



The City of Edmonds, Washington

**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT**

For the Year Ended December 31, 2017

DAVE EARLING, MAYOR

EDMONDS CITY COUNCIL

Thomas Mesaros, Council President

Kristiana Johnson Adrienne Fraley-Monillas

Mike Nelson Diane Buckshnis

Dave Teitzel Neil Tibbot

Prepared By

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2017

TABLE OF CONTENTS

	Page
I. INTRODUCTORY SECTION	
Table of Contents	i
Letter of Transmittal, Principal Officials, and Organizational Structure	v
Certificate of Achievement for Excellence in Financial Reporting	x
II. FINANCIAL SECTION	
Auditor's Report	1
Management's Discussion and Analysis.....	5
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	19
Statement of Activities.....	20
Fund Financial Statements:	
Balance Sheet – Governmental Funds	24
Reconciliation of the Balance Sheet to the Statement of Net Position Governmental Funds .	25
Statement of Revenues, Expenditures, and Changes in	
Fund Balance – Governmental Funds	26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in	
Fund Balances of Governmental Funds to the Statement of Activities	27
Statement of Revenues, Expenditures, and Changes in	
Fund Balance – Budget and Actual - General Fund	28
Statement of Net Position – Proprietary Funds	30
Statement of Revenues, Expenses, and Changes in	
Fund Net Position – Proprietary Funds.....	31
Statement of Cash Flows – Proprietary Funds	32
Statement of Fiduciary Net Position – Fiduciary Fund.....	36
Statement of Changes in Fiduciary Net Position – Fiduciary Fund	37
Notes to the Financial Statements	39
Required Supplemental Information:	
Firemen's Pension Trust Fund	86
Schedule of Changes in Net Pension Liability and Related Ratios.....	88
Retiree Medical and Long-Term Care Benefits for LEOFF I Employees	89
Schedule of Funding Progress – Firemen's Pension Fund.....	89
Schedule of Funding Progress – Other Post-Employment Benefits	90
Notes to the Required Supplemental Information	91
Public Employees' Retirement System Plan 1	92
Schedule of Proportionate Share of the Net Pension Liability	
Schedule of Employer Contributions	
Public Employees' Retirement System Plans 2 and 3	93
Schedule of Proportionate Share of the Net Pension Liability	
Schedule of Employer Contributions	
Law Enforcement Officers' & Fire Fighters' System Plan 1	94
Schedule of Proportionate Share of the Net Pension Liability	
Schedule of Employer Contributions	
Law Enforcement Officers' & Fire Fighters' System Plan 2	95
Schedule of Proportionate Share of the Net Pension Liability	
Schedule of Employer Contributions	

Combining and Individual Fund Financial Statements and Schedules:	
Combining Balance Sheet – Governmental Funds	98
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	100
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
LEOFF-Medical Insurance Reserve Fund	103
Risk Management Reserve Fund	104
Contingency Reserve Fund	105
Historic Preservation Gift Fund	106
Building Maintenance	107
Combining Balance Sheet – Non-Major Governmental Funds	110
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds	111
Combining Balance Sheet – Non-Major Special Revenue Funds	114
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Special Revenue Funds	118
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
Drug Enforcement Fund	122
Street Fund	123
Municipal Arts Acquisition Fund	124
Memorial Tree Fund	125
Hotel/Motel Tax Fund	126
Employee Parking Permit Fund	127
Youth Scholarship Fund	128
Tourism Promotional Arts Fund	129
Real Estate Excise Tax (REET) 2 Fund	130
Real Estate Excise Tax (REET) 1 Fund	131
Gifts Catalog Fund	132
Special Projects Fund	133
Cemetery Maintenance/Improvement Fund	134
Parks Construction Fund	135
Parks Trust Fund	136
Cemetery Maintenance Trust Fund	137
Sister City Commission Fund	138
Combining Balance Sheet – Non-Major Debt Service Funds	140
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Non-Major Debt Service Funds	141
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:	
L.I.D. Fund Control	142
2012 LTGO Debt Service Fund	143

III. STATISTICAL SECTION

	Schedule	
Government-wide Net Position by Component	1	146
Changes in Net Position	2	148
Fund Balances, Governmental Funds	3	150
Changes in Fund Balances, Governmental Funds	4	152
General Government Tax Revenues by Source	5	154
Property Tax Levies and Collections	6	155
Assessed and Estimated Actual Value of Taxable Property	7	156
Property Tax Rates – Direct and Overlapping Governments	8	158
Principal Property Taxpayers	9	159

Sales Tax Rate Direct and Overlapping Governments.....	10	160
Ratios of Outstanding Debt by Type	11	162
Ratios of General Bonded Debt Outstanding.....	12	164
Computation of Direct and Overlapping Debt	13	165
Computation of Legal Debt Margin	14	166
Revenue Bond Coverage	15	168
Demographic and Economic Statistics	16	169
Principal Employers	17	170
City Employees by Function/Program.....	18	171
Operating Indicators by Function/Program	19	172
Capital Asset Statistics by Function/Program	20	173



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CITY OF EDMONDS

CITY HALL

121 5th AVENUE NORTH • EDMONDS, WA 98020

425.771.0240 • FAX 425.771.0265

June 29, 2018

To the Honorable Mayor Earling,
Members of the Edmonds City Council,
and the Citizens of Edmonds

I am pleased to provide the Comprehensive Annual Financial Report of the City of Edmonds for the year ended December 31, 2017. 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 State Auditor's Office (SAO). State law provides for an annual independent audit to be conducted by the SAO. 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 the *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 most populous city in the State, occupies a land area of 8.9 square miles, and serves a population of approximately 41,840. A picturesque waterfront community, Edmonds offers an appealing small town quality of life, complemented 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

elected to staggered four-year terms and elected at-large, rather than by district. The City Council is responsible for establishing policy objectives and for allocating 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, storm water and wastewater collection and treatment services; construction and maintenance of streets and other infrastructure; a municipal court; 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 or decreases to appropriations at the Fund level or the addition of new personnel require 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' financial 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 Edmonds Hospital, the City of Edmonds, the Edmonds School District and also specialty private sector companies such as "Rick Steves' Europe through the Back Door."

Financial indicators continue to show improvement. Total assessed valuation for property grew in 2017 over the 2016 valuation, Sales and Use Tax revenues have seen continued growth, and Property Tax revenues continue to increase. More good news is that the regional economy shows signs of a continuing recovery. Unemployment in both Snohomish County and Washington State remain low.

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.

Although revenue growth is predicted to continue at a moderate pace, there remains the challenge to control costs and plan for rising 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 focus on ensuring that the City continues to be economically strong and viable. Toward 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. The 2017 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 unmodified opinion for 2017; please see the Auditor's Report beginning on Page 1 of this CAFR. 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 2017.

B. AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement in Financial Reporting to the City of Edmonds for its Comprehensive Annual Financial Report for the fiscal year ended December 31, 2016. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement is valid for a period of one year only. We believe that our 2017 Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program's excellence requirements and we are submitting it to the GFOA for review and determination of eligibility.

Finally, the preparation on a timely basis of the City of Edmonds' Comprehensive Annual Financial Report 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 Dave Turley, 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 OFFICIALS

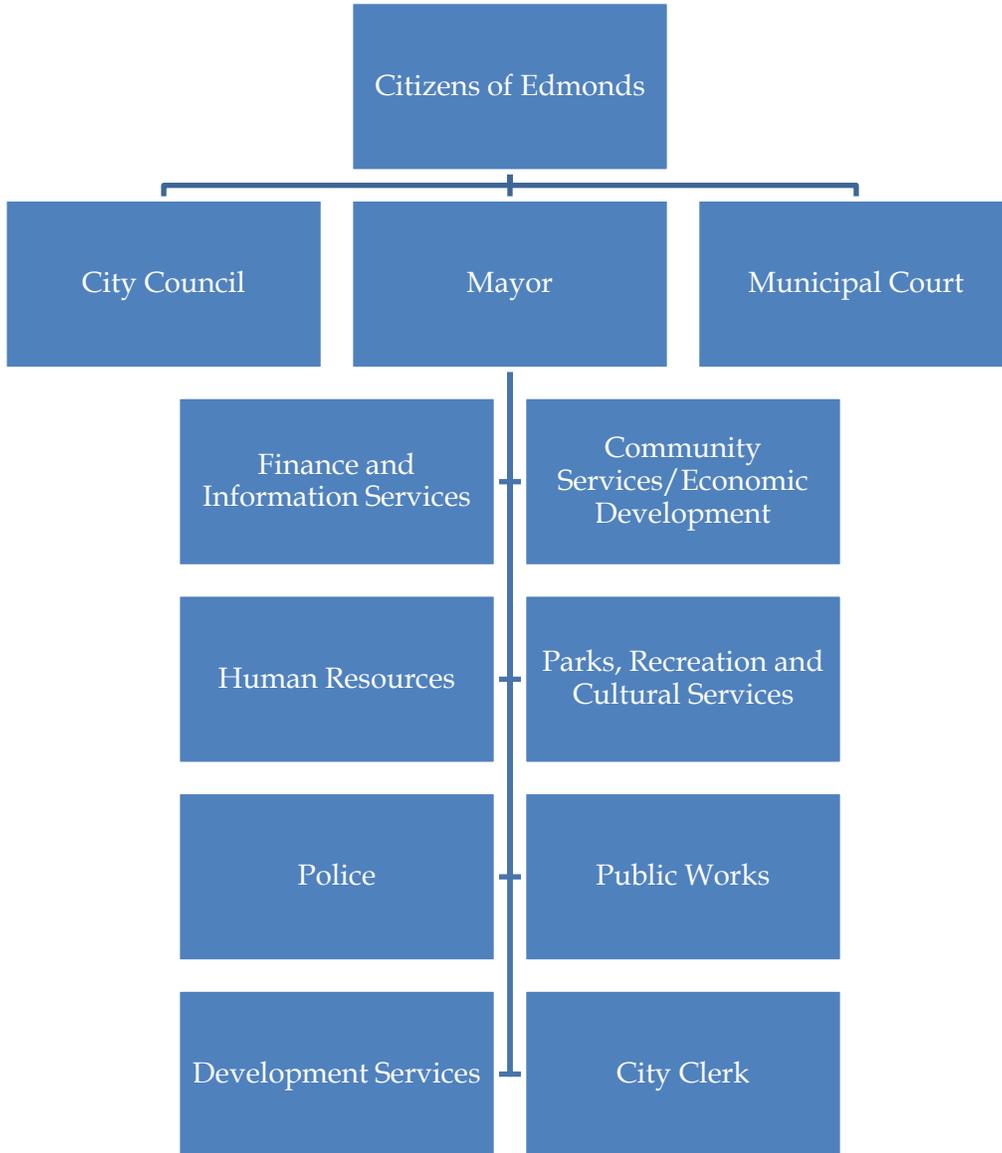
2017 CITY COUNCIL

Council President (Position #6)	Thomas Mesaros
Councilmember (Position #1)	Kristiana Johnson
Councilmember (Position #2)	Mike Nelson
Councilmember (Position #3)	Adrienne Fraley-Monillas
Councilmember (Position #4)	Diane Buckshnis
Councilmember (Position #5)	Dave Teitzel
Councilmember (Position #7)	Neil Tibbott

CITY ADMINISTRATION

Mayor	Dave Earling
Finance Director	Scott James
Community Services/Economic Development Director	Patrick Doherty
Parks, Recreation and Cultural Services Director	Carrie Hite
Public Works Director	Phil Williams
Police Chief	Al Compaan
Human Resources	Mary Ann Hardie
Municipal Court Judge	Linda Coburn
Development Services Director	Shane Hope
City Clerk	Scott Passey

**City of Edmonds, Washington
2017 Organization Chart**





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Edmonds
Washington**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morill

Executive Director/CEO



**Office of the Washington State Auditor
Pat McCarthy**

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

June 29, 2018

Mayor and City Council
City of Edmonds
Edmonds, Washington

REPORT ON THE 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, 2017, 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, as of December 31, 2017, 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.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated June 29, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the City's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,



Pat McCarthy
State Auditor
Olympia, WA



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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, 2017. 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, 2017 the City's net position, the amount by which total assets exceeded total liabilities, totaled \$176 million. Of this amount, \$120.2 million is invested in capital assets, such as land, buildings, and infrastructure net of related debt, \$11.1 million is restricted for debt service, construction, and various other purposes and the remaining Net Position of \$44.7 million is unrestricted.
- The City's total net position improved by \$10 million in 2017. Governmental activities increased by \$6 million and business-type activities increased by \$4 million.
- Governmental funds reported a combined ending fund balance of \$27.1 million; a \$1.6 million improvement over the prior year. Of this amount, \$15.3 million is unassigned and available to fund ongoing activities. The assigned fund balance category totals \$2 million and is an increase of \$1.98 million over 2016. The 2017 unassigned fund balance equals 39.6% of 2017 general fund expenditures.
- Total capital assets increased by \$7.9 million in 2017.
- Total debt decreased by a net of \$2.6 million during the current fiscal year. Outstanding bonded debt, loans, and long term contracts at year-end totaled \$53.8 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 non-major 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 presents all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the residual reported as net position. 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 the 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, and court), public safety, utilities and environment, transportation, economic environment, mental and physical health, and culture and recreation. The City's business-type activities include water, sewer, and storm 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 which financial resources are available in the near future to finance the City's programs.

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

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

The City's main operating fund is the General Fund. However, the City maintains many accounts and six sub-funds within the General Fund. The City's other major governmental fund is the Street Construction Fund. The remaining governmental funds are combined into a single column labeled non-major governmental funds. Individual fund data for each of the non-major governmental funds can be found in combining statements later 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 part of the basic financial statements.

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, and storm water utilities. The City uses an internal service fund to account for its fleet of vehicles. Because these internal 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 improving financial condition. The following two tables address the financial results of the City as a whole. The first table is a condensed version of the 2017 government-wide statement of net position with a comparison to 2016:

Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current assets	\$ 37,332,639	\$34,443,306	\$29,701,948	\$28,812,761	\$ 67,034,587	\$ 63,256,067
Noncurrent assets	85,849,083	81,299,666	98,061,766	97,161,643	183,910,849	178,461,309
Total assets	123,181,722	115,742,972	127,763,714	125,974,404	250,945,436	241,717,376
Deferred outflows of resources						
Debt refunding	11,115	12,350	138,350	163,247	149,465	175,597
Pensions	1,617,224	2,302,336	542,717	623,365	2,159,941	2,925,701
Total assets and deferred outflows of resources	124,810,061	118,057,658	128,444,781	126,761,016	253,254,842	244,818,674
Current liabilities	2,975,528	1,966,395	2,094,904	2,609,587	5,070,432	4,575,982
Noncurrent liabilities	19,353,931	21,571,276	50,257,412	52,382,494	69,611,343	73,953,770
Total liabilities	22,329,459	23,537,671	52,352,316	54,992,081	74,681,775	78,529,752
Deferred inflows of resources						
Debt refunding	131,708	141,114	45,610	54,732	177,318	195,846
Pensions	2,051,754	112,999	391,433	58,634	2,443,187	171,633
Total liabilities and deferred inflows of resources	24,512,921	23,791,784	52,789,359	55,105,447	77,302,280	78,897,231
NET POSITION						
Net investment in capital assets	72,709,684	69,470,320	47,484,205	45,570,663	120,193,889	115,040,983
Restricted	8,088,456	7,064,140	2,987,788	2,986,888	11,076,244	10,051,028
Unrestricted	19,499,000	17,731,412	25,183,430	23,098,017	44,682,430	40,829,429
Total net position	\$100,297,140	\$94,265,872	\$75,655,423	\$71,655,568	\$175,952,563	\$165,921,440

Analysis of Net Position

Total net position (assets and deferred outflows, minus liabilities and deferred inflows) of the primary government was \$176 million at December 31, 2017 an improvement of \$10 million or 6% compared to December 31, 2016. Governmental activities increased net position by \$6 million and business-type activities increased net position by \$4 million.

The largest component of the City's net position, \$120.2 million, or 68.3%, is its investment in capital 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 \$11.1 million of the primary government's total net position are restricted for debt service payments, transportation improvements, and other purposes, an increase of \$1 million over 2016.

The primary government's December 31, 2017 unrestricted net position totals \$44.7 million, an increase of \$3.9 million over 2016.

The December 31, 2017 governmental activities unrestricted net position of \$19.5 million to meet ongoing obligations to citizens and creditors. There are no restrictions, commitments, or other limitations that significantly affect the availability of these resources for future use.

Restricted governmental fund net position is \$8.1 million and is restricted for purposes such as debt service, public safety, transportation, culture and recreation, and other purposes.

Unrestricted net position of the City's business-type activities totals \$25.2 million, representing the portion of unrestricted net position that may only be spent on activities related to one of the City's utilities (water, sewer, and storm water). 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.

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. This table shows the revenues, expenses and related changes in net position for both governmental-type and business-type activities:

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
REVENUES						
Program revenues:						
Charges for services	\$ 11,852,411	\$ 9,862,952	\$22,771,153	\$20,863,573	\$ 34,623,564	\$ 30,726,525
Operating grants and contributions	666,620	382,596	20,602	79,189	687,222	461,785
Capital grants and contributions	5,058,911	5,937,285	2,282,014	2,485,875	7,340,925	8,423,160
General revenues:						
Property taxes	14,140,797	14,657,369	-	-	14,140,797	14,657,369
Sales taxes	8,255,039	7,814,209	-	-	8,255,039	7,814,209
Interfund utility taxes	2,301,442	2,191,481	-	-	2,301,442	2,191,481
Utility taxes	4,649,111	4,572,918	-	-	4,649,111	4,572,918
Excise taxes	5,521,504	5,163,781	-	-	5,521,504	5,163,781
Interest and investment earnings	558,862	(582)	47,270	131,933	606,132	131,351
Miscellaneous	454,259	479,823	-	20	454,259	479,843
Gains on disposition of assets	308,580	135,591	2,500	-	311,080	135,591
Total revenues	<u>53,767,536</u>	<u>51,197,423</u>	<u>25,123,539</u>	<u>23,560,590</u>	<u>78,891,075</u>	<u>74,758,013</u>
EXPENSES						
Governmental activities:						
General government	11,861,913	10,617,051	-	-	11,861,913	10,617,051
Public safety	22,952,541	20,590,459	-	-	22,952,541	20,590,459
Utilities and environment	174,237	161,755	-	-	174,237	161,755
Transportation	5,197,489	6,115,715	-	-	5,197,489	6,115,715
Economic environment	1,594,100	1,421,122	-	-	1,594,100	1,421,122
Mental and physical health	126,791	70,814	-	-	126,791	70,814
Culture and recreation	4,965,274	4,527,224	-	-	4,965,274	4,527,224
Interest on long-term debt	68,532	146,942	-	-	68,532	146,942
Business-Type activities:						
Sewer Fund	-	-	9,770,914	10,672,276	9,770,914	10,672,276
Storm Fund	-	-	3,570,534	3,393,990	3,570,534	3,393,990
Water Fund	-	-	7,782,236	7,409,006	7,782,236	7,409,006
Total expenses	<u>46,940,877</u>	<u>43,651,082</u>	<u>21,123,684</u>	<u>21,475,272</u>	<u>68,064,561</u>	<u>65,126,354</u>
Change in net position before transfers	6,826,659	7,546,341	3,999,855	2,085,318	10,826,514	9,631,659
Transfers	-	10,907	-	(10,907)	-	-
Change in net position	6,826,659	7,557,248	3,999,855	2,074,411	10,826,514	9,631,659
Net position - beginning	94,265,873	86,708,625	71,655,568	69,581,157	165,921,441	156,289,782
Special Item - See Note 2	(795,392)	-	-	-	(795,392)	-
Net position - ending	<u>\$100,297,140</u>	<u>\$94,265,873</u>	<u>\$75,655,423</u>	<u>\$71,655,568</u>	<u>\$175,952,563</u>	<u>\$165,921,441</u>

Analysis of the Changes in Net Position

Total government-wide revenues of the primary government increased \$4.1 million or 5.5% and total expenses increased \$2.9 million or 4.5% for the prior year. These changes are discussed in more detail below.

Governmental Activities:

Net position for Governmental activities increased \$6 million, while the total change in net position of the primary government increased \$10 million. These increases are due to the strong local economy and management's continued diligence to manage expenses.

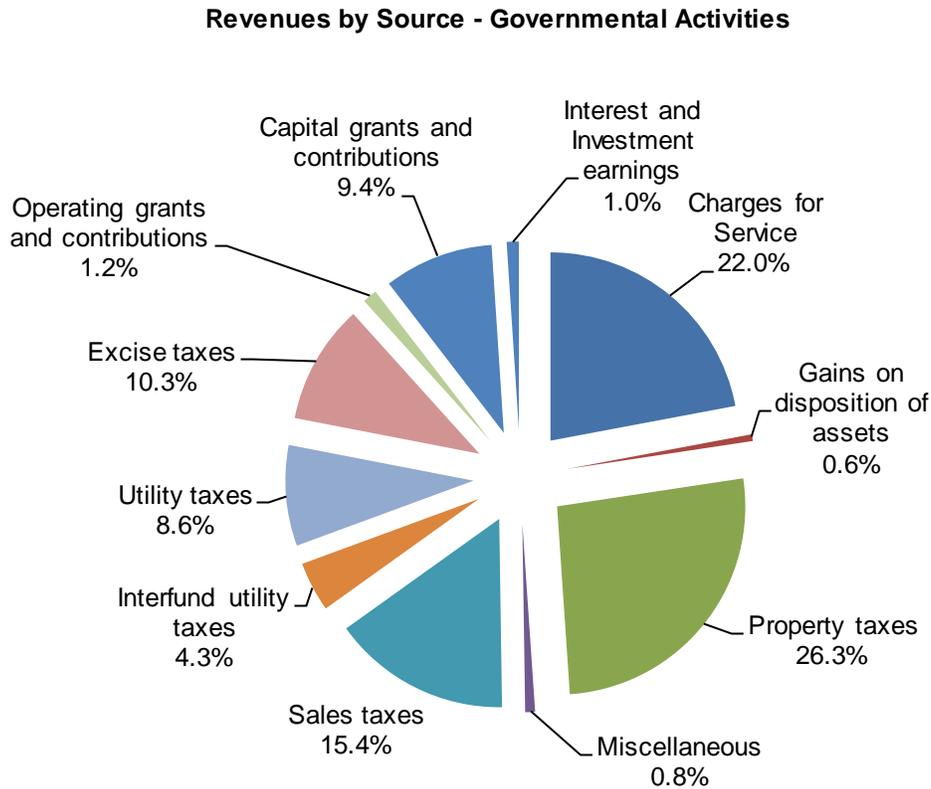
Total expenses for governmental activities increased \$3.3 million or 7.5%. The increase is mainly due to

increased spending on public safety initiatives in the City. A large portion of the increased spending was offset by increases in tax revenues and development related revenues. Governmental activity revenues increased by \$4.1 million, or 5.5% over 2016:

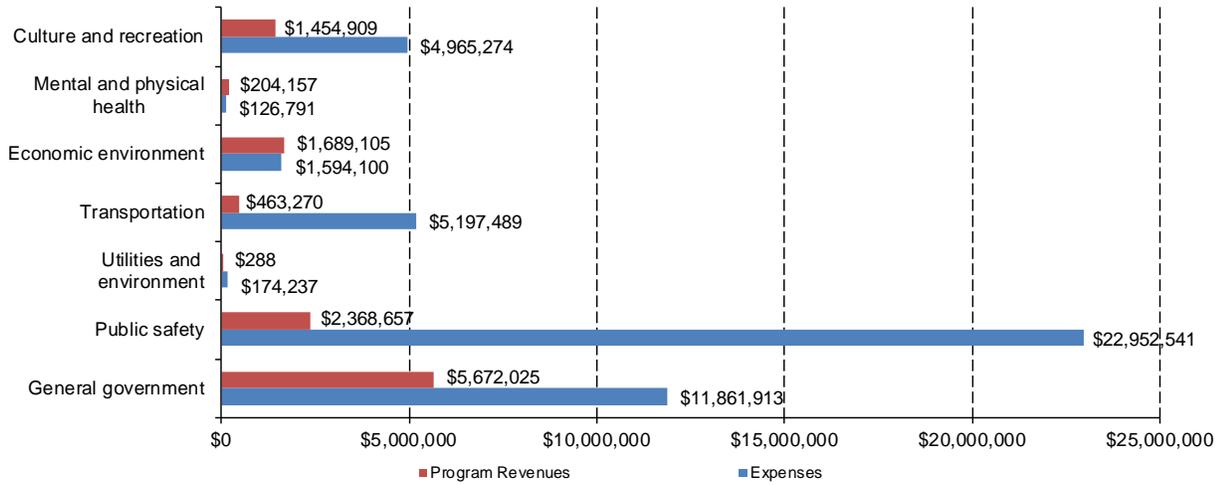
- Charges for services increased \$2 million, or 20.2%. This change is due mainly to an increase in development related revenues
- Property tax revenue decreased \$516,572, or 3.5% over 2016,
- Sales tax collections increased by \$440,830, or 5.6%,
- Excise taxes increased by \$357,723 or 6.9%.

The next chart summarizes the governmental 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



Expenses and Program Revenues - Governmental Activities



Business-type Activities:

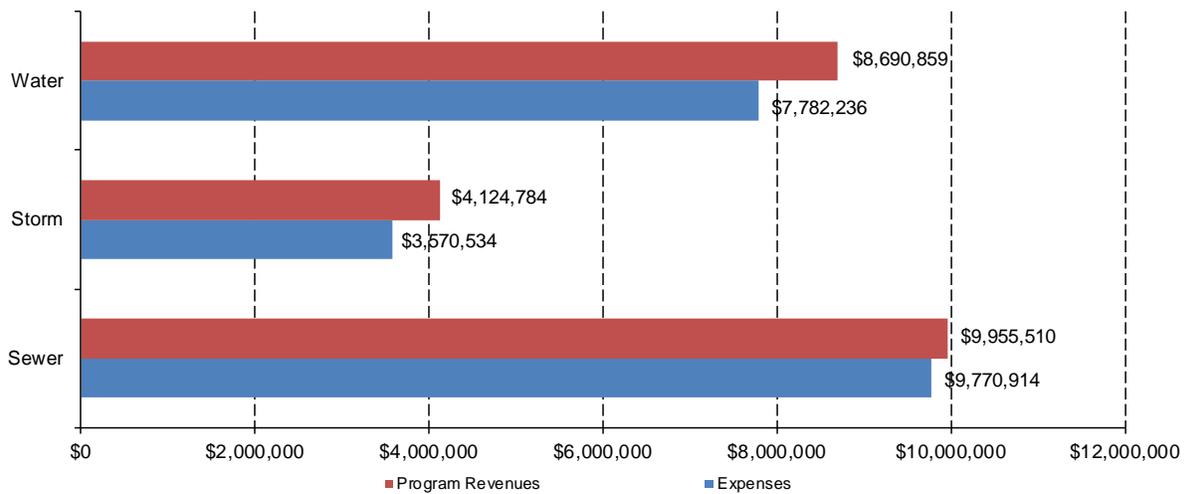
Business-type activities net position increased by \$4 million. Key components of this increase include:

- Business-type activities revenues increased by \$1.6 million, or 6.6%, over 2016.

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 is not available to support the ongoing expenses of the funds.

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

Expenses and Program Revenues - 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.

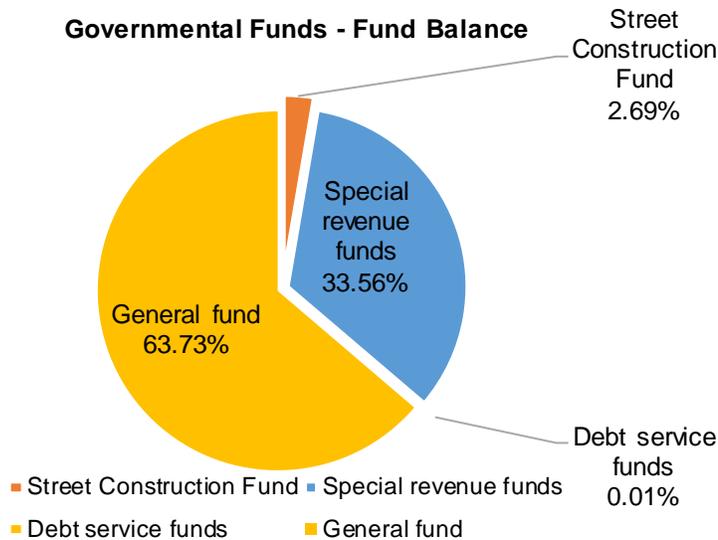
Governmental funds

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, 2017, the City's governmental funds had combined fund balances of \$27,079,678 an increase of \$1.6 million or 6.2% from 2016. Approximately 56.3% or \$15.3 million of this amount constitutes unassigned General Fund balance, which is available for spending at the City Council's discretion, and \$2 million is assigned for future development of Civic Field Park. 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 \$438,995 or 2.61% over 2016. The increase in fund balance is mainly due to an increase in 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 \$25.2 million, a \$2.1 million increase over 2016. The total change in net position for the three funds was a \$4 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 2017 expenditure budget was amended to include an additional \$7,443,223 in appropriations. The largest portions of this increase was for professional services and for 2015 and 2016 retroactive fire and EMS services contract payments.

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 \$1.5M. This was primarily due to increases in sales tax revenues and charges for development related services.

Expenditures were approximately \$1,958,851 below budget, the savings were due to realizing personnel expense savings of \$423,000, professional services of \$754,000, election costs of \$100,000 and the remaining \$681,851 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, 2017 totaled \$120.2 million (net of accumulated depreciation), an increase of \$5.2 million from 2016. 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:

- In Governmental Activities, the increase in Capital assets from 2016 was \$2.7M. The majority is due to projects related to street construction.
- In Business-type Activities, the increase in Capital assets from 2016 was \$5.2M. The majority is due to projects related to water line and sewer line replacements.

A summary of the City's capital assets, net of accumulated depreciation, follows:

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Depreciable capital assets (net)	\$ 51,975,614	\$ 46,455,595	\$ 80,683,042	\$ 79,894,529	\$ 132,658,656	\$ 126,350,124
NonDepreciable capital assets	24,473,524	27,291,758	13,030,569	8,571,102	37,504,093	35,862,860
Capital assets, net	\$ 76,449,138	\$ 73,747,353	\$ 93,713,611	\$ 88,465,631	\$ 170,162,749	\$ 162,212,984

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 \$51,125,603. Of this amount, \$8,705,603 is general obligation bonds for governmental activities, and \$42,420,000 is revenue bonds for business-type activities 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 Aa2 for councilmanic general obligation bonds.

Due to the implementation of Governmental Accounting Standards Board Statement No 70 *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, the City recorded an \$881,000 liability for the extension of a financial guarantee of the 2008 bond issuance by the City's Component Unit. See Note 18 for additional detail.

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

	Governmental Activities		Business-Type Activities		Total	
	As of 12/31/17	As of 12/31/16	As of 12/31/17	As of 12/31/16	As of 12/31/17	As of 12/31/16
General Obligation Debt	\$ 6,467,488	\$ 6,242,738	\$ 2,238,115	\$ 182,262	\$ 8,705,603	\$ 6,425,000
Revenue Bonds	-	-	42,420,000	43,675,000	42,420,000	43,675,000
Capital Contracts	256,488	376,182	-	-	256,487.82	376,182
Loans	534,886	1,445,614	1,880,351	4,437,598	2,415,237	5,883,212
Total	\$ 7,258,862	\$ 8,064,534	\$ 46,538,466	\$ 48,294,860	\$ 53,797,328	\$ 56,359,394

Economic Factors

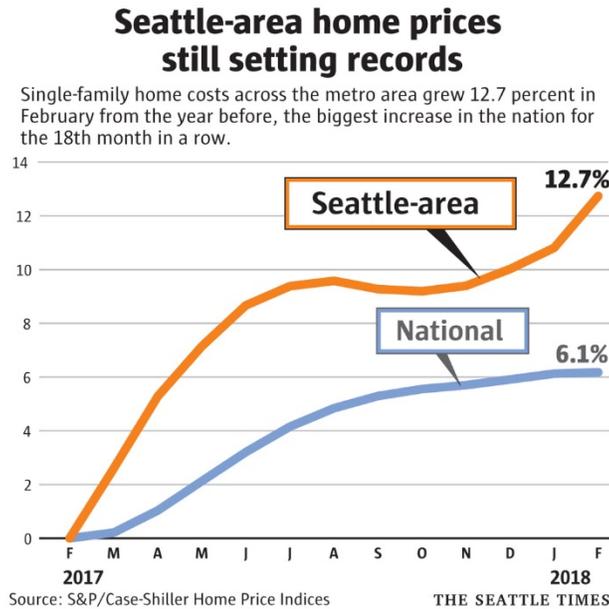
With economic conditions continuing to improve during 2017, sales tax collections increased 5.6%, and excise tax revenues increased 6.9%, while utility revenue collections increased 9.1%.

Economic Overview

The United States economy continued to grow in 2017. The national unemployment rates improved from 4.7% at the end of 2016 to 4.1% at the end of 2017, Washington State’s unemployment rates decreased to 4.7% at the end of 2017 from 4.9% at the end of 2016, while the Puget Sound unemployment rates increased from 3.5% at the end of 2016 to 3.7% at the end of 2017.

Locally, the City of Edmonds is an economic beneficiary due to the regions attractive real estate market as Mike Rosenberg, Business Reporter of the Seattle Times explains. Mr. Rosenberg reported on April 24, 2018 that the Seattle area continues its run as the nation’s hottest real- estate market, and it has now seen home prices surge upward for a full six years — with more growth in home values during the current boom than during last decade’s bubble.

Single-family home costs across the metro area grew 12.7 percent in February from a year earlier, the biggest increase in the nation for the 18th month in a row and was more than double the national rate of 6.1 percent, according to the monthly Case-Shiller home price index.

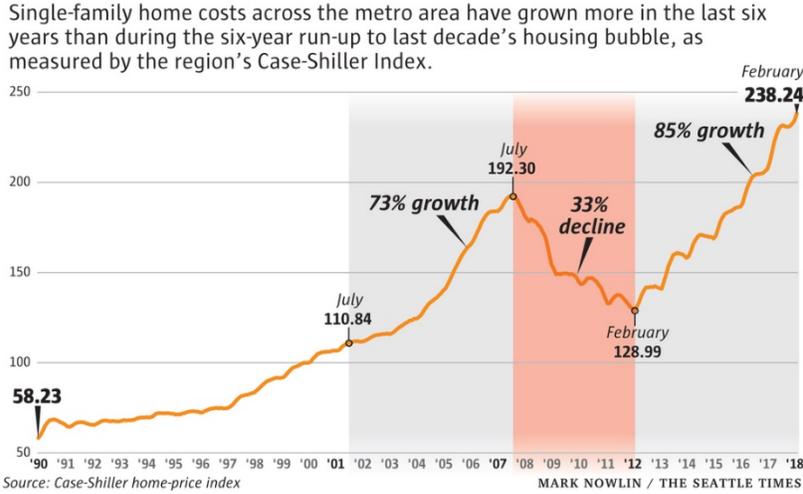


The report marked six years since home values bottomed out in February 2012. Since then, values have increased 85 percent — nearly triple the region’s historical average for a typical six-year span. Only San Francisco and Las Vegas had bigger gains during that period.

Even during the housing bubble last decade, prices didn’t rise this much. In the six years leading up to the

peak of the bubble in 2007, Seattle-area prices grew a total of 73 percent before the bubble burst.

Six years of home price growth in the Seattle area



But for now the real-estate market shows no signs of slowing down amid record low supply of homes for sale and strong demand for home-ownership. The Case-Shiller report noted that the Seattle metro area had the biggest job growth in the past year among the 20 regions covered in the report.

Seattle home costs have grown more than 10 percent, year-over-year, for 26 months in a row. That’s pushed the median cost of a single-family house to \$820,000 in Seattle and \$926,000 on the Eastside. Even more affordable areas have recently hit record prices: \$485,000 in Snohomish County, \$350,000 in Pierce County and \$341,000 in Kitsap County.

Like the rest of the nation, the Washington State economy continues to gain strength after the severest downturn in the past several decades. The Puget Sound region economy also is doing well, with solid employment numbers and a strong housing industry. The economy of the City of Edmonds is primarily based on retail, service activity, health care and waterfront activity and has benefited from the 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, Five Corners, International District, Westgate, Firdale Village, and Perrinville.

Downtown shops and galleries highlight the contemporary, offering everything from best-seller books, fine art, gifts, travel supplies, gourmet food, and garden supplies, to the latest in clothing styles, shoes, jewelry, and unique housewares. Restaurants, cafés, 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, dining and automobile dealers can be found along Highway 99 and in the neighborhood commercial districts of Westgate, Five Corners, International District, Firdale Village and Perrinville.

Healthcare. Swedish Edmonds Hospital (formerly known as Stevens Hospital) which originally opened in 1964 is a full service facility licensed for 217 beds, staffed by over 450 physicians and specialists, and employs over 1,400 other staff including clinical and non-clinical personnel. The hospital is able to offer a full scope of medical and surgical services, including Level IV Trauma emergency medicine, diagnostic, treatment and support services. Prior to joining Swedish, the Edmonds hospital was

governed by Public Hospital District No. 2 of Snohomish County, also known as the Verdant Health Commission. 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. In April of 2016, Swedish opened the Swedish Cancer Institute Facility on the Edmonds Campus, and made an investment in a Robotic Assisted da Vinci® Surgical System.

Arts & Culture. Berk and Associates completed an Arts & Culture Economic Impact Study for Edmonds in 2017. The Study shows that the Arts & Culture sector supports Edmonds' economic health and community vibrancy while strengthening the community's regional image. There over 100 arts-related organizations, programs, and businesses in Edmonds, serving a range of residents and visitors, while creating an economic stimulus that ripples through the regional economy.

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 for moving freight. Community Transit provides local and commuter bus service.

Waterfront. The Edmonds waterfront area includes four public beaches, a public fishing pier, an 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 662 wet moorage slips and 232 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.

Parks and Recreation. 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, attend 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 this 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 on difference between assets and deferred outflows and liabilities and deferred inflows.

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
Statement of Net Position
December 31, 2017

	Primary Government			Component Unit
	Governmental	Business-type	Total	Edmonds Public Facilities District
	Activities	Activities		
ASSETS				
Current assets:				
Cash & equity in pooled investments	\$ 10,936,938	\$ 5,749,733	\$ 16,686,671	\$ 52,873
Deposits with trustees	8,229	-	8,229	-
Investments	19,761,649	19,760,569	39,522,218	-
Taxes	333,151	-	333,151	-
Customer accounts	701,494	3,180,278	3,881,772	28,850
Court receivable	424,932	-	424,932	-
Other receivable	-	-	-	24,824
Interest on investments	169,856	84,978	254,834	-
Due from other governments	4,606,179	801,289	5,407,468	75,049
Due from component unit	330,000	-	330,000	-
Inventory of materials & supplies	60,211	125,101	185,312	4,507
Prepayments	-	-	-	38,629
Total current assets	37,332,639	29,701,948	67,034,587	224,732
Noncurrent assets:				
Restricted cash and cash equivalents	-	4,348,156	4,348,156	97,903
Special assessments - non-current	34,115	-	34,115	-
Due from component unit - long-term	4,564,066	-	4,564,066	-
Net pension asset	3,648,611	-	3,648,611	-
Investment in joint venture	1,153,153	-	1,153,153	-
Depreciable capital assets (net)	51,975,614	80,683,042	132,658,656	7,874,847
NonDepreciable capital assets	24,473,524	13,030,569	37,504,093	3,475,745
Total noncurrent assets	85,849,083	98,061,767	183,910,850	11,448,495
Total assets	123,181,722	127,763,715	250,945,437	11,673,227
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources -2007 Refunding	11,115	31,320	42,435	-
Deferred outflows of resources -2011 Refunding	-	106,792	106,792	-
Deferred outflows of resources -2012 Refunding	-	238	238	-
Deferred outflows of resources - Pension	1,617,224	542,717	2,159,941	-
Deferred outflows of resources - PFD	-	-	-	153,649
Total deferred outflows of resources	1,628,339	681,067	2,309,406	153,649
Total assets and deferred outflows of resources	124,810,061	128,444,782	253,254,843	11,826,876
LIABILITIES				
Current liabilities:				
Accounts payable	2,058,792	816,386	2,875,178	187,549
Accrued wages	972,970	197,905	1,170,875	70,960
Internal balances	(219,217)	219,217	-	-
Due to other governmental units	-	302,832	302,832	-
Other current liabilities	150,751	403,914	554,665	-
Accrued bond interest payable	12,232	142,502	154,734	15,708
Deposits payable	-	12,148	12,148	31,136
Unearned Revenue	-	-	-	302,562
Total current liabilities	2,975,528	2,094,904	5,070,432	607,915
Noncurrent liabilities:				
Net pension obligation	7,600,386	2,667,819	10,268,205	575,445
Net other post employment obligation	1,388,057	-	1,388,057	-
Due within one year	986,320	1,814,839	2,801,159	609,084
Due in more than one year	9,379,168	45,774,754	55,153,922	6,969,066
Total noncurrent liabilities	19,353,931	50,257,412	69,611,343	8,153,595
Total liabilities	22,329,459	52,352,316	74,681,775	8,761,510
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - 2011 Refunding	-	45,610	45,610	-
Deferred inflows of resources - 2012 Refunding	131,708	-	131,708	-
Deferred inflows of resources - Pension	2,051,754	391,433	2,443,187	-
Deferred inflows of resources - PFD	-	-	-	96,236
Total deferred inflows of resources	2,183,462	437,043	2,620,505	96,236
Total liabilities and deferred inflows of resources	24,512,921	52,789,359	77,302,280	8,857,746
NET POSITION				
Net investment in capital assets	72,709,684	47,484,205	120,193,889	3,801,525
Restricted for:				
Culture and Recreation	6,125,453	-	6,125,453	-
Customer Deposits	-	12,148	12,148	-
Debt Service	-	2,975,640	2,975,640	226,042
Economic Environment	123,852	-	123,852	-
Other	7,598	-	7,598	-
Public Safety	692	-	692	-
Transportation	1,830,861	-	1,830,861	-
Unrestricted	19,499,000	25,183,430	44,682,430	(1,058,437)
Total net position	\$ 100,297,140	\$ 75,655,423	\$ 175,952,563	\$ 2,969,130

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

City of Edmonds
Statement of Activities
For the Year Ended December 31, 2017

Page 1 of 2

Functions/Programs	Expenses	Charges for Services	Program Revenues	
			Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 11,861,913	\$ 5,672,025	\$ 12,500	\$ -
Public safety	22,952,541	2,368,657	299,909	-
Utilities and environment	174,237	288	100	-
Transportation	5,197,489	463,270	288,347	4,822,759
Economic environment	1,594,100	1,689,105	8,044	-
Mental and physical health	126,791	204,157	-	-
Culture and recreation	4,965,274	1,454,909	57,720	236,152
Interest on long-term debt	68,532	-	-	-
Total governmental activities	<u>46,940,877</u>	<u>11,852,411</u>	<u>666,620</u>	<u>5,058,911</u>
Business-type activities:				
Sewer Utility	9,770,914	9,955,510	-	1,772,961
Storm Utility	3,570,534	4,124,784	-	173,509
Water Utility	7,782,236	8,690,859	20,602	335,544
Total business-type activities	<u>21,123,684</u>	<u>22,771,153</u>	<u>20,602</u>	<u>2,282,014</u>
Total primary government	<u>\$ 68,064,561</u>	<u>\$ 34,623,564</u>	<u>\$ 687,222</u>	<u>\$ 7,340,925</u>
Component Unit				
Edmonds Public Facilities District	3,573,444	1,593,320	951,099	697,092
Total component unit	<u>\$ 3,573,444</u>	<u>\$ 1,593,320</u>	<u>\$ 951,099</u>	<u>\$ 697,092</u>

General revenues:
Property taxes
Sales taxes
Interfund utility taxes
Utility tax
Excise Taxes
Interest and investment earnings
Miscellaneous
Gains on disposition of assets
Total general revenues
Change in net position
Net position - beginning
Special Item - See Note 2
Net position - ending

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

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Unit	
Governmental	Business-type	Total	Edmonds Public	Facilities District
Activities	Activities			
\$ (6,177,388)	\$ -	\$ (6,177,388)	\$ -	-
(20,283,975)	-	(20,283,975)	-	-
(173,849)	-	(173,849)	-	-
376,887	-	376,887	-	-
103,049	-	103,049	-	-
77,366	-	77,366	-	-
(3,216,493)	-	(3,216,493)	-	-
(68,532)	-	(68,532)	-	-
<u>(29,362,935)</u>	<u>-</u>	<u>(29,362,935)</u>		-
-	1,957,557	1,957,557		-
-	727,759	727,759		-
-	1,264,769	1,264,769		-
-	<u>3,950,085</u>	<u>3,950,085</u>		-
<u>(29,362,935)</u>	<u>3,950,085</u>	<u>(25,412,850)</u>		-
			<u>(331,933)</u>	
			<u>(331,933)</u>	
14,140,797	-	14,140,797		-
8,255,039	-	8,255,039		-
2,301,442	-	2,301,442		-
4,649,111	-	4,649,111		-
5,521,504	-	5,521,504		-
558,862	47,270	606,132		-
454,259	-	454,259		3,327
308,580	2,500	311,080		-
<u>36,189,594</u>	<u>49,770</u>	<u>36,239,364</u>		<u>3,327</u>
6,826,659	3,999,855	10,826,514		(328,606)
94,265,873	71,655,568	165,921,441		3,297,736
(795,392)	-	(795,392)		-
<u>\$ 100,297,140</u>	<u>\$ 75,655,423</u>	<u>\$ 175,952,563</u>	<u>\$</u>	<u>2,969,130</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.

Street Construction Fund

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.

City of Edmonds
Balance Sheet
Governmental Funds
December 31, 2017

	General Fund	Street Construction Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 6,091,580	\$ -	\$ 2,814,750	\$ 8,906,330
Investments	9,525,444	-	6,115,306	15,640,750
Deposits with trustee	8,229	-	-	8,229
Property taxes	333,151	-	-	333,151
Customer accounts	701,494	-	-	701,494
Interest on investments	121,332	-	29,069	150,401
Due from other governments	1,926,297	2,280,106	397,887	4,604,290
Interfund receivable	301,737	-	-	301,737
Due from component unit	4,894,066	-	-	4,894,066
Special assessments	-	-	34,115	34,115
Total assets	<u>\$ 23,903,330</u>	<u>\$ 2,280,106</u>	<u>\$ 9,391,127</u>	<u>\$ 35,574,563</u>
LIABILITIES				
Accounts payable	\$ 358,602	\$ 1,468,804	\$ 193,330	\$ 2,020,736
Wages and benefits payable	899,594	-	40,552	940,146
Interfund payables	-	82,520	-	82,520
Other current liabilities	122,358	-	28,392	150,750
Unearned revenues	4,931,708	-	1,759	4,933,467
Total liabilities	<u>6,312,262</u>	<u>1,551,324</u>	<u>264,033</u>	<u>8,127,619</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - property taxes	333,151	-	-	333,151
Deferred inflows of resources - special assessments	-	-	34,115	34,115
Total deferred inflow of resources	<u>333,151</u>	<u>-</u>	<u>34,115</u>	<u>367,266</u>
Total liabilities and deferred inflows of resources	<u>6,645,413</u>	<u>1,551,324</u>	<u>298,148</u>	<u>8,494,885</u>
FUND BALANCES (DEFICITS)				
Restricted	-	728,782	7,359,671	8,088,453
Committed	-	-	1,729,496	1,729,496
Assigned	2,000,000	-	3,812	2,003,812
Unassigned	15,257,917	-	-	15,257,917
Total fund balances (deficits)	<u>\$ 17,257,917</u>	<u>\$ 728,782</u>	<u>\$ 9,092,979</u>	<u>\$ 27,079,678</u>
Total liabilities and fund balances (deficits)	<u>\$ 23,903,330</u>	<u>\$ 2,280,106</u>	<u>\$ 9,391,127</u>	<u>\$ 35,574,563</u>

The notes to 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, 2017

Total governmental fund balances as reported on this statement	\$ 27,079,678
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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	\$ 18,221,805	
Construction in progress	6,251,720	
Subtotal: Non-depreciable capital assets	24,473,525	
Investment in joint venture	1,153,153	
Buildings	25,718,487	
Improvements other than buildings	25,866,966	
Infrastructure	67,102,214	
Machinery and equipment - general government	9,753,793	
Less: Accumulated depreciation	(76,465,846)	
Subtotal: Depreciable capital assets	51,975,614	77,602,292

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

Court receivable	424,932	
Net Pension Asset	3,648,611	
Deferred outflow of resources - bond refunding	11,115	
Deferred outflow of resources - pension (\$39,024 attributable to internal service funds)	1,617,224	
Deferred inflow of resources - property tax	333,151	
Deferred inflow of resources - special assessments	34,115	6,069,148

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 \$3,300,439 are included in the capital asset adjustment above. Interest on investments, compensated absence liability and the pension amounts are included in the appropriate categories with a note.

6,162,181

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

General obligation bonds	(6,467,488)	
Compensated absences (\$40,861 attributable to internal service funds)	(2,225,924)	
Capital contracts	(256,488)	
Public works trust fund loans	(534,886)	
Nonexchange Financial Guarantee	(880,703)	
Subtotal: Long-term debt payable	(10,365,489)	
Accrued interest payable	(12,232)	
Net pension obligation (\$182,123 attributable to internal service funds)	(7,600,386)	
Net other post employment benefit obligation	(1,388,057)	
Deferred inflow of resources - bond refunding	(131,708)	
Deferred inflow of resources - pension (\$28,471 attributable to internal service funds)	(2,051,754)	
Unearned revenues reported in the Balance Sheet - Governmental Funds	4,933,467	
are not reported in the government-wide Statement of Net Position (Note 1)	4,933,467	(16,616,159)

Net position of government activities as reported on the statement of net position	\$ 100,297,140
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The notes to the financial statements are an integral part of this statement.

City of Edmonds
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2017

	General Fund	Street Construction Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 29,572,203	\$ -	\$ 3,836,878	\$ 33,409,081
Licenses and permits	2,506,800	-	117,144	2,623,944
Intergovernmental	999,424	4,993,829	806,622	6,799,875
Charges for services	5,463,913	372,481	764,881	6,601,275
Fines and forfeitures	459,929	-	-	459,929
Investment earnings	251,326	9,414	159,071	419,811
Miscellaneous	571,675	125,276	533,815	1,230,766
Total revenues	<u>39,825,270</u>	<u>5,501,000</u>	<u>6,218,411</u>	<u>51,544,681</u>
EXPENDITURES				
Current:				
General government	10,403,987	-	500,000	10,903,987
Public safety	22,228,871	-	72,359	22,301,230
Utilities and environment	-	-	155,918	155,918
Transportation	3,600	510,255	2,690,867	3,204,722
Economic environment	1,556,552	-	98,903	1,655,455
Mental and physical health	126,791	-	-	126,791
Culture and recreation	3,959,731	-	870,900	4,830,631
Debt service:				
Principal	170,160	72,201	592,045	834,406
Interest	28,201	9,668	134,711	172,580
Capital outlay:				
Public safety	90,573	-	-	90,573
Transportation	-	4,455,053	399,714	4,854,767
Economic environment	-	-	-	-
Culture and recreation	-	-	959,868	959,868
Total expenditures	<u>38,568,466</u>	<u>5,047,177</u>	<u>6,475,285</u>	<u>50,090,928</u>
Excess (deficiency) of revenues over expenditures	<u>1,256,804</u>	<u>453,823</u>	<u>(256,874)</u>	<u>1,453,753</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	7,143	-	160,160	167,303
Transfers in	42,750	183,000	828,563	1,054,313
Transfers out	(867,703)	-	(231,610)	(1,099,313)
Total other financing sources (uses)	<u>(817,810)</u>	<u>183,000</u>	<u>757,113</u>	<u>122,303</u>
Net change in fund balances	438,994	636,823	500,239	1,576,056
Fund balances - beginning	<u>16,818,923</u>	<u>91,959</u>	<u>8,592,740</u>	<u>25,503,622</u>
Fund balances - ending	<u>\$ 17,257,917</u>	<u>\$ 728,782</u>	<u>\$ 9,092,979</u>	<u>\$ 27,079,678</u>

The notes to 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, 2017

Net change in fund balances per the Statement of Revenues, Expenditures and Changes in Fund Balance	\$	1,576,056
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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	\$	6,345,038	
Internal service fund - capital outlays			
Current year depreciation		(3,557,845)	
Adjustment in investment in joint venture		<u>(87,143)</u>	
			2,700,050

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

Deferred inflows of resources - property taxes		54,146	
PFD Debt Service		374,607	
Other unearned revenue		(4,477)	
LEOFF 2 Pensions		(206,850)	
Miscellaneous Revenue for Land Donation		(127,038)	
Court receivable		<u>29,128</u>	
			119,516

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		8,173	
Long-term debt repayments		<u>834,407</u>	
			842,579

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.

938,556

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.

Payments for the PFD Contingent Loan		150,293	
Net pension obligation		490,237	
Accrued compensating absence expense		<u>9,372</u>	
			649,902

Change in net position on the Statement of Activities	\$	<u>6,826,659</u>
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The notes to the financial statements are an integral part of this statement.

City of Edmonds
GENERAL FUND
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 28,871,930	\$ 28,871,930	\$ 29,572,203	\$ 700,273
Licenses and permits	2,188,700	2,219,200	2,506,800	287,600
Intergovernmental	1,205,010	1,308,102	999,424	(308,678)
Charges for services	4,931,340	4,974,701	5,463,913	489,212
Fines and forfeitures	460,400	460,400	459,929	(471)
Investment earnings	90,160	90,160	251,326	161,166
Miscellaneous	370,300	426,743	571,675	144,932
Total revenues	<u>38,117,840</u>	<u>38,351,236</u>	<u>39,825,270</u>	<u>1,474,034</u>
EXPENDITURES				
Current:				
General government	10,527,980	10,785,158	10,403,987	381,171
Public safety	22,216,860	22,711,504	22,228,871	482,633
Transportation	3,600	3,600	3,600	-
Economic environment	1,791,770	1,870,270	1,556,552	313,718
Mental and physical health	176,540	176,540	126,791	49,749
Culture and recreation	4,179,740	4,277,605	3,959,731	317,874
Total current	<u>38,896,490</u>	<u>39,824,677</u>	<u>38,279,532</u>	<u>1,545,145</u>
Debt service:				
Principal	164,790	164,790	170,160	(5,370)
Interest	40,080	40,080	28,201	11,879
Total debt service	<u>204,870</u>	<u>204,870</u>	<u>198,361</u>	<u>6,509</u>
Capital outlay:				
General government	350,000	360,197	-	360,197
Public safety	11,000	87,263	90,573	-
Culture and recreation	47,000	47,000	-	47,000
Total capital outlay	<u>408,000</u>	<u>494,460</u>	<u>90,573</u>	<u>407,197</u>
Total expenditures	<u>39,509,360</u>	<u>40,524,007</u>	<u>38,568,466</u>	<u>1,958,851</u>
Excess (deficiency) of revenues over expenditures	<u>(1,391,520)</u>	<u>(2,172,771)</u>	<u>1,256,804</u>	<u>3,432,885</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	7,143	7,143
Transfers in	42,750	42,750	42,750	-
Transfers out	(685,200)	(868,200)	(867,703)	497
Total other financing sources (uses)	<u>(642,450)</u>	<u>(825,450)</u>	<u>(817,810)</u>	<u>7,640</u>
Net change in fund balances	(2,033,970)	(2,998,221)	438,994	3,440,525
Fund balances - beginning	14,478,590	16,818,930	16,818,923	(7)
Fund balances - ending	<u>\$ 12,444,620</u>	<u>\$ 13,820,709</u>	<u>\$ 17,257,917</u>	<u>\$ 3,440,518</u>

The notes to 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
Statement of Net Position
Proprietary Funds
December 31, 2017

	Governmental Activities	
	421/422/423 Combined Utility Funds	Internal Service Funds
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 5,749,733	\$ 2,030,606
Investments	19,760,569	4,120,900
Customer accounts	3,180,278	-
Interest on investments	84,978	19,454
Due from other governments	801,289	1,888
Inventory	125,101	60,211
Total current assets	<u>29,701,948</u>	<u>6,233,059</u>
Noncurrent assets:		
Restricted cash and investment	4,348,156	-
Land	1,257,107	-
Property, plant and equipment	80,602,664	3,300,439
Construction in progress	11,773,462	-
Intangible assets (net)	80,378	-
Total noncurrent assets	<u>98,061,767</u>	<u>3,300,439</u>
Total assets	<u>127,763,715</u>	<u>9,533,498</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources - 2007 Refunding	31,320	-
Deferred outflows of resources - 2011 refunding	106,792	-
Deferred outflows of resources - 2012 refunding	238	-
Deferred outflows of resources - pension	542,717	39,024
Total deferred outflows of resources	<u>681,067</u>	<u>39,024</u>
Total assets and deferred outflows of resources	<u>128,444,782</u>	<u>9,572,522</u>
LIABILITIES		
Current liabilities:		
Accounts payable	816,386	38,057
Wages and benefits payable	197,905	32,825
Interfund payables	219,217	-
Due to other governmental units	302,832	-
Other current liabilities	416,062	-
Interest payable	142,502	-
Total current liabilities	<u>2,094,904</u>	<u>70,882</u>
Noncurrent liabilities:		
Compensated absences	429,949	40,861
Loans payable - current	229,774	-
Revenue bonds payable-current	1,336,959	-
G.O. bonds payable - current	248,106	-
Pension Obligation (Net)	2,667,819	182,123
Loans payable - long-term	1,650,577	-
Revenue bonds payable - long-term	41,699,536	-
G.O. bonds payable - long-term	1,994,692	-
Total noncurrent liabilities	<u>50,257,412</u>	<u>222,984</u>
Total liabilities	<u>52,352,316</u>	<u>293,866</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources - 2011 refunding	45,610	-
Deferred inflow of resources - pension	391,433	28,471
Total deferred inflows of resources	<u>437,043</u>	<u>28,471</u>
Total liabilities and deferred inflows of resources	<u>52,789,359</u>	<u>322,337</u>
NET POSITION		
Net investment in capital assets	47,484,205	3,300,439
Restricted for:		
Customer Deposits	12,148	-
Debt Service	2,975,640	-
Unrestricted	25,183,430	5,949,746
Total net position	<u>\$ 75,655,423</u>	<u>\$ 9,250,185</u>

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

City of Edmonds
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2017

	Business-type Activities 421/422/423 Combined Utility Funds	Governmental Activities Internal Service Funds
OPERATING REVENUES		
Charges for services	\$ 22,509,941	\$ 2,540,249
Other operating revenue	261,212	(144)
Total operating revenues	<u>22,771,153</u>	<u>2,540,105</u>
OPERATING EXPENSES		
Personnel services	4,638,717	710,503
Operations and maintenance	10,518,768	759,459
Professional services	1,007,679	20,129
Insurance	246,962	26,351
Depreciation	3,549,644	402,651
Total operating expenses	<u>19,961,770</u>	<u>1,919,093</u>
Operating income (loss)	<u>2,809,383</u>	<u>621,012</u>
NONOPERATING REVENUES (EXPENSES)		
Intergovernmental	20,602	-
Investment earnings	47,270	128,362
Judgments and settlements	2,500	35,974
Gain (loss) on sale of capital assets	(37,148)	105,706
Interest expense	(1,124,766)	-
Total nonoperating revenues (expenses)	<u>(1,091,542)</u>	<u>270,042</u>
Income (loss) before contributions and transfers	1,717,841	891,054
Capital grants and contributions	2,282,014	2,500
Transfers In	-	45,000
Change in net position	3,999,855	938,554
Total net position - beginning	71,655,568	8,311,631
Total net position - ending	<u>\$ 75,655,423</u>	<u>\$ 9,250,185</u>

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

City of Edmonds
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017

	Business-type Activities 421/422/423 Combined Utility Funds	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	\$ 22,546,630	\$ 2,540,034
Payments to employees	(4,598,498)	(691,727)
Payments to suppliers	(12,407,495)	(866,715)
Net cash provided (used) by operating activities	<u>5,540,637</u>	<u>981,592</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Grant income	143,481	-
Other non-operating revenues	23,102	-
Net cash provided (used) by noncapital financing activities	<u>166,583</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Gain from the sale of capital assets	954	105,706
Judgments and settlements	2,500	35,974
Acquisition and construction of capital assets	(8,827,835)	(997,953)
Capital contributions	2,138,533	47,500
Principal payments on debt	(1,764,618)	-
Interest payments on debt	(1,128,819)	-
Transfers to other funds	-	-
Net cash provided (used) by capital and related financing activities	<u>(9,579,286)</u>	<u>(808,773)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	109,739	127,666
Purchase of investments	(13,542,394)	1,060,913
Net cash provided (used) by investing activities	<u>(13,432,655)</u>	<u>1,188,579</u>
Net increase (decrease) in cash and cash equivalents	(17,304,720)	1,361,398
Balances - beginning of year	27,402,609	669,208
Balances - end of the year	<u>\$ 10,097,889</u>	<u>\$ 2,030,606</u>

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

City of Edmonds
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017

	Business-type Activities	Governmental Activities
	421/422/423	
	Combined Utility Funds	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating Income	\$ 2,809,383	\$ 621,012
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	3,549,644	402,651
Changes in assets and liabilities:		
Customer Receivables	(224,523)	(72)
Accounts Payable - Supplier	(634,086)	(60,774)
Payroll Liabilities	40,219	18,775
Net cash provided (used) by operating activities	<u>\$ 5,540,637</u>	<u>\$ 981,592</u>

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



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FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the City of Edmonds as a trustee or agent for various individuals, private organizations, and other governmental units.

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. The Firemen's Pension Fund is accounted for on an accrual basis.

AGENCY FUNDS

The North Sound Metro Special Weapons and Tactics (SWAT) Team

The City of Edmonds signed an Interlocal Agreement with surrounding Cities to form The North Sound Metro Special Weapons and Tactics (SWAT) Team in 2013. Per the interlocal agreement, the SWAT Board shall designate a Host police department for general administration and bookkeeping. The City of Edmonds was designated as the Host police department and is responsible for holding the funds.

City of Edmonds
Statement of Fiduciary Net Position
December 31, 2017

	Firemen's Pension Fund	Agency funds
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ 231,571	\$ 21,385
Total assets	<u>231,571</u>	<u>21,385</u>
LIABILITIES		
Accrued expenses	\$ 5,090	\$ -
Agency deposits	<u>-</u>	<u>21,385</u>
Total liabilities	<u>5,090</u>	<u>\$ 21,385</u>
NET POSITION		
Net position restricted for pensions	<u>226,481</u>	
Total net position	<u>\$ 226,481</u>	

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

City of Edmonds
Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2017

	Pension trust funds
ADDITIONS	
Contributions:	
Employer contributions	\$ 15,000
State shared revenue-distribution of fire insurance premiums	49,970
Investment earnings	4,456
Total contributions	69,426
Total additions	69,426
 DEDUCTIONS	
Benefits paid to retirees	66,419
Administrative expenses	1,222
Total deductions	67,641
Change in net position	1,785
Net Position -- beginning of the year	224,696
Net Position -- end of the year	\$ 226,481

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



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NOTES TO THE FINANCIAL STATEMENTS

December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.....	40
NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY.....	51
NOTE 3 – DEPOSITS AND INVESTMENTS.....	51
NOTE 4 – PROPERTY TAXES	55
NOTE 5 – RECEIVABLES AND PAYABLES.....	56
NOTE 6 – DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES.....	56
NOTE 7 – INTERFUND ACTIVITY	57
NOTE 8 – RESTRICTED, COMMITTED & ASSIGNED COMPONENTS	58
NOTE 9 – CAPITAL ASSETS AND DEPRECIATION	59
NOTE 10 – RECORDED VACATION AND SICK LEAVE	60
NOTE 11 – PENSION PLANS	60
NOTE 12 – OTHER POST EMPLOYMENT BENEFITS.....	73
NOTE 13 – LONG-TERM DEBT	75
NOTE 14 – CHANGES IN LONG-TERM LIABILITIES	79
NOTE 15 – CONTINGENCIES AND LITIGATIONS.....	80
NOTE 16 – RISK MANAGEMENT	80
NOTE 17 – COMMITMENTS.....	82
NOTE 18 – NONEXCHANGE FINANCIAL GUARANTEE	83
NOTE 19 – SUBSEQUENT EVENTS.....	83
NOTE 20 – HEALTH AND WELFARE.....	83

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Edmonds have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The City's significant accounting policies are described below.

A. REPORTING ENTITY

The City of Edmonds was incorporated in 1890 and operates under the laws of the state of Washington applicable to cities. Edmonds operates with 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 also 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.

As required by generally accepted accounting principles the financial statements present the City of Edmonds, the primary government, and its component units. The component unit discussed below is included in the City's reporting entity because of the significance of their operational and financial relationships with the City.

Discretely Presented Component Unit - The Edmonds City Council formed the Edmonds Public Facilities District (PFD) on April 24, 2001 by Ordinance 3358, under the authority provided by RCW 35.57. The purpose of the PFD is to construct and operate a regional center in the City of Edmonds, defined by RCW 35.57 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 City guarantees repayment of the bonds through a Contingent Loan Agreement with the PFD, in the event that the PFD is not able to meet its debt service obligation on these bonds. 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. Separate financial statements can be obtained from the Edmonds Performing Arts Center, c/o Joe McIlwain, 410 Fourth Avenue N., Edmonds, WA 98020.

Joint Ventures – The City of Edmonds participates in three separate joint ventures.

Snohomish County Emergency Radio System (SERS) – SERS 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, and its share of the assets and fund equity as of December 31, 2017 was \$273,872.

SERS is considered a separate reporting entity. The City's and each participant's 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.

Southwest Snohomish County Public Safety Communications Agency (SNOCOM) – SNOCOM is 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, the Town of Woodway, and Fire District 1 are jointly responsible for the financing of SNOCOM. The interlocal agreement includes 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. The SNOCOM Board has the authority to approve project expenditures and adopt the SNOCOM budget.

At December 31, 2017 the City owned an equity interest in the SNOCOM joint venture of \$879,281. This value has been recorded in the government-wide statements as an asset as of December 31, 2017. The equity interest is adjusted to the extent of revenue 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, which provides general financial services as outlined in the Interlocal Agreement for Financial Services signed on November 25, 2009, prepares the unaudited financial information. Separate financial statements for SNOCOM can be obtained from the City of Mountlake Terrace Finance Department, 6100 219th Street SW, Suite 200, Mountlake Terrace, WA 98043.

The Alliance for Housing Affordability (AHA) – AHA was formed in September 2013 when the City of Edmonds joined the cities of Everett, Granite Falls, Lake Stevens, Lynnwood, Marysville, Mill Creek, Mountlake Terrace, Mukilteo, Snohomish, the Town of Woodway, and Snohomish County. The agreement was amended in May of 2014 to add the City of Arlington and in June of 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 funding as determined from the AHA annual budget. Contributions from the member cities are based on each member's population. The City's participating share to date is:

Fiscal Year Ending 6/30	AHA's Total Fiscal Year Budget	Edmonds Share of Budget	Edmonds Share as % of Total AHA Budget
2013	\$ 89,850	\$ 2,385	2.7%
2014	\$ 92,543	\$ 2,457	2.7%
2015	\$ 123,464	\$ 2,381	1.9%
2016	\$ 145,590	\$ 2,346	1.6%
2017	\$ 97,934	\$ 3,518	3.6%
2018	\$ 125,257	\$ 3,841	3.1%

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. Financial information can be obtained from the City of Mountlake Terrace Finance Department, 6100 219th Street SW, Suite 200, Mountlake Terrace, WA 98043.

B. BASIS OF PRESENTATION – 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 nonfiduciary activities of the primary government and its component unit. Governmental 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 a certain legally separate component unit 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 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, even though the latter are excluded from 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.

The City reports two Major Governmental Funds. The General Fund is the City's operating fund. It accounts for all financial resources of the general government, except those required or elected to be accounted for in another fund. The Street Construction Fund is used to account for transportation improvement projects.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund 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 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 set of accounts that comprise its assets and deferred outflows of resources, its liabilities and deferred inflows of resources, 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 Statement of Net Position presents the City's Assets and Deferred Outflows of Resources, its Liabilities and Deferred Inflows of Resources, with the difference reported as Net Position. Net Position is reported in three categories:

- Net Investment in Capital Assets 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 results when constraints placed on net position are either externally imposed by creditors, grantors, contributors, and the like, or are imposed by law through constitutional provisions or enabling legislation.
- Unrestricted Net Position is the difference between Total Net Position and its other two components (Net Investment in Capital Assets and Restricted Net Position).

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers who purchase, use, or directly benefit from goods and services provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. 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 *modified accrual basis* of accounting is followed in all governmental 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.

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

Proprietary Funds – 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 certain 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, 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 salaries and benefits, contracted services, insurance, and depreciation on capital assets. All other revenues and expenses are reported as non-operating revenues and expenses.

Internal Service Fund – The Equipment Rental Fund is an internal service fund used to account for the Fleet Maintenance Division, which is responsible for maintaining the City's vehicle fleet.

Fiduciary Funds – The Firemen's Pension Fund is a Trust Fund that accounts for the payment of administrative costs and benefits for retired firefighters who were employed prior to March 1, 1970. Primary revenue sources are transfers-in from the General Fund, a fire insurance premium tax, and investment interest. The North Sound Metro Special Weapons and Tactics Team (SWAT) is an Agency Fund that accounts for the general administration and bookkeeping for the SWAT team. The City signed an interlocal agreement with surrounding cities in 2013 to form a SWAT team, and per the agreement the City of Edmonds was designated as the host police department and is responsible for the holding of funds.

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

D. BUDGETARY INFORMATION

Scope of Budget – Budgets are adopted at the fund level, which constitutes the legal level of control where expenditures may not exceed appropriations. Purely as a management tool, budgets are broken out by department, activity and expense types.

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 governmental funds only. Proprietary fund budgets are "management budgets" and are not 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 Mayor and Council established priorities and estimates provided by City staff 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. Copies of the budget book can be obtained from City of Edmonds Finance Department, 121 5th Avenue N., Edmonds, WA 98020, or by visiting our web site at www.edmondswa.gov.

Amending the Budget – The Mayor is authorized to transfer budgeted amounts between departments within any fund; however, only the City Council, by a City ordinance, can increase or decrease a fund's budget. The budget amounts shown in the financial statement are the final authorized amounts as revised during the year.

The financial statements contain the original and final budget information. The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by supplemental appropriations and other legally authorized changes during the fiscal year.

E. ASSETS, LIABILITIES, FUND BALANCE, NET POSITION

Cash and Cash Equivalents – The City of Edmonds invests short-term cash surpluses. The City considers all highly liquid assets, including investments in the Washington State Local Government Investment Pool, the Snohomish County 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 State and County Local Government Investment Pools 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 based on each fund's cash balance at the end of each month. The City holds most investments to maturity. Interest earnings are recognized in the period in which they become available and measurable. Additional deposit and investment information is presented in Note 3.

Inventories – Inventories in governmental funds consist of expendable supplies held for consumption. In governmental funds inventory cost is recognized as an expenditure when the inventory is purchased. Inventories in the proprietary funds use two methods. The combined utility fund inventories are expensed as consumed, while internal service fund inventories are expensed when purchased.

Receivables – Property taxes – The Snohomish 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.

Washington State law requires the County Assessor to use the January 1, 2016 assessment date in calculating taxes and levies due in 2017. These values were based on sales that occurred in 2015. Sales that occurred in 2016 will be used to calculate the taxes and levies due for 2018.

Due to voter approval of statewide Initiative 747 in 2001, levy increases are limited to a maximum of 1% over the previous levy, plus the value of new construction. 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. Delinquent taxes bear interest at 12% and are subject to additional penalties if not paid as scheduled.

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 in 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.

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 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.

Special Assessments – Special assessments include receivables related to a Local Improvement District that is no longer in operation. Certain assessments were not paid, and are included as an asset to the City. The City has no obligations related to this amount.

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. Unearned revenues consist primarily of contracts and agreements, special assessments, and amounts due from a 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.

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 and 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 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 acquisition value as of the date acquired. The 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 the 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. See 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

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 estimated using the termination method provided by GASB Statement No. 16.

Vacation Pay – Employees earn vacation pay based on their years of service, and accruals of up to two years' accumulation may be carried over from one year to the next. Unused vacation at retirement or termination is considered vested and payable to the employee.

Sick Pay – Employees may accumulate up to 1,000 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 the employee’s wage rate 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

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (as either an expense or expenditure) until that period. The City has two items that qualify for reporting in this category: 1) deferred gains on refunding and 2) pensions. Deferred gains on refunding reported in the statement of net position results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions and affects both assets and liabilities. The City’s fiscal year ends on December 31, while the State’s fiscal year ends on June 30. This causes the recognition periods for pension contributions to not match, resulting in the recognition of Deferred Outflows and Deferred Inflows to account for the City’s pension contributions. For example, for the City’s 2017 reporting year, pension contributions made during the State’s 2016 fiscal year create an asset or Deferred Outflow. Similarly, for the City’s 2017 reporting year, pension contributions made during the State’s 2017 fiscal year create a liability or Deferred Inflow.

In addition to liabilities, the statement of net position and the governmental fund balance sheet will sometimes report a separate section for deferred inflows of resources. This represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that period. The City has three items that qualify for reporting in this category: 1) unavailable property taxes recorded as receivables, 2) deferred losses on refunding, and 3) pensions, as explained above.

G. FUND BALANCES

The difference between fund Assets and Deferred Outflows of Resources, minus its Liabilities and Deferred Inflows of Resources, is referred to as Net Position on the government-wide, proprietary, and fiduciary fund statements, and as Fund Balance on the governmental fund statements.

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

- **Non-spendable** fund balance represents amounts that are either not in a spendable form (e.g. inventories or prepaid balances) or are legally or contractually required to remain intact.
- **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 balances have constraints that have been imposed by a formal action of the City Council. The commitment remains in place until the Council changes or eliminates the formal action.
- **Assigned** fund balances include amounts that are limited by the Mayor, or department directors based on delegation, for its intended use, but are neither restricted nor committed. This type of limitation can be imposed by the highest level of decision making within the City, but little or no formal action is required to modify or eliminate those limitations.
- **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. Appropriations specify the funding source, and therefore the order in which restricted, committed, assigned, or unassigned fund balance is spent. When both restricted and unrestricted resources are available for use, the assumed order of spending is restricted first, committed second, and finally assigned.

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 incurred. 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 the disposal of capital assets are recognized as other financing sources.

Revenues from taxpayer-assessed taxes (e.g. 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. PENSIONS

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

K. CHANGES IN ACCOUNTING STANDARDS

Effective for calendar year 2017 reporting, the City adopted the following new Standards issued by the Governmental Accounting Standards Board (GASB):

In January 2016, the GASB issued Statement No. 80, *Blending Requirements for Certain Component Units – an Amendment of GASB Statement No. 14*, which clarifies the financial statement presentation requirements for certain component units. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. The City does not have any component units that meet the requirements outlined in Statement No. 80.

In March 2016, the GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*, which provides recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. Split-interest agreements are a type of giving agreement used by donors to provide resources to two or more beneficiaries, including governments. Split-interest agreements can be created through trusts – or other legally enforceable agreements with characteristics that are equivalent to split-interest agreements – in which a donor transfers resources to an intermediary to hold and administer for the benefit of a government and at least one other beneficiary. Examples of these types of agreements include charitable lead trusts, charitable remainder trusts, and life-interests in real estate. This Statement requires that a government that receives

resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The requirements of this Statement are effective for periods beginning after December 15, 2016, and should be applied retroactively. The City does not have any split-interest agreements outlined in Statement No. 81.

In March 2016, the GASB issued Statement No. 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*, which addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Special Item – The City is reporting a Special Item in the Entity-wide Statement of Activities in the amount of \$795,379. In 1994 the City established the Multi-Modal Fund. The purpose of this fund was to simplify and facilitate accounting for the various local, state, and federal grants and for expenditures that were incurred during the planning and development of a Multi-Modal Transportation Center in downtown Edmonds. Over the years expenditures incurred in this fund were expensed in the governmental fund. On the entity-wide Statement of Net Position, costs totaling \$795,379 have been included in Nondepreciable Capital Assets. The Multi-Modal project was recently abandoned and the fund closed, and the remaining asset has been removed from the Statement of Net Position. Because this amount represents costs incurred in previous years, the adjustment is being classified as a Special Item and recorded as a direct charge to Net Position on the Entity-wide Statement of Activities.

NOTE 3 – DEPOSITS AND INVESTMENTS

Cash and equity in pooled investments are comprised of both government-type and business-type activities. The balances are comprised of the following:

	December 31, 2017
Deposits with US Bank	\$ 3,746,876
Petty Cash/Change Funds	4,500
Local Government Investment Pool	6,706,292
Snohomish County Investment Pool	10,830,115
Federal Agency Securities	39,522,218
	<u>\$ 60,810,000</u>

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 average of maturity of its portfolio to no more than three and one half years, unless an investment is matched to an anticipated future cash flow.

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Remaining Maturity in Months							Credit Rating
	Fair Value	Twelve Months or Less	Twelve Months to Two Years	Two Years to Three Years	Three Years to Five Years		
Federal Agency Securities	\$ 39,522,218	\$ 2,987,475	\$ 7,941,712	\$ 18,726,685	\$ 9,866,346		Aaa/AA+
Local Government Investment Pool	6,706,292	6,706,292	-	-	-		Not Rated
Snohomish County Investment Pool	10,830,115	10,830,115	-	-	-		Not Rated
	<u>\$ 57,058,624</u>	<u>\$ 20,523,882</u>	<u>\$ 7,941,712</u>	<u>\$ 18,726,685</u>	<u>\$ 9,866,346</u>		

Credit risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's investment policy limits the instruments in which the City may invest. The City is empowered to invest in the following types of securities:

- U.S. Government obligations, U.S. Government agency obligations, and U.S. government instrumentality obligations, which have a liquid market with a readily determinable market value;
- U.S. Treasury securities maturing in less than ten years;
- Fully insured or collateralized certificates of deposit, and other evidences of deposit, at qualified financial institutions that are approved by the Washington Public Deposit Protection Commission;
- Banker's Acceptances, and commercial paper rated in the highest tier by a nationally recognized rating agency;
- Investment grade obligations of state and local governments and public authorities located within the State of Washington; and
- Local government investment pools, either state administered or through joint powers statutes and other intergovernmental agreement legislation.

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. Investments are reported at their amortized cost basis to pool participants, which approximates fair value. The LGIP transacts with its participants at a stable net asset value per share of \$1.00, the same method used for reporting.

The Snohomish County Investment Pool (SCIP) is not registered with the SEC. Investments are reported at fair value to the participants. It includes participating funds from the County's primary government and funds from the districts 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.

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 losses for the month.

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

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 participant's investment is determined by calculating the ratio of total investments by pool participants divided into the total fair value of the SCIP underlying assets. Each pool participant can determine their fair value by taking their investment in SCIP multiplied by this ratio.

The City of Edmonds has implemented GASB Statement No. 72, *Fair Value Measurement and Application*, which establishes a framework for measuring fair value that requires or permits fair value measurement and enhances disclosures about fair value measurements. Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction. There is a fair value hierarchy which requires an entity to maximize the use of observable inputs when measuring fair value. The guidance requires three levels of fair value measurement based on the respective inputs. Securities classified as Level 1 in the fair value hierarchy are valued using prices quoted in active markets for identical securities, Level 2 securities are valued using observable inputs, and Level 3 securities are valued using unobservable inputs. U.S. Agency Securities and municipal bonds classified as Level 2 are valued using quoted prices for similar securities and interest rates. The level of fair value measurement is based on the lowest level of significant input for the security type in its entirety. The City has no Level 1 or Level 3 security classifications to report.

Custodial Credit Risk - Deposits. Custodial Credit Risk for Deposits 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 (WPDPDC).

The WPDPDC is a statutory authority established under RCW 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 39.58.060 authorize the WPDPDC 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. Custodial Credit Risk for Investments 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 requires that no more than 50 percent of the City's portfolio, at the time of purchase, shall be in any single financial institution, with the exception of investments in the LGIP, the SCIP, or U.S. Treasury or Agency securities.

Implementation of Statement on Fair Value Measurement. Effective December 31, 2016 the City of Edmonds implemented GASB Statement No. 72, *Fair Value Measurement and Application*,

which establishes a framework for measuring fair value that requires or permits fair value measurement and enhances disclosures about fair value measurements. Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction. There is a fair value hierarchy which requires an entity to maximize the use of observable inputs when measuring fair value. The guidance requires three levels of fair value measurement based on the respective inputs.

Level 1: Prices quoted in active markets for identical securities.

Level 2: Quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable.

Level 3: Unobservable inputs for an asset or liability.

U.S. Agency securities and municipal bonds classified in Level 2 are valued using quoted prices for similar securities and interest rates. The level of fair value measurement is based on the lowest level of significant input for the security type in its entirety. There are no Level 1 or Level 3 security classifications to report.

The following table presents recurring fair value measurements as of December 31, 2017:

	December 31, 2017	Significant Other Observable Inputs (Level 2)
Investments by Fair Value Level		
Federal Agency Securities	\$ 39,522,218	\$ 39,522,218
Snohomish County Investment Pool	10,830,115	10,830,115
Total Investments by Fair Value	\$ 50,352,332	\$ 50,352,332
Investments Measured at Amortized Cost		
State of WA Local Government Investment Pool	\$ 6,706,292	
Total Investment Measured at Amortized Cost	\$ 6,706,292	
Total Investment Measured at Fair Value	\$ 57,058,624	

Discretely Presented Component Unit: Cash and equity in pooled investments of the Edmonds Public Facilities District are comprised of governmental type activities only. The balances as of December 31, 2017 are as follows:

Component Unit	December 31, 2017
Cash and Cash Equivalents	\$ 52,873
Restricted Cash and Cash Equivalents	97,903
	\$ 150,776

The following tables present information regarding the components of Cash and Cash Equivalents as of December 31, 2017:

Financial Statements

	Governmental Activities	Business-type Activities	Total Primary Govt.	Fiduciary Funds	Total
Cash and Cash Equivalents	\$ 10,936,938	\$ 7,122,249	\$ 18,059,187	\$ 252,955	\$ 18,312,142
Restricted Cash and Cash Equivalents	-	2,975,640	2,975,640	-	2,975,640
Investments	19,761,649	19,760,569	39,522,218	-	39,522,218
	<u>\$ 30,698,587</u>	<u>\$ 29,858,458</u>	<u>\$ 60,557,045</u>	<u>\$ 252,955</u>	<u>\$ 60,810,000</u>

Restricted Cash and Cash Equivalents

	Business-type Activities
Deposit to Bond Reserve Account	\$ 2,975,640
Unspent Construction Debt Proceeds	1,372,516
	<u>\$ 4,348,156</u>

NOTE 4 – PROPERTY TAXES

The Snohomish County Treasurer acts as an agent to collect property taxes 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.

The City may levy up to \$3.10 per \$1,000 of assessed valuation for general governmental services. The Washington State Constitution and RCW 84.55.010 limit this rate.

The City's regular levy for 2017 was \$1.2496 per \$1,000 on an assessed valuation of \$8,177,283,252 for a total regular levy of \$10,218,549. City of Edmonds voters have approved one special levy, for Emergency Medical Services (EMS). Levy rates and amounts for the Regular and EMS levies are identified in the table below:

Purpose of the Levy	Levy Rate per \$1,000	Total Levy Amount
General Government	\$ 1.24962640	\$ 10,218,549
Emergency medical service (EMS)	0.48543454	3,969,536
Total City Levy	\$ 1.73506094	\$ 14,188,085

NOTE 5 – RECEIVABLES AND PAYABLES

Receivables at December 31, 2017 are as follows:

	Customer Accounts	Taxes	Special Assessments	Due From Other Governments	Due from Component Units	Total
Governmental Activities						
General Fund	\$ 701,494	\$ 333,151	\$ -	\$ 1,926,297	\$ 4,894,066	\$ 7,855,008
Other Governmental Funds	-	-	34,115	2,665,803	-	2,699,918
Internal Service	-	-	-	1,888	-	1,888
Total Governmental Activities	\$ 701,494	\$ 333,151	\$ 34,115	\$ 4,593,988	\$ 4,894,066	\$ 10,556,814
Business-type Activities						
Combined Utility Fund	\$ 3,180,278	\$ -	\$ -	\$ 801,289	\$ -	\$ 3,981,567
Total Business-type Activities	\$ 3,180,278	\$ -	\$ -	\$ 801,289	\$ -	\$ 3,981,567

Payables at December 31, 2017 are as follows:

	Salaries and Benefits	Accounts Payable	Due to Other Governments	Other Current Liabilities	Total
Governmental Activities					
General Fund	\$ 899,594	\$ 358,603	\$ -	\$ 122,358	\$ 1,380,555
Other Governmental Funds	40,552	1,662,133	-	28,393	1,731,078
Internal Service	32,825	38,057	-	-	70,882
Total Governmental Activities	\$ 972,971	\$ 2,058,793	\$ -	\$ 150,751	\$ 3,182,515
Business-type Activities					
Combined Utility Fund	\$ 197,906	\$ 816,386	\$ 302,832	\$ 416,062	\$ 1,733,186
Total Business-type Activities	\$ 197,906	\$ 816,386	\$ 302,832	\$ 416,062	\$ 1,733,186

NOTE 6 – DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

Deferred Outflows of Resources at December 31, 2017, are as follows:

Deferred Outflows of Resources - Government-wide Statement of Net Position	Governmental Activities	Business-Type Activities
Difference between the reacquisition price and the net carrying amount of old debt in current refundings when the reacquisition price is greater.	\$ 11,115	\$ 138,350
GASB 68 Pension Deferred Outflow	1,617,224	542,717
Total	\$ 1,628,339	\$ 681,067

Deferred Inflows of Resources at December 31, 2017 are as follows:

Deferred Inflows of Resources - Government-wide Statement of Net Position	Governmental Activities	Business-Type Activities
Difference between the reacquisition price and the net carrying amount of old debt in current refundings when the reacquisition price is less.	\$ 131,708	\$ 45,610
GASB 68 Pension Deferred Inflow	2,051,754	391,432
Total	\$ 2,183,462	\$ 437,042

Deferred Inflows of Resources - Governmental Funds Balance Sheet	General Fund	Enterprise Funds
The portion of property taxes not received within 60 days of 2017.	\$ 333,151	\$ -
The portion of special assessments not received within 60 days of 2017.	34,115	-
Total	\$ 367,266	\$ -

NOTE 7 – INTERFUND ACTIVITY

There were two interfund balances as of December 31, 2017. The first is the utility tax payable to a General Fund receivable in the amount of \$219,217. The second was for an interfund loan between the Contingency Reserve Fund and the Street Construction Fund in the amount of \$82,520. The Street Construction Fund made grant eligible payments and is waiting for grant reimbursement.

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. Interfund activity for the year is as follows:

	Transfers In	Transfers Out			Total
		General	Other Governmental	Enterprise	
General Fund	\$ 42,750	\$ -	\$ 822,703	\$ 45,000	\$ 867,703
Other Governmental	828,563	42,750	188,860	-	231,610
Street Construction Fund	183,000	-	-	-	-
Internal Service	45,000	-	-	-	-
Total	\$ 1,099,313	\$ 42,750	\$ 1,011,563	\$ 45,000	\$ 1,099,313

NOTE 8 – RESTRICTED, COMMITTED AND ASSIGNED COMPONENTS

The government-wide statement of net position reports \$8,088,456 for Governmental Activities and \$2,987,788 for Business-Type Activities as restricted components of net position. The fund statements report \$1,729,495 as committed and \$2,003,812 as assigned components of fund balance.

Governmental Activities Restricted for:	
Per RCW, proceeds from seizures are limited to law enforcement activities exclusively	\$ 692
Restricted per RCW related to state fuel taxes, transportation benefit fees, impact fees and grant agreements	1,830,861
Restricted per RCW related to REET revenue and lodging tax restrictions, private donors, and grant agreements	6,125,453
Per RCW, proceeds are limited to paying the cost of tourism promotion and the Edmonds Business Improvement District	123,852
Restricted by grant agreements and private donations limited to a specific purpose	7,598
Total Restricted Components of Net Position	\$ 8,088,456

Business-Type Activities Restricted for:	
Customer deposits	\$ 12,148
Debt service restrictions	2,975,640
Total Restricted Components of Net Position	\$ 2,987,788

Governmental Activities Committed for:	
Committed for the acquisition or advancement of visual and performing arts within the City	\$ 533,207
Committed for the administration of the employee permit parking program solely and exclusively	69,293
Committed for special projects, special events, capital improvements and other nonrecurring needs of cemetery	188,886
Committed to be expended solely for the purpose of maintaining the cemetery	938,109
Total Committed Components of Fund Balance	\$ 1,729,495

Governmental Activities Assigned for:	
Assigned to be transferred to the Contingency Reserve Fund	3,812
Assigned for Civic Field Park	2,000,000
Total Assigned Components of Fund Balance	\$ 2,003,812

NOTE 9 – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended December 31, 2017 is as follows:

Schedule of Capital Asset Activity				
	Balance 1/1/2017	Increases	Decreases	Balance 12/31/2017
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 17,586,510	\$ 635,295	\$ -	\$ 18,221,805
Construction in progress	9,705,249	4,692,974	(8,146,504)	6,251,719
Total capital assets not being depreciated:	27,291,759	5,328,269	(8,146,504)	24,473,524
Capital assets, being depreciated:				
Building	25,679,679	38,808	-	25,718,486
Improvements other than buildings	24,475,879	1,394,710	(3,625)	25,866,965
Infrastructure	60,354,723	6,747,491	-	67,102,214
Machinery and equipment	8,442,458	1,311,335	-	9,753,792
Total capital assets being depreciated:	118,952,738	9,492,344	(3,625)	128,441,458
Less accumulated depreciation for:				
Buildings	(16,371,842)	(757,486)	-	(17,129,328)
Improvements other than buildings	(8,414,912)	(1,187,307)	3,625	(9,598,595)
Infrastructure	(42,326,825)	(1,524,075)	-	(43,850,900)
Machinery and equipment	(5,383,564)	(503,457)	-	(5,887,022)
Total accumulated depreciation:	(72,497,144)	(3,972,325)	3,625	(76,465,844)
Total capital assets being depreciated, net:	46,455,595	5,520,019	-	51,975,614
Governmental activities capital assets, net:	\$ 73,747,354	\$ 10,848,288	\$ (8,146,504)	\$ 76,449,138

	Balance 1/1/2017	Increases	Decreases	Balance 12/31/2017
Business-type Activities				
Capital assets not being depreciated:				
Land	\$ 1,257,106	\$ -	\$ -	\$ 1,257,106
Construction in progress	7,313,996	6,995,342	(2,535,875)	11,773,463
Total capital assets, not being depreciated:	8,571,102	6,995,342	(2,535,875)	13,030,569
Capital assets being depreciated:				
Building	35,855,222	-	(70,701)	35,784,521
Improvements other than buildings	92,017,487	4,207,932	(356,791)	95,868,628
Machinery and equipment	1,179,930	167,373	(4,470)	1,342,832
Intangible assets	1,305,260	-	-	1,305,260
Total capital assets being depreciated:	130,357,899	4,375,306	(431,963)	134,301,242
Less accumulated depreciation for:				
Buildings	(17,612,167)	(684,842)	35,528	(18,261,481)
Improvements other than buildings	(30,955,600)	(2,760,820)	354,816	(33,361,604)
Machinery and equipment	(722,621)	(52,082)	4,470	(770,233)
Intangible assets	(1,172,982)	(51,900)	-	(1,224,881)
Total accumulated depreciation:	(50,463,370)	(3,549,644)	394,815	(53,618,199)
Total capital assets being depreciated, net:	79,894,529	825,662	(37,148)	80,683,042
Business activities capital assets, net:	\$ 88,465,631	\$ 7,821,004	\$ (2,573,024)	\$ 93,713,612

The difference between the Accumulated Depreciation Increase and the Depreciation Expense by Function for the Governmental Activities is due to depreciation calculated for 2016. Depreciation/amortization expense was charged to functions/programs of the City as follows:

Depreciation Expense by Function

Governmental Activities:

General government	\$ 757,076
Public safety	297,712
Culture and recreation	670,433
Transportation	1,828,050
Physical Environment	4,575
Internal service	402,651
Total depreciation expense - Governmental Activities	\$ 3,960,496

Business-Type Activities:

Stormwater	\$ 594,963
Water	912,379
Sewer	832,998
Wastewater Treatment	1,209,303
Total depreciation expense - Business Type Activities	\$ 3,549,644

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 (see Note 14).

NOTE 11 – PENSION PLANS

The following table represents the aggregate pension amounts for all plans subject to the requirements of the GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* for the year 2017:

Aggregate Pension Amounts - All Plans	
Pension liabilities	\$ (9,841,453)
Pension assets	\$ 3,648,611
Deferred outflows of resources	\$ 2,114,083
Deferred inflows of resources	\$ (2,538,485)
Pension expense/expenditures	\$ 1,282,304

State Sponsored 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 (DRS), under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans. The state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The DRS, a department within the primary government of the State of Washington, issues a 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 98540-8380

Or the DRS CAFR may be downloaded from the DRS website at www.drs.wa.gov.

Public Employees' Retirement System (PERS)

PERS members include elected officials; state employees; employees of the Supreme, Appeals and Superior Courts; employees of the legislature; employees of district and municipal courts; employees of local governments; and higher education employees not participating in higher education retirement programs. PERS is comprised of three separate pension plans for membership purposes. PERS 1 and 2 are defined benefit plans, and PERS 3 is a defined benefit plan with a defined contribution component.

PERS Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost of living adjustment, and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions

The PERS Plan 1 member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2017 were as follows:

PERS Plan 1		
Actual Contribution Rates:	Employer	Employee**
January – June 2017:		
PERS Plan 1	6.23%	6.00%
PERS Plan 1 UAAL	4.77%	
Administrative Fee	0.18%	
Total	11.18%	6.00%
July – December 2017:		
PERS Plan 1	7.49%	6.00%
PERS Plan 1 UAAL	5.03%	
Administrative Fee	0.18%	
Total	12.70%	6.00%

* For employees participating in JBM, the contribution rate was 12.26%

The City's actual contributions to the plan were \$639,839 for the year ended December 31, 2017.

PERS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service for Plan 2, or 1 percent of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at age 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 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 benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by three 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 2/3 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of five 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 credit. PERS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other PERS Plan 2/3 benefits include duty and non-duty disability payments, a cost-of-living allowance based on the CPI capped at three percent annually, and a one-time duty related death benefit, if found eligible by the Department of Labor and Industries. PERS 2 members are vested after completing five years of eligible service. 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 12 months of that service are earned after age 44.

PERS Plan 3 defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. PERS Plan 3 members choose their contribution rate upon joining membership and have a chance to change rates upon changing employers. Plan 3 required defined contribution rates are set at a minimum of 5 percent and escalate to 15 percent with a choice of six options. Employers do not contribute to the defined contribution benefits. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

Contributions

The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2017 were as follows:

PERS Plan 2/3		
Actual Contribution Rates:	Employer 2/3	Employee 2**
January – June 2017:		
PERS Plan 2/3	6.23%	6.12%
PERS Plan 1 UAAL	4.77%	
Administrative Fee	0.18%	
Total	11.18%	6.12%
July – December 2017:		
PERS Plan 2/3	7.49%	7.38%
PERS Plan 1 UAAL	5.03%	

Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
Total	12.70%	7.38%

* For employees participating in JBM, the contribution rate was 15.30% for January – June 2017 and 18.45% for July – December 2017.

The City's actual contributions were \$639,839 to PERS Plan 1 and \$842,249 to PERS Plan 2/3 for the year ended December 31, 2017.

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

LEOFF membership includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters, and as of July 24, 2005, emergency medical technicians. LEOFF is comprised of two separate defined benefit plans.

LEOFF Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined per years of service calculated as a percent of final average salary (FAS) as follows:

- 20+ years of service – 2.0% of FAS
- 10-19 years of service – 1.5% of FAS
- 5-9 years of service – 1% of FAS

The FAS is the basic monthly salary received at the time of retirement, provided a member has held the same position or rank for 12 months preceding the date of retirement. Otherwise, it is the average of the highest consecutive 24 months' salary within the last ten years of service. Members are eligible for retirement with five years of service at the age of 50. Other benefits include duty and non-duty disability payments, a cost-of living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions

Starting on July 1, 2000 **LEOFF Plan 1** employers and employees contribute zero percent, as long as the plan remains fully funded. The LEOFF Plan 1 had no required employer or employee contributions for fiscal year 2017. Employers paid only the administrative expense of 0.18 percent of covered payroll.

LEOFF Plan 2 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the final average salary (FAS) per year of service (the FAS is based on the highest consecutive 60 months). Members are eligible for retirement with a full benefit at age 53, with at least five years of service credit. Members who retire prior to the age of 53 receive reduced benefits. If the member has at least 20 years of service and is age 50, the reduction is three percent for each year prior to age 53. Otherwise, the benefits are actuarially reduced for each year prior to age 53. LEOFF 2 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, a cost-of-living allowance based on the CPI, capped at three percent annually and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. LEOFF 2 members are vested after the completion of five years of eligible service.

Contributions

The **LEOFF Plan 2** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The employer rate included an administrative expense component set at 0.18 percent. Plan 2 employers and employees are required to pay at the level

adopted by the LEOFF Plan 2 Retirement Board. The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2017 were as follows:

LEOFF Plan 2		
Actual Contribution Rates	Employer	Employee
January – June 2017		
State and local governments	5.05%	8.41%
Administrative Fee	0.18%	
Total	5.23%	8.41%
July – December 2017		
State and local governments	5.25%	8.75%
Administrative Fee	0.18%	
Total	5.43%	8.75%

The City's actual contributions to the plan were \$316,907 for the year ended December 31, 2017.

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 the state fiscal year ending June 30, 2017 the state contributed \$62,155,262 to LEOFF Plan 2. The amount recognized by the City as its proportionate share of this amount is \$2,801,107.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2017 with a valuation date of June 30, 2016. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2007-2012 Experience Study* and the *2015 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2016 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2017. Plan liabilities were rolled forward from June 30, 2016, to June 30, 2017, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 3% total economic inflation; 3.75% salary inflation
- **Salary increases:** In addition to the base 3.75% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.5%

Mortality rates were based on the RP-2000 report's Combined Healthy Table and Combined Disabled Table, published by the Society of Actuaries. The OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100 percent Scale BB. Mortality rates are applied on a generational basis, meaning that each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime.

There were changes in methods and assumptions since the last valuation.

- For all plans except LEOFF Plan 1, how terminated and vested member benefits are valued as corrected.
- How the basic minimum COLA in PERS Plan 1 is valued for legal order payees was improved.

- For all plans, the average expected remaining service lives calculation was revised.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.5 percent. To determine that rate, an asset sufficiency test included an assumed 7.7 percent long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. All plans use 7.7 percent except LEOFF 2, which has assumed 7.5 percent. Consistent with the long-term expected rate of return, a 7.5 percent future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue being made at contractually required rates (including PERS 2/3, PSERS 2, SERS 2/3, and TRS 2/3 employers, whose rates include a component for the PERS 1, and TRS 1 plan liabilities). Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.5 percent was used to determine the total liability.

Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7.5 percent was determined using a building-block-method. In selecting this assumption, the Office of the State Actuary (OSA) reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered capital market assumptions and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the capital market assumptions and their target asset allocation to simulate future investment returns over various time horizons.

Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017, are summarized in the table below. The inflation component used to create the table is 2.2 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	1.70%
Tangible Assets	5%	4.90%
Real Estate	15%	5.80%
Global Equity	37%	6.30%
Private Equity	23%	9.30%

Sensitivity of the Net Pension Liability/(Asset)

The table below presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5 percent) or 1-percentage point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
PERS 1	\$ 6,351,285	\$ 5,213,702	\$ 4,228,311
PERS 2/3	\$ 12,467,645	\$ 4,627,751	\$ (1,795,880)
LEOFF 1	\$ (628,649)	\$ (847,504)	\$ (1,035,450)
LEOFF 2	\$ 606,155	\$ (2,801,107)	\$ (5,577,203)

Pension Plan Fiduciary Net Position

Detailed information about the State's pension plans' fiduciary net position is available in the separately issued DRS financial report.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2017, the City reported a total pension liability of \$6,192,842 for its proportionate share of the net pension liabilities as follows:

	Liability (or Asset)
PERS 1	\$ 5,213,702
PERS 2/3	\$ 4,627,751
LEOFF 1	\$ (847,504)
LEOFF 2	\$ (2,801,107)

The amount of the asset reported above for LEOFF Plans 1 and 2 reflects a reduction for State pension support provided to the City. The amount recognized by the City as its proportionate share of the net pension asset, the related State support, and the total portion of the net pension asset that was associated with the City were as follows:

	LEOFF 1 Asset	LEOFF 2 Asset
Employer's Proportionate Share	(847,504)	(2,801,107)
State's proportionate share of the net pension asset associated with the employer	(5,732,495)	(1,817,025)
Total	(6,579,999)	(4,618,132)

At June 30, the City's proportionate share of the collective net pension liabilities was as follows:

	Proportionate Share 6/30/16	Proportionate Share 6/30/17	Change in Proportion
PERS 1	0.101894%	0.109876%	0.007982%
PERS 2/3	0.121658%	0.133191%	0.011533%
LEOFF 1	0.055141%	0.055859%	0.000718%
LEOFF 2	0.184178%	0.201856%	0.017678%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the *Schedules of Employer and Nonemployer Allocations* for all plans except LEOFF 1.

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2015.

Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2017, the state of Washington contributed 87.12 percent of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88 percent of employer contributions. LEOFF 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

In fiscal year 2017, the state of Washington contributed 39.35 percent of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 60.65 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2017, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2016, with update procedures used to roll forward the total pension liability to the measurement date.

Pension Expense

For the year ended December 31, 2017, the City recognized pension expense as follows:

	Pension Expense	
PERS 1	\$	684,970
PERS 2/3		682,636
LEOFF 1		(142,894)
LEOFF 2		57,591

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PERS 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	-
Net difference between projected and actual investment earnings on pension plan investments	-	-
Changes of assumptions	-	(194,561)
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	331,064	-
TOTAL	331,064	(194,561)

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	468,900	(152,199)
Net difference between projected and actual investment earnings on pension plan investments	-	(1,233,647)
Changes of assumptions	49,155	-
Changes in proportion and differences between contributions and proportionate share of contributions	492,782	-
Contributions subsequent to the measurement date	462,432	-
TOTAL	1,473,270	(1,385,846)

LEOFF 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	-
Net difference between projected and actual investment earnings on pension plan investments	-	(78,753)
Changes of assumptions	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	-	-
TOTAL	-	(78,753)

LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	123,114	(106,223)
Net difference between projected and actual investment earnings on pension plan investments	-	(628,868)
Changes of assumptions	3,373	-
Changes in proportion and differences between contributions and proportionate share of contributions	7,254	(144,235)
Contributions subsequent to the measurement date	176,008	-
TOTAL	309,749	(879,325)

Deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	PERS 1
2018	\$ (131,511)
2019	\$ 41,520
2020	\$ (9,641)
2021	\$ (94,930)
2022	\$ -
Thereafter	\$ -
Total	\$ (194,562)

Year ended December 31:	PERS 2/3
2018	\$ (375,698)
2019	\$ 218,383
2020	\$ (39,760)
2021	\$ (428,798)
2022	\$ 109,072
Thereafter	\$ 141,793
Total	\$ (375,008)

Year ended December 31:	LEOFF 1
2018	\$ (49,424)
2019	\$ 13,330
2020	\$ (5,323)
2021	\$ (37,336)
2022	\$ -
Thereafter	\$ -
Total	\$ (78,753)

Year ended December 31:	LEOFF 2
2018	\$ (304,036)
2019	\$ 50,294
2020	\$ (58,297)
2021	\$ (290,091)
2022	\$ (25,617)
Thereafter	\$ (117,839)
Total	\$ (745,586)

Firemen's Pension Fund

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. City firefighters who served before March 1, 1970 are participants of this pension fund. Benefits are established in accordance with RCW 41.18 and RCW 41.20. During 2017 there were a total of four retirees covered under this system who are receiving pension benefits; of these four retirees, three are also receiving medical benefits from this fund. There were no active employees covered under this plan, and there were no inactive employees entitled to but not yet receiving benefits. The pension plan is closed to new entrants. Additional information related to the required note disclosures for this plan can be found in the Required Supplemental Information immediately following the Notes to the Financial Statements.

Funding Policy and Funding Status

Under State law, the Firemen's Pension Fund is provided an allocation of 25% of all money 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.

The financial activity of the Firemen's Pension Plan is presented in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. No separate stand-alone financial report is issued for the Firemen's Pension Plan. Although the City administers the pension plan, it is funded 100% by a percentage of the tax on fire insurance premiums which is received from the State annually.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to or deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 – 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.

Net Pension Liability

The Net Pension Liability was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Firemen's Pension Fund did not hold any investments. The net pension liability has been recorded as a noncurrent liability on the City's government-wide Statement of Net Position. The components of the City's net pension liability (asset) for the Firemen's Pension Fund at December 31 are as follows:

	December 31, 2017	December 31, 2016
Total Pension Liability	\$ 664,833	\$ 651,448
Pension plan fiduciary net position	\$ 226,480	\$ 224,696
Employer's net pension liability	\$ 438,353	\$ 426,752
Pension plan fiduciary net position as a percentage of the total pension liability	34.1%	34.5%

Firemen's Pension Fund	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a - b)
Balances at 1/1/2017	\$ 651,448	\$ 224,696	\$ 426,752
Changes for the year:			-
Service Cost	-	-	-
Interest	23,528	-	23,528
Changes in benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions	37,919	-	37,919
State shared revenue distribution	-	-	-
Contributions - employer	-	46,613	(46,613)
Contributions - employees	-	-	-
Net investment income	-	4,455	(4,455)
Benefit payments, including refunds of contributions	(48,062)	(48,062)	-
Administrative expense	-	(1,222)	1,222
Other changes	-	-	-
Net changes	13,385	1,784	11,601
Balances at 12/31/2017	\$ 664,833	\$ 226,480	\$ 438,353

The Schedule of Changes in Net Pension Liability and Schedule of Contributions presented in the Required Supplementary Information following the notes to the financial statements presents ten year trend information about whether the net pension liability (asset) is increasing or decreasing over time and the factors affecting the changes.

Sensitivity of NPL

The table below presents the City's proportionate share of the net pension liability calculated using the discount rate of 3.00 percent, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

	1% Decrease	Current Discount Rate (3.00%)	1% Increase
Fireman's Pension	\$ 497,133	\$ 438,353	\$ 390,249

Actuarial Information

The City implemented GASB Statement 68, *Accounting and Financial Reporting for Pensions, an amendment to GASB No. 27 and No. 71 Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement No. 68*. The primary objective of GASB Statement No. 68 is to improve accounting and financial reporting by state and local government pension plans. On May 5, 2017, Northwest Plan Services, Inc., actuaries and consultants, completed the Firemen's Pension Fund Actuarial valuation for the year ended December 31, 2016.

The actuarial cost method used in the actuarial valuation report is the Entry Age Normal Cost 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 \$0. 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:

- 3.75 percent investment return, compounded annually
- 3.0 percent annual salary increase
- 2.5 percent growth in fire insurance premium
- 2.5 percent increase in consumer price index
- 5.75 percent increase in medical inflation rate, grading down to 5.0 percent in 2020.
- 5.0 percent increase in long term care inflation rate
- Plan assets are valued at market value

Municipal Employees Benefits Trust (MEBT)

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 2017 was \$1,179,875 which represents its full liability.

For the year ending December 31, 2017 the City's covered payroll was \$18,924,363. No significant benefit changes occurred in 2017. 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 serve 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 these financial statements.

The City may amend the provisions of the plan, provided that no such amendment shall enlarge the duties or the 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 through Cigna Group Insurance, and 2) each participant shall, at their normal retirement, instruct the Trustee to (a) acquire a non-forfeitable, non-transferable annuity contract, (b) pay their retirement benefit from their account (no City or

participant contributions shall be added to the 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 their account.

NOTE 12 – OTHER POST EMPLOYMENT BENEFITS (OPEB)

In addition to providing pension benefits described under "Fireman's Pension," the City provides other post-employment health care benefits. 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. This system is a closed, single-employer, defined benefit pension system. 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 law requires the payment of excess benefits only and do not require a specific contribution rate by the City. At December 31, 2017 there were 23 retirees receiving medical benefits. These benefits were paid from the LEOFF 1 Retiree Medical Reserve Fund. 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 the medical insurance premiums and any additional medical expenses not covered by insurance, including long-term care. Post-employment health care benefits are being funded on a pay as you go basis. The actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation. The retiree does not contribute towards the cost of their medical care. The Schedule of Funding Progress and the Schedule of Employer Contributions for the most recent valuation are located in the Required Supplemental Information section of the City's annual report. The actuarial value of plan assets is unchanged relative to the actuarial accrued liability for benefits. Post-employment health care costs of \$157,296 and long-term care costs of \$253,428 were reported in the LEOFF 1 Medical Reserve Fund 009. At December 31, 2017 there was \$417,153 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:

Year Ending 12/31	Annual OPEB Cost	Contribution as a Percentage of Annual OPEB Cost	Net OPEB Obligation
2015	\$ 487,085	66%	\$ 1,179,920
2016	\$ 479,982	57%	\$ 1,388,057
2017	\$ 478,277	90%	\$ 1,437,252

The City's annual OPEB and net OPEB obligation for the current and preceding two years were as follows:

	12/31/2015	12/31/2016	12/31/2017
1 Annual Normal Cost (BOY)	\$ -	\$ -	\$ -
2 Amortization of UAAL (BOY)	498,790	498,790	507,283
3 Interest to EOY [(1)+(2)]x(i)*	19,952	19,952	15,218
4 Annual Required Contribution (ARC) at EOY	<u>\$ 518,742</u>	<u>\$ 518,742</u>	<u>\$ 522,501</u>
5 Interest on Net OPEB Obligation	35,562	41,297	52,052
6 Adjustment to ARC	<u>64,725</u>	<u>77,563</u>	<u>96,277</u>
7 Annual pension cost (APC) [(4)+(5)-(6)]	\$ 489,579	\$ 482,476	\$ 478,276
8 Employer Contributions**	323,213	271,845	429,082
9 Change in Net OPEB Obligation [(7)-(8)]	<u>166,366</u>	<u>210,631</u>	<u>49,194</u>
10 Net OPEB Obligation at BOY [(11) prior year]	<u>\$ 1,016,048</u>	<u>\$ 1,182,414</u>	<u>\$ 1,393,045</u>
11 Net OPEB Obligation at EOY [(9)+(10)]	<u>\$ 1,182,414</u>	<u>\$ 1,393,045</u>	<u>\$ 1,442,239</u>

* (i) is the assumed interest rate that year: 4.0% in 2015, 3.75% in 2016, and 3.0% in 2017.

**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 April 2, 2018, Northwest Plan Services, Inc., actuaries and consultants, completed a roll-forward update of the actuarial valuation as of December 31, 2017. The actuarial valuation involves estimates of the value of reported amounts and assumptions about the probability of events far into the future and subject to revisions. They reflect a long-term perspective.

In order to comply with reporting requirements, they computed the annual required contribution (ARC) using the Entry Age Cost Normal Actuarial Method. 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 \$0. 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:

- 3.0 percent investment return, compounded annually
- 2.5 percent increase in consumer price index
- 5.75 percent grading down to 5.0 percent in 2020.
- 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. 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. Revenue bonds are repaid out of the revenues generated by the related utility. The City of Edmonds is liable for seven Public Works Trust Fund Loans; three are general obligation loans and four are 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 Installment	Balance 12/31/17
Governmental Debt:					
<u>General Obligation Bonds:</u>					
2012 LTGO Refunding Bonds	12/1/2031	2.00%	\$ 9,325,000	\$ 565,444	\$ 5,706,029
Chase Bank Loan	12/1/2026	1.67%	838,526	77,067	761,459
Total Governmental GO Bonds			10,163,526	642,511	6,467,488
Business-type Debt:					
<u>General Obligation Bonds:</u>					
2012 LTGO Refunding Bonds	12/1/2031	2.00%	320,957	29,556	123,971
Chase Bank Loan	12/1/2026	1.67%	2,328,116	213,972	2,114,144
Total Business- type GO Bonds			2,649,073	243,528	2,238,115
Total General Obligation Bonds			\$ 12,812,599	\$ 886,039	\$ 8,705,603

Revenue bonds currently outstanding are as follows:

Issue Name	Maturity Date	Interest Rates	Original Amount	Principal Installment	Balance 12/31/17
Business- type Debt:					
<u>Revenue Bonds</u>					
2011 Water/Sew er Bonds	12/1/2031	3.00%	\$ 13,720,000	\$ 575,000	\$ 10,540,000
2013 Water/Sew er Bonds	12/1/2038	4.00%	15,010,000	180,000	14,325,000
2015 Water/Sew er Bonds	12/1/2040	4.00%	18,740,000	500,000	17,555,000
Total Revenue Bonds			\$ 47,470,000	\$ 1,255,000	\$ 42,420,000

Loans currently outstanding are as follows:

Issue Name	Maturity Date	Interest Rates	Original Amount	Principal Installment	Balance 12/31/17
Governmental Debt:					
<u>Loans:</u>					
P W Trust Fund Loan - Street Construction	6/30/2022	0.50%	\$ 340,000	\$ 18,144	\$ 90,716
P W Trust Fund Loan - Street Construction	6/30/2024	0.50%	400,000	21,177	148,235
P W Trust Fund Loan - Street Construction	5/24/2026	0.50%	624,750	32,881	295,935
Total Governmental Debt Loans			1,364,750	72,202	534,886
Business-type Debt:					
<u>Loans:</u>					
P W Trust Fund Loan - Trt. Plant/Sew er Improv.	6/30/2022	0.50%	1,347,250	71,325	356,625
P W Trust Fund Loan - Water Improvements	6/30/2024	0.50%	408,000	25,839	180,873
P W Trust Fund Loan - Storm Improvements	6/30/2024	0.50%	605,625	32,063	224,438
P W Trust Fund Loan - Sew er Improvements	6/30/2025	0.50%	1,216,902	72,295	578,362
Department of Ecology	10/31/2033	2.30%	638,540	27,610	540,053
Total Business- type Debt Loans			4,216,317	229,131	1,880,351
Total Loans			\$ 5,581,067	\$ 301,333	\$ 2,415,237

Capital Contracts currently outstanding are as follows:

Issue Name	Maturity Date	Interest Rates	Original Amount	Principal Installment	Balance 12/31/17
Governmental Debt:					
<u>Capital Contracts</u>					
2005 Contract - Public Safety Radio Equipment	12/01/2019	5.00%	\$ 1,595,046	\$ 119,694	\$ 256,488
Total Capital Contracts			\$ 1,595,046	\$ 119,694	\$ 256,488

Nonexchange Financial Guarantees currently outstanding are as follows:

Issue Name	Maturity Date	Interest Rates	Original Amount	Principal Installment	Balance 12/31/17
Governmental Debt					
<u>Nonexchange Financial Guarantee</u>					
Edmonds Public Facilities District	12/1/2025	0.700%	\$ 1,312,868	\$ 63,169	\$ 880,702
Total Nonexchange Financial Guarantee			\$ 1,312,868	\$ 63,169	\$ 880,702

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, a 60 percent vote in favor of the issue by at least 40 percent of the number of voters who voted 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 number of voters who voted 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 number of voters who voted 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	\$ 136,609,270	\$ 91,072,847	\$ 227,682,117	\$ 227,682,117
Net outstanding indebtedness	(13,206,583)	-	-	-
Margin Available	<u>\$ 123,402,687</u>	<u>\$ 91,072,847</u>	<u>\$ 227,682,117</u>	<u>\$ 227,682,117</u>

Refunded Debt

In prior years, the City has defeased the 2007 general obligation bond and 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. These 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 from City financial statements.

Debt Service to Maturity

The requirements to amortize the long-term debt as of December 31, 2017 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 Public Facilities District (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. (See Note 1). 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
2018	865,216	146,783	1,011,999	1,777,879	1,729,072	3,506,951
2019	893,037	127,071	1,020,108	1,832,080	1,675,164	3,507,244
2020	798,223	106,611	904,834	1,880,577	1,626,682	3,507,259
2021	833,455	92,001	925,456	1,940,008	1,562,901	3,502,909
2022	706,443	69,910	776,353	1,961,385	1,507,818	3,469,203
2023-2027	2,852,488	162,688	3,015,176	9,840,454	6,581,843	16,422,297
2028-2032	310,000	17,663	327,663	10,171,204	4,891,507	15,062,711
2033-2037	-	-	-	12,214,877	2,687,415	14,902,292
2038-2041	-	-	-	4,920,000	339,745	5,259,745
	<u>\$ 7,258,862</u>	<u>\$ 722,727</u>	<u>\$ 7,981,589</u>	<u>\$ 46,538,464</u>	<u>\$ 22,602,147</u>	<u>\$ 69,140,611</u>

At December 31, 2017 the City had \$2,975,640 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, 2017, 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.

NOTE 14 – CHANGES IN LONG-TERM LIABILITIES

During the year ended December 31, 2017, the following changes occurred in long-term liabilities:

	Beginning Balance 1/1/2017	Additions	Reductions	Ending Balance 12/31/2017	Due Within One Year
Governmental activities					
Bonds payable:					
General obligation bonds	\$ 7,109,999	\$ -	\$ (642,511)	\$ 6,467,488	\$ 668,043
Total bonds payable:	7,109,999	-	(642,511)	6,467,488	668,043
Net Pension Obligation	8,914,228	-	(1,313,842)	7,600,386	-
OPEB payable	1,388,057	-	-	1,388,057	-
Compensated absences	2,231,850	-	(5,926)	2,225,924	6,104
Capital contracts	376,182	-	(119,694)	256,488	124,972
Governmental Loans	607,088	-	(72,202)	534,886	72,201
Nonexchange Financial Guarantee	943,872	-	(63,169)	880,703	115,000
Governmental activity long-term liabilities	\$ 21,571,276	\$ -	\$ (2,217,344)	\$ 19,353,932	\$ 986,320
Business-type activities					
Bonds Payable:					
General obligation bonds	\$ 2,481,643	\$ -	\$ (243,528)	\$ 2,238,115	\$ 248,107
Revenue bonds	43,675,000	-	(1,255,000)	42,420,000	1,300,000
Less:					
For issuance premiums	658,137	-	(36,959)	621,178	36,959
Total bonds payable:	46,814,780	-	(1,535,487)	45,279,293	1,585,066
Net Pension Obligation	3,110,095	-	(442,277)	2,667,818	-
Compensated absences	348,138	81,811	-	429,949	-
Business-type Loans	2,109,482	-	(229,131)	1,880,351	229,773
Business-type activity long-term liabilities	\$ 52,382,495	\$ 81,811	\$ (2,206,895)	\$ 50,257,411	\$ 1,814,839

Internal service funds predominately serve the governmental funds. Accordingly, the December 31, 2017 long-term liabilities for the fund are included as part of the above totals for governmental activities. At year-end internal service fund balances include \$40,861 for compensated absences and \$182,123 for net pension obligation.

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

The change in beginning balances is due to the 2016 Chase Bank Loan being recorded in the loan categories for both the Governmental Activities and the Business-type Activities. The loan should be classified as a General Obligation Bond.

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 due to job-related illnesses and injuries to employees. The City has a compact with the Washington Cities Insurance Authority (WCIA), an insurance pool to cover these general liability risks. See Note 16 for more detailed information on risk management.

There are a number of claims for damages and lawsuits pending against the City. However, in our opinion, neither the potential liability from any single claim or lawsuit, nor the aggregate potential liability resulting from all pending claims or lawsuits would have a material effect on the financial condition of the City.

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 borrowing by the Edmonds Public Facilities District for up to \$7 million, which 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 the WCIA on January 1, 1981. The WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and jointly contracting for risk management services. WCIA has a total of 161 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, errors or omissions, stop gap, employment practices and employee benefits liability. Limits are \$4 million per occurrence in the self-insured layer, and \$21 million in limits above the self-insured layer is provided by reinsurance. Total limits are \$25 million per occurrence subject to aggregates and sublimits. 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 coverage are purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded from the members' deductible to \$750,000, for all perils other than flood and earthquake, and insured above that to \$300 million per occurrence subject to aggregates and sublimits. Automobile physical damage coverage is self-funded from the members' deductible to \$250,000 and insured above that to \$100 million per occurrence subject to aggregates and sublimits.

In-house services include risk management consultation, loss control field services, and claims and litigation administration. WCIA contracts for certain claims investigations, consultants for personnel and land use issues, insurance brokerage, actuarial, 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. The City currently has no

assessments due to WCIA. Insurance settlements have not exceeded coverage in any of the past three years.

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.

NOTE 17 – COMMITMENTS

The City has several capital improvement projects in progress. As of December 31, 2017, the City's outstanding contractual obligations, which include construction and engineering contracts, are summarized below:

Contract Name	Original Amount	Expenditures to Date	Remaining Commitment
Students Saving Salmon	4,363	3,778	584
Edmonds Fishing Pier Rehab	1,862,680	1,831,264	31,416
76th Ave W & 212th St. SW Intersection	6,059,050	5,702,374	356,676
Sunset Walkway Project	90,800	83,906	6,894
236th St. SW Walkway (Edmonds Way to Madrona School)	33,984	8,368	25,616
Madrona School Walkway Project	171,270	151,527	19,743
Wayside Horns Agreement	208,042	17,802	190,240
Bikelink Project	156,435	148,076	8,359
Edmonds Street Waterfront Connector	917,494	-	917,494
Edmonds Waterfront Access Analysis	14,485	13,500	985
SR99 Safety Improvements (224th to 216th)	419,827	172,689	247,138
238th St. SW Walkway (International District)	93,879	93,857	22
ADA Transition Plan	96,121	27,197	68,924
228th St. SW Corridor Improvement Project & Hwy 99 Phase II	6,627,537	6,389,527	238,010
2018 Overlay Program - ADA Curb Ramps	24,500	-	24,500
2017 Street Overlay Project	43,450	43,155	295
89th Place Retaining Wall	16,400	3,118	13,282
Veteran's Plaza	360,257	332,711	27,546
Capital Projects CM, Engineering & Inspection Services	314,200	215,835	98,365
2015 Waterline Replacement Project	384,399	325,051	59,348
2016 Water Comp Plan Update	157,576	157,566	10
2016/2017 Waterline Replacement Program	650,553	406,654	243,899
Dayton St. Utility Replacement (3rd to 9th)	526,020	319,959	206,061
Five Corners Recoating Project	310,313	306,488	3,825
2017 Waterline Replacement Project	29,860	13,344	16,516
2018/2019 Waterline Replacement Project	361,300	321,086	40,214
2019 Waterline Replacement Project	238,300	-	238,300
Water Modeling Services	15,059	6,199	8,861
2017 Waterline Replacement Project	2,003,518	1,318,684	684,834
Northstream Pipe Abandonment and Culvert Rehab	111,852	98,911	12,941
Edmonds Marsh Feasibility Study - Willow Creek Daylighting	534,325	438,361	95,964
Dayton Street Stormwater Pump Station - Phase 2	319,833	215,511	104,322
Update Stormwater Mgmt Code & Associated Docs	221,168	217,466	3,702
Seaview Park Infiltration Facility	170,396	152,209	18,187
12th Ave N & Sierra PI Stormwater System Improvements	90,434	77,206	13,228
98th Ave Overlay & Drainage Improvements	22,900	19,191	3,709
Citywide CIPP Sewer Rehab	62,000	58,020	3,980
Lift Station #1 Basin & Flow Study	223,582	190,188	33,394
2016 Sanitary Sewer Replacement Projects	31,890	26,573	5,317
Lake Ballinger Sewer Trunk Main Study	295,148	66,655	228,493
2017 Sanitary Sewer Replacement Projects	163,254	154,833	8,421
2017 CIPP Sewer Repairs	27,380	14,525	12,855
2018/2019 Sewerline Replacement Program	359,385	194,215	165,170
WWTP Outfall Pipe Modifications	90,000	44,188	45,812
ECDC Rewrite	66,465	33,517	32,948
Plan Review & Construction Inspection Services	107,069	85,784	21,285
Standard Details Update	79,200	75,006	4,194
Demo of Civic Field	75,323	-	75,323
Edmonds Waterfront Environmental Consultants	79,311	73,425	5,886
Waterfront Landscape Architecture	568,537	212,090	356,447
C431 2015 Energy Project C431	3,708,541	3,574,301	134,240
C465 Clarifier #3	737,518	474,405	263,113
Outfall design project C481	90,000	65,013	24,987
	\$30,427,183	\$24,975,308	\$ 5,451,875

NOTE 18 – NONEXCHANGE FINANCIAL GUARANTEE

In 2008, the City of Edmonds guaranteed the 17 year, \$4 million general obligation bond issuance of the Edmonds Public Facilities District (PFD), a legally separate district within the City, in accordance with the authority provided by the Washington State Legislature and codified in the Revised Code of Washington chapters 35.57 and 39.46. The bonds mature annually through December 1, 2025, with semiannual interest payments. In the event that the PFD is unable to make a payment, the City of Edmonds will be required to loan the PFD a sufficient amount that the PFD will be able to make the required payment. As of December 31, 2017, the City has loaned the PFD a total of \$1,254,166. The City of Edmonds has determined that it is more likely than not that the City will be required to continue loaning portions of the PFD’s debt service payments based on this guarantee. The amount of the liability recognized is the best estimate of the discounted present value of the future outflows expected to be incurred as a result of the guarantee. The City expects to recover the entire balance of current and future loans to the PFD.

The liability recognized for nonexchange financial guarantees by the City of Edmonds for 2017 is as follows:

Balance			Balance
<u>12/31/2016</u>	<u>Increases</u>	<u>Decreases</u>	<u>12/31/2017</u>
\$ 943,872	\$ -	\$ 63,170	\$ 880,702

NOTE 19 – SUBSEQUENT EVENTS

Bridge Loans to Edmonds Public Facilities District (PFD) – On March 27, 2018 the City Council passed a resolution authorizing the Mayor to sign an Interlocal Grant Anticipation Loan Agreement with the Edmonds PFD to allow the City to facilitate the District’s use of Grant funds by making short-term bridge loans to the District. The funds are intended to be used by the District for a roof repair/replacement project and for theater improvements. The Resolution stipulates that the total amount of the bridge loans would not exceed \$650,000. According to the loan agreement, the PFD will incur interest to the City on the amounts borrowed at the rate of the Washington State Local Government Investment Pool monthly investment return rate. The City expects the bridge loans to be entirely repaid to the City with interest prior to December 31, 2018.

NOTE 20 – HEALTH AND WELFARE

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

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

As of December 31, 2017, 261 cities/towns/non-city entities participate in the AWC Trust HCP.

The AWC Trust HCP allows members to establish a program of joint insurance and provides health and welfare services to all participating members. The AWC Trust HCP pools claims without regard

to individual member experience. The pool is actuarially rated each year with the assumption of projected claims run-out for all current members. The AWC Trust HCP includes medical, dental and vision insurance through the following carriers: Kaiser Foundation Health Plan of Washington, Kaiser Foundation Health Plan of Washington Options, Inc., Regence BlueShield, Asuris Northwest Health, Delta Dental of Washington, and Vision Service Plan. Eligible members are cities and towns within the state of Washington. Non-City Entities (public agency, public corporation, intergovernmental agency, or political subdivision within the state of Washington) are eligible to apply for coverage into the AWC Trust HCP, submitting application to the Board of Trustees for review as required in the Trust Agreement.

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. In 2017, the AWC Trust HCP purchased stop loss insurance for Regence/Asuris plans at an Individual Stop Loss (ISL) of \$1.5 million through Life Map, and Kaiser ISL at \$1 million with Companion Life through ASG Risk Management. The aggregate policy is for 200% of expected medical claims.

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

The operations of the Health Care Program are managed by the Board of Trustees or its delegates. The Board of Trustees is comprised of four regionally elected officials from Trust member cities or towns, the Employee Benefit Advisory Committee Chair and Vice Chair, and two appointed individuals from the AWC Board of Directors, who are from Trust member cities or towns.

The Trustees or its appointed delegates review and analyze Health Care Program related matters and make operational decisions regarding premium contributions, reserves, plan options and benefits in compliance with Chapter 48.62 RCW. The Board of Trustees has decision authority consistent with the Trust Agreement, Health Care Program policies, Chapter 48.62 RCW and Chapter 200-110-WAC.

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



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FIREMEN'S PENSION TRUST FUND

City of Edmonds
 Schedule of Employer Contributions
 Firefighters' Pension Fund
 As of December 31
 Last 10 Fiscal Years

Page 1 of 2

	2017	2016	2015	2014
Actuarially determined contribution	\$ 43,194	\$ 25,353	\$ 25,353	\$ 44,223
Actual contribution	<u>\$ 46,613</u>	<u>\$ 47,449</u>	<u>38,775</u>	<u>21,581</u>
Contribution deficiency (excess)	<u>\$ (3,419)</u>	<u>\$ (22,096)</u>	<u>\$ (13,422)</u>	<u>\$ 22,642</u>
Covered employee payroll	\$ -	\$ -	\$ -	\$ -
Contributions as a % of covered-employee payroll	N/A	N/A	N/A	N/A

City of Edmonds
 Schedule of Investment Returns
 Firemen's Pension Fund
 As of December 31
 Last 10 Fiscal Years

Page 1 of 2

	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	1.99%	1.08%	0.83%	0.35%

Page 2 of 2

2013	2012	2011	2010	2009	2008
\$ 44,223	\$ 38,602	\$ 38,602	\$ 40,903	\$ 40,903	\$ 28,629
(3,576)	42,004	(6,229)	31,197	33,583	39,702
<u>\$ 47,799</u>	<u>\$ (3,402)</u>	<u>\$ 44,831</u>	<u>\$ 9,706</u>	<u>\$ 7,320</u>	<u>\$ (11,073)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
N/A	N/A	N/A	N/A	N/A	N/A

Page 2 of 2

2013	2012	2011	2010	2009	2008
0.17%	0.14%	0.16%	0.26%	1.30%	2.44%

Schedule of Changes in Net Pension Liability and Related Ratios
Firefighters' Pension Fund
As of December 31
Last 10 Fiscal Years*

	2017	2016	2015	2014
Total pension liability				
Service cost	\$ -	\$ -	\$ -	\$ -
Interest	23,528	15,991	16,365	30,016
Changes in benefit provided	-	188,817	-	-
Differences between expected and actual experience	37,919	17,054	-	(256,011)
Changes of assumptions	-	(13,330)	-	(31,502)
Benefit payments, including refunds of contributions	<u>(48,062)</u>	<u>(27,936)</u>	<u>(26,175)</u>	<u>(24,481)</u>
Net change in total pension liability	13,385	180,596	(9,810)	(281,978)
Total pension liability - beginning	<u>651,448</u>	<u>470,852</u>	<u>480,662</u>	<u>762,640</u>
Total pension liability - ending (a)	<u>\$ 664,833</u>	<u>\$ 651,448</u>	<u>\$ 470,852</u>	<u>\$ 480,662</u>
Plan fiduciary net position				
Contributions - employer	46,613	47,449	38,775	21,581
Net investment income	4,455	2,296	1,629	662
Benefit payments, including refunds of contributions	(48,062)	(27,936)	(26,175)	(24,481)
Administrative expense	(1,222)	(214)	-	-
Other	-	-	96	-
Net change in plan fiduciary net position	1,784	21,595	14,325	(2,238)
Plan fiduciary net position - beginning	<u>224,696</u>	<u>203,101</u>	<u>188,776</u>	<u>191,014</u>
Plan fiduciary net position - ending (b)	<u>226,480</u>	<u>224,696</u>	<u>203,101</u>	<u>188,776</u>
Net pension liability ending (a) - (b)	<u>\$ 438,353</u>	<u>\$ 426,752</u>	<u>\$ 267,751</u>	<u>\$ 291,886</u>
Plan fiduciary net position as a % of total pension liability (b)/(a)	34.07%	34.49%	43.13%	39.27%
Covered-employee payroll	N/A	N/A	N/A	N/A
Net pension liability as a % of covered employee payroll	N/A	N/A	N/A	N/A

*2014 is the first year for which information is available

Retiree and Long-term Care Benefits
For LEOFF 1 Employees
Schedule of Employer Contributions

Fiscal Year Ending 12/31	Total Employer Contributions	Annual Required Contribution	Percentage of ARC Contributed
2008	444,701	561,707	79%
2009	479,076	593,330	81%
2010	523,170	593,330	88%
2011	539,097	601,084	90%
2012	583,173	601,084	97%
2013	351,474	628,060	56%
2014	306,661	628,060	49%
2015	323,213	516,248	63%
2016	271,845	516,248	53%
2017	429,082	522,502	82%

Firemen's Pension 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
December 31, 2012	-	9,576	9,576	0%	N/A	N/A
December 31, 2014	-	7,628	7,628	0%	N/A	N/A
December 31, 2016		7,261	7,261	0%	N/A	N/A

Firemen's Pension Fund
and Other Post-Employment Benefit Obligations
Schedule of Funding Progress - Other Post-Employment Benefits

Year Ending	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded Actuarial Accrued Liability (UAAL) (b - a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Annual Covered Payroll (b-a) / c
12/31/2006	\$ -	\$ 8,635,000	\$ 8,635,000	0%	N/A	N/A
12/31/2008	\$ -	\$ 9,887,000	\$ 9,887,000	0%	N/A	N/A
12/31/2010	\$ -	\$ 9,607,000	\$ 9,607,000	0%	N/A	N/A
12/31/2012	\$ -	\$ 9,576,000	\$ 9,576,000	0%	N/A	N/A
12/31/2014	\$ -	\$ 7,628,000	\$ 7,628,000	0%	N/A	N/A
12/31/2016	\$ -	\$ 7,261,000	\$ 7,261,000	0%	N/A	N/A

Note that this schedule is updated bi-annually only during full valuation years

NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

FIREMEN'S PENSION TRUST FUND

Actuarial Valuations	
Actuarial valuation date	December 31, 2016
Actuarial cost method	Entry age normal
Amortization method	13 years (closed)
Asset valuation method	Fair market value
Assumptions	
Investment rate of return	3.00%
Projected salary increases	3.00%
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.

Changes in Assumptions since Prior Valuation:

The interest rate was decreased from 3.75% to 3.0% per annum.

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

Actuarial Valuations	
Actuarial valuation date	December 31, 2016
Actuarial cost method	Entry age normal
Amortization method	20 years (closed)
Asset valuation method	Fair market value
Assumptions	
Investment rate of return	3.00%
Medical inflation rate	5.75%, downgrading to 5.00% in 2020
Long-term care inflation	5.00%

Changes in Assumptions since Prior Valuation:

The interest rate was decreased from 3.75% to 3.0% per annum.

City of Edmonds
 Schedule of Proportionate Share of the Net Pension Liability
 PERS 1
 As of June 30, 2017
 Last 10 Fiscal Years*

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's proportion of the net pension liability (asset) %	0.109876%	0.101894%	0.101786%
Employer's proportionate share of the net pension liability \$	5,213,702	5,472,188	5,324,354
Employer's covered employee payroll \$	13,404,013	160,373	193,611
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll %	38.90%	3412.17%	2750.03%
Plan fiduciary net position as a percentage of the total pension liability %	61.24%	57.03%	59.10%

*Until a full 10-year trend is compiled, information is presented only for those years for which information is available.

City of Edmonds
 Schedule of Employer Contributions
 PERS 1
 As of December 31, 2017
 Last 10 Fiscal Years*

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily or contractually required contributions \$	639,839	17,641	31,297
Contributions in relation to the statutorily or contractually required contributions \$	(639,839)	(17,641)	(31,297)
Contribution deficiency (excess) \$	<u>0</u>	<u>0</u>	<u>0</u>
Covered employer payroll \$	12,597,735	160,373	193,611
Contributions as a percentage of covered employee payroll %	5.08%	11.00%	16.16%

*Until a full 10-year trend is compiled, information is presented only for those years for which information is available.

City of Edmonds
 Schedule of Proportionate Share of the Net Pension Liability
 PERS 2, 3
 As of June 30, 2017
 Last 10 Fiscal Years*

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Employer's proportion of the net pension liability (asset)</u>	% 0.133191%	0.121658%	0.121602%
<u>Employer's proportionate share of the net pension liability</u>	\$ 4,627,751	6,125,384	4,344,909
<u>Employer's covered employee payroll</u>	\$ 13,053,673	5,968,509	5,705,025
<u>Employer's proportionate share of the net pension liability as a percentage of covered employee payroll</u>	% 35.45%	102.63%	76.16%
<u>Plan fiduciary net position as a percentage of the total pension liability</u>	% 90.97%	93.29%	89.20%

*Until a full 10-year trend is compiled, information is presented only for those years for which information is available.

City of Edmonds
 Schedule of Employer Contributions
 PERS 2, 3
 As of December 31, 2017
 Last 10 Fiscal Years*

	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Statutorily or contractually required contributions</u>	\$ 842,249	371,839	355,424
<u>Contributions in relation to the statutorily or contractually required contributions</u>	\$ (842,249)	(371,839)	(355,424)
<u>Contribution deficiency (excess)</u>	\$ 0	0	0
<u>Covered employer payroll</u>	\$ 12,270,542	5,968,509	5,705,025
<u>Contributions as a percentage of covered employee payroll</u>	% 6.86%	6.23%	6.23%

*Until a full 10-year trend is compiled, information is presented only for those years for which information is available.

City of Edmonds
 Schedule of Proportionate Share of the Net Pension Liability
 LEOFF 1
 As of June 30, 2017
 Last 10 Fiscal Years*

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's proportion of the net pension liability (asset) %	0.055859%	0.055141%	0.054022%
Employer's proportionate share of the net pension liability \$	(847,504)	(568,110)	(651,084)
State's proportionate share of the net pension liability (asset) associated with the employer \$	<u>(5,732,485)</u>		
TOTAL \$	<u>(6,579,989)</u>	<u>(568,110)</u>	<u>(651,084)</u>
Employer's covered employee payroll \$	0	0	0
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll %	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability %	135.96%	123.74%	127.36%

City of Edmonds
 Schedule of Employer Contributions
 LEOFF 1
 As of December 31, 2017
 Last 10 Fiscal Years*

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily or contractually required contributions \$	0	0	0
Contributions in relation to the statutorily or contractually required contributions \$	0	0	0
Contribution deficiency (excess) \$	<u>0</u>	<u>0</u>	<u>0</u>
Covered employer payroll \$	0	0	0
Contributions as a percentage of covered employee payroll %	0.00%	0.00%	0.00%

*Until a full 10-year trend is compiled, information is presented only for those years for which information is available.

City of Edmonds
Schedule of Proportionate Share of the Net Pension Liability
LEOFF 2
As of June 30, 2017
Last 10 Fiscal Years*

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's proportion of the net pension (asset) %	0.201856%	0.184178%	0.183336%
Employer's proportionate share of the net pension (asset) \$	(2,801,107)	(1,071,235)	(1,884,327)
State's proportionate share of the net pension liability (asset) associated with the employer \$	(1,817,026)	(229,538)	(409,091)
TOTAL \$	<u>(4,618,133)</u>	<u>(1,300,773)</u>	<u>(2,293,418)</u>
Employer's covered employee payroll \$	3,524,363	3,059,830	2,861,034
Employer's proportionate share of the net pension liability as a percentage of covered employee payroll %	-79.48%	-35.01%	-65.86%
Plan fiduciary net position as a percentage of the total pension liability %	113.36%	106.04%	111.67%

*Until a full 10-year trend is compiled, information is presented only for those years for which information is available.

City of Edmonds
Schedule of Employer Contributions
LEOFF 2
As of December 31, 2017
Last 10 Fiscal Years*

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily or contractually required contributions \$	316,907	154,521	144,483
Contributions in relation to the statutorily or contractually required contributions \$	<u>(316,907)</u>	<u>(154,521)</u>	<u>(144,483)</u>
Contribution deficiency (excess) \$	<u>0</u>	<u>0</u>	<u>0</u>
Covered employer payroll \$	6,142,987	3,059,830	2,861,034
Contributions as a percentage of covered employee payroll %	5.16%	5.05%	5.05%

*Until a full 10-year trend is compiled, information is presented only for those years for which information is available.



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MAJOR GOVERNMENTAL FUNDS

The City has two Major Governmental Funds – the General Fund and the Combined Construction / Improvement Fund.

GENERAL FUND

The General Fund is the City's primary operating fund. All public money 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 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 to mitigate 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.

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
Combining Balance Sheet
Governmental Funds
December 31, 2017

Page 1 of 2

	GENERAL FUND	LEOFF-MEDICAL INS. RESERVE	RISK MANAGEMENT RESERVE FUND
ASSETS			
Cash and cash equivalents	\$ 3,481,423	\$ 417,646	\$ 293,802
Investments	5,261,925	-	606,037
Deposits with trustee	8,229	-	-
Property taxes	333,151	-	-
Customer accounts	701,494	-	-
Interest on investments	101,205	-	2,861
Due from other governments	1,843,212	-	-
Interfund receivable	219,217	-	-
Due from component unit	4,894,066	-	-
Total assets	<u>\$ 16,843,922</u>	<u>\$ 417,646</u>	<u>\$ 902,700</u>
LIABILITIES			
Accounts payable	\$ 283,769	\$ 492	\$ -
Wages and benefits payable	899,594	-	-
Other current liabilities	122,358	-	-
Unearned revenues	4,931,708	-	-
Total liabilities	<u>6,237,429</u>	<u>492</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - property tax	333,151	-	-
Total deferred inflow of resources	<u>333,151</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>6,570,580</u>	<u>492</u>	<u>-</u>
FUND BALANCES (DEFICITS)			
Assigned	2,000,000	-	-
Unassigned	8,273,342	417,154	902,700
Total fund balances (deficits)	<u>10,273,342</u>	<u>417,154</u>	<u>902,700</u>
Total liabilities and fund balances (deficits)	<u>\$ 16,843,922</u>	<u>\$ 417,646</u>	<u>\$ 902,700</u>

CONTINGENCY RESERVE FUND	HISTORIC PRESERVATION GIFT FUND	BUILDING MAINTENANCE	TOTAL GENERAL FUND
\$ 1,694,838	\$ 2,394	\$ 201,477	\$ 6,091,580
3,652,543	4,939	-	9,525,444
-	-	-	8,229
-	-	-	333,151
-	-	-	701,494
17,243	23	-	121,332
-	-	83,085	1,926,297
82,520	-	-	301,737
-	-	-	4,894,066
<u>\$ 5,447,144</u>	<u>\$ 7,356</u>	<u>\$ 284,562</u>	<u>\$ 23,903,330</u>
\$ -	\$ -	\$ 74,341	358,602
-	-	-	899,594
-	-	-	122,358
-	-	-	4,931,708
-	-	74,341	6,312,262
-	-	-	333,151
-	-	-	333,151
-	-	74,341	6,645,413
-	-	-	2,000,000
<u>5,447,144</u>	<u>7,356</u>	<u>210,221</u>	<u>15,257,917</u>
<u>5,447,144</u>	<u>7,356</u>	<u>210,221</u>	<u>17,257,917</u>
<u>\$ 5,447,144</u>	<u>\$ 7,356</u>	<u>\$ 284,562</u>	<u>\$ 23,903,330</u>

City of Edmonds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2017

Page 1 of 2

	GENERAL FUND	LEOFF-MEDICAL INSURANCE RESERVE	RISK MANAGEMENT RESERVE FUND
REVENUES			
Taxes	\$ 29,572,203	\$ -	\$ -
Licenses and permits	2,506,800	-	-
Intergovernmental	890,572	-	-
Charges for services	5,463,913	-	-
Fines and forfeitures	459,929	-	-
Investment earnings	154,737	12,625	20,951
Miscellaneous	471,675	-	-
Total revenues	<u>39,519,829</u>	<u>12,625</u>	<u>20,951</u>
EXPENDITURES			
Current:			
General government	9,714,867	410,725	81,277
Public safety	22,228,871	-	-
Transportation	3,600	-	-
Economic environment	1,551,152	-	-
Mental and physical health	126,791	-	-
Culture and recreation	3,959,731	-	-
Debt service:			
Principal	170,160	-	-
Interest	28,201	-	-
Capital outlay:			
Public safety	90,573	-	-
Total expenditures	<u>37,873,946</u>	<u>410,725</u>	<u>81,277</u>
Excess (deficiency) of revenues over expenditures	<u>1,645,883</u>	<u>(398,100)</u>	<u>(60,326)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	7,143	-	-
Transfers in	26,300	275,000	-
Transfers out	(1,247,703)	-	-
Total other financing source (uses)	<u>(1,214,260)</u>	<u>275,000</u>	<u>-</u>
Net change in fund balances	431,623	(123,100)	(60,326)
Fund balances - beginning	9,841,719	540,254	963,026
Fund balances - ending	<u>\$ 10,273,342</u>	<u>\$ 417,154</u>	<u>\$ 902,700</u>

Page 2 of 2

CONTINGENCY RESERVE FUND	HISTORIC PRESERVATION GIFT FUND	BUILDING MAINTENANCE FUND	TOTAL GENERAL FUND
\$ -	\$ -	\$ -	\$ 29,572,203
-	-	-	2,506,800
-	-	108,852	999,424
-	-	-	5,463,913
-	-	-	459,929
62,853	109	51	251,326
-	-	100,000	571,675
<u>62,853</u>	<u>109</u>	<u>208,903</u>	<u>39,825,270</u>
-	-	197,118	10,403,987
-	-	-	22,228,871
-	-	-	3,600
-	5,400	-	1,556,552
-	-	-	126,791
-	-	-	3,959,731
-	-	-	170,160
-	-	-	28,201
-	-	-	90,573
-	5,400	197,118	38,568,466
<u>62,853</u>	<u>(5,291)</u>	<u>11,785</u>	<u>1,256,804</u>
-	-	-	7,143
16,450	5,000	100,000	422,750
-	-	-	(1,247,703)
<u>16,450</u>	<u>5,000</u>	<u>100,000</u>	<u>(817,810)</u>
79,303	(291)	111,785	438,994
5,367,841	7,647	98,436	16,818,923
<u>\$ 5,447,144</u>	<u>\$ 7,356</u>	<u>\$ 210,221</u>	<u>\$ 17,257,917</u>



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City of Edmonds
LEOFF-MEDICAL INSURANCE RESERVE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ 3,630	\$ 3,630	\$ 12,625	\$ 8,995
Total revenues	<u>3,630</u>	<u>3,630</u>	<u>12,625</u>	<u>8,995</u>
EXPENDITURES				
Current:				
General government	293,460	450,067	410,725	39,342
Total expenditures	<u>293,460</u>	<u>450,067</u>	<u>410,725</u>	<u>39,342</u>
Excess (deficiency) of revenues over expenditures	<u>(289,830)</u>	<u>(446,437)</u>	<u>(398,100)</u>	<u>48,337</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	275,000	275,000	275,000	-
Total other financing source (uses)	<u>275,000</u>	<u>275,000</u>	<u>275,000</u>	<u>-</u>
Net change in fund balances	(14,830)	(171,437)	(123,100)	48,337
Fund balances - beginning	<u>518,570</u>	<u>540,250</u>	<u>540,254</u>	<u>4</u>
Fund balances - ending	<u>\$ 503,740</u>	<u>\$ 368,813</u>	<u>\$ 417,154</u>	<u>\$ 48,341</u>

City of Edmonds
RISK MANAGEMENT RESERVE FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ 6,800	\$ 6,800	\$ 20,951	\$ 14,151
Total revenues	<u>6,800</u>	<u>6,800</u>	<u>20,951</u>	<u>14,151</u>
EXPENDITURES				
Current:				
General government	-	100,000	81,277	18,723
Total current	-	100,000	81,277	18,723
Total expenditures	-	100,000	81,277	18,723
Excess (deficiency) of revenues over expenditures	<u>6,800</u>	<u>(93,200)</u>	<u>(60,326)</u>	<u>32,874</u>
OTHER FINANCING SOURCES (USES)				
Total other financing source (uses)	-	-	-	-
Net change in fund balances	6,800	(93,200)	(60,326)	32,874
Fund balances - beginning	968,260	963,030	963,026	(4)
Fund balances - ending	<u>\$ 975,060</u>	<u>\$ 869,830</u>	<u>\$ 902,700</u>	<u>\$ 32,870</u>

City of Edmonds
 CONTINGENCY RESERVE FUND
 Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
 For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ 28,200	\$ 28,200	\$ 62,853	\$ 34,653
Total revenues	<u>28,200</u>	<u>28,200</u>	<u>62,853</u>	<u>34,653</u>
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	<u>28,200</u>	<u>28,200</u>	<u>62,853</u>	<u>34,653</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	16,450	16,450	16,450	-
Total other financing source (uses)	<u>16,450</u>	<u>16,450</u>	<u>16,450</u>	<u>-</u>
Net change in fund balances	44,650	44,650	79,303	34,653
Fund balances - beginning	5,414,470	5,367,840	5,367,841	1
Fund balances - ending	<u>\$5,459,120</u>	<u>\$5,412,490</u>	<u>\$5,447,144</u>	<u>\$ 34,654</u>

City of Edmonds
 HISTORIC PRESERVATION GIFT FUND
 Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
 For the Year Ended December 31, 2017

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment earnings	\$ 30	\$ 30	\$ 109	\$ 79
Total revenues	<u>30</u>	<u>30</u>	<u>109</u>	<u>79</u>
EXPENDITURES				
Current:				
Economic environment	5,400	5,400	5,400	-
Total current	<u>5,400</u>	<u>5,400</u>	<u>5,400</u>	<u>-</u>
Total expenditures	<u>5,400</u>	<u>5,400</u>	<u>5,400</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(5,370)</u>	<u>(5,370)</u>	<u>(5,291)</u>	<u>79</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,000	5,000	5,000	-
Total other financing source (uses)	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Net change in fund balances	(370)	(370)	(291)	79
Fund balances - beginning	<u>2,230</u>	<u>7,650</u>	<u>7,647</u>	<u>(3)</u>
Fund balances - ending	<u>\$ 1,860</u>	<u>\$ 7,280</u>	<u>\$ 7,356</u>	<u>\$ 76</u>

City of Edmonds
 BUILDING MAINTENANCE FUND
 Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
 For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
REVENUES				
Intergovernmental	\$ 352,000	\$ 452,000	\$ 108,852	\$ (343,148)
Investment earnings	-	-	51	51
Miscellaneous	-	-	100,000	100,000
Total revenues	<u>352,000</u>	<u>452,000</u>	<u>208,903</u>	<u>(243,097)</u>
EXPENDITURES				
Current:				
General government	<u>132,000</u>	<u>270,500</u>	<u>197,118</u>	<u>73,382</u>
Total current	<u>132,000</u>	<u>270,500</u>	<u>197,118</u>	<u>73,382</u>
Capital outlay:				
General government	<u>350,000</u>	<u>350,000</u>	-	<u>350,000</u>
Total capital outlay	<u>350,000</u>	<u>350,000</u>	-	<u>350,000</u>
Total expenditures	<u>482,000</u>	<u>620,500</u>	<u>197,118</u>	<u>423,382</u>
Excess (deficiency) of revenues over expenditures	<u>(130,000)</u>	<u>(168,500)</u>	<u>11,785</u>	<u>180,285</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	-
Total other financing source (uses)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	-
Net change in fund balances	(30,000)	(68,500)	111,785	180,285
Fund balances - beginning	<u>286,030</u>	<u>98,440</u>	<u>98,436</u>	<u>(4)</u>
Fund balances - ending	<u>\$ 256,030</u>	<u>\$ 29,940</u>	<u>\$ 210,221</u>	<u>\$ 180,281</u>



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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 the 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
Combining Governmental Balance Sheet
Nonmajor Governmental Funds
Summary by Fund Type
December 31, 2017

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS			
Cash and cash equivalents	\$ 2,812,947	\$ 1,803	\$ 2,814,750
Investments	6,111,538	3,768	6,115,306
Interest on investments	29,069	-	29,069
Due from other governments	397,887	-	397,887
Special assessments	-	34,115	34,115
Total assets	<u>\$ 9,351,441</u>	<u>\$ 39,686</u>	<u>\$ 9,391,127</u>
LIABILITIES			
Accounts payable	\$ 193,330	\$ -	\$ 193,330
Wages and benefits payable	40,552	-	40,552
Other current liabilities	28,392	-	28,392
Unearned revenues	-	1,759	1,759
Total liabilities	<u>262,274</u>	<u>1,759</u>	<u>264,033</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - special assessments	-	34,115	34,115
Total deferred inflow of resources	<u>-</u>	<u>34,115</u>	<u>34,115</u>
Total liabilities and deferred inflows of resources	<u>262,274</u>	<u>35,874</u>	<u>298,148</u>
FUND BALANCES (DEFICITS)			
Restricted	7,359,671	-	7,359,671
Committed	1,729,496	-	1,729,496
Assigned	-	3,812	3,812
Total fund balances (deficits)	<u>9,089,167</u>	<u>3,812</u>	<u>9,092,979</u>
Total liabilities and fund balances (deficits)	<u>\$ 9,351,441</u>	<u>\$ 39,686</u>	<u>\$ 9,391,127</u>

City of Edmonds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Summary by Fund Type
For the Year Ended December 31, 2017

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES			
Taxes	\$ 3,836,878	\$ -	\$ 3,836,878
Licenses and permits	117,144	-	117,144
Intergovernmental	806,622	-	806,622
Charges for services	764,881	-	764,881
Investment earnings	159,071	-	159,071
Miscellaneous	148,522	385,293	533,815
Total revenues	<u>5,833,118</u>	<u>385,293</u>	<u>6,218,411</u>
EXPENDITURES			
Current:			
General government	500,000	-	500,000
Public safety	72,359	-	72,359
Utilities and environment	155,918	-	155,918
Transportation	2,690,867	-	2,690,867
Economic environment	98,903	-	98,903
Culture and recreation	870,900	-	870,900
Debt service:			
Principal	26,601	565,444	592,045
Interest	4,834	129,877	134,711
Capital outlay:			
Transportation	399,714	-	399,714
Culture and recreation	959,868	-	959,868
Total expenditures	<u>5,779,964</u>	<u>695,321</u>	<u>6,475,285</u>
Excess (deficiency) of revenues over expenditures	<u>53,154</u>	<u>(310,028)</u>	<u>(256,874)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital assets	160,160	-	160,160
Transfers in	518,535	310,028	828,563
Transfers out	(215,160)	(16,450)	(231,610)
Total other financing source (uses)	<u>463,535</u>	<u>293,578</u>	<u>757,113</u>
Net change in fund balances	516,689	(16,450)	500,239
Fund balances - beginning	8,572,478	20,262	8,592,740
Fund balances - ending	<u>\$ 9,089,167</u>	<u>\$ 3,812</u>	<u>\$ 9,092,979</u>

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 the modified accrual basis. Annual budgets are adopted with appropriations lapsing at the end of the year.

The City has eighteen non-major special revenue funds.

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

Street Fund (111) - *This fund accounts for the receipt and expenditure of money 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.*

Municipal Arts Acquisition Fund (117) - *This fund accounts 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 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 promote City tourism.*

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 youth in the City of Edmonds, through private donations and contributions, who cannot participate in recreation and cultural activities and programs due to financial hardship.*

Tourism Promotional Arts Fund (123) – *The City Council has designated that 25% of all Hotel/Motel Tax money 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 accounts for the second one-quarter percent (0.25%) of real estate excise taxes received. The money is used for the improvement, renovation, planning and development of capital projects and other City infrastructure projects.

Real Estate Excise Tax (REET) 1 Fund (126) – This fund accounts for the first one-quarter percent (0.25%) of real estate excise taxes received. The money is used for capital improvement or capital acquisition projects, as well as for General Government purposes, such as debt service on the City Hall acquisition.

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

Special Projects Fund (129) – This fund accounts for capital projects that are funded primarily by state and federal grants.

Cemetery Maintenance/Improvement Fund (130) – This fund accounts 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 accounts for Parks improvement projects that are totally or partially funded by grants and contributions.

Parks Trust Fund (136) – This fund accounts for donations received 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, the Beach Ranger program, and Yost Pool.

Cemetery Maintenance Trust Fund (137) – This fund accounts for the long-term care and capital projects of the municipal cemetery.

Sister City Commission Fund (138) – This fund accounts for donations for the Sister City Commission. The Commission promotes international goodwill through the exchange of people and ideas.

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

City of Edmonds
Combining Balance Sheet
Nonmajor Special revenue funds
December 31, 2017

Page 1 of 4

	DRUG ENFORCEMENT FUND	STREET FUND	MUNICIPAL ARTS FUND	MEMORIAL STREET TREE FUND
ASSETS				
Cash and cash equivalents	\$ 4,427	\$ 380,214	\$ 173,584	\$ 5,972
Investments	9,133	710,263	358,084	12,319
Interest on investments	43	3,353	1,681	58
Due from other governments	20,028	111,524	-	-
Total assets	<u>\$ 33,631</u>	<u>\$ 1,205,354</u>	<u>\$ 533,349</u>	<u>\$ 18,349</u>
LIABILITIES				
Accounts payable	\$ 32,939	\$ 64,127	\$ 141	\$ -
Wages and benefits payable	-	35,884	-	-
Other current liabilities	-	3,265	-	-
Total liabilities	<u>32,939</u>	<u>103,276</u>	<u>141</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Restricted	692	1,102,078	-	18,349
Committed	-	-	533,208	-
Total fund balances (deficits)	<u>692</u>	<u>1,102,078</u>	<u>533,208</u>	<u>18,349</u>
Total liabilities and fund balances (deficits)	<u>\$ 33,631</u>	<u>\$ 1,205,354</u>	<u>\$ 533,349</u>	<u>\$ 18,349</u>

HOTEL/MOTEL TAX REVENUE FUND	EMPLOYEE PARKING PERMIT FUND	YOUTH SCHOLARSHIP FUND	TOURISM PROMOTIONAL FUND/ARTS	REAL ESTATE EXCISE TAX 2 FUND
\$ 25,825	\$ 22,553	\$ 4,995	\$ 18,246	\$ 599,860
53,271	46,521	10,304	37,636	1,237,355
251	220	49	178	5,841
11,479	-	-	3,826	125,515
<u>\$ 90,826</u>	<u>\$ 69,294</u>	<u>\$ 15,348</u>	<u>\$ 59,886</u>	<u>\$ 1,968,571</u>
\$ 8,471	\$ -	\$ -	\$ -	\$ 57,523
-	-	-	-	-
-	-	-	-	10,045
<u>8,471</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>67,568</u>
82,355	-	15,348	59,886	1,901,003
-	69,294	-	-	-
<u>82,355</u>	<u>69,294</u>	<u>15,348</u>	<u>59,886</u>	<u>1,901,003</u>
<u>\$ 90,826</u>	<u>\$ 69,294</u>	<u>\$ 15,348</u>	<u>\$ 59,886</u>	<u>\$ 1,968,571</u>

City of Edmonds
Combining Balance Sheet
Nonmajor Special revenue funds
December 31, 2017

Page 3 of 4
CEMETERY

	REAL ESTATE EXCISE TAX 1 FUND	GIFTS CATALOG FUND	SPECIAL PROJECTS FUND	MAINTENANCE / CEMETERY IMPROVEMENT FUND
ASSETS				
Cash and cash equivalents	\$ 502,360	\$ 86,466	\$ -	\$ 66,491
Investments	1,536,987	178,358		127,525
Interest on investments	7,471	842	-	602
Due from other governments	125,515	-	-	-
Total assets	<u>\$ 2,172,333</u>	<u>\$ 265,666</u>	<u>\$ -</u>	<u>\$ 194,618</u>
LIABILITIES				
Accounts payable	\$ 7,124	\$ -	\$ -	\$ 1,065
Wages and benefits payable	-	-	-	4,668
Other current liabilities	-	-	-	-
Total liabilities	<u>7,124</u>	<u>-</u>	<u>-</u>	<u>5,733</u>
FUND BALANCES (DEFICITS)				
Restricted	2,165,209	265,666	-	-
Committed	-	-	-	188,885
Total fund balances (deficits)	<u>2,165,209</u>	<u>265,666</u>	<u>-</u>	<u>188,885</u>
Total liabilities and fund balances (deficits)	<u>\$ 2,172,333</u>	<u>\$ 265,666</u>	<u>\$ -</u>	<u>\$ 194,618</u>

PARKS CONSTRUCTION FUND	PARKS TRUST FUND	CEMETERY MAINTENANCE TRUST FUND	SISTER CITY COMMISSION	BUSINESS IMPROVEMENT DISTRICT	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
\$ 511,083	\$ 50,743	\$ 305,327	\$ 2,472	\$ 52,329	\$ 2,812,947
1,054,204	104,670	629,809	5,099		6,111,538
4,986	494	2,973	27	-	29,069
-	-	-	-	-	397,887
<u>\$ 1,570,273</u>	<u>\$ 155,907</u>	<u>\$ 938,109</u>	<u>\$ 7,598</u>	<u>\$ 52,329</u>	<u>\$ 9,351,441</u>
\$ 11,107	\$ -	\$ -	\$ -	\$ 10,833	\$ 193,330
-	-	-	-	-	40,552
15,082	-	-	-	-	28,392
<u>26,189</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,833</u>	<u>262,274</u>
1,544,084	155,907	-	7,598	41,496	7,359,671
-	-	938,109	-	-	1,729,496
<u>1,544,084</u>	<u>155,907</u>	<u>938,109</u>	<u>7,598</u>	<u>41,496</u>	<u>9,089,167</u>
<u>\$ 1,570,273</u>	<u>\$ 155,907</u>	<u>\$ 938,109</u>	<u>\$ 7,598</u>	<u>\$ 52,329</u>	<u>\$ 9,351,441</u>

City of Edmonds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017

Page 1 of 4

	DRUG ENFORCEMENT FUND	STREET FUND	MUNICIPAL ARTS FUND	MEMORIAL STREET TREE FUND
REVENUES				
Taxes	\$ -	\$ 698,283	\$ -	\$ -
Licenses and permits	-	7,800	-	-
Intergovernmental	-	726,932	-	-
Charges for services	-	37,751	52,794	-
Investment earnings	393	9,426	8,727	248
Miscellaneous	38,026	1,442	15,250	-
Total revenues	<u>38,419</u>	<u>1,481,634</u>	<u>76,771</u>	<u>248</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	72,359	-	-	-
Utilities and environment	-	-	-	-
Transportation	-	1,694,108	-	-
Economic environment	-	-	-	-
Culture and recreation	-	-	58,643	-
Debt service:				
Principal	-	3,900	-	-
Interest	-	709	-	-
Capital outlay:				
Transportation	-	43,427	-	-
Culture and recreation	-	-	-	-
Total expenditures	<u>72,359</u>	<u>1,742,144</u>	<u>58,643</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(33,940)</u>	<u>(260,510)</u>	<u>18,128</u>	<u>248</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	160,160	-	-
Transfers in	-	412,000	22,000	-
Transfers out	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>572,160</u>	<u>22,000</u>	<u>-</u>
Net change in fund balances	(33,940)	311,650	40,128	248
Fund balances - beginning	34,632	790,428	493,080	18,101
Fund balances - ending	<u>\$ 692</u>	<u>\$ 1,102,078</u>	<u>\$ 533,208</u>	<u>\$ 18,349</u>

HOTEL/MOTEL TAX REVENUE FUND	EMPLOYEE PARKING PERMIT FUND	YOUTH SCHOLARSHIP FUND	TOURISM PROMOTIONAL FUND/ARTS	REAL ESTATE EXCISE TAX 2 FUND
\$ 89,167	\$ -	\$ -	\$ 29,722	\$ 1,509,853
-	31,210	-	-	-
-	-	-	-	-
-	-	-	-	-
1,266	1,108	200	1,254	52,342
-	-	1,592	-	-
<u>90,433</u>	<u>32,318</u>	<u>1,792</u>	<u>30,976</u>	<u>1,562,195</u>
-	-	-	-	500,000
-	-	-	-	-
-	-	-	-	-
-	26,728	-	-	406,368
-	-	-	-	-
98,546	-	1,375	55,461	350,605
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	664,168
<u>98,546</u>	<u>26,728</u>	<u>1,375</u>	<u>55,461</u>	<u>1,921,141</u>
<u>(8,113)</u>	<u>5,590</u>	<u>417</u>	<u>(24,485)</u>	<u>(358,946)</u>
-	-	-	-	-
-	-	-	-	-
(4,000)	-	-	-	-
<u>(4,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(12,113)	5,590	417	(24,485)	(358,946)
94,468	63,704	14,931	84,371	2,259,949
<u>\$ 82,355</u>	<u>\$ 69,294</u>	<u>\$ 15,348</u>	<u>\$ 59,886</u>	<u>\$ 1,901,003</u>

City of Edmonds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017

Page 3 of 4
CEMETERY
MAINTENANCE /
IMPROVEMENT
FUND

	REAL ESTATE EXCISE TAX 1 FUND	GIFTS CATALOG FUND	SPECIAL PROJECTS FUND	CEMETERY MAINTENANCE / IMPROVEMENT FUND
REVENUES				
Taxes	\$ 1,509,853	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	159,043
Investment earnings	53,289	3,772	753	3,307
Miscellaneous	-	26,288	-	114
Total revenues	<u>1,563,142</u>	<u>30,060</u>	<u>753</u>	<u>162,464</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Utilities and environment	-	-	-	155,918
Transportation	563,663	-	-	-
Economic environment	-	-	-	-
Culture and recreation	277,817	1,638	-	-
Debt service:				
Principal	22,701	-	-	-
Interest	4,125	-	-	-
Capital outlay:				
Transportation	356,287	-	-	-
Culture and recreation	8,500	-	-	-
Total expenditures	<u>1,233,093</u>	<u>1,638</u>	<u>-</u>	<u>155,918</u>
Excess (deficiency) of revenues over expenditures	<u>330,049</u>	<u>28,422</u>	<u>753</u>	<u>6,546</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	40,000
Transfers out	(142,325)	(26,300)	(39,535)	-
Total other financing source (uses)	<u>(142,325)</u>	<u>(26,300)</u>	<u>(39,535)</u>	<u>40,000</u>
Net change in fund balances	187,724	2,122	(38,782)	46,546
Fund balances - beginning	1,977,485	263,544	38,782	142,339
Fund balances - ending	<u>\$ 2,165,209</u>	<u>\$ 265,666</u>	<u>\$ -</u>	<u>\$ 188,885</u>

PARKS CONSTRUCTION FUND	PARKS TRUST FUND	CEMETERY MAINTENANCE TRUST FUND	SISTER CITY COMMISSION	BUSINESS IMPROVEMENT DISTRICT	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,836,878
-	-	-	-	78,134	117,144
79,690	-	-	-	-	806,622
497,622	-	17,671	-	-	764,881
1,496	2,114	19,165	106	105	159,071
57,610	-	100	2,100	6,000	148,522
<u>636,418</u>	<u>2,114</u>	<u>36,936</u>	<u>2,206</u>	<u>84,239</u>	<u>5,833,118</u>
-	-	-	-	-	500,000
-	-	-	-	-	72,359
-	-	-	-	-	155,918
-	-	-	-	-	2,690,867
-	-	-	6,023	92,880	98,903
26,815	-	-	-	-	870,900
-	-	-	-	-	26,601
-	-	-	-	-	4,834
-	-	-	-	-	399,714
287,200	-	-	-	-	959,868
<u>314,015</u>	<u>-</u>	<u>-</u>	<u>6,023</u>	<u>92,880</u>	<u>5,779,964</u>
<u>322,403</u>	<u>2,114</u>	<u>36,936</u>	<u>(3,817)</u>	<u>(8,641)</u>	<u>53,154</u>
-	-	-	-	-	160,160
39,535	-	-	5,000	-	518,535
(3,000)	-	-	-	-	(215,160)
<u>36,535</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>463,535</u>
358,938	2,114	36,936	1,183	(8,641)	516,689
1,185,146	153,793	901,173	6,415	50,137	8,572,478
<u>\$ 1,544,084</u>	<u>\$ 155,907</u>	<u>\$ 938,109</u>	<u>\$ 7,598</u>	<u>\$ 41,496</u>	<u>\$ 9,089,167</u>

City of Edmonds
DRUG ENFORCEMENT FUND
 Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
 For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
REVENUES				
Investment earnings	\$ -	\$ -	\$ 393	\$ 393
Miscellaneous	130,000	130,000	38,026	(91,974)
Total revenues	<u>130,000</u>	<u>130,000</u>	<u>38,419</u>	<u>(91,581)</u>
EXPENDITURES				
Current:				
Public safety	76,030	76,030	72,359	3,671
Total expenditures	<u>76,030</u>	<u>76,030</u>	<u>72,359</u>	<u>3,671</u>
Excess (deficiency) of revenues over expenditures	<u>53,970</u>	<u>53,970</u>	<u>(33,940)</u>	<u>(87,910)</u>
OTHER FINANCING SOURCES (USES)				
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	53,970	53,970	(33,940)	(87,910)
Fund balances - beginning	152,450	34,630	34,632	2
Fund balances - ending	<u>\$ 206,420</u>	<u>\$ 88,600</u>	<u>\$ 692</u>	<u>\$ (87,908)</u>

City of Edmonds
STREET FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ 698,283	\$ 698,283
Licenses and permits	5,000	5,000	7,800	2,800
Intergovernmental	685,000	685,000	726,932	41,932
Charges for services	680,000	680,000	37,751	(642,249)
Investment earnings	1,000	1,000	9,426	8,426
Miscellaneous	1,200	1,200	1,442	242
Total revenues	<u>1,372,200</u>	<u>1,372,200</u>	<u>1,481,634</u>	<u>109,434</u>
EXPENDITURES				
Current:				
Transportation	1,917,660	1,997,710	1,694,108	303,602
Total current	<u>1,917,660</u>	<u>1,997,710</u>	<u>1,694,108</u>	<u>303,602</u>
Debt service:				
Principal	3,490	3,490	3,900	(410)
Interest	1,610	1,610	709	901
Total debt service	<u>5,100</u>	<u>5,100</u>	<u>4,609</u>	<u>491</u>
Capital outlay:				
Transportation	-	-	43,427	(43,427)
Total capital outlay	<u>-</u>	<u>-</u>	<u>43,427</u>	<u>(43,427)</u>
Total expenditures	<u>1,922,760</u>	<u>2,002,810</u>	<u>1,742,144</u>	<u>260,666</u>
Excess (deficiency) of revenues over expenditures	<u>(550,560)</u>	<u>(630,610)</u>	<u>(260,510)</u>	<u>370,100</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	67,550	160,160	92,610
Transfers in	412,000	412,000	412,000	-
Total other financing source (uses)	<u>412,000</u>	<u>479,550</u>	<u>572,160</u>	<u>92,610</u>
Net change in fund balances	(138,560)	(151,060)	311,650	462,710
Fund balances - beginning	590,450	790,430	790,428	(2)
Fund balances - ending	<u>\$ 451,890</u>	<u>\$ 639,370</u>	<u>\$ 1,102,078</u>	<u>\$ 462,708</u>

City of Edmonds
MUNICIPAL ARTS FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 44,800	\$ 44,800	\$ 52,794	\$ 7,994
Investment earnings	2,980	2,980	8,727	5,747
Contributions	48,600	48,600	15,250	(33,350)
Total revenues	<u>96,380</u>	<u>96,380</u>	<u>76,771</u>	<u>(19,609)</u>
EXPENDITURES				
Current:				
Culture and recreation	<u>181,880</u>	<u>181,880</u>	<u>58,643</u>	<u>123,237</u>
Total expenditures	<u>181,880</u>	<u>181,880</u>	<u>58,643</u>	<u>123,237</u>
Excess (deficiency) of revenues over expenditures	<u>(85,500)</u>	<u>(85,500)</u>	<u>18,128</u>	<u>103,628</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>40,820</u>	<u>43,820</u>	<u>22,000</u>	<u>(21,820)</u>
Total other financing source (uses)	<u>40,820</u>	<u>43,820</u>	<u>22,000</u>	<u>(21,820)</u>
Net change in fund balances	(44,680)	(41,680)	40,128	81,808
Fund balances - beginning	484,370	493,080	493,080	-
Fund balances - ending	<u>\$ 439,690</u>	<u>\$ 451,400</u>	<u>\$ 533,208</u>	<u>\$ 81,808</u>

City of Edmonds
MEMORIAL STREET TREE FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
REVENUES				
Investment earnings	\$ 110	\$ 110	\$ 248	\$ 138
Total revenues	<u>110</u>	<u>110</u>	<u>248</u>	<u>138</u>
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	<u>110</u>	<u>110</u>	<u>248</u>	<u>138</u>
OTHER FINANCING SOURCES (USES)				
Total other financing source (uses)	-	-	-	-
Net change in fund balances	110	110	248	138
Fund balances - beginning	<u>18,030</u>	<u>18,100</u>	<u>18,101</u>	<u>1</u>
Fund balances - ending	<u>\$ 18,140</u>	<u>\$ 18,210</u>	<u>\$ 18,349</u>	<u>\$ 139</u>

City of Edmonds
HOTEL/MOTEL TAX REVENUE FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 90,000	\$ 90,000	\$ 89,167	\$ (833)
Investment earnings	1,200	1,200	1,266	66
Total revenues	<u>91,200</u>	<u>91,200</u>	<u>90,433</u>	<u>(767)</u>
EXPENDITURES				
Current:				
Culture and recreation	85,700	100,100	98,546	1,554
Total current	<u>85,700</u>	<u>100,100</u>	<u>98,546</u>	<u>1,554</u>
Debt service:				
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay:				
Culture and recreation	-	-	-	-
Total capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>85,700</u>	<u>100,100</u>	<u>98,546</u>	<u>1,554</u>
Excess (deficiency) of revenues over expenditures	<u>5,500</u>	<u>(8,900)</u>	<u>(8,113)</u>	<u>787</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(4,000)	(4,000)	(4,000)	-
Total other financing source (uses)	<u>(4,000)</u>	<u>(4,000)</u>	<u>(4,000)</u>	<u>-</u>
Net change in fund balances	1,500	(12,900)	(12,113)	787
Fund balances - beginning	87,180	94,470	94,468	(2)
Fund balances - ending	<u>\$ 88,680</u>	<u>\$ 81,570</u>	<u>\$ 82,355</u>	<u>\$ 785</u>

City of Edmonds
EMPLOYEE PARKING PERMIT FUND
 Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
 For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Licenses and permits	\$ 24,000	\$ 24,000	\$ 31,210	\$ 7,210
Investment earnings	600	600	1,108	508
Total revenues	<u>24,600</u>	<u>24,600</u>	<u>32,318</u>	<u>7,718</u>
EXPENDITURES				
Current:				
Transportation	<u>26,880</u>	<u>26,880</u>	<u>26,728</u>	<u>152</u>
Total expenditures	<u>26,880</u>	<u>26,880</u>	<u>26,728</u>	<u>152</u>
Excess (deficiency) of revenues over expenditures	<u>(2,280)</u>	<u>(2,280)</u>	<u>5,590</u>	<u>7,870</u>
OTHER FINANCING SOURCES (USES)				
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(2,280)	(2,280)	5,590	7,870
Fund balances - beginning	<u>62,410</u>	<u>63,700</u>	<u>63,704</u>	<u>4</u>
Fund balances - ending	<u>\$ 60,130</u>	<u>\$ 61,420</u>	<u>\$ 69,294</u>	<u>\$ 7,874</u>

City of Edmonds
 YOUTH SCHOLARSHIP FUND
 Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
 For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ 100	\$ 100	\$ 200	\$ 100
Miscellaneous	1,700	1,700	1,592	(108)
Total revenues	<u>1,800</u>	<u>1,800</u>	<u>1,792</u>	<u>(8)</u>
EXPENDITURES				
Current:				
Culture and recreation	<u>2,000</u>	<u>2,000</u>	<u>1,375</u>	<u>625</u>
Total expenditures	<u>2,000</u>	<u>2,000</u>	<u>1,375</u>	<u>625</u>
Excess (deficiency) of revenues over expenditures	<u>(200)</u>	<u>(200)</u>	<u>417</u>	<u>617</u>
OTHER FINANCING SOURCES (USES)				
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(200)	(200)	417	617
Fund balances - beginning	<u>15,720</u>	<u>14,930</u>	<u>14,931</u>	<u>1</u>
Fund balances - ending	<u>\$ 15,520</u>	<u>\$ 14,730</u>	<u>\$ 15,348</u>	<u>\$ 618</u>

City of Edmonds
 TOURISM PROMOTIONAL FUND/ARTS
 Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
 For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 30,000	\$ 30,000	\$ 29,722	\$ (278)
Charges for services	30	30	-	(30)
Investment earnings	420	420	1,254	834
Total revenues	<u>30,450</u>	<u>30,450</u>	<u>30,976</u>	<u>526</u>
EXPENDITURES				
Current:				
Transportation	-	-	-	-
Culture and recreation	<u>34,700</u>	<u>61,700</u>	<u>55,461</u>	<u>6,239</u>
Total expenditures	<u>34,700</u>	<u>61,700</u>	<u>55,461</u>	<u>6,239</u>
Excess (deficiency) of revenues over expenditures	<u>(4,250)</u>	<u>(31,250)</u>	<u>(24,485)</u>	<u>6,765</u>
OTHER FINANCING SOURCES (USES)				
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(4,250)	(31,250)	(24,485)	6,765
Fund balances - beginning	<u>80,770</u>	<u>84,370</u>	<u>84,371</u>	<u>1</u>
Fund balances - ending	<u>\$ 76,520</u>	<u>\$ 53,120</u>	<u>\$ 59,886</u>	<u>\$ 6,766</u>

City of Edmonds
REAL ESTATE EXCISE TAX 2 FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,300,000	\$ 1,300,000	\$ 1,509,853	\$ 209,853
Investment earnings	11,900	11,900	52,342	40,442
Total revenues	<u>1,311,900</u>	<u>1,311,900</u>	<u>1,562,195</u>	<u>250,295</u>
EXPENDITURES				
Current:				
General Government	-	-	500,000	(500,000)
Transportation	-	-	406,368	(406,368)
Culture and recreation	<u>211,000</u>	<u>211,000</u>	<u>350,605</u>	<u>(139,605)</u>
Total current	<u>211,000</u>	<u>211,000</u>	<u>1,256,973</u>	<u>(1,045,973)</u>
Capital outlay:				
Transportation	450,000	440,876	-	440,876
Culture and recreation	<u>1,815,000</u>	<u>2,454,690</u>	<u>664,168</u>	<u>1,790,522</u>
Total capital outlay	<u>2,265,000</u>	<u>2,895,566</u>	<u>664,168</u>	<u>2,231,398</u>
Total expenditures	<u>2,476,000</u>	<u>3,106,566</u>	<u>1,921,141</u>	<u>1,185,425</u>
Excess (deficiency) of revenues over expenditures	<u>(1,164,100)</u>	<u>(1,794,666)</u>	<u>(358,946)</u>	<u>1,435,720</u>
OTHER FINANCING SOURCES (USES)				
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(1,164,100)	(1,794,666)	(358,946)	1,435,720
Fund balances - beginning	<u>1,861,170</u>	<u>2,259,950</u>	<u>2,259,949</u>	<u>(1)</u>
Fund balances - ending	<u>\$ 697,070</u>	<u>\$ 465,284</u>	<u>\$ 1,901,003</u>	<u>\$ 1,435,719</u>

City of Edmonds
REAL ESTATE EXCISE TAX 1 FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,300,000	\$ 1,300,000	\$ 1,509,853	\$ 209,853
Investment earnings	14,400	14,400	53,289	38,889
Total revenues	<u>1,314,400</u>	<u>1,314,400</u>	<u>1,563,142</u>	<u>248,742</u>
EXPENDITURES				
Current:				
Transportation	-	2,000	563,663	(561,663)
Culture and recreation	-	-	277,817	(277,817)
Total current	<u>-</u>	<u>2,000</u>	<u>841,480</u>	<u>(839,480)</u>
Debt service:				
Principal	20,280	20,280	22,701	(2,421)
Interest	9,350	9,350	4,125	5,225
Total debt service	<u>29,630</u>	<u>29,630</u>	<u>26,826</u>	<u>2,804</u>
Capital outlay:				
Transportation	1,733,350	2,201,098	356,287	1,844,811
Culture and recreation	275,000	275,000	8,500	266,500
Total capital outlay	<u>2,008,350</u>	<u>2,476,098</u>	<u>364,787</u>	<u>2,111,311</u>
Total expenditures	<u>2,037,980</u>	<u>2,507,728</u>	<u>1,233,093</u>	<u>1,274,635</u>
Excess (deficiency) of revenues over expenditures	<u>(723,580)</u>	<u>(1,193,328)</u>	<u>330,049</u>	<u>1,523,377</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(142,330)	(142,330)	(142,325)	5
Total other financing source (uses)	<u>(142,330)</u>	<u>(142,330)</u>	<u>(142,325)</u>	<u>5</u>
Net change in fund balances	(865,910)	(1,335,658)	187,724	1,523,382
Fund balances - beginning	1,475,110	1,977,480	1,977,485	5
Fund balances - ending	<u>\$ 609,200</u>	<u>\$ 641,822</u>	<u>\$ 2,165,209</u>	<u>\$ 1,523,387</u>

City of Edmonds
GIFTS CATALOG FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ 1,590	\$ 1,590	\$ 3,772	\$ 2,182
Contributions	48,800	48,800	26,288	(22,512)
Total revenues	<u>50,390</u>	<u>50,390</u>	<u>30,060</u>	<u>(20,330)</u>
EXPENDITURES				
Current:				
Culture and recreation	24,920	24,920	1,638	23,282
Total expenditures	<u>24,920</u>	<u>24,920</u>	<u>1,638</u>	<u>23,282</u>
Excess (deficiency) of revenues over expenditures	<u>25,470</u>	<u>25,470</u>	<u>28,422</u>	<u>2,952</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(26,300)	(26,300)	(26,300)	-
Total other financing source (uses)	<u>(26,300)</u>	<u>(26,300)</u>	<u>(26,300)</u>	<u>-</u>
Net change in fund balances	(830)	(830)	2,122	2,952
Fund balances - beginning	257,180	263,550	263,544	(6)
Fund balances - ending	<u>\$ 256,350</u>	<u>\$ 262,720</u>	<u>\$ 265,666</u>	<u>\$ 2,946</u>

City of Edmonds
SPECIAL PROJECTS FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
REVENUES				
Investment earnings	\$ 280	\$ 1,220	\$ 753	\$ (467)
Total revenues	<u>280</u>	<u>1,220</u>	<u>753</u>	<u>(467)</u>
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	<u>280</u>	<u>1,220</u>	<u>753</u>	<u>(467)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(40,000)	(39,535)	465
Total other financing source (uses)	<u>-</u>	<u>(40,000)</u>	<u>(39,535)</u>	<u>-</u>
Net change in fund balances	280	(38,780)	(38,782)	(467)
Fund balances - beginning	<u>38,670</u>	<u>38,780</u>	<u>38,782</u>	<u>2</u>
Fund balances - ending	<u>\$ 38,950</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (465)</u>

City of Edmonds
CEMETERY MAINTENANCE / IMPROVEMENT FUND
 Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
 For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 136,620	\$ 136,620	\$ 159,043	\$ 22,423
Investment earnings	1,200	1,200	3,307	2,107
Miscellaneous	-	-	114	114
Total revenues	<u>137,820</u>	<u>137,820</u>	<u>162,464</u>	<u>24,530</u>
EXPENDITURES				
Current:				
Utilities and environment	<u>217,020</u>	<u>234,520</u>	<u>155,918</u>	<u>78,602</u>
Total expenditures	<u>217,020</u>	<u>234,520</u>	<u>155,918</u>	<u>78,602</u>
Excess (deficiency) of revenues over expenditures	<u>(79,200)</u>	<u>(96,700)</u>	<u>6,546</u>	<u>103,132</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Total other financing source (uses)	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Net change in fund balances	(39,200)	(56,700)	46,546	103,132
Fund balances - beginning	<u>145,680</u>	<u>142,340</u>	<u>142,339</u>	<u>(1)</u>
Fund balances - ending	<u>\$ 106,480</u>	<u>\$ 85,640</u>	<u>\$ 188,885</u>	<u>\$ 103,131</u>

City of Edmonds
 PARKS CONSTRUCTION FUND
 Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
 For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,705,000	\$ 1,705,000	\$ 79,690	\$ (1,625,310)
Charges for services	435,340	435,340	497,622	62,282
Investment earnings	1,600	1,600	1,496	(104)
Contributions	475,000	475,000	57,610	(417,390)
Total revenues	<u>2,616,940</u>	<u>2,616,940</u>	<u>636,418</u>	<u>(1,980,522)</u>
EXPENDITURES				
Current:				
Culture and recreation	-	-	26,815	(26,815)
Total current	<u>-</u>	<u>-</u>	<u>26,815</u>	<u>(26,815)</u>
Capital outlay:				
Culture and recreation	2,935,000	2,716,363	287,200	2,429,163
Total capital outlay	<u>2,935,000</u>	<u>2,716,363</u>	<u>287,200</u>	<u>2,429,163</u>
Total expenditures	<u>2,935,000</u>	<u>2,716,363</u>	<u>314,015</u>	<u>2,402,348</u>
Excess (deficiency) of revenues over expenditures	<u>(318,060)</u>	<u>(99,423)</u>	<u>322,403</u>	<u>421,826</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	40,000	39,535	(465)
Transfers out	-	(3,000)	(3,000)	-
Total other financing source (uses)	<u>-</u>	<u>37,000</u>	<u>36,535</u>	<u>(465)</u>
Net change in fund balances	(318,060)	(62,423)	358,938	421,361
Fund balances - beginning	<u>2,159,880</u>	<u>1,185,150</u>	<u>1,185,146</u>	<u>(4)</u>
Fund balances - ending	<u>\$ 1,841,820</u>	<u>\$ 1,122,727</u>	<u>\$ 1,544,084</u>	<u>\$ 421,357</u>

City of Edmonds
PARKS TRUST FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ 1,070	\$ 1,070	\$ 2,114	\$ 1,044
Total revenues	<u>1,070</u>	<u>1,070</u>	<u>2,114</u>	<u>1,044</u>
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	<u>1,070</u>	<u>1,070</u>	<u>2,114</u>	<u>1,044</u>
OTHER FINANCING SOURCES (USES)				
Total other financing source (uses)	-	-	-	-
Net change in fund balances	1,070	1,070	2,114	1,044
Fund balances - beginning	<u>153,310</u>	<u>153,790</u>	<u>153,793</u>	<u>3</u>
Fund balances - ending	<u>\$ 154,380</u>	<u>\$ 154,860</u>	<u>\$ 155,907</u>	<u>\$ 1,047</u>

City of Edmonds
CEMETERY MAINTENANCE TRUST FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 15,180	\$ 15,180	\$ 17,671	\$ 2,491
Investment earnings	7,700	7,700	19,165	11,465
Miscellaneous	-	-	100	100
Total revenues	<u>22,880</u>	<u>22,880</u>	<u>36,936</u>	<u>14,056</u>
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	<u>22,880</u>	<u>22,880</u>	<u>36,936</u>	<u>14,056</u>
OTHER FINANCING SOURCES (USES)				
Total other financing source (uses)	-	-	-	-
Net change in fund balances	22,880	22,880	36,936	14,056
Fund balances - beginning	<u>905,630</u>	<u>901,170</u>	<u>901,173</u>	<u>3</u>
Fund balances - ending	<u>\$ 928,510</u>	<u>\$ 924,050</u>	<u>\$ 938,109</u>	<u>\$ 14,059</u>

City of Edmonds
SISTER CITY COMMISSION
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ 10	\$ 10	\$ 106	\$ 96
Miscellaneous	5,000	5,000	2,100	(2,900)
Total revenues	<u>5,010</u>	<u>5,010</u>	<u>2,206</u>	<u>(2,804)</u>
EXPENDITURES				
Current:				
Economic environment	10,500	10,500	6,023	4,477
Total expenditures	<u>10,500</u>	<u>10,500</u>	<u>6,023</u>	<u>4,477</u>
Excess (deficiency) of revenues over expenditures	<u>(5,490)</u>	<u>(5,490)</u>	<u>(3,817)</u>	<u>1,673</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	5,000	5,000	5,000	-
Total other financing source (uses)	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Net change in fund balances	(490)	(490)	1,183	1,673
Fund balances - beginning	3,440	6,410	6,415	5
Fund balances - ending	<u>\$ 2,950</u>	<u>\$ 5,920</u>	<u>\$ 7,598</u>	<u>\$ 1,678</u>

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 has one outstanding general obligation bond issue accounted for through a debt service fund, and two special assessment related funds.

The LID Control Fund (211) – *This fund accounts for special assessments levied against benefitted properties for the payment of principal and interest on special assessment bond issues. The City has no remaining debt obligations related to these bond issues.*

2014 Debt Service Fund (232) – *This fund was established to collect funds for the payment of principal and interest on the 2014 Cashmere Valley Bank loan. The loan refinanced the City's 2003 Unlimited Tax General Obligation Bond. The entire amount of the loan payment is transferred from the General Fund.*

City of Edmonds
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2017

	L.I.D. FUND CONTROL	2014 DEBT SERVICE FUND	TOTAL NONMAJOR DEBT SERVICE FUNDS
ASSETS			
Cash and cash equivalents	\$ 1,803	\$ -	\$ 1,803
Investments	3,768	-	3,768
Special assessments	34,115	-	34,115
Total assets	<u>\$ 39,686</u>	<u>\$ -</u>	<u>\$ 39,686</u>
LIABILITIES			
Unearned revenues	\$ 1,759	\$ -	\$ 1,759
Total liabilities	<u>1,759</u>	<u>-</u>	<u>1,759</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - special assessments	34,115	-	34,115
Total deferred inflow of resources	<u>34,115</u>	<u>-</u>	<u>34,115</u>
Total liabilities and deferred inflows of resources	<u>35,874</u>	<u>-</u>	<u>35,874</u>
FUND BALANCES (DEFICITS)			
Assigned	3,812	-	3,812
Total fund balances (deficits)	<u>3,812</u>	<u>-</u>	<u>3,812</u>
Total liabilities and fund balances (deficits)	<u>\$ 39,686</u>	<u>\$ -</u>	<u>\$ 39,686</u>

City of Edmonds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2017

	L.I.D. FUND CONTROL	2014 DEBT SERVICE FUND	TOTAL NONMAJOR DEBT SERVICE FUNDS
REVENUES			
Miscellaneous	\$ -	\$ 385,293	\$ 385,293
Total revenues	<u>-</u>	<u>385,293</u>	<u>385,293</u>
EXPENDITURES			
Debt service:			
Principal	-	565,444	565,444
Interest	-	129,877	129,877
Total expenditures	<u>-</u>	<u>695,321</u>	<u>695,321</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(310,028)</u>	<u>(310,028)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	310,028	310,028
Transfers out	<u>(16,450)</u>	<u>-</u>	<u>(16,450)</u>
Total other financing source (uses)	<u>(16,450)</u>	<u>310,028</u>	<u>293,578</u>
Net change in fund balances	(16,450)	-	(16,450)
Fund balances - beginning	20,262	-	20,262
Fund balances - ending	<u>\$ 3,812</u>	<u>\$ -</u>	<u>\$ 3,812</u>

City of Edmonds
L.I.D. FUND CONTROL
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 400	\$ 400	\$ -	\$ (400)
Investment earnings	2,000	2,000	-	(2,000)
Miscellaneous	12,000	12,000	-	(12,000)
Total revenues	<u>14,400</u>	<u>14,400</u>	<u>-</u>	<u>(14,400)</u>
EXPENDITURES				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>14,400</u>	<u>14,400</u>	<u>-</u>	<u>(14,400)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(16,450)	(16,450)	(16,450)	-
Total other financing source (uses)	<u>(16,450)</u>	<u>(16,450)</u>	<u>(16,450)</u>	<u>-</u>
Net change in fund balances	(2,050)	(2,050)	(16,450)	(14,400)
Fund balances - beginning	2,050	20,260	20,262	2
Fund balances - ending	<u>\$ -</u>	<u>\$ 18,210</u>	<u>\$ 3,812</u>	<u>\$ (14,398)</u>

City of Edmonds
2012 LTGO DEBT SERVICE FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Miscellaneous	\$ 385,300	\$ 385,300	\$ 385,293	\$ (7)
Total revenues	<u>385,300</u>	<u>385,300</u>	<u>385,293</u>	<u>(7)</u>
EXPENDITURES				
Current:				
Total current	-	-	-	-
Debt service:				
Principal	565,450	565,450	565,444	6
Interest	<u>130,380</u>	<u>130,380</u>	<u>129,877</u>	<u>503</u>
Total expenditures	<u>695,830</u>	<u>695,830</u>	<u>695,321</u>	<u>509</u>
Excess (deficiency) of revenues over expenditures	<u>(310,530)</u>	<u>(310,530)</u>	<u>(310,028)</u>	<u>502</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>310,530</u>	<u>310,530</u>	<u>310,028</u>	<u>(502)</u>
Total other financing source (uses)	<u>310,530</u>	<u>310,530</u>	<u>310,028</u>	<u>(502)</u>
Net change in fund balances	-	-	-	-
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



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City of Edmonds
STATISTICAL SECTION
 December 31, 2017

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	146
Schedule 2	Changes in Net Position	148
Schedule 3	Fund Balances, Governmental Funds	150
Schedule 4	Changes in Fund Balances, Governmental Funds.....	152
Schedule 5	General Governmental Tax Revenues by Source.....	154

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	155
Schedule 7	Assessed and Estimated Actual Value of Taxable Property	156
Schedule 8	Property Tax Rates-Direct and Overlapping Governments.....	158
Schedule 9	Principal Property Taxpayers.....	159
Schedule 10	Sales Tax Rate Direct and Overlapping Governments	160

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.....	162
Schedule 12	Ratios of General Bonded Debt Outstanding	164
Schedule 13	Computation of Direct and Overlapping Debt.....	165
Schedule 14	Computation of Legal Debt Margin.....	166
Schedule 15	Revenue Bond Coverage	168

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	169
Schedule 17	Principal Employers	170

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	171
Schedule 19	Operating Indicators by Function/Program.....	172
Schedule 20	Capital Asset Statistics by Function/Program.....	173

CITY OF EDMONDS, WASHINGTON
SCHEDULE 1
GOVERNMENT-WIDE NET POSITION BY COMPONENT¹
 LAST TEN FISCAL YEARS
 (ACCRUAL BASIS OF ACCOUNTING)

Page 1 of 2

	2008	2009	2010	2011	2012
Governmental Activities					
Net investment in capital assets	\$ 57,252,149	\$ 51,991,258	\$ 59,961,071	\$ 61,004,928	\$ 61,259,051
Restricted	5,546,803	2,658,658	1,368,707	3,288,857	3,793,023
Unrestricted	9,838,608	19,805,844	13,703,352	12,396,957	14,644,992
Total governmental activities net position	<u>\$ 72,637,560</u>	<u>\$ 74,455,760</u>	<u>\$ 75,033,130</u>	<u>\$ 76,690,742</u>	<u>\$ 79,697,066</u>
Business-type Activities					
Net investment in capital assets	\$ 49,753,793	\$ 51,208,429	\$ 53,273,296	\$ 45,783,325	\$ 55,063,391
Restricted	1,269,595	699,670	687,447	9,096,615	7,409,482
Unrestricted	9,768,990	10,183,230	9,906,089	10,678,887	3,959,046
Total business-type activities net position	<u>\$ 60,792,378</u>	<u>\$ 62,091,329</u>	<u>\$ 63,866,832</u>	<u>\$ 65,558,827</u>	<u>\$ 66,431,919</u>
Primary Government					
Net investment in capital assets	\$107,005,942	\$103,199,687	\$113,234,367	\$106,788,253	\$116,322,442
Restricted	6,816,398	3,358,328	2,056,154	12,385,472	11,202,505
Unrestricted	19,607,598	29,989,074	23,609,441	23,075,844	18,604,038
Total primary government net position	<u>\$133,429,938</u>	<u>\$136,547,089</u>	<u>\$138,899,962</u>	<u>\$142,249,569</u>	<u>\$146,128,985</u>

Notes:

¹ Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets; 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.

Source:

Applicable years' Comprehensive Annual Financial Report.

Page 2 of 2

2013	2014	2015	2016	2017
\$ 61,978,358	\$ 57,181,069	\$ 63,194,059	\$ 69,470,320	\$ 72,709,684
4,923,480	5,989,155	6,157,408	7,064,140	8,088,456
<u>18,846,105</u>	<u>20,004,889</u>	<u>17,357,161</u>	<u>17,731,412</u>	<u>19,499,000</u>
<u>\$ 85,747,943</u>	<u>\$ 83,175,113</u>	<u>\$ 86,708,628</u>	<u>\$ 94,265,872</u>	<u>\$ 100,297,140</u>
\$ 51,071,627	\$ 49,313,852	\$ 48,262,943	\$ 45,570,663	\$ 47,484,205
11,138,901	3,574,774	2,984,388	2,986,888	2,987,788
<u>6,363,897</u>	<u>18,258,585</u>	<u>18,333,825</u>	<u>23,098,017</u>	<u>25,183,430</u>
<u>\$ 68,574,425</u>	<u>\$ 71,147,211</u>	<u>\$ 69,581,156</u>	<u>\$ 71,655,568</u>	<u>\$ 75,655,423</u>
\$113,049,985	\$106,494,921	\$111,457,002	\$115,040,983	\$120,193,889
16,062,381	9,563,929	9,141,796	10,051,028	11,076,244
<u>25,210,002</u>	<u>38,263,474</u>	<u>35,690,986</u>	<u>40,829,429</u>	<u>44,682,430</u>
<u>\$154,322,368</u>	<u>\$154,322,324</u>	<u>\$156,289,784</u>	<u>\$165,921,440</u>	<u>\$175,952,563</u>

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

Page 1 of 2

	For The Fiscal Year Ended December 31,				
	2008	2009	2010	2011	2012
Expenses:					
Governmental activities					
General government	\$ 7,695,483	\$ 6,867,604	\$ 7,327,722	\$ 8,092,028	\$ 7,860,158
Judicial	846,130	880,919	882,404	-	-
Public safety	18,049,555	17,823,468	17,630,352	18,037,057	17,490,480
Utilities and environment	1,870,405	1,150,200	1,266,933	1,405,398	1,546,080
Economic environment	1,120,777	1,830,100	1,643,520	1,063,894	1,011,062
Mental and physical health	9,291	12,147	10,217	9,731	12,168
Culture and recreation	3,976,440	4,246,268	3,984,078	4,298,852	4,237,656
Transportation	1,812,089	3,751,956	4,325,832	3,412,126	3,922,273
Interest and fiscal charges	492,082	470,398	446,236	781,881	760,142
Total governmental activities expenses	<u>35,872,252</u>	<u>37,033,060</u>	<u>37,517,294</u>	<u>37,100,967</u>	<u>36,840,019</u>
Business-type activities					
Utility Operations	13,210,002	13,890,882	13,836,220	14,140,249	15,258,298
Total business-type activities expenses	<u>13,210,002</u>	<u>13,890,882</u>	<u>13,836,220</u>	<u>14,140,249</u>	<u>15,258,298</u>
Program Revenues:					
Governmental activities					
Charges for services:					
General government	2,668,773	2,990,744	3,097,629	4,078,403	4,624,432
Public safety	1,121,939	650,257	1,132,605	1,212,082	1,066,201
Other	3,066,634	4,450,276	3,908,424	3,088,212	3,022,741
Operating grants and contributions	163,438	416,086	272,554	145,406	1,324,353
Capital grants and contributions	1,138,795	1,940,900	534,066	1,771,199	1,942,259
Total governmental activities program	<u>8,159,579</u>	<u>10,448,263</u>	<u>8,945,278</u>	<u>10,295,302</u>	<u>11,979,986</u>
Business-type activities					
Charges for services	13,030,325	14,275,275	14,347,539	15,620,997	15,970,380
Operating grants and contributions	47,654	88,983	47,249	179,479	53,743
Capital grants and contributions	610,910	688,796	1,246,156	498,486	1,052,305
Total business-type activities program	<u>13,688,889</u>	<u>15,053,054</u>	<u>15,640,944</u>	<u>16,298,962</u>	<u>17,076,428</u>
Net (Expense) Revenue					
Governmental activities	(27,712,673)	(26,584,797)	(28,572,016)	(26,805,665)	(24,860,033)
Business-type activities	478,887	1,162,172	1,804,724	2,158,713	1,818,130
Total primary government net expense	<u>(27,233,786)</u>	<u>(25,422,625)</u>	<u>(26,767,292)</u>	<u>(24,646,952)</u>	<u>(23,041,903)</u>
General Revenues:					
Governmental activities					
Taxes:					
Property	12,256,542	13,908,042	13,683,426	13,539,536	13,382,296
Sales	5,448,281	4,952,898	5,002,282	5,286,262	5,637,393
Utility	4,843,225	6,081,071	5,997,151	6,232,489	6,340,634
Other	3,120,595	3,184,300	3,043,813	2,388,579	2,223,771
Interest and investment earnings	380,181	151,198	32,845	16,070	22,565
Gains	101,999	167,538	983,191	36,762	(148,542)
Miscellaneous	534,866	(42,050)	344,303	481,263	64,315
Transfers	404,562	-	62,375	482,316	565,628
Total governmental activities general	<u>27,090,251</u>	<u>28,402,997</u>	<u>29,149,386</u>	<u>28,463,277</u>	<u>28,088,060</u>
Business-type activities					
Investment earnings	280,710	136,348	25,697	15,287	22,786
Miscellaneous	-	-	100	311	-
Gains	-	431	7,357	-	-
Transfers	(404,562)	-	(62,375)	(482,316)	(565,628)
Total business-type activities general	<u>(123,852)</u>	<u>136,779</u>	<u>(29,221)</u>	<u>(466,718)</u>	<u>(542,842)</u>
Total primary government	<u>26,966,399</u>	<u>28,539,776</u>	<u>29,120,165</u>	<u>27,996,559</u>	<u>27,545,218</u>
Change in Net Position					
Governmental activities	(622,422) 0	1,818,200	577,370	1,657,612	3,228,027
Business-type activities	355,035 0	1,298,951	1,775,503	1,691,995	1,275,288
Total primary government	<u>\$ (267,387)</u>	<u>\$ 3,117,151</u>	<u>\$ 2,352,873</u>	<u>\$ 3,349,607</u>	<u>\$ 4,503,315</u>

Source:

Applicable years' Comprehensive Annual Financial Report.

For The Fiscal Year Ended December 31,					
	2013	2014	2015	2016	2017
\$	7,586,841	\$ 7,773,797	\$ 9,836,339	\$ 10,617,051	\$ 11,861,910
	-	-	-	-	-
	17,298,217	19,044,595	19,454,123	20,590,459	22,952,541
	1,502,516	1,800,507	158,773	161,755	174,237
	1,072,629	1,347,590	1,424,538	1,421,122	1,594,100
	8,558	52,641	69,762	70,814	126,791
	3,941,859	4,217,206	4,800,710	4,527,224	4,965,274
	4,445,078	4,997,331	6,314,909	6,115,715	5,197,489
	191,155	292,068	190,898	146,942	68,532
	<u>36,046,853</u>	<u>39,525,735</u>	<u>42,250,052</u>	<u>43,651,082</u>	<u>46,940,877</u>
	15,845,552	17,558,607	20,053,587	21,475,272	21,123,684
	<u>15,845,552</u>	<u>17,558,607</u>	<u>20,053,587</u>	<u>21,475,272</u>	<u>21,123,684</u>
	4,835,459	4,251,943	4,336,689	4,539,295	5,672,025
	1,134,073	1,678,154	1,685,160	1,598,316	2,368,657
	3,180,343	3,819,147	3,420,619	3,725,341	3,811,729
	973,007	227,233	267,915	382,596	666,620
	2,566,575	3,238,733	6,824,847	5,937,285	5,058,911
	<u>12,689,457</u>	<u>13,215,210</u>	<u>16,535,230</u>	<u>16,182,833</u>	<u>17,577,942</u>
	16,630,405	17,821,867	19,094,173	20,863,573	22,771,153
	161,294	88,835	58,129	79,189	20,602
	1,445,164	2,164,571	1,862,860	2,485,875	2,282,014
	<u>18,236,863</u>	<u>20,075,273</u>	<u>21,015,162</u>	<u>23,428,637</u>	<u>25,073,769</u>
	(23,357,396)	(26,310,525)	(25,714,822)	(27,468,249)	(29,362,935)
	2,391,311	2,516,666	961,575	1,953,365	3,950,085
	<u>(20,966,085)</u>	<u>(23,793,859)</u>	<u>(24,753,247)</u>	<u>(25,514,884)</u>	<u>(25,412,850)</u>
	13,474,665	13,767,675	14,289,877	14,657,369	14,140,797
	6,104,618	6,694,501	7,567,383	7,814,209	8,255,039
	6,431,457	6,583,507	6,649,164	6,764,399	6,950,553
	2,446,023	4,226,106	5,250,216	5,163,781	5,521,504
	3,926	125,922	174,738	(582)	558,862
	46,987	26,513	96,487	135,591	308,580
	125,781	371,093	536,434	479,823	454,259
	1,067	6,702	7,901	10,907	-
	<u>28,634,524</u>	<u>31,802,019</u>	<u>34,572,200</u>	<u>35,025,497</u>	<u>36,189,594</u>
	31,492	62,822	135,586	131,933	47,270
	38,039	-	-	20	-
	-	-	6,994	-	2,500
	1,067	(6,702)	(7,901)	(10,907)	-
	<u>70,598</u>	<u>56,120</u>	<u>134,679</u>	<u>121,046</u>	<u>49,770</u>
	<u>28,705,122</u>	<u>31,858,139</u>	<u>34,706,879</u>	<u>35,146,543</u>	<u>36,239,364</u>
	5,277,128	5,491,494	8,857,378	7,557,248	6,826,659
	2,461,909	2,572,786	1,096,254	2,074,411	3,999,855
\$	<u>7,739,037</u>	<u>\$ 8,064,280</u>	<u>\$ 9,953,632</u>	<u>\$ 9,631,659</u>	<u>\$ 10,826,514</u>

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

Page 1 of 2

	2008	2009	2010	2011 ¹	2012
General Fund					
Unreserved	\$ 5,188,520	\$ 6,068,906	\$ 6,855,108	\$ -	\$ -
Non-Spendable	-	-	-	460	70
Committed	-	-	-	1,927,600	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	7,634,578	10,686,840
Subtotal General Fund	5,188,520	6,068,906	6,855,108	9,562,638	10,686,910
All Other Governmental Funds					
Reserved	72,706	56,570	138,126	-	-
Unreserved					
Special Revenue Funds	8,339,862	5,300,325	5,678,570	-	-
Restricted	-	-	-	3,288,397	3,793,023
Committed	-	-	-	564,989	557,351
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Subtotal All Other					
Governmental Funds	8,412,568	5,356,895	5,816,696	3,853,386	4,350,374
Total Governmental Funds					
Reserved	72,706	56,570	138,126	-	-
Unreserved	13,528,382	11,369,231	12,533,678	-	-
Non-Spendable	-	-	-	460	70
Restricted	-	-	-	3,288,397	3,793,023
Committed	-	-	-	2,492,589	557,351
Assigned	-	-	-	-	-
Unassigned	-	-	-	7,634,578	10,686,840
Total Governmental Funds	\$ 13,601,088	\$ 11,425,801	\$ 12,671,804	\$ 13,416,024	\$ 15,037,284
General Fund Percentage Change	-32.9%	17.0%	13.0%	39.5%	11.8%
All Governmental Funds					
Percentage Change	-26.0%	-16.0%	10.9%	5.9%	12.1%

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 met the new definition for that fund type. Previous year fund balances have not been restated.

2013	2014	2015	2016	2017
\$ -	\$ -	\$ -	\$ -	\$ -
686	361	361	361	-
-	-	-	-	-
-	-	-	-	2,000,000
13,160,112	13,653,457	15,694,188	16,818,561	15,257,917
13,160,798	13,653,818	15,694,549	16,818,922	17,257,917
-	-	-	-	-
-	-	-	-	-
4,922,794	5,989,158	6,157,408	7,064,140	8,088,453
563,854	613,192	1,553,937	1,600,295	1,729,496
-	-	-	20,265	3,812
-	-	114,789	-	-
5,486,648	6,602,350	7,826,134	8,684,700	9,821,761
-	-	-	-	-
-	-	-	-	-
686	361	361	361	-
4,922,794	5,989,158	6,157,408	7,064,140	8,088,453
563,854	613,192	1,553,937	1,600,295	1,729,496
-	-	-	20,265	2,003,812
13,160,112	13,653,457	15,808,977	16,818,561	15,257,917
\$ 18,647,446	\$ 20,256,168	\$ 23,520,683	\$ 25,503,622	\$ 27,079,678
23.1%	3.7%	14.9%	7.2%	3%
24.0%	8.6%	16.1%	8.4%	6.2%

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

	2008	2009	2010	2011	2012
Revenues:					
Taxes	\$ 24,317,982	\$ 26,285,121	\$ 26,301,857	\$ 26,323,468	\$ 27,261,948
Licenses and permits	1,570,531	1,509,008	1,662,340	1,689,146	1,711,084
Intergovernmental	3,826,622	5,169,688	2,609,033	4,021,474	4,450,230
Charges for services	3,146,918	3,934,741	5,028,730	5,015,834	4,814,082
Fines and forfeitures	593,121	674,634	624,447	756,382	598,398
Other revenue	1,528,316	1,198,053	996,719	549,101	633,588
Total revenues	34,983,490	38,771,245	37,223,126	38,355,405	39,469,330
Expenditures:					
General government ¹	7,852,719	7,184,093	7,692,552	7,314,502	7,184,210
Security of persons and property	18,215,380	18,523,068	17,971,060	17,805,678	17,323,625
Physical environment ¹	1,206,164	1,158,170	1,280,041	1,374,856	1,511,515
Transportation	1,852,790	1,800,535	1,979,650	1,423,361	1,568,930
Economic environment	1,127,417	1,081,381	949,685	1,035,769	1,004,150
Mental and physical health	9,291	12,147	10,217	9,731	12,168
Culture and recreation	3,413,231	3,462,188	3,841,888	3,750,123	3,487,581
Capital outlay	3,559,891	5,016,619	1,861,161	2,700,549	3,038,660
Intergovernmental and other payments	-	-	-	-	250,000
Debt service:					
Principal retirement	1,698,860	1,813,613	1,789,385	1,870,414	1,965,760
Interest and fiscal charges	973,894	902,965	837,992	783,108	758,224
Total Expenditures	39,909,637	40,954,779	38,213,631	38,068,091	38,104,823
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,926,147)	(2,183,534)	(990,505)	287,314	1,364,507
Other Financing Sources (Uses)					
Proceeds of refunding bonds	-	-	-	-	-
Proceeds from long-term debt	43,745	-	-	-	9,004,043
Payment to refunded bonds escrow agent	-	-	-	-	(9,227,996)
Premium on bonds sold	-	-	-	-	343,536
Bond issuance discount	-	-	-	-	(49,522)
Sale/Disposition of capital assets	-	54,870	981,444	25,528	2,490
Insurance recoveries	-	-	-	-	-
Transfers in	2,624,254	1,495,523	3,497,271	2,169,172	2,176,710
Transfers out	(2,463,023)	(1,542,146)	(2,242,207)	(1,737,798)	(1,770,806)
Total Other Financing Sources (Uses)	204,976	8,247	2,236,508	456,902	478,455
Prior period corrections	(55,269)	-	-	-	-
Net Change in Fund Balances	\$ (4,776,440)	\$ (2,175,287)	\$ 1,246,003	\$ 744,216	\$ 1,842,962
Debt Service as a percentage of Noncapital Expenditures	7.4%	7.6%	7.2%	7.5%	7.8%

Source:

Published Financial Statements

Note:

¹ Beginning with fiscal year 2015, Engineering departmental expenses are recorded as General Government expenses and were recorded as Physical Environment expenses prior to 2015.

Page 2 of 2

2013	2014	2015	2016	2017
\$ 28,221,352	\$ 29,781,497	\$ 32,252,221	\$ 32,867,982	\$ 33,409,081
1,939,998	2,293,337	2,235,919	2,378,313	2,623,944
3,383,661	4,695,463	8,419,426	4,534,371	6,799,875
6,255,426	6,569,421	6,290,962	6,748,186	6,601,275
640,358	558,968	535,534	522,103	459,929
1,036,167	1,140,802	1,304,132	4,141,552	1,650,577
41,476,962	45,039,488	51,038,194	51,192,507	51,544,681
7,307,136	7,331,915	9,410,642	10,834,374	10,903,987
17,706,052	18,842,351	19,430,341	20,190,192	22,301,230
1,491,972	1,800,507	158,773	168,461	155,918
2,009,988	2,200,638	4,191,280	4,606,718	3,204,722
877,813	1,388,413	1,424,112	1,412,958	1,655,455
8,558	8,469	69,762	70,814	126,791
3,790,410	4,023,846	4,232,666	4,247,688	4,830,631
2,082,011	4,729,489	6,888,062	5,855,836	5,905,208
180,000	-	-	-	-
1,928,747	2,090,265	1,736,194	1,690,728	834,406
389,246	311,528	241,925	190,441	172,580
37,771,933	42,727,421	47,783,757	49,268,210	50,090,928
3,705,029	2,312,067	3,254,437	1,924,297	1,453,753
-	2,763,314	-	838,526	-
-	-	-	-	-
-	(2,720,000)	-	(849,976)	-
-	-	-	-	-
-	-	-	-	-
-	3,117	2,177	59,186	167,303
13,973	-	-	-	-
1,431,423	2,636,170	3,342,683	3,763,903	1,434,313
(1,430,356)	(2,629,647)	(3,334,782)	(3,752,996)	(1,479,313)
15,040	52,954	10,078	58,643	122,303
-	-	-	-	-
\$ 3,720,069	\$ 2,365,021	\$ 3,264,515	\$ 1,982,940	\$ 1,576,056
6.5%	6.3%	4.8%	4.3%	2.3%

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

Year	Property	Sales & Use	Utility	Lodging	Excise	Other ¹	Total
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
2014	13,717,961	6,597,329	6,640,962	97,172	1,866,320	861,755	29,781,498
2015	14,299,299	7,460,502	6,699,231	106,881	2,743,379	942,928	32,252,220
2016	14,621,747	7,698,573	6,817,251	115,636	1,026,652	2,588,123	32,867,981
2017	14,194,942	8,136,150	7,004,600	118,889	934,793	3,019,706	33,409,081
Percentage Change							
In Dollars Over							
10 Years	15.8%	49.3%	44.6%	38.1%	-47.0%	765.0%	35.0%

Note:

Detailed information on tax revenues by source not available for years prior to 1999.

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
2008	\$ 12,302,173	\$ 12,116,105	98.49%	\$ 185,930	\$ 12,302,035	100.00%	\$ 138	0.00%
2009	13,924,284	13,665,994	98.15%	258,165	13,924,160	100.00%	124	0.00%
2010	13,724,015	13,477,013	98.20%	245,404	13,722,417	99.99%	1,597	0.01%
2011	13,571,059	13,252,170	97.65%	316,623	13,568,793	99.98%	2,266	0.02%
2012	13,406,740	13,151,105	98.09%	252,854	13,403,959	99.98%	2,781	0.02%
2013	13,472,029	13,295,779	98.69%	174,763	13,470,542	99.99%	1,487	0.01%
2014	13,804,780	13,551,506	98.17%	249,846	13,801,352	99.98%	3,428	0.02%
2015	14,288,364	14,060,995	98.41%	204,927	14,265,922	99.84%	22,442	0.16%
2016	14,676,068	14,431,435	98.33%	196,324	14,627,759	99.67%	48,309	0.33%
2017	14,188,680	13,967,845	98.44%	-	13,967,845	98.44%	220,834	1.56%

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
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
2014	5,134,160,900	982,622,123	18,240,400	4,060,500	373,984,700
2015	5,776,305,800	1,028,804,100	9,285,700	4,684,400	395,932,240
2016	6,291,544,900	1,123,451,300	9,802,700	4,674,300	436,748,700
2017	6,988,106,800	1,254,806,800	10,656,200	6,264,800	497,333,700

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
\$ 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%
91,054,886	(501,711,809)	6,102,411,700	2.27	6,604,123,509	8.2%
102,672,600	(542,199,194)	6,775,485,646	2.12	7,317,684,840	10.8%
109,205,500	(606,400,010)	7,369,027,390	2.00	7,975,427,400	9.0%
127,923,700	(707,808,820)	8,177,283,180	1.74	8,885,092,000	11.4%

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

Year	City Direct Rates				Overlapping							Total Levy Rate
	Regular	Emergency Medical	G.O. Bond Public Safety	Total	County	State School	Local School	Library	Port	Hospital	Total	
2008	\$ 1.19	\$ 0.32	\$ 0.11	\$ 1.62	\$ 0.72	\$ 1.91	\$ 3.19	\$ 0.31	\$ 0.09	\$ 0.16	\$ 6.38	\$ 8.00
2009	1.20	0.50	0.12	1.82	0.72	1.91	3.19	0.31	0.09	0.16	6.38	8.19
2010	1.35	0.50	0.13	1.98	0.78	1.99	3.42	0.40	0.10	0.18	6.87	8.85
2011	1.48	0.50	0.15	2.12	0.87	2.21	4.15	0.45	0.11	0.15	7.93	10.05
2012	1.66	0.50	0.17	2.33	0.98	2.38	4.70	0.50	0.12	0.11	8.79	11.12
2013	1.76	0.50	0.18	2.44	1.08	2.43	4.97	0.50	0.12	0.11	9.22	11.66
2014	1.61	0.50	0.17	2.27	1.08	2.38	4.65	0.50	0.11	0.11	8.83	11.11
2015	1.47	0.50	0.15	2.12	1.00	2.28	4.93	0.47	0.10	0.10	8.88	10.99
2016	1.36	0.50	0.14	2.00	0.93	2.12	4.67	0.44	0.09	0.09	8.34	10.34
2017	1.25	0.49	-	1.74	0.88	2.03	5.88	0.42	0.08	0.08	9.37	11.10

Source:

Snohomish County Assessor's Annual Reports

CITY OF EDMONDS, WASHINGTON
SCHEDULE 9
PRINCIPAL PROPERTY TAX PAYERS
 FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2008

Taxpayer	2017 Assessed Valuation	Rank	Percent of 2017 Total Assessed Value	2008 Assessed Valuation	Rank	Percent of 2008 Total Assessed Value
US REIF FIRDALE VILLAGE WASHINGTON LLC	\$ 56,000,000	1	0.68%			
PARK 212 APT LLC	29,621,000	2	0.36%	\$ 19,513,000	3	0.25%
FW WA-AURORA MARKETPLACE LLC	19,189,000	3	0.23%	23,022,000	2	0.30%
STEPHANUS PAUL & BARBARA LLC	17,443,000	4	0.21%			
NORTHPOINT COMPASS PROPERTY LLC	17,410,327	5	0.21%			
ARHC ELEDMWA01 LLC	16,316,912	6	0.20%			
FRANKLIN-EDMONDS LLC	15,938,000	7	0.19%	12,216,700	6	0.16%
PARK EDMONDS APT LLC	14,729,000	8	0.18%			
EDMONDS PROFESSIONAL CENTER LLC	14,666,800	9	0.18%			
MGP X PROPERTIES LLC	14,456,200	10	0.18%			
EQUITY RESIDENTIAL PROP TR				30,880,000	1	0.40%
BRIAR DEVELOPMENT CO				16,074,500	4	0.21%
STEVENS PAVILION LLC				15,348,000	5	0.20%
GEMSA LOAN SERVICE				11,915,600	7	0.15%
FSC PACIFIC PARK ASSOCIATES LLC				11,191,900	8	0.15%
P SALAMONSEN CONSTRUCTION CO				10,513,383	9	0.14%
PROPERTY MANAGEMENT NW				9,998,500	10	0.13%
Total	215,770,239		2.64%	160,673,583		2.08%
All Others	7,961,512,941		97.36%	7,548,535,907		97.92%
Total	<u>\$ 8,177,283,180</u>		<u>100.00%</u>	<u>\$ 7,709,209,490</u>		<u>100.00%</u>

Source:

Snohomish County Assessor's Office

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

	2008 ^(b)	2009 ^(c)	2010	2011	2012	2013	2014	2015	2016 ^(d)	2017 ^(e)
City of Edmonds	0.84%	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%	6.50%
Snohomish County	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Regional Transit Authority	0.40%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	1.20%	1.70%
Metro	0.90%	0.90%	0.90%	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%	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%	0.01%
Total Basic Combined Sales Tax Rate	9.00%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.80%	10.30%

Notes:

^(a) 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.

^(b) 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.

^(c) 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.

^(d) Effective April 1, 2016, the Regional Transit Authority Tax increased three-tenths of one percent (.003).

The tax will be used for transportation purposes.

^(e) Effective April 1, 2017, the Regional Transit Authority Tax increased three-tenths of one percent (.005).

The tax will be used for transportation purposes.

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			Governmental Loans	Revenue Bonds	General		Business-type Loans	Total
	Obligation Bonds	Capital Contracts	Total			Obligation Bonds	Total		
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	
2014	8,282,579	714,359	4,195,667	13,192,605	27,060,000	2,872,421	2,585,877	32,518,298	
2015	7,701,438	490,593	2,414,528	10,606,559	44,885,000	2,663,235	2,337,986	49,886,221	
2016	6,242,738	376,182	1,445,614	8,064,534	43,675,000	182,262	4,437,598	48,294,860	
2017	6,467,488	256,488	534,886	7,258,862	42,420,000	2,238,115	1,880,351	46,538,466	

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
\$ 33,013,689	2.04%	\$ 810	40,760	\$ 39,792
31,565,921	1.74%	772	40,900	44,309
28,974,942	1.70%	730	39,709	42,807
37,556,860	2.20%	944	39,800	42,807
34,542,722	2.24%	868	39,800	38,671
46,667,406	2.72%	1,155	40,400	42,508
45,710,903	2.62%	1,144	39,950	43,598
60,492,780	3.43%	1,494	40,490	43,598
56,359,394	3.25%	1,378	40,900	42,433
53,797,328	2.77%	1,304	41,260	47,113

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 Money Available	Net Bonded Debt	Ratio Net Bonded Debt to AV	Net Bonded Debt per Capita
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
2014	39,950	6,775,486	11,155,000	-	11,155,000	0.16%	279
2015	40,490	7,369,027	10,365,000	-	10,365,000	0.14%	256
2016	40,900	8,177,283	6,425,000	-	6,425,000	0.08%	157
2017	41,260	9,107,285	5,830,000	-	5,830,000	0.06%	141

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, 2017

Jurisdiction	Net Debt Outstanding	Percentage Applicable to Edmonds	Amount Applicable to Edmonds
Direct Debt			
City of Edmonds	\$ 7,258,862	100.00%	\$ 7,258,862
Overlapping Debt			
Local School	333,505,000	32.56%	108,603,052
County	312,156,611	7.79%	24,302,057
Hospital	2,745,000	30.31%	832,063
Total Overlapping Debt	648,406,611	20.63%	133,737,172
Total Direct and Overlapping Debt	\$ 655,665,473	21.50%	\$ 140,996,034

Applicable percentage is determined by the ratio of assessed value of taxable property in overlapping unit to the 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

	2008	2009	2010	2011	2012
Total Taxable Property Value	\$7,709,209,490	\$6,955,482,717	\$6,433,258,853	\$5,794,644,465	\$5,545,239,847
(1) 2.5% Limit for General Purposes is allocated between (2) councilmanic and (8) voted	192,730,237	173,887,068	160,831,471	144,866,112	138,630,996
(2) Up to 1.5% debt without a vote (councilmanic)	115,638,142	104,332,241	96,498,883	86,919,667	83,178,598
(3) Less: outstanding debt	(18,104,309)	(17,048,139)	(15,935,001)	(14,800,001)	(13,405,000)
(4) Less: contracts payable	(7,224,306)	(6,199,329)	(5,564,861)	(5,969,425)	(5,730,994)
(5) Less: excess of debt with a vote	-	-	-	-	-
(6) Add: available assets	267,469	370,148	380,699	483,678	401,663
(7) Equals: remaining debt capacity without a vote	90,576,996	81,454,921	75,379,720	66,633,919	64,444,267
(8) 1% general purposes debt with a vote	77,092,095	69,554,827	64,332,589	57,946,445	55,452,398
(9) Less: outstanding debt	(6,300,000)	(5,660,000)	(4,990,000)	(4,275,000)	(3,520,000)
(10) Less: contracts payable	-	-	-	-	-
(11) Add: available assets	-	-	-	-	-
(12) Equals: remaining debt capacity with a vote	70,792,095	63,894,827	59,342,589	53,671,445	51,932,398
(13) 2.5% Utility purpose limit, voted	192,730,237	173,887,068	160,831,471	144,866,112	138,630,996
(14) Less: outstanding debt	-	-	-	-	-
(15) Less: contracts payable	-	-	-	-	-
(16) Add: available assets	-	-	-	-	-
(17) Equals: remaining debt capacity - utility purposes, voted	192,730,237	173,887,068	160,831,471	144,866,112	138,630,996
(18) 2.5% Open space, park and capital facilities, voted	192,730,237	173,887,068	160,831,471	144,866,112	138,630,996
(19) Less: outstanding debt	-	-	-	-	-
(20) Less: contracts payable	-	-	-	-	-
(21) Add: available assets	-	-	-	-	-
(22) facilities, voted	192,730,237	173,887,068	160,831,471	144,866,112	138,630,996

Source:

Schedule 10 to the Financial Statements.

2013	2014	2015	2016	2017
\$6,102,411,700	\$6,775,485,646	\$7,369,027,390	\$8,177,283,180	\$9,107,284,679
152,560,293	169,387,141	184,225,685	204,432,080	227,682,117
91,536,176	101,632,285	110,535,411	122,659,248	136,609,270
(12,300,000)	(11,155,000)	(10,365,000)	(9,591,642)	(8,457,497)
(4,814,933)	(6,103,524)	(6,149,994)	(7,406,303)	(5,082,238)
-	-	-	-	-
311,379	361,097	351,675	387,297	333,151
74,732,622	84,734,858	94,372,092	106,048,600	123,402,686
61,024,117	67,754,856	73,690,274	81,772,832	91,072,847
(2,720,000)	(1,840,116)	(933,208)	-	-
-	-	-	-	-
-	-	-	-	-
58,304,117	65,914,740	72,757,066	81,772,832	91,072,847
152,560,293	169,387,141	184,225,685	204,432,080	227,682,117
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
152,560,293	169,387,141	184,225,685	204,432,080	227,682,117
152,560,293	169,387,141	184,225,685	204,432,080	227,682,117
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
152,560,293	169,387,141	184,225,685	204,432,080	227,682,117

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	
2008	\$13,735,817	\$10,346,521	\$ 3,389,296	\$ 805,000	\$ 183,196	\$ 988,196	3.43 X
2009	14,666,492	11,038,947	3,627,545	365,000	156,076	521,076	6.96 X
2010	14,470,485	11,033,523	3,436,962	385,000	141,276	526,276	6.53 X
2011	15,815,763	11,387,667	4,428,096	400,000	125,051	525,051	8.43 X
2012	16,072,001	12,294,504	3,777,497	470,000	440,312	910,312	4.15 X
2013	17,059,859	12,682,889	4,376,970	515,000	655,728	1,170,728	3.74 X
2014	19,434,666	14,154,885	5,279,781	685,000	1,137,128	1,822,128	2.90 X
2015	21,099,615	14,872,633	6,226,982	915,000	1,408,663	2,323,663	2.68 X
2016	23,560,591	15,923,828	7,636,763	1,210,000	1,759,246	2,969,246	2.57 X
2017	25,123,539	16,412,126	8,711,413	1,255,000	1,716,396	2,971,396	2.29 X

Notes:

Bond covenants require the annual coverage ratio is at least 1.25 times the 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 (thousands of dollars)	Per Capita Income ²	Median Age ²	School Enrollment ³	Unemployment Rate ⁴
2008	40,760	\$ 1,621,922	\$ 39,792	44.2	5,537	5.2%
2009	40,900	1,812,238	44,309	45.8	5,537	9.1%
2010	39,709	1,699,823	42,807	46.3	5,053	8.8%
2011	39,800	1,703,719	42,807	46.3	4,973	7.3%
2012	39,800	1,539,106	38,671	46.3	4,920	5.4%
2013	40,400	1,717,323	42,508	46.3	4,536	4.7%
2014	39,950	1,741,740	43,598	46.3	4,773	4.3%
2015	40,490	1,765,283	43,598	46.9	5,758	4.2%
2016	40,900	1,735,510	42,433	47.7	5,801	3.6%
2017	41,260	1,943,882	47,113	47.0	6,293	3.6%

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, 2017 AND 2008

Employer	2017 Full & Part-Time Employment	Percentage of Total City Employees	2008 Full & Part-Time Employment	Percentage of Total City Employees
Swedish (Stevens) Memorial Hospital	1,370	10.80%	1,280	9.09%
Edmonds School District	688	5.43%	165	1.17%
City of Edmonds	235	1.85%	335	2.38%
Aldercrest Health & Rehab Center	102	0.80%	160	1.14%
Winco Foods	150	1.18%		
Anthony's Restaurants	141	1.11%	141	1.00%
Edmonds Family Medicine	133	1.05%		
PCC Natural Markets	115	0.91%	115	0.82%
Magic Toyota Scion	110	0.87%		
Fred Meyer/QFC	103	0.81%		
Lynnwood Honda	100	0.79%		
The Everett Clinic	98	0.77%		
Safeway	90	0.71%	93	0.66%
Puget Sound Surgical Center	80	0.63%		
Sunrise of Edmonds	78	0.62%		
Burlington Coat Factory	73	0.58%		
Total Principal Employers	<u>3,666</u>	<u>28.91%</u>	<u>2,289</u>	<u>16.25%</u>
Other Employers	<u>9,016</u>	<u>71.09%</u>	<u>11,797</u>	<u>83.75%</u>
Total Employment	<u><u>12,682</u></u>	<u><u>100.00%</u></u>	<u><u>14,086</u></u>	<u><u>100.00%</u></u>

Source:

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

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<u>Governmental Activities</u>										
General Government										
City Council	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	1.0	1.0
Mayor/City Clerk	6.0	6.0	6.0	6.0	6.5	6.5	6.5	7.0	7.0	7.0
Economic Development	1.0	-	-	-	-	-	-	-	-	-
Human Resources	2.0	2.0	2.0	2.0	1.0	2.0	2.5	2.5	2.5	2.8
Administrative Services	11.0	9.0	9.0	9.0	10.0	10.5	11.0	11.0	12.0	12.0
Facilities	11.0	11.0	11.0	11.0	11.0	10.0	10.0	10.0	10.0	10.0
Equipment Rental	4.0	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
	35.5	32.5	31.5	31.5	32.0	32.5	33.5	34.0	35.5	35.8
Judicial										
Municipal Court	8.5	8.5	8.5	7.0	7.0	7.5	7.0	7.2	7.0	7.0
Public Safety										
Police	69.0	69.0	69.0	64.0	65.0	61.0	63.0	63.0	63.0	67.5
Fire	54.0	54.0	-	-	-	-	-	-	-	-
	123.0	123.0	69.0	64.0	65.0	61.0	63.0	63.0	63.0	67.5
Physical Environment										
Development Services	27.1	16.1	16.0	15.0	14.0	14.0	15.0	18.0	17.0	18.0
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	22.9	22.9	22.0	22.0	22.0	26.5	21.0	25.0	24.1	25.1
Transportation										
Streets	7.5	7.5	7.5	7.5	7.5	6.0	6.0	7.0	7.0	7.0
Total Governmental Activities	226.5	212.5	156.5	149.0	149.5	149.5	147.5	156.2	155.6	162.4
<u>Business-type Activities</u>										
Combined Utility										
Public Works Administration	2.5	2.5	2.5	2.5	2.5	2.5	2.6	2.6	2.6	2.6
Storm	7.5	7.5	7.5	8.5	8.5	7.5	8.0	7.0	9.0	9.0
Water/Sewer/Treatment Plant	34.5	34.5	34.5	33.5	33.5	31.5	32.4	33.0	36.0	33.4
Engineering	-	11.0	11.0	11.0	11.0	12.0	15.0	14.0	15.0	15.0
Total Business-type Activities	44.5	55.5	55.5	55.5	55.5	53.5	58.0	56.6	62.6	60.0
Grand Total	271.0	268.0	212.0	204.5	205.0	203.0	205.5	212.8	218.2	222.4

Source:

City Budget Books

CITY OF EDMONDS, WASHINGTON
SCHEDULE 19
OPERATING INDICATORS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS (OMITTING 2010)

Function/Program	2008	2009	2011	2012	2013	2014	2015	2016	2017
General government services									
Finance									
General Business Licenses	2,002	1,767	1,796	1,843	1,656	1,695	2,040	1,954	2,006
Non-resident Business Licenses	1,127	1,031	2,896	3,192	1,099	1,381	1,775	1,229	1,539
Judicial									
Municipal Court									
Total filings (infraction, parking, criminal)	7,782	7,853	7,919	6,325	7,809	5,826	6,294	6,097	6,967
Public Safety									
Police									
Dispatched calls	22,320	21,352	21,027	22,011	21,789	22,758	23,874	23,705	22,822
Traffic citations and infractions	5,803	5,379	5,288	4,815	6,061	4,152	4,533	4,742	4,794
Adult arrests	1,565	1,455	1,543	1,344	1,414	1,380	1,204	1,375	655
Juvenile arrests	219	178	172	135	125	117	99	86	48
Animal control incidents	1,108	1,483	1,370	1,126	1,213	1,183	1,113	787	1,417
Crimes per 1,000 residents ¹	25	25	26	27	27	30	32	31	59
Fire/EMS ²									
EMS	3,555	3,470	3,979	3,789	3,870	3,877	4,286	4,511	4,431
False Alarm	238	236	342	154	227	208	265	-	-
Fire	104	87	92	88	76	90	106	-	-
Good Intent Call	396	523	427	338	294	272	317	-	-
Hazardous Condition	105	91	72	89	86	73	106	-	-
Rupture / Explosion	8	6	8	6	4	3	-	-	-
Service Call	264	341	251	282	241	190	212	194	198
Special Type	3	9	8	2	3	3	-	-	-
Other	-	-	-	8	3	2	-	14	30
Fire / Hazardous Condition / Rupture / Explosion	-	-	-	-	-	-	-	497	554
Physical Environment									
Engineering and construction services									
Permits issued	1,028	920	1,072	1,136	2,156	1,296	2,201	1,637	1,774
Inspections	4,267	3,908	3,262	1,566	6,475	4,472	8,987	6,784	6,838
Economic Environment									
Community services									
Code enforcement actions	577	385	371	393	411	362	402	387	312
Animal Services									
Adoptions	77	43	34	26	39	43	12	63	43
Returned to Owner	159	146	164	160	141	97	87	60	83
Culture and recreation									
Aquatics participants	22,047	26,759	16,474	17,687	19,374	17,770	-	-	-
Athletics (adult) participants	2,294	2,188	2,337	2,307	2,055	2,106	2,167	2,396	1,860
Gymnastics participants	1,520	1,793	1,529	1,403	5,167	1,916	2,010	1,435	1,480
Fitness participants	2,548	3,013	3,242	2,367	2,377	2,216	2,362	2,058	1,910
Special events participants	9,354	7,883	9,592	7,754	7,833	7,249	6,172	8,137	8,832
Transportation									
Number of paving projects	63	95	135	317	160	193	134	330	
Street patching/paving (square ft)	8,232	4,267	3,353	12,622	3,394	4,723	3,756	9,238	
Curbs and gutters replaced (linear ft)	27	38	193	4	26	2	1,497	6	
Sidewalks replaced (square ft)	2,900	3,580	6,661	266	895	24	504	300	
Water/Sewer									
Water									
New connections	20	n/a	8	24	19	36	32	50	49
Water main breaks	5	n/a	10	8	6	7	10	8	4
Average daily consumption (mgd) - finished water	3	3	4	3	3	3	3	3	3
Peak daily consumption (mgd) - finished water	n/a	n/a	n/a	5	5	6	6	5	6
Treated water delivered (mg)	1,122	n/a	1,085	1,054	973	1,064	1,117	1,084	1,086
Water customers served by system	10,058	10,086	10,139	10,123	10,151	10,177	10,199	10,229	10,272
Sewer									
Average daily sewage treated (mg)	5.5	5.6	5.8	6.0	4.6	4.7	4.5	5.2	4.9
Sewage treated (mg)	2,022	2,043	2,112	2,208	1,675	1,712	1,635	1,909	1,782
Storm System									
New Storm Pipe in feet				320	606	3,528	5,079	3,383	
Catch Basin Rehab/Replace				31	36	76	120	68	
Surface Structure Rehab (Grates)				32	32	18	10	4	
Overflow (Beehive) Installs				2	2	2	3	2	

Note:

Information for 2010 is not available.

¹ The significant increase in Crimes per 1,000 residents is the result of a change in the way the Department of Justices categorizes crime and how it is reported.

² Statistics for Fire/EMS reflect services provided under contract with Snohomish County Fire District No. 1 Due to changes in their tracking software, although all calls are accounted for in 2016, FD1 was not able to provide statistics in the same categories as in previous years.

CITY OF EDMONDS, WASHINGTON
SCHEDULE 20
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS (OMITTING 2010)

Function/Program	2008	2009	2011	2012	2013	2014	2015	2016	2017
Public Safety									
Police stations	1	1	1	1	1	1	1	1	1
Police vehicles	33	33	43	42	33	33	33	35	35
Fire stations	3	3	3	3	3	3	3	3	3
Fire engines (pumpers)	3	3	3	3	-	-	-	-	-
Aerial ladder trucks	1	1	1	1	-	-	-	-	-
Emergency Medical Units	5	5	5	5	-	-	-	-	-
Public safety boat	1	1	1	-	-	-	-	-	-
Transportation									
Paved streets (in miles)	128	128	128	133	133	133	133	133	133
Other Improved streets (in miles)	6	6	6	6	6	6	6	6	6
Unimproved streets (in miles)	1	1	1	1	1	1	1	1	1
Signalized intersections	20	20	20	22	20	20	20	24	24
Community services									
Animal shelter	1	1	1	1	1	1	1	1	1
Senior center	1	1	1	1	1	1	1	1	1
Cemetery	1	1	1	1	1	1	1	1	1
Culture and recreation									
Number of parks	47	47	47	47	44	44	44	45	46
Number of playgrounds	13	13	14	14	15	15	15	15	14
Acreage owned/managed	244	244	244	262	189	189	189	197	206
Public swimming pool	1	1	1	1	1	1	1	1	1
Water/Sewer ¹									
Water									
Water mains (miles)	179	179	179	179	179	179	179	179	136
Fire hydrants	1,086	1,086	1,167	1,167	1,167	1,167	1,167	1,167	1,199
Water storage capacity (within city)(in mg)	8	8	8	8	8	8	8	8	8
Sewer									
Sanitary sewers (miles)	186	186	186	186	186	186	186	186	130
Storm sewers (miles)	120	120	120	120	120	120	120	120	145
Treatment capacity per day (mgd)	12	12	12	12	12	12	12	12	12

Note:

Information for 2010 is not available.

¹ The change in certain Water and Sewer statistics beginning in 2017 is the result of more accurate measurements due to updated technology.

Sources:

Various city departments and the City Budget.



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