

City of Edmonds, Washington
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended December 31, 2011



Edmonds Pier by Dale Arveson

Our mission is to provide a high quality of life for residents and businesses, and a legacy for future generations by preserving and enhancing our historic waterfront community.

Dave Earling, Mayor



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The City of Edmonds, Washington

**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT**

For the Year Ended December 31, 2011

*Prepared by the City of Edmonds, Finance Department
Shawn Hunstock, Finance Director*

DAVE EARLING, MAYOR

EDMONDS CITY COUNCIL

Strom Peterson, Council President

Michael Plunkett	Adrienne Fraley-Monillas
Diane Buckshnis	Lora Petso
Frank Yamamoto	Joan Bloom



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COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2011

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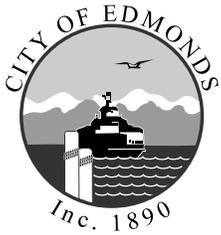
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City of Edmonds

121 5th Ave N, Edmonds, WA 98020

Dave Earling, Mayor

Shawn Hunstock, Finance Director

June 27, 2012

Honorable Mayor Earling
Members of the Edmonds City Council
Citizens of Edmonds
City of Edmonds
121 Fifth Avenue N
Edmonds, Washington 98020

Subject: **TRANSMITTAL OF 2011 COMPREHENSIVE ANNUAL FINANCIAL REPORT**

Dear Mayor, Council Members, and Citizens:

This correspondence will formally transmit the City of Edmonds' 2011 Comprehensive Annual Financial Report. The City has also complied with the submittal requirements of Washington State Law RCW 43.09.230 requiring annual reports for Washington municipal governments to be certified and filed with the State Auditor's Office within one hundred fifty days after the close of each fiscal year.

Responsibility for the accuracy of the data, the completeness and reliability of all information presented in this report rests with management. To provide a reasonable basis for making these representations, the City has established a comprehensive internal control framework designed both to protect the government's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). To the best of my knowledge and belief, this financial report is complete and reliable in all material respects.

Cities and counties of the State of Washington use the Budgeting, Accounting and Reporting System (BARS) developed and prescribed by the State Auditor's Office. The City's financial statements have been audited by the Washington State Auditor's office. The goal of an independent audit is to provide reasonable assurance that City financial statements for the fiscal year ended December 31, 2011 are free of material misstatements. The State Auditor concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Edmonds' statements are fairly presented in conformity with GAAP. The State Auditor's report is presented at the first component of the financial section of this report.

I. INTRODUCTION

A. MANAGEMENT REPRESENTATION

The Edmonds Finance Department prepared the report and accepts responsibility for the accuracy, completeness, and fairness of presentation of the information included. The data is believed to be accurate in all material respects, and it is believed that the data is presented in a manner that fairly sets forth the results of operations and financial position of the City as measured by the financial activity of the City's various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activity have been included. The report has been prepared in conformance with GAAP and in conformance with financial reporting standards issued by the Governmental Accounting Standards Board (GASB).

City management has developed and evaluated a comprehensive internal control structure that is designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance is based on the assumption that the cost of internal controls should not exceed the benefits expected to be derived. As management, we attest that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

As a recipient of federal, state and county financial assistance the City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act amendments of 1996 and U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*. The audit is conducted by the State Auditor's Office in conjunction with the City's annual independent audit. Information related to this single audit includes the Schedule of Expenditures of Federal Awards, findings and recommendations, if applicable, and auditor's reports on internal control and compliance with applicable laws, regulations, contracts and agreements. The results of the City's annual single audit for the fiscal year ended December 31, 2011 provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws.

Governmental Accounting Standards Board Statement No. 34 requires that the City provides a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

B. ORGANIZATION OF THE REPORT

The report is divided into three sections: the Introductory Section, the Financial Section, and the Statistical Section. The Introductory Section contains the table of contents, a list of the City's principal officials, an organizational chart, and this letter of transmittal. The Financial Section contains the Auditor's Report, completed by the Washington State Auditor, Management's Discussion and Analysis, Government-Wide Financial Statements, the Fund Financial Statements, Notes to the Financial Statements and Other Required Combining and Supplemental Information. The Statistical Section, which is unaudited, contains a range of statistical tables and charts that present various financial, economic, social, and demographic data about the City. This information depicts various trends that have affected the fiscal condition of the City over the last ten years.

C. REPORTING ENTITY

The City of Edmonds is a non-charter code city operating under a strong mayor-council form of government. Policy making and legislative authority are vested with a seven member city council who are elected for staggered four year-terms and are elected at-large, rather than by district. The city council is responsible for establishing policy objectives and for providing the resources necessary to carry out those policies. As the City's chief administrator, the Mayor is responsible for carrying out Council policy directives and for the oversight of day-to-day operations of the City.

The City of Edmonds provides a full range of services, including police, planning and zoning; water, sewer, stormwater and wastewater treatment services; the construction and maintenance of streets and other infrastructure; and recreational activities and cultural events.

The City of Edmonds, incorporated in 1890, is located within Snohomish County and is 12 miles north of Seattle. Edmonds is the twenty-second largest city in the State, currently occupies a land area of 9 square miles and serves a population of 39,709. A picturesque waterfront community, Edmonds offers an appealing small town quality of life, complimented by many amenities including, specialty shops, a variety of restaurants, an active arts community, and an array of outdoor activities.

This report includes all funds, agencies, and boards and commissions that are controlled by, or dependent on, the City's executive and legislative departments. Included as part of the reporting entity are the Edmonds Public Facilities District and the Snohomish County Emergency Radio System (SERS). Additional information on these entities can be found in the Notes to the Financial Statements.

The City prepares annual budgets in accordance with the Revised Code of Washington (RCW) 35A.33. Annual budgets must be adopted by the City Council prior to the first of each year. Department heads may make transfers of appropriations within their department. The Mayor may make transfers of appropriations between departments within any one fund. Increases to appropriations at the Fund level require the City Council approval. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated budget has been adopted.

II. ECONOMIC CONDITION

A. SUMMARY OF LOCAL ECONOMY

The information presented in the financial statements is perhaps best understood when it is viewed in the broader perspective of the environment within which the City operates. This section will review major factors that impact Edmonds' fiscal condition.

Edmonds has nearly 1,800 city-licensed businesses. Finance, insurance, real estate and other service industries comprise over half of all licensed businesses, followed by the retail industry. Major local employers include Swedish Hospital, the City of Edmonds, the Edmonds School District and also specialty private sector companies such as "Rick Steves' Europe through the Back Door."

Beginning in 2002 the rate of property tax to be collected was limited to 1%. Prior to this legislation, the City relied heavily on property tax revenue to fund general government services. A number of measures have since been implemented on both sides of the equation, increasing revenue and cutting expenditures. Buoyed by a good economy the City was able to sustain operations and fund limited capital improvements thru 2009.

However, during 2008 and 2009, it became apparent that predictions the Pacific Northwest's economy would be immune to the economic downturn affecting the rest of the nation were incorrect. The City experienced falling sales tax revenue. A spending freeze was implemented, vacant positions remained unfilled, and merit increases for non-represented employees were eliminated. The 2009-2010 biennial budget was adopted with additional cuts as well as new and increased revenue.

Financial indicators were mixed in 2011. Assessed valuation for property taxes declined but sales tax increased by 4% in 2011. There are signs of increased home sales activity but home prices continue to decline. Retail sales tax growth is expected to continue at a very moderate pace. Overall economic growth is expected to remain relatively flat through the first half of 2012, improving in the second half of the year.

B. FUTURE ECONOMIC OUTLOOK

Edmonds is in a continuous process of both short-term and long-term financial planning. Short-term financial planning is inherent in the development of the City's annual budget. Concurrent with the annual budget is the City's long-term capital needs and potential funding is assessed with the development of the six-year capital facility plan. The capital facility plan is a component of the Comprehensive Master Plan, which outlines how the City should look and function in twenty years and creates a vision that can be realistically implemented. An integral part of this vision is determining how to allocate the City's financial resources to achieve the desired goals.

Growth is predicted to continue in the future but not at the rate experienced in the late 1990's and early 2000's. The challenge is to control costs that grow at a faster rate than revenue. Areas of concern are health care costs and public safety costs related to incarceration and labor contracts. Continuing to fund these sectors will draw valuable resources from other areas such as infrastructure replacement and capital programs. As Edmonds moves forward, economic conditions will be continually monitored and adjustments to City spending and services made to maintain the City's financial health. Long-term plans will be focused on ensuring the City continues to be an economically strong and viable City. Towards that end, the City is working on adoption of a contingency reserve policy in 2012, which calls for the establishment of sufficient reserves to help bridge the gap when there are yearly fluctuations in the City's largest revenue sources. The City is also conducting a strategic planning process at this time with significant public outreach and involvement. One of the outcomes of the strategic planning process will be resource allocation input for City Council in areas that are important to the community.

III. OTHER RELEVANT INFORMATION

A. INDEPENDENT AUDIT

State law requires an annual audit of all City books of accounts and financial records by the Office of the State Auditor, which is headed by an independently elected State official, the State Auditor. The Auditor has broad legal authority to inquire into all financial and legal compliance matters and such audits are considered equal to audits by certified public accounting firms. The 2011 financial audit of the City is complete and was conducted in conformance with Generally Accepted Auditing Standards. The financial statements of all City funds have been included in this audit. The City has been given an unqualified opinion for 2011. Please see the Auditor's Report. The State Auditor's Office also audits the City's administration of its federal grants under the single audit concept. There were no instances of questioned costs as part of the City's single audit for 2011.

B. MANAGEMENT DISCUSSION AND ANALYSIS

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of *Management's Discussion and Analysis (MD&A)*. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Edmonds's MD&A can be found immediately following the independent auditor's report.

C. ACKNOWLEDGMENTS

Preparation of this report could not have been accomplished without the professional, efficient, and dedicated services of the entire staff of the Finance Department and the cooperation of other City departments. Their long hours of assistance with the preparation and review of this report are greatly appreciated. The Mayor and City Council are to be complimented for their encouragement, interest, and support in conducting the financial operations of the City in a sound and progressive manner. The efficient assistance of examiners from the Office of the State Auditor is also appreciated. Staff who had a direct role in preparing Edmonds's 2011 Comprehensive Annual Financial Report take great pride in their work, and the entire team who worked on this project is to be commended.

Respectfully submitted,



Shawn Hunstock, CPA
Finance Director

CITY OF EDMONDS PUBLIC OFFICIALS

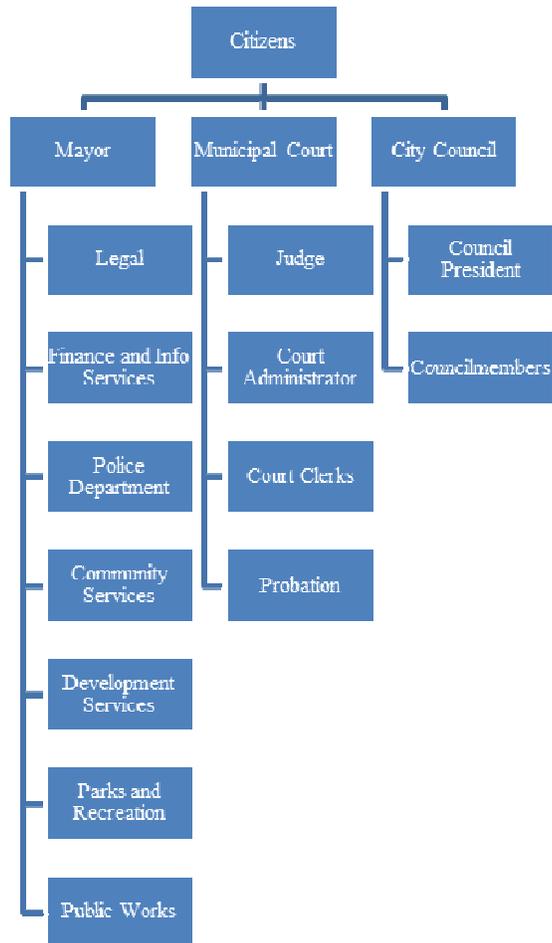
ELECTED OFFICIALS

Mayor: Dave Earling
Council: Strom Peterson, President
Michael Plunkett
Adrienne Fraley-Monillas
Diane Buckshnis
Lora Petso
Joan Bloom
Frank Yamamoto

APPOINTED OFFICIALS

Finance Director: Shawn Hunstock
Community Services Director: Stephen Clifton
Acting Development Services Director: Rob Chave
Economic Development Director: Stephen Clifton
Acting Human Services Director: Carrie Hite
Parks & Recreation Director: Carrie Hite
Municipal Court Judge: Douglas Fair
Police Chief: Al Compaan
Public Works Director: Phil Williams

City of Edmonds Organization Chart





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**Washington State Auditor
Brian Sonntag**

INDEPENDENT AUDITOR'S REPORT

June 27, 2012

Mayor and City Council
City of Edmonds
Edmonds, Washington

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Edmonds, Snohomish County, Washington, as of and for the year ended December 31, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Edmonds, Snohomish County, Washington, as of December 31, 2011, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General Fund fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, during the year ended December 31, 2011, the City has implemented the Governmental Accounting Standards Board Statement No. 51 - Accounting and Financial Reporting for Intangible Assets and Statement No. 54 - Fund Balance Reporting and Governmental Fund Type Definitions.

In accordance with *Government Auditing Standards*, we will also issue our report dated June 27, 2012 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the City's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the

results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 11 through 26, pension trust fund on pages 85 through 86 and information on postemployment benefits other than pensions on pages 85 through 86 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying information listed as combining financial statements and supplementary information on pages 88 through 142 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The information identified in the table of contents as the Introductory and Statistical Sections is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Sonntag", written in a cursive style.

BRIAN SONNTAG, CGFM
STATE AUDITOR

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Edmonds (City) presents this Management's Discussion and Analysis of its financial activities for the fiscal year ended December 31, 2011. The City's discussion and analysis is designed to:

- Assist the reader in focusing on significant financial issues
- Provide an overview of the City's financial activity
- Identify changes in the City's financial position (its ability to meet future years' challenges)
- Identify any material deviations from the approved budget
- Identify individual fund issues or concerns

Management's Discussion and Analysis is designed to focus on the current year's activities, resulting changes and currently known facts. Therefore, it should be read in conjunction with the Transmittal Letter and the City's financial statements.

Financial Highlights

- At December 31, 2011 the City's net assets, the amount by which total assets exceeded total liabilities, totaled \$142 million. Of this amount, \$107 million is invested in capital assets, such as land, buildings, and infrastructure net of related debt. The remaining net assets of \$35 million is restricted for debt service, construction, and various other purposes.
- The City's total net assets increased by \$3.3 million or 2.4% in 2011. Governmental activities increased by \$1.7 million and business-type activities increased by \$1.7 million.
- Governmental funds reported a combined ending fund balance of \$13.4 million; a \$0.7 million increase over the prior year. Of this amount, \$9.6 million is unassigned and available to fund ongoing activities. Governmental fund balances also include \$1.9 million in the emergency reserve finance fund, which the City Council has stated will only be used in cases of catastrophic emergencies such as an earthquake or other natural or manmade disaster. The unassigned fund balance of \$9.6 million represents 29% of total 2011 general fund expenditures.
- Total capital assets increased by \$2.7 million or 2.0% in 2011.
- Total debt increased by a net of \$8.6 million during the current fiscal year. Outstanding bonded debt, loans, and long term contracts at year-end totaled \$37.6 million.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the City of Edmonds as a financial whole or as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial conditions.

The Statement of Net Assets and Statement of Activities provide information about the activities of the whole City presenting both an aggregate view of the City's finances and a longer-term view of those assets. Major fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what dollars remain for future spending. The fund financial statements also look at the City's most significant funds with all other non-major funds presented in total in one column.

Overview of the Financial Statements

The City's basic financial statements are presented in three parts:

- 1) Government-wide financial statements
- 2) Fund financial statements
- 3) Notes to the financial statements

Other supplementary information, in addition to the basic financial statements, is also contained in this report. This section of the management's discussion and analysis is intended to introduce and explain the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns which add to a total for the City. The focus of the *Statement of Net Assets* is designed to be similar to bottom-line results for the City and its governmental and business-type activities. This statement combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations. Over time, increases or decreases in net assets may be one indicator of improvement or deterioration in the City's overall financial health.

The *Statement of Activities* is focused on both the gross and net cost of various functions, including both governmental and business-type activities, which are supported by the City's general tax and other revenues. This is intended to summarize and simplify the user's analysis of cost of various governmental services and/or subsidy to various business-type activities. The revenue generated by the specific functions (charges for services, grants, and contributions) is compared to the expenses for those functions to show how much each function either supports itself or relies on taxes and other general funding sources for support. All activity on this statement is reported on the accrual basis of accounting, requiring that revenues are reported when they are earned and expenses are reported when they are incurred, regardless of when cash is received or disbursed.

Governmental activities of the City include general government (executive, finance, legal, human resources, court), security (police), physical environment, economic environment, transportation, health and human services, and culture and recreation. The City's business-type activities include water, sewer, storm water and wastewater treatment utilities. Governmental activities are primarily supported by taxes, charges for services, and grants while business-type activities are self-supporting through user fees and charges.

The City also includes as a discretely presented component unit the Edmonds Public Facilities District (EPFD), a performing arts center in Edmonds, and the EPFD's blended component unit, the Edmonds Center for the Arts (ECA), a non-profit established to collect donations and manage the operations for the EPFD. Although legally separate, the EPFD is important because the City provides financial support and oversight responsibilities connected to the activities of the board.

Fund Financial Statements

The fund financial statements will look familiar to the traditional users of governmental financial statements. However, the focus now is on major funds rather than fund types. Individual funds are used to maintain control over resources that are segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. There are three categories of City funds: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are reported in the governmental funds. These statements, however, focus on cash and other assets that can readily be converted to

available resources, as well as any balances remaining at year-end. Such information is useful in determining what financial resources are available in the near future to finance the City's programs.

Readers may better understand the long-term impact of the government's near-term financing decisions by comparing the information presented for the governmental funds with similar information presented for governmental activities in the government-wide financial statements. The Governmental Funds' Balance Sheet and the Governmental Funds' Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate the comparison.

Information for the major governmental funds is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund's Statement of Revenues, Expenditures, and Changes in Fund Balances; information for the non-major funds is presented in the aggregate.

The City's main operating fund is the general fund. However, the City maintains many accounts and subfunds within the general fund, including the emergency financial reserve subfund, the public safety emergency reserve subfund, the building maintenance subfund among others. Because of materiality and public interest in these funds, individual fund data for each of these subfunds is provided in the combining statement for the general fund elsewhere in this report.

Proprietary funds account for services for which the City charges outside customers and internal City departments. Proprietary funds provide the same information as shown in the government-wide financial statements, only in more detail, since both use the accrual basis of accounting. Proprietary funds report the same functions presented as business-type activities in the government-wide financial statements.

The City has two types of proprietary funds, enterprise funds and internal service funds. Enterprise funds are used to account for goods and services provided to citizens. Internal service funds are used to account for goods and services provided internally to various City departments.

The enterprise fund statements provide information for the City's water, sewer, storm water and wastewater treatment utilities. Enterprise funds of the City are consolidated into one fund for financial statement reporting purposes. The City uses an internal service fund to account for its fleet of vehicles. Because these services largely benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds. Fiduciary funds are not included in the government-wide financial statements because their assets are not available to support City programs. The City's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets and a Statement of Changes in Fiduciary Net Assets as part of the basic financial statements.

Notes to the Financial Statements

The notes to the financial statements are an integral part of the financial statements. They provide additional disclosures essential to a full understanding of the information provided in the government-wide and fund financial statements. The notes to the financial statements immediately follow the basic financial statements in this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning a schedule of funding progress for the Firemen's Pension Trust Fund and other post-employment benefits. Additional pension benefit information is found in note 10.

The combining statements referred to earlier in connection with non-major governmental funds, non-major enterprise funds, and internal service funds are presented in the section titled "Combining and Individual Fund Financial Statements and Schedules".

Government-wide Financial Analysis

The *Statement of Net Assets* can serve as a useful indicator of the City's financial position. The City of Edmonds' net assets (assets in excess of liabilities) at December 31, 2011 totaled \$142.2 million. Following is a condensed version of the government-wide statement of net assets with a comparison to 2010:

City of Edmonds Net Assets

	Governmental Activities		Business-type Activities		Total	
	As of 12/31/11	As of 12/31/10	As of 12/31/11	As of 12/31/10	As of 12/31/11	As of 12/31/10
Current and other assets	\$ 26,846,674	\$ 25,773,347	\$ 22,506,614	\$ 12,439,784	\$ 49,353,288	\$ 38,213,131
Capital assets, net of accumulated depreciation	72,715,560	73,357,118	65,774,450	62,464,194	138,490,010	135,821,312
Total assets	99,562,234	99,130,465	88,281,064	74,903,978	187,843,298	174,034,443
Long-term liabilities	21,170,376	6,333,580	20,410,294	2,588,498	41,580,670	8,922,078
Other liabilities	1,701,116	17,763,756	2,311,943	8,448,647	4,013,059	26,212,403
Total liabilities	22,871,492	24,097,336	22,722,237	11,037,145	45,593,729	35,134,481
Net assets						
Invested in capital assets, net of related debt	61,004,928	59,961,071	45,783,325	53,273,296	106,788,253	113,234,367
Restricted	3,288,857	1,368,707	9,096,615	687,447	12,385,472	2,056,154
Unrestricted	12,396,957	13,703,352	10,678,887	9,906,089	23,075,844	23,609,441
Total net assets	\$ 76,690,742	\$ 75,033,130	\$ 65,558,827	\$ 63,866,832	\$ 142,249,569	\$ 138,899,962

Approximately \$8.1 million of the primary government's total net assets are restricted for construction projects to renovate or improve the City's buildings, parks, street and utilities infrastructure. The remaining balance of net assets is primarily allocated to restrictions for debt service payments, transportation improvements, and other purposes in the amount of \$4.2 million and unrestricted net assets of \$23.1 million. The business-type unrestricted assets of \$10.7 million may only be spent on utility activities. Other functions of the City may access the governmental unrestricted assets of \$12.4 million to meet ongoing obligations to citizens and creditors. There are no restrictions, commitments, or other limitations that significantly affect the availability of resources for future use.

The largest component of the City's net assets, \$106.8 million, or 75.1%, is its investment in capital assets, less debt related to the acquisition or construction of those assets. These capital assets, such as streets, parks, trails, and vehicles and equipment related to police and public works, are used to provide services to the citizens. As a result, these assets are not for sale, and are therefore not available to fund current and future City obligations. The City elected the GASB 34 reporting option to include all general infrastructure of the City acquired or substantially renovated since 1980.

Unrestricted net assets of the City's business-type activities, totaling \$10.7 million, represent the portion of unrestricted net assets that may only be spent on activities related to one of the City's utilities (water, sewer, storm water and wastewater treatment). Examples of utility activities include maintenance of water/sewer mains, pump and lift stations, storm drain flushing, water meter reading, and the wastewater treatment plant.

Restricted governmental fund net assets are \$3.3 million and are restricted for purposes such as debt service, public safety and other purposes.

The remaining net assets of the City may be used for functions such as general government employee salaries and supplies, park and road maintenance, and police services.

Changes in Net Assets

The change in net assets represents the increase or decrease in City net assets resulting from its various activities.

Following is a condensed version of the City's changes in net assets. The table shows the revenues, expenses and related changes in net assets for both governmental-type and business-type activities:

City of Edmonds Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 8,378,697	\$ 8,138,658	\$ 15,620,997	\$ 14,347,539	\$ 23,999,694	\$ 22,486,197
Operating grants and contributions	145,406	272,554	179,479	47,249	324,885	319,803
Capital grants and contributions	1,771,199	534,066	498,486	1,246,156	2,269,685	1,780,222
General revenues:						
Property tax	13,539,536	13,683,426	-	-	13,539,536	13,683,426
Retail sales and use tax	5,286,262	5,002,282	-	-	5,286,262	5,002,282
Interfund utility tax	1,517,150	1,390,713	-	-	1,517,150	1,390,713
Utility tax	4,715,339	4,606,438	-	-	4,715,339	4,606,438
Excise tax	1,368,160	-	-	-	1,368,160	-
Other taxes	1,020,419	380,892	-	-	1,020,419	380,892
Real estate excise taxes	-	1,709,951	-	-	-	1,709,951
Hotel/motel taxes	-	68,186	-	-	-	68,186
Fuel taxes	-	884,784	-	-	-	884,784
Payments from component unit	396,493	381,368	-	-	396,493	381,368
Investment earnings	16,070	32,845	15,287	-	31,357	32,845
Miscellaneous revenue	84,770	(37,065)	311	33,154	85,081	(3,911)
Gain on sale of capital assets	36,762	983,191	-	-	36,762	983,191
Total revenues	38,276,263	38,032,289	16,314,560	15,674,098	54,590,823	53,706,387
Expenses:						
General government	8,092,028	8,210,126	-	-	8,092,028	8,210,126
Public safety	18,037,057	17,630,352	-	-	18,037,057	17,630,352
Transportation	3,412,126	4,325,832	-	-	3,412,126	4,325,832
Physical environment	1,405,398	1,266,933	-	-	1,405,398	1,266,933
Culture and recreation	4,298,852	3,984,078	-	-	4,298,852	3,984,078
Economic environment	1,063,894	1,643,520	-	-	1,063,894	1,643,520
Health and human services	9,731	10,217	-	-	9,731	10,217
Interest on long-term debt	781,881	446,236	-	-	781,881	446,236
Combined utility fund	-	-	14,140,249	13,836,220	14,140,249	13,836,220
Total expenses	37,100,967	37,517,294	14,140,249	13,836,220	51,241,216	51,353,514
Increase in net assets before transfers	1,175,296	514,995	2,174,311	1,837,878	3,349,607	2,352,873
Transfers	482,316	62,375	(482,316)	(62,375)	-	-
Change in net assets	1,657,612	577,370	1,691,995	1,775,503	3,349,607	2,352,873
Net assets-beginning of period	75,033,130	74,455,760	63,866,832	62,091,329	138,899,962	136,547,089
Net assets-end of period	\$ 76,690,742	\$ 75,033,130	\$ 65,558,827	\$ 63,866,832	\$ 142,249,569	\$ 138,899,962

Governmental activities contributed \$1.7 million to the total increase in City net assets. Revenues to fund capital assets are recorded as program or general revenues in the statement of activities. However, asset purchases are not recorded as expenses in the year purchased and construction costs are not recorded as expenses in the year incurred. Instead, the costs are recorded as long-term assets and are depreciated over their useful life.

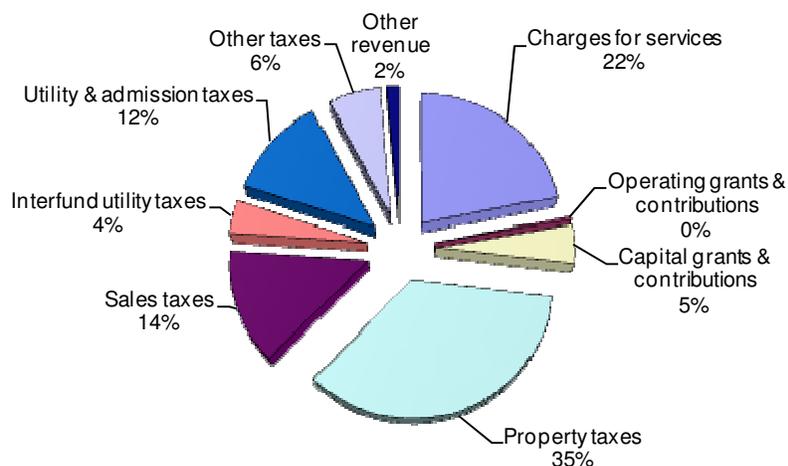
General tax revenue changes during 2011:

- Property tax revenue decreased by \$236,317, or 1.7%. This decrease is primarily due to the decrease in assessed valuation in Edmonds. With the Emergency Medical Services property tax levy capped at \$0.50 per \$1,000 of assessed value, the decline in revenue due to lower assessed valuation more than offset the allowable 1% increase in the City's regular property tax levy.
- Sales tax collections increased by \$202,832, or 3.9%.
- Utility taxes rose by \$248,301 or 4.1%.
- Real Estate Excise Tax (REET) revenue decreased by \$170,252, or 13.5%.

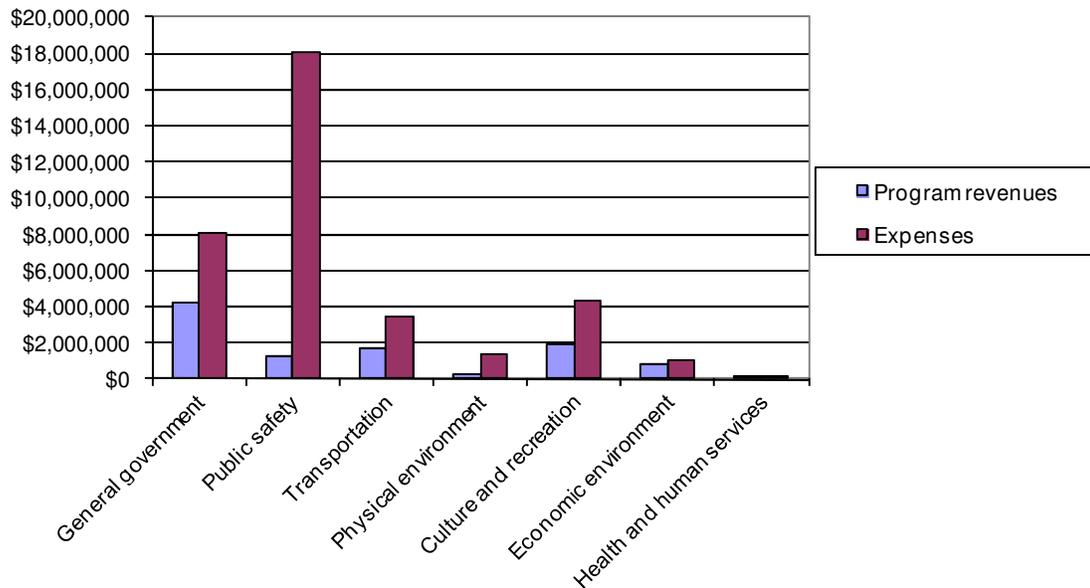
Governmental activity expenses decreased by \$416,327, or 1.1%. The decrease reflected the desire of City administration to adapt spending patterns to actual revenue collections throughout the year.

The next chart summarizes the government activity revenue by source, while the second one reflects the specific programs' revenues and related expenses for the various activities of the City. Gaps between specific programs' revenues and their related expenditures are funded through general tax revenues.

Revenues by Source - Governmental Activities



Program Revenues and Expenses - Governmental Activities



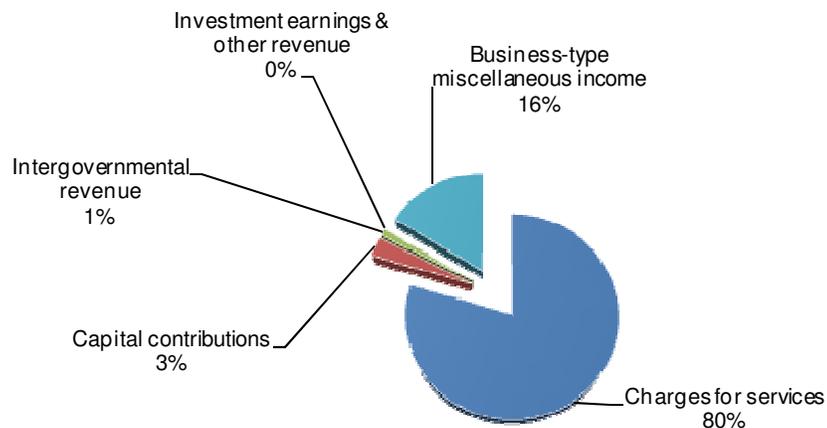
Business-type net assets increased by \$1.7 million. Key components of this increase include:

- \$498,486 of the increase relates to utility capital contributions.
- Net Income (Change in Net Assets) went down by \$83,508, or 4.7% from 2010.
- Operating expenses increased by \$341,460, or 2.5%, from 2010.
- Net transfers-out totaled \$482,316. The transfers generally related to construction costs accounted for in other funds where the utility fund also incurred costs for improvements, such as a water main replacement when a street overlay occurs.

The majority of net assets in the City's enterprise funds relate to capital asset infrastructure, such as water and sewer mains, storm water infrastructure, and the wastewater treatment plant. As such, most of the net assets are not available to support the ongoing expenses of the funds.

The following chart depicts major sources of revenue for business-type activities:

Revenues by Source - Business-Type Activity



Financial Analysis of Governmental Funds

The purpose of the City's governmental funds is to report on near-term revenues/financial resources and expenditures. This information helps determine the City's financial requirements in the near future. Specifically, fund balance is a good indicator of the City's financial resources.

As of December 31, 2011, the City's governmental funds had combined fund balances of \$13,416,024 an increase of \$744,220 or 5.9%. This increase is related to:

- General fund \$701,507
- Street fund (\$105,179)
- Street construction fund \$219,697
- REET 1 fund (\$197,114)
- Other governmental funds \$125,309

Of the governmental funds' total fund balances, \$9,562,178 is unassigned. Restricted fund balances include \$1,961,296 earmarked for culture and recreation purposes, \$815,498 for transportation purposes, and \$242,765 for debt service. Committed fund balances include \$419,344 for culture and recreation purposes, and \$85,714 for utilities and environment.

The general fund is the primary operating fund of the City. All receipts and payments of ordinary City operations are processed through it unless they are accounted for in another fund. At the end of 2011, the general fund had a fund balance of \$9,562,638, of which substantially all is unreserved. The fund balance for the general fund is comprised of the following subfunds:

- Criminal investigations subfund \$2,500
- Emergency financial reserve subfund \$1,927,600
- LEOFF medical insurance reserve subfund \$320,657
- Public safety emergency reserve subfund \$1,338,178

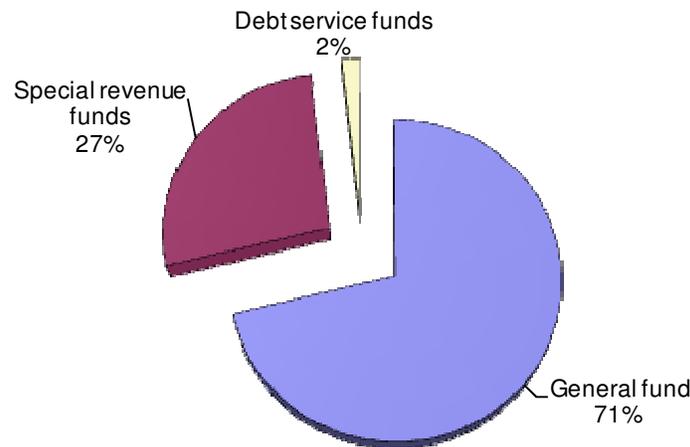
- Multimodal transportation subfund \$55,859
- Building maintenance subfund \$212,213
- General fund \$5,705,631

Other governmental funds that had significant fund balances include:

- Street fund \$392,049
- Street construction fund \$423,449
- Municipal arts acquisition fund \$401,698
- REET 2 fund \$436,640
- Cemetery maintenance trust fund \$801,079

The following chart shows the relative fund balances for governmental funds:

Governmental Funds - Fund Balances



The \$701,507 increase in the general fund balance results from revenue of \$32,953,180, expenses of \$32,162,170, transfers into the fund of \$458,252, transfers out of \$564,012, and income from capital asset sales of \$16,257. In comparison with 2010, revenue decreased by \$68,638, expenditures increased by \$395,729, transfers out decreased by \$1,449,039, transfers in decreased by \$116,752, and income from the sale of capital assets decreased by \$952,615.

General Fund Budgetary Highlights

The City budgets annually by adopting a budget at the end of the preceding year, and then making adjustments as necessary via budget amendments throughout the following year. Following is a summary of such budget amendments:

Budgeted general fund balances increased for the following reasons:

Target Zero overtime reimbursement grant	\$	5,207
High visibility enforcement overtime reimbursement grant		285
Alternative fuel vehicle purchase grant		50,944
Insurance recoveries		10,263
Reduce budgeted interfund transfers		(79,378)
Drug enforcement taskforce overtime grant		2,962
WASPC traffic safety grant		1,700
Target Zero overtime reimbursement grant		2,233
High visibility enforcement overtime reimbursement grant		3,908
Alternative fuel vehicle purchase grant		22,644
	\$	<u>20,768</u>

Budgeted general fund balances decreased for the following reasons:

Website upgrades	\$	1,000
Transportation planning study (UW)		9,500
Verizon franchise EG grant		8,514
Target Zero overtime reimbursement grant		5,207
High visibility enforcement overtime reimbursement grant		285
Alternative fuel vehicle purchase grant		50,944
Mail Street repairs (insurance recovery)		9,303
Increase budgeted insurance premium expense		108,505
Professional services (interim finance director)		55,913
Professional services (city attorney)		55,000
Drug enforcement taskforce overtime grant		2,962
WASPC traffic safety grant		1,700
Target Zero overtime reimbursement grant		2,233
High visibility enforcement overtime reimbursement grant		3,908
Alternative fuel vehicle purchase grant		22,644
Traffic calming devices		50,000
HR compensation consultant		(45,000)
Fire hydrant interfund charges		102,170
Merchant card fees		71,100
Edmonds Center for the Arts loan		153,185
Equipment rental fund O&M charges		280,692
	\$	<u>949,765</u>

Reasons for the significant variances in the general fund between the final budget and actual results include:

- Property tax was \$180,580 less than budgeted. This is the result of declining assessed values and an Emergency Medical Services levy that is capped at \$0.50 per \$1,000 of assessed valuation. This decline in the EMS levy more than offset the allowable 1% increase in the City's regular property tax levy.
- Retail sales and use tax was \$139,779 more than budgeted. This resulted from minor increases to the City's retail sales and use tax receipts from taxable retail sales within the City.
- Utility taxes were \$209,473 less than budget primarily due to a significant decline in telephone utility taxes. This reflected a regional and national trend in declines in telephone utility taxes. The decline of \$209,473 is comprised of an increase of \$45,468 in interfund utility due to an increase in customers and an increase in rates, and a decrease of \$254,941 in general utility.

- Intergovernmental revenue was \$793,529 less than budgeted. This was primarily due to budgeted grant revenue that did not materialize due to the project not occurring.
- As a result of substantial efforts on the part of the City Council, the Mayor and City Administration, all departments in the City were charged with reducing their overall level of spending. This resulted in nearly all departments ending 2011 with a significant positive variance between budgeted expenditures and actual expenditures. For instance, there was a \$220,072 positive variance for Public Safety, and a \$338,352 positive variance for Culture and Recreation. The \$1,000,000 positive variance for Transportation was the result of a grant funded project that did not occur. Overall departmental expenditures in the General Fund were \$2,028,715 less than the amended budget.

The efforts of every department to save money where they could meant the City was able to absorb a negative variance in budgeted revenue of \$726,512, resulting in an addition to fund balance of \$701,507.

Financial Analysis of Proprietary Funds

The City's proprietary funds provide the same type of information as found in the government-wide financial statements, but in greater detail. Factors affecting the finances of the City's proprietary funds have already been addressed in the discussion of the City's business-type activities.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets for both its governmental and business-type activities as of December 31, 2011 totaled \$138.5 million (net of accumulated depreciation), an increase of \$2.7 million from 2010. This investment in capital assets includes land, buildings, improvements, machinery and equipment, construction in progress, utility transmission/distribution systems, roads, and other infrastructure.

Major capital asset changes during the year include:

- Land, building and right-of-way costs were incurred during the year, resulting in an increase in governmental infrastructure of \$1.0 million.
- Capital contributions resulted in an increase of \$0.5 million in utility infrastructure assets.
- \$0.8 million was spent by proprietary funds on capital projects during the year. The largest additions were the result of waterline replacements and sewer lift station improvements.

A summary of the City's net assets follows:

Summary of Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	As of 12/31/11	As of 12/31/10	As of 12/31/11	As of 12/31/10	As of 12/31/11	As of 12/31/10
Land	\$14,530,663	\$14,530,663	\$ 1,257,106	\$ 1,128,419	\$ 15,787,769	\$ 15,659,082
Building	12,784,930	13,641,888	22,285,872	22,829,914	35,070,802	36,471,802
Improvements other than buildings	7,191,208	7,637,207	34,059,505	28,114,784	41,250,713	35,751,991
Infrastructure	27,095,351	28,060,898	-	-	27,095,351	28,060,898
Machinery and equipment	2,422,704	2,385,481	266,436	270,587	2,689,140	2,656,068
Intangible assets	-	-	346,776	396,085	346,776	396,085
Construction in progress	8,690,704	7,100,980	7,558,755	9,724,406	16,249,459	16,825,386
Total	\$ 72,715,560	\$ 73,357,117	\$ 65,774,450	\$ 62,464,195	\$ 138,490,009	\$ 135,821,312

More detailed information on capital assets is provided in note 8.

Long-term Debt

At the end of the current fiscal year, the City had total bonded debt outstanding of \$32,795,001. Of this amount, \$15,520,201 is general obligation bonds for governmental activities, \$3,554,800 is general obligation bonds for business-type activities, for a total of \$19,075,001 in general obligation bonds, and \$13,720,000 is revenue bonds for the City operated utilities. The City currently maintains a rating of Aa3 with Moody's for its revenue bonds, Aa2 for voter approved general obligation bonds, and Aa3 for councilmanic general obligation bonds.

The following schedule summarizes the City's long-term debt:

Summary of Long-Term Debt

	Governmental Activities		Business-type Activities		Total	
	As of 12/31/11	As of 12/31/10	As of 12/31/11	As of 12/31/10	As of 12/31/11	As of 12/31/10
General obligation debt	\$15,520,201	\$17,157,406	\$ 3,554,800	\$ 3,767,595	\$ 19,075,001	\$ 20,925,001
Revenue bonds	-	-	13,720,000	2,870,000	13,720,000	2,870,000
Capital contracts	1,229,863	1,390,871	-	-	1,229,863	1,390,871
Public Works Trust Fund loans	968,095	1,040,296	2,563,901	2,748,774	3,531,996	3,789,070
Total	\$ 17,718,159	\$ 19,588,573	\$ 19,838,701	\$ 9,386,369	\$ 37,556,860	\$ 28,974,942

Economic Factors

The continued economic downturn and related slow economic recovery continues to have a negative impact on the City's revenues, including property tax and real estate excise taxes. City staff has continued to hold the line on spending and therefore the City's 2012 budget reflects no new programs and is passed in large part on the 2011 estimated actual results with minimal increases to 2011 revenue.

Economic Overview

The economy of the City of Edmonds is primarily based on retail and service activity, health care and waterfront activity. Located along the shore of Puget Sound about 15 miles north of the City of Seattle and south of Everett, Edmonds is primarily an upper-middle income residential community, with extensive waterfront and water view residential property.

Business Districts. The City's business districts include the Downtown/Waterfront, Highway 99, Westgate, Five Corners, Firdale Village, and Perrinville.

Downtown shops and galleries highlight the contemporary, offering everything from best-seller books, fine art, gifts, travel supplies, gourmet food, garden supplies, to the latest in clothing styles, shoes, jewelry,

and unique housewares. Restaurants, cafes, and bistros offer dining experiences near the center of town and beachfront eateries feature scenic views of Puget Sound, the Olympic Mountains, and magnificent sunsets. One of a kind coffee shops, wine bars and cuisine from around the world offer many choices - from a quick break to relaxed dining. The Harbor Square shopping area offers 60 businesses, including an athletic club and a hotel.

More shopping and dining can be found along Highway 99 and in the neighborhood commercial districts of Westgate, Five Corners, Firdale Village and Perrinville.

Healthcare. Swedish Edmonds Hospital, which originally opened in 1964 is a full service facility licensed for 217 and staffed by 450+ physicians and specialists. Prior to joining Swedish, the Edmonds hospital (formerly known as Stevens Hospital) was governed by the Public Hospital District No. 2 of Snohomish County. The District's Board of Commissioners no longer oversees the day-to-day operations at Swedish/Edmonds, but is still involved in some of the major decisions. It also manages the Verdant Health Commission, formerly South Snohomish County Commission for Health, to promote good health in the surrounding communities.

Transportation. The Edmonds/Kingston ferry connects south Snohomish County and north King County with the Kitsap Peninsula and, via the Hood Canal Bridge, the Olympic Peninsula. A Burlington Northern Railroad line runs adjacent to the Edmonds' shoreline and is used for Sound Transit Commuter and Amtrak passenger rail service and moving freight. Community Transit provides local and commuter bus service.

Waterfront. The Edmonds waterfront area includes four public beaches, a public fishing pier, off-leash dog area, and the oldest underwater park on the West Coast and Port. The 950-foot long fishing pier, located just south of the ferry terminal, includes benches, lighting and bait and cleaning areas, and is open year-round, 24 hours a day. Edmonds Underwater Park, the oldest of its kind on the West Coast, is located just north of the ferry terminal. The 32-acre park was dedicated as a marine preserve in 1971, and provides divers with a number of underwater structures and a wide variety of fish and plant life to explore.

The Port of Edmonds operates a marina with approximately 729 moorage slips in the water and 350 spaces for dry boat storage. The marina provides guest moorage, public launching and parking facilities, a 35-ton travelift, a pressure washing facility, and a workyard. The port's charter fishing fleet attracts more than 10,000 customers annually, making it the third largest in the State.

Parks and Art. Residents and visitors can walk along an award winning waterfront walkway, access four public beaches, swim at outdoor Yost pool, use an the Off Leash Area for their dogs, go to a summer concerts at downtown City Park, take a picnic and enjoy views from public parks and beaches, take self-guided walking tours of public art, view murals in the downtown area, attend an annual Arts Festival and Third Thursday Artwalks, and attend performing art events at Edmonds Center for the Arts, and live theatre at Wade James and Phoenix Theaters.

Requests for Information

The City's financial statements are designed to provide users with a general overview of the City's finances as well as to demonstrate the City's accountability to its citizens, investors, creditors, and other customers. If you have a question about the report, please contact the Finance Director, 121 Fifth Avenue North, Edmonds, Washington, WA 98020, (425) 771-0240.



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GOVERNMENT-WIDE FINANCIAL STATEMENTS

The City presents two government-wide financial statements:

The Statement of Net Assets provides information all on city assets and liabilities, with the difference between the two reported as net assets.

The Statement of Activities is focused on both the gross and net cost of various functions, including both governmental and business-type activities, which are supported by the City's general tax and other revenues.



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CITY OF EDMONDS, WASHINGTON
STATEMENT OF NET ASSETS
 DECEMBER 31, 2011

	PRIMARY GOVERNMENT			COMPONENT UNIT - EDMONDS PUBLIC FACILITIES DISTRICT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
ASSETS:				
CASH AND CASH EQUIVALENTS (Note 3)	\$ 16,243,967	\$ 18,089,236	\$ 34,333,203	\$ 10,690
RECEIVABLES:				
TAXES	483,678	-	483,678	-
CUSTOMER ACCOUNTS	703,005	2,048,328	2,751,333	108,162
OTHER RECEIVABLES	669,766	-	669,766	75,941
SPECIAL ASSESSMENTS	31,440	-	31,440	-
DUE FROM OTHER GOVERNMENTAL UNITS	2,783,814	950,480	3,734,294	-
MATERIALS AND SUPPLIES INVENTORY	32,848	101,006	133,854	2,262
DEFERRED CHARGES	33,152	333,401	366,553	133,631
RESTRICTED ASSETS:				
CASH AND CASH EQUIVALENTS (Note 3)	-	984,163	984,163	90,788
SPECIAL ASSESSMENTS	113,930	-	113,930	-
DUE FROM COMPONENT UNIT, LONG-TERM	5,240,000	-	5,240,000	-
INVESTMENT IN JOINT VENTURE	511,074	-	511,074	-
DEPRECIABLE CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION): (Note 8)	49,494,193	56,958,589	106,452,782	11,191,703
NON-DEPRECIABLE CAPITAL ASSETS	23,221,367	8,815,861	32,037,228	3,444,885
TOTAL ASSETS	99,562,234	88,281,064	187,843,298	15,058,062
LIABILITIES:				
ACCOUNTS PAYABLE	857,703	1,631,051	2,488,754	226,562
WAGES AND BENEFITS PAYABLE	758,640	166,417	925,057	60,559
INTERNAL BALANCES	(147,790)	147,790	-	-
DUE TO OTHER GOVERNMENTAL UNITS	-	87,983	87,983	310,176
OTHER LIABILITIES PAYABLE	173,487	261,473	434,960	6,227
PAYABLE FROM RESTRICTED ASSETS:				
ACCRUED INTEREST	59,076	12,531	71,607	-
DEPOSITS	-	4,698	4,698	39,843
UNEARNED REVENUE	-	2,974	2,974	162,715
DEFERRED CREDITS	-	204,306	204,306	8,538
BONDS AND OTHER DEBT PAYABLE:				
NET PENSION OBLIGATION	220,065	-	220,065	-
NET OTHER POST EMPLOYMENT OBLIGATION	437,472	-	437,472	-
DUE WITHIN ONE YEAR (Note 12)	3,889,221	1,273,534	5,162,755	305,000
DUE IN MORE THAN ONE YEAR (Note 12)	16,623,618	18,929,480	35,553,098	8,670,000
TOTAL LIABILITIES	22,871,492	22,722,237	45,593,729	9,789,620
NET ASSETS:				
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	61,004,928	45,783,325	106,788,253	5,736,843
RESTRICTED FOR:				
DEBT SERVICE	242,765	4,698	247,463	90,788
PUBLIC SAFETY	124,661	-	124,661	-
TRANSPORTATION	815,498	984,163	1,799,661	-
CULTURE AND RECREATION	1,995,476	-	1,995,476	-
ECONOMIC ENVIRONMENT	93,895	-	93,895	-
CONSTRUCTION	-	8,107,754	8,107,754	-
OTHER PURPOSES	16,562	-	16,562	-
UNRESTRICTED NET ASSETS	12,396,957	10,678,887	23,075,844	(559,189)
TOTAL NET ASSETS	\$ 76,690,742	\$ 65,558,827	\$ 142,249,569	\$ 5,268,442

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

CITY OF EDMONDS, WASHINGTON
STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED DECEMBER 31, 2011

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	PROGRAM REVENUES			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
FUNCTIONS / PROGRAMS:				
PRIMARY GOVERNMENT:				
GOVERNMENTAL ACTIVITIES:				
GENERAL GOVERNMENT	\$ 8,092,028	\$ 4,078,403	\$ 3,280	\$ 164,239
PUBLIC SAFETY	18,037,057	1,212,082	27,597	-
TRANSPORTATION	3,412,126	1,024,049	480	631,841
PHYSICAL ENVIRONMENT	1,405,398	235,973	61,437	-
CULTURE AND RECREATION	4,298,852	875,663	25,948	975,119
ECONOMIC ENVIRONMENT	1,063,894	796,994	26,664	-
HEALTH AND HUMAN SERVICES	9,731	155,533	-	-
INTEREST ON LONG-TERM DEBT	781,881	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	37,100,967	8,378,697	145,406	1,771,199
BUSINESS-TYPE ACTIVITIES:				
COMBINED UTILITY OPERATION	14,140,249	15,620,997	179,479	498,486
TOTAL BUSINESS-TYPE ACTIVITIES	14,140,249	15,620,997	179,479	498,486
TOTAL PRIMARY GOVERNMENT	\$ 51,241,216	\$ 23,999,694	\$ 324,885	\$ 2,269,685
COMPONENT UNIT:				
EDMONDS PUBLIC FACILITIES DISTRICT	\$ 2,435,175	\$ 850,208	\$ 570,379	\$ -
TOTAL COMPONENT UNIT	\$ 2,435,175	\$ 850,208	\$ 570,379	\$ -

GENERAL REVENUES:

TAXES:

PROPERTY
 RETAIL SALES AND USE
 INTERFUND UTILITY
 UTILITY
 EXCISE
 OTHER

PAYMENTS FROM COMPONENT UNIT

INVESTMENT EARNINGS

MISCELLANEOUS

GAIN (LOSS) ON SALE OF CAPITAL ASSETS

TRANSFERS (Note 6)

TOTAL GENERAL REVENUES**CHANGE IN NET ASSETS**

NET ASSETS - BEGINNING

NET ASSETS - ENDING

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

PRIMARY GOVERNMENT			COMPONENT UNIT
NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS			
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITY	TOTAL	EDMONDS PUBLIC FACILITIES DISTRICT
\$ (3,846,106)	\$ -	\$ (3,846,106)	
(16,797,378)	-	(16,797,378)	
(1,755,756)	-	(1,755,756)	
(1,107,988)	-	(1,107,988)	
(2,422,122)	-	(2,422,122)	
(240,236)	-	(240,236)	
145,802	-	145,802	
(781,881)	-	(781,881)	
<u>(26,805,665)</u>	<u>-</u>	<u>(26,805,665)</u>	
-	2,158,713	2,158,713	
-	2,158,713	2,158,713	
<u>(26,805,665)</u>	<u>2,158,713</u>	<u>(24,646,952)</u>	
			\$ (1,014,588)
			<u>(1,014,588)</u>
13,539,536	-	13,539,536	-
5,286,262	-	5,286,262	409,569
1,517,150	-	1,517,150	-
4,715,339	-	4,715,339	-
1,368,160	-	1,368,160	-
1,020,419	-	1,020,419	-
396,493	-	396,493	-
16,070	15,287	31,357	457
84,770	311	85,081	-
36,762	-	36,762	-
482,316	(482,316)	-	-
<u>28,463,277</u>	<u>(466,718)</u>	<u>27,996,559</u>	<u>410,026</u>
<u>1,657,612</u>	<u>1,691,995</u>	<u>3,349,607</u>	<u>(604,562)</u>
75,033,130	63,866,832	138,899,962	5,873,004
<u>\$ 76,690,742</u>	<u>\$ 65,558,827</u>	<u>\$ 142,249,569</u>	<u>\$ 5,268,442</u>



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MAJOR GOVERNMENTAL FUNDS

General Fund

The general fund is used to account for and report all financial resources not accounted for and reported in another fund. As is the case with most municipalities, the general fund is the largest and most important accounting entity of the City. As noted in the statements that follow, the general fund receives the bulk of its revenues from local taxes, followed by State shared revenues, service charges, and other income.

The general fund is accounted for on a modified accrual basis. Annual budgets are adopted with appropriations lapsing at the end of the year.

CITY OF EDMONDS, WASHINGTON
BALANCE SHEET
GOVERNMENTAL FUNDS
 DECEMBER 31, 2011

	GENERAL FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS:			
CURRENT ASSETS:			
CASH AND CASH EQUIVALENTS	\$ 8,552,779	\$ 2,994,883	\$ 11,547,662
RECEIVABLES:			
TAXES	483,678	-	483,678
CUSTOMER ACCOUNTS	701,728	85	701,813
SPECIAL ASSESSMENTS	-	31,440	31,440
DUE FROM COMPONENT UNIT	5,240,000	-	5,240,000
INTERFUND RECEIVABLE (Note 6)	147,790	49,936	197,726
DUE FROM OTHER GOVERNMENTAL UNITS	1,328,389	1,454,571	2,782,960
SUPPLIES INVENTORY	460	-	460
LONG-TERM ASSETS:			
DEFERRED SPECIAL ASSESSMENTS	-	113,930	113,930
TOTAL ASSETS	\$ 16,454,824	\$ 4,644,845	\$ 21,099,669
LIABILITIES AND FUND BALANCES:			
CURRENT LIABILITIES:			
ACCOUNTS PAYABLE	\$ 327,091	\$ 489,679	\$ 816,770
WAGES AND BENEFITS PAYABLE	720,503	24,591	745,094
INTERFUND PAYABLE (Note 6)	-	49,936	49,936
OTHER LIABILITIES PAYABLE	93,553	79,934	173,487
LONG-TERM LIABILITIES:			
DEFERRED REVENUE	5,751,039	147,319	5,898,358
TOTAL LIABILITIES	6,892,186	791,459	7,683,645
FUND BALANCES:			
NON-SPENDABLE:			
INVENTORY	460	-	460
RESTRICTED FOR:			
DEBT SERVICE	-	242,765	242,765
PUBLIC SAFETY	-	124,661	124,661
TRANSPORTATION	-	815,498	815,498
CULTURE AND RECREATION	-	1,995,476	1,995,476
ECONOMIC ENVIRONMENT	-	93,895	93,895
OTHER PURPOSES	-	16,102	16,102
COMMITTED TO:			
UTILITIES AND ENVIRONMENT	-	85,714	85,714
CULTURE AND RECREATION	-	401,698	401,698
GENERAL GOVERNMENT	1,927,600	-	1,927,600
OTHER PURPOSES	-	77,577	77,577
UNASSIGNED	7,634,578	-	7,634,578
TOTAL FUND BALANCES	9,562,638	3,853,386	13,416,024
TOTAL LIABILITIES AND FUND BALANCES	\$ 16,454,824	\$ 4,644,845	\$ 21,099,669

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

CITY OF EDMONDS, WASHINGTON
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS
GOVERNMENTAL FUNDS
 DECEMBER 31, 2011

Total governmental fund balances as reported on this statement	\$	13,416,024
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore not reported in the funds. These assets consist of:

Land	\$	14,530,663	
Construction in progress		8,690,704	
Subtotal: Non-depreciable capital assets		23,221,367	
Investment in joint venture		511,074	
Buildings		25,479,908	
Improvements other than buildings		13,531,609	
Infrastructure		55,732,774	
Machinery and equipment - general government		7,542,487	
Less: Accumulated depreciation		(52,792,585)	
Subtotal: Depreciable capital assets		49,494,193	73,226,634

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

Court receivable		669,766	
Deferred charges		33,152	702,918

Internal service funds are used by management to charge the cost of equipment maintenance to individual funds. The assets and liabilities of these internal service funds are included in governmental activities in the statement of net assets. Capital assets of \$2,040,916 are included in the capital asset adjustment above. Compensated absence liability of \$54,283 is included in the adjustment below.

4,621,977

Some liabilities are not due and payable in the current period and therefore are not reported in the funds.

General obligation bonds		(15,520,201)	
Compensated absences (\$2,794,680 total liability, less \$54,283 attributable to internal service funds)		(2,740,396)	
Capital contracts		(1,229,863)	
Public works trust fund loans		(968,096)	
Subtotal: Long-term debt payable		(20,458,556)	
Accrued interest		(59,076)	
Net pension obligation		(220,065)	
Net other post employment benefit obligation		(437,472)	
Unearned revenues reported as deferred revenues in the Balance Sheet - Governmental Funds are not reported in the government-wide Statement of Net Assets (Note 1)		5,898,358	(15,276,811)

Net assets of government activities as reported on the statement of net assets	\$	76,690,742
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The notes to the financial statements are an integral part of this statement.

CITY OF EDMONDS, WASHINGTON
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2011

	GENERAL FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:			
TAXES:			
PROPERTY	\$ 13,436,557	\$ -	\$ 13,436,557
RETAIL SALES & USE	5,210,771	75,491	5,286,262
INTERFUND UTILITY	1,517,150	-	1,517,150
UTILITY	4,715,339	-	4,715,339
EXCISE	280,162	1,087,998	1,368,160
LICENSES AND PERMITS	1,666,296	22,850	1,689,146
INTERGOVERNMENTAL	1,199,610	2,821,864	4,021,474
CHARGES FOR SERVICES	3,859,869	1,155,965	5,015,834
FINES AND FORFEITURES	690,079	66,303	756,382
SPECIAL ASSESSMENTS	-	104,409	104,409
INVESTMENT EARNINGS	10,076	5,994	16,070
MISCELLANEOUS	367,271	61,351	428,622
TOTAL REVENUES	32,953,180	5,402,225	38,355,405
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT SERVICES	7,312,884	1,618	7,314,502
PUBLIC SAFETY	17,746,935	58,743	17,805,678
UTILITIES AND ENVIRONMENT	1,231,601	143,255	1,374,856
TRANSPORTATION	-	1,423,361	1,423,361
ECONOMIC ENVIRONMENT	1,031,189	4,580	1,035,769
MENTAL AND PHYSICAL HEALTH	9,731	-	9,731
CULTURE AND RECREATION	3,396,054	354,069	3,750,123
DEBT SERVICE:			
PRINCIPAL	1,094,128	776,286	1,870,414
INTEREST AND OTHER COSTS	339,648	443,460	783,108
CAPITAL OUTLAY	-	2,700,549	2,700,549
TOTAL EXPENDITURES	32,162,170	5,905,921	38,068,091
EXCESS (DEFICIENCY) OF REVENUES			
OVER (UNDER) EXPENDITURES	791,010	(503,696)	287,314
OTHER FINANCING SOURCES (USES):			
SALES OF CAPITAL ASSETS	16,257	9,271	25,528
TRANSFERS IN (Note 6)	458,252	1,710,920	2,169,172
TRANSFERS OUT (Note 6)	(564,012)	(1,173,786)	(1,737,798)
TOTAL OTHER FINANCING SOURCES AND USES	(89,503)	546,405	456,902
NET CHANGE IN FUND BALANCES	701,507	42,709	744,216
FUND BALANCES - BEGINNING	8,861,131	3,810,677	12,671,808
FUND BALANCES - ENDING	\$ 9,562,638	\$ 3,853,386	\$ 13,416,024

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

CITY OF EDMONDS, WASHINGTON
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES OF GOVERNMENT FUNDS TO THE STATEMENT OF ACTIVITIES**
 FOR THE YEAR ENDED DECEMBER 31, 2011

Net change in fund balances per the Statement of Revenues, Expenditures and Changes in Fund Balance	\$	744,216
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Amount reported as change in net assets in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$3,030,410) is exceeded by depreciation and amortization (\$3,738,102) in the current period.

Capital outlays	\$ 3,030,284	
Internal service fund - capital outlays	400,778	
Current year depreciation (includes \$334,518 for internal service fund)	(4,072,620)	
Adjustment in investment in joint venture	<u>(66,134)</u>	
		(707,692)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:

Deferred taxes	102,979	
Other deferred revenue	(240,764)	
Record of court receivable	<u>20,046</u>	
		(117,739)

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

Amortization of deferred charges	(4,375)	
Long-term debt repayments	<u>1,870,415</u>	
		1,866,040

Internal service funds are used by management to charge the costs of equipment rental to individual funds. The net revenue (expense) of this internal service fund is reported with governmental activities. Capital activity of \$66,259 is included in the capital asset adjustment above.

35,822

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Accrued interest expense	5,602	
Net pension obligation	(38,811)	
Net other post-employment benefit obligation	27,045	
Accrued compensating absence expense (\$159,695 total expenditure less \$2,824 attributable to internal service funds)	<u>(156,871)</u>	
		(163,035)

Change in net assets on the Statement of Activities	\$	<u>1,657,612</u>
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The notes to the financial statements are an integral part of this statement.

CITY OF EDMONDS, WASHINGTON
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
TAXES:				
PROPERTY	\$ 13,617,137	\$ 13,617,137	\$ 13,436,557	\$ (180,580)
RETAIL SALES & USE	5,070,992	5,070,992	5,210,771	139,779
INTERFUND UTILITY	1,471,682	1,471,682	1,517,150	45,468
UTILITY	4,970,280	4,970,280	4,715,339	(254,941)
EXCISE	311,981	311,981	280,162	(31,819)
LICENSES AND PERMITS	1,484,829	1,484,829	1,666,296	181,467
INTERGOVERNMENTAL	1,837,255	1,993,139	1,199,610	(793,529)
CHARGES FOR SERVICES	3,637,480	3,637,479	3,859,869	222,390
FINES AND FORFEITURES	667,100	667,100	690,079	22,979
INVESTMENT EARNINGS	1,000	1,000	10,076	9,076
MISCELLANEOUS	389,073	454,073	367,271	(86,802)
TOTAL REVENUES	33,458,809	33,679,692	32,953,180	(726,512)
EXPENDITURES:				
CURRENT:				
GENERAL GOVERNMENT	7,267,549	7,513,984	7,312,884	201,100
PUBLIC SAFETY	17,632,346	17,967,007	17,746,935	220,072
UTILITIES AND ENVIRONMENT	1,250,601	1,255,801	1,231,601	24,200
TRANSPORTATION	1,000,000	1,000,000	-	1,000,000
ECONOMIC ENVIRONMENT	1,246,759	1,257,459	1,031,189	226,270
MENTAL AND PHYSICAL HEALTH	10,100	10,100	9,731	369
CULTURE AND RECREATION	3,505,225	3,734,406	3,396,054	338,352
DEBT SERVICE	1,452,128	1,452,128	1,433,776	18,352
TOTAL EXPENDITURES	33,364,708	34,190,885	32,162,170	2,028,715
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	94,101	(511,193)	791,010	1,302,203
OTHER FINANCING SOURCES (USES):				
SALES OF CAPITAL ASSETS	-	16,257	16,257	-
TRANSFERS IN (Note 6)	537,630	458,252	458,252	-
TRANSFERS OUT (Note 6)	(557,689)	(681,277)	(564,012)	117,265
TOTAL OTHER FINANCING SOURCES AND USES	(20,059)	(206,768)	(89,503)	117,265
 NET CHANGE IN FUND BALANCES	 74,042	 (717,961)	 701,507	 1,419,468
 FUND BALANCES - BEGINNING	 6,626,555	 6,687,492	 8,861,131	 2,173,639
FUND BALANCES - ENDING	\$ 6,700,597	\$ 5,969,531	\$ 9,562,638	\$ 3,593,107

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

MAJOR PROPRIETARY FUNDS

ENTERPRISE FUNDS

The City's enterprise fund is used to account for operations that are financed and operated in a manner similar to private business operations. The goods and services this fund provides to the general public are primarily financed by service charges. Enterprise funds are self-supporting and use the accrual method of accounting. Edmonds has one major enterprise fund.

The Combined Utility Fund

This fund accounts for all maintenance, construction, and debt service requirements associated with the City's water, sewer and stormwater systems.

CITY OF EDMONDS, WASHINGTON
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2011

	411 / 412 / 414 COMBINED UTILITY FUNDS	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
ASSETS:		
CURRENT ASSETS:		
CASH AND CASH EQUIVALENTS	\$ 18,089,236	\$ 4,696,305
CUSTOMER ACCOUNTS	2,048,328	1,192
DUE FROM OTHER GOVERNMENTAL UNITS	950,480	854
INVENTORY	101,006	32,388
TOTAL CURRENT ASSETS	21,189,050	4,730,739
LONG-TERM ASSETS:		
RESTRICTED CASH, BOND RESERVES	984,163	-
DEFERRED CHARGES	333,401	-
CAPITAL ASSETS:		
DEPRECIABLE CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)	57,868,919	2,040,916
CONSTRUCTION IN PROGRESS	7,558,755	-
INTANGIBLE ASSETS	346,776	-
TOTAL CAPITAL ASSETS (NET OF A/D)	65,774,450	2,040,916
TOTAL LONG-TERM ASSETS	67,092,014	2,040,916
TOTAL ASSETS	88,281,064	6,771,655
LIABILITIES:		
CURRENT LIABILITIES:		
ACCOUNTS PAYABLE	1,631,051	40,933
WAGES AND BENEFITS PAYABLE	166,417	67,829
COMPENSATED ABSENCES	416,194	-
INTERFUND PAYABLES	147,790	-
PUBLIC WORKS TRUST FUND LOANS PAYABLE-CURRENT	216,842	-
REVENUE BONDS PAYABLE-CURRENT (NET OF UNAMORTIZED PREMIUM/DISCOUNT)	418,118	-
GENERAL OBLIGATION BONDS PAYABLE-CURRENT	222,380	-
ACCRUED INTEREST	12,531	-
DEPOSITS	4,698	-
DUE TO OTHER GOVERNMENTAL UNITS	87,983	-
OTHER LIABILITIES PAYABLE	261,473	-
TOTAL CURRENT LIABILITIES	3,585,477	108,762
LONG-TERM LIABILITIES:		
DEFERRED REVENUE	2,974	-
DEFERRED CREDITS	204,306	-
LOANS PAYABLE	2,347,060	-
REVENUE BONDS PAYABLE	13,250,000	-
GENERAL OBLIGATION BONDS PAYABLE	3,332,420	-
TOTAL LONG-TERM LIABILITIES	19,136,760	-
TOTAL LIABILITIES	22,722,237	108,762
NET ASSETS:		
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	45,783,325	2,040,916
RESTRICTED FOR:		
DEBT SERVICE	984,163	-
CUSTOMER DEPOSITS	4,698	-
CONSTRUCTION	8,107,754	-
UNRESTRICTED	10,678,887	4,621,977
TOTAL NET ASSETS	\$ 65,558,827	\$ 6,662,893

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

CITY OF EDMONDS, WASHINGTON
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2011

	411 / 412 / 414 COMBINED UTILITY FUNDS	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
OPERATING REVENUES:		
CHARGES FOR SERVICES	\$ 12,983,391	\$ 1,232,876
OTHER OPERATING REVENUE	2,637,606	-
TOTAL OPERATING REVENUES	15,620,997	1,232,876
OPERATING EXPENSES:		
PERSONNEL SERVICES	3,900,516	316,789
OPERATIONS & MAINTENANCE	6,886,869	532,377
PROFESSIONAL SERVICES	183,706	983
INSURANCE	416,576	25,259
DEPRECIATION/AMORTIZATION	2,447,218	334,518
TOTAL OPERATING EXPENSES	13,834,885	1,209,926
OPERATING INCOME (LOSS)	1,786,112	22,950
NON-OPERATING REVENUE (EXPENSE):		
INTERGOVERNMENTAL	179,479	-
INVESTMENT EARNINGS	15,287	7,530
OTHER NON-OPERATING REVENUES	311	9,424
GAIN (LOSS) ON SALE OF CAPITAL ASSETS	-	11,234
INTEREST EXPENSE	(305,364)	-
TOTAL NON-OPERATING REVENUE (EXPENSE)	(110,287)	28,188
INCOME (LOSS) BEFORE CONTRIBUTIONS & TRANSFERS	1,675,825	51,138
CAPITAL CONTRIBUTIONS	498,486	-
TRANSFERS IN (Note 6)	-	50,942
TRANSFERS OUT (Note 6)	(482,316)	-
CHANGE IN NET ASSETS	1,691,995	102,080
TOTAL NET ASSETS BEGINNING OF YEAR	63,866,832	6,560,813
TOTAL NET ASSETS END OF YEAR	\$ 65,558,827	\$ 6,662,893

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

CITY OF EDMONDS, WASHINGTON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

Page 1 of 2

	411 / 412 / 414 COMBINED UTILITY FUNDS	GOVERNMENT ACTIVITIES INTERNAL SERVICE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES:		
CASH RECEIVED FROM USERS	\$ 15,259,781	\$ 1,232,876
CASH PAID TO SUPPLIERS	(6,512,726)	(528,651)
CASH PAID FOR INVENTORY	(2,598)	17,505
CASH PAID TO EMPLOYEES	(3,894,857)	(313,602)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	4,849,600	408,127
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
INTERFUND LOAN	11,805	-
INTERGOVERNMENTAL TRANSFER	179,479	-
TRANSFERS IN	-	50,942
TRANSFERS OUT	(482,316)	-
NET CASH PROVIDED (USED) BY NON- CAPITAL FINANCING ACTIVITIES	(291,032)	50,942
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
PROCEEDS FROM SALE OF EQUIPMENT	311	11,234
PURCHASE OF CAPITAL ASSETS	(5,757,474)	(400,778)
CONTRIBUTED CAPITAL	498,486	-
PROCEEDS FROM INSURANCE SETTLEMENT	-	9,424
PREMIUM & BOND ISSUANCE COSTS	339,522	-
PRINCIPAL PAYMENT ON DEBT	(2,727,054)	-
INTEREST PAYMENT ON DEBT	(318,826)	-
PROCEEDS FROM CAPITAL DEBT	12,929,141	-
NET CASH PROVIDED (USED) FOR CAPITAL AND RELATED FINANCING ACTIVITIES	4,964,106	(380,120)
CASH FLOW FROM INVESTING ACTIVITIES:		
INTEREST RECEIVED	15,287	7,530
NET CASH PROVIDED (USED) IN INVESTING ACTIVITIES	15,287	7,530
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	9,537,961	86,480
CASH AND CASH EQUIVALENTS-BEGINNING OF YEAR	9,535,438	4,609,825
CASH AND CASH EQUIVALENTS-END OF YEAR	\$ 19,073,399	\$ 4,696,305
CASH AT END OF YEAR CONSISTS OF:		
CASH AND CASH EQUIVALENTS	\$ 18,089,236	\$ 4,696,305
RESTRICTED CASH-BOND PAYMENTS	984,163	-
TOTAL CASH	\$ 19,073,399	\$ 4,696,305

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

CITY OF EDMONDS, WASHINGTON
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

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	411 / 412 / 414 COMBINED UTILITY FUNDS	GOVERNMENT ACTIVITIES INTERNAL SERVICE FUNDS
RECONCILIATION OF NET OPERATING INCOME TO NEW CASH PROVIDED BY OPERATING ACTIVITIES		
OPERATING INCOME (LOSS)	\$ 1,786,112	\$ 22,950
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
DEPRECIATION	2,447,218	334,519
ASSET (INCREASES) DECREASES :		
DUE FROM OTHER GOVERNMENTAL UNITS	(189,464)	(854)
MISCELLANEOUS A/R-REVENUE	(138,867)	-
INVENTORY	(2,598)	17,505
LIABILITY (INCREASES) DECREASES :		
ACCOUNTS & VOUCHERS PAYABLE	1,133,029	30,819
DEPOSITS PAYABLE	6,144	-
WAGES & BENEFITS PAYABLE	-	3,188
DUE TO GOVERNMENTAL UNIT	(201,162)	-
RETAINAGE PAYABLE	(21,487)	-
DEFERRED REVENUE	30,675	-
TOTAL ADJUSTMENTS	3,063,488	385,177
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$ 4,849,600	\$ 408,127

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



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FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the City of Edmonds as a trustee or agent for various individuals, private organizations, and other governmental units. The Firemen's Pension Fund is accounted for on an accrual basis.

TRUST FUNDS

The Firemen's Pension Fund

This fund accounts for the payment of administrative costs and benefits for retired firefighters (and beneficiaries) who were employed prior to March 1, 1970. Primary revenue sources are transfers-in from the general fund, fire insurance premium tax, and investment interest, in accordance with actuarial recommendations.

CITY OF EDMONDS, WASHINGTON
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
 DECEMBER 31, 2011

		617 FIREMEN'S PENSION FUND
ASSETS:		
CASH AND CASH EQUIVALENTS	\$	217,903
TOTAL ASSETS	\$	217,903
LIABILITIES:		
CURRENT PAYABLES	\$	4,693
TOTAL LIABILITIES		4,693
NET ASSETS:		
HELD IN TRUST FOR PENSION BENEFITS AND OTHER PURPOSES	\$	213,210

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

CITY OF EDMONDS, WASHINGTON
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2011

	617 FIREMEN'S PENSION FUND
ADDITIONS:	
EMPLOYER CONTRIBUTIONS	\$ 48,023
FIRE INSURANCE PREMIUMS	78
INVESTMENT EARNINGS	389
TOTAL ADDITIONS	48,490
DEDUCTIONS:	
BENEFIT PAYMENTS	102,274
PROFESSIONAL SERVICES	326
TOTAL DEDUCTIONS	102,600
CHANGE IN NET ASSETS	(54,110)
NET ASSETS - BEGINNING	267,320
NET ASSETS - ENDING	\$ 213,210

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



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City of Edmonds

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2011

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the City of Edmonds, which conform to generally accepted accounting principles for governments as prescribed by the Governmental Accounting Standards Board (GASB), are regulated by the Washington State Auditor's Office. The City's significant accounting policies are described below.

A. REPORTING ENTITY

The City of Edmonds was incorporated in 1890 and operates under a Council/Mayor form of government. The City Council is composed of seven members elected at large who each serve a four-year term. The Mayor is elected at large and serves a four-year term. The Mayor is responsible for all City affairs. The City provides a full range of general government services: including public safety, streets, parks and recreation, planning and zoning, permits and inspection, general administration, and water, sewer, storm water and wastewater treatment utilities.

The accompanying financial statements include all funds, agencies, and boards controlled by or dependent on the City. Criteria used to determine agency dependence on the City were: selection of the governing body, budget adoption, taxing authority, outstanding debt service secured by City revenues or general obligations, City obligation to finance possible deficits, or receipt of significant City subsidies.

Discretely Presented Component Unit - The Edmonds City Council formed the Edmonds Public Facilities District (PFD) on April 24, 2001 by Ordinance. The PFD was created under the authority provided by the legislature during the 1999 State legislative session, since codified as RCW 35.57. The purpose of the PFD is to construct and operate a "regional center" in the City of Edmonds. RCW 35.57 defines a regional center as a conference, convention or special events center along with related parking.

A five member board governs the PFD and is appointed to four-year terms by the City Council. The PFD has authority under state law to issue debt, levy certain taxes, and enter into contracts. In 2002 the City Issued Limited Tax General Obligation Bonds for the acquisition, renovation and remodeling of a Performing Arts Center by the PFD in the amount of \$7,015,000. These proceeds were transferred to the PFD. The bonds are a debt of the City and not the PFD; however the PFD is obligated by inter-local agreement to transfer sales tax rebate revenues to the City to help offset the City's debt service costs over the life of the bonds. In 2008 the PFD issued bonds to retire short-term debt it had issued to complete construction of the Edmonds Center for the Arts. The PFD is currently not able to meet its debt service obligation on the 2008 bonds. However, the City guarantees repayment of those bonds through a Contingent Loan Agreement. Advances by the City to the PFD for debt service on the 2008 bonds are shown in the City's Statement of Net Assets as a Due from Other Governmental Unit. More information about the PFD, including complete financial statements, can be obtained from Edmonds Performing Arts Center, c/o Joe McIlwain, 401 Fourth Ave. N. Edmonds, WA 98020.

Blended Component Unit - The Edmonds Transportation Benefit District is governed by the seven-member board appointed by the City of Edmonds Council. Although it is legally separated from the City of Edmonds the Edmonds Transportation Benefit District is reported as if it were part of the primary government because its sole purpose is to finance and construct City of Edmonds streets.

Joint Ventures - A joint venture is an organization that results from a contractual arrangement and is owned, operated, or governed by two or more participants as a

separate activity. In addition to joint control, each participant must have either an ongoing financial interest or an ongoing financial responsibility.

The City participates in a single joint venture with Snohomish County and other local governments in the Snohomish County Emergency Radio System. See note 16 for additional information.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e. the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. Government activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. The City has allocated certain indirect costs that are included in the program expense reported for individual functions and activities. Taxes and other items not properly included among program revenues are reported as general revenues.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. The fiduciary funds are not included in the government-wide financial statements. Major individual funds are reported as separate columns, while the remaining funds are combined for presentation purposes in the governmental funds statements and the proprietary funds statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND BASIS OF PRESENTATION

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. Each fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue, and expenditures or expenses, as appropriate. The City resources are allocated to, and accounted for in, individual funds according to the purpose for which they are spent and how they are controlled.

The *basis of accounting* refers to the timing of when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

The government-wide financial statements (i.e. the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. Government activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of net assets presents the reporting entity's nonfiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

- Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.
- Restricted net assets result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net assets consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often are designated to indicate that management does not consider them available for general operations. Unrestricted net assets often have constraints on resources that are imposed by management, but can be modified or removed.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. The City has allocated certain indirect costs that are included in the program expense reported for individual functions and activities. Taxes and other items not properly included among program revenues are reported as general revenues.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and pension trust fund financial statements. Interfund services provided and used are not eliminated in the process of consolidation. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

The *modified accrual basis* of accounting is followed in all governmental and permanent funds of the City. Under the modified accrual basis of accounting, revenues are recognized when measurable and available. Revenues are generally considered available if they are collected within the current period or soon enough thereafter (60 days) to pay current liabilities. For derived tax revenues, such as sales tax and utility business and occupation taxes, revenues are recognized in the period when the underlying exchange has occurred. For imposed non-exchange taxes, such as property taxes, revenues are recognized when the use of resources is permitted, or when resources are available. Grant revenue is recognized in the period in which the expenditure occurs and the eligibility requirements have been met. Non-exchange

transactions, such as contributions, are recognized when the donation eligibility requirements have been satisfied. Those specific major revenue sources accrued are:

The *accrual basis* of accounting is followed in all proprietary, agency, and pension trust funds. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when incurred.

Major Governmental Funds - The General Fund is the general operating fund of the City and accounts for all activities not required to be accounted for in some other fund.

Proprietary Fund - The Combined Utility Operation Fund accounts for the provision of water, sewer, storm water and wastewater treatment services to the residents of the City and some residents of Mountlake Terrace, Lynnwood, Woodway, Olympic View Water District and Ronald Wastewater District. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, financing, and related debt service, billing, and collection.

The proprietary fund statements distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services and delivering goods in connection with principal ongoing operations. The principal operating revenues of the City's utility fund are charges to customers for sales and service. The City also recognizes as operating revenue the portion of utility connection fees intended to recover the cost of connecting new customers to the water and sewer systems. Operating expenses for enterprise funds include operating and maintenance costs, employee benefit expenses, contracted services, insurance and depreciation on capital assets. All other revenues and expenses are reported as non-operating revenues and expenses.

Internal Service and Fiduciary Funds - The Equipment Rental Fund is an internal service fund used to account for the Fleet Maintenance Division. The Fleet Maintenance Division is responsible for maintaining the City's vehicle fleet.

Fiduciary funds are used to account for City assets held in a trustee capacity or as an agent for individuals, private organizations, and other governments. These funds share characteristics with both the government and proprietary funds and therefore, as described below, use the measurement focus and basis of accounting most appropriate to their specific operations.

The Firemen's Pension Fund accounts for a single employer defined benefit system established under state law to provide benefits to eligible firefighters. Although this pension plan has subsequently been replaced by the State Law Enforcement Officers and Firefighters pension system, firefighters hired prior to March 1, 1970 continue to be eligible for benefits under its provisions. Revenues received by the fund include proceeds of a state-imposed tax on fire insurance premiums and as needed, allocations from the City's annual property tax levy based on actuarial estimates.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

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

D. BUDGET AND BUDGETARY ACCOUNTING

Scope of Budget - Budgets are adopted at the fund level and this constitutes the legal level of control where expenditures may not exceed appropriations. Purely as a management tool, budgets are broken out to departments, activities and expense types. Transfers or revisions within funds are allowed, but only the City Council can increase or decrease a fund's budget, which is done by City ordinance.

The City adopts the budget for governmental funds on the modified accrual basis and all unexpended appropriations lapse at year-end. Budgetary accounts are integrated in fund ledgers for all budgeted funds, but financial statements include budget-to-actual comparisons for general funds only. Proprietary fund budgets are "management budgets" and are not legally required to be reported.

Procedures for Adopting the Original Budget - The budget process steps are: 1) prior to November 1st, the Mayor submits a proposed annual budget to the City Council. It is based on Council-established priorities and estimates provided by City departments during the preceding months, and balanced with revenue estimates made by the Mayor; 2) the City Council conducts public hearings on the proposed budget in November and December; 3) the Council makes its adjustments to the proposed budget and adopts by ordinance a final balanced annual budget no later than December 31; 4) the final annual budget as adopted is published and distributed by the end of the year. Limited copies of the budget book can be obtained from City of Edmonds, c/o City of Edmonds Finance Department, 121 5th Ave. N. Edmonds, WA 98020, or by visiting our web site at www.edmondswa.gov.

E. ASSETS, LIABILITIES, AND FUND EQUITY

Cash and Equity in Pooled Investments - The City of Edmonds invests all short-term cash surpluses. The City considers all highly-liquid assets, including investment in the Washington State's Local Government Investment Pool, and short-term investments with a maturity of three months or less when purchased to be cash equivalents.

Investments - Investments are presented in the financial statements at fair value based on quoted market prices. The City's position in the Local Government Investment Pool is the same as the value of the pool shares. Pool investments are reported as Cash and Cash Equivalents. Interest earned on the pooled investments is allocated to individual funds at the end of each month on the basis of their average daily cash balance during the preceding month. Investments are also held separately by several funds with interest earned directly for each fund's benefit. The City holds most investments to maturity. For reporting, all funds' interest earnings are recognized in the accounting period in which they become available and measurable. Additional deposit and investment information is presented in Note 3.

Inventories - Inventories are generally valued using the weighted-average cost method and consist of expendable materials and supplies. Governmental fund types use the consumption method, where cost is recognized as an expenditure when the inventory is consumed. Inventories in the proprietary funds use two separate methods. The combined utility fund inventories are expensed as consumed. The internal service fund inventories are expensed when purchased with the inventories adjusted at year-end.

Receivables - Property taxes - The County Treasurer collects annual property taxes levied in the county for all taxing authorities. Taxes are levied on January 1 for property value listed as of May 31.

The County Assessor establishes assessed values at 100 percent of fair market value. Beginning with the 2004 assessment for taxes payable in 2005, all property is appraised annually and updated to reflect the current market value. This will result in smaller increases in assessed value than property owners experienced in the past with the 4-year revaluation cycle. It also allows property values to be adjusted downward if there is a change in the market, instead of the value being "fixed" for a 4-year period.

Due to voter approval of Initiative 747 in November 2001, levy increases are limited to the lesser of the implicit price deflator for personal consumption expenditures for the 12-month period ending in July of each year, or 1%. Any increase above this limit requires voter approval. Property taxes levied by the County Assessor and collected by the County Treasurer become a lien on the first day of the levy year and may be paid in two equal payments if the total exceeds \$10. The first half is due on April 30 and the balance is due October 31. Delinquent taxes bear interest at 12 percent and are subject to additional penalties if not paid as scheduled. Washington State Constitution and Washington State law, RCW 84.55.010, limit the rate.

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

In 2011, the City levied the following property taxes on an assessed value of \$6,433,258,853. The special levies identified in the table were approved by the voters and are not subject to the limitation listed above.

Purpose of the Levy	Levy Rate per \$1,000	Total Levy Amount
General Government	\$1.4766	\$ 9,499,558
Emergency medical service (EMS)	0.5000	3,216,629
Debt Service on voter approved general obligation bonds	0.1457	877,984
Total City Levy	\$2.1223	\$13,594,171

Customer Accounts - Customer accounts receivable consist of amounts owed by private individuals and organizations for goods delivered or services rendered in the regular course of business operations. Notes and contracts receivable arise from a written agreement or contract with private individuals or organizations. Receivables are shown net of allowances for uncollectible accounts.

Interfund - Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either interfund loans receivable/payable or advances to/from other funds. All other outstanding balances between funds are reported as due to/due from other funds. Advances to other funds in governmental funds are equally offset by a fund balance reserve account, which indicates that they do not constitute available spendable resources since they are not a component of net current assets.

Deferred Revenues and Deferred Charges - Deferred revenues include amounts collected before revenue recognition criteria are met because under the modified accrual basis of accounting, they are measurable but not yet available. The deferred items

consist primarily of delinquent property taxes, contracts and agreements, special assessments, and amounts due from component unit.

In the proprietary funds the premium or discount and issuance costs of long-term debt are amortized over the life of the debt. For current refunding and advance refunding of revenue bonds, the difference between the reacquisition price and net carrying amount is amortized over the shorter of the remaining life of the old debt or the life of the new bond issues.

Restricted Assets - In accordance with the utility bond resolutions, state law, or other agreements, separate restricted assets have been established. These assets are restricted for specific purposes including the establishment of bond reserve funds, financing the ongoing capital improvement programs of the various utilities, and other purposes. At December 31, 2011 the City had \$984,163 cash in the enterprise fund restricted for debt service.

Capital Assets - General capital assets are those assets not specifically related to activities reported in the proprietary funds. The capital assets purchased or constructed by a governmental fund are recorded as expenditures in the fund at the time the related purchases are made; however, the associated capital assets are reported in the governmental activities column of the government-wide statement of net assets while not reported in the fund balance sheets.

The City classifies assets with an estimated useful life in excess of one year as capital assets. Capital assets include land, buildings, improvements, machinery, equipment, and infrastructure. Land is capitalized at cost with no minimum threshold. Buildings, improvements, and machinery and equipment are capitalized when cost meets or exceeds \$5,000. Public domain (infrastructure) assets consist of certain improvements other than buildings, including utility systems, streets, traffic controls, and overlays are capitalized when cost equals or exceeds \$50,000.

Costs of normal maintenance and repair for general assets are not capitalized. However, any improvement that increases an asset's value, capacity or materially extends its life is added to that asset's capitalized costs.

Equipment items acquired through capital lease agreements and land purchased through conditional sales contracts are reported as general capital assets in the government-wide statement of net assets. In the governmental fund financial statements, lease and contract payments are reported as expenditures.

All project costs are included in construction in progress in the government-wide statement of net assets. At completion, capital costs are reclassified to property plant and equipment. In the governmental fund financial statements, projects are reported as expenditures.

Capital assets acquired or constructed by the proprietary funds are capitalized in those funds at historical cost. Contributed assets are recorded at their estimated fair values as of the date acquired. The estimated value of donated assets is recorded as contributed capital by the fund which receives them.

Land and construction in progress are not depreciated. Buildings, equipment, non-building improvements and intangible assets are depreciated using the straight line method, using varying estimated service lives for individual assets and asset classifications depending on particular characteristics of an asset and factors surrounding its anticipated use. Depreciation is reported as part of the related program expense column on government-wide statement of activities and as a fund expense in the

proprietary funds, while not reported in the fund statements of governmental funds. Capital assets are reported net of accumulated depreciation on the government-wide statement of net assets and in the proprietary funds statement of net assets, while not reported in the governmental fund balance sheets. Refer to note 8 for additional information regarding capital assets.

The average service lives used to calculate depreciation for specific categories of assets are summarized below:

<u>Asset Type</u>	<u>Est. Service Life (Yrs)</u>
Buildings	30-50
Improvements other than Buildings	25-60
Infrastructure	20-100
Machinery and Equipment	2-20
Intangible Assets	20-30

Accumulated Compensated Absences - Compensated absences including payroll taxes are reported as a current liability in the balance sheet. Actual balances are accrued for all types of compensated absences except sick leave, the liability for which is generally estimated using the termination method provided by GASB Statement No. 16.

Vacation Pay – Employees earn vacation based upon their years of service and may accumulate earned vacation up to a maximum of two years accrual. Unused vacation at retirement or termination is considered vested and payable to the employee.

Sick Pay – Employees may accumulate up to 1000 hours of sick leave. Up to 800 hours of unused sick leave at retirement or termination is paid based on a percentage of accumulated sick leave. Payment is based on current wage at termination.

Other Compensated Absences – Other compensated absences include compensatory time in lieu of overtime pay; holiday earned by fire and police employees; and other compensation earned by City employees under law or union contracts. Unused compensated absences are payable at retirement or termination.

F. FUND BALANCES

The difference between fund assets and liabilities is “net assets” on the government-wide, proprietary, and fiduciary fund statements, and is “fund balance” on the governmental fund statements.

The fund balance amounts for governmental funds have been reclassified in accordance with GASB Statement No. 54. As a result, amounts previously reported as reserved and unreserved are now reported as nonspendable, restricted, committed, assigned, or unassigned.

- Nonspendable fund balance includes items that cannot be spent. This includes activity that is not in a spendable form (inventories, prepaid amounts, long-term portion of loans/notes receivable, or property held for resale unless the proceeds are restricted, committed or assigned) and activity that is legally or contractually required to remain intact, such as a principal balance in a permanent fund.
- Restricted fund balances have constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

- Committed fund balance can be used only for specific purposes pursuant to constraints imposed by a formal action of the City Council, the City's highest level of decision-making authority. This formal action is the passage of an ordinance by City Council creating, modifying, or rescinding an appropriation.
- Assigned fund balance includes amounts that are constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. For governmental funds, other than the general fund, this is the residual amount within the fund that is not restricted or committed.
- Unassigned fund balance is the residual amount of the general fund not included in the four categories described above. Also, any deficit fund balances within the other governmental fund types are reported as unassigned.

Each fund has been analyzed to classify the fund balance in accordance with GASB Statement No. 54. Funds are created by the City Council and money is authorized to be transferred to the fund for a particular purpose. At this point, balances in these funds are at least committed, and may be further restricted depending on whether there is an external party, constitutional provision, or enabling legislation constraint involved.

The appropriated balance in the general fund is committed, and the remaining balance is unassigned. All other governmental funds are presented as restricted or committed. Appropriations specify the funding source, and therefore the order in which restricted, committed, assigned, or unassigned fund balance gets spent.

G. REVENUES, EXPENDITURES AND EXPENSES

Under the *modified accrual* basis of accounting:

Charges for services, interest on investments, and rents generally are considered measurable and available when earned in governmental funds.

Taxes and federal or state entitlements or shared revenues that have been collected but not remitted by an intermediary collection agency to the City are considered measurable and available.

Special assessments are considered measurable and available when they become due.

Grants are considered measurable and available to the extent that expenditures have been made. Other intergovernmental revenues are considered measurable and available when earned.

Interfund revenues for goods and services are considered measurable and available when earned.

Proceeds from sale or loss of capital assets are recognized as other financing sources.

Revenues from taxpayer-assessed taxes (i.e., sales tax), net of estimated refunds, are recognized when measurable and available to finance expenditures of the current period.

All other revenues are either not measurable or considered not available until collected.

Expenditures are generally recognized when incurred, except for principal and interest on general long-term debt, which are reported as expenditures when paid, and compensated

absences, which are reported as expenditures when liquidated from expendable available financial resources.

Under the *accrual* basis of accounting:

Revenues are recognized when earned and expenses are recognized when incurred.

Contributions of capital in proprietary fund financial statements arise from internal and external contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction.

Transfers between government and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated, as are transfers between funds reported in the business-type activities column.

H. ESTIMATES

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

I. CHANGES IN ACCOUNTING STANDARDS

The accompanying financial statements of the City of Edmonds have been prepared in conformity with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for governmental accounting and financial reporting principles, which are primarily set forth in GASB's *Codification of Governmental Accounting and Financial Reporting Standards*.

The Governmental Accounting Standards Board (GASB) has issued Statement No. 51 *Accounting and Financial Reporting for Intangible Assets*, and Statement No. 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. These new accounting and reporting standards impacted the City's expenditure recognition, and assets and fund balance reporting. The new standards also required reformatting of the financial statements and restating beginning balances. Certain special revenue funds did not meet the new definition for classification of such funds, and as such were combined with the general fund for financial reporting purposes. These new GASB standards were implemented in 2011.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

At December 31, 2011 the following funds exceeded appropriated budgets which are a violation of state statute:

Fund 009 – LEOFF-Medical Insurance Reserve Fund exceeded the annual budget by \$3,267 due to higher than anticipated year-end medical reimbursements.

Fund 121 – Employee Parking Permit Fund exceeded the annual budget by \$12.88. The fund collects parking permit revenue to offset the cost of the supplies.

Fund 126 – REET 1 exceeded the annual budget by \$1,650 due to unbudgeted fiscal agent fees.

Fund 127 – Gifts Catalog Fund exceeded the annual budget by \$3,444. The Parks and Recreation Department received an additional \$6,000 at the end of the year in donations for three benches as part of the Old Milltown project.

Fund 631 – Transportation Benefit District exceeded the annual budget by \$39,180, this amount was supported by the receipt of \$39,180 in additional fund revenue.

In all instances above there was sufficient revenue or fund balance to cover the deficit.

All funds amended expenditure budgets totaled \$73,052,068, which includes \$3,886,078 of supplemental appropriations. Funds with supplemental appropriations during 2011 and the amounts are shown below:

Fund Number	Fund Description	2011 Original Budget	2011 Supplemental Appropriations	2011 Amended Budget
001	General Fund	\$ 32,320,897	\$ 949,765	\$ 33,270,662
111	Street Fund	1,426,942	92,732	1,519,674
112	Combined Street Const/Improve	1,369,795	312,000	1,681,795
113	Multimodal Transportation Fd.	1,025,000	(25,000)	1,000,000
116	Building Maintenance	95,000	135,994	230,994
120	Hotel/Motel Tax Revenue Fund	105,750	47,500	153,250
125	Park Acq/Improvement	623,000	332,000	955,000
126	Special Capital Fund	699,582	40,750	740,332
127	Gifts Catalog Fund	6,300	5,000	11,300
130	Cemetery Maintenance/Improv	148,179	4,100	152,279
132	Parks Construction	1,735,500	339,000	2,074,500
411	Combined Utility Operation	15,139,354	782,833	15,922,187
412	Combined Utility Const/Improve	10,300,000	1,072,992	11,372,992
414	Capital Improvements Reserve	836,035	(309,000)	527,035
511	Equipment Rental Fund	1,184,702	105,412	1,290,114
	Totals	\$ 69,165,990	\$ 3,886,078	\$ 73,052,068

NOTE 3 – DEPOSITS AND INVESTMENTS

Interest rate risk. Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy manages the exposure to declines in fair values by limiting the weighted average of maturity of its investments to less than four years, unless an investment is matched to an anticipated future cash flow.

Credit risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law and the City's investment policy limits the instruments in which the City may invest. These include:

1. United States bonds.
2. United States certificates of indebtedness.
3. Bonds or warrants of the State of Washington.

4. General obligation or utility revenue bonds or warrants of its own or of any other city or town in the State.
5. Its own bonds or warrants of a local improvement district which are within the protection of the local improvement guaranty fund.
6. Savings or time accounts in designated public depositories.
7. Certificates, notes or bonds of United States agencies, or corporations wholly owned by the United States.
8. Repurchase agreements.
9. Banker's acceptances.
10. Federal Home Loan Bank notes and bonds, Federal Land Bank bonds, Federal National Mortgage Association notes, debentures and guaranteed certificates of participation, or obligations of any other government sponsored corporation whose obligations are or may be eligible as collateral for advances to member banks as determined by the Board of Governors of the Federal Reserve System or any portion thereof in investment deposits as defined in RCW 39.8.010 secured by collateral in accordance with RCW 39.58.
11. Interim financing warrants of local improvement districts.
12. State Local Government Investment Pool.

The City held no debt securities as of December 31, 2011.

The Washington State Local Government Investment Pool (LGIP), created by the Washington State Legislature in 1986, is managed and operated solely by the Office of the State Treasurer. The State Finance Committee administers the statute that created the pool and adopts appropriate rules. The State Treasurer established the LGIP Advisory Committee to provide advice on the pool's operation. The advisory committee includes 12 members selected from the active pool participants. Eight members are appointed by the participant associations, and four are appointed by the State Treasurer.

The LGIP is considered extremely low risk and is recorded as a cash equivalent.. The pool is unrated by financial rating agencies. It is operated in a manner consistent with the Securities and Exchange Commission's Rule 2a-7 of the Investment Company Act of 1940. Rule 2a-7 funds are limited to high quality obligations with limited maximum and average maturities, the effect of which is to minimize both market and credit risk. The City's position in the pool is the same as the value of the shares.

Custodial Credit Risk - Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. All City deposits are insured by Federal Depository Insurance (FDIC) up to \$250,000. All deposits not covered by FDIC insurance are covered by the Washington Public Deposit Protection Commission (WPDPC) of the State of Washington.

The WPDPC is a statutory authority established under RCW chapter 39.58. It constitutes a multiple financial institution collateral arrangement that provides for additional assessments against members of the pool on a pro rata basis up to a maximum of 10 percent of each institution's public deposits. Provisions of RCW chapter 39.58, section 60 authorize the WPDPC to make pro-rata assessments in proportion to the maximum liability of each such depository as it existed on the date of loss.

Custodial Credit Risk – Investments. For investments, this is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All City securities are held for safekeeping by the Bank of New York, as the City's agent, in the City's name.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The City diversifies its investments by security type and institution. The investment policy states: "No more than fifty percent (50%) of the City's

portfolio, at the time of purchase, shall be in any single financial institution” with the exception of US Treasury securities and the State Investment Pool.

A reconciliation of cash, cash equivalents (including pooled investments) and investments as shown in the government-wide and fund financial statements is as follows:

Deposits	\$ 14,227,827
Local Government Investment Pool	21,307,439
	\$ 35,535,265

	Governmental Activities	Business-type Activities	Total Primary Govt.	Fiduciary Funds	Total
Cash and Cash Equivalents	\$ 16,243,965	\$ 18,089,235	\$ 34,333,200	\$ 217,903	\$ 34,551,102
Restricted Cash and Cash Equivalents	-	984,163	984,163	-	984,163
	\$ 16,243,965	\$ 19,073,398	\$ 35,317,363	\$ 217,903	\$ 35,535,265

NOTE 4 – PROPERTY TAXES

The county treasurer acts as an agent to collect property tax levied in the county for all taxing authorities.

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

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

The City may levy up to \$3.10 Per \$1,000 of assess valuation for general governmental services. Washington State Constitution and Washington State law, RCW 84.55.010, limit the rate.

The City's regular levy for 2011 was \$2.1223 per \$1,000 on an assessed valuation of \$6,433,258,853 for a total regular levy of \$13,594,171. The special levies identified in the table were approved by the voters and are not subject to the limitations listed above.

Purpose of the Levy	Levy Rate per \$1,000	Total Levy Amount
General Government	\$1.4766	\$ 9,499,558
Emergency medical service (EMS)	0.5000	3,216,629
Debt Service on voter approved general obligation bonds	0.1457	877,984
Total City Levy	\$2.1223	\$13,594,171

NOTE 5 – RECEIVABLES AND PAYABLES

Receivables at December 31, 2011, are as follows:

	Customer Accounts	Taxes	Special Assessments	Due From Other Governments	Total
Governmental Activities					
General Fund	\$ 701,728	\$ 483,678	\$ -	\$ 6,568,389	\$ 7,753,795
Other Governmental Funds	86	-	31,440	1,454,571	1,486,097
Internal Service	1,192	-	-	854	2,045
Total Governmental Activities	\$ 703,005	\$ 483,678	\$ 31,440	\$ 8,023,814	\$ 9,241,937
Business-type Activities					
Combined Utility Fund	\$ 2,048,328	\$ -	\$ -	\$ 950,480	\$ 2,998,809
Total Business-type Activities	\$ 2,048,328	\$ -	\$ -	\$ 950,480	\$ 2,998,809

Payables at December 31, 2011, are as follows:

	Salaries and Benefits	Accounts Payable	Due to Other Governments	Other Current Liabilities	Total
Governmental Activities					
General Fund	\$ 720,503	\$ 327,091	\$ -	\$ 93,553	\$ 1,141,147
Other Governmental Funds	24,591	489,679	-	79,934	594,204
Internal Service	13,546	40,933	-	-	54,478
Total Governmental Activities	\$ 758,640	\$ 857,703	\$ -	\$ 173,487	\$ 1,789,829
Business-type Activities					
Combined Utility Fund	\$ 166,417	\$ 1,631,051	\$ 87,983	\$ 261,473	\$ 2,146,924
Total Business-type Activities	\$ 166,417	\$ 1,631,051	\$ 87,983	\$ 261,473	\$ 2,146,924

Lease Receivables - The City receives revenue by leasing land to T-Mobile West Corporation for a cell tower placed on the Five Corners Water Tank Site. The original lease was signed in 1997 for a term of five years and could be renewed for five additional five-year terms. A new agreement was signed in May 2004 with T-Mobile West Corporation amending the original lease agreement. The new lease has a term of 20 years. The annual rental fee may be reviewed upon either party's prior written request sixty days prior to the renewal date only on every 5th anniversary of the commencement date. Along with the actual tower lease, there are two sub-leases to co-locate on the tower leased to T-Mobile. The first lease with AT&T Wireless Services was signed in 1997 for a five-year term and could be renewed for three additional five-year periods for a total of 20 years. Clearwire, LLC signed a five-year lease in May of 2006 subject to renewal for three additional five year periods for a total of 20 years.

The Edmonds City Council entered into a settlement agreement purchasing property located at 20719 86th Place West in April of 2011. The City entered into a property management agreement with Windermere Real Estate / North Inc in June of 2011 for one year appointing Windemere to rent, lease operate and manage the property. The property located at 20719 86th PL W has an original cost of \$302,471 and a book value of \$296,348. Depreciation expense for 2011 was \$6,123.

The City entered into a telecommunications contract in March of 2007 with the Netriver Corporation. The three year contract allows Netriver Corporation to use the City's fiber optic network. At the end of the three year contract, the agreement shall continue on a month to month basis until the contract is terminated in writing or a new contract is executed.

The City receives revenue from operating leases as a result of renting space in various City buildings. At the Anderson Center, the City has six recreation contracts that allow various organizations to rent out a total of 19 spaces. The recreation leases are renewed annually. The Anderson Center has an original cost of \$3,056,857 and a book value of \$1,495,196. Depreciation expense for 2011 was \$97,156.

The City rents space at the old Public Works building. The City entered into a month-to-month contract with the Edmonds Arts Festival Foundation on November 13, 2009. The Foundation rents three garage bays as part of the City's Cultural Arts Plan. The City also entered into a ten year lease agreement with the Driftwood Players in December of 2009 to rent administrative office space along with the old crew area space. The old Public Works building has an original cost of \$249,396 and a book value of \$48,327. Depreciation expense for 2011 was \$3,451.

The Edmonds Chamber of Commerce rents space on the first floor of city hall. The contract automatically renews annually unless terminated by the parties. City Hall's original cost is \$3,910,469 and carries a book value of \$1,789,689. Depreciation expense for 2011 was \$131,756.

The City has two leases which provide recreational services to the citizens. A four year lease agreement was entered into on December 29, 2006 with the Boys and Girls Clubs of Snohomish County. The agreement may be renewed for consecutive five-year terms upon mutual agreement of the parties. The original cost of the Boys and Girls Clubs of Snohomish County is \$85,570 and is fully depreciated. A lease agreement was entered into with the South County Senior Center, Inc on December 1, 2009. The term of the lease is for eleven years and is automatically renewable for two additional five-year terms for a total of twenty-one years. The Senior Center original cost is \$1,060,523 and carries a book value of \$114,573. Depreciation expense for 2011 was \$29,525.

In July of 2009 a one year lease was signed with Shorts 'n Slippas, LLC for the organization to run a concession stand on the public right of way. They vacated the concession stand on December 31, 2011.

In 2011, the General Fund received \$156,020 and the Enterprise Fund received \$51,025 in rental income.

NOTE 6 – INTERFUND ACTIVITY

There were two interfund balances as of December 31, 2011. The first was a transfer of the utility tax revenues from the Utility Fund to the General Fund for services rendered in the amount of \$147,790. The second interfund balance was a transfer from the Transportation Benefit District (TBD) to the Street Fund for TBD revenues in the amount of \$49,936.

Interfund transfers are the flow of assets without a reciprocal return of assets, goods or services. The City uses transfers to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and 2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. There were no significant transfers in 2011. The difference between the following table and the Revenues, Expenditures, and Changes in Fund Balance is due to the transfer between the General Fund and the Firemen's Pension Fund, which is not included in the table below. Interfund activity for the year is as follows:

	Transfers In	Transfers Out			Total
		General	Other Governmental	Enterprise	
General Fund	\$ 458,252	\$ 433,166	\$ 25,086	\$ -	\$ 458,252
Other Governmental	1,710,920	79,904	1,148,700	482,316	1,710,920
Internal Service	50,942	50,942	-	-	50,942
Total	\$ 2,220,114	\$ 564,012	\$ 1,173,786	\$ 482,316	\$ 2,220,114

NOTE 7 – RESTRICTED COMPONENT OF NET POSITION

The government-wide statement of net position reports \$3,288,857 for Governmental Activities and \$9,096,615 for Business-Type Activities of restricted component of net position.

Governmental Activities Restricted for:	
Debt service restrictions	\$ 242,765
Per RCW, proceeds from seizures are limited to law enforcement activities exclusively	124,661
Restricted per RCW related to state fuel taxes, transportation benefit fees, impact fees and grant agreements	815,498
Restricted per RCW related to REET revenue and lodging tax restrictions, private donors, and grant agreements	1,995,476
Per RCW, proceeds are limited to paying "all or part of the cost of tourism promotion"	93,895
Restricted by grant agreements and private donations limited to a specific purpose	16,562
Total Restricted Component of Net Position	\$ 3,288,857

Business-Type Activities Restricted for:	
Customer deposits	\$ 4,698
Debt service restrictions	984,163
Unspent capital project debt proceeds	8,107,754
Total Restricted Component of Net Position	\$ 9,096,615

NOTE 8 – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended December 31, 2011 is as follows:

Schedule of Capital Asset Activity				
	Balance			Balance
	1/1/2011	Increases	Decreases	12/31/2011
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 14,530,663	\$ -	\$ -	\$ 14,530,663
Construction in Progress	7,100,980	2,450,780	(861,056)	8,690,704
Total capital assets, not being depreciated:	21,631,643	2,450,780	(861,056)	23,221,367
Capital assets, being depreciated:				
Building	25,479,908	-	-	25,479,908
Improvements other than buildings	13,531,609	-	-	13,531,609
Infrastructure	54,326,213	1,406,561	-	55,732,774
Machinery and Equipment	7,164,938	434,778	(57,229)	7,542,487
Total capital assets being depreciated:	100,502,668	1,841,339	(57,229)	102,286,778
Less accumulated depreciation for:				
Buildings	(11,838,020)	(856,958)	-	(12,694,978)
Improvements other than buildings	(5,894,402)	(445,999)	-	(6,340,401)
Infrastructure	(26,265,315)	(2,372,108)	-	(28,637,423)
Machinery and Equipment	(4,779,457)	(397,555)	57,229	(5,119,783)
Total accumulated depreciation:	(48,777,194)	(4,072,620)	57,229	(52,792,585)
Total capital assets, being depreciated, net:	51,725,473	(2,231,281)	-	49,494,192
Governmental activities capital assets, net:	\$ 73,357,117	\$ 219,499	\$ (861,056)	\$ 72,715,560

Business-type Activities

	Beginning	Increases	Decreases	Ending
Capital assets, not being depreciated:				
Land	\$ 1,128,419	\$ 138,947	\$ (10,260)	\$ 1,257,106
Construction in Progress	9,724,406	4,830,218	(6,995,869)	7,558,755
Total capital assets, not being depreciated:	10,852,826	4,969,165	(7,006,129)	8,815,861
Capital assets, being depreciated:				
Building	36,724,796	163,525	-	36,888,321
Improvements other than buildings	47,967,987	7,590,018	-	55,558,005
Machinery and Equipment	877,559	30,635	-	908,194
Intangible Assets	1,250,000	10,260	-	1,260,260
Total capital assets being depreciated:	86,820,342	7,794,438	-	94,614,780
Less accumulated depreciation for:				
Buildings	(13,894,882)	(707,567)	-	(14,602,449)
Improvements other than buildings	(19,853,204)	(1,645,297)	-	(21,498,501)
Machinery and Equipment	(606,971)	(34,786)	-	(641,757)
Intangible Assets	(853,915)	(59,569)	-	(913,484)
Total accumulated depreciation:	(35,208,973)	(2,447,219)	-	(37,656,192)
Total capital assets, being depreciated, net:	51,611,369	5,347,219	-	56,958,588
Business activities capital assets, net:	\$ 62,464,195	\$10,316,384	\$ (7,006,129)	\$ 65,774,450

Depreciation/amortization expense was charged to functions/programs of the City as follows:

Depreciation Expense by Function

Governmental Activities:

General government	\$ 707,580
Public safety	301,966
Culture and recreation	414,798
Transportation	2,307,031
Physical Environment	6,727
Internal service	334,518
Total depreciation expense - Governmental Activities	\$ 4,072,620

Business-Type Activities:

Stormwater	\$ 383,376
Water	487,135
Sewer	299,558
Wastewater Treatment	1,277,150
Total depreciation expense - Business Type Activities	\$ 2,447,219

NOTE 9 – RECORDED VACATION AND SICK LEAVE

In accordance with GASB Statement No. 16, the City accrues vacation and sick leave pay. The accrual is shown on the government-wide statement of net assets for both governmental and proprietary funds. The accrual is also seen in the separate proprietary fund balance sheets, but is excluded from the separate governmental fund balance sheets since it is not currently due and payable at year-end (please refer to note 11).

NOTE 10 – PENSION PLANS

Substantially all City full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit retirement plans. The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to: Department of Retirement Systems, Communications Unit, P.O. Box 48380, Olympia, WA 98504-8380; or it may be downloaded from the DRS website at www.drs.wa.gov. The following disclosures are made pursuant to GASB Statements No. 27, Accounting for Pensions by State and Local Government Employers and No. 50, Pension Disclosures, an Amendment of GASB Statements No. 25 and No. 27.

Public Employees' Retirement System (PERS) Plans 1, 2, and 3

The Legislature established PERS in 1947. Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior courts (other than judges currently in the Judicial Retirement System); employees of legislative committees; community and technical colleges, college and university employees not participating in higher education retirement programs; judges of district and municipal courts; and employees of local governments. PERS retirement benefit provisions are established in Chapters 41.34 and 41.40 RCW and may be amended only by the State Legislature.

PERS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 2 is a defined benefit plan with a defined contribution component.

PERS members who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 and by either, February 28, 2002 for state and higher education employees, or August 31, 2002 for local government employees, are Plan 2 members unless they exercised an option to transfer their membership to Plan 3. PERS members joining the system on or after March 1, 2002 for state and higher education employees, or September 1, 2002 for local government employees have the irrevocable option of choosing membership in either PERS Plan 2 or PERS Plan 3. The option must be exercised within the 90 days of employment. An employee is reported in Plan 2 until a choice is made. Employees who fail to choose within 90 days default to PERS Plan 3. Notwithstanding, PERS Plan 2 and Plan 3 members may opt out of plan membership if terminally ill, with less than five years to live.

PERS Plan 1 and Plan 2 defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions.

PERS Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. The monthly benefit is two percent of the average final compensation (AFC) per year of service. (AFC is the monthly average of the 24 consecutive highest-paid service credit months.) The retirement benefit may not exceed 60 percent of AFC. The monthly benefit is subject to a minimum for PERS Plan 1 retirees who have 25 years of service and have been retired 20 years, or who have 20 years of service and have been retired 25 years. Plan 1 members retiring from inactive status prior to the age of 65 may receive actuarially reduced benefits. If a survivor option is chosen, the benefit is further reduced. A cost-of-living allowance (COLA) was granted at age 66 based upon years of service times the COLA amount. This benefit was eliminated by the Legislature, effective July 1, 2011. Plan 1 members may elect to receive an optional COLA that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at three percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 provides duty and non-duty disability benefits. Duty disability retirement 1 benefits for disablement prior to the age of 60 consist of a temporary life annuity payable to the age of 60. The allowance amount is \$350 a month, or two-thirds of the monthly AFC, whichever is less. The benefit is reduced by any workers' compensation benefit and is payable as long as the member remains disabled or until the member attains the age of 60. A member with five years of covered employment is eligible for non-duty disability retirement. Prior to the age of 55, the allowance amount is two percent of the AFC for each year of service reduced by two percent for each year that the member's age is less than 55. The total benefit is limited to 60 percent of the AFC and is actuarially reduced to reflect the choice of a survivor option. A cost-of-living allowance was granted at age 66 based upon years of service times the COLA amount. This benefit was eliminated by the Legislature, effective July 1, 2011. Plan 1 members may elect to receive an optional COLA that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 members can receive credit for military service. Members can also purchase up to 24 months of service credit lost because of an on-the-job injury. PERS Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members are eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is two percent of the AFC per year of service. (AFC is the monthly average of the 60 consecutive highest-paid service months.) PERS Plan 2 members who have at least 20 years of service credit and are 55 years of age or older are eligible for early retirement with a reduced benefit. The benefit is reduced by an early retirement factor (ERF) that varies according to age, for each year before

age 65. PERS Plan 2 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions: With a benefit that is reduced by 3 percent for each year before age 65. With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules. PERS Plan 2 retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at three percent annually.

The surviving spouse or eligible child or children of a PERS Plan 2 member who dies after leaving eligible employment having earned ten years of service credit may request a refund of the member's accumulated contributions. PERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component and member contributions finance a defined contribution component. The defined benefit portion provides a monthly benefit that is one percent of the AFC per year of service. (AFC is the monthly average of the 60 consecutive highest-paid service months.) Effective June 7, 2006, PERS Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service, if twelve months of that service are earned after age 44; or after five service credit years earned in PERS Plan 2 prior to June 1, 2003. Plan 3 members are immediately vested in the defined contribution portion of their plan.

Vested Plan 3 members are eligible for normal retirement at age 65, or they may retire early with the following conditions and benefits: If they have at least ten service credit years and are 55 years old, the benefit is reduced by an ERF that varies with age, for each year before age 65. If they have 30 service credit years and are at least 55 years old, they have the choice of a benefit that is reduced by 3 percent for each year before age 65; or a benefit with a smaller (or no) reduction factor (depending on age) that imposes stricter return-to-work rules. PERS Plan 3 defined benefit retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option. There is no cap on years of service credit and Plan 3 provides the same cost-of-living allowance as Plan 2. PERS Plan 3 defined contribution retirement benefits are solely dependent upon contributions and the results of investment activities. The defined contribution portion can be distributed in accordance with an option selected by the member, either as a lump sum or pursuant to other options authorized by the Director of the Department of Retirement Systems. PERS Plan 2 and Plan 3 provide disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 monthly benefit amount is two percent of the AFC per year of service. For Plan 3, the monthly benefit amount is one percent of the AFC per year of service.

These disability benefit amounts are actuarially reduced for each year that the member's age is less than 65, and to reflect the choice of a survivor option. There is no cap on years of service credit, and a cost-of living allowance is granted (based on the Consumer Price Index) capped at 3 percent annually. PERS Plan 2 and Plan 3 members may have up to ten years of interruptive military service credit; five years at no cost and five years that may be purchased by paying the required contributions. Effective July 24, 2005, a member who becomes totally incapacitated for continued employment while serving the uniformed services, or a surviving spouse or eligible children, may apply for interruptive military service credit. Additionally, PERS Plan 2 and Plan 3 members can also purchase up to 24 months of service credit lost because of an on-the-job injury. PERS members may also purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement and can be used only to provide the member with a monthly annuity that is paid in addition to the member's retirement benefit. Beneficiaries of a PERS Plan 2 or Plan 3 member with ten years of service who is killed in the course of employment receive retirement benefits without actuarial reduction, if the member was not at normal retirement age at death. This provision applies to any member killed in the course of employment, on or after June 10, 2004, if found eligible by the Department of Labor and Industries. A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a PERS member who dies in the line of service as a result of injuries sustained in the course of employment, or if the death resulted from an occupational disease or

infection that arose naturally and proximately out of said member's covered employment, if found eligible by the Department of Labor and Industries.

Judicial Benefit Multiplier

During January 1, 2007 through December 31, 2007, judicial members of PERS were given the choice to participate in the Judicial Benefit Multiplier Program (JBM) enacted in 2006. Justices and judges in PERS Plan 1 and Plan 2 were able to make a one-time irrevocable election to pay increased contributions that would fund a retirement benefit with a 3.5 percent multiplier. The benefit would be capped at 75 percent of AFC. Judges in PERS Plan 3 could elect a 1.6 percent of pay per year of service benefit, capped at 37.5 percent of AFC.

Members who chose to participate in JBM would: accrue service credit at the higher multiplier beginning with the date of their election; be subject to the benefit cap of 75 percent of AFC, pay higher contributions; stop contributing to the Judicial Retirement Account (JRA); and be given the option to increase the multiplier on past judicial service. Members who did not choose to participate would: continue to accrue service credit at the regular multiplier; continue to participate in JRA, if applicable; never be a participant in the JBM Program; and continue to pay contributions at the regular PERS rate.

Newly elected or appointed justices and judges who chose to become PERS members on or after January 1, 2007, or who had not previously opted into PERS membership, were required to participate in the JBM Program. Members required into the JBM program would: return to prior PERS Plan if membership had previously been established; be mandated into Plan 2 and not have a Plan 3 transfer choice, if a new PERS member; accrue the higher multiplier for all judicial service; not contribute to JRA; and not have the option to increase the multiplier for past judicial service. There are 1,197 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2010:

Retirees and Beneficiaries Receiving Benefits	76,899
Terminated Plan Member Entitled to But Not Yet Receiving Benefits	28,860
Active Plan Members Vested	105,521
Active Plan Member Nonvested	51,005
Total	262,285

Funding Policy

Each biennium, the state Pension Funding Council adopts PERS Plan 1 employer contribution rates, PERS Plan 2 employer and employee contribution rates, and PERS Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute at six percent for state agencies and local government unit employees, and at 7.5 percent for state government elected officials. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. All employers are required to contribute at the level established by the Legislature. Under PERS Plan 3, employer contributions finance the defined benefit portion of the plan and member contributions finance the defined contribution portion. The Plan 3 employee contribution rates range from 5 percent to 15 percent, based on member choice. Two of the options are graduated rates dependent on the employee's age. As a result of the implementation of the Judicial Benefit Multiplier Program in January 2007, a second tier of employer and employee rates was developed to fund, along with investment earnings, the increased retirement benefits of those justices and judges that participate in the program.

The methods used to determine the contribution requirements are established under state statute in accordance with Chapters 41.40 and 41.45 RCW.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2011, are as follows: Members not participating in JBM:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer*	7.25%**	7.25%**	7.25%***
Employee	6.00%****	4.64%****	*****

* The employer rates include the employer administrative expense fee currently set at 0.16%.

** The employer rate for state elected officials is 10.80% for Plan 1 and 7.25% for Plan 2 and Plan 3.

*** Plan 3 defined benefit portion only.

**** The employee rate for state elected officials is 7.50% for Plan 1 and 4.64% for Plan 2.

***** Variable from 5.0% minimum to 15.0% maximum based on rate selected by the PERS 3 member.

	PERS Plan1	PERS Plan 2	PERS Plan 3
Employer-State Agency*	9.75%	9.75%	9.75%**
Employer-Local Government*	7.25%	7.25%	7.25%**
Employee-State Agency	9.76%	9.10%	7.5%***
Employee-Local Government	12.26%	11.60%	7.5%***

* The employer rates include the employer administrative expense fee currently set at 0.16%.

** Plan 3 defined benefit portion only.

***Minimum rate.

Both city and the employees made the required contributions. The city required contributions for the years ended December 31 were as follows:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
2011	\$16,259	\$541,368	\$68,507
2010	\$22,090	\$470,368	\$45,011
2009	\$38,902	\$584,364	\$58,637

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

Plan Description

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

LEOFF is a cost-sharing multiple-employer retirement system comprised of two separate defined benefit plans. 24 LEOFF members who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 are Plan 2 members.

LEOFF defined benefit retirement benefits are financed from a combination of investment earnings, employer and employee contributions, and a special funding situation in which the state pays through state legislative appropriations.

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

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

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

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

The FAS is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest consecutive 24 months' salary within the last 10 years of service. A cost-of-living allowance is granted (based on the Consumer Price Index).

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

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a LEOFF Plan 1 member who dies as a result of injuries or illness sustained in the course of employment, if found eligible by the Department of Labor and Industries.

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

LEOFF Plan 1 members may purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement and can be used only to provide the member with a monthly annuity that is paid in addition to the member's allowance.

LEOFF Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members may retire at the age of 50 with 20 years of service, or at the age of 53 with five years of service, with an allowance of two percent of the FAS per year of service. (FAS is based on the highest consecutive 60 months). Plan 2 members who retire prior to the age of 53 receive reduced benefits. Benefits are actuarially reduced for each year that the benefit commences prior to age 53 and to reflect the choice of a survivor option. If the member has at least 20 years of

service and is age 50, the reduction is 3 percent for each year prior to age 53. A cost-of-living allowance is granted (based on the Consumer Price Index), capped at three percent annually.

LEOFF Plan 2 provides disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 allowance amount is two percent of the FAS for each year of service. Benefits are actuarially reduced for each year that the member's age is less than 53, unless the disability is duty-related, and to reflect the choice of a survivor option. If the member has at least 20 years of service and is age 50, the reduction is three percent for each year prior to age 53. A catastrophic disability benefit equal to 70 percent of their FAS, subject to offsets for workers' compensation and Social Security disability benefits received, is also available to those LEOFF Plan 2 members who are severely disabled in the line of duty and incapable of future substantial gainful employment in any capacity.

Effective June 2010, benefits to LEOFF Plan 2 members who are catastrophically disabled include payment of eligible health care insurance premiums.

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

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

LEOFF Plan 2 members who apply for retirement may purchase up to five years of additional service credit. The cost of this credit is the actuarial equivalent of the resulting increase in the member's benefit.

LEOFF Plan 2 members can receive service credit for military service that interrupts employment. Additionally, LEOFF Plan 2 members who become totally incapacitated for continued employment while servicing in the uniformed services may apply for interruptive military service credit. Should any such member die during this active duty, the member's surviving spouse or eligible child(ren) may request service credit on behalf of the deceased member.

LEOFF Plan 2 members may also purchase up to 24 consecutive months of service credit for each period of temporary duty disability.

Beneficiaries of a LEOFF Plan 2 member who is killed in the course of employment receive retirement benefits without actuarial reduction, if found eligible by the Director of the Department of Labor and Industries.

Benefits to eligible surviving spouses and dependent children of LEOFF Plan 2 members killed in the course of employment include the payment of on-going health care insurance premiums paid to the Washington state Health Care Authority.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a LEOFF Plan 2 member who dies as a result of injuries or illness sustained in the course of employment, if found eligible by the Department of Labor and Industries.

There are 374 participating employers in LEOFF. Membership in LEOFF consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2010:

Retirees and Beneficiaries Receiving Benefits	9,647
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	782
Active Plan Members Vested	13,420
Active Plan Members Nonvested	3,656
Total	27,505

Funding Policy

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

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2011, 12 are as follows:

	LEOFF Plan 1	LEOFF Plan 2
Employer*	0.16%	5.24%**
Employee	0.00%	8.46%
State	N/A	3.38%

*The employer rates include the employer administrative expense fee currently set at 0.16%.

**The employer rate for ports and universities is 8.62%.

Both the city and the employees made the required contributions. The (city/county/district's) required contributions for the years ended December 31 were as follows:

	LEOFF Plan 1	LEOFF Plan 2
2011	\$0	\$276,034
2010	\$0	\$274,168
2009	\$0	\$566,301

Firemen's Pension

Plan Description

The Law Enforcement Officers' and Firefighters' (LEOFF) pension system was established by the State of Washington on March 1, 1970. The City retained the responsibility for all benefits payable to members (or to their survivors) who retired prior to that date. In addition, the City retained the responsibility for a portion of the benefits payable to members who were active on that date.

As a result, the City of Edmonds is the administrator of the Firemen's Pension Plan which is shown as a trust fund in the City's financial reports. Separate financial statements are not issued.

This system is a closed, single-employer, defined benefit pension system. All City firefighters who served before March 1, 1970 are participants of this pension fund. Benefits are established in accordance with Revised Code of Washington (RCW) 41.18 and 41.20. At December 31, 2011, there were four retirees receiving pension and medical benefits from this fund.

Firefighters hired between March 1, 1970 and September 30, 1977 are members of the LEOFF 1 pension system and are also eligible for a supplemental retirement benefit plus health benefits under the City plan. Generally, benefits under the LEOFF 1 retirement benefit system are greater than or equal to the retirement benefits under the City plan. However, should the benefits under the old law exceed those under LEOFF 1, the City becomes liable for the excess benefits. As such, the laws require the payment of excess benefits only and do not require a specific contribution rate by the City. At December 31, 2011 there were 27 retirees receiving medical benefits. These benefits were paid from the LEOFF 1 Retiree Medical Reserve Fund.

Funding Policy and Funding Status

Under State law, the Firemen's Pension Fund is provided an allocation of 25% of all monies received by the State from taxes on fire insurance premiums. The General Fund may provide additional funding through transfers to help fund benefits and administrative costs as necessary. Active pension plan members are not required to contribute to the plan.

Summary of Significant Accounting Policies

Basis of accounting - The financial statements are prepared using the accrual basis of accounting. Benefits are recognized when due and payable in accordance with the plan. Valuation of investments – For reporting, interest earnings are recognized in the accounting period in which they become available and measurable. Investments are reported on the financial statements at fair value based on quoted market prices.

Concentration of Investments

At December 31, 2011 the Fire Pension Fund did not hold any investments. The net pension obligation has been recorded as a noncurrent liability on the City's government-wide statement of net assets.

THREE YEAR TREND INFORMATION

Fiscal Year Ending 12/31	Annual Pension Cost (APC)	Contribution as a Percentage of APC	Net Pension Obligation (NPO)
2009	\$ 35,918	94%	\$ 176,990
2010	35,461	88%	181,254
2011	32,582	-19%	220,065

The City's annual pension cost and net pension obligation changes for the current year and two preceding years were as follows:

	12/31/2009	12/31/2010	12/31/2011
Annual Normal Cost (BOY)	\$ -	\$ -	\$ -
Amortization of UAAL (BOY)	39,330	39,330	37,117
Interest to EOY [(1)+(2)]x(i)*	1,573	1,573	1,485
Annual Required Contribution (ARC) at EOY [(1)+(2)+(3)]	\$ 40,903	\$ 40,903	\$ 38,602
Interest on NPO	6,986	7,080	7,250
Adjustment to ARC	11,971	12,522	13,270
Annual pension cost (APC) [(4)+(5)-(6)]	\$ 35,918	\$ 35,461	\$ 32,582
Employer Contributions**	33,583	31,197	(6,229)
Change in NPO [(7)-(8)]	2,335	4,264	38,811
NPO at BOY [(11) prior year]	\$ 174,655	\$ 176,990	\$ 181,254
NPO at EOY [(9)+(10)]	\$ 176,990	\$ 181,254	\$ 220,065

* 'i' is the assumed interest rate that year: 4.0% in 2009, 4.0% in 2010, 4.0% in 2011.

** Employer contributions for pensions are total contributions to the Fund net of disbursements from the Fund for medical expenses under RCW 41.26.150 and administrative expenses.

Actuarial Information

On January 1, 2012, Northwest Plan Services, Inc., actuaries and consultants, completed the Firemen's Pension Fund Actuarial valuation. This valuation was updated on December 31, 2011. In order to comply with reporting requirements, they computed the annual required contribution (ARC) using the Entry Age Cost Normal Actuarial Method.

Under this method, the projected benefits are allocated on a level basis as a percentage of salary over the earnings of each individual between entry age and assumed exit age. The amount allocated to each year is called the Normal Cost and the portion of the Actuarial Present Value of all benefits not provided for by future Normal Cost payments is called the Actuarial Liability. Since all members have already retired, the annual Normal Cost is zero. The Unfunded Actuarial Accrued Liability (UAAL) is the Actuarial Accrued Liability minus the actuarial value of the Fund's assets. The UAAL is amortized as a level dollar amount over a closed 30 years beginning January 1, 2000.

Significant actuarial assumptions used in the valuation include:

- 4.0 percent investment return, compounded annually
- 3.5 percent annual salary increase
- 2.5 percent growth in fire insurance premium
- 2.5 percent increase in consumer price index
- 7.25 percent increase in medical inflation rate, trending down to 5 percent after 9 years
- 5.0 percent increase in long term care inflation rate
- Plan assets are valued at market value

Prior actuarial studies used 9.0 percent growth in the medical inflation rate. There were no material changes to the benefit provisions, actuarial funding method, or other significant factors that affect required contributions.

Municipal Employees Benefits Trust (MEBT)

Full- and qualifying part-time City employees participate in the City-defined contribution plan. By majority vote, City employees approved the City's withdrawal from the Social Security System pursuant to 2 U.S.C.A., Sec. 418 (g) effective July 1, 1977. City employees who customarily work 1,000 or more hours per year and who otherwise would be eligible for Social Security coverage and benefits are required to participate. Both the City and participants are required to contribute an amount equal to the current Federal Insurance Contributions Act (FICA) tax rate. The City's contribution for fiscal year 2011 was \$980,527 which represents its full liability.

For the year ending December 31, 2011, the City's covered payroll was \$15,508,807. The City's total current year payroll for all employees is \$15,682,450. No significant benefit changes occurred in 2011.

The plan is administered by a Plan Committee consisting of two members appointed by the Mayor and five members elected by the employees who contribute to the plan. Members appointed by the Mayor hold office at the pleasure of the Mayor, elected members serve a two-year term and may be re-elected for an additional two-year term.

Plan assets are not City property, but are maintained in trust at American Stock Transfer and Trust Company. Plan assets, therefore, are not included in accompanying financial statements.

The City may amend the provisions of the plan, provided that no such amendment shall enlarge the duties or liabilities of the plan trustee without its consent.

The City has the right at any time to reduce suspend or completely discontinue its contributions to the plan. Actuarial determinations are not required because 1) long-term disability insurance and survivor income insurance are provided by Group Insurance Policy No. 377655 with Standard Insurance Company, and 2) each participant shall, at his/her normal retirement, instruct the Trustee to (a) acquire a non-forfeitable, non-transferable annuity contract, (b) pay his/her retirement benefit from his/her account (no City or participant contributions shall be added to his account after retirement), and (c) pay a single cash sum. When a participant terminates, the Trustee shall be instructed to pay the full amount of the participant's contributions plus the vested portion credited to his account.

NOTE 11 – OTHER POST EMPLOYMENT BENEFITS (OPEB)

In addition to providing pension benefits described under "Fireman's Pension," the City provides post-employment health care benefits. In accordance with RCW 41.26.150, all employees who become eligible after age 50 or become disabled while employed with at least five years of service in the LEOFF I System are eligible. In addition to the 10 firefighters referenced in the Fireman's Pension Fund there currently 21 retired police officers who meet the eligibility requirements. Under authorization of the Disability Board, the City pays medical insurance premiums and medical expenses including long-term care. Post-employment health care benefits are being funded on a pay as you go basis. The retiree does not contribute towards the cost of his/her medical care. Post-employment health care costs of \$385,959 and long-term care costs of \$98,009 were reported in the LEOFF 1 Medical Reserve Fund 009. At December 31, 2011 there was \$320,656 of cash and cash equivalents available to pay benefits.

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

Fiscal Year Ending 12/31	Annual OPEB Cost	Contribution as a Percentage of Annual OPEB Cost	Net OPEB Obligation
2009	\$ 589,639	81%	\$ 319,076
2010	587,305	89%	383,211
2011	593,358	91%	437,472

The City's annual OPEB and Net OPEB obligation for the current and preceding year were as follows:

	12/31/2009	12/31/2010	12/31/2011
Annual Normal Cost (BOY)	\$ -	\$ -	\$ -
Amortization of UAAL (BOY)	570,510	570,510	577,965
Interest to EOY [(1)+(2)]x(i)*	22,820	22,820	23,119
Annual Required Contribution (ARC) at EOY [(1)+(2)+(3)]	\$ 593,330	\$ 593,330	\$ 601,084
Interest on Net OPEB Obligation	8,341	12,763	15,328
Adjustment to ARC	12,032	18,788	23,054
Annual pension cost (APC) [(4)+(5)-(6)]	\$ 589,639	\$ 587,305	\$ 593,358
Employer Contributions**	479,076	523,170	539,097
Change in Net OPEB Obligation [(7)-(8)]	110,563	64,135	54,261
Net OPEB Obligation at BOY [(11) prior year]	\$ 208,513	\$ 319,076	\$ 383,211
Net OPEB Obligation at EOY [(9)+(10)]	\$ 319,076	\$ 383,211	\$ 437,472

* 'i' is the assumed interest rate that year: 4.0% in 2009, 4.0% in 2010, 4.0% in 2011.

Actuarial Information

GASB Statement 45, Accounting and Financial Reporting by Employers for Post-employment Benefits other than Pensions requires the disclosure of the employer liability for retiree medical subsidies and other post-employment benefits. On January 1, 2012, Northwest Plan Services, Inc., actuaries and consultants, completed an actuarial valuation. In order to comply with reporting requirements, they computed the annual required contribution (ARC) using the Entry Age Cost Normal Actuarial Method. This valuation was updated as of December 31, 2011.

The ARC is equal to an amount required each year to fully fund the liability. The amount allocated to each year is called the Normal Cost and the portion of the Actuarial Present Value of all benefits not provided for by future Normal Cost payments is called the Actuarial Liability. Since all members have already retired, the annual Normal Cost is zero. The Unfunded Actuarial Accrued Liability (UAAL) is the Actuarial Accrued Liability minus the actuarial value of the Fund's assets. The UAAL is amortized as a level dollar amount over a closed 30 years beginning January 1, 2007.

Significant actuarial assumptions used in the valuation include:

- 4.0 percent investment return, compounded annually
- 2.5 percent increase in consumer price index
- 7.25 percent increase in medical inflation rate, trending down to 5.0 percent after 9 years

- 5.0 percent increase in long term care inflation rate
- Asset valuation method N/A

Association of Washington Cities Employee Benefit Trust (Trust)

Trust Description. The City is a Participating Employer in the Association of Washington Cities Employee Benefit Trust, a cost-sharing multiple-employer welfare benefit plan administered by the Association of Washington Cities. The Trust provides medical benefits to certain eligible retired employees of the Participating Employers and their eligible family members. Under Article VII of the Trust document, the Trustees have the authority and power to amend the amount and nature of the medical and other benefits provided by the Trust. The Trust issues a publicly available financial report that includes financial statements and required supplementary information for the Trust. That report, along with a copy of the Trust document, may be obtained by writing to Trust at 1076 Franklin Street SE, Olympia, WA 98501-1346 or by calling 1-800-562-8981..

Funding Policy. The Trust provides that contribution requirements of Participating Employers and of participating employees, retirees and other beneficiaries, if any, are established and may be amended by the Board of Trustees of the Trust. Retirees of the City receiving medical benefits from the Trust contribute the following amounts: AWC Healthfirst 1000 Plan \$751.55 per month for non-Medicare enrolled retiree-only coverage, \$1,507.70 for non-Medicare enrolled retiree and spouse coverage, \$410.35 for Medicare enrolled retiree and \$825.35 for Medicare enrolled retiree and spouse coverage and for the Selections 1000 Plan \$703.45 per month for non-Medicare enrolled retiree-only coverage, \$1,411.45 for non-Medicare enrolled retiree and spouse coverage, \$375.55 for Medicare enrolled retiree and \$755.70 for Medicare enrolled retiree and spouse coverage

Participating Employers are contractually required to contribute at a rate assessed each year by the Trust. The required contribution rate expressed as a percentage of current year covered payroll is 18.6 percent. The City's contribution to the Trust for the year ended December 31, 2011 was \$2,991,086, which equaled the required contribution for the year.

Retiring employees from a Participating Employer have several retiree medical plans to choose from. The AWC Trust works directly with the retired employee, and no monies pass through the former employer. Additionally, the AWC Trust pools the health care costs of the retiree medical programs, and rates the programs accordingly. Currently, the AWC Trust Board of Trustees have committed to a retiree medical plan subsidy of 25% which is drawn from the accumulated medical reserve fund. The medical reserves have accumulated over the years from excess premium contributions of employers, active employees and retirees in favorable claims years. The Trust Board of Trustees can change their retiree medical plan subsidy policy in any given year.

NOTE 12 – LONG-TERM DEBT

The City of Edmonds' issues general obligation and revenue bonds to finance the acquisition and construction of major capital facilities and capital programs. Bonded indebtedness has also been entered into in 2011 to advance refund two of the City's revenue bonds. General obligation bonds have been issued in the past for both general government and business-type activities and are being repaid from the applicable resources. Governmental Activities long-term debt is paid from property and sales tax revenues. The revenue bonds are being repaid by the revenues generated by the related utility. The City of Edmonds is also liable for eight Public Works Trust Fund Loans; three are general obligation loans and five businesses-type loans. The notes are considered obligations of both the general government and the Utility and are being repaid from the applicable resources. The City is in compliance with all Washington State debt limitation statutes and bond indenture agreements.

General obligation bonds currently outstanding are as follows:

Issue Name	Maturity Date	Interest Rates	Original Amount	Principal Installments	Balance 12/31/11
Governmental Debt:					
<u>General Obligation Bonds:</u>					
1998 LTGO Ref. Bonds - Capital Improvements	12/01/2014	4.00-4.40%	\$ 4,163,712	\$274,000- \$473,994	\$ 1,212,868
2001 LTGO Bonds - Capital Improvements	12/01/2021	3.00-4.90%	2,545,000	\$87,759 - \$188,055	1,533,693
2001 LTGO Bonds - Park Acquisition	12/01/2021	2.65-5.45%	2,260,000	\$70,000 - \$175,000	1,390,000
2002 LTGO Bonds - Performing Arts Center	12/01/2026	3.00-4.90%	7,015,000	\$50,000 - \$460,000	5,970,000
2003 LTGO Ref. Bonds - Public Safety Building	12/01/2016	2.00-3.50%	7,000,000	\$70,000 - \$960,000	4,275,000
2007 LTGO Bonds - Capital Improvements	3/15/2026	3.65-3.95%	1,384,904	\$130,000-\$370,000	1,138,640
Total Governmental GO Bonds			24,368,616		15,520,201
Business-type Debt:					
<u>General Obligation Bonds:</u>					
1998 LTGO Ref. Bonds - Capital Improvements	12/01/2021	3.00-4.90%	316,288	\$20,827 - \$36,006	92,133
2001 LTGO Bonds - Capital Improvements	12/01/2014	4.00-4.40%	500,000	\$17,241 - \$36,945	301,307
2007 LTGO Bonds - Capital Improvements	3/15/2026	3.65-3.95%	3,845,096	\$130,000-\$370,000	3,161,360
Total Business- type GO Bonds			4,661,384		3,554,800
Total General Obligation Bonds			\$ 29,030,000		\$ 19,075,001

Revenue bonds currently outstanding are as follows:

Issue Name	Maturity Date	Interest Rates	Original Amount	Principal Installments	Balance 12/31/11
Business- type Debt:					
<u>Revenue Bonds</u>					
1998 Water/Sew er Refunding Bonds	12/01/2013	4.00-4.85%	\$ 2,420,000	\$235,000 - \$1,290,000	\$ -
2003 Water/Sew er Refunding Bonds	12/01/2022	2.00-4.45%	7,875,000	\$130,000 - \$1,045,000	-
2011 Water/Sew er Bonds	12/1/2031	3.65-3.95%	13,720,000	\$470,000 - \$945,000	13,720,000
Total Revenue Bonds			\$ 24,015,000		\$ 13,720,000

Public Works Trust Fund Loans currently outstanding are as follows:

Issue Name	Maturity Date	Interest Rates	Original Amount	Principal Installments	Balance 12/31/11
Governmental Debt:					
<u>Public Works Trust Fund Loans:</u>					
P W Trust Fund Loan - Street Construction	06/30/22	0.50%	\$ 340,000	\$13,421 - \$18,143	\$ 199,577
P W Trust Fund Loan - Street Construction	06/30/24	0.50%	400,000	\$20,000 - \$21,176	275,295
P W Trust Fund Loan - Street Construction	05/24/26	0.50%	624,750	\$32,882	493,223
Total Governmental Debt Public Works Trust Fund Loans			1,364,750		968,095
Business-type Debt:					
<u>Public Works Trust Fund Loans:</u>					
P W Trust Fund Loan - Trt. Plant/Sew er Improv.	06/30/22	0.50%	1,347,250	\$67,363 - \$71,325	784,575
P W Trust Fund Loan - Water Improvements	06/30/24	0.50%	408,000	\$4,295 - \$25,839	335,906
P W Trust Fund Loan - Storm Improvements	06/30/24	0.50%	605,625	\$30,281 - \$32,063	416,813
P W Trust Fund Loan - Sew er Improvements	06/30/25	0.50%	1,216,902	\$12,809 - \$67,615	946,607
P W Trust Fund Loan - 09 Water Improvements	07/01/15	0%	100,000	\$18,000 - \$20,000	80,000
Total Business- type Debt Public Works Trust Fund Loans			3,677,777		2,563,901
Total Public Works Trust Fund Loans			<u>\$5,042,527</u>		<u>\$3,531,996</u>

Capital Contracts currently outstanding are as follows:

Issue Name	Maturity Date	Interest Rates	Original Amount	Principal Installments	Balance 12/31/11
Governmental Debt:					
<u>Capital Contracts</u>					
1996 Note - Fire Station #10	01/01/2015	1.00%	\$ 1,136,115	\$54,592 - \$65,300	\$ 257,345
2005 Contract - Public Safety Radio Equipment	12/01/2019	3.00-5.00%	1,595,046	\$77,457 - \$141,288	972,518
Total Capital Contracts			<u>\$ 2,731,161</u>		<u>\$ 1,229,863</u>

Debt Limit

RCW 39.36.020 provides cities with three segments of debt capacity, each equal to two and one-half percent of the city’s assessed valuation, for a total of seven and one-half percent (7.5%). Allowable uses of these segments are as follows:

Segment 1 – General Governmental Purposes

The City can incur debt up to one and one-half percent (1.5%) of its assessed valuation solely with a vote of the legislative body (often referred to as “councilmanic” debt). To use the remaining one percent (1%), a 60 percent vote in favor of the issue by at least 40 percent of the voters voting in the last general election is required.

Segment 2 – City-Owned Water and Sewer Purposes

The City can incur debt up to an additional two and one-half percent (2.5%) for water and sewer purposes with a 60 percent vote in favor of the issue by at least 40 percent of the voters voting in the last general election.

Segment 3 – Acquiring and Developing Open Space, Parks Facilities, and Capital Facilities Associated with Economic Development

The City can incur debt up to an additional two and one-half percent (2.5%) for acquiring and developing open space, parks facilities, and capital facilities associated with economic development purposes with a 60 percent vote in favor of the issue by at least 40 percent of the voters voting in the last general election.

Debt Limit Capacity

Item	Governmental Purposes		Water & Sewer Purposes	Park & Capital Facilities
	Without Vote (Councilmanic)	With Vote	With Vote	With Vote
	1.5%	2.5%	2.5%	2.5%
Legal Limits	\$ 86,919,667	\$ 57,946,445	\$ 144,866,112	\$ 144,866,112
Net outstanding indebtedness	(20,285,748)	(4,275,000)	-	-
Margin Available	\$ 66,633,919	\$ 53,671,445	\$ 144,866,112	\$ 144,866,112

Refunded Debt

In prior years, the City has defeased several revenue bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds used to purchase U.S. Government securities that were placed in the trust funds. Investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt is considered defeased and therefore removed as a liability from City financial statements.

In 2011, the City issued \$445,000 in revenue bonds with annual interest rates ranging from 1.81% to 2.31% to refund \$560,000 of outstanding 1998 refunding revenue bonds with annual interest rates ranging from 4.80% to 4.85%. The net proceeds of \$564,203, after underwriting fees and issuance costs, were deposited in an irrevocable trust with U.S. Bank National Association. The City also issued \$1,480,000 in revenue bonds with annual interest rates ranging from 2.38% to 2.52% to refund \$1,910,000 of outstanding 2003 refunding revenue bonds with annual interest rates ranging from 4.00% to 4.45%. The net proceeds of \$1,988,880 were also deposited in an irrevocable trust with U.S. Bank National Association. There was a net present value savings in the amount of \$114,207 for an economic gain. The City also issued new debt in 2011. The net proceeds of \$11,000,000, after underwriter fees and issuance costs, were deposited into the Capital Projects Fund for various improvement projects of the City water, sewer and storm systems.

Debt Service to Maturity

The requirements to amortize the long-term debt as of December 31, 2011 are presented below. Debt service for the LTGO bonds are met by the General Fund and certain special revenue funds, and reimbursements from proprietary funds of the City with the exception of the 2002 LTGO issue. The PFD is obligated by inter-local agreement to transfer sales tax rebate revenues to the City to help offset the City's debt service costs over the life of these bonds (refer to Note 1 – Reporting Entity). Debt service for the UTGO bonds are covered by property tax levies that authorized the bond issues. Debt service for the revenue bonds is paid by the Utility Fund. Debt service for the capital contracts is expended from the General Fund. In prior years the City has typically used the General Fund to liquidate long-term liabilities other than debt.

Following is a table which reflects debt service to maturity for Governmental Activities and Business-Type Activities.

Year	GOVERNMENTAL ACTIVITIES			BUSINESS TYPE ACTIVITIES		
	Principal	Interest	Total	Principal	Interest	Total
2012	\$ 1,965,761	\$ 708,925	\$ 2,674,685	\$ 909,221	\$ 590,685	\$ 1,499,907
2013	1,940,390	637,225	2,577,615	950,246	607,494	1,557,740
2014	2,047,535	567,437	2,614,972	969,478	587,828	1,557,306
2015	1,767,798	492,535	2,260,333	964,879	562,308	1,527,187
2016	1,805,065	428,071	2,233,137	968,052	537,251	1,505,303
2017-2021	4,752,720	1,392,138	6,144,858	5,259,143	2,260,889	7,520,032
2022-2026	3,438,889	458,610	3,897,498	5,442,681	1,394,741	6,837,421
2027-2031	-	-	-	4,375,000	535,363	4,910,363
	<u>\$ 17,718,158</u>	<u>\$ 4,684,940</u>	<u>\$ 22,403,098</u>	<u>\$ 19,838,702</u>	<u>\$ 7,076,557</u>	<u>\$ 26,915,259</u>

At December 31, 2011 the City had \$984,163 in the Enterprise fund available for debt service.

Arbitrage

The Federal Tax Reform Act of 1986 requires tax-exempt debt issuers to pay investment income received at yields that exceed the issuer's borrowing rates to the United States Treasury. The liability is recorded at present value and payable every five years or 60 days after defeasance of the debt. At December 31, 2011, the City of Edmonds had no arbitrage liability.

Revenue Bond Debt Service Coverage

The required debt service coverage for the 2011 utility revenue bonds is 1.25. Please refer to Schedule 16 in the statistical section.

The restricted rate stabilization fund for the utility revenue bonds was established to minimize the effect on rates of revenue fluctuations between years. By transferring cash into this stabilization fund, adjusted net revenue available for debt service, as defined, would be decreased by the amount of the transfer. Conversely, transfers out of the account would increase adjusted net revenue available for debt service.

NOTE 13 – CHANGES IN LONG-TERM LIABILITIES

During the year ended December 31, 2011, the following changes occurred in long-term liabilities:

	Beginning Balance 1/1/2011	Additions	Reductions	Ending Balance 12/31/2011	Due Within One Year
Governmental activities					
Bonds payable:					
General obligation bonds	\$ 17,157,406	\$ -	\$ (1,637,205)	\$ 15,520,201	\$ 1,727,620
Total bonds payable:	17,157,406	-	(1,637,205)	15,520,201	1,727,620
Net Pension Obligation	181,254	38,811	-	220,065	-
OPEB payable	464,517	-	(27,045)	437,472	-
Compensated absences	2,634,985	2,045,441	(1,885,746)	2,794,680	1,923,461
Capital contracts	1,390,871	-	(161,008)	1,229,863	165,939
Public Works Trust Loan	1,040,296	-	(72,201)	968,095	72,201
Governmental activity long-term liabilities	\$ 22,869,329	\$ 2,084,252	\$ (3,783,205)	\$ 21,170,376	\$ 3,889,221
Business-type activities					
Bonds Payable:					
General obligation bonds	\$ 3,767,595	\$ -	\$ (212,795)	\$ 3,554,800	\$ 222,380
Revenue bonds	2,870,000	13,720,000	(2,870,000)	13,720,000	470,000
Less deferred amounts:					
For issuance premiums	28,271	419,715	(28,271)	419,715	20,986
For issuance discount	(19,233)	-	6,068	(13,165)	(868)
On refunding	(143,828)	(254,127)	143,828	(254,127)	(72,000)
Total bonds payable:	6,502,805	13,885,588	(2,961,170)	17,427,223	640,498
Compensated absences	419,328	453,602	(456,736)	416,194	416,194
Public Works Trust Loan	2,748,774	30,400	(215,273)	2,563,901	216,842
Business-type activity long-term liabilities	\$ 9,670,907	\$ 14,369,590	\$ (3,633,179)	\$ 20,407,318	\$ 1,273,534

Internal service funds predominately serve the governmental funds. Accordingly, the December 31, 2011 long-term liabilities for the fund are included as part of the above totals for governmental activities. At year end \$54,283 of internal service funds compensated absences are included in the above amounts.

NOTE 14 – CONTINGENCIES AND LITIGATIONS

The City is exposed to the risk of loss from torts, theft of or damage to assets, business interruption, errors or omissions, law enforcement actions, contractual actions, natural disasters, environmental regulations, and other third-party liabilities. The City also bears the risk of loss for job-related illnesses and injuries to employees. The City has insurance policies to cover these general liability risks with the Washington Cities Insurance Authority (WCIA). Refer to Note 13 for more detailed information on risk management.

There are several disputes and pending lawsuits in which the City is named. The City Attorney estimates the potential claims against the City not covered by insurance resulting from such disputes and litigation could range from \$420,000 to \$1,400,000 and estimates the likelihood of this range is from reasonably possible to remote.

The City participates in a number of federal- and state-assisted programs. These programs are subject to audit by the governmental unit administering the program or their representative. Such audits could result in requests for reimbursement of disallowed expenditures. Based on audit history, City management believes that any disallowance will be immaterial.

The City Council approved a guaranty of a borrowing of the Edmonds Public Facilities District for up to \$7 million. This guaranty represents an outstanding contingent liability of the City.

NOTE 15 – RISK MANAGEMENT

The City of Edmonds is a member of the Washington Cities Insurance Authority (WCIA).

Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and / or jointly contracting for risk management services. WCIA has a total of 150 Members.

New members initially contract for a three-year term, and thereafter automatically renew on an annual basis. A one-year withdrawal notice is required before membership can be terminated. Termination does not relieve a former member from its unresolved loss history incurred during membership.

Liability coverage is written on an occurrence basis, without deductibles. Coverage includes general, automobile, police, public officials' errors or omissions, stop gap, and employee benefits liability. Limits are \$4 million per occurrence self-insured layer, and \$16 million per occurrence in the re-insured excess layer. The excess layer is insured by the purchase of reinsurance and insurance and is subject to aggregate limits. Total limits are \$20 million per occurrence subject to aggregate sublimits in the excess layers. The Board of Directors determines the limits and terms of coverage annually.

Insurance coverage for property, automobile physical damage, fidelity, inland marine, and boiler and machinery are purchased on a group basis. Various deductibles apply by type of coverage. Property insurance and auto physical damage are self-funded from the members' deductible to \$500,000, for all perils other than flood and earthquake, and insured above that amount by the purchase of insurance.

In-house services include risk management consultation, loss control field services, claims and litigation administration, and loss analyses. WCIA contracts for the claims investigation consultants for personnel issues and land use problems, insurance brokerage, and lobbyist services.

WCIA is fully funded by its members, who make annual assessments on a prospectively rated basis, as determined by an outside, independent actuary. The assessment covers loss, loss adjustment, and administrative expenses. As outlined in the interlocal, WCIA retains the right to additionally assess the membership for any funding shortfall.

A Board of Directors governs WCIA, which is comprised of one designated representative from each member. The Board elects an Executive Committee and appoints a Treasurer to provide general policy direction for the organization. The WCIA Executive Director reports to the Executive Committee and is responsible for conducting the day to day operations of WCIA.

In the past four years, settlements have not exceeded insurance coverage.

Workers' Compensation

Title 51 RCW requires the City to ensure payment of benefits for job-related injuries and diseases through the Workers' Compensation fund or through self-insurance. The City participates in the State of Washington's Workers' Compensation program. Premiums are based on individual

employer's reported payroll hours and insurance rates based on each employer's risk classification and past experience. The premium is paid by employer and employee contributions.

NOTE 16 – JOINT VENTURE

The City entered into a joint venture with Snohomish County and other local governments in the establishment and operations of the Snohomish County Emergency Radio System. Control of this joint venture is shared equitably by the controlling organizations. This entity is reported as a governmental joint venture.

The Snohomish County Emergency Radio System is considered a separate reporting entity. The City's and each participants share of authority is defined by the terms of the enabling charter. Control as represented by the City Council or Board of County Commissioners is divided between the County and participating Cities. Separate financial statements for the Snohomish County Emergency Radio System can be obtained from Snohomish County.

The Snohomish County Emergency Radio System was created by agreement under the Interlocal Cooperation Act (RCW 39.34) between The City of Edmonds, Snohomish County and various other cities and political districts. The purpose of the venture is to equip and operate a radio system primarily for the use of public safety agencies. The City of Edmonds has an 8% interest in the equity and operations of the venture. The City's share of the assets and fund equity as of December 31, 2011 was \$511,074. The venture appears to be accumulating significant resources, and is not experiencing any fiscal stress that would cause an additional financial burden on the participating governments.

NOTE 17 – COMMITMENTS

The City has several capital improvement projects in progress. As of December 31, 2011, the City's outstanding contractual obligations, which include construction and engineering contracts, are summarized below:

Contract Name	Original Amount	Expenditures to Date	Remaining Commitment
2010 Waterline Replacement Program	\$ 1,886,334	\$ 1,738,774	\$ 147,560
2011 Waterline Replacement Program	2,217,161	1,300,078	917,083
2011 Waterline Replacement-Dayton	39,694	27,142	12,552
2012 Waterline Replacement Program	50,203	50,116	86
226th St. SW Walkway Project	18,631	17,361	1,269
228th Street SW Corridor Improvements	411,517	132,043	279,474
76th Ave W/75th Pl W Walkway	2,437,470	2,341,679	110,321
City Streets-Condition Survey	21,400	1,200	20,200
Five Corners Roundabout	310,315	71,304	239,011
Fourth Avenue Cultural Corridor	100,000	98,200	1,800
Interurban Trail	2,228,249	1,832,860	395,389
Lift Station 2 Replacement Program	1,156,504	1,035,553	120,951
Shell Valley Emergency Access Road	314,122	284,926	29,196
SR99 International District Enhancements	131,300	108,805	22,495
Stormwater Development Review Support	10,000	2,706	7,294
Sunset Walkway Project	9,885	4,117	5,768
Talbot Road/Perrinville Creek Drainage Imp.	164,393	122,387	42,006
Utilities Revenue Requirement Update	13,750	12,950	800
Water Modeling Services	15,000	4,122	10,878
Lighting Upgrade	45,724	22,862	22,862
Outfall Diffuser	55,133	45,600	9,533
Energy Efficiency Upgrade - Blower Project	381,479	349,579	31,900
ATS Electrical Switchgear	25,000	-	25,000
Fibre Optic	25,000	-	25,000
	\$ 12,068,265	\$ 9,604,365	\$ 2,478,428

FIREMEN'S PENSION TRUST FUND

SCHEDULE OF FUNDING PROGRESS
(rounded to thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
January 1, 2010	\$ 267	\$ 774	\$ 507	34%	N/A	N/A
January 1, 2008	297	871	574	34%	N/A	N/A
January 1, 2006	301	704	403	43%	N/A	N/A
January 1, 2004	397	702	305	57%	N/A	N/A

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending 12/31	Medical and Long Term Care Payments	Fire Insurance Premium Taxes	Total Employer Contributions***	Annual Required Contribution	Percentage of ARC Contributed**
2011	\$ (6,307)	\$ 78	\$ (6,229)	\$ 38,602	-16%
2010	(13,708)	44,905	31,197	40,903	76%
2009	(8,589)	42,172	33,583	40,903	82%
2008	(4,524)	44,226	39,702	28,629	139%
2007	(25,575)	42,531	16,956	28,629	59%
2006	(59,930)	38,540	(21,390)	23,901	-89%
2005	(62,106)	35,519	(26,587)	23,901	-111%
2004	(68,388)	33,452	(34,936)	14,060	-248%

**RETIREE MEDICAL AND LONG-TERM CARE BENEFITS
FOR LEOFF 1 EMPLOYEES**

SCHEDULE OF FUNDING PROGRESS
(rounded to thousands)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liabilities	Unfunded Actuarial Accrued Liabilities (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
January 1, 2010	\$ -	\$ 9,607	\$ 9,607	0%	N/A	N/A
January 1, 2008	-	9,887	9,887	0%	N/A	N/A
January 1, 2006	-	8,635	8,635	0%	N/A	N/A

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending 12/31	Total Employer Contributions***	Annual Required Contribution	Percentage of ARC Contributed**
2011	\$ 539,097	\$ 601,084	90%
2010	523,170	593,330	88%
2009	479,076	593,330	81%
2008	444,701	561,707	79%
2007	469,004	561,707	83%

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

FIREMEN'S PENSION TRUST FUND

Actuarial Valuations	
Actuarial valuation date	January 1, 2010
Actuarial cost method	Entry age normal
Amortization method	30 year, closed as of January 1, 2000
Remaining amortization period	20 years
Asset valuation method	Fair market value
Assumptions	
Investment rate of return	4.00%
Projected salary increases	3.50%
Price inflation	2.50%
	Based upon salary increase assumptions when appropriate for Trust benefits. *
	Based upon inflation assumption for some Trust benefits and all LEOFF benefits.

* Under the Firemen's Pension Trust Fund, most adjustments are based on the change in salary for the rank of members held at retirement or based on the Consumer Price Index. Adjustments are determined in accordance with RCW 41.18.150, RCW 41.20 and RCW 41.26.

RETIREE MEDICAL AND LONG-TERM CARE BENEFITS FOR LEOFF 1 EMPLOYEES

Actuarial Valuations	
Actuarial valuation date	January 1, 2010
Actuarial cost method	Entry age normal
Amortization method	30 year, closed as of January 1, 2007
Remaining amortization period	27 years
Asset valuation method	Fair market value
Assumptions	
Investment rate of return	4.00%
Medical inflation rate	7.25%, downgrading to 5.00% over nine years
Long-term care inflation	5.00%

GENERAL FUND

The General Fund is the City's primary operating fund. All public monies and revenues coming into the City treasury not specifically authorized by statute to be placed in a special fund constitute the General Fund.

There are several accounts and funds that have been created by ordinance or resolution which are considered a part of the General Fund. These are treated as subfunds of the General Fund and are accounted for as individual funds for accounting purposes but they are included in the General Fund for annual financial reporting purposes. The following lists those funds and accounts.

Criminal Investigations Subfund (004) – *This subfund was created in 1989 to provide a revolving contingency fund for the purpose of surveillance, prevention and investigation of violations of law including the illicit sale, distribution and use of narcotics, dangerous drugs or controlled substances.*

Emergency Financial Reserve Subfund (006) – *This subfund was created and funded to provide for a reserve to be used in the case of catastrophic emergencies such as an earthquake or other natural or manmade disasters.*

LEOFF Medical Insurance Reserve Subfund (009) – *This subfund was created in 1995 in order to establish reserves for the long-term health care and related obligations of LEOFF I employees. Reserve amounts are transferred from the General Fund and are approved by the City Council.*

Public Safety Emergency Reserve Subfund (010) - *This subfund was created in 2010 with monies from the sale of fire department assets to Fire District 1 when the City entered into a contract for services with FD1.*

Multimodal Transportation Subfund (113) – *This subfund was established in 1994 to simplify and facilitate accounting for the various local, state, and federal grants and for expenditures that will occur during the planning and development of the multimodal transportation center in Edmonds. The current balance in this fund represents the unspent proceeds of a transfer-in from the General Fund.*

Building Maintenance Subfund (116) - *This subfund was created to account for expenditures incurred for major maintenance of City buildings.*

CITY OF EDMONDS, WASHINGTON
COMBINING BALANCE SHEET
GENERAL FUND
 DECEMBER 31, 2011

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	004 CRIMINAL INVESTIGATIONS SUBFUND	006 EMERGENCY FINANCIAL RESERVE SUBFUND	009 LEOFF MEDICAL INSURANCE RESERVE SUBFUND
ASSETS:			
CURRENT ASSETS:			
CASH AND CASH EQUIVALENTS	\$ 2,500	\$ 1,927,600	\$ 328,189
RECEIVABLES:			
TAXES	-	-	-
CUSTOMER ACCOUNTS	-	-	-
DUE FROM COMPONENT UNIT	-	-	-
INTERFUND RECEIVABLE	-	-	-
DUE FROM OTHER GOVERNMENTAL UNITS	-	-	-
SUPPLIES INVENTORY	-	-	-
TOTAL ASSETS	\$ 2,500	\$ 1,927,600	\$ 328,189
LIABILITIES AND FUND BALANCES:			
CURRENT LIABILITIES:			
ACCOUNTS PAYABLE	\$ -	\$ -	\$ 7,532
WAGES AND BENEFITS PAYABLE	-	-	-
OTHER LIABILITIES PAYABLE	-	-	-
LONG-TERM LIABILITIES:			
DEFERRED REVENUE	-	-	-
TOTAL LIABILITIES	-	-	7,532
FUND BALANCES:			
NON-SPENDABLE:			
INVENTORY	-	-	-
COMMITTED TO:			
GENERAL GOVERNMENT	-	1,927,600	-
UNASSIGNED	2,500	-	320,657
TOTAL FUND BALANCES	2,500	1,927,600	320,657
TOTAL LIABILITIES AND FUND BALANCES	\$ 2,500	\$ 1,927,600	\$ 328,189

010 PUBLIC SAFETY EMERGENCY RESERVE SUBFUND	113 MULTIMODAL TRANSPORTATION SUBFUND	116 BUILDING MAINTENANCE SUBFUND	001 GENERAL FUND	TOTAL GENERAL FUND
\$ 1,338,178	\$ 55,859	\$ 212,212	\$ 4,688,241	\$ 8,552,779
-	-	-	483,678	483,678
-	-	-	701,728	701,728
-	-	-	5,240,000	5,240,000
-	-	-	147,790	147,790
-	-	-	1,328,389	1,328,389
-	-	-	460	460
<u>\$ 1,338,178</u>	<u>\$ 55,859</u>	<u>\$ 212,212</u>	<u>\$ 12,590,286</u>	<u>\$ 16,454,824</u>
\$ -	\$ -	\$ (1)	\$ 319,560	\$ 327,091
-	-	-	720,503	720,503
-	-	-	93,553	93,553
-	-	-	5,751,039	5,751,039
-	-	(1)	6,884,655	6,892,186
-	-	-	460	460
-	-	-	-	1,927,600
1,338,178	55,859	212,213	5,705,171	7,634,578
<u>1,338,178</u>	<u>55,859</u>	<u>212,213</u>	<u>5,705,631</u>	<u>9,562,638</u>
<u>\$ 1,338,178</u>	<u>\$ 55,859</u>	<u>\$ 212,212</u>	<u>\$ 12,590,286</u>	<u>\$ 16,454,824</u>

CITY OF EDMONDS, WASHINGTON
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

Page 1 of 2

	004 CRIMINAL INVESTIGATIONS SUBFUND	006 EMERGENCY FINANCIAL RESERVE SUBFUND	009 LEOFF MEDICAL INSURANCE RESERVE SUBFUND
REVENUES:			
TAXES:			
PROPERTY	\$ -	\$ -	\$ -
RETAIL SALES & USE	-	-	-
INTERFUND UTILITY	-	-	-
UTILITY	-	-	-
EXCISE	-	-	-
LICENSES AND PERMITS	-	-	-
INTERGOVERNMENTAL	-	-	-
CHARGES FOR SERVICES	-	-	-
FINES AND FORFEITURES	-	-	-
INVESTMENT EARNINGS	-	-	536
MISCELLANEOUS	-	-	-
TOTAL REVENUES	-	-	536
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT SERVICES	-	-	-
PUBLIC SAFETY	-	-	484,767
UTILITIES AND ENVIRONMENT	-	-	-
ECONOMIC ENVIRONMENT	-	-	-
MENTAL AND PHYSICAL HEALTH	-	-	-
CULTURE AND RECREATION	-	-	-
DEBT SERVICE:			
PRINCIPAL	-	-	-
INTEREST AND OTHER COSTS	-	-	-
TOTAL EXPENDITURES	-	-	484,767
EXCESS (DEFICIENCY) OF REVENUES			
OVER (UNDER) EXPENDITURES	-	-	(484,231)
OTHER FINANCING SOURCES (USES):			
SALES OF CAPITAL ASSETS	-	-	-
TRANSFERS IN (Note 6)	-	-	376,566
TRANSFERS OUT (Note 6)	-	-	-
TOTAL OTHER FINANCING SOURCES AND USES	-	-	376,566
NET CHANGE IN FUND BALANCES	-	-	(107,665)
FUND BALANCES - BEGINNING	2,500	1,927,600	428,322
FUND BALANCES - ENDING	\$ 2,500	\$ 1,927,600	\$ 320,657

010 PUBLIC SAFETY EMERGENCY RESERVE SUBFUND	113 MULTIMODAL TRANSPORTATION SUBFUND	116 BUILDING MAINTENANCE SUBFUND	001 GENERAL FUND	TOTAL GENERAL FUND
\$ -	\$ -	\$ -	\$ 13,436,557	\$ 13,436,557
-	-	-	5,210,771	5,210,771
-	-	-	1,517,150	1,517,150
-	-	-	4,715,339	4,715,339
-	-	-	280,162	280,162
-	-	-	1,666,296	1,666,296
-	-	164,239	1,035,371	1,199,610
-	-	-	3,859,869	3,859,869
-	-	-	690,079	690,079
2,217	-	279	7,044	10,076
-	-	-	367,271	367,271
2,217	-	164,518	32,785,909	32,953,180
-	-	200,780	7,112,104	7,312,884
-	-	-	17,262,168	17,746,935
-	-	-	1,231,601	1,231,601
-	-	-	1,031,189	1,031,189
-	-	-	9,731	9,731
-	-	-	3,396,054	3,396,054
-	-	-	1,094,128	1,094,128
-	-	-	339,648	339,648
-	-	200,780	31,476,623	32,162,170
2,217	-	(36,262)	1,309,286	791,010
-	-	5,994	10,263	16,257
-	-	56,600	25,086	458,252
-	-	-	(564,012)	(564,012)
-	-	62,594	(528,663)	(89,503)
2,217	-	26,332	780,623	701,507
1,335,961	55,859	185,881	4,925,008	8,861,131
\$ 1,338,178	\$ 55,859	\$ 212,213	\$ 5,705,631	\$ 9,562,638

CITY OF EDMONDS, WASHINGTON
COMBINING SCHEDULE OF ORIGINAL BUDGET
GENERAL FUND (GAAP BASIS)
 FOR THE YEAR ENDED DECEMBER 31, 2011

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	004 CRIMINAL INVESTIGATIONS SUBFUND	006 EMERGENCY FINANCIAL RESERVE SUBFUND	009 LEOFF MEDICAL INSURANCE RESERVE SUBFUND
REVENUES:			
TAXES:			
PROPERTY	\$ -	\$ -	\$ -
RETAIL SALES & USE	-	-	-
INTERFUND UTILITY	-	-	-
UTILITY	-	-	-
EXCISE	-	-	-
LICENSES AND PERMITS	-	-	-
INTERGOVERNMENTAL	-	-	-
CHARGES FOR SERVICES	-	-	-
FINES AND FORFEITURES	-	-	-
INVESTMENT EARNINGS	-	-	-
MISCELLANEOUS	-	-	-
TOTAL REVENUES	-	-	-
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT SERVICES	-	-	-
PUBLIC SAFETY	-	-	481,500
UTILITIES AND ENVIRONMENT	-	-	-
TRANSPORTATION	-	-	-
ECONOMIC ENVIRONMENT	-	-	-
MENTAL AND PHYSICAL HEALTH	-	-	-
CULTURE AND RECREATION	-	-	-
DEBT SERVICE	-	-	-
TOTAL EXPENDITURES	-	-	481,500
EXCESS (DEFICIENCY) OF REVENUES			
OVER (UNDER) EXPENDITURES	-	-	(481,500)
OTHER FINANCING SOURCES (USES):			
TRANSFERS IN (Note 6)	-	-	376,566
TRANSFERS OUT (Note 6)	-	-	-
TOTAL OTHER FINANCING SOURCES AND USES	-	-	376,566
NET CHANGE IN FUND BALANCES	-	-	(104,934)
FUND BALANCES - BEGINNING	-	1,927,600	435,782
FUND BALANCES - ENDING	\$ -	\$ 1,927,600	\$ 330,848

010 PUBLIC SAFETY EMERGENCY RESERVE SUBFUND	113 MULTIMODAL TRANSPORTATION SUBFUND	116 BUILDING MAINTENANCE SUBFUND	001 GENERAL FUND	TOTAL GENERAL FUND
\$ -	\$ -	\$ -	\$ 13,617,137	\$ 13,617,137
-	-	-	5,070,992	5,070,992
-	-	-	1,471,682	1,471,682
-	-	-	4,970,280	4,970,280
-	-	-	311,981	311,981
-	-	-	1,484,829	1,484,829
-	1,000,000	-	837,255	1,837,255
-	-	-	3,637,480	3,637,480
-	-	-	667,100	667,100
1,000	-	-	-	1,000
-	-	50,000	339,073	389,073
1,000	1,000,000	50,000	32,407,809	33,458,809
-	-	95,000	7,172,549	7,267,549
-	-	-	17,150,846	17,632,346
-	-	-	1,250,601	1,250,601
-	1,000,000	-	-	1,000,000
-	-	-	1,246,759	1,246,759
-	-	-	10,100	10,100
-	-	-	3,505,225	3,505,225
-	-	-	1,452,128	1,452,128
-	1,000,000	95,000	31,788,208	33,364,708
1,000	-	(45,000)	619,601	94,101
-	-	56,600	104,464	537,630
-	(25,000)	-	(532,689)	(557,689)
-	(25,000)	56,600	(428,225)	(20,059)
1,000	(25,000)	11,600	191,376	74,042
1,334,993	26,542	86,325	2,815,313	6,626,555
\$ 1,335,993	\$ 1,542	\$ 97,925	\$ 3,006,689	\$ 6,700,597

CITY OF EDMONDS, WASHINGTON
COMBINING SCHEDULE OF FINAL BUDGET
GENERAL FUND (GAAP BASIS)
 FOR THE YEAR ENDED DECEMBER 31, 2011

Page 1 of 2

	004 CRIMINAL INVESTIGATIONS SUBFUND	006 EMERGENCY FINANCIAL RESERVE SUBFUND	009 LEOFF MEDICAL INSURANCE RESERVE SUBFUND
REVENUES:			
TAXES:			
PROPERTY	\$ -	\$ -	\$ -
RETAIL SALES & USE	-	-	-
INTERFUND UTILITY	-	-	-
UTILITY	-	-	-
EXCISE	-	-	-
LICENSES AND PERMITS	-	-	-
INTERGOVERNMENTAL	-	-	-
CHARGES FOR SERVICES	-	-	-
FINES AND FORFEITURES	-	-	-
INVESTMENT EARNINGS	-	-	-
MISCELLANEOUS	-	-	-
TOTAL REVENUES	-	-	-
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT SERVICES	-	-	-
PUBLIC SAFETY	-	-	481,500
UTILITIES AND ENVIRONMENT	-	-	-
TRANSPORTATION	-	-	-
ECONOMIC ENVIRONMENT	-	-	-
MENTAL AND PHYSICAL HEALTH	-	-	-
CULTURE AND RECREATION	-	-	-
DEBT SERVICE	-	-	-
TOTAL EXPENDITURES	-	-	481,500
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(481,500)
OTHER FINANCING SOURCES (USES):			
SALES OF CAPITAL ASSETS	-	-	-
TRANSFERS IN (Note 6)	-	-	376,566
TRANSFERS OUT (Note 6)	-	-	-
TOTAL OTHER FINANCING SOURCES AND USES	-	-	376,566
NET CHANGE IN FUND BALANCES	-	-	(104,934)
FUND BALANCES - BEGINNING	-	1,927,600	428,322
FUND BALANCES - ENDING	\$ -	\$ 1,927,600	\$ 323,388

010 PUBLIC SAFETY EMERGENCY RESERVE SUBFUND	113 MULTIMODAL TRANSPORTATION SUBFUND	116 BUILDING MAINTENANCE SUBFUND	001 GENERAL FUND	TOTAL GENERAL FUND
\$ -	\$ -	\$ -	\$ 13,617,137	\$ 13,617,137
-	-	-	5,070,992	5,070,992
-	-	-	1,471,682	1,471,682
-	-	-	4,970,280	4,970,280
-	-	-	311,981	311,981
-	-	-	1,484,829	1,484,829
-	1,000,000	66,000	927,139	1,993,139
-	-	-	3,637,479	3,637,479
-	-	-	667,100	667,100
1,000	-	-	-	1,000
-	-	115,000	339,073	454,073
1,000	1,000,000	181,000	32,497,692	33,679,692
-	-	95,000	7,418,984	7,513,984
-	-	-	17,485,507	17,967,007
-	-	-	1,255,801	1,255,801
-	1,000,000	-	-	1,000,000
-	-	-	1,257,459	1,257,459
-	-	-	10,100	10,100
-	-	-	3,734,406	3,734,406
-	-	-	1,452,128	1,452,128
-	1,000,000	95,000	32,614,385	34,190,885
1,000	-	86,000	(116,693)	(511,193)
-	-	5,994	10,263	16,257
-	-	56,600	25,086	458,252
-	(25,000)	-	(656,277)	(681,277)
-	(25,000)	62,594	(620,928)	(206,768)
1,000	(25,000)	148,594	(737,621)	(717,961)
1,335,961	50,227	185,881	2,759,501	6,687,492
\$ 1,336,961	\$ 25,227	\$ 334,475	\$ 2,021,880	\$ 5,969,531



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NON-MAJOR GOVERNMENTAL FUNDS

THE CITY HAS TWO TYPES OF NON-MAJOR GOVERNMENTAL FUNDS:

Special Revenue Funds

Special revenue funds account for the proceeds of specific revenue sources and are segregated into individual funds to ensure that expenditures are made exclusively for qualified purposes. Special revenue funds are accounted for on a modified accrual basis. Annual budgets are adopted with appropriations lapsing at year-end.

Debt Service Funds

Debt service funds account for payments of principal and interest on general obligation and special assessment long-term debt.

CITY OF EDMONDS, WASHINGTON
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENT FUNDS
DECEMBER 31, 2011

	TOTAL NONMAJOR SPECIAL REVENUE FUNDS	TOTAL NONMAJOR DEBT SERVICE FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS:			
CURRENT ASSETS:			
CASH AND CASH EQUIVALENTS	\$ 3,060,346	\$ (65,463)	\$ 2,994,883
RECEIVABLES:			
CUSTOMER ACCOUNTS	85	-	85
SPECIAL ASSESSMENTS	-	31,440	31,440
INTERFUND RECEIVABLE	49,936	-	49,936
DUE FROM OTHER GOVERNMENTAL UNITS	1,144,394	310,177	1,454,571
LONG-TERM ASSETS:			
DEFERRED SPECIAL ASSESSMENTS	-	113,930	113,930
TOTAL ASSETS	\$ 4,254,761	\$ 390,084	\$ 4,644,845
LIABILITIES AND FUND BALANCES:			
CURRENT LIABILITIES:			
ACCOUNTS PAYABLE	\$ 489,679	\$ -	\$ 489,679
WAGES AND BENEFITS PAYABLE	24,591	-	24,591
INTERFUND PAYABLE	49,936	-	49,936
OTHER LIABILITIES PAYABLE	79,934	-	79,934
LONG-TERM LIABILITIES:			
DEFERRED REVENUE	-	147,319	147,319
TOTAL LIABILITIES	644,140	147,319	791,459
FUND BALANCES:			
RESTRICTED FOR:			
DEBT SERVICE	-	242,765	242,765
PUBLIC SAFETY	124,661	-	124,661
TRANSPORTATION	815,498	-	815,498
CULTURE AND RECREATION	1,995,476	-	1,995,476
ECONOMIC ENVIRONMENT	93,895	-	93,895
OTHER PURPOSES	16,102	-	16,102
COMMITTED TO:			
UTILITIES AND ENVIRONMENT	85,714	-	85,714
CULTURE AND RECREATION	401,698	-	401,698
OTHER PURPOSES	77,577	-	77,577
TOTAL FUND BALANCES	3,610,621	242,765	3,853,386
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,254,761	\$ 390,084	\$ 4,644,845

CITY OF EDMONDS, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENT FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2011

	TOTAL NONMAJOR SPECIAL REVENUE	TOTAL NONMAJOR DEBT SERVICE	TOTAL NONMAJOR GOVERNMENTAL
REVENUES:			
TAXES:			
SALES AND USE TAX	\$ 75,491	\$ -	\$ 75,491
EXCISE	1,087,998	-	1,087,998
LICENSES AND PERMITS	22,850	-	22,850
INTERGOVERNMENTAL	2,425,371	396,493	2,821,864
CHARGES FOR SERVICES	1,155,965	-	1,155,965
FINES AND FORFEITURES	66,303	-	66,303
SPECIAL ASSESSMENTS	-	104,409	104,409
INVESTMENT EARNINGS	5,766	228	5,994
MISCELLANEOUS	61,351	-	61,351
TOTAL REVENUES	4,901,095	501,130	5,402,225
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT SERVICES	1,618	-	1,618
PUBLIC SAFETY	58,743	-	58,743
UTILITIES AND ENVIRONMENT	143,255	-	143,255
TRANSPORTATION	1,423,361	-	1,423,361
ECONOMIC ENVIRONMENT	4,580	-	4,580
CULTURE AND RECREATION	354,069	-	354,069
DEBT SERVICE:			
PRINCIPAL	591,286	185,000	776,286
INTEREST AND OTHER COSTS	162,487	280,973	443,460
CAPITAL OUTLAY	2,700,549	-	2,700,549
TOTAL EXPENDITURES	5,439,948	465,973	5,905,921
EXCESS (DEFICIENCY) OF REVENUES			
OVER (UNDER) EXPENDITURES	(538,853)	35,157	(503,696)
OTHER FINANCING SOURCES (USES):			
SALE OF CAPITAL ASSETS	9,271	-	9,271
TRANSFERS IN (Note 6)	1,641,440	69,480	1,710,920
TRANSFERS OUT (Note 6)	(1,173,786)	-	(1,173,786)
TOTAL OTHER FINANCING SOURCES AND USES	476,925	69,480	546,405
NET CHANGE IN FUND BALANCES	(61,928)	104,637	42,709
FUND BALANCES - BEGINNING	3,672,549	138,128	3,810,677
FUND BALANCES - ENDING	\$ 3,610,621	\$ 242,765	\$ 3,853,386



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NON-MAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Special revenue funds account for the proceeds of specific revenue sources and are segregated into individual funds to ensure that expenditures are made exclusively for qualified purposes. Special revenue funds are accounted for on a modified accrual basis. Annual budgets are adopted with appropriations lapsing at the end of the year.

The City has nineteen non-major special revenue funds.

Drug Enforcement Fund (104) – *This fund is used to record monies and proceeds from the sale of property seized during drug investigations and expenditures of those monies for drug enforcement.*

Street Fund (111) - *This fund accounts for the receipt and expenditure of monies used for local transportation improvements and maintenance. Proceeds from the Edmonds Transportation Benefit District are also transferred into the Street Fund and spent on related transportation improvements.*

Street Construction Fund (112) – *The Street Construction fund is used to account for transportation improvement projects funded by a variety of sources, including federal and state transportation grants, motor vehicle fuel taxes, impact fees, real estate excise tax, and Public Works Trust Fund loans.*

Municipal Arts Acquisition Fund (117) - *This fund is used to account for operations of the Edmonds Arts Commission, funded by private donations and contributions, General Fund support, and transfers in from the Hotel/Motel Tax fund. The fund also accounts for expenditures related to the City's 1% For the Arts program, as well as private donations for arts related scholarships.*

Memorial Tree Fund (118) – *This fund was established for the deposit of voluntary contributions to enhance the appearance of Edmonds' city streets by planting street trees in conformance with the Edmonds Street Tree Plan.*

Hotel/Motel Tax Fund (120) - *This fund was created to account for the hotel/motel taxes levied to support City tourism promotion.*

Employee Parking Permit Fund (121) - *This fund accounts for parking permit fees received from private-company employees working in restricted parking areas in the downtown Edmonds area, and for expenditures related to administering the program.*

Youth Scholarship Fund (122) - *This fund was established for the purpose of assisting children in the City of Edmonds, through private donations/contributions, who cannot participate in recreation and cultural activities/programs due to financial hardships.*

Tourism Promotional Arts Fund (123) – The City Council designated that 25% of all Hotel/Motel Tax monies will be transferred into this fund and used to promote and advertise artistic events and programs in Edmonds.

Real Estate Excise Tax (REET) 2 Fund (125) – This fund is used for the improvement, renovation, planning and development of Parks and other City infrastructure projects. By City Council policy the first \$750,000 of the second one-fourth percent (1/4%) real estate excise tax received will be used for Parks related projects.

Real Estate Excise Tax (REET) 1 Fund (126) – This fund accounts for the first one-quarter percent (1/4%) real estate excise tax received. The monies are used for Parks acquisition projects as well as General Government purposes, such as debt service on the City Hall acquisition.

Gifts Catalog Fund (127) – This fund is used to account for private donations for specific items, such as benches, tables, bike racks, for use in City parks.

Special Projects Fund (129) – This fund is used to account for certain capital projects that are funded primarily by state and federal grants.

Cemetery Maintenance/Improvement Fund (130) – The purpose of this fund is to provide for the day-to-day operations of the municipal cemetery under the direction of the Cemetery Board as reviewed and approved by the City Council.

Parks Construction Fund (132) – This fund was created to specifically account for Parks improvement projects that would be totally or partially funded by grants and contributions.

Parks Trust Fund (136) – The purpose of this fund is to receive private donations from Edmonds residents with the intent that investment earnings will be used to assist with the cost of operating, maintaining and improving the City flower program, Beach Ranger program, and Yost pool.

Cemetery Maintenance Trust Fund (137) – The purpose of this fund is to provide an on-going, stable source of funding for the long-term care and capital projects of the municipal cemetery.

Sister City Commission Fund (138) – This fund is used to account for private contributions/donations for the Sister City Commission. The Commission promotes international goodwill through the exchange of people and ideas.

Transportation Benefit District Fund (631) – This fund is used to account for proceeds of a \$20 vehicle license fee collected on behalf of the City by the Department of Licensing. Most of the monies deposited into this fund are transferred to other funds to support TBD related activities. The TBD fund is a blended component unit of the City, and as such is presented as a special revenue fund in the City's financial statements.



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CITY OF EDMONDS, WASHINGTON
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2011

Page 1 of 4

	104 DRUG ENFORCEMENT FUND	111 STREET FUND	112 STREET CONSTRUCTION FUND	117 MUNICIPAL ARTS ACQUISITION FUND
ASSETS:				
CURRENT ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 125,311	\$ 346,824	\$ 185,692	\$ 401,867
RECEIVABLES:				
CUSTOMER ACCOUNTS	-	85	-	-
INTERFUND RECEIVABLE	-	49,936	-	-
DUE FROM OTHER GOVERNMENTAL UNITS	-	48,007	376,953	-
TOTAL ASSETS	\$ 125,311	\$ 444,852	\$ 562,645	\$ 401,867
LIABILITIES AND FUND BALANCES:				
CURRENT LIABILITIES:				
ACCOUNTS PAYABLE	\$ 650	\$ 31,099	\$ 121,070	\$ 169
WAGES AND BENEFITS PAYABLE	-	20,784	-	-
INTERFUND PAYABLE	-	-	-	-
OTHER LIABILITIES PAYABLE	-	920	18,126	-
TOTAL LIABILITIES	650	52,803	139,196	169
FUND BALANCES:				
RESTRICTED FOR:				
PUBLIC SAFETY	124,661	-	-	-
TRANSPORTATION	-	392,049	423,449	-
CULTURE AND RECREATION	-	-	-	-
ECONOMIC ENVIRONMENT	-	-	-	-
OTHER PURPOSES	-	-	-	-
COMMITTED TO:				
UTILITIES AND ENVIRONMENT	-	-	-	-
CULTURE AND RECREATION	-	-	-	401,698
OTHER PURPOSES	-	-	-	-
TOTAL FUND BALANCES	124,661	392,049	423,449	401,698
TOTAL LIABILITIES AND FUND BALANCES	\$ 125,311	\$ 444,852	\$ 562,645	\$ 401,867

118 MEMORIAL TREE FUND	120 HOTEL/MOTEL TAX FUND	121 EMPLOYEE PARKING PERMIT FUND	122 YOUTH SCHOLARSHIP FUND	123 TOURISM PROMOTIONAL ARTS FUND	125 REET 2 FUND
\$ 17,646	\$ 87,297	\$ 77,577	\$ 16,534	\$ 60,250	\$ 380,845
-	-	-	-	-	-
-	-	-	-	-	-
-	10,848	-	-	-	55,795
<u>\$ 17,646</u>	<u>\$ 98,145</u>	<u>\$ 77,577</u>	<u>\$ 16,534</u>	<u>\$ 60,250</u>	<u>\$ 436,640</u>
\$ -	\$ 4,250	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	4,250	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
17,646	-	-	16,534	60,250	436,640
-	93,895	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	77,577	-	-	-
<u>17,646</u>	<u>93,895</u>	<u>77,577</u>	<u>16,534</u>	<u>60,250</u>	<u>436,640</u>
<u>\$ 17,646</u>	<u>\$ 98,145</u>	<u>\$ 77,577</u>	<u>\$ 16,534</u>	<u>\$ 60,250</u>	<u>\$ 436,640</u>

CITY OF EDMONDS, WASHINGTON
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2011

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	126 REET 1 PARKS ACQUISITION FUND	127 GIFTS CATALOG FUND	129 SPECIAL PROJECTS FUND	130 CEMETERY MAINT/IMPROVE FUND
ASSETS:				
CURRENT ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 170,968	\$ 193,985	\$ 3,665	\$ 90,718
RECEIVABLES:				
CUSTOMER ACCOUNTS	-	-	-	-
INTERFUND RECEIVABLE	-	-	-	-
DUE FROM OTHER GOVERNMENTAL UNITS	55,795	-	20,645	-
TOTAL ASSETS	\$ 226,763	\$ 193,985	\$ 24,310	\$ 90,718
LIABILITIES AND FUND BALANCES:				
CURRENT LIABILITIES:				
ACCOUNTS PAYABLE	\$ 826	\$ -	\$ 18,469	\$ 1,197
WAGES AND BENEFITS PAYABLE	-	-	-	3,807
INTERFUND PAYABLE	-	-	-	-
OTHER LIABILITIES PAYABLE	-	-	-	-
TOTAL LIABILITIES	826	-	18,469	5,004
FUND BALANCES:				
RESTRICTED FOR:				
PUBLIC SAFETY	-	-	-	-
TRANSPORTATION	-	-	-	-
CULTURE AND RECREATION	225,937	193,985	-	-
ECONOMIC ENVIRONMENT	-	-	-	-
OTHER PURPOSES	-	-	5,841	-
ASSIGNED TO:				
UTILITIES AND ENVIRONMENT	-	-	-	85,714
CULTURE AND RECREATION	-	-	-	-
OTHER PURPOSES	-	-	-	-
TOTAL FUND BALANCES	225,937	193,985	5,841	85,714
TOTAL LIABILITIES AND FUND BALANCES	\$ 226,763	\$ 193,985	\$ 24,310	\$ 90,718

132 PARKS CONSTRUCTION FUND	136 PARKS TRUST FUND	137 CEMETERY MAINT TRUST FUND	138 SISTER CITY COMMISSION FUND	631 TRANSPORTATION BENEFIT DISTRICT	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
\$ (67,041)	\$ 156,611	\$ 801,079	\$ 10,398	\$ 120	\$ 3,060,346
-	-	-	-	-	85
-	-	-	-	-	49,936
526,415	-	-	-	49,936	1,144,394
<u>\$ 459,374</u>	<u>\$ 156,611</u>	<u>\$ 801,079</u>	<u>\$ 10,398</u>	<u>\$ 50,056</u>	<u>\$ 4,254,761</u>
\$ 311,692	\$ -	\$ -	\$ 137	\$ 120	\$ 489,679
-	-	-	-	-	24,591
-	-	-	-	49,936	49,936
60,888	-	-	-	-	79,934
<u>372,580</u>	<u>-</u>	<u>-</u>	<u>137</u>	<u>50,056</u>	<u>644,140</u>
-	-	-	-	-	124,661
-	-	-	-	-	815,498
86,794	156,611	801,079	-	-	1,995,476
-	-	-	-	-	93,895
-	-	-	10,261	-	16,102
-	-	-	-	-	85,714
-	-	-	-	-	401,698
-	-	-	-	-	77,577
<u>86,794</u>	<u>156,611</u>	<u>801,079</u>	<u>10,261</u>	<u>-</u>	<u>3,610,621</u>
<u>\$ 459,374</u>	<u>\$ 156,611</u>	<u>\$ 801,079</u>	<u>\$ 10,398</u>	<u>\$ 50,056</u>	<u>\$ 4,254,761</u>

CITY OF EDMONDS, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2011

Page 1 of 4

	104 DRUG ENFORCEMENT FUND	111 STREET FUND	112 STREET CONSTRUCTION FUND	117 MUNICIPAL ARTS ACQUISITION FUND
REVENUES:				
TAXES:				
SALES AND USE TAX	\$ -	\$ -	\$ -	\$ -
EXCISE	-	-	-	-
LICENSES AND PERMITS	-	3,975	-	-
INTERGOVERNMENTAL	-	678,096	770,471	-
CHARGES FOR SERVICES	-	19,952	307,522	32,995
FINES AND FORFEITURES	66,303	-	-	-
INVESTMENT EARNINGS	211	619	225	651
MISCELLANEOUS	-	12,312	-	8,404
TOTAL REVENUES	66,514	714,954	1,078,218	42,050
EXPENDITURES:				
CURRENT:				
GENERAL GOVERNMENT SERVICES	-	-	-	-
PUBLIC SAFETY	58,743	-	-	-
UTILITIES AND ENVIRONMENT	-	-	-	-
TRANSPORTATION	-	1,418,241	-	-
ECONOMIC ENVIRONMENT	-	-	-	-
CULTURE AND RECREATION	-	-	-	52,710
DEBT SERVICE:				
PRINCIPAL	-	37,408	72,201	-
INTEREST AND OTHER COSTS	-	7,815	5,201	-
CAPITAL OUTLAY	-	-	1,084,870	-
TOTAL EXPENDITURES	58,743	1,463,464	1,162,272	52,710
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	7,771	(748,510)	(84,054)	(10,660)
OTHER FINANCING SOURCES (USES):				
SALE OF CAPITAL ASSETS	-	9,271	-	-
TRANSFERS IN (Note 6)	-	634,060	303,751	19,000
TRANSFERS OUT (Note 6)	-	-	-	-
TOTAL OTHER FINANCING SOURCES AND USES	-	643,331	303,751	19,000
NET CHANGE IN FUND BALANCES	7,771	(105,179)	219,697	8,340
FUND BALANCES - BEGINNING	116,890	497,228	203,752	393,358
FUND BALANCES - ENDING	\$ 124,661	\$ 392,049	\$ 423,449	\$ 401,698

118 MEMORIAL TREE FUND	120 HOTEL/MOTEL TAX FUND	121 EMPLOYEE PARKING PERMIT FUND	122 YOUTH SCHOLARSHIP FUND	123 TOURISM PROMOTIONAL ARTS FUND	125 REET 2 FUND
\$ -	\$ 75,491	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	543,999
-	-	18,875	-	-	-
-	-	-	-	3,280	-
-	-	-	-	782	-
-	-	-	-	-	-
29	163	141	27	85	698
-	-	-	2,083	-	-
29	75,654	19,016	2,110	4,147	544,697
-	-	1,013	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	79,584	-	2,668	15,796	188,566
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	26,780
-	79,584	1,013	2,668	15,796	215,346
29	(3,930)	18,003	(558)	(11,649)	329,351
-	-	-	-	-	-
-	-	-	-	18,287	40,750
-	(27,287)	(25,086)	-	-	(377,123)
-	(27,287)	(25,086)	-	18,287	(336,373)
29	(31,217)	(7,083)	(558)	6,638	(7,022)
17,617	125,112	84,660	17,092	53,612	443,662
\$ 17,646	\$ 93,895	\$ 77,577	\$ 16,534	\$ 60,250	\$ 436,640

CITY OF EDMONDS, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2011

Page 3 of 4

	126 REET 1 - PARKS ACQUISITION FUND	127 GIFTS CATALOG FUND	129 SPECIAL PROJECTS FUND	130 CEMETERY MAINT/IMPROVE FUND
REVENUES:				
TAXES:				
SALES AND USE TAX	\$ -	\$ -	\$ -	\$ -
EXCISE	543,999	-	-	-
LICENSES AND PERMITS	-	-	-	-
INTERGOVERNMENTAL	-	-	25,204	-
CHARGES FOR SERVICES	-	-	-	139,980
FINES AND FORFEITURES	-	-	-	-
INVESTMENT EARNINGS	870	331	3	163
MISCELLANEOUS	-	10,340	-	-
TOTAL REVENUES	544,869	10,671	25,207	140,143
EXPENDITURES:				
CURRENT:				
GENERAL GOVERNMENT SERVICES	605	-	-	-
PUBLIC SAFETY	-	-	-	-
UTILITIES AND ENVIRONMENT	-	-	-	143,255
TRANSPORTATION	-	-	-	-
ECONOMIC ENVIRONMENT	-	-	-	-
CULTURE AND RECREATION	-	14,745	-	-
DEBT SERVICE:				
PRINCIPAL	481,677	-	-	-
INTEREST AND OTHER COSTS	149,471	-	-	-
CAPITAL OUTLAY	-	-	21,464	-
TOTAL EXPENDITURES	631,753	14,745	21,464	143,255
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(86,884)	(4,074)	3,743	(3,112)
OTHER FINANCING SOURCES (USES):				
SALE OF CAPITAL ASSETS	-	-	-	-
TRANSFERS IN (Note 6)	-	-	-	-
TRANSFERS OUT (Note 6)	(110,230)	-	-	-
TOTAL OTHER FINANCING SOURCES AND USES	(110,230)	-	-	-
NET CHANGE IN FUND BALANCES	(197,114)	(4,074)	3,743	(3,112)
FUND BALANCES - BEGINNING	423,051	198,059	2,098	88,826
FUND BALANCES - ENDING	\$ 225,937	\$ 193,985	\$ 5,841	\$ 85,714

132 PARKS CONSTRUCTION FUND	136 PARKS TRUST FUND	137 CEMETERY MAINT TRUST FUND	138 SISTER CITY COMMISSION FUND	631 TRANSPORTATION BENEFIT DISTRICT	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,491
-	-	-	-	-	1,087,998
-	-	-	-	-	22,850
948,320	-	-	-	-	2,425,371
-	-	15,554	-	639,180	1,155,965
-	-	-	-	-	66,303
-	216	1,314	20	-	5,766
26,800	-	-	1,412	-	61,351
975,120	216	16,868	1,432	639,180	4,901,095
-	-	-	-	-	1,618
-	-	-	-	-	58,743
-	-	-	-	-	143,255
-	-	-	-	5,120	1,423,361
-	-	-	4,580	-	4,580
-	-	-	-	-	354,069
-	-	-	-	-	591,286
-	-	-	-	-	162,487
1,567,435	-	-	-	-	2,700,549
1,567,435	-	-	4,580	5,120	5,439,948
(592,315)	216	16,868	(3,148)	634,060	(538,853)
-	-	-	-	-	9,271
589,092	36,500	-	-	-	1,641,440
-	-	-	-	(634,060)	(1,173,786)
589,092	36,500	-	-	(634,060)	476,925
(3,223)	36,716	16,868	(3,148)	-	(61,928)
90,017	119,895	784,211	13,409	-	3,672,549
\$ 86,794	\$ 156,611	\$ 801,079	\$ 10,261	\$ -	\$ 3,610,621

CITY OF EDMONDS, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
104 DRUG ENFORCEMENT SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
FINES AND FORFEITURES	\$ 30,000	\$ 30,000	\$ 66,303	\$ 36,303
INVESTMENT EARNINGS	-	-	211	211
TOTAL REVENUES	30,000	30,000	66,514	36,514
EXPENDITURES:				
CURRENT:				
PUBLIC SAFETY	80,233	80,233	58,743	21,490
TOTAL EXPENDITURES	80,233	80,233	58,743	21,490
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(50,233)	(50,233)	7,771	58,004
 NET CHANGE IN FUND BALANCES	 (50,233)	 (50,233)	 7,771	 58,004
 FUND BALANCES - BEGINNING	 91,478	 116,889	 116,890	 1
FUND BALANCES - ENDING	\$ 41,245	\$ 66,656	\$ 124,661	\$ 58,005

CITY OF EDMONDS, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
111 STREET SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
LICENSES AND PERMITS	\$ 2,500	\$ 2,500	\$ 3,975	\$ 1,475
INTERGOVERNMENTAL	1,350,000	1,345,000	678,096	(666,904)
CHARGES FOR SERVICES	10,000	10,000	19,952	9,952
INVESTMENT EARNINGS	500	500	619	119
MISCELLANEOUS	-	-	12,312	12,312
TOTAL REVENUES	1,363,000	1,358,000	714,954	(643,046)
EXPENDITURES:				
CURRENT:				
TRANSPORTATION	1,381,739	1,474,471	1,418,241	56,230
DEBT SERVICE:				
PRINCIPAL	37,408	37,408	37,408	-
INTEREST AND OTHER COSTS	7,795	7,795	7,815	(20)
TOTAL EXPENDITURES	1,426,942	1,519,674	1,463,464	56,210
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(63,942)	(161,674)	(748,510)	(586,836)
OTHER FINANCING SOURCES (USES):				
SALE OF CAPITAL ASSETS	-	-	9,271	9,271
TRANSFERS IN (Note 6)	-	-	634,060	634,060
TOTAL OTHER FINANCING SOURCES (USES)	-	-	643,331	9,271
NET CHANGE IN FUND BALANCES	(63,942)	(161,674)	(105,179)	(577,565)
FUND BALANCES - BEGINNING	420,421	446,608	497,228	50,620
FUND BALANCES - ENDING	\$ 356,479	\$ 284,934	\$ 392,049	\$ (526,945)

CITY OF EDMONDS, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
112 STREET CONSTRUCTION SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
INTERGOVERNMENTAL	\$ 942,516	\$ 1,169,972	\$ 770,471	\$ (399,501)
CHARGES FOR SERVICES	20,000	20,000	307,522	287,522
INVESTMENT EARNINGS	-	-	225	225
TOTAL REVENUES	962,516	1,189,972	1,078,218	(111,754)
EXPENDITURES:				
DEBT SERVICE:				
PRINCIPAL	72,202	72,202	72,201	1
INTEREST AND OTHER COSTS	5,202	5,202	5,201	1
CAPITAL OUTLAY	1,292,391	1,604,391	1,084,870	519,521
TOTAL EXPENDITURES	1,369,795	1,681,795	1,162,272	519,523
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(407,279)	(491,823)	(84,054)	407,769
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN (Note 6)	431,891	581,891	303,751	(278,140)
TOTAL OTHER FINANCING SOURCES (USES)	431,891	581,891	303,751	(278,140)
NET CHANGE IN FUND BALANCES	24,612	90,068	219,697	129,629
FUND BALANCES - BEGINNING	113,189	148,384	203,752	55,368
FUND BALANCES - ENDING	\$ 137,801	\$ 238,452	\$ 423,449	\$ 184,997

CITY OF EDMONDS, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
117 MUNICIPAL ARTS ACQUISITION SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
CHARGES FOR SERVICES	\$ 24,100	\$ 24,100	\$ 32,995	\$ 8,895
INVESTMENT EARNINGS	-	-	651	651
MISCELLANEOUS	7,100	7,100	8,404	1,304
TOTAL REVENUES	31,200	31,200	42,050	10,850
EXPENDITURES:				
CURRENT:				
CULTURE AND RECREATION	109,050	109,050	52,710	56,340
TOTAL EXPENDITURES	109,050	109,050	52,710	56,340
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(77,850)	(77,850)	(10,660)	67,190
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN (Note 6)	27,700	27,700	19,000	(8,700)
TOTAL OTHER FINANCING SOURCES (USES)	27,700	27,700	19,000	(8,700)
NET CHANGE IN FUND BALANCES	(50,150)	(50,150)	8,340	58,490
FUND BALANCES - BEGINNING	340,026	254,710	393,358	138,648
FUND BALANCES - ENDING	\$ 289,876	\$ 204,560	\$ 401,698	\$ 197,138

CITY OF EDMONDS, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
118 MEMORIAL TREE SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
INVESTMENT EARNINGS	\$ -	\$ -	\$ 29	\$ 29
TOTAL REVENUES	-	-	29	29
EXPENDITURES:				
CURRENT:				
TOTAL EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	-	-	29	29
NET CHANGE IN FUND BALANCES	-	-	29	29
FUND BALANCES - BEGINNING	17,570	17,617	17,617	-
FUND BALANCES - ENDING	\$ 17,570	\$ 17,617	\$ 17,646	\$ 29

CITY OF EDMONDS, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
120 HOTEL/MOTEL TAX SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
TAXES:				
SALES AND USE TAX	\$ 75,000	\$ 75,000	\$ 75,491	\$ 491
INVESTMENT EARNINGS	-	-	163	163
TOTAL REVENUES	75,000	75,000	75,654	654
EXPENDITURES:				
CURRENT:				
CULTURE AND RECREATION	83,000	125,500	79,584	45,916
TOTAL EXPENDITURES	83,000	125,500	79,584	45,916
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(8,000)	(50,500)	(3,930)	46,570
OTHER FINANCING SOURCES (USES):				
TRANSFERS OUT (Note 6)	(22,750)	(27,750)	(27,287)	463
TOTAL OTHER FINANCING SOURCES (USES)	(22,750)	(27,750)	(27,287)	463
NET CHANGE IN FUND BALANCES	(30,750)	(78,250)	(31,217)	47,033
FUND BALANCES - BEGINNING	176,262	116,608	125,112	8,504
FUND BALANCES - ENDING	\$ 145,512	\$ 38,358	\$ 93,895	\$ 55,537

CITY OF EDMONDS, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
121 EMPLOYEE PARKING PERMIT SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
LICENSES AND PERMITS	\$ 20,000	\$ 20,000	\$ 18,875	\$ (1,125)
INVESTMENT EARNINGS	-	-	141	141
TOTAL REVENUES	20,000	20,000	19,016	(984)
EXPENDITURES:				
CURRENT:				
GENERAL GOVERNMENT SERVICES	1,000	1,000	1,013	(13)
TOTAL EXPENDITURES	1,000	1,000	1,013	(13)
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	19,000	19,000	18,003	(997)
OTHER FINANCING SOURCES (USES):				
TRANSFERS OUT (Note 6)	(25,086)	(25,086)	(25,086)	-
TOTAL OTHER FINANCING SOURCES (USES)	(25,086)	(25,086)	(25,086)	-
NET CHANGE IN FUND BALANCES	(6,086)	(6,086)	(7,083)	(997)
FUND BALANCES - BEGINNING	87,811	84,660	84,660	-
FUND BALANCES - ENDING	\$ 81,725	\$ 78,574	\$ 77,577	\$ (997)

CITY OF EDMONDS, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
122 YOUTH SCHOLARSHIP SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
INVESTMENT EARNINGS	\$ -	\$ -	\$ 27	\$ 27
MISCELLANEOUS	3,000	3,000	2,083	(917)
TOTAL REVENUES	3,000	3,000	2,110	(890)
EXPENDITURES:				
CURRENT:				
CULTURE AND RECREATION	4,000	4,000	2,668	1,332
TOTAL EXPENDITURES	4,000	4,000	2,668	1,332
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(1,000)	(1,000)	(558)	442
NET CHANGE IN FUND BALANCES	(1,000)	(1,000)	(558)	442
FUND BALANCES - BEGINNING	15,878	17,092	17,092	-
FUND BALANCES - ENDING	\$ 14,878	\$ 16,092	\$ 16,534	\$ 442

CITY OF EDMONDS, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
123 TOURISM PROMOTIONAL ARTS SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
INTERGOVERNMENTAL	\$ -	\$ -	\$ 3,280	\$ 3,280
CHARGES FOR SERVICES	100	100	782	682
INVESTMENT EARNINGS	-	-	85	85
TOTAL REVENUES	100	100	4,147	4,047
EXPENDITURES:				
CURRENT:				
CULTURE AND RECREATION	21,000	21,000	15,796	5,204
TOTAL EXPENDITURES	21,000	21,000	15,796	5,204
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(20,900)	(20,900)	(11,649)	9,251
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN (Note 6)	18,750	18,750	18,287	(463)
TOTAL OTHER FINANCING SOURCES (USES)	18,750	18,750	18,287	(463)
NET CHANGE IN FUND BALANCES	(2,150)	(2,150)	6,638	8,788
FUND BALANCES - BEGINNING	50,705	53,611	53,612	1
FUND BALANCES - ENDING	\$ 48,555	\$ 51,461	\$ 60,250	\$ 8,789

CITY OF EDMONDS, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
125 REET 2 SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
TAXES:				
EXCISE	\$ 700,000	\$ 580,000	\$ 543,999	\$ (36,001)
INVESTMENT EARNINGS	-	-	698	698
TOTAL REVENUES	700,000	580,000	544,697	(35,303)
EXPENDITURES:				
CURRENT:				
CULTURE AND RECREATION	425,000	463,000	188,566	274,434
CAPITAL OUTLAY	40,000	40,000	26,780	13,220
TOTAL EXPENDITURES	465,000	503,000	215,346	287,654
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	235,000	77,000	329,351	252,351
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN (Note 6)	-	40,750	40,750	-
TRANSFERS OUT (Note 6)	(158,000)	(452,000)	(377,123)	74,877
TOTAL OTHER FINANCING SOURCES (USES)	(158,000)	(411,250)	(336,373)	74,877
NET CHANGE IN FUND BALANCES	77,000	(334,250)	(7,022)	327,228
FUND BALANCES - BEGINNING	150,316	379,212	443,662	64,450
FUND BALANCES - ENDING	\$ 227,316	\$ 44,962	\$ 436,640	\$ 391,678

CITY OF EDMONDS, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
126 REET 1 PARKS ACQUISITION SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
TAXES:				
EXCISE	\$ 700,000	\$ 580,000	\$ 543,999	\$ (36,001)
INVESTMENT EARNINGS	-	-	870	870
TOTAL REVENUES	700,000	580,000	544,869	(35,131)
EXPENDITURES:				
CURRENT:				
GENERAL GOVERNMENT SERVICES	-	-	605	(605)
DEBT SERVICE:				
PRINCIPAL	481,677	481,677	481,677	-
INTEREST AND OTHER COSTS	148,425	148,425	149,471	(1,046)
TOTAL EXPENDITURES	630,102	630,102	631,753	(1,651)
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	69,898	(50,102)	(86,884)	(36,782)
OTHER FINANCING SOURCES (USES):				
TRANSFERS OUT (Note 6)	(69,480)	(110,230)	(110,230)	-
TOTAL OTHER FINANCING SOURCES (USES)	(69,480)	(110,230)	(110,230)	-
NET CHANGE IN FUND BALANCES	418	(160,332)	(197,114)	(36,782)
FUND BALANCES - BEGINNING	342,159	358,601	423,051	64,450
FUND BALANCES - ENDING	\$ 342,577	\$ 198,269	\$ 225,937	\$ 27,668

CITY OF EDMONDS, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
127 GIFTS CATALOG SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
INVESTMENT EARNINGS	\$ -	\$ -	\$ 331	\$ 331
MISCELLANEOUS	4,640	4,640	10,340	5,700
TOTAL REVENUES	4,640	4,640	10,671	6,031
EXPENDITURES:				
CURRENT:				
CULTURE AND RECREATION	6,300	11,300	14,745	(3,445)
TOTAL EXPENDITURES	6,300	11,300	14,745	(3,445)
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(1,660)	(6,660)	(4,074)	2,586
NET CHANGE IN FUND BALANCES	(1,660)	(6,660)	(4,074)	2,586
FUND BALANCES - BEGINNING	187,398	198,059	198,059	-
FUND BALANCES - ENDING	\$ 185,738	\$ 191,399	\$ 193,985	\$ 2,586

CITY OF EDMONDS, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
129 SPECIAL PROJECTS SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
INTERGOVERNMENTAL	\$ 224,260	\$ 224,260	\$ 25,204	\$ (199,056)
INVESTMENT EARNINGS	-	-	3	3
TOTAL REVENUES	224,260	224,260	25,207	(199,053)
EXPENDITURES:				
CAPITAL OUTLAY	224,962	224,962	21,464	203,498
TOTAL EXPENDITURES	224,962	224,962	21,464	203,498
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(702)	(702)	3,743	4,445
NET CHANGE IN FUND BALANCES	(702)	(702)	3,743	4,445
FUND BALANCES - BEGINNING	702	1,539	2,098	559
FUND BALANCES - ENDING	\$ -	\$ 837	\$ 5,841	\$ 5,004

CITY OF EDMONDS, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
130 CEMETERY MAINTENANCE/IMPROVEMENT SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
CHARGES FOR SERVICES	\$ 119,700	\$ 119,700	\$ 139,980	\$ 20,280
INVESTMENT EARNINGS	-	-	163	163
TOTAL REVENUES	119,700	119,700	140,143	20,443
EXPENDITURES:				
CURRENT:				
UTILITIES AND ENVIRONMENT	148,179	152,279	143,255	9,024
TOTAL EXPENDITURES	148,179	152,279	143,255	9,024
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(28,479)	(32,579)	(3,112)	29,467
NET CHANGE IN FUND BALANCES	(28,479)	(32,579)	(3,112)	29,467
FUND BALANCES - BEGINNING	92,319	86,257	88,826	2,569
FUND BALANCES - ENDING	\$ 63,840	\$ 53,678	\$ 85,714	\$ 32,036

CITY OF EDMONDS, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
132 PARKS CONSTRUCTION SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
INTERGOVERNMENTAL	\$ 1,534,500	\$ 1,534,500	\$ 948,320	\$ (586,180)
MISCELLANEOUS	-	3,000	26,800	23,800
TOTAL REVENUES	1,534,500	1,537,500	975,120	(562,380)
EXPENDITURES:				
CAPITAL OUTLAY	1,735,500	2,074,500	1,567,435	507,065
TOTAL EXPENDITURES	1,735,500	2,074,500	1,567,435	507,065
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(201,000)	(537,000)	(592,315)	(55,315)
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN (Note 6)	153,000	688,000	589,092	(98,908)
TOTAL OTHER FINANCING SOURCES (USES)	153,000	688,000	589,092	(98,908)
NET CHANGE IN FUND BALANCES	(48,000)	151,000	(3,223)	(154,223)
FUND BALANCES - BEGINNING	255,694	20,314	90,017	69,703
FUND BALANCES - ENDING	\$ 207,694	\$ 171,314	\$ 86,794	\$ (84,520)

CITY OF EDMONDS, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
136 PARKS TRUST SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
INVESTMENT EARNINGS	\$ -	\$ -	\$ 216	\$ 216
MISCELLANEOUS	500	500	-	(500)
TOTAL REVENUES	500	500	216	(284)
EXPENDITURES:				
TOTAL EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	500	500	216	(284)
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN (Note 6)	36,500	36,500	36,500	-
TOTAL OTHER FINANCING SOURCES (USES)	36,500	36,500	36,500	-
NET CHANGE IN FUND BALANCES	37,000	37,000	36,716	(284)
FUND BALANCES - BEGINNING	111,422	119,894	119,895	1
FUND BALANCES - ENDING	\$ 148,422	\$ 156,894	\$ 156,611	\$ (283)

CITY OF EDMONDS, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
137 CEMETERY MAINTENANCE TRUST SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
CHARGES FOR SERVICES	\$ 13,300	\$ 13,300	\$ 15,554	\$ 2,254
INVESTMENT EARNINGS	-	-	1,314	1,314
TOTAL REVENUES	13,300	13,300	16,868	3,568
EXPENDITURES:				
TOTAL EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	13,300	13,300	16,868	3,568
NET CHANGE IN FUND BALANCES	13,300	13,300	16,868	3,568
FUND BALANCES - BEGINNING	782,566	784,211	784,211	-
FUND BALANCES - ENDING	\$ 795,866	\$ 797,511	\$ 801,079	\$ 3,568

CITY OF EDMONDS, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
138 SISTER CITY COMMISSION SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
INVESTMENT EARNINGS	\$ 200	\$ 200	\$ 20	\$ (180)
MISCELLANEOUS	5,200	-	1,412	1,412
TOTAL REVENUES	5,400	200	1,432	1,232
EXPENDITURES:				
CURRENT:				
ECONOMIC ENVIRONMENT	4,900	-	4,580	(4,580)
TOTAL EXPENDITURES	4,900	-	4,580	(4,580)
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	500	200	(3,148)	(3,348)
NET CHANGE IN FUND BALANCES	500	200	(3,148)	(3,348)
FUND BALANCES - BEGINNING	11,057	13,409	13,409	-
FUND BALANCES - ENDING	\$ 11,557	\$ 13,609	\$ 10,261	\$ (3,348)

CITY OF EDMONDS, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
631 TRANSPORTATION BENEFIT DISTRICT SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2011

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
CHARGES FOR SERVICES	\$ 600,000	\$ 600,000	\$ 639,180	\$ 39,180
TOTAL REVENUES	600,000	600,000	639,180	39,180
EXPENDITURES:				
CURRENT:				
TRANSPORTATION	5,000	5,000	5,120	(120)
TOTAL EXPENDITURES	5,000	5,000	5,120	(120)
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	595,000	595,000	634,060	39,060
OTHER FINANCING SOURCES (USES):				
TRANSFERS OUT (Note 6)	(595,000)	(595,000)	(634,060)	(39,060)
TOTAL OTHER FINANCING SOURCES (USES)	(595,000)	(595,000)	(634,060)	(39,060)
NET CHANGE IN FUND BALANCES	-	-	-	-
FUND BALANCES - BEGINNING	-	-	-	-
FUND BALANCES - ENDING	\$ -	\$ -	\$ -	\$ -

NON-MAJOR GOVERNMENTAL FUNDS

Debt Service Funds

Debt service funds account for payments of principal and interest on general obligation and special assessment long-term debt. The City of Edmonds has one outstanding general obligation issue accounted for through a debt service fund, and two special assessment related funds.

The LID Control Fund (211) – *This fund collects special assessments levied against benefitted properties for payment of principal and interest for special assessment bond issues.*

The LID Guaranty Fund (213) - *This fund was established for the protection of LID bondholders. If the City is unable to pay debt service on LID bonds because of insufficient special assessment collections, the bond payments would be made from this fund.*

LTGO Bond Fund (234) – *This fund was established to collect funds for the payment of principal and interest on the 2002 LTGO bond issue. Transfers to pay the principal and interest are from the REET 1 Fund (126) and from the Edmonds Public Facilities District.*

CITY OF EDMONDS, WASHINGTON
COMBINING BALANCE SHEET
NON-MAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2011

	211 LID CONTROL FUND	213 LID GUARANTEE FUND	234 LIMITED TAX G.O. BOND FUND	TOTAL NONMAJOR DEBT SERVICE FUNDS
ASSETS:				
CURRENT ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 106,818	\$ 137,896	\$ (310,177)	\$ (65,463)
RECEIVABLES:				
SPECIAL ASSESSMENTS	31,440	-	-	31,440
DUE FROM OTHER GOVERNMENTAL UNITS	-	-	310,177	310,177
LONG-TERM ASSETS:				
DEFERRED SPECIAL ASSESSMENTS	113,930	-	-	113,930
TOTAL ASSETS	\$ 252,188	\$ 137,896	\$ -	\$ 390,084
LIABILITIES AND FUND BALANCES:				
LONG-TERM LIABILITIES:				
DEFERRED REVENUE	\$ 147,319	\$ -	\$ -	\$ 147,319
TOTAL LIABILITIES	147,319	-	-	147,319
FUND BALANCES:				
RESTRICTED FOR:				
DEBT SERVICE	104,869	137,896	-	242,765
TOTAL FUND BALANCES	104,869	137,896	-	242,765
TOTAL LIABILITIES AND FUND BALANCES	\$ 252,188	\$ 137,896	\$ -	\$ 390,084

CITY OF EDMONDS, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR DEBT SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2011

	211 LID CONTROL FUND	213 LID GUARANTEE FUND	234 LIMITED TAX G.O. BOND FUND	TOTAL NONMAJOR DEBT SERVICE FUNDS
REVENUES:				
SPECIAL ASSESSMENTS	\$ 104,409	\$ -	\$ -	\$ 104,409
INTERGOVERNMENTAL	-	-	396,493	396,493
INVESTMENT EARNINGS	-	228	-	228
TOTAL REVENUES	104,409	228	396,493	501,130
EXPENDITURES:				
DEBT SERVICE				
PRINCIPAL	-	-	185,000	185,000
INTEREST AND OTHER COSTS	-	-	280,973	280,973
TOTAL EXPENDITURES	-	-	465,973	465,973
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	104,409	228	(69,480)	35,157
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN (Note 6)	-	-	69,480	69,480
TOTAL OTHER FINANCING SOURCES AND USES	-	-	69,480	69,480
NET CHANGE IN FUND BALANCES	104,409	228	-	104,637
FUND BALANCES - BEGINNING	460	137,668	-	138,128
FUND BALANCES - ENDING	\$ 104,869	\$ 137,896	\$ -	\$ 242,765



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NON-MAJOR PROPRIETARY FUNDS

Internal Service Funds

The City of Edmonds's internal service fund is used to account for the financing of goods and services provided by one department of operation to other departments on a cost reimbursement basis. Internal service funds are self-supporting and use the accrual method of accounting. Edmonds has one internal service funds.

Equipment Rental Fund (511) – *This fund was created to be used as a revolving fund for expenditures of salaries, benefits, and expenses created by the repair, replacement, purchase and operation of the City's vehicle fleet.*

CITY OF EDMONDS, WASHINGTON
COMBINING STATEMENTS OF NET ASSETS
INTERNAL SERVICE FUNDS
 DECEMBER 31, 2011

	511 EQUIPMENT RENTAL FUND
ASSETS:	
CURRENT ASSETS:	
CASH AND CASH EQUIVALENTS	\$ 4,696,305
CUSTOMER ACCOUNTS	1,192
DUE FROM OTHER GOVERNMENTAL UNITS	854
INVENTORY	32,388
TOTAL CURRENT ASSETS	4,730,739
LONG-TERM ASSETS:	
CAPITAL ASSETS:	
OTHER IMPROVEMENTS	2,040,916
TOTAL CAPITAL ASSETS (NET OF A/D)	2,040,916
TOTAL LONG-TERM ASSETS	2,040,916
TOTAL ASSETS	6,771,655
LIABILITIES:	
CURRENT LIABILITIES:	
ACCOUNTS PAYABLES	40,933
WAGES AND BENEFITS PAYABLE	67,829
TOTAL CURRENT LIABILITIES	108,762
NET ASSETS:	
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	2,040,916
UNRESTRICTED	4,621,977
TOTAL NET ASSETS	\$ 6,662,893

CITY OF EDMONDS, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2011

		511 EQUIPMENT RENTAL FUND
OPERATING REVENUES:		
CHARGES FOR SERVICES	\$	1,232,876
TOTAL OPERATING REVENUES		1,232,876
OPERATING EXPENSES:		
PERSONNEL SERVICES		316,789
OPERATIONS & MAINTENANCE		532,377
PROFESSIONAL SERVICES		983
INSURANCE		25,259
DEPRECIATION/AMORTIZATION		334,518
TOTAL OPERATING EXPENSES		1,209,926
OPERATING INCOME (LOSS)		22,950
NON-OPERATING REVENUE (EXPENSE):		
INVESTMENT EARNINGS		7,530
OTHER NON-OPERATING REVENUES		9,424
GAIN (LOSS) ON SALE OF CAPITAL ASSETS		11,234
TOTAL NON-OPERATING REVENUE (EXPENSE)		28,188
INCOME (LOSS) BEFORE CONTRIBUTIONS & TRANSFERS		51,138
TRANSFERS IN (Note 6)		50,942
CHANGE IN NET ASSETS		102,080
TOTAL NET ASSETS BEGINNING OF YEAR		6,560,813
TOTAL NET ASSETS END OF YEAR	\$	6,662,893

CITY OF EDMONDS, WASHINGTON
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

Page 1 of 2

		511 EQUIPMENT RENTAL FUND
CASH FLOWS FROM OPERATING ACTIVITIES:		
CASH RECEIVED FROM USERS	\$	1,232,876
CASH PAID TO SUPPLIERS		(528,651)
CASH PAID FOR INVENTORY		17,505
CASH PAID TO EMPLOYEES		(313,602)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		408,127
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
TRANSFERS IN		50,942
NET CASH PROVIDED (USED) BY NON- CAPITAL FINANCING ACTIVITIES		50,942
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
PROCEEDS FROM SALE OF EQUIPMENT		11,234
PURCHASE OF CAPITAL ASSETS		(400,778)
PROCEEDS FROM INSURANCE SETTLEMENT		9,424
NET CASH PROVIDED (USED) FOR CAPITAL AND RELATED FINANCING ACTIVITIES		(380,120)
CASH FLOW FROM INVESTING ACTIVITIES:		
INTEREST RECEIVED		7,530
NET CASH PROVIDED (USED) IN INVESTING ACTIVITIES		7,530
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		86,480
CASH AND CASH EQUIVALENTS-BEGINNING OF YEAR		4,609,825
CASH AND CASH EQUIVALENTS-END OF YEAR	\$	4,696,305
CASH AT END OF YEAR CONSISTS OF:		
CASH AND CASH EQUIVALENTS	\$	4,696,305
TOTAL CASH	\$	4,696,305

CITY OF EDMONDS, WASHINGTON
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

Page 2 of 2

511
 EQUIPMENT
 RENTAL
 FUND

**RECONCILIATION OF NET OPERATING INCOME TO NEW CASH
 PROVIDED BY OPERATING ACTIVITIES**

OPERATING INCOME (LOSS)	\$	22,950
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
DEPRECIATION		334,519
ASSET (INCREASES) DECREASES :		
DUE FROM OTHER GOVERNMENTAL UNITS		(854)
INVENTORY		17,505
LIABILITY (INCREASES) DECREASES :		
ACCOUNTS & VOUCHERS PAYABLE		30,819
WAGES & BENEFITS PAYABLE		3,188
TOTAL ADJUSTMENTS		<u>385,177</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$	<u>408,127</u>



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FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or funds.

Payroll Clearing Fund (811) - accounts for receipt and disbursement of monies to a variety of other funds, governmental units, or private parties.

Claims Clearing Fund (812) - accounts for receipt and disbursement of monies to a variety of other funds, governmental units, or private parties.

All Funds Investment Fund (825) – accounts for investments of monies to a variety of other funds, governmental units, or private parties. The agency fund accounts for monies over which the City is strictly a short-term custodian.

CITY OF EDMONDS, WASHINGTON
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2011

	BALANCE				BALANCE	
	JANUARY 1, 2011		ADDITIONS	DEDUCTIONS	DECEMBER 31, 2011	
FUND 811 - PAYROLL CLEARING						
ASSETS:						
CASH AND CASH EQUIVALENTS	\$	-	\$ 22,584,420	\$ 22,584,420	\$	-
CUSTOMER ACCOUNTS		-	9,580	9,580		-
TOTAL ASSETS	\$	-	\$ 22,594,000	\$ 22,594,000	\$	-
LIABILITIES:						
WAGES AND BENEFITS PAYABLE	\$	-	\$ 10,251,473	\$ 10,251,473	\$	-
ACCOUNTS PAYABLE		-	17,665,968	17,665,968		-
TOTAL LIABILITIES	\$	-	\$ 27,917,441	\$ 27,917,441	\$	-
FUND 812 - CLAIMS CLEARING						
ASSETS:						
CASH AND CASH EQUIVALENTS	\$	-	\$ 33,319,954	\$ 33,319,954	\$	-
TOTAL ASSETS	\$	-	\$ 33,319,954	\$ 33,319,954	\$	-
LIABILITIES:						
ACCOUNTS PAYABLE	\$	-	\$ 33,319,954	\$ 33,319,954	\$	-
TOTAL LIABILITIES	\$	-	\$ 33,319,954	\$ 33,319,954	\$	-
FUND 825 - INVESTMENT CLEARING						
ASSETS:						
CASH AND CASH EQUIVALENTS	\$	-	\$ 65,661,589	\$ 65,661,589	\$	-
TOTAL ASSETS	\$	-	\$ 65,661,589	\$ 65,661,589	\$	-
LIABILITIES:						
ACCOUNTS PAYABLE	\$	-	\$ -	\$ -	\$	-
TOTAL LIABILITIES	\$	-	\$ -	\$ -	\$	-
TOTAL AGENCY FUNDS						
ASSETS:						
CASH AND CASH EQUIVALENTS	\$	-	\$ 121,565,963	\$ 121,565,963	\$	-
CUSTOMER ACCOUNTS		-	9,580	9,580		-
TOTAL ASSETS	\$	-	\$ 121,575,543	\$ 121,575,543	\$	-
LIABILITIES:						
WAGES AND BENEFITS PAYABLE	\$	-	\$ 10,251,473	\$ 10,251,473	\$	-
ACCOUNTS PAYABLE		-	50,985,922	50,985,922		-
TOTAL LIABILITIES	\$	-	\$ 61,237,395	\$ 61,237,395	\$	-

City of Edmonds
STATISTICAL SECTION
 December 31, 2011

Financial Trends Information

Financial trends schedules are intended to provide users with information to assist them in understanding and assessing how the City's financial position has changed over time.

Schedule 1	Government-wide Net Assets by Component	144
Schedule 2	Changes in Net Assets	146
Schedule 3	Fund Balances, Governmental Funds	148
Schedule 4	Changes in Fund Balances, Governmental Funds.....	150
Schedule 5	General Governmental Tax Revenues by Source.....	152

Revenue Capacity Information

The objective of providing revenue capacity information is to help users understand and assess the factors affecting the City's ability to generate its most significant local source revenues.

Schedule 6	Property Tax Levies and Collections	153
Schedule 7	Assessed and Estimated Actual Value of Taxable Property	154
Schedule 8	Property Tax Rates-Direct and Overlapping Governments.....	156
Schedule 9	Principal Property Taxpayers.....	157
Schedule 10	Retail Sales Tax Collections by Sector.....	158
Schedule 11	Sales Tax Rate Direct and Overlapping Governments	159

Debt Capacity Information

Debt capacity information is intended to assist users to understand and assess the City's current levels of outstanding debt and ability to issue additional debt in the future.

Schedule 12	Ratios of Outstanding Debt by Type.....	160
Schedule 13	Ratios of General Bonded Debt Outstanding	162
Schedule 14	Computation of Direct and Overlapping Debt.....	163
Schedule 15	Computation of Legal Debt Margin.....	164
Schedule 16	Revenue Bond Coverage	166

Demographic and Economic Information

These Schedules offer demographic and economic information to assist users in understanding certain aspects of the environment within which the City operates and to provide information that facilitates comparisons of financial statement information over time and across governmental units.

Schedule 17	Demographic and Economic Statistics	167
Schedule 18	Principal Employers	168

Operating Information

These Schedules contain service and infrastructure data to help users understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Schedule 19	City Employees by Function/Program	169
Schedule 20	Operating Indicators by Function/Program.....	170
Schedule 21	Capital Asset Statistics by Function/Program.....	171

CITY OF EDMONDS, WASHINGTON
SCHEDULE 1
GOVERNMENT-WIDE NET ASSETS BY COMPONENT ¹
 LAST NINE FISCAL YEARS ²
 (ACCRUAL BASIS OF ACCOUNTING)

Page 1 of 2

	2003	2004	2005	2006
Governmental Activities				
Invested in capital assets, net of related debt ³	\$ 1,777,861	\$ 15,661,061	\$ 18,521,057	\$ 51,166,559
Restricted	11,119,246	5,804,684	6,749,421	6,717,794
Unrestricted	17,883,400	13,175,522	15,503,551	11,724,719
Total governmental activities net assets	\$ 30,780,507	\$ 34,641,267	\$ 40,774,029	\$ 69,609,072
Business-type Activities				
Invested in capital assets, net of related debt	\$ 38,375,525	\$ 41,657,416	\$ 44,910,309	\$ 47,924,210
Restricted	4,326,736	910,598	699,701	686,847
Unrestricted	10,955,342	12,329,203	12,047,828	10,764,229
Total business-type activities net assets	\$ 53,657,603	\$ 54,897,217	\$ 57,657,838	\$ 59,375,286
Primary Government				
Invested in capital assets, net of related debt	\$ 40,153,386	\$ 57,318,477	\$ 63,431,366	\$ 99,090,769
Restricted	15,445,982	6,715,282	7,449,122	7,404,641
Unrestricted	28,838,742	25,504,725	27,551,379	22,488,948
Total primary government net assets	\$ 84,438,110	\$ 89,538,484	\$ 98,431,867	\$128,984,358

Notes:

¹ Accounting standards require that net assets be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. Net assets are considered restricted only when (1) an external party, such as the State of Washington or the federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the City. There are no restrictions currently reported as a result of enabling legislation.

² The City implemented GASB Statement No. 34 in fiscal year 2003, therefore, only nine years of government-wide financial data is presented.

³ The increase in "invested in capital assets, net of related debt" from fiscal years 2005 - 2006 relates to the retrospective reporting of infrastructure assets in governmental activities, as required by GASB Statement No. 34.

Source:

Applicable years' comprehensive annual financial report.

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2007	2008	2009	2010	2011
\$ 54,021,806	\$ 57,252,149	\$ 51,991,258	\$ 59,961,071	\$ 61,004,928
7,490,300	5,546,803	2,658,658	1,368,707	3,254,677
<u>11,895,851</u>	<u>9,838,608</u>	<u>19,805,844</u>	<u>13,703,352</u>	<u>12,431,137</u>
<u>\$ 73,407,957</u>	<u>\$ 72,637,560</u>	<u>\$ 74,455,760</u>	<u>\$ 75,033,130</u>	<u>\$ 76,690,742</u>
\$ 49,910,564	\$ 49,753,793	\$ 51,208,429	\$ 53,273,296	\$ 45,783,325
2,786,695	1,269,595	699,670	687,447	9,096,615
<u>7,712,290</u>	<u>9,768,990</u>	<u>10,183,230</u>	<u>9,906,089</u>	<u>10,678,887</u>
<u>\$ 60,409,549</u>	<u>\$ 60,792,378</u>	<u>\$ 62,091,329</u>	<u>\$ 63,866,832</u>	<u>\$ 65,558,827</u>
\$103,932,370	\$107,005,942	\$103,199,687	\$113,234,367	\$106,788,253
10,276,995	6,816,398	3,358,328	2,056,154	12,351,292
<u>19,608,141</u>	<u>19,607,598</u>	<u>29,989,074</u>	<u>23,609,441</u>	<u>23,110,024</u>
<u>\$133,817,506</u>	<u>\$133,429,938</u>	<u>\$136,547,089</u>	<u>\$138,899,962</u>	<u>\$142,249,569</u>

CITY OF EDMONDS, WASHINGTON
SCHEDULE 2
CHANGES IN NET ASSETS
 LAST NINE FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)

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	For The Fiscal Year Ended December 31,			
	2003	2004	2005	2006
Expenses:				
Governmental activities				
General government	\$ 8,446,718	\$ 6,053,881	\$ 6,105,305	\$ 6,178,971
Judicial	-	-	538,956	767,221
Public safety	15,727,734	15,184,024	15,268,262	17,021,180
Physical environment	1,975,296	1,844,923	1,664,723	1,866,080
Economic environment	574,557	880,137	1,027,373	1,169,306
Mental and physical health	101,257	8,468	9,082	8,562
Culture and recreation	2,887,460	3,108,916	3,648,189	5,822,424
Transportation	525,077	754,092	1,038,406	1,283,183
Interest and fiscal charges	1,208,012	1,078,106	666,094	531,869
Total governmental activities expenses	<u>31,446,111</u>	<u>28,912,547</u>	<u>29,966,390</u>	<u>34,648,796</u>
Business-type activities				
Utility Operations	10,609,568	11,346,771	11,114,516	11,528,591
Total business-type activities expenses	<u>10,609,568</u>	<u>11,346,771</u>	<u>11,114,516</u>	<u>11,528,591</u>
Program Revenues:				
Governmental activities				
Charges for services:				
General government	3,099,891	2,439,152	2,211,982	2,324,217
Public safety	3,473,896	3,290,851	1,444,264	1,237,307
Other	1,382,313	1,593,855	3,530,613	3,543,577
Operating grants and contributions	784,940	241,045	107,445	597,047
Capital grants and contributions	590,001	454,700	2,145,854	3,046,262
Total governmental activities program	<u>9,331,041</u>	<u>8,019,603</u>	<u>9,440,158</u>	<u>10,748,410</u>
Business-type activities				
Charges for services	11,398,816	11,334,141	12,553,652	12,644,769
Operating grants and contributions	40,199	47,067	37,898	44,350
Capital grants and contributions	496,713	677,797	775,691	512,527
Total business-type activities program	<u>11,935,728</u>	<u>12,059,005</u>	<u>13,367,241</u>	<u>13,201,646</u>
Net (Expense) Revenue				
Governmental activities	(22,115,070)	(20,892,944)	(20,526,232)	(23,900,386)
Business-type activities	1,326,160	712,234	2,252,725	1,673,055
Total primary government net expense	<u>(20,788,910)</u>	<u>(20,180,710)</u>	<u>(18,273,507)</u>	<u>(22,227,331)</u>
General Revenues:				
Governmental activities				
Taxes:				
Property	10,623,848	10,922,324	11,058,167	11,497,708
Sales	4,832,004	5,029,012	5,423,994	5,835,031
Utility	3,677,778	3,777,845	3,986,062	4,228,565
Other	3,107,503	3,589,917	4,344,893	4,570,863
Investment earnings	393,856	363,449	522,367	841,684
Gain on sale of capital assets	299,056	64,681	273,700	195,896
Miscellaneous	357,866	443,631	323,749	380,466
Transfers	105,285	100,814	157,755	157,671
Total governmental activities general	<u>23,397,196</u>	<u>24,291,673</u>	<u>26,090,687</u>	<u>27,707,884</u>
Business-type activities				
Investment earnings	381,901	217,131	324,668	516,611
Miscellaneous	-	-	16,584	24,792
Gain on sale of capital assets	-	-	-	-
Transfers	(105,285)	(101,112)	(157,755)	(157,671)
Total business-type activities general	<u>276,616</u>	<u>116,019</u>	<u>183,497</u>	<u>383,732</u>
Total primary government	<u>23,673,812</u>	<u>24,407,692</u>	<u>26,274,184</u>	<u>28,091,616</u>
Change in Net Assets				
Governmental activities	1,282,126	3,398,729	5,564,455	3,807,498
Business-type activities	1,602,776	828,253	2,436,222	2,056,787
Total primary government	<u>\$ 2,884,902</u>	<u>\$ 4,226,982</u>	<u>\$ 8,000,677</u>	<u>\$ 5,864,285</u>

Source:

Applicable years' comprehensive annual financial report.

	2007	2008	2009	2010	2011
\$	6,748,067	\$ 7,695,483	\$ 6,867,604	\$ 7,327,722	\$ 8,092,028
	756,649	846,130	880,919	882,404	-
	16,765,814	18,049,555	17,823,468	17,630,352	18,037,057
	1,697,734	1,870,405	1,150,200	1,266,933	1,405,398
	1,088,773	1,120,777	1,830,100	1,643,520	1,063,894
	7,237	9,291	12,147	10,217	9,731
	3,393,130	3,976,440	4,246,268	3,984,078	4,298,852
	3,019,710	1,812,089	3,751,956	4,325,832	3,412,126
	512,154	492,082	470,398	446,236	781,881
	33,989,268	35,872,252	37,033,060	37,517,294	37,100,967
	12,423,508	13,210,002	13,890,882	13,836,220	14,140,249
	12,423,508	13,210,002	13,890,882	13,836,220	14,140,249
	2,600,612	2,668,773	2,990,744	3,097,629	4,078,403
	1,034,060	1,121,939	650,257	1,132,605.00	1,212,082
	3,631,674	3,066,634	4,450,276	3,908,424.00	3,088,212
	297,549	163,438	416,086	272,554.00	145,406
	1,126,513	1,138,795	1,940,900	534,066.00	1,771,199
	8,690,408	8,159,579	10,448,263	8,945,278	10,295,302
	12,754,577	13,030,325	14,275,275	14,347,539	15,620,997
	54,116	47,654	88,983	47,249	179,479
	490,709	610,910	688,796	1,246,156	498,486
	13,299,402	13,688,889	15,053,054	15,640,944	16,298,962
	(25,298,860)	(27,712,673)	(26,584,797)	(28,572,016)	(26,805,665)
	875,894	478,887	1,162,172	1,804,724	2,158,713
	(24,422,966)	(27,233,786)	(25,422,625)	(26,767,292)	(24,646,952)
	11,988,296	12,256,542	13,908,042	13,683,426	13,539,536
	6,216,836	5,448,281	4,952,898	5,002,282	5,286,262
	4,501,056	4,843,225	6,081,071	5,997,151	6,232,489
	4,598,407	3,120,595	3,184,300	3,043,813	2,388,579
	851,162	380,181	151,198	32,845	16,070
	62,225	101,999	167,538	983,191	36,762
	392,152	534,866	(42,050)	344,303	481,263
	487,611	404,562	-	62,375	482,316
	29,097,745	27,090,251	28,402,997	29,149,386	28,463,277
	645,980	280,710	136,348	25,697	15,287
	-	-	-	100	311
	-	-	431	7,357	-
	(487,611)	(404,562)	-	(62,375)	(482,316)
	158,369	(123,852)	136,779	(29,221)	(466,718)
	29,256,114	26,966,399	28,539,776	29,120,165	27,996,559
	3,798,885	(622,422)	1,818,200	577,370	1,657,612
	1,034,263	355,035	1,298,951	1,775,503	1,691,995
\$	4,833,148	\$ (267,387)	\$ 3,117,151	\$ 2,352,873	\$ 3,349,607

CITY OF EDMONDS, WASHINGTON
SCHEDULE 3
FUND BALANCES-GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Page 1 of 2

	2002	2003	2004	2005	2006
General Fund					
Reserved	\$ -	\$ 129,423	\$ -	\$ -	\$ -
Unreserved	5,592,524	6,293,691	7,647,155	7,982,694	8,089,403
Non-Spendable	-	-	-	-	-
Unassigned	-	-	-	-	-
Subtotal General Fund	5,592,524	6,423,114	7,647,155	7,982,694	8,089,403
All Other Governmental Funds					
Reserved	647,503	704,933	323,711	152,745	276,376
Unreserved					
Special Revenue Funds	7,197,588	3,769,929	8,306,278	10,654,716	8,696,973
Capital Projects Funds	2,899,853	3,614,307	167,769	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Subtotal All Other Governmental Funds	10,744,944	8,089,169	8,797,758	10,807,461	8,973,349
Total Governmental Funds					
Reserved	647,503	834,356	323,711	152,745	276,376
Unreserved	15,689,965	13,677,927	16,121,202	18,637,410	16,786,376
Non-Spendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Governmental Funds	\$ 16,337,468	\$ 14,512,283	\$ 16,444,913	\$ 18,790,155	\$ 17,062,752
General Fund Percentage Change	10.2%	14.9%	19.1%	4.4%	1.3%
All Governmental Funds Percentage Change	-14.3%	-11.2%	13.3%	14.3%	-9.2%

Source:

Applicable years' comprehensive annual financial report.

Note:

¹ With the implementation of GASB NO. 54 in 2011, some funds previously reported as Special Revenue Funds no longer meet the new definition for that fund type. Previous year fund balances have not been restated.

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2007	2008	2009	2010	2011 ¹
\$ -	\$ -	\$ -	\$ -	\$ -
7,737,979	5,188,520	6,068,906	6,855,108	-
-	-	-	-	460
-	-	-	-	9,562,178
7,737,979	5,188,520	6,068,906	6,855,108	9,562,638
165,337	72,706	56,570	138,126	-
10,474,212	8,339,862	5,300,325	5,678,570	-
-	-	-	-	-
-	-	-	-	3,254,217
-	-	-	-	599,169
10,639,549	8,412,568	5,356,895	5,816,696	3,853,386
165,337	72,706	56,570	138,126	-
18,212,191	13,528,382	11,369,231	12,533,678	-
-	-	-	-	460
-	-	-	-	3,254,217
-	-	-	-	599,169
-	-	-	-	9,562,178
\$ 18,377,528	\$ 13,601,088	\$ 11,425,801	\$ 12,671,804	\$ 13,416,024
-4.3%	-32.9%	17.0%	13.0%	39.5%
7.7%	-26.0%	-16.0%	10.9%	5.9%

CITY OF EDMONDS, WASHINGTON
SCHEDULE 4
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Page 1 of 2

	2002	2003	2004	2005	2006
Revenues:					
Taxes	\$ 19,806,699	\$ 20,492,758	\$ 22,079,776	\$ 23,543,206	\$ 24,762,811
Licenses and permits	1,001,635	1,105,109	1,512,968	1,586,265	1,595,459
Intergovernmental	3,993,510	4,355,014	3,391,452	4,780,988	6,330,512
Charges for services	2,650,359	2,871,571	3,355,377	3,183,770	3,267,307
Fines and forfeitures	434,170	536,555	513,611	354,383	505,402
Other revenue	2,098,613	1,575,037	1,283,911	1,494,301	1,867,779
Total revenues	29,984,986	30,936,044	32,137,095	34,942,913	38,329,270
Expenditures:					
General government	5,927,313	5,744,297	5,724,465	6,266,034	6,733,227
Security of persons and property	12,227,213	12,786,639	14,418,558	14,601,519	15,693,183
Physical environment	934,018	871,693	1,040,113	1,877,941	1,824,727
Transportation	1,231,487	1,487,633	1,266,838	1,170,188	1,231,251
Economic environment	784,183	523,049	877,816	914,881	1,156,471
Mental and physical health	979,639	955,094	8,468	9,082	8,562
Culture and recreation	2,508,228	2,576,330	2,626,855	2,711,223	2,976,815
Capital outlay	4,202,261	5,703,817	1,548,070	3,041,470	8,532,955
Debt service:					
Principal retirement	2,441,931	3,077,032	1,894,713	1,446,333	1,518,665
Interest and fiscal charges	-	-	1,178,628	1,104,200	1,059,377
Total Expenditures	31,236,273	33,725,584	30,584,524	33,142,871	40,735,233
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,251,287)	(2,789,540)	1,552,571	1,800,042	(2,405,963)
Other Financing Sources (Uses)					
Proceeds of capital leases	-	-	36,500	505,000	-
Proceeds of refunding bonds	7,018,859	7,000,000	-	-	-
Proceeds from Long-Term Debt	-	255,000	80,000	279,029	751,058
Payment to refunded bonds escrow agent	-	(6,959,659)	-	-	-
Sale/Disposition of fixed assets	3,056	299,056	-	-	153,982
Transfers in	2,691,692	1,908,898	2,158,561	1,485,752	992,726
Transfers out	(11,736,266)	(1,508,996)	(1,970,678)	(1,487,997)	(1,238,139)
Total Other Financing Sources (Uses)	(2,022,659)	994,299	304,383	781,784	659,627
Prior period corrections	-	-	75,318	(236,584)	18,934
Net Change in Fund Balances	\$ (3,273,946)	\$ (1,795,241)	\$ 1,932,272	\$ 2,345,242	\$ (1,727,402)
Debt Service as a % of Noncapital Expenditures	9.9%	12.3%	11.8%	9.3%	8.7%

Source:

Published Financial Statements

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2007	2008	2009	2010	2011
\$ 25,865,645	\$ 24,317,982	\$ 26,285,121	\$ 26,301,857	\$ 26,323,468
1,689,760	1,570,531	1,509,008	1,662,340	1,689,146
3,883,879	3,826,622	5,169,688	2,609,033	4,021,474
3,551,559	3,146,918	3,934,741	5,028,730	5,015,834
512,529	593,121	674,634	624,447	756,382
1,895,889	1,528,316	1,198,053	996,719	549,101
37,399,261	34,983,490	38,771,245	37,223,126	38,355,405
6,706,190	7,852,719	7,184,093	7,692,552	7,314,502
16,440,157	18,215,380	18,523,068	17,971,060	17,805,678
1,914,409	1,206,164	1,158,170	1,280,041	1,374,856
1,349,378	1,852,790	1,800,535	1,979,650	2,508,231
1,122,502	1,127,417	1,081,381	949,685	1,035,769
7,237	9,291	12,147	10,217	9,731
3,121,293	3,413,231	3,462,188	3,841,888	3,750,123
4,061,649	3,559,891	5,016,619	1,861,161	1,615,679
2,206,947	1,698,860	1,813,613	1,789,385	1,870,414
1,047,651	973,894	902,965	837,992	783,108
37,977,413	39,909,637	40,954,779	38,213,631	38,068,091
(578,152)	(4,926,147)	(2,183,534)	(990,505)	287,314
-	-	-	-	-
-	-	-	-	-
1,873,467	43,745	-	-	-
-	-	-	-	-
6,049	-	54,870	981,444	25,528
2,390,592	2,624,254	1,495,523	3,497,271	2,169,172
(2,377,180)	(2,463,023)	(1,542,146)	(2,242,207)	(1,737,798)
1,892,928	204,976	8,247	2,236,508	456,902
-	(55,269)	-	-	-
\$ 1,314,776	\$ (4,776,440)	\$ (2,175,287)	\$ 1,246,003	\$ 744,216
10.6%	7.9%	8.2%	7.8%	7.9%

CITY OF EDMONDS, WASHINGTON
SCHEDULE 5
GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year	Property	Sales & Use	Utility	Lodging	Excise	Other ¹	Total
2002	\$ 9,862,866	\$ 4,672,049	\$ 3,365,974	\$ 55,839	\$ 1,490,149	\$ 359,823	\$ 19,806,700
2003	10,255,691	4,840,940	3,505,244	54,619	1,596,227	240,036	20,492,758
2004	10,940,440	5,038,596	3,768,262	61,385	2,042,072	229,023	22,079,778
2005	11,146,094	5,433,086	3,976,971	66,502	2,744,083	236,469	23,603,205
2006	11,491,162	5,854,152	4,209,444	75,077	2,868,297	264,679	24,762,811
2007	12,008,487	6,232,946	4,484,946	82,907	2,772,278	284,081	25,865,645
2008	12,256,542	5,448,281	4,843,225	86,119	1,764,121	349,094	24,747,382
2009	13,908,042	4,952,898	6,081,071	70,698	1,515,433	340,909	26,869,051
2010	13,672,874	5,015,245	5,984,188	68,186	1,258,249	303,114	26,301,857
2011	13,436,557	5,210,771	6,232,489	75,492	1,087,997	280,162	26,323,467
Percentage Change							
In Dollars Over							
10 Years	36.2%	11.5%	85.2%	35.2%	-27.0%	-22.1%	32.9%

Note:

¹ Includes leasehold excise tax as well as pulltabs, bingo, and amusement games tax

Source:

Published Financial Statements

CITY OF EDMONDS, WASHINGTON
SCHEDULE 6
PROPERTY TAX LEVIES AND COLLECTIONS
 LAST TEN FISCAL YEARS

For the Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of The Levy		Collections in Subsequent Years	Total Collections to Date		Total Uncollected Taxes ¹	
		Amount	Percentage of Levy		Amount	Percentage of Levy	Amount	Percentage of Levy
2002	\$ 9,920,195	\$ 9,836,863	99.16%	\$ 83,235	\$ 9,920,098	100.00%	\$ 97	0.00%
2003	10,209,227	9,986,121	97.81%	222,966	10,209,087	100.00%	140	0.00%
2004	10,941,961	10,718,852	97.96%	222,953	10,941,805	100.00%	156	0.00%
2005	11,152,382	10,947,400	98.16%	204,532	11,151,932	100.00%	450	0.00%
2006	11,506,710	11,267,986	97.93%	237,556	11,505,542	99.99%	1,168	0.01%
2007	11,994,777	11,782,550	98.23%	209,533	11,992,083	99.98%	2,694	0.02%
2008	12,302,173	12,116,105	98.49%	178,669	12,294,774	99.94%	7,399	0.06%
2009	13,924,284	13,665,994	98.15%	214,384	13,880,379	99.68%	43,905	0.32%
2010	13,724,015	13,477,013	98.20%	138,695	13,615,708	99.21%	108,307	0.79%
2011	13,571,059	13,252,170	97.65%	-	13,252,170	97.65%	318,889	2.35%

Note:

¹ The amounts reported in the total uncollected taxes column are the uncollected taxes for each tax levy.

Source:

Snohomish County Assessor's Office

CITY OF EDMONDS, WASHINGTON
SCHEDULE 7
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

Page 1 of 2

For the Year Ended December, 31	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Multi- Family Property
2002	\$2,731,165,499	\$ 542,745,166	\$ 5,418,800	\$ 1,844,400	\$ 169,042,800
2003	2,769,798,200	551,696,766	5,418,800	1,844,400	171,878,600
2004	3,787,693,800	674,959,350	14,342,000	2,715,700	259,966,800
2005	4,135,907,800	702,820,600	5,514,200	2,845,200	277,035,300
2006	4,640,914,959	820,116,000	6,342,800	4,438,200	298,599,600
2007	5,749,197,973	981,659,850	6,436,300	5,958,000	341,540,684
2008	6,616,573,050	1,172,029,590	8,938,492	7,089,500	374,056,400
2009	6,602,668,250	1,254,652,032	17,139,108	7,417,700	422,899,771
2010	5,856,463,400	1,262,498,380	22,561,148	5,631,800	415,229,423
2011	5,466,782,800	1,103,632,971	19,985,828	4,282,600	350,082,538

Source:

Snohomish County Assessor's Office

Notes:

¹ Washington State law requires all property be assessed at 100 % of its true and fair market value.

² Tax rates expressed in rate per \$1,000

Other Property	Less: Tax Exempt Property	Total Taxable Assessed Value ¹	Total Direct Tax Rate ²	Estimated Actual Value	Annual Percentage Change
\$ 66,367,300	\$ (255,539,552)	\$3,261,044,413	\$ 3.01	\$3,516,583,965	2.5%
69,855,800	(252,180,439)	3,318,312,127	3.07	3,570,492,566	1.5%
95,722,500	(369,881,083)	4,465,519,067	2.47	4,835,400,150	35.4%
112,249,000	(417,080,173)	4,819,291,927	2.33	5,236,372,100	8.3%
126,461,780	(466,813,697)	5,430,059,642	2.14	5,896,873,339	12.6%
149,903,700	(622,322,592)	6,612,373,915	1.83	7,234,696,507	22.7%
171,004,832	(734,142,661)	7,615,549,203	1.62	8,349,691,864	15.4%
169,628,655	(765,196,026)	7,709,209,490	1.82	8,474,405,516	1.5%
136,686,237	(743,587,671)	6,955,482,717	1.98	7,699,070,388	-9.1%
104,160,002	(615,667,886)	6,433,258,853	2.12	7,048,926,739	-8.4%

CITY OF EDMONDS, WASHINGTON
SCHEDULE 8
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER \$1,000 OF ASSESSED VALUATION)
LAST TEN FISCAL YEARS

Year	Direct					Overlapping				Total Levy Rate
	City	County	State School	Local School	Total	Library	Port	Hospital	Total	
2002	\$ 3.01	\$ 1.43	\$ 3.29	\$ 4.52	\$ 12.25	\$ 0.47	\$ 0.06	\$ 0.27	\$ 0.80	\$ 13.05
2003	3.07	1.83	3.18	4.60	12.68	0.46	0.09	0.36	0.90	13.58
2004	2.47	1.75	2.95	3.50	10.67	0.50	0.07	0.27	0.84	11.51
2005	2.33	1.57	2.79	3.99	10.67	0.46	0.06	0.24	0.76	11.43
2006	2.14	1.45	2.53	3.74	9.86	0.42	0.09	0.22	0.74	10.60
2007	1.83	1.24	2.16	3.51	8.74	0.35	0.09	0.18	0.62	9.36
2008	1.62	0.72	1.91	3.19	7.44	0.31	0.09	0.16	0.56	8.00
2009	1.82	0.72	1.91	3.19	7.64	0.31	0.09	0.16	0.56	8.20
2010	1.98	0.78	1.99	3.42	8.17	0.40	0.10	0.18	0.68	8.85
2011	2.12	0.87	2.21	4.15	9.35	0.45	0.11	0.15	0.71	10.05

Source:

Snohomish County Assessor's Annual Reports

CITY OF EDMONDS, WASHINGTON
SCHEDULE 9
PRINCIPAL PROPERTY TAXPAYERS
 FOR FISCAL YEARS ENDED DECEMBER 31, 2011 AND 2004

Principal Taxpayer	2011 Assessed Valuation	Percent of 2011 Total Assessed Value	2004 Assessed Valuation	Percent of 2004 Total Assessed Value
Bel Puget Holdings LLC	\$ 25,228,040	0.44%	\$ -	0.00%
FW WA-Aurora Marketplace LLC	22,264,000	0.38%	-	0.00%
Aew sh Edmonds Landing Senior Housing LLC	19,440,000	0.34%	-	0.00%
Park 212 Apt LLC	18,554,000	0.32%	14,625,000	0.33%
Briar Development Co.	14,987,000	0.26%	9,533,400	0.21%
Stevens Pavillion LLC	13,688,000	0.24%	8,804,000	0.20%
Stephanus Paul & Barbara LLC	11,855,500	0.20%	-	0.00%
Property Management NW	11,661,500	0.20%	-	0.00%
Franklin-Edmonds LLC	10,994,000	0.19%	7,576,800	0.17%
Gre Kruger LLC	10,607,600	0.18%	-	0.00%
Equity Residential	-	0.00%	22,933,800	0.51%
Liebow , Todd S	-	0.00%	11,603,300	0.26%
Point Edward LLC	-	0.00%	9,717,700	0.22%
Edmonds Retirement Com LLC	-	0.00%	9,393,100	0.21%
Harbor Square Assoc	-	0.00%	8,200,300	0.18%
Pacific Park Apt LLC	-	0.00%	8,145,100	0.18%
Shurgard	-	0.00%	7,472,900	0.17%
Michel, Robin W & Karen	-	0.00%	7,220,300	0.16%
Puget Sound Energy/Gas	-	0.00%	6,684,952	0.15%
P Salamonsen Const. Co.	-	0.00%	6,246,314	0.14%
Verizon Northw est Inc	-	0.00%	6,137,079	0.14%
Park Edmonds Apt LLC	-	0.00%	5,815,400	0.13%
Total Principal Taxpayers	<u>159,279,640</u>	<u>2.75%</u>	<u>150,109,445</u>	<u>3.36%</u>
All Other Taxpayers	<u>5,635,364,825</u>	<u>97.25%</u>	<u>4,315,409,622</u>	<u>96.64%</u>
Total	<u>\$ 5,794,644,465</u>	<u>100.00%</u>	<u>\$ 4,465,519,067</u>	<u>100.00%</u>

Note:

Information for years prior to 2004 are not available.

Source:

Snohomish County Aessor's Office

CITY OF EDMONDS, WASHINGTON
SCHEDULE 10
RETAIL SALES TAX COLLECTIONS BY SECTOR
 LAST SIX FISCAL YEARS

Major Industry Sector	2006	2007	2008	2009	2010	2011
Unknown	\$ 26,574	\$ 26,737	\$ 12,606	\$ 6,244	\$ 33,893	\$ 69,170
Agriculture, Forestry, Fishing	1,834	1,033	1,482	1,458	1,646	1,574
Mining	61	170	444	76	298	808
Utilities	3,280	4,478	4,645	3,851	4,021	4,659
Construction	982,762	965,479	828,660	655,647	545,028	625,730
Manufacturing	40,779	59,314	67,128	61,807	55,942	55,860
Wholesale Trade	141,171	190,169	215,628	205,592	185,223	219,404
Retail Trade - Motor Vehicle and Parts Dealer	1,579,650	1,570,752	1,102,433	1,018,023	1,030,521	1,028,350
Retail Trade - Furniture and Home Furnishings	72,843	74,640	78,673	81,596	92,878	87,445
Retail Trade - Electronics and Appliances	48,473	47,232	38,700	43,864	50,631	58,030
Retail Trade - Building Material and Garden	39,999	41,953	45,537	42,346	47,191	43,452
Retail Trade - Food and Beverage Stores	192,965	203,501	211,070	218,450	225,745	218,015
Retail Trade - Health and Personal Care Store	56,494	58,696	62,468	66,063	107,829	99,429
Retail Trade - Gasoline Stations	32,566	40,459	33,834	31,362	31,516	31,059
Retail Trade - Clothing and Accessories	190,069	189,438	183,199	186,227	189,570	195,484
Retail Trade - Sporting Goods, Hobby, Books	32,915	33,036	21,737	16,777	23,108	25,492
Retail Trade - General Merchandise Stores	63,597	68,444	77,903	87,751	94,847	91,504
Retail Trade - Miscellaneous Store Retailers	208,278	198,751	203,376	198,979	201,436	185,481
Retail Trade - Nonstore Retailers	80,068	86,934	96,489	95,361	106,656	127,338
Transportation and Warehousing	10,399	15,601	9,187	8,840	9,559	11,780
Information	192,720	206,668	214,375	214,693	214,244	204,967
Finance and Insurance	33,171	28,808	33,368	26,018	23,174	30,992
Real Estate, Rental, Leasing	91,645	116,475	99,485	78,451	74,411	72,738
Prof, Sci, Technical Svcs	101,957	104,543	93,900	81,511	87,491	110,917
Admin, Supp, Remed Svcs	158,167	184,604	216,656	124,608	123,388	132,388
Educational Services	4,463	4,360	5,293	5,731	5,819	6,137
Health Care Social Assistance	45,307	41,824	35,092	33,507	36,151	44,429
Arts, Entertain, Recreation	65,307	63,678	61,298	59,814	57,339	65,243
Accommodation and Food Svcs	538,400	563,804	555,704	547,498	563,254	600,509
Other Services	155,636	180,378	178,362	164,397	181,475	175,051
Public Administration	104,545	92,873	63,598	59,457	63,984	66,808
Total Retail Sales Tax Collections	\$5,296,094	\$5,464,833	\$4,852,329	\$4,425,997	\$4,468,265	\$4,690,244

Source:

Department of Revenue.

CITY OF EDMONDS, WASHINGTON
SCHEDULE 11
SALES TAX RATE - DIRECT AND OVERLAPPING GOVERNMENTS
 LAST SEVEN FISCAL YEARS

	2005	2006	2007 ^(d)	2008 ^(e)	2009 ^(f)	2010	2011
BASIC SALES TAX RATES							
City of Edmonds	0.84%	0.84%	0.84%	0.84%	0.84%	0.84%	0.84%
Washington State	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
Snohomish County	0.15%	0.15%	0.15%	0.25%	0.25%	0.25%	0.25%
Regional Transit Authority	0.40%	0.40%	0.40%	0.40%	0.90%	0.90%	0.90%
Metro	0.80%	0.80%	0.90%	0.90%	0.90%	0.90%	0.90%
Criminal Justice	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Department of Revenue Administration Fee	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
Total Basic Combined Sales Tax Rate	8.80%	8.80%	8.90%	9.00%	9.50%	9.50%	9.50%

Notes:

Information for years prior to 2005 are not available.

^(d) Effective April 1, 2007, Snohomish County increased the local sales & use tax rate one-tenth of one percent (.001).

The tax will be used for transportation purposes.

^(e) Effective April 1, 2008, Snohomish County increased the local sales & use tax rate one-tenth of one percent (.001).

The tax will be used for chemical dependency or mental health treatment services.

^(f) Effective April 1, 2009, the Regional Transit Authority Tax increased five-tenths of one percent (.005).

The tax will be used to expand and coordinate light-rail, commuter-rail, and express bus service, and improve access to transit facilities in King, Pierce, and Snohomish Counties.

Source:

Washington State Department of Revenue Local Sales and Use Tax Rates.

CITY OF EDMONDS, WASHINGTON
SCHEDULE 12
RATIOS OF OUTSTANDING DEBT BY TYPE
 LAST TEN FISCAL YEARS

Page 1 of 2

Fiscal Year	Governmental - Activities				Business-type Activities			
	General	Capital	Public Works		Revenue	General	Public Works	Total
	Obligation Bonds	Contracts	Trust Fund Loans	Total	Bonds	Obligation Bonds	Trust Fund Loans	
2002	\$ 25,505,000	\$ 2,995,240	\$ -	\$ 28,500,240	\$ 8,105,000	\$ -	\$ -	\$ 8,105,000
2003	24,676,709	2,634,879	255,000	27,566,588	9,060,000	763,291	654,075	10,477,366
2004	23,648,601	2,259,463	321,579	26,229,643	7,935,000	736,399	1,415,250	10,086,649
2005	22,661,984	2,142,255	688,436	25,492,675	7,485,000	778,541	2,045,486	10,309,027
2006	22,118,142	2,041,259	775,243	24,934,644	6,315,000	717,551	2,006,948	9,039,499
2007	21,589,831	1,853,702	1,225,662	24,669,195	4,425,000	4,404,404	1,888,238	10,717,642
2008	20,204,446	1,702,428	1,184,699	23,091,573	3,620,000	4,199,863	2,102,253	9,922,116
2009	18,719,223	1,546,238	1,112,498	21,377,959	3,255,000	3,988,916	2,944,046	10,187,962
2010	17,157,406	1,390,871	1,040,296	19,588,573	2,870,000	3,767,595	2,748,774	9,386,369
2011	15,520,201	1,229,863	968,095	17,718,159	13,720,000	3,554,800	2,563,901	19,838,701

Note:

Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.

Source:

Notes to the Financial Statements

Page 2 of 2

Total Primary Government	Percentage of Personal Income	Per Capita	Population	Per Capita Income
\$ 36,605,240	2.95%	\$ 928	39,460	\$ 31,495
38,043,954	3.04%	961	39,580	31,650
36,316,292	1.60%	522	69,620	32,591
35,801,702	1.57%	512	69,860	32,591
33,974,143	2.58%	842	40,360	32,591
35,386,837	2.57%	872	40,560	33,999
33,013,689	2.04%	810	40,760	39,792
31,565,921	1.74%	772	40,900	44,309
28,974,942	1.70%	730	39,709	42,807
37,556,860	2.20%	944	39,800	42,807

CITY OF EDMONDS, WASHINGTON
SCHEDULE 13
RATIO OF GENERAL BONDED DEBT OUTSTANDING
 LAST TEN FISCAL YEARS

Year	Population	Assessed Value (in Thousands)	Gross Bonded Debt	Debt Service Monies Available	Net Bonded Debt	Ratio Net Bonded Debt to AV	Net Bonded Debt per Capita
2002	39,460	\$ 3,318,312	\$ 25,505,000	\$ -	\$ 25,505,000	0.77%	\$ 646
2003	39,580	3,320,328	25,440,000	-	25,440,000	0.77%	643
2004	39,620	4,465,519	24,685,000	-	24,685,000	0.55%	623
2005	39,860	5,430,060	23,440,525	-	23,440,525	0.43%	588
2006	40,360	6,612,374	22,835,693	-	22,835,693	0.35%	566
2007	40,560	7,615,549	25,994,235	-	25,994,235	0.34%	641
2008	40,760	7,712,463	24,404,309	-	24,404,309	0.32%	599
2009	40,900	6,966,518	22,708,139	-	22,708,139	0.33%	555
2010	39,709	6,433,259	20,925,001	-	20,925,001	0.33%	527
2011	39,800	5,794,644	19,075,001	-	19,075,001	0.33%	479

Source:

Snohomish County Assessor's Office, and Notes to the Financial Statements.

CITY OF EDMONDS, WASHINGTON
SCHEDULE 14
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
 DECEMBER 31, 2011

Jurisdiction	Net Debt Outstanding	Percentage Applicable to Edmonds	Amount Applicable to Edmonds
City of Edmonds	\$ 21,272,959	100.00%	\$ 21,272,959
Total Direct Debt	<u>21,272,959</u>	<u>100.00%</u>	<u>21,272,959</u>
Local School	231,575,000	32.73%	75,804,978
County	274,404,971	7.51%	20,596,263
Hospital	8,000,000	30.39%	2,431,524
Port	14,531,536	87.05%	12,649,783
Total Overlapping Debt	<u>528,511,507</u>	<u>21.09%</u>	<u>111,482,548</u>
Total Direct and Overlapping Debt	<u>\$ 549,784,466</u>	<u>24.15%</u>	<u>\$ 132,755,507</u>

Applicable percentage determined by the ratio of assessed value of taxable property in overlapping unit to valuation of property subject to taxation in the City of Edmonds.

Source:

Notes to the Financial Statements, Snohomish County, Verdant Health, and the Port of Edmonds.

General Obligation Debt:

<i>Governmental Activities</i>	\$ 15,520,201
<i>Business-Type Activities</i>	<u>3,554,800</u>
<i>Total General Obligation Debt</i>	19,075,001

Other Debt:

<i>Public Works Trust Fund Loans</i>	968,095
<i>Capital Contracts</i>	<u>1,229,863</u>
<i>Total Debt Outstanding</i>	<u>\$ 21,272,959</u>

CITY OF EDMONDS, WASHINGTON
SCHEDULE 15
COMPUTATION OF LEGAL DEBT MARGIN
 LAST TEN FISCAL YEARS

Page 1 of 2

	2002	2003	2004	2005	2006
Total Taxable Property Value	\$3,318,312,127	\$4,465,519,067	\$4,819,291,927	\$5,430,059,642	\$6,665,146,142
(1) 2.5% Limit for General Purposes is allocated between (2) councilmanic and (8) voted	82,957,803	111,637,977	120,482,298	135,751,491	166,628,654
(2) <i>Up to 1.5% debt without a vote (councilmanic)</i>	49,774,682	66,982,786	72,289,379	81,450,895	99,977,192
(3) Less: outstanding debt	(17,185,000)	33,756,709	(15,990,000)	(15,510,525)	(15,400,693)
(4) Less: contracts payable	(4,866,776)	(5,344,846)	(5,602,104)	(6,510,245)	(7,361,940)
(5) Less: excess of debt with a vote	-	-	-	-	-
(6) Add: available assets	644,594	501,868	350,743	322,816	1,221,281
(7) Equals: remaining debt capacity without a vote	28,367,500	95,896,517	51,048,018	59,752,940	78,435,840
(8) <i>1% general purposes debt with a vote</i>	33,183,121	44,655,191	48,192,919	54,300,596	66,651,461
(9) Less: outstanding debt	(8,320,000)	(8,825,000)	(8,395,000)	(7,930,000)	(7,435,000)
(10) Less: contracts payable	-	-	(9,196)	-	-
(11) Add: available assets	-	-	-	-	-
(12) Equals: remaining debt capacity with a vote	24,863,121	35,830,191	39,788,723	46,370,596	59,216,461
(13) 2.5% Utility purpose limit, voted	82,957,803	111,637,977	120,482,298	135,751,491	166,628,654
(14) Less: outstanding debt	-	-	-	-	-
(15) Less: contracts payable	-	-	-	-	-
(16) Add: available assets	-	-	-	-	-
(17) Equals: remaining debt capacity - utility purposes, voted	82,957,803	111,637,977	120,482,298	135,751,491	166,628,654
(18) 2.5% Open space, park and capital facilities, voted	82,957,803	111,637,977	120,482,298	135,751,491	166,628,654
(19) Less: outstanding debt	-	-	-	-	-
(20) Less: contracts payable	-	-	-	-	-
(21) Add: available assets	-	-	-	-	-
(22) capital facilities, voted	82,957,803	111,637,977	120,482,298	135,751,491	166,628,654

Source:

Schedule 10 to the Financial Statements.

2007	2008	2009	2010	2011
\$7,615,549,203	\$7,709,209,490	\$6,955,482,717	\$6,433,258,853	\$5,794,644,465
190,388,730	192,730,237	173,887,068	160,831,471	144,866,112
114,233,238	115,638,142	104,332,241	96,498,883	86,919,667
(13,999,235)	(18,104,309)	(17,048,139)	(15,935,001)	(14,800,001)
(7,373,461)	(7,224,306)	(6,199,329)	(5,564,861)	(5,969,425)
-	-	-	-	-
1,107,376	267,469	370,148	380,699	483,678
93,967,918	90,576,996	81,454,921	75,379,720	66,633,919
76,155,492	77,092,095	69,554,827	64,332,589	57,946,445
(6,895,000)	(6,300,000)	(5,660,000)	(4,990,000)	(4,275,000)
-	-	-	-	-
-	-	-	-	-
69,260,492	70,792,095	63,894,827	59,342,589	53,671,445
190,388,730	192,730,237	173,887,068	160,831,471	144,866,112
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
190,388,730	192,730,237	173,887,068	160,831,471	144,866,112
190,388,730	192,730,237	173,887,068	160,831,471	144,866,112
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
190,388,730	192,730,237	173,887,068	160,831,471	144,866,112

CITY OF EDMONDS, WASHINGTON
SCHEDULE 16
REVENUE BOND COVERAGE
WATER AND SEWER BONDS
LAST TEN FISCAL YEARS

Year	Gross Revenue ¹	Direct Operating Expenses ²	Net Revenue Available for Debt Service	Debt Service Requirement			Coverage
				Principal	Interest	Total	
2002	\$10,875,368	\$ 8,169,783	\$ 2,705,585	\$ 990,000	\$ 507,588	\$ 1,497,588	1.81%
2003	11,820,916	8,527,717	3,293,199	1,105,000	255,397	1,360,397	2.42%
2004	11,598,339	9,162,022	2,436,317	1,125,000	305,850	1,430,850	1.70%
2005	12,933,748	8,922,431	4,011,317	1,150,000	279,830	1,429,830	2.81%
2006	13,230,523	9,205,572	4,024,951	1,170,000	249,955	1,419,955	2.83%
2007	13,550,154	9,766,470	3,783,684	1,190,000	218,168	1,408,168	2.69%
2008	13,735,817	10,346,521	3,389,296	805,000	183,196	988,196	3.43%
2009	14,666,492	11,038,947	3,627,545	365,000	156,076	521,076	6.96%
2010	14,470,485	11,033,523	3,436,962	385,000	141,276	526,276	6.53%
2011	15,815,763	11,387,667	4,428,096	400,000	125,051	525,051	8.43%

Notes:

Bond financing requirements are that the average annual coverage is at least 1.25 times the average annual debt service for Water and Sewer revenue bonds.

¹ Includes operating and non-operating revenue.

² Excludes depreciation.

Source:

Published Financial Statements.

CITY OF EDMONDS, WASHINGTON
SCHEDULE 17
DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN YEARS

Year	Population ¹	Personal Income (thousands of dollars)	Per Capita Income ²	Median Age ²	School Enrollment ³	Unemployment Rate ⁴
2002	39,460	\$ 1,242,793	\$ 31,495	42.0	5,184	7.0%
2003	39,580	1,252,707	31,650	42.0	5,184	7.1%
2004	39,620	1,291,255	32,591	42.0	5,184	5.7%
2005	39,860	1,299,077	32,591	42.0	5,020	5.1%
2006	40,360	1,315,373	32,591	42.0	5,541	4.6%
2007	40,560	1,378,999	33,999	42.0	5,683	3.9%
2008	40,760	1,621,922	39,792	44.2	5,537	7.1%
2009	40,900	1,812,238	44,309	45.8	5,537	9.5%
2010	39,709	1,699,823	42,807	46.3	5,053	8.7%
2011	39,800	1,703,719	42,807	46.3	4,973	8.3%

Source:

¹ Information provided by Washington State Office of Financial Management

² Information provided by factfinder2.census.gov

³ Information provided by Edmonds School District

⁴ Information provided by U.S. Department of Labor

CITY OF EDMONDS, WASHINGTON
SCHEDULE 18
PRINCIPAL EMPLOYERS
 FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2006

Princial Employers	2011 Full & Part-Time Employment	Percentage of Total City Employees	2006 Full & Part-Time Employment	Percentage of Total City Employees
Swedish (Stevens) Memorial Hospital	1,280	10.12%	1,500	9.68%
Edmonds School District	564	4.46%	165	1.06%
City of Edmonds	249	1.97%	330	2.13%
Aldercrest	160	1.26%	160	1.03%
Anthony's Restaurants	141	1.11%	141	0.91%
Edmonds Family Medicine	133	1.05%	-	0.00%
Edmonds Rehabilitation	120	0.95%	120	0.77%
PCC Natural Markets	115	0.91%	-	0.00%
Top Foods	114	0.90%	122	0.79%
Lynnwood Honda	100	0.79%	-	0.00%
Safeway	-	0.00%	108	0.70%
Fred Meyer/QFC	-	0.00%	84	0.54%
Burlington Coat Factory	-	0.00%	73	0.47%
Total Principal Employers	2,976	23.52%	2,803	18.09%
Other Employers	9,677	76.48%	12,693	81.91%
Total Employment	12,653	100.00%	15,496	100.00%

Note:

Information for years prior to 2006 is not available.

Source:

Eden Business Licensing, Claritas, Snohomish County EDC, Puget Sound Regional Council, AllBusiness.com

CITY OF EDMONDS, WASHINGTON
SCHEDULE 19
CITY EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN CALENDAR YEARS

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental Activities										
General Government										
City Council	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Mayor/City Clerk	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Economic Development	0.0	0.0	1.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0
Human Resources	2.5	2.4	1.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Administrative Services	13.0	10.7	11.0	11.0	11.0	11.0	11.0	9.0	9.0	9.0
Facilities	13.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Equipment Rental	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0
	39.0	34.6	35.0	35.5	35.5	35.5	35.5	32.5	31.5	31.5
Judicial										
Municipal Court	6.0	6.0	7.5	7.5	7.5	8.5	8.5	8.5	8.5	7.0
Public Safety										
Police	72.5	69.0	69.0	70.0	73.0	69.0	69.0	69.0	69.0	64.0
Fire	44.5	51.0	53.0	53.0	54.0	54.0	54.0	54.0	0.0	0.0
	117.0	120.0	122.0	123.0	127.0	123.0	123.0	123.0	69.0	64.0
Physical Environment										
Development Services	28.5	24.5	28.8	28.8	26.8	27.1	27.1	16.1	16.0	15.0
Economic Environment										
Community Services	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Culture and Recreation										
Parks	23.0	23.0	23.0	23.0	23.0	22.9	22.9	22.9	22.0	22.0
Transportation										
Streets	8.0	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Total Governmental Activities	223.5	217.6	225.8	227.3	229.3	226.5	226.5	212.5	156.5	149.0
Business-type Activities										
Combined Utility										
Public Works Administration	4.0	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Storm	8.0	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	8.5
Water/Sewer/Treatment Plant	32.0	34.5	34.5	34.5	34.5	34.5	34.5	34.5	34.5	33.5
Engineering	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.0	11.0	11.0
Total Business-type Activities	44.0	44.5	44.5	44.5	44.5	44.5	44.5	55.5	55.5	55.5
Grand Total	267.5	262.1	270.3	271.8	273.8	271.0	271.0	268.0	212.0	204.5

Source:

City Budget Books

CITY OF EDMONDS, WASHINGTON
SCHEDULE 20
OPERATING INDICATORS BY FUNCTION/PROGRAM
 LAST SEVEN FISCAL YEARS

Function/Program	2005	2006	2007	2008	2009	2011
General government services						
Finance						
General Business Licenses	1,857	1,922	1,920	2,002	1,767	1,796
Non-resident Business Licenses	950	930	982	1,127	1,031	2,896
Judicial						
Municipal Court						
Total filings (infraction, parking, criminal)	5,318	7,194	6,010	7,782	7,853	7,919
Public Safety						
Police						
Dispatched calls	23,519	23,530	23,104	22,320	21,352	21,027
Traffic citations and infractions	3,328	4,139	4,058	5,803	5,379	5,288
Adult arrests	1,310	1,448	1,389	1,565	1,455	1,543
Juvenile arrests	213	208	245	219	178	172
Animal control incidents	1,227	1,547	1,388	1,108	1,483	1,370
Crimes per 1,000 residents	36.4	35.0	26.0	25.4	25	26
Fire/EMS ¹						
EMS	3,691	3,522	3,669	3,555	3,470	3,979
False Alarm	286	260	229	238	236	342
Fire	127	143	135	104	87	92
Good Intent Call	631	791	747	396	523	427
Hazardous Condition	78	139	150	105	91	72
Rupture / Explosion	15	8	13	8	6	8
Service Call	224	285	216	264	341	251
Special Type	13	8	8	3	9	8
Other	0	15	11	0	0	0
Physical Environment						
Engineering & construction services						
Permits issued	1,256	1,187	1,253	1,028	920	1,072
Inspections	8,848	6,645	5,853	4,267	3,908	3,262
Economic Environment						
Community services						
Planning						
Code enforcement actions	680	619	733	577	385	371
Animal Services						
Adoptions	64	37	70	77	43	34
Returned to Owner	211	200	201	159	146	164
Culture and recreation						
Aquatics participants	19,147	20,582	21,584	22,047	26,759	16,474
Athletics (Adult) participants	2,246	2,422	2,184	2,294	2,188	2,337
Gymnastics participants	1,473	1,424	1,651	1,520	1,793	1,529
Fitness participants	2,184	2,108	1,853	2,548	3,013	3,242
Special Events participants	9,001	9,105	9,129	9,354	7,883	9,592
Transportation						
Number of paving projects	84	58	53	63	95	135
Street patching/paving (in sq ft)	5,168	5,711	3,422	8,232	4,267	3,353
Curbs and gutters replaced (in lineal ft)	67	35	35	27	38	193
Sidewalks replaced (in sq ft)	2,689	2,261	2,257	2,900	3,580	6,661
Water/Sewer						
Water						
New connections	27	11	8	20	n/a	8
Water main breaks	22	15	8	5	n/a	10
Average daily consumption (mgd) - finished water	3.2	3.3	3.1	3.0	3.0	3.5
Peak daily consumption (mgd) - finished water	3.2	4.6	n/a	n/a	n/a	n/a
Treated water delivered (mg)	1,162	1,192	1,138	1,122	n/a	1,085
Water customers served by system	10,14	9,998	10,031	10,058	10,086	10,139
Sewer						
Average daily sewage treated (mg)	5.3	6.2	5.3	5.5	5.6	5.8
Sewage treated (mg)	1,945	2,249	1,938	2,022	2,043	2,112

Note:

Information for years prior to 2005 are not available, as well as information for 2010.

¹ Figures for Fire/EMS reflect information provided under contract with Snohomish County Fire District No. 1 Effective 2010.

Sources:

Various city departments and the City Budget.

CITY OF EDMONDS, WASHINGTON
SCHEDULE 21
CAPITAL ASSET STATISTIC BY FUNCTION/PROGRAM
 LAST SEVEN FISCAL YEARS

Function/Program	2005	2006	2007	2008	2009	2011
Public Safety						
Police stations	1	1	1	1	1	1
Police vehicles	33	33	33	33	33	43
Fire stations	3	3	3	3	3	3
Fire engines (pumpers)	3	3	3	3	3	3
Aerial ladder trucks	1	1	1	1	1	1
Emergency Medical Units	5	5	5	5	5	5
Public safety boat	0	1	1	1	1	1
Transportation						
Paved streets (in miles)	128	128	128	128	128	128
Other Improved streets (in miles)	6	6	6	6	6	6
Unimproved streets (in miles)	1	1	1	1	1	1
Signalized intersections	20	20	20	20	20	20
Community services						
Animal shelter	1	1	1	1	1	1
Senior center	1	1	1	1	1	1
Cemetery	1	1	1	1	1	1
Culture and recreation						
Number of parks	46	47	47	47	47	47
Number of playgrounds	13	13	13	13	13	15
Total acreage owned/managed by City	238.1	243.7	243.7	243.7	243.7	243.7
Public swimming pool	1	1	1	1	1	1
Water/Sewer						
Water						
Water mains (miles)	179	179	179	179	179	179
Fire hydrants	1,086	1,086	1,086	1,086	1,086	1,167
Water storage capacity (within city)(in mg)	7.5	7.5	7.5	7.5	7.5	7.5
Sewer						
Sanitary sewers (miles)	186	186	186	186	186	186
Storm sewers (miles)	120	120	120	120	120	120
Treatment capacity per day (mgd)	21.5	21.5	21.5	21.5	21.5	21.5

Note:

Information for years prior to 2005 are not available, as well as information for 2010.

Sources:

Various city departments and the City Budget.



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