

Comprehensive Annual Financial Report



For the Fiscal Year Ending December 31, 2020



CITY OF LYNNWOOD
WASHINGTON



Cover photo: Essential workers



CITY OF LYNNWOOD, WASHINGTON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended

December 31, 2020

Prepared by:

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FOR THE YEAR ENDED DECEMBER 31, 2020

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INTRODUCTORY SECTION



September 30, 2021

The Honorable Nicola Smith, Mayor
Lynnwood City Council, and
Citizens of the City of Lynnwood

I am pleased to transmit to you Lynnwood’s Comprehensive Annual Financial Report for the fiscal year ending December 31, 2020. This detailed report demonstrates the City’s commitment to excellence in all areas of financial management.

State Law (RCW 43.09.230) requires that Washington’s local governments prepare and publish financial statements for each preceding fiscal year. These financial statements are developed according to the Generally Accepted Accounting Principles (GAAP) as set forth by the Government Accounting Standards Board (GASB), and under the audit authority of the Washington State Auditor’s Office (SAO). The enclosed Annual Finance Report Statements include all Governmental, Proprietary and Fiduciary funds. In addition, the Financial Statements include reports for the Lynnwood Public Facilities District (PFD), the City’s discrete component unit. Our Annual Financial Report contains the additional detail needed for recognition by the Government Financial Officers Association (GFOA).

While managing and accounting for Lynnwood’s fiscal resources, the City uses rigorous standards, procedures, and controls to protect and document our municipal assets and liabilities. Although the State Auditor’s Office (SAO) has issued an unmodified (“clean”) opinion, it is the City who is responsible for the accuracy and completeness of the statements. To that end, the City employs internal controls to protect public assets from loss, theft, or misuse -- and to prepare the City’s financial statements in full conformity with GAAP. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatement.

Those controls include Lynnwood’s Financial Policies, which have been recognized by the Municipal Research and Services Center (MRSC) as exemplary policies worthy of emulation. Lynnwood has adopted financial management policies to guide budgeting and accounting practices. The City Council adopts a biennial budget each even-numbered year. The budget process includes a detailed, six-year financial forecast, which serves as the foundation for the City of Lynnwood’s financial planning. One or more times during the biennium, budget adjustments are brought forward to the City Council.

GAAP require that the Annual Financial Report include a narrative introduction, general overview, and detailed analysis in the form of Management’s Discussion and Analysis (MD&A). This transmittal letter is intended to complement and supplement the MD&A.

COMMUNITY PROFILE

On April 23, 1959, Lynnwood incorporated as a non-charter, optional code city with a Mayor-Council form of government. Lynnwood benefits from its enviable geographic location in Snohomish County-- just fifteen miles north of Seattle and nine miles south of Everett. Lynnwood’s setting at the junction of I-5, I-405 and SR 525 made it the ideal location for the Alderwood Mall and the many retail and professional service businesses nearby. A suburban community at the time of incorporation, Lynnwood is transforming into a Regional Growth Center--as called for by the Puget Sound Regional Council’s Vision 2040. Regional Growth Centers have or will have high-density residential and employment

2020 Comprehensive Annual Financial Report
Letter of Transmittal

density served by regionally-significant infrastructure—including the Lynnwood Link segment of Sound Transit’s light rail system (commencing service 2024). It is believed that Lynnwood’s residential population of 39,600 is considerably less than the City’s daytime population. The City encompasses 7.86 square miles and is planning for a 2035 population within that area of 54,000. In addition, Lynnwood is expected to grow in both size and population through annexation of adjacent unincorporated areas—with capacity for a 2035 population of 85,000.

Election of city officials occurs during odd-numbered years, and the Mayor’s term of office is four years. The seven members of the City Council are elected at-large for staggered, four-year terms. The City Council is responsible for establishing the general direction and policies for the City and for the allocation of resources via an adopted budget. As the chief executive officer, the Mayor is responsible for carrying out the policies and direction set by the City Council. This includes the administration of laws and ordinances, the execution of contracts and agreements, and the delivery of municipal services. The City provides a full range of local government services including public safety; criminal justice, planning and zoning; parks and recreation; economic development; streets and traffic management; and water, wastewater and stormwater utilities.

The City has one of the lowest property tax levy rates in the Puget Sound region. For 2020, the General Levy rate was \$0.57 per \$1,000 of assessed valuation, based upon the adopted levy of \$4.3 million. The City has a high amount of banked tax capacity that could be levied without voter approval if needed.

LOCAL ECONOMY

The City began 2020 in good economic shape with strong development, increasing property values, low unemployment and sales tax revenues trending higher than 2019. When the COVID-19 pandemic began, initial General Fund revenue estimates reflected a \$7.8 million loss. The City reacted immediately and came up with \$5.6 million in expenditure reductions to help fill the gap. Although sales tax, admissions tax, and Recreation Center fees were negatively impacted by COVID-19 restrictions, the actual gap for 2020 was only \$1.13 million, which was replenished using a portion of the City’s \$6 million reserve fund.

Throughout the COVID-19 pandemic, the City demonstrated that public agencies can be nimble and swift, and that Lynnwood is resilient, agile, and responsive. Using common technology, the City Council held extra public meetings to respond to COVID’s challenges. Departments implemented operational changes to avoid service interruptions and to keep the public and our employees safe. Staff remained available to the public even as City facilities were closed. Streets were maintained; public safety ensured, and the importance of parks as an outlet for community members to recreate and recharge has been proven. Federal grant funding was used to cover necessary expenditures incurred due to the public health emergency and also to provide economic support to community members suffering from employment of business interruptions.

Relative to other Washington counties, Snohomish County has experienced high growth rates during the past two decades. The State Office of Financial Management (OFM) projects an additional 300,000 Snohomish County residents by the year 2025. Lynnwood’s designation as the Regional Growth Center led to ambitious population and employment growth targets for Lynnwood, as set forth by the Snohomish County Countywide Planning Policies.

Meanwhile, Washington State’s economy continues to outperform the national economy and was cited as having weathered the impacts of COVID-19 well among other states. Lynnwood contributes to and benefits from Washington’s strong financial position. As a regional employment center and a retail shopping destination, Lynnwood is recognized as a key catalyst for the economic health of Snohomish County. In 2020, the City accounted for 5,658 business licenses, and the annual revenue from business

2020 Comprehensive Annual Financial Report
Letter of Transmittal

licensing supports General Fund services. Local businesses employ more than 34,000 full-time and 14,000 part-time employees. For 2020, the Snohomish County Assessor reports \$1.7 billion in new assessed value due to construction activity. High-density, transit-oriented development is being permitted and constructed near the new light rail station (also under construction during 2020). Development activity remains very strong and housing values continue to increase despite the ongoing pandemic.

The vicinity of Alderwood Mall is a very active area of the City. At 1.3 million square feet, Alderwood Mall is the third-largest shopping center in the Puget Sound area, offering extensive shopping, restaurant, and entertainment experiences. This retail center is anchored by national department stores and retailers, two multi-screen theaters, and the Alderwood Village lifestyle center. Alderwood Mall continues to foster new investment in its environs, including new multifamily and mixed-use development. Stores within walking distance of Alderwood Mall include: Barnes & Noble, Best Buy, Costco, HomeGoods, Kohl's, Lowe's, Marshalls, Nordstrom Rack, Ross, Target, TJ Max, Total Wine, Video Only and Whole Foods. During 2020, Northgate Mall (1 million square feet) closed and this significantly increased the market area for Alderwood Mall. With the demise of Northgate Mall, there is no regional shopping mall between downtown Seattle and Alderwood Mall.

To the west, Highway 99 is an important transportation and commercial corridor serving Lynnwood and the region. Much of Lynnwood's initial development occurred along this historic highway that spanned from Calexico, CA to Blaine, WA. Community Transit's Swift Rapid Bus Service provides express travel along Highway 99. Lynnwood's segment of Highway 99 is experiencing new investment and redevelopment—as evidenced by the projects such as Lynnwood Crossroads retail center (anchored by LA Fitness and Sprouts). Lynnwood's automobile dealerships (along Highway 99 and elsewhere) include: Acura, Audi, Buick, CarMax, Ford, Hyundai, Infinity, Jaguar/Land Rover, Lexus, Mazda, Mercedes, and Volvo. While automobile sales and service are a strong presence on Highway 99, the City has zoned other properties along the corridor for mid-rise, transit-oriented development (TOD). As described further below, Edmonds Community College (EdCC) enjoys convenient access from Highway

The City's Economic Development Action Plan identifies goals and strategies for continued growth as Lynnwood transitions from a suburban-scale community to a dense, urban center. Lynnwood's City Center will become a regional node for population and employment growth, with excellent transportation access via I-5, light-rail transit, bus rapid transit, the regional Interurban Trail, and a robust arterial street network.

The Lynnwood Public Facilities District (PFD) owns and operates the Lynnwood Convention Center. The City provides a guarantee for the PFD's bonded debt for the Convention Center. Since opening for business in 2005, the Convention Center has an earned reputation for excellence and has found numerous ways to reduce expenditures and remain financially stable even while rental activity significantly decreased due to COVID-19 restrictions.

In Lynnwood and several nearby communities, public K-12 education is provided by the Edmonds School District. With nearly 12,000 student enrollments per quarter, Edmonds Community College (located in Lynnwood) offers associate degrees and certificate programs in a variety of disciplines. Four-year degrees are also offered through the CWU University Center located there. Public library services are provided by the Sno-Isle Regional Library District.

2020 Comprehensive Annual Financial Report
Letter of Transmittal

LONG-TERM FINANCIAL PLANNING AND GUIDING FINANCIAL POLICIES

Stewardship of public resources is one of the most-critical responsibilities borne by elected officials and administrative staff. The City of Lynnwood follows local statutes and adopted policies--in addition to the myriad of State and Federal requirements—to ensure that our fiduciary practices are sound, prudent and transparent.

The City maintains a six-year Capital Facilities Plan (CFP) in accordance with the State Growth Management Act. This CFP guides decision-making regarding the prioritization and funding of infrastructure projects. At the time the biennial budget is prepared, capital projects to receive funding within the next two years are included in the two-year budget.

The City Council, and its Finance Committee, regularly review financial policies, budget performance, and long-term financial forecasts. This oversight allows the Council to consider budget activity relative to historical performance, forecasts, and adopted policies.

MAJOR INITIATIVES

Lynnwood manages its finances utilizing Munis, an enterprise resource planning software system developed by Tyler Technologies. Deployed modules include mainstream accounting functions, procurement, human resource management, capital asset and grant management, position control, regulatory business licensing, and utility billing. Since 2019, Lynnwood has partnered with Washington State's Business License System, which standardizes licensing protocol for most businesses.

Lynnwood continues to invest in the infrastructure/capital facilities needed to provide services to our community. Projects completed or in-progress in 2020 ranged from watermain and lift station improvements, land acquisition for roadway construction, and infrastructure improvements to significant trail and park improvements. At the end of 2020, construction in progress totaled almost \$23 million between general government and utilities.

In addition to the Sound Transit station construction, numerous public and privately-funded developments are in the planning phases or under construction in Lynnwood. For example, Edmonds Community College (located in Lynnwood) is constructing its new Science, Engineering & Technology (SET) Building. An 18-story, mixed-use building is planned adjacent to Alderwood Mall. Phase 2 of Lynnwood Place will contain approximately 500 dwellings (under construction) and new Home Depot. Alderwood Mall's Sears store was demolished and is being replaced with pedestrian-oriented shops, restaurants, and multifamily dwellings. The Lynnwood City Center, a long-term re-development strategy, is located within the boundary of the Lynnwood Regional Growth Center. The City Center Subarea Plan envisions 9.1 million square feet of mixed-used development, nearly tripling its current square footage.

Construction of Sound Transit's Lynnwood Link light rail service between Lynnwood and points south (University of Washington, downtown Seattle, Bellevue, Sea-Tac International Airport, etc.) is underway. During 2020, buildings were razed and site preparation moved forward. Construction of the guideway columns and the City Center Station is now underway. Beginning in 2024, Lynnwood's station, which will be the terminus of the northern route (for approximately a decade), is anticipated to serve 20,000 riders per day. A separate funding package approved by voters (Sound Transit 3) will continue the light rail line northward through Lynnwood and on to Paine Field airport and the City of Everett. That segment will include a transit station near Alderwood Mall.



2020 Comprehensive Annual Financial Report
Letter of Transmittal

ACKNOWLEDGEMENTS AND AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Lynnwood for its Comprehensive Annual Financial Report for the fiscal years ending December 31, 2017, 2018 and 2019. Lynnwood's Annual Financial Report is readable, efficiently organized, and complies with Generally Accepted Accounting Principles and other program requirements. We believe that our Annual Financial Report for 2020 continues to meet or exceed the Certificate of Achievement award requirements.

The City also received the GFOA's Distinguished Budget Presentation Award for its budgets for the 2017-2018 and 2019-2020 bienniums and has submitted the 2021-2022 budget for award consideration. As confirmed by GFOA, Lynnwood's Budget excels as a policy document, a financial plan, an operations guide, and a successful communications tool.

The preparation of the Annual Financial Report could not have been accomplished without the dedicated effort of Finance Department staff. I appreciate the many contributions from Janella Lewis, Cyndie Eddy, Corbitt Loch, Sherri Gordon, Serena Battulga, Julie Stanhope, Arum Kwon and Tara Dunford CPA as well as the many personnel from other departments who assisted in its preparation. Recently retired former Finance Director Sonja Springer and Accounting Manager John White developed the foundation that we built upon for this year and we recognize their ongoing contributions.

Thank you to our department directors for embracing and realizing Our Community Vision and Strategic Plan, and their tireless delivery of community services. I also extend my thanks to the Washington State Auditor's Office for its professionalism and guidance in conducting the audit of the City's basic financial statements and note disclosures.

Credit also must be given to the Mayor and City Council for their continued commitment, leadership, involvement, and support for maintaining the highest standards of governance in the management of Lynnwood's finances.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Michelle Meyer'.

Michelle Meyer
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Lynnwood
Washington**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2019

A handwritten signature in black ink that reads "Christopher P. Morrill". The signature is written in a cursive style.

Executive Director/CEO



1 Elected Officials:

| | | |
|--------------|-------|----------------------------|
| Nicola Smith | Mayor | Term Through Dec. 31, 2021 |
|--------------|-------|----------------------------|

| City Council | Position | Term Through Dec. 31 |
|---|----------|----------------------|
| George Hurst, President | 6 | 2023 |
| Jim Smith, Vice President | 4 | 2023 |
| Christine Frizzell | 1 | 2021 |
| Vacant 4/21, Council in process to fill through end of term | 2 | 2021 |
| Ruth Ross | 3 | 2021 |
| Julietta Altamirano-Crosby | 5 | 2023 |
| Shannon Sessions | 7 | 2023 |

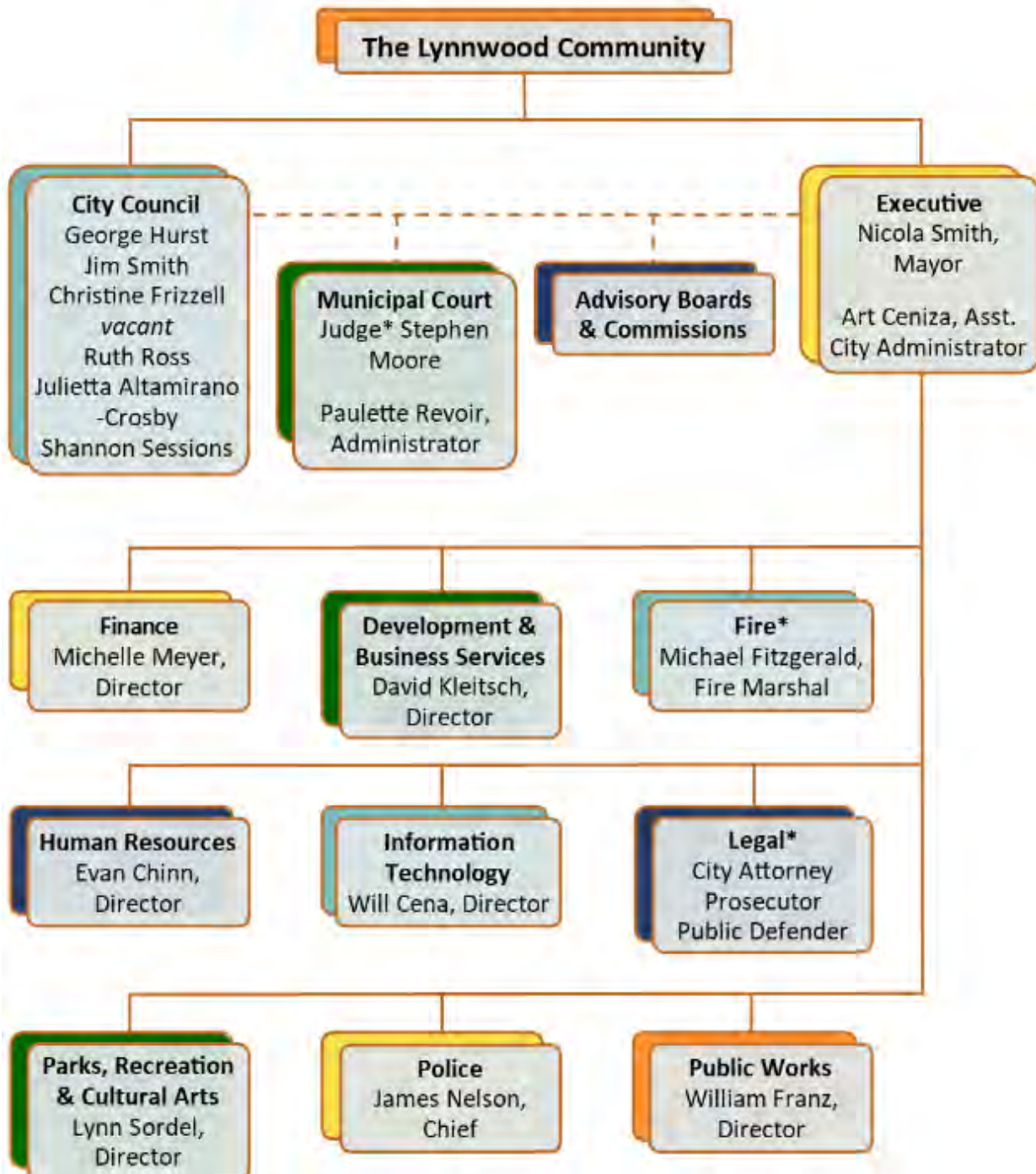
2 Appointed Officials:

| Official | Position | Department |
|--------------------|--------------------|-------------------------------------|
| Art Ceniza | City Administrator | Executive |
| Will Cena | Director | Information Technology |
| Evan Chinn | Director | Human Resources |
| Michael Fitzgerald | Fire Marshal* | Fire |
| William Franz | Director | Public Works |
| David Kleitsch | Director | Development and Business Services |
| Rosemary Larson | City Attorney* | Legal |
| Michelle Meyer | Director | Finance |
| Steven Moore | Judge* | Municipal Court |
| James Nelson | Chief | Police |
| Paulette Revoir | Administrator | Municipal Court |
| Lynn Sordel | Director | Parks, Recreation and Cultural Arts |

* Positions by contract or interlocal agreement (not City employees)



2021 Organization Chart



* Service provided by contract or interlocal agreement



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FINANCIAL SECTION



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

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

Mayor and City Council
City of Lynnwood
Lynnwood, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information and the aggregate discretely presented component units of the City of Lynnwood, as of and for the year ended December 31, 2020, 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, each major fund, the aggregate remaining fund information and the aggregate discretely presented component units of the City of Lynnwood, as of December 31, 2020, and the respective changes in financial position and, where applicable, cash flows thereof 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 1-E to the financial statements, in 2020, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

As discussed in Note 1-E to the financial statements, in 2020, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. Our opinion is not modified with respect to this matter.

As discussed in Note 5 to the financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the City is unknown. 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 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.

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 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 September 30, 2021, 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

September 30, 2021

MANAGEMENT'S
DISCUSSION
AND ANALYSIS

Within this section of the City of Lynnwood, Washington (“the City”) comprehensive annual financial report, the City’s management is pleased to provide this narrative discussion and analysis of the financial activities of the City for the calendar year ended December 31, 2020. We discuss and analyze the City’s financial performance within the context of the accompanying financial statements, schedules, and note disclosures following this section.

Financial Highlights

- The City’s assets and deferred outflows exceeded its liabilities and deferred inflows by \$247,461,477 (net position) at the end of the calendar year.
- Total net position is comprised of the following:
 - (1) Net investment in capital assets of \$176,193,106 includes property and equipment, net of accumulated depreciation, and is reduced for outstanding debt related to the acquisition or construction of capital assets.
 - (2) Net position of \$34,495,146 is restricted by constraints imposed from outside the City such as debt covenants, grantors, laws, or regulations, and City restricted reserve policies.
 - (3) Unrestricted net position of \$36,773,225 represents the portion available to maintain the City’s continuing obligations to citizens and creditors.
- The City’s governmental funds reported a total ending fund balance of \$46,879,626 this year. This compares to the adjusted prior year ending fund balance of \$48,085,804, showing a decrease of \$1,206,178 or 2.5% during the current year.
- At the end of the current calendar year, unassigned fund balance for the General Fund was \$4,027,009, or 9.1% of total General Fund expenditures.
- Overall, the City continues to maintain a strong financial position.

The above financial highlights are explained in more detail in the “financial analysis” section of this document.

Overview of the Financial Statements

This Management Discussion and Analysis (MD&A) document introduces the City’s basic financial statements. The basic financial statements include: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. The City also includes in this report additional information to supplement the basic financial statements.

Government-wide Financial Statements

The City’s annual financial report includes two government-wide financial statements. These statements provide both long-term and short-term information about the City’s overall financial status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in accrual accounting and the elimination or reclassification of activities between funds.

The first of these government-wide statements is the *Statement of Net Position*. This is the government-wide statement of position presenting information that includes all of the City’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City as a whole is improving or deteriorating.

Evaluation of the overall health of the City would extend to other nonfinancial factors such as diversification of the taxpayer base or the condition of City infrastructure, in addition to the financial information provided in this report.

The second government-wide statement is the *Statement of Activities*. This statement reports how the City’s net position changed during the current calendar year. All current year revenues and expenses are included regardless of when the City receives or pays cash.

An important purpose of the *Statement of Activities* is to show the financial reliance of the City’s distinct activities or functions on revenues provided by the City’s taxpayers.

Governmental activities included in this statement are general government, judicial, public safety, social services, transportation, economic environment and culture and recreation. Business-type activities include water, sewer and storm water and the golf course. Both government-wide financial statements distinguish governmental activities of the City that are principally supported by taxes from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges.

The government-wide financial statements are presented on pages 42 and 43 of this report.

Fund Financial Statements

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. For example, the Street Fund accounts for dollars associated with street maintenance. The City uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the City's most significant funds rather than the City as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report.

The City has three kinds of funds: Governmental, Proprietary and Fiduciary

- *Governmental funds* are reported in the fund financial statements and encompass the same functions reported as governmental activities in the government-wide financial statements such as police, fire and administration. However, the focus is very different with fund statements providing a distinctive view of the City's governmental funds. These statements report short-term calendar accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

Since the government-wide focus includes the long-term view, comparisons between these two perspectives may provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund operating statement provide a reconciliation to assist in understanding the differences between these two perspectives.

The basic governmental fund financial statements are presented on pages 44-46 of this report.

Individual fund information for nonmajor governmental funds is found in combining statements in a later section of this report.

- *Proprietary funds* are reported in the fund financial statements and generally report services for which the City charges customers a fee such as water, sewer, and storm water. The City's proprietary funds are classified as enterprise funds and an internal service fund. These enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements. The internal service fund is an equipment rental fund.

The basic enterprise fund financial statements are presented on pages 48-51 of this report.

- *Fiduciary fund* type represents funds held in trust and includes the firemen's pension trust fund, the recreation scholarship fund, and the custodial fund. The statements for these funds are presented on pages 52 and 53.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 56 of this report.

Required Supplementary Information

This section includes the budgetary schedules for the general fund and disclosure related to pensions and other-postemployment benefits. These are presented in the on pages 104-114.

Supplementary Information

Combining and comparative individual statements and schedules for some major and nonmajor funds are presented as supplementary information in this report beginning on page 117.

Financial Analysis of the City as a Whole

The City's net position at calendar year-end was \$247,461,477. The following table provides a summary of the City's net position:

| | Summary of Net Position at December 31, | | | | | |
|----------------------------------|---|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Assets: | | | | | | |
| Current | \$ 57,807,167 | \$ 61,257,580 | \$ 31,269,806 | \$ 24,545,498 | \$ 89,076,973 | \$ 85,803,078 |
| Capital assets | 151,069,775 | 148,564,149 | 92,747,647 | 82,018,722 | 243,817,422 | 230,582,871 |
| Other | 8,896,596 | 10,134,344 | 2,555,031 | 12,646,641 | 11,451,627 | 22,780,985 |
| Total assets | <u>217,773,538</u> | <u>219,956,073</u> | <u>126,572,484</u> | <u>119,210,861</u> | <u>344,346,022</u> | <u>339,166,934</u> |
| Deferred outflows of resources | <u>5,709,577</u> | <u>5,089,490</u> | <u>507,461</u> | <u>446,815</u> | <u>6,217,038</u> | <u>5,536,305</u> |
| Liabilities: | | | | | | |
| Current | 7,305,670 | 6,531,175 | 6,654,529 | 3,556,471 | 13,960,199 | 10,087,646 |
| Non-current | 38,233,730 | 39,620,957 | 47,142,769 | 49,517,055 | 85,376,499 | 89,138,012 |
| Total liabilities | <u>45,539,400</u> | <u>46,152,132</u> | <u>53,797,298</u> | <u>53,073,526</u> | <u>99,336,698</u> | <u>99,225,658</u> |
| Deferred inflows of resources | <u>3,237,264</u> | <u>6,183,247</u> | <u>527,621</u> | <u>862,108</u> | <u>3,764,885</u> | <u>7,045,355</u> |
| Net position: | | | | | | |
| Net investment in capital assets | 130,654,775 | 127,289,148 | 45,538,331 | 45,369,910 | 176,193,106 | 172,659,058 |
| Restricted | 33,940,718 | 33,132,088 | 554,428 | 576,511 | 34,495,146 | 33,708,599 |
| Unrestricted | 10,110,958 | 12,288,948 | 26,662,267 | 19,775,621 | 36,773,225 | 32,064,569 |
| Net position | <u>\$ 174,706,451</u> | <u>\$ 172,710,184</u> | <u>\$ 72,755,026</u> | <u>\$ 65,722,042</u> | <u>\$ 247,461,477</u> | <u>\$ 238,432,226</u> |

The City continues to maintain a high current ratio. The current ratio compares current assets to current liabilities and is an indication of the ability to pay current obligations. The current ratio for governmental activities is 7.9 to 1 as compared to 9.4 to 1 at December 31, 2019. The current ratio for the business-type activities at December 31, 2020 is 4.7 to 1 as compared to 6.9 to 1 at December 31, 2019. For the City overall, the current ratio is 6.4 to 1 as compared to 8.5 to 1 at December 31, 2019. These ratios are strong.

The City reported positive balances in net position for both governmental and business-type activities. Net position increased \$2,034,948 for governmental activities and increased by \$7,032,984 for business-type activities. The City's overall financial position increased during calendar year 2020 by \$9,067,932. Although the city has established reserve policies the Governmental Accounting Standards Board (GASB) limits the term "Restricted" to restrictions placed by outside parties such as bondholders.

74.8% of the governmental activities' net position is committed to capital, such as building, infrastructure, vehicles, and equipment. The City uses these capital assets to provide services to its citizens. With business-type activities, the City has 62.6% of its net position invested in capital assets. Capital assets in the business-type activities also provide water, sewer and storm water services and the golf course, but they also generate revenues for these funds. Overall, 71.2% of the City's total net position is invested in capital assets.

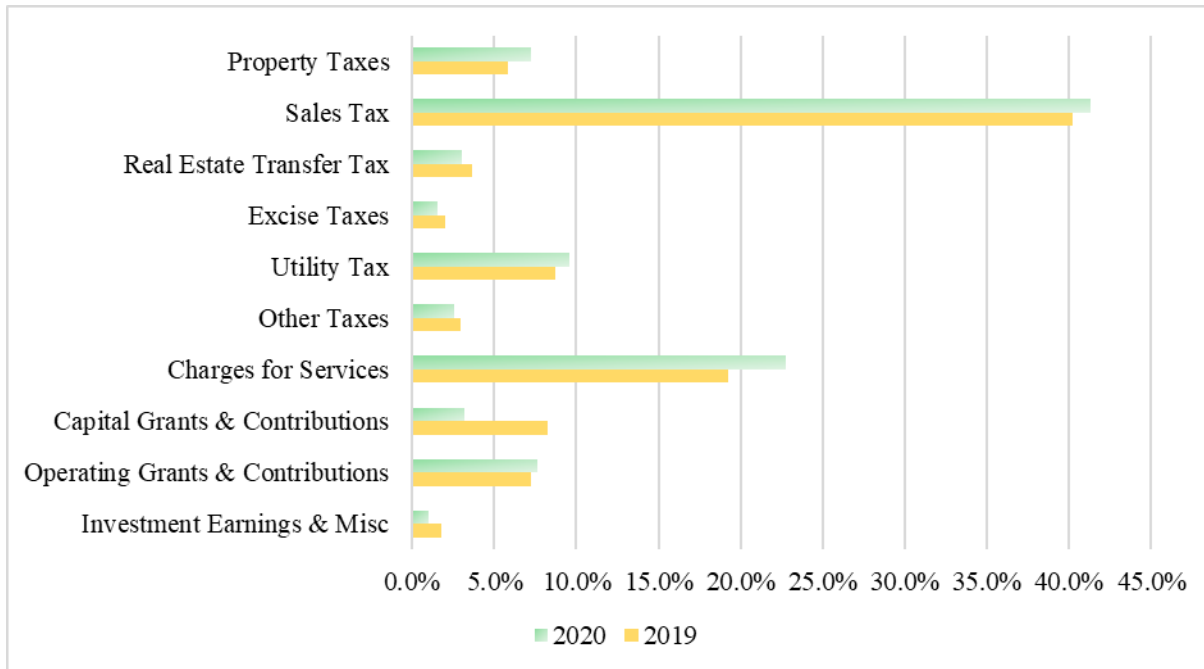
The following table provides a summary of the City's changes in net position:

| | Summary of Changes in Net Position | | | | | |
|------------------------------------|---|-----------------------|---------------------------------|----------------------|-----------------------|-----------------------|
| | Governmental Activities | | Business-type Activities | | Total | |
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Revenues: | | | | | | |
| Program: | | | | | | |
| Charges for services | \$ 13,419,294 | \$ 13,027,006 | \$ 25,892,658 | \$ 24,485,840 | \$ 39,311,952 | \$ 37,512,846 |
| Operating grants and contributions | 4,518,072 | 4,910,376 | 51,463 | - | 4,569,535 | 4,910,376 |
| Capital grants and contributions | 1,876,992 | 5,588,050 | 3,033,937 | 844,044 | 4,910,929 | 6,432,094 |
| General: | | | | | | |
| Property taxes | 4,268,168 | 3,951,052 | - | - | 4,268,168 | 3,951,052 |
| Sales taxes | 24,349,634 | 27,191,036 | - | - | 24,349,634 | 27,191,036 |
| Business and other taxes | 9,901,112 | 11,755,104 | - | - | 9,901,112 | 11,755,104 |
| Investment earnings | 521,234 | 847,047 | 443,230 | 1,130,750 | 964,464 | 1,977,797 |
| Other revenues | 69,346 | 333,147 | - | 16,670 | 69,346 | 349,817 |
| Total revenues | 58,923,852 | 67,602,818 | 29,421,288 | 26,477,304 | 88,345,140 | 94,080,122 |
| Program Expenses: | | | | | | |
| General government | 12,775,727 | 8,686,443 | - | - | 12,775,727 | 8,686,443 |
| Economic environment | 4,738,876 | 5,850,956 | - | - | 4,738,876 | 5,850,956 |
| Judicial | 949,133 | 959,925 | - | - | 949,133 | 959,925 |
| Culture and recreation | 6,683,452 | 8,130,499 | - | - | 6,683,452 | 8,130,499 |
| Public safety | 21,344,811 | 21,382,395 | - | - | 21,344,811 | 21,382,395 |
| Social services | 450,612 | 553,170 | - | - | 450,612 | 553,170 |
| Transportation | 9,116,844 | 8,564,785 | - | - | 9,116,844 | 8,564,785 |
| Utilities | 38,390 | 30,870 | - | - | 38,390 | 30,870 |
| Interest on long-term debt | 791,059 | 829,320 | - | - | 791,059 | 829,320 |
| Water/sewer/storm utility | - | - | 21,054,285 | 19,052,059 | 21,054,285 | 19,052,059 |
| Golf course | - | - | 1,334,019 | 1,310,199 | 1,334,019 | 1,310,199 |
| Total expenses | 56,888,904 | 54,988,363 | 22,388,304 | 20,362,258 | 79,277,208 | 75,350,621 |
| Revenues over (under) expenses | 2,034,948 | 12,614,455 | 7,032,984 | 6,115,046 | 9,067,932 | 18,729,501 |
| Transfers | - | - | - | - | - | - |
| Changes in net position | 2,034,948 | 12,614,455 | 7,032,984 | 6,115,046 | 9,067,932 | 18,729,501 |
| Beginning net position: | | | | | | |
| as originally reported | 172,710,184 | 160,058,237 | 65,722,042 | 59,606,996 | 238,432,226 | 219,665,233 |
| Prior period adjustments | (38,681) | 37,492 | - | - | (38,681) | 37,492 |
| Beg net position-restated | 172,671,503 | 160,095,729 | 65,722,042 | 59,606,996 | 238,393,545 | 219,702,725 |
| Ending net position | \$ 174,706,451 | \$ 172,710,184 | \$ 72,755,026 | \$ 65,722,042 | \$ 247,461,477 | \$ 238,432,226 |

GOVERNMENTAL ACTIVITIES-REVENUES

Total tax revenue decreased by \$4,378,278 or 10.2% from 2019 to 2020 due to the impacts of COVID-19 on sales, admissions, utility, and excise taxes.

As the chart below depicts, in total, in 2020 taxes make up 65.4% of the total revenues stream as compared to 63.5% in 2019. 2020 property taxes make up 7.2% of revenues, as compared to 5.8% in 2019, and 2020 sales taxes make up 41.3% of total revenues as compared to 40.2% in 2019.



The operating grants and contributions for general government of \$2,410,865 included the following:

- Public Utility District Privilege Tax - \$265,147
- COVID-19 assistance - \$2,022,500
- Other Miscellaneous Revenues and Donations - \$123,218

The operating grants for culture and recreation of \$37,838 included the following:

- Donations, Parks and Senior Services - \$11,031
- PHD 2: Bikelink Project - \$6,170
- Public Hospital District No 2 agreements for:
 - Move 60 Teen Program - \$12,817
 - Parks and Recreation staff support services - \$3,759
 - Swim Voucher Programs - \$4,061

The operating grants for public safety of \$757,859 included the following:

- LEOFF Pension Plan Special Funding - \$286,652
- Law Enforcement Services - \$140,873
- Edmonds School District – Police Services - \$38,047
- Traffic safety grants - \$23,837
- Snohomish County Regional Drug and Gang Task Force - \$22,914
- Department of Justice Equitable Sharing - \$120,860
- Washington Traffic Safety Commission - \$2,646
- Washington State Criminal Justice distributions - \$63,875
- Department of Justice grants - \$58,155

The operating grants and contributions for transportation of \$769,960 included the following:

- Motor Vehicle Fuel Tax and Other Street Operating Funds - \$766,874
- Snohomish County PUD - \$3,086

The operating grants and contributions for utilities of \$17,478 included the following:

- Department of Ecology Grant - \$17,478

The operating grants and contributions for judicial of \$2,530 included the following:

- Administrative Office of the Courts - \$2,530

The operating grants and contributions for economic environment included the following:

- Sound Transit Interlocal Agreement - \$521,542

The capital grants and contributions for transportation of \$1,310,815 included the following:

- Washington State Transportation Improvement Board grants - \$1,276,005
- Alderwood Water & Waste District - \$34,810

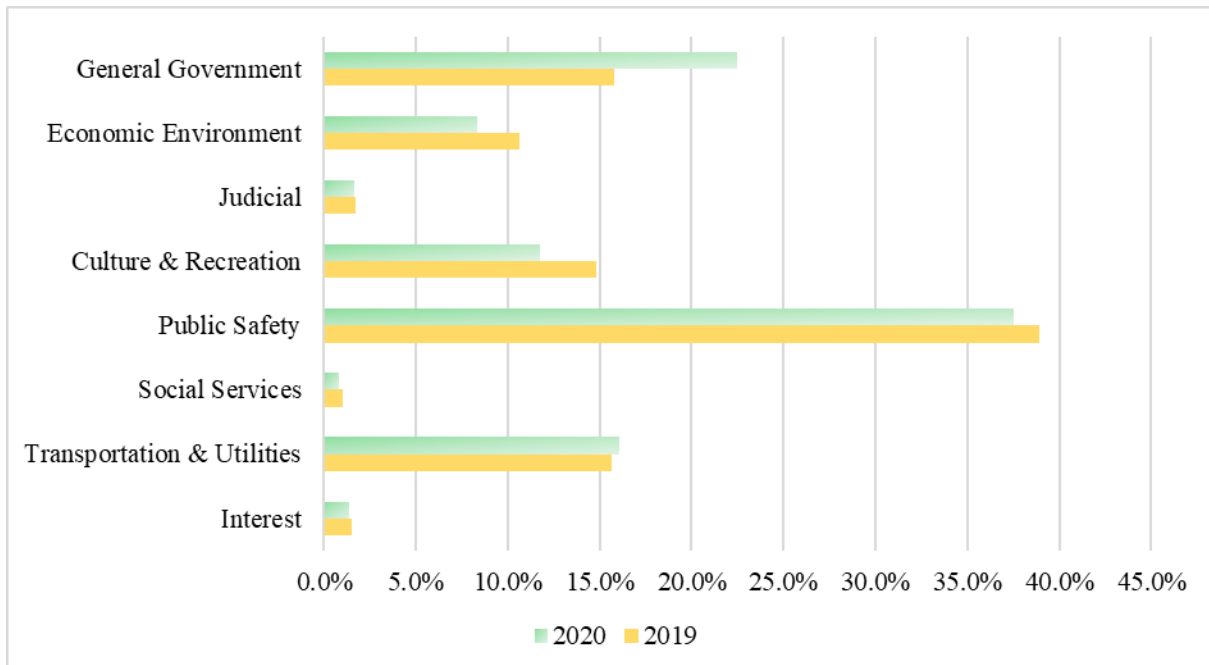
The capital grants and contributions for culture and recreation of \$566,177 included the following:

- US Department of Interior (South Lynnwood Park Renewal) - \$22,920
- WA Recreation and Conservation Office - \$58,761
- Washington State Grant – DOT for Scriber Creek - \$361,212
- Snohomish County Grant for Heritage Park Water Tower Improvements - \$123,284

It is noteworthy that program revenues cover 34.8% of governmental operating expenses, down from 42.8% a year ago. The taxpayers and the City's other general governmental revenues cover the remaining 65.2% of the governmental expenses. As a result, the general economy and the success of City businesses have a major impact on the City's revenue streams.

GOVERNMENTAL ACTIVITIES - FUNCTIONAL EXPENSES

The chart below illustrates the cost of each of the City's major governmental activities by function and related percentages of the total functional expenditures for 2020 and 2019:



Of the City's governmental activities functions, 37.5% of the total costs relates to public safety in 2020 as compared to 38.9% in 2019. Public safety expenses decreased by \$37,584. The decrease is due to a reduction in various expenditures as a planned response to the COVID-19 budget impacts. Transportation & utilities expenses make up 16.1% of total costs in 2020 as compared to 15.6% in 2019. General government expenses make up 22.5% of total expenses as compared to 15.8% in 2019. General government expenses increased by \$4,089,284. Of this amount, \$2.4 million is due to the loss on disposal of capital assets. Culture & recreation expenses make up 11.7% of total costs in 2020 as compared with 14.8% in 2019. Culture and recreation expenses decreased by \$1,447,047 due to reduced operational expenditures related to the temporary closure of the community center and reduction in recreation programs due to COVID. Economic environment expenses make up 8.3% of total expenses as compared to 10.6% in 2019. Economic environment expenses decreased by \$1,112,080 due to decreased professional services on the Lynnwood Light Rail project that is fully reimbursable by Sound Transit.

The following table presents the net cost of each of the City's programs (i.e., total cost less revenues generated by the activities). The net costs illustrate the financial burden that was placed on the City's taxpayers by each of these functions for each of the past two years.

| Governmental Activities | | | | |
|--------------------------------|-------------------------------|----------------------|-----------------------------|----------------------|
| | Total Cost of Services | | Net Cost of Services | |
| | 2020 | 2019 | 2020 | 2019 |
| General government | \$ 12,775,727 | \$ 8,686,443 | \$ 5,368,361 | \$ 4,439,903 |
| Judicial | 4,738,876 | 959,925 | 3,259,838 | (598,345) |
| Public safety | 949,133 | 21,382,395 | 182,120 | 16,221,480 |
| Utilities | 6,683,452 | 30,870 | 2,785,805 | (537,090) |
| Transportation | 21,344,811 | 8,564,785 | 18,348,156 | 2,031,048 |
| Economic environment | 450,612 | 5,850,956 | 450,612 | 4,775,579 |
| Social services | 9,116,844 | 553,170 | 6,655,547 | 553,170 |
| Culture and recreation | 38,390 | 8,130,499 | (766,952) | 3,747,866 |
| Interest on debt | 791,059 | 829,320 | 791,059 | 829,320 |
| Total | \$ 56,888,904 | \$ 54,988,363 | \$ 37,074,546 | \$ 31,462,931 |

BUSINESS-TYPE ACTIVITIES ANALYSIS

The City maintains two enterprise funds, each of these funds reported the following operating income for the last two calendar years:

| Fund | Operating Income | | % |
|---------------------------|-------------------------|---------------------|---------------|
| | 2020 | 2019 | Change |
| Water/sewer/storm utility | \$ 4,887,382 | \$ 5,617,213 | -12.99% |
| Golf course | 321,322 | 63,863 | 403.14% |
| Total | \$ 5,208,704 | \$ 5,681,076 | -8.31% |

The following analysis is provided for the major enterprise funds.

Sewer/Water/Storm Utility Fund – Operating revenues increased \$1,103,923 or 4.8% in 2020 over 2019. Water charges for services decreased \$226,356 or 3.1%. Sewer charges for services increased \$1,364,265 or 11.8%. Storm charges for services decreased by \$42,234 or 1.0%. The increase in sewer revenues is due to connection fees from multiple new large multi-family apartment construction projects.

Total operating expenses increased \$1,833,754 or 10.5% from the 2019 amount. At December 31, 2020, net position totals \$69,161,272. Of this amount, \$41,377,400 or 59.8% is invested in capital assets.

The various expenses changed from 2019 to 2020 as follows:

- Administration and general – water – decrease of \$20,385 or .9%.
- Administration and general – sewer – decrease of \$130,627 or 6.1%
- Administration and general – stormwater – increase of \$112,621 or 17.7%
- Maintenance and operations – water – increase of 36,816 or 1.2%
- Maintenance and operations – sewer – increase of 1,685,717 or 35.5%
- Maintenance and operations – stormwater - increase of \$58,396 or 3.0%

Although there was significant fluctuation between these six categories, it is primarily due to the staff transfers between divisions and changes in allocated expenses. Overall, operating expenses increased by \$1,833,754 or 10.5%.

Golf Course Fund – Operating revenues increased \$302,895 or 22.5%, resulting in a record year. While indoor recreational opportunities were limited due to COVID-19 restrictions, the golf course was a popular destination for outdoor recreation.

Total operating expenses increased by \$45,436 or 3.5% over the 2019 amount. Operating income increased from \$63,863 in 2019 to \$321,322 in 2020.

As of December 31, 2020, the net position totaled \$3,382,851 compared with \$3,065,463 as of December 31, 2019.

Financial Analysis of the City's Funds

Governmental Funds

As previously stated, governmental funds are reported in the fund statements with a focus on short-term inflow and outflow of spendable resources. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$46,879,626 as compared to \$48,124,485 at December 31, 2019.

The restricted amount at December 31, 2020 was \$25,269,571, which includes \$111,902 for debt service, \$2,802,495 for criminal justice, \$11,299,458 for capital improvements, \$2,308,893 for transportation, \$894,196 for tourism, \$292,262 for drug enforcement, \$7,166,533 for streets and \$393,832 for a variety of other restrictions.

\$6,441,396 is committed, primarily for revenue fluctuations. The general fund reports approximately \$11.0 million assigned to future economic development infrastructure.

The City Council passed Resolution number 2014-20 in 2014 to reserve (commit) \$6 million in the Revenue Stabilization Fund, a managerial fund that is included in the General Fund to protect the City from major economic downturns or similar adverse conditions. The resolution also limits the use of these funds to those approved by Council.

Also, included in the General Fund is approximately \$11.0 million intended (assigned) to be spent on future economic development. These funds are included in the Economic Infrastructure Development fund, another managerial fund that is included in the General Fund.

The General Fund reports an unassigned amount of fund balance of \$4,027,009. This amount will be used for future one-time operating costs. The total ending fund balances of governmental funds show a decrease of \$1.2 million net of a negative prior period adjustment of \$38,861 compared to an increase of \$2.9 million at December 31, 2019.

Major Governmental Funds

General Fund - The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance decreased by \$661,543 or 3.2% in 2020, after interfund transfers to other funds. The difference between revenues and expenditures was \$1,258,080 before interfund transfers. Of the total \$2,806,588 transferred from the General Fund, \$1,656,638 was transferred to service debt, \$28,000 was transferred to fund capital projects,

\$1,095,450 was transferred to the Street Operating Fund (Non Major Special Revenue Fund) and \$26,500 was transferred to the Solid Waste Management fund (Non Major Special Revenue Fund). Total transfers out were \$2,190,200 (43.4%) more than total transfers in 2019 due to a decrease in transfers to capital project funds.

Total revenues decreased by \$4,659,591 or 9.3% in 2020. The primary cause of this decrease was the reduction in sales taxes of \$2,641,480 due to the impact of COVID.

Permits and fees increased \$1,798,678 or 49.2% from 2019 largely due to building permit fees for the Sound Transit station, Kinect @ Lynnwood Apartments and other residential development projects.

Intergovernmental revenues increased by \$224,028 (7.5%) due to COVID non-grant assistance of \$1,606,581 received in 2020, less the decrease in other one-time operating grants received in 2019.

In 2020, total expenditures decreased by \$1,492,015 or 3.3% compared to 2019. The decrease is primarily due to a decrease in culture & recreation expenditures related to the closure of the community center and cancellation of recreation programs due to COVID.

The City Council adopted updated Financial Management Policies in 2017. The new policies include a General Fund Reserve which requires the City to adopt a budget to include reserve balances equaling not less than 2.5 months of operating expenditures of the prior fiscal year. Reserves may consist of the total of the General Fund Unassigned Fund Balance and the Revenue Stabilization Fund balance. In November of 2020, the City Council passed a resolution authorizing the use of up to \$2.2 million in reserves to balance the General Fund and confirming that the 2021-2022 budget could have General Fund reserves under the 2.5 month minimum required in policy. At the time of 2021-2022 budget adoption, it was estimated that the draw-down on reserves would be less than \$2 million. The actual amount of transfer needed was only \$1.13 million. The General Fund had 2.2 months of operating reserves as of the end of 2020. As of December 31, 2020, the City fell short the policy requirements for reserves in 2020 as follows:

| | | |
|----------------------------------|------------------|---------------------|
| 2020 General Fund Expenditures | | \$ 44,199,871 |
| | | <u>9,208,306</u> |
| Reserve Requirement (2.5 months) | | 9,208,306 |
| Reserves: | | |
| Revenue Stablization Fund | \$ 4,870,033 | |
| Unassigned Fund Balance | <u>4,027,009</u> | |
| Total Reserve Balance | | <u>8,897,042</u> |
| Reserve Requirement Shortage | | <u>\$ (311,264)</u> |

Transportation Capital Fund – the Transportation Capital Fund is used to account for transportation related capital projects, which in 2020 included among others, 35th/36th Ave W Roadway Improvements, the Poplar Way Extension Bridge, and 196th Street SW (SR524) Improvements. Revenues decreased by \$1,555,424 from 2019 to 2020 due to a decrease in the amount of grant funding received in 2020. Expenditures decreased by \$1,577,224 from 2019 to 2020. Expenditures on the 196th Street SW Improvements project were moved to utility funds to account for the design costs relating to utility improvements. Also, majority of the construction costs for the 36th Ave W Roadway Improvements project were incurred and paid in 2019 as opposed to 2020, in which the project reached substantial completion in June 2020. Fund balance decreased by \$3,158,229, or 55.5%, from 2019 to 2020.

Budgetary Highlights – General Fund

The City adopts a biennial budget and combines both years together. The biennial budget is developed to guide the City’s financial direction. It outlines how financial resources will be managed during the biennial budget years while allowing for reallocation of resources. Major groups that participate in the budget process are the Mayor, City Council, Chief Administrative Officer, Department directors, Managers, and interested Lynnwood citizens. Appropriation of operating and capital funds are reviewed and amended as needed by the City Council. During 2020, the budget was amended seven times to account for significant unforeseen situations, including the COVID-19 pandemic.

The final General Fund expenditure budget was \$2,632,874 higher than the original budget. The largest increase to the budget included just over \$2 million to allow for the expenditure of federal Coronavirus Aid, Relief, and Economic Security Act (CARES) funding received from the State of Washington and Snohomish County.

The final General Fund revenue budget was \$3,069,764 higher than the original budget. Three separate amendments were done to reflect the additional CARES grant revenues received, totaling just over \$2 million.

Actual results compared to final budget

Total General Fund revenues over the biennium were \$100 million or 86% of the amended budget of \$116.1 million. The final budget includes \$4.4 million for interfund services revenues. In the financial statements, Interfund services were reclassified as a reduction of direct expenditures to the General Fund departments as opposed to revenues to the General Fund, so the actual interfund service revenue was zero. Adjusting for this amount, the General Fund revenues were 82.3% of the final adopted biennial budget.

Sales tax revenues, which represents 42.2% of the total budgeted General Fund revenues, totaled \$44.7 million for the biennium, 46.8% of the actual revenues received. Sales tax revenues in 2020 decreased by \$2.6 million from 2019, an 11.2% decrease. This is attributed to the reduction in sales activity that occurred when the COVID-19 pandemic first began in early 2020. Sales tax revenues recovered strongly as the year progressed.

Property tax revenues totaled \$8.3 million or 8.7% of the actual revenues and were less than 1% lower than budget. Permit fee revenues exceeded budget by 3.6% due largely to building permit fees for large projects that were received in 2020. Liquor Board taxes were 8.2% higher than budget due to an increase in alcohol sales after the pandemic began.

Investment revenues, which totaled \$505,498 for the biennium, exceeded the adopted budget of \$406,864 by 24.2% due to conservative forecasting.

Total General Fund expenditures were \$89.9 million or 82.7% of the final biennial budget of \$108.7 million due in part to expenditure reductions across all General Fund departments to offset forecasted revenue reductions related to COVID-19. All General Fund departments' expenditures were within their biennial budget authority.

Capital Assets and Debt Administration

Capital Assets

The City's net book value of capital assets as of December 31, 2020 increased by 1.7% for governmental activities and increased by 13.1% in business-type activities. The overall increase was 5.7% for the City as a whole. See Note 3-D for additional information about changes in capital assets during the calendar year and outstanding at the end of the year.

At December 31, 2020, the depreciable capital assets for governmental activities were 51% depreciated. This compares with the December 31, 2019 percentage of 52%. For business-type activities, the percentage decreased from 44% to 43%.

At December 31, 2020, the major projects included in the governmental activities construction in progress include:

- Poplar Way Bridge Extension - \$3,868,784
- 196th Street SW Improvements - \$6,105,580
- Beech Road Improvements - \$498,771
- Scriber Creek Trail Improvements - \$727,197
- Lynnwood Community Justice Center - \$2,227,270

The major additions to governmental activities machinery and equipment account include:

- 2021 KW T880 Vactor- \$580,696
- Smiths Detection B-Scan Body- \$186,943
- Network Optimization Core Switches- \$121,763
- Disaster Recovery Nutanix Server- \$95,009

Governmental activities land increased \$2,141,623 consisting primarily of:

- Precision Tune Land Purchase for 196th St Project- \$1,430,396

- McCrary Land Acquisition for Parks- \$113,256

At December 31, 2020, the major projects included in the business-type activities construction in progress include:

- Lift Station 4 & 8 Improvements - \$4,936,424
- WWTP Building Replacement - \$780,473
- WWTP Fire Protection System- \$412,505
- 196th St Utility Improvements- \$520,529

At December 31, 2019, major projects completed:

- 48th Ave Sewer & 200th Water Main Improvements- \$1,175,722
- Advanced Metering Infrastructure- \$3,425,406
- 36th Ave Storm Drain Improvements- \$2,210,594
- 36th Ave Water Main Improvements- \$271,573
- LOMC Emergency Generator- \$205,229

The following table provides a summary of capital asset activity:

| | Governmental Activities | | Business-type Activities | | Total | |
|-----------------------------------|-------------------------|----------------|--------------------------|---------------|----------------|----------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| Nondepreciable assets: | | | | | | |
| Land | \$ 43,022,609 | \$ 40,880,986 | \$ 8,259,914 | \$ 8,259,914 | \$ 51,282,523 | \$ 49,140,900 |
| Easements | 452,683 | 452,683 | 4,340,120 | 4,340,120 | 4,792,803 | 4,792,803 |
| Art, non-depreciable | 128,219 | 128,219 | - | - | 128,219 | 128,219 |
| Construction in progress | 14,558,402 | 23,154,973 | 8,392,475 | 2,335,565 | 22,950,877 | 25,490,538 |
| Total nondepreciable assets | 58,161,913 | 64,616,861 | 20,992,509 | 14,935,599 | 79,154,422 | 79,552,460 |
| Depreciable assets: | | | | | | |
| Buildings | 42,577,827 | 42,922,248 | 34,447,324 | 34,447,324 | 77,025,151 | 77,369,572 |
| Improvements other than buildings | 23,168,319 | 22,847,213 | 2,774,233 | 2,774,233 | 25,942,552 | 25,621,446 |
| Machinery and equipment | 19,131,416 | 17,336,354 | 4,948,715 | 4,820,580 | 24,080,131 | 22,156,934 |
| Infrastructure | 105,483,202 | 93,135,804 | 84,491,163 | 77,214,033 | 189,974,365 | 170,349,837 |
| Total depreciable assets | 190,360,764 | 176,241,619 | 126,661,435 | 119,256,170 | 317,022,199 | 295,497,789 |
| Total accumulated depreciation | 97,452,902 | 92,294,331 | 54,906,295 | 52,173,047 | 152,359,197 | 144,467,378 |
| Book value - depreciable assets | 92,907,862 | 83,947,288 | 71,755,140 | 67,083,123 | 164,663,002 | 151,030,411 |
| Percentage depreciated | 51% | 52% | 43% | 44% | 48% | 49% |
| Book value - all assets | \$ 151,069,775 | \$ 148,564,149 | \$ 92,747,649 | \$ 82,018,722 | \$ 243,817,424 | \$ 230,582,871 |

Long-Term Liabilities

The following table reports outstanding long-term liabilities at both December 31, 2020 and 2019:

| | Governmental Activities | | Business-type Activities | | Totals | |
|---------------------------|----------------------------|----------------------|-----------------------------|----------------------|----------------------|----------------------|
| | 2020 | 2019 | 2020 | 2019 | 2020 | 2019 |
| General obligation bonds | \$ 20,415,000 | \$ 21,275,000 | \$ - | \$ - | \$ 20,415,000 | \$ 21,275,000 |
| Revenue bonds | - | - | 47,957,336 | 50,200,763 | 47,957,336 | 50,200,763 |
| Subtotal | 20,415,000 | 21,275,000 | 47,957,336 | 50,200,763 | 68,372,336 | 71,475,763 |
| Net pension liability | 6,516,674 | 6,838,403 | 1,352,828 | 1,370,871 | 7,869,502 | 8,209,274 |
| Total OPEB-LEOFF 1-Police | 10,668,568 | 9,854,835 | - | - | 10,668,568 | 9,854,835 |
| Claims and judgements | 157,097 | 68,472 | - | - | 157,097 | 68,472 |
| Compensated absences | 3,567,394 | 3,281,075 | 576,050 | 304,148 | 4,143,444 | 3,585,223 |
| Total | \$ 41,324,733 | \$ 41,317,785 | \$ 49,886,214 | \$ 51,875,782 | \$ 91,210,947 | \$ 93,193,567 |

In a report issued on September 18, 2018, Standard & Poor's (S&P) assigned its 'AA' Rating to the city's 2018 utility system revenue bonds that Council authorized on May 14, 2018. The only ratings higher are "AAA" and "AA+", which few municipalities have achieved. S & P also affirmed its 'AA' long-term rating on the City utility system's 2010 and 2015 revenue bonds.

S & P assigned the city an 'AA' rating with a stable outlook. It also notes the city has strong financial management practices. Additional key statements from the report:

- Service area economy with good income levels that participates in the broad and diverse Seattle metropolitan area economy;
- Stable, primarily residential, and very diverse customer base;
- Ample water supply and sewage treatment capacity, with a long-term wholesale contract in place for water service; and
- Affordable service rates, coupled with a demonstrated willingness and ability to adjust rates to match operating needs.

The 'AA' Bond Rating, which is an extraordinary achievement for the City, will translate into lower financing costs by attracting a broader range of investors. This rating is also a positive reflection of the City's effectiveness in managing its financial resources during one of the most difficult economic times in several generations.

On October 22, 2020 the City issued 10-year Utility System Revenue Refunding Bonds in the amount of \$5,610,000 to refund the outstanding principal balance of the 2010 Utility Improvement Refunding Bonds resulting in Net Present Value Savings of \$833,467. The final principal and interest payment is scheduled for 2030. These bonds were sold via direct placement and not rated. The City's outstanding debt decreased incrementally over 2020 as scheduled principal payments were made.

The City is planning to undergo a rating update in May of 2021 in preparation for the issuance of up to \$64 million in limited term general obligation bonds for the construction of a new Community Justice Center. See Note 4-H, Subsequent Events, for additional information.

Detailed information on long term debt liabilities at year-end is presented in Note 3-G to the Financial Statements.

Economic Conditions Affecting the City

COVID 19 – The COVID-19 pandemic currently is affecting many parts of the world, including the State, the County and the City. The City is continuing to proactively implement measures to mitigate operational and financial impacts to the City and its taxpayers and ratepayers, including closing lobbies, requiring employees not required to be on site for essential services to work from home, implementing “social distancing” measures for the City’s on-site essential staff and ensuring projects can be completed with minimal contact between employees, and with all other services by appointment only in compliance with the Governor’s phased “re-opening” of the State’s economy; and the City Council is conducting meetings and work sessions online only with teleconference options.

The City declared a State of Emergency in March of 2020 and took immediate action to reduce operating expenditures to counter anticipated revenue shortfalls in sales tax, recreation fees and other impacted revenues. Preliminary estimates indicated a \$7.8 million revenue loss to the General Fund. Cost-saving measures totaling \$5.6 million were identified and the Council authorized the use of up to \$2.2 million in reserve funding to balance the General Fund.

Despite a reduction in taxable sales in April of 2020 (revenues received by the City in June), sales tax revenues recovered relatively quickly and development activity remained strong throughout the City. The Recreation Center reopened on a limited basis in accordance with CDC and state guidelines. The amount of the transfer from the reserve fund for 2020 was \$1.13 million, much less than originally anticipated/authorized. The City received \$2 million in federal aid in 2020 to reimburse necessary expenditures related to pandemic response and will receive another \$8.5 million over the next two years to continue to respond to the impacts and replace lost revenues.

For additional information see Note 5, Other Disclosures and Note 4-H, Subsequent Events.

Financial Stability – The City’s financial condition is strong because: a) The Mayor and City Council are diligent in ensuring that expenditures do not exceed revenues; b) the Puget Sound region is experiencing growth in both population and household income; c) Lynnwood utilizes stringent financial policies and best practices under the guidance of the City Council’s Finance Committee; d) during 2017, voters approved the formation of a Regional Fire Authority (RFA) that consolidated the Lynnwood Fire Department with Snohomish County Fire District 1, and thereby removed the City’s second-largest department (in dollars) from the City’s budget; and e) the planned 2024 arrival of light rail service to Lynnwood, provided by Sound Transit (Puget Sound’s regional transit agency) has fueled construction of midrise buildings here.

Following voter approval of the RFA, the Lynnwood City Council approved a lower property tax levy for 2018 that reflected the net savings created by the RFA. The property tax levy for 2019 continued that approach with an incremental increase over the 2018 levy. If the need were to arise, the City Council has the ability to significantly increase property tax revenue without voter approval.

Sound Transit’s Lynnwood Link light rail, scheduled to begin service in summer 2024, is also fueling Lynnwood’s strong real estate market. To optimize available revenues, the City continues to proactively pursue and obtain state and federal funding to expand the capacity of municipal infrastructure. This includes streets, parks, sidewalks, facilities, utilities and open space. A portion of the City (including the vicinity of the new light rail transit station) has been designated as an Opportunity Zone and this is another incentive for new investment in Lynnwood.

Economic Development – The City’s Community Vision adopted by City Council in 2009 and reaffirmed in 2015 calls for a vibrant community. Issue-specific plans prepared by the City identify programs and projects that implement this Vision Statement and accommodate population employment growth projected for the next 20 years. Updates in 2015 to the City’s Comprehensive Plan and Economic Development Action Plan incorporated implementation activities to achieve economic development goals. The City’s attributes of geographic location, ease of access, emerging light rail service, and economic prominence supports sustained economic vitality. These plans are both being updated in 2021.

Population and employment growth within the City reflect steady progress towards implementing the community’s vision as a designated Regional Growth Area (per Puget Sound Regional Council’s Vision 2040 Plan). Lynnwood has many auto dealerships and sale activity continues to be strong. Lynnwood’s Alderwood Mall is evolving to remain a premier destination in an age of online retail. At the Mall, legacy retail structures are being replaced by a “lifestyle center” of shops, restaurants, and multifamily homes. The 2019 closure of Seattle’s Northgate Mall (America’s first indoor mall) significantly increased the size of Alderwood Mall’s market area. Property tax revenues remain steadfast as assessed property value increases year-over-year. For 2020, the Snohomish County Assessor reports \$1.7 billion in construction activity.

Economic vitality is also evident in the diversity of the economy in the City area. Private sector employment includes aerospace, biosciences, information technologies, electronics, finance/insurance/real estate, healthcare, and professional services. Public sector employment includes the administrative offices of the Edmonds School District, Edmonds Community College, and the City.

Development of the Lynnwood City Center is a key component of Lynnwood's economic future. Located within the Lynnwood Regional Growth Center, the City Center has experienced initial development with completion of 308 units of senior housing and 347 units of affordable workforce housing, and construction of a 150 room Hilton Garden Inn. With mid-rise buildings over structured parking, this type of development will create a compact, walkable, urban environment as called for by City Center plans.

To support this private investment, street projects have moved forward in the City Center with 196th St. SW (SR 524) and 36th Ave W receiving funding for widening and streetscape improvements; and 42nd Ave W received funding for initial design. Site work for the Sound Transit Lynnwood Link Light Rail began in 2019 after considerable planning and engineering work throughout 2018. Pedestrian/bicycle trails near the transit center will be upgraded to support non-motorized access to the light rail service. These projects address the community vision for a multi-modal transportation network. The City continues to spend to keep its infrastructure in good shape and is moving forward with capital projects as budgeted.

Contacting the City's Financial Management

We designed this financial report to provide a general overview of the City's finances, comply with finance-related laws and regulations, and demonstrate the City's commitment to public accountability. If you have questions about this report or would like to request additional information, contact:

Finance Director
City of Lynnwood
19100 44th Ave W
Lynnwood, WA 98036
425-670-5141

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BASIC
FINANCIAL
STATEMENTS

City of Lynnwood, Washington
Statement of Net Position
December 31, 2020

| | Primary Government | | | Component Units |
|---|----------------------------|-----------------------------|-----------------------|---------------------|
| | Governmental Activities | Business-type Activities | Total | |
| Assets | | | | |
| Current Assets | | | | |
| Cash and cash equivalents (Note 3-A) | \$ 25,717,165 | \$ 22,678,249 | \$ 48,395,414 | \$ 5,272,119 |
| Restricted assets: cash and cash equivalents | - | 23,713 | 23,713 | 2,791,888 |
| Investments (Note 3-A) | 19,710,418 | 4,306,175 | 24,016,593 | 2,073,215 |
| Receivables: | | | | |
| Accounts | 3,134,096 | 4,080,358 | 7,214,454 | 881,571 |
| Taxes | 7,169,953 | - | 7,169,953 | - |
| Intergovernmental | 2,030,662 | 1,102 | 2,031,764 | - |
| Internal | (77,903) | 77,903 | - | - |
| Prepaid items | 122,776 | 81,127 | 203,903 | 61,635 |
| Inventory | - | 21,179 | 21,179 | 15,722 |
| Total Current Assets | 57,807,167 | 31,269,806 | 89,076,973 | 11,096,150 |
| Noncurrent Assets | | | | |
| Investment in joint venture | 1,339,103 | - | 1,339,103 | - |
| Net pension assets | 6,572,493 | - | 6,572,493 | - |
| Restricted assets: cash and cash equivalents | - | 3,478,709 | 3,478,709 | - |
| Note receivable | - | 61,322 | 61,322 | - |
| Internal receivable | 985,000 | (985,000) | - | - |
| Capital assets (Note 3-D) | | | | |
| Nondepreciable | 58,161,913 | 20,992,508 | 79,154,421 | 6,966,126 |
| Depreciable, net | 92,907,862 | 71,755,139 | 164,663,001 | 15,524,297 |
| Total Noncurrent Assets | 159,966,371 | 95,302,678 | 255,269,049 | 22,490,423 |
| Total Assets | 217,773,538 | 126,572,484 | 344,346,022 | 33,586,573 |
| Deferred Outflows of Resources | | | | |
| Deferred Outflows-loss on refunding | - | - | - | 22,189 |
| Deferred Outflows - OBEB | 122,797 | - | 122,797 | - |
| Deferred Outflows of Resources-Pensions | 5,586,780 | 507,461 | 6,094,241 | 24,512 |
| Total Deferred Outflows of Resources | 5,709,577 | 507,461 | 6,217,038 | 46,701 |
| Liabilities | | | | |
| Current Liabilities | | | | |
| Accounts payable | 2,942,631 | 3,513,674 | 6,456,305 | 94,355 |
| Accrued expenses | 1,208,568 | 174,486 | 1,383,054 | 80,591 |
| Retainage payable | - | 25,506 | 25,506 | - |
| Deposits payable | - | 23,443 | 23,443 | 513,009 |
| Custodial accounts payable | - | 14,669 | 14,669 | - |
| Compensated absences payable | 2,196,003 | 351,617 | 2,547,620 | 1,806 |
| Current portion of environmental remediation | - | - | - | 200,000 |
| Unearned revenue | - | 16,798 | 16,798 | - |
| Accrued interest | 63,468 | 142,508 | 205,976 | - |
| General obligation bonds payable | 895,000 | - | 895,000 | 1,068,900 |
| Revenue bonds payable | - | 2,391,828 | 2,391,828 | 947,117 |
| Total Current Liabilities | 7,305,670 | 6,654,529 | 13,960,199 | 2,905,778 |
| Long-Term Liabilities (net of current portion): (Note 3-F) | | | | |
| Deposits payable | - | - | - | 45,757 |
| Compensated absences payable | 1,371,391 | 224,433 | 1,595,824 | 1,806 |
| Claims and judgments payable | 157,097 | - | 157,097 | - |
| Other postemployment benefits | 10,668,568 | - | 10,668,568 | 96,519 |
| Total OPEB liability | 6,516,674 | 1,352,828 | 7,869,502 | 95,397 |
| Environmental remediation | - | - | - | 5,640,013 |
| General obligation bonds payable | 19,520,000 | - | 19,520,000 | 4,416,500 |
| Revenue bonds payable, net of premiums/discounts | - | 45,565,508 | 45,565,508 | 13,569,897 |
| Total Long-term Liabilities | 38,233,730 | 47,142,769 | 85,376,499 | 23,865,889 |
| Total Liabilities | 45,539,400 | 53,797,298 | 99,336,698 | 26,771,667 |
| Deferred Inflows of Resources | | | | |
| Deferred Inflows of Resources-Gain on refunding | - | 133,496 | 133,496 | 28,874 |
| Deferred Inflows of Resources-Pensions | 3,237,264 | 394,125 | 3,631,389 | 29,429 |
| Total Deferred Inflows of Resources | 3,237,264 | 527,621 | 3,764,885 | 58,303 |
| Net Position | | | | |
| Net investment in capital assets (Note 3-J) | 130,654,775 | 45,538,331 | 176,193,106 | 2,481,324 |
| Restricted for: | | | | |
| Debt service | 111,902 | 554,428 | 666,330 | 1,000,000 |
| Capital outlay | 11,299,458 | - | 11,299,458 | - |
| Criminal justice | 2,802,495 | - | 2,802,495 | - |
| Tourism | 894,196 | - | 894,196 | - |
| Drug enforcement | 292,262 | - | 292,262 | - |
| Other purposes | 2,702,725 | - | 2,702,725 | - |
| Streets | 7,166,533 | - | 7,166,533 | - |
| Pension asset | 8,671,147 | - | 8,671,147 | - |
| Unrestricted | 10,110,958 | 26,662,267 | 36,773,225 | 3,321,980 |
| Total Net Position | \$ 174,706,451 | \$ 72,755,026 | \$ 247,461,477 | \$ 6,803,304 |

See accompanying notes to the basic financial statements

CITY OF LYNNWOOD  BASIC FINANCIAL STATEMENTS

City of Lynnwood, Washington
Statement of Activities
For the Year Ended December 31, 2020

| Function/Program | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | | |
|--|-------------------|-----------------------------------|---------------------------------------|-------------------------------------|---|-----------------------------|-----------------------|---------------------|
| | | Charges for Services and Sales | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | | Component Unit |
| | | | | | Governmental Activities | Business-Type Activities | Total | |
| Primary Government | | | | | | | | |
| Governmental Activities | | | | | | | | |
| General government | \$ 12,775,727 | \$ 4,996,501 | \$ 2,410,865 | \$ - | \$ (5,368,361) | \$ - | \$ (5,368,361) | \$ - |
| Economic environment | 4,738,876 | 957,496 | 521,542 | - | (3,259,838) | - | (3,259,838) | - |
| Judicial | 949,133 | 764,483 | 2,530 | - | (182,120) | - | (182,120) | - |
| Culture and recreation | 6,683,452 | 3,293,633 | 37,838 | 566,177 | (2,785,805) | - | (2,785,805) | - |
| Public safety | 21,344,811 | 2,238,796 | 757,859 | - | (18,348,156) | - | (18,348,156) | - |
| Social services | 450,612 | - | - | - | (450,612) | - | (450,612) | - |
| Transportation | 9,116,844 | 380,521 | 769,960 | 1,310,815 | (6,655,547) | - | (6,655,547) | - |
| Utilities | 38,390 | 787,864 | 17,478 | - | 766,952 | - | 766,952 | - |
| Interest | 791,059 | - | - | - | (791,059) | - | (791,059) | - |
| Total Governmental Activities | 56,888,904 | 13,419,294 | 4,518,072 | 1,876,992 | (37,074,546) | - | (37,074,546) | - |
| Business-Type Activities: | | | | | | | | |
| Water and Sewer Utility | 21,054,285 | 24,244,548 | 51,463 | 3,033,937 | - | 6,275,663 | 6,275,663 | - |
| Golf Course | 1,334,019 | 1,648,110 | - | - | - | 314,091 | 314,091 | - |
| Total Business-Type Activities | 22,388,304 | 25,892,658 | 51,463 | 3,033,937 | - | 6,589,754 | 6,589,754 | - |
| Total - Primary Government | 79,277,208 | 39,311,952 | 4,569,535 | 4,910,929 | (37,074,546) | 6,589,754 | (30,484,792) | - |
| Component Units | | | | | | | | |
| Lynnwood Public Facilities District | \$ 4,392,612 | \$ 1,781,328 | \$ 100,000 | \$ - | | | | \$ (2,511,284) |
| General Revenues | | | | | | | | |
| Property taxes | | | | | 4,268,168 | - | 4,268,168 | - |
| Sales taxes | | | | | 24,349,634 | - | 24,349,634 | 2,012,749 |
| Utility taxes | | | | | 5,653,730 | - | 5,653,730 | - |
| Real estate transfer taxes | | | | | 1,794,326 | - | 1,794,326 | - |
| Excise taxes | | | | | 921,686 | - | 921,686 | 1,336,380 |
| Transportation benefit district vehicle fees | | | | | 1,306,113 | - | 1,306,113 | - |
| Admissions taxes | | | | | 129,583 | - | 129,583 | 609 |
| Gambling taxes | | | | | 95,674 | - | 95,674 | - |
| Investment earnings (losses) | | | | | 521,234 | 443,230 | 964,464 | 113,300 |
| Miscellaneous | | | | | 69,346 | - | 69,346 | - |
| Transfers | | | | | - | - | - | - |
| Total General Revenues and Transfers | | | | | 39,109,494 | 443,230 | 39,552,724 | 3,463,038 |
| Change in Net Position | | | | | 2,034,948 | 7,032,984 | 9,067,932 | 951,754 |
| Net Position Beginning of Year | | | | | 172,710,184 | 65,722,042 | 238,432,226 | 5,851,550 |
| Prior Period Adjustments - Note 4-F | | | | | (38,681) | - | (38,681) | - |
| Net Position End of Year | | | | | \$ 174,706,451 | \$ 72,755,026 | \$ 247,461,477 | \$ 6,803,304 |

See accompanying notes to the basic financial statements

City of Lynnwood, Washington
Balance Sheet
Governmental Funds
December 31, 2020

| | <u>General</u> | <u>Transportation Capital</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|----------------------|-----------------------------------|---|---|
| Assets | | | | |
| Cash and cash equivalents | \$ 8,108,570 | \$ 1,617,487 | \$ 13,069,182 | \$ 22,795,239 |
| Investments | 5,622,284 | 1,150,395 | 11,150,904 | 17,923,583 |
| Receivables: | | | | |
| Accounts | 2,952,765 | - | 181,331 | 3,134,096 |
| Taxes | 5,457,802 | - | 1,578,815 | 7,036,617 |
| Other taxes | 133,336 | - | - | 133,336 |
| Intergovernmental | 1,335,893 | 612 | 423,393 | 1,759,898 |
| Interfund | 1,118,000 | - | - | 1,118,000 |
| Prepaid | 97,776 | - | - | 97,776 |
| Total Assets | <u>\$ 24,826,426</u> | <u>\$ 2,768,494</u> | <u>\$ 26,403,625</u> | <u>\$ 53,998,545</u> |
| Liabilities | | | | |
| Accounts payable | \$ 767,131 | \$ 235,707 | \$ 1,909,200 | \$ 2,912,038 |
| Accrued salaries and wages payable | 862,819 | 1,070 | 42,227 | 906,116 |
| Other current liabilities payable | 255,203 | - | 16,331 | 271,534 |
| Total Liabilities | 1,885,153 | 236,777 | 1,967,758 | 4,089,688 |
| Deferred Inflows of Resources | | | | |
| Deferred Inflows of Resources - property tax | 81,628 | - | - | 81,628 |
| Deferred Inflows of Resources - grants | 229,043 | 356 | 126,294 | 355,693 |
| Deferred Inflows of Resources - municipal court | 2,041,718 | - | - | 2,041,718 |
| Deferred Inflows of Resources - red-light photo | 550,192 | - | - | 550,192 |
| Total Deferred Inflows of Resources | <u>2,902,581</u> | <u>356</u> | <u>126,294</u> | <u>3,029,231</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>4,787,734</u> | <u>237,133</u> | <u>2,094,052</u> | <u>7,118,919</u> |
| Fund Balances | | | | |
| Nonspendable | 97,776 | - | - | 97,776 |
| Restricted | - | 2,531,361 | 22,738,210 | 25,269,571 |
| Committed | 4,870,033 | - | 1,571,363 | 6,441,396 |
| Assigned | 11,043,874 | - | - | 11,043,874 |
| Unassigned | 4,027,009 | - | - | 4,027,009 |
| Total Fund Balances | <u>20,038,692</u> | <u>2,531,361</u> | <u>24,309,573</u> | <u>46,879,626</u> |
| Total Liabilities, Deferred Inflows of Resources, and Fund Balances | <u>\$ 24,826,426</u> | <u>\$ 2,768,494</u> | <u>\$ 26,403,625</u> | <u>\$ 53,998,545</u> |

See accompanying notes to the basic financial statements

City of Lynnwood, Washington
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
December 31, 2020

| | | |
|--|---------------------|------------------------|
| Total Governmental Fund Balances | \$ | 46,879,626 |
| Amounts reported for governmental activities in the statement of net position are different because: | | |
| Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds (exclusive of internal service funds' capital assets). | | |
| Cost of capital assets | \$ 234,810,089 | |
| Less accumulated depreciation | <u>(90,035,402)</u> | 144,774,687 |
| The investment in joint ventures is not reported at the fund financial reporting level but is reported on the government-wide statement of net position. | | |
| | | 1,339,103 |
| Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds - property taxes, grants and fines. | | |
| | | 3,029,231 |
| Deferred inflows and outflows for pensions reported on the government-wide statement of position but not reported on the governmental fund balance sheet. | | |
| | | 2,332,264 |
| Deferred outflows for OPEB reported on the government-wide statement of net position but not reported on the government balance sheet. | | |
| | | 122,797 |
| The net pension assets are not available to retire current year expenditures, therefore they are not reported in the funds but are reported in the government-wide statement of net position. | | |
| | | 6,572,493 |
| The internal service fund is used by management to charge the costs of the equipment rental to individual funds. The assets and liabilities of the internal service funds are included in governmental activities column on the government-wide statement of net position. | | |
| | | 10,898,619 |
| The internal service fund chargeback to enterprise funds is not reported in the governmental funds, but is reported on the government-wide financial statements. | | |
| | | (210,903) |
| Liabilities not due and payable in the current period and therefore are not reported in the governmental fund balance sheets but are reported on the government-wide statement of net position (excludes internal service funds). | | |
| General obligation refunding bonds payable | \$ (20,415,000) | |
| Accrued interest payable | (63,468) | |
| Other postemployment benefits payable | (10,668,568) | |
| Net pension liability payable | (6,399,538) | |
| Compensated absences payable | <u>(3,484,892)</u> | |
| | | <u>(41,031,466)</u> |
| Net Position Of Governmental Activities | \$ | <u>174,706,451</u> |

See accompanying notes to the basic financial statements

City of Lynnwood, Washington
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

| | General | Transportation Capital | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|---------------------------|--------------------------------|--------------------------------|
| Revenues | | | | |
| Taxes | \$ 31,188,750 | \$ - | \$ 6,762,370 | \$ 37,951,120 |
| Intergovernmental | 3,209,297 | 2,489,756 | 1,564,463 | 7,263,516 |
| Licenses and permits | 5,456,588 | - | 162,660 | 5,619,248 |
| Charges for services | 1,995,107 | - | 2,560,961 | 4,556,068 |
| Fines and forfeitures | 3,112,338 | - | 41,722 | 3,154,060 |
| Investment earnings | 214,224 | 23,477 | 246,048 | 483,749 |
| Other interest | - | - | 1,060 | 1,060 |
| Rent and leases | 157,398 | 46,791 | - | 204,189 |
| Miscellaneous | 124,249 | 70,321 | 69,347 | 263,917 |
| Total Revenues | 45,457,951 | 2,630,345 | 11,408,631 | 59,496,927 |
| Expenditures | | | | |
| Current: | | | | |
| General government | 10,165,323 | - | 72,588 | 10,237,911 |
| Economic Environment | 4,241,544 | - | 764,603 | 5,006,147 |
| Judicial | 1,014,419 | - | - | 1,014,419 |
| Culture and recreation | 5,857,382 | - | 245,311 | 6,102,693 |
| Public safety | 20,810,597 | - | 304,009 | 21,114,606 |
| Social services | 447,230 | - | - | 447,230 |
| Transportation | 1,481,523 | 2,352,855 | 2,320,849 | 6,155,227 |
| Utilities | - | - | 38,390 | 38,390 |
| Capital Outlay | 181,853 | 5,631,683 | 3,116,933 | 8,930,469 |
| Debt Service: | | | | |
| Principal retirement | - | - | 860,000 | 860,000 |
| Interest and fiscal charges | - | - | 796,013 | 796,013 |
| Total Expenditures | 44,199,871 | 7,984,538 | 8,518,696 | 60,703,105 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 1,258,080 | (5,354,193) | 2,889,935 | (1,206,178) |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 886,965 | 2,234,645 | 5,537,385 | 8,658,995 |
| Transfers out | (2,806,588) | - | (5,852,407) | (8,658,995) |
| Total Other Financing Sources (Uses) | (1,919,623) | 2,234,645 | (315,022) | - |
| Net Change in Fund Balances | (661,543) | (3,119,548) | 2,574,913 | (1,206,178) |
| Fund Balances Beginning of Year | 20,700,235 | 5,689,590 | 21,734,660 | 48,124,485 |
| Prior Period Adjustment | - | (38,681) | - | (38,681) |
| Fund Balances End of Year | \$ 20,038,692 | \$ 2,531,361 | \$ 24,309,573 | \$ 46,879,626 |

See accompanying notes to the basic financial statements

City of Lynnwood, Washington
Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2020

| | | |
|--|----------------|-------------------------|
| Net Changes In Fund Balances - Total Governmental Funds | | \$ (1,206,178) |
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Governmental funds report capital outlays as expenditures on the governmental fund type operating statement. However, in the government-wide statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period. | | |
| Depreciation expense | \$ (5,078,711) | |
| Capital outlay | 8,979,304 | |
| Capital contributions | - | 3,900,593 |
| The book value of capital assets sold are reported on the government-wide statement of activities but not reported in the governmental fund's operating statement. | | |
| | | (2,538,491) |
| Revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | |
| Property taxes, fines and grants: | | |
| Deferred as of 12/31/20 | \$ 3,029,231 | |
| Deferred as of 12/31/19 | (4,112,259) | (1,083,028) |
| Governmental funds do not report the change in the investment in the joint venture, but the change is reported on the government-wide statement of activity. | | |
| | | (37,498) |
| The internal service fund is used by management to charge the costs of maintenance services to individual funds are not reported in the government-wide statement of activities. Governmental fund expenditures and related internal service fund revenues are eliminated. | | |
| | | 525,670 |
| The internal service fund chargeback to enterprise funds is not reported in the governmental funds, but is reported on the government-wide financial statements. | | |
| | | (63,426) |
| Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the government-wide statement of net position. | | |
| | | 860,000 |
| Other postemployment expenses are reported in the government-wide statement of activities, but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. | | |
| | | (818,133) |
| Net pension debits reported on the government-wide statement of position but not reported on the governmental fund balance sheet. | | |
| | | 2,744,792 |
| A one-month portion of interest on long-term debt is accrued in the governmental-activities but not on the governmental funds statement of revenues expenditures and changes and fund balance. | | |
| | | 4,954 |
| Compensated absences are reported in the government-wide statement of activities, but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. | | |
| Liability as of 12/31/20 | \$ (3,484,892) | |
| Liability as of 12/31/19 | 3,230,585 | (254,307) |
| Change In Net Position of Governmental Activities | | \$ 2,034,948 |

City of Lynnwood, Washington
Statement of Net Position
Proprietary Funds
December 31, 2020

| | Business-type Activities - Enterprise Funds | | | Governmental Activities - Internal Service Fund |
|---|--|---------------------|----------------------|--|
| | Water and Sewer Utility | Golf Course | Total | |
| Assets | | | | |
| Current Assets: | | | | |
| Cash and cash equivalents | \$ 22,480,418 | \$ 197,831 | \$ 22,678,249 | \$ 2,921,926 |
| Restricted assets: cash and cash equivalents | 23,713 | - | 23,713 | - |
| Investments | 4,102,034 | 204,141 | 4,306,175 | 1,786,835 |
| Receivables: | | | | |
| Accounts | 4,080,358 | - | 4,080,358 | - |
| Intergovernmental | - | 1,102 | 1,102 | 270,764 |
| Inventories | - | 21,179 | 21,179 | - |
| Prepaid items | 81,127 | - | 81,127 | 25,000 |
| Total Current Assets | 30,767,650 | 424,253 | 31,191,903 | 5,004,525 |
| Noncurrent Assets: | | | | |
| Restricted assets: cash and cash equivalents | 3,438,468 | 40,241 | 3,478,709 | - |
| Notes receivable | 61,322 | - | 61,322 | - |
| Capital assets: | | | | |
| Nondepreciable | 17,329,139 | 3,663,369 | 20,992,508 | 54,634 |
| Depreciable, net | 71,257,577 | 497,562 | 71,755,139 | 6,240,454 |
| Total Noncurrent Assets | 92,086,506 | 4,201,172 | 96,287,678 | 6,295,088 |
| TOTAL ASSETS | 122,854,156 | 4,625,425 | 127,479,581 | 11,299,613 |
| Deferred Outflows of Resources | | | | |
| Deferred Outflows of Resources - pensions | 507,461 | - | 507,461 | 62,693 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 507,461 | - | 507,461 | 62,693 |
| Liabilities | | | | |
| Current Liabilities: | | | | |
| Accounts payable | 3,436,729 | 76,945 | 3,513,674 | 30,593 |
| Accrued payroll | 174,486 | - | 174,486 | 30,918 |
| Retainage payable | 25,506 | - | 25,506 | - |
| Interfund payable | - | 133,000 | 133,000 | - |
| Custodial accounts payable | 7,281 | 7,388 | 14,669 | - |
| Compensated absences payable | 351,617 | - | 351,617 | 50,359 |
| Claims and judgments payable | - | - | - | 157,097 |
| Deposits payable | - | 23,443 | 23,443 | - |
| Unearned revenue | - | 16,798 | 16,798 | - |
| Revenue bonds payable | 2,391,828 | - | 2,391,828 | - |
| Accrued interest payable | 142,508 | - | 142,508 | - |
| Total Current Liabilities | 6,529,955 | 257,574 | 6,787,529 | 268,967 |
| Long-Term Liabilities: (net of current portion) | | | | |
| Compensated absences payable | 224,433 | - | 224,433 | 32,143 |
| Interfund payable | - | 985,000 | 985,000 | - |
| Net pension liability | 1,352,828 | - | 1,352,828 | 117,136 |
| Revenue bonds payable | 45,565,508 | - | 45,565,508 | - |
| Total Long-term Liabilities | 47,142,769 | 985,000 | 48,127,769 | 149,279 |
| TOTAL LIABILITIES | 53,672,724 | 1,242,574 | 54,915,298 | 418,246 |
| Deferred Inflows of Resources | | | | |
| Deferred Inflows of Resources - gain on refunding | 133,496 | - | 133,496 | - |
| Deferred Inflows of Resources - pensions | 394,125 | - | 394,125 | 45,441 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 527,621 | - | 527,621 | 45,441 |
| Net Position | | | | |
| Net investment in capital assets | 41,377,400 | 4,160,931 | 45,538,331 | 6,295,088 |
| Restricted for: | | | | |
| Debt service | 554,428 | - | 554,428 | - |
| Unrestricted | 27,229,444 | (778,080) | 26,451,364 | 4,603,531 |
| TOTAL NET POSITION | \$ 69,161,272 | \$ 3,382,851 | 72,544,123 | \$ 10,898,619 |
| Reconciliation of the fund level statement of net position to the government-wide statement of net position: | | | | |
| Record internal service fund charge-back to enterprise funds resulting in an interfund receivable to governmental activities. | | | 210,903 | |
| Adjusted Total Net Position | | | \$ 72,755,026 | |

See accompanying notes to the basic financial statements

City of Lynnwood, Washington
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2020

| | Business-type Activities - Enterprise Funds | | | Governmental Activities - Internal Service Fund |
|---|--|------------------------|----------------------|--|
| | Water and Sewer Utility | Golf Course | Total | |
| Operating Revenues | | | | |
| Charges for services | \$ 24,244,548 | \$ 1,437,829 | \$ 25,682,377 | \$ 2,888,305 |
| Rentals | - | 209,139 | 209,139 | - |
| Miscellaneous | - | 1,142 | 1,142 | 7,925 |
| Total Operating Revenues | <u>24,244,548</u> | <u>1,648,110</u> | <u>25,892,658</u> | <u>2,896,230</u> |
| Operating Expenses | | | | |
| Administration and general | 4,947,666 | 1,285,248 | 6,232,914 | - |
| Operations and maintenance | 11,612,216 | 7,869 | 11,620,085 | 1,834,335 |
| Insurance and claims | - | - | - | 89,159 |
| Depreciation | 2,797,284 | 33,671 | 2,830,955 | 776,617 |
| Total Operating Expenses | <u>19,357,166</u> | <u>1,326,788</u> | <u>20,683,954</u> | <u>2,700,111</u> |
| Operating Income | <u>4,887,382</u> | <u>321,322</u> | <u>5,208,704</u> | <u>196,119</u> |
| Non-Operating Revenues (Expenses) | | | | |
| Interest and fiscal charges | (1,688,002) | (7,858) | (1,695,860) | - |
| Other nonoperating revenue | 51,463 | - | 51,463 | 186,877 |
| Gain (Loss) on disposition of capital assets | (25,127) | - | (25,127) | 106,247 |
| Debt issuance costs | (46,788) | - | (46,788) | - |
| Investment earnings | 439,307 | 3,924 | 443,231 | 36,425 |
| Total Non-Operating Revenues (Expenses) | <u>(1,269,147)</u> | <u>(3,934)</u> | <u>(1,273,081)</u> | <u>329,549</u> |
| Income (Loss) Before Contributions and Transfers | 3,618,235 | 317,388 | 3,935,623 | 525,668 |
| Contributions | 3,033,937 | - | 3,033,937 | - |
| Change in Net Position | 6,652,172 | 317,388 | 6,969,560 | 525,668 |
| Net Position Beginning of Year | 62,509,100 | 3,065,463 | 65,574,563 | 10,372,951 |
| Net Position End of Year | <u>\$ 69,161,272</u> | <u>\$ 3,382,851</u> | <u>\$ 72,544,123</u> | <u>\$ 10,898,619</u> |
| Reconciliation of the fund level operating statement to the government-wide statement of activities: | | | | |
| Change in net position | \$ 6,652,172 | \$ 317,388 | \$ 6,969,560 | |
| Internal service fund charges (credits) to enterprise funds, resulting in changes to operating expenses. | 62,798 | 627 | 63,425 | |
| Adjusted Change in Net Position | <u>\$ 6,714,970</u> | <u>\$ 318,015</u> | <u>\$ 7,032,985</u> | |

See accompanying notes to the basic financial statements

City of Lynnwood, Washington
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020

| | Business-type Activities - Enterprise Funds | | | Governmental Activities - Internal Service Fund |
|--|--|------------------------|----------------------|--|
| | Water and Sewer Utility | Golf Course | Total | |
| Increase (Decrease) in Cash and Cash Equivalents | | | | |
| Cash Flows from Operating Activities | | | | |
| Cash received from customers | \$ 23,442,979 | \$ 1,647,008 | \$ 25,089,987 | \$ 796,628 |
| Cash received from interfund services provided | - | - | - | 2,210,026 |
| Cash payments to employees for services | (5,417,631) | - | (5,417,631) | (796,500) |
| Cash payments for goods and services | (10,925,598) | (1,223,762) | (12,149,360) | (1,133,810) |
| Cash received (paid) from/(to) other funds | - | (7,869) | (7,869) | - |
| Net Cash Provided by (Used in) Operating Activities | <u>7,099,750</u> | <u>415,377</u> | <u>7,515,127</u> | <u>1,076,343</u> |
| Cash Flows from Non-Capital financing activities | | | | |
| Cash flows from/(to) interfund loans | - | (140,858) | (140,858) | - |
| Receipts from non-capital grants | 51,463 | - | 51,463 | 186,877 |
| Net Cash Flows from non-Capital and related financing activities | <u>51,463</u> | <u>(140,858)</u> | <u>(89,395)</u> | <u>186,877</u> |
| Cash Flows from Capital and Related Financing Activities | | | | |
| Proceeds from disposition of capital assets | - | - | - | 119,578 |
| Proceeds from issuance of refunding debt | 5,610,000 | - | 5,610,000 | - |
| Payment to escrow - refunding debt | (5,564,472) | - | (5,564,472) | - |
| Bond issuance costs | (45,528) | - | (45,528) | - |
| Principal paid on revenue bonds | (2,050,000) | - | (2,050,000) | - |
| Interest paid on revenue bonds | (1,931,389) | - | (1,931,389) | - |
| Capital contributions | 357,935 | - | 357,935 | - |
| Payments for capital acquisitions | (8,550,678) | - | (8,550,678) | (1,933,473) |
| Net Cash Provided by (Used in) Capital and Related Financing Activities | <u>(12,174,132)</u> | <u>-</u> | <u>(12,174,132)</u> | <u>(1,813,895)</u> |
| Cash Flows from Investing Activities | | | | |
| Purchase of investment securities | (4,022,963) | (202,600) | (4,225,563) | (1,773,349) |
| Proceeds from sale and maturities of investment securities | 7,761,975 | 72,349 | 7,834,324 | 2,129,328 |
| Investment earnings | 439,307 | 3,924 | 443,231 | 36,425 |
| Net Cash Provided by (Used in) Investing Activities | <u>4,178,319</u> | <u>(126,327)</u> | <u>4,051,992</u> | <u>392,404</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | <u>(844,600)</u> | <u>148,192</u> | <u>(696,408)</u> | <u>(158,271)</u> |
| Cash and Cash Equivalents Beginning of Year | <u>26,787,199</u> | <u>89,880</u> | <u>26,877,079</u> | <u>3,080,197</u> |
| Cash and Cash Equivalents End of Year | <u>\$ 25,942,599</u> | <u>\$ 238,072</u> | <u>\$ 26,180,671</u> | <u>\$ 2,921,926</u> |

(continued)

City of Lynnwood, Washington
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2020

(continued)

| | Business-type Activities - Enterprise Funds | | | Governmental Activities - Internal Service Fund |
|--|--|------------------------|---------------------|--|
| | Water and Sewer Utility | Golf Course | Total | |
| Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities | | | | |
| Operating Income (Loss) | \$ 4,887,382 | \$ 321,322 | \$ 5,208,704 | \$ 196,119 |
| Adjustments: | | | | |
| Depreciation | 2,797,284 | 33,671 | 2,830,955 | 776,617 |
| (Increase) Decrease in Assets: | | | | |
| Accounts receivable | (801,571) | (1,102) | (802,673) | (8,765) |
| Inventories, deposits, and prepaid items | 57,038 | 4,192 | 61,230 | 119,189 |
| Increase (Decrease) in Liabilities: | | | | |
| Accounts payable | 316,089 | 45,936 | 362,025 | 41,328 |
| Compensated absences payable | 271,902 | - | 271,902 | 32,012 |
| Other Current Liabilities | (428,376) | 11,358 | (417,018) | (80,157) |
| Net Cash Provided by (Used in) Operating Activities | <u>\$ 7,099,748</u> | <u>\$ 415,377</u> | <u>\$ 7,515,125</u> | <u>\$ 1,076,343</u> |
| Schedule of Non-Cash Capital and Related Financing Activities | | | | |
| Contribution of capital assets | \$ 2,676,002 | \$ - | \$ 2,676,002 | \$ - |
| Fair value of investments increased (decreased) by | (48,111) | 796 | (47,315) | (5,953) |
| Total Non-Cash Activities | <u>\$ 2,627,891</u> | <u>\$ 796</u> | <u>\$ 2,628,687</u> | <u>\$ (5,953)</u> |

See accompanying notes to the basic financial statements

City of Lynnwood, Washington
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2020

| | Pension (and Other Employee Benefit) Trust Funds | Private-Purpose Trust Funds | Custodial Funds | Total |
|---|---|--|----------------------------|-------------------|
| Assets | | | | |
| Cash and cash equivalents | \$ 305,342 | \$ 21,214 | \$ 167,636 | \$ 494,192 |
| Total Assets | 305,342 | 21,214 | \$ 167,636 | \$ 494,192 |
| Liabilities | | | | |
| Accounts payable and other accrued expenses | 4,750 | - | 92,573 | 97,323 |
| Total Liabilities | 4,750 | - | 92,573 | 97,323 |
| Net Position | | | | |
| Restricted for specific program use | 300,592 | 21,214 | 75,063 | 396,869 |
| Total Net Position | <u>\$ 300,592</u> | <u>\$ 21,214</u> | <u>\$ 75,063</u> | <u>\$ 396,869</u> |

See accompanying notes to the basic financial statements

City of Lynnwood, Washington
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2020

| | Pension (and Other Employee Benefit) Trust Funds | Private-Purpose Trust Funds | Custodial Funds | Total |
|---|---|--------------------------------|--------------------|-------------------|
| Additions: | | | | |
| Contributions | \$ 66,367 | \$ 269 | \$ - | \$ 66,636 |
| Court collections | - | - | 468,427 | 468,427 |
| Pass thru collections - PFD | - | - | 810,328 | 810,328 |
| Building code surcharges collected | - | - | 7,442 | 7,442 |
| Sales taxes collected | - | - | 56,323 | 56,323 |
| Drug seizures | - | - | 87,913 | 87,913 |
| Weapons permitting fees collected for other agencies | - | - | 3,250 | 3,250 |
| Fingerprinting fees collected for other agencies | - | - | 889 | 889 |
| Interest revenue | 2,844 | - | - | 2,844 |
| Total Additions | 69,211 | 269 | 1,434,572 | 1,504,052 |
| Deductions: | | | | |
| Benefits and disbursements | 76,328 | - | - | 76,328 |
| Administrative expenses | 4,750 | - | - | 4,750 |
| Court remittances | - | - | 463,907 | 463,907 |
| Pass thru collections - PFD | - | - | 810,598 | 810,598 |
| Building code surcharges remitted | - | - | 6,698 | 6,698 |
| Sales taxes remitted | - | - | 54,769 | 54,769 |
| Drug seizures distributed | - | - | 53,485 | 53,485 |
| Weapons permitting fees remitted to other agencies | - | - | 3,754 | 3,754 |
| Fingerprinting fees remitted to other agencies | - | - | 873 | 873 |
| Total Deductions | 81,078 | - | 1,394,084 | 1,475,162 |
| Change in Net Position | (11,867) | 269 | 40,488 | 28,890 |
| Net Position Beginning of Year | 312,459 | 20,945 | - | 333,404 |
| Prior Period Adjustment - Change in Accounting Principle | - | - | 34,575 | 34,575 |
| Net Position End of Year | \$ 300,592 | \$ 21,214 | \$ 75,063 | \$ 396,869 |

See accompanying notes to the basic financial statements

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NOTES TO THE BASIC
FINANCIAL
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The City of Lynnwood, Washington (the City) was incorporated on April 23, 1959, and operates under the laws of the State of Washington applicable to an optional code city with a Mayor/Council form of government. The City is governed by an elected mayor and seven-member governing council and provides the following services: public safety (police and fire protection), public works (streets, sanitation, and utilities), culture, recreation, and library services, planning and zoning, and general administrative services.

Note 1 Summary of Significant Accounting Policies

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

The most significant of the City’s accounting policies are described below.

1-A. Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements are not misleading. The primary government of the City consists of all funds, departments, boards and agencies that are not legally separate from the City. For the City of Lynnwood, this entity includes component units as described below.

Component units are legally separate organizations for which the City is financially accountable. The City is financially accountable for an organization if the City appoints a voting majority of the organization's governing board and (1) the City is able to significantly influence the programs or services performed or provided by the organizations; or (2) the City is legally entitled to or can otherwise access the organization's resources; the City is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to the organization; or the City is obligated for the debt of the organization. Component units also may include organizations that are fiscally dependent on the City in that the City approves the budget, levies their taxes or issues their debt.

The City’s component units are presented either as “blended” or “discretely presented.” If blended, it is reported as if it were a fund of the City throughout the year. It is included at both the government-wide and fund financial reporting levels.

Discretely presented component units are reported only at the government-wide financial reporting level. The component unit columns included on the government-wide financial statements identify the financial data of the City’s discretely presented component units. They are reported separately to emphasize that they are legally separate from the City.

The following component unit is discretely presented in the reporting entity:

South Snohomish County Public Facilities District (PFD) - The PFD was established by City Ordinance No 2266 on August 24, 1999, to finance, design, construct, operate and maintain a regional center as a conference, convention or special events center. A five-member board governs the PFD and is appointed to four-year terms by the City Council. In 2003 the name was changed to Lynnwood PFD. The City provides funding for the PFD through hotel/motel taxes, making the PFD dependent upon the City for its revenue source. The PFD issued \$1.93 million Series A Sales Tax Bonds, \$10 million Series B tax exempt Sales Tax Bonds in 2004 and \$17.265 million in Revenue Bonds in 2005. The PFD refunded the Revenue Bonds and Series B Sales Tax Bonds in 2015. As of December 31, 2020, the outstanding sales tax and revenue bonds were \$5.5 million and \$13.8 million, respectively. S&P also raised the bond rating for the City’s PFD’s bonds, issued on behalf of the City, from “A” to “AA+.” The City is contingently liable for the PFD bonds. Separate financial statements for the PFD can be obtained from the Lynnwood PFD Administrative Offices at 3815 196th Street SW, Suite 136, Lynnwood, WA 98036.

1-B. Basis of Presentation

The City’s basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities and fund financial statements, which provide a more detailed level of financial information.

Government-wide Financial Statements - The government-wide financial statements include the statement of net position and the statement of activities. These statements report financial information for the City as a whole. Fiduciary activities are not included at the government-wide financial reporting level. Individual funds are not displayed but the statements distinguish governmental activities, generally supported by taxes and grants and City’s general revenues, from business-type activities, generally financed in whole or in part with user fees charged to external customers.

Note 1 Summary of Significant Accounting Policies (Continued)

The statement of net position presents the financial position of the governmental and business-type activities of the City.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for each identifiable activity of the business-type activities of the City. Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that function. The City does not allocate indirect expenses to functions in the statement of activities.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include: (1) charges for services which report fees and other charges to users of the City's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets. These revenues are subject to externally imposed restrictions to these program uses. For identifying to which function program revenue pertains, the determining factor for *charges for services* is which function *generates* the revenue. For *grants and contributions*, the determining factor is to which function the revenues are *restricted*.

Other revenue sources not properly included with program revenues are reported as general revenues of the City. The comparison of direct expenses with program revenues identifies the extent to which each governmental function and each identifiable business activity is self-financing or draws from the general revenues of the City.

Fund Financial Statements - During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. Fund financial statements are provided for governmental, proprietary and fiduciary funds.

Major individual governmental and enterprise funds are reported in separate columns.

Fund Accounting - The City uses funds to maintain its financial records during the year. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The City uses three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds - Government funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Fund liabilities are assigned to the fund from which they will be liquidated. The City reports the difference between governmental fund assets and liabilities as fund balance. The following are the City's two major governmental funds the first of which is the General Fund:

The General Fund – The general fund accounts for all financial resources except those required to be accounted for in another fund. The general fund's fund balance is available to the City for any purpose provided it is expended or transferred according to the general laws of the State of Washington. The General Fund includes the following managerial funds:

The *Revenue Stabilization Fund* was established to accumulate resources to cover periods of revenue shortages in the General Fund, and for expenditures deemed necessary by the City Council.

The *Program Development Fund* was established to accumulate special appropriations and money from the General Fund that may be used for program development, enhancement or expansion projects, and for matching funds for grants and interlocal agreements.

The *Economic Development Infrastructure Fund* is used to support and promote the Economic Development Policy outlined in Resolution 2012-06. Resources are used to fund the City's participation in public infrastructure and public facilities.

The *Transportation Capital Fund* had previously been reported as a nonmajor fund but, now meets the criteria to be reported as a major fund and has been reported alongside the General Fund since 2018.

Note 1 Summary of Significant Accounting Policies (Continued)

Proprietary Funds - Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. The proprietary funds are classified as enterprise funds and an internal service fund. The following are the City's major enterprise funds:

The *Water, Sewer and Storm Drainage Utility Fund* serves as the main operating fund for providing water, sewer, and storm water utility services for the citizens of the City. It also acts to perform debt service duties for payment of outstanding revenue bonds.

The *Golf Course Fund* accounts for the City's 18-hole municipal golf course and pro shop which is managed and operated by Premier Golf Centers, LLC.

Internal Service Funds are used to account for goods and services provided to other funds, departments, or governments on a cost-reimbursement basis. The City maintains funds in this category for equipment rental, self-insurance, a reserve retirement fund, and technology replacement.

Additionally, the City reports the following fund types:

Special Revenue Funds are used to account for the proceeds for specific revenue sources or to finance specified activities as required by law or administrative regulation.

Debt Service Funds are used to account for the accumulation of resources to pay interest and principal on general long-term debt.

Capital Projects Funds are used to account for financial resources to be used for the acquisition and construction of capital facilities other than those financed by the proprietary funds.

Trust Funds are used to account for cash and other assets received and held by the City in a trustee capacity or custodian for outside individuals or private organizations. Pension Trust and Private-Purpose Trust Funds are accounted for in essentially the same manner as proprietary funds, but with an important expanded emphasis on required fund balance reserves. The City maintains the Firefighters' Pension Trust Fund and the Randy Terlicker Memorial Scholarship Fund, a private purpose trust fund. The scholarship fund receives contributions, private donations, and interest payments on the reserve, and in turn, awards scholarships to selected and qualified individual recipients from this reserve.

Custodial funds are used to account for assets held by the City in a custodial capacity (assets equal liabilities) and do not involve measurement of results of operations. The City uses these funds to account for various deposits payable to State and local agencies.

1-C. Measurement Focus

Government-wide Financial Statements – The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows, and all liabilities and deferred inflows associated with the operation of the City are included on the statement of net position. The statement of activities reports revenues and expenses. The government-wide financial statements do not include the fiduciary fund types.

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the way the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the governmental fund statements.

Like the government-wide statements, all proprietary fund types and the pension trust fund are accounted for on a flow of economic resources measurement focus on both financial reporting levels. All assets and all liabilities associated with the

Note 1 Summary of Significant Accounting Policies (Continued)

operation of these funds are included on the statements of net position. The statements of changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities. The custodial funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

1-D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. At the fund reporting level, the governmental funds use the modified accrual basis of accounting. Proprietary and fiduciary funds use the accrual basis of accounting at both reporting levels. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred inflows and outflows, and in the presentation of expenses versus expenditures.

Revenues – Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded when the exchange takes place and in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, the phrase “available for exchange transactions” means expected to be received within 60 days of year-end.

Revenues - Non-Exchange Transactions - Non-exchange transactions in which the City receives value without directly giving equal value in return, include sales taxes, property taxes, grants and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. (Note 3-C) Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. On a modified accrual basis, revenue from non-exchange transactions also must be available (i.e., collected within 60 days) before it can be recognized.

Under the modified accrual basis, the following revenue sources are susceptible to accrual: property taxes and federal and state grants.

Unearned Revenues – Unearned revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

On both the government-fund financial statements and the government-wide financial statements, unearned revenues consist of:

- Grants and entitlements received before the eligibility requirements are met (e.g. cash advances.)

Expenses/Expenditures - On the accrual basis of accounting, expenses are recognized at the time they are incurred. On the modified accrual basis, expenditures generally are recognized in the accounting period in which the related fund liability is incurred and due, if measurable.

1-E. New Accounting and Reporting Standards

With the 2020 financial statements the City has implemented the following GASB Statements:

Statement No. 83 – *Certain Asset Retirement Obligations* – This statement addresses accounting and financial reporting for certain asset retirement obligations (AROs), which is a legally enforceable liability associated with the retirement of tangible capital assets. The Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. The City does not have any AROs currently.

Statement No. 84 – *Fiduciary Activities* – The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Implementation of this Statement changed the presentation of funds held in the City’s custodial fund, previously titled *agency* fund. The custodial fund did not previously report net position or the change in net position.

Statement No. 88 – *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*- The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. This statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant acceleration clauses. Implementation of this Statement changed the presentation of long-term obligation in notes to financial statements, separating direct borrowings and direct placements from other debt.

Statement No. 90 – *Majority Equity Interests* – The objectives of this Statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable of the legally separate organization and, therefore, the government should report that organization as a component unit. The City currently does not have majority equity interest in a legally separate organization but will follow the guidance in this Statement should it become applicable.

1-F. Assets, Liabilities and Net Position/Fund Balances

1-F-1 Cash, Cash Equivalents, and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City.

Investments are stated at fair value based on quoted market prices.

The City is empowered to invest in the following types of securities identified as eligible investments as defined by RCW 35A.40.050 and RCW 43.84.080. In general, these consist of:

- Investment deposits (certificates of deposits) with qualified public depositories as defined in Chapter 39.58 RCW.
- Certificates, notes or bonds of the United States, or other obligations of the United States or its agencies, or of any corporation wholly owned by the government of the United States whose securities carry full faith and credit guarantees.
- Obligations of government sponsored corporations, which are eligible as collateral for advances to member banks as determined by the Board of Governors of the Federal Reserve System. (These include but are not limited to, Federal Home Loan Bank notes and bonds, Federal Farm Credit Bank consolidated notes and bonds, and Federal National Mortgage Associates notes.)
- Prime bankers acceptances purchased on the secondary market.
- Repurchase agreements for securities listed above, provided that the transaction is structured so that the City obtains ownership and control over the underlying securities. A Master repurchase agreement between the City and the bank or dealer must be on file prior to any repurchase agreement transaction.
- The Washington Local Government Investment Pool

Interest earnings are allocated to each fund monthly, based on average pooled equity balances.

1-F-2 Receivables

All trade and tax receivables are reported net of an allowance for uncollectibles, where applicable. Taxes receivable consists of property taxes, sales tax, utility taxes, gambling taxes, liquor excise tax, state shared program revenues, public transportation and fuel tax. Additional detail on and the composition of receivable balances are presented in Note 3-B.

1-F-3 Interfund Balances

On the fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "intergovernmental receivable/interfund payable." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for any net residual amounts due between governmental and business-type activities, which are reclassified and presented as internal balances.

Note 1 Summary of Significant Accounting Policies (Continued)

1-F-4 Inventories

On the government-wide financial statements and at the fund financial reporting level, inventories are presented at cost using the weighted average cost method and are expensed when used (i.e., the consumption method).

1-F-5 Capital Assets (see Note 3-D)

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in governmental funds. The City reports these assets in the governmental activities column of the government-wide statement of net position but does not report these assets in the Government fund financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities column of the government-wide statement of net position and in the enterprise funds' statement of net position.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The City maintains a capitalization threshold of five thousand dollars (\$5,000) and an estimated three-year life. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Pursuant to GASB 89, interest incurred during the construction of capital assets utilized by enterprise funds is not capitalized. In 2020 the total amount of interest incurred by the enterprise funds, all of which was charged to expense, was \$1,688,002.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the City's historical records of necessary improvements and replacement.

Depreciation is computed using the straight-line method over the following useful lives:

| Asset Class | Estimated Useful Lives (YRS) |
|-----------------------------------|---------------------------------|
| Buildings | 10 - 50 |
| Improvements other than Buildings | 10 - 50 |
| Machinery and equipment | 3 - 20 |
| Infrastructure | 15 - 100 |

At the inception of capital leases at the governmental fund reporting level, expenditures and an "other financing source" of an equal amount are reported at the net present value of future minimum lease payments.

1-F-6 Compensated Absences

The city limits the accumulation of unpaid vacation benefits to two years' accrual; any excess accrual would require executive approval. All vacation and sick pay is accrued when incurred in the government-wide and proprietary fund financial statements.

Sick leave accumulation is limited to a maximum of 720 hours. Upon termination of retirement of employment, unused sick leave may be converted to pay at the current rate on the following basis:

1. Termination – Voluntary or discharge
For accrued sick leave hours from one to 720 hours, the accrued sick leave hours shall be paid on a five to one ratio (five hours of sick leave equals one hour of pay). The maximum payout amount shall be 144 hours of paid time.
2. Termination by layoff
For accrued sick leave hours from one to 720 hours, the accrued sick leave hours shall be paid on a three-to-one ratio (three hours of accrued sick leave equals one hour of pay). The maximum payout amount shall be 368 hours of paid time. (Ord. 3287 § 5, 2018).

Note 1 Summary of Significant Accounting Policies (Continued)

3. Retirement (Consistent with the Requirements of the Employee’s Applicable Washington State Retirement System), or on Death
 - a. An Employee with Less Than 1,000 Hours of Accrued Sick Leave; The first 192 hours of accrued sick leave shall be paid at 100 percent (every hour of sick leave equals one hour of pay). For accrued sick leave from 193 to 999 hours, the accrued sick leave hours shall be paid on a three-to-one ratio (three hours of accrued sick leave equals one hour of pay). The maximum payout amount shall be 368 hours of paid time. As an example, an employee with 720 accrued hours of sick leave receives 368 hours of paid time as the total accrued sick leave payout amount.
 - b. An Employee with 1,000 or more hours of accrued sick leave: The first 100 hours of accrued sick leave shall be paid at 100 percent (every hour of sick leave equals one hour of pay). For accrued sick leave hours from 101 to 1,600 hours, each hour of accrued sick leave shall be paid at 30 percent (for each hour of accrued sick leave, the employee receives 30 percent of one hour of pay). The maximum payout amount shall be the amount equal to 550 hours of paid time. As an example, an employee with 1,600 accrued hours of sick leave receives 550 hours of paid time as the total accrued sick leave payout amount.

The total compensated absence liability is reported on the government-wide financial statements. Proprietary funds report the total compensated liability in each individual fund at the fund reporting level. Governmental funds report the compensated absence liability at the fund reporting level only “when matured (i.e., due).”

1-F-7 Pensions and Other Post-Employment Benefits

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.

OPEB - Lifetime full medical coverage is provided to uniformed Police personnel who became members of the Law Enforcement Officers and Fire Fighters (LEOFF) retirement system prior to October 1, 1977. An actuarially determined liability is reported in the Statement of Net Position. Actual medical costs are reported as expenditures in the general fund in the year they are incurred.

1-F-8 Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are “due for payment” during the current year. Bonds and local loans are recognized as a liability in the governmental fund financial statements when due. Specific details about long-term debt are reported in Note 3-G.

1-F-9 Bond Premiums and Discounts and Issuance Costs

On the government-wide statement of net position and the proprietary fund type statement of net position, debt premiums and discounts are netted against the debt payable for reporting purposes. On the government-wide and proprietary fund type statement of activities, debt premiums and discounts, are deferred and amortized over the life of the using the straight-line method.

Pursuant to GASB Statement No. 65, bond issuance costs, except for insurance, which is amortized over the life of the bonds, are recognized as an outflow of resources in the reporting period in which they are incurred.

Note 1 Summary of Significant Accounting Policies (Continued)

1-F-10 Net Position/Fund Balances (Fund Equity)

Fund equity at the governmental fund financial reporting level is classified as “fund balance.” Fund equity for all other reporting is classified as “net position.”

Fund Balance – Generally, fund balance represents the difference between the current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are classified as follows:

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the approval of a motion. Only the City Council may modify or rescind the commitment. The City Council passed Resolution number 2014-20 in 2014 to designate \$6 million in the Revenue Stabilization Fund, a managerial fund that is included in the General Fund to protect the City from major economic downturns or similar adverse conditions. Per Ordinance 3384 the City Council authorized the transfer of \$1.5 million due to the COVID-19 Pandemic to balance the General Fund. \$1,212,266 was transferred leaving \$4,787,734 in the Revenue Stabilization Fund. \$1,571,363, is also identified as committed in nonmajor governmental funds; \$300,655 in Special Revenue Funds, and \$1,270,708 in nonmajor Capital Projects Funds.
- **Assigned** – Fund balances are reported as assigned when amounts are constrained by the City’s intent to be used for specific purposes, but are neither restricted nor committed. Through resolution, the City Council has authorized the City Mayor or designee to assign fund balances. Included in the General Fund is approximately \$11 million intended (assigned) to be spent on future economic development.
- **Unassigned** - Fund balances are reported as unassigned as the residual amount when the balances do not meet any of the above criterion. The City reports positive unassigned fund balance only in the general fund. Negative unassigned fund balances may be reported in all funds.

Net Position Flow Assumptions – In order to report net position as a restricted – net position and an unrestricted – net position in the government-wide and proprietary fund financial statements, the City has established a flow assumption policy. It is the City’s policy to use restricted – net position first before using unrestricted – net position.

Fund Balance Flow Assumptions – It is the City’s policy to consider restricted fund balance to have been used before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, it is the City’s policy to use fund balance in the following order: Committed, Assigned, Unassigned.

Note 1 Summary of Significant Accounting Policies (Continued)

Fund Balance Policy – The City Council approved a full rewrite of Lynnwood’s Financial Policies with the adoption of Resolution 2017-07 on April 10, 2017 and, on November 12, 2019, approved the change to section 11 of its financial policies, “Contingency Planning and Responding to Revenue Downturns” with Resolution 2019-10. The revised section includes guidelines for addressing a revenue shortfall, including:

- Deficit financing (borrowing) should not be considered as an appropriate fiscal response.
- Prior to increasing taxes and/or fees to achieve a balanced budget, the City should evaluate opportunities to reduce one time and/or ongoing expenses.
- Rather than instituting “across the board” reductions, Budgeting for Outcomes principles and criteria should be utilized to reduce/discontinue certain levels of service, or delay/discontinue certain projects.
- In instances when combined, actual sales and use tax revenue for the previous two quarters is less than the revenue received during the same period of the previous year, the Mayor shall put forth to the Finance Committee a proposed budget amendment that responds to the under-performance of revenues.

General Fund - The adopted budget should include General Fund reserve¹ balances equaling not less than 2.5 months of the operating expenditures of the prior fiscal year. Reserves may consist of aggregate total of the General Fund *Unassigned* Fund balance and the *Committed* Revenue Stabilization Fund balance. Due to the impacts of the COVID-19 emergency, the City Council passed a resolution in November of 2020 authorizing a variance from the 2.5 month minimum reserve. At the end of 2020, General Fund reserves were equal to 2.2 months.

See Note 5, Other Disclosures, for additional information on the impacts of COVID-19 and Note 4-H, Subsequent Events, for additional information on federal funding in 2021-2022 that can be used to recover lost revenues and thereby restore the fund balance.

Enterprise Funds Reserve – Operating Fund. The operating reserve balance targets for Water, Sewer, and Storm Utilities are amounts equivalent to 90, 45, and 30 days of operating expenses, respectively.

Enterprise Funds Reserve – Capital Funds. The capital funds reserve balance targets for the Water, Sewer, and Storm Utilities are amounts equivalent to all Original Asset Values of 1%, 2%, and 1%, respectively.

Debt Management Policies include:

1. Term of long-term debt will not exceed the life of the projects financed. Current operations will not be financed with long term debt.
2. The City shall strive to maintain current credit rates of:

| Rating Agency | General Obligation Bonds | Revenue Bonds |
|---------------------|--------------------------|---------------|
| Moody’s | - A1 | A+ |
| Standard and Poor’s | AA+ | AA |

3. The City debt will not exceed an aggregate total of 7.5% of the assessed valuation of the taxable property within the City in compliance with state law. The individual percentages shall not exceed 2.5% of assessed valuation in any specific category.

Net Position – The net position represents the difference between assets and liabilities. The net position component, “net investment in capital assets”, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used (i.e., the amount that the City has not spent) for the acquisition, construction or improvement of those assets. The net position is reported as restricted when there are limitations imposed on their use either through the enabling

^{1 1} The term “Reserve” is a title used in the Financial Policies and is not a designation reported in the financial statements outlined under GASB Statement No. 54.

Note 1 Summary of Significant Accounting Policies (Continued)

legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. The balance of the net position is reported as unrestricted.

1-F-11 Operating Revenues and Expenses

Operating revenues and expenses generally result from providing services and producing and delivering goods consistent with a proprietary fund's principal ongoing operations. The principal operating revenues of the city's utility funds and internal service funds are charges to customers for sales and services and vehicle replacement. 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 system.

Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, taxes, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues (i.e., investment earnings, operating grants and the gain on the disposition of capital assets) and non-operating expenses (i.e., interest expense, loss on the disposition of capital assets).

1-F-12 Interfund Activity

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and the after non-operating revenues/expenses section in proprietary funds. Repayments from funds responsible for certain expenditures/expenses to the funds that initially paid for them are not presented on the financial statements (i.e., they are netted).

Transfers between governmental 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. Transfers between funds reported in the business type activities column are eliminated.

1-F-13 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.

1-F-14 Comparative Data

Comparative total data for the prior year have been presented only for individual funds in the fund financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified to be consistent with the current year's presentation.

1-F-15 Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

Note 2 – Stewardship, Compliance and Accountability

Budgetary Information – The City adopts a biennial budget encompassing all governmental funds. The discretely presented component unit, the Public Facilities District (PFD) has a separate board and adopts an annual budget which is not reported in the City’s financial statements.

The legal level of control (the level at which expenditures may not legally exceed appropriations) for each adopted annual operating budget generally is the individual fund level. Any change in total to a fund requires approval of the City Council.

All budgets are adopted on a GAAP basis (i.e., modified accrual basis) All unexpended annual appropriations lapse at the end of the budget biennium except for appropriations for some capital projects which are carried forward from year to year until fully expended or the purpose of the appropriation has been accomplished or abandoned.

The Mayor is authorized to transfer budgeted amounts between departments within any fund with the exception of the General Fund. Any revisions that alter total expenditures of a fund or department in the General Fund must be approved by the City Council. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year. The budget was amended seven (7) times during the 2019-2020 biennium.

Note 3 - Detailed Notes on All Funds

3-A. Deposits and Investments

Cash and Cash Equivalents and Investments

Cash and cash equivalents are generally considered short term, highly liquid investments with a maturity of three months or less from the purchase date.

Investments are recorded at fair value in accordance with GASB Statement No. 72, Fair Value Measurement and Application. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Deposits

Custodial Credit Risk – In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City’s bank balances of deposits as of December 31, 2020, are entirely insured by Federal Depository Insurance (FDIC) up to \$250,000 and all deposits not covered by FDIC insurance are covered by Washington Public Deposit Protection Commission (WPDPC) of the State of Washington for amounts over \$250,000.

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

The City’s bank balances as of December 31, 2020, were \$52,392,028 including Fiduciary Funds of \$494,192. The Fiduciary Funds do not include clearing account balances.

| Cash Balances at December 31, 2020 | General Fund | Other Governmental | Internal Service Funds | Water and Sewer Utility | Golf Course | Fiduciary Funds | Total |
|------------------------------------|---------------------|----------------------|------------------------|-------------------------|-------------------|-------------------|----------------------|
| Cash and Cash Equiv. | \$ 8,108,570 | \$ 14,686,669 | \$ 2,921,926 | \$ 22,480,418 | \$ 197,831 | \$ 494,192 | \$ 48,889,606 |
| Restricted Cash | - | - | - | 3,462,181 | 40,241 | | 3,502,422 |
| | <u>\$ 8,108,570</u> | <u>\$ 14,686,669</u> | <u>\$ 2,921,926</u> | <u>\$ 25,942,599</u> | <u>\$ 238,072</u> | <u>\$ 494,192</u> | <u>\$ 52,392,028</u> |

Note 3 – Detailed Notes on All Funds (Continued)

Restricted Cash in the Water and Sewer Utility Fund includes unspent bond proceeds of \$3,438,468 associated with the 2018 bond issue. The remaining restricted cash of \$40,241 is based on customer deposits and prepayments.

Investments

In accordance with City policy, the City’s investments will be in compliance with all statutes governing the investment of public funds and the provisions of all applicable bond ordinances. The investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements. Investments of the city shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio and shall be designed with the objective of attaining a market rate of return throughout the budgetary and economic cycles, taking into account the City’s investment risk constraints and cash flow.

Investments at Amortized Cost

As of December 31, 2020, the City had the following investments at amortized cost:

| <u>Investments</u> | <u>Maturities</u> | <u>City's own investments</u> | <u>Investments held by City as an agent for other local governments, individuals, or private organizations</u> | <u>Total</u> |
|---|-------------------|-------------------------------|--|----------------------|
| Washington Local Government Investment Pool | n/a | \$ 50,686,975 | \$ - | \$ 50,686,975 |
| Total | | \$ 50,686,975 | \$ - | \$ 50,686,975 |

The City is a participant in the Local Government Investment Pool was authorized by Chapter 294, Laws of 1986, and is managed and operated by the Washington State Treasurer. The State Finance Committee is the administrator of the statute that created the pool and adopts rules. The State Treasurer is responsible for establishing the investment policy for the pool and reviews the policy annually and proposed changes are reviewed by the LGIP advisory Committee.

Investments in the LGIP, a qualified external investment pool, are reported at amortized cost which approximates fair value. The LGIP is an unrated external investment pool. The pool portfolio is invested in a manner that meets the maturity, quality, diversification, and liquidity requirements set forth by the GASBS 79 for external investments pools that elect to measure, for financial reporting purposes, investments at amortized cost. The LGIP does not have any legally binding guarantees of share values. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals.

The Office of the State Treasurer prepares a stand-alone LGIP financial report. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at <http://www.tre.wa.gov>.

Investments at Fair Value

The City measures and records its investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. These guidelines recognize a three-tiered value hierarchy, as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities;
- Level 2: These are 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.

At December 31, 2020, the City had the following fair value measurements:

Note 3 – Detailed Notes on All Funds (Continued)

| Type of Asset | 12/31/2020 | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|-----------------|---------------|---|---|--|
| Debt Securities | \$ 24,016,593 | \$ - | \$ 24,016,593 | \$ - |
| Total | | | \$ 24,016,593 | |

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. In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average of maturity of its investments to less than eight years.

Credit Quality Risk –Credit quality risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Currently, the City does not have an investment policy relating to credit quality risk. The ratings of non-governmental debt securities as of December 31, 2020 are:

| Debt Security | S & P Rating |
|--|-----------------|
| Federal Farm Credit Bank | AAA |
| Federal Home Loan Mortgage Corporation | AAA |
| Federal Home Loan Bank | AAA |
| Federal National Mortgage Association | AAA |
| Farmer Mac Federal | Non-Rated |

Custodial Credit Risk - Investments – For investments, custodial credit risk is the risk that, in the event of a bank failure, the City’s investments may not be recovered. The City does have a specific custodial credit risk policy. All City securities are held for safekeeping by US 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 the City’s investment in a single issuer. Currently, the City does not have an investment policy related to concentration of credit risk.

The City’s investments in the Federal Farm Credit Bank, the Federal Home Loan Mortgage Corporation and the Federal Home Loan Bank, government-sponsored enterprises, which are not explicitly backed by the federal government, are 24.4%, 14% and 23.7% of the City’s total investment portfolio fair value, respectively.

3-B. Receivables

Receivables and payables are recorded on the City’s financial statements to the extent that the amounts are determined to be material and substantiated not only by supporting documentation, but also by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability.

Amounts are aggregated into single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. Below is the detail of receivables for the governmental funds, including the applicable allowance for uncollectible accounts:

Note 3 – Detailed Notes on All Funds (Continued)

| | General Fund | Transportation | Nonmajor Funds | | Total |
|---------------------------------------|-----------------|---------------------|--------------------|---------------------|---------------|
| | | Capital Projects | Special Revenue | Capital Projects | |
| Receivables: | | | | | |
| Accounts | \$ 17,129,339 | \$ - | \$ 180,331 | \$ 1,000 | \$ 17,310,670 |
| Property Taxes | 118,632 | - | - | - | 118,632 |
| Sales Tax | 4,511,108 | - | 1,077,739 | - | 5,588,847 |
| Utility Taxes | 828,062 | - | - | - | 828,062 |
| Other Taxes | 133,336 | - | - | - | 133,336 |
| Real Estate Excise Tax | - | - | - | 501,076 | 501,076 |
| Interest | - | - | - | - | - |
| Intergovernmental | 1,335,893 | 612 | 59,514 | 363,879 | 1,759,898 |
| Gross Receivables | \$ 24,056,369 | \$ 612 | \$ 1,317,584 | \$ 865,955 | \$ 26,240,521 |
| Less: Allowance for Uncollectibles | (14,176,574) | - | - | - | (14,176,574) |
| Total | \$ 9,879,795 | \$ 612 | \$ 1,317,584 | \$ 865,955 | \$ 12,063,946 |

3-C. Property Taxes

The County Treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Collections are distributed to the City monthly. The following is the property tax calendar:

| | |
|-------------|--|
| January 1 | Property taxes are 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% of market value. |
| October 31 | Second installment is due. |

Property tax revenues are recognized in the year levied. At year-end, property tax revenues are recognized for collections to be distributed by the County Treasurer within sixty days and an adjustment to taxes receivable and deferred inflows of resources – property taxes is made to account for delinquent taxes. No allowance for uncollectible taxes is established because delinquent taxes are considered fully collectible.

The City may levy up to \$3.60 per \$1,000 of assessed valuation for general governmental services, subject to two limitations:

- a) Washington State law in RCW 84.55.010 limits the growth of regular property taxes to 1 percent per year, after adjustments for new construction.
- b) The Washington State Constitution limits the total regular property taxes to 1 percent of all assessed valuation of \$10 per \$1,000 of value. If the taxes of all districts exceed this amount, each is proportionately reduced until the total is at or below the 1 percent limit.

The City's regular levy for 2020 was \$0.57 per \$1,000 on an assessed valuation of \$7,503,483,372. The special levies identified in the table were approved by the voters and are not subject to the limitations listed above.

| <u>Purpose of Levy</u> | <u>Levy Rate per \$1,000</u> | <u>Total Levy Amount</u> |
|------------------------|------------------------------|--------------------------|
| General Government | \$0.57303838673 | \$4,300,000 |
| Total City Levy | \$0.57303838673 | \$4,300,000 |

Note 3 – Detailed Notes on All Funds (Continued)

3-D. Capital Assets

Capital asset activity for the year ended December 31, 2020, was as follows:

| Governmental Activities: (including Internal Service fund): | Beginning Balance 1/1/2020 | Increases | Decreases | Ending Balance 12/31/2020 |
|---|---|----------------------|------------------------|--|
| Nondepreciable capital assets: | | | | |
| Land | \$ 40,880,986 | \$ 2,141,623 | \$ - | \$ 43,022,609 |
| Easements | 452,683 | - | - | 452,683 |
| Art, non-depreciable | 128,219 | - | - | 128,219 |
| Construction in progress | 23,154,975 | 4,591,851 | (13,188,424) | 14,558,402 |
| Total nondepreciable capital assets | 64,616,863 | 6,733,474 | (13,188,424) | 58,161,913 |
| Depreciable capital assets | | | | |
| Buildings | 42,922,248 | - | (344,421) | 42,577,827 |
| Improvements other than buildings | 22,847,213 | 323,323 | (2,217) | 23,168,319 |
| Machinery and equipment | 17,336,353 | 2,262,993 | (467,930) | 19,131,416 |
| Infrastructure | 93,135,804 | 14,829,566 | (2,482,168) | 105,483,202 |
| Total depreciable capital assets | 176,241,618 | 17,415,882 | (3,296,736) | 190,360,764 |
| Total capital assets | 240,858,481 | 24,149,356 | (16,485,160) | 248,522,677 |
| Less accumulated depreciation for: | | | | |
| Buildings | (19,086,387) | (1,257,460) | 344,421 | (19,999,426) |
| Improvements other than buildings | (16,092,117) | (556,463) | - | (16,648,580) |
| Machinery and equipment | (10,856,899) | (1,258,143) | 352,339 | (11,762,703) |
| Infrastructure | (46,258,929) | (2,783,264) | - | (49,042,193) |
| Total accumulated depreciation | (92,294,332) | (5,855,330) | 696,760 | (97,452,902) |
| Governmental activities capital assets, net | \$ 148,564,149 | \$ 18,294,026 | \$ (15,788,400) | \$ 151,069,775 |

Note 3 - Detailed Notes on All Funds (Continued)

| Business-Type Activities: | Beginning Balance 1/1/2020 | Increases | Decreases | Ending Balance 12/31/2020 |
|---|---|----------------------|---------------------|--|
| Nondepreciable capital assets: | | | | |
| Land | \$ 8,259,914 | \$ - | \$ - | \$ 8,259,914 |
| Easements | 4,340,120 | - | - | 4,340,120 |
| Construction in progress | 2,335,565 | 6,404,521 | (347,611) | 8,392,475 |
| Total nondepreciable capital assets | 14,935,599 | 6,404,521 | (347,611) | 20,992,509 |
| Depreciable capital assets | | | | |
| Buildings | 34,447,324 | - | - | 34,447,324 |
| Improvements other than buildings | 2,774,233 | - | - | 2,774,233 |
| Machinery and equipment | 4,820,580 | 250,967 | (122,832) | 4,948,715 |
| Infrastructure | 77,214,033 | 7,277,130 | - | 84,491,163 |
| Total depreciable capital assets | 119,256,170 | 7,528,097 | (122,832) | 126,661,435 |
| Total capital assets | 134,191,769 | 13,932,618 | (470,443) | 147,653,944 |
| Less accumulated depreciation for: | | | | |
| Buildings | (24,540,883) | (438,203) | - | (24,979,086) |
| Improvements other than buildings | (1,887,698) | (46,681) | - | (1,934,379) |
| Machinery and equipment | (3,144,878) | (277,942) | 97,706 | (3,325,114) |
| Infrastructure | (22,599,588) | (2,068,128) | - | (24,667,716) |
| Total accumulated depreciation | (52,173,047) | (2,830,954) | 97,706 | (54,906,295) |
| Business-type activities capital assets, net | \$ 82,018,722 | \$ 11,101,664 | \$ (372,737) | \$ 92,747,649 |

In 2020, the City completed the 36th Ave W Improvements and the Spruce Park Playground Equipment. In addition, the City made significant progress on the 196th Street SW (SR 524), and Lift Station 4 and 8 Improvements, which are currently both in the construction phase.

Note 3 - Detailed Notes on All Funds (Continued)

Depreciation Expense by Function:

| Governmental Activities | |
|---|---------------------|
| General Government | \$ 1,161,828 |
| Public Safety | 382,541 |
| Transportation | 3,241,966 |
| Economic Environment | 16,098 |
| Culture and Recreation | <u>1,052,895</u> |
| Total Depreciation Expense - Governmental Activities | <u>\$ 5,855,328</u> |
| Business-type Activities | |
| Water/Sewer/Storm Utility | \$ 2,797,283 |
| Golf Course | <u>33,671</u> |
| Total Depreciation Expense - Business-Type Activities | <u>\$ 2,830,954</u> |

| Discretely Presented Component Unit | Beginning Balance 1/1/2020 | Increases | Decreases | Ending Balance 12/31/2020 |
|--|---|---------------------|------------------|--|
| Lynnwood Public Facilities District | | | | |
| Nondepreciable capital assets: | | | | |
| Land | \$ 6,788,800 | \$ - | \$ - | \$ 6,788,800 |
| Construction in progress | <u>177,326</u> | <u>-</u> | <u>-</u> | <u>177,326</u> |
| Total nondepreciable capital assets | <u>6,966,126</u> | <u>-</u> | <u>-</u> | <u>6,966,126</u> |
| Depreciable capital assets: | | | | |
| Buildings | 19,972,096 | - | - | 19,972,096 |
| Building Improvements | 815,162 | - | - | 815,162 |
| Land Improvements | 548,019 | - | - | 548,019 |
| Improvements other than buildings | 2,719,245 | 215,057 | - | 2,934,302 |
| Infrastructure | <u>79,375</u> | <u>-</u> | <u>-</u> | <u>79,375</u> |
| Total depreciable capital assets | <u>24,133,897</u> | <u>215,057</u> | <u>-</u> | <u>24,348,954</u> |
| Total capital assets | <u>31,100,023</u> | <u>215,057</u> | <u>-</u> | <u>31,315,080</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | (6,535,559) | (471,958) | - | (7,007,517) |
| Building Improvements | (47,551) | (20,379) | - | (67,930) |
| Land Improvements | (25,118) | (27,400) | - | (52,518) |
| Improvements other than buildings | (1,387,288) | (244,580) | - | (1,631,868) |
| Infrastructure | <u>(60,855)</u> | <u>(3,969)</u> | <u>-</u> | <u>(64,824)</u> |
| Total accumulated depreciation | <u>(8,056,371)</u> | <u>(768,286)</u> | <u>-</u> | <u>(8,824,657)</u> |
| Business-type activities capital assets, net | <u>\$ 23,043,652</u> | <u>\$ (553,229)</u> | <u>\$ -</u> | <u>\$ 22,490,423</u> |

Note 3 – Detailed Notes on All Funds (Continued)

3-E. Interfund Transfers and Loans

Loans between funds are classified as either interfund loans receivable and payable or advances to and from other funds, depending on the time period for which the loan was made. The City uses interfund loans primarily to meet short term and temporary cash flow requirements while waiting for mitigation and grant reimbursements. Advances to and from other funds are typically loans that are not expected to be repaid within one year from the date of the financial statements.

Interfund transfers for the year ended December 31, 2020, consisted of the following:

| | | TRANSFER TO | | | | | |
|----------------------|-------------------------------|-------------------------|---------------------------------------|-------------------------------------|----------------------------------|--|---------------------|
| | | General Fund | Transporation Capital Fund | Special Revenue Fund | Debt Service Fund | Nonmajor Capital Projects Funds | Total |
| TRANSFER FROM | General Fund | \$ - | \$ 28,000 | \$ 1,121,950 | \$ 1,656,638 | \$ - | \$ 2,806,588 |
| | Debt Service Funds | 686,965 | - | - | - | - | 686,965 |
| | Special Revenue Funds | - | 2,206,645 | 300,000 | - | 1,638,302 | 4,144,947 |
| | Nonmajor Capital Project Func | 200,000 | - | - | - | 820,495 | 1,020,495 |
| | | <u>\$ 886,965</u> | <u>\$ 2,234,645</u> | <u>\$ 1,421,950</u> | <u>\$ 1,656,638</u> | <u>\$ 2,458,797</u> | <u>\$ 8,658,995</u> |

Transfers are used to report revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; to segregate money for anticipated capital projects; to provide addition resources for current operations or debt services; and to return money to the fund from which it was originally provided once a project is completed.

Generally, all City transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer.

Interfund Loans for the year ended December 31, 2020 consisted of the following:

| | | DUE FROM | |
|---------------|--------------|---------------------|---------------------|
| | | Golf Course | Total |
| DUE TO | General Fund | <u>\$ 1,118,000</u> | <u>\$ 1,118,000</u> |
| | Total | <u>\$ 1,118,000</u> | <u>\$ 1,118,000</u> |

Interfund loans provide one-time, short term funding for equipment purchases and improvements from available and unassigned funds.

In July 2014, the City Council passed resolution 2014-07 approving a \$1.3 million loan from the General Fund to the Golf Fund for the Golf Fund’s temporary cash flow needs. In July 2016 resolution 2014-07 was rescinded and replaced with resolution 2016-12 for a new loan amount of \$1,850,000 and a fifteen-year loan payment schedule. The additional loan of \$550,000 was used to fund construction to add fifty additional parking lot spaces at the Golf Course. The additional loan was made in two installments, \$125,000 in 2016 and \$425,000 in 2017.

Note 3 – Detailed Notes on All Funds (Continued)

3-F – Operating Leases

Office, Warehouse, Storage Space, and Access Lease

The City leases office, warehouse, storage space, and property/land access are under non-cancellable operating leases. Total costs for these leases for the year ending December 31, 2020 was \$350,293 in governmental activities and \$90,163 in business-type activities. The future minimum lease payments are, as follows:

| Year Ending December 31, | Governmental Activities | Business-Type Activities |
|-------------------------------------|------------------------------------|-------------------------------------|
| 2021 | 352,740 | 91,200 |
| 2022 | 364,028 | 94,118 |
| 2023 | 375,677 | 97,130 |
| 2024 | 387,698 | 100,238 |
| | <u>\$ 1,480,142</u> | <u>\$ 382,687</u> |

Printers and Copiers

The City leases many office printers and copiers under non-cancellable operating leases. Total costs for these leases for the year ending December 31, 2020 was \$100,000 in governmental activities and \$5,544 in business-type activities. The future minimum lease payments for the non-cancellable leases are, as follows:

| Year Ending December 31, | Governmental Activities | Business-Type Activities |
|-------------------------------------|------------------------------------|-------------------------------------|
| 2021 | 94,658 | 5,012 |
| 2022 | 94,658 | 5,012 |
| 2023 | 94,658 | 5,012 |
| | <u>\$ 283,974</u> | <u>\$ 15,036</u> |

3-G. Long-Term Debt

General Obligation Bonds are direct obligations of the City for which its full faith and credit are pledged. Debt service is paid from the Debt Service Funds. Debt service for voter-approved issues is funded with special property tax levies. Debt service for City Council authorized (councilmanic) issues is funded from the Real Estate Excise Tax Fund and the General Fund.

Revenue Bonds are payable from revenues generated by the Water and Sewer Utility Fund.

The debt agreements for all long-term debt do not include terms related to significant events of default with finance-related consequences, termination events with finance-related consequences or subjective acceleration clauses.

Note 3 – Detailed Notes on All Funds (Continued)

Changes in Long-term liabilities - Changes in the City’s long-term obligations consisted of the following for the year ended December 31, 2020 (includes internal service fund):

| | Outstanding 1/1/2020 | Additions | Reductions | Outstanding 12/31/2020 | Amounts Due in One Year |
|---------------------------------------|-------------------------|---------------------|---------------------|---------------------------|----------------------------|
| Governmental Activities | | | | | |
| 2012 general obligation bonds | 21,275,000 | - | 860,000 | 20,415,000 | 895,000 |
| Claims and judgements payable | 68,472 | 88,625 | - | 157,097 | - |
| Compensated absences | 3,281,075 | 2,346,049 | 2,059,729 | 3,567,395 | 2,196,002 |
| Net pension liability | 6,838,403 | - | 321,729 | 6,516,674 | - |
| Total OPEB liability | 9,854,835 | 813,733 | | 10,668,568 | - |
| Total Governmental Activities | \$ 41,317,785 | \$ 3,248,407 | \$ 3,241,458 | \$ 41,324,734 | \$ 3,091,002 |
| Business-Type Activities | | | | | |
| 2010 utility system | | | | | |
| revenue bonds | \$ 5,905,000 | \$ - | \$ 5,905,000 | \$ - | |
| 2015 utility system | | | | | |
| revenue bonds | 20,815,000 | - | 940,000 | 19,875,000 | 990,000 |
| 2018 utility system | | | | | |
| revenue bonds | 19,775,000 | - | 770,000 | 19,005,000 | 805,000 |
| Unamortized (premiums)/discounts | 3,705,763 | - | 238,428 | 3,467,335 | 206,829 |
| Net pension liability | 1,370,871 | - | 18,043 | 1,352,828 | - |
| Compensated absences | 304,148 | 559,534 | 287,632 | 576,050 | 351,617 |
| Total Business-Type Activities | \$ 51,875,782 | \$ 559,534 | \$ 8,159,103 | \$ 44,276,213 | \$ 2,353,446 |
| Direct Placement Debt | | | | | |
| 2020 utility system | | | | | |
| revenue bonds | - | 5,610,000 | - | 5,610,000 | 390,000 |
| Total Direct Placement Debt | - | 5,610,000 | - | 5,610,000 | 390,000 |

Since internal service funds predominately serve the governmental funds, their long-term liabilities are included as part of the above totals for governmental activities. At year-end \$82,502 of internal service funds compensated absences are included in the above amounts. For the governmental activities, the General Fund, Special Revenue Funds, Capital Projects Funds, and Internal Service Funds generally liquidate accrued compensated absences, and the net pension liabilities. Nonmajor debt services funds have generally liquidated long-term debt liabilities. The general fund had liquidated other post-employment benefits liabilities.

The bonds associated with the special assessment (LID) are secured by the assessments levied against property owners in the LID boundaries and further secured by the City’s Local Improvement Guarantee Fund (LIG). If the property owners fail to make payments the City can pursue foreclosure and sale of the property. The bonds are not general obligation debt of the City, and the City is acting only as an agent and is in no way liable for the debt. Bondholder remedies against the City are confined to mandating City officials perform their statutory duty to enforce assessments and apply proceeds of the LIG to principal and interest payments. There were no delinquent LID accounts at December 31, 2020.

Arbitrage occurs when the City invests funds borrowed at tax-exempt rates of interest in higher yielding taxable securities. These interest earnings in excess of interest expense must be remitted to the federal government. At the fund level, the City recognizes this liability only when it is due and payable. The City had no arbitrage excess earnings liability in 2020.

Note 3 – Detailed Notes on All Funds (Continued)

The annual total requirements to amortize the debt outstanding for general obligation, revenue bonds, and installment notes payable as of December 31, 2020, including interest, are as follows:

General Obligation Debt

| Year | Governmental Activities | | Business Type Activities | | Total |
|-----------|-------------------------|--------------|--------------------------|----------|---------------|
| | Principal | Interest | Principal | Interest | |
| 2021 | 895,000 | 761,613 | - | - | 1,656,613 |
| 2022 | 930,000 | 725,813 | - | - | 1,655,813 |
| 2023 | 960,000 | 696,488 | - | - | 1,656,488 |
| 2024 | 990,000 | 667,688 | - | - | 1,657,688 |
| 2025 | 1,020,000 | 636,750 | - | - | 1,656,750 |
| 2026-2030 | 5,670,000 | 2,614,050 | - | - | 8,284,050 |
| 2031-2035 | 6,825,000 | 1,458,400 | - | - | 8,283,400 |
| 2036-2040 | 3,125,000 | 188,800 | - | - | 3,313,800 |
| Total | \$ 20,415,000 | \$ 7,749,601 | \$ - | \$ - | \$ 28,164,601 |

Revenue Bonds

| Year | Governmental Activities | | Business Type Activities | | Total |
|-----------|-------------------------|----------|--------------------------|---------------|---------------|
| | Principal | Interest | Principal | Interest | |
| 2021 | - | - | 1,795,000 | 1,619,937 | 3,414,937 |
| 2022 | - | - | 1,870,000 | 1,538,238 | 3,408,238 |
| 2023 | - | - | 1,960,000 | 1,453,038 | 3,413,038 |
| 2024 | - | - | 2,045,000 | 1,363,738 | 3,408,738 |
| 2025 | - | - | 2,150,000 | 1,261,488 | 3,411,488 |
| 2026-2030 | - | - | 11,475,000 | 5,022,763 | 16,497,763 |
| 2031-2035 | - | - | 13,440,000 | 2,692,231 | 16,132,231 |
| 2036-2040 | - | - | 4,145,000 | 421,250 | 4,566,250 |
| Total | \$ - | \$ - | \$ 38,880,000 | \$ 15,372,683 | \$ 54,252,683 |

Direct Placement Debt

| Year | Governmental Activities | | Business Type Activities | | Total |
|-----------|-------------------------|----------|--------------------------|------------|--------------|
| | Principal | Interest | Principal | Interest | |
| 2021 | - | - | 390,000 | 90,157 | 480,157 |
| 2022 | - | - | 410,000 | 75,690 | 485,690 |
| 2023 | - | - | 410,000 | 69,745 | 479,745 |
| 2024 | - | - | 415,000 | 63,800 | 478,800 |
| 2025 | - | - | 420,000 | 57,783 | 477,783 |
| 2026-2030 | - | - | 3,565,000 | 175,740 | 3,740,740 |
| 2031-2035 | - | - | - | - | - |
| 2036-2040 | - | - | - | - | - |
| Total | \$ - | \$ - | \$ 5,610,000 | \$ 532,915 | \$ 6,142,915 |

Note 3 - Detailed Notes on All Funds (Continued)

Governmental Activities General Obligation Bonds

Series 2012 General Obligation Bonds - On February 27, 2012 the City issued 25-year Limited Tax General Obligation Bonds for renovating, improving, and expanding the City's Recreation Center in the amount of \$24,955,000. Annual principal payments range from \$285,000 to \$1,595,000, with interest varying from 2% to 4%, paid semi-annually. The final principal and interest payment is scheduled for 2037. These bonds carry a Standard and Poor's rating of AA+.

See Note 4-H, Subsequent Events, for additional information on the planned issuance of \$64 million in limited tax general obligation bonds to finance the construction of a Community Justice Center.

Business-type Activities – Revenue Bonds – The City has three outstanding revenue bond issues that were issued to fund the design and construction of various utility improvement projects.

2010 Utility Improvement Refunding Bonds (refunded and paid off with 2020 Utility System Revenue Refunding Bonds) -

The 2010 Utility System Revenue Bonds were issued on November 9, 2010. The proceeds from the sale of the bonds were utilized to carry out the Plan of Additions, which is a portion of the capital improvement plan. Some of the projects included in the Plan of Additions are general System improvements consisting of the installation of a computerized monitoring and control system; water improvements including meter, fire hydrant and water main replacements; sewer improvements consisting of upgrades to the main plant drain station and the treatment plant; and storm water improvements including storm basin studies and transportation and storm pipe replacement. A portion of the proceeds also funds issuance and reserve costs associated with the sale. Annual principal payments range from \$150,000 to \$4,855,000 with interest varying from 2% to 4%. Revenue is provided by the City's Utility Fund by adjusting rates for water, sewer, and storm water services. These bonds carry a Standard and Poor's rating of AA.

2015 Utility Improvement Refunding Bonds - The 2015 Utility System Revenue Bonds were issued on October 28, 2015. The proceeds from the sale of the bonds were utilized to redeem the City's Utility System Revenue Bond Anticipation Note and finance a portion of the carrying out of a Plan of additions, betterments, and extensions of the utility system. Some of the projects included in the Plan of Additions are general system improvements including water meter reading system upgrade and replacement, sewer facility replacements, installations and upgrades, wastewater treatment plant system upgrades, and storm water utility improvements. A portion of the proceeds also funds issuance and reserve costs associated with the sale. Annual principal payments range from \$695,000 to \$1,645,000 with interest varying from 2.375% to 5.0%. Revenue is provided by the City's Utility Fund by adjusting rates for water, sewer, and storm water services. These bonds carry a Standard and Poor's rating of AA.

2018 Utility System Revenue and Refunding Bonds - The Utility System Revenue and Refunding Bonds, 2018 were issued on October 10, 2018. Gross proceeds of \$22,988,959 consisted of bonds with a face value of \$20,380,000 and bond premium of \$2,608,959. Approximately \$18.3 million of the bond proceeds are to be used for the sewer system projects including upgrades and improvements to lift stations, wastewater treatment plant upgrades and other improvements, to the system as outlined in the Utility Capital Facilities Plan. \$1.335 million from the sale of the bonds was utilized to refund the 2008 Utility System Revenue Bonds in a current refunding. A portion of the proceeds also funded issuance costs associated with the sale. In addition to the 2018 bonds the insurance coverage also released the reserve requirements on the 2010 and 2015 bond issues. Annual principal payments range from \$605,000 to \$1,450,000 with interest varying from 4.00% to 5.0%. The final maturity date is December 1, 2038 and the bonds are callable as early as June 1, 2028. Revenue is provided by the City's Utility Fund by adjusting rates for water, sewer, and storm water services. These bonds carry a Standard and Poor's rating of AA.

2020 Utility System Revenue Refunding Bonds - On October 22, 2020 the City issued 10-year Utility System Revenue Refunding Bonds in the amount of \$5,610,000 to refund the outstanding principal balance of the 2010 Utility Improvement Refunding Bonds. Annual principal payments range from \$390,000 to \$910,000, with 1.45% interest paid semi-annually. The refunding resulting in Net Present Value Savings of \$833,467. The final principal and interest payment is scheduled for 2030. These bonds were sold via direct placement and not rated.

Note 3 – Detailed Notes on All Funds (Continued)

Contingent Liability for Public Facilities District (PFD) non-exchange transaction. (Please see Note 4-C – *Contingent Liabilities.*)

| Lynnwood Public Facilities District | | | | Outstanding | Amounts due |
|---|----------------------|------------------|---------------------|----------------------|---------------------|
| Business-type Activities | Outstanding | Additions | Reductions | 12/31/3020 | in one year |
| | 1/1/2020 | | | | |
| Bonds payable | | | | | |
| General Obligation Bonds | \$ 6,516,700 | | \$ 1,031,300 | \$ 5,485,400 | \$ 1,068,900 |
| Revenue Bonds | 14,570,000 | | 800,000 | 13,770,000 | 895,000 |
| Premium on Revenue Bonds | 799,132 | | 52,118 | 747,014 | 52,117 |
| Total Bonds Payable | \$ 21,885,832 | \$ - | \$ 1,883,418 | \$ 20,002,414 | \$ 2,016,017 |
| Compensated Absences | 47,275 | - | 43,664 | 3,611 | 1,806 |
| Environmental Remediation | 5,791,099 | 48,914 | - | 5,840,013 | 200,000 |
| Net Pension Liability | 95,395 | 2 | - | 95,397 | - |
| Total OPEB Liabilities | 73,412 | 23,107 | - | 96,519 | - |
| Business-type Activities Long Term Liabilities | \$ 27,893,013 | \$ 72,023 | \$ 1,927,082 | \$ 26,037,954 | \$ 2,217,823 |

Note 3 – Detailed Notes on All Funds (Continued)

For the Lynnwood Public Facility District (PFD) component unit, the debt service requirements to maturity for general obligation bonds are as follows:

| Lynnwood PFD | Business-Type Activities | | |
|---------------------|-------------------------------------|---------------------|----------------------|
| Year Ending | Series B & Revenue Bonds | | |
| December 31, | Principal | Interest | Total |
| 2021 | 1,963,900 | 718,725 | 2,682,625 |
| 2022 | 2,093,300 | 656,417 | 2,749,717 |
| 2023 | 2,243,500 | 579,681 | 2,823,181 |
| 2024 | 2,388,200 | 511,504 | 2,899,704 |
| 2025 | 2,156,500 | 438,537 | 2,595,037 |
| 2026 -2030 | 4,610,000 | 1,259,513 | 5,869,513 |
| 2031 -2035 | 3,800,000 | 367,875 | 4,167,875 |
| Total | <u>\$ 19,255,400</u> | <u>\$ 4,532,252</u> | <u>\$ 23,787,652</u> |

3-H. Pension Plans

The following table represents the aggregate pension amounts for all plans for the year 2020:

| Aggregate Pension Amounts – All Plans | |
|--|----------------|
| Pension liabilities | \$ (7,869,502) |
| Pension assets | 6,572,493 |
| Deferred outflows of resources | 6,094,241 |
| Deferred inflows of resources | (3,631,389) |
| Pension expense/expenditures | 600,328 |

State Sponsored Pension Plans

Substantially all City full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, 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.

Note 3 - Detailed Notes on All Funds (Continued)

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

Department of Retirement Systems
 Communications Unit
 P.O. Box 48380
 Olympia, WA 98540-8380

Or the DRS CAFR may be downloaded from the DRS website at www.drs.wa.gov. The direct link for the 2019 CAFR is <https://www.drs.wa.gov/wp-content/uploads/2019/10/CAFR-2019.pdf>.

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 plan 3 is a defined benefit plan with a defined contribution component.

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

Contributions

The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2020 were as follows:

| PERS Plan 1 | | |
|----------------------------------|-----------------|-----------------|
| Actual Contribution Rates | Employer | Employee |
| January – August 2020 | | |
| PERS Plan 1 | 7.92% | 6.00% |
| PERS Plan 1 UAAL | 4.76% | |
| Administrative Fee | 0.18% | |
| Total | 12.86% | 6.00% |
| September – December 2020 | | |
| PERS Plan 1 | 7.92% | 6.00% |
| PERS Plan 1 UAAL | 4.87% | |
| Administrative Fee | 0.18% | |
| Total | 12.97% | 6.00% |

PERS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member’s average final compensation (AFC) times the member’s years of service for Plan 2 and 1 percent of AFC for Plan 3. The AFC is the average of the member’s 60 highest-paid consecutive service months. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 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

Note 3 – Detailed Notes on All Funds (Continued)

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 are eligible to retire under one of two provisions:

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

PERS Plan 2/3 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service credit. PERS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other PERS Plan 2/3 benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty related death benefit, if found eligible by the Department of Labor and Industries. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

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

Note 3 – Detailed Notes on All Funds (Continued)

Contributions

The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2020 were as follows:

| PERS Plan 2/3 | | |
|----------------------------------|---------------------|-------------------|
| Actual Contribution Rates | Employer 2/3 | Employee 2 |
| January – August 2020 | | |
| PERS Plan 2/3 | 7.92% | 7.90% |
| PERS Plan 1 UAAL | 4.76% | |
| Administrative Fee | 0.18% | |
| Employee PERS Plan 3 | | Varies |
| Total | 12.86% | 7.90% |
| September – December 2020 | | |
| PERS Plan 2/3 | 7.92% | 7.90% |
| PERS Plan 1 UAAL | 4.87% | |
| Administrative Fee | 0.18% | |
| Employee PERS Plan 3 | | Varies |
| Total | 12.97% | 7.90% |

The City’s actual PERS plan contributions were \$979,983 for to PERS 1 and \$1,507,080 to PERS 2/3 for the year ended December 31, 2020.

Note 3 – Detailed Notes on All Funds (Continued)

Public Safety Employees’ Retirement System (PSERS)

PSERS Plan 2 was created by the 2004 Legislature and became effective July 1, 2006. To be eligible for membership, an employee must work on a full-time basis and:

- Have completed a certified criminal justice training course with authority to arrest, conduct criminal investigations, enforce the criminal laws of Washington, and carry a firearm as part of the job; or
- Have primary responsibility to ensure the custody and security of incarcerated or probationary individuals; or
- Function as a limited authority Washington peace officer, as defined in RCW 10.93.020; or
- Have primary responsibility to supervise eligible members who meet the above criteria.

PSERS membership includes:

- PERS 2 or 3 employees hired by a covered employer before July 1, 2006, who met at least one of the PSERS eligibility criteria and elected membership during the period of July 1, 2006 to September 30, 2006; and
- Employees hired on or after July 1, 2006 by a covered employer, that meet at least one of the PSERS eligibility criteria.

PSERS covered employers include:

- Certain State of Washington agencies (Department of Corrections, Department of Natural Resources, Gambling Commission, Liquor and Cannabis Board, Parks and Recreation Commission, and Washington State Patrol)
- Washington State Counties
- Washington State Cities (except for Seattle, Spokane, and Tacoma)
- Correctional entities formed by PSERS employers under the Interlocal Cooperation Act.

PSERS Plan 2 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the average final compensation (AFC) for each year of service. The AFC is based on the member’s 60 consecutive highest creditable months of service. Benefits are actuarially reduced for each year that the member’s age is less than 60 (with ten or more service credit years in PSERS), or less than 65 (with fewer than ten service credit years). There is no cap on years of service credit. Members are eligible for retirement at the age of 65 with five years of service; or at the age of 60 with at least ten years of PSERS service credit; or at age 53 with 20 years of service. Retirement before age 60 is considered an early retirement. PSERS members who retire prior to the age of 60 receive reduced benefits. If retirement is at age 53 or older with at least 20 years of service, a three percent per year reduction for each year between the age at retirement and age 60 applies. PSERS Plan 2 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 (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PSERS Plan 2 members are vested after completing five years of eligible service.

Contributions

The PSERS Plan 2 employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The Plan 2 employer rates include components to address the PERS Plan 1 unfunded actuarial accrued liability and administrative expense currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates.

The PSERS Plan 2 required contribution rates (expressed as a percentage of current-year covered payroll) for 2020 were as follows:

| PSERS Plan 2 | | |
|-----------------------------------|-----------------|-----------------|
| Actual Contribution Rates: | Employer | Employee |
| January – August 2020 | | |
| PSERS Plan 2 | 7.20% | 7.20% |
| PERS Plan 1 UAAL | 4.87% | |
| Administrative Fee | 0.18% | |
| Total | 12.14% | 7.20% |

Note 3 – Detailed Notes on All Funds (Continued)

| PSERS Plan 2 | | |
|-----------------------------------|-----------------|-----------------|
| Actual Contribution Rates: | Employer | Employee |
| September – December 2020 | | |
| PSERS Plan 2 | 7.20% | 7.20% |
| PERS Plan 1 UAAL | 4.87% | |
| Administrative Fee | 0.18% | |
| Total | 12.25% | 7.20% |

The City’s actual contributions to the plan were \$87,412 for PSERS Plan 2 for the year ended December 31, 2020.

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 year of service calculated as a percent of final average salary (FAS) as follows:

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

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

Contributions

Starting on July 1, 2000, **LEOFF Plan 1** employers and employees contribute zero percent, as long as the plan remains fully funded. The LEOFF Plan I had no required employer or employee contributions for fiscal year 2020. Employers paid only the administrative expense of 0.18 percent of covered payroll.

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

Contributions

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

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% in 2020.

The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2020 were as follows:

Note 3 – Detailed Notes on All Funds (Continued)

| LEOFF Plan 2 | | |
|----------------------------------|-----------------|-----------------|
| Actual Contribution Rates | Employer | Employee |
| January – December 2020 | | |
| State and local governments | 5.15% | 8.59% |
| Administrative Fee | 0.18% | |
| Total | 5.33% | 8.59% |
| Ports and Universities | 8.59% | 8.59% |
| Administrative Fee | 0.18% | |
| Total | 8.77% | 8.59% |

The City’s actual contributions to the plan were \$458,033 for the year ended December 31, 2020. 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, 2020, the state contributed \$76,297,643 to LEOFF Plan 2. The amount recognized by the City as its proportionate share of this amount is \$286,652.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2020 with a valuation date of June 30, 2019. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary’s (OSA) *2013-2018 Experience Study* and the *2019 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2019 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2020. Plan liabilities were rolled forward from June 30, 2019, to June 30, 2020, 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:** 7.40%

Mortality rates were developed using the Society of Actuaries’ Pub. H-2020 mortality rates, which vary by member status, as the base table. The OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. 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 its demographic assumptions based on the results of its latest demographic experience study. See OSA’s 2013-2018 Demographic Experience Study at leg.wa.gov/osa.
- OSA updated the Early Retirement Factors and Joint-and Survivor factors used in its model to match the ones implemented by DRS on October 1, 2020. These factors are used to value benefits for members who elect to retire early and for survivors of members that die prior to retirement.
- The valuation includes liabilities and assets for Plan 3 members purchasing Total Allocation Portfolio annuities when determining contribution rates and funded status.
- OSA simplified its modeling of medical premium reimbursements for survivors of duty-related deaths in LEOFF 2.

Note 3 – Detailed Notes on All Funds (Continued)

- OSA changed its method of updating certain data items that change annually, including the public safety duty-related death lump sum and Washington state average wage. OSA set these values at 2018 and will project them into the future using assumptions until the next Demographic Experience Study in 2025. See leg.wa.gov/osa for more information on this method change.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.4 percent.

To determine that rate, an asset sufficiency test was completed to test whether each pension plan’s fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on OSA’s 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 percent was used to determine the total liability.

Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7.4 percent was determined using a building-block-method. In selecting this assumption, the Office of the State Actuary (OSA) reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered capital market assumptions and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the capital market assumptions and their target asset allocation to simulate future investment returns at various future times.

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, 2020, are summarized in the table below. The inflation component used to create the table is 2.2 percent and represents the WSIB’s most recent long-term estimate of broad economic inflation.

| Asset Class | Target Allocation | % Long-Term Expected Real Rate of Return Arithmetic |
|-----------------|-------------------|---|
| Fixed Income | 20% | 2.20% |
| Tangible Assets | 7% | 5.10% |
| Real Estate | 18% | 5.80% |
| Global Equity | 32% | 6.30% |
| Private Equity | 23% | 9.30% |
| | 100% | |

Sensitivity of Net Pension Liability/(Asset)

The table below presents the City’s proportionate share of the net pension liability calculated using the discount rate of 7.4 percent, 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 percent) or 1-percentage point higher (8.4 percent) than the current rate.

| | 1% Decrease (6.4%) | Current Discount Rate (7.4%) | 1% Increase (8.4%) |
|----------|--------------------|------------------------------|--------------------|
| PERS 1 | \$ 5,815,505 | \$ 4,642,907 | \$ 3,620,281 |
| PERS 2/3 | 12,645,895 | 2,032,522 | (6,708,420) |
| PSERS 2 | 289,072 | (26,553) | (276,355) |
| LEOFF 1 | (1,523,116) | (1,871,267) | (2,172,477) |
| LEOFF 2 | (92,545) | (4,674,672) | (8,426,521) |

Note 3 – Detailed Notes on All Funds (Continued)

Pension Plan Fiduciary Net Position

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

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

At June 30, 2020, the City reported a total pension liability of \$7,869,502 of which \$6,675,429 consists of its proportionate share of the net pension liabilities and a total pension asset of \$6,572,493 as follows:

| | Liability (or Asset) |
|----------|-----------------------------|
| PERS 1 | \$ 4,642,907 |
| PERS 2/3 | 2,032,522 |
| PSERS 2 | (26,553) |
| LEOFF 1 | (1,871,267) |
| LEOFF 2 | (4,674,672) |

The amount of the liability/(asset) reported above for LEOFF Plan 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 liability/(asset), the related State support, and the total portion of the net pension liability/(asset) that was associated with the City were as follows:

| | LEOFF 1 (Asset) | LEOFF 2 (Asset) |
|---|-----------------|-----------------|
| LEOFF – employer’s proportionate share | \$ (1,871,267) | \$ (4,674,672) |
| LEOFF – State’s proportionate share of the net pension liability/(asset) associated with the employer | \$ (12,657,203) | \$ (2,989,099) |
| TOTAL | \$ (14,528,470) | \$ (7,663,771) |

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

| | Proportionate Share 6/30/19 | Proportionate Share 6/30/20 | Change in Proportion |
|----------|-----------------------------|-----------------------------|----------------------|
| PERS 1 | .139755% | .131507% | (.008248%) |
| PERS 2/3 | .167356% | .158922% | (.008434%) |
| PSERS 2 | .267048% | .192976% | (.074072%) |
| LEOFF 1 | .099898% | .099087% | (.000811%) |
| LEOFF 2 | .243037% | .229167% | (.013870%) |

Employer contribution transmittals received and processed by 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 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 2020. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2020, the state of Washington contributed 87.12 percent of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88 percent of employer contributions. LEOFF 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

Note 3 – Detailed Notes on All Funds (Continued)

In fiscal year 2020, the state of Washington contributed 39 percent of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 61 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2020, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2019, with update procedures used to roll forward the total pension liability to the measurement date.

Pension Expense

For the year ended December 31, 2020, the City recognized pension expense in the state sponsored plans as follows:

| | Pension Expense |
|----------|-----------------|
| PERS 1 | \$ (111,260) |
| PERS 2/3 | \$ 199,882 |
| PSERS 2 | \$ 60,296 |
| LEOFF 1 | \$ (81,805) |
| LEOFF 2 | \$ 448,665 |
| TOTAL | \$ 515,778 |

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| <i>PERS 1</i> | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------|-------------------------------|
| Net difference between projected and actual investment earnings on pension plan investments | | \$ (25,850) |
| Contributions subsequent to the measurement date | \$ 508,578 | |
| TOTAL | \$ 508,578 | \$ (25,850) |

| <i>PERS 2/3</i> | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------|-------------------------------|
| Differences between expected and actual experience | \$ 727,613 | \$ (254,724) |
| Net difference between projected and actual investment earnings on pension plan investments | | (103,223) |
| Changes of assumptions | 28,949 | (1,388,388) |
| Changes in proportion and differences between contributions and proportionate share of contributions | 266,462 | (353,730) |
| Contributions subsequent to the measurement date | 774,651 | |
| TOTAL | \$ 1,797,675 | \$ (2,100,064) |

| <i>PSERS 2</i> | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------|-------------------------------|
| Differences between expected and actual experience | \$ 36,483 | \$ (1,986) |
| Net difference between projected and actual investment earnings on pension plan investments | \$1,420 | |
| Changes of assumptions | 135 | (50,195) |
| Changes in proportion and differences between contributions and proportionate share of contributions | 8,665 | (5,082) |
| Contributions subsequent to the measurement date | 47,148 | |
| TOTAL | \$ 93,852 | \$ (57,263) |

Note 3 – Detailed Notes on All Funds (Continued)

| LEOFF 1 | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------|-------------------------------|
| Net difference between projected and actual investment earnings on pension plan investments | \$ 0 | \$ (19,573) |
| TOTAL | \$ 0 | \$ (19,573) |

| LEOFF 2 | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------|-------------------------------|
| Differences between expected and actual experience | \$ 646,818 | \$ (82,910) |
| Net difference between projected and actual investment earnings on pension plan investments | | (52,103) |
| Changes of assumptions | 6,772 | (723,846) |
| Changes in proportion and differences between contributions and proportionate share of contributions | 2,333,744 | (286,923) |
| Contributions subsequent to the measurement date | 240,085 | |
| TOTAL | \$ 3,227,420 | \$ (1,145,782) |

Deferred outflows of resources related to pensions resulting from the City’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended December 31: | PERS 1 |
|--------------------------------|---------------|
| 2021 | \$ (117,308) |
| 2022 | \$ (3,690) |
| 2023 | \$ 35,794 |
| 2024 | \$ 59,353 |
| 2025 | \$ 0 |
| Thereafter | \$ 0 |

| Year ended December 31: | PERS 2/3 |
|--------------------------------|-----------------|
| 2021 | \$ (827,780) |
| 2022 | \$ (186,001) |
| 2023 | \$ 51,720 |
| 2024 | \$ 141,887 |
| 2025 | \$ (126,066) |
| Thereafter | \$ (130,800) |

Note 3 – Detailed Notes on All Funds (Continued)

| Year ended December 31: | PSERS |
|------------------------------------|--------------|
| 2021 | \$ (7,155) |
| 2022 | \$ (1,896) |
| 2023 | \$ 2,471 |
| 2024 | \$ 6,498 |
| 2025 | \$ (1,690) |
| Thereafter | \$ (8,786) |

| Year ended December 31: | LEOFF 1 |
|------------------------------------|----------------|
| 2021 | \$ (69,871) |
| 2022 | \$ (3,643) |
| 2023 | \$ 19,863 |
| 2024 | \$ 34,077 |
| 2025 | \$ 0 |
| Thereafter | \$ 0 |

| Year ended December 31: | LEOFF2 |
|--|---------------|
| 2021 | \$ (67,521) |
| 2022 | \$ 204,052 |
| 2023 | \$ 319,491 |
| 2024 | \$ 406,711 |
| 2025 | \$ 218,884 |
| Thereafter | \$ 759,936 |

Historical funding source for liquidating Department of Retirement Systems Pension Obligations

Historically the Pension Obligations have been liquidated with pension contributions paid by the City in proportion to and by each of the Funds that incurred the underlying covered payroll expenses/expenditures.

City Sponsored Pension Plan - Firemen’s Pension Plan

The City is the administrator of the Firemen's Pension System, which is shown as a pension trust fund in the City's financial statements. The Firemen's Pension System is a single-employer, closed defined benefit pension system that was established in conformance with Revised Code of Washington (RCW) Chapter 41.18. Membership is limited to fire fighters employed prior to March 1, 1970 when the LEOFF retirement system was established.

Management of the Firemen’s Pension System is vested in the Pension Board which consists of the Mayor (Chair), Finance Director, Treasurer, two firefighters (active or retired) to be elected by the firefighters subject to the jurisdiction of the board, and one alternate. Board members serve two-year terms.

Plan membership

At December 31, 2020, pension plan membership consisted of four (4) inactive plan members and one (1) surviving spouse for a total of five (5) members currently receiving benefits. The pension plan is closed to new entrants.

Benefits provided

The City's liability under the Firemen's Pension System consists of all benefits, including payments to beneficiaries, for firemen retired prior to March 1, 1970, and excess benefits over amounts provided by LEOFF for covered fire fighters retired after March 1, 1970. Under the Firemen's Pension System, eligible fire fighters may retire at age 50 with 25 years of service. Death and disability benefits are also provided, as established under the governing State law. Individuals who terminate employment prior to retirement may withdraw their contributions to the plan plus accumulated interest, but by doing so, forfeit their rights to future pension benefits.

Note 3 – Detailed Notes on All Funds (Continued)

Key Elements of Pension Formulas

The City is responsible for the portion of member monthly pension benefits due to members per RCW 41.16 but not paid directly by the State. The funding formula is based on years of service, type of retirement plan for each member, current employment or union contract agreements for firefighter union plus adjustments for cost of living and longevity.

Funding

The Authority under which benefit terms were established, may be amended, and the types of benefits provided through the Firefighters’ Pension Fund lies with the Revised Code of Washington (RCW) 41.16 and 41.18, the statutes establishing FPF, and RCW 41.26, the statute establishing the Washington Law Enforcement Officers’ and Firefighters’ Retirement System (LEOFF).

Contributions to the fund currently include the following sources, as described in RCW 41.16.050:

1. Bequests, fees, gifts, emoluments or donations.
2. Forty-five percent of all monies received by the State from taxes on fire insurance premiums, prior to January 1, 2000. Twenty-five percent after January 1, 2000.
3. Taxes paid pursuant to the provisions of RCW.41.16.060 require that each municipality levy up to \$0.45 (only \$0.225 of which can be in excess of the property tax limit pursuant to RCW 84.52.043) per \$1,000 of assessed valuation, based on reports by a qualified actuary, to maintain the Fund.
4. Interest on the investments of the Fund.
5. Contributions by firefighters as provided herein.

Assumptions and Other Inputs

As of December 31, 2020, the FPF had \$305,342 in cash and cash equivalents invested in the City’s internal investment pool and short term investments. Investments in the City’s internal investment pool are invested in the Washington State Treasurer Local Government Investment Pool (LGIP), a Rule 2a-7 money market type fund with an average portfolio maturity of less than 91 days. All investments are valued at fair value. Investment activities of the FPF are co-mingled with the City of Lynnwood treasury and therefore are included in the City’s investment policy addressed in Note 3-A.

As of December 31, 2020, the annual money-weighted rate of return on pension plan investments, net of investment expenses, was 2.07 percent. The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period.

The net pension liability was measured as of December 31, 2020, and the actuarial valuation date on which the total pension liability is based was as of December 31, 2019, with update procedures used to roll forward the total pension liability to the measurement date.

- **Discount rate:** 2.00% - Rate applied in the measurement of the total pension liability
- **Inflation:** 2.00% - total economic inflation, 2.50% wage inflation.
- **Investment rate of return:** 2.00% - Composite rate is based on the expected return on long-term municipal bonds and is used for both the funded and unfunded liability.
- **Actuarial Cost Method:** Entry Age Normal
- The mortality table used, RP-2000, is projected to the year 2025 using Scale BB to include an allowance for future improvements in longevity.
- The table below presents the City’s net pension liability calculated using the discount rate of 2.00% as well as what the pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.00%) or 1-percentage point higher (3.00%) than the current rate:

| | 1% Decrease | Current Disc. Rate | 1% Increase |
|-----------------------|----------------|-----------------------|----------------|
| | 1.00% | 2.00% | 3.00% |
| Net Pension Liability | \$1,374,384 | \$1,194,073 | \$1,041,524 |

Note 3 – Detailed Notes on All Funds (Continued)

Changes in the Net Pension Liability

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a) – (b) |
|--|--------------------------------|------------------------------------|------------------------------------|
| Balances at 12/31/2019 | \$1,519,629 | \$310,027 | \$ 1,209,602 |
| Changes for the year: | | | |
| Service Cost | - | - | - |
| Interest | 40,740 | - | 40,740 |
| Changes in assumptions | (130,094) | - | (130,094) |
| Differences between expected and actual experience | 146,585 | - | 146,585 |
| Contributions – employer | - | 66,367 | (66,367) |
| Contributions – employees | - | - | - |
| Net investment income | - | 6,393 | (6,393) |
| Benefit payments and withdraws (pension expense) | (76,327) | (76,327) | - |
| Administrative expense | - | - | - |
| Other changes | - | - | - |
| Net changes | (19,096) | (3,567) | (15,529) |
| Balance at 12/31/2020 | \$1,500,533 | \$306,460 | \$1,194,073 |
| Plan fiduciary net position as a percentage of the total pension liability | | 20.4% | |

Pension Expense and Deferred Inflows and Outflows of Resources

| | Pension Expense |
|--|-----------------|
| Pension expense recognized for fiscal year ending 2019 | \$98,942 |
| Pension expense recognized for fiscal year ending 2020 | \$84,550 |

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------|-------------------------------|
| Differences between expected and actual experience | \$ 304,766 | (125,644) |
| Net difference between projected and actual investment earnings on pension plan investments | 5,636 | - |
| Changes of assumptions | 156,314 | (157,212) |
| Contributions subsequent to the measurement date | - | - |
| TOTAL | \$ 466,716 | \$ (282,856) |

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended December 31: | Amount |
|-------------------------|-----------|
| 2021 | \$ 48,052 |
| 2022 | 46,783 |
| 2023 | 45,579 |
| 2024 | 13,574 |
| 2025 | 32,227 |
| Thereafter | (2,355) |

Note 3 – Detailed Notes on All Funds (Continued)

3-I. Other Post-Employment Benefits

Financial reporting for the LEOFF 1 retiree healthcare plan is included in the City’s Comprehensive Annual Financial Report. The plan does not issue stand-alone financial statements.

The following table represents the OPEB amounts for all plans subject to the requirements of GASB 75 for the year 2020:

| | |
|--------------------------------|---------------|
| OPEB Liabilities | \$ 10,668,568 |
| OPEB Assets | \$ 0 |
| Deferred Outflows of Resources | \$ 122,797 |
| Deferred Inflows of Resources | \$ 0 |
| OPEB Expense | \$ 1,239,168 |

Annual OPEB Cost and Net OPEB Obligation

OPEB Plan Description –

- a. The city administers LEOFF 1 Retiree Medical and Long-Term Care Benefits, a single-employer defined benefit plan.
- b. In accordance with the Revised Code of Washington (RCW) 41.26, the City provides post-retirement health care benefits for members of the Law Enforcement Officers and Firefighters (LEOFF) Plan 1 retirement system hired prior to October 1, 1977. The plan is a closed, single-employer defined benefit healthcare plan administered by the City. The City provides medical, vision, and long-term care insurance, and reimburses for all Board approved claims for medical, dental, vision, and hospitalization costs not covered by standard benefit plan provisions.
- c. Employees covered by benefit terms – At December 31, 2020, the following employees were covered by the benefit terms:

| | |
|--|----|
| Inactive employees or beneficiaries currently receiving benefits | 20 |
| Inactive employees entitled to but not yet receiving benefits | 0 |
| Active employees | 0 |
| Total | 20 |

- d. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB 75. The plan is funded on a pay-as-you-go basis and there are no assets accumulated in a qualifying trust.
- e. Funding for LEOFF retiree healthcare costs is provided entirely by the City as required by RCW. During the City contributed \$284,365 in medical payments and reimbursements.

Assumptions and Other Inputs:

The total OPEB liability in the June 30, 2020, actuarial valuation was determined using the GASB 75 Alternative Measurement Method for LEOFF 1 using the Office of the State Actuary's AMM Online Tool.

Note 3 – Detailed Notes on All Funds (Continued)

A single retirement age of 55.3 was assumed for all active members for the purpose of determining the actuary accrued liability (AAL) and normal cost. Retirement, disablement, termination, and mortality rates were assumed to follow the LEOFF 1 rates used in the June 30, 2018, actuarial valuation report issued by the Office of the State Actuary (OSA).

The actuarial valuations involve estimates of the value of reported amounts and assumptions of the probability of events far into the future and actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future.

Actuarial Valuation Date: 06/30/2020

Actuarial Measurement Date: 06/30/2020

Actuarial Cost Method: Entry Age

Discount Rate:

| | |
|-------------------------------|-------|
| Beginning of Measurement Year | 3.50% |
| End of Measurement Year | 2.21% |

Healthcare Trend Rate: Initial rate is about 6%, trends down to about 5% in the 2020's.

Long-term Care Healthcare Trend Rate: 4.50%

Mortality Rates (assuming 100% male population):

Base Mortality Table: RP-2000 Mortality Table

Age Setback: +1 year Healthy / -2 years Disabled Blended 50%/50% Healthy/Disabled

Mortality Improvements: 100% Scale BB

Projection Period: Generational

Medicare Participation Rate: 100.00%

Medical and long-term care costs were projected from June 30, 2018 to the measurement date of June 30, 2020 using the healthcare trend rates detailed in the 2018 LEOFF 1 Medical Benefits Actuarial Valuation Report.

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City calculated using the current healthcare cost trend rate of 6.0 percent, as well as what the OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.0 percent) or one percentage point higher (7.0 percent) than the current rate.

| | 1% Decrease (5.0%) | Current Healthcare Cost Trend Rate (6.0%) | 1% Increase (7.0%) |
|----------------------|-----------------------|---|-----------------------|
| Total OPEB Liability | \$ 9,591,431 | \$ 10,668,568 | \$11,913,540 |

Note 3 – Detailed Notes on All Funds (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City calculated using the discount rate of 2.21 percent², as well as what the OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.21 percent) or one percentage point higher (3.21 percent) than the current rate.

| | 1% Decrease (1.21%) | Current Discount Rate (2.21%) | 1% Increase (3.21%) |
|----------------------|------------------------|----------------------------------|------------------------|
| Total OPEB Liability | \$ 12,011,704 | \$10,668,568 | \$ 9,536,042 |

Changes in Total OPEB Liability

| | |
|---|---------------|
| LEOFF 1 Retiree Medical and Long-Term Care Benefits | |
| Total OPEB Liability at 01/01/2020 | \$9,854,835 |
| Service cost | 0 |
| Interest | 337,538 |
| Changes of benefit terms | 0 |
| Changes in experience data and assumptions | 901,628 |
| Benefit payments | (425,433) |
| Other changes | |
| Total OPEB Liability at 12/31/2020 | \$ 10,668,568 |

At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Changes in experience data and assumptions | | \$ 0 |
| Payments subsequent to measurement date | \$ 122,797 | |

Deferred outflows of resources resulting from payments subsequent to the measurement date will be recognized as a reduction of the total OPEB in the year ended December 31, 2021.

² Source: Bond Buyer General Obligation 20-Bond Municipal Index
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Note 3 – Detailed Notes on All Funds (Continued)

3-J. Fund Equity

Fund Balances – Fund balances are classified as follows:

- **Nonspendable** – The following fund balances are nonspendable because they are not in spendable form:

General Fund:

| | |
|-----------------|------------------|
| Prepaid Postage | \$ 97,776 |
| | <u>\$ 97,776</u> |

- **Restricted** – The following fund balances are legally restricted to specified purposes:

Transportation Capital Fund:

| | |
|------------------|---------------------|
| Capital Projects | \$ 2,531,361 |
| | <u>\$ 2,531,361</u> |

Nonmajor Governmental Funds:

| | |
|------------------------------------|--------------|
| Capital Projects | \$ 8,768,097 |
| Drug Enforcement/Criminal Justice | 3,094,757 |
| Debt Service | 111,902 |
| Park Improvements | 2,431,018 |
| Recreation programs for low income | 87,956 |
| Tourism promotion | 894,196 |
| Street and paths improvements | 7,175,421 |
| Solid Waste Management | 87,570 |
| Supportive Housing | 87,293 |

Total Nonmajor Governmental Funds \$ 22,738,210

- **Committed** – The following fund balances are committed to specific purposes:

General Fund:

| | |
|---------------------------|---------------------|
| Revenue Stabilization | \$ 4,870,033 |
| Total General Fund | <u>\$ 4,870,033</u> |

Other Governmental Funds:

| | |
|------------------|--------------|
| Capital Projects | \$ 1,270,708 |
| Tree Reserve | 233,168 |
| Art Reserve | 50,514 |
| Aid Car Reserve | 16,973 |

Total Other Governmental Funds \$ 1,571,363

- **Assigned** – The following fund balances are assigned to specific purposes:

General Fund:

| | |
|----------------------|---------------|
| Economic Development | \$ 11,043,874 |
|----------------------|---------------|

Note 3 – Detailed Notes on All Funds (Continued)

Net Investment in Capital Assets – The net investment in capital assets, reported on the government-wide statement of net position as of December 31, 2020 is as follows:

| | Governmental Activities | Business- type Activities |
|---|----------------------------|---------------------------------|
| Net investment in capital assets: | | |
| Total capital assets | \$ 248,522,678 | \$ 147,653,944 |
| Less accumulated depreciation | 97,452,903 | 54,906,295 |
| Net capital assets | 151,069,775 | 92,747,649 |
| Less: accounts payable | - | (2,545,853) |
| Less: retainage payable | - | (11,099) |
| Add: unspent bond proceeds | - | 3,438,468 |
| Less: deferred inflow-gain on refunding | - | (133,496) |
| Less: capital related debt | (20,415,000) | (44,490,002) |
| Less: unamortized bond premium | - | (3,467,336) |
| Net investment in capital assets | <u>\$ 130,654,775</u> | <u>\$ 45,538,331</u> |

Note 4 – Detailed Notes on All Funds

4-A. Risk Management

The City of Lynnwood is exposed to various risks of loss from torts; theft of damage, destruction of assets; business interruption; errors and omissions; injuries to employees; and natural disasters. The City combines the reporting of risk management activities into one internal service fund – the Self-Insurance Fund No. 515 – to account for and finance uninsured risks. All departments of the City make payments through Interfund assessments to the self-insurance fund based on estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses.

The City became a member of the Washington Cities Insurance Authority (WCIA) on December 1, 2019. Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and/or jointly contracting for risk management services. WCIA has a total of 162 members. New members initially contract for a three-year term, and thereafter automatically renew on an annual basis. A one-year 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, with a \$50,000 deductible. Coverage includes general, automobile, police, errors or omissions, stop gap, employment practices and employee benefits liability. Limits are \$4 million per occurrence in the self-insured layer, and \$21 million in limits above the self-insured layer is provided by reinsurance. Total limits are \$25 million per occurrence subject to aggregates and sublimits. The Board of Directors determines the limits and terms of coverage annually.

Insurance 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 \$400 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. WCIA retains the right to additionally assess the membership for any funding shortfall.

Note 4 – Detailed Notes on All Funds (Continued)

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

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

The claims and judgment payable reported in the schedule Changes in Long Term Liabilities in Note 3-G represents total deductibles of outstanding claims at the end of the year.

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.

4-B. Health and Welfare

The City is a member of the Association of Washington Cities Employee Benefit Trust Health Care Program (“AWC Trust HCP”). The AWC Trust HCP was formed in January 2014 when participating cities, towns and non-city entities joined together by signing an interlocal agreement to jointly self-insure certain health benefit plans and programs for participating employees, their covered dependents and other beneficiaries through a designated account. As of December 31, 2020, the AWC Trust HCP had 262 participants.

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. Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. AWC’s stop loss coverage and premiums benefit from the pool size and the ability to withstand self-insuring claims. Members contract to remain in the AWC Trust HCP pool a minimum of three years and participating employers with over 250 employees must provide written notice of termination of all coverage a minimum of one-year in advance of the termination date, and participating employers with under 250 employees must provide written notice of termination a minimum of six months in advance. A participating employer’s termination will not obligate that member to past debts, or further contributions to the AWC Trust HCP, and 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 (“GASB”). 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.

Note 4 – Detailed Notes on All Funds (Continued)

4-C. Contingent Liabilities

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could result in a request for reimbursement to the grantor agency for costs disallowed under terms of the grant. Based on prior experience, the City believes such disallowances, if any, will be immaterial.

The City was a defendant in several lawsuits at December 31, 2020. There is a recent lawsuit filed against the City for the actions of a former employee that occurred while using a City-owned vehicle without permission and outside of City responsibilities. This lawsuit is in the early stages, and is too early to tell what, if any, financial effect it may have on the City. Because of the nature of its activities, the City is subject to certain pending legal actions which arise in the ordinary course of business. Based on the information presently known, City management believes that the ultimate liability for any such legal actions will not be material to the financial position of the City.

The Lynnwood Public Facilities District issued \$25,482,100 Convention Center revenue and sales tax refunding bonds to defease the District’s 2004 and 2005 bonds and to finance the capital construction needed at the Convention Center. On April 15, 2015, the District issued \$15.605 million refunded revenue bonds maturing on December 1, 2034 with an average interest rate of 3.57% with a net present value savings of \$2.059 million. On June 15, 2015, the District issued \$9.877 million sales tax bonds with an interest rate of 2.48% with a net present value savings of \$1.069 million. On behalf of the District, the City is contingently liable for these bonds, and to date, the District is capable of paying these bonds from hotel/motel tax revenue and revenue generated from the convention center.

4-D. Joint Ventures

SNOHOMISH COUNTY 911 - The City of Lynnwood 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, the 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 under this Agreement shall be returned to the parties to this Agreement and shall be apportioned between parties based on the average of each participant’s contributions to the operating budget over the preceding five years. Before deducting the payment of all costs, expenses and charges validly incurred, the City of Lynnwood’s share was \$1,339,103 on December 31, 2020. This value has been recorded in the government-wide statements as an asset for the year ended December 31, 2020.

Snohomish County 911’s 2020 operating budget was \$24,575,191, operating revenues received were \$24,285,981 and total operating expenditures were \$23,917,807. 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.

ALLIANCE FOR HOUSING AFFORDABILITY (AHA) - In September 2013, the City of Lynnwood joined the cities of Edmonds, Everett, Granite Falls, Lake Stevens, 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 the member cities.

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

Note 4 – Detailed Notes on All Funds (Continued)

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 Lynnwood’s equity share to date is:

| Fiscal Year (7/1/xx-6/30/xx) | AHA Budget | City's Share of AHA's Budget | |
|---------------------------------|---------------|------------------------------|------------|
| | | Amount | Percentage |
| 2014 | \$92,543 | \$2,151 | 2.39% |
| 2015 | \$123,464 | \$2,216 | 2.29% |
| 2016 | \$145,590 | \$2,143 | 1.47% |
| 2017 | \$97,934 | \$3,173 | 5.40% |
| 2018 | \$102,586 | \$3,455 | 5.30% |
| 2019 | \$107,391 | \$3,686 | 5.20% |
| 2020 | \$112,408 | \$3,891 | 5.10% |
| 2021 | \$117,673 | \$3,996 | 5.40% |

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 98204 (or email: pfrost@hasco.org) or from Chris Collier, Program Manager, Alliance for Housing Affordability, 12711 4th Ave W, Everett WA 98204.

Joint Recreation Facilities - The City of Lynnwood, the City of Edmonds, Snohomish County and Edmonds School District No. 15 entered into an agreement to develop Meadowdale Playfields and Recreation Complex. The Edmonds School District provided a 25-acre site adjacent to Meadowdale Elementary, and Meadowdale Middle School (at 66th Ave W and 168th St SW) The City of Lynnwood is responsible for the maintenance of the complex and bills 50% of the associated costs to the City of Edmonds on a bi-annual basis. In 2020, the City of Edmonds contributed \$34,749.

4-E. Tax Abatements

On May 29, 2007, the City Council adopted Ordinance 2681 under the authority granted to it under Chapter 84.14 RCW designating the City Center Sub-Area as a Designated Residential Target Area and establishing the Multiple-Unit Housing Property Tax Exemption program. The Ordinance enacted the program whereby property owners may qualify for a Final Certificate of Tax Exemption which certifies to the Snohomish County Assessor that the owner is eligible to receive a limited property tax exemption. The program is designed to encourage new construction or rehabilitation of multifamily housing Residential Target Areas in order to reduce development pressure on single-family residential neighborhoods, to increase and improve housing opportunities, and to encourage development densities supportive of transit use.

There are various statutory abatements affecting multiple jurisdictions including the City of Lynnwood. Statutory abatements are reported by the Washington Department of Revenue at the following website: <https://dor.wa.gov/about/statistics-reports/information-local-governments/governmental-accounting-standards-board-gasb-statement-no-77>. The Department of Revenue report listed \$31,710, in “Taxpayer Savings” applicable to the City of Lynnwood for Fiscal Year 2020.

Note 4 – Detailed Notes on All Funds (Continued)

4-F. Prior Period Adjustments and Restatements

The City is reporting the following adjustments related to prior periods and restatement of beginning net position in the Government Wide Statement of Activities:

| | |
|--|----------------|
| Net Position previously reported at December 31, 2019 | \$ 172,710,184 |
| Beginning Net Position Restatement | |
| In 2018 there was an accrual done in the Transportation Capital Fund, but it was never reversed in 2019. This reversed the prior year journal entry in 2020. | (38,681) |
| Net Position, as restated, at December 31, 2019 | \$ 172,671,503 |

Transportation Capital fund:

| | |
|---|--------------|
| Fund Balance previously reported at December 31, 2019 | \$ 5,689,590 |
| Beginning Fund Balance Restatement | |
| In 2018 there was an accrual done, but it was never reversed in 2019. This reversed the prior year journal entry in 2020. | (38,681) |
| Fund Balance, as restated, at December 31, 2019 | \$ 5,650,909 |

4-G. Fund Changes - Fund additions/deletions in the current year are, as follows:

- The following new fund was opened in 2020:
 - ✓ Special Revenue Fund: Affordable Housing Fund 146
- The following funds were closed in 2020:
 - ✓ General Fund: Program Development Fund 098
 - ✓ Debt Service Funds: 800 Mhz Debt Service Fund 215
 - ✓ Debt Service Funds: LID Guaranty Fund 224
 - ✓ Debt Service Funds: LID 93-1 I-5 196th Fund 263

4-H. Subsequent Events -

2021 Bond Issuance

On March 22, 2021, the City Council passed Ordinance No. 3387 providing for the issuance, sale and delivery of not to exceed \$62 million aggregate principal amount of limited tax general obligation bonds to finance the City’s Community Justice Center project. The City is scheduled for a bond rating call on May 19, 2021 and anticipates a sale date of June 2, 2021 with funds to be received on June 24, 2021, prior to acceptance of a bid for the project.

The City’s Community Justice Center Project (the “Project”) will be a purpose-built police department, a re-imagined misdemeanor jail, and a remodeled and expanded court. The City’s goal with the Project is to create the necessary space and function to bring enhanced justice service to its community. The City will collaborate with Community Health Center of Snohomish County (“CHC”) in providing specific and enhanced jail services. The Project is expected to bring rehabilitative services and options to address and reduce the underlying causes of recidivism. By providing this additional support, the goal is to provide a path out of the criminal justice system. This Project is specifically programmed around increased community access and involvement, and alternatives to the traditional criminal justice system, while maintaining effective levels of

Note 4 – Detailed Notes on All Funds (Continued)

community safety in the City. The City currently owns the existing criminal justice building and additional undeveloped acreage that will be used for this Project.

Over the last 24 years, the City’s police department conducted three space needs examinations (in 1999, 2004 and 2009). All three of these studies concluded that the City’s current justice facility lacked appropriate space and functionality. The Project will assist the City in creating the infrastructure to meet the demands and expectations of law enforcement and adjudication. The Project will include space for the City’s Emergency Operations Center which has been located in temporary space at a fire station building owned by South Snohomish County Fire and Rescue. The Project will also include space for evidence management, which is currently located in off-site, leased space.

The Project will significantly increase the capacity of the jail, more than a doubling of the current size. The increased housing capacity is expected to provide a significant financial benefit as the additional bedspace will allow virtually all City misdemeanor inmates to be housed in this location rather than paying to house inmates elsewhere. Additionally, there will be excess capacity that can be contracted to other municipal police departments where demand is high.

The City expects construction on the Project to begin in June 2021 and be completed by the end of 2022. The expected budget of the Project is \$64,000,000, which will be provided by proceeds of the Bonds and funds from the City’s existing criminal justice sales tax account. The City expects to use the criminal justice sales tax, the reallocation of existing contract jail housing expenses, the reallocation of lease expenses for the current evidence facility, and contract housing revenue from the jail to repay the Bonds.

2021-2022 COVID-19 Emergency Relief Funding

In April of 2021, the U.S. Government established the American Rescue Plan Act of 2021 to provide emergency funding related to the ongoing COVID-19 crisis. The plan included \$350 billion in funding for state, local, territorial and tribal governments. The City expects to receive \$8.52 million in Coronavirus State and Local Fiscal Recovery Funds. Half of the funding will be received in 2021 with the other half expected twelve months later in 2022. The funds will be distributed to the State of Washington to then allocate to other jurisdictions. The City expects to receive the first allocation in June of 2021.

Program guidelines provide substantial flexibility for each jurisdiction to meet local needs—including support for households, small businesses, impacted industries, essential workers, and the communities hardest-hit by the crisis. Within the categories of eligible uses listed, recipients have broad flexibility to decide how best to use this funding to meet the needs of their communities. Program rules include a methodology for using funds to recover lost revenues. As of the time this report was filed, the City has not yet determined a comprehensive plan for how the funding will be allocated.

See Note 5, Other Disclosures, for additional information about the impact of COVID-19.

Note 5 – Other Disclosures

COVID-19 (Coronavirus)

The City began 2020 in good economic shape with strong development, increasing property values, low unemployment and sales tax revenues trending higher than 2019. In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of a deadly new virus. In the weeks following the declaration, precautionary measures to slow the spread of the virus were ordered. These measures included closing schools, colleges and universities, cancelling public events, prohibiting public and private gatherings, and requiring people to stay home unless leaving for an essential function.

The Mayor issued an Emergency Proclamation in response to the COVID-19 public health crisis in March of 2020. The situation evolved rapidly and resulted in closures of City facilities and parks. Non-essential staff were transitioned to telework, while additional protective measures were put in place for essential workers who could not telework. Preliminary estimates indicated a \$7.8 million revenue loss to the General Fund, primarily from reduced sales tax and recreation revenues. The Mayor called for all departments to immediately reduce spending in order to balance the budget. Measures totaling \$5.6 million

Note 5 – Other Disclosures (Continued)

included a voluntary separation incentive program, holding positions vacant, reduced hours for part-time/seasonal recreation employees, and foregoing the purchase of non-essential equipment, goods, and services.

In November of 2020, the City Council passed a resolution authorizing the use of up to \$2.2 million in reserves to balance the General Fund and confirming that the 2021-2022 budget could have General Fund reserves under the 2.5 month minimum required in policy. At the time of 2021-2022 budget adoption, it was estimated that the draw-down on reserves would be less than \$2 million. The actual amount of transfer needed was only \$1.13 million. The General Fund had 2.2 months of operating reserves as of the end of 2020.

The State and Snohomish County allocated \$2 million in federal Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) funds to the City in 2020, which the City used to reimburse itself for necessary expenditures incurred due to the public health emergency with respect to the COVID-19. Expenditures included addressing medical or public health needs, as well as expenditures incurred to respond to second-order effects of the emergency, such as by providing economic support to those suffering from employment or business interruptions. Funds were distributed on a reimbursement basis through December 31, 2020.

See Note 4-H, Subsequent Events, for additional information related to additional federal COVID-19 relief funding legislation that was passed in 2021 from which the City will receive approximately \$8.52 million over the course of two years.

REQUIRED
SUPPLEMENTARY
INFORMATION

City of Lynnwood, Washington
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund - Budget Basis
For the Biennium Ended December 31, 2020

| | Original 2019-2020 Biennial Budget | Final 2019-2020 Biennial Budget | 2019 Actual | 2020 Actual | Variance With Final Budget |
|-----------------------------------|---|--|------------------------|------------------------|---|
| Revenues | | | | | |
| Taxes: | | | | | |
| Property tax | \$ 8,455,000 | \$ 8,355,000 | \$ 3,991,045 | \$ 4,280,479 | \$ (83,476) |
| Sales tax | 47,512,736 | 47,512,736 | 22,556,266 | 21,020,927 | (3,935,543) |
| Business taxes | 14,522,051 | 14,522,051 | 6,726,034 | 5,878,987 | (1,917,030) |
| Other taxes | 8,650 | 8,650 | 3,719 | 8,357 | 3,426 |
| Total Taxes | 70,498,437 | 70,398,437 | 33,277,064 | 31,188,750 | (5,932,623) |
| Licenses and Permits: | | | | | |
| Business licenses | 6,235,247 | 6,235,247 | 1,747,113 | 2,552,390 | (1,935,744) |
| Franchise fees | 999,251 | 999,251 | 442,681 | 442,577 | (113,993) |
| Permits and fees | 2,384,300 | 2,384,300 | 1,119,864 | 2,461,621 | 1,197,185 |
| Total Licenses and Permits | 9,618,798 | 9,618,798 | 3,309,658 | 5,456,588 | (852,552) |
| Intergovernmental: | | | | | |
| Liquor Board taxes | 1,022,805 | 1,022,805 | 526,303 | 580,105 | 83,603 |
| Streamlined sales tax | 257,718 | 257,718 | - | - | (257,718) |
| Other | 3,972,382 | 7,141,646 | 2,458,966 | 2,629,192 | (2,053,488) |
| Total Intergovernmental | 5,252,905 | 8,422,169 | 2,985,269 | 3,209,297 | (2,227,603) |
| Charges for Services: | | | | | |
| Planning fees | 2,636,214 | 2,636,214 | 609,736 | 957,496 | (1,068,982) |
| Interfund | 4,390,041 | 4,390,041 | - | - | (4,390,041) |
| Recreation | 5,343,350 | 5,350,350 | 2,405,748 | 889,450 | (2,055,152) |
| Other | 1,148,947 | 1,141,947 | 391,800 | 148,161 | (601,986) |
| Total Charges for Services | 13,518,552 | 13,518,552 | 3,407,284 | 1,995,107 | (8,116,161) |
| Fines and Forfeitures: | 9,141,660 | 9,141,660 | 4,774,184 | 3,112,338 | (1,255,138) |
| Miscellaneous | | | | | |
| Investment interest | 306,864 | 306,864 | (24,317) | 76,399 | (254,782) |
| Rents and concessions | 1,045,250 | 1,061,750 | 412,286 | 157,398 | (492,066) |
| Other | 701,660 | 685,660 | 206,130 | 124,249 | (355,281) |
| Total Miscellaneous | 2,053,774 | 2,054,274 | 594,099 | 358,046 | (1,102,129) |
| Total Revenues | \$ 110,084,126 | \$ 113,153,890 | \$ 48,347,558 | \$ 45,320,126 | \$ (19,486,206) |

(continued)

City of Lynnwood, Washington
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund - Budget Basis
For the Biennium Ended December 31, 2020

| | Original 2019-2020 Biennial Budget | Final 2019-2020 Biennial Budget | 2019 Actual | 2020 Actual | Variance With Final Budget |
|---|---|--|------------------------|------------------------|---|
| Expenditures | | | | | |
| General Government | | | | | |
| Legislative/executive | \$ 2,221,599 | \$ 2,217,484 | \$ 1,024,299 | \$ 1,020,663 | \$ 172,522 |
| Administrative services | 7,653,752 | 8,219,789 | 1,547,379 | 2,908,357 | 3,764,053 |
| Information Technology | 4,982,295 | 5,120,866 | 2,058,790 | 2,307,455 | 754,621 |
| Legal | 3,348,654 | 3,348,654 | 1,713,925 | 1,608,960 | 25,769 |
| Human Resources | 2,138,387 | 2,136,267 | 686,047 | 897,160 | 553,060 |
| Property management | 3,602,606 | 3,599,600 | 1,410,304 | 1,422,728 | 766,568 |
| Total General Government | 23,947,293 | 24,642,660 | 8,440,744 | 10,165,323 | 6,036,593 |
| Economic Environment | 12,259,706 | 13,550,089 | 4,249,562 | 4,241,544 | 5,058,983 |
| Judicial | 2,287,935 | 2,285,532 | 1,024,232 | 1,014,419 | 246,881 |
| Culture & Recreation | 15,980,334 | 16,029,201 | 7,415,174 | 5,857,382 | 2,756,645 |
| Public Safety | | | | | |
| Police | 44,445,815 | 44,402,353 | 21,551,260 | 19,682,120 | 3,168,973 |
| Fire | 1,936,442 | 2,276,882 | 1,176,835 | 1,128,477 | (28,430) |
| Total Public Safety | 46,382,257 | 46,679,235 | 22,728,095 | 20,810,597 | 3,140,543 |
| Social Services | 1,179,517 | 1,177,988 | 553,170 | 447,230 | 177,588 |
| Transportation | 4,036,032 | 4,154,243 | 1,165,626 | 1,481,523 | 1,507,094 |
| Debt Service | 1,000 | 1,000 | - | - | 1,000 |
| Capital Outlay | 10,000 | 197,000 | 115,283 | 181,853 | (100,136) |
| Total Expenditures | 106,084,074 | 108,716,948 | 45,691,886 | 44,199,871 | 18,825,191 |
| Other Financing Sources (Uses) | | | | | |
| Transfers In | 1,671,610 | 3,494,075 | 5,805 | 511,965 | (2,976,305) |
| Transfers Out | (7,795,376) | (7,795,376) | (3,966,788) | (1,632,994) | 2,195,594 |
| Total Other Financing Sources (Uses) | (6,123,766) | (4,301,301) | (3,960,983) | (1,121,029) | (780,711) |
| Net Change in Fund Balance | \$ (2,123,714) | \$ 135,641 | \$ (1,305,311) | \$ (774) | \$ (1,441,726) |
| Fund Balance - Beginning of Year | | | 5,430,871 | 4,125,560 | |
| Fund Balance - End of Year | | | <u>\$ 4,125,560</u> | <u>\$ 4,124,786</u> | |

The General Fund, as presented for financial reporting purposes, includes the separately adopted budgets of the General Fund, Economic Development Fund, Revenue Stabilization Fund and Program Development Fund on the GAAP basis. This schedule presents the information for the legally adopted General Fund budget only. Reference attached Note 1 to RSI.

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Note to RSI

Explanation of Difference Between General Fund Budgeted Revenues and Expenditures and GAAP Revenues and Expenditures - The General Fund, as presented for financial reporting purposes, includes the separately adopted budgets of the General Fund, Economic Development Fund, Revenue Stabilization Fund and Program Development Fund on the GAAP basis. The funds listed below are consolidated into the General Fund for reporting purposes.

| Revenues | <u>2020</u> | <u>2019</u> |
|--|--------------------|--------------------|
| General Fund | 45,320,126 | 48,347,558 |
| Economic Development Fund | 137,825 | 1,769,984 |
| Revenue Stabilization Fund | - | - |
| Program Development Fund | - | - |
| Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - general fund | <u>45,457,951</u> | <u>50,117,542</u> |

| Expenditures | <u>2020</u> | <u>2019</u> |
|--|--------------------|--------------------|
| General Fund | 44,199,871 | 45,691,886 |
| Economic Development Fund | - | - |
| Revenue Stabilization Fund | - | - |
| Program Development Fund | - | - |
| Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - general fund | <u>44,199,871</u> | <u>45,691,886</u> |

| Other Financing Sources (Uses) | <u>2020</u> | <u>2019</u> |
|--|--------------------|--------------------|
| General Fund | (1,121,029) | (3,960,983) |
| Economic Development Fund | 347,000 | (655,000) |
| Revenue Stabilization Fund | (1,129,967) | - |
| Program Development Fund | (15,627) | - |
| Total other financing sources (uses) as reported on the statement of revenues, expenditures and changes in fund balance - general fund | <u>(1,919,623)</u> | <u>(4,615,983)</u> |

City of Lynnwood, Washington
Schedule of Proportionate Share of the Net Pension Liability/Asset
As of June 30

PERS 1

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| Employer's proportion of the net pension liability | 0.131507% | 0.139755% | 0.141150% | 0.142394% | 0.132475% | 0.136623% |
| Employer's proportionate share of the net pension liability | \$ 4,642,907 | \$ 5,374,076 | \$ 6,303,807 | \$ 6,756,706 | \$ 7,114,531 | \$ 7,146,653 |
| Covered payroll | \$ 18,699,054 | \$ 19,984,221 | \$ 18,716,670 | \$ 17,249,159 | \$ 15,699,939 | \$ 15,566,793 |
| Employer's proportionate share of the net pension liability as a percentage of covered payroll | 24.83% | 26.89% | 33.68% | 39.17% | 45.32% | 45.91% |
| Plan fiduciary net position as a percentage of the total pension liability | 68.64% | 67.12% | 63.22% | 61.24% | 57.03% | 59.10% |

PERS 2/3

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| Employer's proportion of the net pension liability | 0.158922% | 0.167356% | 0.171192% | 0.173956% | 0.160135% | 0.166966% |
| Employer's proportionate share of the net pension liability | \$ 2,032,522 | \$ 1,625,596 | \$ 2,922,951 | \$ 6,044,139 | \$ 8,062,671 | \$ 5,965,790 |
| Covered payroll | \$ 18,630,526 | \$ 18,607,574 | \$ 17,769,774 | \$ 16,452,758 | \$ 14,924,219 | \$ 14,819,525 |
| Employer's proportionate share of the net pension liability as a percentage of covered payroll | 10.91% | 8.74% | 16.45% | 36.74% | 54.02% | 40.26% |
| Plan fiduciary net position as a percentage of the total pension liability | 97.22% | 97.77% | 95.77% | 90.97% | 85.82% | 89.20% |

PSERS 2

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|--------------|--------------|-------------|-------------|-------------|-------------|
| Employer's proportion of the net pension liability | 0.192976% | 0.267048% | 0.227010% | 0.218084% | 0.209520% | 0.231513% |
| Employer's proportionate share of the net pension liability (asset) | \$ (26,553) | \$ (34,727) | \$ 2,813 | \$ 42,729 | \$ 89,042 | \$ 42,256 |
| Covered payroll | \$ 1,136,207 | \$ 1,330,176 | \$ 890,458 | \$ 742,200 | \$ 679,047 | \$ 677,061 |
| Employer's proportionate share of the net pension liability (asset) as a percentage of covered payroll | -2.34% | -2.61% | 0.32% | 5.76% | 13.11% | 6.24% |
| Plan fiduciary net position as a percentage of the total pension liability | 101.68% | 101.85% | 99.79% | 96.26% | 90.41% | 95.08% |

LEOFF 1

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|---------------|---------------|---------------|---------------|--------------|--------------|
| Employer's proportion of the net pension asset | 0.099087% | 0.099898% | 0.099543% | 0.097900% | 0.096516% | 0.095588% |
| Employer's proportionate share of the net pension asset | \$ 1,871,267 | \$ 1,974,595 | \$ 1,807,205 | \$ 1,485,358 | \$ 994,391 | \$ 1,151,685 |
| State's proportionate share of the net pension asset associated with the employer | \$ 12,657,203 | \$ 13,356,111 | \$ 12,223,890 | \$ 10,046,927 | \$ 6,726,036 | \$ 7,789,969 |
| TOTAL | \$ 14,528,470 | \$ 15,330,705 | \$ 14,031,095 | \$ 11,532,286 | \$ 7,720,427 | \$ 8,941,654 |
| Covered payroll | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Employer's proportionate share of the net pension asset as a percentage of covered payroll | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Plan fiduciary net position as a percentage of the total pension asset | 146.88% | 148.78% | 144.42% | 135.96% | 123.74% | 127.36% |

(continued)

City of Lynnwood, Washington
Schedule of Proportionate Share of the Net Pension Liability/Asset
As of June 30
LEOFF 2

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|---------------------|---------------------|---------------------|----------------------|---------------------|---------------------|
| Employer's proportion of the net pension asset | 0.229167% | 0.243037% | 0.294521% | 0.486125% | 0.433881% | 0.456878% |
| Employer's proportionate share of the net pension asset | \$ 4,674,672 | \$ 5,630,421 | \$ 5,979,418 | \$ 6,745,840 | \$ 2,523,582 | \$ 4,695,792 |
| State's proportionate share of the net pension asset associated with the employer | \$ 2,989,099 | \$ 3,687,171 | \$ 3,871,561 | \$ 4,375,900 | \$ 1,645,192 | \$ 3,104,893 |
| TOTAL | \$ 7,663,771 | \$ 9,317,592 | \$ 9,850,979 | \$ 11,121,740 | \$ 4,168,774 | \$ 7,800,685 |
| Employer's covered payroll | \$ 8,362,577 | \$ 8,826,066 | \$ 8,037,687 | \$ 13,394,830 | \$ 13,144,036 | \$ 13,258,319 |
| Employer's proportionate share of the net pension asset as a percentage of covered employee payroll | 55.90% | 63.79% | 74.39% | 50.36% | 19.20% | -35.42% |
| Plan fiduciary net position as a percentage of the total pension asset | 115.83% | 119.43% | 118.50% | 113.36% | 106.04% | 111.67% |

The City currently does not have 10 years of pension data available. Schedule prepared prospectively from 2015.

City of Lynnwood, Washington
Schedule of Employer Contributions
 For the year ended December 31, 2020

PERS 1

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|------------------|------------------|------------------|------------------|------------------|------------------|
| Contractually required contributions | \$ 979,983 | \$ 991,659 | \$ 974,283 | \$ 875,695 | \$ 815,773 | \$ 666,898 |
| Contributions in relation to the contractually required contributions | <u>(979,983)</u> | <u>(991,659)</u> | <u>(974,283)</u> | <u>(875,695)</u> | <u>(815,773)</u> | <u>(666,898)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll | \$ 19,105,465 | \$ 19,973,778 | \$ 19,206,552 | \$ 17,822,990 | \$ 16,981,523 | \$ 15,137,651 |
| Contributions as a percentage of covered payroll | 5.13% | 4.96% | 5.07% | 4.91% | 4.80% | 4.41% |

PERS 2/3

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Contractually required contributions | \$ 1,507,080 | \$ 1,424,123 | \$ 1,352,402 | \$ 1,159,549 | \$ 1,773,885 | \$ 1,441,968 |
| Contributions in relation to the contractually required contributions | <u>(1,507,080)</u> | <u>(1,424,123)</u> | <u>(1,352,402)</u> | <u>(1,159,549)</u> | <u>(1,773,885)</u> | <u>(1,441,968)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll | \$ 19,031,231 | \$ 18,664,837 | \$ 18,039,335 | \$ 17,006,678 | \$ 16,127,212 | \$ 14,415,414 |
| Contributions as a percentage of covered payroll | 7.92% | 7.63% | 7.50% | 6.82% | 11.00% | 10.00% |

PSERS 2

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Contractually required contributions | \$ 87,412 | \$ 88,603 | \$ 73,584 | \$ 86,976 | \$ 86,478 | \$ 71,594 |
| Contributions in relation to the contractually required contributions | <u>(87,412)</u> | <u>(88,603)</u> | <u>(73,584)</u> | <u>(86,976)</u> | <u>(86,478)</u> | <u>(71,594)</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll | \$ 1,214,056 | \$ 1,242,756 | \$ 1,074,157 | \$ 760,560 | \$ 761,251 | \$ 658,733 |
| Contributions as a percentage of covered payroll | 7.20% | 7.13% | 6.85% | 11.44% | 11.36% | 10.87% |

(continued)

City of Lynnwood, Washington
Schedule of Employer Contributions
 For the year ended December 31, 2020

LEOFF 2

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|--------------|--------------|--------------|---------------|---------------|---------------|
| Statutorily or contractually required contributions | \$ 458,033 | \$ 459,958 | \$ 417,061 | \$ 684,235 | \$ 719,240 | \$ 641,223 |
| Contributions in relation to the statutorily or contractually required contributions | \$ (458,033) | \$ (459,958) | \$ (417,061) | \$ (684,235) | \$ (719,240) | \$ (641,223) |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll | \$ 8,893,832 | \$ 8,837,932 | \$ 7,944,020 | \$ 13,337,545 | \$ 14,242,374 | \$ 12,697,473 |
| Contributions as a percentage of covered employee payroll | 5.15% | 5.20% | 5.25% | 5.13% | 5.05% | 5.05% |

Note to Schedule:

The City currently does not have 10 years of pension data available. Schedule prepared prospectively from 2015.

City of Lynnwood, Washington
Schedule of Changes in Net Pension Liability and Related Ratios
Firemen's Pension
For the year ended December 31, 2020

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|---------------------|---------------------|-------------------|---------------------|-------------------|-------------------|-------------------|
| Total pension liability | | | | | | | |
| Interest | \$ 40,740 | \$ 50,965 | \$ 43,728 | \$ 48,141 | \$ 47,947 | \$ 41,432 | \$ 41,801 |
| Changes in benefit terms | - | - | - | - | - | - | 54,392 |
| Differences between expected and actual experience | 146,585 | 356,504 | - | 116,948 | (38,717) | 32,573 | - |
| Changes of assumptions | (130,094) | (114,417) | (132,101) | 104,541 | - | 194,582 | - |
| Benefit payments | (76,327) | (95,102) | (95,103) | (96,468) | (94,313) | (70,585) | (73,119) |
| Net change in total pension liability | (19,096) | 197,950 | (183,476) | 173,162 | (85,083) | 198,002 | 23,074 |
| Total pension liability - beginning | 1,519,629 | 1,321,679 | 1,505,155 | 1,331,993 | 1,417,076 | 1,219,074 | 1,196,000 |
| Total pension liability - ending (a) | <u>1,500,533</u> | <u>1,519,629</u> | <u>1,321,679</u> | <u>1,505,155</u> | <u>1,331,993</u> | <u>1,417,076</u> | <u>1,219,074</u> |
| Plan fiduciary net position | | | | | | | |
| Contributions - employer | 66,367 | 62,165 | 61,710 | 54,134 | 55,130 | 55,515 | 56,875 |
| Net investment income | 6,393 | 9,686 | 3,639 | 7,108 | - | - | 651 |
| Benefit payments, including refunds of contributions | (76,327) | (95,102) | (95,103) | (96,468) | (94,313) | (70,585) | (73,119) |
| Administrative expense | - | (2,000) | (4,500) | (2,000) | (4,250) | - | (21,825) |
| Other | - | - | - | - | (59,479) | (90,652) | (45,326) |
| Net change in plan fiduciary net position | (3,567) | (25,251) | (34,254) | (37,226) | (102,912) | (105,722) | (82,744) |
| Plan fiduciary net position - beginning | 310,027 | 335,278 | 369,532 | 406,758 | 509,670 | 615,392 | 698,136 |
| Plan fiduciary net position - ending (b) | <u>\$ 306,460</u> | <u>\$ 310,027</u> | <u>\$ 335,278</u> | <u>\$ 369,532</u> | <u>\$ 406,758</u> | <u>\$ 509,670</u> | <u>\$ 615,392</u> |
| Net pension liability ending (a) - (b) | <u>\$ 1,194,073</u> | <u>\$ 1,209,602</u> | <u>\$ 986,401</u> | <u>\$ 1,135,623</u> | <u>\$ 925,235</u> | <u>\$ 907,406</u> | <u>\$ 603,682</u> |
| Plan fiduciary net position as a % of total pension liability (b)/(a) | 20.4% | 20.4% | 25.4% | 24.6% | 30.5% | 36.0% | 50.5% |
| Covered payroll | - | - | - | - | - | - | - |
| Net pension liability as a % of covered employee payroll | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

Notes to Schedule:

Factors that significantly effect trends include changes in the size of the population covered by the benefit terms or the use of different assumptions.

The City currently does not have 10 years of pension data available. Schedule prepared prospectively from 2014.

City of Lynnwood, Washington
Schedule of Employer Contributions
Firemen's Pension
Last 10 Fiscal Years
For the year ended December 31, 2020

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Actuarially/statutorily/contractually determined contribution | \$ 116,323 | \$ 105,216 | \$105,216 | \$ 77,442 | \$ 77,442 | \$ 43,999 | \$ 43,999 | \$ 51,946 | \$ 51,946 | \$ 49,477 |
| Actual contribution in relation to the above * | 66,367 | 62,165 | 60,146 | 54,134 | (4,349) | (35,137) | (10,276) | (3,753) | 1,536 | (11,407) |
| Contribution deficiency (excess) | <u>\$ 49,956</u> | <u>\$ 43,051</u> | <u>\$ 45,070</u> | <u>\$ 23,308</u> | <u>\$ 81,791</u> | <u>\$ 79,136</u> | <u>\$ 54,275</u> | <u>\$ 55,699</u> | <u>\$ 50,410</u> | <u>\$ 60,884</u> |
| Covered payroll | - | - | - | - | - | - | - | - | - | - |
| Contributions as a % of covered-employee payroll | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

Notes to Schedule:

Valuation Full date: December 31, 2020

Methods and assumptions used to determine contribution rates:

Actuarial cost method - entry age normal

Amortization method - 30-year, closed as of January 1, 1999

Remaining amortization period - 15 Years

Asset valuation method - Fair Value

Inflation - 2.00%

Salary increases - 2.50%

Investment rate of return - 4.00%

Mortality - RP-2000 using scale BB

* Employer contributions for pensions are total contributions to the Fund net of disbursements from the Fund for medical expenses under RCW 41.26.150. It includes revenues from fire insurance premium taxes. Prior to 2014, administrative expenses were also subtracted from employer contributions.

City of Lynnwood, Washington
Schedule of Investment Returns
Firemen's Pension
Last 10 Fiscal Years
For the year ended December 31, 2020

| | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> | <u>2011</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Annual money-weighted rate of return, net of investment expense | 2.07% | 3.00% | 1.03% | 1.83% | 0.00% | 0.00% | 0.09% | 0.14% | 0.16% | 0.22% |

City of Lynnwood, Washington
Schedule of Changes in Total OPEB Liability and Related Ratios
LEOFF 1 Retiree Medical and Long-Term Care Benefits
Last Three Fiscal Years ⁽¹⁾

| | June 30, ⁽²⁾ | | |
|---|-------------------------|---------------------|----------------------|
| | 2020 | 2019 | 2018 |
| Total OPEB liability - beginning | \$ 9,854,835 | \$ 11,617,646 | \$ 12,036,582 |
| Interest | 337,538 | 441,313 | 422,777 |
| Differences between expected and actual experience | | | |
| Changes of assumptions | 901,628 | (1,771,614) | (383,326) |
| Benefit payments | <u>(425,433)</u> | <u>(432,510)</u> | <u>(458,387)</u> |
| Net change in total OPEB liability | <u>813,733</u> | <u>(1,762,811)</u> | <u>(418,936)</u> |
| Total OPEB liability - ending | <u>\$ 10,668,568</u> | <u>\$ 9,854,835</u> | <u>\$ 11,617,646</u> |
| Covered payroll | - | - | - |
| Total OPEB liability as a % of covered payroll | N/A | N/A | N/A |

Notes to Schedule:

⁽¹⁾ Until a full 10-year trend is compiled, only information beginning with 2018 is presented.

⁽²⁾ Although the City reports on a December 31 year end, the valuation dates are as of June 30.

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

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SUPPLEMENTARY
FINANCIAL
INFORMATION

City of Lynnwood, Washington
Combining Balance Sheet
Nonmajor Governmental Funds - By Fund Type
December 31, 2020

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Fund | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|---|---|--|--|
| Assets | | | | |
| Cash and cash equivalents | \$ 7,677,088 | \$ 111,902 | \$ 5,280,192 | \$ 13,069,182 |
| Investments | 5,682,326 | - | 5,468,578 | 11,150,904 |
| Receivables: | | | | |
| Accounts | 180,331 | - | 1,000 | 181,331 |
| Taxes | 1,077,739 | - | 501,076 | 1,578,815 |
| Intergovernmental | 59,514 | - | 363,879 | 423,393 |
| Total Assets | \$ 14,676,998 | \$ 111,902 | \$ 11,614,725 | \$ 26,403,625 |
| Liabilities, Deferred Inflows and Fund Balances | | | | |
| Liabilities | | | | |
| Accounts payable | \$ 463,179 | \$ - | \$ 1,446,021 | \$ 1,909,200 |
| Accrued salaries and wages payable | 42,227 | - | - | 42,227 |
| Other current liabilities payable | 1,216 | - | 15,115 | 16,331 |
| Total Liabilities | 506,622 | - | 1,461,136 | 1,967,758 |
| Deferred Inflows of Resources | | | | |
| Deferred Inflows - Grants | 11,510 | - | 114,784 | 126,294 |
| Total Deferred Inflows of Resources | 11,510 | - | 114,784 | 126,294 |
| Total Liabilities and Deferred Inflows of Resources | 518,132 | - | 1,575,920 | 2,094,052 |
| Fund Balances | | | | |
| Committed | 300,655 | - | 1,270,708 | 1,571,363 |
| Assigned | - | - | - | |
| Restricted | 13,858,211 | 111,902 | 8,768,097 | 22,738,210 |
| Total Fund Balances | 14,158,866 | 111,902 | 10,038,805 | 24,309,573 |
| Total Liabilities, Deferred Inflows and Fund Balances | \$ 14,676,998 | \$ 111,902 | \$ 11,614,725 | \$ 26,403,625 |

City of Lynnwood, Washington
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds - By Fund Type
For the Year Ended December 31, 2020

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Fund | Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|--|---|---|--|--|
| Revenues | | | | |
| Taxes | \$ 4,968,044 | \$ - | \$ 1,794,326 | \$ 6,762,370 |
| Intergovernmental | 1,054,428 | - | 510,035 | 1,564,463 |
| Charges for services | 2,560,961 | - | - | 2,560,961 |
| Licenses and permits | 162,660 | - | - | 162,660 |
| Other interest | - | 1,060 | - | 1,060 |
| Fines and forfeitures | 41,722 | - | - | 41,722 |
| Investment interest | 127,789 | - | 118,259 | 246,048 |
| Miscellaneous | 68,347 | - | 1,000 | 69,347 |
| Total Revenues | 8,983,951 | 1,060 | 2,423,620 | 11,408,631 |
| Expenditures | | | | |
| Current: | | | | |
| General government | - | - | 72,588 | 72,588 |
| Economic environment | 720,625 | - | 43,978 | 764,603 |
| Public safety | 304,009 | - | - | 304,009 |
| Transportation | 2,320,849 | - | - | 2,320,849 |
| Culture and recreation | 64,344 | - | 180,967 | 245,311 |
| Utilities | 38,390 | - | - | 38,390 |
| Capital Outlay | 88,639 | - | 3,028,294 | 3,116,933 |
| Debt Service: | | | | |
| Principal retirement | - | 860,000 | - | 860,000 |
| Interest and fiscal charges | - | 796,013 | - | 796,013 |
| Total Expenditures | 3,536,856 | 1,656,013 | 3,325,827 | 8,518,696 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 5,447,095 | (1,654,953) | (902,207) | 2,889,935 |
| Other Financing Sources (Uses) | | | | |
| Proceeds from disposition of assets | - | - | - | - |
| Transfers in | 1,421,950 | 1,656,638 | 2,458,797 | 5,537,385 |
| Transfers (out) | (4,144,947) | (686,965) | (1,020,495) | (5,852,407) |
| Total Other Financing Sources (Uses) | (2,722,997) | 969,673 | 1,438,302 | (315,022) |
| Net Change in Fund Balances | 2,724,098 | (685,280) | 536,095 | 2,574,913 |
| Fund Balances Beginning of Year | 11,434,768 | 797,182 | 9,502,710 | 21,734,660 |
| Fund Balances End of Year | \$ 14,158,866 | \$ 111,902 | \$ 10,038,805 | \$ 24,309,573 |

City of Lynnwood, Washington
General Fund
Comparative Balance Sheet
December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|---|----------------------|----------------------|
| Assets | | |
| Cash and cash equivalents | \$ 8,108,570 | \$ 9,716,165 |
| Investments | 5,622,284 | 5,022,355 |
| Receivables: | | |
| Accounts | 2,952,765 | 3,610,562 |
| Property taxes | 118,632 | 118,177 |
| Sales taxes | 4,511,108 | 4,546,792 |
| Utility taxes | 828,062 | 965,208 |
| Other taxes | 133,336 | 295,760 |
| Interest receivable | - | 7,103 |
| Intergovernmental | 1,335,893 | 718,653 |
| Interfund | 1,118,000 | 1,251,000 |
| Prepaid items | 97,776 | 17,259 |
| Total Assets | <u>\$ 24,826,426</u> | <u>\$ 26,269,034</u> |
| Liabilities, Deferred Inflows of Resources and Fund Balances | | |
| Liabilities | | |
| Accounts payable | \$ 767,131 | \$ 706,918 |
| Accrued salaries and wages payable | 862,819 | 1,695,670 |
| Custodial accounts payable | - | - |
| Other current liabilities payable | 255,203 | 295,733 |
| Total Liabilities | 1,885,153 | 2,698,321 |
| Deferred Inflows of Resources | | |
| Deferred Inflows of Resources - property tax | 81,628 | 93,939 |
| Deferred Inflows of Resources - municipal court | 2,041,718 | 2,248,363 |
| Deferred Inflows of Resources - red-light photo | 550,192 | 528,176 |
| Deferred Inflows of Resources - grants | 229,043 | - |
| Total Deferred Inflows of Resources | <u>2,902,581</u> | <u>2,870,478</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>4,787,734</u> | <u>5,568,799</u> |
| Fund Balances | | |
| Nonspendable | 97,776 | 17,259 |
| Committed | 4,870,033 | 6,000,000 |
| Assigned | 11,043,874 | 10,574,675 |
| Unassigned | 4,027,009 | 4,108,301 |
| Total Fund Balances | <u>20,038,692</u> | <u>20,700,235</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 24,826,426</u> | <u>\$ 26,269,034</u> |

City of Lynnwood, Washington
General Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended December 31, 2020 and 2019

| | 2020 | 2019 |
|---|----------------------|----------------------|
| Revenues | | |
| Property taxes | \$ 4,280,479 | \$ 3,991,045 |
| Sales taxes | 21,020,927 | 23,662,407 |
| Business taxes | 5,878,987 | 6,726,034 |
| Other taxes | 8,357 | 3,719 |
| Licenses and permits | 5,456,588 | 3,657,910 |
| Intergovernmental revenues | 3,209,297 | 2,985,269 |
| Charges for services | 1,995,107 | 3,407,284 |
| Fines and forfeitures | 3,112,338 | 4,774,184 |
| Investment earnings | 214,224 | 291,274 |
| Rents and concessions | 157,398 | 412,286 |
| Miscellaneous | 124,249 | 206,130 |
| Total Revenues | 45,457,951 | 50,117,542 |
| Expenditures | | |
| Current: | | |
| General government | 10,165,323 | 8,440,744 |
| Economic environment | 4,241,544 | 4,249,562 |
| Judicial | 1,014,419 | 1,024,232 |
| Culture and recreation | 5,857,382 | 7,415,174 |
| Public safety | 20,810,597 | 22,728,095 |
| Social services | 447,230 | 553,170 |
| Transportation | 1,481,523 | 1,165,626 |
| Debt service: | | |
| Interest | - | - |
| Capital outlay | 181,853 | 115,283 |
| Total Expenditures | 44,199,871 | 45,691,886 |
| Excess (Deficiency) of Revenues | | |
| Over (Under) Expenditures | 1,258,080 | 4,425,656 |
| Other Financing Sources (Uses) | | |
| Transfers in | 886,965 | 380,805 |
| Transfers (out) | (2,806,588) | (4,996,788) |
| Total Other Financing Sources (Uses) | (1,919,623) | (4,615,983) |
| Net Change in Fund Balances | (661,543) | (190,327) |
| Fund Balances Beginning of Year | 20,700,235 | 20,890,562 |
| Fund Balances End of Year | \$ 20,038,692 | \$ 20,700,235 |

City of Lynnwood, Washington
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Economic Development Infrastructure Fund - Budget Basis
For the Biennium Ended December 31, 2020

| | Original 2019-2020 Biennial Budget | Final 2019-2020 Biennial Budget | 2019 Actual | 2020 Actual | Variance With Final Budget |
|--|---|--|------------------------|------------------------|---|
| Revenues | | | | | |
| Sales tax | \$ 1,475,721 | \$ 1,475,721 | \$ 1,106,141 | \$ - | \$ (369,580) |
| Licenses and permits | 1,410,000 | 1,410,000 | 348,252 | - | (1,061,748) |
| Miscellaneous | 100,000 | 100,000 | 315,591 | 137,825 | 353,416 |
| Total Revenues | <u>2,985,721</u> | <u>2,985,721</u> | <u>1,769,984</u> | <u>137,825</u> | <u>(1,077,912)</u> |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 2,985,721 | 2,985,721 | 1,769,984 | 137,825 | (1,077,912) |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | 750,000 | 750,000 | 375,000 | 375,000 | - |
| Transfers out | <u>(7,000,000)</u> | <u>(7,000,000)</u> | <u>(1,030,000)</u> | <u>(28,000)</u> | <u>6,972,000</u> |
| Net Changes in Fund Balances | (3,264,279) | (3,264,279) | 1,114,984 | 484,825 | 4,864,088 |
| Fund Balances Beginning of Year | <u>8,103,577</u> | <u>9,444,064</u> | <u>9,444,064</u> | <u>10,559,048</u> | <u>-</u> |
| Fund Balances End of Year | <u>\$ 4,839,298</u> | <u>\$ 6,179,785</u> | <u>\$ 10,559,048</u> | <u>\$ 11,043,873</u> | <u>\$ 4,864,088</u> |

The General Fund, as presented for financial reporting purposes, includes the separately adopted budgets of the General Fund, Economic Development Fund, Revenue Stabilization Fund and Program Development Fund on the GAAP basis. This schedule presents the information for the legally adopted Economic Development Infrastructure Fund budget only. Reference attached Note 1 to RSI.

City of Lynnwood, Washington
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Revenue Stabilization Fund - Budget Basis
For the Biennium Ended December 31, 2020

| | Original 2019-2020 Biennial Budget | Final 2019-2020 Biennial Budget | 2019 Actual | 2020 Actual | Variance With Final Budget |
|--|---|--|------------------------|------------------------|---|
| Total Revenues | - | - | - | - | - |
| Total Expenditures | - | - | - | - | - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | - | - | - |
| Other Financing Sources (Uses) | | | | | |
| Transfers out | - | (1,500,000) | - | (1,129,967) | 370,033 |
| Net Changes in Fund Balances | - | (1,500,000) | - | (1,129,967) | 370,033 |
| Fund Balances Beginning of Year | 6,000,000 | 6,000,000 | 6,000,000 | 6,000,000 | - |
| Fund Balances End of Year | <u>\$ 6,000,000</u> | <u>\$ 4,500,000</u> | <u>\$ 6,000,000</u> | <u>\$ 4,870,033</u> | <u>\$ 370,033</u> |

The General Fund, as presented for financial reporting purposes, includes the separately adopted budgets of the General Fund, Economic Development Fund, Revenue Stabilization Fund and Program Development Fund on the GAAP basis. This schedule presents the information for the legally adopted Revenue Stabilization Fund budget only. Reference attached Note 1 to RSI.

City of Lynnwood, Washington
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Program Development Fund - Budget Basis
For the Biennium Ended December 31, 2020

| | Original 2019-2020 Biennial Budget | Final 2019-2020 Biennial Budget | 2019 Actual | 2020 Actual | Variance With Final Budget |
|--|---|--|------------------------|------------------------|---|
| Total Revenues | - | - | - | - | - |
| Total Expenditures | - | - | - | - | - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | - | - | - |
| Other Financing Sources (Uses) | | | | | |
| Transfers out | - | (15,627) | - | (15,627) | - |
| Net Changes in Fund Balances | - | (15,627) | - | (15,627) | - |
| Fund Balances Beginning of Year | 627 | 15,627 | 15,627 | 15,627 | - |
| Fund Balances End of Year | \$ 627 | \$ - | \$ 15,627 | \$ - | \$ - |

The General Fund, as presented for financial reporting purposes, includes the separately adopted budgets of the General Fund, Economic Development Fund, Revenue Stabilization Fund and Program Development Fund on the GAAP basis. This schedule presents the information for the legally adopted Program Development Fund budget only. Reference attached Note 1 to RSI.

City of Lynnwood, Washington
Transportation Capital Fund
Comparative Balance Sheet
December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|---------------------|---------------------|
| Assets | | |
| Cash and cash equivalents | \$ 1,617,487 | \$ 5,984,074 |
| Investments | 1,150,395 | |
| Due from other governments | <u>612</u> | <u>1,945,251</u> |
| Total Assets | 2,768,494 | 7,929,325 |
| Liabilities | | |
| Accounts payable | 235,707 | 1,056,899 |
| Retainage payable | - | - |
| Wages payable | <u>1,070</u> | <u>3,539</u> |
| Total Liabilities | 236,777 | 1,060,438 |
| Deferred Inflow of Resources | | |
| Deferred Inflow of Resources - Grant Revenue | <u>356</u> | <u>1,179,297</u> |
| Total Deferred Inflows of Resources | <u>356</u> | <u>1,179,297</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>237,133</u> | <u>2,239,735</u> |
| Fund Balances | | |
| Restricted for capital outlay | <u>2,531,361</u> | <u>5,689,590</u> |
| Total Liabilities and Fund Balances | <u>\$ 2,768,494</u> | <u>\$ 7,929,325</u> |

City of Lynnwood, Washington
Transportation Capital Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
December 31, 2020 and 2019

| | 2020 | 2019 |
|--|---------------------|---------------------|
| Revenues | | |
| Intergovernmental | \$ 2,489,756 | \$ 4,185,769 |
| Investment interest | 23,477 | - |
| Rents and leases | 46,791 | - |
| Miscellaneous | 70,321 | - |
| Total Revenues | 2,630,345 | 4,185,769 |
| Expenditures | | |
| Current | | |
| Transportation | 2,352,855 | 2,069,371 |
| Capital Outlay - Transportation | 5,631,683 | 7,492,391 |
| Total Expenditures | 7,984,538 | 9,561,762 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (5,354,193) | (5,375,993) |
| Other Financing Sources (Uses) | | |
| Transfers in | 2,234,645 | 4,880,846 |
| Transfers out | - | - |
| Other Financing Sources (Uses) | 2,234,645 | 4,880,846 |
| Net Change in Fund Balances | (3,119,548) | (495,147) |
| Fund Balances Beginning of Year | 5,689,590 | 6,723,434 |
| Prior Period Adjustment | (38,681) | (538,697) |
| Fund Balances End of Year | \$ 2,531,361 | \$ 5,689,590 |

City of Lynnwood, Washington
Transportation Capital Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Biennium Ended December 31, 2020

| | Original 2019-2020 Biennial Budget | Final 2019-2020 Biennial Budget | 2019 Actual | 2020 Actual | Variance With Final Budget |
|--|---|--|------------------------|------------------------|---|
| Revenues | | | | | |
| Intergovernmental | \$ 38,028,341 | \$ 38,028,341 | \$ 4,185,769 | \$ 2,489,756 | \$ (31,352,816) |
| Investment interest | - | - | - | 23,477 | 23,477 |
| Rents and leases | - | - | - | 46,791 | 46,791 |
| Miscellaneous | - | - | - | 70,321 | 70,321 |
| Total Revenues | <u>38,028,341</u> | <u>38,028,341</u> | <u>4,185,769</u> | <u>2,630,345</u> | <u>(31,212,227)</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| Transportation | 19,868,739 | - | 2,069,371 | 2,352,855 | (4,422,226) |
| Capital Outlay - Transportation | <u>36,896,091</u> | <u>66,779,841</u> | <u>7,492,391</u> | <u>5,631,683</u> | <u>53,655,767</u> |
| Total Expenditures | <u>56,764,830</u> | <u>66,779,841</u> | <u>9,561,762</u> | <u>7,984,538</u> | <u>49,233,541</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (18,736,489) | (28,751,500) | (5,375,993) | (5,354,193) | 18,021,314 |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | <u>15,106,489</u> | <u>14,725,454</u> | <u>4,880,846</u> | <u>2,234,645</u> | <u>(7,609,963)</u> |
| Net Changes in Fund Balances | (3,630,000) | (14,026,046) | (495,147) | (3,119,548) | 10,411,351 |
| Fund Balances Beginning of Year | <u>6,844,075</u> | <u>15,708,445</u> | <u>6,723,434</u> | <u>5,689,590</u> | <u>(8,985,011)</u> |
| Prior Period Adjustment | - | - | (538,697) | (38,681) | (577,378) |
| Fund Balances End of Year | <u>\$ 3,214,075</u> | <u>\$ 1,682,399</u> | <u>\$ 5,689,590</u> | <u>\$ 2,531,361</u> | <u>\$ 848,962</u> |

City of Lynnwood, Washington
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2020

| | Lodging Tax | Drug Enforcement | Criminal Justice Reserve | Transportation Impact Fee | Street Operating | Cumulative Park Reserve and Development | Cumulative Art Reserve |
|--|------------------------|-----------------------------|---|--|-----------------------------|--|---------------------------------------|
| Assets | | | | | | | |
| Cash and cash equivalents | \$ 619,614 | \$ 196,313 | \$ 1,278,935 | \$ 1,132,080 | \$ 2,234 | \$ 42,324 | \$ 24,096 |
| Investments | 641,243 | 96,066 | 1,325,716 | 1,176,813 | - | 45,632 | 26,418 |
| Receivables: | | | | | | | |
| Accounts | - | - | - | - | 180,331 | - | - |
| Taxes | 41,385 | - | 167,266 | - | 109,711 | - | - |
| Intergovernmental | - | - | 49,151 | - | 6,612 | - | - |
| Total Assets | \$ 1,302,242 | \$ 292,379 | \$ 2,821,068 | \$ 2,308,893 | \$ 298,888 | \$ 87,956 | \$ 50,514 |
| Liabilities and Fund Balances | | | | | | | |
| Liabilities | | | | | | | |
| Accounts payable | \$ 405,434 | \$ 117 | \$ 18 | \$ - | \$ 22,748 | \$ - | \$ - |
| Accrued salaries and wages payable | 2,612 | - | 7,045 | - | 31,601 | - | - |
| Other liabilities | - | - | - | - | 1,216 | - | - |
| Unearned revenue | - | - | - | - | - | - | - |
| Total Liabilities | 408,046 | 117 | 7,063 | - | 55,565 | - | - |
| Deferred Inflows of Resources | | | | | | | |
| Deferred Inflows of Resources - Grants | - | - | 11,510 | - | - | - | - |
| Total Deferred Inflows of Resources | - | - | 11,510 | - | - | - | - |
| Total Liabilities and Deferred Inflows of Resources | 408,046 | 117 | 18,573 | - | 55,565 | - | - |
| Fund Balances | | | | | | | |
| Committed | - | - | - | - | - | - | 50,514 |
| Restricted | 894,196 | 292,262 | 2,802,495 | 2,308,893 | 243,323 | 87,956 | - |
| Total Fund Balances | 894,196 | 292,262 | 2,802,495 | 2,308,893 | 243,323 | 87,956 | 50,514 |
| Total Liabilities and Fund Balances | \$ 1,302,242 | \$ 292,379 | \$ 2,821,068 | \$ 2,308,893 | \$ 298,888 | \$ 87,956 | \$ 50,514 |

(continued)

City of Lynnwood, Washington
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2020

| | Cumulative Aid Car Reserve | Tree Fund Reserve | Paths and Trails | Solid Waste | Supportive Housing | Park Impact Fee | Transportation Benefit District | Total Nonmajor Special Revenue Funds |
|--|----------------------------------|-------------------------|------------------------|------------------|-----------------------|-----------------------|---------------------------------------|---|
| Assets | | | | | | | | |
| Cash and cash equivalents | \$ 7,366 | \$ 268,030 | \$ 4,085 | \$ 84,060 | \$ 24,996 | \$ 1,194,163 | \$ 2,798,792 | \$ 7,677,088 |
| Investments | 9,607 | - | \$ 4,803 | - | 24,017 | 1,236,855 | 1,095,156 | 5,682,326 |
| Receivables: | | | | | | | | |
| Accounts | - | - | - | - | - | - | - | 180,331 |
| Taxes | - | - | - | - | 38,280 | - | 721,097 | 1,077,739 |
| Intergovernmental | - | - | - | 3,751 | - | - | - | 59,514 |
| Restricted assets | - | - | - | - | - | - | - | - |
| Total Assets | \$ 16,973 | \$ 268,030 | \$ 8,888 | \$ 87,811 | \$ 87,293 | \$ 2,431,018 | \$ 4,615,045 | \$ 14,676,998 |
| Liabilities and Fund Balances | | | | | | | | |
| Liabilities | | | | | | | | |
| Accounts payable | \$ - | \$ 34,862 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 463,179 |
| Accrued salaries and wages payable | - | - | - | 241 | - | - | 728 | 42,227 |
| Other liabilities | - | - | - | - | - | - | - | 1,216 |
| Unearned revenue | - | - | - | - | - | - | - | - |
| Total Liabilities | - | 34,862 | - | 241 | - | - | 728 | 506,622 |
| Deferred Inflows of Resources | | | | | | | | |
| Deferred Inflows of Resources - Grants | - | - | - | - | - | - | - | 11,510 |
| Total Deferred Inflows of Resources | - | - | - | - | - | - | - | 11,510 |
| Total Liabilities and Deferred Inflows of Resources | - | 34,862 | - | 241 | - | - | 728 | 518,132 |
| Fund Balances | | | | | | | | |
| Committed | 16,973 | 233,168 | - | - | - | - | - | 300,655 |
| Restricted | - | - | 8,888 | 87,570 | 87,293 | 2,431,018 | 4,614,317 | 13,858,211 |
| Total Fund Balances | 16,973 | 233,168 | 8,888 | 87,570 | 87,293 | 2,431,018 | 4,614,317 | 14,158,866 |
| Total Liabilities and Fund Balances | \$ 16,973 | \$ 268,030 | \$ 8,888 | \$ 87,811 | \$ 87,293 | \$ 2,431,018 | \$ 4,615,045 | \$ 14,676,998 |

City of Lynnwood, Washington
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2020

| | Lodging Tax | Drug Enforcement | Criminal Justice Reserve | Transportation Impact Fee | Street Operating | Cumulative Park Reserve and Development | Cumulative Art Reserve |
|--|------------------------|-----------------------------|---|--|-----------------------------|--|---------------------------------------|
| Revenues | | | | | | | |
| Taxes | \$ 333,224 | \$ - | \$ 771,350 | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | - | 120,860 | 139,923 | - | 769,960 | - | - |
| Charges for services | - | - | 50,767 | 261,822 | 1,587 | - | - |
| Licenses and permits | - | - | - | - | 160,193 | - | - |
| Fines and forfeitures | - | 41,722 | - | - | - | - | - |
| Investment interest | - | 3,050 | 43,454 | 28,357 | - | 1,018 | 636 |
| Miscellaneous | 14,646 | - | 28,000 | - | 1,773 | 10,928 | - |
| Total Revenues | 347,870 | 165,632 | 1,033,494 | 290,179 | 933,513 | 11,946 | 636 |
| Expenditures | | | | | | | |
| Current: | | | | | | | |
| Public safety | - | 103,850 | 200,159 | - | - | - | - |
| Economic Development | 720,625 | - | - | - | - | - | - |
| Transportation | - | - | - | - | 2,283,459 | - | - |
| Culture and recreation | - | - | - | - | - | 1,229 | - |
| Utilities | - | - | - | - | - | - | - |
| Capital Outlay | - | - | 27,043 | - | 61,596 | - | - |
| Total Expenditures | 720,625 | 103,850 | 227,202 | - | 2,345,055 | 1,229 | - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (372,755) | 61,782 | 806,292 | 290,179 | (1,411,542) | 10,717 | 636 |
| Other Financing Sources (Uses) | | | | | | | |
| Proceeds from disposition of assets | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | 1,395,450 | - | - |
| Transfers out | - | - | (1,595,302) | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | (1,595,302) | - | 1,395,450 | - | - |
| Net Change in Fund Balances | (372,755) | 61,782 | (789,010) | 290,179 | (16,092) | 10,717 | 636 |
| Fund Balances Beginning of Year | 1,266,951 | 230,480 | 3,591,505 | 2,018,714 | 259,415 | 77,239 | 49,878 |
| Fund Balances End of Year | \$ 894,196 | \$ 292,262 | \$ 2,802,495 | \$ 2,308,893 | \$ 243,323 | \$ 87,956 | \$ 50,514 |

(continued)

City of Lynnwood, Washington
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Special Revenue Funds
 For the Year Ended December 31, 2020

| | Cumulative Aid Car Reserve | Tree Fund Reserve | Solid Waste | Paths and Trails | Supportive Housing | Park Impact Fee | Transportation Benefit District | Total Nonmajor Special Revenue Funds |
|--|----------------------------------|-------------------------|------------------|------------------------|-----------------------|-----------------------|---------------------------------------|---|
| Revenues | | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ 87,112 | \$ - | \$ 3,776,358 | \$ 4,968,044 |
| Intergovernmental | - | - | 17,478 | 6,207 | - | - | - | 1,054,428 |
| Charges for services | - | - | - | - | - | 2,246,785 | - | 2,560,961 |
| Licenses and permits | - | 2,467 | - | - | - | - | - | 162,660 |
| Fines and forfeitures | - | - | - | - | - | - | - | 41,722 |
| Investment interest | 208 | - | - | - | 181 | 29,880 | 21,005 | 127,789 |
| Miscellaneous | - | - | - | - | - | 13,000 | - | 68,347 |
| Total Revenues | <u>208</u> | <u>2,467</u> | <u>17,478</u> | <u>6,207</u> | <u>87,293</u> | <u>2,289,665</u> | <u>3,797,363</u> | <u>8,983,951</u> |
| Expenditures | | | | | | | | |
| Current: | | | | | | | | |
| Public safety | - | - | - | - | - | - | - | 304,009 |
| Economic Development | - | - | - | - | - | - | - | 720,625 |
| Transportation | - | - | - | 6,171 | - | - | 31,219 | 2,320,849 |
| Culture and recreation | - | 63,115 | - | - | - | - | - | 64,344 |
| Utilities | - | - | 38,390 | - | - | - | - | 38,390 |
| Capital Outlay | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>88,639</u> |
| Total Expenditures | <u>-</u> | <u>63,115</u> | <u>38,390</u> | <u>6,171</u> | <u>-</u> | <u>-</u> | <u>31,219</u> | <u>3,536,856</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>208</u> | <u>(60,648)</u> | <u>(20,912)</u> | <u>36</u> | <u>87,293</u> | <u>2,289,665</u> | <u>3,766,144</u> | <u>5,447,095</u> |
| Other Financing Sources | | | | | | | | |
| Proceeds from disposition of assets | - | - | - | - | - | - | - | - |
| Transfers in | - | - | 26,500 | - | - | - | - | 1,421,950 |
| Transfers out | - | - | - | - | - | (43,000) | (2,506,645) | (4,144,947) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>26,500</u> | <u>-</u> | <u>-</u> | <u>(43,000)</u> | <u>(2,506,645)</u> | <u>(2,722,997)</u> |
| Net Change in Fund Balances | <u>208</u> | <u>(60,648)</u> | <u>5,588</u> | <u>36</u> | <u>87,293</u> | <u>2,246,665</u> | <u>1,259,499</u> | <u>2,724,098</u> |
| Fund Balances Beginning of Year | <u>16,765</u> | <u>293,816</u> | <u>81,982</u> | <u>8,852</u> | <u>-</u> | <u>184,353</u> | <u>3,354,818</u> | <u>11,434,768</u> |
| Fund Balances End of Year | <u>\$ 16,973</u> | <u>\$ 233,168</u> | <u>\$ 87,570</u> | <u>\$ 8,888</u> | <u>\$ 87,293</u> | <u>\$ 2,431,018</u> | <u>\$ 4,614,317</u> | <u>\$ 14,158,866</u> |

City of Lynnwood, Washington
Lodging Tax Fund
Comparative Balance Sheet
December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|---------------------|---------------------|
| Assets | | |
| Cash and cash equivalents | \$ 619,614 | \$ 721,675 |
| Investments | 641,243 | 654,144 |
| Receivables: | | |
| Taxes | 41,385 | 92,499 |
| Interest | - | - |
| Total Assets | <u>\$ 1,302,242</u> | <u>\$ 1,468,318</u> |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Accounts payable | \$ 405,434 | \$ 196,487 |
| Accrued salaries and wages payable | 2,612 | 4,880 |
| Total Liabilities | <u>408,046</u> | <u>201,367</u> |
| Fund Balances | | |
| Restricted | <u>894,196</u> | <u>1,266,951</u> |
| Total Liabilities and Fund Balances | <u>\$ 1,302,242</u> | <u>\$ 1,468,318</u> |

City of Lynnwood, Washington
Lodging Tax Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|-------------------|---------------------|
| Revenues | | |
| Taxes | \$ 333,224 | \$ 854,032 |
| Intergovernmental | - | 779,160 |
| Investment earnings | 14,646 | 37,654 |
| Total Revenues | <u>347,870</u> | <u>1,670,846</u> |
| Expenditures | | |
| Current: | | |
| Economic development | <u>720,625</u> | <u>1,555,800</u> |
| Total Expenditures | <u>720,625</u> | <u>1,555,800</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (372,755) | 115,046 |
| Net Change in Fund Balances | (372,755) | 115,046 |
| Fund Balances Beginning of Year | <u>1,266,951</u> | <u>1,151,905</u> |
| Fund Balances End of Year | <u>\$ 894,196</u> | <u>\$ 1,266,951</u> |

City of Lynnwood, Washington
Lodging Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Biennium Ended December 31, 2020

| | Original 2019-2020 Biennial Budget | Final 2019-2020 Biennial Budget | 2019 Actual | 2020 Actual | Variance With Final Budget |
|--|---|--|------------------------|------------------------|---|
| Revenues | | | | | |
| Taxes | \$ 1,713,322 | \$ 1,713,322 | \$ 854,032 | \$ 333,224 | \$ (526,066) |
| Intergovernmental | 1,589,486 | 1,589,486 | 779,160 | - | (810,326) |
| Investment earnings | 10,000 | 10,000 | 37,654 | 14,646 | 42,300 |
| Total Revenues | 3,312,808 | 3,312,808 | 1,670,846 | 347,870 | (1,294,092) |
| Expenditures | | | | | |
| Current: | | | | | |
| Economic development | 3,264,539 | 3,264,539 | 1,555,800 | 720,625 | 988,114 |
| Total Expenditures | 3,264,539 | 3,264,539 | 1,555,800 | 720,625 | 988,114 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 48,269 | 48,269 | 115,046 | (372,755) | (305,978) |
| Net Change in Fund Balances | 48,269 | 48,269 | 115,046 | (372,755) | (305,978) |
| Fund Balances Beginning of Year | 1,173,439 | 1,151,905 | 1,151,905 | 1,266,951 | - |
| Fund Balances End of Year | \$ 1,221,708 | \$ 1,200,174 | \$ 1,266,951 | \$ 894,196 | \$ (305,978) |

City of Lynnwood, Washington
Drug Enforcement Fund
Comparative Balance Sheet
December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|-------------------|-------------------|
| Assets | | |
| Cash and cash equivalents | \$ 196,313 | \$ 121,311 |
| Investments | 96,066 | 110,836 |
| Receivables: | | |
| Interest | - | - |
| Total Assets | <u>\$ 292,379</u> | <u>\$ 232,147</u> |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Accounts payable | \$ 117 | \$ 1,667 |
| Total Liabilities | 117 | 1,667 |
| Fund Balances | | |
| Restricted | 292,262 | 230,480 |
| Total Liabilities and Fund Balances | <u>\$ 292,379</u> | <u>\$ 232,147</u> |



City of Lynnwood, Washington
Drug Enforcement Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2020 and 2019

| | 2020 | 2019 |
|--|-------------------|-------------------|
| Revenues | | |
| Intergovernmental revenue | \$ 120,860 | \$ 124,117 |
| Fines and forfeitures | 41,722 | 39,235 |
| Investment earnings | 3,050 | 6,786 |
| Total Revenues | <u>165,632</u> | <u>170,138</u> |
| Expenditures | | |
| Current: | | |
| Public safety | 103,850 | 145,319 |
| Capital Outlay | <u>-</u> | <u>-</u> |
| Total Expenditures | <u>103,850</u> | <u>145,319</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>61,782</u> | <u>24,819</u> |
| Other Financing Sources (Uses) | | |
| Proceeds from disposition of capital assets | - | - |
| Transfers out | <u>-</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> |
| Net Changes in Fund Balances | 61,782 | 24,819 |
| Fund Balances Beginning of Year | <u>230,480</u> | <u>205,661</u> |
| Fund Balances End of Year | <u>\$ 292,262</u> | <u>\$ 230,480</u> |

City of Lynnwood, Washington
Drug Enforcement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Biennium Ended December 31, 2020

| | Original 2019-2020 Biennial Budget | Final 2019-2020 Biennial Budget | 2019 Actual | 2020 Actual | Variance With Final Budget |
|--|---|--|------------------------|------------------------|---|
| Revenues | | | | | |
| Intergovernmental revenue | \$ 200,000 | \$ 200,000 | \$ 124,117 | \$ 120,860 | \$ 44,977 |
| Fines and forfeitures | 70,000 | 70,000 | 39,235 | 41,722 | 10,957 |
| Investment interest | 2,000 | 2,000 | 6,786 | 3,050 | 7,836 |
| Total Revenues | <u>272,000</u> | <u>272,000</u> | <u>170,138</u> | <u>165,632</u> | <u>63,770</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| Public Safety | 100,000 | 100,000 | 145,319 | 103,850 | (149,169) |
| Capital Outlay | <u>160,000</u> | <u>160,000</u> | <u>-</u> | <u>-</u> | <u>160,000</u> |
| Total Expenditures | <u>260,000</u> | <u>260,000</u> | <u>145,319</u> | <u>103,850</u> | <u>10,831</u> |
| Net Change in Fund Balances | 12,000 | 12,000 | 24,819 | 61,782 | 74,601 |
| Fund Balances Beginning of Year | <u>144,144</u> | <u>205,661</u> | <u>205,661</u> | <u>230,480</u> | <u>-</u> |
| Fund Balances End of Year | <u>\$ 156,144</u> | <u>\$ 217,661</u> | <u>\$ 230,480</u> | <u>\$ 292,262</u> | <u>\$ 74,601</u> |

City of Lynnwood, Washington
Criminal Justice Reserve Fund
Comparative Balance Sheet
December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|---------------------|---------------------|
| Assets | | |
| Cash and cash equivalents | \$ 1,278,935 | \$ 1,800,199 |
| Investments | 1,325,716 | 1,632,102 |
| Receivables: | | |
| Accounts receivable | - | 15,076 |
| Taxes | 167,266 | 140,544 |
| Interest | - | - |
| Intergovernmental | 49,151 | 16,557 |
| Total Assets | <u>\$ 2,821,068</u> | <u>\$ 3,604,478</u> |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Accounts payable | \$ 18 | \$ 8,477 |
| Wages payable | 7,045 | 654 |
| Total Liabilities | 7,063 | 9,131 |
| Deferred Inflows of Resources | | |
| Deferred Inflows of Resources - Grants | 11,510 | 3,842 |
| Total Deferred Inflows of Resources | 11,510 | 3,842 |
| Total Liabilities and Deferred Inflows of Resources | 18,573 | 12,973 |
| Fund Balances | | |
| Restricted | 2,802,495 | 3,591,505 |
| Total Liabilities and Fund Balances | <u>\$ 2,821,068</u> | <u>\$ 3,604,478</u> |



City of Lynnwood, Washington
Criminal Justice Reserve Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended December 31, 2020 and 2019

| | 2020 | 2019 |
|---|---------------------|---------------------|
| Revenues | | |
| Taxes | \$ 771,350 | \$ 754,107 |
| Intergovernmental | 139,923 | 105,525 |
| Charges for services | 50,767 | 36,279 |
| Investment interest | 43,454 | 123,245 |
| Miscellaneous | 28,000 | 5,058 |
| Total Revenues | 1,033,494 | 1,024,214 |
| Expenditures | | |
| Current: | | |
| Public safety | 200,159 | 108,601 |
| Capital Outlay | 27,043 | 5,839 |
| Total Expenditures | 227,202 | 114,440 |
| Excess (Deficiency) of Revenues | | |
| Over (Under) Expenditures | 806,292 | 909,774 |
| Other Financing Sources (Uses) | | |
| Proceeds from disposition of capital assets | - | 1 |
| Transfers in | - | - |
| Transfers out | (1,595,302) | (1,096,698) |
| Net Change in Fund Balances | (789,010) | (186,923) |
| Fund Balances Beginning of Year | 3,591,505 | 3,778,428 |
| Fund Balances End of Year | \$ 2,802,495 | \$ 3,591,505 |

City of Lynnwood, Washington
Criminal Justice Reserve
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Biennium Ended December 31, 2020

| | Original 2019-2020 Biennial Budget | Final 2019-2020 Biennial Budget | 2019 Actual | 2020 Actual | Variance With Final Budget |
|--|---|--|------------------------|------------------------|---|
| Revenues | | | | | |
| Taxes | \$ 1,431,000 | \$ 1,431,000 | \$ 754,107 | \$ 771,350 | \$ 94,457 |
| Intergovernmental | 150,000 | 187,845 | 105,525 | 139,923 | 57,603 |
| Charges for services | 30,000 | 30,000 | 36,279 | 50,767 | 57,046 |
| Investment income | 80,000 | 80,000 | 123,245 | 43,454 | 86,699 |
| Miscellaneous | - | - | 5,058 | 28,000 | 33,058 |
| Total Revenues | 1,691,000 | 1,728,845 | 1,024,214 | 1,033,494 | 328,863 |
| Expenditures | | | | | |
| Current: | | | | | |
| Public safety | 684,000 | 708,784 | 108,601 | 200,159 | 400,024 |
| Capital Outlay | 430,000 | 625,000 | 5,839 | 27,043 | 592,118 |
| Total Expenditures | 1,114,000 | 1,333,784 | 114,440 | 227,202 | 992,142 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 577,000 | 395,061 | 909,774 | 806,292 | 1,321,005 |
| Other Financing Sources (Uses) | | | | | |
| Proceeds from disposition of capital assets | - | - | 1 | - | 1 |
| Transfers (out) | (1,300,000) | (2,692,000) | (1,096,698) | (1,595,302) | - |
| Net Change in Fund Balance | (723,000) | (2,296,939) | (186,923) | (789,010) | 1,321,006 |
| Fund Balances Beginning of Year | 3,431,421 | 3,778,427 | 3,778,428 | 3,591,505 | 1 |
| Fund Balances End of Year | \$ 2,708,421 | \$ 1,481,488 | \$ 3,591,505 | \$ 2,802,495 | \$ 1,321,007 |

City of Lynnwood, Washington
Transportation Impact Fees Fund
Comparative Balance Sheet
December 31, 2020 and 2019

| | 2020 | 2019 |
|---------------------------|---------------------|---------------------|
| Assets | | |
| Cash and cash equivalents | \$ 1,132,080 | \$ 1,058,143 |
| Investments | 1,176,813 | 960,571 |
| Interest Receivable | - | - |
| Total Assets | \$ 2,308,893 | \$ 2,018,714 |
| Fund Balances | | |
| Restricted | \$ 2,308,893 | \$ 2,018,714 |



City of Lynnwood, Washington
Transportation Impact Fees Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2020 and 2019

| | 2020 | 2019 |
|--|---------------------|---------------------|
| Revenues | | |
| Charges for services | \$ 261,822 | \$ 448,320 |
| Investment interest | 28,357 | 59,516 |
| Miscellaneous | | - |
| Total Revenues | 290,179 | 507,836 |
| Other Financing Sources (Uses) | | |
| Transfers in | - | - |
| Transfers out | - | - |
| Net Change in Fund Balances | 290,179 | 507,836 |
| Fund Balances Beginning of Year | 2,018,714 | 1,510,878 |
| Fund Balances End of Year | \$ 2,308,893 | \$ 2,018,714 |

City of Lynnwood, Washington
Transportation Impact Fees
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Biennium Ended December 31, 2020

| | Original 2019-2020 Biennial Budget | Final 2019-2020 Biennial Budget | 2019 Actual | 2020 Actual | Variance With Final Budget |
|--|---|--|------------------------|------------------------|---|
| Revenues | | | | | |
| Charges for services | \$ 1,034,500 | \$ 1,034,500 | \$ 448,320 | \$ 261,822 | \$ (324,358) |
| Investment interest | 9,000 | 9,000 | 59,516 | 28,357 | 78,873 |
| Miscellaneous | - | - | - | - | - |
| Total Revenues | <u>1,043,500</u> | <u>1,043,500</u> | <u>507,836</u> | <u>290,179</u> | <u>(245,485)</u> |
| Other Financing Sources (Uses) | | | | | |
| Transfers out | <u>(1,926,454)</u> | <u>(1,926,454)</u> | - | - | 1,926,454 |
| Net Change in Fund Balances | (882,954) | (882,954) | 507,836 | 290,179 | 1,680,969 |
| Fund Balances Beginning of Year | <u>895,617</u> | <u>1,510,878</u> | <u>1,510,878</u> | <u>2,018,714</u> | - |
| Fund Balances End of Year | <u>\$ 12,663</u> | <u>\$ 627,924</u> | <u>\$ 2,018,714</u> | <u>\$ 2,308,893</u> | <u>\$ 1,680,969</u> |

City of Lynnwood, Washington
Street Fund
Comparative Balance Sheet
December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|-------------------|-------------------|
| Assets | | |
| Cash and cash equivalents | \$ 2,234 | \$ 55,929 |
| Investments | - | 43,465 |
| Receivables: | | |
| Accounts | 180,331 | 124,516 |
| Taxes | 109,711 | 126,271 |
| Interest | - | - |
| Intergovernmental | 6,612 | 5,025 |
| Total Assets | <u>\$ 298,888</u> | <u>\$ 355,206</u> |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Accounts payable | \$ 22,748 | \$ 40,289 |
| Wages payable | 31,601 | 54,196 |
| Other liabilities | 1,216 | 1,306 |
| Total Liabilities | <u>55,565</u> | <u>95,791</u> |
| Fund Balances | | |
| Restricted | <u>243,323</u> | <u>259,415</u> |
| Total Liabilities and Fund Balances | <u>\$ 298,888</u> | <u>\$ 355,206</u> |



City of Lynnwood, Washington
Street Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|--------------------|--------------------|
| Revenues | | |
| Licenses and permits | \$ 160,193 | \$ 174,842 |
| Intergovernmental | 769,960 | 926,375 |
| Charges for services | 1,587 | 4,050 |
| Investment earnings | - | - |
| Miscellaneous | 1,773 | 4,766 |
| Total Revenues | <u>933,513</u> | <u>1,110,033</u> |
| Expenditures | | |
| Current: | | |
| Transportation | 2,283,459 | 2,305,900 |
| Capital Outlay | 61,596 | 12,376 |
| Total Expenditures | <u>2,345,055</u> | <u>2,318,276</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(1,411,542)</u> | <u>(1,208,243)</u> |
| Other Financing Sources (Uses) | | |
| Transfers in | 1,395,450 | 1,345,450 |
| Other Financing Sources (Uses) | <u>1,395,450</u> | <u>1,345,450</u> |
| Net Change in Fund Balances | (16,092) | 137,207 |
| Fund Balances Beginning of Year | <u>259,415</u> | <u>122,208</u> |
| Fund Balances End of Year | <u>\$ 243,323</u> | <u>\$ 259,415</u> |

City of Lynnwood, Washington
Street Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Biennium Ended December 31, 2020

| | Original 2019-2020 Biennial Budget | Final 2019-2020 Biennial Budget | 2019 Actual | 2020 Actual | Variance With Final Budget |
|--|---|--|------------------------|------------------------|---|
| Revenues | | | | | |
| Licenses and permits | \$ 256,250 | \$ 256,250 | \$ 174,842 | \$ 160,193 | \$ 78,785 |
| Intergovernmental | 1,817,600 | 1,817,600 | 926,375 | 769,960 | (121,265) |
| Charges for Services | - | - | 4,050 | 1,587 | 5,637 |
| Investment interest | 1,000 | 1,000 | - | - | (1,000) |
| Miscellaneous | - | - | 4,766 | 1,773 | 6,539 |
| Total Revenues | 2,074,850 | 2,074,850 | 1,110,033 | 933,513 | (31,304) |
| Expenditures | | | | | |
| Current: | | | | | |
| Transportation | 4,798,496 | 4,798,496 | 2,305,900 | 2,283,459 | 209,137 |
| Capital Outlay | - | - | 12,376 | 61,596 | (73,972) |
| Total Expenditures | 4,798,496 | 4,798,496 | 2,318,276 | 2,345,055 | 135,165 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (2,723,646) | (2,723,646) | (1,208,243) | (1,411,542) | 103,861 |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | 2,690,900 | 2,690,900 | 1,345,450 | 1,395,450 | 50,000 |
| Other Financing Sources (Uses) | 2,690,900 | 2,690,900 | 1,345,450 | 1,395,450 | 50,000 |
| Net Change in Fund Balances | (32,746) | (32,746) | 137,207 | (16,092) | 153,861 |
| Fund Balances Beginning of Year | 371,560 | 122,208 | 122,208 | 259,415 | - |
| Fund Balances End of Year | \$ 338,814 | \$ 89,462 | \$ 259,415 | \$ 243,323 | \$ 153,861 |

City of Lynnwood, Washington
Cumulative Park Reserve and Development Fund
Comparative Balance Sheet
December 31, 2020 and 2019

| | 2020 | 2019 |
|---------------------------|------------------|------------------|
| Assets | | |
| Cash and cash equivalents | \$ 42,324 | \$ 40,293 |
| Investments | 45,632 | 36,946 |
| Interest Receivable | - | - |
| Total Assets | \$ 87,956 | \$ 77,239 |
| Fund Balances | | |
| Restricted | \$ 87,956 | \$ 77,239 |

City of Lynnwood, Washington
Cumulative Park Reserve and Development Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|------------------|------------------|
| Revenues | | |
| Investment earnings | \$ 1,018 | \$ 2,357 |
| Miscellaneous | 10,928 | 12,172 |
| Total Revenues | <u>11,946</u> | <u>14,529</u> |
| Expenditures | | |
| Current: | | |
| Culture and recreation | <u>1,229</u> | <u>12,008</u> |
| Total Expenditures | <u>1,229</u> | <u>12,008</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 10,717 | 2,521 |
| Fund Balances Beginning of Year | <u>77,239</u> | <u>74,718</u> |
| Fund Balances End of Year | <u>\$ 87,956</u> | <u>\$ 77,239</u> |

City of Lynnwood, Washington
Cumulative Park Reserve and Development Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Biennium Ended December 31, 2020

| | Original 2019-2020 Biennial Budget | Final 2019-2020 Biennial Budget | 2019 Actual | 2020 Actual | Variance With Final Budget |
|--|---|--|------------------------|------------------------|---|
| Revenues | | | | | |
| Investment interest | \$ 1,000 | \$ 1,000 | \$ 2,357 | \$ 1,018 | \$ 2,375 |
| Miscellaneous | 26,000 | 26,000 | 12,172 | 10,928 | (2,900) |
| Total Revenues | <u>27,000</u> | <u>27,000</u> | <u>14,529</u> | <u>11,946</u> | <u>(525)</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| Culture and Recreation | 26,000 | 26,000 | 12,008 | 1,229 | 12,763 |
| Total Expenditures | <u>26,000</u> | <u>26,000</u> | <u>12,008</u> | <u>1,229</u> | <u>12,763</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 1,000 | 1,000 | 2,521 | 10,717 | 12,238 |
| Fund Balances Beginning of Year | <u>63,166</u> | <u>74,718</u> | <u>74,718</u> | <u>77,239</u> | <u>-</u> |
| Fund Balances End of Year | <u>\$ 64,166</u> | <u>\$ 75,718</u> | <u>\$ 77,239</u> | <u>\$ 87,956</u> | <u>\$ 12,238</u> |

City of Lynnwood, Washington
Cumulative Art Reserve Fund
Comparative Balance Sheet
December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|---|------------------|------------------|
| Assets | | |
| Cash and cash equivalents | \$ 24,096 | \$ 25,972 |
| Investments | 26,418 | 23,906 |
| Interest receivable | - | - |
| Total Assets | <u>\$ 50,514</u> | <u>\$ 49,878</u> |
| Fund Balances | | |
| Committed | <u>\$ 50,514</u> | <u>\$ 49,878</u> |
| Total Liabilities and Fund Balance | <u>\$ 50,514</u> | <u>\$ 49,878</u> |

City of Lynnwood, Washington
Cumulative Art Reserve Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|------------------|------------------|
| Revenues | | |
| Investment earnings | \$ 636 | \$ 1,566 |
| Total Revenues | <u>636</u> | <u>1,566</u> |
| Expenditures | | |
| Current: | | |
| Capital Outlay | <u>-</u> | <u>90</u> |
| Total Expenditures | <u>-</u> | <u>90</u> |
| Net Change in Fund Balance | 636 | 1,476 |
| Fund Balances Beginning of Year | <u>49,878</u> | <u>48,402</u> |
| Fund Balances End of Year | <u>\$ 50,514</u> | <u>\$ 49,878</u> |

City of Lynnwood, Washington
Cumulative Art Reserve Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Biennium Ended December 31, 2020

| | Original 2019-2020 Biennial Budget | Final 2019-2020 Biennial Budget | 2019 Actual | 2020 Actual | Variance With Final Budget |
|--|---|--|------------------------|------------------------|---|
| Revenues | | | | | |
| Investment interest | \$ 1,000 | \$ 1,000 | \$ 1,566 | \$ 636 | \$ 1,202 |
| Total Revenues | <u>1,000</u> | <u>1,000</u> | <u>1,566</u> | <u>636</u> | <u>1,202</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| Culture and Recreation | 50,000 | 50,000 | - | - | 50,000 |
| Capital Outlay | - | - | 90 | - | (90) |
| Total Expenditures | <u>50,000</u> | <u>50,000</u> | <u>90</u> | <u>-</u> | <u>49,910</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(49,000)</u> | <u>(49,000)</u> | <u>1,476</u> | <u>636</u> | <u>51,112</u> |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | 50,000 | 50,000 | - | - | (50,000) |
| Net Change in Fund Balances | 1,000 | 1,000 | 1,476 | 636 | 1,112 |
| Fund Balances Beginning of Year | <u>48,254</u> | <u>48,402</u> | <u>48,402</u> | <u>49,878</u> | <u>-</u> |
| Fund Balances End of Year | <u>\$ 49,254</u> | <u>\$ 49,402</u> | <u>\$ 49,878</u> | <u>\$ 50,514</u> | <u>\$ 1,112</u> |

City of Lynnwood, Washington
Cumulative Aid Car Fund
Comparative Balance Sheet
December 31, 2020 and 2019

| | 2020 | 2019 |
|---------------------------|------------------|------------------|
| Assets | | |
| Cash and cash equivalents | \$ 7,366 | \$ 8,072 |
| Investments | 9,607 | 8,693 |
| Interest receivable | | - |
| Total Assets | \$ 16,973 | \$ 16,765 |
| Fund Balances | | |
| Committed | \$ 16,973 | \$ 16,765 |

City of Lynnwood, Washington
Cumulative Aid Car Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|------------------|------------------|
| Revenues | | |
| Investment earnings | \$ 208 | \$ 532 |
| Total Revenues | <u>208</u> | <u>532</u> |
| Fund Balances Beginning of Year | <u>16,765</u> | <u>16,233</u> |
| Fund Balances End of Year | <u>\$ 16,973</u> | <u>\$ 16,765</u> |

City of Lynnwood, Washington
Tree Fund Reserve
Comparative Balance Sheet
December 31, 2020 and 2019

| | 2020 | 2019 |
|--|-------------------|-------------------|
| Assets | | |
| Cash and cash equivalents | \$ 268,030 | \$ 294,021 |
| Liabilities and Fund Balance | | |
| Liabilities | | |
| Accounts payable | \$ 34,862 | \$ 205 |
| Fund Balances | | |
| Committed | 233,168 | 293,816 |
| Total Liabilities and Fund Balances | <u>\$ 268,030</u> | <u>\$ 294,021</u> |

City of Lynnwood, Washington
Tree Fund Reserve
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|-------------------|-------------------|
| Revenues | | |
| Licenses and permits | \$ 2,467 | \$ 99,480 |
| Total Revenues | <u>2,467</u> | <u>99,480</u> |
| Expenditures | | |
| Current: | | |
| Culture and Recreation | <u>63,115</u> | <u>23,129</u> |
| Total Expenditures | <u>63,115</u> | <u>23,129</u> |
| Net Change in Fund Balances | (60,648) | 76,351 |
| Fund Balances Beginning of Year | <u>293,816</u> | <u>217,465</u> |
| Fund Balances End of Year | <u>\$ 233,168</u> | <u>\$ 293,816</u> |

City of Lynnwood, Washington
Tree Fund Reserve
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Biennium Ended December 31, 2020

| | Original 2019-2020 Biennial Budget | Final 2019-2020 Biennial Budget | 2019 Actual | 2020 Actual | Variance With Final Budget |
|--|---|--|------------------------|------------------------|---|
| Revenues | | | | | |
| Licenses and Permits | \$ 30,000 | \$ 30,000 | \$ 99,480 | \$ 2,467 | \$ 71,947 |
| Total Revenues | <u>30,000</u> | <u>30,000</u> | <u>99,480</u> | <u>2,467</u> | <u>71,947</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| Culture and Recreation | <u>55,000</u> | <u>55,000</u> | <u>23,129</u> | <u>63,115</u> | <u>(31,244)</u> |
| Total Expenditures | <u>55,000</u> | <u>55,000</u> | <u>23,129</u> | <u>63,115</u> | <u>(31,244)</u> |
| Net Change in Fund Balances | (25,000) | (25,000) | 76,351 | (60,648) | 40,703 |
| Fund Balances Beginning of Year | <u>289,225</u> | <u>217,465</u> | <u>217,465</u> | <u>293,816</u> | <u>-</u> |
| Fund Balances End of Year | <u>\$ 264,225</u> | <u>\$ 192,465</u> | <u>\$ 293,816</u> | <u>\$ 233,168</u> | <u>\$ 40,703</u> |

City of Lynnwood, Washington
Paths and Trails Fund
Comparative Balance Sheet
December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|-----------------|-------------------|
| Assets | | |
| Cash and cash equivalents | \$ 4,085 | \$ 113,686 |
| Investments | 4,803 | 104,315 |
| Total Assets | <u>\$ 8,888</u> | <u>\$ 218,001</u> |
| Liabilities | | |
| Accounts payable | \$ - | \$ 19,722 |
| Unearned revenue | - | 189,427 |
| Total Liabilities | - | 209,149 |
| Fund Balances | | |
| Restricted | <u>8,888</u> | <u>8,852</u> |
| Total Liabilities and Fund Balances | <u>\$ 8,888</u> | <u>\$ 218,001</u> |

City of Lynnwood, Washington
Paths and Trails Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|-----------------|-----------------|
| Revenues | | |
| Intergovernmental | \$ 6,207 | \$ 73,878 |
| Total Revenues | <u>6,207</u> | <u>73,878</u> |
| Expenditures | | |
| Current: | | |
| Culture and recreation | <u>6,171</u> | <u>72,609</u> |
| Total Expenditures | <u>6,171</u> | <u>72,609</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 36 | 1,269 |
| Fund Balances Beginning of Year | <u>8,852</u> | <u>7,583</u> |
| Fund Balances End of Year | <u>\$ 8,888</u> | <u>\$ 8,852</u> |



City of Lynnwood, Washington
Paths and Trails Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Biennium Ended December 31, 2020

| | Original 2019-2020 Biennial Budget | Final 2019-2020 Biennial Budget | 2019 Actual | 2020 Actual | Variance With Final Budget |
|--|---|--|------------------------|------------------------|---|
| Revenues | | | | | |
| Intergovernmental | \$ 229,708 | \$ 229,708 | \$ 73,878 | \$ 6,207 | \$ (149,623) |
| Total Revenues | <u>229,708</u> | <u>229,708</u> | <u>73,878</u> | <u>6,207</u> | <u>(149,623)</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| Culture and recreation | 229,708 | 293,526 | 72,609 | 6,171 | 214,746 |
| Total Expenditures | <u>229,708</u> | <u>293,526</u> | <u>72,609</u> | <u>6,171</u> | <u>214,746</u> |
| Net Change in Fund Balances | - | (63,818) | 1,269 | 36 | 65,123 |
| Fund Balances Beginning of Year | <u>8,852</u> | <u>71,401</u> | <u>7,583</u> | <u>8,852</u> | <u>(63,818)</u> |
| Fund Balances End of Year | <u>\$ 8,852</u> | <u>\$ 7,583</u> | <u>\$ 8,852</u> | <u>\$ 8,888</u> | <u>\$ 1,305</u> |

City of Lynnwood, Washington
Solid Waste Fund
Comparative Balance Sheet
December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|------------------|------------------|
| Assets | | |
| Cash and cash equivalents | \$ 84,060 | \$ 80,477 |
| Receivables | | |
| Intergovernmental | 3,751 | 4,268 |
| Total Assets | <u>\$ 87,811</u> | <u>\$ 84,745</u> |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Accounts payable | \$ - | \$ 743 |
| Wages payable | 241 | 2,020 |
| Total Liabilities | <u>241</u> | <u>2,763</u> |
| Fund Balances | | |
| Restricted | <u>87,570</u> | <u>81,982</u> |
| Total Liabilities and Fund Balances | <u>\$ 87,811</u> | <u>\$ 84,745</u> |



City of Lynnwood, Washington
Solid Waste Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|------------------|------------------|
| Revenues | | |
| Intergovernmental | \$ 17,478 | \$ 12,821 |
| Total Revenues | <u>17,478</u> | <u>12,821</u> |
| Expenditures | | |
| Current | | |
| Utilities | <u>38,390</u> | <u>24,793</u> |
| Total Expenditures | <u>38,390</u> | <u>24,793</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (20,912) | (11,972) |
| Other Financing Sources (Uses) | | |
| Transfers in | <u>26,500</u> | <u>26,500</u> |
| Net Change in Fund Balance | 5,588 | 14,528 |
| Fund Balances Beginning of Year | <u>81,982</u> | <u>67,454</u> |
| Fund Balances End of Year | <u>\$ 87,570</u> | <u>\$ 81,982</u> |

City of Lynnwood, Washington
Solid Waste Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Biennium Ended December 31, 2020

| | Original 2019-2020 Biennial Budget | Final 2019-2020 Biennial Budget | 2019 Actual | 2020 Actual | Variance With Final Budget |
|--|---|--|------------------------|------------------------|---|
| Revenues | | | | | |
| Intergovernmental | \$ 35,250 | \$ 35,250 | \$ 12,821 | \$ 17,478 | \$ (4,951) |
| Total Revenues | <u>35,250</u> | <u>35,250</u> | <u>12,821</u> | <u>17,478</u> | <u>(4,951)</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| Utilities | <u>108,147</u> | <u>108,147</u> | <u>24,793</u> | <u>38,390</u> | <u>44,964</u> |
| Total Expenditures | <u>108,147</u> | <u>108,147</u> | <u>24,793</u> | <u>38,390</u> | <u>44,964</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (72,897) | (72,897) | (11,972) | (20,912) | 40,013 |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | <u>53,000</u> | <u>53,000</u> | <u>26,500</u> | <u>26,500</u> | <u>-</u> |
| Net Change in Fund Balances | (19,897) | (19,897) | 14,528 | 5,588 | 40,013 |
| Fund Balances Beginning of Year | <u>50,251</u> | <u>67,454</u> | <u>67,454</u> | <u>81,982</u> | <u>-</u> |
| Fund Balances End of Year | <u>\$ 30,354</u> | <u>\$ 47,557</u> | <u>\$ 81,982</u> | <u>\$ 87,570</u> | <u>\$ 40,013</u> |

City of Lynnwood, Washington
Supportive Housing
Comparative Balance Sheet
December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|------------------|-------------|
| Assets | | |
| Cash and cash equivalents | \$ 24,996 | \$ - |
| Investments | \$ 24,017 | |
| Receivables | | |
| Taxes | <u>38,280</u> | <u>-</u> |
| Total Assets | <u>\$ 87,293</u> | <u>\$ -</u> |
| Fund Balances | | |
| Restricted | <u>87,293</u> | <u>-</u> |
| Total Liabilities and Fund Balances | <u>\$ 87,293</u> | <u>\$ -</u> |

City of Lynnwood, Washington
Supportive Housing
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|------------------|-------------|
| Revenues | | |
| Taxes | \$ 87,112 | \$ - |
| Investment interest | 181 | - |
| Total Revenues | <u>87,293</u> | <u>-</u> |
| Net Change in Fund Balance | 87,293 | - |
| Fund Balances Beginning of Year | <u>-</u> | <u>-</u> |
| Fund Balances End of Year | <u>\$ 87,293</u> | <u>\$ -</u> |

City of Lynnwood, Washington
Supportive Housing
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Biennium Ended December 31, 2020

| | Original 2019-2020 Biennial Budget | Final 2019-2020 Biennial Budget | 2019 Actual | 2020 Actual | Variance With Final Budget |
|--|---|--|------------------------|------------------------|---|
| Revenues | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ 87,112 | \$ 87,112 |
| Investment interest | | - | | 181 | 181 |
| Total Revenues | <u>-</u> | <u>-</u> | <u>-</u> | <u>87,293</u> | <u>87,293</u> |
| Net Change in Fund Balances | - | - | - | 87,293 | 87,293 |
| Fund Balances Beginning of Year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances End of Year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 87,293</u> | <u>\$ 87,293</u> |

City of Lynnwood, Washington
Park Impact Fee Fund
Comparative Balance Sheet
December 31, 2020 and 2019

| | 2020 | 2019 |
|---------------------------|---------------------|-------------------|
| Assets | | |
| Cash and cash equivalents | \$ 1,194,163 | \$ 97,424 |
| Investments | 1,236,855 | 86,929 |
| Total Assets | \$ 2,431,018 | \$ 184,353 |
| Fund Balances | | |
| Restricted | \$ 2,431,018 | \$ 184,353 |

City of Lynnwood, Washington
Park Impact Fee Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|----------------------------|--------------------------|
| Revenues | | |
| Charges for services | \$ 2,246,785 | \$ 125,477 |
| Investment interest | 29,880 | 1,504 |
| Miscellaneous | 13,000 | 5,750 |
| Total Revenues | <u>2,289,665</u> | <u>132,731</u> |
| Other Financing Sources (Uses) | | |
| Transfers out | <u>(43,000)</u> | <u>-</u> |
| Net Change in Fund Balances | 2,246,665 | 132,731 |
| Fund Balances Beginning of Year | <u>184,353</u> | <u>51,622</u> |
| Fund Balances End of Year | <u><u>\$ 2,431,018</u></u> | <u><u>\$ 184,353</u></u> |

City of Lynnwood, Washington
Park Impact Fee Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Biennium Ended December 31, 2020

| | Original 2019-2020 Biennial Budget | Final 2019-2020 Biennial Budget | 2019 Actual | 2020 Actual | Variance With Final Budget |
|--|---|--|------------------------|------------------------|---|
| Revenues | | | | | |
| Charges for services | \$ 2,000,000 | \$ 2,000,000 | \$ 125,477 | \$ 2,246,785 | \$ 372,262 |
| Investment interest | 500 | 500 | 1,504 | 29,880 | 30,884 |
| Miscellaneous | 2,500 | 2,500 | 5,750 | 13,000 | 16,250 |
| Total Revenues | <u>2,003,000</u> | <u>2,003,000</u> | <u>132,731</u> | <u>2,289,665</u> | <u>419,396</u> |
| Other Financing Sources (Uses) | | | | | |
| Transfers (out) | <u>(2,000,000)</u> | <u>(2,000,000)</u> | <u>-</u> | <u>(43,000)</u> | <u>1,957,000</u> |
| Net Change in Fund Balances | 3,000 | 3,000 | 132,731 | 2,246,665 | 2,376,396 |
| Fund Balances Beginning of Year | <u>-</u> | <u>51,622</u> | <u>51,622</u> | <u>184,353</u> | <u>-</u> |
| Fund Balances End of Year | <u>\$ 3,000</u> | <u>\$ 54,622</u> | <u>\$ 184,353</u> | <u>\$ 2,431,018</u> | <u>\$ 2,376,396</u> |

City of Lynnwood, Washington
Transportation Benefit District Fund
Comparative Balance Sheet
December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|---------------------|---------------------|
| Assets | | |
| Cash and cash equivalents | \$ 2,798,792 | \$ 2,737,514 |
| Investments | 1,095,156 | - |
| Taxes receivable | <u>721,097</u> | <u>618,892</u> |
| Total Assets | <u>\$ 4,615,045</u> | <u>\$ 3,356,406</u> |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Accounts payable | \$ - | \$ 211 |
| Wages payable | <u>728</u> | <u>1,377</u> |
| Total Liabilities | 728 | 1,588 |
| Fund Balances | | |
| Restricted | <u>4,614,317</u> | <u>3,354,818</u> |
| Total Liabilities and Fund Balances | <u>\$ 4,615,045</u> | <u>\$ 3,356,406</u> |



City of Lynnwood, Washington
Transportation Benefit District Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2020 and 2019

| | 2020 | 2019 |
|--|---------------------|---------------------|
| Revenues | | |
| Taxes | \$ 3,776,358 | \$ 3,926,733 |
| Investment interest | 21,005 | 57,917 |
| Total Revenues | 3,797,363 | 3,984,650 |
| Expenditures | | |
| Current | | |
| Transportation | 31,219 | 29,434 |
| Total Expenditures | 31,219 | 29,434 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 3,766,144 | 3,955,216 |
| Other Financing Sources (Uses) | | |
| Transfers out | (2,506,645) | (3,146,785) |
| Net Change in Fund Balances | 1,259,499 | 808,431 |
| Fund Balances Beginning of Year | 3,354,818 | 2,546,387 |
| Fund Balances End of Year | \$ 4,614,317 | \$ 3,354,818 |



City of Lynnwood, Washington
Transportation Benefit District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2020

| | Original 2020 Annual* Budget | Final 2020 Annual* Budget | Actual | Variance With Modified Budget |
|--|---|--|---------------------|--|
| Revenues | | | | |
| Taxes | \$ 2,400,000 | \$ 2,400,000 | \$ 3,776,358 | \$ 1,376,358 |
| Investment earnings | 5,000 | 5,000 | 21,005 | 16,005 |
| Total Revenues | <u>2,405,000</u> | <u>2,405,000</u> | <u>3,797,363</u> | <u>1,392,363</u> |
| Expenditures | | | | |
| Current: | | | | |
| Transportation | 363,000 | 363,000 | 31,219 | (331,781) |
| Total Expenditures | <u>363,000</u> | <u>363,000</u> | <u>31,219</u> | <u>(331,781)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 2,042,000 | 2,042,000 | 3,766,144 | 1,724,144 |
| Other Financing Sources (Uses) | | | | |
| Transfers out | (5,203,649) | (5,203,649) | (2,506,645) | 2,697,004 |
| Net Changes in Fund Balances | (3,161,649) | (3,161,649) | 1,259,499 | 4,421,148 |
| Fund Balances Beginning of Year | <u>3,351,857</u> | <u>3,351,857</u> | <u>3,354,818</u> | <u>2,961</u> |
| Fund Balances End of Year | <u>\$ 190,208</u> | <u>\$ 190,208</u> | <u>\$ 4,614,317</u> | <u>\$ 4,424,109</u> |

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NONMAJOR
DEBT
SERVICE
FUNDS

City of Lynnwood, Washington
Combining Balance Sheet
Nonmajor Debt Service Funds
For the Year Ended December 31, 2020

| | 800 MHZ | Recreation Center 2012 LTGO Bonds | Local Improvement Guaranty | LID 93-1 I-5 & 196th Project | Total Nonmajor Debt Service Funds |
|--|--------------------|--|---|---|--|
| Assets | | | | | |
| Cash and cash equivalents | \$ - | \$ 111,902 | \$ - | \$ - | \$ 111,902 |
| Total Assets | <u>\$ -</u> | <u>\$ 111,902</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 111,902</u> |
| Fund Balances | | | | | |
| Restricted | - | 111,902 | - | - | 111,902 |
| Total Fund Balances | - | 111,902 | - | - | 111,902 |
| Total Liabilities, Deferred Inflows and Fund Balances | <u>\$ -</u> | <u>\$ 111,902</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 111,902</u> |

City of Lynnwood, Washington
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2020

| | 800 MHZ | Recreation Center 2012 LTGO Bonds | Local Improvement Guaranty | LID 93-1 I-5 & 196th Project | Total Nonmajor Debt Service Funds |
|--|--------------------|--|---|---|--|
| Revenues | | | | | |
| Investment interest | \$ - | \$ - | \$ 842 | \$ 218 | \$ 1,060 |
| Total Revenues | <u>-</u> | <u>-</u> | <u>842</u> | <u>218</u> | <u>1,060</u> |
| Debt Service: | | | | | |
| Principal retirement | - | 860,000 | - | - | 860,000 |
| Interest and fiscal charges | - | 796,013 | - | - | 796,013 |
| Total Expenditures | <u>-</u> | <u>1,656,013</u> | <u>-</u> | <u>-</u> | <u>1,656,013</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>-</u> | <u>(1,656,013)</u> | <u>842</u> | <u>218</u> | <u>(1,654,953)</u> |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | - | 1,656,638 | - | - | 1,656,638 |
| Transfers out | (6,004) | - | (185,563) | (495,398) | (686,965) |
| Total Other Financing Sources (Uses) | <u>(6,004)</u> | <u>1,656,638</u> | <u>(185,563)</u> | <u>(495,398)</u> | <u>969,673</u> |
| Net Change in Fund Balances | <u>(6,004)</u> | <u>625</u> | <u>(184,721)</u> | <u>(495,180)</u> | <u>(685,280)</u> |
| Fund Balances Beginning of Year | <u>6,004</u> | <u>111,277</u> | <u>184,721</u> | <u>495,180</u> | <u>797,182</u> |
| Fund Balances End of Year | <u>\$ -</u> | <u>\$ 111,902</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 111,902</u> |

City of Lynnwood, Washington
800 MHZ Fund
Comparative Balance Sheet
December 31, 2020 and 2019

| | 2020 | 2019 |
|-----------------------------|------|----------|
| Assets | | |
| Cash and cash equivalents | \$ - | \$ 6,004 |
| Fund Balances | | |
| Restricted for debt service | \$ - | \$ 6,004 |

City of Lynnwood, Washington
800 MHZ Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|---|----------------|-----------------|
| Expenditures | | |
| Debt Service: | | |
| Principal retirement | \$ - | \$ 131,587 |
| Interest and fiscal charges | - | 6,579 |
| Total Expenditures | <u>-</u> | <u>138,166</u> |
| Other Financing Sources (Uses) | | |
| Transfers in | - | 138,200 |
| Transfers out | <u>(6,004)</u> | <u>(5,805)</u> |
| Total Other Financing Sources (Uses) | <u>(6,004)</u> | <u>132,395</u> |
| Net Change in Fund Balances | (6,004) | (5,771) |
| Fund Balances Beginning of Year | <u>6,004</u> | <u>11,775</u> |
| Fund Balances End of Year | <u>\$ -</u> | <u>\$ 6,004</u> |

City of Lynnwood, Washington
800 MHZ Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Biennium Ended December 31, 2020

| | Original 2019-2020 Biennial Budget | Final 2019-2020 Biennial Budget | 2019 Actual | 2020 Actual | Variance With Final Budget |
|--|---|--|------------------------|------------------------|---|
| Expenditures | | | | | |
| Debt Service: | | | | | |
| Principal | 131,587 | 131,587 | 131,587 | - | - |
| Interest | 6,579 | 6,579 | 6,579 | - | - |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (138,166) | (138,166) | (138,166) | - | - |
| Other Financing Sources (Uses) | | | | | |
| Transfers out | (11,810) | (11,810) | (5,805) | (6,004) | 1 |
| Transfers in | 138,200 | 138,200 | 138,200 | - | - |
| Net Changes in Fund Balances | (11,776) | (11,776) | (5,771) | (6,004) | 1 |
| Fund Balances Beginning of Year | 11,776 | 11,776 | 11,775 | 6,004 | (1) |
| Fund Balances End of Year | \$ - | \$ - | \$ 6,004 | \$ - | \$ - |

City of Lynnwood, Washington
Recreation Center 2012 LTGO Bonds
Comparative Balance Sheet
December 31, 2020 and 2019

| | 2020 | 2019 |
|-----------------------------|------------|------------|
| Assets | | |
| Cash and cash equivalents | \$ 111,902 | \$ 111,277 |
| Fund Balances | | |
| Restricted for debt service | \$ 111,902 | \$ 111,277 |

City of Lynnwood, Washington
Recreation Center 2012 LTGO Bonds
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|--------------------------|--------------------------|
| Expenditures | | |
| Debt Service: | | |
| Principal retirement | \$ 860,000 | \$ 835,000 |
| Interest and fiscal charges | 796,013 | 821,062 |
| Total Expenditures | <u>1,656,013</u> | <u>1,656,062</u> |
| Other Financing Sources | | |
| Transfers in | <u>1,656,638</u> | <u>1,656,638</u> |
| Net Change in Fund Balances | 625 | 576 |
| Fund Balances Beginning of Year | <u>111,277</u> | <u>110,701</u> |
| Fund Balances End of Year | <u><u>\$ 111,902</u></u> | <u><u>\$ 111,277</u></u> |

City of Lynnwood, Washington
Recreation Center 2012 LTGO Bonds
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Biennium Ended December 31, 2020

| | Original 2019-2020 Biennial Budget | Final 2019-2020 Biennial Budget | 2019 Actual | 2020 Actual | Variance With Final Budget |
|--|---|--|------------------------|------------------------|---|
| Expenditures | | | | | |
| Debt Service: | | | | | |
| Principal | \$ 1,695,000 | \$ 1,695,000 | \$ 835,000 | \$ 860,000 | \$ - |
| Interest | 1,617,076 | 1,617,076 | 821,062 | 796,013 | 1 |
| Miscellaneous | 1,200 | 1,200 | - | | 1,200 |
| Total Expenditures | 3,313,276 | 3,313,276 | 1,656,062 | 1,656,013 | 1,201 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 3,313,276 | 3,313,276 | (1,656,062) | (1,656,013) | 1,201 |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | 3,313,276 | 3,313,276 | 1,656,638 | 1,656,638 | - |
| Net Changes in Fund Balances | 6,626,552 | 6,626,552 | 576 | 625 | 1,201 |
| Fund Balances Beginning of Year | 110,701 | 110,701 | 110,701 | 111,277 | - |
| Fund Balances End of Year | \$ 6,737,253 | \$ 6,737,253 | \$ 111,277 | \$ 111,902 | \$ (6,625,351) |

City of Lynnwood, Washington
Local Improvement Guaranty Fund
Comparative Balance Sheet
December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|----------------------------|-------------|-------------------|
| Assets | | |
| Cash and cash equivalents | \$ - | \$ 97,791 |
| Investments | - | 86,930 |
| Total Assets | <u>\$ -</u> | <u>\$ 184,721</u> |
| Fund Balances | | |
| Assigned | <u>\$ -</u> | <u>\$ 184,721</u> |
| Total Fund Balances | <u>\$ -</u> | <u>\$ 184,721</u> |

City of Lynnwood, Washington
Local Improvement Guaranty Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|---|------------------|-------------------|
| Revenues | | |
| Investment interest | \$ 842 | \$ 9,266 |
| | | |
| Other Financing Sources (Uses) | | |
| Transfers out | <u>(185,563)</u> | <u>(150,000)</u> |
| Total Other Financing Sources (Uses) | (185,563) | (150,000) |
| Net Change in Fund Balances | (184,721) | (140,734) |
| Fund Balances Beginning of Year | <u>184,721</u> | <u>325,455</u> |
| Fund Balances End of Year | <u>\$ -</u> | <u>\$ 184,721</u> |

City of Lynnwood, Washington
Local Improvement Guaranty Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Biennium Ended December 31, 2020

| | Original 2019-2020 Biennial Budget | Final 2019-2020 Biennial Budget | 2019 Actual | 2020 Actual | Variance With Final Budget |
|---|---|--|------------------------|------------------------|---|
| Revenues | | | | | |
| Investment interest | - | 10,985 | 9,266 | 842 | (877) |
| Total Revenues | - | 10,985 | 9,266 | 842 | (877) |
| Other Financing Sources (Uses) | | | | | |
| Transfers out | (150,000) | (336,440) | (150,000) | (185,563) | 877 |
| Total Other Financing Sources (Uses) | (150,000) | (336,440) | (150,000) | (185,563) | 877 |
| Net Changes in Fund Balances | (150,000) | (325,455) | (140,734) | (184,721) | - |
| Fund Balances Beginning of Year | 325,455 | 325,455 | 325,455 | 184,721 | - |
| Fund Balances End of Year | \$ 175,455 | \$ - | \$ 184,721 | \$ - | \$ - |

City of Lynnwood, Washington
LID 93-1 I-5 and 196th Project
Comparative Balance Sheet
December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|-------------|-------------------|
| Assets | | |
| Cash and cash equivalents | \$ - | \$ 495,199 |
| Total Assets | <u>\$ -</u> | <u>\$ 495,199</u> |
| Liabilities | | |
| Accounts payable | \$ - | \$ 19 |
| Fund Balances | | |
| Assigned | <u>-</u> | <u>495,180</u> |
| Total Liabilities, Deferred Inflows and Fund Balances | <u>\$ -</u> | <u>\$ 495,199</u> |

City of Lynnwood, Washington
LID 93-1 I-5 and 196th Project
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|------------------|-------------------|
| Revenues | | |
| Other interest | \$ 218 | \$ 522 |
| Total Revenues | <u>218</u> | <u>522</u> |
| Expenditures | | |
| Debt Service: | | |
| Interest and fiscal charges | <u>-</u> | <u>2,227</u> |
| Total Expenditures | <u>-</u> | <u>2,227</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 218 | (1,705) |
| Other Financing Sources (Uses) | | |
| Transfers out | <u>(495,398)</u> | <u>(375,000)</u> |
| Total Other Financing Sources (Uses) | <u>(495,398)</u> | <u>(375,000)</u> |
| Net Change in Fund Balance | (495,180) | (376,705) |
| Fund Balances Beginning of Year | <u>495,180</u> | <u>871,885</u> |
| Fund Balances End of Year | <u>\$ -</u> | <u>\$ 495,180</u> |

City of Lynnwood, Washington
LID 93-1 I-5 and 196th Project
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Biennium Ended December 31, 2020

| | Original 2019-2020 Biennial Budget | Final 2019-2020 Biennial Budget | 2019 Actual | 2020 Actual | Variance With Final Budget |
|--|---|--|------------------------|------------------------|---|
| Revenues | | | | | |
| Other interest | - | - | 522 | 218 | 740 |
| Special assessments | 406,960 | - | - | - | - |
| Total Revenues | 406,960 | - | 522 | 218 | 740 |
| Expenditures | | | | | |
| Debt Service: | | | | | |
| Interest | - | 1,487 | 2,227 | - | (740) |
| Miscellaneous | 1,000 | - | - | - | - |
| Total Expenditures | 1,000 | 1,487 | 2,227 | - | (740) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 405,960 | (1,487) | (1,705) | 218 | - |
| Other Financing Sources (Uses) | | | | | |
| Transfers out | (750,000) | (870,398) | (375,000) | (495,398) | - |
| Total Other Financing Sources (Uses) | (750,000) | (870,398) | (375,000) | (495,398) | - |
| Net Changes in Fund Balances | (344,040) | (871,885) | (376,705) | (495,180) | - |
| Fund Balances Beginning of Year | 409,650 | 871,885 | 871,885 | 495,180 | - |
| Fund Balances End of Year | <u>\$ 65,610</u> | <u>\$ -</u> | <u>\$ 495,180</u> | <u>\$ -</u> | <u>\$ -</u> |

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NONMAJOR
CAPITAL
PROJECT
FUNDS

City of Lynnwood, Washington
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2020 and 2019

| | Other General Capital | Facilities Capital | Parks and Recreation Capital | Public Safety Infrastructure Capital |
|--|----------------------------------|-------------------------------|---|---|
| Assets | | | | |
| Cash and cash equivalents | \$ 14,437 | \$ 584,615 | \$ 347,210 | \$ 793,843 |
| Investments | 14,410 | 607,620 | 314,617 | 823,769 |
| Receivables: | | | | |
| Accounts | - | - | 1,000 | - |
| Intergovernmental | - | - | 363,879 | - |
| Total Assets | \$ 28,847 | \$ 1,192,235 | \$ 1,026,706 | \$ 1,617,612 |
| Liabilities | | | | |
| Accounts payable | \$ 2,223 | \$ - | \$ 299,342 | \$ 1,144,456 |
| Other current liabilities | - | 171 | 14,944 | - |
| Total Liabilities | 2,223 | 171 | 314,286 | 1,144,456 |
| Deferred Inflows of Resources | | | | |
| Deferred Inflows of Resources - Grants | - | - | 114,784 | - |
| Total Deferred Inflows of Resources | - | - | 114,784 | - |
| Total Liabilities and Deferred Inflows of Resources | 2,223 | 171 | 429,070 | 1,144,456 |
| Fund Balances | | | | |
| Committed | 26,624 | - | - | - |
| Restricted | - | 1,192,064 | 597,636 | 473,156 |
| Total Fund Balances | 26,624 | 1,192,064 | 597,636 | 473,156 |
| Total Liabilities and Fund Balances | \$ 28,847 | \$ 1,192,235 | \$ 1,026,706 | \$ 1,617,612 |

(continued)



City of Lynnwood, Washington
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2020 and 2019

| | Real Estate Excise Tax 2 | Real Estate Excise Tax 1 | Hardware Software Upgrade | Capital Development Plan | Total Nonmajor Capital Projects Funds |
|--|---|---|--|---|--|
| Assets | | | | | |
| Cash and cash equivalents | \$ 1,750,044 | \$ 1,175,194 | \$ 6,519 | \$ 608,330 | \$ 5,280,192 |
| Investments | 1,815,654 | 1,263,273 | - | 629,235 | 5,468,578 |
| Receivables: | | | | | |
| Accounts | - | - | - | - | 1,000 |
| Taxes | 250,538 | 250,538 | - | - | 501,076 |
| Intergovernmental | - | - | - | - | 363,879 |
| Total Assets | \$ 3,816,236 | \$ 2,689,005 | \$ 6,519 | \$ 1,237,565 | \$ 11,614,725 |
| Liabilities | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ 1,446,021 |
| Other current liabilities | - | - | - | - | 15,115 |
| Total Liabilities | - | - | - | - | 1,461,136 |
| Deferred Inflows of Resources | | | | | |
| Deferred Inflows of Resources - Grants | - | - | - | - | 114,784 |
| Total Deferred Inflows of Resources | - | - | - | - | 114,784 |
| Total Liabilities and Deferred Inflows of Resources | - | - | - | - | 1,575,920 |
| Fund Balances | | | | | |
| Committed | - | - | 6,519 | 1,237,565 | 1,270,708 |
| Restricted | 3,816,236 | 2,689,005 | - | - | 8,768,097 |
| Total Fund Balances | 3,816,236 | 2,689,005 | 6,519 | 1,237,565 | 10,038,805 |
| Total Liabilities and Fund Balances | \$ 3,816,236 | \$ 2,689,005 | \$ 6,519 | \$ 1,237,565 | \$ 11,614,725 |

City of Lynnwood, Washington
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2020

| | Other General Capital | Facilities Capital | Parks and Recreation Capital | Public Safety Infrastructure Capital |
|--|----------------------------------|-------------------------------|---|---|
| Revenues | | | | |
| Intergovernmental | \$ - | \$ - | \$ 510,035 | \$ - |
| Investment interest | 339 | 12,549 | 7,061 | 8,426 |
| Contributions and other | - | - | 1,000 | - |
| Total Revenues | 339 | 12,549 | 518,096 | 8,426 |
| Expenditures | | | | |
| <i>Current:</i> | | | | |
| General government | - | 72,588 | - | - |
| Economic environment | 43,978 | - | - | - |
| Culture and recreation | - | - | 180,967 | - |
| Capital Outlay | - | 336,564 | 766,012 | 1,925,718 |
| Total Expenditures | 43,978 | 409,152 | 946,979 | 1,925,718 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (43,639) | (396,603) | (428,883) | (1,917,292) |
| Other Financing Sources (Uses) | | | | |
| Transfers in | - | 10,563 | 728,282 | 1,595,302 |
| Transfers (out) | - | - | (124,650) | - |
| Total Other Financing Sources (Uses) | - | 10,563 | 603,632 | 1,595,302 |
| Net Change in Fund Balance | (43,639) | (386,040) | 174,749 | (321,990) |
| Fund Balances Beginning of Fiscal Year | 70,263 | 1,578,104 | 422,887 | 795,146 |
| Fund Balances End of Fiscal Year | \$ 26,624 | \$ 1,192,064 | \$ 597,636 | \$ 473,156 |

(continued)



City of Lynnwood, Washington
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2020

| | Real Estate Excise Taxes 2 | Real Estate Excise Taxes 1 | Hardware Software Upgrade | Capital Development Plan | Total Nonmajor Capital Projects Funds |
|--|---------------------------------------|---------------------------------------|--|---|--|
| Revenues | | | | | |
| Taxes | \$ 897,163 | \$ 897,163 | \$ - | \$ - | \$ 1,794,326 |
| Intergovernmental | - | - | - | - | 510,035 |
| Investment interest | 43,475 | 30,285 | - | 16,124 | 118,259 |
| Contributions | - | - | - | - | 1,000 |
| Total Revenues | 940,638 | 927,448 | - | 16,124 | 2,423,620 |
| Expenditures | | | | | |
| <i>Current:</i> | | | | | |
| General government | - | - | - | - | 72,588 |
| Economic environment | - | - | - | - | 43,978 |
| Culture and recreation | - | - | - | - | 180,967 |
| Capital Outlay | - | - | - | - | 3,028,294 |
| Total Expenditures | - | - | - | - | 3,325,827 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 940,638 | 927,448 | - | 16,124 | (902,207) |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | - | 124,650 | - | - | 2,458,797 |
| Transfers (out) | - | (676,061) | - | (219,784) | (1,020,495) |
| Other Financing Sources (Uses) | - | (551,411) | - | (219,784) | 1,438,302 |
| Net Change in Fund Balance | 940,638 | 376,037 | - | (203,660) | 536,095 |
| Fund Balances Beginning of Fiscal Year | 2,875,598 | 2,312,968 | 6,519 | 1,441,225 | 9,502,710 |
| Fund Balances End of Fiscal Year | \$ 3,816,236 | \$ 2,689,005 | \$ 6,519 | \$ 1,237,565 | \$ 10,038,805 |

City of Lynnwood, Washington
Other General Government Capital
Comparative Balance Sheets
December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|------------------|-------------------|
| Assets | | |
| Cash and cash equivalents | \$ 14,437 | \$ 100,538 |
| Investments | 14,410 | - |
| Total Assets | <u>\$ 28,847</u> | <u>\$ 100,538</u> |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Accounts payable | \$ 2,223 | \$ 30,275 |
| Total Liabilities | 2,223 | 30,275 |
| Fund Balances | | |
| Committed | 26,624 | 70,263 |
| Total Liabilities and Fund Balances | <u>\$ 28,847</u> | <u>\$ 100,538</u> |

City of Lynnwood, Washington
Other General Government Capital
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|------------------|------------------|
| Revenues | | |
| Investment interest | \$ 339 | \$ - |
| Total Revenues | 339 | - |
| Expenditures | | |
| Current | | - |
| Economic environment | 43,978 | 189,581 |
| Total Expenditures | 43,978 | 189,581 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (43,639) | (189,581) |
| Other Financing (Uses) | | |
| Transfers in | - | 132,710 |
| Total Other Financing Sources (Uses) | - | 132,710 |
| Net Change in Fund Balances | (43,639) | (56,871) |
| Fund Balances Beginning of Year | 70,263 | 127,134 |
| Fund Balances End of Year | <u>\$ 26,624</u> | <u>\$ 70,263</u> |



City of Lynnwood, Washington
Other General Government Capital
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Biennium Ended December 31, 2020

| | Original 2019-2020 Biennial Budget | Final 2019-2020 Biennial Budget | 2019 Actual | 2020 Actual | Variance With Final Budget |
|--|---|--|------------------------|------------------------|---|
| Revenues | | | | | |
| Investment interest | \$ - | \$ - | \$ - | \$ 339 | \$ 339 |
| Total Revenues | <u>-</u> | <u>-</u> | <u>-</u> | <u>339</u> | <u>339</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| Economic Environment | \$ - | \$ - | \$ 189,581 | \$ 43,978 | \$ (233,559) |
| Capital Outlay - Economic Environment | <u>11,200,000</u> | <u>10,170,000</u> | <u>-</u> | <u>-</u> | <u>10,170,000</u> |
| Total Expenditures | <u>11,200,000</u> | <u>10,170,000</u> | <u>189,581</u> | <u>43,978</u> | <u>9,936,441</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (11,200,000) | (10,170,000) | (189,581) | (43,639) | 9,936,780 |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | 11,100,000 | 6,070,000 | 132,710 | - | (5,937,290) |
| Loan Proceeds | <u>-</u> | <u>4,000,000</u> | <u>-</u> | <u>-</u> | <u>(4,000,000)</u> |
| | <u>11,100,000</u> | <u>10,070,000</u> | <u>132,710</u> | <u>-</u> | <u>(9,937,290)</u> |
| Fund Balances End of Year | | | | | |
| Net Changes in Fund Balances | (100,000) | (100,000) | (56,871) | (43,639) | (510) |
| Fund Balances Beginning of Year | <u>100,000</u> | <u>127,134</u> | <u>127,134</u> | <u>70,263</u> | <u>-</u> |
| Fund Balances End of Year | <u>\$ -</u> | <u>\$ 27,134</u> | <u>\$ 70,263</u> | <u>\$ 26,624</u> | <u>\$ (510)</u> |



City of Lynnwood, Washington
Facilities Capital Infrastructure Fund
Comparative Balance Sheets
December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|---------------------|---------------------|
| Assets | | |
| Cash and cash equivalents | \$ 584,615 | \$ 1,578,104 |
| Investments | <u>607,620</u> | <u>-</u> |
| Total Assets | <u>\$ 1,192,235</u> | <u>\$ 1,578,104</u> |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Wages payable | \$ 171 | \$ - |
| Fund Balances | | |
| Restricted for capital outlay | <u>1,192,064</u> | <u>1,578,104</u> |
| Total Liabilities and Fund Balances | <u>\$ 1,192,235</u> | <u>\$ 1,578,104</u> |



City of Lynnwood, Washington
Facilities Capital Infrastructure Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|---------------------|---------------------|
| Revenues | | |
| Intergovernmental | \$ - | \$ - |
| Investment interest | 12,549 | - |
| Total Revenues | <u>12,549</u> | <u>-</u> |
| Expenditures | | |
| Current | | |
| General Government | \$ 72,588 | \$ 32,499 |
| Capital Outlay - General Government | <u>336,564</u> | <u>29,932</u> |
| Total Expenditures | <u>409,152</u> | <u>62,431</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (396,603) | (62,431) |
| Other Financing Sources (Uses) | | |
| Transfers in | 10,563 | 1,264,770 |
| Net Change in Fund Balances | (386,040) | 1,202,339 |
| Fund Balances Beginning of Year | <u>1,578,104</u> | <u>375,765</u> |
| Fund Balances End of Year | <u>\$ 1,192,064</u> | <u>\$ 1,578,104</u> |



City of Lynnwood, Washington
Facilities Capital Infrastructure Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Biennium Ended December 31, 2020

| | Original 2019-2020 Biennial Budget | Final 2019-2020 Biennial Budget | 2019 Actual | 2020 Actual | Variance With Final Budget |
|--|---|--|------------------------|------------------------|---|
| Revenues | | | | | |
| Investment earnings | - | - | - | 12,549 | 12,549 |
| Total Revenues | - | - | - | 12,549 | 12,549 |
| Expenditures | | | | | |
| Current: | | | | | |
| General Government | \$ - | \$ - | \$ 32,499 | \$ 72,588 | \$ (105,087) |
| Capital outlay - General Government | 3,775,000 | 3,896,657 | 29,932 | 336,564 | 3,530,161 |
| Total Expenditures | 3,775,000 | 3,896,657 | 62,431 | 409,152 | 3,425,074 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (3,775,000) | (3,896,657) | (62,431) | (396,603) | 3,437,623 |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | 3,624,153 | 3,490,934 | 1,264,770 | 10,563 | (2,215,601) |
| Net Changes in Fund Balances | (150,847) | (405,723) | 1,202,339 | (386,040) | 1,222,022 |
| Fund Balances Beginning of Year | 150,847 | 497,422 | 375,765 | 1,578,104 | (121,657) |
| Fund Balances End of Year | \$ - | \$ 91,699 | \$ 1,578,104 | \$ 1,192,064 | \$ 1,100,365 |



City of Lynnwood, Washington
Parks and Recreation Capital Fund
Comparative Balance Sheets
December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|---------------------|-------------------|
| Assets | | |
| Cash and cash equivalents | \$ 347,210 | \$ 220,244 |
| Investments | 314,617 | - |
| Receivables: | | |
| Accounts | 1,000 | 113,847 |
| Due from other governments | 363,879 | 328,533 |
| Total Assets | <u>\$ 1,026,706</u> | <u>\$ 662,624</u> |
| Liabilities and Fund Balances | | |
| Liabilities | | |
| Accounts payable | \$ 299,342 | \$ 174,353 |
| Other payables | 14,944 | 6,742 |
| Total Liabilities | 314,286 | 181,095 |
| Deferred Inflows of Resources | | |
| Deferred Inflows of Resources - Grants | 114,784 | 58,642 |
| Total Deferred Inflows of Resources | 114,784 | 58,642 |
| Total Liabilities and Deferred Inflows of Resources | 429,070 | 239,737 |
| Fund Balances | | |
| Restricted for capital outlay | 597,636 | 422,887 |
| Total Liabilities and Fund Balances | <u>\$ 1,026,706</u> | <u>\$ 662,624</u> |



City of Lynnwood, Washington
Parks and Recreation Capital Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2020 and 2019

| | 2020 | 2019 |
|--|-------------------|-------------------|
| Revenues | | |
| Intergovernmental | \$ 510,035 | \$ 296,490 |
| Investment interest | 7,061 | - |
| Contributions and other | 1,000 | 113,847 |
| Total Revenues | <u>518,096</u> | <u>410,337</u> |
| Expenditures | | |
| Current | | |
| Culture and recreation | 180,967 | 110,294 |
| Capital Outlay | <u>766,012</u> | <u>595,797</u> |
| Total Expenditures | <u>946,979</u> | <u>706,091</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (428,883) | (295,754) |
| Other Financing Sources (Uses) | | |
| Transfers in | 728,282 | 260,437 |
| Transfers out | <u>(124,650)</u> | <u>-</u> |
| Net Change in Fund Balances | 174,749 | (35,317) |
| Fund Balances Beginning of Year | <u>422,887</u> | <u>458,204</u> |
| Fund Balances End of Year | <u>\$ 597,636</u> | <u>\$ 422,887</u> |



City of Lynnwood, Washington
Parks and Recreation Capital Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Biennium Ended December 31, 2020

| | Original 2019-2020 Biennial Budget | Final 2019-2020 Biennial Budget | 2019 Actual | 2020 Actual | Variance With Final Budget |
|--|---|--|------------------------|------------------------|---|
| Revenues | | | | | |
| Intergovernmental | \$ 5,908,900 | \$ 5,908,900 | \$ 296,490 | \$ 510,035 | \$ (5,102,375) |
| Investment earnings | - | - | - | 7,061 | 7,061 |
| Contributions and other | - | - | 113,847 | 1,000 | 114,847 |
| Total Revenues | 5,908,900 | 5,908,900 | 410,337 | 518,096 | (4,980,467) |
| Expenditures | | | | | |
| Current: | | | | | |
| Culture and Recreation | - | - | 110,294 | 180,967 | (291,261) |
| Capital Outlay - Capital and Recreation | 1,026,900 | 10,059,215 | 595,797 | 766,012 | 8,697,406 |
| Total Expenditures | 1,026,900 | 10,059,215 | 706,091 | 946,979 | 8,406,145 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 4,882,000 | (4,150,315) | (295,754) | (428,883) | 3,425,678 |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | 4,118,000 | 4,251,219 | 260,437 | 728,282 | (3,262,500) |
| Transfers out | - | - | - | (124,650) | (124,650) |
| Net Changes in Fund Balances | 9,000,000 | 100,904 | (35,317) | 174,749 | 38,528 |
| Fund Balances Beginning of Year | 21,878 | 490,519 | 458,204 | 422,887 | (32,315) |
| Fund Balances End of Year | \$ 9,021,878 | \$ 591,423 | \$ 422,887 | \$ 597,636 | \$ 6,213 |



City of Lynnwood, Washington
Public Safety Capital Infrastructure Fund
Comparative Balance Sheets
December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|---------------------|-------------------|
| Assets | | |
| Cash and cash equivalents | 793,843 | 960,453 |
| Investments | 823,769 | - |
| Total Assets | <u>1,617,612</u> | <u>960,453</u> |
| Liabilities | | |
| Accounts payable | 1,144,456 | 165,307 |
| Total Liabilities | 1,144,456 | 165,307 |
| Fund Balances | | |
| Restricted for capital outlay | 473,156 | 795,146 |
| Total Liabilities and Fund Balances | <u>\$ 1,617,612</u> | <u>\$ 960,453</u> |



City of Lynnwood, Washington
Public Safety Capital Infrastructure Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2020 and 2019

| | 2020 | 2019 |
|--|-------------------|-------------------|
| Revenues | | |
| Investment interest | \$ 8,426 | \$ - |
| Total Revenues | <u>8,426</u> | <u>-</u> |
| Expenditures | | |
| Capital Outlay - Public Safety | <u>1,925,718</u> | <u>301,552</u> |
| Total Expenditures | <u>1,925,718</u> | <u>301,552</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,917,292) | (301,552) |
| Other Financing Sources (Uses) | | |
| Transfers in | <u>1,595,302</u> | <u>1,096,698</u> |
| | 1,595,302 | 1,096,698 |
| Net Change in Fund Balances | (321,990) | 795,146 |
| Fund Balances Beginning of Year | <u>795,146</u> | <u>-</u> |
| Fund Balances End of Year | <u>\$ 473,156</u> | <u>\$ 795,146</u> |



City of Lynnwood, Washington
Public Safety Capital Infrastructure Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Biennium Ended December 31, 2020

| | Original 2019-2020 Biennial Budget | Final 2019-2020 Biennial Budget | 2019 Actual | 2020 Actual | Variance With Final Budget |
|--|---|--|----------------|----------------|-------------------------------------|
| Revenues | | | | | |
| Investment earnings | - | - | - | 8,426 | 8,426 |
| Total Revenues | - | - | - | 8,426 | 8,426 |
| Expenditures | | | | | |
| Capital outlay - Public Safety | 1,300,000 | - | 301,552 | 1,925,718 | (2,227,270) |
| Total Expenditures | 1,300,000 | - | 301,552 | 1,925,718 | (2,227,270) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1,300,000) | - | (301,552) | (1,917,292) | (2,218,844) |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | 1,300,000 | 2,692,000 | 1,096,698 | 1,595,302 | - |
| Net Changes in Fund Balances | - | 2,692,000 | 795,146 | (321,990) | (2,218,844) |
| Fund Balances Beginning of Year | - | - | - | 795,146 | - |
| Fund Balances End of Year | \$ - | \$ 2,692,000 | \$ 795,146 | \$ 473,156 | \$ (2,218,844) |

City of Lynnwood, Washington
Real Estate Excise Taxes 2 Fund
Comparative Balance Sheets
December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|-------------------------------|---------------------|---------------------|
| Assets | | |
| Cash and cash equivalents | \$ 1,750,044 | \$ 1,282,392 |
| Investments | 1,815,654 | 1,162,682 |
| Taxes receivable | <u>250,538</u> | <u>430,524</u> |
| Total Assets | <u>\$ 3,816,236</u> | <u>\$ 2,875,598</u> |
| Fund Balances | | |
| Restricted for capital outlay | <u>\$ 3,816,236</u> | <u>\$ 2,875,598</u> |



City of Lynnwood, Washington
Real Estate Excise Taxes 2 Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2020 and 2019

| | 2020 | 2019 |
|--|---------------------|---------------------|
| Revenues | | |
| Taxes | \$ 897,163 | \$ 1,246,402 |
| Investment interest | 43,475 | 89,595 |
| Total Revenues | <u>940,638</u> | <u>1,335,997</u> |
| Other Financing (Uses) | | |
| Transfers (out) | <u>-</u> | <u>(1,201,561)</u> |
| Net Change in Fund Balances | 940,638 | 134,436 |
| Fund Balances Beginning of Year | <u>2,875,598</u> | <u>2,741,162</u> |
| Fund Balances End of Year | <u>\$ 3,816,236</u> | <u>\$ 2,875,598</u> |



City of Lynnwood, Washington
Real Estate Excise Taxes 2 Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Biennium Ended December 31, 2020

| | Original 2019-2020 Biennial Budget | Final 2019-2020 Biennial Budget | 2019 Actual | 2020 Actual | Variance With Final Budget |
|--|---|--|------------------------|------------------------|---|
| Revenues | | | | | |
| Taxes | \$ 2,200,000 | \$ 2,200,000 | \$ 1,246,402 | \$ 897,163 | \$ (56,435) |
| Investment interest | 40,000 | 40,000 | 89,595 | 43,475 | 93,070 |
| Total Revenues | <u>2,240,000</u> | <u>2,240,000</u> | <u>1,335,997</u> | <u>940,638</u> | <u>36,635</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 2,240,000 | 2,240,000 | 1,335,997 | 940,638 | 36,635 |
| Other Financing Sources (Uses) | | | | | |
| Transfers out | <u>(4,318,000)</u> | <u>(4,318,000)</u> | <u>(1,201,561)</u> | <u>-</u> | <u>3,116,439</u> |
| Net Changes in Fund Balances | (2,078,000) | (2,078,000) | 134,436 | 940,638 | 3,153,074 |
| Fund Balances Beginning of Year | <u>2,155,166</u> | <u>2,741,162</u> | <u>2,741,162</u> | <u>2,875,598</u> | <u>-</u> |
| Fund Balances End of Year | <u>\$ 77,166</u> | <u>\$ 663,162</u> | <u>\$ 2,875,598</u> | <u>\$ 3,816,236</u> | <u>\$ 3,153,074</u> |

City of Lynnwood, Washington
Real Estate Excise Taxes 1 Fund
Comparative Balance Sheets
December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|-------------------------------|---------------------|---------------------|
| Assets | | |
| Cash and cash equivalents | \$ 1,175,194 | \$ 987,070 |
| Investments | 1,263,273 | 895,374 |
| Taxes receivable | <u>250,538</u> | <u>430,524</u> |
| Total Assets | <u>\$ 2,689,005</u> | <u>\$ 2,312,968</u> |
| Fund Balances | | |
| Restricted for capital outlay | <u>\$ 2,689,005</u> | <u>\$ 2,312,968</u> |



City of Lynnwood, Washington
Real Estate Excise Taxes 1 Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|---------------------|---------------------|
| Revenues | | |
| Taxes | \$ 897,163 | \$ 1,246,402 |
| Investment interest | 30,285 | 63,299 |
| Total Revenues | <u>927,448</u> | <u>1,309,701</u> |
| Other Financing (Uses) | | |
| Transfers in | 124,650 | - |
| Transfers out | <u>(676,061)</u> | <u>(798,558)</u> |
| Net Change in Fund Balance | 376,037 | 511,143 |
| Fund Balances Beginning of Year | <u>2,312,968</u> | <u>1,801,825</u> |
| Fund Balances End of Year | <u>\$ 2,689,005</u> | <u>\$ 2,312,968</u> |



City of Lynnwood, Washington
Real Estate Excise Taxes 1 Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Biennium Ended December 31, 2020

| | Original 2019-2020 Biennial Budget | Final 2019-2020 Biennial Budget | 2019 Actual | 2020 Actual | Variance With Final Budget |
|--|---|--|------------------------|------------------------|---|
| Revenues | | | | | |
| Taxes | \$ 2,200,000 | \$ 2,200,000 | \$ 1,246,402 | \$ 897,163 | \$ (56,435) |
| Investment Earnings | 40,000 | 40,000 | 63,299 | 30,285 | 53,584 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 2,240,000 | 2,240,000 | 1,309,701 | 927,448 | (2,851) |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | - | - | - | 124,650 | 124,650 |
| Transfers out | (3,149,153) | (3,149,153) | (798,558) | (676,061) | 1,674,534 |
| Net Changes in Fund Balances | (909,153) | (909,153) | 511,143 | 376,037 | 1,796,333 |
| Fund Balances - Beginning | 1,162,176 | 1,801,825 | 1,801,825 | 2,312,968 | - |
| Fund Balances - Ending | <u>\$ 253,023</u> | <u>\$ 892,672</u> | <u>\$ 2,312,968</u> | <u>\$ 2,689,005</u> | <u>\$ 1,796,333</u> |

City of Lynnwood, Washington
Hardware/Software Upgrade Fund
Comparative Balance Sheets
December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|-----------------|-----------------|
| Assets | | |
| Cash and cash equivalents | \$ 6,519 | \$ 4,346 |
| Investments | | <u>2,173</u> |
| Total Assets | <u>\$ 6,519</u> | <u>\$ 6,519</u> |
| Fund Balances | | |
| Committed | <u>6,519</u> | <u>6,519</u> |
| Total Liabilities and Fund Balances | <u>\$ 6,519</u> | <u>\$ 6,519</u> |

City of Lynnwood, Washington
Hardware/Software Upgrade Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|-----------------|-----------------|
| Fund Balances Beginning of Year | <u>6,519</u> | <u>6,519</u> |
| Fund Balances End of Year | <u>\$ 6,519</u> | <u>\$ 6,519</u> |

City of Lynnwood, Washington
Capital Development Plan Fund
Comparative Balance Sheets
December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|---------------------|---------------------|
| Assets | | |
| Cash and cash equivalents | \$ 608,330 | \$ 756,655 |
| Investments | 629,235 | 684,570 |
| Total Assets | 1,237,565 | 1,441,225 |
| Fund Balances | | |
| Committed | 1,237,565 | 1,441,225 |
| Total Liabilities and Fund Balances | <u>\$ 1,237,565</u> | <u>\$ 1,441,225</u> |



City of Lynnwood, Washington
Capital Development Plan Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|---|---------------------|---------------------|
| Revenues | | |
| Investment interest | \$ 16,124 | \$ 41,167 |
| Total Revenues | <u>16,124</u> | <u>41,167</u> |
| Other Financing (Uses) | | |
| Transfers in | - | 1,100,000 |
| Transfers (out) | <u>(219,784)</u> | <u>(661,859)</u> |
| Total Other Financing Sources (Uses) | <u>(219,784)</u> | <u>438,141</u> |
| Net Change in Fund Balances | (203,660) | 479,308 |
| Fund Balances Beginning of Year | <u>1,441,225</u> | <u>961,917</u> |
| Fund Balances End of Year | <u>\$ 1,237,565</u> | <u>\$ 1,441,225</u> |



City of Lynnwood, Washington
Capital Development Plan Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Biennium Ended December 31, 2020

| | Original 2019-2020 Biennial Budget | Final 2019-2020 Biennial Budget | 2019 Actual | 2020 Actual | Variance With Final Budget |
|--|---|--|------------------------|------------------------|---|
| Revenues | | | | | |
| Investment interest | \$ - | \$ - | \$ 41,167 | \$ 16,124 | \$ 57,291 |
| Total Revenues | <u>-</u> | <u>-</u> | <u>41,167</u> | <u>16,124</u> | <u>57,291</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | - | - | 41,167 | 16,124 | 57,291 |
| Other Financing Sources (Uses) | | | | | |
| Transfers in | 2,200,000 | 2,200,000 | 1,100,000 | - | (1,100,000) |
| Transfers out | <u>(3,139,000)</u> | <u>(3,139,000)</u> | <u>(661,859)</u> | <u>(219,784)</u> | <u>2,257,357</u> |
| Net Changes in Fund Balances | (939,000) | (939,000) | 479,308 | (203,660) | 1,214,648 |
| Fund Balances Beginning of Year | <u>961,372</u> | <u>961,917</u> | <u>961,917</u> | <u>1,441,225</u> | <u>-</u> |
| Fund Balances End of Year | <u>\$ 22,372</u> | <u>\$ 22,917</u> | <u>\$ 1,441,225</u> | <u>\$ 1,237,565</u> | <u>\$ 1,214,648</u> |

PROPRIETARY FUNDS

City of Lynnwood, Washington
Water, Sewer and Storm Water Utility Fund
Comparative Statements of Net Position
December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|----------------------|----------------------|
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 22,480,418 | \$ 13,095,779 |
| Restricted assets: cash and cash equivalents | 23,713 | 21,173 |
| Investments | 4,102,034 | 7,841,046 |
| Receivables: | | |
| Accounts | 4,080,358 | 3,278,787 |
| Prepaid items | 81,127 | 138,165 |
| Total Current Assets | <u>30,767,650</u> | <u>24,374,950</u> |
| Noncurrent Assets: | | |
| Restricted assets: cash and cash equivalents | 3,438,468 | 13,670,247 |
| Notes receivable | 61,322 | 61,322 |
| Capital assets: | | |
| Nondepreciable | 17,329,139 | 11,272,229 |
| Depreciable, net | 71,257,577 | 66,551,891 |
| Total Noncurrent Assets | <u>92,086,506</u> | <u>91,555,689</u> |
| TOTAL ASSETS | <u>122,854,156</u> | <u>115,930,639</u> |
| Deferred Outflows of Resources - pensions | <u>507,461</u> | <u>446,815</u> |
| Total Assets and Deferred Outflows of Resources | <u>123,361,617</u> | <u>116,377,454</u> |
| Liabilities | | |
| Current Liabilities: | | |
| Accounts payable | 3,436,729 | 702,073 |
| Accrued payroll | 174,486 | 262,772 |
| Retainage payable | 25,506 | - |
| Custodial accounts payable | 7,281 | 4,741 |
| Compensated absences payable | 351,617 | 101,899 |
| Revenue bonds payable | 2,391,828 | 2,256,828 |
| Interest payable | 142,508 | 160,878 |
| Total Current Liabilities | <u>6,529,955</u> | <u>3,489,191</u> |
| Long-Term Liabilities (net of current portion): | | |
| Compensated absences payable | 224,433 | 202,249 |
| Net pension liability | 1,352,828 | 1,370,871 |
| Revenue bonds payable | 45,565,508 | 47,943,935 |
| Total Long-term Liabilities | <u>47,142,769</u> | <u>49,517,055</u> |
| TOTAL LIABILITIES | <u>53,672,724</u> | <u>53,006,246</u> |
| Deferred Inflows of Resources | | |
| Deferred Inflows of Resources - gain on refunding | 133,496 | 118,296 |
| Deferred Inflows of Resources - pensions | 394,125 | 743,812 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | <u>527,621</u> | <u>862,108</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>54,200,345</u> | <u>53,868,354</u> |
| Net Position | | |
| Net investment in capital assets | 41,377,400 | 41,175,308 |
| Restricted for: | | |
| Debt service | 554,428 | 576,511 |
| Unrestricted | 27,229,444 | 20,757,281 |
| Total Net Position | <u>\$ 69,161,272</u> | <u>\$ 62,509,100</u> |

City of Lynnwood, Washington
Water, Sewer and Storm Water Utility Fund
Comparative Statement of Revenues, Expenses and Changes in Fund Net Position
For the Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|----------------------|----------------------|
| Operating Revenues | | |
| Charges for services: | | |
| Water | \$ 7,132,751 | \$ 7,359,107 |
| Sewer | 12,946,209 | 11,581,944 |
| Storm | 4,139,664 | 4,181,898 |
| Miscellaneous | 25,924 | 17,676 |
| | <u>24,244,548</u> | <u>23,140,625</u> |
| Charges for services | | |
| Operating Expenses | | |
| Administration and general-Water | 2,194,658 | 2,215,043 |
| Administration and general-Sewer | 2,005,189 | 2,135,816 |
| Administration and general-Storm | 747,819 | 635,198 |
| Maintenance and operation-Water | 3,193,610 | 3,156,794 |
| Maintenance and operation-Sewer | 6,438,355 | 4,752,638 |
| Maintenance and operation-Storm | 1,980,251 | 1,921,855 |
| Depreciation | 2,797,284 | 2,706,068 |
| | <u>19,357,166</u> | <u>17,523,412</u> |
| Total Operating Expenses | | |
| Operating Income | <u>4,887,382</u> | <u>5,617,213</u> |
| Non-Operating Revenues (Expenses) | | |
| Investment interest | 439,307 | 1,124,991 |
| Interest expense | (1,688,002) | (1,778,035) |
| Debt issuance costs | (46,788) | - |
| Other nonoperating revenue | 51,463 | - |
| Gain (loss) on the disposition of capital assets | (25,127) | 12,100 |
| Miscellaneous revenue | - | 4,570 |
| | <u>-</u> | <u>4,570</u> |
| Total Non-Operating Revenues (Expenses) | <u>(1,269,147)</u> | <u>(636,374)</u> |
| Income Before Contributions and Transfers Out | 3,618,235 | 4,980,839 |
| Contributions | <u>3,033,937</u> | <u>844,044</u> |
| Change in Net Position | 6,652,172 | 5,824,883 |
| Net Position Beginning of Year | <u>62,509,100</u> | <u>56,684,217</u> |
| Net Position End of Year | <u>\$ 69,161,272</u> | <u>\$ 62,509,100</u> |

City of Lynnwood, Washington
Water, Sewer and Storm Water Utility Fund
Comparative Statement of Cash Flows
For the Years Ended December 31, 2020 and 2019

| | 2020 | 2019 |
|---|----------------------|----------------------|
| Increase (Decrease) in Cash and Cash Equivalents | | |
| Cash Flows from Operating Activities | | |
| Cash received from customers | \$ 23,417,055 | \$ 22,843,112 |
| Cash payments to employees for services | (5,417,631) | (4,859,330) |
| Cash payments for goods and services | (10,925,598) | (9,922,230) |
| Miscellaneous Revenues | 25,924 | 17,676 |
| | <u>7,099,750</u> | <u>8,079,228</u> |
| Net Cash Provided by (Used in) Operating Activities | | |
| Cash Flows from Noncapital Financing Activities | | |
| Other nonoperating revenues | 51,463 | - |
| | <u>51,463</u> | <u>-</u> |
| Net Cash Flows from Noncapital Financing Activities | | |
| Cash Flows from Capital and Related Financing Activities | | |
| Capital contributions | 357,935 | 102,041 |
| Cash receipts from the disposal of capital assets | - | 12,100 |
| Proceeds from refunding debt issued | 5,610,000 | |
| Payment to escrow - refunding debt | (5,564,472) | |
| Cash received from (paid to) other funds | | |
| Principal paid on revenue bonds | (2,050,000) | (1,825,000) |
| Interest paid on revenue bonds and contracts | (1,931,389) | (2,145,422) |
| Bond issuance costs | (45,528) | |
| Payments for capital acquisitions | (8,550,678) | (5,269,435) |
| | <u>(12,174,132)</u> | <u>(9,125,716)</u> |
| Net Cash Flows from Capital and Related Financing Activities | | |
| Cash Flows from Investing Activities | | |
| Purchase of investment securities | (4,022,963) | (1,993,417) |
| Proceeds from sale and maturities of investment securities | 7,761,975 | 6,481,923 |
| Investment (losses)/earnings | 439,307 | 1,137,102 |
| | <u>4,178,319</u> | <u>5,625,608</u> |
| Net Cash Flows From Investing Activities | | |
| Net Increase (Decrease) in Cash and Cash Equivalents | (844,600) | 4,579,120 |
| Cash and Cash Equivalents Beginning of Year | <u>26,787,199</u> | <u>22,208,079</u> |
| Cash and Cash Equivalents End of Year | <u>\$ 25,942,599</u> | <u>\$ 26,787,199</u> |

City of Lynnwood, Washington
Water, Sewer and Storm Water Utility Fund
Comparative Statement of Cash Flows
For the Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|---------------------|---------------------|
| Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities | | |
| Operating Income | \$ 4,887,382 | \$ 5,617,213 |
| Adjustments: | | |
| Depreciation | 2,797,284 | 2,706,068 |
| (Increase) Decrease in Assets: | | |
| Accounts receivable | (801,571) | (297,513) |
| Inventories, deposits, prepaid and other | 57,038 | 243,241 |
| Increase (Decrease) in Liabilities: | | |
| Accounts payable | 316,089 | 299,917 |
| Compensated absences payable | 271,902 | (28,228) |
| Pension related liabilities | (428,376) | (461,470) |
| Net Cash Provided by (Used in) Operating Activities | <u>\$ 7,099,748</u> | <u>\$ 8,079,228</u> |
| Schedule of Non-Cash Capital and Related Financing Activities | | |
| Contribution of capital assets | \$ 2,676,002 | \$ 742,003 |
| Fair value of investments increased (decreased) by | (48,111) | 74,211 |
| Total Non-Cash Activities | <u>\$ 2,627,891</u> | <u>\$ 816,214</u> |

City of Lynnwood, Washington
Golf Course Fund
Comparative Statements of Net Position
December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|------------------------------------|---------------------|---------------------|
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 197,831 | \$ 56,808 |
| Investments | 204,141 | 73,890 |
| Receivables: | | |
| Due from other governments | 1,102 | - |
| Prepaid expenses | - | 4,334 |
| Inventories | 21,179 | 21,037 |
| Total Current Assets | <u>424,253</u> | <u>156,069</u> |
| Noncurrent Assets: | | |
| Restricted: | | |
| Cash and investments | 16,798 | 10,629 |
| Customer prepayments | 23,443 | 22,443 |
| Capital assets: | | |
| Nondepreciable | 3,663,369 | 3,663,369 |
| Depreciable, net | 497,562 | 531,233 |
| Total Noncurrent Assets | <u>4,201,172</u> | <u>4,227,674</u> |
| Total Assets | <u>4,625,425</u> | <u>4,383,743</u> |
| Liabilities | | |
| Current Liabilities: | | |
| Accounts payable | 76,945 | 31,009 |
| Interfund payable | 133,000 | 133,000 |
| Deposits payable | 23,443 | 22,443 |
| Custodial accounts | 7,388 | 3,198 |
| Unearned revenue | 16,798 | 10,630 |
| Total Current Liabilities | <u>257,574</u> | <u>200,280</u> |
| Interfund payable | 985,000 | 1,118,000 |
| Total Long-Term Liabilities | <u>985,000</u> | <u>1,118,000</u> |
| Total Liabilities | <u>1,242,574</u> | <u>1,318,280</u> |
| Net Position | | |
| Investment in capital assets | 4,160,931 | 4,194,602 |
| Unrestricted (deficit) | (778,080) | (1,129,139) |
| Total Net Position | <u>\$ 3,382,851</u> | <u>\$ 3,065,463</u> |

City of Lynnwood, Washington
Golf Course Fund
Comparative Statement of Revenues, Expenses and Changes in Fund Net Position
For the Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|---------------------|---------------------|
| Operating Revenues | | |
| Charges for services | \$ 1,437,829 | \$ 1,159,873 |
| Rentals | 209,139 | 177,411 |
| Miscellaneous | 1,142 | 7,931 |
| Total Operating Revenues | <u>1,648,110</u> | <u>1,345,215</u> |
| Operating Expenses | | |
| Administration and general | 1,285,248 | 1,218,652 |
| Maintenance and operations | 7,869 | 11,789 |
| Depreciation | 33,671 | 50,911 |
| Total Operating Expenses | <u>1,326,788</u> | <u>1,281,352</u> |
| Operating Income (Loss) | <u>321,322</u> | <u>63,863</u> |
| Non-Operating Revenues (Expenses) | | |
| Investment interest | 3,924 | 5,759 |
| Interest expense | (7,858) | (30,784) |
| Total Non-Operating Revenues (Expenses) | <u>(3,934)</u> | <u>(25,025)</u> |
| Income Before Contributions | 317,388 | 38,838 |
| Change in Net Position | 317,388 | 38,838 |
| Net Position Beginning of Year | <u>3,065,463</u> | <u>3,026,625</u> |
| Net Position End of Year | <u>\$ 3,382,851</u> | <u>\$ 3,065,463</u> |

City of Lynnwood, Washington
Golf Course Fund
Comparative Statement of Cash Flows
For the Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|---|-------------------|------------------|
| Increase (Decrease) in Cash and Cash Equivalents | | |
| Cash Flows from Operating Activities | | |
| Cash received from customers | \$ 1,647,008 | \$ 1,345,215 |
| Cash payments for goods and services | (1,223,762) | (1,212,873) |
| Other cash received (paid) | (7,869) | (11,789) |
| Net Cash Provided by (Used in) Operating Activities | 415,377 | 120,553 |
| Cash Flows from/To Noncapital Financing Activities | | |
| Cash flows from/(to) interfund loans | (140,858) | (163,784) |
| Cash Flows from Investment Activities | | |
| Purchase of investment securities | (202,600) | (68,290) |
| Proceeds from sale and maturities of investment securities | 72,349 | 61,082 |
| Investment earnings | 3,924 | 5,825 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 148,192 | (44,614) |
| Cash and Cash Equivalents Beginning of Year | <u>89,880</u> | <u>134,494</u> |
| Cash and Cash Equivalents End of Year | <u>\$ 238,072</u> | <u>\$ 89,880</u> |

(Continued)

City of Lynnwood, Washington
Golf Course Fund
Comparative Statement of Cash Flows
For the Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|-------------------|-------------------|
| Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities | | |
| Operating Income (Loss) | \$ 321,322 | \$ 63,863 |
| Adjustments: | | |
| Depreciation | 33,671 | 50,911 |
| (Increase) Decrease in Assets: | | |
| Inventories, deposits and prepaid items | 4,192 | 8,802 |
| Increase (Decrease) in Liabilities: | | |
| Accounts payable | 45,936 | 1,345 |
| Other liabilities | 11,358 | (4,368) |
| Net Cash Provided by (Used in) Operating Activities | <u>\$ 415,377</u> | <u>\$ 120,553</u> |
| Schedule of Non-Cash Capital and Related Financing Activities | | |
| Fair value of investments increased (decreased) by | <u>\$ 796</u> | <u>\$ 719</u> |
| Total Non-Cash Activities | <u>\$ 796</u> | <u>\$ 719</u> |

City of Lynnwood, Washington
Internal Service Funds
Combining Statement of Net Position
December 31, 2020

| | <u>Equipment Rental Reserve</u> | <u>Self Insurance</u> | <u>Reserve Retirement Contribution</u> | <u>Technology Reserve</u> | <u>Total</u> |
|---|---|---------------------------|--|-------------------------------|----------------------|
| Assets | | | | | |
| Current Assets: | | | | | |
| Cash and cash equivalents | \$ 2,443,762 | \$ 374,426 | \$ 32,039 | \$ 71,699 | \$ 2,921,926 |
| Investments | 1,786,835 | - | - | - | 1,786,835 |
| Receivables: | | | | | |
| Intergovernmental | 270,764 | - | - | - | 270,764 |
| Prepaid insurance | - | 25,000 | - | - | 25,000 |
| Total Current Assets | <u>4,501,361</u> | <u>399,426</u> | <u>32,039</u> | <u>71,699</u> | <u>5,004,525</u> |
| Noncurrent Assets: | | | | | |
| Capital assets: | | | | | |
| Nondepreciable | 54,634 | - | - | - | 54,634 |
| Depreciable, net | 6,042,162 | - | - | 198,292 | 6,240,454 |
| Total Noncurrent Assets: | <u>6,096,796</u> | <u>-</u> | <u>-</u> | <u>198,292</u> | <u>6,295,088</u> |
| Deferred Outflows | <u>62,693</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>62,693</u> |
| Total Assets and Deferred Outflows | <u>10,660,850</u> | <u>399,426</u> | <u>32,039</u> | <u>269,991</u> | <u>11,362,306</u> |
| Liabilities | | | | | |
| Current Liabilities: | | | | | |
| Accounts payable | 32,326 | - | - | (1,733) | 30,593 |
| Wages payable | 30,918 | - | - | - | 30,918 |
| Claims and judgments payable | - | 157,097 | - | - | 157,097 |
| Compensated absences payable | 50,359 | - | - | - | 50,359 |
| Total Current Liabilities | <u>113,603</u> | <u>157,097</u> | <u>-</u> | <u>(1,733)</u> | <u>268,967</u> |
| Noncurrent Liabilities | | | | | |
| Compensated absences payable | 32,143 | - | - | - | 32,143 |
| Net pension liability payable | 117,136 | - | - | - | 117,136 |
| Total Liabilities | <u>262,882</u> | <u>157,097</u> | <u>-</u> | <u>(1,733)</u> | <u>418,246</u> |
| Deferred Inflows | <u>45,441</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>45,441</u> |
| Total Liabilities and Deferred Inflows | <u>308,323</u> | <u>157,097</u> | <u>-</u> | <u>(1,733)</u> | <u>463,687</u> |
| Net Position | | | | | |
| Investment in capital assets | 6,096,796 | - | - | 198,292 | 6,295,088 |
| Unrestricted | 4,255,731 | 242,329 | 32,039 | 73,432 | 4,603,531 |
| Total Net Position | <u>\$ 10,352,527</u> | <u>\$ 242,329</u> | <u>\$ 32,039</u> | <u>\$ 271,724</u> | <u>\$ 10,898,619</u> |

City of Lynnwood, Washington
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended December 31, 2020

| | Equipment Rental Reserve | Self Insurance | Reserve Retirement Contribution | Technology Reserve | Total |
|---------------------------------------|---|---------------------------|--|-------------------------------|----------------------|
| Operating Revenues | | | | | |
| Charges for services | \$ 2,769,429 | \$ - | \$ - | \$ 118,876 | \$ 2,888,305 |
| Miscellaneous | 7,925 | - | - | - | 7,925 |
| Total Operating Revenues | 2,777,354 | - | - | 118,876 | 2,896,230 |
| Operating Expenses | | | | | |
| Maintenance and operations | 1,627,041 | - | - | 207,294 | 1,834,335 |
| Insurance and claims | - | 89,159 | - | - | 89,159 |
| Depreciation | 747,521 | - | - | 29,096 | 776,617 |
| Total Operating Expenses | 2,374,562 | 89,159 | - | 236,390 | 2,700,111 |
| Operating Income (Loss) | 402,792 | (89,159) | - | (117,514) | 196,119 |
| Non-Operating Revenues | | | | | |
| Other nonoperating revenue | - | - | - | 186,877 | 186,877 |
| Investment interest | 36,410 | - | (154) | 169 | 36,425 |
| Gain on disposition of capital assets | 106,247 | - | - | - | 106,247 |
| Total Non-Operating Revenues | 142,657 | - | (154) | 187,046 | 329,549 |
| Change in Net Position | 545,449 | (89,159) | (154) | 69,532 | 525,668 |
| Net Position Beginning of Year | 9,807,078 | 331,488 | 32,193 | 202,192 | 10,372,951 |
| Net Position End of Year | \$ 10,352,527 | \$ 242,329 | \$ 32,039 | \$ 271,724 | \$ 10,898,619 |

City of Lynnwood, Washington
Internal Service Funds
 Combining Statement of Cash Flows
 For the Year Ended December 31, 2020

| | Equipment Rental Reserve | Self Insurance | Reserve Retirement Contribution | Technology Reserve | Total |
|--|--------------------------------|-------------------|---------------------------------------|-----------------------|---------------------|
| Increase (Decrease) in Cash and Cash Equivalents | | | | | |
| Cash Flows from Operating Activities | | | | | |
| Cash received from interfund services provided | \$ 1,971,961 | \$ 119,189 | \$ - | \$ 118,876 | \$ 2,210,026 |
| Other cash receipts | 796,628 | - | - | - | 796,628 |
| Cash payments to employees for services | (796,500) | - | - | - | (796,500) |
| Cash payments for goods and services | (907,700) | (9,373) | - | (216,737) | (1,133,810) |
| Net Cash Provided by (Used in) Operating Activities | 1,064,388 | 109,816 | - | (97,861) | 1,076,343 |
| Cash Flows from Non-Capital financing activities | | | | | |
| Receipts from non-capital grants | - | - | - | 186,877 | 186,877 |
| Net Cash Flows from non-Capital and related financing activities | - | - | - | 186,877 | 186,877 |
| Cash Flows from Capital and Related Financing Activities | | | | | |
| Acquisition and construction of capital assets | (1,706,085) | - | - | (227,388) | (1,933,473) |
| Proceeds from sale of equipment | 119,578 | - | - | - | 119,578 |
| Net Cash Provided by (Used in) Capital and Related Financing Activities | (1,586,507) | - | - | (227,388) | (1,813,895) |
| Cash Flows from Investing Activities | | | | | |
| Purchase of investment securities | (1,773,349) | - | - | - | (1,773,349) |
| Proceeds from sale and maturities of investment securities | 2,014,146 | - | 15,213 | 99,969 | 2,129,328 |
| Interest and dividends on investments | 36,410 | - | (154) | 169 | 36,425 |
| Net Cash Provided by (Used in) Investing Activities | 277,207 | - | 15,059 | 100,138 | 392,404 |
| Net Increase (Decrease) in Cash and Cash Equivalents | (244,912) | 109,816 | 15,059 | (38,234) | (158,271) |
| Cash and Cash Equivalents Beginning of Year | 2,688,674 | 264,610 | 16,980 | 109,933 | 3,080,197 |
| Cash and Cash Equivalents End of Year | \$ 2,443,762 | \$ 374,426 | \$ 32,039 | \$ 71,699 | \$ 2,921,926 |

(Continued)

City of Lynnwood, Washington
Internal Service Funds
 Combining Statement of Cash Flows
 For the Year Ended December 31, 2020

| | Equipment Rental Reserve | Self Insurance | Reserve Retirement Contribution | Technology Reserve | Total |
|--|--------------------------------|-------------------|---------------------------------------|-----------------------|---------------------|
| Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities | | | | | |
| Operating Income (Loss) | \$ 402,792 | \$ (89,159) | \$ - | \$ (117,514) | \$ 196,119 |
| Adjustments: | | | | | |
| Depreciation | 747,521 | - | - | 29,096 | 776,617 |
| (Increase) Decrease in Assets: | | | | | |
| Receivables, net | (8,765) | - | - | - | (8,765) |
| Inventories, deposits and prepaid expenses | - | 119,189 | - | - | 119,189 |
| Increase (Decrease) in Liabilities: | | | | | |
| Accounts and other payables | (29,015) | 79,786 | - | (9,443) | 41,328 |
| Compensated absences | 32,012 | - | - | - | 32,012 |
| Pension related liabilities | (80,157) | - | - | - | (80,157) |
| Net Cash Provided by (Used in) Operating Activities | <u>\$ 1,064,388</u> | <u>\$ 109,816</u> | <u>\$ -</u> | <u>\$ (97,861)</u> | <u>\$ 1,076,343</u> |
| Schedule of Non-Cash Capital and Related Financing Activities | | | | | |
| Fair value of investments increased (decreased) by | \$ (6,961) | \$ - | \$ - | \$ 1,008 | \$ (5,953) |
| Total Non-Cash Activities | <u>\$ (6,961)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,008</u> | <u>\$ (5,953)</u> |

City of Lynnwood, Washington
Equipment Rental Reserve Fund
Comparative Statements of Net Position
December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|----------------------|---------------------|
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 2,443,762 | \$ 2,688,674 |
| Investments | 1,786,835 | 2,027,632 |
| Receivables: | | |
| Intergovernmental | 270,764 | 261,999 |
| Total Current Assets | <u>4,501,361</u> | <u>4,978,305</u> |
| Noncurrent Assets: | | |
| Capital assets: | | |
| Nondepreciable | 54,634 | 55,901 |
| Depreciable, net | 6,042,162 | 5,095,662 |
| Total Noncurrent Assets: | <u>6,096,796</u> | <u>5,151,563</u> |
| Deferred Outflows of Resources - Pensions | <u>62,693</u> | <u>57,869</u> |
| Total Assets and Deferred Outflows | <u>10,660,850</u> | <u>10,187,737</u> |
| Liabilities | | |
| Current Liabilities: | | |
| Accounts payable | 32,326 | 53,212 |
| Wages payable | 30,918 | 39,047 |
| Compensated absences payable | 50,359 | 13,094 |
| Total Current Liabilities | <u>113,603</u> | <u>105,353</u> |
| Noncurrent Liabilities | | |
| Compensated absences payable | 32,143 | 37,396 |
| Net pension liability | 117,136 | 134,906 |
| Total Noncurrent Liabilities | <u>149,279</u> | <u>172,302</u> |
| Deferred Inflows of Resources - Pensions | <u>45,441</u> | <u>103,004</u> |
| Total Liabilities and Deferred Inflows | <u>308,323</u> | <u>380,659</u> |
| Net Position | | |
| Investment in capital assets | 6,096,796 | 5,151,563 |
| Unrestricted | 4,255,731 | 4,655,515 |
| Total Net Position | <u>\$ 10,352,527</u> | <u>\$ 9,807,078</u> |

City of Lynnwood, Washington
Equipment Rental Reserve Fund
Comparative Statement of Revenues, Expenses and Changes in Fund Net Position
For the Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|----------------------|---------------------|
| Operating Revenues | | |
| Charges for services | \$ 2,769,429 | \$ 3,171,106 |
| Miscellaneous | 7,925 | - |
| Total Operating Revenues | <u>2,777,354</u> | <u>3,171,106</u> |
| Operating Expenses | | |
| Maintenance and operations | 1,627,041 | 1,821,853 |
| Depreciation | 747,521 | 763,609 |
| Total Operating Expenses | <u>2,374,562</u> | <u>2,585,462</u> |
| Operating Income (Loss) | <u>402,792</u> | <u>585,644</u> |
| Non-Operating Revenues | | |
| Investment interest | 36,410 | 89,060 |
| Gain (loss) on disposition of capital assets | 106,247 | 156,661 |
| Total Non-Operating Revenues | <u>142,657</u> | <u>245,721</u> |
| Change in Net Position | 545,449 | 831,365 |
| Net Position Beginning of Year | <u>9,807,078</u> | <u>8,975,713</u> |
| Net Position End of Year | <u>\$ 10,352,527</u> | <u>\$ 9,807,078</u> |

City of Lynnwood, Washington
Equipment Rental Reserve Fund
Comparative Statement of Cash Flows
For the Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|---------------------|---------------------|
| Increase (Decrease) in Cash and Cash Equivalents | | |
| Cash Flows from Operating Activities | | |
| Cash received from interfund services provided | \$ 1,971,961 | \$ 2,340,457 |
| Other cash receipts | 796,628 | 738,974 |
| Cash payments to employees for services | (796,500) | (733,226) |
| Cash payments for goods and services | (907,700) | (1,123,623) |
| Net Cash Provided by (Used in) Operating Activities | <u>1,064,388</u> | <u>1,222,582</u> |
| Cash Flows from Noncapital Financing Activities | | |
| Interfund loan received/(paid) | - | 7,000 |
| Cash Flows from Capital and Related Financing Activities | | |
| Acquisition and construction of capital assets | (1,706,085) | (507,497) |
| Proceeds from sale of equipment | 119,578 | 141,888 |
| Net Cash Provided by (Used in) Capital and Related Financing Activities | <u>(1,586,507)</u> | <u>(365,609)</u> |
| Cash Flows from Investing Activities | | |
| Purchase of investment securities | (1,773,349) | (2,732,466) |
| Proceeds from sale and maturities of investment securities | 2,014,146 | 1,676,173 |
| Interest and dividends on investments | 36,410 | 90,014 |
| Net Cash Provided by (Used in) Investing Activities | <u>277,207</u> | <u>(966,279)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (244,912) | (102,306) |
| Cash and Cash Equivalents Beginning of Year | <u>2,688,674</u> | <u>2,790,980</u> |
| Cash and Cash Equivalents End of Year | <u>\$ 2,443,762</u> | <u>\$ 2,688,674</u> |

(Continued)

City of Lynnwood, Washington
Equipment Rental Reserve Fund
Comparative Statement of Cash Flows
For the Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|---------------------|---------------------|
| Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities | | |
| Operating Income/ (Loss) | \$ 402,792 | \$ 585,644 |
| Adjustments: | | |
| Depreciation | 747,521 | 763,609 |
| (Increase) Decrease in Assets: | | |
| Receivables, net | (8,765) | (91,675) |
| Inventories, deposits and prepaid expenses | - | 21,927 |
| Increase (Decrease) in Liabilities: | | |
| Accounts and other payables | (29,015) | (57,294) |
| Compensated absences | 32,012 | 371 |
| Pension liability and deferrals | (80,157) | - |
| Net Cash Provided by (Used in) Operating Activities | <u>\$ 1,064,388</u> | <u>\$ 1,222,582</u> |
| Schedule of Non-Cash Capital and Related Financing Activities | | |
| Fair value of investments increased (decreased) by | <u>\$ (6,961)</u> | <u>\$ -</u> |
| Total Non-Cash Activities | <u>\$ (6,961)</u> | <u>\$ -</u> |

City of Lynnwood, Washington
Self Insurance Fund
Comparative Statements of Net Position
December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|----------------------------------|-------------------|-------------------|
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 374,426 | \$ 264,610 |
| Prepaid insurance | 25,000 | 144,189 |
| Total Current Assets | <u>399,426</u> | <u>408,799</u> |
| Liabilities | | |
| Current Liabilities: | | |
| Accounts payable | | 8,839 |
| Claims and judgments payable | 157,097 | 68,472 |
| Total Current Liabilities | <u>157,097</u> | <u>77,311</u> |
| Net Position | | |
| Comitted | <u>\$ 242,329</u> | <u>\$ 331,488</u> |

City of Lynnwood, Washington
Self Insurance Fund
Comparative Statement of Revenues, Expenses and Changes in Fund Net Position
For the Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|-------------------|-------------------|
| Operating Revenues | | |
| Charges for services | \$ - | \$ 156,396 |
| Operating Expenses | | |
| Insurance and claims | 89,159 | 1,542 |
| Total Operating Expenses | 89,159 | 1,542 |
| Operating Income (Loss) | (89,159) | 154,854 |
| Non-Operating Revenues (Expenses) | | |
| Investment interest | - | 6,452 |
| Total Non-Operating Revenues | - | 6,452 |
| Change in Net Position | (89,159) | 161,306 |
| Net Position Beginning of Year | 331,488 | 170,182 |
| Net Position End of Year | <u>\$ 242,329</u> | <u>\$ 331,488</u> |

City of Lynnwood, Washington
Self Insurance Fund
Comparative Statement of Cash Flows
For the Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|-------------------|-------------------|
| Increase (Decrease) in Cash and Cash Equivalents | | |
| Cash Flows from Operating Activities | | |
| Cash received from interfund services provided | \$ 119,189 | \$ 277,499 |
| Cash payments for goods and services | <u>(9,373)</u> | <u>(12,595)</u> |
| Net Cash Provided by (Used in) Operating Activities | <u>109,816</u> | <u>264,904</u> |
| Cash Flows from non-capital and related financing activities: | | |
| Interfund loans received/(paid) | <u>-</u> | <u>(7,000)</u> |
| Cash Flows from non-capital and related financing activities | <u>-</u> | <u>(7,000)</u> |
| Cash Flows from Investing Activities | | |
| Interest and dividends on investments | <u>-</u> | <u>6,452</u> |
| Net Cash Provided by (Used in) Investing Activities | <u>-</u> | <u>6,452</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 109,816 | 264,356 |
| Cash and Cash Equivalents Beginning of Year | <u>264,610</u> | <u>254</u> |
| Cash and Cash Equivalents End of Year | <u>\$ 374,426</u> | <u>\$ 264,610</u> |

(Continued)

City of Lynnwood, Washington
Self Insurance Fund
Comparative Statement of Cash Flows
For the Years Ended December 31, 2020 and 2019

| | 2020 | 2019 |
|--|-------------|------------|
| Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities | | |
| Operating Income (Loss) | \$ (89,159) | \$ 154,854 |
| Adjustments: | | |
| (Increase) Decrease in Assets: | | |
| Inventories, deposits and prepaid expenses | 119,189 | 121,103 |
| Increase (Decrease) in Liabilities: | | |
| Accounts Payable | 79,786 | (11,053) |
| Other Current Liabilities | | |
| Net Cash Provided by (Used in) Operating Activities | \$ 109,816 | \$ 264,904 |

City of Lynnwood, Washington
Reserve Retirement Contribution Fund
Comparative Statements of Net Position
December 31, 2020 and 2019

| | 2020 | 2019 |
|-----------------------------|-----------|-----------|
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 32,039 | \$ 16,980 |
| Investments | - | 15,213 |
| Total Current Assets | \$ 32,039 | \$ 32,193 |
| Net Position | | |
| Unrestricted | \$ 32,039 | \$ 32,193 |

City of Lynnwood, Washington
Reserve Retirement Contribution Fund
Comparative Statement of Revenues, Expenses and Changes in Fund Net Position
For the Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|---------------------------------------|------------------|------------------|
| Non-Operating Revenues | | |
| Investment interest | \$ (154) | \$ 892 |
| Change in Net Position | (154) | 892 |
| Net Position Beginning of Year | <u>32,193</u> | <u>31,301</u> |
| Net Position End of Year | <u>\$ 32,039</u> | <u>\$ 32,193</u> |

City of Lynnwood, Washington
Reserve Retirement Contribution Fund
Comparative Statement of Cash Flows
For the Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|---|------------------|------------------|
| Increase (Decrease) in Cash and Cash Equivalents | | |
| Cash Flows from Investing Activities | | |
| Purchase of investments | - | (14,453) |
| Proceeds from sale and maturities of investment securities | 15,213 | 12,576 |
| Interest and dividends on investments | (154) | 905 |
| Net Cash Provided by (Used in) Investing Activities | <u>15,059</u> | <u>(972)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 15,059 | (972) |
| Cash and Cash Equivalents Beginning of Year | <u>16,980</u> | <u>17,952</u> |
| Cash and Cash Equivalents End of Year | <u>\$ 32,039</u> | <u>\$ 16,980</u> |

City of Lynnwood, Washington
Technology Reserve Fund
Comparative Statements of Net Position
December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|----------------------------------|-----------------------|-----------------------|
| Assets | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 71,699 | \$ 109,933 |
| Investments | - | 99,969 |
| Total Current Assets | <u>71,699</u> | <u>209,902</u> |
| Noncurrent Assets: | | |
| Capital assets: | | |
| Depreciable, net | 198,292 | - |
| Total Noncurrent Assets: | <u>198,292</u> | <u>-</u> |
| Total Assets | <u>269,991</u> | <u>209,902</u> |
| Liabilities | | |
| Current Liabilities: | | |
| Accounts payable | (1,733) | 7,710 |
| Total Current Liabilities | <u>(1,733)</u> | <u>7,710</u> |
| Net Position | | |
| Investment in capital assets | 198,292 | - |
| Restricted | \$ 73,432 | \$ 202,192 |
| Total Net Position | <u><u>271,724</u></u> | <u><u>202,192</u></u> |

City of Lynnwood, Washington
Technology Reserve Fund
Comparative Statement of Revenues, Expenses and Changes in Fund Net Position
For the Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|-------------------|-------------------|
| Operating Revenues | | |
| Charges for services | \$ 118,876 | \$ 118,875 |
| Total Operating Revenues | <u>118,876</u> | <u>118,875</u> |
| Operating Expenses | | |
| Maintenance and operations | 207,294 | 68,780 |
| Depreciation | 29,096 | - |
| Total Operating Expenses | <u>236,390</u> | <u>68,780</u> |
| Operating Income (Loss) | <u>(117,514)</u> | <u>50,095</u> |
| Non-Operating Revenues (Expenses) | | |
| Investment interest | 169 | 2,097 |
| COVID 19 Non-Grant Assistance | 186,877 | - |
| Total Non-Operating Revenues | <u>187,046</u> | <u>2,097</u> |
| Income Before Transfers in | 69,532 | 52,192 |
| Transfers in | | <u>150,000</u> |
| Change in Net Position | 69,532 | 202,192 |
| Net Position Beginning of Year | <u>202,192</u> | <u>-</u> |
| Net Position End of Year | <u>\$ 271,724</u> | <u>\$ 202,192</u> |

City of Lynnwood, Washington
Technology Reserve Fund
Comparative Statement of Cash Flows
For the Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|------------------|-------------------|
| Increase (Decrease) in Cash and Cash Equivalents | | |
| Cash Flows from Operating Activities | | |
| Cash received from interfund services provided | \$ 118,876 | \$ 118,875 |
| Cash payments for goods and services | <u>(216,737)</u> | <u>(61,070)</u> |
| Net Cash Provided by (Used in) Operating Activities | <u>(97,861)</u> | <u>57,805</u> |
| Cash Flows from non-capital and related financing activities: | | |
| Receipts from non-capital grants | 186,877 | - |
| Cash received from other funds | <u>-</u> | <u>150,000</u> |
| Cash Flows from non-capital and related financing activities | 186,877 | 150,000 |
| Cash Flows from capital and related financing activities: | | |
| Acquisition of capital assets | <u>(227,388)</u> | <u>-</u> |
| Net Cash Provided by (Used in) Capital and related financing activities | <u>(227,388)</u> | <u>-</u> |
| Cash Flows from Investing Activities | | |
| Purchase of investments | - | (98,961) |
| Proceeds from sale and maturities of investment securities | 99,969 | - |
| Interest and dividends on investments | <u>169</u> | <u>1,089</u> |
| Net Cash Provided by (Used in) Investing Activities | <u>100,138</u> | <u>(97,872)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (38,234) | 109,933 |
| Cash and Cash Equivalents Beginning of Year | <u>109,933</u> | <u>-</u> |
| Cash and Cash Equivalents End of Year | <u>\$ 71,699</u> | <u>\$ 109,933</u> |

(Continued)

City of Lynnwood, Washington
Technology Reserve Fund
Comparative Statement of Cash Flows
For the Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|--|--------------------|------------------|
| Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities | | |
| Operating Income (Loss) | \$ (117,514) | \$ 50,095 |
| Adjustments: | | |
| Depreciation | 29,096 | - |
| Increase (Decrease) in Liabilities: | | |
| Accounts Payable | <u>(9,443)</u> | <u>7,710</u> |
| Net Cash Provided by (Used in) Operating Activities | <u>\$ (97,861)</u> | <u>\$ 57,805</u> |
| Schedule of Non-Cash Capital and Related Financing Activities | | |
| Fair value of investments increased (decreased) by | <u>\$ 1,008</u> | <u>\$ -</u> |
| Total Non-Cash Activities | <u>\$ 1,008</u> | <u>\$ -</u> |

FIDUCIARY FUNDS

City of Lynnwood, Washington
Comparative Statement of Net Position
Recreation Scholarship Funds
Fiduciary Funds
For the Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|---------------------------------|------------------|------------------|
| Assets | | |
| Restricted cash and investments | \$ 21,214 | \$ 10,079 |
| Investments | - | 10,866 |
| Total Assets | <u>21,214</u> | <u>20,945</u> |
| Net Position | | |
| Committed for scholarships | <u>\$ 21,214</u> | <u>\$ 20,945</u> |

City of Lynnwood, Washington
Comparative Statement of Changes in Fiduciary Net Position
Recreation Scholarship Funds
Fiduciary Funds
For the Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|-------------------------------|------------------|------------------|
| Additions | | |
| Contributions | \$ 269 | \$ 659 |
| Beginning Net Position | <u>20,945</u> | <u>20,286</u> |
| Ending Net Position | <u>\$ 21,214</u> | <u>\$ 20,945</u> |



City of Lynnwood, Washington
Comparative Statement of Net Position
Custodial Fund
Fiduciary Funds
December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|---|------------------|-------------|
| Assets | | |
| Restricted cash and investments | \$ 167,636 | \$ - |
| Liabilities | | |
| Accounts payable and other accrued expenses | 92,573 | - |
| Total Liabilities | 92,573 | - |
| Net Position | | |
| Restricted | <u>\$ 75,063</u> | <u>\$ -</u> |



Comparative Statement of Changes in Fiduciary Net Position
Custodial Fund
Fiduciary Funds
For the Years Ended December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|---|-------------------------|--------------------|
| Additions | | |
| Court collections | \$ 468,427 | \$ - |
| Pass thru collections - PFD | 810,328 | |
| Building code surcharges collected | 7,442 | - |
| Sales taxes collected | 56,323 | - |
| Drug seizures | 87,913 | - |
| Weapons permitting fees collected for other agencies | 3,250 | |
| Fingerprinting fees collected for other agencies | 889 | - |
| Total Additions | <u>\$ 1,434,572</u> | <u>\$ -</u> |
| Deductions | | |
| Court remittances | 463,907 | - |
| Pass thru collections - PFD | 810,598 | |
| Building code surcharges remitted | 6,698 | - |
| Sales taxes remitted | 54,769 | - |
| Drug seizures distributed | 53,485 | - |
| Weapons permitting fees remitted to other agencies | 3,754 | |
| Fingerprinting fees remitted to other agencies | 873 | - |
| Total Deductions | <u>\$ 1,394,084</u> | <u>\$ -</u> |
| Change in Net Position | 40,488 | - |
| Beginning Net Position | - | - |
| Prior Period Adjustment - Change in Accounting Principle | 34,575 | - |
| Ending Net Position | <u><u>\$ 75,063</u></u> | <u><u>\$ -</u></u> |



City of Lynnwood, Washington
Comparative Statement of Net Plan Position
Firemen's Pension Trust Fund
Fiduciary Funds
December 31, 2020 and 2019

| | <u>2020</u> | <u>2019</u> |
|---|-------------------|-------------------|
| Assets | | |
| Cash and cash equivalents | \$ 305,342 | \$ 164,679 |
| Investments | - | 147,780 |
| Total Assets | <u>305,342</u> | <u>312,459</u> |
| Liabilities | | |
| Accounts payable and other accrued expenses | 4,750 | - |
| Total Liabilities | <u>4,750</u> | <u>-</u> |
| Net Position | | |
| Restricted for pensions | <u>\$ 300,592</u> | <u>\$ 312,459</u> |



*Statement of Changes in Fiduciary Net Position
Firemen's Pension Trust Fund
Fiduciary Funds
For the Years Ended December 31, 2020 and 2019*

| | <u>2020</u> | <u>2019</u> |
|-------------------------------|--------------------------|--------------------------|
| Additions | | |
| Intergovernmental revenues | \$ 66,367 | \$ 62,165 |
| Investment interest | 2,844 | 10,344 |
| Total Additions | <u>69,211</u> | <u>72,509</u> |
| Deductions | | |
| Benefits | \$ 76,328 | \$ 95,102 |
| Administrative Expenses | 4,750 | 2,000 |
| Total Deductions | <u>81,078</u> | <u>97,102</u> |
| Change in Net Position | \$ (11,867) | \$ (24,593) |
| Beginning Net Position | <u>312,459</u> | <u>337,052</u> |
| Ending Net Position | <u><u>\$ 300,592</u></u> | <u><u>\$ 312,459</u></u> |

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FEDERAL AWARDS AND SINGLE AUDIT



City of Lynnwood
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

| Federal Agency (Pass-Through Agency) | Federal Program | CFDA Number | Other Award Number | Expenditures | | | Passed through to Subrecipients | Note |
|--|---|----------------|--|---------------------------------|-----------------------|--------|---------------------------------------|---------------|
| | | | | From Pass- Through Awards | From Direct Awards | Total | | |
| NATIONAL PARK SERVICE, INTERIOR, DEPARTMENT OF THE (via Washington State Recreation and Conservation Office) | Outdoor Recreation Acquisition, Development and Planning | 15.916 | P19AP00196/ 18-1834D | 44,216 | - | 44,216 | - | 1, 2, 8 |
| OJP BUREAU OF JUSTICE ASSISTANCE, JUSTICE, DEPARTMENT OF | Coronavirus Emergency Supplemental Funding Program | 16.034 | 2020-VD-BX- 0201 | - | 37,845 | 37,845 | - | 1, 2, 8 |
| OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF | Bulletproof Vest Partnership Program | 16.607 | Bulletproof Vest Partnership Program | - | 9,246 | 9,246 | - | 1, 2, 8 |
| OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF | Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 2020-DJ-BX- 0633 | - | 11,065 | 11,065 | - | 1, 2, 8 |
| CRIMINAL DIVISION, JUSTICE, DEPARTMENT OF | Equitable Sharing Program | 16.922 | OMB#1123- 0011/ WA0310400 | - | 30,691 | 30,691 | - | 1, 2, 8 |
| Highway Planning and Construction Cluster | | | | | | | | |
| FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation) | Highway Planning and Construction | 20.205 | TAP-9999(783) LA-8998 | 4,888 | - | 4,888 | - | 1, 2, 8, 9 |
| FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation) | Highway Planning and Construction | 20.205 | TAP-2523(003) LA-9367 | 793 | - | 793 | - | 1, 2, 8 |

The accompanying notes are an integral part of this schedule.



City of Lynnwood
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

| Federal Agency (Pass-Through Agency) | Federal Program | CFDA Number | Other Award Number | Expenditures | | | Passed through to Subrecipients | Note |
|---|---------------------------------------|----------------|---|---------------------------------|-----------------------|----------------|---------------------------------------|---------|
| | | | | From Pass- Through Awards | From Direct Awards | Total | | |
| FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation) | Highway Planning and Construction | 20.205 | STPUL-2004 (037) LA-5787 | 779,334 | - | 779,334 | - | 1, 2, 8 |
| FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation) | Highway Planning and Construction | 20.205 | STPUL-2689 (001) LA-9612 | 5,921 | - | 5,921 | - | 1, 2, 8 |
| Total Highway Planning and Construction Cluster: | | | | 790,936 | - | 790,936 | - | |
| Highway Safety Cluster | | | | | | | | |
| NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Traffic Safety Commission) | State and Community Highway Safety | 20.600 | 2020-HVE- 3770/ Impaired Driving Training | 1,477 | - | 1,477 | - | 1, 2, 8 |
| NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Traffic Safety Commission) | State and Community Highway Safety | 20.600 | 2020-HVE- 3770/ Impaired Driving Patrols | 2,477 | - | 2,477 | - | 1, 2, 8 |
| NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Traffic Safety Commission) | State and Community Highway Safety | 20.600 | 2020-Sub- Grants-3899- LEL | 270 | - | 270 | - | 1, 2, 8 |

The accompanying notes are an integral part of this schedule.



City of Lynnwood
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

| Federal Agency (Pass-Through Agency) | Federal Program | CFDA Number | Other Award Number | Expenditures | | | Passed through to Subrecipients | Note |
|--|--|----------------|--|---------------------------------|-----------------------|---------------|---------------------------------------|---------|
| | | | | From Pass- Through Awards | From Direct Awards | Total | | |
| NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Traffic Safety Commission) | State and Community Highway Safety | 20.600 | 2021-Sub-Grants-4081-Region 10 LEL | 226 | - | 226 | - | 1, 2, 8 |
| NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Traffic Safety Commission) | State and Community Highway Safety | 20.600 | 2020-HVE-3770/ DUI/TZT | 1,594 | - | 1,594 | - | 1, 2, 8 |
| NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Association of Sheriffs and Police Chiefs) | State and Community Highway Safety | 20.600 | N/A | 2,646 | - | 2,646 | - | 1, 2, 8 |
| Total CFDA 20.600: | | | | 8,690 | - | 8,690 | - | |
| NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Traffic Safety Commission) | National Priority Safety Programs | 20.616 | 2020-HVE-3770/ Pedestrian Safety Project | 5,291 | - | 5,291 | - | 1, 2, 8 |
| Total Highway Safety Cluster: | | | | 13,981 | - | 13,981 | - | |
| NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Traffic Safety Commission) | Minimum Penalties for Repeat Offenders for Driving While Intoxicated | 20.608 | 2020-HVE-3770/ Motorcycle Safety | 3,958 | - | 3,958 | - | 1, 2, 8 |

The accompanying notes are an integral part of this schedule.



City of Lynnwood
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020

| Federal Agency (Pass-Through Agency) | Federal Program | CFDA Number | Other Award Number | Expenditures | | | Passed through to Subrecipients | Note |
|--|---------------------------------------|----------------|-----------------------|---------------------------------|-----------------------|------------------|---------------------------------------|---------|
| | | | | From Pass- Through Awards | From Direct Awards | Total | | |
| DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via Washington State Department of Commerce) | COVID 19 - Coronavirus Relief Fund | 21.019 | 20-6541C-233 | 1,782,000 | - | 1,782,000 | 294,523 | 1, 2, 8 |
| DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via Snohomish County) | COVID 19 - Coronavirus Relief Fund | 21.019 | N/A | 202,646 | - | 202,646 | - | 1, 2, 8 |
| DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE (via Administrative Office of the Courts) | COVID 19 - Coronavirus Relief Fund | 21.019 | N/A | 11,458 | - | 11,458 | - | 1, 2, 8 |
| Total CFDA 21.019: | | | | 1,996,104 | - | 1,996,104 | 294,523 | |
| Total Federal Awards Expended: | | | | 2,849,195 | 88,847 | 2,938,042 | 294,523 | |



CITY OF LYNNWOOD, WASHINGTON

**Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2020**

Note 1 – Basis of Accounting

This Schedule is prepared on the same basis of accounting as the City's financial statements. The City uses the accrual basis of accounting.

Note 2 – Federal De Minimis Indirect Cost Rate

The City has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 8 – Program Costs

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the City's portion, are more than shown. Such expenditures are recognized following, as applicable, either the cost principles in the OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 9 – Prior Year Expenditures

Expenditures for this program include expenditures from prior years. The City received payments in 2020 upon the completion and closure of the grants.



STATISTICAL SECTION



City of Lynnwood, Washington
Introduction to the Statistical Section
(Unaudited)

This part of the City of Lynnwood's comprehensive annual financial report presents detailed information as a context for understanding this year's financial statements, note disclosures, and supplementary information. This information has not been audited by the independent auditor.

Categories

Exhibits

Financial Trends

A-1 -- A-10

These tables contain trend information that may assist the reader in assessing the City's current financial performance by placing it in historical perspective.

Revenue Capacity

B-1 -- B-4

These tables contain information that may assist the reader in assessing the viability of the City's most significant "own-source" revenue sources is property taxes.

Debt Capacity

C-1 -- C- 7

These tables present information that may assist the reader in analyzing the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

D-1 -- D-2

This table offers economic and demographic indicators that are commonly used for financial analysis and that can inform the reader's understanding the City's present and ongoing financial status.

Operating Information

E-1 -- E-3

These tables contain service and infrastructure indicators that can inform the reader's understanding as to how the information in the City's financial statements relates to the services that the City provides and the activities that it performs.

Data Source:

Unless otherwise noted, the information in these tables is derived from the annual financial reports for the relevant year.



City of Lynnwood, Washington
 Government-wide Net Position by Category¹
 Last Ten Calendar Years
 (Amounts Expressed in \$1,000)
 (accrual basis of accounting)

| | (Amounts Expressed in \$1,000) | | | | | | | | | |
|---|--------------------------------|--------------------------|--------------------------|-------------------------------|-------------------------------|--------------------------|-------------------------------|-------------------------------|-------------------------------|--------------------------|
| | December 31, 2011 | December 31, 2012 | December 31, 2013 | Restated December 31, 2014 | Restated December 31, 2015 | December 31, 2016 | Restated December 31, 2017 | Restated December 31, 2018 | Restated December 31, 2019 | December 31, 2020 |
| Governmental Activities | | | | | | | | | | |
| Net investment in capital assets | \$ 103,947 | \$ 102,878 | \$ 105,273 | \$ 108,229 | \$ 122,437 | \$ 122,041 | \$ 115,143 | \$ 122,653 | \$ 127,289 | \$ 130,655 |
| Restricted | 8,796 | 6,906 | 9,357 | 12,091 | 13,139 | 15,688 | 19,279 | 29,450 | 33,132 | 33,941 |
| Unrestricted | 8,085 | 14,259 | 19,684 | 22,572 | 12,973 | 15,757 | 9,846 | 8,043 | 12,289 | 10,111 |
| Subtotal Governmental Activities Net Position | 120,828 | 124,043 | 134,314 | 142,892 | 148,549 | 153,486 | 144,268 | 160,146 | 172,710 | 174,707 |
| Business-type Activities | | | | | | | | | | |
| Net investment in capital assets | 44,192 | 41,185 | 39,477 | 39,111 | 35,485 | 42,340 | 39,668 | 45,195 | 45,370 | 48,095 |
| Restricted | 8,960 | 5,997 | 2,759 | 3,144 | 1,579 | 13,941 | 1,865 | 576 | 577 | 554 |
| Unrestricted | 2,596 | 6,985 | 12,388 | 12,472 | 15,104 | (494) | 14,614 | 13,836 | 19,775 | 24,105 |
| Subtotal Business-type Activities Net Position | 55,748 | 54,167 | 54,624 | 54,727 | 52,168 | 55,787 | 56,147 | 59,607 | 65,722 | 72,754 |
| Primary Government | | | | | | | | | | |
| Net investment in capital assets | 148,139 | 144,063 | 144,750 | 147,340 | 157,922 | 164,381 | 154,811 | 167,848 | 172,659 | 178,750 |
| Restricted | 17,756 | 12,903 | 12,116 | 15,235 | 14,718 | 29,629 | 21,144 | 30,026 | 33,709 | 34,495 |
| Unrestricted | 10,681 | 21,244 | 32,072 | 35,044 | 28,077 | 15,263 | 24,460 | 21,879 | 32,064 | 34,216 |
| Total Primary Government Net Position | \$ 176,576 | \$ 178,210 | \$ 188,938 | \$ 197,619 | \$ 200,717 | \$ 209,273 | \$ 200,415 | \$ 219,753 | \$ 238,432 | \$ 247,461 |
| Total Percentage Increase or Decrease From Prior Fiscal Year | -1.5% | 0.9% | 6.0% | 4.6% | 1.6% | 4.3% | -4.2% | 9.6% | 8.5% | 3.8% |
| | Percentage of Total | | | | | | | | | |
| | December 31, 2011 | December 31, 2012 | December 31, 2013 | December 31, 2014 | December 31, 2015 | December 31, 2016 | December 31, 2017 | December 31, 2018 | December 31, 2019 | December 31, 2020 |
| Governmental Activities | | | | | | | | | | |
| Net investment in capital assets | 86.0% | 82.9% | 78.4% | 75.7% | 82.4% | 79.5% | 79.8% | 76.6% | 73.7% | 74.8% |
| Restricted | 7.3% | 5.6% | 7.0% | 8.5% | 8.8% | 10.2% | 13.4% | 18.4% | 19.2% | 19.4% |
| Unrestricted | 6.7% | 11.5% | 14.6% | 15.8% | 8.7% | 10.3% | 6.8% | 5.0% | 7.1% | 5.8% |
| Subtotal Governmental Activities Net Position | 100.0% | 100.0% | 99.9% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Business-type Activities | | | | | | | | | | |
| Net investment in capital assets | 79.3% | 76.0% | 72.3% | 71.5% | 68.0% | 75.9% | 70.7% | 75.8% | 69.0% | 66.1% |
| Restricted | 16.1% | 11.1% | 5.1% | 5.7% | 3.0% | 25.0% | 3.3% | 1.0% | 0.9% | 0.8% |
| Unrestricted | 4.6% | 12.9% | 22.6% | 22.8% | 29.0% | -0.9% | 26.0% | 23.2% | 30.1% | 33.1% |
| Subtotal Business-type Activities Net Position | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |
| Primary Government | | | | | | | | | | |
| Net investment in capital assets | 83.9% | 80.8% | 76.6% | 74.6% | 78.7% | 78.5% | 77.2% | 76.4% | 72.4% | 72.2% |
| Restricted | 10.1% | 7.2% | 6.4% | 7.7% | 7.3% | 14.2% | 10.6% | 13.7% | 14.1% | 13.9% |
| Unrestricted | 6.0% | 12.0% | 17.0% | 17.7% | 14.0% | 7.3% | 12.2% | 10.0% | 13.4% | 13.8% |
| Total Primary Government Net Position | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

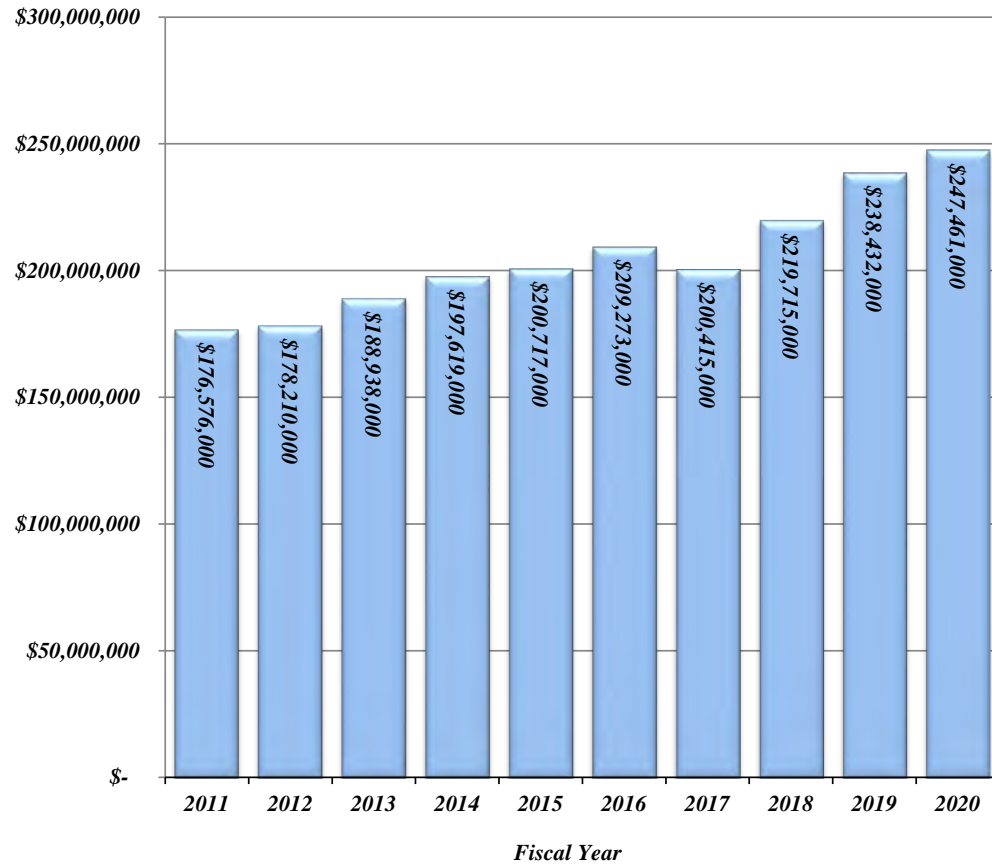
Notes:
¹ Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets, restricted; and unrestricted. Net position is considered restricted only when (1) an external party, such as the State of Washington, the Federal government, or bondholders, 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.

Data Source:
 Applicable years' comprehensive annual financial reports adjusted as follows:
 2019 Governmental Activities Restricted Net Position adjusted for prior year accrual of \$38,681.
 2018 Governmental Activities Net Investments in Capital Assets is adjusted for capital asset corrections of \$37,492
 2017 Governmental Activities Unrestricted Net Position is adjusted for the retroactive application of GASB 75
 2015 Governmental Activities and Business-type Activities Net Position were each adjusted to correct reporting errors.
 2014 Governmental Activities and Business-type Activities Unrestricted Net Position were each adjusted to correct reporting errors and for the retroactive application of GASB 68



Exhibit A-1-A

City of Lynnwood, Washington
Chart-Total Government-wide Net Position (Unaudited)
Last Ten Fiscal Years
(accrual basis of accounting)





City of Lynnwood, Washington
Changes in Net Position - Governmental Activities
Last Ten Calendar Years
(Amounts Expressed in \$1,000)
(accrual basis of accounting)

| | Calendar Year Ended December 31, | | | | | | | | | |
|--|----------------------------------|-----------------|-----------------|-----------------|------------------|-----------------|-------------------|------------------|------------------|-----------------|
| | (Amounts Expressed in \$1,000) | | | | | | | | | |
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Expenses: | | | | | | | | | | |
| General government | \$ 6,661 | \$ 7,864 | \$ 12,126 | \$ 13,938 | \$ 11,731 | \$ 13,988 | \$ 16,590 | \$ 9,144 | \$ 8,686 | \$ 12,776 |
| Judicial | 1,046 | 1,060 | 1,567 | 998 | 1,080 | 1,056 | 1,080 | 1,032 | 960 | 949 |
| Public safety | 24,493 | 25,552 | 26,684 | 26,272 | 29,038 | 32,400 | 32,573 | 23,247 | 21,382 | 21,345 |
| Physical environment | 1,785 | 1,985 | 33 | 295 | - | - | - | - | - | - |
| Transportation | 4,255 | 4,983 | 7,362 | 8,843 | 6,110 | 5,975 | 7,194 | 9,873 | 8,565 | 9,117 |
| Natural environment | - | - | 153 | 110 | 283 | 346 | - | - | - | - |
| Social services | - | - | 408 | 418 | 460 | 362 | 520 | 549 | 553 | 451 |
| Human services | - | - | - | - | - | - | - | - | - | - |
| Economic environment | 2,834 | 2,668 | 2,780 | 4,230 | 2,874 | 3,443 | 3,757 | 5,740 | 5,851 | 4,739 |
| Culture and recreation | 7,289 | 7,406 | 8,250 | 6,833 | 6,793 | 6,923 | 12,050 | 8,940 | 8,131 | 6,684 |
| Utilities | - | - | - | - | 82 | 2 | (55) | 36 | 31 | 38 |
| Interest on long-term debt | 1,094 | 1,209 | 1,119 | 1,110 | 1,058 | 993 | 934 | 938 | 829 | 791 |
| Total Expenses | 49,457 | 52,727 | 60,482 | 63,047 | 59,509 | 65,488 | 74,643 | 59,499 | 54,988 | 56,890 |
| Program Revenues: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| General government | 2,760 | 2,683 | 6,880 | 4,907 | 5,262 | 3,768 | 4,371 | 4,789 | 3,802 | 4,997 |
| Culture and recreation | 2,185 | 2,860 | 2,715 | 2,695 | 2,407 | 2,725 | 5,010 | 3,235 | 2,944 | 3,294 |
| Other activities | 6,833 | 7,378 | 9,944 | 11,036 | 6,490 | 8,104 | 8,798 | 7,045 | 6,281 | 5,129 |
| Operating grants and contributions | 1,257 | 1,603 | 1,495 | 2,588 | 1,220 | 1,139 | 1,533 | 3,347 | 4,910 | 4,518 |
| Capital grants and contributions | 2,305 | 1,729 | 4,947 | 6,495 | 11,922 | 7,104 | 3,127 | 10,529 | 5,588 | 1,877 |
| Total Program Revenues | 15,340 | 16,253 | 25,981 | 27,721 | 27,301 | 22,840 | 22,839 | 28,945 | 23,525 | 19,815 |
| Net (Expense) Revenue | (34,117) | (36,474) | (34,501) | (35,326) | (32,208) | (42,648) | (51,804) | (30,554) | (31,463) | (37,075) |
| General Revenues | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property | 11,092 | 11,072 | 11,515 | 11,511 | 11,515 | 11,861 | 11,917 | 6,100 | 3,951 | 4,268 |
| Sales | 16,828 | 18,076 | 19,070 | 19,856 | 21,130 | 23,268 | 24,345 | 26,893 | 27,191 | 24,350 |
| Other ¹ | 7,996 | 8,573 | 10,575 | 9,878 | 10,031 | 9,917 | 11,539 | 11,918 | 10,603 | 8,595 |
| Transportation benefit district vehicle fees | | | | | | | 1,242 | 1,152 | 1,152 | 1,306 |
| Investment earnings | 271 | 237 | 204 | 168 | - | 293 | 249 | 579 | 847 | 521 |
| Miscellaneous | 7 | (74) | 5 | 14 | 748 | 199 | 114 | 105 | 179 | 69 |
| Gain (loss) on disposal of capital assets | - | - | (23) | 247 | 175 | - | - | - | 154 | - |
| Transfers | 617 | 1,387 | 1,828 | 1,737 | 1,869 | 2,048 | 96 | (442) | - | - |
| Total General Revenues | 36,811 | 39,271 | 43,174 | 43,411 | 45,468 | 47,586 | 48,260 | 46,395 | 44,077 | 39,109 |
| Change in Net Position | \$ 2,694 | \$ 2,797 | \$ 8,673 | \$ 8,085 | \$ 13,260 | \$ 4,938 | \$ (3,544) | \$ 15,841 | \$ 12,614 | \$ 2,034 |

Notes:

¹ Beginning in 2018, some amounts which had previously been classified as *Other* were broken out separately. Most are being retained in the *Other* category.

Data Source:

Applicable years' comprehensive annual financial report. Government-wide Statement of Activities



City of Lynnwood, Washington
Changes in Net Position - Business-type Activities
Last Ten Calendar Years
(Amounts Expressed in \$1,000)
(accrual basis of accounting)

| | Calendar Year Ended December 31, (Amounts Expressed in \$1,000) | | | | | | | | | |
|------------------------------------|--|-------------------|----------------|-----------------|-----------------|-----------------|---------------|-----------------|-----------------|-----------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Expenses: | | | | | | | | | | |
| Water/Sewer/Storm Water Utilities | \$ 12,841 | \$ 14,314 | \$ 14,297 | \$ 14,917 | \$ 17,442 | \$ 15,144 | \$ 21,001 | \$ 19,418 | \$ 19,052 | \$ 21,054 |
| Golf | 1,082 | 1,068 | 977 | 1,019 | 1,115 | 1,113 | 1,188 | 1,241 | 1,310 | 1,334 |
| Total Expenses | 13,923 | 15,382 | 15,274 | 15,936 | 18,557 | 16,257 | 22,189 | 20,659 | 20,362 | 22,388 |
| Program Revenues: | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Water/Sewer/Storm Water Utilities | 13,740 | 14,348 | 16,125 | 17,242 | 18,292 | 19,870 | 20,794 | 21,624 | 23,141 | 24,245 |
| Golf | 1,067 | 949 | 1,083 | 1,113 | 1,213 | 1,148 | 1,131 | 1,292 | 1,345 | 1,648 |
| Operating grants and contributions | - | 106 | - | 170 | - | - | - | - | - | 51 |
| Capital grants and contributions | 212 | 124 | 225 | 823 | 111 | 875 | 476 | 280 | 844 | 3,034 |
| Total Program Revenues | 15,019 | 15,527 | 17,433 | 19,348 | 19,616 | 21,893 | 22,401 | 23,196 | 25,330 | 28,978 |
| Net (Expense) Revenue | 1,096 | 145 | 2,159 | 3,412 | 1,059 | 5,636 | 212 | 2,537 | 4,968 | 6,590 |
| Investment earnings | 72 | 50 | 27 | 18 | 16 | 154 | 228 | 476 | 1,131 | 443 |
| Miscellaneous | - | - | 234 | 46 | 2 | 3 | 16 | 5 | 4 | - |
| Disposal of capital assets | 2 | - | (4) | 1 | - | (126) | - | - | 12 | - |
| Transfers | (617) | (1,387) | (1,827) | (1,737) | (1,869) | (2,048) | (96) | 442 | - | - |
| Total General Revenues | (543) | (1,337) | (1,570) | (1,672) | (1,851) | (2,017) | 148 | 923 | 1,147 | 443 |
| Change in Net Position | \$ 553 | \$ (1,192) | \$ 589 | \$ 1,740 | \$ (792) | \$ 3,619 | \$ 360 | \$ 3,460 | \$ 6,115 | \$ 7,033 |

Data Source:

Applicable years' comprehensive annual financial report. Government-wide Statement of Activities.



City of Lynnwood, Washington
Changes in Net Position - Total
Last Ten Calendar Years
(Amounts Expressed in \$1,000)
(accrual basis of accounting)

| | Calendar Year Ended December 31, (Amounts Expressed in \$1,000) | | | | | | | | | |
|---------------------------------------|--|-----------------|-----------------|-----------------|------------------|-----------------|-------------------|------------------|------------------|-----------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Expenses: | | | | | | | | | | |
| Governmental activities ¹ | \$ 49,457 | \$ 52,727 | \$ 60,482 | \$ 63,047 | \$ 59,509 | \$ 65,488 | \$ 74,643 | \$ 59,499 | \$ 54,988 | \$ 56,890 |
| Business-type activities ² | 13,923 | 15,382 | 15,274 | 15,936 | 18,557 | 16,257 | 22,189 | 20,659 | 20,362 | 22,388 |
| Total Expenses | 63,380 | 68,109 | 75,756 | 78,983 | 78,066 | 81,745 | 96,832 | 80,158 | 75,350 | 79,278 |
| Program Revenues: | | | | | | | | | | |
| Governmental activities ¹ | 15,340 | 16,253 | 25,981 | 27,721 | 27,301 | 22,840 | 22,839 | 28,945 | 23,525 | 19,815 |
| Business-type activities ² | 15,019 | 15,527 | 17,433 | 19,348 | 19,616 | 21,893 | 22,401 | 23,196 | 25,330 | 28,978 |
| Total Program Revenues | 30,359 | 31,780 | 43,414 | 47,069 | 46,917 | 44,733 | 45,240 | 52,141 | 48,855 | 48,793 |
| Net (Expense) Revenue | (33,021) | (36,329) | (32,342) | (31,914) | (31,149) | (37,012) | (51,592) | (28,017) | (26,495) | (30,485) |
| General Revenues: | | | | | | | | | | |
| Governmental activities ¹ | 36,811 | 39,271 | 43,174 | 43,411 | 45,468 | 47,586 | 48,260 | 46,395 | 44,077 | 39,109 |
| Business-type activities ² | (543) | (1,337) | (1,570) | (1,672) | (1,851) | (2,017) | 148 | 923 | 1,147 | 443 |
| Total General Revenues | 36,268 | 37,934 | 41,604 | 41,739 | 43,617 | 45,569 | 48,408 | 47,318 | 45,224 | 39,552 |
| Change in Net Position | \$ 3,247 | \$ 1,605 | \$ 9,262 | \$ 9,825 | \$ 12,468 | \$ 8,557 | \$ (3,184) | \$ 19,301 | \$ 18,729 | 9,067 |

Data Source:¹ Exhibit A-2² Exhibit A-3



City of Lynnwood, Washington
 Fund Balances - Governmental Funds
 Calendar Years 2011 - 2019
 (Amounts Expressed in \$1,000)
 (modified accrual basis of accounting)

| | December 31, | | | | | | | | | |
|---|--------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| General Fund | | | | | | | | | | |
| Nonspendable | \$ 910 | \$ 721 | \$ 434 | \$ 2,453 | \$ 103 | \$ 21 | \$ 41 | \$ 78 | \$ 17 | \$ 98 |
| Restricted | 88 | 180 | 86 | 87 | - | - | - | - | - | - |
| Committed | 31 | 1,033 | 2,030 | 5,848 | 5,815 | 6,000 | 6,000 | 6,000 | 6,000 | 4,870 |
| Assigned | 4,716 | 3,710 | 2,920 | 1,502 | 2,019 | 4,551 | 5,662 | 9,460 | 10,575 | 11,044 |
| Unassigned | 6,780 | 12,580 | 15,683 | 8,012 | 11,493 | 10,114 | 8,149 | 5,352 | 4,108 | 4,027 |
| Total General Fund | \$ 12,525 | \$ 18,224 | \$ 21,153 | \$ 17,902 | \$ 19,430 | \$ 20,686 | \$ 19,852 | \$ 20,890 | \$ 20,700 | \$ 20,039 |
| General Fund Percentage Change | -- | 45.5% | 16.1% | -15.4% | 8.5% | 6.5% | -4.0% | 5.2% | -0.9% | -3.2% |
| All Other Governmental Funds | | | | | | | | | | |
| Restricted | \$ 5,266 | \$ 5,983 | \$ 8,834 | \$ 10,619 | \$ 13,138 | \$ 15,688 | \$ 19,279 | \$ 21,740 | \$ 24,866 | \$ 25,270 |
| Committed | 1,247 | 1,715 | 1,558 | 1,099 | 340 | 817 | 671 | 1,378 | 1,878 | 1,571 |
| Assigned | 1,417 | 486 | 371 | 176 | - | - | - | 1,197 | 680 | - |
| Unassigned | (26,038) | (1,156) | (1,069) | (142) | - | - | - | - | - | - |
| Total All Other Governmental Funds | \$ (18,108) | \$ 7,028 | \$ 9,694 | \$ 11,752 | \$ 13,478 | \$ 16,505 | \$ 19,950 | \$ 24,315 | \$ 27,424 | \$ 26,841 |
| All Other Governmental Funds Percentage Change | -- | -138.8% | 37.9% | 21.2% | 14.7% | 22.5% | 20.9% | 21.9% | 12.8% | -2.1% |
| Total Governmental Funds | \$ (5,583) | \$ 25,252 | \$ 30,847 | \$ 29,654 | \$ 32,908 | \$ 37,191 | \$ 39,802 | \$ 45,205 | \$ 48,124 | \$ 46,880 |
| All Governmental Funds Percentage Change | -- | -552.3% | 22.2% | -3.9% | 11.0% | 13.0% | 7.0% | 13.6% | 6.5% | -2.6% |

Notes:

The City implemented GASB Statement No. 54 in calendar year 2011.

Data Source:

Applicable years' Annual Financial Statements. Balance Sheet - Governmental Funds



Exhibit A-6

City of Lynnwood, Washington
 General Governmental Revenues by Source (Unaudited) ¹
 Last Ten Calendar Years
 (Amounts Expressed in \$1,000)
 (modified accrual basis of accounting)

| Revenue Source | For the Calendar Year Ended December 31, | | | | | | | | | |
|--------------------------|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| | Dollar Amounts (in thousands) | | | | | | | | | |
| Taxes | \$ 35,000 | \$ 36,781 | \$ 39,285 | \$ 33,476 | \$ 41,979 | \$ 44,348 | \$ 47,056 | \$ 45,662 | \$ 42,411 | \$ 37,951 |
| Intergovernmental | 5,433 | 5,187 | 5,740 | 1,360 | 8,600 | 6,933 | 7,638 | 13,530 | 9,490 | 7,264 |
| Licenses and permits | 3,077 | 3,332 | 3,360 | 3,564 | 4,767 | 4,757 | 5,393 | 5,710 | 3,932 | 5,619 |
| Charges for services | 4,943 | 5,897 | 6,068 | 5,412 | 5,486 | 4,846 | 5,503 | 6,095 | 4,433 | 4,760 |
| Fines and forfeitures | 3,987 | 3,963 | 4,437 | 1,629 | 4,901 | 4,723 | 4,593 | 4,331 | 4,814 | 3,154 |
| Investment earnings | 266 | 232 | 200 | 16 | 108 | 275 | 228 | 570 | 749 | 485 |
| Miscellaneous | 373 | 438 | 405 | 434 | 642 | 2,456 | 1,141 | 688 | 385 | 264 |
| Total revenues | <u>\$ 53,079</u> | <u>\$ 55,830</u> | <u>\$ 59,495</u> | <u>\$ 45,891</u> | <u>\$ 66,483</u> | <u>\$ 68,338</u> | <u>\$ 71,552</u> | <u>\$ 76,586</u> | <u>\$ 66,214</u> | <u>\$ 59,497</u> |
| % change from prior year | <u>-3.1%</u> | <u>5.2%</u> | <u>6.6%</u> | <u>-22.9%</u> | <u>44.9%</u> | <u>2.8%</u> | <u>4.7%</u> | <u>7.0%</u> | <u>-13.5%</u> | <u>-10.1%</u> |
| | Percentage of Total | | | | | | | | | |
| Taxes | 65.9% | 65.9% | 66.0% | 72.9% | 63.1% | 64.9% | 65.8% | 59.6% | 64.1% | 63.8% |
| Licenses and permits | 5.8% | 6.0% | 5.6% | 7.8% | 7.2% | 7.0% | 7.5% | 7.5% | 5.9% | 9.4% |
| Intergovernmental | 10.2% | 9.3% | 9.6% | 3.0% | 12.9% | 10.1% | 10.7% | 17.7% | 14.3% | 12.2% |
| Charges for services | 9.3% | 10.6% | 10.2% | 11.8% | 8.3% | 7.1% | 7.7% | 8.0% | 6.7% | 8.0% |
| Fines and forfeitures | 7.5% | 7.1% | 7.5% | 3.5% | 7.4% | 6.9% | 6.4% | 5.7% | 7.3% | 5.3% |
| Investment earnings | 0.5% | 0.4% | 0.3% | 0.0% | 0.2% | 0.4% | 0.3% | 0.7% | 1.1% | 0.8% |
| Miscellaneous | 0.7% | 0.8% | 0.7% | 0.9% | 1.0% | 3.6% | 1.6% | 0.9% | 0.6% | 0.4% |
| Total revenues | <u>100.0%</u> | <u>100.0%</u> | <u>100.0%</u> | <u>100.0%</u> | <u>100.0%</u> | <u>100.0%</u> | <u>100.0%</u> | <u>100.0%</u> | <u>100.0%</u> | <u>100.0%</u> |

Notes:

¹ Includes all governmental fund types.

Data Source:

Applicable years' Annual Financial Report - Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds



City of Lynnwood, Washington
Tax Revenues by Source - Governmental Funds (Unaudited)
Last Ten Calendar Years
(Amounts Expressed in \$1,000)
(modified accrual basis of accounting)

| For The Calendar Year Ended December 31, | Property | Sales | Franchise Tax | Gambling Tax | Admission Tax | Transient Lodging Tax | Other Taxes | Total |
|--|-----------|-----------|------------------|-----------------|------------------|-----------------------------|----------------|-----------|
| Dollar Amounts (in thousands) | | | | | | | | |
| 2011 | \$ 11,092 | \$ 16,318 | \$ 456 | \$ 162 | \$ 555 | \$ 510 | \$ 5,907 | \$ 35,000 |
| 2012 | 11,072 | 17,518 | 480 | 147 | 576 | 558 | 6,431 | 36,782 |
| 2013 | 11,264 | 28,450 | 491 | 120 | 617 | 620 | 7,726 | 49,288 |
| 2014 | 11,241 | 19,128 | 498 | 116 | 604 | 729 | 7,016 | 39,332 |
| 2015 | 11,515 | 21,130 | 512 | 130 | 604 | 827 | 7,261 | 41,979 |
| 2016 | 11,861 | 23,268 | 513 | 138 | 662 | 797 | 7,109 | 44,348 |
| 2017 | 11,917 | 24,345 | 510 | 135 | 678 | 810 | 8,661 | 47,056 |
| 2018 | 6,209 | 26,893 | 473 | 212 | 921 | 771 | 10,183 | 45,662 |
| 2019 | 3,991 | 27,191 | 469 | 159 | 792 | 854 | 8,955 | 42,411 |
| 2020 | 4,280 | 24,350 | 487 | 96 | 130 | 333 | 8,275 | 37,951 |
| % Change in Dollars | | | | | | | | |
| Over 10 Years | -61.4% | 49.2% | 6.8% | -40.7% | -76.6% | -34.7% | 40.1% | 8.4% |
| Percentage of Total | | | | | | | | |
| 2011 | 31.7% | 46.6% | 1.3% | 0.5% | 1.6% | 1.5% | 16.9% | 100.0% |
| 2012 | 30.1% | 47.6% | 1.3% | 0.4% | 1.6% | 1.5% | 17.5% | 100.0% |
| 2013 | 22.9% | 57.7% | 1.0% | 0.2% | 1.3% | 1.3% | 15.7% | 100.0% |
| 2014 | 28.6% | 48.6% | 1.3% | 0.3% | 1.5% | 1.9% | 17.8% | 100.0% |
| 2015 | 27.4% | 50.3% | 1.2% | 0.3% | 1.4% | 2.0% | 17.3% | 100.0% |
| 2016 | 26.7% | 52.5% | 1.2% | 0.3% | 1.5% | 1.8% | 16.0% | 100.0% |
| 2017 | 25.3% | 51.7% | 1.1% | 0.3% | 1.4% | 1.7% | 18.5% | 100.0% |
| 2018 | 13.6% | 58.9% | 1.0% | 0.5% | 2.0% | 1.7% | 22.3% | 100.0% |
| 2019 | 9.4% | 64.1% | 1.1% | 0.4% | 1.9% | 2.0% | 21.1% | 100.0% |
| 2020 | 11.3% | 64.2% | 1.3% | 0.3% | 0.3% | 0.9% | 21.8% | 100.1% |

Data Source:

Applicable years' annual financial report and city records.



Exhibit A-8

City of Lynnwood, Washington
 General Governmental Expenditures by Function (Unaudited) ¹
 Last Ten Calendar Years
 (Amounts Expressed in \$1,000)
 (modified accrual basis of accounting)

| For the Calendar Year Ended December 31, | | | | | | | | | | |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Function | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Current: | | | | | | | | | | |
| General government | \$ 8,056 | \$ 8,307 | \$ 8,330 | \$ 9,903 | \$ 8,960 | \$ 10,183 | \$ 10,410 | \$ 9,004 | \$ 8,473 | \$ 10,238 |
| Public safety | 23,857 | 24,624 | 25,309 | 26,172 | 28,267 | 30,928 | 32,317 | 25,014 | 22,982 | 21,115 |
| Judicial | 1,046 | 1,060 | 1,055 | 997 | 1,083 | 1,058 | 1,105 | 1,054 | 1,024 | 1,014 |
| Utilities & environment | - | - | 1,280 | 251 | 201 | 154 | 31 | 30 | 25 | 38 |
| Economic environment | - | - | 2,786 | 2,997 | 2,931 | 3,659 | 3,939 | 5,944 | 5,995 | 5,006 |
| Physical environment | 4,882 | 4,685 | - | 110 | - | - | - | - | - | - |
| Transportation | 1,963 | 2,541 | 2,808 | 1,417 | 5,514 | 5,485 | 3,950 | 6,670 | 5,643 | 6,155 |
| Social services | - | - | 6,608 | 417 | 460 | 499 | 520 | 548 | 553 | 447 |
| Culture and recreation | 6,390 | 6,290 | 4,644 | 5,690 | 5,884 | 6,342 | 11,310 | 8,423 | 7,561 | 6,103 |
| Total Current | \$ 46,194 | \$ 47,507 | \$ 52,820 | \$ 47,954 | \$ 53,300 | \$ 58,308 | \$ 63,582 | \$ 56,687 | \$ 52,256 | \$ 50,116 |
| % Change From Prior Year | -4.5% | 2.8% | 11.2% | -9.2% | 11.1% | 9.4% | 9.0% | -10.8% | -7.8% | -4.1% |
| Capital Outlay | | | | | | | | | | |
| | \$ 6,884 | \$ 4,381 | \$ 4,644 | \$ 338 | \$ 8,866 | \$ 5,341 | \$ 3,172 | \$ 12,158 | \$ 8,553 | \$ 8,931 |
| % Change From Prior Year | -71.3% | -36.4% | 6.0% | -92.7% | 2523.1% | -39.8% | -40.6% | 283.3% | -29.7% | 4.4% |
| Debt Service | | | | | | | | | | |
| Principal | \$ 1,276 | \$ 1,292 | \$ 1,424 | \$ 1,295 | \$ 1,401 | \$ 1,354 | \$ 1,409 | \$ 1,036 | \$ 967 | \$ 860 |
| Interest | 1,017 | 1,209 | 1,172 | 1,119 | 1,058 | 993 | 934 | 869 | 830 | 796 |
| Other charges | - | 217 | - | - | - | - | - | - | - | - |
| Total Debt Service | \$ 2,293 | \$ 2,718 | \$ 2,596 | \$ 2,414 | \$ 2,459 | \$ 2,347 | \$ 2,343 | \$ 1,905 | \$ 1,797 | \$ 1,656 |
| % Change From Prior Year | -6.0% | 18.5% | -4.5% | -7.0% | 1.9% | -4.6% | -0.2% | -18.7% | -5.7% | -7.8% |
| Total Expenditures | \$ 55,371 | \$ 54,606 | \$ 60,060 | \$ 50,706 | \$ 64,625 | \$ 65,996 | \$ 69,097 | \$ 70,750 | \$ 62,606 | \$ 60,703 |
| % Change From Prior Year | -25.9% | -1.4% | 10.0% | -15.6% | 27.5% | 2.1% | 4.7% | 2.4% | -11.5% | -3.0% |
| Debt Service as a % of Noncapital Expenditures | 4.7% | 5.4% | 4.7% | 4.8% | 4.4% | 3.9% | 3.6% | 3.3% | 3.3% | 3.2% |

Notes:¹ Includes all governmental fund types.**Data Source:**

Applicable years' annual financial report - Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds



Exhibit A-9

City of Lynnwood, Washington
 General Governmental Current Expenditures by Function (Unaudited) ¹
 Last Ten Calendar Years
 (Amounts Expressed in \$1,000)
 (modified accrual basis of accounting)

| For the Calendar Year Ended December 31, | | | | | | | | | | |
|--|--------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Function | Dollar Amounts (in thousands) | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | \$ 8,056 | \$ 8,307 | \$ 8,330 | \$ 9,903 | \$ 8,960 | \$ 10,183 | \$ 10,410 | \$ 9,004 | \$ 8,473 | \$ 10,238 |
| Public safety | 23,857 | 24,624 | 25,309 | 26,172 | 28,267 | 30,928 | 32,317 | 25,014 | 22,982 | 21,115 |
| Judicial | 1,046 | 1,060 | 1,055 | 997 | 1,083 | 1,058 | 1,105 | 1,054 | 1,024 | 1,014 |
| Utilities & environment | - | - | 1,280 | 251 | 201 | 154 | 31 | 30 | 25 | 38 |
| Economic environment | - | - | 2,786 | 2,997 | 2,931 | 3,659 | 3,939 | 5,944 | 5,995 | 5,006 |
| Physical environment | 4,882 | 4,685 | - | 110 | - | - | - | - | - | - |
| Transportation | 1,963 | 2,541 | 2,808 | 1,417 | 5,514 | 5,485 | 3,950 | 6,670 | 5,643 | 6,155 |
| Social services | - | - | 6,608 | 417 | 460 | 499 | 520 | 548 | 553 | 447 |
| Culture and recreation | 6,390 | 6,290 | 4,644 | 5,690 | 5,884 | 6,342 | 11,310 | 8,423 | 7,561 | 6,103 |
| Total Current | \$ 46,194 | \$ 47,507 | \$ 52,820 | \$ 47,954 | \$ 53,300 | \$ 58,308 | \$ 63,582 | \$ 56,687 | \$ 52,256 | \$ 50,116 |
| | Percentage of Total | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | 17.4% | 17.5% | 15.8% | 20.7% | 16.8% | 17.5% | 16.4% | 15.9% | 16.2% | 20.4% |
| Public safety | 51.6% | 51.8% | 47.9% | 54.6% | 53.0% | 53.0% | 50.8% | 44.1% | 44.0% | 42.1% |
| Judicial | 2.3% | 2.2% | 2.0% | 2.1% | 2.0% | 1.8% | 1.7% | 1.8% | 2.0% | 2.0% |
| Utilities & environment | 0.0% | 0.0% | 2.4% | 0.5% | 0.4% | 0.3% | 0.1% | 0.1% | 0.0% | 0.1% |
| Economic environment | 0.0% | 0.0% | 5.3% | 6.2% | 5.5% | 6.3% | 6.2% | 10.5% | 11.5% | 10.0% |
| Physical environment | 10.6% | 9.9% | 0.0% | 0.2% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| Transportation | 4.2% | 5.3% | 5.3% | 3.0% | 10.3% | 9.4% | 6.2% | 11.8% | 10.8% | 12.3% |
| Social services | 0.0% | 0.0% | 12.5% | 0.9% | 0.9% | 0.9% | 0.8% | 1.0% | 1.1% | 0.9% |
| Culture and recreation | 13.8% | 13.2% | 8.8% | 11.9% | 11.0% | 10.9% | 17.8% | 14.8% | 14.4% | 12.2% |
| Total Current | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% | 100.0% |

Notes:

¹ Includes all governmental fund types.

Data Source:

Applicable years' annual financial report - Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds



City of Lynnwood, Washington
 Summary of Changes in Fund Balances - Governmental Funds (Unaudited)
 Last Ten Calendar Years
 (Amounts Expressed in \$1,000)
 (modified accrual basis of accounting)

| Source | For the Calendar Year Ended December 31, | | | | | | | | | |
|--|--|-----------|-----------|------------|-----------|-----------|-----------|-----------|-----------|------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Total Revenues | \$ 53,079 | \$ 55,830 | \$ 59,495 | \$ 45,891 | \$ 66,483 | \$ 68,338 | \$ 71,552 | \$ 76,586 | \$ 66,214 | \$ 59,497 |
| Total Expenditures | 55,371 | 54,606 | 60,060 | 50,706 | 64,625 | 65,996 | 69,097 | 70,750 | 62,606 | 60,703 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (2,292) | 1,224 | (565) | (4,815) | 1,858 | 2,342 | 2,455 | 5,836 | 3,608 | (1,206) |
| Other Financing Sources | | | | | | | | | | |
| Transfers in | 6,084 | 33,998 | 7,568 | 2,311 | 7,687 | 7,480 | 17,007 | 10,906 | 12,283 | 8,659 |
| Transfers out | (5,672) | (30,958) | (5,435) | (3,527) | (5,818) | (5,545) | (16,911) | (11,348) | (12,433) | (8,659) |
| Refunding bonds issued | - | - | - | - | - | - | - | - | - | - |
| Bond issued | - | 24,955 | - | - | - | - | - | - | - | - |
| Premium on bonds | - | 428 | - | - | - | - | - | - | - | - |
| Insurance recoveries | - | 1 | 2 | - | (2) | - | - | - | - | - |
| Sale of capital assets | 3,531 | 1 | - | 368 | - | 6 | 59 | 9 | - | - |
| Total Other Financing Sources | 3,943 | 28,425 | 2,135 | (848) | 1,867 | 1,941 | 155 | (433) | (150) | - |
| Net Change in Fund Balances | \$ 1,651 | \$ 29,649 | \$ 1,570 | \$ (5,663) | \$ 3,725 | \$ 4,283 | \$ 2,610 | \$ 5,403 | \$ 3,458 | \$ (1,206) |

Data Source:

Applicable years' annual financial report - Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds



City of Lynnwood, Washington
Taxable Assessed Value of Property
Last Ten Calendar Years

| Calendar Year Ended December 31, | Total Direct Tax Rate ¹ | Total Assessed Value ^{2,3} | Annual Percentage Change |
|---|---|---|--------------------------------|
| 2011 | 2.3700 | 4,726,403,303 | -9.8% |
| 2012 | 2.6500 | 4,207,375,958 | -11.0% |
| 2013 | 2.7400 | 4,077,655,634 | -3.1% |
| 2014 | 2.5700 | 4,404,126,247 | 8.0% |
| 2015 | 2.4504 | 4,771,220,851 | 8.3% |
| 2016 | 2.2995 | 5,172,943,809 | 8.4% |
| 2017 | 2.1328 | 5,654,422,666 | 9.3% |
| 2018 | 0.9488 | 6,272,081,312 | 10.9% |
| 2019 | 0.5702 | 7,015,500,457 | 11.9% |
| 2020 | 0.5730 | 7,503,860,299 | 7.0% |

Notes:

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

² All property is assessed at 100% of fair market value.

³ Assessed value by property classes is not available.

Data Source:

Snohomish County Tax Assessor's Annual Report



*Direct and Overlapping Property Tax Rates
Last Ten Calendar Years
(rate per \$1,000 of assessed taxable value)*

| Calendar Year | Direct | | | Overlapping | | | | | Grand Total |
|---------------|--------------|--------------------|------------------------|----------------------------|-------------------------|------------------|------------------|-------|-------------|
| | General Fund | General Fund (EMS) | City of Lynnwood Total | South County Regional Fire | Edmonds School District | Snohomish County | Washington State | Other | |
| 2011 | 1.87 | 0.50 | 2.37 | | 4.15 | 0.87 | 2.21 | 0.60 | 10.20 |
| 2012 | 2.15 | 0.50 | 2.65 | | 4.70 | 0.98 | 2.38 | 0.61 | 11.32 |
| 2013 | 2.24 | 0.50 | 2.74 | | 4.97 | 1.08 | 2.43 | 0.61 | 11.83 |
| 2014 | 2.07 | 0.50 | 2.57 | | 4.65 | 1.08 | 2.38 | 0.61 | 11.29 |
| 2015 | 1.98 | 0.47 | 2.45 | | 4.93 | 1.00 | 2.28 | 0.57 | 11.23 |
| 2016 | 1.86 | 0.44 | 2.30 | | 4.67 | 0.89 | 2.12 | 0.57 | 10.56 |
| 2017 | 1.73 | 0.41 | 2.14 | | 4.78 | 0.84 | 2.03 | 0.79 | 10.57 |
| 2018 | 0.57 | 0.37 | 0.94 | 1.50 | 4.76 | 0.79 | 2.85 | 0.69 | 11.53 |
| 2019 | 0.57 | - | 0.57 | 1.87 | 3.76 | 0.72 | 2.57 | 0.75 | 10.24 |
| 2020 | 0.57 | - | 0.57 | 1.75 | 3.71 | 0.67 | 2.87 | 0.70 | 10.27 |

Data Source:

Snohomish County Assessor's Office Annual Report for 2020 Taxes

City of Lynnwood, Washington
Property Tax Levies and Collections
Last Ten Calendar Years

| Calendar Year Ended December 31, | Taxes Levied for the Calendar Year | Collected Within the Calendar Year of the Levy | | Collections in Subsequent Years ¹ | Total Collections to Date | | Total Uncollected Taxes | |
|--|---|---|-----------------------|--|---------------------------|-----------------------|----------------------------|-----------------------|
| | | Amount | Percentage of Levy | | Amount | Percentage of Levy | Amount | Percentage of Levy |
| 2011 | 11,199,322 | 10,900,599 | 97.33% | 183,147 | 11,083,746 | 98.97% | 115,576 | 1.03% |
| 2012 | 11,147,913 | 10,861,252 | 97.43% | 218,703 | 11,079,955 | 99.39% | 67,958 | 0.61% |
| 2013 | 11,162,474 | 10,975,171 | 98.32% | 215,576 | 11,190,747 | 100.25% | (28,273) | -0.25% |
| 2014 | 11,325,709 | 11,124,426 | 98.22% | 183,332 | 11,307,758 | 99.84% | 17,951 | 0.16% |
| 2015 | 11,670,607 | 11,520,374 | 98.71% | 109,462 | 11,629,836 | 99.65% | 40,771 | 0.35% |
| 2016 | 11,895,122 | 11,723,059 | 98.55% | 175,973 | 11,899,032 | 100.03% | (3,910) | -0.03% |
| 2017 | 12,059,919 | 11,840,572 | 98.18% | 113,395 | 11,953,967 | 99.12% | 105,952 | 0.88% |
| 2018 | 5,950,633 | 5,796,456 | 97.41% | 253,486 | 6,049,942 | 101.67% | (99,309) | -1.67% |
| 2019 | 3,999,999 | 3,922,053 | 98.05% | 46,320 | 3,968,373 | 99.21% | 31,626 | 0.79% |
| 2020 | 4,300,000 | 4,278,585 | 99.50% | 52,609 | 4,331,194 | 100.73% | (31,194) | -0.73% |

Notes:

¹ The amounts are reported in the year to which they apply, not to the year collected.

Data Source:

Snohomish County Fund Distribution for Period from 01/01/2020 to 12/31/2020



City of Lynnwood, Washington
Principal Property Taxpayers
Calendar Year Ended December 31, 2020 and 2012
Last Nine Calendar Years ¹

| 2020 | | | | |
|-------------------------------------|---------------------------|-------------------------------|-------------|---|
| Principal Taxpayer | Nature of Business | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value |
| Alderwood Mall | Retail Sales | \$ 164,677,436 | 1 | 2.19% |
| Merlone Geier Partners | Commercial | 84,689,900 | 2 | 0.83% |
| HPP Hudson Northview LLC | Office Building | 62,090,600 | 3 | 1.13% |
| Alderwood Heights Associates II LLC | Multi-Family Housing | 57,312,700 | 4 | 0.76% |
| Macy's | Retail Sales | 47,119,400 | 5 | 0.63% |
| Redstone WA Property LLC | Office Building | 46,506,900 | 6 | 0.62% |
| Alaska Electrical Pension Fund | Office Building | 44,405,559 | 7 | 0.59% |
| CEP III Collins 18 LLC | Commercial | 39,105,000 | 8 | 0.52% |
| Whispering Cedars Associates | Multi-Family Housing | 38,685,000 | 9 | 0.52% |
| B9 MR Alderwood Park LLC | Multi-Family Housing | 37,338,491 | 10 | 0.50% |
| Total Principal Taxpayers | | 621,930,986 | | 8.29% |
| All Other Taxpayers | | 6,881,929,313 | | 91.71% |
| Total | | \$ 7,503,860,299 | | 100.00% |
| 2012 | | | | |
| Principal Taxpayer | Nature of Business | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value |
| Alderwood Mall LLC | Retail Sales | \$ 120,959,700 | 1 | 2.87% |
| ECI Three Adlerwood LLC | Retail Sales | 34,189,000 | 3 | 0.81% |
| Northview Corporate Center LLC | Commercial | 33,543,600 | 2 | 0.80% |
| Alderwood Plaza LLC | Retail Sales | 31,255,500 | 5 | 0.74% |
| AB US Rep Redstone Owner LLC | Real Estate | 30,673,000 | 4 | 0.73% |
| Macy's | Retail Sales | 23,494,500 | 8 | 0.56% |
| Lynnwood Center LLC | Retail Sales | 23,076,064 | 6 | 0.55% |
| Alderwood Shopping Center | Retail Sales | 19,489,000 | 7 | 0.46% |
| Design R/E Assoc. LTD | Real Estate | 18,566,500 | 9 | 0.44% |
| Lynnwood Square | Retail Sales | 17,514,800 | 10 | 0.42% |
| Total Principal Taxpayers | | 352,761,664 | | 8.38% |
| All Other Taxpayers | | 3,854,614,294 | | 91.62% |
| Total | | \$ 4,207,375,958 | | 100.00% |

Data Source:

Snohomish County Assessor's Office

¹ Information unavailable prior to 2012, will add data as years proceed until have full 10 years of statistics to report.



City of Lynnwood, Washington
Direct and Overlapping Sales Tax Rates
Last Ten Calendar Years

| Calendar Year | Direct City | Local Transit | Overlapping Regional Transit Authority | Snohomish County | Transportation Benefit District | State of Washington | Total Direct and Overlapping Rate |
|---------------|-------------|---------------|--|------------------|---------------------------------|---------------------|-----------------------------------|
| 2011 | 1.00% | 0.90% | 0.90% | 0.20% | | 6.50% | 9.50% |
| 2012 | 1.00% | 0.90% | 0.90% | 0.20% | | 6.50% | 9.50% |
| 2013 | 1.00% | 0.90% | 0.90% | 0.20% | | 6.50% | 9.50% |
| 2014 | 1.00% | 0.90% | 0.90% | 0.20% | | 6.50% | 9.50% |
| 2015 | 1.00% | 0.90% | 0.90% | 0.20% | | 6.50% | 9.50% |
| 2016 | 1.00% | 1.20% | 0.90% | 0.20% | | 6.50% | 9.80% |
| 2017 | 1.00% | 1.20% | 1.40% | 0.20% | 0.10% | 6.50% | 10.40% |
| 2018 | 1.00% | 1.20% | 1.40% | 0.20% | 0.10% | 6.50% | 10.40% |
| 2019 | 1.00% | 1.20% | 1.40% | 0.30% | 0.10% | 6.50% | 10.50% |
| 2020 | 1.00% | 1.20% | 1.40% | 0.30% | 0.10% | 6.50% | 10.50% |

Note:

Beginning April 1, 2019, the local sales and use tax rate increased one-tenth of one percent (.001) for emergency communication systems and facilities. No change in 2020.

Data Source :

State of Washington, Department of Revenue



City of Lynnwood, Washington
Principal Sales Taxpayers
Calendar Years 2011 through 2020

| Principal Taxpayers by Category | Taxes Paid 2020 | Taxes Paid 2019 | Taxes Paid 2018 | Taxes Paid 2017 | Taxes Paid 2016 | Taxes Paid 2015 | Taxes Paid 2014 | Taxes Paid 2013 | Taxes Paid 2012 | Taxes Paid 2011 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Retail Trade | \$ 8,855,341 | \$ 10,280,408 | \$ 9,710,595 | \$ 9,776,639 | \$ 9,771,179 | \$ 12,786,672 | \$ 12,342,860 | \$ 17,680,052 | \$ 16,501,715 | \$ 15,298,365 |
| Motor Vehicle & Parts Dealers | 4,840,333 | 4,852,774 | 4,813,550 | 4,610,461 | 3,990,656 | Incl above | Incl above | Incl above | Incl above | Incl above |
| Construction | 1,919,888 | 2,106,138 | 2,260,622 | 1,756,171 | 2,303,455 | 1,651,459 | 1,301,965 | Incl above | Incl above | Incl above |
| Accommodation & Food Services | 1,306,098 | 1,916,984 | 2,142,572 | 2,066,652 | 2,041,157 | 2,053,905 | 1,833,858 | Incl above | Incl above | Incl above |
| Mfg and Wholesale Trade | 961,517 | 1,134,533 | 1,141,932 | 963,918 | 789,847 | 784,018 | 756,127 | Incl above | Incl above | Incl above |
| Telecommunication & Other Information Services | 579,794 | 688,452 | 709,205 | 717,860 | 706,483 | 677,902 | 637,232 | Incl above | Incl above | Incl above |
| Professional, Scientific and Technical Services | 607,435 | 471,275 | 294,967 | 274,379 | 264,668 | 258,957 | 225,857 | Incl above | Incl above | Incl above |
| Finance and Insurance | 309,588 | 308,433 | 282,363 | 296,574 | 253,408 | 182,858 | 151,960 | Incl above | Incl above | Incl above |
| Real Estate, Rental, Leasing | 244,053 | 271,713 | 261,701 | 262,750 | 283,375 | 220,892 | 260,620 | Incl above | Incl above | Incl above |
| Arts, Entertainment and Recreation | 58,161 | 146,474 | 137,536 | 134,672 | 127,771 | 131,632 | 105,006 | Incl above | Incl above | Incl above |
| All Other Categories | 1,338,718 | 1,485,226 | 1,154,305 | 1,026,283 | 606,282 | 475,036 | 648,380 | Incl above | Incl above | Incl above |
| Other Sales Tax - Criminal Justice and TBD | 3,241,595 | 3,528,629 | 3,984,102 | 2,458,299 | 872,590 | 840,695 | 812,585 | 783,923 | 487,043 | 461,592 |
| Total Paid | \$ 24,262,521 | \$ 27,191,039 | \$ 26,893,450 | \$ 24,344,658 | \$ 22,010,871 | \$ 20,064,026 | \$ 19,076,450 | \$ 18,463,975 | \$ 16,988,758 | \$ 15,759,957 |

Note: Information is provided by category because individual taxpayer information is confidential.

Data Source:

State of Washington, Department of Revenue. Detail by category unavailable until 2014.



City of Lynnwood, Washington
Ratios of Total Debt Outstanding by Type
Last Ten Fiscal Years

| December 31, | Governmental Activities | | | Business-type | Total Outstanding Debt | Less: Amounts Available in Debt Service Funds | Net Bonded Debt | Personal Income ¹ | Percentage of Total Personal Income ² | Estimated Population ¹ | Total Debt Per Capita ³ |
|--------------|-------------------------|--------------|---------------|--------------------|------------------------------|---|--------------------|---------------------------------|---|--------------------------------------|---|
| | General | Special | Total | Activities | | | | | | | |
| | Obligation | Assessment | | Revenue | | | | | | | |
| | Bonds | Bonds | | Bonds ⁴ | | | | | | | |
| 2011 | \$ 28,051,771 | \$ 3,430,000 | \$ 31,481,771 | \$ 14,756,515 | \$ 46,238,286 | \$ 588,605 | \$ 45,649,681 | \$ 619,492,047 | 3.47% | 35,860 | \$ 1,273 |
| 2012 | \$ 27,522,029 | \$ 3,185,000 | \$ 30,707,029 | \$ 13,595,758 | \$ 44,302,787 | \$ 588,605 | \$ 43,714,182 | \$ 674,638,431 | 6.57% | 35,900 | \$ 1,218 |
| 2013 | \$ 26,673,142 | \$ 2,125,000 | \$ 28,798,142 | \$ 12,410,000 | \$ 41,208,142 | \$ 588,605 | \$ 40,619,537 | \$ 675,765,961 | 6.10% | 35,960 | \$ 1,130 |
| 2014 | \$ 25,818,178 | \$ 1,670,000 | \$ 27,488,178 | \$ 11,870,000 | \$ 39,358,178 | \$ 588,605 | \$ 38,769,573 | \$ 714,404,916 | 5.51% | 36,485 | \$ 1,063 |
| 2015 | \$ 24,935,221 | \$ 1,105,000 | \$ 26,040,221 | \$ 37,107,602 | \$ 63,147,823 | \$ 1,865,542 | \$ 61,282,281 | \$ 722,144,329 | 8.74% | 36,420 | \$ 1,683 |
| 2016 | \$ 24,071,075 | \$ 615,000 | \$ 24,686,075 | \$ 35,783,434 | \$ 60,469,509 | \$ 1,865,542 | \$ 58,603,967 | \$ 1,842,086,960 | 3.28% | 36,590 | \$ 1,602 |
| 2017 | \$ 23,177,123 | \$ 100,000 | \$ 23,277,123 | \$ 34,221,596 | \$ 57,498,719 | \$ 1,865,542 | \$ 55,633,177 | \$ 1,938,138,350 | 2.97% | 36,950 | \$ 1,506 |
| 2018 | \$ 22,241,587 | \$ - | \$ 22,241,587 | \$ 52,235,464 | \$ 74,477,051 | \$ 122,476 | \$ 74,477,051 | \$ 2,138,274,880 | 3.48% | 38,260 | \$ 1,947 |
| 2019 | \$ 21,275,000 | \$ - | \$ 21,275,000 | \$ 50,200,763 | \$ 71,475,763 | \$ 117,280 | \$ 71,475,763 | \$ 2,592,822,331 | 2.76% | 39,600 | \$ 1,805 |
| 2020 | \$ 20,415,000 | \$ - | \$ 20,415,000 | \$ 47,957,336 | \$ 68,372,336 | \$ 111,902 | \$ 68,372,336 | \$ 2,635,017,006 | 2.59% | 40,690 | \$ 1,680 |

Notes:

¹ Exhibit D-1

² Total Outstanding Debt/Personal Income

³ Total Outstanding Debt/Estimated Population

⁴ 2017 through 2020 include unamortized portion of premium.



City of Lynnwood, Washington
Ratios of Total Debt Outstanding by Type
Last Ten Calendar Years

| Calendar Year | General Obligation (GO) Bonds ¹ | Percentage of Actual Taxable Value of Property | Estimated Population | Debt Per Capita |
|------------------|---|---|-------------------------|-----------------------|
| 2010 | \$ 22,835,546 | 0.44% | 35,836 | \$ 637 |
| 2011 | 28,051,771 | 0.59% | 35,860 | 782 |
| 2012 | 27,522,029 | 0.65% | 35,900 | 767 |
| 2013 | 26,673,142 | 0.65% | 35,960 | 742 |
| 2014 | 25,818,178 | 0.59% | 36,485 | 708 |
| 2015 | 24,935,221 | 0.52% | 36,420 | 685 |
| 2016 | 24,071,075 | 0.47% | 36,590 | 658 |
| 2017 | 23,177,123 | 0.41% | 36,950 | 627 |
| 2018 | 22,241,587 | 0.35% | 38,260 | 581 |
| 2019 | 21,275,000 | 0.30% | 39,600 | 537 |
| 2020 | 20,415,000 | 0.27% | 40,690 | 502 |

Notes:

¹ Details regarding the City's outstanding debt can be found in the notes to the basic financial statements.



City of Lynnwood, Washington
Direct and Overlapping Governmental Activities Debt
 December 31, 2020

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable ¹</u> | <u>Estimated Share of Overlapping ² Debt</u> |
|---|-----------------------------|---|---|
| Overlapping Debt ² | | | |
| Debt Repaid With Property Taxes | | | |
| Edmonds School District #15 | \$ 207,470,000 | 23.45% | \$ 48,641,474 |
| Snohomish County | <u>337,508,356</u> | 5.65% | <u>19,066,973</u> |
| Total Overlapping Debt | 544,978,356 | | 67,708,447 |
| Other Debt | | | |
| City Direct Debt ³ | 20,415,000 | 100% | <u>20,415,000</u> |
| Total Direct and Overlapping Governmental Debt | | | <u><u>\$ 88,123,447</u></u> |

Notes:

¹ Applicable percentages were estimated by determining the portion of another government unit's assessed value that is within the City's geographic boundaries and dividing it by each government's total assessed valuation.

² Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City.

Data Source:

³ Snohomish County Tax Assessor's Annual Report and latest available financial reports of respective governments



City of Lynnwood, Washington
Legal Debt Margin - 2.5% Limit for General Purpose
Last Ten Calendar Years

| | December 31, | | | | | | | | | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Assessed Value ¹ | <u>\$ 4,726,403,303</u> | <u>\$ 4,207,375,958</u> | <u>\$ 4,077,655,634</u> | <u>\$ 4,404,126,247</u> | <u>\$ 4,771,220,851</u> | <u>\$ 5,172,943,809</u> | <u>\$ 5,654,422,666</u> | <u>\$ 6,272,081,312</u> | <u>\$ 7,015,500,457</u> | <u>\$ 7,503,860,299</u> |
| Legal Debt Margin ² | | | | | | | | | | |
| <i>Debt limits:</i> | | | | | | | | | | |
| 2.5% of assessed value total | \$ 118,160,083 | \$ 105,184,399 | \$ 101,941,391 | \$ 110,103,156 | \$ 119,280,521 | \$ 129,323,595 | \$ 141,360,567 | \$ 156,802,033 | \$ 175,387,511 | \$ 187,596,507 |
| 1.5% of assessed value (nonvoted) | 70,896,050 | 63,110,639 | 61,164,835 | 66,061,894 | 71,568,313 | 77,594,157 | 84,816,340 | 94,081,220 | 105,232,507 | 112,557,904 |
| Less: debt applicable to limit: | | | | | | | | | | |
| General obligation debt (City) | (28,051,771) | (27,522,029) | (26,673,142) | (25,818,178) | (24,935,221) | (24,071,075) | (23,177,123) | (22,241,587) | (21,275,000) | (20,415,000) |
| Lynnwood Public Fac. Dist. ³ | (28,311,621) | (27,911,542) | (27,213,944) | (26,288,404) | (26,489,700) | (25,962,583) | (24,976,766) | (23,656,949) | (21,086,700) | (19,255,400) |
| Add: available assets | 837,663 | 559,756 | 304,523 | 165,104 | 164,110 | 148,156 | 149,480 | 122,476 | 117,280 | 111,902 |
| Legal debt margin 1.5% - without a vote | <u>\$ 15,370,321</u> | <u>\$ 8,236,824</u> | <u>\$ 7,582,272</u> | <u>\$ 14,120,416</u> | <u>\$ 20,307,502</u> | <u>\$ 27,708,655</u> | <u>\$ 36,811,931</u> | <u>\$ 48,305,160</u> | <u>\$ 62,988,087</u> | <u>\$ 72,999,406</u> |
| As a percentage of debt limit | 21.68% | 13.05% | 12.40% | 21.37% | 28.37% | 35.71% | 43.40% | 51.34% | 59.86% | 64.85% |
| 2.5% of assessed value total | \$ 118,160,083 | \$ 105,184,399 | \$ 101,941,391 | \$ 110,103,156 | \$ 119,280,521 | \$ 129,323,595 | \$ 141,360,567 | \$ 156,802,033 | \$ 175,387,511 | \$ 187,596,507 |
| Less: debt applicable to limit: | | | | | | | | | | |
| General obligation debt (City) | (28,051,771) | (27,522,029) | (26,673,142) | (25,818,178) | (24,935,221) | (24,071,075) | (23,177,123) | (22,241,587) | (21,275,000) | (20,415,000) |
| Lynnwood Public Fac. Dist. ³ | (28,311,621) | (27,911,542) | (27,213,944) | (26,288,404) | (26,489,700) | (25,962,583) | (24,976,766) | (23,656,949) | (21,086,700) | (19,255,400) |
| Add: available assets | 837,663 | 559,756 | 304,523 | 165,104 | 164,110 | 148,156 | 149,480 | 122,476 | 117,280 | 111,902 |
| Legal debt margin 2.5% - with a vote | <u>\$ 62,634,354</u> | <u>\$ 50,310,584</u> | <u>\$ 48,358,828</u> | <u>\$ 58,161,678</u> | <u>\$ 68,019,710</u> | <u>\$ 79,438,093</u> | <u>\$ 93,356,158</u> | <u>\$ 111,025,973</u> | <u>\$ 133,143,091</u> | <u>\$ 148,038,009</u> |
| As a percentage of debt limit | 53.01% | 47.83% | 47.44% | 52.82% | 57.02% | 61.43% | 66.04% | 70.81% | 75.91% | 78.91% |

Notes:

² Under state law, voters may approve general obligation debt issues of up to 7.5% of the assessed value. This 7.5% debt capacity is allocated equally among general government, parks and open space and utilities, resulting in 2.5% for each purpose. Within the 2.5% limit, the City Council has the authority to issue bonds without voter approval for a combined total of up to 1.5% of the City's assessed valuation. This schedule reports limits for General Purpose. Refer to Exhibit C-5 for the Utility Purpose Limit, and Exhibit C-6 for the Open Space, Park & Capital Facilities limits.

³ Because the City is contingently liable for the debt of the Lynnwood Public Facilities District, the debt is subject to the City's Legal Debt Margin.

Data Source:

¹ Snohomish County Tax Assessor's Annual Report



City of Lynnwood, Washington
Legal Debt Margin - 2.5% Utility Purpose Limit Voted
Last Ten Calendar Years

| | December 31, | | | | | | | | | |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Assessed Value ¹ | \$ 4,726,403,303 | \$ 4,207,375,958 | \$ 4,077,655,634 | \$ 4,404,126,247 | \$ 4,771,220,851 | \$ 5,172,943,809 | \$ 5,654,422,666 | \$ 6,272,081,312 | \$ 7,015,500,457 | \$ 7,503,860,299 |
| Legal Debt Margin ² | | | | | | | | | | |
| Debt limit (2.5% of assessed value) | \$ 118,160,083 | \$ 105,184,399 | \$ 101,941,391 | \$ 110,103,156 | \$ 119,280,521 | \$ 129,323,595 | \$ 141,360,567 | \$ 156,802,033 | \$ 175,387,511 | \$ 187,596,507 |
| Less: debt applicable to limit: General obligation debt | - | - | - | - | - | - | - | - | - | - |
| Add: available assets | - | - | - | - | - | - | - | - | - | - |
| Legal debt margin | \$ 118,160,083 | \$ 105,184,399 | \$ 101,941,391 | \$ 110,103,156 | \$ 119,280,521 | \$ 129,323,595 | \$ 141,360,567 | \$ 156,802,033 | \$ 175,387,511 | \$ 187,596,507 |
| As a percentage of debt limit | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

Notes:

² Under state law, voters may approve general obligation debt issues of up to 7.5% of the assessed value. This 7.5% debt capacity is allocated equally among general government, parks and open space and utilities, resulting in 2.5% for each purpose. Within the 2.5% limit, the City Council has the authority to issue bonds without voter approval for a combined total of up to 1.5% of the City's assessed valuation. This schedule reports limits for *Utility Purpose*. Refer to Exhibit C-4 for the *General Purpose Limit*, and Exhibit C-6 for the *Open Space, Park & Capital Facilities* limits.

Data Source:

¹ Snohomish County Tax Assessor's Annual Report



City of Lynnwood, Washington
Legal Debt Margin - 2.5% Open Space, Park and Capital Facilities Voted
Last Ten Calendar Years

| | December 31, | | | | | | | | | |
|---------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Assessed Value ¹ | <u>\$ 4,726,403,303</u> | <u>\$ 4,207,375,958</u> | <u>\$ 4,077,655,634</u> | <u>\$ 4,404,126,247</u> | <u>\$ 4,771,220,851</u> | <u>\$ 5,172,943,809</u> | <u>\$ 5,654,422,666</u> | <u>\$ 6,272,081,312</u> | <u>\$ 7,015,500,457</u> | <u>\$ 7,503,860,299</u> |
| Legal Debt Margin ² | | | | | | | | | | |
| Debt limit (2.5% of assessed value) | \$ 118,160,083 | \$ 105,184,399 | \$ 101,941,391 | \$ 110,103,156 | \$ 119,280,521 | \$ 129,323,595 | \$ 141,360,567 | \$ 156,802,033 | \$ 175,387,511 | \$ 187,596,507 |
| Less: debt applicable to limit: | | | | | | | | | | |
| General obligation debt ³ | - | - | - | - | - | - | - | - | - | - |
| Add: Available assets | - | - | - | - | - | - | - | - | - | - |
| Legal debt margin | <u>\$ 118,160,083</u> | <u>\$ 105,184,399</u> | <u>\$ 101,941,391</u> | <u>\$ 110,103,156</u> | <u>\$ 119,280,521</u> | <u>\$ 129,323,595</u> | <u>\$ 141,360,567</u> | <u>\$ 156,802,033</u> | <u>\$ 175,387,511</u> | <u>\$ 187,596,507</u> |
| As a percentage of debt limit | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> | <u>100.00%</u> |

Notes:

² Under state law, voters may approve general obligation debt issues of up to 7.5% of the assessed value. This 7.5% debt capacity is allocated equally among general government, parks and open space and utilities, resulting in 2.5% for each purpose. Within the 2.5% limit, the City Council has the authority to issue bonds without voter approval for a combined total of up to 1.5% of the City's assessed valuation. This schedule reports limits, for *General Purpose*, Refer to Exhibit C-4 for the *General Purpose Limit*, and Exhibit C-5 for the *Utility Purpose Limit*.

³ Although the City's 2012 General Obligation bond issue was for recreational purposes, no vote was taken. Therefore, that issue is reported on Exhibit E-4.

Data Source:

¹ Snohomish County Tax Assessor's Annual Report



Exhibit C-7

City of Lynnwood, Washington
Pledged Revenue Coverage - Water, Sewer and Storm Water Utility Fund
Last Ten Calendar Years

| Calendar Year | Operating Revenues | Less Operating Expenses ¹ | Net Available Revenues | Principal | Interest | Total | Fixed Charges Coverage Ratio |
|----------------------|---------------------------|---|-------------------------------|------------------------|-----------------|--------------|-------------------------------------|
| 2011 | 13,847,973 | 9,970,356 | 3,877,617 | 1,100,000 | 629,933 | 1,729,933 | 2.24 |
| 2012 | 15,315,872 | 12,383,231 | 2,932,641 | 1,145,000 | 568,660 | 1,713,660 | 1.71 |
| 2013 | 16,686,124 | 11,657,694 | 5,028,430 | 1,170,000 | 522,896 | 1,692,896 | 2.97 |
| 2014 | 18,187,155 | 14,035,457 | 4,151,698 | 540,000 | 476,063 | 1,016,063 | 4.09 |
| 2015 | 18,292,097 | 13,646,177 | 4,645,920 | 1,002,836 | 512,298 | 1,515,134 | 3.07 |
| 2016 | 19,870,417 | 13,798,270 | 6,072,147 | 1,391,494 | 1,376,323 | 2,767,817 | 2.19 |
| 2017 | 20,793,661 | 15,917,018 | 4,876,643 | 1,405,000 | 1,302,538 | 2,707,538 | 1.80 |
| 2018 | 21,623,701 | 14,966,052 | 6,657,649 | 1,170,000 ² | 1,238,530 | 2,408,530 | 2.76 |
| 2019 | 23,140,625 | 14,817,344 | 8,323,281 | 1,825,000 | 2,145,422 | 3,970,422 | 2.10 |
| 2020 | 24,244,548 | 16,559,882 | 7,684,666 | 2,050,000 | 1,931,389 | 3,981,389 | 1.93 |

Notes:

¹ Includes all operating expenses of the City excluding depreciation and interest.

City of Lynnwood, Washington
Demographic and Economic Statistics
Last Ten Calendar Years

| Calendar Year | Population ¹ | Personal Income ² | Personal Per Capita Income ³ | Median Age ⁴ | School Enrollment ⁵ | Unemployment Rate | | |
|---------------|-------------------------|------------------------------|---|-------------------------|--------------------------------|-------------------|-------------------------------|----------------------------|
| | | | | | | City ⁶ | Washington State ⁷ | United States ⁸ |
| 2011 | 35,860 | 1,501,780,940 ^a | 41,879 ^a | 37.4 | 6,264 | 8.9% | 7.8% | 9.1% |
| 2012 | 35,900 | 1,581,107,800 ^a | 44,042 ^a | 37.7 | 7,370 | 7.2% | 6.1% | 8.2% |
| 2013 | 35,960 | 1,605,290,360 ^a | 44,641 ^a | 38.0 | 9,107 | 5.3% | 5.3% | 7.5% |
| 2014 | 36,030 | 1,689,374,640 ^a | 46,888 ^a | 36.5 | 10,799 | 5.5% | 4.7% | 6.1% |
| 2015 | 36,420 | 1,765,932,960 ^a | 48,488 ^a | 38.6 | 9,417 | 5.0% | 5.0% | 5.3% |
| 2016 | 36,590 | 1,842,086,960 ^b | 50,344 ^b | 37.0 | 9,775 | 4.9% | 5.3% | 4.9% |
| 2017 | 36,950 | 1,938,138,350 ^b | 52,453 ^b | 37.0 ^a | 7,290 | 4.2% | 4.8% | 4.4% |
| 2018 | 38,260 | 2,138,274,880 ^b | 55,888 ^b | 37.0 ^a | 7,111 | 4.0% | 4.5% | 3.9% |
| 2019 | 39,600 | 2,592,822,331 ^c | 65,475 ^c | 39.5 ^b | 7,324 | 3.1% | 4.3% | 3.5% |
| 2020 | 40,690 | 2,635,017,006 ^c | 64,758 ^c | 40.2 ^b | 6,322 | 9.5% | 8.4% | 8.1% |

Data Source:

¹ WA State Office of Financial Management: <https://ofm.wa.gov/washington-data-research/population-demographics/population-estimates/historical-estimates-april-1-population-and-housing-state-counties-and-cities>

^{2a} For 2010 through 2018, Snohomish County Personal Income, per Bureau of Economic Analysis, applied to Lynnwood population.

^{2b} For 2018, Statewide Personal Income, per Bureau of Economic Analysis, applied to Lynnwood population.

^{2c} For 2019-2020, Annual Personal Income per Bureau of Economic Analysis. Applied to Lynnwood population.
<https://Apps.bea.gov/regional/downloadzip.cfm>

^{3a} For 2010-2017, Snohomish County Per Capita Personal Income applied to Lynnwood population.

^{3b} For 2016-2018, Bureau of Economic Analysis for Snohomish County.

^{3c} For 2019-2020, Annual Personal Income All Areas, per Bureau of Economic Analysis. Statewide Personal Income applied to Lynnwood population.
<https://Apps.bea.gov/regional/downloadzip.cfm>

^{4a} <https://suburbanstats.org/population/washington/how-many-people-live-in-lynnwood>

^{4b} <https://censusreporter.org/profiles/16000US5340840-lynnwood-wa/>

⁵ Office of Superintendent of Public Instruction, Washington State Data Portal, Report Title: COVID-19 Modified School Year SQSS Data.
 Report Card Data Enrollment for 2019-2020 School Year filtered to Edmonds School District Schools within City limits only. Excludes private schools and college enrollment. Data Location: <https://data.wa.gov/Education/COVID-19-Modified-School-Year-SQSS-Data/29kb-bn26>

⁶ Washington State Employment Security: <https://esd.wa.gov/labormarketinfo/labor-force> Data File: LAUS-Historical-NSA-City.xlsx (annual average)

⁷ Washington State Employment Security: <https://esd.wa.gov/labormarketinfo/report-library> Go to Labor Force (LAUS) and choose LAUS historical - NSA.
 Data File: LAUS-historical-NSA includes State and County data.

⁸ U.S. Department of Labor, Bureau of Labor Statistics, <https://stats.bls.gov/cps/tables.htm#annual>



City of Lynnwood, Washington
Principal Employers
 For the Calendar Years Ended December 31, 2020 and 2010

| Employer | Product/Service | 2020 | | |
|---|------------------------|---------------------|------|-------------------------------------|
| | | Number of Employees | Rank | Percentage of Total City Employment |
| Edmonds School District ¹ | Public Education | 1,800 | 1 | 8.66% |
| Edmonds Community College ² | Public Education | 850 | 2 | 4.09% |
| Macy's West Stores Inc ³ | Retail | 360 | 3 | 1.73% |
| City of Lynnwood ⁴ | Government | 326 | 4 | 1.57% |
| Nordstrom | Retail | 322 | 5 | 1.55% |
| Zumiez Inc | Corporate Headquarters | 319 | 6 | 1.54% |
| Costco | Wholesale Warehouse | 225 | 7 | 1.08% |
| Fred Meyer Stores | Retail | 222 | 8 | 1.07% |
| Costco Business Center | Wholesale Warehouse | 177 | 9 | 0.85% |
| Lowe's Home Centers, LLC #285 | Retail | 155 | 10 | 0.75% |
| Total Principal Employers | | 4,756 | | 22.89% |
| Total Other Employers ⁵ | | 16,021 | | 77.11% |
| Total Employers | | 20,777 | | 100.00% |

| Employer | Product/Service | 2010 ⁶ | | |
|------------------------------------|---------------------|---------------------|------|-------------------------------------|
| | | Number of Employees | Rank | Percentage of Total City Employment |
| Volunteers of America | | 350 | 1 | 2.21% |
| Macy's West Stores Inc | Retail | 338 | 2 | 2.14% |
| Nordstrom | Retail | 308 | 3 | 1.95% |
| J C Penney | Retail | 283 | 4 | 1.79% |
| Fred Meyer Stores | Retail | 219 | 5 | 1.38% |
| Costco Wholesale | Wholesale Warehouse | 198 | 6 | 1.25% |
| Receivables Performance Management | | 193 | 7 | 1.22% |
| Target | Retail | 191 | 8 | 1.21% |
| Pemco Mutual Insurance Company | Insurance | 173 | 9 | 1.09% |
| Sears Roebuck & Co. | Retail | 145 | 10 | 0.92% |
| Total Principal Employers | | 2,398 | | 15.16% |
| Total Other Employers | | 13,415 | | 84.84% |
| Total Employers | | 15,813 | | 100.00% |

Data Source:

Employee counts are reported as Full Time Equivalents (FTE). For purposes of this report, part time positions are considered half time when converted to FTE count.

Prior to 2015 the school district, college and municipality employer information was not included.

¹ Edmonds School District does not have an FTE (Full Time Equivalent) number that includes substitutes, hourly employees or coaches. Approximate # of employees working within the city limits of Lynnwood includes substitutes, hourly employees and coaches, which do not have a designated location other than the district office. Data acquired from Edmonds School District HR.

² FTE information received from Edmonds Community College HR Department.

³ Macy's announced it was closing roughly 125 stores by 2023, although the specific stores have not been listed. The Macy's store in the City has not been listed for closure in 2021.

⁴ City of Lynnwood Employees based on FTE count per budget documents which includes approximately 150 FTE part time employees in positions ranging from part-time camp counselors during summer months to interns and volunteers to full time police officers and maintenance workers.

⁵ As of 2019, Business Licenses being issued through the State of Washington, not the City of Lynnwood. The total other employers data was acquired from the Business License Department based on number of employees reported at the time 2019 business licenses were issued less the top 10 employers except the Community College and City of Lynnwood which are not included in the Business License Data. Full Time per Business License Data are employees reported as working 15 hours or more. Part-time employees are those working less than 15 hours.

⁶ 2011 Principal Employer data is not available.

City of Lynnwood, Washington
City Employees by Function/Program
Last Ten Calendar Years

| Function/Program | December 31, | | | | | | | | | | |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| General Government | 117.34 | 79.67 | 79.67 | 84.41 | 82.06 | 86.50 | 94.00 | 89.23 | 79.15 | 89.00 | 90.35 |
| Public Safety | | | | | | | | | | | |
| Police | | | | | | | | | | | |
| Officer | 85.00 | 75.00 | 75.00 | 72.00 | 72.00 | 72.00 | 72.00 | 74.00 | 74.00 | 74.00 | 71.00 |
| Civilians | 15.00 | 12.00 | 12.00 | 12.00 | 12.00 | 14.00 | 14.00 | 11.00 | 15.00 | 15.00 | 16.00 |
| Detention and corrections | 16.00 | 17.00 | 17.00 | 15.00 | 15.00 | 15.00 | 15.00 | 16.00 | 20.00 | 17.00 | 20.00 |
| Animal control | 2.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 |
| Fire ¹ | | | | | | | | | | | |
| Firefighters, medics and officers | 60.00 | 53.00 | 53.00 | 58.00 | 57.00 | 56.00 | 56.00 | 56.00 | - | - | - |
| Civilians | 3.40 | 1.40 | 1.40 | 1.50 | 2.50 | 2.50 | 2.50 | 2.00 | - | - | - |
| Public Works | | | | | | | | | | | |
| Engineering and inspections | 20.63 | 20.75 | 20.75 | 18.00 | 20.50 | 21.00 | 21.00 | 19.75 | 23.75 | 28.00 | 23.65 |
| Street maintenance | 12.00 | 11.00 | 11.00 | 9.15 | 9.15 | 10.00 | 10.00 | 8.80 | 8.90 | 9.00 | 9.10 |
| Water | 19.00 | 9.00 | 9.00 | 9.00 | 9.35 | 10.35 | 9.00 | 8.85 | 8.85 | 8.00 | 10.28 |
| Sewer | 19.00 | 19.00 | 19.00 | 19.00 | 20.00 | 17.35 | 19.00 | 21.85 | 21.85 | 24.00 | 20.50 |
| Storm drainage | 6.00 | 10.00 | 10.00 | 10.00 | 11.00 | 10.30 | 10.00 | 11.75 | 11.75 | 6.00 | 14.27 |
| Culture and Recreation | 56.97 | 46.83 | 46.83 | 41.98 | 41.98 | 38.50 | 35.00 | 39.75 | 40.75 | 40.75 | 42.75 |
| Total | 432.34 | 355.65 | 355.65 | 351.04 | 353.54 | 354.50 | 358.50 | 359.98 | 305.00 | 311.75 | 318.90 |
| Percentage Change From Prior Year | 8.8% | -17.7% | 0.0% | -1.3% | 0.7% | 0.3% | 1.1% | 0.4% | -15.3% | 2.2% | 2.3% |

Data Source:

City 2021-2022 Budget Summary of FTE Positions.

¹ Fire Department Employees were transferred to South Snohomish County Regional Fire & Rescue at the end of 2017 and are no longer City employees.

Throughout the year, the City will employ approximately 150 FTE (full time equivalent) part time employees in positions ranging from part-time camp counselors during summer months to interns and volunteers to fulltime police officers and maintenance workers.



City of Lynnwood, Washington
 Operating Statistics by Program
 Last Nine Calendar Years ⁵

| | December 31, | | | | | | | | |
|--|--------------|---------|---------|---------|---------|---------|---------|---------|--------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| General Government | | | | | | | | | |
| Building permits | 2,225 | 2,247 | 2,423 | 3,278 | 2,454 | 2,512 | 1,822 | 852 | 1,883 |
| Public Safety | | | | | | | | | |
| Police | | | | | | | | | |
| Inmates booked | 4,269 | 4,065 | 4,047 | 4,628 | 3,764 | 3,093 | 2,695 | 2,565 | 1,097 |
| Physical arrests (UCR) ¹ | | | | | | | | | |
| Adults | 2,345 | 2,226 | 2,430 | 2,251 | 2,815 | 2,840 | 2,282 | 2,557 | 1,757 |
| Juveniles | 438 | 431 | 362 | 283 | 221 | 190 | 129 | 206 | 80 |
| Municipal Court | | | | | | | | | |
| Traffic Violations | 7,834 | 7,001 | 6,641 | 8,030 | 8,111 | 5,533 | 6,572 | 4,461 | 2,069 |
| Parking/PE | 26,478 | 24,700 | 29,301 | 34,378 | 36,820 | 34,856 | 34,810 | 39,299 | 32,521 |
| Criminal violations | 3,293 | 2,443 | 2,320 | 2,168 | 2,475 | 2,379 | 2,072 | 1,977 | 1,642 |
| DUI/Physical Control | 448 | 304 | 221 | 211 | 261 | 245 | 168 | 170 | 138 |
| Fire ⁴ | | | | | | | | | |
| Number of calls answered | 7,046 | 6,940 | 6,963 | 7,636 | 9,026 | 6,932 | - | - | - |
| Inspections | 3,806 | 5,171 | 4,958 | 5,960 | 5,081 | 678 | - | - | - |
| Transportation | | | | | | | | | |
| Potholes repaired | 52 | 81 | 28 | 125 | 146 | 141 | 216 | 250 | 231 |
| Culture and Recreation | | | | | | | | | |
| Total recreation program registrations (net) | 27,376 | 29,022 | 29,857 | 28,849 | 33,424 | 34,848 | 36,873 | 23,195 | 37,320 |
| Recreation center usage | 248,517 | 256,129 | 244,183 | 263,998 | 271,019 | 267,365 | 260,586 | 247,982 | 45,870 |
| Water | | | | | | | | | |
| Average daily consumption (CCF) ² | 3,850 | 3,952 | 3,960 | 4,094 | 4,012 | 4,103 | 4,207 | 3,923 | 4,380 |
| Hydrant inspected/repaired/replacement | 1,623 | 1,705 | 1,106 | 692 | 849 | 1,083 | 1,162 | 1,081 | 159 |
| Sewer | | | | | | | | | |
| Average daily sewer treatment (MGD) ³ | 4.64 | 4.15 | 4.52 | 4.17 | 4.48 | 4.61 | 4.32 | 4.05 | 4.21 |
| Finance | | | | | | | | | |
| Number of public disclosure requests | N/A | 272 | 453 | 562 | 489 | 432 | 435 | 522 | 408 |

Notes:¹ UCR - Uniform Crime Reporting Program² CCF - Hundreds of cubic feet³ MGD - Millions of gallons per day⁴ Fire operations were transferred to South Snohomish County Regional Fire & Rescue in 2017



City of Lynnwood, Washington
Capital Asset and Infrastructure Statistics by Function/Program
Last Nine Calendar Years ¹

| Function/program | December 31, | | | | | | | | |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
| Public Safety | | | | | | | | | |
| Police | | | | | | | | | |
| Number of Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of Police Vehicles | 81 | 81 | 79 | 85 | 86 | 81 | 86 | 82 | 87 |
| Fire | | | | | | | | | |
| Number of Stations | 2 | 2 | 2 | 2 | 2 | - | - | - | - |
| Transportation | | | | | | | | | |
| Miles of streets, lane miles | 272 | 272 | 272 | 272 | 272 | 306 | 306 | 286 | 287 |
| Number of signals | 55 | 55 | 55 | 55 | 57 | 60 | 60 | 60 | 62 |
| Number of street lights | 356 | 356 | 373 | 370 | 370 | 436 | 420 | 423 | 400 |
| Culture and recreation | | | | | | | | | |
| Number of parks | 16 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 |
| Open space and undeveloped parks | 120.94 acres | 120.94 acres | 120.94 acres | 123.96 acres | 142.72 acres | 142.72 acres | 142.72 acres | 142.72 acres | 147.17 acres |
| Miles of trails outside of parks | 6.78 | 6.78 | 6.78 | 7.6 | 7.6 | 7.6 | 7.6 | 7.6 | 7.6 |
| Golf courses | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Recreation center | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Senior center | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Water | | | | | | | | | |
| Number of consumers | 8,053 | 8,053 | 8,538 | 8,558 | 9,203 | 9,242 | 8,935 | 9,069 | 9,138 |
| Miles of water mains | 169 | - | 162 | 136 | 135 | 136 | 109 | 113 | 119 |
| Fire hydrants | 1,007 | 1,007 | 1,043 | 1,045 | 1,032 | 1,089 | 1,066 | 1,098 | 1,114 |
| Sewer | | | | | | | | | |
| Miles of sanitary sewers | 96.9 | 96.9 | 106.7 | 106.4 | 105.4 | 105.8 | 105.4 | 107.2 | 108.7 |
| Number of sewer customers | 8,514 | 8,514 | 8,071 | 8,083 | 8,987 | 9,598 | 8,121 | 8,870 | 8,941 |
| Maximum monthly treatment plant capacity | 7.4 MGD | 7.4 MGD | 7.4 MGD | 7.4 MGD | 7.4 MGD | 7.4 MGD | 7.4 MGD | 7.4 MGD | 7.4 MGD |

¹ Information unavailable prior to 2012, will add data as years proceed until have full 10 years of statistics to report.