Revenue Funds are only allowed to be reported if they are used to account for activities that are substantially funded (20% or more) by a restricted or committed revenue sources. Special Revenue Funds that do not meet this requirement are rolled-up into the General Fund for reporting

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purposes. For 2016, Fund 101 (Streets Operations) and Fund 108 (Economic Development) are rolled-up into the General Fund (001) totals.

- J. Transition to Biennial Budgeting: On May 20, 2014, the City Council passed Ordinance No. 14-054 authorizing the change to biennial budgeting effective for the budget years of 2015-2016. A biennial budget was adopted by Ordinance No. 14-124 on December 2, 2014. The biennial budget will be implemented as two one-year financial plans. Actual expenditures in the first year may not exceed the first year plan appropriations, and second year plan appropriations shall only be expended in the second year. Any changes to the budget appropriations will occur with Council approval as part of quarterly budget adjustments or as part of the mid-biennium budget review. The mid-biennium budget review occurred during the last four months of the year in accordance with the provisions of RCW 35A.34, with the modification ordinance adoption on December 8, 2015.
- K. Interfund Loan: On March 7, 2017 the City Council approved an Interfund Loan from the Capital Improvement (REET) Fund to the Impact Fees & Mitigation Fund to provide interim funding for Torguson Park capital projects and the Heartland property acquisition. The Interfund Loan has a maximum authorized amount of \$725,000 per Ordinance #1617 and will be repaid on or before December 31, 2018.
- L. Bond Rating Upgrade: On June 19, 2015 the City of North Bend was notified by Standard & Poor's Ratings Services that they had revised the outlook to positive from stable and affirmed its' A+ long-term rating on the City's previously issued Water and Sewer revenue bonds. The rating of A+/Stable was assigned to the new 2015 Water and Sewer Revenue refunding bonds.  
  
On January 30, 2017 the City was notified that this rating had been upgraded from A+ to AA- and changed the outlook from stable to positive. The AA- rating means that, in S&P's opinion, the City of North Bend has a very strong capacity to meet financial commitments and they view the City's economy as very strong.
- M. LTGO Bond (Line of Credit): The City Council adopted Ordinance No. 16-1593 on July 19, 2016 authorizing the issuance and sale of Limited Tax General Obligation (LTGO) Bonds to fund Wastewater Treatment Plant critical capital projects. KeyBank National Association purchased the bond in the form of a revolving line of credit (LOC). The LOC is for three years and has authorization for up to \$3,500,000; however, only the amount drawn from the LOC requires repayment. The City makes interest-only payments on a variable interest rate based on one-month LIBOR (London Interbank Offered Rate) plus 2.58% multiplied by 65.01% (equal to 1 minus the Federal Corporate Tax Rate of 34.99%). The variable interest rate is adjusted every 30 days. Repayment of the principal amount is not due until the end of three years. It is the intent of the City to issue long-term financing in late 2017 or early 2018 and repay the outstanding LOC amount at that time.
- N. Square Footage Business & Occupation Tax: On May 3, 2016 the City Council adopted Ordinance No. 1587 amending the North Bend Municipal Code relating to Business & Occupation Taxes to create a square footage tax with tiered rates based on the square footage of the buildings subject to the tax. The square footage tax is applicable to

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warehouses, distribution facilities, self-storage facilities, industrial and/or light manufacturing use or research space with a square footage of 10,000 or more. The ordinance provides an exemption for vacant buildings for no more than 2 years. The additional revenue generated from this tax will be dedicated to the maintenance of the City's street infrastructure, with a primary emphasis on pavement management.

- O. Glazier Antique Mall Deed of Trust and Full Reconveyance: The City attempted to acquire a property through purchase of a Promissory Note (Note) and Deed of Trust from Judy Olson. The Deed of Trust was secured by a property located on North Bend Way improved by a structure commonly known as the Antique Mall. Under the terms of the Note, the Borrower could pay off the Note with no prepayment penalty. The Borrower elected to do so and the City executed a full reconveyance of the Deed of Trust in May 2016 and returned the Note to William Glazier, owner of the Antique Mall.
- P. Heartland Property Acquisition: The City partnered with Si View Metropolitan Park District (Si View MPD) and King County to provide funding to purchase approximately 31.86 acres of land located along the Mountains to Sound Greenway National Scenic Byway of Interstate 90. The site (known as the Heartland Property) will be developed into a community park that will include hiking and biking trails, a King County regional trailhead to over 100,000 acres of public land, and environmental educational opportunities. The property, otherwise slated for development of approximately 95 residences, was appraised at \$2,360,000.

The Trust for Public Lands agreed to purchase the property if the City committed to raising the capital to enter into a Lease Agreement with Option to Purchase. The City, Si View MPD, and King County each committed to an initial financial commitment of \$250,000 each, which allowed the City to apply for a Conservations Futures Grant (\$1,000,000) and a Land Water Conservation Grant (\$250,000). The City received the \$1,000,000 grant from Conservations Futures but not the Land Water grant. Both the City and Si View MPD increased their contributions by \$50,000 to make up the difference and King County provided an additional \$150,000 from the reallocation of Park Levy funds.

With the required funding of \$2,000,000 secured, on March 7, 2017 the City Council approved a Lease Agreement with Option to Purchase the Heartland Site from the Trust for Public Lands. On March 29, 2017 the City, in partnership with Si View MPD and King County, purchased the property from the Trust for Public Lands for \$2,000,000.

- Q. Construction Commitments: The City has active construction projects at Torguson Park as of December 31, 2016 for construction of restrooms, concessions, trails and plaza.

At year-end the City's commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitment
Torguson Park	\$206,043	\$1,690,295

This project is being funded with a combination of state grants, private contributions, impact fees, and City funds. The project is expected to be completed during 2017.

- R. Downtown Plaza Project: On May 16, 2017 the City Council authorized the execution of a contract for the Downtown Plaza construction project. The contract was awarded to the lowest responsible bidder in the amount of \$1,628,573. The project is being financed by federal grant funds and Transportation Benefit District funds.

**City of North Bend**

Schedule 01

For the year ended December 31, 2016

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	001	General Fund	3088000	Unreserved Cash and Investments - Beginning	\$1,244,252
0421	001	General Fund	3111000	Property Tax	\$1,506,897
0421	001	General Fund	3131100	Local Retail Sales and Use Tax	\$2,082,839
0421	001	General Fund	3131500	Special Purpose Sales and Use Tax	\$197,054
0421	001	General Fund	3137100	Criminal Justice Sales and Use Tax	\$177,686
0421	001	General Fund	3161000	Business and Occupation Taxes	\$798,052
0421	001	General Fund	3161000	Business and Occupation Taxes	\$64,446
0421	001	General Fund	3164000	Business and Occupation Taxes on Utilities	\$667,561
0421	001	General Fund	3164000	Business and Occupation Taxes on Utilities	\$285,199
0421	001	General Fund	3168100	Gambling Tax - Punch Boards and Pull Tabs	\$39,290
0421	001	General Fund	3172000	Leasehold Excise Tax	\$899
0421	001	General Fund	3217000	Amusements	\$1,600
0421	001	General Fund	3219100	Franchise Fees and Royalties	\$3,000
0421	001	General Fund	3219100	Franchise Fees and Royalties	\$109,188
0421	001	General Fund	3219900	Other Business Licenses and Permits	\$34,989
0421	001	General Fund	3221000	Buildings, Structures and Equipment	\$159,831
0421	001	General Fund	3221000	Buildings, Structures and Equipment	\$10,438
0421	001	General Fund	3221000	Buildings, Structures and Equipment	\$15,400
0421	001	General Fund	3221000	Buildings, Structures and Equipment	\$4,948
0421	001	General Fund	3221000	Buildings, Structures and Equipment	\$2,630

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	001	General Fund	3224000	Street and Curb Permits	\$7,186
0421	001	General Fund	3229000	Other Non-Business Licenses and Permits	\$389
0421	001	General Fund	3339703	Federal Indirect Grant from Department of Homeland Security	\$100
0421	001	General Fund	3340230	State Grant from Department Natural Resources	\$328
0421	001	General Fund	3360071	Multimodal Transportation - Cities	\$6,626
0421	001	General Fund	3360087	Motor Vehicle Fuel Tax - City Streets	\$95,040
0421	001	General Fund	3360620	Criminal Justice - Cities - High Crime	\$8,847
0421	001	General Fund	3360621	Criminal Justice - Violent Crimes/Population	\$1,784
0421	001	General Fund	3360625	Criminal Justice - Contracted Services	\$11,045
0421	001	General Fund	3360626	Criminal Justice - Special Programs	\$6,503
0421	001	General Fund	3360651	DUI and Other Criminal Justice Assistance	\$1,010
0421	001	General Fund	3360694	Liquor/Beer Excise Tax	\$30,215
0421	001	General Fund	3360695	Liquor Control Board Profits	\$55,786
0421	001	General Fund	3413200	District/Municipal Court Records Services	\$406
0421	001	General Fund	3413300	District/Municipal Court - Administrative Fees	\$685
0421	001	General Fund	3417000	Sales of Merchandise	\$21
0421	001	General Fund	3418100	Data/Word Processing, Printing, Duplicating and IT Services	\$181
0421	001	General Fund	3418100	Data/Word Processing, Printing, Duplicating and IT Services	\$4,733
0421	001	General Fund	3421000	Law Enforcement Services	\$1,522
0421	001	General Fund	3423300	Detention and Correction Services	\$11
0421	001	General Fund	3423700	Detention and Correction Services	\$17

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	001	General Fund	3425000	Disaster Preparation Services	\$1,983
0421	001	General Fund	3431800	Storm Drainage Sales and Services	\$98
0421	001	General Fund	3458300	Plan Checking Services	\$160,959
0421	001	General Fund	3458300	Plan Checking Services	\$3,285
0421	001	General Fund	3458900	Other Planning and Development Services	\$8,767
0421	001	General Fund	3531000	Traffic Infraction Penalties	\$35
0421	001	General Fund	3531000	Traffic Infraction Penalties	\$18,522
0421	001	General Fund	3537000	Non-Traffic Infraction Penalties	\$2
0421	001	General Fund	3540000	Civil Parking Infraction Penalties	\$673
0421	001	General Fund	3552000	Driving Under Influence (DUI) Fines	\$3,845
0421	001	General Fund	3558000	Other Criminal Traffic Misdemeanor Fines	\$5,841
0421	001	General Fund	3558000	Other Criminal Traffic Misdemeanor Fines	\$916
0421	001	General Fund	3569000	Other Criminal Non-Traffic Fines	\$2,229
0421	001	General Fund	3569000	Other Criminal Non-Traffic Fines	\$836
0421	001	General Fund	3573300	Public Defense Cost	\$8,966
0421	001	General Fund	3599000	Non-Court Fines and Penalties	\$3,050
0421	001	General Fund	3599000	Non-Court Fines and Penalties	\$37,905
0421	001	General Fund	3599000	Non-Court Fines and Penalties	\$5,128
0421	001	General Fund	3599000	Non-Court Fines and Penalties	\$5
0421	001	General Fund	3611100	Investment Earnings	\$11,672
0421	001	General Fund	3614000	Other Interest	\$1,727
0421	001	General Fund	3625000	Rents and Leases	\$22,203
0421	001	General Fund	3671100	Contributions and Donations from Nongovernmental Sources	\$1,333

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	001	General Fund	3671100	Contributions and Donations from Nongovernmental Sources	\$763
0421	001	General Fund	3698100	Cash Adjustments	\$0
0421	001	General Fund	3699100	Miscellaneous Other	\$385
0421	001	General Fund	3699100	Miscellaneous Other	\$562
0421	001	General Fund	3952000	Compensation for Loss/Impairment of Capital Assets	\$142
0421	001	General Fund	3975800	Transfers-In	\$89,123
0421	001	General Fund	3975800	Transfers-In	\$181,580
0421	102	Capital Streets	3081000	Reserved Cash and Investments - Beginning	\$13,545
0421	102	Capital Streets	3360087	Motor Vehicle Fuel Tax - City Streets	\$44,725
0421	102	Capital Streets	3970000	Transfers-In	\$129,462
0421	103	Streets Overlay	3081000	Reserved Cash and Investments - Beginning	\$115,763
0421	103	Streets Overlay	3974200	Transfers-In	\$79,180
0421	103	Streets Overlay	3974200	Transfers-In	\$20,820
0421	103	Streets Overlay	3974200	Transfers-In	\$50,000
0421	103	Streets Overlay	3699100	Miscellaneous Other	\$2,316
0421	106	Impact Fees & Mitigation	3081000	Reserved Cash and Investments - Beginning	\$298,010
0421	106	Impact Fees & Mitigation	3458500	Growth Management Act (GMA) Impact Fees	\$327,387
0421	106	Impact Fees & Mitigation	3611100	Investment Earnings	\$1,738
0421	106	Impact Fees & Mitigation	3081000	Reserved Cash and Investments - Beginning	\$474,671
0421	106	Impact Fees & Mitigation	3458500	Growth Management Act (GMA) Impact Fees	\$133,978
0421	106	Impact Fees & Mitigation	3611100	Investment Earnings	\$1,103
0421	106	Impact Fees & Mitigation	3081000	Reserved Cash and Investments - Beginning	\$202,043
0421	106	Impact Fees & Mitigation	3458500	Growth Management Act (GMA) Impact Fees	\$21,779
0421	106	Impact Fees & Mitigation	3611100	Investment Earnings	\$974
0421	106	Impact Fees & Mitigation	3081000	Reserved Cash and Investments - Beginning	\$3,869

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	106	Impact Fees & Mitigation	3611100	Investment Earnings	\$18
0421	106	Impact Fees & Mitigation	3081000	Reserved Cash and Investments - Beginning	\$53,289
0421	106	Impact Fees & Mitigation	3458900	Other Planning and Development Services	\$3,692
0421	106	Impact Fees & Mitigation	3611100	Investment Earnings	\$252
0421	106	Impact Fees & Mitigation	3081000	Reserved Cash and Investments - Beginning	\$7,542
0421	106	Impact Fees & Mitigation	3611100	Investment Earnings	\$35
0421	106	Impact Fees & Mitigation	3458900	Other Planning and Development Services	\$11,507
0421	106	Impact Fees & Mitigation	3611100	Investment Earnings	\$23
0421	106	Impact Fees & Mitigation	3081000	Reserved Cash and Investments - Beginning	\$6,568
0421	106	Impact Fees & Mitigation	3611100	Investment Earnings	\$30
0421	107	Hotel/Motel Tax	3081000	Reserved Cash and Investments - Beginning	\$7,785
0421	107	Hotel/Motel Tax	3133100	Hotel/Motel Sales and Use Tax	\$13,225
0421	116	Park Capital Improvement	3081000	Reserved Cash and Investments - Beginning	\$24,262
0421	116	Park Capital Improvement	3370707	Local Grants, Entitlements and Other Payments	\$15,807
0421	116	Park Capital Improvement	3611100	Investment Earnings	\$103
0421	116	Park Capital Improvement	3081000	Reserved Cash and Investments - Beginning	\$43,138
0421	116	Park Capital Improvement	3370706	Local Grants, Entitlements and Other Payments	\$15,071
0421	116	Park Capital Improvement	3611100	Investment Earnings	\$229
0421	125	Development Projects (CED)	3081000	Reserved Cash and Investments - Beginning	\$162,588
0421	125	Development Projects (CED)	3458900	Other Planning and Development Services	\$1,062,392
0421	216	2011 Fire Station Bond Redempt	3081000	Reserved Cash and Investments - Beginning	\$179,868
0421	216	2011 Fire Station Bond Redempt	3111000	Property Tax	\$181,118

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	216	2011 Fire Station Bond Redempt	3611100	Investment Earnings	\$944
0421	217	2012 LTGO (TBD) Bond Redempt	3081000	Reserved Cash and Investments - Beginning	\$11,797
0421	217	2012 LTGO (TBD) Bond Redempt	3441000	Roads/Streets Maintenance/Repair/Construction Services	\$148,400
0421	217	2012 LTGO (TBD) Bond Redempt	3611100	Investment Earnings	\$254
0421	218	2015 LTGO Bond Redemption Fund	3611100	Investment Earnings	\$0
0421	218	2015 LTGO Bond Redemption Fund	3970000	Transfers-In	\$101,755
0421	218	2015 LTGO Bond Redemption Fund	3970000	Transfers-In	\$91,869
0421	219	2016 LTGP (LOC) Bond Redemption Fund	3611100	Investment Earnings	\$211
0421	219	2016 LTGP (LOC) Bond Redemption Fund	3911000	General Obligation Bonds Issued	\$463,505
0421	219	2016 LTGP (LOC) Bond Redemption Fund	3970000	Transfers-In	\$3,340
0421	310	Municipal Projects	3088000	Unreserved Cash and Investments - Beginning	\$496,289
0421	310	Municipal Projects	3081000	Reserved Cash and Investments - Beginning	\$23,621
0421	310	Municipal Projects	3611100	Investment Earnings	\$86
0421	310	Municipal Projects	3081000	Reserved Cash and Investments - Beginning	\$29,289
0421	310	Municipal Projects	3332000	Federal Indirect Grant from Department of Transportation	\$36,440
0421	310	Municipal Projects	3611100	Investment Earnings	\$97
0421	310	Municipal Projects	3611100	Investment Earnings	\$28
0421	310	Municipal Projects	3081000	Reserved Cash and Investments - Beginning	\$3,185
0421	310	Municipal Projects	3611100	Investment Earnings	\$15
0421	310	Municipal Projects	3081000	Reserved Cash and Investments - Beginning	\$88,770
0421	310	Municipal Projects	3611100	Investment Earnings	\$87
0421	310	Municipal Projects	3970000	Transfers-In	\$8,915
0421	310	Municipal Projects	3081000	Reserved Cash and Investments - Beginning	\$109,269

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	310	Municipal Projects	3611100	Investment Earnings	\$403
0421	310	Municipal Projects	3970000	Transfers-In	\$1,452
0421	310	Municipal Projects	3979563	Transfers-In	\$141,454
0421	310	Municipal Projects	3974100	Transfers-In	\$44,031
0421	310	Municipal Projects	3970000	Transfers-In	\$5,097
0421	310	Municipal Projects	3081000	Reserved Cash and Investments - Beginning	\$107,485
0421	310	Municipal Projects	3340270	State Grant from Recreation and Conservation Office	\$14,722
0421	310	Municipal Projects	3611100	Investment Earnings	\$448
0421	310	Municipal Projects	3970000	Transfers-In	\$236
0421	310	Municipal Projects	3970000	Transfers-In	\$236
0421	310	Municipal Projects	3970000	Transfers-In	\$1,063
0421	310	Municipal Projects	3081000	Reserved Cash and Investments - Beginning	\$5,028
0421	310	Municipal Projects	3611100	Investment Earnings	\$23
0421	310	Municipal Projects	3081000	Reserved Cash and Investments - Beginning	\$156,852
0421	310	Municipal Projects	3611100	Investment Earnings	\$670
0421	310	Municipal Projects	3970000	Transfers-In	\$86,290
0421	310	Municipal Projects	3970000	Transfers-In	\$16,158
0421	310	Municipal Projects	3970000	Transfers-In	\$16,158
0421	310	Municipal Projects	3970000	Transfers-In	\$18,059
0421	310	Municipal Projects	3970000	Transfers-In	\$255,087
0421	310	Municipal Projects	3970000	Transfers-In	\$13,309
0421	310	Municipal Projects	3611100	Investment Earnings	\$2
0421	310	Municipal Projects	3970000	Transfers-In	\$547
0421	310	Municipal Projects	3970000	Transfers-In	\$48,804
0421	310	Municipal Projects	3970000	Transfers-In	\$1,526
0421	310	Municipal Projects	3970000	Transfers-In	\$1,526
0421	310	Municipal Projects	3611100	Investment Earnings	\$1,954
0421	310	Municipal Projects	3614000	Other Interest	\$1,165
0421	310	Municipal Projects	3629000	Rents and Leases	\$140,686
0421	310	Municipal Projects	3081000	Reserved Cash and Investments - Beginning	\$51,479
0421	310	Municipal Projects	3611100	Investment Earnings	\$241

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	320	Capital Improvement (REET)	3081000	Reserved Cash and Investments - Beginning	\$813,000
0421	320	Capital Improvement (REET)	3183400	REET 1 - First Quarter Percent	\$278,450
0421	320	Capital Improvement (REET)	3183500	REET 2 - Second Quarter Percent	\$277,658
0421	320	Capital Improvement (REET)	3611100	Investment Earnings	\$5,034
0421	401	Water Operations	3081000	Reserved Cash and Investments - Beginning	\$440,383
0421	401	Water Operations	3088000	Unreserved Cash and Investments - Beginning	\$1,778,697
0421	401	Water Operations	3434000	Water Sales and Services	\$1,822,435
0421	401	Water Operations	3434000	Water Sales and Services	\$3,332
0421	401	Water Operations	3434000	Water Sales and Services	\$336
0421	401	Water Operations	3434000	Water Sales and Services	\$1,694
0421	401	Water Operations	3611100	Investment Earnings	\$10,183
0421	401	Water Operations	3952000	Compensation for Loss/Impairment of Capital Assets	\$2,667
0421	401	Water Operations	3081000	Reserved Cash and Investments - Beginning	\$89,618
0421	401	Water Operations	3434000	Water Sales and Services	\$780
0421	401	Water Operations	3611100	Investment Earnings	\$1,541
0421	401	Water Operations	3790000	Capital Contributions	\$199,520
0421	402	Sewer Operations	3088000	Unreserved Cash and Investments - Beginning	\$958,812
0421	402	Sewer Operations	3432000	Television/Cable Sales and Services	\$462
0421	402	Sewer Operations	3435000	Sewer/Reclaimed Water Sales and Services	\$1,962,398
0421	402	Sewer Operations	3435000	Sewer/Reclaimed Water Sales and Services	\$5,450
0421	402	Sewer Operations	3590000	Non-Court Fines and Penalties	\$15,329
0421	402	Sewer Operations	3611100	Investment Earnings	\$4,001
0421	402	Sewer Operations	3614000	Other Interest	\$9

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	402	Sewer Operations	3970000	Transfers-In	\$224,121
0421	402	Sewer Operations	3081000	Reserved Cash and Investments - Beginning	\$219,445
0421	402	Sewer Operations	3435000	Sewer/Reclaimed Water Sales and Services	\$150
0421	402	Sewer Operations	3611100	Investment Earnings	\$1,150
0421	402	Sewer Operations	3790000	Capital Contributions	\$261,687
0421	402	Sewer Operations	3970000	Transfers-In	\$204,263
0421	404	Storm & FLOOD Operations	3081000	Reserved Cash and Investments - Beginning	\$618
0421	404	Storm & FLOOD Operations	3088000	Unreserved Cash and Investments - Beginning	\$1,159,022
0421	404	Storm & FLOOD Operations	3438300	Combined Water/Sewer/Solid Waste Sales and Services	\$669,752
0421	404	Storm & FLOOD Operations	3611100	Investment Earnings	\$2,565
0421	404	Storm & FLOOD Operations	3699100	Miscellaneous Other	\$0
0421	404	Storm & FLOOD Operations	3229000	Other Non-Business Licenses and Permits	\$6,930
0421	404	Storm & FLOOD Operations	3438300	Combined Water/Sewer/Solid Waste Sales and Services	\$169,737
0421	404	Storm & FLOOD Operations	3611100	Investment Earnings	\$2,799
0421	404	Storm & FLOOD Operations	3081000	Reserved Cash and Investments - Beginning	\$114,267
0421	404	Storm & FLOOD Operations	3611100	Investment Earnings	\$654
0421	404	Storm & FLOOD Operations	3790000	Capital Contributions	\$27,650
0421	405	Solid Waste & Recycling Operations	3088000	Unreserved Cash and Investments - Beginning	\$194,634
0421	405	Solid Waste & Recycling Operations	3219100	Franchise Fees and Royalties	\$61,921
0421	405	Solid Waste & Recycling Operations	3340310	State Grant from Department of Ecology	\$4,830
0421	405	Solid Waste & Recycling Operations	3370700	Local Grants, Entitlements and Other Payments	\$11,324

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	405	Solid Waste & Recycling Operations	3370702	Local Grants, Entitlements and Other Payments	\$7,594
0421	405	Solid Waste & Recycling Operations	3437000	Solid Waste Sales and Services	\$7,546
0421	405	Solid Waste & Recycling Operations	3611100	Investment Earnings	\$1,090
0421	451	ULID #6 Bond Redemption	3081000	Reserved Cash and Investments - Beginning	\$2,572,461
0421	451	ULID #6 Bond Redemption	3611100	Investment Earnings	\$20,202
0421	451	ULID #6 Bond Redemption	3681000	Special Assessments - Capital	\$3,738,102
0421	452	ULID#6 Bond Reserve	3081000	Reserved Cash and Investments - Beginning	\$1,252,755
0421	452	ULID#6 Bond Reserve	3611100	Investment Earnings	\$5,816
0421	501	Equipment Operations	3483000	Internal Service Funds Sales and Services	\$7,246
0421	501	Equipment Operations	3483000	Internal Service Funds Sales and Services	\$3,344
0421	501	Equipment Operations	3483000	Internal Service Funds Sales and Services	\$68,356
0421	501	Equipment Operations	3483000	Internal Service Funds Sales and Services	\$61,644
0421	501	Equipment Operations	3483000	Internal Service Funds Sales and Services	\$47,733
0421	501	Equipment Operations	3483000	Internal Service Funds Sales and Services	\$27,579
0421	501	Equipment Operations	3483000	Internal Service Funds Sales and Services	\$39,372
0421	501	Equipment Operations	3488000	Internal Service Funds Sales and Services	\$76,093
0421	501	Equipment Operations	3488000	Internal Service Funds Sales and Services	\$4,378
0421	501	Equipment Operations	3488000	Internal Service Funds Sales and Services	\$1,639
0421	501	Equipment Operations	3488000	Internal Service Funds Sales and Services	\$33,872
0421	501	Equipment Operations	3488000	Internal Service Funds Sales and Services	\$23,395
0421	501	Equipment Operations	3488000	Internal Service Funds Sales and Services	\$12,106

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	501	Equipment Operations	3488000	Internal Service Funds Sales and Services	\$4,270
0421	501	Equipment Operations	3488000	Internal Service Funds Sales and Services	\$3,227
0421	502	Equipment Reserve	3088000	Unreserved Cash and Investments - Beginning	\$422,083
0421	502	Equipment Reserve	3483000	Internal Service Funds Sales and Services	\$1,560
0421	502	Equipment Reserve	3483000	Internal Service Funds Sales and Services	\$597
0421	502	Equipment Reserve	3483000	Internal Service Funds Sales and Services	\$25,776
0421	502	Equipment Reserve	3483000	Internal Service Funds Sales and Services	\$18,606
0421	502	Equipment Reserve	3483000	Internal Service Funds Sales and Services	\$21,336
0421	502	Equipment Reserve	3483000	Internal Service Funds Sales and Services	\$11,506
0421	502	Equipment Reserve	3483000	Internal Service Funds Sales and Services	\$13,002
0421	502	Equipment Reserve	3488000	Internal Service Funds Sales and Services	\$5,051
0421	502	Equipment Reserve	3488000	Internal Service Funds Sales and Services	\$3,548
0421	502	Equipment Reserve	3488000	Internal Service Funds Sales and Services	\$1,794
0421	502	Equipment Reserve	3488000	Internal Service Funds Sales and Services	\$1,150
0421	502	Equipment Reserve	3488000	Internal Service Funds Sales and Services	\$72
0421	502	Equipment Reserve	3488000	Internal Service Funds Sales and Services	\$177
0421	635	Treasurers Trust	3081000	Reserved Cash and Investments - Beginning	\$56,104
0421	635	Treasurers Trust	3081000	Reserved Cash and Investments - Beginning	\$717
0421	635	Treasurers Trust	3860000	Court Remittances	\$761
0421	635	Treasurers Trust	3860000	Court Remittances	\$1,735
0421	635	Treasurers Trust	3860000	Court Remittances	\$828
0421	635	Treasurers Trust	3860000	Court Remittances	\$174,191
0421	635	Treasurers Trust	3081000	Reserved Cash and Investments - Beginning	\$5,000

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	635	Treasurers Trust	3081000	Reserved Cash and Investments - Beginning	\$559
0421	635	Treasurers Trust	3081000	Reserved Cash and Investments - Beginning	\$300
0421	635	Treasurers Trust	3860000	Court Remittances	\$10,678
0421	635	Treasurers Trust	3860000	Court Remittances	\$23,660
0421	635	Treasurers Trust	3860000	Court Remittances	\$11,570
0421	690	Transportation Benefit District (TBD)	3081000	Reserved Cash and Investments - Beginning	\$802,918
0421	690	Transportation Benefit District (TBD)	3441000	Roads/Streets Maintenance/Repair/Construction Services	\$489,126
0421	690	Transportation Benefit District (TBD)	3611100	Investment Earnings	\$4,945
0421	690	Transportation Benefit District (TBD)	3671100	Contributions and Donations from Nongovernmental Sources	\$500
0421	690	Transportation Benefit District (TBD)	3081000	Reserved Cash and Investments - Beginning	(\$18,830)
0421	690	Transportation Benefit District (TBD)	3081000	Reserved Cash and Investments - Beginning	\$126,262
0421	001	General Fund	5088000	Unreserved Cash and Investments - Ending	\$1,335,944
0421	001	General Fund	5423040	Roadway	\$1,433
0421	001	General Fund	5423040	Roadway	\$4,255
0421	001	General Fund	5425050	Structures	\$1,587
0421	001	General Fund	5426140	Sidewalks	\$108
0421	001	General Fund	5426340	Street Lighting	\$75,333
0421	001	General Fund	5426430	Traffic Control Devices	\$1,196
0421	001	General Fund	5426440	Traffic Control Devices	\$16,937
0421	001	General Fund	5426440	Traffic Control Devices	\$1,921
0421	001	General Fund	5426640	Snow and Ice Control	\$4,524
0421	001	General Fund	5426740	Street Cleaning	\$6,605
0421	001	General Fund	5427040	Roadside	\$1,632
0421	001	General Fund	5428030	Ancillary Operations	\$1,152
0421	001	General Fund	5429010	Maintenance Administration and Overhead	\$260,418

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	001	General Fund	5429010	Maintenance Administration and Overhead	\$14,439
0421	001	General Fund	5429020	Maintenance Administration and Overhead	\$117,346
0421	001	General Fund	5429020	Maintenance Administration and Overhead	\$2,465
0421	001	General Fund	5429030	Maintenance Administration and Overhead	\$7,902
0421	001	General Fund	5429030	Maintenance Administration and Overhead	\$712
0421	001	General Fund	5429040	Maintenance Administration and Overhead	\$1,416
0421	001	General Fund	5429040	Maintenance Administration and Overhead	\$1,722
0421	001	General Fund	5429040	Maintenance Administration and Overhead	\$61,644
0421	001	General Fund	5429040	Maintenance Administration and Overhead	\$11,506
0421	001	General Fund	5429040	Maintenance Administration and Overhead	\$4,378
0421	001	General Fund	5429040	Maintenance Administration and Overhead	\$1,704
0421	001	General Fund	5429040	Maintenance Administration and Overhead	\$428
0421	001	General Fund	5429040	Maintenance Administration and Overhead	\$3,157
0421	001	General Fund	5429040	Maintenance Administration and Overhead	\$1,083
0421	001	General Fund	5429040	Maintenance Administration and Overhead	\$14,193

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	001	General Fund	5429040	Maintenance Administration and Overhead	\$2,871
0421	001	General Fund	5429040	Maintenance Administration and Overhead	\$955
0421	001	General Fund	5429040	Maintenance Administration and Overhead	\$1,053
0421	001	General Fund	5435040	Facilities	\$1,200
0421	001	General Fund	5435040	Facilities	\$1,173
0421	001	General Fund	5435040	Facilities	\$29,584
0421	001	General Fund	5435050	Facilities	\$1,315
0421	001	General Fund	5573030	Tourism	\$65
0421	001	General Fund	5573040	Tourism	\$1,617
0421	001	General Fund	5573040	Tourism	\$2,463
0421	001	General Fund	5573040	Tourism	\$24,520
0421	001	General Fund	5573040	Tourism	\$642
0421	001	General Fund	5573040	Tourism	\$24,600
0421	001	General Fund	5573040	Tourism	\$6,391
0421	001	General Fund	5587010	Economic Development	\$39,145
0421	001	General Fund	5587020	Economic Development	\$9,799
0421	001	General Fund	5587030	Economic Development	\$647
0421	001	General Fund	5587040	Economic Development	\$705
0421	001	General Fund	5587040	Economic Development	\$4,700
0421	001	General Fund	5587040	Economic Development	\$233
0421	001	General Fund	5587040	Economic Development	\$1,639
0421	001	General Fund	5587040	Economic Development	\$177
0421	001	General Fund	5587040	Economic Development	\$6,000
0421	001	General Fund	5587040	Economic Development	\$326
0421	001	General Fund	5587040	Economic Development	\$1,276
0421	001	General Fund	5587040	Economic Development	\$1,160
0421	001	General Fund	5587040	Economic Development	\$25
0421	001	General Fund	5587040	Economic Development	\$500
0421	001	General Fund	5919570	Debt Repayment - Roads/Streets and Other Infrastructure	\$24,117

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	001	General Fund	5929580	Interest and Other Debt Service Cost - Roads/Streets and Other Infrastructure	\$7,472
0421	001	General Fund	5929580	Interest and Other Debt Service Cost - Roads/Streets and Other Infrastructure	\$34
0421	001	General Fund	5944260	Capital Expenditures/Expenses - Roads/Streets Ordinary Maintenance	\$819
0421	001	General Fund	5116010	Legislative Activities	\$37,442
0421	001	General Fund	5116020	Legislative Activities	\$5,702
0421	001	General Fund	5116040	Legislative Activities	\$600
0421	001	General Fund	5116040	Legislative Activities	\$4,119
0421	001	General Fund	5116040	Legislative Activities	\$1,523
0421	001	General Fund	5125050	Municipal Court	\$64,786
0421	001	General Fund	5125050	Municipal Court	\$27
0421	001	General Fund	5131010	Executive Office	\$270,297
0421	001	General Fund	5131010	Executive Office	\$660
0421	001	General Fund	5131020	Executive Office	\$93,852
0421	001	General Fund	5131040	Executive Office	\$1,000
0421	001	General Fund	5131040	Executive Office	\$452
0421	001	General Fund	5131040	Executive Office	\$600
0421	001	General Fund	5131040	Executive Office	\$4,137
0421	001	General Fund	5131040	Executive Office	\$3,215
0421	001	General Fund	5131040	Executive Office	\$535
0421	001	General Fund	5142010	Financial Services	\$153,089
0421	001	General Fund	5142020	Financial Services	\$56,629
0421	001	General Fund	5142030	Financial Services	\$708
0421	001	General Fund	5142040	Financial Services	\$650
0421	001	General Fund	5142040	Financial Services	\$7,684
0421	001	General Fund	5142040	Financial Services	\$600
0421	001	General Fund	5142040	Financial Services	\$6,107
0421	001	General Fund	5142040	Financial Services	\$2,671
0421	001	General Fund	5142040	Financial Services	\$51
0421	001	General Fund	5142040	Financial Services	\$2,880

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	001	General Fund	5142040	Financial Services	\$8,876
0421	001	General Fund	5142050	Financial Services	\$17,466
0421	001	General Fund	5941460	Capital Expenditures/Expenses - Financial, Recording, and Election Services	\$10,123
0421	001	General Fund	5153040	Legal Services	\$87,269
0421	001	General Fund	5153040	Legal Services	\$71,092
0421	001	General Fund	5153040	Legal Services	\$58,969
0421	001	General Fund	5153040	Legal Services	\$16,500
0421	001	General Fund	5186140	Judgments and Settlements	\$3,500
0421	001	General Fund	5183010	Maintenance/Security/Insurance/Janitorial Services	\$5,444
0421	001	General Fund	5183010	Maintenance/Security/Insurance/Janitorial Services	\$319
0421	001	General Fund	5183020	Maintenance/Security/Insurance/Janitorial Services	\$2,308
0421	001	General Fund	5183020	Maintenance/Security/Insurance/Janitorial Services	\$54
0421	001	General Fund	5183030	Maintenance/Security/Insurance/Janitorial Services	\$199
0421	001	General Fund	5183040	Maintenance/Security/Insurance/Janitorial Services	\$6,743
0421	001	General Fund	5183040	Maintenance/Security/Insurance/Janitorial Services	\$7,246
0421	001	General Fund	5183040	Maintenance/Security/Insurance/Janitorial Services	\$1,560
0421	001	General Fund	5183040	Maintenance/Security/Insurance/Janitorial Services	\$80
0421	001	General Fund	5183040	Maintenance/Security/Insurance/Janitorial Services	\$4,277
0421	001	General Fund	5183040	Maintenance/Security/Insurance/Janitorial Services	\$1,899

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	001	General Fund	5183040	Maintenance/Security/Insurance/Janitorial Services	\$1,377
0421	001	General Fund	5188840	Information Technology Services	\$76,093
0421	001	General Fund	5189030	Other Centralized Services	\$12,167
0421	001	General Fund	5189030	Other Centralized Services	\$1,734
0421	001	General Fund	5189040	Other Centralized Services	\$6,900
0421	001	General Fund	5189040	Other Centralized Services	\$2,880
0421	001	General Fund	5189040	Other Centralized Services	\$5,163
0421	001	General Fund	5189040	Other Centralized Services	\$23,496
0421	001	General Fund	5189040	Other Centralized Services	\$426
0421	001	General Fund	5941860	Capital Expenditures/Expenses - Centralized/General Services	\$1,985
0421	001	General Fund	5211030	Administration	\$1,207
0421	001	General Fund	5211040	Administration	\$1,156
0421	001	General Fund	5212050	Police Operations	\$1,467,000
0421	001	General Fund	5212050	Police Operations	\$425
0421	001	General Fund	5213040	Crime Prevention	\$480
0421	001	General Fund	5215040	Facilities	\$3,390
0421	001	General Fund	5215040	Facilities	\$191
0421	001	General Fund	5222040	Fire Suppression and Emergency Medical Services	\$987,321
0421	001	General Fund	5223050	Fire Prevention and Investigation	\$8,933
0421	001	General Fund	5225040	Facilities	\$6,977
0421	001	General Fund	5942260	Capital Expenditures/Expenses - Fire Suppression and EMS Services	\$56,614
0421	001	General Fund	5236050	Care and Custody of Prisoners	\$359,394

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	001	General Fund	5183040	Maintenance/Security/Insurance/Janitorial Services	\$1,778
0421	001	General Fund	5183040	Maintenance/Security/Insurance/Janitorial Services	\$2,760
0421	001	General Fund	5183040	Maintenance/Security/Insurance/Janitorial Services	\$1,956
0421	001	General Fund	5183040	Maintenance/Security/Insurance/Janitorial Services	\$897
0421	001	General Fund	5242010	Inspections, Permits, Certificates and Licenses	\$158,035
0421	001	General Fund	5242010	Inspections, Permits, Certificates and Licenses	\$63,878
0421	001	General Fund	5242020	Inspections, Permits, Certificates and Licenses	\$57,358
0421	001	General Fund	5242020	Inspections, Permits, Certificates and Licenses	\$31,097
0421	001	General Fund	5242020	Inspections, Permits, Certificates and Licenses	\$67
0421	001	General Fund	5242030	Inspections, Permits, Certificates and Licenses	\$4,355
0421	001	General Fund	5242040	Inspections, Permits, Certificates and Licenses	\$16,581
0421	001	General Fund	5242040	Inspections, Permits, Certificates and Licenses	\$3,344
0421	001	General Fund	5242040	Inspections, Permits, Certificates and Licenses	\$597
0421	001	General Fund	5242040	Inspections, Permits, Certificates and Licenses	\$973
0421	001	General Fund	5242040	Inspections, Permits, Certificates and Licenses	\$1,639
0421	001	General Fund	5242040	Inspections, Permits, Certificates and Licenses	\$3,206
0421	001	General Fund	5242040	Inspections, Permits, Certificates and Licenses	\$1,078
0421	001	General Fund	5242040	Inspections, Permits, Certificates and Licenses	\$1,340
0421	001	General Fund	5242040	Inspections, Permits, Certificates and Licenses	\$372

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	001	General Fund	5942460	Capital Expenditures/Expenses - Protective Inspection Services	\$229
0421	001	General Fund	5256030	Disaster Preparedness	\$26
0421	001	General Fund	5256030	Disaster Preparedness	\$153
0421	001	General Fund	5256040	Disaster Preparedness	\$1,100
0421	001	General Fund	5256040	Disaster Preparedness	\$125
0421	001	General Fund	5942560	Capital Expenditures/Expenses - Disaster Services	\$3,298
0421	001	General Fund	5421010	Engineering	\$53,149
0421	001	General Fund	5421020	Engineering	\$20,312
0421	001	General Fund	5421040	Engineering	\$37,923
0421	001	General Fund	5421040	Engineering	\$39
0421	001	General Fund	5944860	Capital Expenditures/Expenses - Public Works Centralized Services	\$519
0421	001	General Fund	5572040	Community Services	\$10,000
0421	001	General Fund	5572040	Community Services	\$1,000
0421	001	General Fund	5572040	Community Services	\$500
0421	001	General Fund	5572040	Community Services	\$6,000
0421	001	General Fund	5572040	Community Services	\$10,000
0421	001	General Fund	5572040	Community Services	\$2,000
0421	001	General Fund	5572040	Community Services	\$15,000
0421	001	General Fund	5690040	Aging and Disability Services	\$25,000
0421	001	General Fund	5739040	Other	\$2,000
0421	001	General Fund	5769040	Other Park Facilities	\$10,000
0421	001	General Fund	5183040	Maintenance/Security/Insurance/Janitorial Services	\$2,634
0421	001	General Fund	5183040	Maintenance/Security/Insurance/Janitorial Services	\$4,140
0421	001	General Fund	5183040	Maintenance/Security/Insurance/Janitorial Services	\$2,935

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	001	General Fund	5183040	Maintenance/Security/Insurance/Janitorial Services	\$571
0421	001	General Fund	5586010	Planning	\$229,038
0421	001	General Fund	5586010	Planning	\$63,146
0421	001	General Fund	5586020	Planning	\$74,548
0421	001	General Fund	5586020	Planning	\$20,818
0421	001	General Fund	5586030	Planning	\$4,658
0421	001	General Fund	5586040	Planning	\$77,618
0421	001	General Fund	5586040	Planning	\$1,350
0421	001	General Fund	5586040	Planning	\$360
0421	001	General Fund	5586040	Planning	\$4,025
0421	001	General Fund	5586040	Planning	\$4,809
0421	001	General Fund	5586040	Planning	\$3,272
0421	001	General Fund	5586040	Planning	\$2,384
0421	001	General Fund	5586040	Planning	\$194
0421	001	General Fund	5739010	Other	\$21,642
0421	001	General Fund	5739020	Other	\$3,995
0421	001	General Fund	5739040	Other	\$19,503
0421	001	General Fund	5739040	Other	\$2,564
0421	001	General Fund	5739040	Other	\$250
0421	001	General Fund	5768040	General Parks	\$8,664
0421	001	General Fund	5753040	Museums and Art Galleries	\$3,000
0421	001	General Fund	5768010	General Parks	\$185,597
0421	001	General Fund	5768010	General Parks	\$8,285
0421	001	General Fund	5768020	General Parks	\$78,388
0421	001	General Fund	5768020	General Parks	\$1,237
0421	001	General Fund	5768030	General Parks	\$8,567
0421	001	General Fund	5768030	General Parks	\$67
0421	001	General Fund	5768030	General Parks	\$5,104
0421	001	General Fund	5768040	General Parks	\$2,160
0421	001	General Fund	5768040	General Parks	\$1,200
0421	001	General Fund	5768040	General Parks	\$68,356
0421	001	General Fund	5768040	General Parks	\$13,002

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	001	General Fund	5768040	General Parks	\$1,173
0421	001	General Fund	5768040	General Parks	\$1,047
0421	001	General Fund	5768040	General Parks	\$335
0421	001	General Fund	5768040	General Parks	\$10
0421	001	General Fund	5768040	General Parks	\$770
0421	001	General Fund	5768040	General Parks	\$41,410
0421	001	General Fund	5768040	General Parks	\$873
0421	001	General Fund	5768040	General Parks	\$2,580
0421	001	General Fund	5768040	General Parks	\$504
0421	001	General Fund	5768040	General Parks	\$328
0421	001	General Fund	5947660	Capital Expenditures/Expenses - Park Facilities	\$983
0421	001	General Fund	5593050	Property Development	\$1,315
0421	001	General Fund	5593050	Property Development	\$2,792
0421	001	General Fund	5970000	Transfers-Out	\$547
0421	001	General Fund	5974200	Transfers-Out	\$129,462
0421	001	General Fund	5974200	Transfers-Out	\$79,180
0421	001	General Fund	5974200	Transfers-Out	\$50,000
0421	001	General Fund	5977600	Transfers-Out	\$86,290
0421	001	General Fund	5113040	Official Publication Services	\$6,164
0421	001	General Fund	5116040	Legislative Activities	\$2,469
0421	001	General Fund	5116040	Legislative Activities	\$50
0421	001	General Fund	5131040	Executive Office	\$4,074
0421	001	General Fund	5131040	Executive Office	\$3,912
0421	001	General Fund	5142040	Financial Services	\$5,962
0421	001	General Fund	5144050	Election Services	\$2,013
0421	001	General Fund	5149050	Voters Registration Services	\$10,764
0421	001	General Fund	5176040	Workers' Compensation Services	\$4,641
0421	001	General Fund	5179030	Other Employee Benefit Programs	\$2,938
0421	001	General Fund	5181030	Personnel Services	\$3,156
0421	001	General Fund	5189040	Other Centralized Services	\$65,392

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	001	General Fund	5189040	Other Centralized Services	\$932
0421	001	General Fund	5531040	Soil and Water Conservation	\$3,087
0421	001	General Fund	5537050	Pollution Control and Remediation	\$5,280
0421	001	General Fund	5543050	Animal Control	\$2,560
0421	001	General Fund	5655050	Domestic Violence	\$3,593
0421	001	General Fund	5666650	Chemical Dependency Services	\$1,717
0421	001	General Fund	5768040	General Parks	\$1,491
0421	102	Capital Streets	5081000	Reserved Cash and Investments - Ending	\$30,515
0421	102	Capital Streets	5431010	Management	\$24,828
0421	102	Capital Streets	5431020	Management	\$6,027
0421	102	Capital Streets	5433040	General Services	\$163
0421	102	Capital Streets	5433040	General Services	\$10,402
0421	102	Capital Streets	5433040	General Services	\$2,994
0421	102	Capital Streets	5433040	General Services	\$39
0421	102	Capital Streets	5433040	General Services	\$75
0421	102	Capital Streets	5974200	Transfers-Out	\$20,820
0421	102	Capital Streets	5979500	Transfers-Out	\$91,869
0421	103	Streets Overlay	5081000	Reserved Cash and Investments - Ending	\$64,380
0421	103	Streets Overlay	5423040	Roadway	\$4,722
0421	103	Streets Overlay	5423040	Roadway	\$16,898
0421	103	Streets Overlay	5953060	Capital Expenditures/Expenses - Roadway	\$182,079
0421	106	Impact Fees & Mitigation	5081000	Reserved Cash and Investments - Ending	\$438,672
0421	106	Impact Fees & Mitigation	5970000	Transfers-Out	\$1,452
0421	106	Impact Fees & Mitigation	5971800	Transfers-Out	\$1,526
0421	106	Impact Fees & Mitigation	5974100	Transfers-Out	\$44,031
0421	106	Impact Fees & Mitigation	5974100	Transfers-Out	\$141,454
0421	106	Impact Fees & Mitigation	5081000	Reserved Cash and Investments - Ending	\$233,093
0421	106	Impact Fees & Mitigation	5768050	General Parks	\$111,497

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	106	Impact Fees & Mitigation	5947660	Capital Expenditures/Expenses - Park Facilities	\$8,549
0421	106	Impact Fees & Mitigation	5970000	Transfers-Out	\$255,087
0421	106	Impact Fees & Mitigation	5971800	Transfers-Out	\$1,526
0421	106	Impact Fees & Mitigation	5081000	Reserved Cash and Investments - Ending	\$224,796
0421	106	Impact Fees & Mitigation	5081000	Reserved Cash and Investments - Ending	\$3,887
0421	106	Impact Fees & Mitigation	5081000	Reserved Cash and Investments - Ending	\$57,232
0421	106	Impact Fees & Mitigation	5081000	Reserved Cash and Investments - Ending	\$7,577
0421	106	Impact Fees & Mitigation	5081000	Reserved Cash and Investments - Ending	\$11,530
0421	106	Impact Fees & Mitigation	5081000	Reserved Cash and Investments - Ending	\$6,599
0421	107	Hotel/Motel Tax	5081000	Reserved Cash and Investments - Ending	\$7,010
0421	107	Hotel/Motel Tax	5573040	Tourism	\$14,000
0421	116	Park Capital Improvement	5081000	Reserved Cash and Investments - Ending	\$24,365
0421	116	Park Capital Improvement	5947660	Capital Expenditures/Expenses - Park Facilities	\$15,807
0421	116	Park Capital Improvement	5081000	Reserved Cash and Investments - Ending	\$58,439
0421	125	Development Projects (CED)	5081000	Reserved Cash and Investments - Ending	\$285,558
0421	125	Development Projects (CED)	5593040	Property Development	\$638,193
0421	125	Development Projects (CED)	5593040	Property Development	\$30,526
0421	125	Development Projects (CED)	5970000	Transfers-Out	\$89,123
0421	125	Development Projects (CED)	5970000	Transfers-Out	\$181,580
0421	216	2011 Fire Station Bond Redempt	5081000	Reserved Cash and Investments - Ending	\$180,655
0421	216	2011 Fire Station Bond Redempt	5912270	Debt Repayment - Fire Suppression and EMS Services	\$100,000

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	216	2011 Fire Station Bond Redempt	5922280	Interest and Other Debt Service Cost - Fire Suppression and EMS Services	\$80,975
0421	216	2011 Fire Station Bond Redempt	5922280	Interest and Other Debt Service Cost - Fire Suppression and EMS Services	\$300
0421	217	2012 LTGO (TBD) Bond Redempt	5081000	Reserved Cash and Investments - Ending	\$14,876
0421	217	2012 LTGO (TBD) Bond Redempt	5919570	Debt Repayment - Roads/Streets and Other Infrastructure	\$125,000
0421	217	2012 LTGO (TBD) Bond Redempt	5929580	Interest and Other Debt Service Cost - Roads/Streets and Other Infrastructure	\$20,275
0421	217	2012 LTGO (TBD) Bond Redempt	5929580	Interest and Other Debt Service Cost - Roads/Streets and Other Infrastructure	\$300
0421	218	2015 LTGO Bond Redemption Fund	5917670	Debt Repayment - Park Facilities	\$73,500
0421	218	2015 LTGO Bond Redemption Fund	5917670	Debt Repayment - Park Facilities	\$66,555
0421	218	2015 LTGO Bond Redemption Fund	5927680	Interest and Other Debt Service Cost - Park Facilities	\$27,954
0421	218	2015 LTGO Bond Redemption Fund	5927680	Interest and Other Debt Service Cost - Park Facilities	\$25,314
0421	218	2015 LTGO Bond Redemption Fund	5927680	Interest and Other Debt Service Cost - Park Facilities	\$302
0421	219	2016 LTGP (LOC) Bond Redemption Fund	5923580	Interest and Other Debt Service Cost - Sewer/Reclaimed Water Utilities	\$2,357
0421	219	2016 LTGP (LOC) Bond Redemption Fund	5923580	Interest and Other Debt Service Cost - Sewer/Reclaimed Water Utilities	\$36,314
0421	219	2016 LTGP (LOC) Bond Redemption Fund	5970000	Transfers-Out	\$224,121
0421	219	2016 LTGP (LOC) Bond Redemption Fund	5970000	Transfers-Out	\$204,263

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	310	Municipal Projects	5088000	Unreserved Cash and Investments - Ending	\$473,210
0421	310	Municipal Projects	5081000	Reserved Cash and Investments - Ending	\$16,257
0421	310	Municipal Projects	5947640	Capital Expenditures/Expenses - Park Facilities	\$650
0421	310	Municipal Projects	5947660	Capital Expenditures/Expenses - Park Facilities	\$6,800
0421	310	Municipal Projects	5081000	Reserved Cash and Investments - Ending	\$32,742
0421	310	Municipal Projects	5956460	Capital Expenditures/Expenses - Traffic Control Devices	\$33,084
0421	310	Municipal Projects	5850000	Special or Extraordinary Items	\$21,263
0421	310	Municipal Projects	5081000	Reserved Cash and Investments - Ending	\$3,200
0421	310	Municipal Projects	5956160	Capital Expenditures/Expenses - Sidewalks	\$97,771
0421	310	Municipal Projects	5953060	Capital Expenditures/Expenses - Roadway	\$38,536
0421	310	Municipal Projects	5953060	Capital Expenditures/Expenses - Roadway	\$76,028
0421	310	Municipal Projects	5953060	Capital Expenditures/Expenses - Roadway	(\$3,441)
0421	310	Municipal Projects	5953060	Capital Expenditures/Expenses - Roadway	\$15,294
0421	310	Municipal Projects	5953060	Capital Expenditures/Expenses - Roadway	\$118,142
0421	310	Municipal Projects	5081000	Reserved Cash and Investments - Ending	\$5,786
0421	310	Municipal Projects	5956160	Capital Expenditures/Expenses - Sidewalks	\$38,245
0421	310	Municipal Projects	5956160	Capital Expenditures/Expenses - Sidewalks	\$5,097

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	310	Municipal Projects	5081000	Reserved Cash and Investments - Ending	\$112,384
0421	310	Municipal Projects	5947660	Capital Expenditures/Expenses - Park Facilities	\$11,727
0421	310	Municipal Projects	5947660	Capital Expenditures/Expenses - Park Facilities	\$80
0421	310	Municipal Projects	5081000	Reserved Cash and Investments - Ending	\$5,052
0421	310	Municipal Projects	5081000	Reserved Cash and Investments - Ending	\$214,220
0421	310	Municipal Projects	5947660	Capital Expenditures/Expenses - Park Facilities	\$51,274
0421	310	Municipal Projects	5947660	Capital Expenditures/Expenses - Park Facilities	\$35,703
0421	310	Municipal Projects	5947660	Capital Expenditures/Expenses - Park Facilities	\$3,943
0421	310	Municipal Projects	5947660	Capital Expenditures/Expenses - Park Facilities	\$251,144
0421	310	Municipal Projects	5947660	Capital Expenditures/Expenses - Park Facilities	\$5,148
0421	310	Municipal Projects	5947660	Capital Expenditures/Expenses - Park Facilities	\$14,075
0421	310	Municipal Projects	5947660	Capital Expenditures/Expenses - Park Facilities	(\$5,914)
0421	310	Municipal Projects	5941840	Capital Expenditures/Expenses - Centralized/General Services	\$6,500
0421	310	Municipal Projects	5941860	Capital Expenditures/Expenses - Centralized/General Services	\$51,856
0421	310	Municipal Projects	5945860	Capital Expenditures/Expenses - Community Planning and Economic Development	\$140,706

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	310	Municipal Projects	5081000	Reserved Cash and Investments - Ending	\$51,719
0421	320	Capital Improvement (REET)	5081000	Reserved Cash and Investments - Ending	\$1,164,640
0421	320	Capital Improvement (REET)	5917670	Debt Repayment - Park Facilities	\$24,117
0421	320	Capital Improvement (REET)	5927680	Interest and Other Debt Service Cost - Park Facilities	\$7,472
0421	320	Capital Improvement (REET)	5927680	Interest and Other Debt Service Cost - Park Facilities	\$34
0421	320	Capital Improvement (REET)	5977600	Transfers-Out	\$101,755
0421	320	Capital Improvement (REET)	5977600	Transfers-Out	\$13,309
0421	320	Capital Improvement (REET)	5979500	Transfers-Out	\$5,097
0421	320	Capital Improvement (REET)	5979500	Transfers-Out	\$8,915
0421	320	Capital Improvement (REET)	5979500	Transfers-Out	\$48,804
0421	401	Water Operations	5081000	Reserved Cash and Investments - Ending	\$440,383
0421	401	Water Operations	5088000	Unreserved Cash and Investments - Ending	\$2,269,872
0421	401	Water Operations	5341010	Water Utilities	\$483,683
0421	401	Water Operations	5341010	Water Utilities	\$25,613
0421	401	Water Operations	5341020	Water Utilities	\$196,461
0421	401	Water Operations	5341020	Water Utilities	\$3,092
0421	401	Water Operations	5341030	Water Utilities	\$1,435
0421	401	Water Operations	5341040	Water Utilities	\$1,200
0421	401	Water Operations	5341040	Water Utilities	\$3,020
0421	401	Water Operations	5341040	Water Utilities	\$2,706
0421	401	Water Operations	5341040	Water Utilities	\$2,022
0421	401	Water Operations	5341040	Water Utilities	\$2,375
0421	401	Water Operations	5341040	Water Utilities	\$459
0421	401	Water Operations	5341040	Water Utilities	\$2,406
0421	401	Water Operations	5341040	Water Utilities	\$1,244
0421	401	Water Operations	5341040	Water Utilities	\$7,882

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	401	Water Operations	5341040	Water Utilities	\$3,087
0421	401	Water Operations	5341040	Water Utilities	\$1,657
0421	401	Water Operations	5341050	Water Utilities	\$5,749
0421	401	Water Operations	5341050	Water Utilities	\$1,315
0421	401	Water Operations	5342040	Water Utilities	\$14,040
0421	401	Water Operations	5348030	Water Utilities	\$10,490
0421	401	Water Operations	5348030	Water Utilities	\$319
0421	401	Water Operations	5348030	Water Utilities	\$41,562
0421	401	Water Operations	5348040	Water Utilities	\$2,430
0421	401	Water Operations	5348040	Water Utilities	\$47,733
0421	401	Water Operations	5348040	Water Utilities	\$25,776
0421	401	Water Operations	5348040	Water Utilities	\$33,872
0421	401	Water Operations	5348040	Water Utilities	\$5,051
0421	401	Water Operations	5348040	Water Utilities	\$84,440
0421	401	Water Operations	5348040	Water Utilities	\$31,220
0421	401	Water Operations	5348040	Water Utilities	\$58,484
0421	401	Water Operations	5348040	Water Utilities	\$71,867
0421	401	Water Operations	5348040	Water Utilities	\$10,877
0421	401	Water Operations	5348040	Water Utilities	\$3,819
0421	401	Water Operations	5913470	Debt Repayment - Water Utilities	\$24,117
0421	401	Water Operations	5913470	Debt Repayment - Water Utilities	\$18,587
0421	401	Water Operations	5913470	Debt Repayment - Water Utilities	\$11,906
0421	401	Water Operations	5913470	Debt Repayment - Water Utilities	\$63,311
0421	401	Water Operations	5923480	Interest and Other Debt Service Cost - Water Utilities	\$1,022
0421	401	Water Operations	5923480	Interest and Other Debt Service Cost - Water Utilities	\$1,965
0421	401	Water Operations	5923480	Interest and Other Debt Service Cost - Water Utilities	\$5,201
0421	401	Water Operations	5923480	Interest and Other Debt Service Cost - Water Utilities	\$7,472

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	401	Water Operations	5923480	Interest and Other Debt Service Cost - Water Utilities	\$34
0421	401	Water Operations	5943460	Capital Expenditures/Expenses - Water Utilities	\$17,393
0421	401	Water Operations	5943460	Capital Expenditures/Expenses - Water Utilities	\$1,680
0421	401	Water Operations	5943460	Capital Expenditures/Expenses - Water Utilities	\$1,392
0421	401	Water Operations	5970000	Transfers-Out	\$236
0421	401	Water Operations	5970000	Transfers-Out	\$16,158
0421	401	Water Operations	5943460	Capital Expenditures/Expenses - Water Utilities	\$11,509
0421	401	Water Operations	5943460	Capital Expenditures/Expenses - Water Utilities	\$43,486
0421	401	Water Operations	5081000	Reserved Cash and Investments - Ending	\$89,618
0421	401	Water Operations	5348050	Water Utilities	\$1,411
0421	401	Water Operations	5913470	Debt Repayment - Water Utilities	\$110,937
0421	401	Water Operations	5923480	Interest and Other Debt Service Cost - Water Utilities	\$6,102
0421	401	Water Operations	5943460	Capital Expenditures/Expenses - Water Utilities	\$20,010
0421	402	Sewer Operations	5088000	Unreserved Cash and Investments - Ending	\$1,191,273
0421	402	Sewer Operations	5351010	Sewer/Reclaimed Water Utilities	\$512,790
0421	402	Sewer Operations	5351010	Sewer/Reclaimed Water Utilities	\$15,726
0421	402	Sewer Operations	5351020	Sewer/Reclaimed Water Utilities	\$188,495
0421	402	Sewer Operations	5351020	Sewer/Reclaimed Water Utilities	\$1,459
0421	402	Sewer Operations	5351030	Sewer/Reclaimed Water Utilities	\$1,541

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	402	Sewer Operations	5351040	Sewer/Reclaimed Water Utilities	\$6,746
0421	402	Sewer Operations	5351040	Sewer/Reclaimed Water Utilities	\$3,000
0421	402	Sewer Operations	5351040	Sewer/Reclaimed Water Utilities	\$2,668
0421	402	Sewer Operations	5351040	Sewer/Reclaimed Water Utilities	\$107
0421	402	Sewer Operations	5351040	Sewer/Reclaimed Water Utilities	\$2,658
0421	402	Sewer Operations	5351040	Sewer/Reclaimed Water Utilities	\$1,596
0421	402	Sewer Operations	5351040	Sewer/Reclaimed Water Utilities	\$2,375
0421	402	Sewer Operations	5351040	Sewer/Reclaimed Water Utilities	\$1,366
0421	402	Sewer Operations	5351040	Sewer/Reclaimed Water Utilities	\$2,406
0421	402	Sewer Operations	5351040	Sewer/Reclaimed Water Utilities	\$102,670
0421	402	Sewer Operations	5351040	Sewer/Reclaimed Water Utilities	\$438
0421	402	Sewer Operations	5351040	Sewer/Reclaimed Water Utilities	\$688
0421	402	Sewer Operations	5351040	Sewer/Reclaimed Water Utilities	\$1,385
0421	402	Sewer Operations	5351040	Sewer/Reclaimed Water Utilities	\$1,657
0421	402	Sewer Operations	5351050	Sewer/Reclaimed Water Utilities	\$8,049
0421	402	Sewer Operations	5351050	Sewer/Reclaimed Water Utilities	\$1,315
0421	402	Sewer Operations	5358030	Sewer/Reclaimed Water Utilities	\$33,866
0421	402	Sewer Operations	5358030	Sewer/Reclaimed Water Utilities	\$2,760
0421	402	Sewer Operations	5358030	Sewer/Reclaimed Water Utilities	\$4,462
0421	402	Sewer Operations	5358040	Sewer/Reclaimed Water Utilities	\$7,978
0421	402	Sewer Operations	5358040	Sewer/Reclaimed Water Utilities	\$362,639

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	402	Sewer Operations	5358040	Sewer/Reclaimed Water Utilities	\$19,299
0421	402	Sewer Operations	5358040	Sewer/Reclaimed Water Utilities	\$89,340
0421	402	Sewer Operations	5358040	Sewer/Reclaimed Water Utilities	\$27,579
0421	402	Sewer Operations	5358040	Sewer/Reclaimed Water Utilities	\$18,606
0421	402	Sewer Operations	5358040	Sewer/Reclaimed Water Utilities	\$23,395
0421	402	Sewer Operations	5358040	Sewer/Reclaimed Water Utilities	\$3,548
0421	402	Sewer Operations	5358040	Sewer/Reclaimed Water Utilities	\$37,506
0421	402	Sewer Operations	5358040	Sewer/Reclaimed Water Utilities	\$51,489
0421	402	Sewer Operations	5358040	Sewer/Reclaimed Water Utilities	\$12,545
0421	402	Sewer Operations	5358040	Sewer/Reclaimed Water Utilities	\$2,111
0421	402	Sewer Operations	5358040	Sewer/Reclaimed Water Utilities	\$20,258
0421	402	Sewer Operations	5913570	Debt Repayment - Sewer/Reclaimed Water Utilities	\$9,945
0421	402	Sewer Operations	5913570	Debt Repayment - Sewer/Reclaimed Water Utilities	\$94,414
0421	402	Sewer Operations	5913570	Debt Repayment - Sewer/Reclaimed Water Utilities	\$56,442
0421	402	Sewer Operations	5913570	Debt Repayment - Sewer/Reclaimed Water Utilities	\$35,564
0421	402	Sewer Operations	5913570	Debt Repayment - Sewer/Reclaimed Water Utilities	\$131,021
0421	402	Sewer Operations	5923580	Interest and Other Debt Service Cost - Sewer/Reclaimed Water Utilities	\$7,173
0421	402	Sewer Operations	5923580	Interest and Other Debt Service Cost - Sewer/Reclaimed Water Utilities	\$4,367

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	402	Sewer Operations	5923580	Interest and Other Debt Service Cost - Sewer/Reclaimed Water Utilities	\$18,302
0421	402	Sewer Operations	5923580	Interest and Other Debt Service Cost - Sewer/Reclaimed Water Utilities	\$29,252
0421	402	Sewer Operations	5923580	Interest and Other Debt Service Cost - Sewer/Reclaimed Water Utilities	\$3,782
0421	402	Sewer Operations	5923580	Interest and Other Debt Service Cost - Sewer/Reclaimed Water Utilities	\$132
0421	402	Sewer Operations	5943560	Capital Expenditures/Expenses - Sewer/Reclaimed Water Utilities	\$3,873
0421	402	Sewer Operations	5943560	Capital Expenditures/Expenses - Sewer/Reclaimed Water Utilities	\$1,680
0421	402	Sewer Operations	5943560	Capital Expenditures/Expenses - Sewer/Reclaimed Water Utilities	\$20,608
0421	402	Sewer Operations	5943560	Capital Expenditures/Expenses - Sewer/Reclaimed Water Utilities	\$409
0421	402	Sewer Operations	5970000	Transfers-Out	\$3,340
0421	402	Sewer Operations	5970000	Transfers-Out	\$236
0421	402	Sewer Operations	5970000	Transfers-Out	\$16,158
0421	402	Sewer Operations	5943560	Capital Expenditures/Expenses - Sewer/Reclaimed Water Utilities	\$199,777
0421	402	Sewer Operations	5943560	Capital Expenditures/Expenses - Sewer/Reclaimed Water Utilities	\$22,248
0421	402	Sewer Operations	5943560	Capital Expenditures/Expenses - Sewer/Reclaimed Water Utilities	\$2,096

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	402	Sewer Operations	5081000	Reserved Cash and Investments - Ending	\$219,445
0421	402	Sewer Operations	5358040	Sewer/Reclaimed Water Utilities	\$2,167
0421	402	Sewer Operations	5943560	Capital Expenditures/Expenses - Sewer/Reclaimed Water Utilities	\$2,793
0421	402	Sewer Operations	5943560	Capital Expenditures/Expenses - Sewer/Reclaimed Water Utilities	\$189,431
0421	402	Sewer Operations	5943560	Capital Expenditures/Expenses - Sewer/Reclaimed Water Utilities	\$14,832
0421	404	Storm & FLOOD Operations	5081000	Reserved Cash and Investments - Ending	\$618
0421	404	Storm & FLOOD Operations	5088000	Unreserved Cash and Investments - Ending	\$1,089,789
0421	404	Storm & FLOOD Operations	5313110	Storm Drainage Utilities	\$230,829
0421	404	Storm & FLOOD Operations	5313110	Storm Drainage Utilities	\$6,899
0421	404	Storm & FLOOD Operations	5313120	Storm Drainage Utilities	\$84,467
0421	404	Storm & FLOOD Operations	5313120	Storm Drainage Utilities	\$984
0421	404	Storm & FLOOD Operations	5313130	Storm Drainage Utilities	\$820
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$1,200
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$1,502
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$16,203
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$39,372
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$21,336
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$12,106
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$1,794

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$3,213
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$10,645
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$1,188
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$552
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$830
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$152
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$1,203
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$10,568
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$4,300
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$415
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$316
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$350
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$828
0421	404	Storm & FLOOD Operations	5313150	Storm Drainage Utilities	\$632
0421	404	Storm & FLOOD Operations	5313150	Storm Drainage Utilities	\$1,315
0421	404	Storm & FLOOD Operations	5313830	Storm Drainage Utilities	\$1,547
0421	404	Storm & FLOOD Operations	5313840	Storm Drainage Utilities	\$9,685
0421	404	Storm & FLOOD Operations	5313840	Storm Drainage Utilities	\$3,880
0421	404	Storm & FLOOD Operations	5313840	Storm Drainage Utilities	\$6,605
0421	404	Storm & FLOOD Operations	5913170	Debt Repayment - Storm Drainage Utilities	\$70,000
0421	404	Storm & FLOOD Operations	5913170	Debt Repayment - Storm Drainage Utilities	\$24,117

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	404	Storm & FLOOD Operations	5913170	Debt Repayment - Storm Drainage Utilities	\$20,000
0421	404	Storm & FLOOD Operations	5923180	Interest and Other Debt Service Cost - Storm Drainage Utilities	\$2,975
0421	404	Storm & FLOOD Operations	5923180	Interest and Other Debt Service Cost - Storm Drainage Utilities	\$7,472
0421	404	Storm & FLOOD Operations	5923180	Interest and Other Debt Service Cost - Storm Drainage Utilities	\$27,877
0421	404	Storm & FLOOD Operations	5923180	Interest and Other Debt Service Cost - Storm Drainage Utilities	\$143
0421	404	Storm & FLOOD Operations	5943160	Capital Expenditures/Expenses - Storm Drainage Utilities	\$295
0421	404	Storm & FLOOD Operations	5943160	Capital Expenditures/Expenses - Storm Drainage Utilities	\$491
0421	404	Storm & FLOOD Operations	5970000	Transfers-Out	\$1,063
0421	404	Storm & FLOOD Operations	5970000	Transfers-Out	\$18,059
0421	404	Storm & FLOOD Operations	5319110	Storm Drainage Utilities	\$83,632
0421	404	Storm & FLOOD Operations	5319110	Storm Drainage Utilities	\$47
0421	404	Storm & FLOOD Operations	5319120	Storm Drainage Utilities	\$27,553
0421	404	Storm & FLOOD Operations	5319130	Storm Drainage Utilities	\$642
0421	404	Storm & FLOOD Operations	5319140	Storm Drainage Utilities	\$545
0421	404	Storm & FLOOD Operations	5319140	Storm Drainage Utilities	\$15,584
0421	404	Storm & FLOOD Operations	5319140	Storm Drainage Utilities	\$4,270
0421	404	Storm & FLOOD Operations	5319140	Storm Drainage Utilities	\$1,150
0421	404	Storm & FLOOD Operations	5319140	Storm Drainage Utilities	\$25,755
0421	404	Storm & FLOOD Operations	5319140	Storm Drainage Utilities	\$1,188

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	404	Storm & FLOOD Operations	5319140	Storm Drainage Utilities	\$552
0421	404	Storm & FLOOD Operations	5319140	Storm Drainage Utilities	\$209
0421	404	Storm & FLOOD Operations	5319140	Storm Drainage Utilities	\$106
0421	404	Storm & FLOOD Operations	5319140	Storm Drainage Utilities	\$2,191
0421	404	Storm & FLOOD Operations	5319140	Storm Drainage Utilities	\$1,203
0421	404	Storm & FLOOD Operations	5319140	Storm Drainage Utilities	\$2,878
0421	404	Storm & FLOOD Operations	5319140	Storm Drainage Utilities	\$260
0421	404	Storm & FLOOD Operations	5319140	Storm Drainage Utilities	\$272
0421	404	Storm & FLOOD Operations	5319140	Storm Drainage Utilities	\$73
0421	404	Storm & FLOOD Operations	5319140	Storm Drainage Utilities	\$213
0421	404	Storm & FLOOD Operations	5319140	Storm Drainage Utilities	\$828
0421	404	Storm & FLOOD Operations	5319150	Storm Drainage Utilities	\$230
0421	404	Storm & FLOOD Operations	5081000	Reserved Cash and Investments - Ending	\$114,267
0421	404	Storm & FLOOD Operations	5383240	Combined Water/Sewer/Solid Waste Utilities	\$1,998
0421	404	Storm & FLOOD Operations	5943160	Capital Expenditures/Expenses - Storm Drainage Utilities	\$20,010
0421	404	Storm & FLOOD Operations	5943160	Capital Expenditures/Expenses - Storm Drainage Utilities	\$7,724
0421	404	Storm & FLOOD Operations	5943160	Capital Expenditures/Expenses - Storm Drainage Utilities	\$59,555
0421	404	Storm & FLOOD Operations	5943160	Capital Expenditures/Expenses - Storm Drainage Utilities	\$19,058
0421	404	Storm & FLOOD Operations	5943160	Capital Expenditures/Expenses - Storm Drainage Utilities	\$10,618

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	404	Storm & FLOOD Operations	5943160	Capital Expenditures/Expenses - Storm Drainage Utilities	\$12,748
0421	405	Solid Waste & Recycling Operations	5088000	Unreserved Cash and Investments - Ending	\$249,580
0421	405	Solid Waste & Recycling Operations	5371010	Solid Waste Utilities	\$16,187
0421	405	Solid Waste & Recycling Operations	5371010	Solid Waste Utilities	\$93
0421	405	Solid Waste & Recycling Operations	5371020	Solid Waste Utilities	\$7,139
0421	405	Solid Waste & Recycling Operations	5371040	Solid Waste Utilities	\$110
0421	405	Solid Waste & Recycling Operations	5371040	Solid Waste Utilities	\$678
0421	405	Solid Waste & Recycling Operations	5371040	Solid Waste Utilities	\$748
0421	405	Solid Waste & Recycling Operations	5376040	Solid Waste Utilities	\$9,960
0421	405	Solid Waste & Recycling Operations	5378040	Solid Waste Utilities	\$4,443
0421	451	ULID #6 Bond Redemption	5081000	Reserved Cash and Investments - Ending	\$4,856,802
0421	451	ULID #6 Bond Redemption	5351040	Sewer/Reclaimed Water Utilities	\$13,567
0421	451	ULID #6 Bond Redemption	5351040	Sewer/Reclaimed Water Utilities	\$63,141
0421	451	ULID #6 Bond Redemption	5913570	Debt Repayment - Sewer/Reclaimed Water Utilities	\$850,000
0421	451	ULID #6 Bond Redemption	5913570	Debt Repayment - Sewer/Reclaimed Water Utilities	\$20,000
0421	451	ULID #6 Bond Redemption	5923580	Interest and Other Debt Service Cost - Sewer/Reclaimed Water Utilities	\$198,150
0421	451	ULID #6 Bond Redemption	5923580	Interest and Other Debt Service Cost - Sewer/Reclaimed Water Utilities	\$319,134
0421	451	ULID #6 Bond Redemption	5923580	Interest and Other Debt Service Cost - Sewer/Reclaimed Water Utilities	\$9,971

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	452	ULID#6 Bond Reserve	5081000	Reserved Cash and Investments - Ending	\$1,258,571
0421	501	Equipment Operations	5486810	Equipment Rental Services	\$85,043
0421	501	Equipment Operations	5486810	Equipment Rental Services	\$2,095
0421	501	Equipment Operations	5486820	Equipment Rental Services	\$30,359
0421	501	Equipment Operations	5486820	Equipment Rental Services	\$670
0421	501	Equipment Operations	5486830	Equipment Rental Services	\$7,180
0421	501	Equipment Operations	5486830	Equipment Rental Services	\$27,543
0421	501	Equipment Operations	5486830	Equipment Rental Services	\$1,343
0421	501	Equipment Operations	5486840	Equipment Rental Services	\$1,200
0421	501	Equipment Operations	5486840	Equipment Rental Services	\$587
0421	501	Equipment Operations	5486840	Equipment Rental Services	\$3,227
0421	501	Equipment Operations	5486840	Equipment Rental Services	\$72
0421	501	Equipment Operations	5486840	Equipment Rental Services	\$1,173
0421	501	Equipment Operations	5486840	Equipment Rental Services	\$639
0421	501	Equipment Operations	5486840	Equipment Rental Services	\$241
0421	501	Equipment Operations	5486840	Equipment Rental Services	\$1,083
0421	501	Equipment Operations	5486840	Equipment Rental Services	\$3,885
0421	501	Equipment Operations	5486840	Equipment Rental Services	\$4,300
0421	501	Equipment Operations	5486840	Equipment Rental Services	\$32,196
0421	501	Equipment Operations	5486840	Equipment Rental Services	\$17,397
0421	501	Equipment Operations	5486840	Equipment Rental Services	\$214

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	501	Equipment Operations	5486840	Equipment Rental Services	\$1,891
0421	501	Equipment Operations	5486850	Equipment Rental Services	\$1,315
0421	501	Equipment Operations	5914870	Debt Repayment - Public Works Centralized Services	\$24,117
0421	501	Equipment Operations	5924880	Interest and Other Debt Service Cost - Public Works Centralized Services	\$7,472
0421	501	Equipment Operations	5924880	Interest and Other Debt Service Cost - Public Works Centralized Services	\$34
0421	501	Equipment Operations	5188810	Information Technology Services	\$14,314
0421	501	Equipment Operations	5188810	Information Technology Services	\$264
0421	501	Equipment Operations	5188820	Information Technology Services	\$5,367
0421	501	Equipment Operations	5188830	Information Technology Services	\$31
0421	501	Equipment Operations	5188830	Information Technology Services	\$1,197
0421	501	Equipment Operations	5188840	Information Technology Services	\$91
0421	501	Equipment Operations	5188840	Information Technology Services	\$11,160
0421	501	Equipment Operations	5188840	Information Technology Services	\$4,015
0421	501	Equipment Operations	5188840	Information Technology Services	\$2,141
0421	501	Equipment Operations	5188840	Information Technology Services	\$3
0421	501	Equipment Operations	5188840	Information Technology Services	\$427
0421	501	Equipment Operations	5188840	Information Technology Services	\$40,841
0421	501	Equipment Operations	5188840	Information Technology Services	\$70,504
0421	501	Equipment Operations	5188840	Information Technology Services	\$135

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	501	Equipment Operations	5941860	Capital Expenditures/Expenses - Centralized/General Services	\$8,492
0421	502	Equipment Reserve	5088000	Unreserved Cash and Investments - Ending	\$493,424
0421	502	Equipment Reserve	5944860	Capital Expenditures/Expenses - Public Works Centralized Services	\$14,987
0421	502	Equipment Reserve	5944860	Capital Expenditures/Expenses - Public Works Centralized Services	\$4,422
0421	502	Equipment Reserve	5944860	Capital Expenditures/Expenses - Public Works Centralized Services	\$5,159
0421	502	Equipment Reserve	5941860	Capital Expenditures/Expenses - Centralized/General Services	\$2,804
0421	502	Equipment Reserve	5941860	Capital Expenditures/Expenses - Centralized/General Services	\$2,591
0421	502	Equipment Reserve	5941860	Capital Expenditures/Expenses - Centralized/General Services	\$1,571
0421	502	Equipment Reserve	5941860	Capital Expenditures/Expenses - Centralized/General Services	\$1,290
0421	502	Equipment Reserve	5941860	Capital Expenditures/Expenses - Centralized/General Services	\$10
0421	635	Treasurers Trust	5081000	Reserved Cash and Investments - Ending	\$91,887
0421	635	Treasurers Trust	5081000	Reserved Cash and Investments - Ending	\$1,357
0421	635	Treasurers Trust	5860000	Court Remittances	\$139,169
0421	635	Treasurers Trust	5860000	Court Remittances	\$1,735
0421	635	Treasurers Trust	5860000	Court Remittances	\$188

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	635	Treasurers Trust	5081000	Reserved Cash and Investments - Ending	\$5,000
0421	635	Treasurers Trust	5081000	Reserved Cash and Investments - Ending	\$559
0421	635	Treasurers Trust	5081000	Reserved Cash and Investments - Ending	\$300
0421	635	Treasurers Trust	5081000	Reserved Cash and Investments - Ending	\$10,678
0421	635	Treasurers Trust	5081000	Reserved Cash and Investments - Ending	\$23,660
0421	635	Treasurers Trust	5081000	Reserved Cash and Investments - Ending	\$11,570
0421	690	Transportation Benefit District (TBD)	5081000	Reserved Cash and Investments - Ending	\$942,005
0421	690	Transportation Benefit District (TBD)	5433040	General Services	\$1,200
0421	690	Transportation Benefit District (TBD)	5433050	General Services	\$5,487
0421	690	Transportation Benefit District (TBD)	5449050	Operations Administration and Overhead	\$148,400
0421	690	Transportation Benefit District (TBD)	5081000	Reserved Cash and Investments - Ending	(\$23,993)
0421	690	Transportation Benefit District (TBD)	5956460	Capital Expenditures/Expenses - Traffic Control Devices	\$5,163
0421	690	Transportation Benefit District (TBD)	5081000	Reserved Cash and Investments - Ending	\$126,262
0421	690	Transportation Benefit District (TBD)	5956460	Capital Expenditures/Expenses - Traffic Control Devices	\$140,819
0421	690	Transportation Benefit District (TBD)	5956460	Capital Expenditures/Expenses - Traffic Control Devices	\$20,010
0421	690	Transportation Benefit District (TBD)	5956460	Capital Expenditures/Expenses - Traffic Control Devices	\$4,568
0421	690	Transportation Benefit District (TBD)	5956460	Capital Expenditures/Expenses - Traffic Control Devices	\$34,999

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**SCHEDULE OF DISBURSEMENT ACTIVITY  
For the Year Ending December 31, 2016**

Fund No.	Fund Title	Beginning Outstanding Items 01/01/2016	Issued During the Year	Redeemed During the Year	Canceled During the Year	Ending Outstanding Items 12/31/2016	Prior Year Open Period Items	Current Year Open Period Items	Disbursements 12/31/2016
001	General Fund	\$11,641	\$6,276,660	\$6,273,425	\$0	\$14,875	\$210,851	\$237,872	\$6,303,681
102	Capital Streets	\$166	\$43,845	\$43,825	\$0	\$186	\$11	\$14	\$43,848
103	Streets Overlay	\$0	\$320,412	\$320,412	\$0	\$0	\$0	\$213	\$320,625
106	Impact Fees & Mitigation	\$0	\$120,295	\$120,295	\$0	\$0	\$0	\$0	\$120,295
107	Hotel/Motel Tax	\$0	\$14,000	\$14,000	\$0	\$0	\$0	\$0	\$14,000
116	Park Capital Improvement	\$0	\$15,807	\$15,807	\$0	\$0	\$0	\$0	\$15,807
125	Development Projects (CED)	\$755	\$710,044	\$707,334	\$0	\$3,465	\$42,507	\$1,277	\$668,813
216	2011 Fire Station Bond Redempt	\$0	\$181,275	\$181,275	\$0	\$0	\$0	\$0	\$181,275
217	2012 LTGO (TBD) Bond Redempt	\$0	\$145,575	\$145,575	\$0	\$0	\$0	\$0	\$145,575
218	2015 LTGO Bond Redemption Fund	\$0	\$193,900	\$193,900	\$0	\$0	\$0	\$0	\$193,900
219	2016 LTGP (LOC) Bond Redemption	\$0	\$10,719	\$10,719	\$0	\$0	\$0	\$1,952	\$12,671
310	Municipal Projects	\$0	\$925,712	\$905,409	\$0	\$20,303	\$13,543	\$64,888	\$977,057
320	Capital Improvement (REET)	\$0	\$31,623	\$31,623	\$0	\$0	\$0	\$0	\$31,623
401	Water Operations	\$5,678	\$1,458,098	\$1,456,232	\$0	\$7,545	\$45,511	\$14,549	\$1,427,136
402	Sewer Operations	\$4,470	\$2,454,353	\$2,453,405	\$0	\$5,418	\$87,327	\$37,065	\$2,404,091
404	Storm & FLOOD Operations	\$2,681	\$792,882	\$789,734	\$0	\$5,829	\$1,708	\$10,013	\$801,187
405	Solid Waste & Recycling Operations	\$184	\$41,476	\$41,457	\$0	\$203	\$1,650	\$8	\$39,834
451	ULID #6 Bond Redemption	\$0	\$1,424,632	\$1,424,317	\$0	\$315	\$0	\$6,051	\$1,430,683
501	Equipment Operations	\$1,463	\$417,923	\$417,862	\$0	\$1,524	\$22,563	\$14,461	\$409,822
502	Equipment Reserve	\$0	\$35,414	\$35,414	\$0	\$0	\$2,721	\$140	\$32,834
635	Treasurers Trust	\$0	\$141,271	\$141,271	\$0	\$0	\$294	\$115	\$141,092
690	Transportation Benefit District (TBD)	\$0	\$116,864	\$116,242	\$0	\$622	\$0	\$61,243	\$178,106
<b>TOTAL</b>		<b>\$27,038</b>	<b>\$15,872,778</b>	<b>\$15,839,531</b>	<b>\$0</b>	<b>\$60,285</b>	<b>\$428,685</b>	<b>\$449,861</b>	<b>\$15,893,954</b>

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**City of North Bend  
Schedule of Liabilities  
For the Year Ended December 31, 2016**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
<b>General Obligation Debt/Liabilities</b>						
251.11	2016 Non-Voted LTGO Bond (LOC)	8/10/2019	-	463,505	-	463,505
251.11	2012 Non-Voted LTGO Bonds (TBD)	12/1/2021	805,000	-	125,000	680,000
251.11	GO Refunding Bonds - 2015 LTGO	12/1/2026	1,755,356	-	140,055	1,615,301
251.21	GO Refunding Bonds - 2015 LTGO	12/1/2026	124,644	-	9,945	114,699
251.22	2011 Voted UTGO Bonds (Fire Station)	12/1/2030	1,905,000	-	100,000	1,805,000
263.98	Compensated Absences - Governmental Funds		129,922	10,461	-	140,383
<b>Total General Obligation Debt/Liabilities:</b>			<b>4,719,922</b>	<b>473,966</b>	<b>375,000</b>	<b>4,818,888</b>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
263.82	SRF - SOE - I&I Project - Phase I	7/1/2018	176,969	-	56,442	120,527
252.11	Revenue Bonds - 2010 Water & Sewer Refunding	9/1/2021	1,450,000	-	215,000	1,235,000
263.82	SRF - DOE - I&I Project - Phase II	1/1/2024	299,965	-	35,564	264,401
263.82	DOE - CCWF - WWTP Phase 2 (A,B & C)	1/1/2024	1,252,754	-	131,021	1,121,733
252.11	Revenue Bonds - Storm Capital Projects	9/1/2026	70,000	-	70,000	-
263.82	PWTF Loan - Water Source Development	9/1/2026	1,424,761	-	129,524	1,295,237
263.82	SRF Loan - Drinking H2O - CT Piping	9/1/2026	130,970	-	11,906	119,064
263.82	PWTF Loan - 415th Ave SE - Water Main Replacement	6/1/2032	1,076,288	-	63,311	1,012,977
252.11	Revenue Bonds - 2012 ULID #6	8/1/2032	5,710,000	-	850,000	4,860,000
252.11	Revenue Bonds - 2015 Storm Capital Projects Refunding	8/1/2032	850,000	-	20,000	830,000
252.11	Revenue Bonds - 2015 Refunding (2012 ULID #6)	8/1/2032	8,395,000	-	20,000	8,375,000
259.12	Compensated Absences - Proprietary Funds		93,100	29,514	-	122,614
264.30	Net Pension Liability		2,194,269	656,500	-	2,850,769
<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>			<b>23,124,076</b>	<b>686,014</b>	<b>1,602,768</b>	<b>22,207,322</b>
<b>Total Liabilities:</b>			<b>27,843,998</b>	<b>1,159,980</b>	<b>1,977,768</b>	<b>27,026,210</b>

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**City of North Bend  
SCHEDULE OF CASH ACTIVITY**

For the Year Ended December 31, 2016

Fund Number	Fund Title	Beginning Cash and Investments	Receipts	Transfers-In	Other Revenue	Netted Transactions
001	General Fund	\$1,244,251.81	\$6,687,209.30	\$270,702.35	\$79,384.13	\$7,759.38
102	Capital Streets	\$13,544.66	\$44,724.84	\$129,461.53	\$10,215.22	\$0.00
103	Streets Overlay	\$115,762.58	\$2,316.12	\$150,000.00	\$118,876.29	\$0.00
106	Impact Fees & Mitigation	\$1,045,992.91	\$491,008.98	\$0.00	\$11,755.74	\$0.00
107	Hotel/Motel Tax	\$7,784.53	\$13,225.37	\$0.00	\$0.00	\$0.00
116	Park Capital Improvement	\$67,400.05	\$31,210.22	\$0.00	\$0.00	\$0.00
125	Development Projects (CED)	\$162,587.64	\$1,064,392.36	\$0.00	\$0.00	\$2,000.00
215	2010 LTGO Debt Service (Credit Line & Tollgate)	\$0.00	\$275.41	\$0.00	\$0.00	\$275.41
216	2011 Fire Station Bond Redempt	\$179,867.65	\$182,331.80	\$0.00	\$0.00	\$0.00
217	2012 LTGO (TBD) Bond Redempt	\$11,796.54	\$254.20	\$0.00	\$148,400.04	\$0.00
218	2015 LTGO Bond Redemption Fund	\$0.00	\$0.19	\$193,623.91	\$275.41	\$0.00
219	2016 LTGP (LOC) Bond Redemption Fund	\$0.00	\$437,715.86	\$3,340.06	\$0.00	(\$26,000.00)
240	PWTF Loan Debt Service	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
310	Municipal Projects	\$1,071,267.30	\$198,190.48	\$686,405.49	\$160,528.29	\$1,124.69
320	Capital Improvement (REET)	\$813,000.24	\$561,142.19	\$0.00	\$0.00	\$0.00
401	Water Operations	\$2,308,697.40	\$2,050,392.53	\$0.00	\$430.00	\$8,333.81
402	Sewer Operations	\$1,178,256.99	\$2,258,114.41	\$428,384.74	\$49,126.35	\$7,733.59
404	Storm & FLOOD Operations	\$1,273,906.70	\$880,593.92	\$0.00	\$0.00	\$505.76
405	Solid Waste & Recycling Operations	\$194,633.71	\$121,216.28	\$0.00	\$609.01	\$42.11
450	ULID #6 Construction	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
451	ULID #6 Bond Redemption	\$2,572,461.41	\$3,763,895.93	\$0.00	\$0.00	\$5,592.38
452	ULID#6 Bond Reserve	\$1,252,754.99	\$5,816.25	\$0.00	\$0.00	\$0.00
501	Equipment Operations	\$0.00	\$144.70	\$0.00	\$414,253.92	\$144.70
502	Equipment Reserve	\$422,082.50	\$0.00	\$0.00	\$104,175.00	\$0.00
635	Treasurers Trust	\$62,680.33	\$223,395.54	\$0.00	\$26.56	\$16,981.72
690	Transportation Benefit District (TBD)	\$910,349.67	\$494,571.40	\$0.00	\$0.00	\$0.00
699	Investments	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>TOTAL</b>		<b>\$14,909,079.61</b>	<b>\$19,512,138.28</b>	<b>\$1,861,918.08</b>	<b>\$1,098,055.96</b>	<b>\$24,493.55</b>

**City of North Bend  
SCHEDULE OF CASH ACTIVITY**

For the Year Ended December 31, 2016

Total Increase (4+5+6-7)	Disbursements	Transfers-Out	Other Expenditures	Total Decrease (9+10+11-7)	Ending Cash & Investments (3+8-12)
\$7,029,536.40	\$6,303,680.76	\$361,720.12	\$280,202.64	\$6,937,844.14	\$1,335,944.07
\$184,401.59	\$43,847.73	\$122,904.22	\$679.68	\$167,431.63	\$30,514.62
\$271,192.41	\$320,624.64	\$0.00	\$1,950.00	\$322,574.64	\$64,380.35
\$502,764.72	\$120,294.89	\$445,076.49	\$0.00	\$565,371.38	\$983,386.25
\$13,225.37	\$14,000.00	\$0.00	\$0.00	\$14,000.00	\$7,009.90
\$31,210.22	\$15,806.93	\$0.00	\$0.00	\$15,806.93	\$82,803.34
\$1,062,392.36	\$668,813.48	\$270,702.35	\$1,906.20	\$939,422.03	\$285,557.97
\$0.00	\$0.00	\$0.00	\$275.41	\$0.00	\$0.00
\$182,331.80	\$181,275.00	\$0.00	\$269.71	\$181,544.71	\$180,654.74
\$148,654.24	\$145,575.00	\$0.00	\$0.00	\$145,575.00	\$14,875.78
\$193,899.51	\$193,899.51	\$0.00	\$0.00	\$193,899.51	\$0.00
\$467,055.92	\$12,671.18	\$428,384.74	\$0.00	\$467,055.92	\$0.00
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$1,043,999.57	\$977,056.67	\$0.00	\$224,764.67	\$1,200,696.65	\$914,570.22
\$561,142.19	\$31,623.02	\$177,878.99	\$0.00	\$209,502.01	\$1,164,640.42
\$2,042,488.72	\$1,427,135.88	\$16,394.55	\$116,116.02	\$1,551,312.64	\$2,799,873.48
\$2,727,891.91	\$2,404,091.48	\$19,734.61	\$79,338.61	\$2,495,431.11	\$1,410,717.79
\$880,088.16	\$801,186.67	\$19,122.01	\$129,517.76	\$949,320.68	\$1,204,674.18
\$121,783.18	\$39,833.62	\$0.00	\$27,045.51	\$66,837.02	\$249,579.87
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
\$3,758,303.55	\$1,430,683.17	\$0.00	\$48,872.35	\$1,473,963.14	\$4,856,801.82
\$5,816.25	\$0.00	\$0.00	\$0.00	\$0.00	\$1,258,571.24
\$414,253.92	\$409,821.86	\$0.00	\$4,576.76	\$414,253.92	\$0.00
\$104,175.00	\$32,833.96	\$0.00	\$0.00	\$32,833.96	\$493,423.54
\$206,440.38	\$141,091.93	\$0.00	\$0.00	\$124,110.21	\$145,010.50
\$494,571.40	\$178,106.34	\$0.00	\$182,540.64	\$360,646.98	\$1,044,274.09
\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>\$22,447,618.77</b>	<b>\$15,893,953.72</b>	<b>\$1,861,918.08</b>	<b>\$1,098,055.96</b>	<b>\$18,829,434.21</b>	<b>\$18,527,264.17</b>

**City of North Bend**  
**SCHEDULE OF STATE FINANCIAL ASSISTANCE (unaudited)**  
**For Fiscal Year ended December 31, 2016**

Grantor	Program Title	Identificaton Number	Amount
State Grant from Department of Ecology			
	State Grant from Department of Ecology	G1400193	4,830
			<b>Sub-total: 4,830</b>
			<b>Grand total: 4,830</b>

Report based on unaudited annual report submissions as of 5/30/2017

Page: 1 of 1

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**City of North Bend**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2016**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
Forest Service, Department Of Agriculture (via Washington Department of Natural Resources)	Cooperative Forestry Assistance	10.664	N/A	328	-	328	-	1,2,7
<b>CDBG - Entitlement Grants Cluster</b>								
Office Of Community Planning And Development, Department Of Housing And Urban Development (via King County Housing Opportunity Funds)	Community Development Block Grants/Entitlement Grants	14.218	5903802	31,616	-	31,616	-	1,2,7
<b>Total CDBG - Entitlement Grants Cluster:</b>				<b>31,616</b>	<b>-</b>	<b>31,616</b>	<b>-</b>	
National Park Service, Department Of The Interior (via WA Recreation & Conservation Office)	Outdoor Recreation_Acquisition, Development and Planning	15.916	12-1470D	5,903	-	5,903	-	1,2,7
<b>Highway Planning and Construction Cluster</b>								
Federal Highway Administration (fhw), Department Of Transportation (via WA State Department of Transportation)	Highway Planning and Construction	20.205	STPUS-17a1 (002)	33,084	-	33,084	-	1,2,7
Federal Highway Administration (fhw), Department Of Transportation (via WA State Department of Transportation)	Highway Planning and Construction	20.205	STPUS-17A1 (001)	(21,225)	-	(21,225)	-	1,2,7
<b>Total Highway Planning and Construction Cluster:</b>				<b>11,859</b>	<b>-</b>	<b>11,859</b>	<b>-</b>	
Federal Emergency Management Agency (fema), Department Of Homeland Security (via Washington State Military)	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	033-49485- 004056-DR-WA	100	-	100	-	1,2,7
<b>Total Federal Awards Expended:</b>				<b>49,806</b>	<b>-</b>	<b>49,806</b>	<b>-</b>	

The accompanying notes are an integral part of this schedule.

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**City of North Bend**

**Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2016**

Note 1 – Basis of Accounting

This schedule is prepared on the same basis of accounting as the City of North Bend's financial statements. The City of North Bend uses the Cash Basis of Accounting and Reporting.

Note 2 – Program Costs

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the City of North Bend's portion, are more than shown. Such expenditures are recognized following, as applicable, either the cost principles in the OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 7 – Indirect Cost Rate

The City of North Bend has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

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MCAG NO. 0421

City of North Bend

Schedule 19

**Labor Relations Consultant(S)  
For the Year Ended December 31, 2016**

Has your government engaged labor relations consultants? \_\_\_ Yes X No

If yes, please provide the following information for each consultant:

Name of firm:
Name of consultant:
Business address:
Amount paid to consultant during fiscal year:
Terms and conditions, as applicable, including:  Rates (e.g., hourly, etc.)  Maximum compensation allowed  Duration of services  Services provided



ANNUAL REPORT  
**CITY OF NORTH BEND, WA**

MCAG # 0421

FINANCE DEPARTMENT  
 211 Main Ave North  
 PO Box 896  
 North Bend, WA 98045

<http://www.northbendwa.gov>

*Submitted pursuant to RCW 43.09.230*

*To The*

STATE AUDITOR'S OFFICE

**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2017**

Certified Correct this 30<sup>th</sup> day of May, 2018

**CITY OF NORTH BEND**  
**2017 ANNUAL FINANCIAL REPORT**

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**CITY OF NORTH BEND**

**DIRECTORY OF OFFICIALS**

**December 31, 2017**

**ELECTED OFFICIALS**

<u>Mayor</u>	<u>TERM</u>	<u>EXPIRATION</u>
Kenneth G. Hearing.....	4 Years .....	12/31/19

**Council Members**

Jonathan Rosen.....	4 Years .....	12/31/19
Alan Gothelf .....	4 Years .....	12/31/21
Trevor Kostanich .....	4 Years .....	12/31/19
Ross Loudenback.....	4 Years .....	12/31/21
Brenden Elwood.....	4 Years .....	12/31/19
Jeanne Pettersen .....	2 Years .....	12/31/21
Martin Volken .....	4 Years .....	12/31/19

**APPOINTED OFFICIALS**

City Administrator.....	Londi Lindell
Deputy City Administrator/Finance Director.....	Dawn Masko
Deputy City Administrator/Public Works Director ....	Mark Rigos
City Attorney .....	Michael Kenyon
Community & Economic Development Director .....	David Miller
Deputy Public Works Director .....	Tom Mohr
Deputy Finance Director .....	Beth Wright
City Engineer .....	Don DeBerg
City Clerk .....	Susie Oppedal
Police .....	City of Snoqualmie
Fire .....	Eastside Fire & Rescue

**City of North Bend  
Fund Resources and Uses Arising from Cash Transactions  
For the Year Ended December 31, 2017**

		<u>Total for All Funds (Memo Only)</u>	<u>001 General Fund</u>	<u>102 Capital Streets</u>	<u>103 Streets Overlay</u>
<b>Beginning Cash and Investments</b>					
30810	Reserved	9,567,066	-	30,515	64,380
30880	Unreserved	7,770,914	1,335,944	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
<b>Revenues</b>					
310	Taxes	7,390,522	6,202,430	-	-
320	Licenses and Permits	677,859	584,901	-	-
330	Intergovernmental Revenues	2,425,299	228,688	45,532	32,239
340	Charges for Goods and Services	10,063,118	381,686	-	-
350	Fines and Penalties	85,712	85,712	-	-
360	Miscellaneous Revenues	3,907,251	41,798	-	-
Total Revenues:		24,549,763	7,525,216	45,532	32,239
<b>Expenditures</b>					
510	General Government	1,547,374	1,411,657	-	-
520	Public Safety	3,302,203	3,302,203	-	-
530	Utilities	4,063,690	-	-	-
540	Transportation	1,242,227	956,607	53,123	-
550	Natural and Economic Environment	1,528,809	637,654	-	-
560	Social Services	39,332	39,332	-	-
570	Culture and Recreation	685,313	587,172	-	-
Total Expenditures:		12,408,949	6,934,625	53,123	-
Excess (Deficiency) Revenues over Expenditures:		12,140,815	590,590	(7,591)	32,239
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	206,253	-	-	-
397	Transfers-In	4,541,766	544,235	136,679	442,715
385	Special or Extraordinary Items	1,164,324	-	-	-
386 / 389	Custodial Activities	221	-	-	-
381, 395, 398	Other Resources	1,421,420	1,049	-	-
Total Other Increases in Fund Resources:		7,333,985	545,283	136,679	442,715
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	8,291,726	101,723	-	539,335
591-593, 599	Debt Service	2,816,907	31,539	-	-
597	Transfers-Out	4,541,766	539,484	129,721	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	886,365	-	-	-
Total Other Decreases in Fund Resources:		16,536,764	672,747	129,721	539,335
<b>Increase (Decrease) in Cash and Investments:</b>		<b>2,938,033</b>	<b>463,127</b>	<b>(633)</b>	<b>(64,381)</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	10,142,116	-	29,882	-
5088000	Unreserved	10,133,899	1,799,072	-	-
<b>Total Ending Cash and Investments</b>		<b>20,276,015</b>	<b>1,799,072</b>	<b>29,882</b>	<b>-</b>

The accompanying notes are an integral part of this statement.

**City of North Bend  
Fund Resources and Uses Arising from Cash Transactions  
For the Year Ended December 31, 2017**

**City of North Bend  
Fund Resources and Uses Arising from Cash Transactions  
For the Year Ended December 31, 2017**

		106 Impact Fees & Mitigation	107 Hotel/Motel Tax	116 Park Capital Improvement	125 Development Projects (CED)
<b>Beginning Cash and Investments</b>					
30810	Reserved	983,386	7,010	82,803	285,558
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
<b>Revenues</b>					
310	Taxes	-	14,143	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	15,552	-
340	Charges for Goods and Services	1,853,638	-	-	1,426,051
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	10,001	-	383	-
Total Revenues:		1,863,639	14,143	15,935	1,426,051
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	7,000	-	884,156
560	Social Services	-	-	-	-
570	Culture and Recreation	98,141	-	-	-
Total Expenditures:		98,141	7,000	-	884,156
Excess (Deficiency) Revenues over Expenditures:		1,765,498	7,142	15,935	541,895
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	65,145	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	1,413,544	-	-	-
Total Other Increases in Fund Resources:		1,478,689	-	-	-
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	1,123,398	-	-	-
591-593, 599	Debt Service	5,649	-	-	-
597	Transfers-Out	1,584,738	7,000	67,014	537,235
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		2,713,785	7,000	67,014	537,235
<b>Increase (Decrease) in Cash and Investments:</b>		<b>530,402</b>	<b>142</b>	<b>(51,079)</b>	<b>4,660</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	1,513,788	7,152	31,724	290,219
5088000	Unreserved	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>1,513,788</b>	<b>7,152</b>	<b>31,724</b>	<b>290,219</b>

		190 Transportation Benefit District	216 2011 Fire Station Bond Redempt	217 2012 LTGO (TBD) Bond Redempt	218 2015 LTGO Bond Redemption
<b>Beginning Cash and Investments</b>					
30810	Reserved	-	180,655	14,876	-
30880	Unreserved	-	-	-	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
<b>Revenues</b>					
310	Taxes	403,317	177,843	-	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	-	-	-
340	Charges for Goods and Services	-	-	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	7,972	1,710	412	-
Total Revenues:		411,289	179,553	412	-
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	-
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	-	-
Excess (Deficiency) Revenues over Expenditures:		411,289	179,553	412	-
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	-	-	132,787	190,801
385	Special or Extraordinary Items	1,164,324	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	-
Total Other Increases in Fund Resources:		1,164,324	-	132,787	190,801
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	293,364	-	-	-
591-593, 599	Debt Service	-	178,775	148,075	190,801
597	Transfers-Out	132,787	-	-	-
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		426,151	178,775	148,075	190,801
<b>Increase (Decrease) in Cash and Investments:</b>		<b>1,149,462</b>	<b>778</b>	<b>(14,876)</b>	<b>0</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	1,149,462	181,433	-	-
5088000	Unreserved	-	-	-	-
<b>Total Ending Cash and Investments</b>		<b>1,149,462</b>	<b>181,433</b>	<b>-</b>	<b>-</b>

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**City of North Bend**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2017**

**City of North Bend**  
**Fund Resources and Uses Arising from Cash Transactions**  
**For the Year Ended December 31, 2017**

		219 2016 LTGP (LOC) Bond Redemption	310 Municipal Projects	320 Capital Improvement (REET)	401 Water Operations
<b>Beginning Cash and Investments</b>					
30810	Reserved	-	441,360	1,164,640	29,865
30880	Unreserved	-	473,210	-	2,770,008
388 / 588	Prior Period Adjustments, Net	-	-	-	-
<b>Revenues</b>					
310	Taxes	-	-	592,791	-
320	Licenses and Permits	-	-	-	-
330	Intergovernmental Revenues	-	2,080,627	-	-
340	Charges for Goods and Services	-	-	-	2,173,696
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	-	134,517	11,579	710,058
Total Revenues:		-	2,215,144	604,370	2,883,754
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	-	-	-	1,532,116
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		-	-	-	1,532,116
Excess (Deficiency) Revenues over Expenditures:		-	2,215,144	604,370	1,351,638
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	206,253	-	-	-
397	Transfers-In	17,263	2,605,969	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	-	-	-	-
381, 395, 398	Other Resources	-	-	-	3,376
Total Other Increases in Fund Resources:		223,516	2,605,969	-	3,376
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	-	5,261,980	-	286,642
591-593, 599	Debt Service	17,263	-	31,539	249,607
597	Transfers-Out	206,253	473,703	423,348	87,935
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	725,000	161,365
Total Other Decreases in Fund Resources:		223,516	5,735,683	1,179,887	785,549
<b>Increase (Decrease) in Cash and Investments:</b>		<b>0</b>	<b>(914,570)</b>	<b>(575,517)</b>	<b>569,465</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	-	(399)	589,123	29,865
5088000	Unreserved	-	399	-	3,339,473
<b>Total Ending Cash and Investments</b>		<b>-</b>	<b>-</b>	<b>589,123</b>	<b>3,369,338</b>

		402 Sewer Operations	404 Storm & FLOOD Operations	405 Solid Waste & Recycling Operations	451 ULID #6 Bond Redemption
<b>Beginning Cash and Investments</b>					
30810	Reserved	73,103	93,541	-	4,856,802
30880	Unreserved	1,337,615	1,111,133	249,580	-
388 / 588	Prior Period Adjustments, Net	-	-	-	-
<b>Revenues</b>					
310	Taxes	-	-	-	-
320	Licenses and Permits	-	14,938	78,020	-
330	Intergovernmental Revenues	-	-	22,662	-
340	Charges for Goods and Services	2,663,603	851,987	-	-
350	Fines and Penalties	-	-	-	-
360	Miscellaneous Revenues	1,329,195	211,064	2,437	1,429,530
Total Revenues:		3,992,797	1,077,989	103,119	1,429,530
<b>Expenditures</b>					
510	General Government	-	-	-	-
520	Public Safety	-	-	-	-
530	Utilities	1,717,010	747,264	53,177	14,124
540	Transportation	-	-	-	-
550	Natural and Economic Environment	-	-	-	-
560	Social Services	-	-	-	-
570	Culture and Recreation	-	-	-	-
Total Expenditures:		1,717,010	747,264	53,177	14,124
Excess (Deficiency) Revenues over Expenditures:		2,275,788	330,725	49,942	1,415,406
<b>Other Increases in Fund Resources</b>					
391-393, 596	Debt Proceeds	-	-	-	-
397	Transfers-In	206,253	-	-	-
385	Special or Extraordinary Items	-	-	-	-
386 / 389	Custodial Activities	221	-	-	-
381, 395, 398	Other Resources	3,452	-	-	-
Total Other Increases in Fund Resources:		209,926	-	-	-
<b>Other Decreases in Fund Resources</b>					
594-595	Capital Expenditures	556,919	99,581	-	-
591-593, 599	Debt Service	389,884	154,167	-	1,388,068
597	Transfers-Out	105,198	47,433	-	199,918
585	Special or Extraordinary Items	-	-	-	-
586 / 589	Custodial Activities	-	-	-	-
581	Other Uses	-	-	-	-
Total Other Decreases in Fund Resources:		1,052,001	301,180	-	1,587,986
<b>Increase (Decrease) in Cash and Investments:</b>		<b>1,433,713</b>	<b>29,545</b>	<b>49,942</b>	<b>(172,580)</b>
<b>Ending Cash and Investments</b>					
5081000	Reserved	73,103	93,541	-	4,684,222
5088000	Unreserved	2,771,327	1,140,678	299,523	-
<b>Total Ending Cash and Investments</b>		<b>2,844,430</b>	<b>1,234,219</b>	<b>299,523</b>	<b>4,684,222</b>

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**City of North Bend  
Fund Resources and Uses Arising from Cash Transactions  
For the Year Ended December 31, 2017**

		452 ULID#6 Bond Reserve	501 Equipment Operations	502 Equipment Reserve
<b>Beginning Cash and Investments</b>				
30810	Reserved	1,258,571	-	-
30880	Unreserved	-	-	493,424
388 / 588	Prior Period Adjustments, Net	-	-	-
<b>Revenues</b>				
310	Taxes	-	-	-
320	Licenses and Permits	-	-	-
330	Intergovernmental Revenues	-	-	-
340	Charges for Goods and Services	-	409,639	302,818
350	Fines and Penalties	-	-	-
360	Miscellaneous Revenues	10,511	-	6,083
Total Revenues:		10,511	409,639	308,901
<b>Expenditures</b>				
510	General Government	-	135,717	-
520	Public Safety	-	-	-
530	Utilities	-	-	-
540	Transportation	-	232,497	-
550	Natural and Economic Environment	-	-	-
560	Social Services	-	-	-
570	Culture and Recreation	-	-	-
Total Expenditures:		-	368,214	-
Excess (Deficiency) Revenues over Expenditures:		10,511	41,425	308,901
<b>Other Increases in Fund Resources</b>				
391-393, 596	Debt Proceeds	-	-	-
397	Transfers-In	199,918	-	-
385	Special or Extraordinary Items	-	-	-
386 / 389	Custodial Activities	-	-	-
381, 395, 398	Other Resources	-	-	-
Total Other Increases in Fund Resources:		199,918	-	-
<b>Other Decreases in Fund Resources</b>				
594-595	Capital Expenditures	-	9,886	18,899
591-593, 599	Debt Service	-	31,539	-
597	Transfers-Out	-	-	-
585	Special or Extraordinary Items	-	-	-
586 / 589	Custodial Activities	-	-	-
581	Other Uses	-	-	-
Total Other Decreases in Fund Resources:		-	41,425	18,899
<b>Increase (Decrease) in Cash and Investments:</b>		<b>210,429</b>	<b>(0)</b>	<b>290,002</b>
<b>Ending Cash and Investments</b>				
5081000	Reserved	1,469,001	-	-
5088000	Unreserved	-	-	783,426
<b>Total Ending Cash and Investments</b>		<b>1,469,001</b>	<b>-</b>	<b>783,426</b>

**City of North Bend  
Fiduciary Fund Resources and Uses Arising from Cash Transactions  
For the Year Ended December 31, 2017**

		Total for All Funds (Memo Only)	Agency
308	Beginning Cash and Investments	1,189,285	1,189,285
388 & 588	Prior Period Adjustment, Net	-	-
310-390	Additions	159,968	159,968
510-590	Deductions	1,130,987	1,130,987
Net Increase (Decrease) in Cash and Investments:		(971,019)	(971,019)
508	Ending Cash and Investments	218,265	218,265

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**CITY OF NORTH BEND**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of North Bend was incorporated on March 12, 1909 and operates under the laws of the State of Washington applicable to a Code City with a Mayor-Council form of government. The City is a general purpose government and provides a broad range of general government services including planning and community development, street maintenance and improvements, parks and recreation, public works, solid waste and recycling, and general administrative services. The City contracts for police services with the City of Snoqualmie. Fire services are provided through a partnership with Eastside Fire and Rescue. In addition, the City owns and operates water, sewer and storm water utility systems.

The City of North Bend reports financial activity in accordance with the *Cash Basis Budgeting, Accounting, and Reporting System* (BARS) Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are not presented using the classifications defined in GAAP.

**A. Fund Accounting**

Financial transactions of the City of North Bend are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The City's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements. The following fund types are used by the City of North Bend:

**GOVERNMENTAL FUND TYPES:**

**General Fund**

This fund is the primary operating fund of the City of North Bend. It accounts for all financial resources except those required or elected to be accounted for in another fund.

**Special Revenue Funds**

These funds account for specific revenue sources that are restricted or committed to expenditures for specified purposes of the City of North Bend.

**Debt Service Funds**

These funds account for the financial resources that are restricted, committed, or assigned to expenditures for principal, interest and related costs on general long-term debt.

**Capital Projects Funds**

These funds account for financial resources which are restricted, committed, or assigned for the acquisition or construction of capital facilities or other capital assets.

**PROPRIETARY FUND TYPES:**

**Enterprise Funds**

These funds account for operations that provide goods or services to the general public and are supported primarily through user charges.

**Internal Service Funds**

These funds account for operations that provide goods or services to other departments or funds of the City of North Bend on a cost reimbursement basis.

**FIDUCIARY FUND TYPES:**

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

**Agency Funds**

These funds are used to account for assets that the City of North Bend holds on behalf of others in a custodial capacity.

**B. Basis of Accounting and Measurement Focus**

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

In accordance with state law the City of North Bend also recognizes expenditures paid during twenty days after the close of the fiscal year for claims incurred during the previous period.

**C. Budgets**

The City of North Bend adopts biennial appropriated budgets for all governmental funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. The biennial budget is implemented as two, one-

year financial plans, therefore all appropriations for these funds lapse at the fiscal year end.

Biennial appropriated budgets are adopted on the same basis of accounting as used for financial reporting.

2017 was the first year of the 2017-2018 Biennium. The budget amounts shown in the financial statements reflect that portion of the total appropriation that was authorized for fiscal year 2017. The appropriated and actual expenditures for the legally adopted budgets were as follows:

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
General Fund	\$7,869,418	\$7,480,392	\$389,026
Streets Operations Fund	814,886	770,263	44,623
Capital Streets Fund	185,736	182,844	2,892
Streets Overlay Fund	841,234	539,334	301,900
Impact Fees & Mitigation Fund	3,475,189	2,811,926	663,263
Hotel/Motel Tax Fund	14,000	14,000	-
Economic Development Fund	222,691	179,808	42,883
Park Capital Improvement Fund	466,995	67,014	399,981
Development Projects (CED) Fund	1,550,000	1,421,390	128,610
Transportation Benefit District	455,217	426,151	29,066
2011 Fire Station Bond Redemption Fund	179,100	178,775	325
2012 LTGO (TBD) Bond Redemption Fund	148,400	148,075	325
2015 LTGO Bond Redemption Fund	191,723	190,801	922
2016 LTGO (LOC) Bond Fund	2,426,500	223,516	2,202,984
Municipal Projects Fund	5,855,643	5,735,683	119,960
Capital Improvement Fund	1,481,988	1,179,887	302,101
Water Operations & Capital Fund	3,023,368	2,317,665	705,703
Sewer Operations & Capital Fund	4,662,784	2,769,011	1,893,773
Storm Operations & Capital Fund	958,373	851,424	106,949
Flood Operations Fund	215,043	197,020	18,023
Solid Waste & Recycling Operations Fund	59,982	53,177	6,805
ULID #6 Revenue Bond Redemption Fund	1,637,918	1,602,110	35,808
Equipment Operations Fund	319,467	264,036	55,431
Technology Operations Fund	190,698	145,603	45,095
Equipment Reserve Fund	13,379	13,363	16
Technology Reserve Fund	16,150	5,536	10,614
<b>Total All Funds</b>	<b>\$37,275,882</b>	<b>\$29,768,804</b>	<b>\$7,507,078</b>

Budgeted amounts are authorized to be transferred between departments within any fund; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the City of North Bend's legislative body. The budget

amounts shown in the financial statements are the final authorized amounts as revised during the year by ordinance by a majority vote of the City Council.

**D. Cash and Investments**

See Note 2 - *Deposits and Investments*.

**E. Capital Assets**

Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of 5 years. Capital assets and inventory are recorded as capital expenditures when purchased.

**F. Compensated Absences**

The amount of vacation leave that may be accumulated depends on bargaining unit contracts or if an employee is non-represented. All accumulated vacation leave is payable upon separation or retirement up to the maximum limit.

1. Non-represented employees may accumulate up to one year's vacation leave based on their years of service up to a maximum of 200 hours.
2. Employees represented by a bargaining unit may accumulate up to one year's vacation leave based on their years of service up to a maximum of 160 hours.

Sick leave may be accumulated up to a maximum of 960 hours. Upon separation of employment, employees shall be compensated for any accrued sick leave at 25% of the accrued sick leave value based on the final rate of pay of the employee, except for Public Works employees represented by Local Union No. 763 who will be compensated for any accrued sick leave at 25% of the accrued sick leave value up to a maximum of 160 hours.

Compensatory hours accrued by non-exempt employees will be paid at the overtime rate of 1.5 times the employee's regular rate of pay upon separation of employment.

All leave payments are recognized as expenditures when paid.

**G. Long-Term Debt**

See Note 5 - *Debt Service Requirements*.

**H. Reserved Portion of Ending Cash and Investments**

Beginning and Ending Cash and Investments is reported as reserved when it is subject to restrictions on use imposed by external parties or due to internal commitments established by ordinance or resolution of the City Council. When expenditures that meet restrictions are incurred, the City of North Bend intends to use reserved resources first before using unreserved amounts.

Reservations of Ending Cash and Investments at the end of 2017 in the amount of \$10,360,780 consist of:

102	Capital Streets	Legislative Restriction – Tax & City Council Ordinance 1249 (Capital Streets)	\$29,882
106	Impact Fees & Mitigation	Legislative Restriction & Developer Agreements	1,513,788
107	Hotel/Motel Tax	Legislative Restriction – Tax	7,152
116	Park Capital Improvement	Legislative Restriction – Tax & Grant Restrictions	31,724
125	Development Projects (CED)	Developer Agreements	290,219
190	Transportation Benefit District	Legislative Restriction – Tax	1,149,462
216	2011 Fire Station Bond	Legislative Restriction – Tax	181,433
320	Capital Improvements (REET)	Legislative Restriction – Tax	589,123
401	Water Operations	Bond Restriction	29,865
402	Sewer Operations	Bond Restriction	73,103
404	Storm & Flood Operations	Bond Restriction	93,541
451	ULID #6 Bond Redemption	Bond Restriction	4,684,222
452	ULID #6 Bond Reserve	Bond Restriction	1,469,001
635	Treasurers Trust	Trust Restriction	218,265

**NOTE 2 – DEPOSITS AND INVESTMENTS**

It is the City of North Bend’s policy to invest all temporary cash surpluses. The interest on these investments is prorated to the various funds, with the exception of certain Special Revenue Funds, in accordance with the City’s Financial Policies.

All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation (FDIC) and/or the Washington Public Deposit Protection Commission (WPDPC). All investments are insured, registered or held by the City of North Bend or its agent in the City of North Bend’s name.

Investments are reported at fair value. Investments by type at December 31, 2017 are as follows:

Type of Investment	City of North Bend’s Total Investments
State Treasurer’s Local Investment Pool (L.G.I.P.)	\$ 5,832,954
Opus Bank Public Interest Accounts	10,140,368
Certificate of Deposits (CD)	503,123
U.S. Government Securities	<u>1,302,920</u>
<b>Total</b>	<b><u>\$17,779,365</u></b>

**NOTE 3 - PROPERTY TAX**

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

Property tax revenues are recognized when cash is received by the City of North Bend. Delinquent taxes are considered fully collectible because a lien affixes to the property after tax is levied.

The City of North Bend’s regular levy for the year 2017 was \$1.28559 per \$1,000 on an assessed valuation of \$1,193,543,129 for a total regular levy of \$1,530,103.

In 2017, the City of North Bend also levied \$0.15107 per \$1,000 for construction of a new Fire Station for a total additional levy of \$179,140.

**NOTE 4 – INTERFUND LOANS**

The following table displays interfund loan activity during 2017:

Borrowing Fund	Lending Fund	Balance 1/01/2017	New Loans	Repayments	Balance 12/31/2017
Impact Fees (106)	Capital Improvement (320)	\$ 0	\$ 725,000	\$ 0	\$ 725,000
* Impact Fees (106)	Water (401)	0	161,365	0	161,365
<b>TOTALS</b>		<b>\$ 0</b>	<b>\$ 886,365</b>	<b>\$ 0</b>	<b>\$ 886,365</b>

\*Note: This Interfund Loan has a maximum authorized amount of \$500,000 per Ordinance #1648.

**NOTE 5 – DEBT SERVICE REQUIREMENTS**

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the City of North Bend and summarizes the City’s debt transactions for the year ended December 31, 2016.

The debt service requirements for general obligation bonds, revenue bonds, Public Works Trust Fund loans and State Revolving Fund loans, including both principal and interest, are as follows:

	General Obligation Bonds	Revenue Bonds	Other Debt <sup>1</sup>	Total Debt
2018	606,700	1,761,512	469,793	2,838,005
2019	4,102,250	1,733,263	405,036	6,240,548
2020	536,575	1,689,762	403,893	2,630,230
2021	533,025	1,650,950	402,750	2,586,725
2022	384,010	1,331,750	401,607	2,117,367
2023 – 2027	1,739,440	5,638,150	1,241,775	8,619,365
2028 – 2032	373,250	4,382,650	321,304	5,077,204
<b>TOTALS</b>	<b>\$8,275,250</b>	<b>\$18,188,038</b>	<b>\$3,709,785</b>	<b>\$30,173,073</b>

<sup>1</sup> Other Debt includes Public Works Trust Fund Loans and State Revolving Fund Loans.

**NOTE 6 - PENSION PLANS**

Substantially all City full-time and qualifying part-time employees participate in the Public Employees' Retirement System (PERS) administered by the Washington State Department of Retirement Systems, under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans.

The State Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems, 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  
 PO Box 48380  
 Olympia, WA 98504-8380

Also, The DRS CAFR may be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov).

At June 30, 2017 (the measurement dates of the plans), the City of North Bend's proportionate share of the collective net pension liabilities, as reported on Schedule 09, was as follows:

	Employer Contributions	Allocation %	Liability (Asset)
PERS 1	\$153,682	0.025549%	\$1,212,320
PERS 2/3	200,720	0.032862%	1,141,797

**NOTE 7 – RISK MANAGEMENT**

The City of North Bend is a member of the Association of Washington Cities Risk Management Service Agency (AWC RMSA). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC RMSA was formed on January 1, 1989 when 32 municipalities in the State of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 31, 2017, 99 municipalities/entities participate in the AWC RMSA pool.

The AWC RMSA allows members to establish a program of joint insurance and provides risk management services to all members. All coverages, with the exception of pollution

liability, are on an occurrence basis. The AWC RMSA provides all risk property, comprehensive crime, general liability, automobile liability, police liability, public officials' liability, employee fidelity and faithful performance, pollution liability, and equipment breakdown insurance coverage. Equipment breakdown is included with the property insurance carrier and fidelity (crime) and pollution liability coverages are stand-alone policies, which the AWC RMSA procures for its members. The AWC RMSA also allows members with airports to group purchase airport liability coverage.

Members pay an annual assessment to the AWC RMSA. The AWC RMSA is responsible for payment of all covered causes of loss against the jurisdiction above the stated retention. All members in the AWC RMSA have \$15 million in both per occurrence and aggregate liability limits. For the first \$1 million, AWC RMSA is self-insured for its Self-Insured Retention (SIR) of \$250,000, per occurrence, and is reinsured by Berkley Public Entity for the additional \$750,000. The \$9 million in excess liability coverage limits is provided through an excess liability policy purchased from Argonaut Insurance Company. The \$5 million in excess liability coverage limits above the first layer of excess coverage is purchased from Allied World National Assurance Company. Since AWC RMSA is a cooperative program, there is joint liability among the participating members. The excess property coverage is purchased through Lexington Insurance Company and in 2017, AWC RMSA carried a retention of \$100,000 and limits up to \$250 million. All commercial policies have been purchased through the Pool's broker of record, Aon.

Members contract to remain in the AWC RMSA pool for a minimum of one year and must give a one-year notice before terminating participation. Even after termination, a member is still responsible for contributions to the Pool for any unresolved, unreported, and in-process claims for the period they were signatory to the Interlocal Governmental Agreement.

The AWC RMSA establishes a loss fund for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses.

In accordance with WAC 200.100.02023, the AWC RMSA is governed by a board of directors, which is comprised of elected officials of participating members.

**NOTE 8 – HEALTH & WELFARE**

The City of North Bend is a member of the Association of Washington Cities Employee Benefit Trust Health Care Program (AWC Trust HCP). Chapter 48.62 RCW provides that two or more local government entities may, by Interlocal agreement under Chapter 39.34 RCW, form together or join a pool or organization for the joint purchasing of insurance, and/or joint self-insurance, to the same extent that they may individually purchase insurance, or self-insure.

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The AWC Trust HCP was formed on January 1, 2014 when participating cities, towns, and non-city entities of the AWC Employee Benefit Trust in the State of Washington joined together by signing an Interlocal Governmental Agreement to jointly

self-insure certain health benefit plans and programs for participating employees, their covered dependents and other beneficiaries through a designated account within the Trust.

As of December 31, 2017, 261 cities/towns/non-city entities participate in the AWC Trust HCP.

The AWC Trust HCP allows members to establish a program of joint insurance and provides health and welfare services to all participating members. The AWC Trust HCP pools claims without regard to individual member experience. The pool is actuarially rated each year with the assumption of projected claims run-out for all current members. The AWC Trust HCP includes medical, dental and vision insurance through the following carriers: Kaiser Foundation Health Plan of Washington, Kaiser Foundation Health Plan of Washington Options, Inc., Regence BlueShield, Asuris Northwest Health, Delta Dental of Washington, and Vision Service Plan. Eligible members are cities and towns within the state of Washington. Non-City Entities (public agency, public corporation, intergovernmental agency, or political subdivision within the state of Washington) are eligible to apply for coverage into the AWC Trust HCP, submitting application to the Board of Trustees for review as required in the Trust Agreement.

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. In 2017, the AWC Trust HCP purchased stop loss insurance for Regence/Asuris plans at an Individual Stop Loss (ISL) of \$1.5 million through Life Map, and Kaiser ISL at \$1 million with Companion Life through ASG Risk Management. The aggregate policy is for 200% of expected medical claims.

Participating employers contract to remain in the AWC HCP for a minimum of three years. Participating employers with over 250 employees must provide written notice of termination of all coverage a minimum of 12 months in advance of the termination date, and participating employers with fewer than 250 employees must provide written notice of termination of all coverage a minimum of 6 months in advance of termination date. When all coverage is being terminated, termination will only occur on December 31. Participating employers terminating a group or line of coverage must notify the HCP a minimum of 60 days prior to termination. A participating employer's termination will not obligate that member to past debts, or further contributions to the HCP. Similarly, the terminating member forfeits all rights and interest to the HCP account.

The operations of the Health Care Program are managed by the Board of Trustees or its delegates. The Board of Trustees is comprised of four regionally elected officials from Trust member cities or towns, the Employee Benefit Advisory Committee Chair and Vice Chair, and two appointed individuals from the AWC Board of Directors, who are from Trust member cities or towns. The Trustees or its appointed delegates review and analyze Health Care Program related matters and make operational decisions regarding premium contributions, reserves, plan options and benefits in compliance with Chapter 48.62 RCW. The Board of Trustees has decision authority consistent with the Trust Agreement, Health Care Program policies, Chapter 48.62 RCW and Chapter 200-110-WAC.

The accounting records of the Trust HCP are maintained in accordance with methods prescribed by the State Auditor's office under the authority of Chapter 43.09 RCW. The Trust HCP also follows applicable accounting standards established by the Governmental Accounting Standards

Board ("GASB"). Year-end financial reporting is done on an accrual basis and submitted to the Office of the State Auditor as required by Chapter 200-110 WAC. The audit report for the AWC Trust HCP is available from the Washington State Auditor's office.

**NOTE 9 - OTHER DISCLOSURES**

**A. Related Party Transactions and Joint Ventures:**

- 1) Eastside Fire and Rescue: In 1999, through an Interlocal agreement as provided by RCW 39.34, the consolidation of several agencies created a new Fire and Emergency Medical Services agency called Eastside Fire and Rescue (EF&R). The agencies (principals) joining in this consolidation were King County Fire Protection Districts 10 and 38, and the Cities of Issaquah and North Bend, with the City of Sammamish joining in January 2001. The current Interlocal Agreement, as amended in May 2017, is for a twelve-year period ending December 31, 2026, and then provides for automatic ten-year extensions thereafter. Any party may withdraw at the end of any ten-year term by filing with the other parties a notice of withdrawal in January of the eighth year.

EF&R is a joint venture partnership. The entities retain an equity interest in EF&R based on their support of EF&R operations. As of December 31, 2017, the equity percentage was as follows:

• Fire District No. 10	\$2,148,905	38.44%
• Fire District No. 38	\$366,903	6.56%
• City of Issaquah	\$1,294,010	23.15%
• City of North Bend	\$247,285	4.42%
• City of Sammamish	\$1,533,523	27.43%

EF&R is governed by a Joint Board of Directors which consists of eight Directors appointed from each of the principal's elected officials. The City of Issaquah, City of Sammamish and Fire District 10 are allotted two Board members each; the City of North Bend and Fire District 38 are allotted one Board member each.

The amount of annual contribution for each partner is determined by a funding model agreed upon by all partners and outlined in Exhibit A of the Interlocal Agreement. The funding model utilizes calls for service by first due area of response for each fire station, assessed valuations, and weighted incident types (Fire or EMS), to establish each partner's cost which collectively funds the overall operation. The incident weighting portion of the funding model, which was a revision from the previous funding model, is being phased in gradually over the years 2015 to 2021. Funding formula ratios will be recalculated based upon updated information for the years 2019-2021. Subsequent updates to the formula will occur before May 30<sup>th</sup> of every fourth year, beginning in 2022. Each partner makes monthly payments for their annual operating contribution and an annual payment for their portion of the equipment replacement fund and facilities maintenance fund.

Complete audited financial statements for Eastside Fire & Rescue can be obtained at 175 Newport Way NW, Issaquah, WA 98027.

- 2) **Transportation Benefit District (TBD):** On July 19, 2011, the City Council adopted Ordinance No. 1436 establishing the North Bend Transportation Improvement District No. 1 (TBD) coextensive with the boundaries of the City. The TBD is an independent taxing district that is governed by a board composed of the seven members of the North Bend City Council who serve in an ex-officio and independent capacity. The primary purpose of the District is to fund, construct, and provide transportation improvements within its boundaries.

The TBD Board passed Resolution No. 01-2011 authorizing the placement of Proposition 1 on the November general election ballot. Proposition 1 – which approved a rate increase of two-tenths of one percent on the sales and use tax within the city limits of North Bend for the purpose of paying for TBD projects, including the repayment of indebtedness and costs incurred to finance those improvements – was passed by City of North Bend voters on November 8, 2011.

In order to most efficiently utilize public funds, and to avoid duplication of effort, TBD accounting is performed by the City of North Bend and the TBD's money is accounted for in City Agency Fund No. 690. In 2016, the TBD received total collections from sales and use taxes of \$489,126. The Transportation Benefit District issues a separate Annual Financial Report which is audited by the Washington State Auditor's Office.

On April 4, 2017, under the authority of WA Second Engrossed Substitute Senate Bill (ESSB) 5987, the City Council adopted Ordinance No. 1620 dissolving the North Bend TBD No. 1 and assuming the rights, powers, functions, and obligations of the TBD. As a result, the TBD has ceased to exist as a separate quasi-municipal corporation and independent taxing district effective April 17, 2017. There will be little, if any, effect resulting from this assumption, as the TBD existed for the sole purpose of acquiring, constructing, improving, providing and funding transportation improvements within the TBD's boundaries, which are contiguous with the boundaries of the City of North Bend. The sales and use tax levied and collected by the TBD for eligible transportation projects and associated debt payments will instead be levied and collected directly by the City. The allowed uses of the sales and use tax remain unchanged. The TBD will now be operated as a department of the City and all revenues and expenditures will be accounted for in Special Revenue Fund No. 190. A final separate Annual Financial Report will be prepared for 2017 and filed with the Washington State Auditor's Office.

- B. **Wastewater Treatment Plant Upgrades:** The City began systematic repairs and upgrades to the Wastewater Treatment Plant (WWTP) in late 2014 following a small fire in a Fenton dryer that rendered it inoperable. The City installed an alternative conveyance system that bypassed the old dryer and resulted in hauling de-watered sludge; added a concrete effluent weir gate and associated piping to the oxidation ditch, which removed a bottleneck and lowered the spill potential during high flow events; and improved functionality by replacing two older oxidation ditch rotors.

In 2017 the City completed a wastewater system facilities plan for the WWTP and sewer collection and conveyance system that included evaluating possible options for the future WWTP. Options included retrofitting the existing WWTP, building a new WWTP elsewhere

in the City, and regionalization by conveying City sewer to the City of Snoqualmie's WWTP down one of several corridors and building major capacity upgrades at the Snoqualmie WWTP. Due to financial constraints the City's preferred option at this point is retrofitting the existing WWTP and funding options are currently being explored. Short-term financing was obtained in 2016 with the issuance of an LTGO Bond in the form of a revolving line of credit and long-term financing for the improvements will be obtained as the projects identified in the facilities plan are implemented.

Design is nearly complete for the addition of a new secondary clarifier and for the replacement of the older two Ultraviolet (UV) systems in the WWTP electrical building. Additionally, a new third UV system will be included in the replacement package that will provide additional capacity and required redundancy. Construction of the entire UV system and additional clarifier will begin during the 2018 dry season when the inflows to the WWTP are lower. Substantial electrical, control panel and worker safety improvements will also be occurring. This work is anticipated to be completed by the end of 2019.

Design is also underway for improvements to the WWTP's main influent pump station. These improvements will install facilities to remove large objects from the influent flow to protect the pumps and lead to a longer service life. Additionally, provisions will be installed to allow for emergency bypass pumping of the station in the event of a total system failure. Construction of these improvements is also anticipated to occur during the 2018 dry season.

The City hired a Wastewater Treatment Plant Manager in early 2015 and a SCADA Supervisor in 2016. These positions are providing critical oversight and technical support for the WWTP's operations. An additional WWTP Operator was hired in 2017 and two more are anticipated to be hired in 2018 which will result in the sewer department being fully staffed.

- C. **Sewer Rate Study:** The City completed an updated Sewer Rate Study in 2016 which analyzed sewer rates and General Facilities Charges (GFCs) to ensure that the utility is charging current and future customers the appropriate rates to fund current operations and future growth. The City Council adopted updated sewer rates in July 2016, which became effective on September 1, 2016. The updated rates will provide funding to replace the aging infrastructure which is past its useful life, construct new infrastructure per expanded Department of Ecology (DOE) Permit requirements, and to provide capacity upgrades. The City Council also adopted updated General Facilities Charges (GFCs) to ensure that new customers are paying their fair share of the existing and future infrastructure costs.
- D. **Stormwater Rate Study:** The City is currently working on a Stormwater rate study with anticipated completion and implementation in 2018. Pending adoption by City Council, the updated rates will provide funding for capital projects identified in the Stormwater Comprehensive Plan, a portion of the projects in the 6-year Transportation Improvement Program that have a stormwater element, WWTP stormwater upgrades necessary with the plant expansion, operation and maintenance costs related to City maintained stormwater infrastructure, and a future staff member to handle NPDES (National Pollutant Discharge Elimination System) and Certified Floodplain Manager duties.

E. Sewer ULID #6 Assessment Appeal: The City formed ULID #6 on November 20, 2007 for the purpose of providing the funds necessary to construct certain improvements to the sanitary sewer system in the Tanner and Truck Town areas of the City. 34 of the 415 parcels filed written protests with the Hearing Examiner during the final assessment roll public hearing process. The City Council reduced the assessments on 4 parcels and denied all other protests. The final Assessment roll of \$19,020,359 for Sewer ULID #6 was finalized by the City Council on March 20, 2012. The City funded the sewer improvements using Bond Anticipation Notes, which were paid in full when the City issued Revenue Bonds in the amount of \$16,985,000 in June 2012.

One appeal was filed by six entities/individuals representing assessments in the amount of \$1,547,651, seeking to have the assessments revoked. The Washington State Court of Appeals invalidated the original assessments on these specific properties, but noted that the City could reassess the six applicants. The appellants, unhappy with this decision, then asked the Supreme Court to review this decision. The Supreme Court denied review. Following these appeal proceedings the City adopted a new ordinance authorizing the reassessment of the appellants' properties, which the appellants again challenged in Superior Court. The Superior Court granted judgment to the City on November 13, 2015, dismissing the appellants' claims and affirming the City's authority to proceed with the reassessments. No appeal was filed, so the Superior Court's judgment is now final. The City retained a new appraiser to value the special benefits that accrued to these properties as a result of construction of the sewer system improvements, and to prepare reassessments for these properties. Draft appraisal reports have been completed. The City issued reassessment notices and a hearing process was held in front of the City's hearing examiner in order to confirm the new assessments.

F. D4 Real Estate Development v. City of North Bend: A developer ("D4D") filed a LUPA petition challenging the City's refusal to accept D4D's development application under the current moratorium on applications and approvals for development in the cottage residential zoning district. The Complaint seeks declaratory judgment, specific performance, and unquantified damages. The lawsuit was filed and served on May 16, 2016 and was dismissed in March 2017 after a LUPA hearing on the merits. The City paid no damages and it has not been appealed.

G. Contingencies and Litigation: There is currently no pending litigation against the City. The Forster Woods HOA has drafted a Summons & Complaint and have threatened suit against the City. As drafted, but not yet filed with the Court, the HOA is seeking a declaratory judgment and injunction forcing the City to remove street trees and repair sidewalks and median areas in Forster Woods. Although no money damages are sought, the repairs could cost several hundred thousand dollars over some period of time (as estimated by Public Works). The City and the Forster Woods HOA held a mediation in August 2017; however, since then the matter has been dormant and no suit has been filed against the City.

H. GASB 54 Compliance: Per the provisions of GASB 54, Special Revenue Funds are only allowed to be reported if they are used to account for activities that are substantially funded (20% or more) by a restricted or committed revenue sources. Special Revenue Funds that do not meet this requirement are rolled-up into the General Fund for reporting purposes. For 2017,

Fund 101 (Streets Operations) and Fund 108 (Economic Development) are rolled-up into the General Fund (001) totals.

I. Interfund Loans: On March 7, 2017 the City Council approved an Interfund Loan from the Capital Improvement (REET) Fund to the Impact Fees & Mitigation Fund to provide interim funding for Torguson Park capital projects and the Heartland property acquisition. The Interfund Loan has a maximum authorized amount of \$725,000 per Ordinance #1617 and will be repaid on or before March 20, 2019.

On December 5, 2017, the City Council approved an Interfund Loan from the Water Utility Fund to the Impact Fees & Mitigation Fund to provide interim funding for the EJ Roberts Park/Anderson property acquisition and other capital improvement projects. Per Ordinance #1648 the Interfund Loan has a maximum authorized amount of \$500,000 and will be repaid on or before December 27, 2019.

J. Bond Rating Upgrade: On June 19, 2015 the City of North Bend was notified by Standard & Poor's Ratings Services that they had revised the outlook to positive from stable and affirmed its' A+ long-term rating on the City's previously issued Water and Sewer revenue bonds. The rating of A+/Stable was assigned to the new 2015 Water and Sewer Revenue refunding bonds.

On January 30, 2017 the City was notified that this rating had been upgraded from A+ to AA- and changed the outlook from stable to positive. The AA- rating means that, in S&P's opinion, the City of North Bend has a very strong capacity to meet financial commitments and they view the City's economy as very strong.

K. LTGO Bond (Line of Credit): The City Council adopted Ordinance No. 16-1593 on July 19, 2016 authorizing the issuance and sale of Limited Tax General Obligation (LTGO) Bonds to fund Wastewater Treatment Plant critical capital projects. KeyBank National Association purchased the bond in the form of a revolving line of credit (LOC). The LOC is for three years and has authorization for up to \$3,500,000; however, only the amount drawn from the LOC requires repayment. The City makes interest-only payments on a variable interest rate based on one-month LIBOR (London Interbank Offered Rate) plus 2.58% multiplied by 65.01% (equal to 1 minus the Federal Corporate Tax Rate of 34.99%). The variable interest rate is adjusted every 30 days. Repayment of the principal amount is not due until the end of three years. It is the intent of the City to issue long-term financing in 2018 and repay the outstanding LOC amount at that time.

L. Square Footage Business & Occupation Tax: On May 3, 2016 the City Council adopted Ordinance No. 1587 amending the North Bend Municipal Code relating to Business & Occupation Taxes to create a square footage tax with tiered rates based on the square footage of the buildings subject to the tax. The square footage tax is applicable to warehouses, distribution facilities, self-storage facilities, industrial and/or light manufacturing use or research space with a square footage of 10,000 or more. The ordinance provides an exemption for vacant buildings for no more than 2 years. The additional revenue generated from this tax will be dedicated to the maintenance of the City's street infrastructure, with a primary emphasis on pavement management.

M. Visitor Information Center (VIC): The North Bend Visitor Information Center and Mountain View Art Gallery opened in late September 2014 in a building leased by the City of North Bend. In 2015 the City entered into a contract for services with the North Bend Downtown Foundation to define responsibilities and financial obligations. Per the Agreement, the City paid the Downtown Foundation to operate and manage the VIC. In December 2017, due to foundation board turnover and staffing changes, the City made the decision to assume the operations of the facility. The City is also responsible for the building lease, utilities and custodial services, and exterior beautification efforts. Funding for the Visitor Information Center comes from lodging taxes and General Fund revenues.

N. Heartland Property Acquisition: The City partnered with Si View Metropolitan Park District (Si View MPD) and King County to provide funding to purchase approximately 31.86 acres of land located along the Mountains to Sound Greenway National Scenic Byway of Interstate 90. The site (known as the Heartland Property) will be developed into a community park that will include hiking and biking trails, a King County regional trailhead to over 100,000 acres of public land, and environmental educational opportunities. The property, otherwise slated for development of approximately 95 residences, was appraised at \$2,360,000.

The Trust for Public Lands agreed to purchase the property if the City committed to raising the capital to enter into a Lease Agreement with Option to Purchase. The City, Si View MPD, and King County each committed to an initial financial commitment of \$250,000 each, which allowed the City to apply for a Conservations Futures Grant (\$1,000,000) and a Land Water Conservation Grant (\$250,000). The City received the \$1,000,000 grant from Conservations Futures but not the Land Water grant. Both the City and Si View MPD increased their contributions by \$50,000 to make up the difference and King County provided an additional \$150,000 from the reallocation of Park Levy funds.

With the required funding of \$2,000,000 secured, on March 7, 2017 the City Council approved a Lease Agreement with Option to Purchase the Heartland Site from the Trust for Public Lands. On March 29, 2017 the City, in partnership with Si View MPD and King County, purchased the property from the Trust for Public Lands for \$2,000,000. The park has been named Tennant Trailhead Park and a master plan is underway.

O. Anderson Property Acquisition: The City sought to acquire and preserve 5 acres adjacent to EJ Roberts Park from development. The City purchased the property from the Anderson's for \$651,840 and then resold 2.5 acres to a third party for \$529,000 with a restrictive covenant that the property could not be subdivided. The City retained the remaining 2.5 acres as an addition to EJ Roberts Park for an investment of \$122,840.

P. Construction Commitments: The City has active construction projects as of December 31, 2017. The projects include: Torguson Park, Downtown Plaza, Bendigo at Park right turn lane, North Bend Way Sidewalks (Ballarat to Downing), Mt. Si Springs pump replacement and Wastewater Treatment Plant improvements.

At year-end the City's commitments with contractors are as follows:

Project	Spent to Date	Remaining Commitment
Torguson Park	\$2,015,661	\$375,000
Downtown Plaza	1,934,165	100,457
Bendigo @ Park Right Turn Lane	405,402	18,196
North Bend Way Sidewalks	463,305	47,903
Mt. Si Springs Pump Replacement	294,013	7,825
UV Disinfection System	757,643	47,493
ULID Pump Improvements	60,798	53,683
<b>Total</b>	<b>\$5,930,987</b>	<b>\$650,557</b>

Torguson Park Improvements: This project is being funded with a combination of state grants, private contributions, impact fees, and City funds. The project is expected to be completed during 2019.

Downtown Plaza Project: This project is being financed by federal grant funds, Real Estate Excise taxes, and Transportation Benefit District funds. The project is expected to be completed in 2018.

Bendigo @ Park Right Turn Lane: This project is being financed by private contributions, Transportation Benefit District funds, and Transportation Impact Fees. The project is expected to be completed in 2018.

North Bend Way Sidewalks – Ballarat to Downing: This project is being financed by federal grant funds, private contributions, and Transportation Impact Fees. The project is expected to be completed in 2018.

Mt. Si Springs Pump Replacement: This project is being financed by City utility funds and is expected to be completed in 2018.

Wastewater Treatment Plant Improvements: The UV Disinfection System and ULID Pump Improvements are being financed by City utility funds and a Line of Credit (LOC) GO Bond. The LOC will be paid back when Revenue Bonds are issued in 2018.

Q. City Hall Project: On May 15, 2018 the City Council authorized the execution of a contract for the new City Hall construction project. The contract was awarded to the lowest responsible bidder in the amount of \$6,736,650. The project is being financed by a combination of fund balance savings reserved over the last few years, excess Real Estate Excise Tax (REET) funds, sale of surplus real property, impact fees, utility funds, a potential general government building mitigation fee that City Council is expected to adopt this year to ensure growth pays for growth on residential development, traffic impact fees for improvements along Cedar Falls Way, and approximately \$4 million of LTGO (limited tax general obligation) bonds anticipated to be issued in late summer 2018. The project is anticipated to be completed by June 2019.

**City of North Bend**  
Schedule 01  
For the year ended December 31, 2017

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	001	General Fund	3088000	Unreserved Cash and Investments - Beginning	\$1,335,944
0421	001	General Fund	3111000	Property Tax	\$1,519,431
0421	001	General Fund	3131100	Local Retail Sales and Use Tax	\$2,221,452
0421	001	General Fund	3131500	Special Purpose Sales and Use Tax	\$209,803
0421	001	General Fund	3137100	Criminal Justice Sales and Use Tax	\$182,155
0421	001	General Fund	3161000	Business and Occupation Taxes	\$795,801
0421	001	General Fund	3161000	Business and Occupation Taxes	\$179,744
0421	001	General Fund	3164000	Business and Occupation Taxes on Utilities	\$695,424
0421	001	General Fund	3164000	Business and Occupation Taxes on Utilities	\$362,638
0421	001	General Fund	3168100	Gambling Tax - Punch Boards and Pull Tabs	\$35,162
0421	001	General Fund	3172000	Leasehold Excise Tax	\$820
0421	001	General Fund	3213000	Police and Protective	\$10
0421	001	General Fund	3217000	Amusements	\$800
0421	001	General Fund	3219100	Franchise Fees and Royalties	\$3,000
0421	001	General Fund	3219100	Franchise Fees and Royalties	\$114,466
0421	001	General Fund	3219900	Other Business Licenses and Permits	\$36,874
0421	001	General Fund	3221000	Buildings, Structures and Equipment	\$359,860
0421	001	General Fund	3221000	Buildings, Structures and Equipment	\$27,859
0421	001	General Fund	3221000	Buildings, Structures and Equipment	\$22,502
0421	001	General Fund	3221000	Buildings, Structures and Equipment	\$8,616

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	001	General Fund	3221000	Buildings, Structures and Equipment	\$1,299
0421	001	General Fund	3221000	Buildings, Structures and Equipment	\$770
0421	001	General Fund	3224000	Street and Curb Permits	\$8,668
0421	001	General Fund	3229000	Other Non-Business Licenses and Permits	\$178
0421	001	General Fund	3360071	Multimodal Transportation - Cities	\$6,907
0421	001	General Fund	3360087	Motor Vehicle Fuel Tax - City Streets	\$96,755
0421	001	General Fund	3360620	Criminal Justice - Cities - High Crime	\$8,785
0421	001	General Fund	3360621	Criminal Justice - Violent Crimes/Population	\$1,858
0421	001	General Fund	3360625	Criminal Justice - Contracted Services	\$11,468
0421	001	General Fund	3360626	Criminal Justice - Special Programs	\$6,742
0421	001	General Fund	3360642	Marijuana Excise Tax Distribution	\$1,579
0421	001	General Fund	3360651	DUI and Other Criminal Justice Assistance	\$996
0421	001	General Fund	3360694	Liquor/Beer Excise Tax	\$31,668
0421	001	General Fund	3360695	Liquor Control Board Profits	\$55,470
0421	001	General Fund	3370000	Local Grants, Entitlements and Other Payments	\$6,460
0421	001	General Fund	3413300	District/Municipal Court - Administrative Fees	\$445
0421	001	General Fund	3417000	Sales of Merchandise	\$20
0421	001	General Fund	3417000	Sales of Merchandise	\$298
0421	001	General Fund	3418100	Data/Word Processing, Printing, Duplicating and IT Services	\$236
0421	001	General Fund	3418100	Data/Word Processing, Printing, Duplicating and IT Services	\$12,233
0421	001	General Fund	3421000	Law Enforcement Services	\$18
0421	001	General Fund	3423700	Detention and Correction Services	\$38

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	001	General Fund	3425000	Disaster Preparation Services	\$1,045
0421	001	General Fund	3458300	Plan Checking Services	\$356,732
0421	001	General Fund	3458300	Plan Checking Services	\$1,744
0421	001	General Fund	3458300	Plan Checking Services	\$2,385
0421	001	General Fund	3458900	Other Planning and Development Services	\$6,492
0421	001	General Fund	3531000	Traffic Infraction Penalties	\$112
0421	001	General Fund	3531000	Traffic Infraction Penalties	\$21,203
0421	001	General Fund	3537000	Non-Traffic Infraction Penalties	\$194
0421	001	General Fund	3540000	Civil Parking Infraction Penalties	\$202
0421	001	General Fund	3552000	Driving Under Influence (DUI) Fines	\$6,310
0421	001	General Fund	3558000	Other Criminal Traffic Misdemeanor Fines	\$4,101
0421	001	General Fund	3558000	Other Criminal Traffic Misdemeanor Fines	\$1,043
0421	001	General Fund	3569000	Other Criminal Non-Traffic Fines	\$2,434
0421	001	General Fund	3569000	Other Criminal Non-Traffic Fines	\$1,433
0421	001	General Fund	3573300	Public Defense Cost	\$8,721
0421	001	General Fund	3599000	Non-Court Fines and Penalties	\$3,375
0421	001	General Fund	3599000	Non-Court Fines and Penalties	\$31,345
0421	001	General Fund	3599000	Non-Court Fines and Penalties	\$5,238
0421	001	General Fund	3611100	Investment Earnings	\$21,404
0421	001	General Fund	3614000	Other Interest	\$2,448
0421	001	General Fund	3624000	Rents and Leases	\$75
0421	001	General Fund	3625000	Rents and Leases	\$16,878
0421	001	General Fund	3671100	Contributions and Donations from Nongovernmental Sources	\$257
0421	001	General Fund	3694000	Judgments and Settlements	\$97

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	001	General Fund	3698100	Cash Adjustments	(\$9)
0421	001	General Fund	3699100	Miscellaneous Other	\$69
0421	001	General Fund	3699100	Miscellaneous Other	\$580
0421	001	General Fund	3952000	Compensation for Loss/Impairment of Capital Assets	\$323
0421	001	General Fund	3952000	Compensation for Loss/Impairment of Capital Assets	\$726
0421	001	General Fund	3975200	Transfers-In	\$7,000
0421	001	General Fund	3975800	Transfers-In	\$136,135
0421	001	General Fund	3975800	Transfers-In	\$401,100
0421	102	Capital Streets	3081000	Reserved Cash and Investments - Beginning	\$30,515
0421	102	Capital Streets	3360087	Motor Vehicle Fuel Tax - City Streets	\$45,532
0421	102	Capital Streets	3970000	Transfers-In	\$136,679
0421	103	Streets Overlay	3081000	Reserved Cash and Investments - Beginning	\$64,380
0421	103	Streets Overlay	3974200	Transfers-In	\$223,061
0421	103	Streets Overlay	3974200	Transfers-In	\$39,910
0421	103	Streets Overlay	3974200	Transfers-In	\$179,744
0421	103	Streets Overlay	3340380	State Grant from Transportation Improvement Board (TIB)	\$32,239
0421	106	Impact Fees & Mitigation	3081000	Reserved Cash and Investments - Beginning	\$438,672
0421	106	Impact Fees & Mitigation	3458500	Growth Management Act (GMA) Impact Fees	\$1,099,626
0421	106	Impact Fees & Mitigation	3611100	Investment Earnings	\$6,445
0421	106	Impact Fees & Mitigation	3081000	Reserved Cash and Investments - Beginning	\$233,093
0421	106	Impact Fees & Mitigation	3458500	Growth Management Act (GMA) Impact Fees	\$529,330
0421	106	Impact Fees & Mitigation	3458900	Other Planning and Development Services	\$104,175
0421	106	Impact Fees & Mitigation	3611100	Investment Earnings	\$274
0421	106	Impact Fees & Mitigation	3811000	Interfund Loans Received	\$725,000

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	106	Impact Fees & Mitigation	3811000	Interfund Loans Received	\$161,365
0421	106	Impact Fees & Mitigation	3951000	Proceeds from Sales of Capital Assets	\$527,179
0421	106	Impact Fees & Mitigation	3970000	Transfers-In	\$65,145
0421	106	Impact Fees & Mitigation	3081000	Reserved Cash and Investments - Beginning	\$224,796
0421	106	Impact Fees & Mitigation	3458500	Growth Management Act (GMA) Impact Fees	\$78,708
0421	106	Impact Fees & Mitigation	3611100	Investment Earnings	\$2,252
0421	106	Impact Fees & Mitigation	3081000	Reserved Cash and Investments - Beginning	\$3,887
0421	106	Impact Fees & Mitigation	3611100	Investment Earnings	\$33
0421	106	Impact Fees & Mitigation	3081000	Reserved Cash and Investments - Beginning	\$57,232
0421	106	Impact Fees & Mitigation	3611100	Investment Earnings	\$480
0421	106	Impact Fees & Mitigation	3081000	Reserved Cash and Investments - Beginning	\$7,577
0421	106	Impact Fees & Mitigation	3611100	Investment Earnings	\$64
0421	106	Impact Fees & Mitigation	3081000	Reserved Cash and Investments - Beginning	\$11,530
0421	106	Impact Fees & Mitigation	3611100	Investment Earnings	\$97
0421	106	Impact Fees & Mitigation	3081000	Reserved Cash and Investments - Beginning	\$6,599
0421	106	Impact Fees & Mitigation	3458900	Other Planning and Development Services	\$41,800
0421	106	Impact Fees & Mitigation	3611100	Investment Earnings	\$356
0421	107	Hotel/Motel Tax	3081000	Reserved Cash and Investments - Beginning	\$7,010
0421	107	Hotel/Motel Tax	3133100	Hotel/Motel Sales and Use Tax	\$14,143
0421	116	Park Capital Improvement	3081000	Reserved Cash and Investments - Beginning	\$24,365
0421	116	Park Capital Improvement	3611100	Investment Earnings	\$205
0421	116	Park Capital Improvement	3081000	Reserved Cash and Investments - Beginning	\$58,439
0421	116	Park Capital Improvement	3370706	Local Grants, Entitlements and Other Payments	\$15,552
0421	116	Park Capital Improvement	3611100	Investment Earnings	\$179

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	125	Development Projects (CED)	3081000	Reserved Cash and Investments - Beginning	\$285,558
0421	125	Development Projects (CED)	3458900	Other Planning and Development Services	\$1,416,051
0421	125	Development Projects (CED)	3458900	Other Planning and Development Services	\$10,000
0421	190	Transportation Benefit District	3132100	Public Transportation Systems Sales and Use Tax	\$403,317
0421	190	Transportation Benefit District	3611100	Investment Earnings	\$7,972
0421	190	Transportation Benefit District	3850000	Special or Extraordinary Items	\$1,164,324
0421	216	2011 Fire Station Bond Redempt	3081000	Reserved Cash and Investments - Beginning	\$180,655
0421	216	2011 Fire Station Bond Redempt	3111000	Property Tax	\$177,843
0421	216	2011 Fire Station Bond Redempt	3611100	Investment Earnings	\$1,710
0421	217	2012 LTGO (TBD) Bond Redempt	3081000	Reserved Cash and Investments - Beginning	\$14,876
0421	217	2012 LTGO (TBD) Bond Redempt	3611100	Investment Earnings	\$412
0421	217	2012 LTGO (TBD) Bond Redempt	3970000	Transfers-In	\$132,787
0421	218	2015 LTGO Bond Redemption Fund	3970000	Transfers-In	\$100,991
0421	218	2015 LTGO Bond Redemption Fund	3970000	Transfers-In	\$89,811
0421	219	2016 LTGP (LOC) Bond Redemption Fund	3911000	General Obligation Bonds Issued	\$206,253
0421	219	2016 LTGP (LOC) Bond Redemption Fund	3970000	Transfers-In	\$17,263
0421	310	Municipal Projects	3088000	Unreserved Cash and Investments - Beginning	\$473,210
0421	310	Municipal Projects	3081000	Reserved Cash and Investments - Beginning	\$16,257
0421	310	Municipal Projects	3611100	Investment Earnings	\$84
0421	310	Municipal Projects	3081000	Reserved Cash and Investments - Beginning	\$32,742
0421	310	Municipal Projects	3611100	Investment Earnings	\$166

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	310	Municipal Projects	3332000	Federal Indirect Grant from Department of Transportation	\$680,926
0421	310	Municipal Projects	3970000	Transfers-In	\$9,996
0421	310	Municipal Projects	3970000	Transfers-In	\$243,626
0421	310	Municipal Projects	3081000	Reserved Cash and Investments - Beginning	\$3,200
0421	310	Municipal Projects	3611100	Investment Earnings	\$16
0421	310	Municipal Projects	3611100	Investment Earnings	\$47
0421	310	Municipal Projects	3671200	Contributions and Donations from Nongovernmental Sources	\$48,840
0421	310	Municipal Projects	3970000	Transfers-In	\$71,086
0421	310	Municipal Projects	3979563	Transfers-In	\$4,976
0421	310	Municipal Projects	3979563	Transfers-In	\$875
0421	310	Municipal Projects	3974100	Transfers-In	\$48,426
0421	310	Municipal Projects	3081000	Reserved Cash and Investments - Beginning	\$5,786
0421	310	Municipal Projects	3331400	Federal Indirect Grant from Department of Housing and Urban Development.	\$299,808
0421	310	Municipal Projects	3611100	Investment Earnings	\$15
0421	310	Municipal Projects	3671200	Contributions and Donations from Nongovernmental Sources	\$2,690
0421	310	Municipal Projects	3974100	Transfers-In	\$107,836
0421	310	Municipal Projects	3970000	Transfers-In	\$37,966
0421	310	Municipal Projects	3081000	Reserved Cash and Investments - Beginning	\$112,384
0421	310	Municipal Projects	3340270	State Grant from Recreation and Conservation Office	\$99,893
0421	310	Municipal Projects	3611100	Investment Earnings	\$405
0421	310	Municipal Projects	3970000	Transfers-In	\$120,132
0421	310	Municipal Projects	3970000	Transfers-In	\$4,148
0421	310	Municipal Projects	3970000	Transfers-In	\$4,148
0421	310	Municipal Projects	3970000	Transfers-In	\$19,504

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	310	Municipal Projects	3081000	Reserved Cash and Investments - Beginning	\$5,052
0421	310	Municipal Projects	3611100	Investment Earnings	\$26
0421	310	Municipal Projects	3081000	Reserved Cash and Investments - Beginning	\$214,220
0421	310	Municipal Projects	3611100	Investment Earnings	\$141
0421	310	Municipal Projects	3671100	Contributions and Donations from Nongovernmental Sources	\$80,000
0421	310	Municipal Projects	3970000	Transfers-In	\$996,771
0421	310	Municipal Projects	3970000	Transfers-In	\$83,787
0421	310	Municipal Projects	3970000	Transfers-In	\$83,787
0421	310	Municipal Projects	3970000	Transfers-In	\$27,929
0421	310	Municipal Projects	3970000	Transfers-In	\$1,469
0421	310	Municipal Projects	3970000	Transfers-In	\$1,869
0421	310	Municipal Projects	3970000	Transfers-In	\$5,913
0421	310	Municipal Projects	3370000	Local Grants, Entitlements and Other Payments	\$1,000,000
0421	310	Municipal Projects	3611100	Investment Earnings	\$894
0421	310	Municipal Projects	3970000	Transfers-In	\$258,022
0421	310	Municipal Projects	3970000	Transfers-In	\$473,703
0421	310	Municipal Projects	3611100	Investment Earnings	\$895
0421	310	Municipal Projects	3081000	Reserved Cash and Investments - Beginning	\$51,719
0421	310	Municipal Projects	3611100	Investment Earnings	\$299
0421	320	Capital Improvement (REET)	3081000	Reserved Cash and Investments - Beginning	\$1,164,640
0421	320	Capital Improvement (REET)	3183400	REET 1 - First Quarter Percent	\$296,414
0421	320	Capital Improvement (REET)	3183500	REET 2 - Second Quarter Percent	\$296,377
0421	320	Capital Improvement (REET)	3611100	Investment Earnings	\$5,930
0421	320	Capital Improvement (REET)	3614000	Other Interest	\$5,649
0421	401	Water Operations	3088000	Unreserved Cash and Investments - Beginning	\$2,770,008

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	401	Water Operations	3434000	Water Sales and Services	\$2,043,463
0421	401	Water Operations	3434000	Water Sales and Services	\$26,979
0421	401	Water Operations	3434000	Water Sales and Services	\$672
0421	401	Water Operations	3434000	Water Sales and Services	\$2,450
0421	401	Water Operations	3434000	Water Sales and Services	\$13,444
0421	401	Water Operations	3434010	Water Sales and Services	\$86,437
0421	401	Water Operations	3611100	Investment Earnings	\$20,554
0421	401	Water Operations	3699100	Miscellaneous Other	\$103
0421	401	Water Operations	3952000	Compensation for Loss/Impairment of Capital Assets	\$3,376
0421	401	Water Operations	3081000	Reserved Cash and Investments - Beginning	\$29,865
0421	401	Water Operations	3434000	Water Sales and Services	\$250
0421	401	Water Operations	3611100	Investment Earnings	\$5,614
0421	401	Water Operations	3670000	Contributions and Donations from Nongovernmental Sources	\$683,787
0421	402	Sewer Operations	3088000	Unreserved Cash and Investments - Beginning	\$1,337,615
0421	402	Sewer Operations	3432000	Television/Cable Sales and Services	\$974
0421	402	Sewer Operations	3435000	Sewer/Reclaimed Water Sales and Services	\$2,516,356
0421	402	Sewer Operations	3435000	Sewer/Reclaimed Water Sales and Services	\$25,188
0421	402	Sewer Operations	3435010	Sewer/Reclaimed Water Sales and Services	\$120,985
0421	402	Sewer Operations	3611100	Investment Earnings	\$10,043
0421	402	Sewer Operations	3893000	Agency Type Collections	\$221
0421	402	Sewer Operations	3952000	Compensation for Loss/Impairment of Capital Assets	\$3,452
0421	402	Sewer Operations	3970000	Transfers-In	\$103,321

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	402	Sewer Operations	3081000	Reserved Cash and Investments - Beginning	\$73,103
0421	402	Sewer Operations	3435000	Sewer/Reclaimed Water Sales and Services	\$100
0421	402	Sewer Operations	3611100	Investment Earnings	\$9,225
0421	402	Sewer Operations	3670000	Contributions and Donations from Nongovernmental Sources	\$1,309,926
0421	402	Sewer Operations	3970000	Transfers-In	\$102,932
0421	404	Storm & FLOOD Operations	3088000	Unreserved Cash and Investments - Beginning	\$1,111,133
0421	404	Storm & FLOOD Operations	3438300	Combined Utilities Sales and Services	\$679,753
0421	404	Storm & FLOOD Operations	3611100	Investment Earnings	\$3,921
0421	404	Storm & FLOOD Operations	3229000	Other Non-Business Licenses and Permits	\$14,938
0421	404	Storm & FLOOD Operations	3438300	Combined Utilities Sales and Services	\$172,234
0421	404	Storm & FLOOD Operations	3611100	Investment Earnings	\$5,028
0421	404	Storm & FLOOD Operations	3081000	Reserved Cash and Investments - Beginning	\$93,541
0421	404	Storm & FLOOD Operations	3611100	Investment Earnings	\$1,453
0421	404	Storm & FLOOD Operations	3670000	Contributions and Donations from Nongovernmental Sources	\$200,662
0421	405	Solid Waste & Recycling Operations	3088000	Unreserved Cash and Investments - Beginning	\$249,580
0421	405	Solid Waste & Recycling Operations	3219100	Franchise Fees and Royalties	\$78,020
0421	405	Solid Waste & Recycling Operations	3340310	State Grant from Department of Ecology	\$875
0421	405	Solid Waste & Recycling Operations	3370700	Local Grants, Entitlements and Other Payments	\$15,336
0421	405	Solid Waste & Recycling Operations	3370702	Local Grants, Entitlements and Other Payments	\$6,451
0421	405	Solid Waste & Recycling Operations	3611100	Investment Earnings	\$2,437

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	451	ULID #6 Bond Redemption	3081000	Reserved Cash and Investments - Beginning	\$4,856,802
0421	451	ULID #6 Bond Redemption	3611100	Investment Earnings	\$39,587
0421	451	ULID #6 Bond Redemption	3681000	Special Assessments - Capital	\$1,389,942
0421	452	ULID#6 Bond Reserve	3081000	Reserved Cash and Investments - Beginning	\$1,258,571
0421	452	ULID#6 Bond Reserve	3611100	Investment Earnings	\$10,511
0421	452	ULID#6 Bond Reserve	3970000	Transfers-In	\$199,918
0421	501	Equipment Operations	3483000	Internal Service Funds Sales and Services	\$10,539
0421	501	Equipment Operations	3483000	Internal Service Funds Sales and Services	\$3,328
0421	501	Equipment Operations	3483000	Internal Service Funds Sales and Services	\$68,161
0421	501	Equipment Operations	3483000	Internal Service Funds Sales and Services	\$61,483
0421	501	Equipment Operations	3483000	Internal Service Funds Sales and Services	\$50,034
0421	501	Equipment Operations	3483000	Internal Service Funds Sales and Services	\$30,419
0421	501	Equipment Operations	3483000	Internal Service Funds Sales and Services	\$40,071
0421	501	Equipment Operations	3488000	Internal Service Funds Sales and Services	\$70,810
0421	501	Equipment Operations	3488000	Internal Service Funds Sales and Services	\$3,747
0421	501	Equipment Operations	3488000	Internal Service Funds Sales and Services	\$1,463
0421	501	Equipment Operations	3488000	Internal Service Funds Sales and Services	\$30,608
0421	501	Equipment Operations	3488000	Internal Service Funds Sales and Services	\$21,395
0421	501	Equipment Operations	3488000	Internal Service Funds Sales and Services	\$11,017
0421	501	Equipment Operations	3488000	Internal Service Funds Sales and Services	\$3,626
0421	501	Equipment Operations	3488000	Internal Service Funds Sales and Services	\$2,936
0421	502	Equipment Reserve	3088000	Unreserved Cash and Investments - Beginning	\$493,424

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	502	Equipment Reserve	3483000	Internal Service Funds Sales and Services	\$1,999
0421	502	Equipment Reserve	3611100	Investment Earnings	\$99
0421	502	Equipment Reserve	3483000	Internal Service Funds Sales and Services	\$616
0421	502	Equipment Reserve	3611100	Investment Earnings	\$130
0421	502	Equipment Reserve	3483000	Internal Service Funds Sales and Services	\$35,406
0421	502	Equipment Reserve	3611100	Investment Earnings	\$1,752
0421	502	Equipment Reserve	3483000	Internal Service Funds Sales and Services	\$52,643
0421	502	Equipment Reserve	3611100	Investment Earnings	\$1,225
0421	502	Equipment Reserve	3483000	Internal Service Funds Sales and Services	\$39,853
0421	502	Equipment Reserve	3611100	Investment Earnings	\$1,075
0421	502	Equipment Reserve	3483000	Internal Service Funds Sales and Services	\$48,106
0421	502	Equipment Reserve	3611100	Investment Earnings	\$426
0421	502	Equipment Reserve	3611100	Investment Earnings	\$12
0421	502	Equipment Reserve	3483000	Internal Service Funds Sales and Services	\$49,127
0421	502	Equipment Reserve	3611100	Investment Earnings	\$448
0421	502	Equipment Reserve	3488000	Internal Service Funds Sales and Services	\$39,181
0421	502	Equipment Reserve	3611100	Investment Earnings	\$260
0421	502	Equipment Reserve	3488000	Internal Service Funds Sales and Services	\$12,826
0421	502	Equipment Reserve	3611100	Investment Earnings	\$266
0421	502	Equipment Reserve	3488000	Internal Service Funds Sales and Services	\$11,300
0421	502	Equipment Reserve	3611100	Investment Earnings	\$161
0421	502	Equipment Reserve	3488000	Internal Service Funds Sales and Services	\$5,681
0421	502	Equipment Reserve	3611100	Investment Earnings	\$129
0421	502	Equipment Reserve	3488000	Internal Service Funds Sales and Services	\$2,807
0421	502	Equipment Reserve	3611100	Investment Earnings	\$52
0421	502	Equipment Reserve	3488000	Internal Service Funds Sales and Services	\$1,626
0421	502	Equipment Reserve	3611100	Investment Earnings	\$13

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	502	Equipment Reserve	3488000	Internal Service Funds Sales and Services	\$818
0421	502	Equipment Reserve	3611100	Investment Earnings	\$26
0421	502	Equipment Reserve	3488000	Internal Service Funds Sales and Services	\$829
0421	502	Equipment Reserve	3611100	Investment Earnings	\$7
0421	635	Treasurers Trust	3081000	Reserved Cash and Investments - Beginning	\$91,887
0421	635	Treasurers Trust	3081000	Reserved Cash and Investments - Beginning	\$1,357
0421	635	Treasurers Trust	3860000	Court Remittances	\$1,058
0421	635	Treasurers Trust	3860000	Court Remittances	\$1,540
0421	635	Treasurers Trust	3860000	Court Remittances	\$865
0421	635	Treasurers Trust	3860000	Court Remittances	\$1,200,779
0421	635	Treasurers Trust	3081000	Reserved Cash and Investments - Beginning	\$5,000
0421	635	Treasurers Trust	3081000	Reserved Cash and Investments - Beginning	\$559
0421	635	Treasurers Trust	3081000	Reserved Cash and Investments - Beginning	\$300
0421	635	Treasurers Trust	3081000	Reserved Cash and Investments - Beginning	\$10,678
0421	635	Treasurers Trust	3081000	Reserved Cash and Investments - Beginning	\$23,660
0421	635	Treasurers Trust	3081000	Reserved Cash and Investments - Beginning	\$11,570
0421	690	Transportation Benefit District (TBD)	3081000	Reserved Cash and Investments - Beginning	\$942,005
0421	690	Transportation Benefit District (TBD)	3441000	Roads/Streets Maintenance/Repair/Construction Services	\$118,213
0421	690	Transportation Benefit District (TBD)	3611100	Investment Earnings	\$1,837
0421	690	Transportation Benefit District (TBD)	3850000	Special or Extraordinary Items	(\$1,164,324)
0421	690	Transportation Benefit District (TBD)	3081000	Reserved Cash and Investments - Beginning	(\$23,993)
0421	690	Transportation Benefit District (TBD)	3081000	Reserved Cash and Investments - Beginning	\$126,262
0421	001	General Fund	5088000	Unreserved Cash and Investments - Ending	\$1,799,072
0421	001	General Fund	5423040	Roadway	\$2,604

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	001	General Fund	5423040	Roadway	\$3,030
0421	001	General Fund	5425050	Structures	\$1,113
0421	001	General Fund	5426140	Sidewalks	\$1,863
0421	001	General Fund	5426340	Street Lighting	\$66,244
0421	001	General Fund	5426430	Traffic Control Devices	\$1,588
0421	001	General Fund	5426440	Traffic Control Devices	\$12,510
0421	001	General Fund	5426440	Traffic Control Devices	\$3,784
0421	001	General Fund	5426640	Snow and Ice Control	\$4,422
0421	001	General Fund	5426740	Street Cleaning	\$5,294
0421	001	General Fund	5427040	Roadside	\$4,219
0421	001	General Fund	5428030	Ancillary Operations	\$789
0421	001	General Fund	5429010	Maintenance Administration and Overhead	\$291,501
0421	001	General Fund	5429010	Maintenance Administration and Overhead	\$10,571
0421	001	General Fund	5429020	Maintenance Administration and Overhead	\$133,840
0421	001	General Fund	5429020	Maintenance Administration and Overhead	\$2,963
0421	001	General Fund	5429030	Maintenance Administration and Overhead	\$10,206
0421	001	General Fund	5429030	Maintenance Administration and Overhead	\$1,541
0421	001	General Fund	5429040	Maintenance Administration and Overhead	\$1,082
0421	001	General Fund	5429040	Maintenance Administration and Overhead	\$1,360
0421	001	General Fund	5429040	Maintenance Administration and Overhead	\$61,483
0421	001	General Fund	5429040	Maintenance Administration and Overhead	\$48,106

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	001	General Fund	5429040	Maintenance Administration and Overhead	\$3,747
0421	001	General Fund	5429040	Maintenance Administration and Overhead	\$1,626
0421	001	General Fund	5429040	Maintenance Administration and Overhead	\$1,678
0421	001	General Fund	5429040	Maintenance Administration and Overhead	\$446
0421	001	General Fund	5429040	Maintenance Administration and Overhead	\$3,447
0421	001	General Fund	5429040	Maintenance Administration and Overhead	\$875
0421	001	General Fund	5429040	Maintenance Administration and Overhead	\$19,474
0421	001	General Fund	5429040	Maintenance Administration and Overhead	\$1,064
0421	001	General Fund	5429040	Maintenance Administration and Overhead	\$1,173
0421	001	General Fund	5429040	Maintenance Administration and Overhead	\$523
0421	001	General Fund	5435040	Facilities	\$1,250
0421	001	General Fund	5435040	Facilities	\$1,263
0421	001	General Fund	5435040	Facilities	\$30,765
0421	001	General Fund	5435050	Facilities	\$1,281
0421	001	General Fund	5573030	Tourism	\$10
0421	001	General Fund	5573030	Tourism	\$24
0421	001	General Fund	5573040	Tourism	\$2,498
0421	001	General Fund	5573040	Tourism	\$2,874
0421	001	General Fund	5573040	Tourism	\$17,260
0421	001	General Fund	5573040	Tourism	\$39
0421	001	General Fund	5573040	Tourism	\$11,500
0421	001	General Fund	5573040	Tourism	\$24,600

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	001	General Fund	5573040	Tourism	\$4,966
0421	001	General Fund	5573040	Tourism	\$1,105
0421	001	General Fund	5587010	Economic Development	\$68,874
0421	001	General Fund	5587020	Economic Development	\$18,666
0421	001	General Fund	5587030	Economic Development	\$419
0421	001	General Fund	5587040	Economic Development	\$655
0421	001	General Fund	5587040	Economic Development	\$219
0421	001	General Fund	5587040	Economic Development	\$1,463
0421	001	General Fund	5587040	Economic Development	\$829
0421	001	General Fund	5587040	Economic Development	\$20,833
0421	001	General Fund	5587040	Economic Development	\$198
0421	001	General Fund	5587040	Economic Development	\$1,470
0421	001	General Fund	5587040	Economic Development	\$1,308
0421	001	General Fund	5919570	Debt Repayment - Roads/Streets and Other Infrastructure	\$25,239
0421	001	General Fund	5929580	Interest and Other Debt Service Cost - Roads/Streets and Other Infrastructure	\$6,266
0421	001	General Fund	5929580	Interest and Other Debt Service Cost - Roads/Streets and Other Infrastructure	\$34
0421	001	General Fund	5116010	Legislative Activities	\$37,442
0421	001	General Fund	5116020	Legislative Activities	\$6,103
0421	001	General Fund	5116040	Legislative Activities	\$600
0421	001	General Fund	5116040	Legislative Activities	\$4,151
0421	001	General Fund	5116040	Legislative Activities	\$313
0421	001	General Fund	5116040	Legislative Activities	\$400
0421	001	General Fund	5125050	Municipal Court	\$85,442
0421	001	General Fund	5125050	Municipal Court	\$84
0421	001	General Fund	5131010	Executive Office	\$281,332
0421	001	General Fund	5131010	Executive Office	\$345
0421	001	General Fund	5131020	Executive Office	\$102,735
0421	001	General Fund	5131040	Executive Office	\$1,000
0421	001	General Fund	5131040	Executive Office	\$749

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	001	General Fund	5131040	Executive Office	\$21,497
0421	001	General Fund	5131040	Executive Office	\$500
0421	001	General Fund	5131040	Executive Office	\$3,786
0421	001	General Fund	5131040	Executive Office	\$2,605
0421	001	General Fund	5131040	Executive Office	\$878
0421	001	General Fund	5142010	Financial Services	\$160,769
0421	001	General Fund	5142020	Financial Services	\$63,610
0421	001	General Fund	5142040	Financial Services	\$600
0421	001	General Fund	5142040	Financial Services	\$6,505
0421	001	General Fund	5142040	Financial Services	\$550
0421	001	General Fund	5142040	Financial Services	\$6,818
0421	001	General Fund	5142040	Financial Services	\$2,923
0421	001	General Fund	5142040	Financial Services	\$2
0421	001	General Fund	5142040	Financial Services	\$2,537
0421	001	General Fund	5142040	Financial Services	\$10,210
0421	001	General Fund	5142040	Financial Services	\$2,082
0421	001	General Fund	5153040	Legal Services	\$91,573
0421	001	General Fund	5153040	Legal Services	\$46,086
0421	001	General Fund	5153040	Legal Services	\$89,100
0421	001	General Fund	5153040	Legal Services	\$31,300
0421	001	General Fund	5183010	Maintenance/Security/Insurance/Janitorial Services	\$5,690
0421	001	General Fund	5183010	Maintenance/Security/Insurance/Janitorial Services	\$182
0421	001	General Fund	5183020	Maintenance/Security/Insurance/Janitorial Services	\$2,571
0421	001	General Fund	5183020	Maintenance/Security/Insurance/Janitorial Services	\$61
0421	001	General Fund	5183030	Maintenance/Security/Insurance/Janitorial Services	\$1,142
0421	001	General Fund	5183040	Maintenance/Security/Insurance/Janitorial Services	\$6,382

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	001	General Fund	5183040	Maintenance/Security/Insurance/Janitorial Services	\$10,539
0421	001	General Fund	5183040	Maintenance/Security/Insurance/Janitorial Services	\$1,999
0421	001	General Fund	5183040	Maintenance/Security/Insurance/Janitorial Services	\$80
0421	001	General Fund	5183040	Maintenance/Security/Insurance/Janitorial Services	\$40
0421	001	General Fund	5183040	Maintenance/Security/Insurance/Janitorial Services	\$5,565
0421	001	General Fund	5183040	Maintenance/Security/Insurance/Janitorial Services	\$1,312
0421	001	General Fund	5183040	Maintenance/Security/Insurance/Janitorial Services	\$2,161
0421	001	General Fund	5188840	Information Technology Services	\$70,810
0421	001	General Fund	5188840	Information Technology Services	\$39,181
0421	001	General Fund	5189030	Other Centralized Services	\$16,327
0421	001	General Fund	5189040	Other Centralized Services	\$7,440
0421	001	General Fund	5189040	Other Centralized Services	\$1,974
0421	001	General Fund	5189040	Other Centralized Services	\$5,234
0421	001	General Fund	5189040	Other Centralized Services	\$24,368
0421	001	General Fund	5189040	Other Centralized Services	\$387
0421	001	General Fund	5941860	Capital Expenditures/Expenses - Centralized/General Services	\$36,998
0421	001	General Fund	5211030	Administration	\$83
0421	001	General Fund	5211030	Administration	\$125
0421	001	General Fund	5211040	Administration	\$652

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	001	General Fund	5212050	Police Operations	\$1,505,000
0421	001	General Fund	5212050	Police Operations	\$275
0421	001	General Fund	5213040	Crime Prevention	\$480
0421	001	General Fund	5215040	Facilities	\$3,303
0421	001	General Fund	5215040	Facilities	\$109
0421	001	General Fund	5222040	Fire Suppression and Emergency Medical Services	\$1,037,265
0421	001	General Fund	5225040	Facilities	\$6,492
0421	001	General Fund	5942260	Capital Expenditures/Expenses - Fire Suppression and EMS Services	\$47,841
0421	001	General Fund	5236050	Care and Custody of Prisoners	\$435,139
0421	001	General Fund	5183040	Maintenance/Security/In surance/Janitorial Services	\$1,896
0421	001	General Fund	5183040	Maintenance/Security/In surance/Janitorial Services	\$2,972
0421	001	General Fund	5183040	Maintenance/Security/In surance/Janitorial Services	\$2,422
0421	001	General Fund	5183040	Maintenance/Security/In surance/Janitorial Services	\$562
0421	001	General Fund	5242010	Inspections, Permits, Certificates and Licenses	\$151,896
0421	001	General Fund	5242010	Inspections, Permits, Certificates and Licenses	\$42,625
0421	001	General Fund	5242020	Inspections, Permits, Certificates and Licenses	\$54,360
0421	001	General Fund	5242020	Inspections, Permits, Certificates and Licenses	\$21,496
0421	001	General Fund	5242020	Inspections, Permits, Certificates and Licenses	\$308
0421	001	General Fund	5242030	Inspections, Permits, Certificates and Licenses	\$2,926
0421	001	General Fund	5242030	Inspections, Permits, Certificates and Licenses	\$76
0421	001	General Fund	5242040	Inspections, Permits, Certificates and Licenses	\$28,286

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	001	General Fund	5242040	Inspections, Permits, Certificates and Licenses	\$3,328
0421	001	General Fund	5242040	Inspections, Permits, Certificates and Licenses	\$616
0421	001	General Fund	5242040	Inspections, Permits, Certificates and Licenses	\$733
0421	001	General Fund	5242040	Inspections, Permits, Certificates and Licenses	\$368
0421	001	General Fund	5242040	Inspections, Permits, Certificates and Licenses	\$2,997
0421	001	General Fund	5242040	Inspections, Permits, Certificates and Licenses	\$455
0421	001	General Fund	5242040	Inspections, Permits, Certificates and Licenses	\$972
0421	001	General Fund	5942460	Capital Expenditures/Expenses - Protective Inspection Services	\$3,719
0421	001	General Fund	5256030	Disaster Preparedness	\$821
0421	001	General Fund	5256030	Disaster Preparedness	\$54
0421	001	General Fund	5256040	Disaster Preparedness	\$300
0421	001	General Fund	5256040	Disaster Preparedness	\$271
0421	001	General Fund	5256040	Disaster Preparedness	\$389
0421	001	General Fund	5421010	Engineering	\$160,771
0421	001	General Fund	5421020	Engineering	\$56,791
0421	001	General Fund	5421040	Engineering	\$89
0421	001	General Fund	5421040	Engineering	\$232
0421	001	General Fund	5944860	Capital Expenditures/Expenses - Public Works Centralized Services	\$1,498
0421	001	General Fund	5572040	Community Services	\$12,000
0421	001	General Fund	5572040	Community Services	\$1,000
0421	001	General Fund	5572040	Community Services	\$1,000
0421	001	General Fund	5572040	Community Services	\$500
0421	001	General Fund	5572040	Community Services	\$6,000
0421	001	General Fund	5572040	Community Services	\$2,000
0421	001	General Fund	5572040	Community Services	\$17,000
0421	001	General Fund	5572040	Community Services	\$2,000

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	001	General Fund	5690040	Aging and Disability Services	\$35,000
0421	001	General Fund	5739040	Other	\$3,500
0421	001	General Fund	5769040	Other Park Facilities	\$10,000
0421	001	General Fund	5183040	Maintenance/Security/Insurance/Janitorial Services	\$2,522
0421	001	General Fund	5183040	Maintenance/Security/Insurance/Janitorial Services	\$4,458
0421	001	General Fund	5183040	Maintenance/Security/Insurance/Janitorial Services	\$3,633
0421	001	General Fund	5183040	Maintenance/Security/Insurance/Janitorial Services	\$396
0421	001	General Fund	5586010	Planning	\$263,118
0421	001	General Fund	5586010	Planning	\$34,632
0421	001	General Fund	5586020	Planning	\$85,690
0421	001	General Fund	5586020	Planning	\$12,186
0421	001	General Fund	5586030	Planning	\$4,614
0421	001	General Fund	5586040	Planning	(\$16,426)
0421	001	General Fund	5586040	Planning	\$1,345
0421	001	General Fund	5586040	Planning	\$4,496
0421	001	General Fund	5586040	Planning	\$2,869
0421	001	General Fund	5586040	Planning	\$708
0421	001	General Fund	5945860	Capital Expenditures/Expenses - Community Planning and Economic Development	\$3,719
0421	001	General Fund	5739010	Other	\$22,212
0421	001	General Fund	5739020	Other	\$7,542
0421	001	General Fund	5739040	Other	\$2,238
0421	001	General Fund	5739040	Other	\$27,019
0421	001	General Fund	5739040	Other	\$2,815
0421	001	General Fund	5739040	Other	\$2,862
0421	001	General Fund	5768040	General Parks	\$9,502
0421	001	General Fund	5753040	Museums and Art Galleries	\$3,000

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	001	General Fund	5768010	General Parks	\$205,929
0421	001	General Fund	5768010	General Parks	\$9,326
0421	001	General Fund	5768020	General Parks	\$88,192
0421	001	General Fund	5768020	General Parks	\$1,364
0421	001	General Fund	5768030	General Parks	\$5,872
0421	001	General Fund	5768030	General Parks	\$25
0421	001	General Fund	5768030	General Parks	\$5,000
0421	001	General Fund	5768040	General Parks	\$138
0421	001	General Fund	5768040	General Parks	\$1,329
0421	001	General Fund	5768040	General Parks	\$68,161
0421	001	General Fund	5768040	General Parks	\$49,127
0421	001	General Fund	5768040	General Parks	\$2,052
0421	001	General Fund	5768040	General Parks	\$1,253
0421	001	General Fund	5768040	General Parks	\$1,026
0421	001	General Fund	5768040	General Parks	\$327
0421	001	General Fund	5768040	General Parks	\$1,090
0421	001	General Fund	5768040	General Parks	\$875
0421	001	General Fund	5768040	General Parks	\$49,524
0421	001	General Fund	5768040	General Parks	\$1,275
0421	001	General Fund	5768040	General Parks	\$2,503
0421	001	General Fund	5768040	General Parks	\$23
0421	001	General Fund	5768040	General Parks	\$556
0421	001	General Fund	5768040	General Parks	\$127
0421	001	General Fund	5947660	Capital Expenditures/Expenses - Park Facilities	\$7,950
0421	001	General Fund	5593050	Property Development	\$1,281
0421	001	General Fund	5593050	Property Development	\$2,718
0421	001	General Fund	5974200	Transfers-Out	\$136,679
0421	001	General Fund	5974200	Transfers-Out	\$223,061
0421	001	General Fund	5974200	Transfers-Out	\$179,744
0421	001	General Fund	5113040	Official Publication Services	\$5,141
0421	001	General Fund	5116040	Legislative Activities	\$2,536
0421	001	General Fund	5131040	Executive Office	\$4,170

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	001	General Fund	5131040	Executive Office	\$4,058
0421	001	General Fund	5142040	Financial Services	\$9,596
0421	001	General Fund	5149050	Voters Registration Services	\$15,771
0421	001	General Fund	5176040	Workers' Compensation Services	(\$108)
0421	001	General Fund	5179030	Other Employee Benefit Programs	\$2,859
0421	001	General Fund	5181030	Personnel Services	\$4,955
0421	001	General Fund	5189040	Other Centralized Services	\$73,781
0421	001	General Fund	5189040	Other Centralized Services	\$1,961
0421	001	General Fund	5531040	Soil and Water Conservation	\$3,184
0421	001	General Fund	5537050	Pollution Control and Remediation	\$5,341
0421	001	General Fund	5543050	Animal Control	\$10,589
0421	001	General Fund	5655050	Domestic Violence	\$2,588
0421	001	General Fund	5666650	Chemical Dependency Services	\$1,744
0421	001	General Fund	5768040	General Parks	\$1,389
0421	102	Capital Streets	5081000	Reserved Cash and Investments - Ending	\$29,882
0421	102	Capital Streets	5431010	Management	\$28,744
0421	102	Capital Streets	5431020	Management	\$8,783
0421	102	Capital Streets	5431040	Management	\$255
0421	102	Capital Streets	5433040	General Services	\$131
0421	102	Capital Streets	5433040	General Services	\$39
0421	102	Capital Streets	5433040	General Services	\$322
0421	102	Capital Streets	5444040	Planning	\$14,849
0421	102	Capital Streets	5974200	Transfers-Out	\$39,910
0421	102	Capital Streets	5979500	Transfers-Out	\$89,811
0421	103	Streets Overlay	5953060	Capital Expenditures/Expenses - Roadway	\$7,632
0421	103	Streets Overlay	5953060	Capital Expenditures/Expenses - Roadway	\$494,444

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	103	Streets Overlay	5953060	Capital Expenditures/Expenses - Roadway	\$37,258
0421	106	Impact Fees & Mitigation	5081000	Reserved Cash and Investments - Ending	\$1,078,377
0421	106	Impact Fees & Mitigation	5970000	Transfers-Out	\$71,086
0421	106	Impact Fees & Mitigation	5974100	Transfers-Out	\$107,836
0421	106	Impact Fees & Mitigation	5974100	Transfers-Out	\$875
0421	106	Impact Fees & Mitigation	5974100	Transfers-Out	\$4,976
0421	106	Impact Fees & Mitigation	5974100	Transfers-Out	\$243,626
0421	106	Impact Fees & Mitigation	5974100	Transfers-Out	\$37,966
0421	106	Impact Fees & Mitigation	5768050	General Parks	\$73,203
0421	106	Impact Fees & Mitigation	5768050	General Parks	\$24,938
0421	106	Impact Fees & Mitigation	5927680	Interest and Other Debt Service Cost - Park Facilities	\$5,649
0421	106	Impact Fees & Mitigation	5947660	Capital Expenditures/Expenses - Park Facilities	\$451,588
0421	106	Impact Fees & Mitigation	5947660	Capital Expenditures/Expenses - Park Facilities	\$661,366
0421	106	Impact Fees & Mitigation	5947660	Capital Expenditures/Expenses - Park Facilities	\$10,444
0421	106	Impact Fees & Mitigation	5970000	Transfers-Out	\$996,771
0421	106	Impact Fees & Mitigation	5970000	Transfers-Out	\$120,132
0421	106	Impact Fees & Mitigation	5970000	Transfers-Out	\$1,469
0421	106	Impact Fees & Mitigation	5081000	Reserved Cash and Investments - Ending	\$305,756
0421	106	Impact Fees & Mitigation	5081000	Reserved Cash and Investments - Ending	\$3,920
0421	106	Impact Fees & Mitigation	5081000	Reserved Cash and Investments - Ending	\$57,713
0421	106	Impact Fees & Mitigation	5081000	Reserved Cash and Investments - Ending	\$7,641
0421	106	Impact Fees & Mitigation	5081000	Reserved Cash and Investments - Ending	\$11,627
0421	106	Impact Fees & Mitigation	5081000	Reserved Cash and Investments - Ending	\$48,755

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	107	Hotel/Motel Tax	5081000	Reserved Cash and Investments - Ending	\$7,152
0421	107	Hotel/Motel Tax	5573040	Tourism	\$7,000
0421	107	Hotel/Motel Tax	5970000	Transfers-Out	\$7,000
0421	116	Park Capital Improvement	5081000	Reserved Cash and Investments - Ending	\$24,569
0421	116	Park Capital Improvement	5081000	Reserved Cash and Investments - Ending	\$7,155
0421	116	Park Capital Improvement	5977600	Transfers-Out	\$1,869
0421	116	Park Capital Improvement	5977600	Transfers-Out	\$65,145
0421	125	Development Projects (CED)	5081000	Reserved Cash and Investments - Ending	\$290,219
0421	125	Development Projects (CED)	5593040	Property Development	\$843,267
0421	125	Development Projects (CED)	5593040	Property Development	\$40,889
0421	125	Development Projects (CED)	5970000	Transfers-Out	\$136,135
0421	125	Development Projects (CED)	5970000	Transfers-Out	\$401,100
0421	190	Transportation Benefit District	5081000	Reserved Cash and Investments - Ending	\$1,149,462
0421	190	Transportation Benefit District	5970000	Transfers-Out	\$132,787
0421	190	Transportation Benefit District	5956460	Capital Expenditures/Expenses - Traffic Control Devices	\$820
0421	190	Transportation Benefit District	5956460	Capital Expenditures/Expenses - Traffic Control Devices	\$289,166
0421	190	Transportation Benefit District	5953060	Capital Expenditures/Expenses - Roadway	\$3,378
0421	216	2011 Fire Station Bond Redempt	5081000	Reserved Cash and Investments - Ending	\$181,433
0421	216	2011 Fire Station Bond Redempt	5912270	Debt Repayment - Fire Suppression and EMS Services	\$100,000
0421	216	2011 Fire Station Bond Redempt	5922280	Interest and Other Debt Service Cost - Fire Suppression and EMS Services	\$78,475

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	216	2011 Fire Station Bond Redempt	5922280	Interest and Other Debt Service Cost - Fire Suppression and EMS Services	\$300
0421	217	2012 LTGO (TBD) Bond Redempt	5919570	Debt Repayment - Roads/Streets and Other Infrastructure	\$130,000
0421	217	2012 LTGO (TBD) Bond Redempt	5929580	Interest and Other Debt Service Cost - Roads/Streets and Other Infrastructure	\$17,775
0421	217	2012 LTGO (TBD) Bond Redempt	5929580	Interest and Other Debt Service Cost - Roads/Streets and Other Infrastructure	\$300
0421	218	2015 LTGO Bond Redemption Fund	5917670	Debt Repayment - Park Facilities	\$73,500
0421	218	2015 LTGO Bond Redemption Fund	5917670	Debt Repayment - Park Facilities	\$66,555
0421	218	2015 LTGO Bond Redemption Fund	5927680	Interest and Other Debt Service Cost - Park Facilities	\$26,485
0421	218	2015 LTGO Bond Redemption Fund	5927680	Interest and Other Debt Service Cost - Park Facilities	\$23,982
0421	218	2015 LTGO Bond Redemption Fund	5927680	Interest and Other Debt Service Cost - Park Facilities	\$280
0421	219	2016 LTGP (LOC) Bond Redemption Fund	5923580	Interest and Other Debt Service Cost - Sewer/Reclaimed Water Utilities	\$15,063
0421	219	2016 LTGP (LOC) Bond Redemption Fund	5923580	Interest and Other Debt Service Cost - Sewer/Reclaimed Water Utilities	\$2,200
0421	219	2016 LTGP (LOC) Bond Redemption Fund	5970000	Transfers-Out	\$103,321
0421	219	2016 LTGP (LOC) Bond Redemption Fund	5970000	Transfers-Out	\$102,932
0421	310	Municipal Projects	5088000	Unreserved Cash and Investments - Ending	\$399
0421	310	Municipal Projects	5081000	Reserved Cash and Investments - Ending	\$16,341
0421	310	Municipal Projects	5081000	Reserved Cash and Investments - Ending	\$24,102

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	310	Municipal Projects	5956460	Capital Expenditures/Expenses - Traffic Control Devices	\$8,806
0421	310	Municipal Projects	5081000	Reserved Cash and Investments - Ending	(\$498,185)
0421	310	Municipal Projects	5956440	Capital Expenditures/Expenses - Traffic Control Devices	\$11,352
0421	310	Municipal Projects	5956460	Capital Expenditures/Expenses - Traffic Control Devices	\$9,636
0421	310	Municipal Projects	5956460	Capital Expenditures/Expenses - Traffic Control Devices	\$1,411,747
0421	310	Municipal Projects	5081000	Reserved Cash and Investments - Ending	\$23
0421	310	Municipal Projects	5956460	Capital Expenditures/Expenses - Traffic Control Devices	\$3,193
0421	310	Municipal Projects	5081000	Reserved Cash and Investments - Ending	\$18,611
0421	310	Municipal Projects	5953060	Capital Expenditures/Expenses - Roadway	\$1,570
0421	310	Municipal Projects	5953060	Capital Expenditures/Expenses - Roadway	\$104,139
0421	310	Municipal Projects	5953060	Capital Expenditures/Expenses - Roadway	(\$4,346)
0421	310	Municipal Projects	5953060	Capital Expenditures/Expenses - Roadway	\$4,976
0421	310	Municipal Projects	5953060	Capital Expenditures/Expenses - Roadway	\$875
0421	310	Municipal Projects	5954160	Capital Expenditures/Expenses - Drainage	\$48,426
0421	310	Municipal Projects	5081000	Reserved Cash and Investments - Ending	\$68,263
0421	310	Municipal Projects	5956160	Capital Expenditures/Expenses - Sidewalks	\$3,864

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	310	Municipal Projects	5956160	Capital Expenditures/Expenses - Sidewalks	\$358,807
0421	310	Municipal Projects	5956160	Capital Expenditures/Expenses - Sidewalks	(\$14,800)
0421	310	Municipal Projects	5956460	Capital Expenditures/Expenses - Traffic Control Devices	\$37,966
0421	310	Municipal Projects	5081000	Reserved Cash and Investments - Ending	(\$13,535)
0421	310	Municipal Projects	5952060	Capital Expenditures/Expenses - Right-Of-Way	\$8,200
0421	310	Municipal Projects	5956460	Capital Expenditures/Expenses - Traffic Control Devices	\$5,335
0421	310	Municipal Projects	5081000	Reserved Cash and Investments - Ending	(\$94,828)
0421	310	Municipal Projects	5953060	Capital Expenditures/Expenses - Roadway	\$94,828
0421	310	Municipal Projects	5081000	Reserved Cash and Investments - Ending	\$83,975
0421	310	Municipal Projects	5947660	Capital Expenditures/Expenses - Park Facilities	\$276,638
0421	310	Municipal Projects	5081000	Reserved Cash and Investments - Ending	\$5,078
0421	310	Municipal Projects	5081000	Reserved Cash and Investments - Ending	(\$1,407)
0421	310	Municipal Projects	5947660	Capital Expenditures/Expenses - Park Facilities	\$1,488,041
0421	310	Municipal Projects	5947660	Capital Expenditures/Expenses - Park Facilities	\$3,338
0421	310	Municipal Projects	5081000	Reserved Cash and Investments - Ending	(\$3,513)
0421	310	Municipal Projects	5947660	Capital Expenditures/Expenses - Park Facilities	\$3,513
0421	310	Municipal Projects	5947660	Capital Expenditures/Expenses - Park Facilities	\$5,913

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	310	Municipal Projects	5947660	Capital Expenditures/Expenses - Park Facilities	\$1,000,000
0421	310	Municipal Projects	5081000	Reserved Cash and Investments - Ending	\$342,657
0421	310	Municipal Projects	5941860	Capital Expenditures/Expenses - Centralized/General Services	\$389,962
0421	310	Municipal Projects	5970000	Transfers-Out	\$473,703
0421	310	Municipal Projects	5081000	Reserved Cash and Investments - Ending	\$52,018
0421	320	Capital Improvement (REET)	5081000	Reserved Cash and Investments - Ending	\$589,123
0421	320	Capital Improvement (REET)	5811000	Interfund Loans	\$725,000
0421	320	Capital Improvement (REET)	5917670	Debt Repayment - Park Facilities	\$25,239
0421	320	Capital Improvement (REET)	5927680	Interest and Other Debt Service Cost - Park Facilities	\$6,266
0421	320	Capital Improvement (REET)	5927680	Interest and Other Debt Service Cost - Park Facilities	\$34
0421	320	Capital Improvement (REET)	5977600	Transfers-Out	\$100,991
0421	320	Capital Improvement (REET)	5977600	Transfers-Out	\$5,913
0421	320	Capital Improvement (REET)	5979500	Transfers-Out	\$9,996
0421	320	Capital Improvement (REET)	5979500	Transfers-Out	\$258,022
0421	320	Capital Improvement (REET)	5979500	Transfers-Out	\$48,426
0421	401	Water Operations	5088000	Unreserved Cash and Investments - Ending	\$3,339,473
0421	401	Water Operations	5341010	Water Utilities	\$572,198
0421	401	Water Operations	5341010	Water Utilities	\$27,397
0421	401	Water Operations	5341020	Water Utilities	\$232,723
0421	401	Water Operations	5341020	Water Utilities	\$3,598
0421	401	Water Operations	5341030	Water Utilities	\$2,282
0421	401	Water Operations	5341040	Water Utilities	\$1,250

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	401	Water Operations	5341040	Water Utilities	\$2,469
0421	401	Water Operations	5341040	Water Utilities	\$2,866
0421	401	Water Operations	5341040	Water Utilities	\$2,646
0421	401	Water Operations	5341040	Water Utilities	\$1,951
0421	401	Water Operations	5341040	Water Utilities	\$2,156
0421	401	Water Operations	5341040	Water Utilities	\$526
0421	401	Water Operations	5341040	Water Utilities	\$86,444
0421	401	Water Operations	5341040	Water Utilities	\$2,619
0421	401	Water Operations	5341040	Water Utilities	\$724
0421	401	Water Operations	5341040	Water Utilities	\$7,813
0421	401	Water Operations	5341040	Water Utilities	\$4,010
0421	401	Water Operations	5341040	Water Utilities	\$2,402
0421	401	Water Operations	5341050	Water Utilities	\$1,281
0421	401	Water Operations	5342040	Water Utilities	\$48,855
0421	401	Water Operations	5342040	Water Utilities	\$807
0421	401	Water Operations	5348030	Water Utilities	\$8,565
0421	401	Water Operations	5348030	Water Utilities	\$2,346
0421	401	Water Operations	5348030	Water Utilities	\$46,594
0421	401	Water Operations	5348040	Water Utilities	\$4,240
0421	401	Water Operations	5348040	Water Utilities	\$50,034
0421	401	Water Operations	5348040	Water Utilities	\$35,406
0421	401	Water Operations	5348040	Water Utilities	\$30,608
0421	401	Water Operations	5348040	Water Utilities	\$12,826
0421	401	Water Operations	5348040	Water Utilities	\$93,901
0421	401	Water Operations	5348040	Water Utilities	\$111
0421	401	Water Operations	5348040	Water Utilities	\$36,320
0421	401	Water Operations	5348040	Water Utilities	\$80,005
0421	401	Water Operations	5348040	Water Utilities	\$90,360
0421	401	Water Operations	5348040	Water Utilities	\$16,378
0421	401	Water Operations	5348040	Water Utilities	\$6,048
0421	401	Water Operations	5811000	Interfund Loans	\$161,365
0421	401	Water Operations	5913470	Debt Repayment - Water Utilities	\$25,239
0421	401	Water Operations	5913470	Debt Repayment - Water Utilities	\$18,587

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	401	Water Operations	5913470	Debt Repayment - Water Utilities	\$11,906
0421	401	Water Operations	5913470	Debt Repayment - Water Utilities	\$63,311
0421	401	Water Operations	5923480	Interest and Other Debt Service Cost - Water Utilities	\$929
0421	401	Water Operations	5923480	Interest and Other Debt Service Cost - Water Utilities	\$1,786
0421	401	Water Operations	5923480	Interest and Other Debt Service Cost - Water Utilities	\$5,065
0421	401	Water Operations	5923480	Interest and Other Debt Service Cost - Water Utilities	\$6,266
0421	401	Water Operations	5923480	Interest and Other Debt Service Cost - Water Utilities	\$34
0421	401	Water Operations	5943460	Capital Expenditures/Expenses - Water Utilities	\$9,167
0421	401	Water Operations	5970000	Transfers-Out	\$4,148
0421	401	Water Operations	5970000	Transfers-Out	\$83,787
0421	401	Water Operations	5943460	Capital Expenditures/Expenses - Water Utilities	\$228,434
0421	401	Water Operations	5943460	Capital Expenditures/Expenses - Water Utilities	(\$3,477)
0421	401	Water Operations	5943460	Capital Expenditures/Expenses - Water Utilities	\$37,612
0421	401	Water Operations	5943460	Capital Expenditures/Expenses - Water Utilities	(\$4,555)
0421	401	Water Operations	5081000	Reserved Cash and Investments - Ending	\$29,865
0421	401	Water Operations	5348050	Water Utilities	\$11,358
0421	401	Water Operations	5913470	Debt Repayment - Water Utilities	\$110,937
0421	401	Water Operations	5923480	Interest and Other Debt Service Cost - Water Utilities	\$5,547

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	401	Water Operations	5943460	Capital Expenditures/Expenses - Water Utilities	\$3,650
0421	401	Water Operations	5943460	Capital Expenditures/Expenses - Water Utilities	\$15,810
0421	402	Sewer Operations	5088000	Unreserved Cash and Investments - Ending	\$2,771,327
0421	402	Sewer Operations	5351010	Sewer/Reclaimed Water Utilities	\$656,767
0421	402	Sewer Operations	5351010	Sewer/Reclaimed Water Utilities	\$8,013
0421	402	Sewer Operations	5351020	Sewer/Reclaimed Water Utilities	\$253,931
0421	402	Sewer Operations	5351020	Sewer/Reclaimed Water Utilities	\$3,136
0421	402	Sewer Operations	5351030	Sewer/Reclaimed Water Utilities	\$1,964
0421	402	Sewer Operations	5351040	Sewer/Reclaimed Water Utilities	\$11,729
0421	402	Sewer Operations	5351040	Sewer/Reclaimed Water Utilities	\$3,126
0421	402	Sewer Operations	5351040	Sewer/Reclaimed Water Utilities	\$3,597
0421	402	Sewer Operations	5351040	Sewer/Reclaimed Water Utilities	\$2,866
0421	402	Sewer Operations	5351040	Sewer/Reclaimed Water Utilities	\$2,592
0421	402	Sewer Operations	5351040	Sewer/Reclaimed Water Utilities	\$1,932
0421	402	Sewer Operations	5351040	Sewer/Reclaimed Water Utilities	\$2,339
0421	402	Sewer Operations	5351040	Sewer/Reclaimed Water Utilities	\$453
0421	402	Sewer Operations	5351040	Sewer/Reclaimed Water Utilities	\$121,000
0421	402	Sewer Operations	5351040	Sewer/Reclaimed Water Utilities	\$2,619
0421	402	Sewer Operations	5351040	Sewer/Reclaimed Water Utilities	\$117,218
0421	402	Sewer Operations	5351040	Sewer/Reclaimed Water Utilities	\$778
0421	402	Sewer Operations	5351040	Sewer/Reclaimed Water Utilities	\$2,733

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	402	Sewer Operations	5351040	Sewer/Reclaimed Water Utilities	\$2,784
0421	402	Sewer Operations	5351040	Sewer/Reclaimed Water Utilities	\$1,669
0421	402	Sewer Operations	5351040	Sewer/Reclaimed Water Utilities	\$145
0421	402	Sewer Operations	5351050	Sewer/Reclaimed Water Utilities	\$1,281
0421	402	Sewer Operations	5358030	Sewer/Reclaimed Water Utilities	\$43,635
0421	402	Sewer Operations	5358030	Sewer/Reclaimed Water Utilities	(\$1,930)
0421	402	Sewer Operations	5358030	Sewer/Reclaimed Water Utilities	\$21,489
0421	402	Sewer Operations	5358040	Sewer/Reclaimed Water Utilities	\$19,953
0421	402	Sewer Operations	5358040	Sewer/Reclaimed Water Utilities	\$33,994
0421	402	Sewer Operations	5358040	Sewer/Reclaimed Water Utilities	\$16,215
0421	402	Sewer Operations	5358040	Sewer/Reclaimed Water Utilities	\$75,362
0421	402	Sewer Operations	5358040	Sewer/Reclaimed Water Utilities	\$30,419
0421	402	Sewer Operations	5358040	Sewer/Reclaimed Water Utilities	\$52,643
0421	402	Sewer Operations	5358040	Sewer/Reclaimed Water Utilities	\$21,395
0421	402	Sewer Operations	5358040	Sewer/Reclaimed Water Utilities	\$11,300
0421	402	Sewer Operations	5358040	Sewer/Reclaimed Water Utilities	\$44,827
0421	402	Sewer Operations	5358040	Sewer/Reclaimed Water Utilities	\$68,025
0421	402	Sewer Operations	5358040	Sewer/Reclaimed Water Utilities	\$29,211
0421	402	Sewer Operations	5358040	Sewer/Reclaimed Water Utilities	\$3,016
0421	402	Sewer Operations	5358040	Sewer/Reclaimed Water Utilities	\$21,672
0421	402	Sewer Operations	5913570	Debt Repayment - Sewer/Reclaimed Water Utilities	\$9,945

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	402	Sewer Operations	5913570	Debt Repayment - Sewer/Reclaimed Water Utilities	\$98,805
0421	402	Sewer Operations	5913570	Debt Repayment - Sewer/Reclaimed Water Utilities	\$58,953
0421	402	Sewer Operations	5913570	Debt Repayment - Sewer/Reclaimed Water Utilities	\$36,099
0421	402	Sewer Operations	5913570	Debt Repayment - Sewer/Reclaimed Water Utilities	\$132,993
0421	402	Sewer Operations	5923580	Interest and Other Debt Service Cost - Sewer/Reclaimed Water Utilities	\$4,662
0421	402	Sewer Operations	5923580	Interest and Other Debt Service Cost - Sewer/Reclaimed Water Utilities	\$3,831
0421	402	Sewer Operations	5923580	Interest and Other Debt Service Cost - Sewer/Reclaimed Water Utilities	\$16,329
0421	402	Sewer Operations	5923580	Interest and Other Debt Service Cost - Sewer/Reclaimed Water Utilities	\$24,531
0421	402	Sewer Operations	5923580	Interest and Other Debt Service Cost - Sewer/Reclaimed Water Utilities	\$3,584
0421	402	Sewer Operations	5923580	Interest and Other Debt Service Cost - Sewer/Reclaimed Water Utilities	\$152
0421	402	Sewer Operations	5943560	Capital Expenditures/Expenses - Sewer/Reclaimed Water Utilities	\$32,223
0421	402	Sewer Operations	5943560	Capital Expenditures/Expenses - Sewer/Reclaimed Water Utilities	\$27,124
0421	402	Sewer Operations	5943560	Capital Expenditures/Expenses - Sewer/Reclaimed Water Utilities	\$9,875

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	402	Sewer Operations	5970000	Transfers-Out	\$17,263
0421	402	Sewer Operations	5970000	Transfers-Out	\$4,148
0421	402	Sewer Operations	5970000	Transfers-Out	\$83,787
0421	402	Sewer Operations	5943560	Capital Expenditures/Expenses - Sewer/Reclaimed Water Utilities	\$184,217
0421	402	Sewer Operations	5943560	Capital Expenditures/Expenses - Sewer/Reclaimed Water Utilities	\$14,231
0421	402	Sewer Operations	5943560	Capital Expenditures/Expenses - Sewer/Reclaimed Water Utilities	\$85,990
0421	402	Sewer Operations	5081000	Reserved Cash and Investments - Ending	\$73,103
0421	402	Sewer Operations	5358040	Sewer/Reclaimed Water Utilities	\$23,108
0421	402	Sewer Operations	5943560	Capital Expenditures/Expenses - Sewer/Reclaimed Water Utilities	\$184,217
0421	402	Sewer Operations	5943560	Capital Expenditures/Expenses - Sewer/Reclaimed Water Utilities	\$9,487
0421	402	Sewer Operations	5943560	Capital Expenditures/Expenses - Sewer/Reclaimed Water Utilities	\$9,554
0421	404	Storm & FLOOD Operations	5088000	Unreserved Cash and Investments - Ending	\$1,140,678
0421	404	Storm & FLOOD Operations	5313110	Storm Drainage Utilities	\$278,885
0421	404	Storm & FLOOD Operations	5313110	Storm Drainage Utilities	\$3,894
0421	404	Storm & FLOOD Operations	5313120	Storm Drainage Utilities	\$107,364
0421	404	Storm & FLOOD Operations	5313120	Storm Drainage Utilities	\$1,177
0421	404	Storm & FLOOD Operations	5313130	Storm Drainage Utilities	\$976
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$1,274

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$1,201
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$3,452
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$40,071
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$39,853
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$11,017
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$5,681
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$9,923
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$1,433
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$1,219
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$594
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$816
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$229
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$1,310
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$15,850
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$4,834
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$413
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$404
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$648
0421	404	Storm & FLOOD Operations	5313140	Storm Drainage Utilities	\$907
0421	404	Storm & FLOOD Operations	5313150	Storm Drainage Utilities	\$1,281
0421	404	Storm & FLOOD Operations	5313830	Storm Drainage Utilities	(\$519)

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	404	Storm & FLOOD Operations	5313840	Storm Drainage Utilities	\$9,497
0421	404	Storm & FLOOD Operations	5313840	Storm Drainage Utilities	\$2,024
0421	404	Storm & FLOOD Operations	5313840	Storm Drainage Utilities	\$4,537
0421	404	Storm & FLOOD Operations	5913170	Debt Repayment - Storm Drainage Utilities	\$25,239
0421	404	Storm & FLOOD Operations	5913170	Debt Repayment - Storm Drainage Utilities	\$95,000
0421	404	Storm & FLOOD Operations	5923180	Interest and Other Debt Service Cost - Storm Drainage Utilities	\$6,266
0421	404	Storm & FLOOD Operations	5923180	Interest and Other Debt Service Cost - Storm Drainage Utilities	\$27,400
0421	404	Storm & FLOOD Operations	5923180	Interest and Other Debt Service Cost - Storm Drainage Utilities	\$262
0421	404	Storm & FLOOD Operations	5943160	Capital Expenditures/Expenses - Storm Drainage Utilities	\$21,605
0421	404	Storm & FLOOD Operations	5970000	Transfers-Out	\$19,504
0421	404	Storm & FLOOD Operations	5970000	Transfers-Out	\$27,929
0421	404	Storm & FLOOD Operations	5943160	Capital Expenditures/Expenses - Storm Drainage Utilities	\$2,081
0421	404	Storm & FLOOD Operations	5319110	Storm Drainage Utilities	\$103,929
0421	404	Storm & FLOOD Operations	5319110	Storm Drainage Utilities	\$15
0421	404	Storm & FLOOD Operations	5319120	Storm Drainage Utilities	\$36,621
0421	404	Storm & FLOOD Operations	5319130	Storm Drainage Utilities	\$918
0421	404	Storm & FLOOD Operations	5319140	Storm Drainage Utilities	\$407
0421	404	Storm & FLOOD Operations	5319140	Storm Drainage Utilities	\$37,812
0421	404	Storm & FLOOD Operations	5319140	Storm Drainage Utilities	\$267

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	404	Storm & FLOOD Operations	5319140	Storm Drainage Utilities	\$3,626
0421	404	Storm & FLOOD Operations	5319140	Storm Drainage Utilities	\$2,807
0421	404	Storm & FLOOD Operations	5319140	Storm Drainage Utilities	\$1,219
0421	404	Storm & FLOOD Operations	5319140	Storm Drainage Utilities	\$594
0421	404	Storm & FLOOD Operations	5319140	Storm Drainage Utilities	\$202
0421	404	Storm & FLOOD Operations	5319140	Storm Drainage Utilities	\$98
0421	404	Storm & FLOOD Operations	5319140	Storm Drainage Utilities	\$2,404
0421	404	Storm & FLOOD Operations	5319140	Storm Drainage Utilities	\$1,351
0421	404	Storm & FLOOD Operations	5319140	Storm Drainage Utilities	\$3,176
0421	404	Storm & FLOOD Operations	5319140	Storm Drainage Utilities	\$248
0421	404	Storm & FLOOD Operations	5319140	Storm Drainage Utilities	\$385
0421	404	Storm & FLOOD Operations	5319140	Storm Drainage Utilities	\$31
0421	404	Storm & FLOOD Operations	5319140	Storm Drainage Utilities	\$907
0421	404	Storm & FLOOD Operations	5081000	Reserved Cash and Investments - Ending	\$93,541
0421	404	Storm & FLOOD Operations	5943160	Capital Expenditures/Expenses - Storm Drainage Utilities	\$3,650
0421	404	Storm & FLOOD Operations	5943160	Capital Expenditures/Expenses - Storm Drainage Utilities	\$340
0421	404	Storm & FLOOD Operations	5943160	Capital Expenditures/Expenses - Storm Drainage Utilities	\$1,288
0421	404	Storm & FLOOD Operations	5943160	Capital Expenditures/Expenses - Storm Drainage Utilities	\$65,970
0421	404	Storm & FLOOD Operations	5943160	Capital Expenditures/Expenses - Storm Drainage Utilities	(\$2,819)

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	404	Storm & FLOOD Operations	5943160	Capital Expenditures/Expenses - Storm Drainage Utilities	\$4,213
0421	404	Storm & FLOOD Operations	5943160	Capital Expenditures/Expenses - Storm Drainage Utilities	\$3,252
0421	405	Solid Waste & Recycling Operations	5088000	Unreserved Cash and Investments - Ending	\$299,523
0421	405	Solid Waste & Recycling Operations	5371010	Solid Waste Utilities	\$18,969
0421	405	Solid Waste & Recycling Operations	5371010	Solid Waste Utilities	\$5,328
0421	405	Solid Waste & Recycling Operations	5371020	Solid Waste Utilities	\$11,625
0421	405	Solid Waste & Recycling Operations	5371040	Solid Waste Utilities	\$86
0421	405	Solid Waste & Recycling Operations	5371040	Solid Waste Utilities	\$859
0421	405	Solid Waste & Recycling Operations	5371040	Solid Waste Utilities	\$136
0421	405	Solid Waste & Recycling Operations	5376040	Solid Waste Utilities	\$12,517
0421	405	Solid Waste & Recycling Operations	5378040	Solid Waste Utilities	\$3,656
0421	451	ULID #6 Bond Redemption	5081000	Reserved Cash and Investments - Ending	\$4,684,222
0421	451	ULID #6 Bond Redemption	5351040	Sewer/Reclaimed Water Utilities	\$4,224
0421	451	ULID #6 Bond Redemption	5351040	Sewer/Reclaimed Water Utilities	\$9,900
0421	451	ULID #6 Bond Redemption	5913570	Debt Repayment - Sewer/Reclaimed Water Utilities	\$850,000
0421	451	ULID #6 Bond Redemption	5913570	Debt Repayment - Sewer/Reclaimed Water Utilities	\$30,000
0421	451	ULID #6 Bond Redemption	5923580	Interest and Other Debt Service Cost - Sewer/Reclaimed Water Utilities	\$181,150
0421	451	ULID #6 Bond Redemption	5923580	Interest and Other Debt Service Cost - Sewer/Reclaimed Water Utilities	\$317,850

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	451	ULID #6 Bond Redemption	5923580	Interest and Other Debt Service Cost - Sewer/Reclaimed Water Utilities	\$9,068
0421	451	ULID #6 Bond Redemption	5970000	Transfers-Out	\$199,918
0421	452	ULID#6 Bond Reserve	5081000	Reserved Cash and Investments - Ending	\$1,469,001
0421	501	Equipment Operations	5486810	Equipment Rental Services	\$90,948
0421	501	Equipment Operations	5486810	Equipment Rental Services	\$686
0421	501	Equipment Operations	5486820	Equipment Rental Services	\$32,641
0421	501	Equipment Operations	5486820	Equipment Rental Services	\$717
0421	501	Equipment Operations	5486830	Equipment Rental Services	\$5,886
0421	501	Equipment Operations	5486830	Equipment Rental Services	\$34,294
0421	501	Equipment Operations	5486830	Equipment Rental Services	\$1,213
0421	501	Equipment Operations	5486840	Equipment Rental Services	\$1,667
0421	501	Equipment Operations	5486840	Equipment Rental Services	\$464
0421	501	Equipment Operations	5486840	Equipment Rental Services	\$138
0421	501	Equipment Operations	5486840	Equipment Rental Services	\$2,936
0421	501	Equipment Operations	5486840	Equipment Rental Services	\$818
0421	501	Equipment Operations	5486840	Equipment Rental Services	\$1,263
0421	501	Equipment Operations	5486840	Equipment Rental Services	\$622
0421	501	Equipment Operations	5486840	Equipment Rental Services	\$310
0421	501	Equipment Operations	5486840	Equipment Rental Services	\$834
0421	501	Equipment Operations	5486840	Equipment Rental Services	\$448
0421	501	Equipment Operations	5486840	Equipment Rental Services	\$4,521

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	501	Equipment Operations	5486840	Equipment Rental Services	\$4,834
0421	501	Equipment Operations	5486840	Equipment Rental Services	\$34,473
0421	501	Equipment Operations	5486840	Equipment Rental Services	\$9,137
0421	501	Equipment Operations	5486840	Equipment Rental Services	\$241
0421	501	Equipment Operations	5486840	Equipment Rental Services	\$63
0421	501	Equipment Operations	5486840	Equipment Rental Services	\$2,062
0421	501	Equipment Operations	5486850	Equipment Rental Services	\$1,281
0421	501	Equipment Operations	5914870	Debt Repayment - Public Works Centralized Services	\$25,239
0421	501	Equipment Operations	5924880	Interest and Other Debt Service Cost - Public Works Centralized Services	\$6,266
0421	501	Equipment Operations	5924880	Interest and Other Debt Service Cost - Public Works Centralized Services	\$34
0421	501	Equipment Operations	5188810	Information Technology Services	\$12,247
0421	501	Equipment Operations	5188810	Information Technology Services	\$51
0421	501	Equipment Operations	5188820	Information Technology Services	\$4,819
0421	501	Equipment Operations	5188830	Information Technology Services	\$1,956
0421	501	Equipment Operations	5188840	Information Technology Services	\$60
0421	501	Equipment Operations	5188840	Information Technology Services	\$5,580
0421	501	Equipment Operations	5188840	Information Technology Services	\$4,372
0421	501	Equipment Operations	5188840	Information Technology Services	\$2,689
0421	501	Equipment Operations	5188840	Information Technology Services	\$394

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	501	Equipment Operations	5188840	Information Technology Services	\$47,138
0421	501	Equipment Operations	5188840	Information Technology Services	\$56,000
0421	501	Equipment Operations	5188840	Information Technology Services	\$411
0421	501	Equipment Operations	5941860	Capital Expenditures/Expenses - Centralized/General Services	\$9,886
0421	502	Equipment Reserve	5088000	Unreserved Cash and Investments - Ending	\$783,426
0421	502	Equipment Reserve	5942460	Capital Expenditures/Expenses - Protective Inspection Services	\$13,363
0421	502	Equipment Reserve	5941860	Capital Expenditures/Expenses - Centralized/General Services	\$3,401
0421	502	Equipment Reserve	5941860	Capital Expenditures/Expenses - Centralized/General Services	\$1,397
0421	502	Equipment Reserve	5941860	Capital Expenditures/Expenses - Centralized/General Services	\$511
0421	502	Equipment Reserve	5941860	Capital Expenditures/Expenses - Centralized/General Services	\$142
0421	502	Equipment Reserve	5941860	Capital Expenditures/Expenses - Centralized/General Services	\$85
0421	635	Treasurers Trust	5081000	Reserved Cash and Investments - Ending	\$166,498
0421	635	Treasurers Trust	5860000	Court Remittances	\$1,126,237
0421	635	Treasurers Trust	5860000	Court Remittances	\$2,786
0421	635	Treasurers Trust	5860000	Court Remittances	\$1,405
0421	635	Treasurers Trust	5860000	Court Remittances	\$558
0421	635	Treasurers Trust	5081000	Reserved Cash and Investments - Ending	\$5,000

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
0421	635	Treasurers Trust	5081000	Reserved Cash and Investments - Ending	\$559
0421	635	Treasurers Trust	5081000	Reserved Cash and Investments - Ending	\$300
0421	635	Treasurers Trust	5081000	Reserved Cash and Investments - Ending	\$10,678
0421	635	Treasurers Trust	5081000	Reserved Cash and Investments - Ending	\$23,660
0421	635	Treasurers Trust	5081000	Reserved Cash and Investments - Ending	\$11,570

**SCHEDULE OF DISBURSEMENT ACTIVITY  
For the Year Ending December 31, 2017**

Fund No.	Fund Title	Beginning Outstanding Items 01/01/2017	Issued During the Year	Redeemed During the Year	Canceled During the Year	Ending Outstanding Items 12/31/2017	Prior Year Open Period Items	Current Year Open Period Items	Disbursements 12/31/2017
001	General Fund	\$14,875	\$6,730,408	\$6,719,776	\$0	\$25,506	\$237,872	\$344,625	\$6,837,160
102	Capital Streets	\$186	\$51,111	\$51,224	\$0	\$74	\$14	\$1,276	\$52,373
103	Streets Overlay	\$0	\$539,548	\$539,548	\$0	\$0	\$213	\$0	\$539,335
106	Impact Fees & Mitigation	\$0	\$1,222,257	\$1,222,257	\$0	\$0	\$0	\$1,690	\$1,223,947
107	Hotel/Motel Tax	\$0	\$7,000	\$7,000	\$0	\$0	\$0	\$0	\$7,000
125	Development Projects (CED)	\$3,465	\$726,617	\$728,895	\$0	\$1,186	\$1,277	\$57,088	\$782,427
190	Transportation Benefit District	\$0	\$313,010	\$99,495	\$0	\$213,515	\$0	\$2,395	\$315,405
216	2011 Fire Station Bond Redempt	\$0	\$178,775	\$178,775	\$0	\$0	\$0	\$0	\$178,775
217	2012 LTGO (TBD) Bond Redempt	\$0	\$148,075	\$148,075	\$0	\$0	\$0	\$0	\$148,075
218	2015 LTGO Bond Redemption Fund	\$0	\$190,801	\$190,801	\$0	\$0	\$0	\$0	\$190,801
219	2016 LTGP (LOC) Bond Redemption Fund	\$0	\$19,216	\$16,677	\$0	\$2,539	\$1,952	\$0	\$17,263
310	Municipal Projects	\$20,303	\$4,206,768	\$3,116,019	\$0	\$1,111,052	\$64,888	\$33,688	\$4,175,568
320	Capital Improvement (REET)	\$0	\$31,539	\$31,539	\$0	\$0	\$0	\$0	\$31,539
401	Water Operations	\$7,545	\$1,799,582	\$1,796,462	\$0	\$10,664	\$14,549	\$94,553	\$1,879,587
402	Sewer Operations	\$5,418	\$2,284,399	\$2,262,203	\$0	\$27,614	\$37,065	\$167,599	\$2,414,933
404	Storm & FLOOD Operations	\$5,829	\$832,218	\$833,237	\$0	\$4,810	\$10,013	\$28,315	\$850,520
405	Solid Waste & Recycling Operations	\$203	\$52,155	\$52,218	\$0	\$140	\$8	\$954	\$53,102
451	ULID #6 Bond Redemption	\$315	\$1,476,662	\$1,476,677	\$0	\$300	\$6,051	\$2,686	\$1,473,296
501	Equipment Operations	\$1,524	\$405,764	\$403,733	\$0	\$3,555	\$14,461	\$14,583	\$405,886
502	Equipment Reserve	\$0	\$19,055	\$19,055	\$0	\$0	\$140	\$0	\$18,915
635	Treasurers Trust	\$0	\$1,131,847	\$1,101,691	\$0	\$30,155	\$115	\$0	\$1,131,732
690	Transportation Benefit District (TBD)	\$622	\$1,264,536	\$1,265,158	\$0	\$0	\$61,243	\$0	\$1,203,293
<b>TOTAL</b>		<b>\$60,285</b>	<b>\$23,631,342</b>	<b>\$22,260,515</b>	<b>\$0</b>	<b>\$1,431,111</b>	<b>\$449,861</b>	<b>\$749,451</b>	<b>\$23,930,931</b>

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**City of North Bend  
Schedule of Liabilities  
For the Year Ended December 31, 2017**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
<b>General Obligation Debt/Liabilities</b>						
251.11	2016 Non-Voted LTGO Bond (LOC)	8/10/2019	463,505	206,253	-	669,758
251.11	2012 Non-Voted LTGO Bonds (TBD)	12/1/2021	680,000	-	130,000	550,000
251.11	GO Refunding Bonds - 2015 LTGO	12/1/2026	1,615,301	-	140,055	1,475,246
251.11	GO Refunding Bonds - 2015 LTGO	12/1/2026	114,699	-	9,945	104,754
251.22	2011 Voted UTGO Bonds (Fire Station)	12/1/2030	1,805,000	-	100,000	1,705,000
263.98	Compensated Absences - Governmental Funds		140,383	-	9,946	130,437
<b>Total General Obligation Debt/Liabilities:</b>			<b>4,818,888</b>	<b>206,253</b>	<b>389,946</b>	<b>4,635,195</b>
<b>Revenue and Other (non G.O.) Debt/Liabilities</b>						
263.82	SRF - SOE - I&I Project - Phase I	7/1/2018	120,527	-	58,953	61,574
252.11	Revenue Bonds - 2010 Water & Sewer Refunding	9/1/2021	1,235,000	-	225,000	1,010,000
263.82	SRF - DOE - I&I Project - Phase II	1/1/2024	264,401	-	36,099	228,302
263.82	DOE - CCWF - WWTP Phase 2 (A,B & C)	1/1/2024	1,121,733	-	132,993	988,740
263.88	PWTF Loan - Water Source Development	9/1/2026	1,295,237	-	129,524	1,165,713
263.82	SRF Loan - Drinking H2O - CT Piping	9/1/2026	119,064	-	11,906	107,158
263.88	PWTF Loan - 415th Ave SE - Water Main Replacement	6/1/2032	1,012,977	-	63,311	949,666
252.11	Revenue Bonds - 2012 ULID #6	8/1/2032	4,860,000	-	850,000	4,010,000
252.11	Revenue Bonds - 2015 Storm Capital Projects Refunding	8/1/2032	830,000	-	95,000	735,000
252.11	Revenue Bonds - 2015 Refunding (2012 ULID #6)	8/1/2032	8,375,000	-	30,000	8,345,000
259.12	Compensated Absences - Proprietary Funds		122,614	10,726	-	133,340
264.30	Net Pension Liability		2,850,769	-	496,652	2,354,117
<b>Total Revenue and Other (non G.O.) Debt/Liabilities:</b>			<b>22,207,322</b>	<b>10,726</b>	<b>2,129,438</b>	<b>20,088,610</b>
<b>Total Liabilities:</b>			<b>27,026,210</b>	<b>216,979</b>	<b>2,519,384</b>	<b>24,723,805</b>

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**City of North Bend  
SCHEDULE OF CASH ACTIVITY**

For the Year Ended December 31, 2017

Fund Number	Fund Title	Beginning Cash and Investments	Receipts	Transfers-In	Other Revenue	Netted Transactions
001	General Fund	\$1,335,944.07	\$7,307,258.61	\$569,939.56	\$353,239.25	\$17,543.82
102	Capital Streets	\$30,514.62	\$45,531.95	\$136,679.09	\$5,335.00	\$0.00
103	Streets Overlay	\$64,380.35	\$32,239.00	\$442,715.15	\$0.00	\$0.00
106	Impact Fees & Mitigation	\$983,386.25	\$2,395,382.02	\$65,145.00	\$950,083.28	\$127.00
107	Hotel/Motel Tax	\$7,009.90	\$14,142.50	\$0.00	\$0.00	\$0.00
116	Park Capital Improvement	\$82,803.34	\$15,935.18	\$0.00	\$0.00	\$0.00
125	Development Projects (CED)	\$285,557.97	\$1,431,444.02	\$0.00	\$28,485.03	\$5,393.00
190	Transportation Benefit District	\$0.00	\$1,575,613.13	\$0.00	\$77,805.39	\$0.00
216	2011 Fire Station Bond Redempt	\$180,654.74	\$179,553.23	\$0.00	\$0.00	\$0.00
217	2012 LTGO (TBD) Bond Redempt	\$14,875.78	\$411.86	\$132,787.36	\$24,712.50	\$0.00
218	2015 LTGO Bond Redemption Fund	\$0.00	\$0.00	\$190,801.48	\$0.00	\$0.00
219	2016 LTGP (LOC) Bond Redemption Fund	\$0.00	\$206,253.15	\$17,263.32	\$0.00	\$0.00
310	Municipal Projects	\$914,570.22	\$1,215,143.64	\$2,667,406.23	\$454,224.31	\$0.00
320	Capital Improvement (REET)	\$1,164,640.42	\$598,720.57	\$0.00	\$5,649.46	\$0.00
401	Water Operations	\$2,799,873.48	\$2,893,190.82	\$0.00	\$522,134.58	\$10,498.67
402	Sewer Operations	\$1,410,717.79	\$3,997,999.56	\$206,253.15	\$146,342.00	\$1,529.22
404	Storm & FLOOD Operations	\$1,204,674.18	\$1,080,271.01	\$0.00	\$87,261.84	\$2,282.02
405	Solid Waste & Recycling Operations	\$249,579.87	\$131,575.03	\$0.00	\$0.00	\$0.00
451	ULID #6 Bond Redemption	\$4,856,801.82	\$1,435,634.35	\$0.00	\$65,000.00	\$6,104.65
452	ULID#6 Bond Reserve	\$1,258,571.24	\$10,511.38	\$199,918.00	\$0.00	\$0.00
501	Equipment Operations	\$0.00	\$0.75	\$0.00	\$409,638.91	\$0.75
502	Equipment Reserve	\$493,423.54	\$6,099.02	\$0.00	\$302,818.00	\$16.12
635	Treasurers Trust	\$145,010.50	\$1,204,986.65	\$0.00	\$0.00	\$745.04
690	Transportation Benefit District (TBD)	\$1,044,274.09	\$120,050.18	\$0.00	\$63,681.19	\$1,164,324.27
<b>TOTAL</b>		<b>\$18,527,264.17</b>	<b>\$25,897,947.61</b>	<b>\$4,628,908.34</b>	<b>\$3,496,410.74</b>	<b>\$1,208,564.56</b>

Total Increase (4+5+6-7)	Disbursements	Transfers-Out	Other Expenditures	Total Decrease (9+10+11-7)	Ending Cash & Investments (3+8-12)
\$8,212,893.60	\$6,837,160.02	\$539,484.24	\$390,665.19	\$7,749,765.63	\$1,799,072.04
\$187,546.04	\$52,372.95	\$129,720.86	\$6,085.00	\$188,178.81	\$29,881.85
\$474,954.15	\$539,334.50	\$0.00	\$0.00	\$539,334.50	\$0.00
\$3,410,483.30	\$1,223,947.10	\$1,646,174.55	\$10,086.89	\$2,880,081.54	\$1,513,788.01
\$14,142.50	\$7,000.00	\$7,000.00	\$0.00	\$14,000.00	\$7,152.40
\$15,935.18	\$0.00	\$67,014.16	\$0.00	\$67,014.16	\$31,724.36
\$1,454,536.05	\$782,427.42	\$562,939.56	\$109,901.19	\$1,449,875.17	\$290,218.85
\$1,653,418.52	\$315,404.81	\$132,787.36	\$55,764.18	\$503,956.35	\$1,149,462.17
\$179,553.23	\$178,775.00	\$0.00	\$0.00	\$178,775.00	\$181,432.97
\$157,911.72	\$148,075.00	\$0.00	\$24,712.50	\$172,787.50	\$0.00
\$190,801.48	\$190,801.48	\$0.00	\$0.00	\$190,801.48	\$0.00
\$223,516.47	\$17,263.32	\$206,253.15	\$0.00	\$223,516.47	\$0.00
\$4,336,774.18	\$4,175,568.03	\$473,703.00	\$602,073.37	\$5,251,344.40	\$0.00
\$604,370.03	\$31,538.89	\$423,348.09	\$725,000.00	\$1,179,886.98	\$589,123.47
\$3,404,826.73	\$1,879,586.94	\$87,934.63	\$878,339.16	\$2,835,362.06	\$3,369,338.15
\$4,349,065.49	\$2,414,932.82	\$105,197.95	\$396,751.42	\$2,915,352.97	\$2,844,430.31
\$1,165,250.83	\$850,520.11	\$47,432.79	\$240,034.71	\$1,135,705.59	\$1,234,219.42
\$131,575.03	\$53,101.58	\$0.00	\$28,530.54	\$81,632.12	\$299,522.78
\$1,494,529.70	\$1,473,296.28	\$199,918.00	\$0.00	\$1,667,109.63	\$4,684,221.89
\$210,429.38	\$0.00	\$0.00	\$0.00	\$0.00	\$1,469,000.62
\$409,638.91	\$405,885.57	\$0.00	\$3,754.09	\$409,638.91	\$0.00
\$308,900.90	\$18,914.94	\$0.00	\$0.00	\$18,898.82	\$783,425.62
\$1,204,241.61	\$1,131,731.70	\$0.00	\$0.00	\$1,130,986.66	\$218,265.45
(\$980,592.90)	\$1,203,292.96	\$0.00	\$24,712.50	\$63,681.19	\$0.00
<b>\$32,814,702.13</b>	<b>\$23,930,931.42</b>	<b>\$4,628,908.34</b>	<b>\$3,496,410.74</b>	<b>\$30,847,685.94</b>	<b>\$20,494,280.36</b>

**City of North Bend**  
**SCHEDULE OF STATE FINANCIAL ASSISTANCE (unaudited)**  
**For Fiscal Year ended December 31, 2017**

Grantor	Program Title	Identificaton Number	Amount
Capital Contributions - State Grant from Transportation Improvement Board (TIB)			
	Fuel Tax Grant	3-P-804(004)-1	15,959
	Fuel Tax Grant	3-P-804(003)-1	311,340
			<b>Sub-total: 327,299</b>
Capital Contributions - State Grant from Department of Ecology			
	Waste 2 Resources	W2RCPG-1517-NorBend-00078	875
			<b>Sub-total: 875</b>
Capital Contributions - State Grant from Department of Transportation			
	2016 Supplemental Transportation Budget/Local Programs	HLP-17A(004)	100,000
			<b>Sub-total: 100,000</b>
			<b>Grand total: 428,174</b>

Report based on unaudited annual report submissions as of 4/12/2018

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**City of North Bend**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2017**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
<b>CDBG - Entitlement Grants Cluster</b>								
Office Of Community Planning And Development, Department Of Housing And Urban Development (via King County Department of Community & Human Services)	Community Development Block Grants/Entitlement Grants	14.218	KC#B-16-US-53-0001	301,504	-	301,504	-	
<b>Total CDBG - Entitlement Grants Cluster:</b>				<b>301,504</b>	<b>-</b>	<b>301,504</b>	<b>-</b>	
National Park Service, Department Of The Interior (via WA Recreation and Conservation Office)	Outdoor Recreation Acquisition, Development and Planning	15.916	AFRS 1356#12-1470D	111,430	-	111,430	-	
<b>Highway Planning and Construction Cluster</b>								
Federal Highway Administration (fhwa), Department Of Transportation (via WA State Department of Transportation)	Highway Planning and Construction	20.205	STPUS-17A1(003)	1,367,369	-	1,367,369	-	
Federal Highway Administration (fhwa), Department Of Transportation (via WA State Department of Transportation)	Highway Planning and Construction	20.205	STPUS-17A1(002)	42,573	-	42,573	-	
<b>Total Highway Planning and Construction Cluster:</b>				<b>1,409,942</b>	<b>-</b>	<b>1,409,942</b>	<b>-</b>	
<b>Total Federal Awards Expended:</b>				<b>1,822,876</b>	<b>-</b>	<b>1,822,876</b>	<b>-</b>	

The accompanying notes are an integral part of this schedule.

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City of North Bend

Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2017

Note 1 – Basis of Accounting

This schedule is prepared on the same basis of accounting as the City of North Bend's financial statements. The City of North Bend uses the Cash Basis Budgeting, Accounting, and Reporting System as prescribed by the State Auditor's Office.

Note 2 – Program Costs

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the City of North Bend's portion, are more than shown. Such expenditures are recognized following, as applicable, either the cost principles in the OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 7 – Indirect Cost Rate

The City of North Bend has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

MCAG NO. 0421

City of North Bend  
(City/County/District)

Schedule 19

Labor Relations Consultant(S)  
For the Year Ended December 31, 2017

Has your government engaged labor relations consultants? \_\_\_ Yes X No

If yes, please provide the following information for each consultant:

Name of firm:
Name of consultant:
Business address:
Amount paid to consultant during fiscal year:
Terms and conditions, as applicable, including: Rates (e.g., hourly, etc.) Maximum compensation allowed Duration of services Services provided

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