

City of Edmonds, Washington
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended December 31, 2013



by Janine Harles

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



The City of Edmonds, Washington

**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT**

For the Year Ended December 31, 2013

DAVE EARLING, MAYOR

EDMONDS CITY COUNCIL

Lora Petso, Council President

Kristiana Johnson Adrienne Fraley-Monillas

Strom Peterson Diane Buckshnis

Frank Yamamoto Joan Bloom

Prepared By

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2013

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June 27, 2014

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

I am pleased to provide the Comprehensive Annual Financial Report of the City of Edmonds for the fiscal year ended December 31, 2013. This report is published annually as the official annual financial report and complies with State law (RCW 43.09.230) requiring annual reports for Washington municipal governments to be certified and filed with the Washington State Auditor's Office.

As management for the City, we are responsible for both the accuracy of the data, and the completeness and fairness of the presentation, including all related disclosures. The City operates under a system of accounting internal controls that are concerned with the safeguarding of assets and the reliability of financial records. The definition of accounting control assumes reasonable, but not absolute, assurance that the objectives expressed in it will be accomplished by the system. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits expected to be derived.

Cities and counties of the State of Washington use the Budgeting, Accounting and Reporting System (BARS) developed and prescribed by the Office of the State Auditor. State law provides for an annual independent audit to be conducted by the Office of the State Auditor. This report includes the auditor's opinion with respect to the city's financial statements.

Generally Accepted Accounting Principles (GAAP) requires 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. The City of Edmonds' MD&A can be found immediately following the independent auditor's report.

Profile of the Government

The City of Edmonds, incorporated in 1890, is located within Snohomish County and is 15 miles north of Seattle. Edmonds is the twenty-sixth largest city in the State, currently occupies a land area of 9 square miles and serves a population of 39,950. 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.

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.

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, the Snohomish County Emergency Radio System (SERS), and the Southwest Snohomish County Public Safety Communications Agency (SNOCOM). 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.

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 over 5,600 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.

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. Development related revenues, employment and economic activity in the Puget Sound region began to decline significantly. Unemployment in the Seattle metro area in 2007 increased from 3.5% to 10.4% in 2011. In response to the economic malaise, the City implemented a spending freeze, vacant positions were left unfilled, and merit increases for non-represented employees were eliminated.

Financial indicators were mixed between 2010 through 2013, with assessed valuation for property taxes declining and sales tax revenues increasing. Home sales activity increased but home prices continued to decline.

The good news is that the economy continues to show signs of a healthy recovery. Unemployment in Snohomish County is currently 4.9%, a dramatic improvement from just a year ago. The housing and other markets are also showing signs of recovery.

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.

Revenue growth is predicted to continue at a moderate pace in the future but not at the rate experienced in the late 1990's and early 2000's. There remains the challenge to control costs and predict future health care costs. As Edmonds moves forward, economic conditions will be continually monitored and if necessary, adjustments to City spending and services will be 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 adopted a contingency reserve policy in 2012, which established additional reserves to help mitigate future economic fluctuations in the City's largest revenue sources. The City continues to conduct a strategic planning process 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.

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 2013 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 2013. 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 2013.

B. ACKNOWLEDGMENTS

The preparation of the Comprehensive Annual Financial Report on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the finance department. I would like to express my appreciation to: Debra Sharp and Sarah Mager. Staff would like to express our gratitude to the Mayor and Council for their continued interest and support in planning and conducting the financial operations of the City in a dedicated and responsible manner.

Sincerely,



Scott James, CPA
Finance Director

CITY OF EDMONDS PUBLIC OFFICIALS

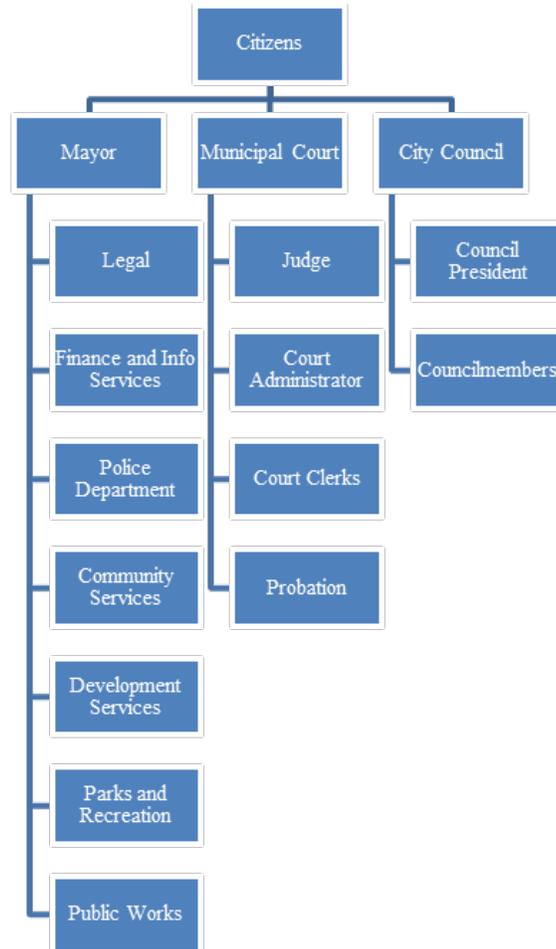
ELECTED OFFICIALS

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

APPOINTED OFFICIALS

Finance Director: Roger Neumaier
Shawn Hunstock, February 19,2013
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 Troy Kelley

INDEPENDENT AUDITOR'S REPORT

June 27, 2014

Mayor and City Council
City of Edmonds
Edmonds, Washington

REPORT ON FINANCIAL STATEMENTS

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, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, 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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Matters of Emphasis

As described in Note 1, during the year ended December 31, 2013, the City has implemented the Governmental Accounting Standards Board Statement No. 65, Items Previously Reported as Assets and Liabilities. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 16, information on postemployment benefits other than pensions on pages 79 through 80 and pension trust fund information on pages 79 through 80 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying information listed as combining financial statements and supplementary information on pages 82 through 136 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 are presented for purposes of additional analysis and is not a required part of the basic financial statements of the City. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated June 26, 2014, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the City's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,



TROY KELLEY
STATE AUDITOR



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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, 2013. 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, 2013 the City's net position, the amount by which total assets exceeded total liabilities, totaled \$154.3 million. Of this amount, \$113 million is invested in capital assets, such as land, buildings, and infrastructure net of related debt, \$16.1 million is restricted for debt service, construction, and various other purposes and the remaining Net Position of \$25.2 million is unrestricted.
- The City's total net position increased by \$8.2 million or 5.6% in 2013. Governmental activities increased by \$6.1 million and business-type activities increased by \$2.1 million.
- Governmental funds reported a combined ending fund balance of \$18.6 million; a \$3.6 million increase over the prior year. Of this amount, \$13.2 million is unassigned and available to fund ongoing activities. The unassigned fund balance of \$13.2 million represents 41.2% of total 2013 general fund expenditures.
- Total capital assets increased by \$6.4 million or 4.6% in 2013.
- Total debt increased by a net of \$12.1 million during the current fiscal year. Outstanding bonded debt, loans, and long term contracts at year-end totaled \$46.7 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 Position 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 nonmajor funds presented in total in one column.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Edmonds basic financial statements. The basic financial statements are comprised of three components:

- 1) government-wide financial statements,
- 2) fund financial statements, and
- 3) notes to the financial statements.

In addition to the required components, the City's annual report also includes other supplementary information. The first set of supplementary information is the Combining Statements. These provide Balance Sheets, Statement of Revenues, Expenditures, and Changes in Fund Balances with Budget to Actual Comparisons, Statement of Net Position, and Cash Flows for all Non-Major Proprietary Funds. The other set of supplementary information is the Statistical Section. This section provides multi-year views of the City's revenues, expenditures, debt obligations and capacity, the City's largest taxpayers, and those entities with the largest employment within the City of Edmonds. This section provides a long-term perspective on the City's economy.

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 Position** 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 position 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 nonmajor funds is presented in the aggregate.

The City's main operating fund is the general fund. However, the City maintains many accounts and six subfunds within the general fund. The remaining governmental funds are combined into a single column labeled nonmajor government funds. Individual fund data for each of the nonmajor governmental funds can be found in combining statements later on in this report.

The City maintains control over its operating funds through the adoption of an annual budget. Budgets are adopted at the fund level and according to state law. A budgetary comparison is presented for the General Fund as a basic financial statement.

The basic governmental fund financial statements can be found after the government-wide statements of 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.

The basic proprietary fund financial statements can be found following the governmental fund statements of this report.

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 Position and a Statement of Changes in Fiduciary Net Position as part of the basic financial statements.

The basic fiduciary fund financial statements can be found following the proprietary fund statements of this report.

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 11.

Government-wide Financial Analysis

This section provides analysis of the government-wide financial statements including long-term and short-term information about the City's overall financial condition. The following tables address the financial results of the City as a whole.

The following table is a condensed version of the 2013 government-wide statement of net position with a comparison to 2012:

Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	As of 12/31/13	As of 12/31/12	As of 12/31/13	As of 12/31/12	As of 12/31/13	As of 12/31/12
Current and other assets	\$ 33,128,272	\$ 28,888,817	\$ 28,621,684	\$ 19,478,622	\$ 61,749,956	\$ 48,367,439
Capital assets, net of accumulated depreciation	71,043,192	72,037,041	75,306,543	67,838,217	146,349,735	139,875,258
Total assets	104,171,464	100,925,858	103,928,227	87,316,839	208,099,691	188,242,697
Long-term Liabilities	17,031,190	19,044,977	33,966,367	19,600,092	50,997,557	38,645,069
Other liabilities	1,528,943	2,183,815	1,498,037	1,284,828	3,026,980	3,468,643
Total liabilities	18,560,133	21,228,792	35,464,404	20,884,920	54,024,537	42,113,712
Net Position						
Invested in capital assets, net of related debt	61,978,358	61,259,051	51,071,627	55,063,391	113,049,985	116,322,442
Restricted	4,923,480	3,793,023	11,138,901	7,409,482	16,062,381	11,202,505
Unrestricted	18,540,155	14,644,992	6,363,897	3,959,046	24,904,052	18,604,038
Total Net Position	\$ 85,441,993	\$ 79,697,066	\$ 68,574,425	\$ 66,431,919	\$ 154,016,418	\$ 146,128,985

Analysis of Net Position

Total net position of the primary government of \$154.3 million (assets in excess of liabilities) at December 31, 2013 increased \$8.2 million or 5.6% compared to December 31, 2012. The increase is mainly due to governmental activities which contributed 73.9% or \$6.1 million of the increase.

The largest component of the City's net position, \$113 million, or 73.3%, 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.

Approximately \$9.3 million of the primary government's total net position are restricted for construction projects to renovate or improve the City's buildings, parks, street and utilities infrastructure. The remaining balance of net position is primarily allocated to restrictions for debt service payments, transportation improvements, and other purposes in the amount of \$6.8 million and unrestricted net position of \$25.2 million. The business-type unrestricted assets of \$6.4 million may only be spent on utility activities. Other functions of the City may access the governmental unrestricted assets of \$18.8 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.

Unrestricted net position of the City's business-type activities, totaling \$6.4 million, represent the portion of unrestricted net position 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 position is \$4.9 million and are restricted for purposes such as debt service, public safety and other purposes.

The remaining net position 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 Position

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

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

Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Revenues:						
Program revenues:						
Charges for services	\$ 9,149,875	\$ 8,713,374	\$ 16,630,405	\$ 15,970,380	\$ 25,780,280	\$ 24,683,754
Operating grants and contributions	973,007	\$ 1,324,353	161,294	53,743	1,134,301	1,378,096
Capital grants and contributions	2,566,575	\$ 1,942,259	1,447,298	1,052,305	4,013,873	2,994,564
General revenues:						
Property tax	13,474,665	\$ 13,382,296	-	-	13,474,665	13,382,296
Retail sales and use tax	6,104,618	\$ 5,637,393	-	-	6,104,618	5,637,393
Interfund utility tax	1,709,124	\$ 1,527,310	-	-	1,709,124	1,527,310
Utility tax	4,722,333	\$ 4,813,324	-	-	4,722,333	4,813,324
Excise tax	2,120,330	\$ 1,819,610	-	-	2,120,330	1,819,610
Payments from component unit	325,693	\$ 404,161	-	-	325,693	404,161
Investment earnings	3,926	\$ 22,565	31,492	22,786	35,418	45,351
Miscellaneous revenue	125,781	\$ 64,315	38,039	-	163,820	64,315
Gain on sale of capital assets	46,987	\$ (148,542)	-	-	46,987	(148,542)
Total revenues	41,322,914	\$ 39,502,418	18,308,528	17,099,214	59,631,442	56,601,632
Expenses:						
General government	7,586,841	\$ 7,860,158	-	-	7,586,841	7,860,158
Public safety	17,604,167	\$ 17,490,480	-	-	17,604,167	17,490,480
Transportation	4,445,078	\$ 3,922,273	-	-	4,445,078	3,922,273
Physical environment	1,502,516	\$ 1,546,080	-	-	1,502,516	1,546,080
Culture and recreation	3,941,859	\$ 4,237,656	-	-	3,941,859	4,237,656
Economic environment	1,072,629	\$ 1,011,062	-	-	1,072,629	1,011,062
Health and human services	8,558	\$ 12,168	-	-	8,558	12,168
Interest on long-term debt	191,155	\$ 760,142	-	-	191,155	760,142
Combined utility fund	-	\$ -	15,845,552	15,258,298	15,845,552	15,258,298
Total expenses	36,352,803	\$ 36,840,019	15,845,552	15,258,298	52,198,355	52,098,317
Increase in net position before transfers	4,970,111	\$ 2,662,399	2,462,976	1,840,916	7,433,087	4,503,315
Transfers	1,067	\$ 565,628	(1,067)	(565,628)	-	-
Change in net position	4,971,178	\$ 3,228,027	2,461,909	1,275,288	7,433,087	4,503,315
Net position-beginning of period	79,697,066	\$ 76,690,742	66,431,919	65,558,827	146,128,985	142,249,569
Prior Period Adjustment	(109,906)	\$ (221,703)	-	(402,196)	(109,906)	(623,899)
ADJUSTMENT FOR ADOPTION OF GASB 62 and GASB 65 (NOTE 1)	883,655	\$ -	(319,403)	-	564,252	-
Net position-end of period	\$ 85,441,993	\$ 79,697,066	\$ 68,574,425	\$ 66,431,919	\$ 154,016,418	\$ 146,128,985

Analysis of the Change in Net Position

Total government-wide revenues of the primary government increased \$3.0 million or 5.3% and total expenses decreased \$205,912 or 0.4% for the prior year. These changes are discussed in more detail below.

Governmental Activities:

Governmental activities contributed \$6.1 million or 73.9% of the total change in net position of \$8.2 million. The increase is mainly due to revenues exceeding expenses.

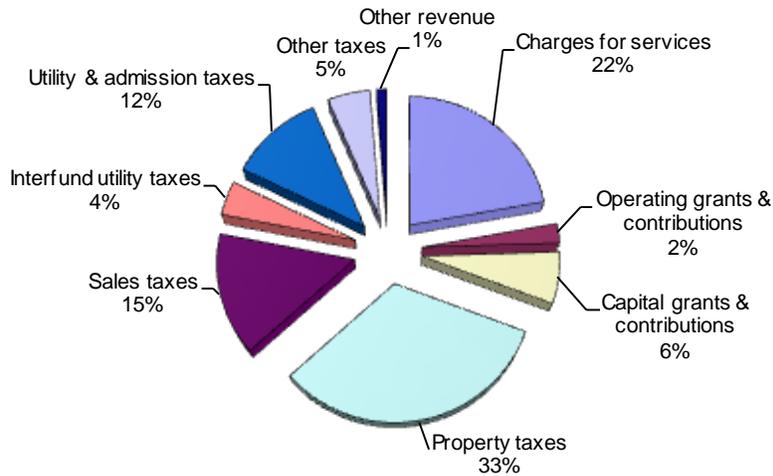
Total revenues for governmental activities increased \$1.8 million or 4.6%. The increase is mainly due to increased tax revenues:

- Property tax revenue increased \$92,369, or .7%.
- Sales tax collections increased by \$467,225, or 8.3%.
- Utility taxes declined by \$90,991 or -1.9%.
- Real Estate Excise Tax (REET) revenue increased by \$300,720, or 16.5%.

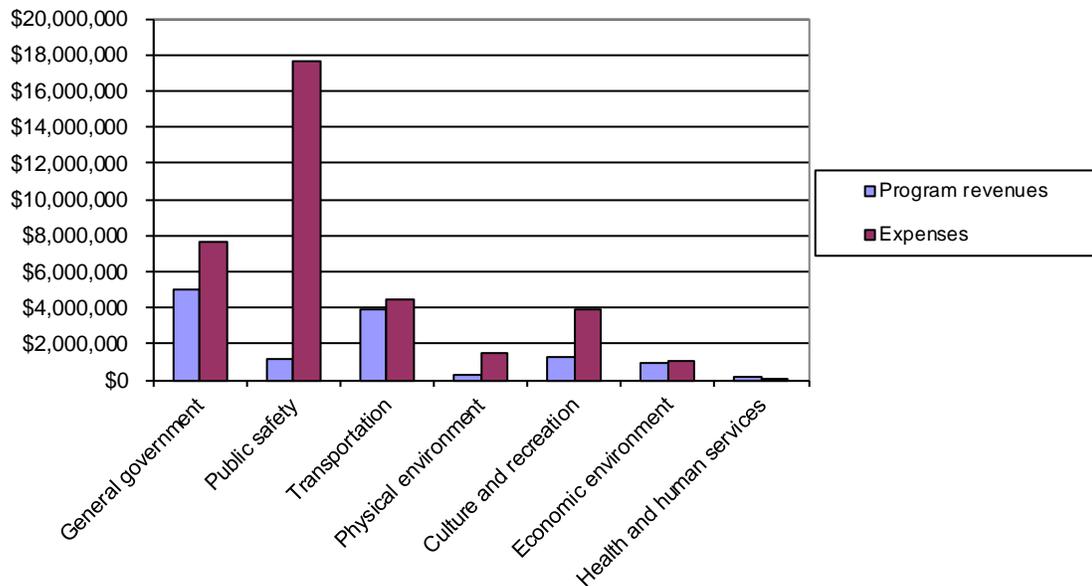
Governmental activity expenses decreased by \$793,166, or 2.2 %. The decrease reflected the desire of City administration to adapt spending patterns to actual revenue collections throughout the year.

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

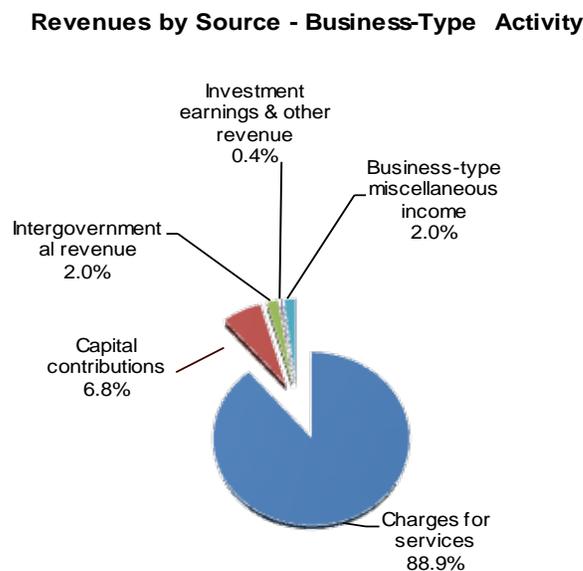


Business-type activities net position increased by \$2,142,506. Key components of this increase include:

- Net Income (Change in Net Position) went up by \$1,186,621, or 93% from 2012. In 2013, this change was \$2,461,909, and with the adjustments for adoption of new accounting standards decreased fund balance by \$319,403, this totals the increase of \$2,146,506 for business-type activities.
- Business-type activities expenses increased by \$587,254, or 3.8%, from 2012.
- Net transfers-in totaled \$1,067. 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 position 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 position are not available to support the ongoing expenses of the funds.

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



Financial Analysis of Governments Funds

As noted earlier, the City of Edmonds uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

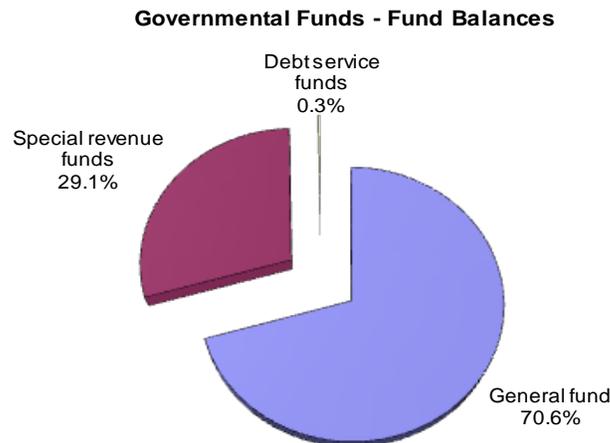
Governmental funds

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, 2013, the City's governmental funds had combined fund balances of \$18,647,446 an increase of \$3,610,162 or 24%. Approximately 71% or \$13.1 million of this amount constitutes unrestricted General Fund balance, which is available for spending at the City Council's discretions. The remainder of the fund balance is restricted to indicate that it is not available for new spending because it has already been committed for debt service payments, public safety, transportation, recreation and other purposes.

The General Fund is the primary operating fund of the City. Total fund balance increased \$2.5 million or 23%. The increase in fund balance is mainly due to an increase development related revenues and increases in property and sales tax receipts.

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



Proprietary funds

The City of Edmonds Proprietary funds provide the same type of information found in the government-wide statements, but in more detail. Unrestricted net position of the combined utility funds at the end of the year amounted to \$6.4 million. The total change in net position for the three funds was \$2.1 million increase.

General Fund Budgetary Highlights

The budget is developed to study and review the City's financial direction. It outlines how financial resources will be managed during the upcoming fiscal year; the course can be changed through the allocation of resources. Major groups that participate in the budget process are the Mayor, City Council, Department directors, Managers, and interested Edmonds citizens.

The 2013 budget was amended to include an additional \$638,875 in appropriations. The majority of this difference was due to increasing transfers to other funds.

A comparison of the actual performance of the general fund on a budgetary basis to the final budget indicates that the total revenues were more than budgeted total revenues by \$1,604,124. This was due to an increases in retail sales and use tax, charges for services, and an increase in licenses and permits among others.

Expenditures were approximately \$1.7 million below budget, the largest savings were due to salary and benefits of \$137,457, professional services of \$492,215, intergovernmental services of \$319,916, and the remaining \$744,020 was due to various other expense line items.

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, 2013 totaled \$146.3 million (net of accumulated depreciation), an increase of \$6.4 million

from 2012. 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:

- Improvements were incurred during the year, resulting in an increase in governmental activities of \$3.2 million. The majority is due to projects related to the 75th and 76th Walkway Program.
- \$2.3 million was spent by proprietary funds on capital projects during the year. The largest additions were the result of waterline replacements.

A summary of the City's net position follows:

Summary of Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	As of 12/31/13	As of 12/31/12	As of 12/31/13	As of 12/31/12	As of 12/31/13	As of 12/31/12
Land	\$ 14,530,663	\$ 14,530,663	\$ 1,257,106	\$ 1,257,106	\$ 15,787,769	\$ 15,787,769
Building	11,190,598	11,942,436	20,877,327	21,581,600	32,067,925	33,524,036
Improvements other than buildings	10,065,705	6,794,504	40,632,539	38,313,154	50,698,244	45,107,658
Infrastructure	24,441,625	26,752,773	-	-	24,441,625	26,752,773
Machinery and equipment	2,140,195	2,381,055	247,427	230,209	2,387,622	2,611,264
Intangible assets	-	-	287,427	294,876	287,427	294,876
Construction in progress	8,674,405	9,635,611	12,004,167	6,161,274	20,678,572	15,796,885
Total	\$ 71,043,191	\$ 72,037,042	\$ 75,305,993	\$ 67,838,219	\$ 146,349,184	\$ 139,875,261

More detailed information on capital assets is provided in note 9.

Long-term Debt

At the end of the current fiscal year, the City had total bonded debt outstanding of \$42,765,000. Of this amount, \$11,919,474 is general obligation bonds for governmental activities, \$3,100,526 is general obligation bonds for business-type activities, for a total of \$15,020,000 in general obligation bonds, and \$27,745,000 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 12/31/13	As of 12/31/12	As of 12/31/13	As of 12/31/12	As of 12/31/13	As of 12/31/12
General obligation debt	\$ 11,919,474	\$ 13,604,427	\$ 3,100,526	\$ 3,320,573	\$ 15,020,000	\$ 16,925,000
Revenue bonds	-	-	27,745,000	13,250,000	27,745,000	13,250,000
Capital contracts	892,330	1,063,924	-	-	892,330	1,063,924
Public Works Trust Fund loans	823,692	895,893	2,186,384	2,407,905	3,010,076	3,303,798
Total	\$ 13,635,496	\$ 15,564,244	\$ 33,031,910	\$ 18,978,478	\$ 46,667,406	\$ 34,542,722

More detailed information on long-term debt is provided in note 13.

Economic Factors

The economic conditions have continued to increase at a slow rate, sales tax collections increased 7.7%, and REET revenue has increased 19.5%. Property tax and Utility tax revenue collections are still holding steady. City staff has continued to hold the line on spending and therefore the City's 2014 budget reflects no new programs and is passed in large part on the 2013 estimated actual results with minimal increases to 2013 revenue.

Economic Overview

The United States economy has continued to grow slightly in 2013, but for many Americans life has remained the same. Unemployment rates continue their slow decline, leaving many Americans jobless. The National employment rates decreased to 7.4% at the end of 2013 from 8.1% at the end of 2012, Washington State employment rates decreased to 6.7% at the end of 2013 from 7.4% at the end of 2012, and the Puget Sound Unemployment rates decreased to 5.3% at the end of 2013 from 5.9% at the end of 2012.

In 2013, we saw oil and gas prices increase due to a combination of factors, including increasing demand and turmoil in some key oil producing regions.

Like the rest of the nation, the Washington State economy is still dealing with a severely challenged economy. The Puget Sound region, however, is doing much better than the rest of the country, with strong employment growth.

The economy of the City of Edmonds is primarily based on retail, service activity, health care and waterfront activity and have benefited from stronger employment trends. Edmonds is 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, staffed by 450+ physicians and specialists, and employs 1,400+ other staff including clinical and non-clinical personnel. 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. In April of 2013, Swedish opened the Swedish Cancer Institute Facility on the Edmonds Campus, and made an investment in a Robotic Assisted da Vinci® Surgical System.

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.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The City presents two government-wide financial statements:

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

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 POSITION
 DECEMBER 31, 2013

	PRIMARY GOVERNMENT			COMPONENT UNIT - EDMONDS PUBLIC FACILITIES DISTRICT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
ASSETS:				
CASH AND CASH EQUIVALENTS (Note 3)	\$ 17,829,418	\$ 23,452,940	\$ 41,282,358	\$ 108,407
CASH WITH OUTSIDE AGENCIES	22,764	-	22,764	-
INVESTMENTS (Note 3)	3,459,532	-	3,459,532	5,224
RECEIVABLES:				
TAXES	311,379	-	311,379	-
CUSTOMER ACCOUNTS	771,516	2,426,014	3,197,530	29,721
COURT RECEIVABLE	612,816	-	612,816	-
OTHER RECEIVABLES	-	-	-	46,181
SPECIAL ASSESSMENTS	32,117	-	32,117	-
INTEREST ON INVESTMENT	15,851	-	15,851	-
DUE FROM OTHER GOVERNMENTAL UNITS	3,075,224	807,122	3,882,346	58,721
DUE FROM COMPONENT UNIT	225,000	-	225,000	-
MATERIALS AND SUPPLIES INVENTORY	82,806	108,931	191,737	3,372
PREPAYMENTS	-	-	-	58,556
RESTRICTED ASSETS:				
CASH AND CASH EQUIVALENTS (Note 3)	-	1,826,677	1,826,677	130,856
SPECIAL ASSESSMENTS	70,190	-	70,190	-
DUE FROM COMPONENT UNIT-LONG-TERM	5,251,494	-	5,251,494	-
INVESTMENT IN JOINT VENTURE	1,368,165	-	1,368,165	-
DEPRECIABLE CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION): (Note 9)	47,838,124	62,045,270	109,883,394	10,072,702
NON-DEPRECIABLE CAPITAL ASSETS	23,205,068	13,261,273	36,466,341	3,444,885
TOTAL ASSETS	104,171,464	103,928,227	208,099,691	13,958,625
DEFERRED OUTFLOW OF RESOURCES	-	192,700	192,700	-
LIABILITIES:				
ACCOUNTS PAYABLE	597,684	691,851	1,289,535	31,523
WAGES AND BENEFITS PAYABLE	965,265	215,625	1,180,890	52,921
INTERNAL BALANCES	(167,800)	167,800	-	-
DUE TO OTHER GOVERNMENTAL UNITS	-	182,723	182,723	-
OTHER LIABILITIES PAYABLE	105,553	128,730	234,283	-
PAYABLE FROM RESTRICTED ASSETS:				
ACCRUED INTEREST	28,241	104,210	132,451	20,977
DEPOSITS	-	7,098	7,098	112,858
UNEARNED REVENUE	-	-	-	312,875
UNAMORTIZED PREMIUM/ DISCOUNT	-	481,279	481,279	6,453
BONDS AND OTHER DEBT PAYABLE:				
NET PENSION OBLIGATION	218,986	-	218,986	-
NET OTHER POST EMPLOYMENT OBLIGATION	741,671	-	741,671	-
DUE WITHIN ONE YEAR (Note 14)	4,103,060	1,509,442	5,612,502	417,618
DUE IN MORE THAN ONE YEAR (Note 14)	11,967,473	31,975,646	43,943,119	8,551,111
TOTAL LIABILITIES	18,560,133	35,464,404	54,024,537	9,506,336
DEFERRED INFLOW OF RESOURCES	169,338	82,098	251,436	-
NET POSITION:				
NET INVESTMENT IN CAPITAL ASSETS	61,978,358	51,071,627	113,049,985	4,566,408
RESTRICTED FOR:				
DEBT SERVICE	57,161	1,826,677	1,883,838	572,378
PUBLIC SAFETY	91,432	-	91,432	-
TRANSPORTATION	696,354	-	696,354	-
CULTURE AND RECREATION	3,897,644	-	3,897,644	-
ECONOMIC ENVIRONMENT	162,900	-	162,900	-
CONSTRUCTION	-	9,305,126	9,305,126	-
OTHER PURPOSES	17,989	7,098	25,087	-
UNRESTRICTED NET POSITION	18,540,155	6,363,897	24,904,052	(686,497)
TOTAL NET POSITION	85,441,993	\$ 68,574,425	\$ 154,016,418	\$ 4,452,289

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, 2013

Page 1 of 2

	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
FUNCTIONS / PROGRAMS:				
PRIMARY GOVERNMENT:				
GOVERNMENTAL ACTIVITIES:				
GENERAL GOVERNMENT	\$ 7,586,841	\$ 4,835,459	\$ -	\$ 187,566
PUBLIC SAFETY	17,604,167	1,134,073	28,704	-
TRANSPORTATION	4,445,078	885,420	824,909	2,173,145
PHYSICAL ENVIRONMENT	1,502,516	226,192	34,000	-
CULTURE AND RECREATION	3,941,859	960,733	78,451	205,864
ECONOMIC ENVIRONMENT	1,072,629	938,927	6,832	-
HEALTH AND HUMAN SERVICES	8,558	169,071	111	-
INTEREST ON LONG-TERM DEBT	191,155	-	-	-
TOTAL GOVERNMENTAL ACTIVITIES	36,352,803	9,149,875	973,007	2,566,575
BUSINESS-TYPE ACTIVITIES:				
COMBINED UTILITY OPERATION	15,845,552	16,630,405	161,294	1,447,298
TOTAL BUSINESS-TYPE ACTIVITIES	15,845,552	16,630,405	161,294	1,447,298
TOTAL PRIMARY GOVERNMENT	\$ 52,198,355	\$ 25,780,280	\$ 1,134,301	\$ 4,013,873
COMPONENT UNIT:				
EDMONDS PUBLIC FACILITIES DISTRICT	\$ 2,578,265	\$ 1,020,693	\$ 820,630	\$ -
TOTAL COMPONENT UNIT	\$ 2,578,265	\$ 1,020,693	\$ 820,630	\$ -

GENERAL REVENUES:

TAXES:

PROPERTY

RETAIL SALES AND USE

INTERFUND UTILITY

UTILITY

EXCISE

PAYMENTS FROM COMPONENT UNIT

INVESTMENT EARNINGS

MISCELLANEOUS

GAIN (LOSS) ON SALE OF CAPITAL ASSETS

TRANSFERS (Note 7)

TOTAL GENERAL REVENUES**CHANGE IN NET POSITION**

NET POSITION - BEGINNING

PRIOR PERIOD ADJUSTMENT (Note 19)

ADJUSTMENT FOR ADOPTION OF GASB 62 and GASB 65 (NOTE 1)

NET POSITION - 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 POSITION			
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITY	TOTAL	EDMONDS PUBLIC FACILITIES DISTRICT
\$ (2,563,816)	\$ -	\$ (2,563,816)	
(16,441,390)	-	(16,441,390)	
(561,604)	-	(561,604)	
(1,242,324)	-	(1,242,324)	
(2,696,811)	-	(2,696,811)	
(126,870)	-	(126,870)	
160,624	-	160,624	
(191,155)	-	(191,155)	
<u>(23,663,346)</u>	<u>-</u>	<u>(23,663,346)</u>	
-	2,393,445	2,393,445	
-	2,393,445	2,393,445	
<u>(23,663,346)</u>	<u>2,393,445</u>	<u>(21,269,901)</u>	
			\$ (736,942)
			<u>(736,942)</u>
13,474,665	-	13,474,665	-
6,104,618	-	6,104,618	452,935
1,709,124	-	1,709,124	-
4,722,333	-	4,722,333	-
2,120,330	-	2,120,330	-
325,693	-	325,693	-
3,926	31,492	35,418	115
125,781	38,039	163,820	1,000
46,987	-	46,987	-
1,067	(1,067)	-	-
<u>28,634,524</u>	<u>68,464</u>	<u>28,702,988</u>	<u>454,050</u>
<u>4,971,178</u>	<u>2,461,909</u>	<u>7,433,087</u>	<u>(282,892)</u>
79,697,066	66,431,919	146,128,985	4,800,754
(109,906)	-	(109,906)	-
883,655	(319,403)	564,252	(65,573)
<u>\$ 85,441,993</u>	<u>\$ 68,574,425</u>	<u>\$ 154,016,418</u>	<u>\$ 4,452,289</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 fund 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, 2013

	GENERAL FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS:			
CURRENT ASSETS:			
CASH AND CASH EQUIVALENTS	\$ 8,784,300	\$ 3,998,015	\$ 12,782,315
INVESTMENTS	2,959,532	500,000	3,459,532
DEPOSITS WITH TRUSTEES	22,764	-	22,764
RECEIVABLES:			
TAXES	311,379	-	311,379
CUSTOMER ACCOUNTS	770,238	86	770,324
SPECIAL ASSESSMENTS	-	32,117	32,117
ACCRUED INTEREST RECEIVABLE	11,976	3,875	15,851
DUE FROM COMPONENT UNIT	5,476,494	-	5,476,494
INTERFUND RECEIVABLE (Note 7)	167,800	47,323	215,123
DUE FROM OTHER GOVERNMENTAL UNITS	1,722,885	1,350,910	3,073,795
SUPPLIES INVENTORY	686	-	686
LONG-TERM ASSETS:			
SPECIAL ASSESSMENTS - NON-CURRENT	-	70,190	70,190
TOTAL ASSETS	\$ 20,228,054	\$ 6,002,516	\$ 26,230,570
LIABILITIES AND FUND BALANCES:			
CURRENT LIABILITIES:			
ACCOUNTS PAYABLE	\$ 239,883	\$ 318,671	\$ 558,554
WAGES AND BENEFITS PAYABLE	907,453	43,083	950,536
INTERFUND PAYABLE (Note 7)	-	47,323	47,323
OTHER LIABILITIES PAYABLE	104,562	991	105,553
LONG-TERM LIABILITIES:			
UNEARNED REVENUE	5,815,358	105,800	5,921,158
TOTAL LIABILITIES	7,067,256	515,868	7,583,124
FUND BALANCES:			
NON-SPENDABLE:			
INVENTORY	686	-	686
RESTRICTED FOR:			
DEBT SERVICE	-	57,161	57,161
PUBLIC SAFETY	-	91,432	91,432
TRANSPORTATION	-	696,354	696,354
CULTURE AND RECREATION	-	3,897,644	3,897,644
ECONOMIC ENVIRONMENT	-	162,900	162,900
OTHER PURPOSES	-	17,303	17,303
COMMITTED TO:			
UTILITIES AND ENVIRONMENT	-	70,203	70,203
CULTURE AND RECREATION	-	431,932	431,932
OTHER PURPOSES	-	61,719	61,719
UNASSIGNED	13,160,112	-	13,160,112
TOTAL FUND BALANCES	13,160,798	5,486,648	18,647,446
TOTAL LIABILITIES AND FUND BALANCES	\$ 20,228,054	\$ 6,002,516	\$ 26,230,570

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 POSITION
GOVERNMENTAL FUNDS
 DECEMBER 31, 2013

Total governmental fund balances as reported on this statement	\$ 18,647,446
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Amounts reported for governmental activities in the statement of net position are different because:

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

Land	\$ 14,530,663	
Construction in progress	8,674,405	
Subtotal: Non-depreciable capital assets	23,205,068	
Investment in joint venture	1,368,165	
Buildings	25,479,908	
Improvements other than buildings	17,194,861	
Infrastructure	57,951,819	
Machinery and equipment - general government	7,386,874	
Less: Accumulated depreciation	(60,175,338)	
Subtotal: Depreciable capital assets	47,838,124	
		72,411,357

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

Court receivable	612,816	
Deferred Inflow of resources for bond refunding	(169,338)	
		443,478

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 position. Capital assets of \$1,808,513 are included in the capital asset adjustment above. Compensated absence liability of \$39,322 is included in the adjustment below,

5,077,985

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

General obligation bonds	(11,919,474)	
Compensated absences (\$39,322 attributable to internal service funds)	(2,435,037)	
Capital contracts	(892,330)	
Public works trust fund loans	(823,692)	
Subtotal: Long-term debt payable	(16,070,533)	
Accrued interest payable	(28,241)	
Net pension obligation	(218,986)	
Net other post employment benefit obligation	(741,671)	
Unearned revenues reported in the Balance Sheet - Governmental Funds are not reported in the government-wide Statement of Net Position (Note 1)	5,921,158	
		(11,138,273)

Net position of government activities as reported on the statement of net position	\$ 85,441,993
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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, 2013

	GENERAL FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:			
TAXES:			
PROPERTY	\$ 13,564,947	\$ -	\$ 13,564,947
RETAIL SALES & USE	6,018,989	85,629	6,104,618
INTERFUND UTILITY	1,709,124	-	1,709,124
UTILITY	4,776,698	-	4,776,698
EXCISE	227,635	1,838,330	2,065,965
LICENSES AND PERMITS	1,858,866	81,132	1,939,998
INTERGOVERNMENTAL	962,671	2,420,990	3,383,661
CHARGES FOR SERVICES	4,572,679	1,682,747	6,255,426
FINES AND FORFEITURES	639,897	461	640,358
INVESTMENT EARNINGS	(11,372)	14,825	3,453
MISCELLANEOUS	444,983	587,731	1,032,714
TOTAL REVENUES	34,765,117	6,711,845	41,476,962
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT SERVICES	7,306,581	555	7,307,136
PUBLIC SAFETY	17,646,584	59,468	17,706,052
UTILITIES AND ENVIRONMENT	1,356,123	135,849	1,491,972
TRANSPORTATION	-	2,009,988	2,009,988
ECONOMIC ENVIRONMENT	859,668	18,145	877,813
MENTAL AND PHYSICAL HEALTH	8,558	-	8,558
CULTURE AND RECREATION	3,388,835	401,575	3,790,410
DEBT SERVICE:			
PRINCIPAL	1,010,608	918,139	1,928,747
INTEREST AND OTHER COSTS	186,091	203,155	389,246
CAPITAL OUTLAY	36,779	2,045,232	2,082,011
INTERGOVERNMENTAL AND OTHER PAYMENTS	180,000	-	180,000
TOTAL EXPENDITURES	31,979,827	5,792,106	37,771,933
EXCESS (DEFICIENCY) OF REVENUES			
OVER (UNDER) EXPENDITURES	2,785,290	919,739	3,705,029
OTHER FINANCING SOURCES (USES):			
INSURANCE RECOVERIES	854	13,119	13,973
TRANSFERS IN (Note 7)	12,797	1,418,626	1,431,423
TRANSFERS OUT (Note 7)	(325,052)	(1,105,304)	(1,430,356)
TOTAL OTHER FINANCING SOURCES AND USES	(311,401)	326,441	15,040
NET CHANGE IN FUND BALANCES	2,473,889	1,246,180	3,720,069
FUND BALANCES - BEGINNING	10,686,909	4,350,374	15,037,283
PRIOR PERIOD ADJUSTMENT	-	(109,906)	(109,906)
FUND BALANCES - ENDING	\$ 13,160,798	\$ 5,486,648	\$ 18,647,446

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, 2013

Net change in fund balances per the Statement of Revenues, Expenditures and Changes in Fund Balance	\$ 3,720,069
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Amount reported as change in net position 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 is exceeded by depreciation and amortization in the current period.

Capital outlays	\$ 2,905,690	
Internal service fund - capital outlays	146,856	
Current year depreciation (includes \$365,278 for internal service fund)	(4,046,394)	
Adjustment in investment in joint venture	(38,604)	
		(1,032,452)

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

Property taxes receivable	(90,284)	
Other unearned revenue	(71,416)	
Court receivable	(50,742)	
		(212,442)

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

Amortization of Bond Refunding	9,408	
Long-term debt repayments	1,928,748	
		1,938,156

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 \$(218,422) is included in the capital asset adjustment above.

529,303

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	4,155	
Net pension obligation	(10,235)	
Net other post-employment benefit obligation	(295,715)	
Voluntary Separation Incentive Program	101,163	
Accrued compensating absence expense (\$212,242 total expenditure plus \$16,934 attributable to internal service funds)	229,176	
		28,544

Change in net position on the Statement of Activities	\$ 4,971,178
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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, 2013

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
TAXES:				
PROPERTY	\$ 13,472,494	\$ 13,472,494	\$ 13,564,947	\$ 92,453
RETAIL SALES & USE	5,442,273	5,442,273	6,018,989	576,716
INTERFUND UTILITY	1,649,213	1,649,213	1,709,124	59,911
UTILITY	4,897,046	4,897,046	4,776,698	(120,348)
EXCISE	212,350	212,350	227,635	15,285
LICENSES AND PERMITS	1,548,173	1,548,173	1,858,866	310,693
INTERGOVERNMENTAL CHARGES FOR SERVICES	589,557	879,404	962,671	83,267
FINES AND FORFEITURES	4,148,225	4,176,428	4,572,679	396,251
INVESTMENT EARNINGS	526,342	526,342	639,897	113,555
MISCELLANEOUS	19,879	16,879	(11,372)	(28,251)
MISCELLANEOUS	317,792	340,391	444,983	104,592
TOTAL REVENUES	32,823,344	33,160,993	34,765,117	1,604,124
EXPENDITURES:				
CURRENT:				
GENERAL GOVERNMENT	8,175,257	8,555,608	7,306,581	1,249,027
PUBLIC SAFETY	17,562,911	17,717,231	17,646,584	70,647
UTILITIES AND ENVIRONMENT	1,394,458	1,418,188	1,356,123	62,065
ECONOMIC ENVIRONMENT	897,958	921,668	859,668	62,000
MENTAL AND PHYSICAL HEALTH	11,000	12,000	8,558	3,442
CULTURE AND RECREATION	3,360,903	3,442,517	3,388,835	53,682
DEBT SERVICE				
PRINCIPAL	1,227,259	1,010,609	1,010,608	1
INTEREST AND OTHER COSTS	190,614	190,614	186,091	4,523
CAPITAL OUTLAY	45,000	215,000	36,779	178,221
INTERGOVERNMENTAL AND OTHER PAYMENTS	190,000	190,000	180,000	10,000
TOTAL EXPENDITURES	33,055,360	33,673,435	31,979,827	1,693,608
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(232,016)	(512,442)	2,785,290	3,297,732
OTHER FINANCING SOURCES (USES):				
INSURANCE RECOVERIES	-	-	854	854
TRANSFERS IN (Note 7)	1,221,621	1,209,332	12,797	(1,196,535)
TRANSFERS OUT (Note 7)	(1,096,535)	(1,575,185)	(325,052)	1,250,133
TOTAL OTHER FINANCING SOURCES AND USES	125,086	(365,853)	(311,401)	54,452
NET CHANGE IN FUND BALANCES	(106,930)	(878,295)	2,473,889	3,352,184
FUND BALANCES - BEGINNING	10,103,104	10,686,910	10,686,909	(1)
FUND BALANCES - ENDING	\$ 9,996,174	\$ 9,808,615	\$ 13,160,798	\$ 3,352,183

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 POSITION
PROPRIETARY FUNDS
 DECEMBER 31, 2013

	421 / 422 / 423 / 424 COMBINED UTILITY FUNDS	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
ASSETS:		
CURRENT ASSETS:		
CASH AND CASH EQUIVALENTS	\$ 23,452,940	\$ 5,047,103
CUSTOMER ACCOUNTS	2,426,014	1,192
DUE FROM OTHER GOVERNMENTAL UNITS	807,122	1,429
INVENTORY	108,931	82,120
TOTAL CURRENT ASSETS	26,795,007	5,131,844
LONG-TERM ASSETS:		
RESTRICTED CASH, BOND RESERVES	1,826,677	-
CAPITAL ASSETS:		
LAND	1,257,106	-
DEPRECIABLE CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)	61,757,293	1,808,513
CONSTRUCTION IN PROGRESS	12,004,167	-
INTANGIBLE ASSETS	287,977	-
TOTAL CAPITAL ASSETS (NET OF A/D)	75,306,543	1,808,513
TOTAL LONG-TERM ASSETS	77,133,220	1,808,513
TOTAL ASSETS	103,928,227	6,940,357
DEFERRED OUTFLOW OF RESOURCES	192,700	-
LIABILITIES:		
CURRENT LIABILITIES:		
ACCOUNTS PAYABLE	691,851	39,130
WAGES AND BENEFITS PAYABLE	215,625	54,062
COMPENSATED ABSENCES	426,327	-
INTERFUND PAYABLES	167,800	-
PUBLIC WORKS TRUST FUND LOANS PAYABLE-CURRENT	221,521	-
REVENUE BONDS PAYABLE-CURRENT (NET OF UNAMORTIZED PREMIUM/DISCOUNT)	712,720	-
GENERAL OBLIGATION BONDS PAYABLE-CURRENT	227,237	-
ACCRUED INTEREST	104,210	-
DEPOSITS	7,098	-
DUE TO OTHER GOVERNMENTAL UNITS	182,723	-
OTHER LIABILITIES PAYABLE	128,730	-
TOTAL CURRENT LIABILITIES	3,085,842	93,192
LONG-TERM LIABILITIES:		
UNAMORTIZED PREMIUM / DISCOUNT	481,279	-
LOANS PAYABLE	1,964,862	-
REVENUE BONDS PAYABLE	27,060,000	-
GENERAL OBLIGATION BONDS PAYABLE	2,872,421	-
TOTAL LONG-TERM LIABILITIES	32,378,562	-
TOTAL LIABILITIES	35,464,404	93,192
DEFERRED INFLOW OF RESOURCES	82,098	-
NET POSITION:		
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	51,071,627	1,808,513
RESTRICTED FOR:		
DEBT SERVICE	1,826,677	-
CUSTOMER DEPOSITS	7,098	-
CONSTRUCTION	9,305,126	-
UNRESTRICTED	6,363,897	5,038,652
TOTAL NET POSITION	\$ 68,574,425	\$ 6,847,165

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 POSITION
PROPRIETARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2013

	421 / 422 / 423 / 424 COMBINED UTILITY FUNDS	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
OPERATING REVENUES:		
CHARGES FOR SERVICES	\$ 16,309,171	\$ 1,369,031
OTHER OPERATING REVENUE	321,234	-
TOTAL OPERATING REVENUES	16,630,405	1,369,031
OPERATING EXPENSES:		
PERSONNEL SERVICES	4,121,098	276,527
OPERATIONS & MAINTENANCE	7,796,177	454,119
PROFESSIONAL SERVICES	533,508	2,172
INSURANCE	232,106	34,153
DEPRECIATION/AMORTIZATION	2,736,188	365,278
TOTAL OPERATING EXPENSES	15,419,077	1,132,249
OPERATING INCOME (LOSS)	1,211,328	236,782
NON-OPERATING REVENUE (EXPENSE):		
INTERGOVERNMENTAL	359,923	-
INVESTMENT EARNINGS	31,492	8,666
OTHER NON-OPERATING REVENUES	38,039	32,419
GAIN (LOSS) ON SALE OF CAPITAL ASSETS	-	33,014
INTEREST EXPENSE	(426,475)	-
TOTAL NON-OPERATING REVENUE (EXPENSE)	2,979	74,099
INCOME (LOSS) BEFORE CONTRIBUTIONS & TRANSFERS	1,214,307	310,881
CAPITAL CONTRIBUTIONS	1,248,669	-
TRANSFERS OUT (Note 7)	(1,067)	-
CHANGE IN NET POSITION	2,461,909	310,881
TOTAL NET POSITION BEGINNING OF YEAR	66,431,919	6,536,284
ADJUSTMENT FOR ADOPTION OF GASB 65 (NOTE 1)	(319,403)	-
TOTAL NET POSITION END OF YEAR	\$ 68,574,425	\$ 6,847,165

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, 2013

Page 1 of 2

	421 / 422 / 423 / 424 COMBINED UTILITY FUNDS	GOVERNMENT ACTIVITIES INTERNAL SERVICE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES:		
CASH RECEIVED FROM USERS	\$ 16,514,093	1,369,031
CASH PAID TO SUPPLIERS	(8,706,744)	(511,017)
CASH PAID FOR INVENTORY	(9,364)	(599)
CASH PAID TO EMPLOYEES	(4,084,871)	(255,929)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	3,713,114	601,486
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
INTERFUND LOAN	10,435	-
OPERATING GRANT RECEIVED	359,923	-
NET CASH PROVIDED (USED) BY NON- CAPITAL FINANCING ACTIVITIES	370,358	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
PROCEEDS FROM SALE OF EQUIPMENT	-	33,014
PURCHASE OF CAPITAL ASSETS	(10,200,433)	(146,857)
CONTRIBUTED CAPITAL	1,246,535	-
PROCEEDS FROM INSURANCE SETTLEMENT	38,039	-
PREMIUM & BOND ISSUANCE COSTS	-	32,419
PRINCIPAL PAYMENT ON DEBT	(956,569)	-
INTEREST PAYMENT ON DEBT	(184,397)	-
OPERATING TRANSFERS IN	1,067	-
PROCEEDS FROM CAPITAL DEBT	15,010,000	-
NET CASH PROVIDED (USED) FOR CAPITAL AND RELATED FINANCING ACTIVITIES	4,954,242	(81,424)
CASH FLOW FROM INVESTING ACTIVITIES:		
INTEREST RECEIVED	31,492	8,666
NET CASH PROVIDED (USED) IN INVESTING ACTIVITIES	31,492	8,666
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	9,069,206	528,728
CASH AND CASH EQUIVALENTS-BEGINNING OF YEAR	16,210,411	4,518,375
CASH AND CASH EQUIVALENTS-END OF YEAR	\$ 25,279,617	\$ 5,047,103
CASH AT END OF YEAR CONSISTS OF:		
CASH AND CASH EQUIVALENTS	23,452,940	\$ 5,047,103
RESTRICTED CASH-BOND PAYMENTS	1,826,677	-
TOTAL CASH	\$ 25,279,617	\$ 5,047,103

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, 2013

Page 2 of 2

	421 / 422 / 423 / 424 COMBINED UTILITY FUNDS	GOVERNMENT ACTIVITIES INTERNAL SERVICE FUNDS
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**RECONCILIATION OF NET OPERATING INCOME TO NEW CASH
 PROVIDED BY OPERATING ACTIVITIES**

OPERATING INCOME (LOSS)	\$ 1,211,327	\$ 236,782
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
DEPRECIATION	2,736,187	365,278
ASSET (INCREASES) DECREASES :		
DUE FROM OTHER GOVERNMENTAL UNITS	(217,824)	129
MISCELLANEOUS A/R-REVENUE	(166,072)	-
INVENTORY	(9,364)	(599)
LIABILITY INCREASES (DECREASES) :		
ACCOUNTS & VOUCHERS PAYABLE	129,887	(20,702)
DEPOSITS PAYABLE	3,799	-
WAGES & BENEFITS PAYABLE	36,227	20,598
DUE TO GOVERNMENTAL UNIT	45,961	-
OTHER LIABILITIES	(57,014)	-
TOTAL ADJUSTMENTS	2,501,787	364,704
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 3,713,114</u>	<u>\$ 601,486</u>

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

**SCHEDULE OF NON-CASH CAPITAL AND RELATED
 FINANCING ACTIVITIES:**

ADJUSTMENT FOR ADOPTION OF GASB 65 (NOTE 1)	319,403	-
TOTAL NON-CASH ACTIVITIES	<u>319,403</u>	<u>-</u>



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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 POSITION
FIDUCIARY FUNDS
 DECEMBER 31, 2013

		617 FIREMEN'S PENSION FUND
ASSETS:		
CASH AND CASH EQUIVALENTS	\$	195,087
TOTAL ASSETS	\$	195,087
LIABILITIES:		
CURRENT PAYABLES	\$	4,073
TOTAL LIABILITIES		4,073
NET POSITION:		
HELD IN TRUST FOR PENSION BENEFITS AND OTHER PURPOSES	\$	191,014
		191,014

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

CITY OF EDMONDS, WASHINGTON
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2013

	617 FIREMEN'S PENSION FUND
ADDITIONS:	
FIRE INSURANCE PREMIUMS	\$ 49,492
INVESTMENT EARNINGS	354
TOTAL ADDITIONS	49,846
DEDUCTIONS:	
BENEFIT PAYMENTS	74,382
PROFESSIONAL SERVICES	1,169
TOTAL DEDUCTIONS	75,551
CHANGE IN NET POSITION	(25,705)
NET POSITION - BEGINNING	216,719
NET POSITION - ENDING	\$ 191,014

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, 2013

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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 Edmonds 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, which were refinanced in 2012, are a debt of the City and not the PFD; however the PFD is obligated by inter-local agreement to pay the entire amount of the PFD's portion of the 2012 debt service over the life of the bonds. Payment is not limited to sales tax revenue.

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 Position as a Due from Component Unit. More information about the PFD, including complete financial statements, can be obtained from Edmonds Performing Arts Center, c/o Joe McIalwain, 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 two separate joint ventures. The first is a single joint venture with Snohomish County and other local governments in the Snohomish County Emergency Radio System (SERS). The second is a single joint venture with six other cities and Snohomish County Fire District 1 in the Southwest Snohomish County Public Safety Communication Agency (SNOCOM). See note 17 for additional information.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e. the statement of Net Position 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 Position 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 Position presents the reporting entity's nonfiduciary assets and liabilities, with the difference reported as Net Position. Net Position is 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 Position result when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position consists of Net Position that does not meet the definition of the two preceding categories. Unrestricted Net Position often is designated to indicate that management does not consider them available for general operations. Unrestricted Net Position often has 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.

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 unearned 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 2013, the City levied the following property taxes on an assessed value of \$5,545,239,847. 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	\$1.7615	\$ 9,767,873
Emergency medical service (EMS)	0.5000	2,772,620
Debt Service on voter approved general obligation bonds	0.1767	916,103
Total City Levy	\$2.4382	\$ 13,456,596

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.

Unearned Revenues - Unearned 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 unearned revenues consist primarily of contracts and agreements, special assessments, and amounts due from component unit.

In the proprietary funds the premium or discount of long-term debt is amortized over the life of the debt.

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, 2013 the City had \$1,826,677 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 Position 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 Position. 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 Position. 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 Position and in the proprietary funds Statement of Net Position, while not reported in the governmental fund balance sheets. Refer to note 9 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. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

The difference between the reacquisition price and the net carrying amount of the old debt in current refundings and advance refundings resulting in defeasance of debt are recorded as either deferred inflows or deferred outflows. They are deferred outflows of resources if the reacquisition price is greater and deferred inflows of resources otherwise.

G. FUND BALANCES

The difference between fund assets and liabilities is “Net Position” 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 non-spendable, restricted, committed, assigned, or unassigned.

- Non-spendable 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.

H. 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.

I. 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.

J. 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) issued Statement No 62 *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The City has an adjustment to the Government Wide Statement of Activities to record the joint venture the City of Edmonds has in SNOCOM (please refer to Note 17). Along with the joint venture change, the City is required to eliminate the transfers within the General Fund in the Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds. The detail of the transfers is still available in the Combining Statements.

The Governmental Accounting Standards Board (GASB) issued Statement No 65 *Items Previously Reported as Assets and Liabilities*. The new accounting and reporting standard creates new financial statement elements where the amounts, classified as either deferred inflows of resources or deferred outflows of resources, either need time to pass or amounts be collected to warrant current recognition. In addition to identifying items that need to be reported in the new categories, GASB 65 also identifies certain items previously reported as assets and liabilities that the GASB determined should be recognized as revenues, expenses or expenditures when incurred and not reported in statements of net position/balance sheets at all.

ADJUSTMENTS FOR ADOPTION OF GASB 62 and GASB 65**Governmental Activities**

Record SNOCOM Joint Venture	\$ (912,432)
Remove debt issue costs from prior years per GASB 65	28,777
	<u>\$ (883,655)</u>

Business-Type Activities

Remove debt issue costs from prior years per GASB 65	\$ 319,403
	<u>\$ 319,403</u>

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

There have been no material violations of contract provisions.

All funds amended expenditure budgets totaled \$98,291,988, which includes \$19,514,187 of supplemental appropriations. Funds with supplemental appropriations during 2013 and the amounts are shown below:

Fund Number	Fund Description	2013 Original Budget	2013 Supplemental Appropriations	2013 Amended Budget
001	General Fund	\$ 32,836,495	\$ 638,875	\$ 33,475,370
009	Leoff-Medical Ins. Reserve	619,400	-	619,400
011	Risk Management Reserve Fund	661,000	-	661,000
014	Historic Preservation Gift Fund	-	15,000	15,000
016	Building Maintenance	35,000	442,850	477,850
104	Drug Enforcement Fund	80,033	500	80,533
111	Street Fund	1,557,715	-	1,557,715
112	Combined Street Const/Improve	6,304,984	(796,740)	5,508,244
117	Municipal Arts Acquis. Fund	130,600	19,194	149,794
120	Hotel/Motel Tax Revenue Fund	68,500	-	68,500
121	Employee Parking Permit Fund	26,726	660	27,386
122	Youth Scholarship Fund	4,000	-	4,000
123	Tourism Promotional Fund/Arts	19,000	-	19,000
125	Park Acq/Improvement	964,000	557,732	1,521,732
126	Special Capital Fund	662,105	6,429	668,534
127	Gifts Catalog Fund	20,020	23,297	43,317
129	Special Projects Fund	14,700	208,100	222,800
130	Cemetery Maintenance/Improv	152,761	-	152,761
132	Parks Construction	1,887,500	203,700	2,091,200
138	Sister City Commission	4,600	13,549	18,149
139	Transportation Benefit District	645,000	40,000	685,000
211	L.I.D. Fund Control	22,130	-	22,130
231	2012 LTGO Debt Service Fund	-	1,009,902	1,009,902
234	Limited Tax G.O. Bond Fund	388,671	(388,671)	-
421	Water Utility Fund	9,195,130	5,689,396	14,884,526
422	Storm Utility Fund	4,471,135	1,171,107	5,642,242
423	Sewer/WWTP Utility Fund	16,854,966	10,334,116	27,189,082
424	Bond Reserve Fund	-	272,659	272,659
511	Equipment Rental Fund	1,042,840	52,532	1,095,372
617	Firemen's Pension Fund	108,790	-	108,790
	Totals	\$ 78,777,801	\$ 19,514,187	\$ 98,291,988

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 and Local Government Investment Pool.

The City held no debt securities as of December 31, 2013.

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.

The Snohomish County Investment Pool, SCIP, is not registered with the SEC. Investments are reported at fair value to pool participants. It includes participating funds from the county's primary government and funds from the district's where the County Treasurer serves as ex-officio treasurer. There are no involuntary participants in the SCIP. All participants have notified the Treasurer of their desire to participate in SCIP. The portion of the pool belonging to outside

districts is reported in an Investment Trust Fund. SCIP investments are those allowed by County Investment Policy and include savings accounts, CD's and securities.

Fair value of securities is based on the market value reports provided by the county's custodial agent. The market values are uploaded into the county investment software monthly from the custodial agent. The fair value of each participants investment is determined by calculating the ratio of total investments by pool participants divided into the total fair value of the all SCIP underlying assets. Each pool participant can determine their fair value by taking their investment in SCIP times this ratio.

Pool participant shares are based on the dollars that they have invested in SCIP. The income is distributed based on interest rates on investments, amortization of premiums and discounts, and realized gains and loss for the month.

Pool oversight comes from the Snohomish County Finance Committee (SCFC). The SCFC consists of the County Treasurer, County Executive and Chairman of the County Council. SCFC approves investment policies for SCIP.

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 (WPDP) of the State of Washington.

The WPDP 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 WPDP 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 U.S. Bank, 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	\$ 3,536,153
Local Government Investment Pools	39,767,968
Investments	3,459,532
	<u>\$ 46,763,653</u>

Financial Statements

	Governmental Activities	Business-type Activities	Total Primary Govt.	Fiduciary Funds	Total
Cash and Cash Equivalents	\$ 17,829,418	\$ 23,452,940	\$ 41,282,358	\$ 195,087	\$ 41,477,445
Restricted Cash and Cash Equivalents	-	1,826,677	1,826,677	-	1,826,677
Investments	3,459,532	-	3,459,532	-	3,459,532
	<u>\$ 21,288,950</u>	<u>\$ 25,279,617</u>	<u>\$ 46,568,567</u>	<u>\$ 195,087</u>	<u>\$ 46,763,654</u>

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 unearned 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 2013 was \$1.9382 per \$1,000 on an assessed valuation of \$5,545,239,847 for a total regular levy of \$13,456,596. 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	\$1.7615	\$ 9,767,873
Emergency medical service (EMS)	0.5000	2,772,620
Debt Service on voter approved general obligation bonds	0.1767	916,103
Total City Levy	\$2.4382	\$ 13,456,596

NOTE 5 – RECEIVABLES AND PAYABLES

Receivables at December 31, 2013, are as follows:

	Customer Accounts	Taxes	Special Assessments	Due From Other Governments	Due from Component Units	Total
Governmental Activities						
General Fund	\$ 770,238	\$ 311,379	\$ -	\$ 1,722,885	\$ 5,476,494	\$ 8,280,996
Other Governmental Funds	86	-	102,307	1,350,910	-	1,453,303
Internal Service	1,192	-	-	1,429	-	2,621
Total Governmental Activities	\$ 771,516	\$ 311,379	\$ 102,307	\$ 3,075,224	\$ 5,476,494	\$ 9,736,920
Business-type Activities						
Combined Utility Fund	\$ 2,426,014	\$ -	\$ -	\$ 807,122	\$ -	\$ 3,233,136
Total Business-type Activities	\$ 2,426,014	\$ -	\$ -	\$ 807,122	\$ -	\$ 3,233,136

Payables at December 31, 2013, are as follows:

	Salaries and Benefits	Accounts Payable	Due to Other Governments	Other Current Liabilities	Total
Governmental Activities					
General Fund	\$ 907,453	\$ 239,883	\$ -	\$ 104,562	\$ 1,251,898
Other Governmental Funds	43,083	318,671	-	991	362,745
Internal Service	14,729	39,130	-	-	53,859
Total Governmental Activities	\$ 965,265	\$ 597,684	\$ -	\$ 105,553	\$ 1,668,502
Business-type Activities					
Combined Utility Fund	\$ 215,625	\$ 691,851	\$ 182,723	\$ 128,730	\$ 1,218,929
Total Business-type Activities	\$ 215,625	\$ 691,851	\$ 182,723	\$ 128,730	\$ 1,218,929

NOTE 6 – DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

Deferred Outflows of Resources at December 31, 2013, are as follows:

Deferred Outflows of Resources	Enterprise Funds
Difference between the reacquisition price and the net carrying amount of old debt in current refundings when the reacquisition price is greater.	192,700
Total	\$ 192,700

Deferred Inflows of Resources at December 31, 2013, are as follows:

Deferred Inflows of Resources	General Fund	Enterprise Funds
Difference between the reacquisition price and the net carrying amount of old debt in current refundings when the reacquisition price is less.	169,338	82,098
Total	\$ 169,338	\$ 82,098

NOTE 7 – INTERFUND ACTIVITY

There was one interfund balance as of December 31, 2013. It was for the transfer of utility tax revenues from the Utility Fund to the General Fund for services rendered in the amount of \$167,800.

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. 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	\$ 12,797	\$ 0	\$ 325,052	\$ -	\$ 325,052
Other Governmental	1,418,626	12,797	1,092,507	-	1,105,304
Enterprise	-	-	1,067	-	1,067
Total	\$ 1,431,423	\$ 12,797	\$ 1,418,626	\$ -	\$ 1,431,423

NOTE 8 – RESTRICTED COMPONENT OF NET POSITION

The government-wide statement of net position reports \$4,923,480 for Governmental Activities and \$11,138,901 for Business-Type Activities of restricted component of net position.

Governmental Activities Restricted for:	
Debt service restrictions	\$ 57,161
Per RCW, proceeds from seizures are limited to law enforcement activities exclusively	91,432
Restricted per RCW related to state fuel taxes, transportation benefit fees, impact fees and grant agreements	696,354
Restricted per RCW related to REET revenue and lodging tax restrictions, private donors, and grant agreements	3,897,644
Per RCW, proceeds are limited to paying the cost of tourism promotion and the Edmonds Business Improvement District	162,900
Restricted by grant agreements and private donations limited to a specific purpose, Inventory	17,989
Total Restricted Component of Net Position	\$ 4,923,480

Business-Type Activities Restricted for:	
Customer deposits	\$ 7,098
Debt service restrictions	1,826,677
Unspent capital project debt proceeds	9,305,126
Total Restricted Component of Net Position	\$ 11,138,901

NOTE 9 – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended December 31, 2013 is as follows:

Schedule of Capital Asset Activity				
	Balance			Balance
	1/1/2013	Increases	Decreases	12/31/2013
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 14,530,663	\$ -	\$ -	\$ 14,530,663
Construction in Progress	9,635,611	2,450,673	(3,411,879)	8,674,405
Total capital assets, not being depreciated:	24,166,274	2,450,673	(3,411,879)	23,205,068
Capital assets, being depreciated:				
Building	25,479,908	-	-	25,479,908
Improvements other than buildings	13,531,609	3,870,866	(207,614)	17,194,861
Infrastructure	57,784,955	166,864	-	57,951,819
Machinery and Equipment	7,385,975	183,635	(182,736)	7,386,874
Total capital assets being depreciated:	104,182,447	4,221,365	(390,350)	108,013,462
Less accumulated depreciation for:				
Buildings	(13,537,472)	(751,838)	-	(14,289,310)
Improvements other than buildings	(6,737,106)	(392,049)	-	(7,129,155)
Infrastructure	(31,032,182)	(2,478,012)	-	(33,510,194)
Machinery and Equipment	(5,004,920)	(424,495)	182,736	(5,246,679)
Total accumulated depreciation:	(56,311,680)	(4,046,394)	182,736	(60,175,338)
Total capital assets, being depreciated, net:	47,870,766	174,971	(207,614)	47,838,124
Governmental activities capital assets, net:	\$ 72,037,041	\$ 2,625,644	\$ (3,619,493)	\$ 71,043,192
Business-type Activities				
Capital assets, not being depreciated:				
Land	\$ 1,257,106	\$ -	\$ -	\$ 1,257,106
Construction in Progress	6,161,274	9,798,177	(3,955,284)	12,004,167
Total capital assets, not being depreciated:	7,418,380	9,798,177	(3,955,284)	13,261,273
Capital assets, being depreciated:				
Building	36,888,321	-	-	36,888,321
Improvements other than buildings	61,646,315	4,311,771	(45,000)	65,913,086
Machinery and Equipment	908,194	49,849	-	958,043
Intangible Assets	1,260,260	45,000	-	1,305,260
Total capital assets being depreciated:	100,703,090	4,406,620	(45,000)	105,064,710
Less accumulated depreciation for:				
Buildings	(15,306,721)	(704,272)	-	(16,010,993)
Improvements other than buildings	(23,333,162)	(1,947,386)	-	(25,280,548)
Machinery and Equipment	(677,985)	(32,631)	-	(710,616)
Intangible Assets	(965,384)	(51,899)	-	(1,017,283)
Total accumulated depreciation:	(40,283,252)	(2,736,188)	-	(43,019,440)
Total capital assets, being depreciated, net:	60,419,838	1,670,432	(45,000)	62,045,270
Business activities capital assets, net:	\$ 67,838,218	\$ 11,468,609	\$ (4,000,284)	\$ 75,306,543

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

Depreciation Expense by Function

Governmental Activities:

General government	\$ 586,303
Public safety	298,623
Culture and recreation	315,548
Transportation	2,471,170
Physical Environment	9,472
Internal service	365,278
Total depreciation expense - Governmental Activities	\$ 4,046,394

Business-Type Activities:

Stormwater	\$ 424,752
Water	614,518
Sewer	396,186
Wastewater Treatment	1,300,732
Total depreciation expense - Business Type Activities	\$ 2,736,188

NOTE 10 – 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 Position 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 12).

NOTE 11 – 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

Plan Description

The Legislature established PERS in 1947. Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior courts; employees of legislative committees; employees of district and municipal courts; and employees of local governments. Membership also includes higher education employees not participating in higher education retirement programs. Approximately 49 percent of PERS salaries are accounted for by state employment. 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 3 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 Plan 3. The option must be exercised within 90 days of employment. Employees who fail to choose within 90 days default to Plan 3.

PERS is comprised of and reported as three separate plans for accounting purposes: Plan 1, Plan 2/3, and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members, and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan. Therefore, Plan 2/3 is considered to be a single plan for accounting purposes.

PERS Plan 1 and Plan 2 retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to the PERS Plan 1 and Plan 2 defined benefit plans accrue interest at a rate specified by the Director of DRS. During DRS' Fiscal Year 2013, the rate was five and one-half percent compounded quarterly. Members in PERS Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest thereon, in lieu of any retirement benefit, upon separation from PERS-covered employment.

PERS Plan 1 members are vested after the completion of five years of eligible service.

PERS Plan 1 members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with 25 years of service, or at age 60 with at least 5 years of service. Plan 1 members retiring from inactive status prior to the age of 65 may receive actuarially reduced benefits.

The monthly benefit is 2 percent of the average final compensation (AFC) per year of service, but the benefit may not exceed 60 percent of the AFC. The AFC is the monthly average of the 24 consecutive highest-paid service credit months.

PERS Plan 1 retirement benefits are actuarially reduced to reflect the choice, if made, of a survivor option.

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 provides duty and non-duty disability benefits. Duty disability retirement benefits for disablement prior to the age of 60 consist of a temporary life annuity. The benefit 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, at which time the benefit is converted to the member's service retirement amount.

A member with five years of covered employment is eligible for non-duty disability retirement. Prior to the age of 55, the benefit amount is 2 percent of the AFC for each year of service reduced by 2 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. Plan 1 members may elect to receive an optional COLA amount (based on the Consumer Price Index), capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

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 2 percent of the AFC per year of service. The AFC is the monthly average of the 60 consecutive highest-paid service months. 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 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, if hired prior to May 1, 2013:

- With a benefit that is reduced by 3 percent for each year before age 65; or
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of 5 percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service.

PERS Plan 2 retirement benefits are actuarially reduced to reflect the choice, if made, of a survivor option.

PERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component and member contributions finance a defined contribution component. As established by Chapter 41.34 RCW, employee contribution rates to the defined contribution component range from 5 percent to 15 percent of salaries, based on member choice. Members who do not choose a contribution rate default to a 5 percent rate. There are currently no requirements for employer contributions to the defined contribution component of PERS Plan 3.

PERS Plan 3 defined contribution retirement benefits are dependent upon the results of investment activities. Members may elect to self-direct the investment of their contributions. Any expenses incurred in conjunction with self-directed investments are paid by members. Absent a member's self-direction, PERS Plan 3 contributions are invested in the Retirement Strategy Fund that assumes the member will retire at age 65.

For DRS' Fiscal Year 2013, PERS Plan 3 employee contributions were \$99.0 million, and plan refunds paid out were \$69.4 million.

The defined benefit portion of PERS Plan 3 provides members a monthly benefit that is 1 percent of the AFC per year of service. The AFC is the monthly average of the 60 consecutive highest-paid service months. There is no cap on years of service credit, and Plan 3 provides the same cost-of-living allowance as Plan 2.

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 by 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, and were hired before May 1, 2013, 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.
- If they have 30 service credit years, are at least 55 years old, and were hired after May 1, 2013, they have the option to retire early by accepting a reduction of 5 percent for each year before age 65.

PERS Plan 3 benefits are actuarially reduced to reflect the choice, if made, of a survivor option. 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 2 percent of the AFC per year of service. For Plan 3, the monthly benefit amount is 1 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 members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of these options are available to their survivors.

A one-time duty-related death benefit is provided to the beneficiary or the estate of a PERS member who dies 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 the member's covered employment, if found eligible by the Department of Labor and Industries.

From January 1, 2007 through December 31, 2007, judicial members of PERS were given the choice to elect participation in the Judicial Benefit Multiplier (JBM) Program enacted in 2006. Justices and judges in PERS Plan 1 and Plan 2 were able to make an 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.

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.

There are 1,176 participating employers in PERS. [1] Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2012:

Retirees and Beneficiaries Receiving Benefits	89,242
Terminated Plan Member Entitled to But Not Yet Receiving Benefits	30,515
Active Plan Members Vested	106,317
Active Plan Member Non-vested	44,273
Total	263,347

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 6 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. 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.

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, 2013, are as follows:

Members Not Participating in JBM:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer*	9.21% **	9.21% **	9.21% ***
Employee	6.00% ****	4.64% ***	****

* The employer rates include the employer administrative expense fee currently set at 0.18%.

** The employer rate for state elected officials is 13.73% for Plan 1 and 9.21% 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 4.92% for Plan 2.

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

Members Participating in JBM:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer-State Agency*	11.71%	11.71%	11.71% **
Employer-Local Government Units*	9.21%	9.21%	9.21% **
Employee-State Agency	9.76%	9.80%	7.5% ***
Employee-Local Government Units	12.26%	12.30%	7.5% ***

* The employer rates include the employer administrative expense fee currently set at 0.18%.

** Plan 3 defined benefit portion only.

***Minimum rate.

Both city and the employees made the required contributions. [2] The city required contributions for the years ended December 31 were as follows:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
2013	\$ 30,034	\$ 724,420	\$ 91,404
2012	\$ 26,031	\$ 631,650	\$ 83,572
2011	\$ 16,259	\$ 541,368	\$ 68,507

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

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

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

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

LEOFF retirement benefits are financed from a combination of investment earnings, employer and employee contributions, and a special funding situation in which the state pays through legislative appropriations. Employee contributions to the LEOFF Plan 1 and Plan 2 defined benefit plans accrue interest at a rate specified by the Director of DRS. During DRS' Fiscal Year 2013, the rate was five and one-half percent compounded quarterly. Members in LEOFF Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest earnings, in lieu of any retirement benefit, upon separation from LEOFF-covered employment.

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 there is an eligible spouse, 50 percent of the FAS, plus 5 percent of the FAS for each eligible surviving child, with a limitation on the combined benefit of 60 percent of the FAS; or (2) If there is no eligible spouse, eligible children receive 30 percent of the FAS for the first child plus 10 percent for each additional child, subject to a 60 percent limitation of the FAS, divided equally.

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

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

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

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

LEOFF Plan 2 provides disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 benefit amount is 2 percent of the FAS for each year of service. Benefits are reduced to reflect the choice of survivor option and for each year that the member's age is less than 53, unless the disability is duty-related. If the member has at least 20 years of service and is age 50, the reduction is 3 percent for each year prior to age 53.

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

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

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

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

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

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

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

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, 2012.

Retirees and Beneficiaries Receiving Benefits	10,189
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	689
Active Plan Members Vested	14,273
Active Plan Members Non-vested	2,633
Total	27,784

Funding Policy

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

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For DRS' Fiscal Year 2013, the state contributed \$54.2 million to LEOFF Plan 2.

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

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2013, are as follows:

	LEOFF Plan 1	LEOFF Plan 2
Employer*	0.18%	5.23%**
Employee	0.00%	8.41%
State	N/A	3.36%

*The employer rates include the employer administrative expense fee currently set at 0.18%.

**The employer rate for ports and universities is 8.59%.

Both the city and the employees made the required contributions. [2] The city's required contributions for the years ended December 31 were as follows:

	LEOFF Plan 1	LEOFF Plan 2
2013	\$0	\$269,162
2012	\$0	\$273,236
2011	\$0	\$274,168

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, 2013, 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, 2013 there were 23 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, 2013 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 Position.

THREE YEAR TREND INFORMATION

Fiscal Year Ending 12/31	Annual Pension Cost (APC)	Contribution as a Percentage of APC	Net Pension Obligation (NPO)
2011	32,582	-19%	220,065
2012	30,690	137%	208,751
2013	36,074	72%	218,986

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

	12/31/2011	12/31/2012	12/31/2013
1. Annual Normal Cost (BOY)	\$ -	\$ -	\$ -
2. Amortization of UAAL (BOY)	37,117	37,117	42,522
3. Interest to EOY [(1)+(2)]x(i)*	<u>1,485</u>	<u>1,485</u>	<u>1,701</u>
Annual Required Contribution (ARC) at EOY			
4. [(1)+(2)+(3)]	\$ 38,602	\$ 38,602	\$ 44,223
5. Interest on NPO	7,250	8,803	8,350
6. Adjustment to ARC	<u>13,270</u>	<u>16,715</u>	<u>16,499</u>
7. Annual pension cost (APC) [(4)+(5)-(6)]	\$ 32,582	\$ 30,690	\$ 36,074
8. Employer Contributions**	(6,229)	42,004	25,839
9. Change in NPO [(7)-(8)]	<u>38,811</u>	<u>(11,314)</u>	<u>10,235</u>
10. NPO at BOY [(11) prior year]	<u>\$ 181,254</u>	<u>\$ 220,065</u>	<u>\$ 208,751</u>
11. NPO at EOY [(9)+(10)]	\$ 220,065	\$ 208,751	\$ 218,986

* 'i' is the assumed interest rate that year: 4.0% in 2011, 4.0% in 2012, 4.0% in 2013.

** 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 March 4, 2013, Northwest Plan Services, Inc., actuaries and consultants, completed the Firemen's Pension Fund Actuarial valuation. This valuation was updated on December 31, 2012. 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 2013 was \$994,107 which represents its full liability.

For the year ending December 31, 2013, the City's covered payroll was \$15,731,502. The City's total current year payroll for all employees is \$16,287,439. No significant benefit changes occurred in 2013.

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 12 – 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. 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 \$189,908 and long-term care costs of \$102,167 were reported in the LEOFF 1 Medical Reserve Fund 009. At December 31, 2013 there was \$442,276 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
2011	593,358	91%	437,472
2012	591,657	99%	445,956
2013	617,774	52%	741,671

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

	12/31/2011	12/31/2012	12/31/2013
Annual Normal Cost (BOY)	\$ -	\$ -	\$ -
Amortization of UAAL (BOY)	577,965	577,965	603,904
Interest to EOY [(1)+(2)]x(i)*	<u>23,119</u>	<u>23,119</u>	<u>24,156</u>
Annual Required Contribution (ARC) at EOY [(1)+(2)+(3)]	\$ 601,084	\$ 601,084	\$ 628,060
Interest on Net OPEB Obligation	15,328	17,499	17,838
Adjustment to ARC	<u>23,054</u>	<u>26,926</u>	<u>28,124</u>
Annual pension cost (APC) [(4)+(5)-(6)]	\$ 593,358	\$ 591,657	\$ 617,774
Employer Contributions**	539,097	583,173	322,059
Change in Net OPEB Obligation [(7)-(8)]	<u>54,261</u>	<u>8,484</u>	<u>295,715</u>
Net OPEB Obligation at BOY [(11) prior year]	<u>\$ 383,211</u>	<u>\$ 437,472</u>	<u>\$ 445,956</u>
Net OPEB Obligation at EOY [(9)+(10)]	\$ 437,472	\$ 445,956	\$ 741,671

* 'i' is the assumed interest rate that year: 4.0% in 2011, 4.0% in 2012, 4.0% in 2013.

**Employer contributions for pensions are total contributions net of medical expenses for the year as provided by RCW.41.26.150 and administrative expenses.

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 March 4, 2013, 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, 2012.

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

NOTE 13 – 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. The City issued new Water and Sewer Revenue Bonds in 2013 in the amount of \$15,010,000. 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 12/31/13
Governmental Debt:					
<u>General Obligation Bonds:</u>					
2003 UTGO Ref. Bonds - Public Safety Buildings	12/01/2016	2.00-3.50%	\$ 7,000,000	\$70,000 - \$960,000	\$ 2,720,000
2007 LTGO Bonds - Capital Improvements	3/15/2026	3.65-3.95%	1,384,904	\$130,000-\$370,000	1,020,804
2012 LTGO Refunding Bonds	12/1/2031	1.75-3.00%	9,004,043	\$80,000 - \$880,000	8,178,670
Total Governmental GO Bonds			17,388,947		11,919,474
Business-type Debt:					
<u>General Obligation Bonds:</u>					
2007 LTGO Bonds - Capital Improvements	3/15/2026	3.65-3.95%	3,845,096	\$130,000-\$370,000	2,834,196
2012 LTGO Refunding Bonds	12/1/2031	1.75-3.00%	320,957	\$80,000 - \$880,000	266,330
Total Business-type GO Bonds			4,166,053		3,100,526
Total General Obligation Bonds			<u>\$ 21,555,000</u>		<u>\$ 15,020,000</u>

Revenue bonds currently outstanding are as follows:

Issue Name	Maturity Date	Interest Rates	Original Amount	Principal Installments	Balance 12/31/13
Business-type Debt:					
<u>Revenue Bonds</u>					
2011 Water/Sewer Bonds	12/1/2031	3.65-3.95%	13,720,000	\$470,000 - \$945,000	12,735,000
2013 Water/Sewer Bonds	12/1/2038	4.00-5.00%	15,010,000	\$838,665-1,825,413	15,010,000
Total Revenue Bonds			<u>\$ 28,730,000</u>		<u>\$ 27,745,000</u>

Public Works Trust Fund Loans currently outstanding are as follows:

Issue Name	Maturity Date	Interest Rates	Original Amount	Principal Installments	Balance 12/31/13
Governmental Debt:					
<u>Public Works Trust Fund Loans:</u>					
P W Trust Fund Loan - Street Construction	6/30/2022	0.50%	\$ 340,000	\$13,421 - \$18,143	\$ 163,290
P W Trust Fund Loan - Street Construction	6/30/2024	0.50%	400,000	\$20,000 - \$21,176	232,941
P W Trust Fund Loan - Street Construction	5/24/2026	0.50%	624,750	\$32,882	427,461
Total Governmental Debt Public Works Trust Fund Loans			1,364,750		823,692
Business-type Debt:					
<u>Public Works Trust Fund Loans:</u>					
P W Trust Fund Loan - Trt. Plant/Sew er Improv.	6/30/2022	0.50%	1,347,250	\$67,363 - \$71,325	641,925
P W Trust Fund Loan - Water Improvements	6/30/2024	0.50%	408,000	\$4,295 - \$25,839	284,228
P W Trust Fund Loan - Storm Improvements	6/30/2024	0.50%	605,625	\$30,281 - \$32,063	352,688
P W Trust Fund Loan - Sew er Improvements	6/30/2025	0.50%	1,216,902	\$12,809 - \$67,615	867,543
P W Trust Fund Loan - 09 Water Improvements	7/1/2015	0%	100,000	\$18,000 - \$20,000	40,000
Total Business-type Debt Public Works Trust Fund Loans			3,677,777		2,186,384
Total Public Works Trust Fund Loans			<u>\$5,042,527</u>		<u>\$3,010,076</u>

Capital Contracts currently outstanding are as follows:

Issue Name	Maturity Date	Interest Rates	Original Amount	Principal Installments	Balance 12/31/13
Governmental Debt:					
<u>Capital Contracts</u>					
1996 Note - Fire Station #10	01/01/2015	1.00%	\$ 1,136,115	\$54,592 - \$65,300	\$ 129,950
2005 Contract - Public Safety Radio Equipment	12/01/2019	3.00-5.00%	1,595,046	\$77,457 - \$141,288	762,380
Total Capital Contracts			<u>\$ 2,731,161</u>		<u>\$ 892,330</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	\$ 91,536,176	\$ 61,024,117	\$ 152,560,293	\$ 152,560,293
Net outstanding indebtedness	(16,803,553)	(2,720,000)	-	-
Margin Available	\$ 74,732,622	\$ 58,304,117	\$ 152,560,293	\$ 152,560,293

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.

Debt Service to Maturity

The requirements to amortize the long-term debt as of December 31, 2013 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 2012 LTGO refunding bonds. The PFD is obligated by inter-local agreement to pay the entire amount of the PFD's portion of the 2012 debt service over the life of the 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
2014	4,810,266	294,041	5,104,307	1,134,627	1,261,272	2,395,899
2015	1,743,885	239,967	1,983,852	1,140,381	1,230,701	2,371,082
2016	1,733,273	218,273	1,951,546	1,147,733	1,199,545	2,347,278
2017	836,306	182,187	1,018,493	1,177,230	1,167,469	2,344,699
2018	868,871	161,445	1,030,316	1,210,403	1,134,252	2,344,655
2019-2023	3,949,377	511,312	4,460,689	6,546,057	5,034,472	11,580,529
2024-2028	2,221,833	126,130	2,347,963	6,285,480	3,881,857	10,167,337
2029-2033	235,000	10,688	245,688	6,425,000	2,696,015	9,121,015
	\$16,398,811	\$1,744,043	\$18,142,854	\$25,066,911	\$17,605,583	\$42,672,494

At December 31, 2013 the City had \$1,826,677 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, 2013, the City of Edmonds had no arbitrage liability.

Revenue Bond Debt Service Coverage

The required debt service coverage for the utility revenue bonds is 1.25. Please refer to Schedule 15 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 14 – CHANGES IN LONG-TERM LIABILITIES

During the year ended December 31, 2013, the following changes occurred in long-term liabilities:

	Beginning Balance 1/1/2013	Additions	Reductions	Ending Balance 12/31/2013	Due Within One Year
Governmental activities					
Bonds payable:					
General obligation bonds	\$ 13,604,427	\$ -	\$ (1,684,953)	\$ 11,919,474	\$ 1,771,895
Total bonds payable:	13,604,427	-	(1,684,953)	11,919,474	1,771,895
Net Pension Obligation	208,751	10,235	-	218,986	-
OPEB payable	445,956	295,715	-	741,671	-
Compensated absences	2,647,280	1,827,946	(2,040,189)	2,435,037	2,080,993
Capital contracts	1,063,924	-	(171,594)	892,330	177,971
Public Works Trust Loan	895,893	-	(72,201)	823,692	72,201
Governmental activity long-term liabilities	\$ 18,866,231	\$ 2,133,896	\$ (3,968,937)	\$ 17,031,190	\$ 4,103,060
Business-type activities					
Bonds Payable:					
General obligation bonds	\$ 3,320,573	\$ -	\$ (220,047)	\$ 3,100,526	\$ 228,105
Revenue bonds	13,250,000	15,010,000	(515,000)	27,745,000	685,000
Less:					
For issuance premiums	413,478	129,328	(23,247)	519,559	27,720
For issuance discount	(12,296)	-	868	(11,428)	(868)
On refunding	(182,814)	-	182,814	-	-
Total bonds payable:	16,788,941	15,139,328	(574,612)	31,353,657	939,957
Compensated absences	403,249	364,217	(341,140)	426,326	347,963
Public Works Trust Loan	2,407,905	-	(221,521)	2,186,384	221,522
Business-type activity long-term liabilities	\$ 19,600,095	\$ 15,503,545	\$ (1,137,273)	\$ 33,966,367	\$ 1,509,442

Internal service funds predominately serve the governmental funds. Accordingly, the December 31, 2013 long-term liabilities for the fund are included as part of the above totals for governmental activities. At year end \$39,322 of internal service funds compensated absences are included in the above amounts.

The General Fund typically is used to liquidate prior years' liability for compensated absences and other post-employment benefit obligations.

NOTE 15 – 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 16 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 zero to \$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 16 – 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 162 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 \$750,000, 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.

An investment committee, using investment brokers, produces additional revenue by investment of WCIA's assets in financial instruments which comply with all State guidelines.

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.

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 17 – 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, 2013 was \$461,108. 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.

The City of Edmonds participates in a second single joint venture with other local governments in the "*Southwest Snohomish County Public Safety Communications Agency*," (SNOCOM) a public non-profit corporation formed in 1971 and incorporated in 2014. The purpose of SNOCOM is to provide public safety communications, records retention and usage and other board approved functions.

SNOCOM was established via an interlocal agreement between the City of Edmonds, six other cities and Snohomish County Fire District 1 all located within the county. Each member city and the Fire District provide voting members to the SNOCOM board of directors. The purpose of SNOCOM is to provide communications and dispatching for public health and safety services in Southwest Snohomish County.

The Cities of Brier, Edmonds, Lynnwood, Mill Creek, Mountlake Terrace, Mukilteo, Woodway and Fire District 1 are jointly responsible for the financing of SNOCOM. The interlocal agreement details clearly an allocation formula that determines each member's share in the joint venture and its reported equity interest in their respective financial statements. It incorporates each agency's population, assessed value and usage of 911 calls for service. Each member provides a voting representative to SNOCOM governing board of directors. The SNOCOM board has the authority to approve project expenditures and adopt SNOCOM budget.

At December 31, 2013, the City of Edmonds owned an equity interest in the SNOCOM joint venture of \$907,057. This value has been recorded in the government wide statements as an asset for the year ended December 31, 2013. The equity interest is adjusted to the extent of revenues and expenditure transactions occurring between the City of Mountlake Terrace and SNOCOM as recorded in the City of Mountlake Terrace's financial system. The City of Mountlake Terrace, who acts as the entity's fiscal agent under the Interlocal Agreement for Financial Services signed on November 25, 2009, prepares the unaudited financial information. Separate financial statements for the Snohomish County Public Safety Communication Agency can be obtained from the City of Mountlake Terrace, Finance Department, 6100 219th St SW, Suite 200, Mountlake Terrace, WA 98043.

In September, 2013, the City of Edmonds joined the cities of Everett, Granite Falls, Lake Stevens, Lynnwood, Marysville, Mill Greek, Mountlake Terrace, Mukilteo, and Snohomish, the Town of Woodway, and Snohomish County to establish the Alliance for Housing Affordability (AHA). The agreement was amended in May, 2014 to add the City of Arlington and in June, 2014 to add the City of Stanwood.

The purpose of AHA is to cooperatively formulate affordable housing goals and policies and to foster efforts to provide affordable housing by providing expertise and information to member jurisdictions. Operating funding is provided by the member cities.

AHA is governed by a Joint Board composed of an elected official from each member. The Joint Board is responsible for review and approval of all budgetary, financial, policy, and contractual matters. The Board is assisted by an administrative staff housed at the Housing Authority for Snohomish County. Fiscal agent duties are performed by the City of Mountlake Terrace.

Each member city is responsible for contributing operating revenues as determined from the AHA annual budget. Contributions from the member cities are based on each member's population. A grant from the Gates Foundation provided \$50,000 to assist with the first two years of organizational start-up. The City of Edmonds' equity share to date is:

Year Budget	AHA Budget	Edmonds' Share	Edmonds' Share as % of AHA
2013	\$89,850	\$2,385	2.6%
2014	\$92,543	\$2,456	2.7%

Members withdrawing from the agreement relinquish all rights to any reserve funds, equipment, or material purchased. Upon dissolution, the agreement provides for distribution of net assets among the members based on the percentage of the total annual contributions during the period of the Agreement paid by each member.

Budget monitoring information can be obtained from Sonja Springer, Finance Director, City of Mountlake Terrace, 6100 219th Street SW, Mountlake Terrace WA 98043 (or email: sspringer@ci.mlt.wa.us) or from Kristina Gallant, Housing Analyst, Alliance for Housing Affordability, 12625 4th Ave W, Suite 200, Everett, WA 98204.

NOTE 18 – COMMITMENTS

The City has several capital improvement projects in progress. As of December 31, 2013, the City's outstanding contractual obligations, which include construction and engineering contracts, are summarized below:

Contract Name	Original Amount	Expenditure	Remaining Commitment
2012 Sanitary Sewer Replacement Project	55,178	45,277	9,901
2012 Sewermain-224th St. SW Sewer Replacement	139,784	126,018	13,766
2013 Citywide Drainage Replacement	133,998	41,368	92,630
2013 Construction Administration	125,000	116,514	8,486
2013 Sanitary Sewer Pipe Rehab	135,345	98,438	36,907
2013 Sewerline Replacement Program	61,600	39,272	22,328
2013 Waterline Replacement Project	1,304,458	1,268,344	36,114
2014 Citywide Drainage Replacement (N. Stream Inlet Replacement)	25,291	-	25,291
2014 Waterline Replacement Program	69,410	67,746	1,664
220 7th Ave N Curb/Gutter Project	12,450	-	12,450
228th Street SW Corridor Improvements Project	535,387	480,778	54,609
5th Ave S Overlay Project	925,756	865,981	59,775
76th Ave W & 212th St. SW Intersection	469,311	170,030	299,281
76th Ave W/75th Pl W Walkway and 162nd Park	161,000	60,888	100,113
Citywide Safety Improvements	257,022	180,857	76,164
Dayton St./SR104 Drainage Alternatives Study	192,210	173,397	18,813
Edmonds Marsh Feasibility Study	21,995	21,656	339
Edmonds Marsh Feasibility Study - Willow Creek Daylighting	25,239	4,955	20,284
Five Corners Roundabout	450,754	430,664	20,090
Hwy 99 Enhancements (Phase III)	80,127	56,833	23,293
Interurban Trail	131,125	129,974	1,151
LID Retrofits Perrinville Creek Stormwater Flow Reduction Project	46,999	3,584	43,415
Main Street Pedestrian Lighting from 5th to 6th	236,597	224,922	11,675
Northstream Pipe Abandonment	8,170	-	8,170
Perrinville Creek Culvert Replacement	5,322	4,077	1,245
Perrinville Creek Stormwater Flow Reduction Retrofit Study	368,488	96,452	272,036
Perrinville Creek Stormwater Sampling	9,607	9,448	159
Public Works Facilities Water Quality Upgrades	80,031	54,740	25,291
Sewer Lift Stations Rehabilitation	4,904,989	4,723,620	181,369
SR99 International District Enhancements	27,252	20,954	6,298
Storm Drainage Improvements - 88th & 194th	8,592	-	8,592
Sunset Walkway Project	69,800	64,791	5,009
SW Edmonds - 105th/106th Ave W Storm Improvements	55,600	-	55,600
SW Edmonds Basin #3 - 238th St. SW to Hickman Park (Phase 2)	22,647	4,489	18,158
Water, Sewer, Stormwater Revenue Req Update	12,910	12,740	170
WWTP Facility Remodel - Design	67,000	57,656	9,344
Sewer Sludge Incinerator - title 5 permit	22,500	8,865	13,635
2013 Energy Improvement water feature	10,000	-	10,000
	\$ 11,268,944	\$ 9,665,330	\$ 1,603,614

NOTE 19 – PRIOR PERIOD CORRECTIONS

The City received two grant awards for our Interurban Trail Project. In 2011, the City billed the granting agencies for expenses related to the project and accrued the grant revenue and recorded an offsetting receivable in our 2011 annual report. Subsequently, the City was notified that \$109,906 of the expenses did not qualify for reimbursement.

Governmental Activities

Interurban Grant

	109,906
	<u>\$ 109,906</u>

NOTE 20 – SUBSEQUENT EVENT

On January 31st, 2014, the City refinanced the City's 2003 Unlimited Tax General Obligation Bond in the amount of \$2,763,314. The bond was refinanced with a three year bank loan from Cashmere Valley Bank.

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, 2012	\$ 217	\$ 755	\$ 538	29%	N/A	N/A
January 1, 2010	267	774	507	34%	N/A	N/A
January 1, 2008	297	871	574	34%	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**
2013	\$ (23,653)	\$ 49,492	\$ 25,839	\$ 44,223	58%
2012	(2,661)	44,665	42,004	38,602	109%
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%

**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, 2012	\$ -	\$ 9,576	\$ 9,576	0%	N/A	N/A
January 1, 2010	-	9,607	9,607	0%	N/A	N/A
January 1, 2008	-	9,887	9,887	0%	N/A	N/A

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ending 12/31	Total Employer Contributions***	Annual Required Contribution	Percentage of ARC Contributed**
2013	\$ 322,059	\$ 628,060	51%
2012	583,173	601,084	97%
2011	539,097	601,084	90%
2010	523,170	593,330	88%
2009	479,076	593,330	81%
2008	444,701	561,707	79%

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

FIREMEN'S PENSION TRUST FUND

Actuarial Valuations	
Actuarial valuation date	January 1, 2012
Actuarial cost method	Entry age normal
Amortization method	30 year, closed as of January 1, 2000
Remaining amortization period	17 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, 2012
Actuarial cost method	Entry age normal
Amortization method	30 year, closed as of January 1, 2007
Remaining amortization period	24 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.

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.*

Risk Management Reserve Subfund (011) – *This subfund was established in 2012. It is dedicated to mitigation of the risk of loss arising from potential claims and lawsuits against the City for general liability purposes as well as claims resulting from natural disasters such as earthquakes.*

Contingency Reserve Subfund (012) - *This subfund was established in 2012 with the intent to maintain a minimum balance of 8% of annual General Fund revenues. At no time shall the balance fall below 8% unless specifically waived by City Council because of an unforeseen emergency.*

Multimodal Transportation Subfund (013) – *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.*

Historic Preservation Gift Subfund (014) - *The purpose of this fund is to support the mission of the Edmonds Historic Preservation Commission to promote historic preservation and encourage the owners of historically significant properties to voluntarily add them to the Edmonds Register of Historic Places in order to raise awareness and appreciation of local history.*

Building Maintenance Subfund (016) - *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, 2013

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	009 LEOFF MEDICAL INSURANCE RESERVE SUBFUND	011 RISK MANAGEMENT RESERVE SUBFUND	012 CONTINGENCY RESERVE SUBFUND
ASSETS:			
CURRENT ASSETS:			
CASH AND CASH EQUIVALENTS	\$ 442,276	\$ 387,195	\$ 2,405,288
INVESTMENTS	-	-	2,959,532
DEPOSITS WITH TRUSTEE	-	-	-
RECEIVABLES:			
TAXES	-	-	-
CUSTOMER ACCOUNTS	-	-	-
INTEREST RECEIVABLE	-	-	11,976
INTERFUND RECEIVABLE	-	-	-
DUE FROM OTHER GOVERNMENTAL UNITS	-	-	-
DUE FROM COMPONENT UNIT	-	-	-
SUPPLIES INVENTORY	-	-	-
TOTAL ASSETS	\$ 442,276	\$ 387,195	\$ 5,376,796
LIABILITIES AND FUND BALANCES:			
CURRENT LIABILITIES:			
ACCOUNTS PAYABLE	\$ 1,532	\$ -	\$ -
WAGES AND BENEFITS PAYABLE	-	-	-
OTHER LIABILITIES PAYABLE	-	-	-
LONG-TERM LIABILITIES:			
UNEARNED REVENUE	-	-	-
TOTAL LIABILITIES	1,532	-	-
FUND BALANCES:			
NON-SPENDABLE:			
INVENTORY	-	-	-
RESTRICTED FOR:			
UNASSIGNED	440,744	387,195	5,376,796
TOTAL FUND BALANCES	440,744	387,195	5,376,796
TOTAL NET POSITION	\$ 442,276	\$ 387,195	\$ 5,376,796

013 MULTIMODAL TRANSPORTATION SUBFUND	014 HISTORIC PRESERVATION GIFT SUBFUND	016 BUILDING MAINTENANCE SUBFUND	001 GENERAL FUND	TOTAL GENERAL FUND
\$ 55,859	\$ 1,062	\$ (96,490)	\$ 5,589,110	\$ 8,784,300
-	-	-	-	2,959,532
-	-	-	22,764	22,764
-	-	-	311,379	311,379
-	-	-	770,238	770,238
-	-	-	-	11,976
-	-	-	167,800	167,800
-	-	187,566	1,535,319	1,722,885
-	-	-	5,476,494	5,476,494
-	-	-	686	686
<u>\$ 55,859</u>	<u>\$ 1,062</u>	<u>\$ 91,076</u>	<u>\$ 13,873,790</u>	<u>\$ 20,228,054</u>
\$ -	\$ -	\$ 7,419	\$ 230,932	\$ 239,883
-	-	-	907,453	907,453
-	-	18,895	85,667	104,562
-	-	-	5,815,358	5,815,358
-	-	26,314	7,039,410	7,067,256
-	-	-	686	686
55,859	1,062	64,762	6,833,694	13,160,112
<u>55,859</u>	<u>1,062</u>	<u>64,762</u>	<u>6,834,380</u>	<u>13,160,798</u>
<u>\$ 55,859</u>	<u>\$ 1,062</u>	<u>\$ 91,076</u>	<u>\$ 13,873,790</u>	<u>\$ 20,228,054</u>

CITY OF EDMONDS, WASHINGTON
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

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	009 LEOFF MEDICAL INSURANCE RESERVE SUBFUND	011 RISK MANAGEMENT RESERVE FUND	012 CONTINGENCY RESERVE FUND
REVENUES:			
TAXES:			
PROPERTY	\$ -	\$ -	\$ -
RETAIL SALES & USE	-	-	-
INTERFUND UTILITY	-	-	-
UTILITY	-	-	-
EXCISE	-	-	-
LICENSES AND PERMITS	-	-	-
INTERGOVERNMENTAL	-	-	-
CHARGES FOR SERVICES	-	-	-
FINES AND FORFEITURES	-	-	-
INVESTMENT EARNINGS	641	30	(24,291)
MISCELLANEOUS	-	35,000	-
TOTAL REVENUES	641	35,030	(24,291)
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT SERVICES	-	428,835	-
PUBLIC SAFETY	298,406	-	-
UTILITIES AND ENVIRONMENT	-	-	-
ECONOMIC ENVIRONMENT	-	-	-
MENTAL AND PHYSICAL HEALTH	-	-	-
CULTURE AND RECREATION	-	-	-
DEBT SERVICE:	-	-	-
PRINCIPAL	-	-	-
INTEREST AND OTHER COSTS	-	-	-
CAPITAL OUTLAY	-	-	-
INTERGOVERNMENTAL AND OTHER PAYMENTS	-	-	-
TOTAL EXPENDITURES	298,406	428,835	-
EXCESS (DEFICIENCY) OF REVENUES			
OVER (UNDER) EXPENDITURES	(297,765)	(393,805)	(24,291)
OTHER FINANCING SOURCES (USES):			
SALE OF CAPITAL ASSETS	-	-	-
TRANSFERS IN (Note 6)	350,000	667,000	122,935
TRANSFERS OUT (Note 6)	-	-	-
TOTAL OTHER FINANCING SOURCES AND USES	350,000	667,000	122,935
NET CHANGE IN FUND BALANCES	52,235	273,195	98,644
FUND BALANCES - BEGINNING	388,509	114,000	5,278,152
FUND BALANCES - ENDING	\$ 440,744	\$ 387,195	\$ 5,376,796

013 MULTIMODAL TRANSPORTATION SUBFUND	014 HISTORIC PRESERVATION GIFT FUND	016 BUILDING MAINTENANCE SUBFUND	001 GENERAL FUND	TOTAL GENERAL FUND
\$ -	\$ -	\$ -	\$ 13,564,947	\$ 13,564,947
-	-	-	6,018,989	6,018,989
-	-	-	1,709,124	1,709,124
-	-	-	4,776,698	4,776,698
-	-	-	227,635	227,635
-	-	-	1,858,866	1,858,866
-	4,565	234,375	723,731	962,671
-	713	-	4,571,966	4,572,679
-	-	-	639,897	639,897
-	1	-	12,247	(11,372)
-	-	330	409,653	444,983
-	5,279	234,705	34,513,753	34,765,117
-	-	440,569	6,437,177	7,306,581
-	-	-	17,348,178	17,646,584
-	-	-	1,356,123	1,356,123
-	5,280	-	854,388	859,668
-	-	-	8,558	8,558
-	-	-	3,388,835	3,388,835
-	-	-	1,010,608	1,010,608
-	-	-	186,091	186,091
-	-	-	36,779	36,779
-	-	-	180,000	180,000
-	5,280	440,569	30,806,737	31,979,827
-	(1)	(205,864)	3,707,016	2,785,290
-	-	-	854	854
-	-	56,600	12,797	1,209,332
-	-	-	(1,521,587)	(1,521,587)
-	-	56,600	(1,507,936)	(311,401)
-	(1)	(149,264)	2,199,080	2,473,889
55,859	1,063	214,026	4,635,300	10,686,909
\$ 55,859	\$ 1,062	\$ 64,762	\$ 6,834,380	\$ 13,160,798

CITY OF EDMONDS, WASHINGTON
COMBINING SCHEDULE OF ORIGINAL BUDGET
GENERAL FUND (GAAP BASIS)
 FOR THE YEAR ENDED DECEMBER 31, 2013

Page 1 of 2

	009 LEOFF MEDICAL INSURANCE RESERVE SUBFUND	011 RISK MANAGEMENT RESERVE FUND	012 CONTINGENCY RESERVE FUND
REVENUES:			
TAXES:			
PROPERTY	\$ -	\$ -	\$ -
RETAIL SALES & USE	-	-	-
INTERFUND UTILITY	-	-	-
UTILITY	-	-	-
EXCISE	-	-	-
LICENSES AND PERMITS	-	-	-
INTERGOVERNMENTAL	-	-	-
CHARGES FOR SERVICES	-	-	-
FINES AND FORFEITURES	-	-	-
INVESTMENT EARNINGS	350	1,200	288
MISCELLANEOUS	-	-	-
TOTAL REVENUES	350	1,200	288
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT SERVICES	619,400	661,000	-
PUBLIC SAFETY	-	-	-
UTILITIES AND ENVIRONMENT	-	-	-
ECONOMIC ENVIRONMENT	-	-	-
MENTAL AND PHYSICAL HEALTH	-	-	-
CULTURE AND RECREATION	-	-	-
DEBT SERVICE	-	-	-
PRINCIPAL	-	-	-
INTEREST AND OTHER COSTS	-	-	-
CAPITAL OUTLAY	-	-	-
INTERGOVERNMENTAL AND OTHER PAYMENTS	-	-	-
TOTAL EXPENDITURES	619,400	661,000	-
EXCESS (DEFICIENCY) OF REVENUES			
OVER (UNDER) EXPENDITURES	(619,050)	(659,800)	288
OTHER FINANCING SOURCES (USES):			
TRANSFERS IN (Note 7)	600,000	417,000	122,935
TRANSFERS OUT (Note 7)	-	-	-
TOTAL OTHER FINANCING SOURCES AND USES	600,000	417,000	122,935
NET CHANGE IN FUND BALANCES	(19,050)	(242,800)	123,223
FUND BALANCES - BEGINNING	320,866	244,600	5,282,086
FUND BALANCES - ENDING	\$ 301,816	\$ 1,800	\$ 5,405,309

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013 MULTIMODAL TRANSPORTATION SUBFUND	014 HISTORIC PRESERVATION GIFT FUND	016 BUILDING MAINTENANCE SUBFUND	001 GENERAL FUND	TOTAL GENERAL FUND
\$ -	\$ -	\$ -	\$ 13,472,494	\$ 13,472,494
-	-	-	5,442,273	5,442,273
-	-	-	1,649,213	1,649,213
-	-	-	4,897,046	4,897,046
-	-	-	212,350	212,350
-	-	-	1,548,173	1,548,173
-	-	-	589,557	589,557
-	-	-	4,148,225	4,148,225
-	-	-	526,342	526,342
-	-	300	17,741	19,879
-	-	-	317,792	317,792
-	-	300	32,821,206	32,823,344
-	-	35,000	6,859,857	8,175,257
-	-	-	17,562,911	17,562,911
-	-	-	1,394,458	1,394,458
-	-	-	897,958	897,958
-	-	-	11,000	11,000
-	-	-	3,360,903	3,360,903
-	-	-	-	-
-	-	-	1,227,259	1,227,259
-	-	-	190,614	190,614
-	-	-	45,000	45,000
-	-	-	190,000	190,000
-	-	35,000	31,739,960	33,055,360
-	-	(34,700)	1,081,246	(232,016)
-	-	56,600	25,086	1,221,621
-	-	-	(1,096,535)	(1,096,535)
-	-	56,600	(1,071,449)	125,086
-	-	21,900	9,797	(106,930)
55,859	-	201,126	3,998,567	10,103,104
\$ 55,859	\$ -	\$ 223,026	\$ 4,008,364	\$ 9,996,174

CITY OF EDMONDS, WASHINGTON
COMBINING SCHEDULE OF FINAL BUDGET
GENERAL FUND (GAAP BASIS)
 FOR THE YEAR ENDED DECEMBER 31, 2013

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	009 LEOFF MEDICAL INSURANCE RESERVE SUBFUND	011 RISK MANAGEMENT RESERVE FUND	012 CONTINGENCY RESERVE FUND
REVENUES:			
TAXES:			
PROPERTY	\$ -	\$ -	\$ -
RETAIL SALES & USE	-	-	-
INTERFUND UTILITY	-	-	-
UTILITY	-	-	-
EXCISE	-	-	-
LICENSES AND PERMITS	-	-	-
INTERGOVERNMENTAL	-	-	-
CHARGES FOR SERVICES	-	-	-
FINES AND FORFEITURES	-	-	-
INVESTMENT EARNINGS	350	1,200	288
MISCELLANEOUS	-	-	-
TOTAL REVENUES	350	1,200	288
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT SERVICES	619,400	661,000	-
PUBLIC SAFETY	-	-	-
UTILITIES AND ENVIRONMENT	-	-	-
ECONOMIC ENVIRONMENT	-	-	-
MENTAL AND PHYSICAL HEALTH	-	-	-
CULTURE AND RECREATION	-	-	-
DEBT SERVICE	-	-	-
PRINCIPAL	-	-	-
INTEREST AND OTHER COSTS	-	-	-
CAPITAL OUTLAY	-	-	-
INTERGOVERNMENTAL AND OTHER PAYMENTS	-	-	-
TOTAL EXPENDITURES	619,400	661,000	-
EXCESS (DEFICIENCY) OF REVENUES			
OVER (UNDER) EXPENDITURES	(619,050)	(659,800)	288
OTHER FINANCING SOURCES (USES):			
TRANSFERS IN (Note 7)	350,000	667,000	122,935
TRANSFERS OUT (Note 7)	-	-	-
TOTAL OTHER FINANCING SOURCES AND USES	350,000	667,000	122,935
NET CHANGE IN FUND BALANCES	(269,050)	7,200	123,223
FUND BALANCES - BEGINNING	388,509	114,000	5,278,152
FUND BALANCES - ENDING	\$ 119,459	\$ 121,200	\$ 5,401,375

013 MULTIMODAL TRANSPORTATION SUBFUND	014 HISTORIC PRESERVATION GIFT FUND	016 BUILDING MAINTENANCE SUBFUND	001 GENERAL FUND	TOTAL GENERAL FUND
\$ -	\$ -	\$ -	\$ 13,472,494	\$ 13,472,494
-	-	-	5,442,273	5,442,273
-	-	-	1,649,213	1,649,213
-	-	-	4,897,046	4,897,046
-	-	-	212,350	212,350
-	-	-	1,548,173	1,548,173
-	6,000	247,942	625,462	879,404
-	-	-	4,176,428	4,176,428
-	-	-	526,342	526,342
-	-	300	14,741	16,879
-	9,000	-	331,391	340,391
-	15,000	248,242	32,895,913	33,160,993
-	-	307,850	6,967,358	8,555,608
-	-	-	17,717,231	17,717,231
-	-	-	1,418,188	1,418,188
-	15,000	-	906,668	921,668
-	-	-	12,000	12,000
-	-	-	3,442,517	3,442,517
-	-	-	1,010,609	1,010,609
-	-	-	190,614	190,614
-	-	170,000	45,000	215,000
-	-	-	190,000	190,000
-	15,000	477,850	31,900,185	33,673,435
-	-	(229,608)	995,728	(512,442)
-	-	56,600	12,797	1,209,332
-	-	-	(1,575,185)	(1,575,185)
-	-	56,600	(1,562,388)	(365,853)
-	-	(173,008)	(566,660)	(878,295)
55,859	1,063	214,026	4,635,301	10,686,910
\$ 55,859	\$ 1,063	\$ 41,018	\$ 4,068,641	\$ 9,808,615



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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, 2013

	TOTAL NONMAJOR SPECIAL REVENUE FUNDS	TOTAL NONMAJOR DEBT SERVICE FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS:			
CURRENT ASSETS:			
CASH AND CASH EQUIVALENTS	\$ 3,939,086	\$ 58,929	\$ 3,998,015
INVESTMENTS	500,000	-	500,000
RECEIVABLES:			
CUSTOMER ACCOUNTS	86	-	86
SPECIAL ASSESSMENTS	-	32,117	32,117
ACCRUED INTEREST RECEIVABLE	3,875	-	3,875
INTERFUND RECEIVABLE	47,323	-	47,323
DUE FROM OTHER GOVERNMENTAL UNITS	1,350,910	-	1,350,910
LONG-TERM ASSETS:			
SPECIAL ASSESSMENTS - NON-CURRENT	-	70,190	70,190
TOTAL ASSETS	\$ 5,841,280	\$ 161,236	\$ 6,002,516
LIABILITIES AND FUND BALANCES:			
CURRENT LIABILITIES:			
ACCOUNTS PAYABLE	\$ 318,671	\$ -	\$ 318,671
WAGES AND BENEFITS PAYABLE	43,083	-	43,083
INTERFUND PAYABLE	47,323	-	47,323
OTHER LIABILITIES PAYABLE	991	-	991
LONG-TERM LIABILITIES:			
UNEARNED REVENUE	1,725	104,075	105,800
TOTAL LIABILITIES	411,793	104,075	515,868
FUND BALANCES:			
RESTRICTED FOR:			
DEBT SERVICE	-	57,161	57,161
PUBLIC SAFETY	91,432	-	91,432
TRANSPORTATION	696,354	-	696,354
CULTURE AND RECREATION	3,897,644	-	3,897,644
ECONOMIC ENVIRONMENT	162,900	-	162,900
OTHER PURPOSES	17,303	-	17,303
COMMITTED TO:			
UTILITIES AND ENVIRONMENT	70,203	-	70,203
CULTURE AND RECREATION	431,932	-	431,932
OTHER PURPOSES	61,719	-	61,719
TOTAL FUND BALANCES	5,429,487	57,161	5,486,648
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,841,280	\$ 161,236	\$ 6,002,516

CITY OF EDMONDS, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENT FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2013

	TOTAL NONMAJOR SPECIAL REVENUE	TOTAL NONMAJOR DEBT SERVICE	TOTAL NONMAJOR GOVERNMENTAL
REVENUES:			
TAXES:			
SALES AND USE TAX	\$ 85,629	\$ -	\$ 85,629
EXCISE	1,838,330	-	1,838,330
LICENSES AND PERMITS	81,132	-	81,132
INTERGOVERNMENTAL	2,420,990	-	2,420,990
CHARGES FOR SERVICES	1,682,747	-	1,682,747
FINES AND FORFEITURES	-	461	461
INVESTMENT EARNINGS	8,962	5,863	14,825
MISCELLANEOUS	237,431	350,300	587,731
TOTAL REVENUES	6,355,221	356,624	6,711,845
EXPENDITURES:			
CURRENT:			
GENERAL GOVERNMENT SERVICES	555	-	555
PUBLIC SAFETY	59,468	-	59,468
UTILITIES AND ENVIRONMENT	135,849	-	135,849
TRANSPORTATION	2,009,988	-	2,009,988
ECONOMIC ENVIRONMENT	18,145	-	18,145
CULTURE AND RECREATION	401,575	-	401,575
DEBT SERVICE:			
PRINCIPAL	92,766	825,373	918,139
INTEREST AND OTHER COSTS	18,627	184,528	203,155
CAPITAL OUTLAY	2,045,232	-	2,045,232
TOTAL EXPENDITURES	4,782,205	1,009,901	5,792,106
EXCESS (DEFICIENCY) OF REVENUES			
OVER (UNDER) EXPENDITURES	1,573,016	(653,277)	919,739
OTHER FINANCING SOURCES (USES):			
SALE OF CAPITAL ASSETS	13,119	-	13,119
TRANSFERS IN (Note 7)	712,287	706,339	1,418,626
TRANSFERS OUT (Note 7)	(1,083,174)	(22,130)	(1,105,304)
TOTAL OTHER FINANCING SOURCES AND USES	(357,768)	684,209	326,441
NET CHANGE IN FUND BALANCES	1,215,248	30,932	1,246,180
FUND BALANCES - BEGINNING PRIOR PERIOD	4,324,145 (109,906)	26,229 -	4,350,374 (109,906)
FUND BALANCES - ENDING	\$ 5,429,487	\$ 57,161	\$ 5,486,648



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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 twenty 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.

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 (139) – 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.

Business Improvement District (140) – This fund was created to account for the business improvement assessment levied to support the downtown Business Improvement District.



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CITY OF EDMONDS, WASHINGTON
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2013

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	\$ 75,921	\$ 183,293	\$ (385,179)	\$ 432,980
INVESTMENTS	-	-	-	-
RECEIVABLES:				
CUSTOMER ACCOUNTS	-	86	-	-
ACCRUED INTEREST RECEIVABLE	-	-	-	-
INTERFUND RECEIVABLE	-	47,323	-	-
DUE FROM OTHER GOVERNMENTAL UNITS	15,486	53,716	1,000,720	-
TOTAL ASSETS	\$ 91,407	\$ 284,418	\$ 615,541	\$ 432,980
LIABILITIES AND FUND BALANCES:				
CURRENT LIABILITIES:				
ACCOUNTS PAYABLE	\$ 134	\$ 28,573	\$ 134,387	\$ 1,048
WAGES AND BENEFITS PAYABLE	-	37,770	-	-
INTERFUND PAYABLE	-	-	-	-
OTHER LIABILITIES PAYABLE	(159)	1,150	-	-
NONCURRENT LIABILITIES:				
UNEARNED REVENUE	-	1,725	-	-
TOTAL LIABILITIES	(25)	69,218	134,387	1,048
FUND BALANCES:				
RESTRICTED FOR:				
PUBLIC SAFETY	91,432	-	-	-
TRANSPORTATION	-	215,200	481,154	-
CULTURE AND RECREATION	-	-	-	-
ECONOMIC ENVIRONMENT	-	-	-	-
OTHER PURPOSES	-	-	-	-
COMMITTED TO:				
UTILITIES AND ENVIRONMENT	-	-	-	-
CULTURE AND RECREATION	-	-	-	431,932
OTHER PURPOSES	-	-	-	-
TOTAL FUND BALANCES	91,432	215,200	481,154	431,932
TOTAL LIABILITIES AND FUND BALANCES	\$ 91,407	\$ 284,418	\$ 615,541	\$ 432,980

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
\$ 17,703	\$ 99,041	\$ 61,719	\$ 13,858	\$ 71,347	\$ 1,008,585
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	8,945	-	-	2,982	92,868
<u>\$ 17,703</u>	<u>\$ 107,986</u>	<u>\$ 61,719</u>	<u>\$ 13,858</u>	<u>\$ 74,329</u>	<u>\$ 1,101,453</u>
\$ -	\$ 1,250	\$ -	\$ -	\$ 3,900	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	1,250	-	-	3,900	-
-	-	-	-	-	-
-	-	-	-	-	-
17,703	-	-	13,858	70,429	1,101,453
-	106,736	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	61,719	-	-	-
<u>17,703</u>	<u>106,736</u>	<u>61,719</u>	<u>13,858</u>	<u>70,429</u>	<u>1,101,453</u>
<u>\$ 17,703</u>	<u>\$ 107,986</u>	<u>\$ 61,719</u>	<u>\$ 13,858</u>	<u>\$ 74,329</u>	<u>\$ 1,101,453</u>

CITY OF EDMONDS, WASHINGTON
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2013

Page 3 of 4

	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	\$ 667,585	\$ 225,677	\$ 6,894	\$ 79,381
INVESTMENTS	-	-	-	-
RECEIVABLES:				
CUSTOMER ACCOUNTS	-	-	-	-
ACCRUED INTEREST RECEIVABLE	-	-	-	-
INTERFUND RECEIVABLE	-	-	-	-
DUE FROM OTHER GOVERNMENTAL UNITS	92,868	-	25,864	-
TOTAL ASSETS	\$ 760,453	\$ 225,677	\$ 32,758	\$ 79,381
LIABILITIES AND FUND BALANCES:				
CURRENT LIABILITIES:				
ACCOUNTS PAYABLE	\$ -	\$ -	\$ 17,469	\$ 3,865
WAGES AND BENEFITS PAYABLE	-	-	-	5,313
INTERFUND PAYABLE	-	-	-	-
OTHER LIABILITIES PAYABLE	-	-	-	-
NONCURRENT LIABILITIES:				
UNEARNED REVENUE	-	-	-	-
TOTAL LIABILITIES	-	-	17,469	9,178
FUND BALANCES:				
RESTRICTED FOR:				
PUBLIC SAFETY	-	-	-	-
TRANSPORTATION	-	-	-	-
CULTURE AND RECREATION	760,453	225,677	-	-
ECONOMIC ENVIRONMENT	-	-	-	-
OTHER PURPOSES	-	-	15,289	-
COMMITTED TO:				
UTILITIES AND ENVIRONMENT	-	-	-	70,203
CULTURE AND RECREATION	-	-	-	-
OTHER PURPOSES	-	-	-	-
TOTAL FUND BALANCES	760,453	225,677	15,289	70,203
TOTAL LIABILITIES AND FUND BALANCES	\$ 760,453	\$ 225,677	\$ 32,758	\$ 79,381

132 PARKS CONSTRUCTION FUND	136 PARKS TRUST FUND	137 CEMETERY MAINT TRUST FUND	138 SISTER CITY COMMISSION FUND	139 TRANSPORTATION BENEFIT DISTRICT	140 BUSINESS IMPROVEMENT DISTRICT	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
\$ 834,906	\$ 150,334	\$ 335,417	\$ 3,418	\$ -	\$ 56,206	\$ 3,939,086
-	-	500,000	-	-	-	500,000
-	-	-	-	-	-	86
-	-	3,875	-	-	-	3,875
-	-	-	-	-	-	47,323
10,138	-	-	-	47,323	-	1,350,910
<u>\$ 845,044</u>	<u>\$ 150,334</u>	<u>\$ 839,292</u>	<u>\$ 3,418</u>	<u>\$ 47,323</u>	<u>\$ 56,206</u>	<u>\$ 5,841,280</u>
\$ 126,599	\$ -	\$ -	\$ 1,404	\$ -	\$ 42	\$ 318,671
-	-	-	-	-	-	43,083
-	-	-	-	47,323	-	47,323
-	-	-	-	-	-	991
-	-	-	-	-	-	1,725
<u>126,599</u>	<u>-</u>	<u>-</u>	<u>1,404</u>	<u>47,323</u>	<u>42</u>	<u>411,793</u>
-	-	-	-	-	-	91,432
-	-	-	-	-	-	696,354
718,445	150,334	839,292	-	-	-	3,897,644
-	-	-	-	-	56,164	162,900
-	-	-	2,014	-	-	17,303
-	-	-	-	-	-	70,203
-	-	-	-	-	-	431,932
-	-	-	-	-	-	61,719
<u>718,445</u>	<u>150,334</u>	<u>839,292</u>	<u>2,014</u>	<u>-</u>	<u>56,164</u>	<u>5,429,487</u>
<u>\$ 845,044</u>	<u>\$ 150,334</u>	<u>\$ 839,292</u>	<u>\$ 3,418</u>	<u>\$ 47,323</u>	<u>\$ 56,206</u>	<u>\$ 5,841,280</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, 2013

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	-	6,600	-	-
INTERGOVERNMENTAL	-	675,769	1,505,932	-
CHARGES FOR SERVICES	-	658,607	156,463	42,710
INVESTMENT EARNINGS	160	322	49	773
MISCELLANEOUS	32,703	2,964	-	17,038
TOTAL REVENUES	32,863	1,344,262	1,662,444	60,521
EXPENDITURES:				
CURRENT:				
GENERAL GOVERNMENT SERVICES	-	-	-	-
PUBLIC SAFETY	59,468	-	-	-
UTILITIES AND ENVIRONMENT	-	-	-	-
TRANSPORTATION	-	1,330,423	-	-
ECONOMIC ENVIRONMENT	-	-	-	-
CULTURE AND RECREATION	-	-	-	63,906
DEBT SERVICE:				
PRINCIPAL	-	3,015	72,201	-
INTEREST AND OTHER COSTS	-	2,074	4,479	-
CAPITAL OUTLAY	-	-	1,587,689	3,000
TOTAL EXPENDITURES	59,468	1,335,512	1,664,369	66,906
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(26,605)	8,750	(1,925)	(6,385)
OTHER FINANCING SOURCES (USES):				
INSURANCE RECOVERIES	-	12,119	-	1,000
TRANSFERS IN (Note 7)	-	100,000	98,818	5,066
TRANSFERS OUT (Note 7)	(500)	(28,650)	-	-
TOTAL OTHER FINANCING SOURCES AND USES	(500)	83,469	98,818	6,066
NET CHANGE IN FUND BALANCES	(27,105)	92,219	96,893	(319)
FUND BALANCES - BEGINNING	118,537	122,981	384,261	432,251
PRIOR PERIOD	-	-	-	-
FUND BALANCES - ENDING	\$ 91,432	\$ 215,200	\$ 481,154	\$ 431,932

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
\$ -	\$ 64,222	\$ -	\$ -	\$ 21,407	\$ -
-	-	-	-	-	919,165
-	-	17,386	-	-	-
-	-	-	-	-	-
-	-	-	-	124	-
32	52	116	25	122	2,638
-	-	-	1,465	-	-
32	64,274	17,502	1,490	21,653	921,803
-	-	555	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	26,728	-	-	-
-	-	-	-	-	-
-	47,330	-	3,579	17,140	253,292
-	-	-	-	-	-
-	-	-	-	-	-
-	10,000	-	-	-	8,403
-	57,330	27,283	3,579	17,140	261,695
32	6,944	(9,781)	(2,089)	4,513	660,108
-	-	-	-	-	-
-	-	-	-	-	8,403
-	(4,000)	-	-	-	(598,818)
-	(4,000)	-	-	-	(590,415)
32	2,944	(9,781)	(2,089)	4,513	69,693
17,671	103,792	71,500	15,947	65,916	1,031,760
-	-	-	-	-	-
\$ 17,703	\$ 106,736	\$ 61,719	\$ 13,858	\$ 70,429	\$ 1,101,453

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, 2013

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	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	919,165	-	-	-
LICENSES AND PERMITS	-	-	-	-
INTERGOVERNMENTAL	-	-	168,425	-
CHARGES FOR SERVICES	-	-	-	152,020
INVESTMENT EARNINGS	266	402	-	117
MISCELLANEOUS	-	37,400	-	315
TOTAL REVENUES	919,431	37,802	168,425	152,452
EXPENDITURES:				
CURRENT:				
GENERAL GOVERNMENT SERVICES	-	-	-	-
PUBLIC SAFETY	-	-	-	-
UTILITIES AND ENVIRONMENT	-	-	-	135,849
TRANSPORTATION	-	-	-	-
ECONOMIC ENVIRONMENT	-	-	-	-
CULTURE AND RECREATION	-	16,328	-	-
DEBT SERVICE:				
PRINCIPAL	17,550	-	-	-
INTEREST AND OTHER COSTS	12,074	-	-	-
CAPITAL OUTLAY	-	-	158,870	-
TOTAL EXPENDITURES	29,624	16,328	158,870	135,849
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	889,807	21,474	9,555	16,603
OTHER FINANCING SOURCES (USES):				
INSURANCE RECOVERIES	-	-	-	-
TRANSFERS IN (Note 7)	-	-	-	-
TRANSFERS OUT (Note 7)	(438,909)	(12,297)	-	-
TOTAL OTHER FINANCING SOURCES AND USES	(438,909)	(12,297)	-	-
NET CHANGE IN FUND BALANCES	450,898	9,177	9,555	16,603
FUND BALANCES - BEGINNING	309,555	216,500	5,734	53,600
PRIOR PERIOD	-	-	-	-
FUND BALANCES - ENDING	\$ 760,453	\$ 225,677	\$ 15,289	\$ 70,203

132 PARKS CONSTRUCTION FUND	136 PARKS TRUST FUND	137 CEMETERY MAINT TRUST FUND	138 SISTER CITY COMMISSION FUND	139 TRANSPORTATION BENEFIT DISTRICT	140 BUSINESS IMPROVEMENT DISTRICT	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 85,629
-	-	-	-	-	-	1,838,330
-	-	-	-	-	57,146	81,132
70,864	-	-	-	-	-	2,420,990
2,934	-	17,052	-	652,837	-	1,682,747
-	268	3,596	17	-	7	8,962
135,000	175	-	9,551	-	820	237,431
208,798	443	20,648	9,568	652,837	57,973	6,355,221
-	-	-	-	-	-	555
-	-	-	-	-	-	59,468
-	-	-	-	-	-	135,849
-	-	-	-	652,837	-	2,009,988
-	-	-	16,336	-	1,809	18,145
-	-	-	-	-	-	401,575
-	-	-	-	-	-	92,766
-	-	-	-	-	-	18,627
277,270	-	-	-	-	-	2,045,232
277,270	-	-	16,336	652,837	1,809	4,782,205
(68,472)	443	20,648	(6,768)	-	56,164	1,573,016
-	-	-	-	-	-	13,119
500,000	-	-	-	-	-	712,287
-	-	-	-	-	-	(1,083,174)
500,000	-	-	-	-	-	(357,768)
431,528	443	20,648	(6,768)	-	56,164	1,215,248
396,823	149,891	818,644	8,782	-	-	4,324,145
(109,906)	-	-	-	-	-	(109,906)
\$ 718,445	\$ 150,334	\$ 839,292	\$ 2,014	\$ -	\$ 56,164	\$ 5,429,487

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, 2013

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
INVESTMENT EARNINGS	\$ 175	\$ 175	\$ 160	\$ (15)
MISCELLANEOUS	20,000	20,000	32,703	12,703
TOTAL REVENUES	20,175	20,175	32,863	12,688
EXPENDITURES:				
CURRENT:				
PUBLIC SAFETY	80,033	80,033	59,468	20,565
TOTAL EXPENDITURES	80,033	80,033	59,468	20,565
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(59,858)	(59,858)	(26,605)	33,253
OTHER FINANCING SOURCES (USES):				
TRANSFERS OUT (Note 7)	-	(500)	(500)	-
TOTAL OTHER FINANCING SOURCES AND USES	-	(500)	(500)	-
NET CHANGE IN FUND BALANCES	(59,858)	(60,358)	(27,105)	33,253
FUND BALANCES - BEGINNING	91,671	118,537	118,537	-
FUND BALANCES - ENDING	\$ 31,813	\$ 58,179	\$ 91,432	\$ 33,253

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, 2013

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
LICENSES AND PERMITS	\$ 3,500	\$ 3,500	\$ 6,600	\$ 3,100
INTERGOVERNMENTAL	650,000	650,000	675,769	25,769
CHARGES FOR SERVICES	13,000	693,000	658,607	(34,393)
INVESTMENT EARNINGS	300	300	322	22
MISCELLANEOUS	-	-	2,964	2,964
TOTAL REVENUES	666,800	1,346,800	1,344,262	(2,538)
EXPENDITURES:				
CURRENT:				
TRANSPORTATION	1,523,976	1,523,976	1,330,423	193,553
DEBT SERVICE:				
PRINCIPAL	31,665	3,015	3,015	-
INTEREST AND OTHER COSTS	2,074	2,074	2,074	-
TOTAL EXPENDITURES	1,557,715	1,529,065	1,335,512	193,553
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(890,915)	(182,265)	8,750	191,015
OTHER FINANCING SOURCES (USES):				
INSURANCE RECOVERIES	-	-	12,119	12,119
TRANSFERS IN (Note 7)	740,000	100,000	100,000	-
TRANSFERS OUT (Note 7)	-	(28,650)	(28,650)	-
TOTAL OTHER FINANCING SOURCES (USES)	740,000	71,350	83,469	12,119
NET CHANGE IN FUND BALANCES	(150,915)	(110,915)	92,219	203,134
FUND BALANCES - BEGINNING	157,290	122,981	122,981	-
FUND BALANCES - ENDING	\$ 6,375	\$ 12,066	\$ 215,200	\$ 203,134

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, 2013

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
INTERGOVERNMENTAL	\$ 4,666,153	\$ 4,843,653	\$ 1,505,932	\$ (3,337,721)
CHARGES FOR SERVICES	30,000	30,000	156,463	126,463
INVESTMENT EARNINGS	102	102	49	(53)
MISCELLANEOUS	-	3,042	-	(3,042)
TOTAL REVENUES	4,696,255	4,876,797	1,662,444	(3,214,353)
EXPENDITURES:				
DEBT SERVICE:				
PRINCIPAL	72,203	72,203	72,201	2
INTEREST AND OTHER COSTS	4,481	4,481	4,479	2
CAPITAL OUTLAY	5,849,800	5,053,060	1,587,689	3,465,371
TOTAL EXPENDITURES	5,926,484	5,129,744	1,664,369	3,465,375
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(1,230,229)	(252,947)	(1,925)	251,022
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN (Note 7)	1,527,500	491,732	98,818	(392,914)
TRANSFERS OUT (Note 7)	(378,500)	(378,500)	-	378,500
TOTAL OTHER FINANCING SOURCES (USES)	1,149,000	113,232	98,818	(14,414)
NET CHANGE IN FUND BALANCES	(81,229)	(139,715)	96,893	236,608
FUND BALANCES - BEGINNING	351,549	384,261	384,261	-
FUND BALANCES - ENDING	\$ 270,320	\$ 244,546	\$ 481,154	\$ 236,608

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, 2013

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
CHARGES FOR SERVICES	\$ 31,200	\$ 31,200	\$ 42,710	\$ 11,510
INVESTMENT EARNINGS	625	625	773	148
MISCELLANEOUS	7,800	17,794	17,038	(756)
TOTAL REVENUES	39,625	49,619	60,521	10,902
EXPENDITURES:				
CURRENT:				
CULTURE AND RECREATION	127,600	146,794	63,906	82,888
CAPITAL OUTLAY	-	3,000	3,000	-
TOTAL EXPENDITURES	127,600	149,794	66,906	82,888
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(87,975)	(100,175)	(6,385)	93,790
OTHER FINANCING SOURCES (USES):				
INSURANCE RECOVERIES	-	-	1,000	1,000
TRANSFERS IN (Note 7)	20,266	20,266	5,066	(15,200)
TRANSFERS OUT (Note 7)	(3,000)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	17,266	20,266	6,066	(14,200)
NET CHANGE IN FUND BALANCES	(70,709)	(79,909)	(319)	79,590
FUND BALANCES - BEGINNING	389,614	432,251	432,251	-
FUND BALANCES - ENDING	\$ 318,905	\$ 352,342	\$ 431,932	\$ 79,590

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, 2013

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
INVESTMENT EARNINGS	\$ 27	\$ 27	\$ 32	\$ 5
TOTAL REVENUES	27	27	32	5
EXPENDITURES:				
CURRENT:				
TOTAL EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	27	27	32	5
NET CHANGE IN FUND BALANCES	27	27	32	5
FUND BALANCES - BEGINNING	17,673	17,671	17,671	-
FUND BALANCES - ENDING	\$ 17,700	\$ 17,698	\$ 17,703	\$ 5

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, 2013

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
TAXES:				
SALES AND USE TAX	\$ 52,750	\$ 52,750	\$ 64,222	\$ 11,472
INVESTMENT EARNINGS	120	120	52	(68)
TOTAL REVENUES	52,870	52,870	64,274	11,404
EXPENDITURES:				
CURRENT:				
CULTURE AND RECREATION	54,500	54,500	47,330	7,170
CAPITAL OUTLAY	-	10,000	10,000	-
TOTAL EXPENDITURES	54,500	64,500	57,330	7,170
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(1,630)	(11,630)	6,944	18,574
OTHER FINANCING SOURCES (USES):				
TRANSFERS OUT (Note 7)	(14,000)	(4,000)	(4,000)	-
TOTAL OTHER FINANCING SOURCES (USES)	(14,000)	(4,000)	(4,000)	-
NET CHANGE IN FUND BALANCES	(15,630)	(15,630)	2,944	18,574
FUND BALANCES - BEGINNING	107,522	103,792	103,792	-
FUND BALANCES - ENDING	\$ 91,892	\$ 88,162	\$ 106,736	\$ 18,574

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, 2013

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
LICENSES AND PERMITS	\$ 18,000	\$ 18,000	\$ 17,386	\$ (614)
INVESTMENT EARNINGS	120	120	116	(4)
TOTAL REVENUES	18,120	18,120	17,502	(618)
EXPENDITURES:				
CURRENT:				
GENERAL GOVERNMENT SERVICES	-	660	555	105
TRANSPORTATION	1,640	26,726	26,728	(2)
TOTAL EXPENDITURES	1,640	27,386	27,283	103
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	16,480	(9,266)	(9,781)	(515)
OTHER FINANCING SOURCES (USES):				
TRANSFERS OUT (Note 7)	(25,086)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(25,086)	-	-	-
NET CHANGE IN FUND BALANCES	(8,606)	(9,266)	(9,781)	(515)
FUND BALANCES - BEGINNING	68,049	71,500	71,500	-
FUND BALANCES - ENDING	\$ 59,443	\$ 62,234	\$ 61,719	\$ (515)

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, 2013

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
INVESTMENT EARNINGS	\$ 25	\$ 25	\$ 25	\$ -
MISCELLANEOUS	2,000	2,000	1,465	(535)
TOTAL REVENUES	2,025	2,025	1,490	(535)
EXPENDITURES:				
CURRENT:				
CULTURE AND RECREATION	4,000	4,000	3,579	421
TOTAL EXPENDITURES	4,000	4,000	3,579	421
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(1,975)	(1,975)	(2,089)	(114)
NET CHANGE IN FUND BALANCES	(1,975)	(1,975)	(2,089)	(114)
FUND BALANCES - BEGINNING	15,018	15,947	15,947	-
FUND BALANCES - ENDING	\$ 13,043	\$ 13,972	\$ 13,858	\$ (114)

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, 2013

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
TAXES:				
SALES AND USE TAX	\$ 17,500	\$ 17,500	21,407	\$ 3,907
INTERGOVERNMENTAL	1,300	1,300	-	(1,300)
CHARGES FOR SERVICES	100	100	124	24
INVESTMENT EARNINGS	100	100	122	22
TOTAL REVENUES	19,000	19,000	21,653	2,653
EXPENDITURES:				
CURRENT:				
CULTURE AND RECREATION	19,000	19,000	17,140	1,860
TOTAL EXPENDITURES	19,000	19,000	17,140	1,860
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	-	-	4,513	4,513
 NET CHANGE IN FUND BALANCES	 -	 -	 4,513	 4,513
 FUND BALANCES - BEGINNING	 65,700	 65,916	 65,916	 -
FUND BALANCES - ENDING	\$ 65,700	\$ 65,916	\$ 70,429	\$ 4,513

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, 2013

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
EXCISE	\$ 650,000	\$ 765,232	\$ 919,165	\$ 153,933
INVESTMENT EARNINGS	600	600	2,638	2,038
TOTAL REVENUES	650,600	765,832	921,803	155,971
EXPENDITURES:				
CURRENT:				
CULTURE AND RECREATION	464,000	596,000	253,292	342,708
CAPITAL OUTLAY	-	175,000	8,403	166,597
TOTAL EXPENDITURES	464,000	771,000	261,695	509,305
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	186,600	(5,168)	660,108	665,276
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN (Note 7)	-	12,000	8,403	(3,597)
TRANSFERS OUT (Note 7)	(500,000)	(750,732)	(598,818)	151,914
TOTAL OTHER FINANCING SOURCES (USES)	(500,000)	(738,732)	(590,415)	148,317
NET CHANGE IN FUND BALANCES	(313,400)	(743,900)	69,693	813,593
FUND BALANCES - BEGINNING	597,690	1,031,760	1,031,760	-
FUND BALANCES - ENDING	\$ 284,290	\$ 287,860	\$ 1,101,453	\$ 813,593

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, 2013

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
TAXES:				
EXCISE	\$ 650,000	\$ 650,000	\$ 919,165	\$ 269,165
INVESTMENT EARNINGS	600	600	266	(334)
TOTAL REVENUES	650,600	650,600	919,431	268,831
EXPENDITURES:				
DEBT SERVICE:				
PRINCIPAL	393,481	17,550	17,550	-
INTEREST AND OTHER COSTS	12,074	12,074	12,074	-
CAPITAL OUTLAY	200,000	200,000	-	200,000
TOTAL EXPENDITURES	605,555	229,624	29,624	200,000
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	45,045	420,976	889,807	468,831
OTHER FINANCING SOURCES (USES):				
TRANSFERS OUT (Note 7)	(56,550)	(438,910)	(438,909)	1
TOTAL OTHER FINANCING SOURCES (USES)	(56,550)	(438,910)	(438,909)	1
NET CHANGE IN FUND BALANCES	(11,505)	(17,934)	450,898	468,832
FUND BALANCES - BEGINNING	210,770	309,555	309,555	-
FUND BALANCES - ENDING	\$ 199,265	\$ 291,621	\$ 760,453	\$ 468,832

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, 2013

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
INVESTMENT EARNINGS	\$ 375	\$ 375	\$ 402	\$ 27
MISCELLANEOUS	20,108	36,108	37,400	1,292
TOTAL REVENUES	20,483	36,483	37,802	1,319
EXPENDITURES:				
CURRENT:				
CULTURE AND RECREATION	20,020	31,020	16,328	14,692
TOTAL EXPENDITURES	20,020	31,020	16,328	14,692
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	463	5,463	21,474	16,011
OTHER FINANCING SOURCES (USES):				
TRANSFERS OUT (Note 7)	-	(12,297)	(12,297)	-
TOTAL OTHER FINANCING SOURCES AND USES	-	(12,297)	(12,297)	-
NET CHANGE IN FUND BALANCES	463	(6,834)	9,177	16,011
FUND BALANCES - BEGINNING	209,513	216,500	216,500	-
FUND BALANCES - ENDING	\$ 209,976	\$ 209,666	\$ 225,677	\$ 16,011

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, 2013

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
INTERGOVERNMENTAL	\$ 14,700	\$ 222,800	\$ 168,425	\$ (54,375)
TOTAL REVENUES	14,700	222,800	168,425	(54,375)
EXPENDITURES:				
CAPITAL OUTLAY	14,700	222,800	158,870	63,930
TOTAL EXPENDITURES	14,700	222,800	158,870	63,930
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	-	-	9,555	9,555
NET CHANGE IN FUND BALANCES	-	-	9,555	9,555
FUND BALANCES - BEGINNING	5,841	5,733	5,734	1
FUND BALANCES - ENDING	\$ 5,841	\$ 5,733	\$ 15,289	\$ 9,556

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, 2013

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
CHARGES FOR SERVICES	\$ 119,700	\$ 119,700	\$ 152,020	\$ 32,320
INVESTMENT EARNINGS	150	150	117	(33)
MISCELLANEOUS	100	100	315	215
TOTAL REVENUES	119,950	119,950	152,452	32,502
EXPENDITURES:				
CURRENT:				
UTILITIES AND ENVIRONMENT	152,761	152,761	135,849	16,912
TOTAL EXPENDITURES	152,761	152,761	135,849	16,912
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(32,811)	(32,811)	16,603	49,414
NET CHANGE IN FUND BALANCES	(32,811)	(32,811)	16,603	49,414
FUND BALANCES - BEGINNING	48,062	53,600	53,600	-
FUND BALANCES - ENDING	\$ 15,251	\$ 20,789	\$ 70,203	\$ 49,414

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, 2013

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
INTERGOVERNMENTAL	\$ 511,500	\$ 527,850	\$ 70,864	\$ (456,986)
CHARGES FOR SERVICES	-	-	2,934	2,934
MISCELLANEOUS	845,000	845,000	135,000	(710,000)
TOTAL REVENUES	1,356,500	1,372,850	208,798	(1,164,052)
EXPENDITURES:				
CAPITAL OUTLAY	1,887,500	2,091,200	277,270	1,813,930
TOTAL EXPENDITURES	1,887,500	2,091,200	277,270	1,813,930
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(531,000)	(718,350)	(68,472)	649,878
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN (Note 7)	513,000	635,500	500,000	(135,500)
TOTAL OTHER FINANCING SOURCES (USES)	513,000	635,500	500,000	(135,500)
NET CHANGE IN FUND BALANCES	(18,000)	(82,850)	431,528	514,378
FUND BALANCES - BEGINNING	282,369	396,823	396,823	-
PRIOR PERIOD	-	-	(109,906)	(109,906)
FUND BALANCES - ENDING	\$ 264,369	\$ 313,973	\$ 718,445	\$ 404,472

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, 2013

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
INVESTMENT EARNINGS	\$ 228	\$ 228	\$ 268	\$ 40
MISCELLANEOUS	-	-	175	175
TOTAL REVENUES	228	228	443	215
EXPENDITURES:				
TOTAL EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	228	228	443	215
NET CHANGE IN FUND BALANCES	228	228	443	215
FUND BALANCES - BEGINNING	149,909	149,891	149,891	-
FUND BALANCES - ENDING	\$ 150,137	\$ 150,119	\$ 150,334	\$ 215

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, 2013

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
CHARGES FOR SERVICES	\$ 13,300	\$ 13,300	\$ 17,052	\$ 3,752
INVESTMENT EARNINGS	1,300	1,300	3,596	2,296
TOTAL REVENUES	14,600	14,600	20,648	6,048
EXPENDITURES:				
TOTAL EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	14,600	14,600	20,648	6,048
 NET CHANGE IN FUND BALANCES	 14,600	 14,600	 20,648	 6,048
FUND BALANCES - BEGINNING	812,679	818,645	818,644	(1)
FUND BALANCES - ENDING	\$ 827,279	\$ 833,245	\$ 839,292	\$ 6,047

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, 2013

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
INVESTMENT EARNINGS	\$ 17	\$ 17	\$ 17	\$ -
MISCELLANEOUS	3,500	9,350	9,551	201
TOTAL REVENUES	3,517	9,367	9,568	201
EXPENDITURES:				
CURRENT:				
ECONOMIC ENVIRONMENT	4,600	18,149	16,336	1,813
TOTAL EXPENDITURES	4,600	18,149	16,336	1,813
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	(1,083)	(8,782)	(6,768)	2,014
NET CHANGE IN FUND BALANCES	(1,083)	(8,782)	(6,768)	2,014
FUND BALANCES - BEGINNING	11,077	8,782	8,782	-
FUND BALANCES - ENDING	\$ 9,994	\$ -	\$ 2,014	\$ 2,014

CITY OF EDMONDS, WASHINGTON
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
139 TRANSPORTATION BENEFIT DISTRICT SPECIAL REVENUE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	ORIGINAL BUDGET (GAAP BASIS)	FINAL BUDGET (GAAP BASIS)	ACTUAL RESULTS	VARIANCE WITH FINAL BUDGET
REVENUES:				
CHARGES FOR SERVICES	\$ 645,000	\$ 685,000	\$ 652,837	\$ (32,163)
TOTAL REVENUES	645,000	685,000	652,837	(32,163)
EXPENDITURES:				
CURRENT:				
TRANSPORTATION	5,000	685,000	652,837	32,163
TOTAL EXPENDITURES	5,000	685,000	652,837	32,163
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	640,000	-	-	-
OTHER FINANCING SOURCES (USES):				
TRANSFERS OUT (Note 7)	(640,000)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(640,000)	-	-	-
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.*

2012 LTGO Debt Service Fund (231) – *This fund was established to collect funds for the payment of principal and interest on the 2012 LTGO bond issue. Transfers to pay the City's portion of principal and interest are from the General Fund (001), the Street Fund (111) and REET 1 Fund (126). The Edmonds Public Facilities District (PFD) payment for their portion of the debt service is receipted into the fund.*

CITY OF EDMONDS, WASHINGTON
COMBINING BALANCE SHEET
NON-MAJOR DEBT SERVICE FUNDS
 DECEMBER 31, 2013

	211 LID CONTROL FUND	213 LID GUARANTEE FUND	231 2012 LTGO DEBT SERVICE FUND	TOTAL NONMAJOR DEBT SERVICE FUNDS
ASSETS:				
CURRENT ASSETS:				
CASH AND CASH EQUIVALENTS	\$ 10,512	\$ 47,921	\$ 496	\$ 58,929
RECEIVABLES:				
SPECIAL ASSESSMENTS	32,117	-	-	32,117
LONG-TERM ASSETS:				
SPECIAL ASSESSMENTS - NON-CURRENT	70,190	-	-	70,190
TOTAL ASSETS	\$ 112,819	\$ 47,921	\$ 496	\$ 161,236
LIABILITIES AND FUND BALANCES:				
LONG-TERM LIABILITIES:				
UNEARNED REVENUE	104,075	-	-	104,075
TOTAL LIABILITIES	104,075	-	-	104,075
FUND BALANCES:				
RESTRICTED FOR:				
DEBT SERVICE	8,744	47,921	496	57,161
TOTAL FUND BALANCES	8,744	47,921	496	57,161
TOTAL LIABILITIES AND FUND BALANCES	\$ 112,819	\$ 47,921	\$ 496	\$ 161,236

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, 2013

	211 LID CONTROL FUND	213 LID GUARANTEE FUND	231 2012 LTGO DEBT SERVICE FUND	TOTAL NONMAJOR DEBT SERVICE FUNDS
REVENUES:				
FINES AND FORFEITURES	\$ 461	\$ -	\$ -	\$ 461
INVESTMENT EARNINGS	5,805	58	-	5,863
MISCELLANEOUS	24,608	-	325,692	350,300
TOTAL REVENUES	30,874	58	325,692	356,624
EXPENDITURES:				
DEBT SERVICE				
PRINCIPAL	-	-	825,373	825,373
INTEREST AND OTHER COSTS	-	-	184,528	184,528
TOTAL EXPENDITURES	-	-	1,009,901	1,009,901
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	30,874	58	(684,209)	(653,277)
OTHER FINANCING SOURCES (USES):				
TRANSFERS IN (Note 7)	-	22,130	684,209	706,339
TRANSFERS OUT (Note 7)	(22,130)	-	-	(22,130)
TOTAL OTHER FINANCING SOURCES AND USES	(22,130)	22,130	684,209	684,209
NET CHANGE IN FUND BALANCES	8,744	22,188	-	30,932
FUND BALANCES - BEGINNING	-	25,733	496	26,229
FUND BALANCES - ENDING	\$ 8,744	\$ 47,921	\$ 496	\$ 57,161



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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 STATEMENT OF NET POSITION
INTERNAL SERVICE FUND
 DECEMBER 31, 2013

	511 EQUIPMENT RENTAL FUND
ASSETS:	
CURRENT ASSETS:	
CASH AND CASH EQUIVALENTS	\$ 5,047,103
CUSTOMER ACCOUNTS	1,192
DUE FROM OTHER GOVERNMENTAL UNITS	1,429
INVENTORY	82,120
TOTAL CURRENT ASSETS	5,131,844
LONG-TERM ASSETS:	
CAPITAL ASSETS:	
MACHINERY & EQUIPMENT	1,808,513
TOTAL CAPITAL ASSETS (NET OF A/D)	1,808,513
TOTAL LONG-TERM ASSETS	1,808,513
TOTAL ASSETS	6,940,357
LIABILITIES:	
CURRENT LIABILITIES:	
ACCOUNTS PAYABLES	39,130
WAGES AND BENEFITS PAYABLE	54,062
TOTAL CURRENT LIABILITIES	93,192
NET POSITION:	
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT	1,808,513
UNRESTRICTED	5,038,652
TOTAL NET POSITION	\$ 6,847,165

CITY OF EDMONDS, WASHINGTON
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2013

	511 EQUIPMENT RENTAL FUND
OPERATING REVENUES:	
CHARGES FOR SERVICES	\$ 1,369,031
TOTAL OPERATING REVENUES	1,369,031
OPERATING EXPENSES:	
PERSONNEL SERVICES	276,527
OPERATIONS & MAINTENANCE	454,119
PROFESSIONAL SERVICES	2,172
INSURANCE	34,153
DEPRECIATION/AMORTIZATION	365,278
TOTAL OPERATING EXPENSES	1,132,249
OPERATING INCOME (LOSS)	236,782
NON-OPERATING REVENUE (EXPENSE):	
INVESTMENT EARNINGS	8,666
OTHER NON-OPERATING REVENUES	32,419
GAIN (LOSS) ON SALE OF CAPITAL ASSETS	33,014
TOTAL NON-OPERATING REVENUE (EXPENSE)	74,099
INCOME (LOSS) BEFORE CONTRIBUTIONS & TRANSFERS	310,881
CHANGE IN NET POSITION	310,881
TOTAL NET POSITION BEGINNING OF YEAR	6,536,284
TOTAL NET POSITION END OF YEAR	\$ 6,847,165

CITY OF EDMONDS, WASHINGTON
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

Page 1 of 2

		511 EQUIPMENT RENTAL FUND
CASH FLOWS FROM OPERATING ACTIVITIES:		
CASH RECEIVED FROM USERS	\$	1,369,031
CASH PAID TO SUPPLIERS		(511,017)
CASH PAID FOR INVENTORY		(599)
CASH PAID TO EMPLOYEES		(255,929)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		601,486
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
NET CASH PROVIDED (USED) BY NON- CAPITAL FINANCING ACTIVITIES		-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
PROCEEDS FROM SALE OF EQUIPMENT		33,014
PURCHASE OF CAPITAL ASSETS		(146,857)
PROCEEDS FROM INSURANCE SETTLEMENT		32,419
NET CASH PROVIDED (USED) FOR CAPITAL AND RELATED FINANCING ACTIVITIES		(81,424)
CASH FLOW FROM INVESTING ACTIVITIES:		
INTEREST RECEIVED		8,666
NET CASH PROVIDED (USED) IN INVESTING ACTIVITIES		8,666
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		528,728
CASH AND CASH EQUIVALENTS-BEGINNING OF YEAR		4,518,375
CASH AND CASH EQUIVALENTS-END OF YEAR	\$	5,047,103
CASH AT END OF YEAR CONSISTS OF:		
CASH AND CASH EQUIVALENTS	\$	5,047,103
TOTAL CASH	\$	5,047,103

CITY OF EDMONDS, WASHINGTON
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013

Page 2 of 2

511
EQUIPMENT
RENTAL
FUND

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

OPERATING INCOME (LOSS)	\$	236,782
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
DEPRECIATION		365,278
ASSET (INCREASES) DECREASES :		
DUE FROM OTHER GOVERNMENTAL UNITS		129
INVENTORY		(599)
LIABILITY (INCREASES) DECREASES :		
ACCOUNTS & VOUCHERS PAYABLE		(20,702)
WAGES & BENEFITS PAYABLE		20,598
TOTAL ADJUSTMENTS		364,704
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	\$	601,486



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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, 2013

	BALANCE			BALANCE	
	JANUARY 1, 2013	ADDITIONS	DEDUCTIONS	DECEMBER 31, 2013	
FUND 811 - PAYROLL CLEARING					
ASSETS:					
CASH AND CASH EQUIVALENTS	\$ -	\$ 23,403,536	\$ 23,403,536	\$	-
CUSTOMER ACCOUNTS	-	2,697	2,697	\$	-
TOTAL ASSETS	\$ -	\$ 23,406,233	\$ 23,406,233	\$	-
LIABILITIES:					
WAGES AND BENEFITS PAYABLE	\$ -	\$ 12,429,467	\$ 12,429,467	\$	-
ACCOUNTS PAYABLE	-	16,581,765	16,581,765	\$	-
TOTAL LIABILITIES	\$ -	\$ 29,011,232	\$ 29,011,232	\$	-
FUND 812 - CLAIMS CLEARING					
ASSETS:					
CASH AND CASH EQUIVALENTS	\$ -	\$ 38,794,955	\$ 38,794,955	\$	-
TOTAL ASSETS	\$ -	\$ 38,794,955	\$ 38,794,955	\$	-
LIABILITIES:					
ACCOUNTS PAYABLE	\$ -	\$ 38,786,268	\$ 38,786,268	\$	-
TOTAL LIABILITIES	\$ -	\$ 38,786,268	\$ 38,786,268	\$	-
FUND 825 - INVESTMENT CLEARING					
ASSETS:					
CASH AND CASH EQUIVALENTS	\$ -	\$ 120,904,483	\$ 120,904,483	\$	-
INVESTMENTS	-	3,000,000	3,000,000	\$	-
ACCRUED INTEREST	-	14,184	14,184	\$	-
TOTAL ASSETS	\$ -	\$ 123,918,667	\$ 123,918,667	\$	-
LIABILITIES:					
TOTAL LIABILITIES	\$ -	\$ -	\$ -	\$	-
TOTAL AGENCY FUNDS					
ASSETS:					
CASH AND CASH EQUIVALENTS	\$ -	\$ 183,102,974	\$ 183,102,974	\$	-
CUSTOMER ACCOUNTS	-	2,697	2,697	\$	-
INVESTMENTS	-	3,000,000	3,000,000	\$	-
ACCRUED INTEREST	-	14,184	14,184	\$	-
TOTAL ASSETS	\$ -	\$ 186,119,855	\$ 186,119,855	\$	-
LIABILITIES:					
WAGES AND BENEFITS PAYABLE	\$ -	\$ 12,429,467	\$ 12,429,467	\$	-
ACCOUNTS PAYABLE	-	55,368,033	55,368,033	\$	-
TOTAL LIABILITIES	\$ -	\$ 67,797,500	\$ 67,797,500	\$	-

City of Edmonds
STATISTICAL SECTION
 December 31, 2013

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 Position by Component	138
Schedule 2	Changes in Net Position	140
Schedule 3	Fund Balances, Governmental Funds	142
Schedule 4	Changes in Fund Balances, Governmental Funds.....	144
Schedule 5	General Governmental Tax Revenues by Source.....	146

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	147
Schedule 7	Assessed and Estimated Actual Value of Taxable Property	148
Schedule 8	Property Tax Rates-Direct and Overlapping Governments.....	150
Schedule 9	Principal Property Taxpayers.....	151
Schedule 10	Sales Tax Rate Direct and Overlapping Governments	152

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 11	Ratios of Outstanding Debt by Type.....	154
Schedule 12	Ratios of General Bonded Debt Outstanding	156
Schedule 13	Computation of Direct and Overlapping Debt.....	157
Schedule 14	Computation of Legal Debt Margin.....	158
Schedule 15	Revenue Bond Coverage	160

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 16	Demographic and Economic Statistics	161
Schedule 17	Principal Employers	162

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 18	City Employees by Function/Program	163
Schedule 19	Operating Indicators by Function/Program.....	164
Schedule 20	Capital Asset Statistics by Function/Program.....	165

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

Page 1 of 2

	2004	2005	2006	2007	2008
Governmental Activities					
Invested in capital assets, net of related debt ²	\$ 15,661,061	\$ 18,521,057	\$ 51,166,559	\$ 54,021,806	\$ 57,252,149
Restricted	5,804,684	6,749,421	6,717,794	7,490,300	5,546,803
Unrestricted	13,175,522	15,503,551	11,724,719	11,895,851	9,838,608
Total governmental activities net position	<u>\$ 34,641,267</u>	<u>\$ 40,774,029</u>	<u>\$ 69,609,072</u>	<u>\$ 73,407,957</u>	<u>\$ 72,637,560</u>
Business-type Activities					
Invested in capital assets, net of related debt	\$ 41,657,416	\$ 44,910,309	\$ 47,924,210	\$ 49,910,564	\$ 49,753,793
Restricted	910,598	699,701	686,847	2,786,695	1,269,595
Unrestricted	12,329,203	12,047,828	10,764,229	7,712,290	9,768,990
Total business-type activities net position	<u>\$ 54,897,217</u>	<u>\$ 57,657,838</u>	<u>\$ 59,375,286</u>	<u>\$ 60,409,549</u>	<u>\$ 60,792,378</u>
Primary Government					
Invested in capital assets, net of related debt	\$ 57,318,477	\$ 63,431,366	\$ 99,090,769	\$103,932,370	\$107,005,942
Restricted	6,715,282	7,449,122	7,404,641	10,276,995	6,816,398
Unrestricted	25,504,725	27,551,379	22,488,948	19,608,141	19,607,598
Total primary government net position	<u>\$ 89,538,484</u>	<u>\$ 98,431,867</u>	<u>\$128,984,358</u>	<u>\$133,817,506</u>	<u>\$133,429,938</u>

Notes:

¹ Accounting standards require that net position be reported in three components in the financial statements: invested in capital assets, net of related debt; restricted; and unrestricted. Net position is 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 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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2009	2010	2011	2012	2013
\$ 51,991,258	\$ 59,961,071	\$ 61,004,928	\$ 61,259,051	\$ 61,978,358
2,658,658	1,368,707	3,288,857	3,793,023	4,923,480
19,805,844	13,703,352	12,396,957	14,644,992	18,846,105
<u>\$ 74,455,760</u>	<u>\$ 75,033,130</u>	<u>\$ 76,690,742</u>	<u>\$ 79,697,066</u>	<u>\$ 85,747,943</u>
\$ 51,208,429	\$ 53,273,296	\$ 45,783,325	\$ 55,063,391	\$ 51,071,627
699,670	687,447	9,096,615	7,409,482	11,138,901
10,183,230	9,906,089	10,678,887	3,959,046	6,363,897
<u>\$ 62,091,329</u>	<u>\$ 63,866,832</u>	<u>\$ 65,558,827</u>	<u>\$ 66,431,919</u>	<u>\$ 68,574,425</u>
\$103,199,687	\$113,234,367	\$106,788,253	\$116,322,442	\$113,049,985
3,358,328	2,056,154	12,385,472	11,202,505	16,062,381
29,989,074	23,609,441	23,075,844	18,604,038	25,210,002
<u>\$136,547,089</u>	<u>\$138,899,962</u>	<u>\$142,249,569</u>	<u>\$146,128,985</u>	<u>\$154,322,368</u>

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

Page 1 of 2

	For The Fiscal Year Ended December 31,				
	2004	2005	2006	2007	2008
Expenses:					
Governmental activities					
General government	\$ 6,053,881	\$ 6,105,305	\$ 6,178,971	\$ 6,748,067	\$ 7,695,483
Judicial	-	538,956	767,221	756,649	846,130
Public safety	15,184,024	15,268,262	17,021,180	16,765,814	18,049,555
Physical environment	1,844,923	1,664,723	1,866,080	1,697,734	1,870,405
Economic environment	880,137	1,027,373	1,169,306	1,088,773	1,120,777
Mental and physical health	8,468	9,082	8,562	7,237	9,291
Culture and recreation	3,108,916	3,648,189	5,822,424	3,393,130	3,976,440
Transportation	754,092	1,038,406	1,283,183	3,019,710	1,812,089
Interest and fiscal charges	1,078,106	666,094	531,869	512,154	492,082
Total governmental activities expenses	<u>28,912,547</u>	<u>29,966,390</u>	<u>34,648,796</u>	<u>33,989,268</u>	<u>35,872,252</u>
Business-type activities					
Utility Operations	11,346,771	11,114,516	11,528,591	12,423,508	13,210,002
Total business-type activities expenses	<u>11,346,771</u>	<u>11,114,516</u>	<u>11,528,591</u>	<u>12,423,508</u>	<u>13,210,002</u>
Program Revenues:					
Governmental activities					
Charges for services:					
General government	2,439,152	2,211,982	2,324,217	2,600,612	2,668,773
Public safety	3,290,851	1,444,264	1,237,307	1,034,060	1,121,939
Other	1,593,855	3,530,613	3,543,577	3,631,674	3,066,634
Operating grants and contributions	241,045	107,445	597,047	297,549	163,438
Capital grants and contributions	454,700	2,145,854	3,046,262	1,126,513	1,138,795
Total governmental activities program	<u>8,019,603</u>	<u>9,440,158</u>	<u>10,748,410</u>	<u>8,690,408</u>	<u>8,159,579</u>
Business-type activities					
Charges for services	11,334,141	12,553,652	12,644,769	12,754,577	13,030,325
Operating grants and contributions	47,067	37,898	44,350	54,116	47,654
Capital grants and contributions	677,797	775,691	512,527	490,709	610,910
Total business-type activities program	<u>12,059,005</u>	<u>13,367,241</u>	<u>13,201,646</u>	<u>13,299,402</u>	<u>13,688,889</u>
Net (Expense) Revenue					
Governmental activities	(20,892,944)	(20,526,232)	(23,900,386)	(25,298,860)	(27,712,673)
Business-type activities	712,234	2,252,725	1,673,055	875,894	478,887
Total primary government net expense	<u>(20,180,710)</u>	<u>(18,273,507)</u>	<u>(22,227,331)</u>	<u>(24,422,966)</u>	<u>(27,233,786)</u>
General Revenues:					
Governmental activities					
Taxes:					
Property	10,922,324	11,058,167	11,497,708	11,988,296	12,256,542
Sales	5,029,012	5,423,994	5,835,031	6,216,836	5,448,281
Utility	3,777,845	3,986,062	4,228,565	4,501,056	4,843,225
Other	3,589,917	4,344,893	4,570,863	4,598,407	3,120,595
Investment earnings	363,449	522,367	841,684	851,162	380,181
Gain on sale of capital assets	64,681	273,700	195,896	62,225	101,999
Miscellaneous	443,631	323,749	380,466	392,152	534,866
Transfers	100,814	157,755	157,671	487,611	404,562
Total governmental activities general	<u>24,291,673</u>	<u>26,090,687</u>	<u>27,707,884</u>	<u>29,097,745</u>	<u>27,090,251</u>
Business-type activities					
Investment earnings	217,131	324,668	516,611	645,980	280,710
Miscellaneous	-	16,584	24,792	-	-
Gain on sale of capital assets	-	-	-	-	-
Transfers	(101,112)	(157,755)	(157,671)	(487,611)	(404,562)
Total business-type activities general	<u>116,019</u>	<u>183,497</u>	<u>383,732</u>	<u>158,369</u>	<u>(123,852)</u>
Total primary government	<u>24,407,692</u>	<u>26,274,184</u>	<u>28,091,616</u>	<u>29,256,114</u>	<u>26,966,399</u>
Change in Net Position					
Governmental activities	3,398,729	5,564,455	3,807,498	3,798,885	(622,422)
Business-type activities	828,253	2,436,222	2,056,787	1,034,263	355,035
Total primary government	<u>\$ 4,226,982</u>	<u>\$ 8,000,677</u>	<u>\$ 5,864,285</u>	<u>\$ 4,833,148</u>	<u>\$ (267,387)</u>

Source:

Applicable years' comprehensive annual financial report.

For The Fiscal Year Ended December 31,					
2009	2010	2011	2012	2013	
\$ 6,867,604	\$ 7,327,722	\$ 8,092,028	\$ 7,860,158	\$ 7,586,841	
880,919	882,404	-	-	-	
17,823,468	17,630,352	18,037,057	17,490,480	17,298,217	
1,150,200	1,266,933	1,405,398	1,546,080	1,502,516	
1,830,100	1,643,520	1,063,894	1,011,062	1,072,629	
12,147	10,217	9,731	12,168	8,558	
4,246,268	3,984,078	4,298,852	4,237,656	3,941,859	
3,751,956	4,325,832	3,412,126	3,922,273	4,445,078	
470,398	446,236	781,881	760,142	191,155	
<u>37,033,060</u>	<u>37,517,294</u>	<u>37,100,967</u>	<u>36,840,019</u>	<u>36,046,853</u>	
13,890,882	13,836,220	14,140,249	15,258,298	15,845,552	
<u>13,890,882</u>	<u>13,836,220</u>	<u>14,140,249</u>	<u>15,258,298</u>	<u>15,845,552</u>	
2,990,744	3,097,629	4,078,403	4,624,432	4,835,459	
650,257	1,132,605.00	1,212,082	1,066,201	1,134,073	
4,450,276	3,908,424.00	3,088,212	3,022,741	3,180,343	
416,086	272,554.00	145,406	1,324,353	973,007	
1,940,900	534,066.00	1,771,199	1,942,259	2,566,575	
<u>10,448,263</u>	<u>8,945,278</u>	<u>10,295,302</u>	<u>11,979,986</u>	<u>12,689,457</u>	
14,275,275	14,347,539	15,620,997	15,970,380	16,630,405	
88,983	47,249	179,479	53,743	161,294	
688,796	1,246,156	498,486	1,052,305	1,445,164	
<u>15,053,054</u>	<u>15,640,944</u>	<u>16,298,962</u>	<u>17,076,428</u>	<u>18,236,863</u>	
(26,584,797)	(28,572,016)	(26,805,665)	(24,860,033)	(23,357,396)	
1,162,172	1,804,724	2,158,713	1,818,130	2,391,311	
<u>(25,422,625)</u>	<u>(26,767,292)</u>	<u>(24,646,952)</u>	<u>(23,041,903)</u>	<u>(20,966,085)</u>	
13,908,042	13,683,426	13,539,536	13,382,296	13,474,665	
4,952,898	5,002,282	5,286,262	5,637,393	6,104,618	
6,081,071	5,997,151	6,232,489	6,340,634	6,431,457	
3,184,300	3,043,813	2,388,579	2,223,771	2,446,023	
151,198	32,845	16,070	22,565	3,926	
167,538	983,191	36,762	(148,542)	46,987	
(42,050)	344,303	481,263	64,315	125,781	
-	62,375	482,316	565,628	1,067	
<u>28,402,997</u>	<u>29,149,386</u>	<u>28,463,277</u>	<u>28,088,060</u>	<u>28,634,524</u>	
136,348	25,697	15,287	22,786	31,492	
-	100	311	-	38,039	
431	7,357	-	-	-	
-	(62,375)	(482,316)	(565,628)	1,067	
<u>136,779</u>	<u>(29,221)</u>	<u>(466,718)</u>	<u>(542,842)</u>	<u>70,598</u>	
<u>28,539,776</u>	<u>29,120,165</u>	<u>27,996,559</u>	<u>27,545,218</u>	<u>28,705,122</u>	
1,818,200	577,370	1,657,612	3,228,027	5,277,128	
1,298,951	1,775,503	1,691,995	1,275,288	2,461,909	
<u>\$ 3,117,151</u>	<u>\$ 2,352,873</u>	<u>\$ 3,349,607</u>	<u>\$ 4,503,315</u>	<u>\$ 7,739,037</u>	

CITY OF EDMONDS, WASHINGTON
SCHEDULE 3
FUND BALANCES-GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS

Page 1 of 2

	2004	2005	2006	2007	2008
General Fund					
Unreserved	\$ 7,647,155	\$ 7,982,694	\$ 8,089,403	\$ 7,737,979	\$ 5,188,520
Non-Spendable	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Subtotal General Fund	7,647,155	7,982,694	8,089,403	7,737,979	5,188,520
All Other Governmental Funds					
Reserved	323,711	152,745	276,376	165,337	72,706
Unreserved					
Special Revenue Funds	8,306,278	10,654,716	8,696,973	10,474,212	8,339,862
Capital Projects Funds	167,769	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Subtotal All Other					
Governmental Funds	8,797,758	10,807,461	8,973,349	10,639,549	8,412,568
Total Governmental Funds					
Reserved	323,711	152,745	276,376	165,337	72,706
Unreserved	16,121,202	18,637,410	16,786,376	18,212,191	13,528,382
Non-Spendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Governmental Funds	\$ 16,444,913	\$ 18,790,155	\$ 17,062,752	\$ 18,377,528	\$ 13,601,088
General Fund Percentage Change	21.5%	4.4%	1.3%	-4.3%	-32.9%
All Governmental Funds					
Percentage Change	13.3%	14.3%	-9.2%	7.7%	-26.0%

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.

2009	2010	2011	2012 ¹	2013
\$ 6,068,906	\$ 6,855,108	\$ -	\$ -	\$ -
-	-	460	70	686
-	-	1,927,600	-	-
-	-	7,634,578	10,686,840	13,160,112
6,068,906	6,855,108	9,562,638	10,686,910	13,160,798
56,570	138,126	-	-	-
5,300,325	5,678,570	-	-	-
-	-	-	-	-
-	-	3,288,397	3,793,023	4,922,794
-	-	564,989	557,351	563,854
5,356,895	5,816,696	3,853,386	4,350,374	5,486,648
56,570	138,126	-	-	-
11,369,231	12,533,678	-	-	-
-	-	460	70	686
-	-	3,288,397	3,793,023	4,922,794
-	-	2,492,589	557,351	563,854
-	-	7,634,578	10,686,840	13,160,112
\$ 11,425,801	\$ 12,671,804	\$ 13,416,024	\$ 15,037,284	\$ 18,647,446
17.0%	13.0%	39.5%	11.8%	23.1%
-16.0%	10.9%	5.9%	12.1%	24.0%

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

	2004	2005	2006	2007	2008
Revenues:					
Taxes	\$ 22,079,776	\$ 23,543,206	\$ 24,762,811	\$ 25,865,645	\$ 24,317,982
Licenses and permits	1,512,968	1,586,265	1,595,459	1,689,760	1,570,531
Intergovernmental	3,391,452	4,780,988	6,330,512	3,883,879	3,826,622
Charges for services	3,355,377	3,183,770	3,267,307	3,551,559	3,146,918
Fines and forfeitures	513,611	354,383	505,402	512,529	593,121
Other revenue	1,283,911	1,494,301	1,867,779	1,895,889	1,528,316
Total revenues	32,137,095	34,942,913	38,329,270	37,399,261	34,983,490
Expenditures:					
General government	5,724,465	6,266,034	6,733,227	6,706,190	7,852,719
Security of persons and property	14,418,558	14,601,519	15,693,183	16,440,157	18,215,380
Physical environment	1,040,113	1,877,941	1,824,727	1,914,409	1,206,164
Transportation	1,266,838	1,170,188	1,231,251	1,349,378	1,852,790
Economic environment	877,816	914,881	1,156,471	1,122,502	1,127,417
Mental and physical health	8,468	9,082	8,562	7,237	9,291
Culture and recreation	2,626,855	2,711,223	2,976,815	3,121,293	3,413,231
Capital outlay	1,548,070	3,041,470	8,532,955	4,061,649	3,559,891
Intergovernmental and Other Payments	-	-	-	-	-
Debt service:					
Principal retirement	1,894,713	1,446,333	1,518,665	2,206,947	1,698,860
Interest and fiscal charges	1,178,628	1,104,200	1,059,377	1,047,651	973,894
Total Expenditures	30,584,524	33,142,871	40,735,233	37,977,413	39,909,637
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,552,571	1,800,042	(2,405,963)	(578,152)	(4,926,147)
Other Financing Sources (Uses)					
Proceeds of capital leases	36,500	505,000	-	-	-
Proceeds of refunding bonds	-	-	-	-	-
Proceeds from Long-Term Debt	80,000	279,029	751,058	1,873,467	43,745
Payment to refunded bonds escrow agent	-	-	-	-	-
Premium on Bonds Sold	-	-	-	-	-
Bond Issuance Discount	-	-	-	-	-
Sale/Disposition of fixed assets	-	-	153,982	6,049	-
Insurance Recoveries	-	-	-	-	-
Transfers in	2,158,561	1,485,752	992,726	2,390,592	2,624,254
Transfers out	(1,970,678)	(1,487,997)	(1,238,139)	(2,377,180)	(2,463,023)
Total Other Financing Sources (Uses)	304,383	781,784	659,627	1,892,928	204,976
Prior period corrections	75,318	(236,584)	18,934	-	(55,269)
Net Change in Fund Balances	\$ 1,932,272	\$ 2,345,242	\$ (1,727,402)	\$ 1,314,776	\$ (4,776,440)
Debt Service as a % of Noncapital Expenditures	11.8%	9.3%	8.7%	10.6%	7.9%

Source:
 Published Financial Statements

Page 2 of 2

2009	2010	2011	2012	2013
\$ 26,285,121	\$ 26,301,857	\$ 26,323,468	\$ 27,261,948	\$ 28,221,352
1,509,008	1,662,340	1,689,146	1,711,084	1,939,998
5,169,688	2,609,033	4,021,474	4,450,230	3,383,661
3,934,741	5,028,730	5,015,834	4,814,082	6,255,426
674,634	624,447	756,382	598,398	640,358
1,198,053	996,719	549,101	633,588	1,036,167
38,771,245	37,223,126	38,355,405	39,469,330	41,476,962
7,184,093	7,692,552	7,314,502	7,184,210	7,307,136
18,523,068	17,971,060	17,805,678	17,323,625	17,706,052
1,158,170	1,280,041	1,374,856	1,511,515	1,491,972
1,800,535	1,979,650	1,423,361	1,568,930	2,009,988
1,081,381	949,685	1,035,769	1,004,150	877,813
12,147	10,217	9,731	12,168	8,558
3,462,188	3,841,888	3,750,123	3,487,581	3,790,410
5,016,619	1,861,161	2,700,549	3,038,660	2,082,011
-	-	-	250,000	180,000
1,813,613	1,789,385	1,870,414	1,965,760	1,928,747
902,965	837,992	783,108	758,224	389,246
40,954,779	38,213,631	38,068,091	38,104,823	37,771,933
(2,183,534)	(990,505)	287,314	1,364,507	3,705,029
-	-	-	-	-
-	-	-	9,004,043	-
-	-	-	(9,227,996)	-
-	-	-	343,536	-
-	-	-	(49,522)	-
54,870	981,444	25,528	2,490	-
-	-	-	-	13,973
1,495,523	3,497,271	2,169,172	2,176,710	1,431,423
(1,542,146)	(2,242,207)	(1,737,798)	(1,770,806)	(1,430,356)
8,247	2,236,508	456,902	478,455	15,040
-	-	-	-	-
\$ (2,175,287)	\$ 1,246,003	\$ 744,216	\$ 1,842,962	\$ 3,720,069
8.2%	7.8%	8.1%	8.5%	7.0%

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
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
2012	13,464,310	5,557,905	6,340,635	79,488	1,519,301	300,309	27,261,948
2013	13,564,947	6,018,989	6,485,822	85,629	1,838,330	227,635	28,221,352
Percentage Change In Dollars Over 10 Years	<u>31.3%</u>	<u>14.8%</u>	<u>80.9%</u>	<u>45.5%</u>	<u>-4.8%</u>	<u>25.1%</u>	<u>33.0%</u>

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
2004	10,941,961	10,718,852	97.96%	223,075	10,941,927	100.00%	34	0.00%
2005	11,152,382	10,947,400	98.16%	204,964	11,152,364	100.00%	18	0.00%
2006	11,506,710	11,267,986	97.93%	238,663	11,506,649	100.00%	61	0.00%
2007	11,994,777	11,782,550	98.23%	211,919	11,994,469	100.00%	308	0.00%
2008	12,302,173	12,116,105	98.49%	185,096	12,301,201	99.99%	972	0.01%
2009	13,924,284	13,665,994	98.15%	257,119	13,923,114	99.99%	1,170	0.01%
2010	13,724,015	13,477,013	98.20%	238,978	13,715,991	99.94%	8,024	0.06%
2011	13,571,059	13,252,170	97.65%	278,637	13,530,807	99.70%	40,252	0.30%
2012	13,406,740	13,151,105	98.09%	187,162	13,338,268	99.49%	68,473	0.51%
2013	13,472,029	13,295,779	98.69%	-	13,295,779	98.69%	176,250	1.31%

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
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
2012	4,927,955,900	1,009,384,910	17,203,099	3,760,500	326,680,040
2013	4,635,161,665	929,683,500	15,162,100	3,539,500	348,495,200

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
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%
80,202,175	(570,542,159)	5,794,644,465	2.33	6,365,186,624	-9.7%
82,874,800	(469,676,918)	5,545,239,847	2.44	6,103,970,917	-4.1%

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				Total	Overlapping			Total	Total Levy Rate
	City	County	State School	Local School		Library	Port	Hospital		
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
2012	2.33	0.98	2.38	4.70	10.39	0.50	0.12	0.11	0.73	11.12
2013	2.44	1.08	2.43	4.97	10.92	0.50	0.12	0.11	0.73	11.66

Source:

Snohomish County Assessor's Annual Reports

CITY OF EDMONDS, WASHINGTON
SCHEDULE 9
PRINCIPAL PROPERTY TAXPAYERS
 FOR FISCAL YEARS ENDED DECEMBER 31, 2013 AND 2005

Principal Taxpayer	2013 Assessed Valuation	Percent of 2013 Total Assessed Value	2005 Assessed Valuation	Percent of 2005 Total Assessed Value
Bel Puget Holdings LLC	\$ 29,481,161	0.53%	\$ -	0.00%
Park 212 Apt LLC	23,553,000	0.42%	15,703,200	0.35%
FW WA-Aurora Marketplace LLC	18,151,000	0.33%	-	0.00%
Stephanus Paul & Barbara LLC	16,800,000	0.30%	-	0.00%
Aew sh Edmonds Landing Senior Housing LLC	14,825,000	0.27%	-	0.00%
Franklin-Edmonds LLC	14,500,000	0.26%	9,221,900	0.21%
MGP X REIT LLC	12,380,500	0.22%	-	0.00%
Puget Sound Energy/Gas	11,806,103	0.21%	7,792,000	0.17%
Stevens Pavillion LLC	11,681,000	0.21%	12,100,700	0.27%
Northpoint Compass Property LLC	10,760,000	0.19%	-	0.00%
Frontier Communications Northw est, Inc.	10,240,463	0.18%	-	0.00%
Property Management NW	9,614,000	0.17%	-	0.00%
HR Acquisition I Corporation	9,540,000	0.17%	-	0.00%
Park Edmonds Apt LLC	9,500,000	0.17%	7,282,500	0.16%
Public Hospital Dist #2 Snohomish County	8,950,608	0.16%	-	0.00%
Mastgech LLC	8,652,500	0.16%	-	0.00%
Doces Business Properties LLC	8,526,700	0.15%	-	0.00%
Cammel Properties LLC	8,196,100	0.15%	-	0.00%
Public Storage	6,882,100	0.12%	-	0.00%
Edmonds Medical Bldg Assoc LLC	6,253,300	0.11%	-	0.00%
Lynnw ood Honda/Nelson Motors LLC	5,879,900	0.11%	-	0.00%
Strauss Family - Park Ballinger LLC	5,800,000	0.10%	-	0.00%
Salish Crossing LLC	5,752,000	0.10%	-	0.00%
Park 210 Apts LLC	5,712,000	0.10%	-	0.00%
Edmonds Park Associates LLC	5,567,000	0.10%	-	0.00%
Alcazar Enterprises LLC	5,245,000	0.09%	-	0.00%
Waterfront Park Assoc	5,229,000	0.09%	-	0.00%
PCC Natural Markets	5,024,100	0.09%	-	0.00%
Soundview 614 LLC	4,919,203	0.09%	-	0.00%
Boo Han Plaza III LLC	4,825,600	0.09%	-	0.00%
Equity Residential	-	0.00%	22,933,800	0.51%
Aurora Marketing LLC	-	0.00%	13,343,700	0.30%
Briar Development Co.	-	0.00%	10,891,600	0.24%
Pacific Park Apt LLC	-	0.00%	10,825,000	0.24%
Edmonds Retirement Com LLC	-	0.00%	9,393,100	0.21%
Stevens Medical LLC	-	0.00%	8,804,000	0.20%
Harbor Square Assoc	-	0.00%	8,443,300	0.19%
Michel, Robin W & Karen	-	0.00%	7,367,200	0.16%
Beryl Longw ay Trust	-	0.00%	7,335,300	0.16%
Shurgard	-	0.00%	7,181,000	0.16%
P Salamonsen Const. Co.	-	0.00%	6,879,800	0.15%
Total Principal Taxpayers	304,247,338	5.49%	165,498,100	3.71%
All Other Taxpayers	5,240,992,509	94.51%	4,300,020,967	96.29%
Total	<u>\$ 5,545,239,847</u>	<u>100.00%</u>	<u>\$ 4,465,519,067</u>	<u>100.00%</u>

Note:

2005 information from CAFR 2005 Page 111

Source:

Snohomish County Assessor's Office

CITY OF EDMONDS, WASHINGTON
SCHEDULE 10
SALES TAX RATE - DIRECT AND OVERLAPPING GOVERNMENTS
 LAST NINE FISCAL YEARS

	2005	2006	2007 ^(d)	2008 ^(e)	2009 ^(f)	2010	2011	2012	2013
<u>BASIC SALES TAX RATES</u>									
City of Edmonds	0.84%	0.84%	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%	6.50%	6.50%
Snohomish County	0.15%	0.15%	0.15%	0.25%	0.25%	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%	0.90%	0.90%
Metro	0.80%	0.80%	0.90%	0.90%	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%	0.10%	0.10%
Department of Revenue Administration Fee	0.01%	0.01%	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%	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.



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CITY OF EDMONDS, WASHINGTON
SCHEDULE 11
RATIOS OF OUTSTANDING DEBT BY TYPE
 LAST TEN FISCAL YEARS

Page 1 of 2

Fiscal Year	Governmental - Activities				Business-type Activities			
	General Obligation	Capital Contracts	Public Works Trust Fund Loans	Total	Revenue Bonds	General Obligation Bonds	Public Works Trust Fund Loans	Total
	Bonds							
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
2012	13,604,427	1,063,924	895,893	15,564,244	13,250,000	3,320,573	2,407,905	18,978,478
2013	11,919,474	892,330	823,692	13,635,496	27,745,000	3,100,526	2,186,384	33,031,910

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
 City-Data.com

Page 2 of 2

Total Primary Government	Percentage of Personal Income	Per Capita	Population	Per Capita Income
36,316,292	2.81%	917	39,620	32,591
35,801,702	2.76%	898	39,860	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	1.89%	730	39,709	38,671
37,556,860	2.44%	944	39,800	38,671
34,542,722	2.24%	868	39,800	38,671
46,667,406	2.72%	1,155	40,400	42,508

CITY OF EDMONDS, WASHINGTON
SCHEDULE 12
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
2004	39,620	4,819,292	24,685,000	-	24,685,000	0.51%	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	7,709,209	24,404,309	-	24,404,309	0.32%	599
2009	40,900	6,955,483	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
2012	39,800	5,545,240	16,925,000	-	16,925,000	0.31%	425
2013	40,400	6,102,412	15,020,000	-	15,020,000	0.25%	372

Source:

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

CITY OF EDMONDS, WASHINGTON
SCHEDULE 13
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
 DECEMBER 31, 2013

Jurisdiction	Net Debt Outstanding	Percentage Applicable to Edmonds	Amount Applicable to Edmonds
City of Edmonds	\$ 16,736,022	100.00%	\$ 16,736,022
Total Direct Debt	<u>16,736,022</u>	<u>100.00%</u>	<u>16,736,022</u>
Local School	192,380	33.06%	63,601
County	475,172,980	7.64%	36,283,245
Hospital	5,905,000	30.69%	1,812,456
Port	<u>11,606,740</u>	<u>86.82%</u>	<u>10,077,138</u>
Total Overlapping Debt	492,877,100	9.79%	48,236,440
Total Direct and Overlapping Debt	\$ 509,613,122	12.75%	\$ 64,972,462

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.

CITY OF EDMONDS, WASHINGTON
SCHEDULE 14
COMPUTATION OF LEGAL DEBT MARGIN
 LAST TEN FISCAL YEARS

Page 1 of 2

	2004	2005	2006	2007
Total Taxable Property Value	\$4,819,291,927	\$5,430,059,642	\$6,665,146,142	\$7,615,549,203
(1) 2.5% Limit for General Purposes is allocated between (2) councilmanic and (8) voted	120,482,298	135,751,491	166,628,654	190,388,730
(2) <i>Up to 1.5% debt without a vote (councilmanic)</i>	72,289,379	81,450,895	99,977,192	114,233,238
(3) Less: outstanding debt	(15,990,000)	(15,510,525)	(15,400,693)	(13,999,235)
(4) Less: contracts payable	(5,602,104)	(6,510,245)	(7,361,940)	(7,373,461)
(5) Less: excess of debt with a vote	-	-	-	-
(6) Add: available assets	350,743	322,816	1,221,281	1,107,376
(7) Equals: remaining debt capacity without a vote	51,048,018	59,752,940	78,435,840	93,967,918
(8) <i>1% general purposes debt with a vote</i>	48,192,919	54,300,596	66,651,461	76,155,492
(9) Less: outstanding debt	(8,395,000)	(7,930,000)	(7,435,000)	(6,895,000)
(10) Less: contracts payable	(9,196)	-	-	-
(11) Add: available assets	-	-	-	-
(12) Equals: remaining debt capacity with a vote	39,788,723	46,370,596	59,216,461	69,260,492
(13) 2.5% Utility purpose limit, voted	120,482,298	135,751,491	166,628,654	190,388,730
(14) Less: outstanding debt	-	-	-	-
(15) Less: contracts payable	-	-	-	-
(16) Add: available assets	-	-	-	-
(17) Equals: remaining debt capacity - utility purposes, voted	120,482,298	135,751,491	166,628,654	190,388,730
(18) 2.5% Open space, park and capital facilities, voted	120,482,298	135,751,491	166,628,654	190,388,730
(19) Less: outstanding debt	-	-	-	-
(20) Less: contracts payable	-	-	-	-
(21) Add: available assets	-	-	-	-
(22) capital facilities, voted	120,482,298	135,751,491	166,628,654	190,388,730

Source:

Schedule 10 to the Financial Statements.

2008	2009	2010	2011	2012	2013
\$7,709,209,490	\$6,955,482,717	\$6,433,258,853	\$5,794,644,465	\$5,545,239,847	\$6,102,411,700
192,730,237	173,887,068	160,831,471	144,866,112	138,630,996	152,560,293
115,638,142	104,332,241	96,498,883	86,919,667	83,178,598	91,536,176
(18,104,309)	(17,048,139)	(15,935,001)	(14,800,001)	(13,405,000)	(12,300,000)
(7,224,306)	(6,199,329)	(5,564,861)	(5,969,425)	(5,730,994)	(4,814,933)
-	-	-	-	-	-
267,469	370,148	380,699	483,678	401,663	311,379
90,576,996	81,454,921	75,379,720	66,633,919	64,444,267	74,732,622
77,092,095	69,554,827	64,332,589	57,946,445	55,452,398	61,024,117
(6,300,000)	(5,660,000)	(4,990,000)	(4,275,000)	(3,520,000)	(2,720,000)
-	-	-	-	-	-
-	-	-	-	-	-
70,792,095	63,894,827	59,342,589	53,671,445	51,932,398	58,304,117
192,730,237	173,887,068	160,831,471	144,866,112	138,630,996	152,560,293
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
192,730,237	173,887,068	160,831,471	144,866,112	138,630,996	152,560,293
192,730,237	173,887,068	160,831,471	144,866,112	138,630,996	152,560,293
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
192,730,237	173,887,068	160,831,471	144,866,112	138,630,996	152,560,293

CITY OF EDMONDS, WASHINGTON
SCHEDULE 15
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	
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%
2012	16,072,001	12,294,504	3,777,497	470,000	440,312	910,312	4.15%
2013	17,059,859	12,682,889	4,376,970	515,000	655,728	1,170,728	3.74%

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 16
DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN YEARS

Year	Population ¹	Personal Income (<i>thousands of dollars</i>)	Per Capita Income ²	Median Age ²	School Enrollment ³	Unemployment Rate ⁴
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	1,535,587	38,671	46.3	5,053	8.7%
2011	39,800	1,539,106	38,671	46.3	4,973	8.3%
2012	39,800	1,539,106	38,671	46.3	4,920	5.9%
2013	40,400	1,717,323	42,508	46.3	4,536	5.3%

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 17
PRINCIPAL EMPLOYERS
 FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2007

Princial Employers	2013 Full & Part-Time Employment	Percentage of Total City Employees	2007 Full & Part-Time Employment	Percentage of Total City Employees
Swedish (Stevens) Memorial Hospital	1700	11.15%	1,030	13.66%
Edmonds School District	565	4.62%	165	4.54%
City of Edmonds	243	2.00%	330	1.95%
Aldercrest Health & Rehab Center	160	1.31%	160	1.29%
Anthony's Restaurants	141	1.15%	141	1.13%
Edmonds Family Medicine	133	1.09%		1.07%
Magic Toyota Scion	110	0.90%		0.88%
Fred Meyer/QFC	103	0.84%	92	0.83%
PCC Natural Markets	100	0.94%		0.80%
Lynnwood Honda	100	0.82%	100	0.80%
Top Foods	98	0.80%	122	0.79%
Safeway	90	0.79%	102	0.72%
Burlington Coat Factory	73	0.60%		0.59%
Landau Associates Inc	68	0.56%		0.55%
Scott's Bar & Grill - Restaurants Unlimit	67	0.55%		0.54%
Total Principal Employers	3751	28.11%	2,242	30.13%
Other Employers	8,698	71.89%	9,784	81.36%
Total Employment	12,449	100.00%	12,026	12,225

Note:

Information for years prior to 2006 is not available.

Source:

Eden Business Licensing, Puget Sound Regional Council, Swedish Hospital, Edmonds School District

CITY OF EDMONDS, WASHINGTON
SCHEDULE 18
CITY EMPLOYES BY FUNCTION/PROGRAM
 LAST TEN CALENDAR YEARS

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
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	6.5	6.5
Economic Development	1.0	1.0	1.0	1.0	1.0	0.0	0.0	0.0	0.0	0.0
Human Resources	1.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	2.0
Administrative Services	11.0	11.0	11.0	11.0	11.0	9.0	9.0	9.0	10.0	10.5
Facilities	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0	10.0
Equipment Rental	4.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0
	35.0	35.5	35.5	35.5	35.5	32.5	31.5	31.5	32.0	32.5
Judicial										
Municipal Court	7.5	7.5	7.5	8.5	8.5	8.5	8.5	7.0	7.0	7.5
Public Safety										
Police	69.0	70.0	73.0	69.0	69.0	69.0	69.0	64.0	65.0	61.0
Fire	53.0	53.0	54.0	54.0	54.0	54.0	0.0	0.0	0.0	0.0
	122.0	123.0	127.0	123.0	123.0	123.0	69.0	64.0	65.0	61.0
Physical Environment										
Development Services	28.8	28.8	26.8	27.1	27.1	16.1	16.0	15.0	14.0	14.0
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	22.9	22.9	22.9	22.0	22.0	22.0	26.5
Transportation										
Streets	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	6.0
Total Governmental Activities	225.8	227.3	229.3	226.5	226.5	212.5	156.5	149.0	149.5	149.5
Business-type Activities										
Combined Utility										
Public Works Administration	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Storm	7.5	7.5	7.5	7.5	7.5	7.5	7.5	8.5	8.5	7.5
Water/Sewer/Treatment Plan	34.5	34.5	34.5	34.5	34.5	34.5	34.5	33.5	33.5	31.5
Engineering	0.0	0.0	0.0	0.0	0.0	11.0	11.0	11.0	11.0	12.0
Total Business-type Activities	44.5	44.5	44.5	44.5	44.5	55.5	55.5	55.5	55.5	53.5
Grand Total	270.3	271.8	273.8	271.0	271.0	268.0	212.0	204.5	205.0	203.0

Source:

City Budget Books

CITY OF EDMONDS, WASHINGTON
SCHEDULE 19
OPERATING INDICATORS BY FUNCTION/PROGRAM
 LAST SEVEN FISCAL YEARS

Function/Program	2006	2007	2008	2009	2011	2012	2013
General government services							
Finance							
General Business Licenses	1,922	1,920	2,002	1,767	1,796	1,843	1,656
Non-resident Business Licenses	930	982	1,127	1,031	2,896	3,192	1,099
Judicial							
Municipal Court							
Total filings (infraction, parking, criminal)	7,194	6,010	7,782	7,853	7,919	6,325	7,809
Public Safety							
Police							
Dispatched calls	23,530	23,104	22,320	21,352	21,027	22,011	21,789
Traffic citations and infractions	4,139	4,058	5,803	5,379	5,288	4,815	6,061
Adult arrests	1,448	1,389	1,565	1,455	1,543	1,344	1,414
Juvenile arrests	208	245	219	178	172	135	125
Animal control incidents	1,547	1,388	1,108	1,483	1,370	1,126	1,213
Crimes per 1,000 residents	35.0	26.0	25.4	25	26	27	27
Fire/EMS ¹							
EMS	3,522	3,669	3,555	3,470	3,979	3,789	3,870
False Alarm	260	229	238	236	342	154	227
Fire	143	135	104	87	92	88	76
Good Intent Call	791	747	396	523	427	338	294
Hazardous Condition	139	150	105	91	72	89	86
Rupture / Explosion	8	13	8	6	8	6	4
Service Call	285	216	264	341	251	282	241
Special Type	8	8	3	9	8	2	3
Other	15	11	0	0	0	8	3
Physical Environment							
Engineering & construction services							
Permits issued	1,187	1,253	1,028	920	1,072	1,136	2,156
Inspections	6,645	5,853	4,267	3,908	3,262	1,566	6,475
Economic Environment							
Community services							
Planning							
Code enforcement actions	619	733	577	385	371	393	411
Animal Services							
Adoptions	37	70	77	43	34	26	39
Returned to Owner	200	201	159	146	164	160	141
Culture and recreation							
Aquatics participants	20,582	21,584	22,047	26,759	16,474	17,687	19,374
Athletics (Adult) participants	2,422	2,184	2,294	2,188	2,337	2,307	2,055
Gymnastics participants	1,424	1,651	1,520	1,793	1,529	1,403	5,167
Fitness participants	2,108	1,853	2,548	3,013	3,242	2,367	2,377
Special Events participants	9,105	9,129	9,354	7,883	9,592	7,754	7,833
Transportation							
Number of paving projects	58	53	63	95	135	317	160
Street patching/paving (in sq ft)	5,711	3,422	8,232	4,267	3,353	12,622	3,394
Curbs and gutters replaced (in lineal ft)	35	35	27	38	193	4	26
Sidewalks replaced (in sq ft)	2,261	2,257	2,900	3,580	6,661	266	895
Water/Sewer							
Water							
New connections	11	8	20	n/a	8	24	19
Water main breaks	15	8	5	n/a	10	8	6
Average daily consumption (mgd) - finished water	3.3	3.1	3.0	3.0	3.5	2.9	2.8
Peak daily consumption (mgd) - finished water	4.6	n/a	n/a	n/a	n/a	5	5
Treated water delivered (mg)	1,192	1,138	1,122	n/a	1,085	1,054	973
Water customers served by system	9,998	10,031	10,058	10,086	10,139	10,123	10,157
Sewer							
Average daily sewage treated (mg)	6.2	5.3	5.5	5.6	5.8	6.03	4.59
Sewage treated (mg)	2,249	1,938	2,022	2,043	2,112	2,208	1,675
Storm System							
New Storm Pipe in feet						320	606
Catch Basin Rehab/Replace						31	36
Surface Structure Rehab (Grates)						32	32
Overflow (Beehive) Installs						2	2

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 20
CAPITAL ASSET STATISTIC BY FUNCTION/PROGRAM
 LAST EIGHT FISCAL YEARS

Function/Program	2005	2006	2007	2008	2009	2011	2012	2013
Public Safety								
Police stations	1	1	1	1	1	1	1	1
Police vehicles	33	33	33	33	33	43	42	33
Fire stations	3	3	3	3	3	3	3	3
Fire engines (pumpers)	3	3	3	3	3	3	3	0
Aerial ladder trucks	1	1	1	1	1	1	1	0
Emergency Medical Units	5	5	5	5	5	5	5	0
Public safety boat	0	1	1	1	1	1	0	0
Transportation								
Paved streets (in miles)	128	128	128	128	128	128	133	133
Other Improved streets (in miles)	6	6	6	6	6	6	6	6
Unimproved streets (in miles)	1	1	1	1	1	1	1	1
Signalized intersections	20	20	20	20	20	20	22	20
Community services								
Animal shelter	1	1	1	1	1	1	1	1
Senior center	1	1	1	1	1	1	1	1
Cemetery	1	1	1	1	1	1	1	1
Culture and recreation								
Number of parks	46	47	47	47	47	47	47	44
Number of playgrounds	13	13	13	13	13	14	14	15
Total acreage owned/managed by City	238.1	243.7	243.7	243.7	243.7	243.7	262.0	189.0
Public swimming pool	1	1	1	1	1	1	1	1
Water/Sewer								
Water								
Water mains (miles)	179	179	179	179	179	179	179	179
Fire hydrants	1,086	1,086	1,086	1,086	1,086	1,167	1,167	1,167
Water storage capacity (within city)(in mg)	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Sewer								
Sanitary sewers (miles)	186	186	186	186	186	186	186	186
Storm sewers (miles)	120	120	120	120	120	120	120	120
Treatment capacity per day (mgd)	11.8	11.8	11.8	11.8	11.8	11.8	11.8	11.8

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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