



2016 PAFR

POPULAR ANNUAL FINANCIAL REPORT
CITY OF EDMONDS
WASHINGTON





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

WHAT IS A PAFR

THE City's Popular Annual Financial Report (PAFR) is designed to be an easy way to understand some of the basics of Edmonds' finances and local government. We have tried to make the PAFR something that would be easy to read and accessible to all the residents of Edmonds. The City also publishes a Comprehensive Annual Financial Report (CAFR), which provides financial information about the City in much greater detail. Both the reports are presented using generally accepted accounting principles, the standard framework for governmental accounting, but there are differences between the two reports. If you look at the City's CAFR, for example, you'll see that there we included the Edmonds Center for the Arts (ECA) as a "component unit" of the City, but for the PAFR we did not include the ECA's numbers. We want to emphasize that this PAFR is intended to complement the CAFR, not to be a substitute for it. If you would like a copy of the CAFR, please visit www.edmondswa.gov/financial-reports.html

Thank you for your interest, and we hope you enjoy looking through our first-ever Popular Annual Financial Report!

Deputy Finance Director
Dave Turley

MEET YOUR CITY OFFICIALS

ALL Council positions are at-large positions. The Edmonds City Council meets as a body of the whole on the first and third Tuesdays each month starting at 7:00 PM, and meets every second and fourth Tuesdays in Committee. Council meetings are located in the Public Safety Complex located at 250 5th Avenue North, in Edmonds and are open to the public.



Kristiana Johnson
Council Position 1

Ms. Johnson has been on the City Council since 2012, and served as Council President in 2016. Her current term expires in 2017.



Dave Teitzel
Council Position 5

Mr. Teitzel has been on the City Council since 2016. His current term expires in 2019.



Mike Nelson
Council Position 2

Mr. Nelson has been on the City Council since 2015. His current term expires in 2017.



Thomas Mesaros
Council Position 6

Mr. Mesaros has been on the City Council since 2014. His current term expires in 2019.



Adrienne Fraley-Monillas
Council Position 3

Ms. Fraley-Monillas has been on the City Council since 2010 and served as President in 2015. Her current term expires in 2017.



Neil Tibbott
Council Position 7

Mr. Tibbott has been on the City Council since 2016. His current term expires in 2019.



Diane Buckshnis
Council Position 4

Ms. Buckshnis has been on the City Council since 2010 and served as President in 2014. Her current term expires in 2019.



Dave Earling
Mayor

A former City Councilmember and Council President, was elected to office on November 8, 2011, and then was re-elected in 2015. His current term expires in 2019.



Linda Coburn
Municipal Court Judge



Patrick Doherty
Economic Development Director



Al Compaan
Police Chief



Carrie Hite
Parks and Recreation Director



Phil Williams
Public Works Director



Mary Ann Hardie
Human Resources Director



Scott James
Finance Director



Shane Hope
Development Services Director



Scott Passey
City Clerk

DID YOU KNOW?

Edmonds operates under a Council-Mayor form of government, with all officials elected by voters of the city.

The City grew out of a homestead and logging operation started by George Brackett in 1876. Up until the 1940's, the primary industry in the city was the production of shingles.

Edmonds also has a Sister City in Japan. Edmonds and the City of Hekinan, Japan established a sister-city relationship in 1988. The goal of having a sister city is to foster exchanges that reflect our intercultural focus between business, education and nonprofit organizations in the local area.



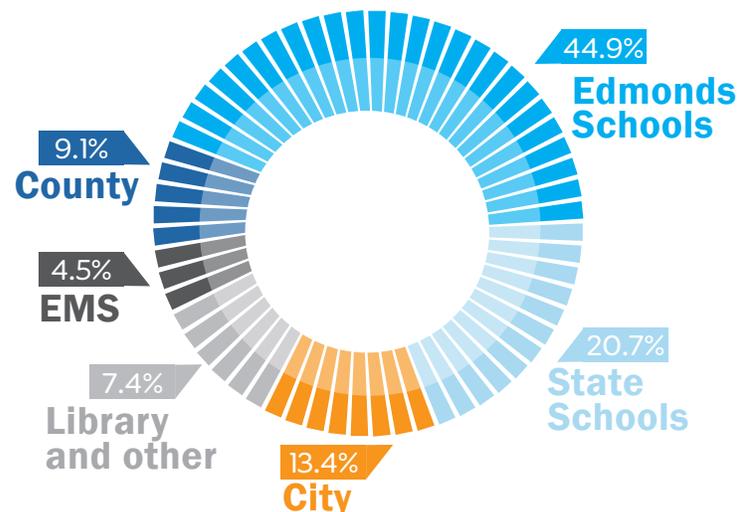
41,840

POPULATION

Edmonds' population estimate for 2015 making it the 26th largest city in Washington and the 3rd largest in Snohomish County.

WHERE DO YOUR TAXES GO?

Do you know where your property taxes go? Many people are surprised to learn that only about 13% of their property taxes goes to the City of Edmonds. About 45% goes to the Edmonds School District, and 21% goes to Washington State Schools.





1890

INCORPORATED

The City of Edmonds was incorporated in 1890, only a year after Washington became a state.

23

PARKS

Our 23 city parks include more than 325 acres of parkland and 1,000 feet of waterfront shoreline.

524

VOLUNTEERS

Over 6,100 hours of volunteer time donated for Parks and Rec, Boards, Commissions and Committees.

\$43.5m

New home and commercial construction has added \$43.5 million to our 2016 assessed property values. Average residence assessed value; \$428k.

20,628

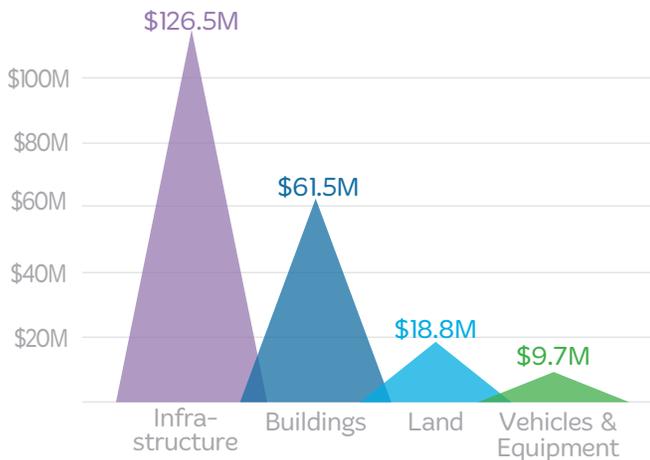
Number of Students served by the Edmonds School District, the 11th largest district in the state. The largest portion of property tax.

8.9mi²

Number of square miles. Also, 145 miles of streets, 138 miles of water mains, and over 10,000 utility customers.

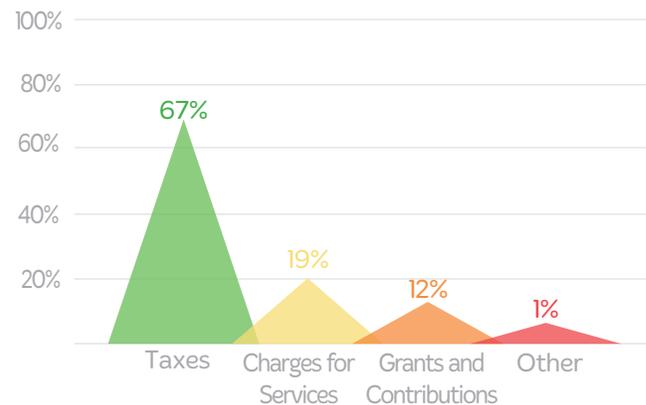
WHAT DOES THE CITY OWN?

At the end of 2016, the City of Edmonds owned capital assets that cost \$219 million. This includes \$126.5 million of infrastructure like sewer lines and water lines, and other improvements; \$61.5 million worth of buildings; and land, most of which is parks and open space, at a cost of \$18.8 million.



WHERE DOES THE CITY GET MONEY?

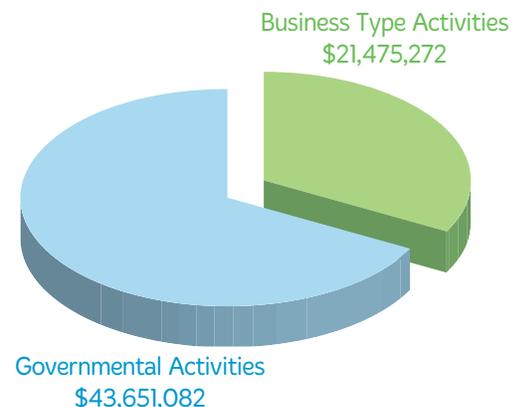
The city provides services that are governmental-types of services, like police protection, parks and recreational services, and street maintenance. The city also provides Water, Storm services, and Sewage treatment, but those services act more like a business where the customer who buys water is charged directly for the water they use. The majority of revenues for governmental activities come from taxes.



WHERE DOES THE CITY SPEND ITS MONEY?

No two cities are alike. For example, some cities have both a Police and a Fire Department. Some, like Edmonds, have a Police Department but don't operate a Fire Department. Some cities operate golf courses, airports, or transit systems. You might find it interesting that 1 out of every 4 City employees works for the Police or the Municipal Court. And another 22% of City employees work in a department that provides some sort of business type of service, such as providing water or sewer services. The City of Edmonds has two general categories

of spending. About two-thirds of what the City spends goes for general government activities, like providing Police protection, parks and recreation services, or building and maintaining streets. This is mostly paid for out of general revenues. The remaining one-third of what the City spends goes for business-type of activities. In the case of Edmonds, the City provides water and sewer services to customers, and maintains a stormwater system. This is mostly paid for out of fees charged to customers. The breakdown between governmental and business-type activities looks like this:



FINANCIAL SUMMARY

Category	Governmental Activities	Business-type Activities	Total
Current and other Assets	\$ 34,443,306	\$ 28,812,761	\$ 63,256,067
Capital Assets (net)	81,299,666	97,161,643	178,461,309
Total Assets	115,742,972	125,974,404	241,717,376
Deferred outflows of resources			
Debt refunding	12,350	163,247	175,597
Pensions	2,302,336	623,365	2,925,701
Total assets and deferred outflows	118,057,658	126,761,016	244,818,674
Current and other liabilities			
Long term liabilities	1,966,396	2,609,587	4,575,983
Total liabilities	21,571,276	52,382,494	73,953,770
Total liabilities	23,537,672	54,992,081	78,529,753
Deferred inflows of resources			
Debt refunding	141,114	54,732	195,846
Pensions	112,999	58,634	171,633
Total liabilities and deferred inflows of resources	23,791,785	55,105,447	78,897,232
NET POSITIONS			
Net investment in capital assets	69,470,320	45,570,663	115,040,983
Restricted	7,064,140	2,986,888	10,051,028
Unrestricted	17,731,412	23,098,017	40,829,429
NET TOTALS	\$94,265,872	\$71,655,568	\$165,921,440

The business-type activities are the water, sewer, and storm funds. Governmental activities are things like the General Fund, the Police department, and the Parks department.

T HIS statement tells us a few things. It tells us that business-type activities have more assets AND more liabilities than Governmental activities. This is because the business-type activities require a lot of expensive infrastructure – for example, Edmonds operates a wastewater treatment plant. It also has 179 miles of water mains, 186 miles of sanitary sewers, and 120 miles of storm sewers. Because these assets cost so much, we had to borrow money to pay for them. The governmental-type activities on the other hand,

need fewer assets and, in turn, they have less debt. And with a total Net Position of \$165.9 million, Edmonds is in a good position to be able to continue to provide necessary services to its citizens and customers.

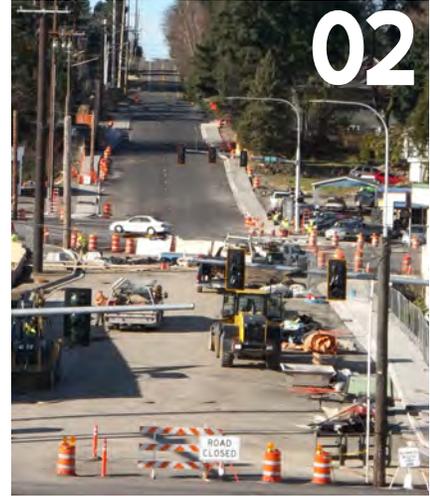


2016 CITY PROJECTS

01 CITY PARK
SPRAY PAD



02 228TH STREET
CONNECTION



03 PUBLIC
RESTROOM



04 MARINA
FISHING PIER



05 238TH STREET
WALKWAYS



GOVERNMENTAL ACCOUNTING TERMS

Assets are resources that the City controls that have some sort of a service capacity for the City.

Capital Assets are things other than money that will last longer than a year, and are used to provide products and services to the City and its residents.

Change in Net Position is the increase or decrease in the net position from one year to another.

Current Assets include cash and things that are like cash, because they are available and can be used to reduce liabilities within a year.

Deferred Inflows of Resources and Deferred Outflows of Resources represent flows of resources into and out of the City that are related to a future period. Examples of this are things like prepaid expenses, where we have paid for something that will give us a benefit next year; and money that we received from a grantor this year to do a project, and we will be doing most of the work on the project next year.

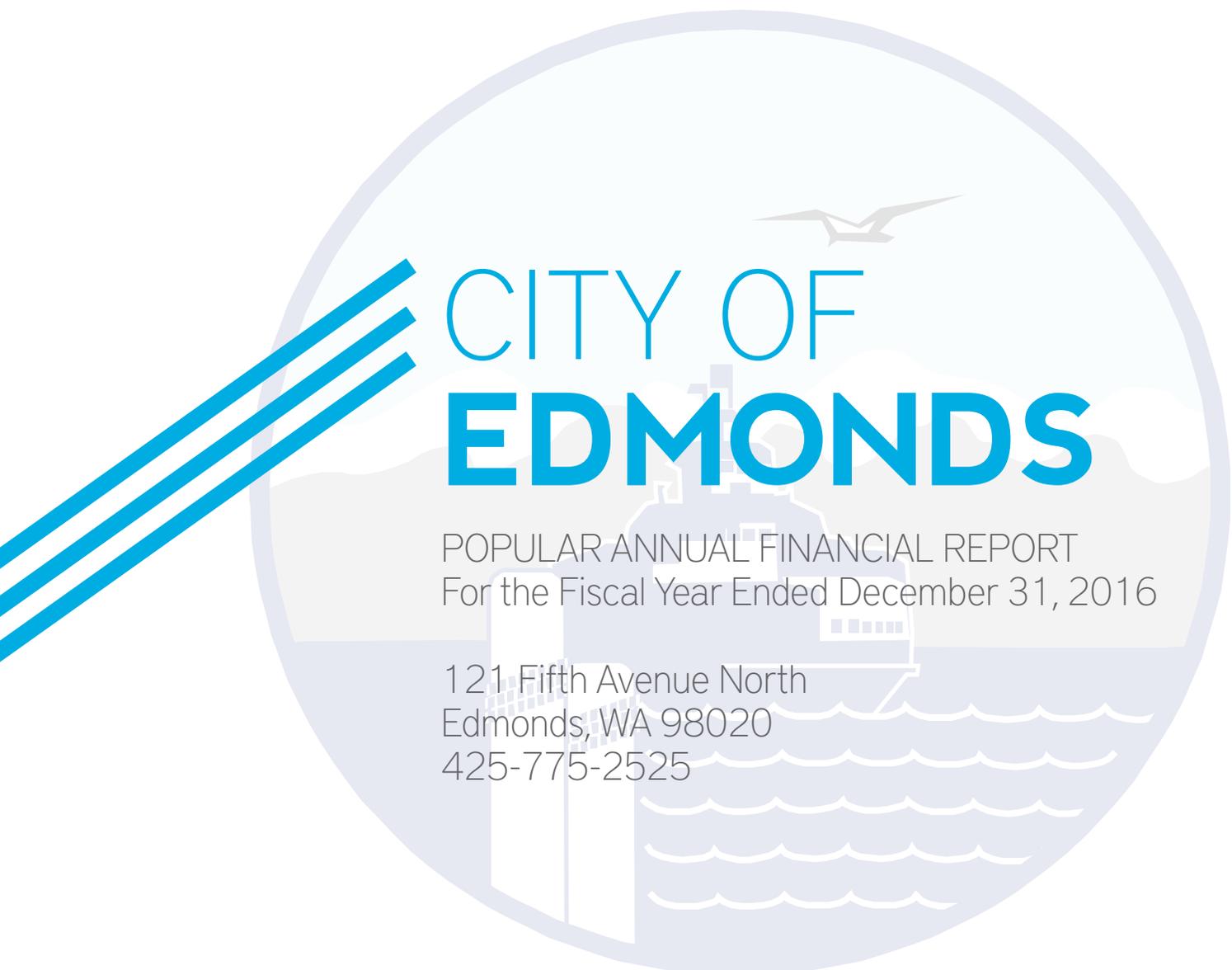
Fund Balance is the net position of a City governmental fund, such as the General fund, or a group of funds.

Liabilities are obligations of the City to other entities, such as amounts the City owes to employees, suppliers, or bond holders. Liabilities can be short-term like salaries and wages (short-term debt is typically due within a year) or long-term like bond indebtedness that is not owed this year (long-term debt is typically due in a year or more).

Governmental Funds are those funds that are normally supported by taxes and intergovernmental revenues, and are reported separately from Business-Type Funds, which rely to a greater extent on fees and charges that are directly related to the service that is being provided. For example, sales taxes and property taxes come in to the City and can be used to pay for things like the Police Department and the Parks and Recreation Department. These are governmental funds. The city also has Utility Funds, which are Business-Type Funds because they provide a service that they charge for. When a customer pays their water bill to the City, the City can only use that money in the Water Utility Fund. The City can't use that money to fund the Police or Parks Departments.

Government-wide Reporting is a presentation of all of the City's funds grouped together as if all of the funds were combined into one single fund. This provides a consolidated view of the City's financial activities and uses the accrual basis of accounting.





CITY OF **EDMONDS**

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For the Fiscal Year Ended December 31, 2016

121 Fifth Avenue North
Edmonds, WA 98020
425-775-2525