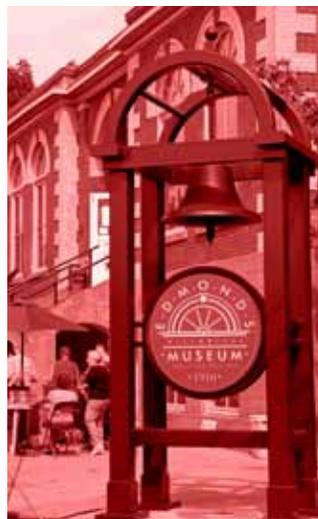


COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF EDMONDS
WASHINGTON



FOR THE FISCAL YEAR ENDING DECEMBER 31, 2019



The City of Edmonds, Washington

**COMPREHENSIVE
ANNUAL
FINANCIAL REPORT**

For the Year Ended December 31, 2019

DAVE EARLING, MAYOR

EDMONDS CITY COUNCIL

Adrienne Fraley-Monillas, Council President

Kristiana Johnson	Mike Nelson
Diane Buckshnis	Dave Teitzel
Thomas Mesaros	Neil Tibbot

Prepared By

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COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2019

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CITY OF EDMONDS

CITY HALL

121 5th AVENUE NORTH • EDMONDS, WA 98020

425.771.0240 • FAX 425.771.0265

August 31, 2020

To the Honorable Mayor Nelson,
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, 2019. 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 41,820. 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 911, and The Alliance for Housing Affordability. 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. 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 showed improvement throughout 2019. Total assessed valuation for property grew in 2019 over the 2018 valuation, sales tax revenues have seen continued growth, and property tax revenues continue to increase. Unemployment in both Snohomish County and Washington State hovered near historic lows throughout 2019.

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 was predicted to continue at a moderate pace during the development of the 2020 Budget, the onset of the COVID-19 crisis in early 2020 has caused City Management to revisit these predictions. The City entered this crisis in a very strong financial position, as over the past several years the City Administration and City Council exercised fiscal restraint and built up the

reserves that we currently have. As Edmonds moves forward, economic conditions will be continually monitored and adjustments to City spending and services will be implemented 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 Fund Reserve Policy in 2019, 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

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 2019 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 2019; 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 2019.

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, 2018. 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 2019 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 Debra Sharp, Sarah Mager, and Marissa Cain. 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,



Dave Turley, CPA
Acting Finance Director

CITY OFFICIALS

2019 CITY COUNCIL

Council President (Position #3)
Councilmember (Position #1)
Councilmember (Position #2)
Councilmember (Position #4)
Councilmember (Position #5)
Councilmember (Position #6)
Councilmember (Position #7)

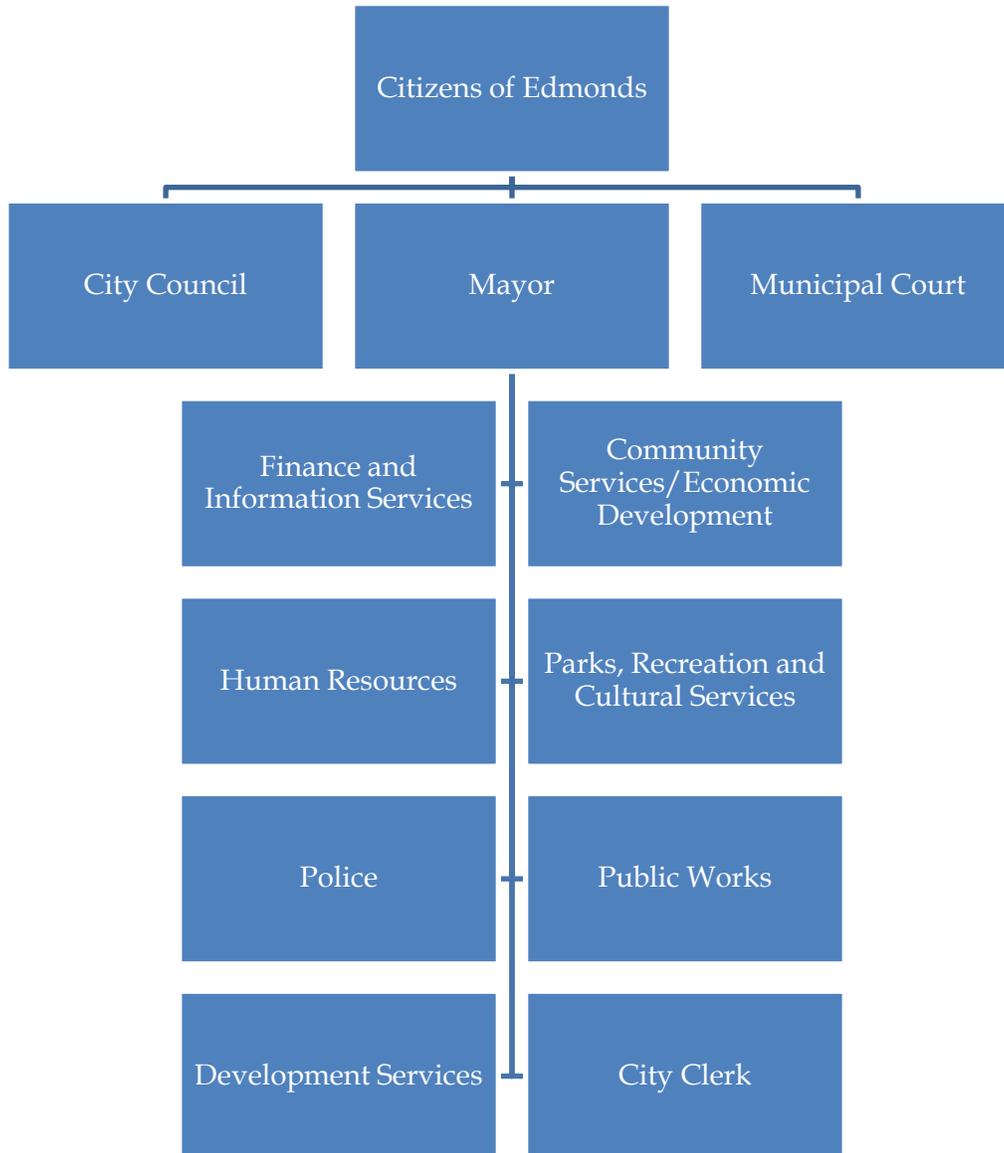
Adrienne Fraley-Monillas
Kristiana Johnson
Mike Nelson
Diane Buckshnis
Dave Teitzel
Thomas Mesaros
Neil Tibbott

CITY ADMINISTRATION

Mayor
Finance Director
Community Services/Economic Development Director
Parks, Recreation and Cultural Services Director
Public Works Director
Police Chief
Human Resources Director
Municipal Court Judge
Development Services Director
City Clerk

Dave Earling
Scott James
Patrick Doherty
Shannon Burley, Interim
Phil Williams
Al Compaan
Jessica Neill-Hoyson
Linda Coburn
Shane Hope
Scott Passey

**City of Edmonds, Washington
2019 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, 2018

Christopher P. Morrill

Executive Director/CEO



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

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

August 31, 2020

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, as of and for the year ended December 31, 2019, 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Edmonds, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof, and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Matters of Emphasis

As discussed in Note 19 to the financial statements, in February 2020, a state of emergency was declared that could have a negative financial effect on the City. Management's plans in response to this matter are also described in Note 19. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 as a whole. The combining and individual fund financial statements and schedules are presented for the purposes of additional analysis and are 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 are presented for purposes of additional analysis and are 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 August 31, 2020, 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, 2019. 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)

Management's Discussion and Analysis is designed to focus on the current year's activities, resulting changes and currently known facts. The intent of this discussion is to review the City's financial performance as a whole. Therefore, it should be read in conjunction with the Transmittal Letter and the City's financial statements.

Financial Highlights

- The City's revenue performance continued to be strong in 2019 with property, sales, and utility tax revenues increasing \$53,943 over 2018 and assessed property values in the City increasing 12.3 percent over 2018.
- The assets and deferred outflows of resources of the City of Edmonds exceeded its liabilities and deferred inflows at fiscal year-end by \$186.1 million (net position), an increase of \$2.9 million over 2018. Of this amount, a majority (\$126.9 million) is a net investment in capital assets. The unrestricted net position totals \$35.7 million and may be used to meet the city's ongoing obligations to citizens and creditors. In addition, the restricted net position totals \$23.5 million and is earmarked for debt service, capital projects and special revenue funds.
- The City's total net position improved by \$2.9 million in 2019. Governmental activities decreased by \$340,070 and business-type activities increased by \$3.2 million.
- Governmental funds reported a combined ending fund balance of \$36.1 million; a \$5.3 million improvement over the prior year. Of this amount, \$15.9 million is unassigned and available to fund ongoing activities. The committed fund balance category totals \$3.2 million and the assigned fund balance category totals \$2 million. The 2019 unassigned fund balance equals 38.6% of 2019 general fund expenditures.

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. This report contains other supplementary information in addition to the basic financial statements and required information.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the city's financial position in a manner like that of the private-sector business. These statements are reported on the full accrual basis of accounting. Under the full accrual basis, certain revenues and expenses are reported that will not affect the cash flows until future periods.

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 eight sub-funds within the General 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 funds to account for its fleet of vehicles and technology equipment. 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 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 2019 government-wide statement of net position with a comparison to 2018:

Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	56,272,471	\$ 51,724,867	31,928,197	\$32,363,153	\$ 88,200,668	\$ 84,088,020
Capital assets, net	75,296,662	76,262,839	98,151,383	97,607,283	173,448,045	173,870,122
Total assets	131,569,133	127,987,706	130,079,580	129,970,436	261,648,713	257,958,142
Deferred outflows of resources	2,186,285	2,388,882	434,888	407,468	2,621,173	2,796,350
Deferred outflows of resources	2,186,285	2,388,882	434,888	407,468	2,621,173	2,796,350
Total assets and deferred outflows of resources	133,755,418	130,376,588	130,514,468	130,377,904	264,269,886	260,754,492
Current liabilities	4,603,696	2,150,058	4,109,558	2,603,630	8,713,254	4,753,688
Noncurrent liabilities	21,361,446	20,813,340	42,663,261	47,275,658	64,024,707	68,088,998
Total liabilities	25,965,142	22,963,398	46,772,819	49,879,288	72,737,961	72,842,686
Deferred inflows of resources	4,715,190	3,998,036	668,932	645,119	5,384,122	4,643,155
Deferred inflows of resources	4,715,190	3,998,036	668,932	645,119	5,384,122	4,643,155
Total liabilities and deferred inflows of resources	30,680,332	26,961,434	47,441,751	50,524,407	78,122,083	77,485,841
NET POSITION						
Net investment in capital assets	72,350,862	73,066,773	54,539,364	52,126,227	126,890,226	125,193,000
Restricted	20,538,591	14,521,561	2,983,688	2,982,738	23,522,279	17,504,299
Unrestricted	10,185,633	15,826,820	25,549,665	24,744,532	35,735,298	40,571,352
Total net position	\$103,075,086	\$103,415,154	\$83,072,717	\$79,853,497	\$186,147,803	\$183,268,651

Analysis of Net Position

Total net position (assets and deferred outflows, minus liabilities and deferred inflows) of the primary government was \$186.1 million at December 31, 2019 an improvement of \$2.9 million or 1.57% compared to December 31, 2018. Governmental activities decreased net position by \$340,070 and business-type activities increased net position by \$3.2 million.

The largest component of the City's net position, \$126.9 million, or 68.2%, 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 \$23.5 million of the primary government's total net position are restricted for debt service payments, transportation improvements, and other purposes, an increase of \$6.0 million over 2018. The increase is mainly due to the proceeds from the issuance of \$3.7 million in general obligation bonds that are restricted for the construction of Civic Park and were not expended in 2019. The primary government's December 31, 2019 unrestricted net position totals \$35.7 million, a decrease of \$4.8 million over 2018.

The December 31, 2019 governmental activities unrestricted net position of \$10.2 million may be spent 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 \$20.5 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 \$25.5 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.

The following table is a condensed version of the City's changes in net position and compares 2019 results with 2018. This table shows program revenues, their respective expenses and the overall changes in net position for both governmental-type and business-type activities:

Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
REVENUES						
Program revenues:						
Charges for services	\$ 13,372,648	\$ 12,829,258	\$25,983,491	\$24,769,079	\$ 39,356,139	\$ 37,598,337
Operating grants and contributions	633,296	562,250	34,198	33,192	667,494	595,442
Capital grants and contributions	1,796,082	3,192,494	1,457,600	1,514,823	3,253,682	4,707,317
General revenues:						
Property taxes	14,386,149	14,280,501	-	-	14,386,149	14,280,501
Sales taxes	9,477,813	9,443,775	-	-	9,477,813	9,443,775
Interfund utility taxes	2,450,254	2,397,453	-	-	2,450,254	2,397,453
Utility taxes	4,242,835	4,381,379	-	-	4,242,835	4,381,379
Excise taxes	5,690,723	6,145,718	-	-	5,690,723	6,145,718
Interest and investment earnings	1,468,251	925,298	363,547	231,285	1,831,798	1,156,583
Miscellaneous	274,840	1,897,105	-	2,624	274,840	1,899,729
Gains on disposition of assets	23,386	56,229	-	-	23,386	56,229
Total revenues	53,816,277	56,111,460	27,838,836	26,551,003	81,655,113	82,662,463
EXPENSES						
Governmental activities:						
General government	13,458,742	11,597,750	-	-	13,458,742	11,597,750
Public safety	26,060,416	22,582,126	-	-	26,060,416	22,582,126
Utilities and environment	201,958	208,768	-	-	201,958	208,768
Transportation	7,185,216	5,369,867	-	-	7,185,216	5,369,867
Economic environment	1,640,845	1,312,929	-	-	1,640,845	1,312,929
Mental and physical health	166,750	420,136	-	-	166,750	420,136
Culture and recreation	5,405,494	5,862,529	-	-	5,405,494	5,862,529
Interest on long-term debt	48,910	50,277	-	-	48,910	50,277
Business-Type activities:						
Sewer Fund	-	-	12,068,583	10,640,285	12,068,583	10,640,285
Storm Fund	-	-	4,374,384	4,020,527	4,374,384	4,020,527
Water Fund	-	-	8,164,665	7,687,887	8,164,665	7,687,887
Total expenses	54,168,331	47,404,382	24,607,632	22,348,699	78,775,963	69,753,081
Excess (deficiency) before transfers	(352,054)	8,707,078	3,231,204	4,202,304	2,879,150	12,909,382
Transfers	11,984	4,230	(11,984)	(4,230)	-	-
Increase (decrease) in net position	(340,070)	8,711,308	3,219,220	4,198,074	2,879,150	12,909,382
Net position - beginning	103,415,154	100,297,140	79,853,497	75,655,423	183,268,651	175,952,563
Change in accounting principle	-	(5,593,294)	-	-	-	(5,593,294)
Net position - ending	\$103,075,084	\$103,415,154	\$83,072,717	\$79,853,497	\$186,147,801	\$183,268,651

Analysis of the Changes in Net Position

Net position of the primary government increased by \$2.9 million due to the strong local economy. Total government-wide revenues of the primary government decreased \$1 million or 1.2% and total expenses increased \$9 million or 12.9% over the prior year. These changes are discussed in more detail below.

Governmental Activities:

The table above shows the net position for Governmental activities decreased by \$340,070. This decrease is the result of expenditures increases outpacing revenue growth in 2019. Governmental activity expenditures increased by \$6.8 million or 14.3% and Governmental activity revenues decreased by \$1 million, or 1.2% from 2018 levels.

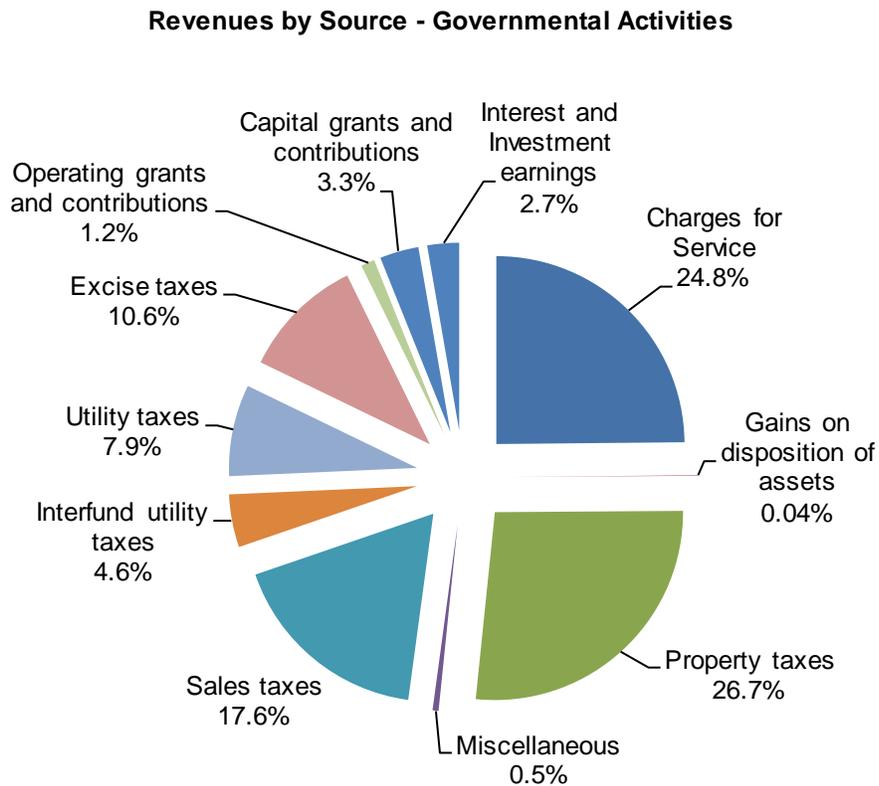
The expenditure increase is due to increased general government, public safety and transportation expenditures in the City. The majority of the increased spending was offset by general revenues. The decrease in revenues is mainly due to capital grants and contributions decreasing \$1.4 million from 2018 levels. Below are additional revenue highlights for 2019

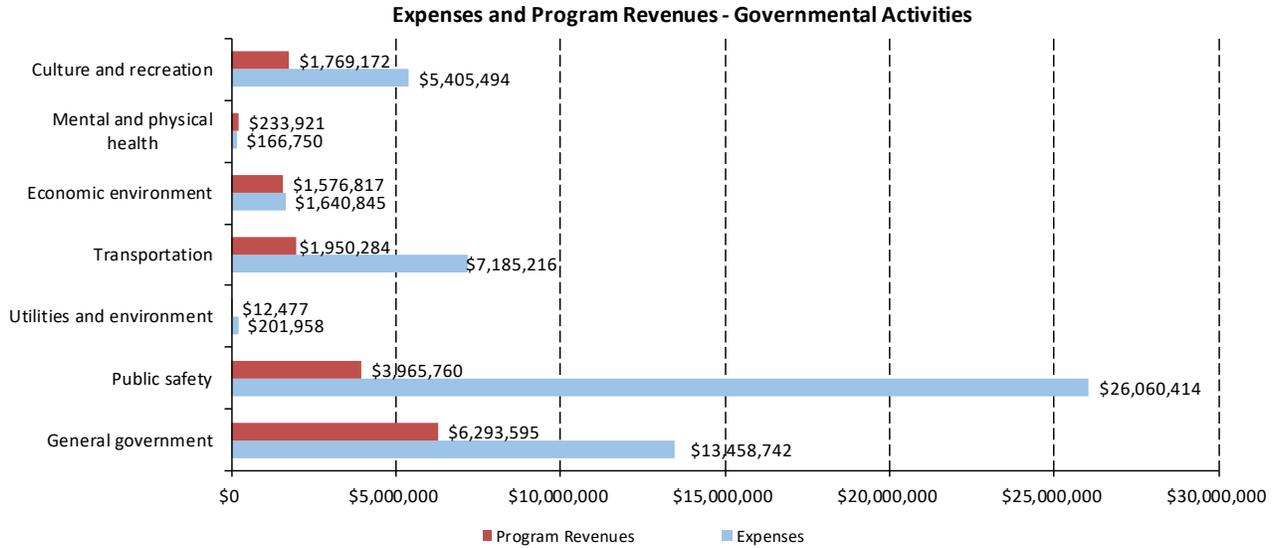
- Charges for services increased \$543,390, or 4.2%. This change is due mainly to an increase in

- development related revenues
- Property tax revenue increased \$105,648, or 0.7% over 2018,
- Sales tax collections increased by \$34,038, or 0.4%,
- Excise taxes decreased by \$454,995 or 7.4%.

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

Revenues by Source - Governmental Activities





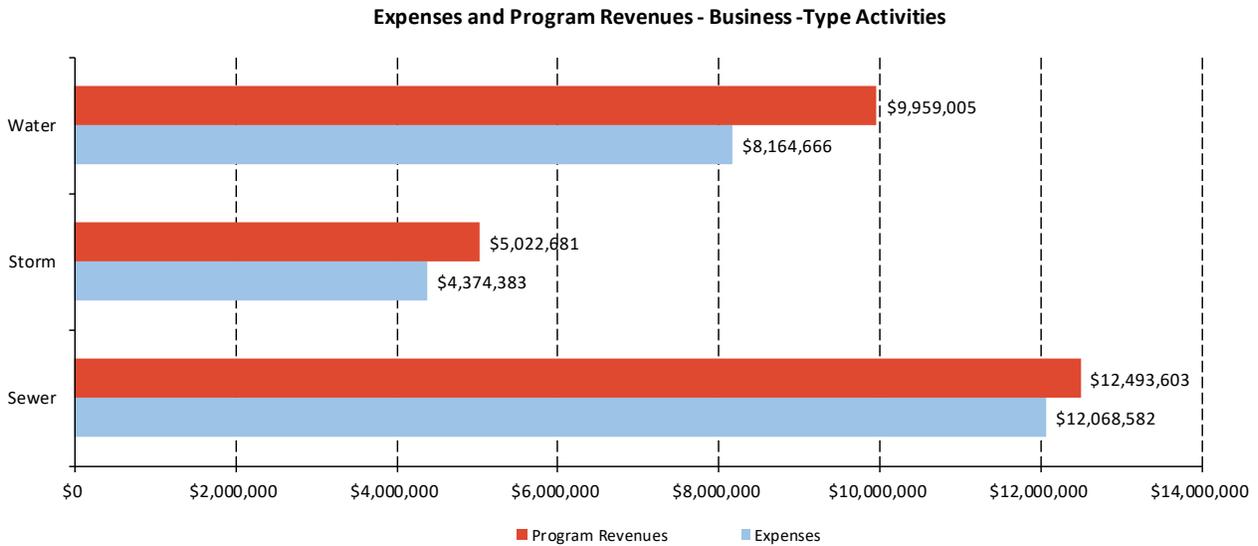
Business-type Activities:

Business-type activities net position increased by \$3.2 million. A key component of this increase include:

- Charges for services revenues increased by \$1.12 million, or 4.9%, over 2018.

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:



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

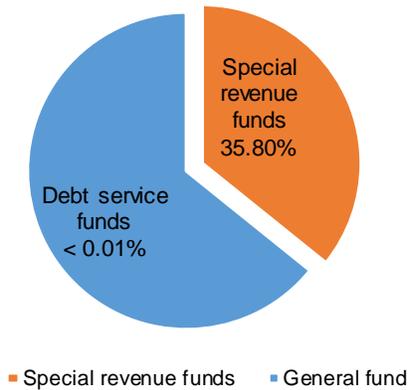
The purpose of the City's governmental funds is to report on near-term revenues/financial resources and expenditures. This information helps determine the City's financial requirements in the near future. Specifically, fund balance is a good indicator of the City's financial resources.

As of December 31, 2019, the City's governmental funds had combined fund balances of \$36.1 million an increase of \$5.3 million or 17.3% from 2018. Approximately 44.1% or \$15.9 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 Park. The 2019 unassigned fund balance equals 38.6% of 2019 General Fund expenditures, indicating that the City is in a strong financial position. 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. The 2019 fund balance experienced a very small decrease of \$17,652 or 0.1% from 2018.

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

Governmental Funds - Fund Balance



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 \$25.5 million, an \$805,133 increase over 2018. The total change in net position for the three funds was a \$3.2 million increase.

General Fund Budgetary Highlights

The City of Edmonds produces an annual budget document to fulfill the Community's vision for where City resources should be directed. The budget reflects the City Council's goals of maintaining long-term financial health and stability of the City's General Fund and reserves, and continues the delivery of high-quality services to Edmonds.

The 2019 expenditure budget was amended to include an additional \$1.3 million in appropriations. The largest portion of this increase was for building maintenance projects.

A comparison of the actual performance of the general fund on a budgetary basis to the final budget indicates

that total revenue collections exceeded budgeted revenues by \$1.1 million. This was primarily due to increases in sales tax revenues and charges for development related services.

Total actual expenditures were \$2.9 million or 6.7% under budget, excluding fund balances, in the General Fund. The under expenditures are mainly due to:

- Approximately \$603,000 million of the under expenditure coming from personnel savings.
- \$627,000 budgeted for facility projects remains unspent.
- \$1,700,000 budgeted for professional services remains unspent.

Capital Asset and Debt Administration

Capital Assets

The City of Edmonds' investment in capital assets for governmental and business-type activities as of December 31, 2019 amounts to \$126.9 million (net of accumulated depreciation), an increase of \$1.7 from 2018. This investment in capital assets includes land and construction in progress, which are not subject to depreciation. The other capital assets, buildings, improvements other than buildings, infrastructure, machinery and equipment, and intangible assets are subject to depreciation.

Governmental type capital assets (net of depreciation) totaled \$75.3 million in 2019, a decrease of \$966,000 from 2018. Business-type capital assets (net of depreciation) totaled \$98.2 million, an increase of \$544,000 from 2018. In addition to the effects depreciation, these changes are the result of capitalizing construction in progress, and acquisition of machinery and equipment. More information on the City's Capital Assets can be found in Note 9 – Capital Assets and Depreciation.

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

	Governmental Activities		Business-Type Activities		Total	
	As of 12/31/19	As of 12/31/18	As of 12/31/19	As of 12/31/18	As of 12/31/19	As of 12/31/18
	(in thousands)					
Land	\$ 17,688	\$ 17,688	\$ 1,257	\$ 1,257	\$ 18,945	\$ 18,945
Building	7,296	7,860	16,140	16,821	23,436	24,681
Improvements other than buildings	15,020	15,669	72,432	72,523	87,451	88,192
Infrastructure	27,786	28,773			27,786	28,773
Machinery and Equipment	5,131	4,015	537	858	5,667	4,873
Intangible Assets	0	0	31	33	31	33
Construction in Progress	2,376	2,257	7,755	6,116	10,131	8,374
Total	\$ 75,297	\$ 76,263	\$ 98,151	\$ 97,607	\$ 173,448	\$ 173,870

Long-term Debt

At the end of the current fiscal year, the City had total bonded debt outstanding of \$50,103,483. Of this amount, \$8,595,125 is general obligation bonds for governmental activities, \$1,738,359 is general obligation bonds for business-type activities and \$39,770,000 is revenue bonds for business-type activities for the City-operated utilities. The City currently maintains a rating of AAA with Standard & Poor's for general obligation bonds and Aa3 with Moody's for its revenue bonds.

The following schedule summarizes the City's long-term debt. For additional detailed information on long-term debt activity please see Notes 13 and 14.

	Governmental Activities		Business-Type Activities		Total	
	As of 12/31/19	As of 12/31/18	As of 12/31/19	As of 12/31/18	As of 12/31/19	As of 12/31/18
General Obligation Debt	\$ 8,595,125	\$ 5,799,444	\$ 1,738,359	\$ 1,990,009	\$ 10,333,483	\$ 7,789,453
Revenue Bonds	-	-	39,770,000	41,120,000	39,770,000	41,120,000
Capital Contracts	-	131,516	-	-	-	131,516
Loans	390,484	462,685	1,556,398	1,786,828	1,946,881	2,249,513
Total	\$ 8,985,608	\$ 6,393,645	\$ 43,064,756	\$ 44,896,837	\$ 52,050,364	\$ 51,290,482

Economic Factors and Next Year's Budgets

Principal factors influencing the City's 2020 budget include the continued improvement in sales tax and excise tax revenues stemming from the robust retail sales, real estate sales and construction activity in the City, and growth in the overall economy.

The 2020 budget was adopted in December 2019 by the City Council. Our budget reflects the City Council's goals, maintains long-term financial health and stability of our General Fund and reserves, and continues the delivery of high-quality services for our community. The FY 2020 budget projects modest growth in the operating budget including these priorities:

- A new Crime Prevention/Community Engagement Coordinator
- \$75,000 to Enhance our Arts & Culture through the Edmonds Center for the Arts
- \$12.46 million for construction of Civic Park
- A new half-time Human Services Coordinator
- \$1.5 million for facility improvements
- \$12.2 million for eco-friendly projects
- \$1.2 million for the City's street overlay program
- \$220,000 to cover increased costs to purchase water for resale
- A new half-time Public Information Officer
- \$5.8 million for City-wide public safety enhancements
- \$2.68 million for beach rehabilitation and parking lot improvement associated with the Waterfront Center

Subsequent to the adoption of the 2020 budget, on February 29, 2020, Washington State Governor Jay Inslee declared a state of emergency in response to new cases of COVID-19, directing state agencies to use all resources necessary to prepare for and respond to the outbreak. In the weeks following the declaration, precautionary measures to slow the spread of the virus were ordered. These measures include closing schools, colleges and universities, cancelling public events, and limiting gathering sizes.

On March 23, 2020 the Governor announced a statewide order requiring everyone in the state to stay at home, unless they are pursuing an essential activity. The initial order was for two weeks, and has been extended through May 31. Similar measures were taken across the country and around the world. These drastic measures in response to the pandemic, including the closing of many businesses and limiting the activities of other businesses, will have a significant impact to the local, regional, and national economies. The length of time these measures will be in place, and the full extent of the financial impact to the City of Edmonds is unknown at the time of publication of this document.

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, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Edmonds Public Facilities District
ASSETS				
Current assets:				
Cash & equity in pooled investments	\$ 16,848,827	\$ 11,606,161	\$ 28,454,988	\$ 110,931
Deposits with trustees	26,892	-	26,892	-
Investments	17,011,162	13,077,595	30,088,757	-
Taxes receivable	227,727	-	227,727	-
Customer accounts	658,843	3,720,420	4,379,263	54,237
Court receivable	435,457	-	435,457	-
Other receivable	-	-	-	89,628
Interest on investments	223,762	136,549	360,311	-
Due from other governments	3,123,939	257,836	3,381,775	79,263
Due from component unit	375,000	-	375,000	-
Inventory of materials & supplies	45,921	153,996	199,917	6,237
Prepayments	-	-	-	35,677
Total current assets	38,977,530	28,952,557	67,930,087	375,973
Noncurrent assets:				
Restricted cash and cash equivalents	6,288,515	2,975,640	9,264,155	100,378
Due from component unit - long-term	3,791,191	-	3,791,191	-
Restricted net pension asset	5,508,058	-	5,508,058	-
Investment in joint venture	1,707,177	-	1,707,177	-
Depreciable capital assets (net)	55,232,761	89,139,135	144,371,896	7,477,560
Non Depreciable capital assets	20,063,901	9,012,248	29,076,149	3,447,179
Total noncurrent assets	92,591,603	101,127,023	193,718,626	11,025,117
Total assets	131,569,133	130,079,580	261,648,713	11,401,090
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources - Debt refunding	8,645	88,554	97,199	-
Deferred outflows of resources - Pension	2,177,640	346,334	2,523,974	-
Deferred outflows of resources - PFD	-	-	-	147,769
Total deferred outflows of resources	2,186,285	434,888	2,621,173	147,769
Total assets and deferred outflows of resources	133,755,418	130,514,468	264,269,886	11,548,859
LIABILITIES				
Current liabilities:				
Accounts payable	902,652	778,370	1,681,022	236,713
Accrued wages	1,192,751	215,213	1,407,964	87,236
Internal balances	(466,926)	466,926	-	-
Due to other governmental units	-	119,368	119,368	-
Other current liabilities	137,393	108,158	245,551	-
Accrued bond interest payable	19,382	134,251	153,633	5,049
Deposits payable	-	8,048	8,048	38,075
Due within one year	2,818,444	2,279,224	5,097,668	678,509
Unearned Revenue	-	-	-	470,645
Total current liabilities	4,603,696	4,109,558	8,713,254	1,516,227
Noncurrent liabilities:				
Pension liabilities	4,510,105	916,052	5,426,157	345,737
Total other post employment liability	7,877,232	-	7,877,232	-
Due in more than one year	8,974,109	41,747,209	50,721,318	6,097,378
Total noncurrent liabilities	21,361,446	42,663,261	64,024,707	6,443,115
Total liabilities	25,965,142	46,772,819	72,737,961	7,959,342
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - Debt refunding	112,892	27,366	140,258	-
Deferred inflows of resources - Pension	4,602,298	641,566	5,243,864	-
Deferred inflows of resources - PFD	-	-	-	195,204
Total deferred inflows of resources	4,715,190	668,932	5,384,122	195,204
Total liabilities and deferred inflows of resources	30,680,332	47,441,751	78,122,083	8,154,546
NET POSITION				
Net investment in capital assets	72,350,862	54,539,364	126,890,226	4,185,209
Restricted for:				
Customer Deposits	-	8,048	8,048	-
Debt Service	-	2,975,640	2,975,640	502,366
Public Safety	39,840	-	39,840	-
Transportation	2,720,243	-	2,720,243	-
Economic Environment	104,559	-	104,559	-
Social Services	112	-	112	-
Culture and Recreation	12,155,651	-	12,155,651	-
Other	10,128	-	10,128	-
Pensions	5,508,058	-	5,508,058	-
Unrestricted	10,185,633	25,549,665	35,735,298	(1,293,262)
Total net position	\$ 103,075,086	\$ 83,072,717	\$ 186,147,803	\$ 3,394,313

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

City of Edmonds
Statement of Activities
For the Year Ended December 31, 2019

Page 1 of 2

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 13,458,742	\$ 6,289,759	\$ 3,836	\$ -
Public safety	26,060,416	3,675,064	288,102	2,594
Utilities and environment	201,958	-	5,312	7,165
Transportation	7,185,216	518,040	178,503	1,253,741
Economic environment	1,640,845	1,568,174	8,643	-
Mental and physical health	166,750	233,921	-	-
Culture and recreation	5,405,494	1,087,690	148,900	532,582
Interest on long-term debt	48,910	-	-	-
Total governmental activities	<u>54,168,331</u>	<u>13,372,648</u>	<u>633,296</u>	<u>1,796,082</u>
Business-type activities:				
Sewer Utility	12,068,583	11,434,440	-	1,059,163
Storm Utility	4,374,384	4,945,235	-	77,446
Water Utility	8,164,665	9,603,816	34,198	320,991
Total business-type activities	<u>24,607,632</u>	<u>25,983,491</u>	<u>34,198</u>	<u>1,457,600</u>
Total primary government	<u>\$ 78,775,963</u>	<u>\$ 39,356,139</u>	<u>\$ 667,494</u>	<u>\$ 3,253,682</u>
Component Unit				
Edmonds Public Facilities District	3,721,164	2,759,725	824,848	175,211
Total component unit	<u>\$ 3,721,164</u>	<u>\$ 2,759,725</u>	<u>\$ 824,848</u>	<u>\$ 175,211</u>

General revenues
Property taxes
Sales taxes
Interfund utility taxes
Utility tax
Excise Taxes
Interest and investment earnings
Miscellaneous
Gains on disposition of assets
Transfers
Total General revenues and Transfers
Change in net position
Net position - beginning
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 Activities	Business-type Activities	Total		Edmonds Public Facilities District
\$ (7,165,147)	\$ -	\$ (7,165,147)	\$ -	-
(22,094,656)	-	(22,094,656)	-	-
(189,481)	-	(189,481)	-	-
(5,234,932)	-	(5,234,932)	-	-
(64,028)	-	(64,028)	-	-
67,171	-	67,171	-	-
(3,636,322)	-	(3,636,322)	-	-
(48,910)	-	(48,910)	-	-
<u>(38,366,305)</u>	<u>-</u>	<u>(38,366,305)</u>	<u>-</u>	<u>-</u>
-	425,020	425,020	-	-
-	648,297	648,297	-	-
-	<u>1,794,340</u>	<u>1,794,340</u>	-	-
-	<u>2,867,657</u>	<u>2,867,657</u>	-	-
<u>(38,366,305)</u>	<u>2,867,657</u>	<u>(35,498,648)</u>	<u>-</u>	<u>-</u>
			<u>38,620</u>	
			<u>38,620</u>	
14,386,149	-	14,386,149	-	-
9,477,813	-	9,477,813	-	-
2,450,254	-	2,450,254	-	-
4,242,835	-	4,242,835	-	-
5,690,723	-	5,690,723	-	-
1,468,253	363,547	1,831,800	3,238	-
274,840	-	274,840	-	-
23,386	-	23,386	-	-
11,984	(11,984)	-	-	-
<u>38,026,237</u>	<u>351,563</u>	<u>38,377,800</u>	<u>3,238</u>	<u>-</u>
(340,068)	3,219,220	2,879,152	41,858	-
103,415,154	79,853,497	183,268,651	3,352,455	-
<u>\$ 103,075,086</u>	<u>\$ 83,072,717</u>	<u>\$ 186,147,803</u>	<u>\$ 3,394,313</u>	<u>-</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 charges for goods and services, licenses and permits, and other income.

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

City of Edmonds
Balance Sheet
Governmental Funds
December 31, 2019

	General Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 7,951,130	\$ 9,129,748	\$ 17,080,878
Investments	6,883,102	7,017,905	13,901,007
Deposits with trustee	26,892	-	26,892
Property taxes receivable	227,727	-	227,727
Customer accounts	658,373	-	658,373
Interest on investments	98,298	90,026	188,324
Court Receivable	435,457	-	435,457
Interfund receivable	231,480	235,446	466,926
Due from other governments	2,069,706	1,054,233	3,123,939
Due from component unit	4,166,191	-	4,166,191
Restricted cash and investments	2,803,516	-	2,803,516
Total assets	<u>\$ 25,551,872</u>	<u>\$ 17,527,358</u>	<u>\$ 43,079,230</u>
LIABILITIES			
Accounts payable	\$ 508,443	\$ 378,911	\$ 887,354
Wages and benefits payable	1,105,240	51,067	1,156,307
Other current liabilities	105,398	31,995	137,393
Unearned revenues	4,200,170	-	4,200,170
Total liabilities	<u>5,919,251</u>	<u>461,973</u>	<u>6,381,224</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - property taxes	227,727	-	227,727
Deferred inflows of resources - court receivable	354,203	-	354,203
Total deferred inflow of resources	<u>581,930</u>	<u>-</u>	<u>581,930</u>
Total liabilities and deferred inflows of resources	<u>6,501,181</u>	<u>461,973</u>	<u>6,963,154</u>
FUND BALANCES (DEFICITS)			
Restricted	-	15,030,533	15,030,533
Committed	1,138,072	2,034,852	3,172,924
Assigned	2,000,000	-	2,000,000
Unassigned	15,912,619	-	15,912,619
Total fund balances (deficits)	<u>19,050,691</u>	<u>17,065,385</u>	<u>36,116,076</u>
Total liabilities and fund balances (deficits)	<u>\$ 25,551,872</u>	<u>\$ 17,527,358</u>	<u>\$ 43,079,230</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, 2019

Total governmental fund balances as reported on this statement \$ 36,116,076

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	\$ 17,688,372	
Construction in progress	<u>2,375,529</u>	
Subtotal: Non-depreciable capital assets	20,063,901	
Investment in joint venture	1,707,177	
Buildings	24,427,468	
Improvements other than buildings	24,551,312	
Infrastructure	64,729,240	
Machinery and equipment - general government	10,443,849	
Less: Accumulated depreciation	<u>(68,919,107)</u>	
Subtotal: Depreciable capital assets	55,232,761	77,003,840

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

Net Pension Asset	5,508,058	
Deferred outflow of resources - bond refunding	8,645	
Deferred outflow of resources - pension (\$63,480 attributable to internal service funds)	2,177,640	
Deferred inflow of resources - property tax	227,727	
Deferred inflow of resources - court receivable	<u>354,203</u>	8,276,273

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 \$4,765,256 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.

6,393,190

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

General obligation bonds	(8,896,069)	
Compensated absences (\$109,918 attributable to internal service funds)	(2,136,462)	
Public works trust fund loans	(390,484)	
Nonexchange Financial Guarantee	<u>(369,539)</u>	
Subtotal: Long-term debt payable	(11,792,554)	
Accrued interest payable	(19,382)	
Total pension liabilities (\$194,856 attributable to internal service funds)	(4,510,105)	
Total other post employment benefit liability	(7,877,232)	
Deferred inflow of resources - bond refunding	(112,892)	
Deferred inflow of resources - pension (\$114,085 attributable to internal service funds)	(4,602,298)	
Unearned revenues reported in the Balance Sheet - Governmental Funds are not reported in the government-wide Statement of Net Position (Note 1)	<u>4,200,170</u>	(24,714,293)

Net position of government activities as reported on the statement of net position

\$ 103,075,086

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, 2019

	General Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES			
Taxes	\$ 30,846,665	\$ 3,905,836	\$ 34,752,501
Licenses and permits	2,299,972	118,704	2,418,676
Intergovernmental	1,008,432	2,245,856	3,254,288
Charges for services	6,419,836	830,453	7,250,289
Fines and forfeitures	496,093	3,814	499,907
Investment earnings	598,345	563,481	1,161,826
Contributions	5,312	-	5,312
Miscellaneous	587,882	1,117,162	1,705,044
Total revenues	<u>42,262,537</u>	<u>8,785,306</u>	<u>51,047,843</u>
EXPENDITURES			
Current:			
General government	11,968,135	-	11,968,135
Public safety	23,036,185	-	23,036,185
Utilities and environment	-	191,135	191,135
Transportation	5,012	4,751,124	4,756,136
Economic environment	1,568,235	105,472	1,673,707
Mental and physical health	166,750	-	166,750
Culture and recreation	4,158,397	501,465	4,659,862
Debt service:			
Principal	183,704	709,333	893,037
Interest	14,263	193,143	207,406
Capital outlay:			
General government	100,639	-	100,639
Transportation	-	651,061	651,061
Culture and recreation	10,296	1,217,731	1,228,027
Total expenditures	<u>41,211,616</u>	<u>8,320,464</u>	<u>49,532,080</u>
Excess (deficiency) of revenues over expenditures	<u>1,050,921</u>	<u>464,842</u>	<u>1,515,763</u>
OTHER FINANCING SOURCES (USES)			
Bonds issued	-	3,785,944	3,785,944
Transfers in	57,205	1,274,787	1,331,992
Transfers out	<u>(1,125,778)</u>	<u>(194,230)</u>	<u>(1,320,008)</u>
Total other financing sources (uses)	<u>(1,068,573)</u>	<u>4,866,501</u>	<u>3,797,928</u>
Net change in fund balances	(17,652)	5,331,343	5,313,691
Fund balances - beginning	19,068,343	11,734,042	30,802,385
Fund balances - ending	<u>\$ 19,050,691</u>	<u>\$ 17,065,385</u>	<u>\$ 36,116,076</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, 2019

Net change in fund balances per the Statement of Revenues, Expenditures and Changes in Fund Balance \$ 5,313,691

Amount reported as change in net position in the Statement of Activities are different because:

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

Capital outlays	\$ 2,158,127	
Current year depreciation	(3,270,950)	
Adjustment in investment in joint venture	<u>(341,627)</u>	
		(1,454,450)

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	(68,184)	
PFD Debt Service	(438,353)	
PFD Nonexchange Financial Guarantee	15,587	
Other unearned revenue	(32,346)	
LEOFF 2 Pensions	231,857	
Court receivable	<u>9,725</u>	
		(281,714)

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	
Bond Issuance	(3,785,944)	
Long-term debt repayments	<u>893,037</u>	
		(2,884,734)

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.

627,120

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

Accrued Interest Expense	(8,793)	
Loss on Sale of Assets	(1,141,439)	
Payments for the PFD Contingent Loan	67,593	
Total pension obligation	(515,726)	
Accrued compensating absence expense	<u>(61,616)</u>	
		(1,659,981)

Change in net position on the Statement of Activities

\$ (340,068)

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$30,508,063	\$30,508,063	\$ 30,846,665	\$ 338,602
Licenses and permits	2,333,830	2,333,830	2,299,972	(33,858)
Intergovernmental	918,722	947,354	1,008,432	61,078
Charges for services	5,718,319	5,825,300	6,419,836	594,536
Fines and forfeitures	635,135	635,135	496,093	(139,042)
Investment earnings	471,790	471,790	598,345	126,555
Miscellaneous	381,000	391,703	593,194	201,491
Total revenues	<u>40,966,859</u>	<u>41,113,175</u>	<u>42,262,537</u>	<u>1,149,362</u>
EXPENDITURES				
Current:				
General government	12,484,712	13,076,708	11,968,135	1,108,573
Public safety	23,987,460	24,489,452	23,036,185	1,453,267
Transportation	3,600	3,600	5,012	(1,412)
Economic environment	1,716,197	1,740,841	1,568,235	172,606
Mental and physical health	155,985	157,847	166,750	(8,903)
Culture and recreation	4,347,509	4,446,574	4,158,397	288,177
Total current	<u>42,695,463</u>	<u>43,915,022</u>	<u>40,902,714</u>	<u>3,012,308</u>
Debt service:				
Principal	183,710	183,710	183,704	6
Interest	14,550	14,550	14,263	287
Total debt service	<u>198,260</u>	<u>198,260</u>	<u>197,967</u>	<u>293</u>
Capital outlay:				
General government	-	27,042	100,639	(73,597)
Culture and recreation	-	10,494	10,296	198
Total capital outlay	<u>-</u>	<u>37,536</u>	<u>110,935</u>	<u>(73,399)</u>
Total expenditures	<u>42,893,723</u>	<u>44,150,818</u>	<u>41,211,616</u>	<u>2,939,202</u>
Excess (deficiency) of revenues over expenditures	<u>(1,926,864)</u>	<u>(3,037,643)</u>	<u>1,050,921</u>	<u>4,088,564</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,018,700	5,821,937	57,205	(5,764,732)
Transfers out	(2,120,790)	(6,920,458)	(1,125,778)	5,794,680
Total other financing source (uses)	<u>(1,102,090)</u>	<u>(1,098,521)</u>	<u>(1,068,573)</u>	<u>29,948</u>
Net change in fund balances	(3,028,954)	(4,136,164)	(17,652)	4,118,512
Fund balances - beginning	16,417,008	19,068,342	19,068,343	1
Fund balances - ending	<u>\$13,388,054</u>	<u>\$14,932,178</u>	<u>\$ 19,050,691</u>	<u>\$ 4,118,513</u>

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

MAJOR PROPRIETARY FUNDS

ENTERPRISE FUNDS

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

The Combined Utility Fund

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

City of Edmonds
Statement of Net Position
Proprietary Funds
December 31, 2019

	Governmental Activities	
	421/422/423 Combined Utility Funds	Internal Service Funds
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 11,606,161	\$ 3,252,948
Investments	13,077,595	3,110,153
Customer accounts	3,720,420	470
Interest on investments	136,549	35,436
Due from other governments	257,836	-
Inventory	153,996	45,921
Total current assets	<u>28,952,557</u>	<u>6,444,928</u>
Noncurrent assets:		
Restricted cash and investment	2,975,640	-
Land	1,257,107	-
Property, plant and equipment (net)	89,108,355	4,715,823
Construction in progress	7,755,141	49,433
Intangible assets (net)	30,780	-
Total noncurrent assets	<u>101,127,023</u>	<u>4,765,256</u>
Total assets	<u>130,079,580</u>	<u>11,210,184</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources - 2007 Refunding	24,360	-
Deferred outflows of resources - 2011 refunding	64,075	-
Deferred outflows of resources - 2012 refunding	119	-
Deferred outflows of resources - pension	346,334	63,480
Total deferred outflows of resources	<u>434,888</u>	<u>63,480</u>
Total assets and deferred outflows of resources	<u>130,514,468</u>	<u>11,273,664</u>
LIABILITIES		
Current liabilities:		
Accounts payable	778,370	15,298
Wages and benefits payable	215,213	36,444
Interfund payables	466,926	-
Due to other governmental units	119,368	-
Other current liabilities	116,206	-
Interest payable	134,251	-
Loans payable - current	238,273	-
Revenue bonds payable-current	1,426,959	-
G.O. bonds payable - current	259,475	-
Total current liabilities	<u>3,755,041</u>	<u>51,742</u>
Noncurrent liabilities:		
Compensated absences	414,416	109,918
Pension liabilities	916,052	194,856
Loans payable - long-term	1,318,125	-
Revenue bonds payable - long-term	38,888,741	-
G.O. bonds payable - long-term	1,480,444	-
Total noncurrent liabilities	<u>43,017,778</u>	<u>304,774</u>
Total liabilities	<u>46,772,819</u>	<u>356,516</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources - 2011 refunding	27,366	-
Deferred inflow of resources - pension	641,566	114,085
Total deferred inflows of resources	<u>668,932</u>	<u>114,085</u>
Total liabilities and deferred inflows of resources	<u>47,441,751</u>	<u>470,601</u>
NET POSITION		
Net investment in capital assets	54,539,364	4,715,823
Restricted for:		
Customer Deposits	8,048	-
Debt Service	2,975,640	-
Unrestricted	25,549,665	6,087,240
Total net position	<u>\$ 83,072,717</u>	<u>\$ 10,803,063</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, 2019

	Business-type Activities <u>421/422/423</u> Combined Utility Funds	Governmental Activities <u>Internal Service Funds</u>
OPERATING REVENUES		
Charges for services	\$ 25,797,861	\$ 2,716,395
Other operating revenue	185,630	148
Total operating revenues	<u>25,983,491</u>	<u>2,716,543</u>
OPERATING EXPENSES		
Personnel services	4,333,295	977,708
Operations and maintenance	11,168,589	778,878
Professional services	629,315	50,009
Insurance	368,754	30,167
Depreciation	4,175,367	525,067
Total operating expenses	<u>20,675,320</u>	<u>2,361,829</u>
Operating income (loss)	<u>5,308,171</u>	<u>354,714</u>
NONOPERATING REVENUES (EXPENSES)		
Intergovernmental	34,198	-
Investment earnings	363,547	310,179
Judgments and settlements	-	620
Gain (loss) on sale of capital assets	(2,225,850)	(36,080)
Interest expense	(1,651,993)	-
Total nonoperating revenues (expenses)	<u>(3,480,098)</u>	<u>274,719</u>
Income (loss) before contributions and transfers	1,828,073	629,433
Operations and maintenance	-	(2,313)
Professional Services	(54,469)	-
Capital grants and contributions	1,457,600	-
Transfers Out	(11,984)	-
Change in net position	3,219,220	627,120
Total net position - beginning	<u>79,853,497</u>	<u>10,175,943</u>
Total net position - ending	<u>\$ 83,072,717</u>	<u>\$ 10,803,063</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, 2019

	Business-type Activities 421/422/423 Combined Utility Funds	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	\$ 26,947,538	\$ 2,716,074
Payments to employees	(4,808,573)	(778,650)
Payments to suppliers	(12,973,954)	(1,051,132)
Net cash provided (used) by operating activities	<u>9,165,011</u>	<u>886,292</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Grant income	34,198	-
Net cash provided (used) by noncapital financing activities	<u>34,198</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Gain from the sale of capital assets	13,247	22,806
Judgments and settlements	-	620
Acquisition and construction of capital assests	(6,958,562)	(1,872,039)
Professional Services	(54,469)	-
Capital grants and contributions	1,457,600	-
Operations and maintenance	-	(2,313)
Principal payments on debt	(1,869,040)	-
Interest payments on debt	(1,640,118)	-
Transfers to other funds	(11,984)	-
Net cash provided (used) by capital and related financing activities	<u>(9,063,327)</u>	<u>(1,850,927)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment income	367,609	315,958
Purchase of investments	6,947,478	2,212,773
Net cash provided (used) by investing activities	<u>7,315,087</u>	<u>2,528,731</u>
Net increase (decrease) in cash and cash equivalents	7,450,969	1,564,096
Balances - beginning of year	7,130,832	1,688,852
Balances - end of the year	<u>\$ 14,581,801</u>	<u>\$ 3,252,948</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, 2019

	Business-type Activities 421/422/423 Combined Utility Funds	Governmental Activities Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating Income	\$ 5,308,171	\$ 354,714
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	4,175,367	525,067
Changes in assets and liabilities:		
Customer Receivables	964,047	(470)
Accounts Payable - Supplier	(807,296)	(192,078)
Payroll Liabilities	(475,278)	199,058
Net cash provided (used) by operating activities	\$ 9,165,011	\$ 886,291

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.

PENSION FUND

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 FUND

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, 2019

	Firemen's Pension Fund	Agency funds
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$153,227	\$20,107
Due from other governments	-	13,146
Total assets	<u>153,227</u>	<u>\$33,253</u>
 LIABILITIES		
Accounts payable	\$ -	\$ 66
Accrued expenses	6,495	-
Agency deposits	-	33,187
Total liabilities	<u>6,495</u>	<u>\$ 33,253</u>
 NET POSITION		
Net position restricted for pensions	<u>146,732</u>	
Total net position	<u>\$ 146,732</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, 2019

	<u>Firemen's Pension Fund</u>
ADDITIONS	
Contributions:	
Employer contributions	\$ 15,000
State shared revenue-distribution of fire insurance premiums	48,232
Investment earnings	6,604
Total contributions	<u>69,836</u>
Total additions	<u>69,836</u>
 DEDUCTIONS	
Benefits paid to retirees	139,533
Administrative expenses	1,269
Total deductions	<u>140,802</u>
Change in net position	(70,966)
Net Position -- beginning of the year	<u>217,698</u>
Net Position -- end of the year	<u>\$ 146,732</u>

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



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NOTES TO THE FINANCIAL STATEMENTS

December 31, 2019

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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 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 legislative and policymaking powers are vested in the City Council, while administrative authority is the responsibility of the Mayor. 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 unit. 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

On April 24, 2001 the Edmonds City Council formed the Edmonds Public Facilities District (PFD) via Ordinance 3358, under the authority provided by RCW 35.57. The purpose of the PFD is to construct and operate a regional arts 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 in the amount of \$7,015,000 for the acquisition, renovation and remodeling of a Performing Arts Center. The City transferred the proceeds of this issuance to the PFD. The City refinanced these bonds in 2012. These bonds 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 debt service over the life of the bonds. Payment is not limited to sales tax revenue.

For more information on the Edmonds Public Facility District see Note 18, Nonexchange Financial Guarantees.

Separate financial statements can be obtained from the Edmonds Center for the Arts, c/o Joe McIalwain, 410 Fourth Avenue N., Edmonds, WA 98020.

Joint Ventures

The City of Edmonds participates in two separate joint ventures:

Snohomish County 911

The City of Edmonds and other Police and Fire entities jointly operate Snohomish County 911. Snohomish County 911, a cash basis, special purpose district, was created under the Interlocal Cooperation Act, as codified in RCW 39.34. This established the statutory

authority necessary for Snohomish County, cities, towns, fire districts, police districts and other service districts to enter into a contract and agreement to jointly establish, maintain and operate a support communications center. Control of Snohomish County 911 is with a 16 member Board of Directors which is specified in the Interlocal Agreement. Snohomish County 911 takes 911 calls and performs emergency dispatch services for local governmental agencies including police, fire, and medical aid.

In the event of the dissolution of Snohomish County 911, any money in the possession of Snohomish County 911 or the Board of Directors after payment of all costs, expenses and charges validly incurred shall be returned to the parties to this agreement in proportion to their contribution during the fiscal year of dissolution. Before deducting the payment of all costs, expenses, and charges validly incurred, the City of Edmonds share was \$1,707,177 on December 31, 2019.

Snohomish County 911’s operating budget was \$23,457,603, operating revenues received were \$24,057,771, and total operating expenditures were \$23,152,188. Complete financial statements for Snohomish County 911 can be obtained from Snohomish County 911’s administrative office at 1121 SE Everett Mall Way, Suite 200, Everett, WA 98208.

The Alliance for Housing Affordability (AHA)

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

The purpose of AHA is to cooperatively formulate affordable housing goals and policies and to foster efforts to provide affordable housing by providing expertise and information to member jurisdictions. Operating funding is provided by 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 (HASCO). Fiscal agent duties were transferred to HASCO during fiscal year 2018. The values included in the table below were audited and updated by the new fiscal agent and may be different than what was reported in previous years.

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

Fiscal Year Ending 6/30	AHA’s Total Fiscal Year Budget	Edmonds Share of Budget	Edmonds Share as % of Total AHA Budget
2014	\$ 89,849	\$ 2,385	2.7%
2015	\$ 93,063	\$ 2,457	2.6%
2016	\$ 43,652	\$ 2,381	5.5%
2017	\$ 97,934	\$ 3,518	3.6%
2018	\$ 102,586	\$ 3,841	3.7%
2019	\$ 107,391	\$ 4,120	3.8%
2020	\$ 112,408	\$ 4,344	3.9%

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

Budget monitoring information can be obtained from Pam Frost, Director of Finance, HASCO, 12711 4th Ave W, Everett WA 982014 (or email: pfrost@hasco.org) or from Chris Collier, Program Manager, Alliance for Housing Affordability, 12711 4th Ave W, Everett Wa 98204.

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 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. Internally dedicated resources are reported as general revenues rather than program revenues. Taxes and other items not properly included among program revenues are reported as general revenues.

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 governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports one major governmental fund, the General Fund. 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 City also reports one major enterprise fund. The Combined Utility Fund accounts for all maintenance, construction, and debt service requirements associated with the City's water, sewer, and stormwater systems.

The City has two Internal Service Funds. The *Equipment Rental Fund* accounts for the cost of maintaining the City's vehicle fleet. The *Technology Rental Fund* accounts for the cost of Information Technology equipment repair and replacement.

The City has two Fiduciary Funds. The *Firemen's Pension Fund* is used to account for payment of administrative costs and benefits for retired firefighters who were employed prior to March 1, 1970. The *North Sound Metro Special Weapons and Tactics Team*

(SWAT) is an Agency Fund that accounts for the administration and bookkeeping for a regional SWAT team. The City signed an interlocal agreement with surrounding cities in 2013 to form a SWAT team, and the City of Edmonds Police Department was designated as the host Police Department and is responsible for the holding of funds.

C. Measurement Focus, Basis of Accounting

Government-Wide and Governmental Funds

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, similar to the proprietary and fiduciary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year in which they are levied. Grants and similar items are recognized as revenue as soon as eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes, sales taxes, and other significant revenues associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. For this purpose, the City considers most revenues to be available if they are collected within 30 days of the end of the current fiscal period. The City considers property taxes, sales taxes, natural gas taxes and Hotel/Motel excise taxes as available if they are collected within 60 days after year end. 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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

All other revenue items are considered to be measurable and available only when cash is received by the City.

Proprietary Funds

The proprietary fund statements are reported using the economic resources measurement focus and full-accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of the cash flows.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's Combined Utility Funds 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 revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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.

D. Budgetary Information

Scope of Budget

Annual appropriated budgets are adopted for general fund and special revenue funds on the modified accrual basis of accounting. Budgets for debt service and capital projects funds are adopted at the level of the individual debt issue or project and for fiscal periods that correspond to the lives of debt issues or projects. Budgets for the General Fund and Special Revenue Funds are adopted at the Fund level. Purely as a management tool, budgets are broken out by department, activity and expense types.

Appropriations for the General and Special Revenue funds lapse at year-end, except for appropriations for capital outlays, which are carried forward from year to year until fully expended or the purpose of the appropriation has been accomplished or abandoned.

Amending the Budget

The Mayor is authorized to transfer budgeted amounts between departments or between object classes within any department; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the City Council.

When the Council determines that it is in the best interest of the City to increase or decrease the appropriation for a particular fund or department, it may do so by ordinance approved by one more than the majority after holding a public hearing.

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 applicable for the fiscal year.

E. Assets, Liabilities, Fund Balance, Net Position

Cash and Cash Equivalents

It is the City's policy to invest all temporary 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. This amount is classified on the balance sheet as cash and cash equivalents in various funds. The interest on these investments is prorated to the various funds. For purposes of the statement of cash flows, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Investments

See Note 3, *Deposits and Investments*.

Receivables

Taxes receivable consist of property taxes and related interest and penalties (See Note 4, *Property Taxes*). Accrued interest receivable consists of amounts earned on investments, notes, and contracts at the end of the year.

Special assessments include receivables related to a Local Improvement District that is no longer in operation. Special assessments receivable consist of delinquent assessments and related interest and penalties. The City has no obligations related to this amount.

Customer accounts receivable consist of amounts owed by private individuals and organizations for goods and services including amounts owed for which billings have not been prepared. Notes and contracts receivable consist of amounts owed on open account from private individuals or organizations for goods and services rendered. Receivables are shown net of allowances for uncollectible accounts.

Amounts Due to and from Other Funds and Governments, Interfund Loans and Advances Receivable

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are 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/from other funds*. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as *internal balances*. A separate schedule of interfund loans receivable and payable is furnished in Note 7, *Interfund Activity*.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Inventories

Inventories are assets that are held for internal consumption or resale. The combined utility fund inventories are expensed as consumed, using the first-in, first-out valuation method, which approximates market. Internal service fund inventories are expensed when purchased. A physical inventory is taken at year-end. No inventory is maintained in Governmental Funds; however, the Internal Service fund inventories are included in the "Governmental Activities" on the Statement of Net Position.

Restricted Assets

These accounts contain resources for construction and debt service in enterprise funds. Specific debt service reserve requirements are described in Note 13, *Long-Term Debt* and certain cash and investments have been classified as restricted assets on the Statement

of Net Position in accordance with utility bond resolutions, state law, or for other purposes. 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.

Capital Assets

Capital assets, which include property, plant, and equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items) are reported in the applicable governmental or business-type columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost that meets or exceeds \$5,000, and an estimated useful life in excess of one year. Infrastructure assets are capitalized when their cost meets or exceeds \$50,000, and repairs or replacements to components of the Wastewater Treatment Plant are capitalized when their cost meets or exceeds \$100,000.

Costs for additions or improvements to capital assets are capitalized when they increase an asset's value, capacity, or materially extends its useful life. The costs for normal maintenance and repairs are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Land, permanent artwork, 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. 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	20–40
Furniture and fixtures	5–10
Cars	5–10
Vans, Trucks, Trailers	5–20
Data Processing Equipment	3–10
Infrastructure	20–100
Sidewalks	30
Machinery and Equipment	5–20
Intangible Assets	20–30

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 2018 reporting year, pension contributions made during the State's 2017 fiscal year create an asset or Deferred Outflow. Similarly, for the City's 2018 reporting year,

pension contributions made during the State's 2018 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 and other post-employment obligations, as explained above.

Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation and sick leave, and holiday earned by police employees, according to the terms of union contracts or per RCW. Also included is compensatory time earned in lieu of overtime. All such compensated absences are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements, and are payable upon termination, retirement or death.

Compensated absences including payroll taxes are reported as a current liability on 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.

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.

Other Accrued Liabilities

Employees earn vacation pay based on their years of service, and may carry over accruals of up to two years' accumulated leave from one year to the next. Unused vacation leave at time of termination, retirement or death is considered vested and payable to the employee. Unused sick leave is paid out upon termination, retirement or death based on a percentage of the employee's accumulated sick leave, in accordance with the terms of their union contract, or in accordance with Edmonds City Code Chapter 2.35.

Unearned Revenues

This account includes amounts recognized as receivables but not revenues in governmental funds because the revenue recognition criteria have not been met.

Fund Balance Classification

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 are classified in accordance with GASB Statement No. 54, and are 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 include amounts that have constraints placed upon their use by constitution, external resource providers, or through enabling legislation.

Committed fund balances include amounts that are limited by resolution of the City Council. A resolution must be taken to impose limitations on the use of these resources, and another resolution is required to modify or eliminate those limitations.

Assigned fund balances include amounts that are intended by the Mayor or department Directors for an intended use, but are neither restricted nor committed. This type of limitation can be imposed by the highest levels 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.

When both restricted and unrestricted fund balances are available for use, the City considers restricted fund balance to have been spent first. When committed, assigned, or unassigned fund balance amounts are available for use, the City considers committed fund balance to be spent first, assigned fund balance second, and unassigned fund balance last.

F. Revenues, Expenditures and Expenses

The *modified accrual basis* of accounting is followed in all governmental funds of the City. 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.

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.

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 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.

G. 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.

NOTE 2 – ACCOUNTING AND REPORTING CHANGES

Reporting Changes – Effective for fiscal year 2019 reporting, the City adopted the following new standard issued by the Governmental Accounting Standards Board (GASB):

GASB Statement No. 83, *Certain Asset Retirement Obligations*. This objective of this Statement is to provide financial statement users with additional information about asset retirement obligations (AROs) that were not addressed in previous Statements, and to establish uniform accounting and financial reporting for these obligations. An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset that has been permanently removed from service. Examples of AROs might include the future costs related to decommissioning a nuclear reactor, or for dismantling and removing a sewage treatment plant. The City does not have any AROs at December 31, 2019.

NOTE 3 – DEPOSITS AND 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. 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, 2019
Deposits with US Bank	\$ 4,410,544
Petty Cash/Change Funds	4,500
Local Government Investment Pool	20,672,666
Snohomish County Investment Pool	10,001,252
Certificates of Deposit	5,803,516
Federal Agency Securities	27,088,757
	<u>\$ 67,981,234</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

	Fair Value	Twelve Months or Less	Twelve Months to Two Years	Two Years to Three Years	Three Years to Five Years	Credit Rating
Federal Agency Securities	\$ 27,088,757	\$ 17,082,225	\$ 4,994,489	\$ 5,012,043	-	Aaa/AA+
Certificates of Deposit	5,803,516	-	3,000,000	-	2,803,516	Not Rated
Local Government Investment Pool	20,672,666	20,672,666	-	-	-	Not Rated
Snohomish County Investment Pool	10,001,252	10,001,252	-	-	-	Not Rated
	<u>\$ 63,566,191</u>	<u>\$ 47,756,143</u>	<u>\$ 7,994,489</u>	<u>\$ 5,012,043</u>	<u>\$ 2,803,516</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. 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.

Custodial Credit Risk - Deposits. Custodial Credit Risk for Deposits is the risk that in the event of a bank failure, the City's may not be able to recover deposits or collateral securities that are in the possession of an outside party. All City deposits are insured by Federal Depository Insurance (FDIC) up to \$250,000. All deposits not covered by FDIC insurance are covered by the Washington Public Deposit Protection Commission (WPDPC). The WPDPC 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. The WPDPC may make pro-rata assessments to members of the WPDPC pool in the event the pool's collateral should be insufficient to cover a 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.

The City measures and reports investments at fair value using the valuation input hierarchy established by Generally Accepted Accounting Principles. 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. 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, 2019:

Fair Value Measurement Using				
Investment Type	Quoted Prices Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Federal Agency Securities	\$ -	\$ 27,088,757	\$ -	\$ 27,088,757
Snohomish Co. Investment Pool	-	10,001,252	-	10,001,252
WA State LGIP	-	20,672,666	-	20,672,666
Certificate of Deposit	-	5,803,516	-	5,803,516
Total	\$ -	\$ 63,566,191	\$ -	\$ 63,566,191

The following table identifies the types of investments, concentration of investments in any one issuer, and maturities of the City's investment portfolio at December 31, 2019:

Investment Type	Fair Value	Maturities		% of Total Portfolio
		Less Than 1 Year	1 to 5 Years	
Federal Agency Securities	\$ 27,088,757	\$ 17,082,225	\$ 10,006,532	42.62%
Snohomish County Pool	10,001,252	10,001,252	-	15.73%
Certificates of Deposit	5,803,516	-	5,803,516	9.13%
Subtotal	42,893,525	27,083,477	15,810,048	67.48%
WA State LGIP *	20,672,666	20,672,666	-	32.52%
Total	\$ 63,566,191	\$ 47,756,143	\$ 15,810,048	100.00%
Percentage of Total Portfolio		75.13%	24.87%	100.00%

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, 2019 are as follows:

Component Unit	December 31, 2019
Cash and Cash Equivalents	\$ 105,438
Restricted Cash and Cash Equivalents	105,871
	\$ 211,309

The following tables present information regarding the components of Cash and Cash Equivalents as of December 31, 2019:

Financial Statements

	Governmental Activities	Business-type Activities	Total Primary Govt.	Fiduciary Funds	Total
Cash and Cash Equivalents	\$ 16,848,827	\$ 11,606,161	\$ 28,454,988	\$ 173,335	\$ 28,628,323
Restricted Cash and Cash Equivalents	6,288,515	2,975,640	9,264,155	-	9,264,155
Investments	17,011,162	13,077,595	30,088,757	-	30,088,757
	<u>\$ 40,148,504</u>	<u>\$ 27,659,396</u>	<u>\$ 67,807,900</u>	<u>\$ 173,335</u>	<u>\$ 67,981,234</u>

Restricted Cash and Cash Equivalents

	Governmental Activities	Business-type Activities	Total
Deposit to Bond Reserve Account	\$ -	\$ 2,975,640	\$ 2,975,640
First Financial CD - PFD Collateral	2,803,516	-	2,803,516
Unspent Construction Debt Proceeds	3,484,999	-	3,484,999
	<u>\$ 6,288,515</u>	<u>\$ 2,975,640</u>	<u>\$ 9,264,155</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. 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, 2018 assessment date in calculating taxes and levies due in 2019. These values were based on sales that occurred in 2017. Sales that occurred in 2018 will be used to calculate the taxes and levies due for 2020.

Property tax levy increases are limited by state law 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 deferred inflow 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 principle, and delinquent taxes are evaluated annually.

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 installment 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 2019 was \$1.0219 per \$1,000 on an assessed valuation of \$10,223,133,972 for a total regular levy of \$10,446,823. 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	\$ 1.02188071	\$ 10,446,823
Emergency medical service (EMS)	0.39517972	4,039,975
Total City Levy	\$ 1.41706043	\$ 14,486,798

NOTE 5 – RECEIVABLES AND PAYABLES

Receivables at December 31, 2019 are as follows:

	Customer Accounts	Taxes	Special Assessments	Due From Other Governments	Due from Component Units	Total
Governmental Activities						
General Fund	\$ 658,373	\$ 227,727	\$ -	\$ 2,069,706	\$ 4,166,191	\$ 7,121,997
Other Governmental Funds	-	-	-	1,054,233	-	1,054,233
Internal Service	470	-	-	-	-	470
Total Governmental Activities	\$ 658,843	\$ 227,727	\$ -	\$ 3,123,939	\$ 4,166,191	\$ 8,176,700
Business-type Activities						
Combined Utility Fund	\$ 3,720,420	\$ -	\$ -	\$ 257,836	\$ -	\$ 3,978,256
Total Business-type Activities	\$ 3,720,420	\$ -	\$ -	\$ 257,836	\$ -	\$ 3,978,256

Payables at December 31, 2019 are as follows:

	Salaries and Benefits	Accounts Payable	Due to Other Governments	Other Current Liabilities	Total
Governmental Activities					
General Fund	\$ 1,105,240	\$ 508,443	\$ -	\$ 105,398	\$ 1,719,082
Other Governmental Funds	51,067	378,911	-	31,995	461,974
Internal Service	36,444	15,298	-	-	51,742
Total Governmental Activities	\$ 1,192,751	\$ 902,653	\$ -	\$ 137,393	\$ 2,232,797
Business-type Activities					
Combined Utility Fund	\$ 215,213	\$ 778,370	\$ 119,368	\$ 116,206	\$ 1,229,156
Total Business-type Activities	\$ 215,213	\$ 778,370	\$ 119,368	\$ 116,206	\$ 1,229,156

NOTE 6 – DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

Deferred Outflows of Resources at December 31, 2019, 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.	\$ 8,645	\$ 88,554
GASB 68 Pension Deferred Outflow	2,177,640	346,334
Total	\$ 2,186,285	\$ 434,888

Deferred Inflows of Resources at December 31, 2019 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.	\$ 112,892	\$ 27,366
GASB 68 Pension Deferred Inflow	4,602,298	641,566
Total	\$ 4,715,190	\$ 668,932

Deferred Inflows of Resources - Governmental Funds Balance Sheet	General Fund	Enterprise Funds
The portion of property taxes not received within 60 days of 2019.	\$ 227,727	\$ -
The portion of court receivables not received within 60 days of 2019	354,203	
Total	\$ 581,930	\$ -

NOTE 7 – INTERFUND ACTIVITY

There was one interfund balance as of December 31, 2019, a utility tax payable to the General Fund in the amount of \$466,926.

Interfund transfers are the flow of assets without a reciprocal return of assets, goods or services. The City uses transfers to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them. Routine transfers include contributions to the pension funds, transfers for debt service requirements, transfers from the unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds, transfers for the 1% percent for the arts program and transfers when the City closes out the activity in a fund. Significant transfers in 2019 include \$550,000 in transfers into the Marsh Restoration Fund. \$350,000 was transferred from the General Fund, and \$200,000 was transferred from the Opioid Response Fund. The Risk Management Reserve Fund and Contingency Reserve Fund were closed in 2019. \$931,523 and \$3,835,827 was transferred, respectively, into the General Fund. Interfund activity for the year is as follows:

	Transfers In	Transfers Out			Total
		General	Other Governmental	Enterprise	
General Fund	\$ 57,205	\$ -	\$ 1,125,778	\$ -	\$ 1,125,778
Other Governmental	1,274,787	57,205	137,025	-	194,230
Enterprise	-	-	11,984	-	11,984
Total	\$ 1,331,992	\$ 57,205	\$ 1,274,787	\$ -	\$ 1,331,992

NOTE 8 – RESTRICTED, COMMITTED AND ASSIGNED COMPONENTS

The government-wide statement of net position reports \$20,538,591 for Governmental Activities and \$2,983,688 for Business-Type Activities as restricted components of net position. The fund statements report \$3,172,924 as committed and \$2,000,000 as assigned components of fund balance.

Governmental Activities Restricted for:	
Per RCW, proceeds from seizures are limited to law enforcement activities exclusively	\$ 39,840
Restricted per RCW related to state fuel taxes, transportation benefit fees, impact fees and grant agreements	\$ 2,720,243
Restricted per RCW related to REET revenue and lodging tax restrictions, private donors, and grant agreements	12,155,651
Per RCW, proceeds are limited to paying the cost of tourism promotion and the Edmonds Business Improvement District	104,559
Per RCW, 60% of the proceeds are limited to the construction of affordable housing, construction of mental and behavioral health-related facilities and facilities where housing related programs are provided. The remaining proceeds must be used for the operation, delivery or evaluation of mental and behavioral health treatment programs and services or housing -related services	112
Restricted by grant agreements and private donations limited to a specific purpose	10,128
Restricted for Net Pension Assets	5,508,058
Total Restricted Components of Net Position	\$ 20,538,591
Business-Type Activities Restricted for:	
Customer deposits	\$ 8,048
Debt service restrictions	2,975,640
Total Restricted Components of Net Position	\$ 2,983,688
Governmental Activities Committed for:	
Committed for the cost of operating and restoring the Edmonds Marsh	\$ 864,491
Committed to provide moneys with which to alleviate the problem of homelessness in Edmonds and the surrounding area	223,581
Committed to provide moneys with which to alleviate the problem of opioid addiction in Edmonds and the surrounding area	50,000
Committed for the acquisition or advancement of visual and performing arts within the City	634,011
Committed for the administration of the employee permit parking program solely and exclusively	86,843
Committed for special projects, special events, capital improvements and other nonrecurring needs of cemetery	260,684
Committed to be expended solely for the purpose of maintaining the cemetery	1,053,314
Total Committed Components of Fund Balance	\$ 3,172,924
Governmental Activities Assigned for:	
Assigned for Civic Park	2,000,000
Total Assigned Components of Fund Balance	\$ 2,000,000

NOTE 9 – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended December 31, 2019 is as follows:

Schedule of Capital Asset Activity				
	Balance 1/1/2019	Increases	Decreases	Balance 12/31/2019
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 17,688,372	\$ -	\$ -	17,688,372
Construction in progress	2,257,324	1,225,654	(1,107,448)	2,375,529
Total capital assets not being depreciated:	19,945,696	1,225,654	(1,107,448)	20,063,901
Capital assets, being depreciated:				
Building	25,672,053	221,536	(1,466,121)	24,427,468
Improvements other than buildings	25,641,922	372,978	(1,463,588)	24,551,312
Infrastructure	74,008,412	631,048	(9,910,220)	64,729,240
Machinery and equipment	9,453,000	1,837,587	(846,738)	10,443,849
Total capital assets being depreciated:	134,775,386	3,063,149	(13,686,666)	124,151,869
Less accumulated depreciation for:				
Buildings	(17,811,612)	(758,660)	1,438,953	(17,131,319)
Improvements other than buildings	(9,972,614)	(831,260)	1,272,389	(9,531,485)
Infrastructure	(45,235,847)	(1,590,431)	9,883,294	(36,942,984)
Machinery and equipment	(5,438,170)	(615,666)	740,517	(5,313,320)
Total accumulated depreciation:	(78,458,243)	(3,796,017)	13,335,153	(68,919,107)
Total capital assets being depreciated, net:	56,317,143	(732,868)	(351,513)	55,232,761
Governmental activities capital assets, net:	\$ 76,262,838	\$ 492,785	\$ (1,458,962)	75,296,662
Business-type Activities				
Capital assets not being depreciated:				
Land	\$ 1,257,107	\$ -	\$ -	1,257,107
Construction in progress	6,116,437	5,173,390	(3,534,686)	7,755,141
Total capital assets, not being depreciated:	7,373,544	5,173,390	(3,534,686)	9,012,248
Capital assets being depreciated:				
Building	35,637,640	-	(147,872)	35,489,768
Improvements other than buildings	105,995,818	4,556,930	(4,249,906)	106,302,842
Machinery and equipment	1,631,522	-	(594,347)	1,037,175
Intangible assets	1,305,260	-	(8,563)	1,296,697
Total capital assets being depreciated:	144,570,240	4,556,930	(5,000,689)	144,126,481
Less accumulated depreciation for:				
Buildings	(18,817,076)	(680,436)	147,872	(19,349,640)
Improvements other than buildings	(33,473,017)	(3,400,818)	3,002,654	(33,871,180)
Machinery and equipment	(773,796)	(92,245)	365,431	(500,611)
Intangible assets	(1,272,612)	(1,868)	8,563	(1,265,916)
Total accumulated depreciation:	(54,336,500)	(4,175,367)	3,524,521	(54,987,347)
Total capital assets being depreciated, net:	90,233,740	381,563	(1,476,168)	89,139,135
Business activities capital assets, net:	\$ 97,607,284	\$ 5,554,952	\$ (5,010,854)	98,151,383

Depreciation Expense by Function

Governmental Activities:

General government	\$ 746,634
Public safety	305,018
Culture and recreation	621,399
Transportation	1,593,324
Physical Environment	4,575
Internal service	525,068
Total depreciation expense - Governmental Activities	\$ 3,796,017

Business-Type Activities:

Stormwater	\$ 629,285
Water	1,067,582
Sewer	877,134
Wastewater Treatment	1,601,367
Total depreciation expense - Business Type Activities	\$ 4,175,367

NOTE 10 – RECORDED VACATION AND SICK LEAVE

In accordance with GASB Statement No. 16, the City records accrued 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 as of and for the year ended December 31, 2019:

	State Sponsored Plans	Single Employer Plan	Total
Pension Liabilities	\$ (4,930,313)	\$ (495,844)	\$ (5,426,157)
Pension Assets	\$ 5,508,058	\$ -	\$ 5,508,058
Deferred Outflows of Resources	\$ 2,523,974	\$ -	\$ 2,523,974
Deferred Inflows of Resources	\$ (5,241,117)	\$ (2,746)	\$ (5,243,863)
Pension Expense/Expenditures	\$ 768,140	\$ 116,048	\$ 884,188

State Sponsored Pension Plans

Substantially all of the City's 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 publicly available Comprehensive Annual Financial Report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

Department of Retirement Systems
 Communications Unit
 P.O. Box 48380
 Olympia, WA 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 plans 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 2% 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%. 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%. 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 2019 were as follows:

PERS Plan 1 Actual Contribution Rates	Employer	Employee
2019		
January through June		
PERS Plan 1	7.52%	6.00%
PERS Plan 1 UAAL	5.13%	
Administrative Fee	0.18%	
Total	12.83%	6.00%
July through December		
PERS Plan 1	7.92%	6.00%
PERS Plan 1 UAAL	4.76%	
Administrative Fee	0.18%	
Total	12.86%	6.00%

The City's actual contributions to the plan were \$710,800 for the year ended December 31, 2019.

PERS Plan 2/3 – provides retirement, disability and death benefits. Retirement benefits are determined as 2% of the member’s average final compensation (AFC) times the member’s years of service for Plan 2 and 1% 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 3% 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 5% 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 3% 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% and escalate to 15% 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 unfunded actuarially accrued liability (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 2019 were as follows:

PERS Plan 2/3 Actual Contribution Rates	Employer 2/3	Employee 2	Employee 3
2019			
January through June			
PERS Plan 2/3	7.52%	7.41%	Varies
PERS Plan 1 UAAL	5.13%		
Administrative Fee	0.18%		
Total	12.83%	7.41%	Varies
July through December			
PERS Plan 2/3	7.92%	7.90%	Varies
PERS Plan 1 UAAL	4.76%		
Administrative Fee	0.18%		
Total	12.86%	7.90%	Varies

The City's actual contributions to the plan were \$1,054,573 for the year ended December 31, 2019.

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 10 years of service. Members are eligible for retirement with 5 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 5 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 I had no required employer or employee contributions for fiscal year 2019. Employers paid only the administrative expense of 0.18% of covered payroll.

LEOFF Plan 2 – provides retirement, disability and death benefits. Retirement benefits are determined as 2% 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 5 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 3% 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 3% 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 5 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%. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board.

Effective July 1, 2017, when a LEOFF employer charges a fee or recovers costs for services rendered by a LEOFF 2 member to a non-LEOFF employer, the LEOFF employer must cover both the employer and State contributions on the LEOFF 2 basic salary earned for those services. The state contribution rate (expressed as a percentage of covered payroll) was 3.44% as of July 1, 2019. The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2019 were as follows:

LEOFF Plan 2 Actual Contribution Rates	Employer	Employee
2019		
January through June		
LEOFF Plan 2	5.25%	8.75%
Administrative Fee	0.18%	
Total	5.43%	8.75%
July through December		
LEOFF Plan 2	5.15%	8.59%
Administrative Fee	0.18%	
Total	5.33%	8.59%

The City's actual contributions to the plan were \$354,709 for the year ended December 31, 2019.

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, 2019 the state contributed \$72,959,897 to LEOFF Plan 2. The amount recognized by the City as its proportionate share of this amount is \$231,857.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2019, with a valuation date of June 30, 2018. 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 *2017 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2018 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2019. Plan liabilities were rolled forward from June 30, 2018, to June 30, 2019, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.50% salary inflation
- **Salary increases:** In addition to the base 3.50% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.4%

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% Scale BB. Mortality rates are applied on a generational basis; meaning, 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.

- OSA updated modeling to reflect providing benefit payments to the date of the initial retirement eligibility for terminated vested members who delay application for retirement benefits.
- OSA updated COLA programming to reflect legislation signed during the 2018 legislative session that provides PERS annuitants who are not receiving a basic minimum, alternate minimum, or temporary disability benefit with a one-time

permanent 1.5% increase to their monthly retirement benefit, not to exceed a maximum of \$62.50 per month.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.4%. To determine that rate, an asset sufficiency test included an assumed 7.5% long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. (All plans use 7.5% except LEOFF 2, which has assumed 7.4%). Consistent with the long-term expected rate of return, a 7.4% 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 employers, whose rates include a component for the PERS 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 7.4% 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 7.4% 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, 2019, are summarized in the table below. The inflation component used to create the table is 2.2% and represents the WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	Percent Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20.00%	2.20%
Tangible Assets	7.00%	5.10%
Real Estate	18.00%	5.80%
Global Equity	32.00%	6.30%
Private Equity	23.00%	9.30%
Total	100.00%	

Sensitivity of the NPL

The table below presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.4%, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.4%) or 1-percentage point higher (8.4%) than the current rate.

2019	1% Decrease (6.4%)	Current Discount Rate (7.4%)	1% Increase (8.4%)
PERS 1	\$ 4,717,384	\$ 3,766,920	\$ 2,942,268
PERS 2/3	\$ 8,922,765	\$ 1,163,393	\$ (5,203,684)
LEOFF 1	\$ (866,536)	\$ (1,059,266)	\$ (1,225,670)
LEOFF 2	\$ (827,218)	\$ (4,448,792)	\$ (7,404,825)

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)

At December 31, 2019, the City reported a total pension liability of \$4,930,313 and a total pension asset of (\$5,508,058) for its proportionate share of the net pension liabilities as follows (measured as of June 30, 2019):

2019	Liability (Asset)
PERS 1	\$ 3,766,920
PERS 2/3	\$ 1,163,393
Total	\$ 4,930,313
LEOFF 1	\$ (1,059,266)
LEOFF 2	\$ (4,448,792)
Total	\$ (5,508,058)

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	\$ (1,059,266)	\$ (4,448,792)
State's Proportionate Share of the Net Pension Asset Associated with the Employer	\$ (7,164,848)	\$ (2,913,363)
Total	\$ (8,224,114)	\$ (7,362,155)

The City's proportionate share of the collective net pension assets, deferred outflows, liabilities, and deferred inflows was as follows:

	Proportionate Share 6/30/2018	Proportionate Share 6/30/2019	Change in Proportion
PERS 1	0.090868%	0.097960%	0.007092%
PERS 2/3	0.109886%	0.119772%	0.009886%
LEOFF 1	0.053132%	0.053590%	0.000458%
LEOFF 2	0.180721%	0.192032%	0.011311%

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 2019. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2019, the state of Washington contributed 87.12% of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88% 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 2019, the state of Washington contributed 39.57% of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 60.43% of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2019, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2018, with update procedures used to roll forward the total pension liability to the measurement date.

Pension Expense

For the year ended December 31, 2019, the City recognized pension expense as follows:

	2018
PERS 1	\$ 506,090
PERS 2/3	\$ 250,864
LEOFF 1	\$ (63,152)
LEOFF 2	\$ 74,338
Total	\$ 768,140

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2019 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	\$ -	\$ (251,662)
Changes of Assumptions	\$ -	\$ -
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	\$ -	\$ -
Contributions Subsequent to the Measurement Date	\$ 347,718	\$ -
Total PERS 1	\$ 347,718	\$ (251,662)

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 333,315	\$ (250,123)
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	\$ -	\$ (1,693,427)
Changes of Assumptions	\$ 29,791	\$ (488,121)
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	\$ 571,033	\$ (694,476)
Contributions Subsequent to the Measurement Date	\$ 547,923	\$ -
Total PERS 2/3	\$ 1,482,062	\$ (3,126,147)

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	\$ -	\$ (109,814)
Changes of Assumptions	\$ -	\$ -
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	\$ -	\$ -
Contributions Subsequent to the Measurement Date	\$ -	\$ -
Total LEOFF 1	\$ -	\$ (109,814)

LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 320,130	\$ (80,001)
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	\$ -	\$ (912,141)
Changes of Assumptions	\$ 7,329	\$ (500,632)
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	\$ 188,557	\$ (260,720)
Contributions Subsequent to the Measurement Date	\$ 178,178	\$ -
Total LEOFF 2	\$ 694,194	\$ (1,753,494)

All Plans	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 653,445	\$ (330,124)
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	\$ -	\$ (2,967,044)
Changes of Assumptions	\$ 37,120	\$ (988,753)
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	\$ 759,590	\$ (955,196)
Contributions Subsequent to the Measurement Date	\$ 1,073,819	\$ -
Total All Plans	\$ 2,523,974	\$ (5,241,117)

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 following year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	PERS 1	PERS 2/3
2020	\$ (55,556)	\$ (539,435)
2021	\$ (131,596)	\$ (889,289)
2022	\$ (46,961)	\$ (405,610)
2023	\$ (17,549)	\$ (226,451)
2024	\$ -	\$ (163,063)
Thereafter	\$ -	\$ 31,840
Total	\$ (251,662)	\$ (2,192,008)
	LEOFF 1	LEOFF 2
2020	\$ (25,507)	\$ (247,519)
2021	\$ (56,219)	\$ (468,122)
2022	\$ (20,400)	\$ (216,483)
2023	\$ (7,688)	\$ (119,750)
2024	\$ -	\$ (46,663)
Thereafter	\$ -	\$ (138,941)
Total	\$ (109,814)	\$ (1,237,478)

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.

Employees Covered by Benefit Terms

During 2019 there were a total of 4 retirees covered under this system who are receiving pension benefits; of these 4 retirees, 3 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.

Funding Policy and Contributions

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 Fund 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 Fund. Although the City administers the pension plan, it is partially funded by a percentage of the tax on fire insurance premiums. The state contributes 25% of taxes on fire insurance premiums to this plan and is considered a non-employer contributing entity. The amount of contributions received for the year ended December 31, 2019 was \$48,232.

Milliman, Inc., actuaries and consultants, provided the Firemen's Pension Fund Actuarial Valuation for the year ended December 31, 2019. The Net Pension Liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by the actuarial valuation as of January 1, 2020. 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. Significant actuarial assumptions used in the valuation include:

Actuarial Cost Method	Entry Age
Actuarial Asset Method	Market Value
Assumptions:	
Investment Return Assumption (Discount Rate)*	2.75%
Salary Increases	3.00%
Inflation related to Consumer Price Index	2.25%
Salary Increase Timing	July 1
LEOFF Increase Timing	April 1
Mortality – Service-retired members and spouses	RP-2000 Mortality Table (combined healthy) with generational projection using 100% of Projection Scale BB, with ages set back one year for males and set forward one year for females.
Mortality – Disabled members	RP-2000 Mortality Table (combined healthy) with generational projection using 100% of Projection Scale BB, with ages set forward two years.

*Discount rate is based on The Bond Buyer General Obligation 20-bond municipal index for bonds that mature in 20 years.

There were changes in methods and assumptions since the last actuarial valuation (December 31, 2018).

- Decreased the investment rate of return from 4.00% to 2.75%.
- Decreased inflation from 2.5% to 2.25%.
- Mortality was previously determined from RP-2014 static projection to 2024 with scale MP-2014.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances at December 31, 2018	\$ 722,641	\$ 217,698	\$ 504,943
Changes for the Year:			
Service Cost	-	-	-
Interest	26,547	-	26,547
Changes in Benefits Provided	-	-	-
Changes in Actuarial Assumptions or Inputs	(55,159)	-	(55,159)
Differences Between Expected and Actual Experience	67,664	-	67,664
Contributions - Employer	-	15,000	(15,000)
Net Investment Income	-	6,605	(6,605)
Contributions from state fire insurance premium tax	-	48,232	(48,232)
Benefit Payments and Withdrawals	(119,116)	(119,116)	-
Medical Payments from Fund	-	(20,417)	20,417
Administrative Expenses	-	(1,269)	1,269
Other	-	-	-
Balances at December 31, 2019	<u>\$ 642,577</u>	<u>\$ 146,733</u>	<u>\$ 495,844</u>

Net Plan Fiduciary Net Position

	2019	2018
Total Pension Liability	\$ 642,577	\$ 722,641
Pension Plans Fiduciary Net Position	146,733	217,698
Net Pension Liability	<u>\$ 495,844</u>	<u>\$ 504,943</u>
Plan Fiduciary Net Position as a % of the Total Pension Liability	22.84%	30.13%

Sensitivity of Net Pension Liability

The following table presents the City's proportionate share of the net pension liability calculated using the discount rate of 2.75%, 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 Rate 2.75%	1% Increase
Net Pension Liability	\$ 541,679	\$ 495,844	\$ 455,104

Pension Expense

For the year ended December 31, 2019 the City recognized pension expense related to the Firemen's pension plan as follows:

Service Cost	\$	-
Interest Cost		26,547
Expected Investment Earnings		(7,172)
Administrative Expense		1,269
Medical Payments		20,417
Contributions from state fire insurance premium tax		(48,232)
Amortization of Deferred Inflows and Outflows		123,219
Changes in Benefits Provided		-
	<u>\$</u>	<u>116,048</u>

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2019 the City reported deferred outflows of resources and deferred inflows of resources related to the Firemen's pension plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ -
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	(2,746)
Changes of Assumptions	-	-
Total	<u>\$ -</u>	<u>\$ (2,746)</u>

Deferred Outflows of resources related to the Firemen's Pension Plan and Deferred Inflows of Resources related to the Firemen's Pension Plan will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>		
2020	\$	(1,658)
2021		(794)
2022		(179)
2023		(115)
2024		-
Thereafter		-
Total	<u>\$</u>	<u>(2,746)</u>

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 2019 was \$1,203,661, which represents its full liability.

For the year ending December 31, 2019 the City's covered payroll was \$20,626,518. No significant benefit changes occurred in 2019. 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 are to be added to the account after retirement), or (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)

The following table represents the aggregate OPEB amounts for all plans subject to the requirements of GASB 75 for the year ended December 31:

	2019
OPEB Liabilities	\$ (7,877,232)
Deferred Outflows of Resources	-
Deferred Inflows of Resources	-
OPEB Expense	736,143

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.

General Information about the OPEB Plan

Plan Description

This system is a closed, single-employer, defined benefit OPEB plan.

Benefits Provided

The City pays the medical insurance premiums and any additional medical expenses not covered by insurance, including long-term care. 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 5 years of service in the LEOFF 1 system are eligible.

Employees Covered by Benefit Terms

At December 31, 2019 the following employees were covered by the benefit terms:

	<u>2019</u>
Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	23
Inactive Employees Entitled to But Not Yet Receiving Benefit Payments	-
Active Employees	-

Funding Policy

The plan is funded on a pay-as-you-go basis and there are no assets accumulating in a qualifying trust.

Contributions

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. The retiree does not contribute towards the cost of their medical care.

Total OPEB Liability

The City's total OPEB liability was measured as of December 31, 2019 and was determined using an actuarial valuation as of December 31, 2018. The actuarial measurement was based on the following methods and assumptions:

Methodology:	
Actuarial Cost Method	Entry Age
Actuarial Asset Method	Market Value
Assumptions:	
Investment Return Assumption (Discount Rate).*	2.75%
Salary Increases	3.00%
Cost of Living Adjustments	2.50%
Inflation	2.50%
Mortality	RP-2014 Static Projection to 2024 with Scale MP-2014
Medical Trend Rate	5.25% grading down to 5.00% in 2020
Long-Term Care Trend Rate	5.00%

*Discount rate is based on The Bond Buyer General Obligation 20-bond municipal index for bonds that mature in 20 years.

There were changes in methods and assumptions since the last actuarial valuation (December 31, 2018).

- Decreased the investment rate of return from 4.00% to 2.75%.

Changes in the total OPEB Liability:

	<u>2019</u>
Balance - January 1	\$ 6,981,351
Service Cost	-
Interest	272,551
Changes in Actuarial Assumptions	961,775
Differences Between Expected and Actual Experience	-
Benefit Payments and Withdrawals	(338,445)
Other	-
Total	<u>\$ 7,877,232</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate and Discount Rate

The following presents the total OPEB liability of the City calculated using a discount rate and healthcare trend rates that are 1 percentage point higher and 1 percentage point lower than the current discount rate and health care cost trend rates:

	1% Decrease	Current Rate 2.75%	1% Increase
Discount Rate	\$ 8,796,871	\$ 7,877,232	\$ 7,093,173

	1% Decrease	Current Rate 5.25% Grading Down to 5% in 2020	1% Increase
Healthcare Cost Trend Rate	\$ 7,000,692	\$ 7,877,232	\$ 8,891,904

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The City recognized OPEB expense for the year ended December 31 as follows:

	<u>2019</u>
Service Cost	\$ -
Interest Cost	272,551
Amortization of Deferred Inflows and Outflows	463,592
Total	<u>\$ 736,143</u>

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. In October of 2019, the City issued a general obligation bond in the amount of \$3,485,000 for the Civic Park project. 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 liable for a loan awarded by the Washington State Department of Ecology for the Wastewater Treatment Plant Electrical Improvements Project and a Snohomish County Public Works Assistance Fund Loan to finance the construction of a Stormwater Pump Station. 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 12/31/19
Governmental Debt:					
<u>General Obligation Bonds:</u>					
2012 LTGO Refunding Bonds	12/1/2031	2.00%	\$ 9,004,043	\$ 609,623	\$ 4,506,783
2016 Chase Bank Loan	12/1/2026	1.67%	838,526	79,697	603,342
2019 LTGO Bond - Civic Park	12/1/2039	5.00%	3,485,000	-	3,485,000
Total Governmental GO Bonds			13,327,569	689,320	8,595,125
Business-type Debt:					
<u>General Obligation Bonds:</u>					
2012 LTGO Refunding Bonds	12/1/2031	2.00%	320,957	30,377	63,217
2016 Chase Bank Loan	12/1/2026	1.67%	2,328,116	221,273	1,675,142
Total Business- type GO Bonds			2,649,073	251,650	1,738,359
Total General Obligation Bonds			\$ 15,976,642	\$ 940,970	\$ 10,333,483

Revenue bonds currently outstanding are as follows:

Issue Name	Maturity Date	Interest Rates	Original Amount	Principal Installment	Balance 12/31/19
Business- type Debt:					
<u>Revenue Bonds</u>					
2011 Water/Sew er Bonds	12/1/2031	4.00%	\$ 13,720,000	\$ 610,000	\$ 9,340,000
2013 Water/Sew er Bonds	12/1/2038	5.00%	15,010,000	200,000	13,935,000
2015 Water/Sew er Bonds	12/1/2040	1.50%	18,740,000	540,000	16,495,000
Total Revenue Bonds			\$ 47,470,000	\$ 1,350,000	\$ 39,770,000

Loans currently outstanding are as follows:

Issue Name	Maturity Date	Interest Rates	Original Amount	Principal Installment	Balance 12/31/19
Governmental Debt:					
<u>Loans:</u>					
PW Trust Fund Loan - Street Construction	6/30/2022	0.50%	\$ 340,000	\$ 18,143	\$ 54,430
PW Trust Fund Loan - Street Construction	6/30/2024	0.50%	400,000	21,176	105,882
PW Trust Fund Loan - Street Construction	5/24/2026	0.50%	624,750	32,882	230,172
Total Governmental Debt Loans			1,364,750	72,201	390,484
Business-type Debt:					
<u>Loans:</u>					
PW Trust Fund Loan - Trt. Plant/Sew er Improv.	6/30/2022	0.50%	1,347,250	71,325	213,975
PW Trust Fund Loan - Water Improvements	6/30/2024	0.50%	408,000	25,839	129,195
PW Trust Fund Loan - Storm Improvements	6/30/2024	0.50%	605,625	32,063	160,313
PW Trust Fund Loan - Sew er Improvements	6/30/2025	0.50%	1,216,902	72,295	433,771
Department of Ecology	10/31/2033	2.30%	638,540	28,908	482,894
Snohomish County Loan	7/1/2037	1.50%	136,250	-	136,250
Total Business- type Debt Loans			4,352,567	230,430	1,556,398
Total Loans			\$ 5,717,317	\$ 302,631	\$ 1,946,881

Capital Contracts currently outstanding are as follows:

Issue Name	Maturity Date	Interest Rates	Original Amount	Principal Installment	Balance 12/31/19
Governmental Debt:					
<u>Capital Contracts</u>					
2005 Contract - Public Safety Radio Equipment	12/01/2019	5.00%	\$ 1,595,046	\$ 131,516	\$ -
Total Capital Contracts			\$ 1,595,046	\$ 131,516	\$ -

Nonexchange Financial Guarantees currently outstanding are as follows:

NONEXCHANGE FINANCIAL GUARANTEE					
Issue Name	Maturity Date	Interest Rates	Original Amount	Principal Installment	Balance 12/31/19
Governmental Debt					
<u>Nonexchange Financial Guarantee</u>					
Edmonds Public Facilities District	12/1/2025	0.700%	\$ 1,312,868	\$ (15,587)	\$ 369,539
Total Nonexchange Financial Guarantee			\$ 1,312,868	\$ (15,587)	\$ 369,539

Debt Limit

RCW 39.36.020 provides cities with three segments of debt capacity, each equal to 2.5% of the city’s assessed valuation, for a combined total of 7.5%. Allowable uses of these segments are as follows:

Segment 1 – General Governmental Purposes

The City can incur debt up to one and one-half percent (1.5%) of its assessed valuation solely with a vote of the legislative body (often referred to as “councilmanic” debt). To use the remaining one percent (1.0%), 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	\$ 153,347,010	\$ 102,231,340	\$ 255,578,349	\$ 255,578,349
Net outstanding indebtedness	(13,357,913)	-	-	-
Margin Available	\$ 139,989,096	\$ 102,231,340	\$ 255,578,349	\$ 255,578,349

Defeased 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, 2019 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
2020	908,223	232,585	1,140,808	1,887,748	1,628,726	3,516,474
2021	953,455	206,476	1,159,931	1,947,179	1,564,837	3,512,016
2022	831,443	178,385	1,009,828	1,968,556	1,509,646	3,478,202
2023	850,509	159,367	1,009,876	1,964,084	1,447,605	3,411,689
2024	886,280	141,003	1,027,283	2,021,962	1,384,652	3,406,614
2025-2029	2,340,699	439,405	2,780,104	9,756,530	5,937,813	15,694,343
2030-2034	1,130,000	206,663	1,336,663	10,965,012	4,097,048	15,062,060
2035-2039	1,085,000	82,744	1,167,744	11,448,684	1,604,896	13,053,580
2040-2041	-	-	-	1,105,000	44,200	1,149,200
	<u>\$ 8,985,609</u>	<u>\$ 1,646,628</u>	<u>\$ 10,632,237</u>	<u>\$ 43,064,755</u>	<u>\$ 19,219,423</u>	<u>\$ 62,284,178</u>

At December 31, 2019 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, 2019, 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, 2019, the following changes occurred in long-term liabilities:

	Beginning Balance 1/1/2019		Additions	Reductions	Ending Balance 12/31/2019		Due Within One Year
Governmental activities							
Bonds payable:							
General obligation bonds	\$	5,799,444	\$ 3,485,000	\$ (689,320)	\$	8,595,125	836,022
Less:							
For issuance premiums		-	300,944	-		300,944	15,047
Total bonds payable:		5,799,444	3,785,944	(689,320)		8,896,069	851,069
Pension liabilities		5,047,360	-	(537,255)		4,510,105	-
OPEB payable		6,981,351	895,881	-		7,877,232	-
Compensated absences		2,005,858	2,594,330	(2,463,726)		2,136,462	1,895,174
Capital contracts		131,516	-	(131,516)		-	-
Governmental Loans		462,685	-	(72,201)		390,484	72,201
Nonexchange Financial Guarantee		385,126	-	(15,587)		369,539	-
Governmental activity long-term liabilities	\$	20,813,341	\$ 7,276,155	\$ (3,909,605)	\$	24,179,891	2,818,444
Business-type activities							
Bonds Payable:							
General obligation bonds		1,990,009	\$ -	\$ (251,650)	\$	1,738,359	259,475
Revenue bonds		41,120,000	-	(1,350,000)		39,770,000	1,390,000
Less:							
For issuance premiums		584,219	-	(36,959)		547,260	36,959
Total bonds payable:		43,694,228	-	(1,638,609)		42,055,619	1,686,434
Pension liabilities		1,391,982	-	(475,930)		916,052	-
Compensated absences		402,618	472,671	(460,873)		414,416	354,517
Business-type Loans		1,786,827	-	(230,430)		1,556,398	238,273
Business-type activity long-term liabilities	\$	47,275,655	\$ 472,671	\$ (2,805,842)	\$	44,942,484	2,279,224

Internal service funds predominately serve the governmental funds. Accordingly, the December 31, 2019 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 \$109,918 for compensated absences and \$194,856 for the total pension obligation.

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

NOTE 15 – CONTINGENCIES AND LITIGATIONS

Collateralized Loan – On March 24, 2020, the City Council approved Resolution 1450 authorizing the execution of an assignment of deposit account in relation to the City's providing \$2 million collateral in support of the Edmonds Senior Center's (ESC) borrowing of up to \$2 million from First Financial Northwest Bank (FFNB) to enable it to complete construction of the Edmonds Waterfront Center. Under this arrangement, the City purchased a \$2 million Certificate of Deposit from FFNB. At the same time, the ESC opened a \$2 million Line of Credit/Term Loan (LOC) with FFNB. The LOC has a maturity date of November 1, 2027. By this date the ESC will be required to have fully repaid the LOC including any interest accrued, which will in turn require FFNB to return the

collateral to the City. In the event that the ESC fails to make timely payments during the term of the LOC or fails to completely repay any amounts owed under the LOC by the maturity date, FFNB would be entitled to deduct from the City's funds on deposit any amount that the ESC fails to pay FFNB, including any balance still owing at the maturity date. The ESC has a 40-year Ground Lease from the City, commencing April 15, 2019, which may be extended by the ESC for up to 15 years. As a protection to the City, if the ESC fails to make timely payments on the LOC, the Ground Lease will be shortened by a number of years which correspond to the amount of payments the ESC falls in arrears.

Other Contingencies – The City has recorded in its financial statement all material liabilities, including an estimate for situations which are not yet resolved but where, based on available information, management believes that it is probable that the City will have to make payment. In the opinion of management, the City's insurance policies are adequate to pay all known or pending claims.

Grants – The City participates in a number of federal- and state-assisted programs. These grants are subject to audit by the grantors or their representatives. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. City management believes that any such disallowances, if any, will be immaterial.

NOTE 16 – RISK MANAGEMENT

The City of Edmonds is exposed to various risks of loss from torts; thefts of damage or destruction of assets; business interruption; errors and omissions; injuries to employees; and natural disasters.

The City and its employees contribute to the State of Washington's Department of Labor and Industries for Workers' Compensation. There were no settlements in excess of coverage in any of the prior three years.

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 163 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 \$16 million in limits above the self-insured layer is provided by reinsurance. Total limits are \$20 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, reinsurance and other 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 such 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 daily operations of WCIA.

The City incurred no settlements in excess of coverage in any of the prior three years.

NOTE 17 – COMMITMENTS

The City has several capital improvement projects in progress. As of December 31, 2019, the City's outstanding material contractual obligations, which include construction and engineering contracts, are summarized below:

Contract Name	Original Amount	Expenditures to Date	Remaining Commitment
Waterfront Redevelopment	4,941,543	336,212	4,605,331
84th Ave Overlay	1,133,024	938,101	194,923
238th St. Island & Downtown Ramps	374,236	320,495	53,741
Five Corners Recoating Project	3,753,096	3,543,800	209,296
Dayton Street Stormwater Pump Station	1,948,320	331,806	1,616,514
Dayton St. Utility Replacement (3rd to 9th)	6,965,896	3,269,933	3,695,964
2019 Storm Maintenance Project	174,511	104,023	70,488
Hwy 99 Gateway Revitalization	419,827	343,682	76,145
2017 Waterline Replacement Program	626,823	399,239	227,584
Lake Ballinger Sewer Trunk Main Study	295,148	68,794	226,354
2018/2019 Capital Projects CM, Engineering & Inspection	503,200	266,017	237,183
Civic Center Complex	3,490,000	488,908	3,001,092
Fishing Pier/Olympic Beach	143,800	87,024	56,776
Accessible Playground	100,000	-	100,000
Outdoor Fitness Zones	175,000	-	175,000
	\$ 25,044,424	\$ 10,498,035	\$ 14,546,390

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 RCW Chapters 35.57 and 39.46. The City guaranteed repayment of these bonds through a Contingent Loan Agreement (CLA) with the PFD, and has advanced funds to the PFD to assist with debt service on these bonds.

In 2018 the PFD refinanced these bonds by issuing a 10-year Note to First Financial Northwest Bank (FFNB) in the amount of \$2,803,516. At the same time the City purchased an interest bearing Certificate of Deposit in the amount of \$2,803,516 to be held by FFNB as collateral. Each time the PFD makes a principal payment on the loan, the amount held in the Certificate of Deposit will be reduced by the amount of the principal payment.

In the event that the PFD is unable to make a payment, the CLA requires that the City will loan the PFD enough for the PFD to be able to make the required payment. As of December 31, 2019, the City has loaned the PFD a total of \$1,206,191. These advances are shown in the City's Statement of Net Position as a Due from Component Unit. The City 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 the CLA. 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 CLA. 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 for 2019 is as follows:

Balance 12/31/2018	Increases	Decreases	Balance 12/31/2019
\$ 385,126	\$ -	\$ 15,587	\$ 369,539

NOTE 19 – SUBSEQUENT EVENTS

On February 29, 2020, Washington State Governor Jay Inslee declared a state of emergency in response to new cases of COVID-19, directing state agencies to use all resources necessary to prepare for and respond to the outbreak. In the weeks following the declaration, precautionary measures to slow the spread of the virus were ordered. These measures include closing schools, colleges and universities, cancelling public events, and limiting gathering sizes. On March 23, 2020 the Governor announced a statewide order requiring everyone in the state to stay at home, unless they are pursuing an essential activity. The initial order was for two weeks, and was extended through May 4. Similar measures were taken across the country and around the world. These drastic measures in response to the pandemic, including the closing of many businesses and limiting the activities of other businesses, will have a significant impact to the local, regional, and national economies. The length of time these measures will be in place, and the full extent of the financial impact to the City of Edmonds is unknown at the time of publication of this document.

On March 24, 2020, the City Council approved Resolution 1450, authorizing the execution of assignment of deposit account in relation to the City's providing of \$2 million collateral in support of the Edmonds Senior Center's borrowing of up to \$2 million from First Financial Northwest Bank (FFNB) to provide funding that will enable them to complete construction of the Edmonds Waterfront Center. Under this agreement, the Senior Center will take out a Line of Credit/Term Loan with a maturity date of November 1, 2027, from FFNB in an amount not to exceed \$2 million. The City has agreed to guarantee this loan by purchasing a Certificate of Deposit from FFNB, to be held in collateral as long as there are amounts owing by the Senior Center to FFNB under the terms of the Line of Credit/Term Loan.

On July 7, 2020, the City Council approved a motion authorizing the City to initiate the Wastewater Treatment Plant Incinerator Replacement and Carbon Recovery Project. Through this motion the City Council authorized the Mayor to sign the necessary documents between the City and the Department of Enterprise Systems to deliver this project for the maximum guaranteed price of \$26,121,040. Further Council action in 2020 will likely include selling revenue bonds to support this project.

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, 2019, 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 2019, the AWC Trust HCP purchased stop loss insurance for Regence/Asuris plans at an Individual Stop Loss (ISL) of \$1.5 million through Commencement Bay Risk Management, 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 AWC Trust 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 AWC Trust HCP are maintained in accordance with methods prescribed by the State Auditor's office under the authority of Chapter 43.09 RCW. The AWC Trust HCP also follows applicable accounting standards established by the Governmental Accounting Standards Board. In 2018, the retiree medical plan subsidy was eliminated, and is noted as such in the report for the fiscal year ending December 31, 2018. 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.

**FIREMEN'S PENSION FUND OTHER POST-EMPLOYMENT BENEFITS
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS***

	2019	2018
Total OPEB Liability		
Service Cost	\$ -	\$ -
Interest	272,551	225,578
Changes in Actuarial Assumptions	961,775	9,075
Differences Between Expected and Actual Experience	-	(578,428)
Benefit Payments and Withdrawals	(338,445)	(388,253)
Net Change in Total OPEB Liability	895,881	(732,028)
Total OPEB Liability - Beginning	6,981,351	7,713,379
Total OPEB Liability - Ending	\$ 7,877,232	\$ 6,981,351
Covered Payroll	\$ -	\$ -
Total OPEB Liability as a % of Covered Payroll	N/A	N/A

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

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

FIREMEN'S PENSION FUND
SCHEDULE OF CHANGES IN THE CITY'S NET PENSION LIABILITY
AND RELATED RATIOS
LAST 10 FISCAL YEARS*

	2019	2018	2017	2016	2015	2014
Total Pension Liability						
Service Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	26,547	19,147	23,528	15,991	16,365	30,016
Changes in Benefits Provided	-	-	-	188,817	-	-
Differences Between Expected and Actual Experience	67,664	96,849	-	17,054	-	(256,011)
Changes in Actuarial Assumptions	(55,159)	(4,985)	37,919	(13,330)	-	(31,502)
Benefit Payments and Withdrawals	(119,116)	(53,203)	(48,062)	(27,936)	(26,175)	(24,481)
Net Change in Total Pension Liability	(80,064)	57,808	13,385	180,596	(9,810)	(281,978)
Total Pension Liability - Beginning	722,641	664,833	651,448	470,852	480,662	762,640
Total Pension Liability - Ending	\$ 642,577	\$ 722,641	\$ 664,833	\$ 651,448	\$ 470,852	\$ 480,662
Fiduciary Net Position						
Contributions - Employer	\$ 15,000	\$ 39,297	\$ 46,613	\$ 47,449	\$ 38,775	\$ 21,581
Contributions from state fire insurance premium tax	48,232	-	-	-	-	-
Net Investment Income	6,605	5,662	4,455	2,296	1,629	662
Benefit Payments and Withdrawals	(119,116)	(53,203)	(48,062)	(27,936)	(26,175)	(24,481)
Medical Payments from Fund	(20,417)	-	-	-	-	-
Other	(1,269)	(538)	(1,222)	(214)	-	-
Change in Fiduciary Net Position	-	-	-	-	96	-
Fiduciary Net Position - Beginning	(70,965)	(8,782)	1,784	21,595	14,325	(2,238)
Fiduciary Net Position - Ending	217,698	226,480	224,696	203,101	188,776	191,014
Net Pension Liability	146,733	217,698	226,480	224,696	203,101	188,776
	\$ 495,844	\$ 504,943	\$ 438,353	\$ 426,752	\$ 267,751	\$ 291,886
Fiduciary Net Position as a % of the Total Pension Liability	22.8%	30.1%	34.1%	34.5%	43.1%	39.3%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability as a % of the Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A

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

**FIREMEN'S PENSION FUND
SCHEDULE OF CITY CONTRIBUTIONS
LAST 10 FISCAL YEARS**

Year	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percent of Covered Payroll	Annual Money Weighted Rate of Return Net of Investment Expense
2019	\$ 82,874	\$ 42,815	\$ 40,059	\$ -	N/A	3.75%
2018	43,194	39,297	3,897	-	N/A	2.58%
2017	43,194	46,613	(3,419)	-	N/A	1.99%
2016	25,353	47,449	(22,096)	-	N/A	1.08%
2015	25,353	38,775	(13,422)	-	N/A	0.83%
2014	44,223	21,581	22,642	-	N/A	0.35%
2013	44,223	(3,576)	47,799	-	N/A	0.17%
2012	38,602	42,004	(3,402)	-	N/A	0.14%
2011	38,602	(6,229)	44,831	-	N/A	0.16%
2010	40,903	31,197	9,706	-	N/A	0.26%

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

**SCHEDULES OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30 (MEASUREMENT DATE)
LAST 10 FISCAL YEARS*
(SEE INDEPENDENT AUDITOR'S REPORT)**

PERS 1

Year	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2019	0.979600%	\$ 3,766,920	\$ 13,393,923	28.12%	67.12%
2018	0.090868%	4,058,195	12,701,466	31.95%	63.22%
2017	0.109876%	5,213,702	13,404,013	38.90%	61.24%
2016	0.101894%	5,472,188	14,068,530	38.90%	57.03%
2015	0.101786%	5,324,534	13,688,460	38.90%	59.10%

Notes to Schedule:

*Information is presented only for those years for which information is available.

PERS 2/3

Year	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2019	0.119772%	\$ 1,163,393	\$ 13,101,081	8.88%	97.77%
2018	0.109886%	1,876,206	12,370,371	15.17%	95.77%
2017	0.133191%	4,627,751	13,053,673	35.45%	90.97%
2016	0.121658%	6,125,384	12,502,808	48.99%	93.29%
2015	0.121602%	4,344,909	11,627,811	37.37%	89.20%

Notes to Schedule:

*Information is presented only for those years for which information is available.

**SCHEDULES OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30 (MEASUREMENT DATE)
LAST 10 FISCAL YEARS*
(SEE INDEPENDENT AUDITOR'S REPORT)**

LEOFF 1

Year	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	State's Proportionate Share of the Net Pension Liability (Asset) Associated with the Employer	Total	Covered Payroll
2019	0.053590%	\$ (1,059,266)	\$ (7,164,848)	\$ (8,224,114)	\$ -
2018	0.053132%	(964,613)	(6,524,615)	(7,489,228)	-
2017	0.055859%	(847,504)	(5,732,485)	(6,579,989)	-
2016	0.055141%	(568,110)	(5,363,896)	(5,932,006)	-
2015	0.054022%	(651,084)	(5,125,471)	(5,776,555)	-

Year	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2019	0.00%	148.78%
2018	0.00%	144.42%
2017	0.00%	135.96%
2016	0.00%	123.74%
2015	0.00%	127.36%

Notes to Schedule:

*Information is presented only for those years for which information is available.

SCHEDULES OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30 (MEASUREMENT DATE)
LAST 10 FISCAL YEARS*
(SEE INDEPENDENT AUDITOR'S REPORT)

LEOFF 2

Year	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset)	State's Proportionate Share of the Net Pension Liability (Asset) Associated with the Employer	Total	Covered Payroll
2019	0.192032%	\$ (4,448,792)	\$ (2,913,363)	\$ (7,362,155)	\$ 6,764,235
2018	0.180721%	(3,669,030)	(797,902)	(4,466,932)	6,513,429
2017	0.201856%	(2,801,107)	(545,988)	(3,347,095)	3,524,363
2016	0.184178%	(1,071,235)	(229,538)	(1,300,773)	3,059,830
2015	0.183336%	(1,884,327)	(409,091)	(2,293,418)	2,861,034

Year	Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2019	-65.77%	119.43%
2018	-56.33%	118.50%
2017	-79.48%	113.36%
2016	-35.01%	106.04%
2015	-65.86%	111.67%

Notes to Schedule:

*Information is presented only for those years for which information is available.

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
DECEMBER 31 (EMPLOYER REPORTING DATE)
LAST 10 FISCAL YEARS***

PERS 1

Year	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percent of Covered Payroll
2019	\$ 710,800	\$ (710,800)	\$ -	\$ 13,939,730	5.10%
2018	676,511	(676,511)	-	12,882,202	5.25%
2017	639,839	(639,839)	-	12,597,735	5.08%
2016	620,544	(620,544)	-	12,099,373	5.13%
2015	583,605	(583,605)	-	11,674,157	5.00%

Notes to Schedule:

*Information is presented only for those years for which information is available.

PERS 2/3

Year	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percent of Covered Payroll
2019	\$ 1,054,573	\$ (1,054,573)	\$ -	\$ 13,663,708	7.72%
2018	942,080	(942,080)	-	12,560,116	7.50%
2017	842,249	(842,249)	-	12,270,542	6.86%
2016	743,678	(743,678)	-	11,845,981	6.28%
2015	710,849	(710,849)	-	11,203,929	6.34%

Notes to Schedule:

*Information is presented only for those years for which information is available.

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
DECEMBER 31 (EMPLOYER REPORTING DATE)
LAST 10 FISCAL YEARS***

LEOFF 1

Year	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percent of Covered Payroll
2019	\$ -	\$ -	\$ -	\$ -	N/A
2018	-	-	-	-	N/A
2017	-	-	-	-	N/A
2016	-	-	-	-	N/A
2015	-	-	-	-	N/A

Notes to Schedule:

*Information is presented only for those years for which information is available.

LEOFF 2

Year	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percent of Covered Payroll
2019	\$ 354,709	\$ (354,709)	\$ -	\$ 6,769,231	5.24%
2018	180,384	(180,384)	-	6,552,661	2.75%
2017	176,008	(176,008)	-	6,142,987	2.87%
2016	154,521	(154,521)	-	3,059,830	5.05%
2015	144,483	(144,483)	-	2,861,034	5.05%

Notes to Schedule:

*Information is presented only for those years for which information is available.

MAJOR GOVERNMENTAL FUNDS

The City has one Major Governmental Fund – the General 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% when combined with the General Fund Operating Reserve 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.*

Marsh Restoration Subfund (017) - This subfund was established in 2018 to hold city-provided funds and receive donations from the citizens for, or in aid of, the cost of operating and restoring the Edmonds Marsh.

Edmonds Homelessness Response Subfund (018) – This subfund was established in 2018 for the purpose of providing moneys with which to alleviate the problem of homelessness in Edmonds and the surrounding area.

Edmonds Opioid Response Subfund (019) - This subfund was established in 2018 to provide moneys with which to alleviate the problem of opioid addiction in Edmonds and the surrounding area.

City of Edmonds
Combining Balance Sheet
Governmental Funds
December 31, 2019

Page 1 of 2

	GENERAL FUND	LEOFF-MEDICAL INS. RESERVE	RISK MANAGEMENT RESERVE FUND	CONTINGENCY RESERVE FUND	HISTORIC PRESERVATION GIFT FUND
ASSETS					
Cash and cash equivalents	\$ 5,334,780	\$ 355,874	\$ -	\$ 905,987	\$ 6,196
Investments	6,010,943	-	-	866,236	5,923
Deposits with trustee	26,892	-	-	-	-
Property taxes	227,727	-	-	-	-
Customer accounts	658,373	-	-	-	-
Interest on investments	88,304	-	-	9,926	68
Court receivable	435,457	-	-	-	-
Interfund receivable	231,480	-	-	-	-
Due from other governments	2,069,706	-	-	-	-
Due from component unit	4,166,191	-	-	-	-
Restricted cash and investment	2,803,516	-	-	-	-
Total assets	<u>\$ 22,053,369</u>	<u>\$ 355,874</u>	<u>\$ -</u>	<u>\$ 1,782,149</u>	<u>\$ 12,187</u>
LIABILITIES					
Accounts payable	\$ 508,443	\$ -	\$ -	\$ -	\$ -
Wages and benefits payable	1,105,240	-	-	-	-
Other current liabilities	105,398	-	-	-	-
Unearned revenues	4,200,170	-	-	-	-
Total liabilities	<u>5,919,251</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources - property tax	227,727	-	-	-	-
Deferred inflows of resources - court receivable	354,203	-	-	-	-
Total deferred inflow of resources	<u>581,930</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>6,501,181</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)					
Committed	-	-	-	-	-
Assigned	2,000,000	-	-	-	-
Unassigned	13,552,188	355,874	-	1,782,149	12,187
Total fund balances (deficits)	<u>15,552,188</u>	<u>355,874</u>	<u>-</u>	<u>1,782,149</u>	<u>12,187</u>
Total liabilities and fund balances (deficits)	<u>\$ 22,053,369</u>	<u>\$ 355,874</u>	<u>\$ -</u>	<u>\$ 1,782,149</u>	<u>\$ 12,187</u>

BUILDING MAINTENANCE	MARSH RESTORATION & PRESERVATION	EDMONDS HOMELESSNESS RESPONSE	EDMONDS OPIOID RESPONSE	TOTAL GENERAL FUND
\$ 210,221	\$ 864,491	\$ 223,581	\$ 50,000	\$ 7,951,130
-	-	-	-	6,883,102
-	-	-	-	26,892
-	-	-	-	227,727
-	-	-	-	658,373
-	-	-	-	98,298
-	-	-	-	435,457
-	-	-	-	231,480
-	-	-	-	2,069,706
-	-	-	-	4,166,191
-	-	-	-	2,803,516
<u>\$ 210,221</u>	<u>\$ 864,491</u>	<u>\$ 223,581</u>	<u>\$ 50,000</u>	<u>\$ 25,551,872</u>
\$ -	\$ -	\$ -	\$ -	\$ 508,443
-	-	-	-	1,105,240
-	-	-	-	105,398
-	-	-	-	4,200,170
-	-	-	-	5,919,251
-	-	-	-	227,727
-	-	-	-	354,203
-	-	-	-	581,930
-	-	-	-	6,501,181
-	864,491	223,581	50,000	1,138,072
-	-	-	-	2,000,000
210,221	-	-	-	15,912,619
<u>210,221</u>	<u>864,491</u>	<u>223,581</u>	<u>50,000</u>	<u>19,050,691</u>
<u>\$ 210,221</u>	<u>\$ 864,491</u>	<u>\$ 223,581</u>	<u>\$ 50,000</u>	<u>\$ 25,551,872</u>

City of Edmonds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

Page 1 of 2

	GENERAL FUND	LEOFF-MEDICAL INSURANCE RESERVE	RISK MANAGEMENT RESERVE FUND	CONTINGENCY RESERVE FUND
REVENUES				
Taxes	\$ 30,846,665	\$ -	\$ -	\$ -
Licenses and permits	2,299,972	-	-	-
Intergovernmental	1,008,432	-	-	-
Charges for services	6,419,836	-	-	-
Fines and forfeitures	496,093	-	-	-
Investment earnings	573,806	-	1,614	22,812
Contributions	-	-	-	-
Miscellaneous	587,882	-	-	-
Total revenues	<u>42,232,686</u>	<u>-</u>	<u>1,614</u>	<u>22,812</u>
EXPENDITURES				
Current:				
General government	11,565,563	402,572	-	-
Public safety	23,036,185	-	-	-
Transportation	5,012	-	-	-
Economic environment	1,562,702	-	-	-
Mental and physical health	164,888	-	-	-
Culture and recreation	4,158,397	-	-	-
Debt service:				
Principal	183,704	-	-	-
Interest	14,263	-	-	-
Capital outlay:				
General government	100,639	-	-	-
Culture and recreation	10,296	-	-	-
Total expenditures	<u>40,801,649</u>	<u>402,572</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>1,431,037</u>	<u>(402,572)</u>	<u>1,614</u>	<u>22,812</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	4,793,650	425,000	-	30,905
Transfers out	<u>(1,905,778)</u>	<u>-</u>	<u>(931,523)</u>	<u>(3,835,827)</u>
Total other financing source (uses)	<u>2,887,872</u>	<u>425,000</u>	<u>(931,523)</u>	<u>(3,804,922)</u>
Net change in fund balances	4,318,909	22,428	(929,909)	(3,782,110)
Fund balances - beginning	<u>11,233,279</u>	<u>333,446</u>	<u>929,909</u>	<u>5,564,259</u>
Fund balances - ending	<u>\$ 15,552,188</u>	<u>\$ 355,874</u>	<u>\$ -</u>	<u>\$ 1,782,149</u>

HISTORIC PRESERVATION GIFT FUND	BUILDING MAINTENANCE FUND	MARSH RESTORATION & PRESERVATION	EDMONDS HOMELESSNESS RESPONSE	EDMONDS OPIOID RESPONSE	TOTAL GENERAL FUND
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,846,665
-	-	-	-	-	2,299,972
-	-	-	-	-	1,008,432
-	-	-	-	-	6,419,836
-	-	-	-	-	496,093
113	-	-	-	-	598,345
-	-	5,312	-	-	5,312
-	-	-	-	-	587,882
<u>113</u>	<u>-</u>	<u>5,312</u>	<u>-</u>	<u>-</u>	<u>42,262,537</u>
-	-	-	-	-	11,968,135
-	-	-	-	-	23,036,185
-	-	-	-	-	5,012
5,533	-	-	-	-	1,568,235
-	-	-	1,862	-	166,750
-	-	-	-	-	4,158,397
-	-	-	-	-	183,704
-	-	-	-	-	14,263
-	-	-	-	-	100,639
-	-	-	-	-	10,296
<u>5,533</u>	<u>-</u>	<u>-</u>	<u>1,862</u>	<u>-</u>	<u>41,211,616</u>
<u>(5,420)</u>	<u>-</u>	<u>5,312</u>	<u>(1,862)</u>	<u>-</u>	<u>1,050,921</u>
5,000	-	550,000	-	-	5,804,555
-	-	-	-	(200,000)	(6,873,128)
<u>5,000</u>	<u>-</u>	<u>550,000</u>	<u>-</u>	<u>(200,000)</u>	<u>(1,068,573)</u>
(420)	-	555,312	(1,862)	(200,000)	(17,652)
12,607	210,221	309,179	225,443	250,000	19,068,343
<u>\$ 12,187</u>	<u>\$ 210,221</u>	<u>\$ 864,491</u>	<u>\$ 223,581</u>	<u>\$ 50,000</u>	<u>\$ 19,050,691</u>

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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ 12,980	\$ 12,980	\$ -	\$ (12,980)
Total revenues	<u>12,980</u>	<u>12,980</u>	<u>-</u>	<u>(12,980)</u>
EXPENDITURES				
Current:				
General government	444,270	466,920	402,572	64,348
Total expenditures	<u>444,270</u>	<u>466,920</u>	<u>402,572</u>	<u>64,348</u>
Excess (deficiency) of revenues over expenditures	<u>(431,290)</u>	<u>(453,940)</u>	<u>(402,572)</u>	<u>51,368</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	425,000	425,000	425,000	-
Total other financing source (uses)	<u>425,000</u>	<u>425,000</u>	<u>425,000</u>	<u>-</u>
Net change in fund balances	(6,290)	(28,940)	22,428	51,368
Fund balances - beginning	411,643	333,447	333,446	(1)
Fund balances - ending	<u>\$ 405,353</u>	<u>\$ 304,507</u>	<u>\$ 355,874</u>	<u>\$ 51,367</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ 28,210	\$ 28,210	\$ 1,614	\$ (26,596)
Total revenues	<u>28,210</u>	<u>28,210</u>	<u>1,614</u>	<u>(26,596)</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Total current	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>28,210</u>	<u>28,210</u>	<u>1,614</u>	<u>(26,596)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(931,523)	(931,523)	-
Total other financing source (uses)	<u>-</u>	<u>(931,523)</u>	<u>(931,523)</u>	<u>-</u>
Net change in fund balances	28,210	(903,313)	(929,909)	(26,596)
Fund balances - beginning	<u>927,490</u>	<u>929,908</u>	<u>929,909</u>	<u>1</u>
Fund balances - ending	<u>\$ 955,700</u>	<u>\$ 26,595</u>	<u>\$ -</u>	<u>\$ (26,595)</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ 170,000	\$ 170,000	\$ 22,812	\$ (147,188)
Total revenues	<u>170,000</u>	<u>170,000</u>	<u>22,812</u>	<u>(147,188)</u>
EXPENDITURES				
Current:				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	<u>170,000</u>	<u>170,000</u>	<u>22,812</u>	<u>(147,188)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	12,400	48,287	30,905	(17,382)
Transfers out	-	(3,835,827)	(3,835,827)	-
Total other financing source (uses)	<u>12,400</u>	<u>(3,787,540)</u>	<u>(3,804,922)</u>	<u>(17,382)</u>
Net change in fund balances	182,400	(3,617,540)	(3,782,110)	(164,570)
Fund balances - beginning	<u>5,476,192</u>	<u>5,564,260</u>	<u>5,564,259</u>	<u>(1)</u>
Fund balances - ending	<u>\$5,658,592</u>	<u>\$ 1,946,720</u>	<u>\$ 1,782,149</u>	<u>\$ (164,571)</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ 230	\$ 230	\$ 113	\$ (117)
Total revenues	<u>230</u>	<u>230</u>	<u>113</u>	<u>(117)</u>
EXPENDITURES				
Current:				
Economic environment	5,400	11,200	5,533	5,667
Total current	<u>5,400</u>	<u>11,200</u>	<u>5,533</u>	<u>5,667</u>
Total expenditures	<u>5,400</u>	<u>11,200</u>	<u>5,533</u>	<u>5,667</u>
Excess (deficiency) of revenues over expenditures	<u>(5,170)</u>	<u>(10,970)</u>	<u>(5,420)</u>	<u>5,550</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	(170)	(5,970)	(420)	5,550
Fund balances - beginning	7,177	12,607	12,607	-
Fund balances - ending	<u>\$ 7,007</u>	<u>\$ 6,637</u>	<u>\$ 12,187</u>	<u>\$ 5,550</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Total current	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital outlay:				
General government	-	-	-	-
Total capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-
Fund balances - beginning	<u>210,281</u>	<u>210,221</u>	<u>210,221</u>	-
Fund balances - ending	<u>\$ 210,281</u>	<u>\$ 210,221</u>	<u>\$ 210,221</u>	<u>\$ -</u>

City of Edmonds
MARSH RESTORATION & PRESERVATION FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Contributions	\$ 6,800	\$ 6,800	\$ 5,312	\$ (1,488)
Total revenues	<u>6,800</u>	<u>6,800</u>	<u>5,312</u>	<u>(1,488)</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>6,800</u>	<u>6,800</u>	<u>5,312</u>	<u>(1,488)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	550,000	550,000	550,000	-
Total other financing source (uses)	<u>550,000</u>	<u>550,000</u>	<u>550,000</u>	<u>-</u>
Net change in fund balances	556,800	556,800	555,312	(1,488)
Fund balances - beginning	<u>300,000</u>	<u>309,178</u>	<u>309,179</u>	<u>1</u>
Fund balances - ending	<u>\$ 856,800</u>	<u>\$ 865,978</u>	<u>\$ 864,491</u>	<u>\$ (1,487)</u>

City of Edmonds
EDMONDS HOMELESSNESS RESPONSE FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES				
Current:				
Mental Health	-	1,862	1,862	-
Total expenditures	-	1,862	1,862	-
Excess (deficiency) of revenues over expenditures	-	(1,862)	(1,862)	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Total other financing source (uses)	-	-	-	-
Net change in fund balances	-	(1,862)	(1,862)	-
Fund balances - beginning	250,000	225,443	225,443	-
Fund balances - ending	\$ 250,000	\$ 223,581	\$ 223,581	\$ -

City of Edmonds
 EDMONDS OPIOID RESPONSE FUND
 Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
 For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Miscellaneous	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(200,000)	(200,000)	(200,000)	-
Total other financing source (uses)	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
Net change in fund balances	(200,000)	(200,000)	(200,000)	-
Fund balances - beginning	250,000	250,000	250,000	-
Fund balances - ending	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ -</u>



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NON-MAJOR GOVERNMENTAL FUNDS

THE CITY HAS THREE 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.

Capital Projects Funds

Capital Projects funds account for improvement projects that are totally or partially funded by grants and contributions.

City of Edmonds
Combining Governmental Balance Sheet
Nonmajor Governmental Funds
Summary by Fund Type
December 31, 2019

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS				
Cash and cash equivalents	\$ 5,329,507	\$ -	\$ 3,800,241	\$ 9,129,748
Investments	4,362,465	-	2,655,440	7,017,905
Interest on investments	53,867	-	36,159	90,026
Interfund receivable	235,446	-	-	235,446
Due from other governments	1,045,469	-	8,764	1,054,233
Total assets	<u>\$ 11,026,754</u>	<u>\$ -</u>	<u>\$ 6,500,604</u>	<u>\$ 17,527,358</u>
LIABILITIES				
Accounts payable	\$ 336,870	\$ -	\$ 42,041	\$ 378,911
Wages and benefits payable	51,067	-	-	51,067
Other current liabilities	16,581	-	15,414	31,995
Total liabilities	<u>404,518</u>	<u>-</u>	<u>57,455</u>	<u>461,973</u>
FUND BALANCES (DEFICITS)				
Restricted	8,587,384	-	6,443,149	15,030,533
Committed	2,034,852	-	-	2,034,852
Total fund balances (deficits)	<u>10,622,236</u>	<u>-</u>	<u>6,443,149</u>	<u>17,065,385</u>
Total liabilities and fund balances (deficits)	<u>\$ 11,026,754</u>	<u>\$ -</u>	<u>\$ 6,500,604</u>	<u>\$ 17,527,358</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, 2019

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES				
Taxes	\$ 3,905,836	\$ -	\$ -	\$ 3,905,836
Licenses and permits	118,704	-	-	118,704
Intergovernmental	2,213,474	-	32,382	2,245,856
Charges for services	729,696	-	100,757	830,453
Fines and forfeitures	-	3,814	-	3,814
Investment earnings	400,457	3,761	159,263	563,481
Miscellaneous	176,052	440,910	500,200	1,117,162
Total revenues	<u>7,544,219</u>	<u>448,485</u>	<u>792,602</u>	<u>8,785,306</u>
EXPENDITURES				
Current:				
Utilities and environment	191,135	-	-	191,135
Transportation	4,751,124	-	-	4,751,124
Economic environment	105,472	-	-	105,472
Culture and recreation	384,617	-	116,848	501,465
Debt service:				
Principal	99,710	609,623	-	709,333
Interest and other charges	6,327	106,775	80,041	193,143
Capital outlay:				
Transportation	651,061	-	-	651,061
Culture and recreation	1,069,681	-	148,050	1,217,731
Total expenditures	<u>7,259,127</u>	<u>716,398</u>	<u>344,939</u>	<u>8,320,464</u>
Excess (deficiency) of revenues over expenditures	<u>285,092</u>	<u>(267,913)</u>	<u>447,663</u>	<u>464,842</u>
OTHER FINANCING SOURCES (USES)				
Bonds Issued	-	-	3,785,944	3,785,944
Transfers in	975,981	298,806	-	1,274,787
Transfers out	(163,325)	(30,905)	-	(194,230)
Total other financing source (uses)	<u>812,656</u>	<u>267,901</u>	<u>3,785,944</u>	<u>4,866,501</u>
Net change in fund balances	1,097,748	(12)	4,233,607	5,331,343
Fund balances - beginning	9,524,488	12	2,209,542	11,734,042
Fund balances - ending	<u>\$ 10,622,236</u>	<u>\$ -</u>	<u>\$ 6,443,149</u>	<u>\$ 17,065,385</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.*

Street Construction Fund (112) - *This fund accounts for transportation improvement projects funded by a variety of sources, including federal and state transportation grants, motor vehicle fuel taxes, impact fees, real estate excise tax, and Public Works Trust Fund Loans.*

Municipal Arts Acquisition Fund (117) - *This fund 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.

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 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. The Business Improvement District is not included in the City budget. Activity is included for reporting purposes only.

Affordable and Supportive Housing Fund (141) – At least 60% of the revenue must be used for constructing affordable housing, constructing mental and behavioral health-related facilities, or funding the operations and maintenance costs of new units of affordable housing and facilities where housing-related programs are provided. The affordable housing and facilities may only be provided to people within specified population groups whose income is 60% or less of the county median income. The remaining funds must be used for the operation, delivery, or evaluation of mental and behavioral health treatment programs and services or housing-related services.

City of Edmonds
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2019

Page 1 of 4

	DRUG ENFORCEMENT		STREET CONSTRUCTION		MUNICIPAL ARTS	MEMORIAL STREET
	FUND	STREET FUND	FUND	FUND	FUND	TREE FUND
ASSETS						
Cash and cash equivalents	\$ 20,281	\$ 624,758	\$ 744,690	\$ 322,311	\$	10,058
Investments	19,392	597,259	1,415	308,169		9,616
Interest on investments	222	6,587	4,179	3,531		110
Interfund receivable	-	-	235,446	-		-
Due from other governments	-	128,328	585,813	-		-
Total assets	<u>\$ 39,895</u>	<u>\$ 1,356,932</u>	<u>\$ 1,571,543</u>	<u>\$ 634,011</u>		<u>\$ 19,784</u>
LIABILITIES						
Accounts payable	\$ -	\$ 8,154	\$ 137,512	\$ -	\$	-
Wages and benefits payable	-	46,040	-	-		-
Other current liabilities	55	4,265	12,261	-		-
Total liabilities	<u>55</u>	<u>58,459</u>	<u>149,773</u>	<u>-</u>		<u>-</u>
FUND BALANCES (DEFICITS)						
Restricted	39,840	1,298,473	1,421,770	-		19,784
Committed	-	-	-	634,011		-
Total fund balances (deficits)	<u>39,840</u>	<u>1,298,473</u>	<u>1,421,770</u>	<u>634,011</u>		<u>19,784</u>
Total liabilities and fund balances (deficits)	<u>\$ 39,895</u>	<u>\$ 1,356,932</u>	<u>\$ 1,571,543</u>	<u>\$ 634,011</u>		<u>\$ 19,784</u>

HOTEL/MOTEL TAX REVENUE FUND	EMPLOYEE PARKING PERMIT FUND	YOUTH SCHOLARSHIP FUND	TOURISM PROMOTIONAL FUND/ARTS	REAL ESTATE EXCISE TAX 2 FUND
\$ 49,856	\$ 44,148	\$ 6,914	\$ 36,023	\$ 1,267,308
47,668	42,211	6,611	34,442	1,211,704
546	484	76	395	13,885
-	-	-	-	-
6,093	-	-	2,031	161,602
<u>\$ 104,163</u>	<u>\$ 86,843</u>	<u>\$ 13,601</u>	<u>\$ 72,891</u>	<u>\$ 2,654,499</u>
\$ 11,150	\$ -	\$ -	\$ 789	\$ 29,135
-	-	-	-	-
-	-	-	-	-
<u>11,150</u>	<u>-</u>	<u>-</u>	<u>789</u>	<u>29,135</u>
93,013	-	13,601	72,102	2,625,364
-	86,843	-	-	-
<u>93,013</u>	<u>86,843</u>	<u>13,601</u>	<u>72,102</u>	<u>2,625,364</u>
<u>\$ 104,163</u>	<u>\$ 86,843</u>	<u>\$ 13,601</u>	<u>\$ 72,891</u>	<u>\$ 2,654,499</u>

City of Edmonds
Combining Balance Sheet
Nonmajor Special revenue funds
December 31, 2019

Page 3 of 4

	REAL ESTATE EXCISE TAX 1 FUND	GIFTS CATALOG FUND	CEMETERY MAINTENANCE / IMPROVEMENT FUND	PARKS TRUST FUND
ASSETS				
Cash and cash equivalents	\$ 1,251,607	\$ 168,908	\$ 135,586	\$ 82,899
Investments	1,196,691	161,497	129,628	79,262
Interest on investments	13,713	1,851	1,457	908
Interfund receivable	-	-	-	-
Due from other governments	161,602	-	-	-
Total assets	<u>\$ 2,623,613</u>	<u>\$ 332,256</u>	<u>\$ 266,671</u>	<u>\$ 163,069</u>
LIABILITIES				
Accounts payable	\$ 137,288	\$ -	\$ 961	\$ -
Wages and benefits payable	-	-	5,027	-
Other current liabilities	-	-	-	-
Total liabilities	<u>137,288</u>	<u>-</u>	<u>5,988</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Restricted	2,486,325	332,256	-	163,069
Committed	-	-	260,683	-
Total fund balances (deficits)	<u>2,486,325</u>	<u>332,256</u>	<u>260,683</u>	<u>163,069</u>
Total liabilities and fund balances (deficits)	<u>\$ 2,623,613</u>	<u>\$ 332,256</u>	<u>\$ 266,671</u>	<u>\$ 163,069</u>

CEMETERY MAINTENANCE TRUST FUND	SISTER CITY COMMISSION	BUSINESS IMPROVEMENT DISTRICT	AFFORDABLE AND SUPPORTIVE HOUSING	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
\$ 535,471	\$ 5,149	\$ 23,428	\$ 112	\$ 5,329,507
511,977	4,923	-	-	4,362,465
5,867	56	-	-	53,867
-	-	-	-	235,446
-	-	-	-	1,045,469
<u>\$ 1,053,315</u>	<u>\$ 10,128</u>	<u>\$ 23,428</u>	<u>\$ 112</u>	<u>\$ 11,026,754</u>
\$ -	\$ -	\$ 11,881	\$ -	\$ 336,870
-	-	-	-	51,067
-	-	-	-	16,581
-	-	11,881	-	404,518
-	10,128	11,547	112	8,587,384
1,053,315	-	-	-	2,034,852
<u>1,053,315</u>	<u>10,128</u>	<u>11,547</u>	<u>112</u>	<u>10,622,236</u>
<u>\$ 1,053,315</u>	<u>\$ 10,128</u>	<u>\$ 23,428</u>	<u>\$ 112</u>	<u>\$ 11,026,754</u>

City of Edmonds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019

Page 1 of 4

	DRUG ENFORCEMENT		STREET CONSTRUCTION		MUNICIPAL ARTS	MEMORIAL STREET TREE FUND
	FUND	STREET FUND	FUND	FUND	FUND	
REVENUES						
Taxes	\$ -	\$ 688,609	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	8,300	-	-	-	-
Intergovernmental	-	742,868	1,470,606	-	-	-
Charges for services	-	24,243	442,785	53,275	-	-
Investment earnings	934	49,782	6,140	27,480	-	884
Miscellaneous	38,906	2,331	-	14,800	-	-
Total revenues	<u>39,840</u>	<u>1,516,133</u>	<u>1,919,531</u>	<u>95,555</u>	<u>884</u>	
EXPENDITURES						
Current:						
Utilities and environment	-	-	-	-	-	-
Transportation	-	1,944,037	1,438,777	-	-	-
Economic environment	-	-	-	-	-	-
Culture and recreation	-	-	-	63,161	-	-
Debt service:						
Principal	-	4,033	72,201	-	-	-
Interest	-	577	2,313	-	-	-
Capital outlay:						
Transportation	-	12,343	343,683	-	-	-
Culture and recreation	-	-	-	-	-	-
Total expenditures	-	<u>1,960,990</u>	<u>1,856,974</u>	<u>63,161</u>	-	-
Excess (deficiency) of revenues over expenditures	<u>39,840</u>	<u>(444,857)</u>	<u>62,557</u>	<u>32,394</u>	<u>884</u>	
OTHER FINANCING SOURCES (USES)						
Transfers in	-	400,000	499,997	30,984	-	-
Transfers out	-	-	-	-	-	-
Total other financing source (uses)	-	<u>400,000</u>	<u>499,997</u>	<u>30,984</u>	-	-
Net change in fund balances	39,840	(44,857)	562,554	63,378	884	
Fund balances - beginning	-	1,343,330	859,216	570,633	18,900	
Fund balances - ending	<u>\$ 39,840</u>	<u>\$ 1,298,473</u>	<u>\$ 1,421,770</u>	<u>\$ 634,011</u>	<u>\$ 19,784</u>	

HOTEL/MOTEL TAX REVENUE FUND	EMPLOYEE PARKING PERMIT FUND	YOUTH SCHOLARSHIP FUND	TOURISM PROMOTIONAL FUND/ARTS	REAL ESTATE EXCISE TAX 2 FUND
\$ 90,506	\$ -	\$ -	\$ 30,169	\$ 1,548,220
-	31,425	-	-	-
-	-	-	-	-
-	-	-	-	-
4,042	4,053	626	3,328	105,048
3,534	-	714	-	-
<u>98,082</u>	<u>35,478</u>	<u>1,340</u>	<u>33,497</u>	<u>1,653,268</u>
-	-	-	-	-
-	25,681	-	-	536,032
-	-	-	-	-
91,008	-	2,768	31,980	134,974
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	587,718
<u>91,008</u>	<u>25,681</u>	<u>2,768</u>	<u>31,980</u>	<u>1,258,724</u>
<u>7,074</u>	<u>9,797</u>	<u>(1,428)</u>	<u>1,517</u>	<u>394,544</u>
-	-	-	-	-
(4,000)	-	-	-	-
(4,000)	-	-	-	-
3,074	9,797	(1,428)	1,517	394,544
89,939	77,046	15,029	70,585	2,230,820
<u>\$ 93,013</u>	<u>\$ 86,843</u>	<u>\$ 13,601</u>	<u>\$ 72,102</u>	<u>\$ 2,625,364</u>

City of Edmonds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2019

Page 3 of 4

	REAL ESTATE EXCISE TAX 1 FUND	GIFTS CATALOG FUND	CEMETERY MAINTENANCE / IMPROVEMENT FUND	PARKS TRUST FUND
REVENUES				
Taxes	\$ 1,548,220	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	188,419	-
Investment earnings	119,114	13,952	10,623	7,347
Miscellaneous	-	105,170	-	50
Total revenues	<u>1,667,334</u>	<u>119,122</u>	<u>199,042</u>	<u>7,397</u>
EXPENDITURES				
Current:				
Utilities and environment	-	-	191,135	-
Transportation	806,597	-	-	-
Economic environment	-	-	-	-
Culture and recreation	-	55,791	-	4,935
Debt service:				
Principal	23,476	-	-	-
Interest	3,437	-	-	-
Capital outlay:				
Transportation	295,035	-	-	-
Culture and recreation	481,963	-	-	-
Total expenditures	<u>1,610,508</u>	<u>55,791</u>	<u>191,135</u>	<u>4,935</u>
Excess (deficiency) of revenues over expenditures	<u>56,826</u>	<u>63,331</u>	<u>7,907</u>	<u>2,462</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	40,000	-
Transfers out	(133,025)	(26,300)	-	-
Total other financing source (uses)	<u>(133,025)</u>	<u>(26,300)</u>	<u>40,000</u>	<u>-</u>
Net change in fund balances	(76,199)	37,031	47,907	2,462
Fund balances - beginning	2,562,524	295,225	212,776	160,607
Fund balances - ending	<u>\$ 2,486,325</u>	<u>\$ 332,256</u>	<u>\$ 260,683</u>	<u>\$ 163,069</u>

CEMETERY MAINTENANCE TRUST FUND	SISTER CITY COMMISSION	BUSINESS IMPROVEMENT DISTRICT	AFFORDABLE AND SUPPORTIVE HOUSING	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
\$ -	\$ -	\$ -	\$ 112	\$ 3,905,836
-	-	78,979	-	118,704
-	-	-	-	2,213,474
20,974	-	-	-	729,696
46,684	420	-	-	400,457
-	3,500	7,047	-	176,052
<u>67,658</u>	<u>3,920</u>	<u>86,026</u>	<u>112</u>	<u>7,544,219</u>
-	-	-	-	191,135
-	-	-	-	4,751,124
-	6,894	98,578	-	105,472
-	-	-	-	384,617
-	-	-	-	99,710
-	-	-	-	6,327
-	-	-	-	651,061
-	-	-	-	<u>1,069,681</u>
-	<u>6,894</u>	<u>98,578</u>	-	<u>7,259,127</u>
<u>67,658</u>	<u>(2,974)</u>	<u>(12,552)</u>	<u>112</u>	<u>285,092</u>
-	5,000	-	-	975,981
-	-	-	-	<u>(163,325)</u>
-	<u>5,000</u>	-	-	<u>812,656</u>
67,658	2,026	(12,552)	112	1,097,748
985,657	8,102	24,099	-	9,524,488
<u>\$ 1,053,315</u>	<u>\$ 10,128</u>	<u>\$ 11,547</u>	<u>\$ 112</u>	<u>\$ 10,622,236</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ 430	\$ 430	\$ 934	\$ 504
Miscellaneous	165,000	165,000	38,906	(126,094)
Total revenues	<u>165,430</u>	<u>165,430</u>	<u>39,840</u>	<u>(125,590)</u>
EXPENDITURES				
Current:				
Public safety	45,800	45,800	-	45,800
Total current	<u>45,800</u>	<u>45,800</u>	<u>-</u>	<u>45,800</u>
Total expenditures	<u>45,800</u>	<u>45,800</u>	<u>-</u>	<u>45,800</u>
Excess (deficiency) of revenues over expenditures	<u>119,630</u>	<u>119,630</u>	<u>39,840</u>	<u>(79,790)</u>
OTHER FINANCING SOURCES (USES)				
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	119,630	119,630	39,840	(79,790)
Fund balances - beginning	56,399	1	-	(1)
Fund balances - ending	<u>\$ 176,029</u>	<u>\$ 119,631</u>	<u>\$ 39,840</u>	<u>\$ (79,791)</u>

City of Edmonds
STREET FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 710,000	\$ 710,000	\$ 688,609	\$ (21,391)
Licenses and permits	5,000	5,000	8,300	3,300
Intergovernmental	710,000	710,000	742,868	32,868
Charges for services	-	-	24,243	24,243
Investment earnings	33,070	33,070	49,782	16,712
Miscellaneous	1,200	1,200	2,331	1,131
Total revenues	<u>1,459,270</u>	<u>1,459,270</u>	<u>1,516,133</u>	<u>56,863</u>
EXPENDITURES				
Current:				
Transportation	2,229,908	2,190,878	1,944,037	246,841
Total current	<u>2,229,908</u>	<u>2,190,878</u>	<u>1,944,037</u>	<u>246,841</u>
Debt service:				
Principal	4,040	4,040	4,033	7
Interest	580	580	577	3
Total debt service	<u>4,620</u>	<u>4,620</u>	<u>4,610</u>	<u>10</u>
Capital outlay:				
Total capital outlay	-	60,000	12,343	-
Total expenditures	<u>2,234,528</u>	<u>2,255,498</u>	<u>1,960,990</u>	<u>246,851</u>
Excess (deficiency) of revenues over expenditures	<u>(775,258)</u>	<u>(796,228)</u>	<u>(444,857)</u>	<u>303,714</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	-	-
Insurance Recoveries	-	-	-	-
Transfers in	400,000	400,000	400,000	-
Total other financing source (uses)	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>-</u>
Net change in fund balances	(375,258)	(396,228)	(44,857)	303,714
Fund balances - beginning	1,138,323	1,343,329	1,343,330	1
Fund balances - ending	<u>\$ 763,065</u>	<u>\$ 947,101</u>	<u>\$ 1,298,473</u>	<u>\$ 303,715</u>

City of Edmonds
STREET CONSTRUCTION FUND
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 5,841,577	\$ 6,302,275	\$ 1,470,606	\$ (4,831,669)
Charges for services	250,000	250,000	442,785	192,785
Investment earnings	-	-	6,140	6,140
Miscellaneous	-	-	-	-
Total revenues	<u>6,091,577</u>	<u>6,552,275</u>	<u>1,919,531</u>	<u>(4,632,744)</u>
EXPENDITURES				
Current:				
Transportation	<u>4,709,396</u>	<u>5,053,762</u>	<u>1,438,777</u>	<u>3,614,985</u>
Total current	<u>4,709,396</u>	<u>5,053,762</u>	<u>1,438,777</u>	<u>3,614,985</u>
Debt service:				
Principal	72,220	72,220	72,201	19
Interest	2,330	2,330	2,313	17
Total debt service	<u>74,550</u>	<u>74,550</u>	<u>74,514</u>	<u>36</u>
Capital outlay:				
Transportation	<u>1,567,723</u>	<u>1,740,373</u>	<u>343,683</u>	<u>1,396,690</u>
Total capital outlay	<u>1,567,723</u>	<u>1,740,373</u>	<u>343,683</u>	<u>1,396,690</u>
Total expenditures	<u>6,351,669</u>	<u>6,868,685</u>	<u>1,856,974</u>	<u>5,011,711</u>
Excess (deficiency) of revenues over expenditures	<u>(260,092)</u>	<u>(316,410)</u>	<u>62,557</u>	<u>378,967</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	555,340	706,658	499,997	(206,661)
Transfers out	(47,710)	(166,710)	-	166,710
Total other financing source (uses)	<u>507,630</u>	<u>539,948</u>	<u>499,997</u>	<u>(39,951)</u>
Net change in fund balances	247,538	223,538	562,554	339,016
Fund balances - beginning	<u>723,715</u>	<u>859,217</u>	<u>859,216</u>	<u>(1)</u>
Fund balances - ending	<u>\$ 971,253</u>	<u>\$ 1,082,755</u>	<u>\$ 1,421,770</u>	<u>\$ 339,015</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 44,820	\$ 44,820	\$ 53,275	\$ 8,455
Investment earnings	16,670	16,670	27,480	10,810
Miscellaneous	48,600	48,600	14,800	(33,800)
Total revenues	<u>110,090</u>	<u>110,090</u>	<u>95,555</u>	<u>(14,535)</u>
EXPENDITURES				
Current:				
Culture and recreation	181,880	181,880	63,161	118,719
Total expenditures	<u>181,880</u>	<u>181,880</u>	<u>63,161</u>	<u>118,719</u>
Excess (deficiency) of revenues over expenditures	<u>(71,790)</u>	<u>(71,790)</u>	<u>32,394</u>	<u>104,184</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	40,820	42,557	30,984	(11,573)
Total other financing source (uses)	<u>40,820</u>	<u>42,557</u>	<u>30,984</u>	<u>(11,573)</u>
Net change in fund balances	(30,970)	(29,233)	63,378	92,611
Fund balances - beginning	557,234	570,633	570,633	-
Fund balances - ending	<u>\$ 526,264</u>	<u>\$ 541,400</u>	<u>\$ 634,011</u>	<u>\$ 92,611</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ 580	\$ 580	\$ 884	\$ 304
Total revenues	<u>580</u>	<u>580</u>	<u>884</u>	<u>304</u>
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	<u>580</u>	<u>580</u>	<u>884</u>	<u>304</u>
OTHER FINANCING SOURCES (USES)				
Total other financing source (uses)	-	-	-	-
Net change in fund balances	580	580	884	304
Fund balances - beginning	18,870	18,899	18,900	1
Fund balances - ending	<u>\$ 19,450</u>	<u>\$ 19,479</u>	<u>\$ 19,784</u>	<u>\$ 305</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 92,250	\$ 92,250	\$ 90,506	\$ (1,744)
Investment earnings	2,480	2,480	4,042	1,562
Miscellaneous	-	3,534	3,534	-
Total revenues	<u>94,730</u>	<u>98,264</u>	<u>98,082</u>	<u>(182)</u>
EXPENDITURES				
Current:				
Culture and recreation	96,400	104,934	91,008	13,926
Total expenditures	<u>96,400</u>	<u>104,934</u>	<u>91,008</u>	<u>13,926</u>
Excess (deficiency) of revenues over expenditures	<u>(1,670)</u>	<u>(6,670)</u>	<u>7,074</u>	<u>13,744</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	(5,670)	(10,670)	3,074	13,744
Fund balances - beginning	80,267	89,938	89,939	1
Fund balances - ending	<u>\$ 74,597</u>	<u>\$ 79,268</u>	<u>\$ 93,013</u>	<u>\$ 13,745</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Licenses and permits	\$ 24,000	\$ 24,000	\$ 31,425	\$ 7,425
Investment earnings	2,170	2,170	4,053	1,883
Total revenues	<u>26,170</u>	<u>26,170</u>	<u>35,478</u>	<u>9,308</u>
EXPENDITURES				
Current:				
Transportation	26,880	26,880	25,681	1,199
Total expenditures	<u>26,880</u>	<u>26,880</u>	<u>25,681</u>	<u>1,199</u>
Excess (deficiency) of revenues over expenditures	<u>(710)</u>	<u>(710)</u>	<u>9,797</u>	<u>10,507</u>
OTHER FINANCING SOURCES (USES)				
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(710)	(710)	9,797	10,507
Fund balances - beginning	68,533	77,046	77,046	-
Fund balances - ending	<u>\$ 67,823</u>	<u>\$ 76,336</u>	<u>\$ 86,843</u>	<u>\$ 10,507</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ 480	\$ 480	\$ 626	\$ 146
Miscellaneous	1,200	1,200	714	(486)
Total revenues	<u>1,680</u>	<u>1,680</u>	<u>1,340</u>	<u>(340)</u>
EXPENDITURES				
Current:				
Culture and recreation	3,000	3,000	2,768	232
Total expenditures	<u>3,000</u>	<u>3,000</u>	<u>2,768</u>	<u>232</u>
Excess (deficiency) of revenues over expenditures	<u>(1,320)</u>	<u>(1,320)</u>	<u>(1,428)</u>	<u>(108)</u>
OTHER FINANCING SOURCES (USES)				
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(1,320)	(1,320)	(1,428)	(108)
Fund balances - beginning	14,298	15,030	15,029	(1)
Fund balances - ending	<u>\$ 12,978</u>	<u>\$ 13,710</u>	<u>\$ 13,601</u>	<u>\$ (109)</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 29,500	\$ 29,500	\$ 30,169	\$ 669
Charges for services	-	-	-	-
Investment earnings	1,750	1,750	3,328	1,578
Total revenues	<u>31,250</u>	<u>31,250</u>	<u>33,497</u>	<u>2,247</u>
EXPENDITURES				
Current:				
Culture and recreation	32,000	32,000	31,980	20
Total expenditures	<u>32,000</u>	<u>32,000</u>	<u>31,980</u>	<u>20</u>
Excess (deficiency) of revenues over expenditures	<u>(750)</u>	<u>(750)</u>	<u>1,517</u>	<u>2,267</u>
OTHER FINANCING SOURCES (USES)				
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(750)	(750)	1,517	2,267
Fund balances - beginning	61,226	70,586	70,585	(1)
Fund balances - ending	<u>\$ 60,476</u>	<u>\$ 69,836</u>	<u>\$ 72,102</u>	<u>\$ 2,266</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,540,000	\$ 1,540,000	\$ 1,548,220	\$ 8,220
Investment earnings	57,600	57,600	105,048	47,448
Total revenues	<u>1,597,600</u>	<u>1,597,600</u>	<u>1,653,268</u>	<u>55,668</u>
EXPENDITURES				
Current:				
General government	445,000	445,000	-	445,000
Transportation	491,250	564,701	536,032	28,669
Culture and recreation	171,260	188,960	134,974	53,986
Total current	<u>1,107,510</u>	<u>1,198,661</u>	<u>671,006</u>	<u>527,655</u>
Capital outlay:				
Transportation	51,250	93,025	-	93,025
Culture and recreation	1,694,800	2,091,600	587,718	1,503,882
Total capital outlay	<u>1,746,050</u>	<u>2,184,625</u>	<u>587,718</u>	<u>1,596,907</u>
Total expenditures	<u>2,853,560</u>	<u>3,383,286</u>	<u>1,258,724</u>	<u>2,124,562</u>
Excess (deficiency) of revenues over expenditures	<u>(1,255,960)</u>	<u>(1,785,686)</u>	<u>394,544</u>	<u>2,180,230</u>
OTHER FINANCING SOURCES (USES)				
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(1,255,960)	(1,785,686)	394,544	2,180,230
Fund balances - beginning	1,600,627	2,230,820	2,230,820	-
Fund balances - ending	<u>\$ 344,667</u>	<u>\$ 445,134</u>	<u>\$ 2,625,364</u>	<u>\$ 2,180,230</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 1,540,000	\$ 1,540,000	\$ 1,548,220	\$ 8,220
Investment earnings	64,020	64,020	119,114	55,094
Total revenues	<u>1,604,020</u>	<u>1,604,020</u>	<u>1,667,334</u>	<u>63,314</u>
EXPENDITURES				
Current:				
General government	55,000	55,000	-	55,000
Transportation	623,884	804,149	806,597	(2,448)
Mental Health	-	-	-	-
Culture and recreation	4,380	4,380	-	4,380
Total current	<u>683,264</u>	<u>863,529</u>	<u>806,597</u>	<u>56,932</u>
Debt service:				
Principal	23,480	23,480	23,476	4
Interest	3,360	3,360	3,437	(77)
Total debt service	<u>26,840</u>	<u>26,840</u>	<u>26,913</u>	<u>(73)</u>
Capital outlay:				
Transportation	611,250	1,100,436	295,035	805,401
Culture and recreation	1,648,466	1,748,466	481,963	1,266,503
Total capital outlay	<u>2,259,716</u>	<u>2,848,902</u>	<u>776,998</u>	<u>2,071,904</u>
Total expenditures	<u>2,969,820</u>	<u>3,739,271</u>	<u>1,610,508</u>	<u>2,128,763</u>
Excess (deficiency) of revenues over expenditures	<u>(1,365,800)</u>	<u>(2,135,251)</u>	<u>56,826</u>	<u>2,192,077</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(133,030)	(133,030)	(133,025)	5
Total other financing source (uses)	<u>(133,030)</u>	<u>(133,030)</u>	<u>(133,025)</u>	<u>5</u>
Net change in fund balances	(1,498,830)	(2,268,281)	(76,199)	2,192,082
Fund balances - beginning	2,066,504	2,562,524	2,562,524	-
Fund balances - ending	<u>\$ 567,674</u>	<u>\$ 294,243</u>	<u>\$ 2,486,325</u>	<u>\$ 2,192,082</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ 8,300	\$ 8,300	\$ 13,952	\$ 5,652
Miscellaneous	73,800	101,500	105,170	3,670
Total revenues	<u>82,100</u>	<u>109,800</u>	<u>119,122</u>	<u>9,322</u>
EXPENDITURES				
Current:				
Culture and recreation	51,495	93,370	55,791	37,579
Total expenditures	<u>51,495</u>	<u>93,370</u>	<u>55,791</u>	<u>37,579</u>
Excess (deficiency) of revenues over expenditures	<u>30,605</u>	<u>16,430</u>	<u>63,331</u>	<u>46,901</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	4,305	(9,870)	37,031	46,901
Fund balances - beginning	261,527	295,225	295,225	-
Fund balances - ending	<u>\$ 265,832</u>	<u>\$ 285,355</u>	<u>\$ 332,256</u>	<u>\$ 46,901</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 136,620	\$ 136,620	\$ 188,419	\$ 51,799
Investment earnings	5,940	5,940	10,623	4,683
Total revenues	<u>142,560</u>	<u>142,560</u>	<u>199,042</u>	<u>56,482</u>
EXPENDITURES				
Current:				
Utilities and environment	184,707	194,977	191,135	3,842
Total expenditures	<u>184,707</u>	<u>194,977</u>	<u>191,135</u>	<u>3,842</u>
Excess (deficiency) of revenues over expenditures	<u>(42,147)</u>	<u>(52,417)</u>	<u>7,907</u>	<u>60,324</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	40,000	40,000	40,000	-
Total other financing source (uses)	<u>40,000</u>	<u>40,000</u>	<u>40,000</u>	<u>-</u>
Net change in fund balances	(2,147)	(12,417)	47,907	60,324
Fund balances - beginning	148,854	212,775	212,776	1
Fund balances - ending	<u>\$ 146,707</u>	<u>\$ 200,358</u>	<u>\$ 260,683</u>	<u>\$ 60,325</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ 4,870	\$ 4,870	\$ 7,347	\$ 2,477
Miscellaneous	-	-	50	50
Total revenues	<u>4,870</u>	<u>4,870</u>	<u>7,397</u>	<u>2,527</u>
EXPENDITURES				
Current:				
Culture and recreation	<u>5,000</u>	<u>5,000</u>	<u>4,935</u>	<u>(65)</u>
Total current	<u>5,000</u>	<u>5,000</u>	<u>4,935</u>	<u>(65)</u>
OTHER FINANCING SOURCES (USES)				
Total other financing source (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(130)	(130)	2,462	2,462
Fund balances - beginning	<u>159,966</u>	<u>160,616</u>	<u>160,607</u>	<u>(9)</u>
Fund balances - ending	<u>\$ 159,836</u>	<u>\$ 160,486</u>	<u>\$ 163,069</u>	<u>\$ 2,453</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Charges for services	\$ 15,180	\$ 15,180	\$ 20,974	\$ 5,794
Investment earnings	29,320	29,320	46,684	17,364
Total revenues	<u>44,500</u>	<u>44,500</u>	<u>67,658</u>	<u>23,158</u>
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	<u>44,500</u>	<u>44,500</u>	<u>67,658</u>	<u>23,158</u>
OTHER FINANCING SOURCES (USES)				
Total other financing source (uses)	-	-	-	-
Net change in fund balances	44,500	44,500	67,658	23,158
Fund balances - beginning	979,764	985,657	985,657	-
Fund balances - ending	<u>\$ 1,024,264</u>	<u>\$ 1,030,157</u>	<u>\$ 1,053,315</u>	<u>\$ 23,158</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Investment earnings	\$ 240	\$ 240	\$ 420	\$ 180
Miscellaneous	5,000	5,000	3,500	(1,500)
Total revenues	<u>5,240</u>	<u>5,240</u>	<u>3,920</u>	<u>(1,320)</u>
EXPENDITURES				
Current:				
Economic environment	10,500	10,500	6,894	3,606
Total expenditures	<u>10,500</u>	<u>10,500</u>	<u>6,894</u>	<u>3,606</u>
Excess (deficiency) of revenues over expenditures	<u>(5,260)</u>	<u>(5,260)</u>	<u>(2,974)</u>	<u>2,286</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	(260)	(260)	2,026	2,286
Fund balances - beginning	7,319	8,102	8,102	-
Fund balances - ending	<u>\$ 7,059</u>	<u>\$ 7,842</u>	<u>\$ 10,128</u>	<u>\$ 2,286</u>

City of Edmonds
 AFFORDABLE AND SUPPORTIVE HOUSING FUND
 Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
 For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ -	\$ -	\$ 112	\$ 112
Total revenues	-	-	112	112
EXPENDITURES				
Current:				
Economic environment	-	-	-	-
Total current	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	112	112
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	-	-
Total other financing source (uses)	-	-	-	-
Net change in fund balances	-	-	112	112
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ -	\$ 112	\$ 112

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 one special assessment related fund.

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, 2019

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

City of Edmonds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2019

	L.I.D. FUND CONTROL	2014 DEBT SERVICE FUND	TOTAL NONMAJOR DEBT SERVICE FUNDS
REVENUES			
Fines and forfeitures	\$ 3,814	\$ -	3,814
Investment earnings	3,761	-	3,761
Miscellaneous	23,318	417,592	440,910
Total revenues	<u>30,893</u>	<u>417,592</u>	<u>448,485</u>
EXPENDITURES			
Debt service:			
Principal	-	609,623	609,623
Interest	-	106,775	106,775
Total expenditures	<u>-</u>	<u>716,398</u>	<u>716,398</u>
Excess (deficiency) of revenues over expenditures	<u>30,893</u>	<u>(298,806)</u>	<u>(267,913)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	298,806	298,806
Transfers out	<u>(30,905)</u>	<u>-</u>	<u>(30,905)</u>
Total other financing source (uses)	<u>(30,905)</u>	<u>298,806</u>	<u>267,901</u>
Net change in fund balances	(12)	-	(12)
Fund balances - beginning	12	-	12
Fund balances - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Fines and forfeitures	\$ 400	\$ 3,900	\$ 3,814	\$ (86)
Investment earnings	-	3,800	3,761	(39)
Miscellaneous	12,000	28,187	23,318	(4,869)
Total revenues	<u>12,400</u>	<u>35,887</u>	<u>30,893</u>	<u>(4,994)</u>
EXPENDITURES				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	<u>12,400</u>	<u>35,887</u>	<u>30,893</u>	<u>(4,994)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(12,400)	(35,887)	(30,905)	4,982
Total other financing source (uses)	<u>(12,400)</u>	<u>(35,887)</u>	<u>(30,905)</u>	<u>4,982</u>
Net change in fund balances	-	-	(12)	(12)
Fund balances - beginning	-	12	12	-
Fund balances - ending	<u>\$ -</u>	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ (12)</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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Miscellaneous	\$ 417,600	\$ 417,600	\$ 417,592	\$ (8)
Total revenues	<u>417,600</u>	<u>417,600</u>	<u>417,592</u>	<u>(8)</u>
EXPENDITURES				
Debt service:				
Principal	609,630	609,630	609,623	7
Interest	106,780	106,780	106,775	5
Total expenditures	<u>716,410</u>	<u>716,410</u>	<u>716,398</u>	<u>12</u>
Excess (deficiency) of revenues over expenditures	<u>(298,810)</u>	<u>(298,810)</u>	<u>(298,806)</u>	<u>4</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	298,820	298,820	298,806	(14)
Total other financing source (uses)	<u>298,820</u>	<u>298,820</u>	<u>298,806</u>	<u>(14)</u>
Net change in fund balances	10	10	-	(10)
Fund balances - beginning	-	-	-	-
Fund balances - ending	<u>\$ 10</u>	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ (10)</u>



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NON-MAJOR GOVERNMENTAL FUNDS

Capital Projects Funds

Parks Capital Construction Fund (332) – Fund 132 was established as part of the City's 2007 and 2008 Operating Budget to specifically segregate park improvement projects that would be totally or partially funded by grants and contributions. The fund number changed from Fund 132 to Fund 332 during the 2018 budget process. Fund 332 is for improvement, renovation, planning and development of park sites to maintain high quality and varied parks and open space in the city. Revenue sources for the Fund include state and local grants, contributions from developers, and carryover from previous years.

City of Edmonds
Balance Sheet
Nonmajor Capital Projects Fund
December 31, 2019

	PARKS CAPITAL CONSTRUCTION FUND
ASSETS	
Cash and cash equivalents	\$ 3,800,241
Investments	2,655,440
Interest on investments	36,159
Due from other governments	8,764
Total assets	\$ 6,500,604
 LIABILITIES	
Accounts payable	\$ 42,041
Other current liabilities	15,414
Total liabilities	57,455
 FUND BALANCES (DEFICITS)	
Restricted	6,443,149
Total fund balances (deficits)	6,443,149
 Total liabilities and fund balances (deficits)	 \$ 6,500,604

City of Edmonds
Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Fund
For the Year Ended December 31, 2019

	PARKS CAPITAL CONSTRUCTION FUND
REVENUES	
Intergovernmental	\$ 32,382
Charges for services	100,757
Investment earnings	159,263
Miscellaneous	500,200
Total revenues	792,602
 EXPENDITURES	
Current:	
Culture and recreation	116,848
Debt service:	
Bond issuance cost	80,041
Capital outlay:	
Culture and recreation	148,050
Total expenditures	344,939
Excess (deficiency) of revenues over expenditures	447,663
 OTHER FINANCING SOURCES (USES)	
Bond Issuance	3,785,944
Total other financing sources (uses)	3,785,944
Net change in fund balances	4,233,607
Fund balances - beginning	2,209,542
Fund balances - ending	\$ 6,443,149

City of Edmonds
PARKS CONSTRUCTION FUND
 Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
 For the Year Ended December 31, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental	\$ 2,158,868	\$ 2,247,668	\$ 32,382	\$ (2,215,286)
Charges for services	588,901	588,901	100,757	(488,144)
Investment earnings	49,080	49,080	159,263	110,183
Contributions	-	-	500,200	500,200
Total revenues	<u>2,796,849</u>	<u>2,885,649</u>	<u>792,602</u>	<u>(2,093,047)</u>
EXPENDITURES				
Current:				
Culture and recreation	<u>4,760</u>	<u>4,760</u>	<u>116,848</u>	<u>(112,088)</u>
Total current	<u>4,760</u>	<u>4,760</u>	<u>116,848</u>	<u>(112,088)</u>
Debt service:				
Principal	-	85,944	80,041	5,903
Total debt service	-	<u>85,944</u>	<u>80,041</u>	<u>5,903</u>
Capital outlay:				
Culture and recreation	<u>3,758,868</u>	<u>3,992,668</u>	<u>148,050</u>	<u>3,844,618</u>
Total capital outlay	<u>3,758,868</u>	<u>3,992,668</u>	<u>148,050</u>	<u>3,844,618</u>
Total expenditures	<u>3,763,628</u>	<u>4,083,372</u>	<u>344,939</u>	<u>3,738,433</u>
Excess (deficiency) of revenues over expenditures	<u>(966,779)</u>	<u>(1,197,723)</u>	<u>447,663</u>	<u>1,645,386</u>
OTHER FINANCING SOURCES (USES)				
Proceeds of Longterm Debt	-	3,785,944	3,785,944	-
Total other financing source (uses)	-	<u>3,785,944</u>	<u>3,785,944</u>	<u>-</u>
Net change in fund balances	(966,779)	2,588,221	4,233,607	1,645,386
Fund balances - beginning	<u>2,744,448</u>	<u>2,209,541</u>	<u>2,209,542</u>	<u>1</u>
Fund balances - ending	<u>\$ 1,777,669</u>	<u>\$ 4,797,762</u>	<u>\$ 6,443,149</u>	<u>\$ 1,645,387</u>

NON-MAJOR PROPRIETARY FUNDS

Internal Service Funds

Internal Service funds account for the purchases and expenditures associated with providing services to City departments. The City has two Internal Service Funds.

Equipment Rental Fund (511) – *Fund 511 was established by ordinance to be used as a revolving fund for expenditures and purchases related to the operation of the City's vehicle fleet.*

Technology Rental Fund (512) – *Fund 512 was established to account for the equipment replacement costs and allocation of Information Technology costs back to City departments.*

City of Edmonds
Combining Statement of Net Position
Nonmajor Internal Service Funds
For the Year Ended December 31, 2019

	EQUIPMENT RENTAL FUND	TECHNOLOGY RENTAL FUND	TOTAL INTERNAL SERVICE FUNDS
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,971,155	\$ 281,793	\$ 3,252,948
Investments	2,840,759	269,394	3,110,153
Customer accounts	-	470	470
Interest on investments	32,452	2,984	35,436
Inventory	45,921	-	45,921
Total current assets	<u>5,890,287</u>	<u>554,641</u>	<u>6,444,928</u>
Noncurrent assets:			
Property, plant and equipment	4,392,793	323,030	4,715,823
Construction in progress	49,433	-	49,433
Total noncurrent assets	<u>4,442,226</u>	<u>323,030</u>	<u>4,765,256</u>
Total assets	<u>10,332,513</u>	<u>877,671</u>	<u>11,210,184</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources - pension	63,480	-	63,480
Total deferred outflows of resources	<u>63,480</u>	<u>-</u>	<u>63,480</u>
Total assets and deferred outflows of resources	<u>10,395,993</u>	<u>877,671</u>	<u>11,273,664</u>
LIABILITIES			
Current liabilities:			
Accounts payable	7,635	7,663	15,298
Wages and benefits payable	18,019	18,425	36,444
Total current liabilities	<u>25,654</u>	<u>26,088</u>	<u>51,742</u>
Noncurrent liabilities:			
Compensated absences	45,132	64,786	109,918
Pension Obligation (Net)	194,856	-	194,856
Total noncurrent liabilities	<u>239,988</u>	<u>64,786</u>	<u>304,774</u>
Total liabilities	<u>265,642</u>	<u>90,874</u>	<u>356,516</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow of resources - pension	114,085	-	114,085
Total deferred inflows of resources	<u>114,085</u>	<u>-</u>	<u>114,085</u>
Total liabilities and deferred inflows of resources	<u>379,727</u>	<u>90,874</u>	<u>470,601</u>
NET POSITION			
Net investment in capital assets	4,392,793	323,030	4,715,823
Unrestricted	5,623,473	463,767	6,087,240
Total net position	<u>\$ 10,016,266</u>	<u>\$ 786,797</u>	<u>\$ 10,803,063</u>

City of Edmonds
Combining Statement of Revenues, Expenditures, and Changes in Net Position
Nonmajor Internal Service Funds
For the Year Ended December 31, 2019

	EQUIPMENT RENTAL FUND	TECHNOLOGY RENTAL FUND	TOTAL INTERNAL SERVICE FUNDS
OPERATING REVENUES			
Charges for services	\$ 1,622,091	\$ 1,094,304	\$ 2,716,395
Other operating revenue	148	-	148
Total operating revenues	<u>1,622,239</u>	<u>1,094,304</u>	<u>2,716,543</u>
OPERATING EXPENSES			
Personnel services	513,994	463,714	977,708
Operations and maintenance	381,624	397,254	778,878
Professional services	1,821	48,188	50,009
Insurance	30,167	-	30,167
Depreciation	484,016	41,051	525,067
Total operating expenses	<u>1,411,622</u>	<u>950,207</u>	<u>2,361,829</u>
Operating income (loss)	<u>210,617</u>	<u>144,097</u>	<u>354,714</u>
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	290,937	19,242	310,179
Judgments and settlements	620	-	620
Gain (loss) on sale of capital assets	(36,080)	-	(36,080)
Total nonoperating revenues (expenses)	<u>255,477</u>	<u>19,242</u>	<u>274,719</u>
Income (loss) before contributions and transfers	466,094	163,339	629,433
Operations and maintenance	(2,313)	-	(2,313)
Change in net position	463,781	163,339	627,120
Total net position - beginning	9,552,485	623,458	10,175,943
Total net position - ending	<u>\$ 10,016,266</u>	<u>\$ 786,797</u>	<u>\$ 10,803,063</u>



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City of Edmonds
STATISTICAL SECTION
 December 31, 2019

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.

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Schedule 5	General Governmental Tax Revenues by Source.....	158

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.

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Schedule 8	Property Tax Rates-Direct and Overlapping Governments.....	162
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Schedule 10	Sales Tax Rate Direct and Overlapping Governments.....	164

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.

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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.

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Schedule 17	Principal Employers	176

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.

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

Page 1 of 2

	2010	2011	2012	2013	2014
Governmental Activities					
Net investment in capital assets	\$ 59,961,071	\$ 61,004,928	\$ 61,259,051	\$ 61,978,358	\$ 57,181,069
Restricted	1,368,707	3,288,857	3,793,023	4,923,480	5,989,155
Unrestricted	13,703,352	12,396,957	14,644,992	18,846,105	20,004,889
Total governmental activities net position	<u>\$ 75,033,130</u>	<u>\$ 76,690,742</u>	<u>\$ 79,697,066</u>	<u>\$ 85,747,943</u>	<u>\$ 83,175,113</u>
Business-type Activities					
Net investment in capital assets	\$ 53,273,296	\$ 45,783,325	\$ 55,063,391	\$ 51,071,627	\$ 49,313,852
Restricted	687,447	9,096,615	7,409,482	11,138,901	3,574,774
Unrestricted	9,906,089	10,678,887	3,959,046	6,363,897	18,258,585
Total business-type activities net position	<u>\$ 63,866,832</u>	<u>\$ 65,558,827</u>	<u>\$ 66,431,919</u>	<u>\$ 68,574,425</u>	<u>\$ 71,147,211</u>
Primary Government					
Net investment in capital assets	\$113,234,367	\$106,788,253	\$116,322,442	\$113,049,985	\$106,494,921
Restricted	2,056,154	12,385,472	11,202,505	16,062,381	9,563,929
Unrestricted	23,609,441	23,075,844	18,604,038	25,210,002	38,263,474
Total primary government net position	<u>\$138,899,962</u>	<u>\$142,249,569</u>	<u>\$146,128,985</u>	<u>\$154,322,368</u>	<u>\$154,322,324</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

2015	2016	2017	2018	2019
\$ 63,194,059	\$ 69,470,320	\$ 72,709,684	\$ 73,066,773	\$ 72,350,862
6,157,408	7,064,140	8,088,456	14,521,561	20,538,591
17,357,161	17,731,412	19,499,000	15,826,820	10,185,633
<u>\$ 86,708,628</u>	<u>\$ 94,265,872</u>	<u>\$100,297,140</u>	<u>\$103,415,154</u>	<u>\$103,075,086</u>
\$ 48,262,943	\$ 45,570,663	\$ 47,484,205	\$ 52,126,227	\$ 54,539,364
2,984,388	2,986,888	2,987,788	2,982,738	2,983,688
18,333,825	23,098,017	25,183,430	24,744,532	25,549,665
<u>\$ 69,581,156</u>	<u>\$ 71,655,568</u>	<u>\$ 75,655,423</u>	<u>\$ 79,853,497</u>	<u>\$ 83,072,717</u>
\$111,457,002	\$115,040,983	\$120,193,889	\$125,193,000	\$126,890,226
9,141,796	10,051,028	11,076,244	17,504,299	23,522,279
35,690,986	40,829,429	44,682,430	40,571,352	35,735,298
<u>\$156,289,784</u>	<u>\$165,921,440</u>	<u>\$175,952,563</u>	<u>\$183,268,651</u>	<u>\$186,147,803</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				
	2010	2011	2012	2013	2014
Expenses:					
Governmental activities					
General government	\$ 7,327,722	\$ 8,092,028	\$ 7,860,158	\$ 7,586,841	\$ 7,773,797
Judicial	882,404	-	-	-	-
Public safety	17,630,352	18,037,057	17,490,480	17,298,217	19,044,595
Utilities and environment	1,266,933	1,405,398	1,546,080	1,502,516	1,800,507
Economic environment	1,643,520	1,063,894	1,011,062	1,072,629	1,347,590
Mental and physical health	10,217	9,731	12,168	8,558	52,641
Culture and recreation	3,984,078	4,298,852	4,237,656	3,941,859	4,217,206
Transportation	4,325,832	3,412,126	3,922,273	4,445,078	4,997,331
Interest and fiscal charges	446,236	781,881	760,142	191,155	292,068
Total governmental activities expenses	37,517,294	37,100,967	36,840,019	36,046,853	39,525,735
Business-type activities					
Utility Operations	13,836,220	14,140,249	15,258,298	15,845,552	17,558,607
Total business-type activities expenses	13,836,220	14,140,249	15,258,298	15,845,552	17,558,607
Program Revenues:					
Governmental activities					
Charges for services:					
General government	3,097,629	4,078,403	4,624,432	4,835,459	4,251,943
Public safety	1,132,605	1,212,082	1,066,201	1,134,073	1,678,154
Other	3,908,424	3,088,212	3,022,741	3,180,343	3,819,147
Operating grants and contributions	272,554	145,406	1,324,353	973,007	227,233
Capital grants and contributions	534,066	1,771,199	1,942,259	2,566,575	3,238,733
Total governmental activities program revenue	8,945,278	10,295,302	11,979,986	12,689,457	13,215,210
Business-type activities					
Charges for services	14,347,539	15,620,997	15,970,380	16,630,405	17,821,867
Operating grants and contributions	47,249	179,479	53,743	161,294	88,835
Capital grants and contributions	1,246,156	498,486	1,052,305	1,445,164	2,164,571
Total business-type activities program revenues	15,640,944	16,298,962	17,076,428	18,236,863	20,075,273
Net (Expense) Revenue					
Governmental activities	(28,572,016)	(26,805,665)	(24,860,033)	(23,357,396)	(26,310,525)
Business-type activities	1,804,724	2,158,713	1,818,130	2,391,311	2,516,666
Total primary government net expense	(26,767,292)	(24,646,952)	(23,041,903)	(20,966,085)	(23,793,859)
General Revenues:					
Governmental activities					
Taxes:					
Property	13,683,426	13,539,536	13,382,296	13,474,665	13,767,675
Sales	5,002,282	5,286,262	5,637,393	6,104,618	6,694,501
Utility	5,997,151	6,232,489	6,340,634	6,431,457	6,583,507
Other	3,043,813	2,388,579	2,223,771	2,446,023	4,226,106
Interest and investment earnings	32,845	16,070	22,565	3,926	125,922
Gains	983,191	36,762	(148,542)	46,987	26,513
Miscellaneous	344,303	481,263	64,315	125,781	371,093
Transfers	62,375	482,316	565,628	1,067	6,702
Total governmental activities general revenues	29,149,386	28,463,277	28,088,060	28,634,524	31,802,019
Business-type activities					
Investment earnings	25,697	15,287	22,786	31,492	62,822
Miscellaneous	100	311	-	38,039	-
Gains	7,357	-	-	-	-
Transfers	(62,375)	(482,316)	(565,628)	1,067	(6,702)
Total business-type activities general revenues	(29,221)	(466,718)	(542,842)	70,598	56,120
Total primary government	29,120,165	27,996,559	27,545,218	28,705,122	31,858,139
Change in Net Position					
Governmental activities	577,370	1,657,612	3,228,027	5,277,128	5,491,494
Business-type activities	1,775,503	1,691,995	1,275,288	2,461,909	2,572,786
Total primary government	\$ 2,352,873	\$ 3,349,607	\$ 4,503,315	\$ 7,739,037	\$ 8,064,280

Source:

Applicable years' Comprehensive Annual Financial Report.

For The Fiscal Year Ended December 31				
2015	2016	2017	2018	2019
\$ 9,836,339	\$ 10,617,051	\$ 11,861,913	\$ 11,597,750	\$ 13,458,742
-	-	-	-	-
19,454,123	20,590,459	22,952,541	22,582,126	26,060,416
158,773	161,755	174,237	208,768	201,958
1,424,538	1,421,122	1,594,100	1,312,929	1,640,845
69,762	70,814	126,791	420,136	166,750
4,800,710	4,527,224	4,965,274	5,862,529	5,405,494
6,314,909	6,115,715	5,197,489	5,369,867	7,185,216
190,898	146,942	68,532	50,277	48,910
42,250,052	43,651,082	46,940,877	47,404,382	54,168,331
20,053,587	21,475,272	21,123,684	22,348,699	24,607,632
20,053,587	21,475,272	21,123,684	22,348,699	24,607,632
4,336,689	4,539,295	5,672,025	6,139,900	6,289,759
1,685,160	1,598,316	2,368,657	3,632,596	3,675,064
3,420,619	3,725,341	3,811,729	3,056,762	3,407,825
267,915	382,596	666,620	562,250	633,296
6,824,847	5,937,285	5,058,911	3,192,494	1,796,082
16,535,230	16,182,833	17,577,942	16,584,002	15,802,026
19,094,173	20,863,573	22,771,153	24,769,079	25,983,491
58,129	79,189	20,602	33,192	34,198
1,862,860	2,485,875	2,282,014	1,514,823	1,457,600
21,015,162	23,428,637	25,073,769	26,317,094	27,475,289
(25,714,822)	(27,468,249)	(29,362,935)	(30,820,380)	(38,366,305)
961,575	1,953,365	3,950,085	3,968,395	2,867,657
(24,753,247)	(25,514,884)	(25,412,850)	(26,851,985)	(35,498,648)
14,289,877	14,657,369	14,140,797	14,280,501	14,386,149
7,567,383	7,814,209	8,255,039	9,443,775	9,477,813
6,649,164	6,764,399	6,950,553	6,778,832	6,693,089
5,250,216	5,163,781	5,521,504	6,145,718	5,690,723
174,738	(582)	558,862	925,298	1,468,253
96,487	135,591	308,580	56,229	23,386
536,434	479,823	454,259	1,897,105	274,840
7,901	10,907	-	4,230	11,984
34,572,200	35,025,497	36,189,594	39,531,688	38,026,237
135,586	131,933	47,270	231,285	363,547
-	20	-	2,624	-
6,994	-	2,500	-	-
(7,901)	(10,907)	-	(4,230)	(11,984)
134,679	121,046	49,770	229,679	351,563
34,706,879	35,146,543	36,239,364	39,761,367	38,377,800
8,857,378	7,557,248	6,826,659	8,711,308	(340,068)
1,096,254	2,074,411	3,999,855	4,198,074	3,219,220
\$ 9,953,632	\$ 9,631,659	\$ 10,826,514	\$ 12,909,382	\$ 2,879,152

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

Page 1 of 2

	2010	2011 ¹	2012	2013	2014
General Fund					
Unreserved	\$ 6,855,108	\$ -	\$ -	\$ -	\$ -
Non-Spendable	-	460	70	686	361
Committed	-	1,927,600	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	7,634,578	10,686,840	13,160,112	13,653,457
Subtotal General Fund	6,855,108	9,562,638	10,686,910	13,160,798	13,653,818
All Other Governmental Funds					
Reserved	138,126	-	-	-	-
Unreserved					
Special Revenue Funds	5,678,570	-	-	-	-
Restricted	-	3,288,397	3,793,023	4,922,794	5,989,158
Committed	-	564,989	557,351	563,854	613,192
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Subtotal All Other Governmental Funds	5,816,696	3,853,386	4,350,374	5,486,648	6,602,350
Total Governmental Funds					
Reserved	138,126	-	-	-	-
Unreserved	12,533,678	-	-	-	-
Non-Spendable	-	460	70	686	361
Restricted	-	3,288,397	3,793,023	4,922,794	5,989,158
Committed	-	2,492,589	557,351	563,854	613,192
Assigned	-	-	-	-	-
Unassigned	-	7,634,578	10,686,840	13,160,112	13,653,457
Total Governmental Funds	\$ 12,671,804	\$ 13,416,024	\$ 15,037,284	\$ 18,647,446	\$ 20,256,168
General Fund Percentage Change	13.0%	39.5%	11.8%	23.1%	3.7%
All Governmental Funds Percentage Change	10.9%	5.9%	12.1%	24.0%	8.6%

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.

2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -
361	361	-	-	-
-	-	-	784,622	1,138,072
-	-	2,000,000	2,000,000	2,000,000
<u>15,694,188</u>	<u>16,818,561</u>	<u>15,257,917</u>	<u>16,283,721</u>	<u>15,912,619</u>
<u>15,694,549</u>	<u>16,818,922</u>	<u>17,257,917</u>	<u>19,068,343</u>	<u>19,050,691</u>
-	-	-	-	-
-	-	-	-	-
6,157,408	7,064,140	8,088,453	9,887,918	15,030,528
1,553,937	1,600,295	1,729,496	1,846,112	2,034,852
-	20,265	3,812	12	-
<u>114,789</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>7,826,134</u>	<u>8,684,700</u>	<u>9,821,761</u>	<u>11,734,042</u>	<u>17,065,380</u>
-	-	-	-	-
-	-	-	-	-
361	361	-	-	-
6,157,408	7,064,140	8,088,453	9,887,918	15,030,528
1,553,937	1,600,295	1,729,496	2,630,734	3,172,924
-	20,265	2,003,812	2,000,012	2,000,000
<u>15,808,977</u>	<u>16,818,561</u>	<u>15,257,917</u>	<u>16,283,721</u>	<u>15,912,619</u>
<u>\$ 23,520,683</u>	<u>\$ 25,503,622</u>	<u>\$ 27,079,678</u>	<u>\$ 30,802,385</u>	<u>\$ 36,116,071</u>
<u>14.9%</u>	<u>7.2%</u>	<u>2.6%</u>	<u>10.5%</u>	<u>-0.1%</u>
<u>16.1%</u>	<u>8.4%</u>	<u>6.2%</u>	<u>13.7%</u>	<u>17.3%</u>

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

	2010	2011	2012	2013	2014
Revenues:					
Taxes	\$ 26,301,857	\$ 26,323,468	\$ 27,261,948	\$ 28,221,352	\$ 29,781,497
Licenses and permits	1,662,340	1,689,146	1,711,084	1,939,998	2,293,337
Intergovernmental	2,609,033	4,021,474	4,450,230	3,383,661	4,695,463
Charges for services	5,028,730	5,015,834	4,814,082	6,255,426	6,569,421
Fines and forfeitures	624,447	756,382	598,398	640,358	558,968
Other revenue	996,719	549,101	633,588	1,036,167	1,140,802
Total revenues	37,223,126	38,355,405	39,469,330	41,476,962	45,039,488
Expenditures:					
General government ¹	7,692,552	7,314,502	7,184,210	7,307,136	7,331,915
Security of persons and property	17,971,060	17,805,678	17,323,625	17,706,052	18,842,351
Physical environment ¹	1,280,041	1,374,856	1,511,515	1,491,972	1,800,507
Transportation	1,979,650	1,423,361	1,568,930	2,009,988	2,200,638
Economic environment	949,685	1,035,769	1,004,150	877,813	1,388,413
Mental and physical health	10,217	9,731	12,168	8,558	8,469
Culture and recreation	3,841,888	3,750,123	3,487,581	3,790,410	4,023,846
Capital outlay	1,861,161	2,700,549	3,038,660	2,082,011	4,729,489
Intergovernmental and other payments	-	-	250,000	180,000	-
Debt service:					
Principal retirement	1,789,385	1,870,414	1,965,760	1,928,747	2,090,265
Interest and fiscal charges	837,992	783,108	758,224	389,246	311,528
Total Expenditures	38,213,631	38,068,091	38,104,823	37,771,933	42,727,421
Excess (Deficiency) of Revenues Over (Under) Expenditures	(990,505)	287,314	1,364,507	3,705,029	2,312,067
Other Financing Sources (Uses)					
Proceeds of refunding bonds	-	-	-	-	2,763,314
Proceeds from long-term debt	-	-	9,004,043	-	-
Payment to refunded bonds escrow agent	-	-	(9,227,996)	-	(2,720,000)
Premium on bonds sold	-	-	343,536	-	-
Bond issuance discount	-	-	(49,522)	-	-
Sale/Disposition of capital assets	981,444	25,528	2,490	-	3,117
Insurance recoveries	-	-	-	13,973	-
Transfers in	3,497,271	2,169,172	2,176,710	1,431,423	2,636,170
Transfers out	(2,242,207)	(1,737,798)	(1,770,806)	(1,430,356)	(2,629,647)
Total Other Financing Sources (Uses)	2,236,508	456,902	478,455	15,040	52,954
Prior period corrections	-	-	-	-	-
Net Change in Fund Balances	\$ 1,246,003	\$ 744,216	\$ 1,842,962	\$ 3,720,069	\$ 2,365,021
Debt Service as a percentage of Noncapital Expenditures	7.2%	7.5%	7.8%	6.5%	6.3%

Source:

Published Financial Statements

Note:

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

2015	2016	2017	2018	2019
\$ 32,252,221	\$ 32,867,982	\$ 33,409,081	\$ 35,120,839	\$ 34,752,501
2,235,919	2,378,313	2,623,944	2,523,047	2,418,676
8,419,426	4,534,371	6,799,875	4,630,167	3,254,288
6,290,962	6,748,186	6,601,275	6,438,147	7,250,289
535,534	522,103	459,929	616,783	499,907
1,304,132	4,141,552	1,650,577	2,717,805	2,872,182
51,038,194	51,192,507	51,544,681	52,046,788	51,047,843
9,410,642	10,834,374	10,903,987	10,655,493	11,968,135
19,430,341	20,190,192	22,301,230	22,612,133	23,036,185
158,773	168,461	155,918	195,091	191,135
4,191,280	4,606,718	3,204,722	4,118,589	4,756,136
1,424,112	1,412,958	1,655,455	1,577,766	1,673,707
69,762	70,814	126,791	420,136	166,750
4,232,666	4,247,688	4,830,631	4,636,169	4,659,862
6,888,062	5,855,836	5,905,208	3,389,917	1,979,727
-	-	-	-	-
1,736,194	1,690,728	834,406	865,216	893,037
241,925	190,441	172,580	150,223	207,406
47,783,757	49,268,210	50,090,928	48,620,733	49,532,080
3,254,437	1,924,297	1,453,753	3,426,055	1,515,763
-	838,526	-	-	3,785,944
-	-	-	-	-
-	(849,976)	-	-	-
-	-	-	-	-
-	-	-	-	-
2,177	59,186	167,303	49,643	-
-	-	-	7,333	-
3,342,683	3,763,903	1,434,313	1,293,667	1,331,992
(3,334,782)	(3,752,996)	(1,479,313)	(1,289,437)	(1,320,008)
10,078	58,643	122,303	61,206	3,797,928
-	-	-	-	-
\$ 3,264,515	\$ 1,982,940	\$ 1,576,056	\$ 3,487,261	\$ 5,313,691
4.8%	4.3%	2.3%	2.2%	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
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
2018	14,317,740	9,323,613	6,836,258	120,161	984,241	3,538,825	35,120,839
2019	14,454,333	9,357,026	6,750,184	120,787	973,731	3,096,440	34,752,501
Percentage Change							
In Dollars Over							
10 Years	5.7%	86.6%	12.8%	77.1%	-22.6%	921.5%	32.1%

Note:

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

Real Estate Excise Tax was included with Excise Taxes until 2016, when it was moved to the Other Taxes column.

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
2010	\$ 13,724,015	\$ 13,477,013	98.20%	\$ 245,474	\$ 13,722,487	99.99%	\$ 1,528	0.01%
2011	13,571,059	13,252,170	97.65%	317,218	13,569,388	99.99%	1,672	0.01%
2012	13,406,740	13,151,105	98.09%	253,709	13,404,814	99.99%	1,926	0.01%
2013	13,472,029	13,295,779	98.69%	174,869	13,470,648	99.99%	1,382	0.01%
2014	13,804,780	13,551,506	98.17%	251,724	13,803,230	99.99%	1,550	0.01%
2015	14,288,364	14,060,995	98.41%	226,079	14,287,074	99.99%	1,290	0.01%
2016	14,676,068	14,431,435	98.33%	242,001	14,673,437	99.98%	2,631	0.02%
2017	14,188,680	13,967,845	98.44%	205,630	14,173,475	99.89%	15,204	0.11%
2018	14,330,583	14,109,166	98.45%	187,462	14,296,628	99.76%	33,955	0.24%
2019	14,487,078	14,296,294	98.68%	-	14,296,294	98.68%	190,784	1.32%

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
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
2018	7,792,876,830	1,376,814,570	12,271,600	6,589,700	577,975,000
2019	9,488,756,100	1,560,229,100	11,137,800	8,630,700	726,164,600

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
\$ 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%
130,662,100	(789,905,121)	9,107,284,679	1.57	9,897,189,800	11.4%
119,766,900	(1,691,551,228)	10,223,133,972	1.42	11,914,685,200	20.4%

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	
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	4.78	0.42	0.08	0.08	8.27	10.01
2018	1.14	0.44	-	1.57	0.79	2.85	4.76	0.38	0.07	0.08	8.93	10.50
2019	1.02	0.40	-	1.42	0.72	2.57	3.76	0.47	0.07	0.07	7.65	9.06

Source:

Snohomish County Assessor's Annual Reports

CITY OF EDMONDS, WASHINGTON
SCHEDULE 9
PRINCIPAL PROPERTY TAX PAYERS
 FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2009¹

Taxpayer	2019 Assessed Valuation	Rank	Percent of 2019 Total Assessed Value	2009 Assessed Valuation	Rank	Percent of 2009 Total Assessed Value
US REIF FIRDALE VILLAGE WASHINGTON LLC	\$ 77,543,000	1	0.76%			
PARK 212 APT LLC	39,585,000	2	0.39%	\$ 20,236,000	4	0.26%
STEPHANUS PAUL & BARBARA LLC	22,125,000	3	0.22%			
PARK EDMONDS APT LLC	21,437,000	4	0.21%			
NORTHPOINT COMPASS PROPERTY LLC	21,205,393	5	0.21%			
FW WA-AURORA MARKETPLACE LLC	19,802,200	6	0.19%	24,200,000	2	0.31%
FRANKLIN-EDMONDS LLC	17,702,800	7	0.17%	12,216,700	9	0.16%
GAHC4 EDMONDS WA MOB LLC	16,796,391	8	0.16%			
MGP X PROPERTIES LLC	16,574,900	9	0.16%			
ARHC ELEDMWA01 LLC	16,319,507	10	0.16%			
EQUITY RESIDENTIAL PROP TR				33,434,000	1	0.43%
AEWSH EDMONDS LANDING SENIOR HOUSING				23,000,000	3	0.30%
BRIAR DEVELOPMENT CO.				17,372,200	5	0.23%
STEVENS PAVILLION LLC				15,550,000	6	0.20%
FSC PACIFIC PARK ASSOCIATES LLC				13,718,000	7	0.18%
PROPERTY MANAGEMENT NW				12,879,100	8	0.17%
GRE KRUGER LLC				12,063,900	10	0.16%
						0.00%
Total	269,091,191		2.63%	184,669,900		2.40%
All Others	9,954,042,781		97.37%	7,524,539,590		97.60%
Total	<u>\$ 10,223,133,972</u>		<u>100.00%</u>	<u>\$7,709,209,490</u>		<u>100.00%</u>

Note:¹ Data is not available for 2010**Source:**

Snohomish County Assessor's Office

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

	2010	2011	2012	2013	2014	2015	2016 ^(a)	2017 ^(b)	2018	2019
City of Edmonds	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%
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%
Snohomish County Emergency Radio System	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.10%
Regional Transit Authority	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	1.20%	1.70%	1.70%	1.70%
Transit	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%
Total Basic Combined Sales Tax Rate	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	9.80%	10.30%	10.30%	10.40%

Notes:

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

The tax was used for transportation purposes.

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

The tax was used for transportation purposes.

Source:

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



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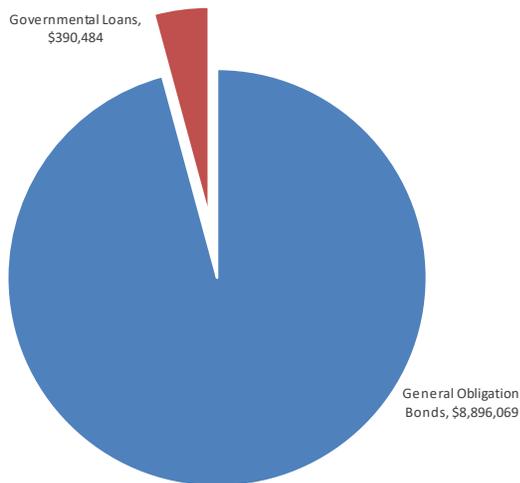
CITY OF EDMONDS, WASHINGTON
SCHEDULE 11
RATIOS OF OUTSTANDING DEBT BY TYPE
 LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities				Business-type Activities			
	General Obligation Bonds	Capital Contracts	Governmental Loans	Total	Revenue Bonds	General Obligation Bonds	Business Type Loans	Total
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
2018	5,799,444	131,516	462,685	6,393,645	41,120,000	1,990,009	1,786,828	44,896,837
2019	8,896,069	-	390,484	9,286,553	40,314,138	1,741,481	1,556,398	43,612,017

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

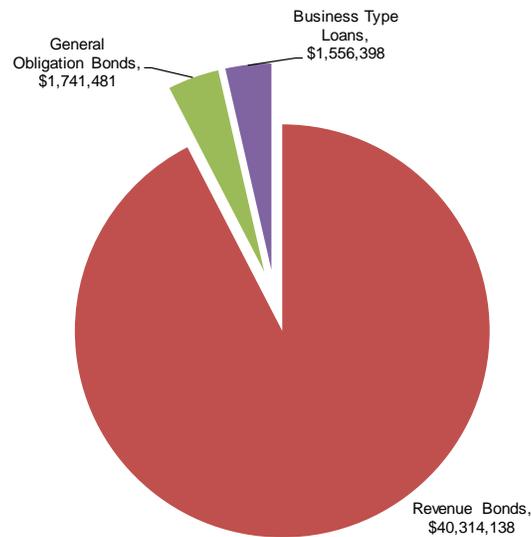
Source:
 Notes to the Financial Statements
 City-Data.com

**Outstanding Debt by Type:
 Governmental Activities**



Total Primary Government	Percentage of Personal Income	Per Capita	Population	Per Capita Income
\$ 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
51,290,482	2.53%	1,226	41,820	48,477
52,898,570	2.52%	1,254	42,170	49,686

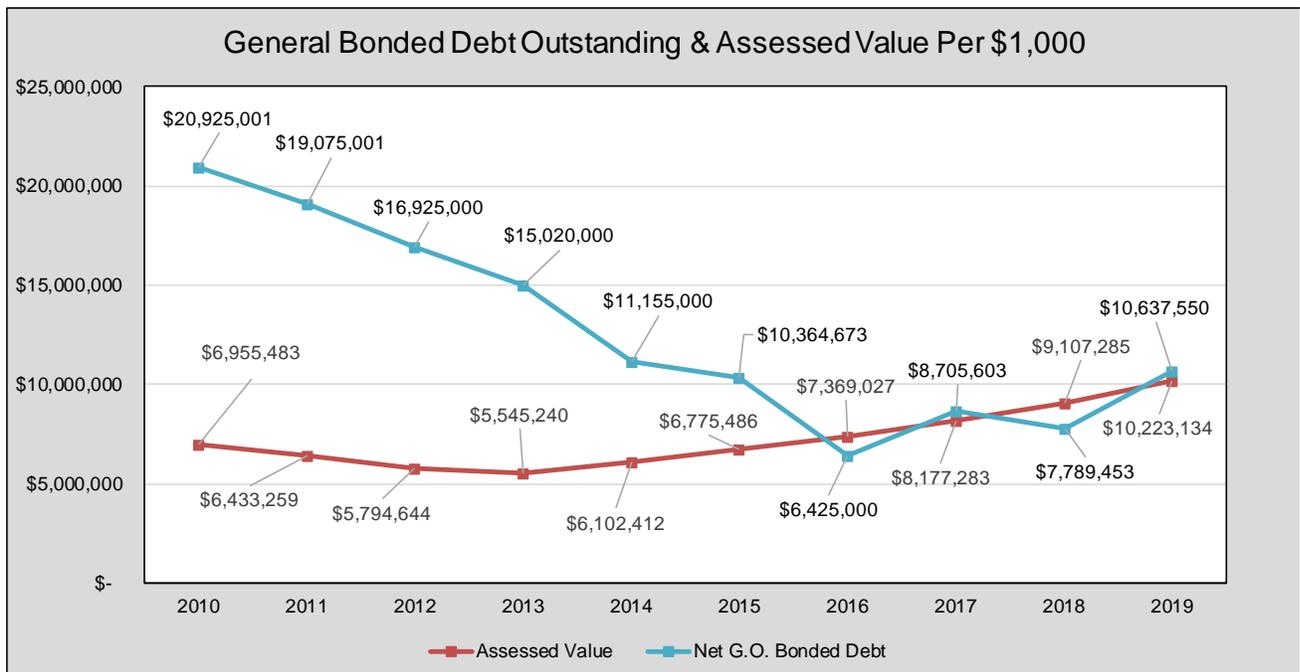
**Outstanding Debt by Type:
Business Type Activities**



CITY OF EDMONDS, WASHINGTON
SCHEDULE 12
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Year	Population	Assessed Value (in Thousands)	General Obligation Bonded Debt	Debt Service Money Available	Net G.O. Bonded Debt	Ratio Net Bonded Debt to AV	Net Bonded Debt per Capita
2010	39,709	\$ 6,955,483	\$ 20,925,001	\$ -	\$ 20,925,001	0.30%	\$ 527
2011	39,800	6,433,259	19,075,001	-	19,075,001	0.30%	479
2012	39,800	5,794,644	16,925,000	-	16,925,000	0.29%	425
2013	40,400	5,545,240	15,020,000	-	15,020,000	0.27%	372
2014	39,950	6,102,412	11,155,000	-	11,155,000	0.18%	279
2015	40,490	6,775,486	10,364,673	-	10,364,673	0.15%	256
2016	40,900	7,369,027	6,425,000	-	6,425,000	0.09%	157
2017	41,260	8,177,283	8,705,603	-	8,705,603	0.11%	211
2018	41,820	9,107,285	7,789,453	-	7,789,453	0.09%	186
2019	42,170	10,223,134	10,637,550	-	10,637,550	0.10%	252

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, 2019

Jurisdiction	Net Debt Outstanding	Percentage Applicable to Edmonds	Amount Applicable to Edmonds
Direct Debt			
City of Edmonds	\$ 9,286,553	100.00%	\$ 9,286,553
Overlapping Debt			
Local School	255,675,000	31.94%	81,665,569
County	341,598,131	7.70%	26,291,298
Hospital	955,000	29.59%	282,563
Total Overlapping Debt	598,228,131	18.09%	108,239,430
Total Direct and Overlapping Debt	\$ 607,514,684	19.35%	\$ 117,525,983

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

	2010	2011	2012	2013	2014
Total Taxable Property Value	\$6,955,482,717	\$6,433,258,853	\$5,794,644,465	\$5,545,239,847	\$6,102,411,700
(1) 2.5% Limit for General Purposes is allocated between (2) councilmanic and (8) voted	173,887,068	160,831,471	144,866,112	138,630,996	152,560,293
(2) <i>Up to 1.5% debt without a vote (councilmanic)</i>	104,332,241	96,498,883	86,919,667	83,178,598	91,536,176
(3) Less: outstanding debt	(15,935,001)	(14,800,001)	(13,405,000)	(12,300,000)	(11,155,000)
(4) Less: contracts payable	(5,564,861)	(5,969,425)	(5,730,994)	(4,814,933)	(6,103,524)
(5) Less: excess of debt with a vote	-	-	-	-	-
(6) Add: available assets	380,699	483,678	401,663	311,379	361,097
(7) Equals: remaining debt capacity without a vote	\$ 83,213,078	\$ 76,213,135	\$ 68,185,336	\$ 66,375,044	\$ 74,638,749
(8) <i>1% general purposes debt with a vote</i>	\$ 69,554,827	\$ 64,332,589	\$ 57,946,445	\$ 55,452,398	\$ 61,024,117
(9) Less: outstanding debt	(4,990,000)	(4,275,000)	(3,520,000)	(2,720,000)	(1,840,116)
(10) Less: contracts payable	-	-	-	-	-
(11) Add: available assets	-	-	-	-	-
(12) Equals: remaining debt capacity with a vote	\$ 64,564,827	\$ 60,057,589	\$ 54,426,445	\$ 52,732,398	\$ 59,184,001
(13) 2.5% Utility purpose limit, voted	\$ 173,887,068	\$ 160,831,471	\$ 144,866,112	\$ 138,630,996	\$ 152,560,293
(14) Less: outstanding debt	-	-	-	-	-
(15) Less: contracts payable	-	-	-	-	-
(16) Add: available assets	-	-	-	-	-
(17) Equals: remaining debt capacity - utility purposes, voted	\$ 173,887,068	\$ 160,831,471	\$ 144,866,112	\$ 138,630,996	\$ 152,560,293
(18) 2.5% Open space, park and capital facilities, voted	\$ 160,831,471	\$ 144,866,112	\$ 138,630,996	\$ 152,560,293	\$ 169,387,141
(19) Less: outstanding debt	-	-	-	-	-
(20) Less: contracts payable	-	-	-	-	-
(21) Add: available assets	-	-	-	-	-
Equals: remaining debt capacity - open space and capital (22) facilities, voted	\$ 160,831,471	\$ 144,866,112	\$ 138,630,996	\$ 152,560,293	\$ 169,387,141

Source:

Schedule 10 to the Financial Statements.

2015	2016	2017	2018	2019
\$6,775,485,646	\$7,369,027,390	\$8,177,283,180	\$ 9,107,284,679	\$ 10,223,133,972
169,387,141	184,225,685	204,432,080	227,682,117	255,578,349
101,632,285	110,535,411	122,659,248	136,609,270	153,347,010
(10,365,000)	(9,591,642)	(8,457,497)	(7,537,803)	(10,359,905)
(6,149,994)	(7,406,303)	(5,082,238)	(4,020,176)	(3,225,736)
-	-	-	-	-
351,675	387,297	333,151	295,911	227,727
\$ 85,468,966	\$ 93,924,763	\$ 109,452,664	\$ 125,347,202	\$ 139,989,096
\$ 67,754,856	\$ 73,690,274	\$ 81,772,832	\$ 91,072,847	\$ 102,231,340
(933,208)	-	-	-	-
-	-	-	-	-
-	-	-	-	-
\$ 66,821,648	\$ 73,690,274	\$ 81,772,832	\$ 91,072,847	\$ 102,231,340
\$ 169,387,141	\$ 184,225,685	\$ 204,432,080	\$ 227,682,117	\$ 255,578,349
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
\$ 169,387,141	\$ 184,225,685	\$ 204,432,080	\$ 227,682,117	\$ 255,578,349
\$ 184,225,685	\$ 204,432,080	\$ 227,682,117	\$ 227,682,117	\$ 255,578,349
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
\$ 184,225,685	\$ 204,432,080	\$ 227,682,117	\$ 227,682,117	\$ 255,578,349

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	
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	2.93 X
2018	26,551,002	15,644,618	10,906,384	1,300,000	1,671,946	2,971,946	3.67 X
2019	27,838,836	16,499,953	11,338,883	1,350,000	1,677,208	3,027,208	3.75 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.



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CITY OF EDMONDS, WASHINGTON
SCHEDULE 16
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS

Year	Population ¹	Personal Income (thousands of dollars)	Per Capita Income	Median Age ²	School Enrollment ³	Unemployment Rate ⁴
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%
2018	41,820	2,027,308	48,477	46.6	6,423	3.5%
2019	42,170	2,095,259	49,686	46.3	6,465	2.5%

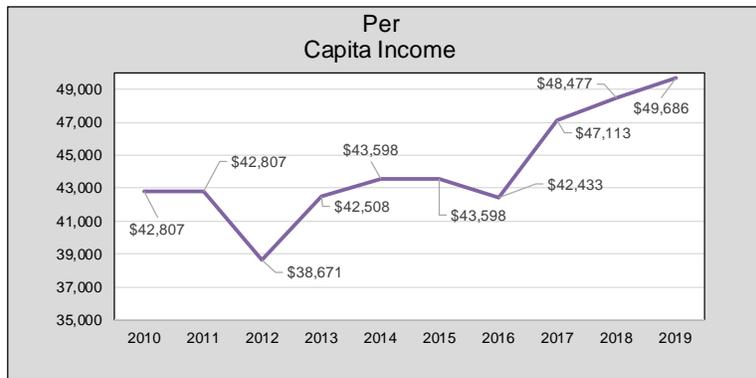
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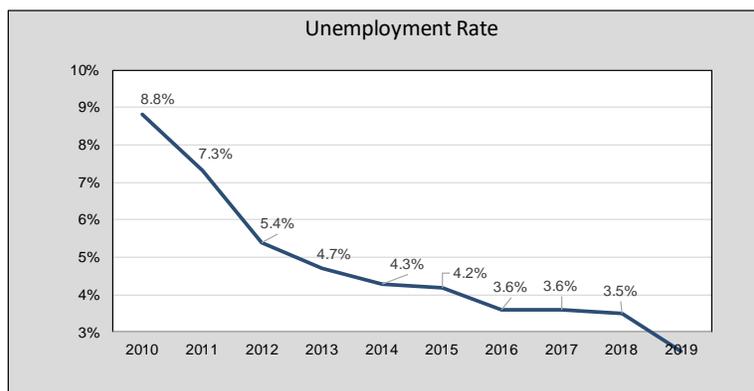
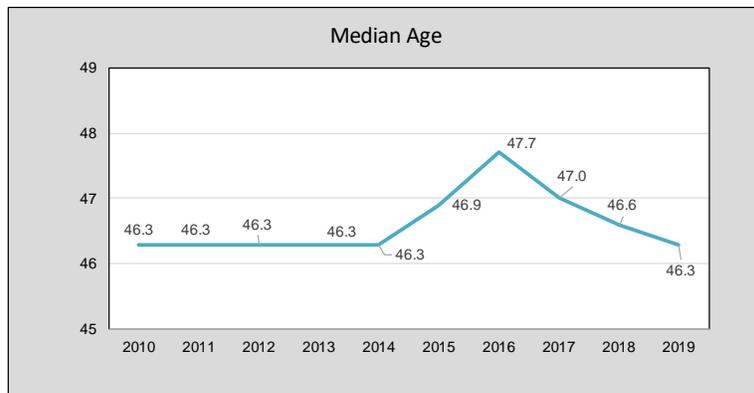
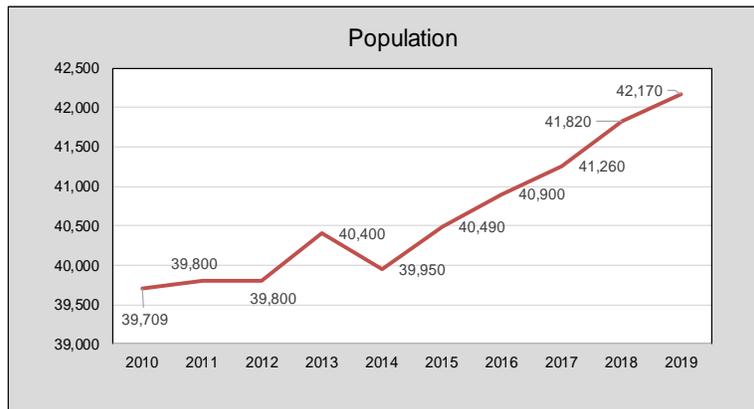
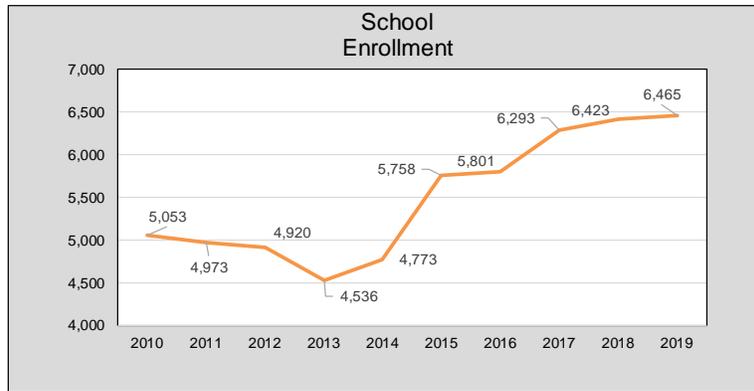
¹ Information provided by Washington State Office of Financial Management

² Information provided by data.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, 2019 AND 2009

Employer	2019 Full & Part-Time Employment	Percentage of Total City Employees	2009 ¹ Full & Part-Time Employment	Percentage of Total City Employees
Swedish Edmonds Hospital	1,400	10.63%	1,280	10.25%
Edmonds School District	748	5.68%	564	4.51%
City of Edmonds	316	2.40%	266	2.13%
Virginia Mason Edmonds Family Medicine	164	1.24%		
Winco Foods	150	1.14%		
Edmonds Family Medicine Clinic	133	1.01%		
QFC #851 Fred Meyer Stores Inc	103	0.78%		
Lynnwood Honda	100	0.76%	100	0.80%
PCC Community Markets	100	0.76%	115	0.92%
The Everett Clinic, PLLC	98	0.74%		
Anthony's Restaurants	96	0.73%	141	1.13%
Safeway Store 1297	90	0.68%	93	0.74%
Westgate Chapel, Inc.	90	0.68%		
Sunrise Of Edmonds	78	0.59%		
Burlington Coat Factory	73	0.55%		
Landau Associates Inc	68	0.52%		
Total Principal Employers	3,807	28.90%	2,559	20.48%
Other Employers	9,366	71.10%	9,934	79.52%
Total Employment	13,173	100.00%	12,493	100.00%

Note:

¹ Data is not available for 2010

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities										
General Government										
City Council	0.5	0.5	0.5	0.5	0.5	0.5	1.0	1.0	1.0	1.0
Mayor/City Clerk	6.0	6.0	6.5	6.5	6.5	7.0	7.0	7.0	7.0	7.0
Human Resources	2.0	2.0	1.0	2.0	2.5	2.5	2.5	2.8	3.0	3.5
Administrative Services	9.0	9.0	10.0	10.5	11.0	11.0	12.0	12.0	13.0	13.0
Facilities	11.0	11.0	11.0	10.0	10.0	10.0	10.0	10.0	10.0	12.0
Equipment Rental	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Total General Government	31.5	31.5	32.0	32.5	33.5	34.0	35.5	35.8	37.0	39.5
Judicial										
Municipal Court	8.5	7.0	7.0	7.5	7.0	7.2	7.0	7.0	7.0	7.0
Public Safety										
Police	69.0	64.0	65.0	61.0	63.0	63.0	63.0	67.5	69.8	70.8
Fire	-	-	-	-	-	-	-	-	-	-
Total Public Safety	69.0	64.0	65.0	61.0	63.0	63.0	63.0	67.5	69.8	70.8
Physical Environment										
Development Services	16.0	15.0	14.0	14.0	15.0	18.0	17.0	18.0	18.0	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	22.0	22.0	22.0	26.5	21.0	25.0	24.1	25.1	25.1	25.3
Transportation										
Streets	7.5	7.5	7.5	6.0	6.0	7.0	7.0	7.0	7.0	9.0
Total Governmental Activities	156.5	149.0	149.5	149.5	147.5	156.2	155.6	162.4	165.9	171.6
Business-type Activities										
Combined Utility										
Public Works Administration	2.5	2.5	2.5	2.5	2.6	2.6	2.6	2.6	2.6	3.6
Storm	7.5	8.5	8.5	7.5	8.0	7.0	9.0	9.0	9.0	9.0
Water/Sewer/Treatment Plant	34.5	33.5	33.5	31.5	32.4	33.0	36.0	33.4	33.4	33.4
Engineering	11.0	11.0	11.0	12.0	15.0	14.0	15.0	15.0	17.5	17.5
Total Business-type Activities	55.5	55.5	55.5	53.5	58.0	56.6	62.6	60.0	62.5	63.5
Grand Total	212.0	204.5	205.0	203.0	205.5	212.8	218.2	222.4	228.4	235.1

Source:

City Budget Books

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

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government services									
Finance									
General Business Licenses	1,796	1,843	1,656	1,695	2,040	1,954	2,006	2,006	2,048
Non-resident Business Licenses	2,896	3,192	1,099	1,381	1,775	1,229	1,539	1,354	1,274
Judicial									
Municipal Court									
Total filings (infraction, parking, criminal)	7,919	6,325	7,809	5,826	6,294	6,097	6,967	9,940	7,362
Public Safety									
Police									
Dispatched calls ³	21,027	22,011	21,789	22,758	23,874	23,705	22,822	31,612	30,488
Traffic citations and infractions	5,288	4,815	6,061	4,152	4,533	4,742	4,794	5,405	3,848
Adult arrests	1,543	1,344	1,414	1,380	1,204	1,375	1,212	1,192	1,209
Juvenile arrests	172	135	125	117	99	86	88	50	57
Animal control incidents ¹	1,370	1,126	1,213	1,183	1,113	787	1,417	2,115	1,719
Crimes per 1,000 residents	26	27	27	30	32	31	59	35	54
Fire/EMS ²									
EMS	3,979	3,789	3,870	3,877	4,286	4,511	4,431	4,780	4,710
False Alarm	342	154	227	208	265	-	-	-	-
Fire	92	88	76	90	106	-	-	-	-
Good Intent Call	427	338	294	272	317	-	-	-	-
Hazardous Condition	72	89	86	73	106	-	-	-	-
Rupture / Explosion	8	6	4	3	-	-	-	-	-
Service Call	251	282	241	190	212	194	198	-	-
Special Type	8	2	3	3	-	-	-	-	-
Other	-	8	3	2	-	14	30	253	252
Fire / Hazardous Condition / Rupture / Explosion	-	-	-	-	-	497	554	522	524
Physical Environment									
Development Services									
Permits issued	1,072	1,136	2,156	1,296	2,201	1,637	1,774	2,106	2,258
Inspections	3,262	1,566	6,475	4,472	8,987	6,784	6,838	3,158	2,529
Economic Environment									
Community services									
Code enforcement actions	371	393	411	362	402	387	312	255	195
Animal Services									
Adoptions	34	26	39	43	12	63	43	41	37
Returned to Owner	164	160	141	97	87	60	83	132	91
Culture and recreation									
Aquatics participants	16,474	17,687	19,374	17,770	-	-	-	-	-
Athletics (adult) participants	2,337	2,307	2,055	2,106	2,167	2,396	1,860	2,355	2,394
Gymnastics participants	1,529	1,403	5,167	1,916	2,010	1,435	1,480	1,250	1,288
Fitness participants	3,242	2,367	2,377	2,216	2,362	2,058	1,910	2,825	2,169
Special events participants	9,592	7,754	7,833	7,249	6,172	8,137	8,832	8,615	8,236
Transportation									
Number of paving projects	135	317	160	193	134	330	251	305	424
Street patching/paving (square ft)	3,353	12,622	3,394	4,723	3,756	9,238	7,087	10,600	12,214
Curbs and gutters replaced (linear ft)	193	4	26	2	1,497	6	-	12	211
Sidewalks replaced (square ft)	6,661	266	895	24	504	300	236	65	2,534
Water/Sewer									
Water									
New connections	8	24	19	36	32	50	49	30	38
Water main breaks	10	8	6	7	10	8	4	3	10
Average daily consumption (mgd) - finished water	4	3	3	3	3	3	3	3	3
Peak daily consumption (mgd) - finished water	n/a	5	5	6	6	5	6	6	5
Treated water delivered (mg)	1,085	1,054	973	1,064	1,117	1,084	1,086	1,085	1,034
Water customers served by system	10,139	10,123	10,151	10,177	10,199	10,229	10,272	10,297	10,331
Sewer									
Average daily sewage treated (mg)	5.8	6.0	4.6	4.7	4.5	5.2	4.9	4.7	4.3
Sewage treated (mg)	2,112	2,208	1,677	1,713	1,635	1,909	1,782	1,720	1,568
Storm System ⁴									
New Storm Pipe in feet		320	606	3,528	5,079	3,383	47	2,588	2,026
Catch Basin Rehab/Replace		31	36	76	120	68	17	53	40
Surface Structure Rehab (Grates)		32	32	18	10	4	7	17	19
Overflow (Beehive) Installs		2	2	2	3	2	-	-	-

Note:

Information for 2010 is not available.

¹ The significant increase in animal control incidents is due to a new part-time parking enforcement officer, which freed up animal control officers for other duties.

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.

³ The significant increase in dispatched calls is a result of a change in the methodology for tracking calls to include officer initiated traffic stops.

⁴ The lower numbers reported for 2017 were due to there being no capital projects concluded at the end of the year.

Sources:

Various city departments and the City Budget.

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

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety									
Police stations	1	1	1	1	1	1	1	1	1
Police vehicles	43	42	33	33	33	35	35	35	35
Fire stations	3	3	3	3	3	3	3	3	3
Fire engines (pumpers)	3	3	-	-	-	-	-	-	-
Aerial ladder trucks	1	1	-	-	-	-	-	-	-
Emergency Medical Units	5	5	-	-	-	-	-	-	-
Public safety boat	1	-	-	-	-	-	-	-	-
Transportation									
Paved streets (in miles)	128	133	133	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	22	20	20	20	24	24	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	44	44	44	45	46	46	46
Number of playgrounds	14	14	15	15	15	15	14	15	15
Acreage owned/managed ²	262	262	262	262	262	262	262	262	262
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	136	136	136
Fire hydrants	1,167	1,167	1,167	1,167	1,167	1,167	1,199	1,151	1,152
Water storage capacity (within city)(in mg)	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5	7.5
Sewer									
Sanitary sewers (miles)	186	186	186	186	186	186	130	130	130
Storm sewers (miles)	120	120	120	120	120	120	145	145	145
Treatment capacity per day (mgd)	11.8	11.8	11.8	11.8	11.8	11.8	11.8	11.8	11.8

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.

² Per department, acreage owned for Culture and Recreation should not have changed from 2011-2019

Sources:

Various city departments and the City Budget.



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