

ANNUAL COMPREHENSIVE FINANCIAL REPORT



Fiscal Year Ended December 31, 2022



CITY OF LYNNWOOD

WASHINGTON

CITY OF LYNNWOOD, WASHINGTON
ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2022

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INTRODUCTORY SECTION



September 26, 2023

The Honorable Christine Frizzell, Mayor
Lynnwood City Council, and
Community Members of the City of Lynnwood

I am pleased to transmit to you Lynnwood’s Annual Comprehensive Financial Report for the fiscal year ending December 31, 2022. 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 General Fund 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 density served by regionally-

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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 38,740 is considerably less than the City’s daytime population. The City encompasses almost 8 square miles and is planning for a 2044 population within that area of over 63,000.

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 2022, the General Levy rate was \$0.53 per \$1,000 of assessed valuation, based upon the adopted levy of \$4.5 million. The City has a very 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, the City reacted immediately to identify expenditure reductions to balance the negative impacts on sales tax, admissions tax, and Recreation Center fees. The City Council authorized a transfer of \$1.13 million of the City’s \$6 million reserve fund to balance the General Fund for 2020. 2021 sales tax revenues returned to pre-pandemic levels and the reserve fund was fully restored that year with no additional transfers needed. Throughout the COVID-19 pandemic, the City demonstrated that public agencies can be nimble and swift, and that Lynnwood is resilient, agile, and responsive.

Relative to other Washington counties, Snohomish County has experienced high growth rates during the past two decades. 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. 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. Local businesses employ more than 34,000 full-time and 14,000 part-time employees. For 2022, the Snohomish County Assessor reports an increase of \$49.1 billion in total assessed valuation over 2021. High-density, transit-oriented development is being permitted and constructed near the new light rail station. Development activity remains very strong and housing values continue to increase.

The vicinity of Alderwood Mall is a very active area of the City. At 1.3 million square feet, Alderwood Mall offers extensive shopping, restaurant, and entertainment experiences. This retail center is anchored by national department stores and retailers, multi-screen theaters, and the Alderwood Village lifestyle center. Alderwood Mall continues to foster new growth including new multifamily and mixed-use development.

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. Auto dealerships have a strong presence on Highway 99, and the City has zoned other

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properties along the corridor for mid-rise, transit-oriented development (TOD). As described further below, Edmonds College enjoys convenient access from Highway 99.

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. The PFD found numerous ways to reduce expenditures and remain financially stable even while rental activity significantly decreased during the COVID-19 pandemic. A rebranding effort and master planning are underway and align with the City's redevelopment in the Convention Center area.

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.

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, 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 2022 included roadway construction, trail and park improvements and the construction of a new Community Justice Center. At the end of 2022, construction in progress totaled almost \$88 million between general government and utilities.

Numerous public and privately funded developments are in the planning phases or under construction in Lynnwood. Development of the Lynnwood City Center, withing the Lynnwood Regional Growth Center, is a key component of Lynnwood's economic future. In 2022, City Center saw the completion of numerous

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multi-unit residential and mixed-use projects. Development including mid-rise buildings over structured parking mixed with retail or commercial space development will create a compact, walkable, urban environment as called for by City Center plans.

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. 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.

ACKNOWLEDGEMENTS AND AWARDS

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 through 2020, and has submitted the 2021 report for award consideration. 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 2022 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 through 2022 biennial budgets. 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 and Tara Dunford CPA as well as the many personnel from other departments who assisted in its preparation.

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,



Michelle Meyer
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Lynnwood
Washington**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

Christopher P. Morill

Executive Director/CEO



1 **Elected Officials:**

Christine Frizzell	Mayor	Term Through Dec. 31, 2025
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City Council	Position	Term Through Dec. 31
George Hurst, President	6	2023
Jim Smith, Vice President	4	2023
Shirley Sutton	1	2025
Patrick Decker	2	2025
Joshua Binda	3	2025
Julietta Altamirano-Crosby	5	2023
Shannon Sessions	7	2023

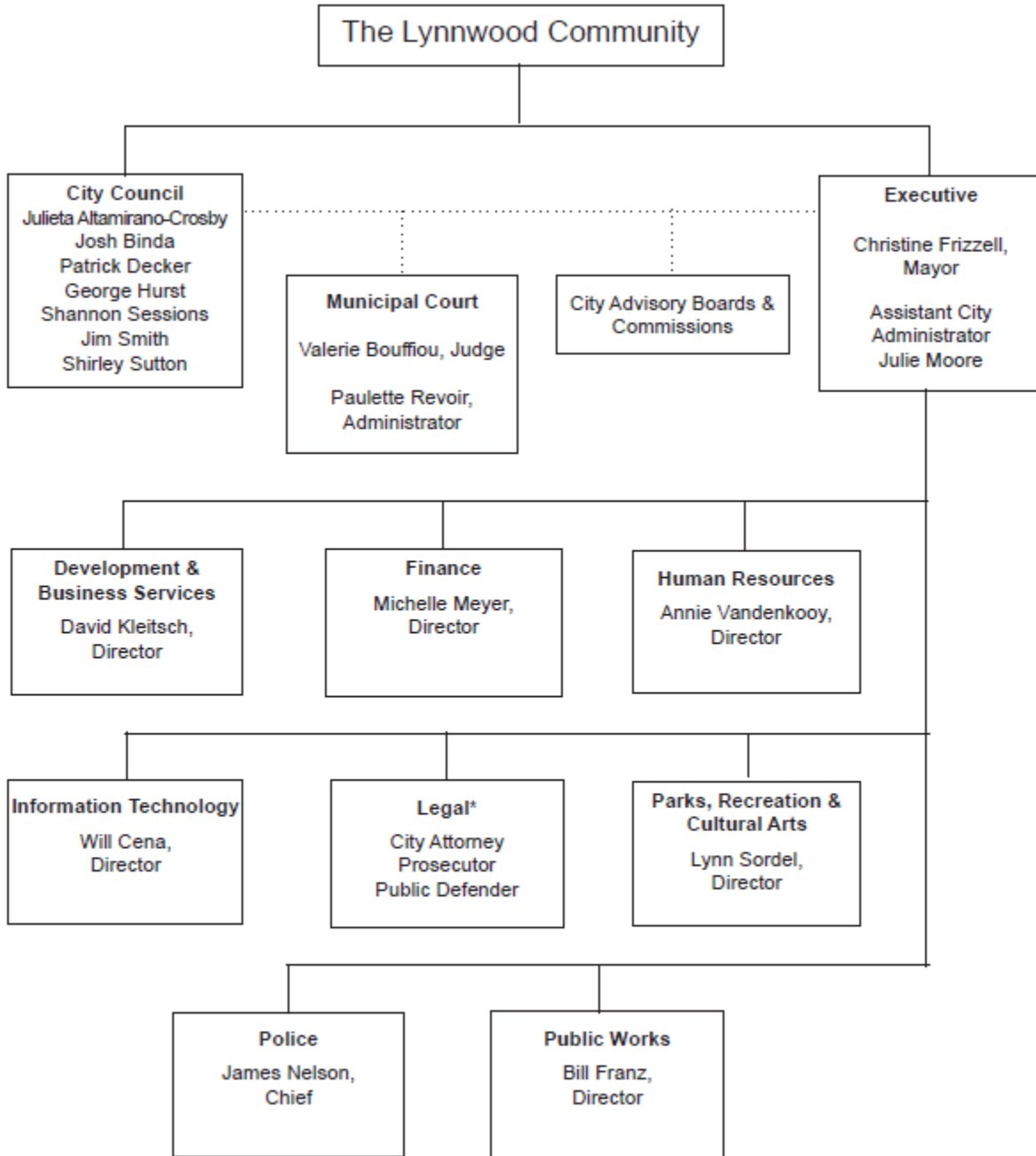
2 **Appointed Officials:**

Official	Position	Department
Julie Moore	Assistant City Administrator	Executive
Valerie Bouffiou	Judge*	Municipal Court
Will Cena	Director	Information Technology
Annie Vandenkooy	Director	Human Resources
Michael Fitzgerald	Fire Marshal*	Fire
William Franz	Director	Public Works
David Kleitsch	Director	Development and Business Services
Lisa Marshall	City Attorney*	Legal
Michelle Meyer	Director	Finance
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)



2023 Organization Chart



*Service provided by contract or interlocal agreement

FINANCIAL SECTION

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MANAGEMENT'S
DISCUSSION
AND ANALYSIS

Within this section of the City of Lynnwood, Washington (“the City”) annual comprehensive 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, 2022. 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 \$232,127,267 (net position) at the end of the calendar year.
- Total net position is comprised of the following:
 - (1) Net investment in capital assets of \$170,220,695 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 \$39,695,590 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 \$22,210,982 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 \$92,682,637 this year. This compares to the prior year ending fund balance of \$106,930,165, showing a decrease of \$14,247,528 or 13.3% during the current year.
- At the end of the current calendar year, unassigned fund balance for the General Fund was \$13,480,149, or 27% 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 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.

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.

- *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.
- *Fiduciary fund* type represents funds held in trust and includes the firemen's pension trust fund, the recreation scholarship fund, and the custodial fund.

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.

Required Supplementary Information

This section includes the budgetary schedules for the general fund and disclosure related to pensions and other-postemployment benefits.

Supplementary Information

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

Financial Analysis of the City as a Whole

The City's net position at calendar year-end was \$232,127,267. 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	
	2022	2021	2022	2021	2022	2021
Assets:						
Current	\$ 118,542,873	\$ 128,118,795	\$ 26,520,016	\$ 24,628,239	\$ 145,062,889	\$ 152,747,034
Capital assets	225,330,319	173,710,619	102,205,676	102,984,508	327,535,995	276,695,127
Other	16,264,961	31,063,601	513,185	2,336,061	16,778,146	33,399,662
Total assets	360,138,153	332,893,015	129,238,877	129,948,808	489,377,030	462,841,823
Deferred outflows of resources	10,645,991	5,463,759	1,148,372	399,154	11,794,363	5,862,913
Liabilities:						
Current	25,941,235	16,690,326	4,989,144	5,077,676	30,930,379	21,768,002
Non-current	103,186,146	93,470,208	41,754,095	43,620,299	144,940,241	137,090,507
Total liabilities	129,127,381	110,160,534	46,743,239	48,697,975	175,870,620	158,858,509
Deferred inflows of resources	9,529,496	22,115,450	1,495,858	3,369,565	11,025,354	25,485,015
Net position:						
Net investment in capital assets	170,220,695	147,752,563	58,108,134	56,693,418	228,328,829	204,445,981
Restricted	39,695,590	39,309,425	1,384,852	797,544	41,080,442	40,106,969
Unrestricted	22,210,982	19,018,802	22,655,166	20,789,460	44,866,148	39,808,262
Net position	\$ 232,127,267	\$ 206,080,790	\$ 82,148,152	\$ 78,280,422	\$ 314,275,419	\$ 284,361,212

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 4.6 to 1 as compared to 7.7 to 1 at December 31, 2021. The current ratio for the business-type activities at December 31, 2022 is 5.3 to 1 as compared to 4.9 to 1 at December 31, 2021. For the City overall, the current ratio is 4.7 to 1 as compared to 7.0 to 1 at December 31, 2021. These ratios are strong.

The City reported positive balances in net position for both governmental and business-type activities. Net position increased \$26,046,477 for governmental activities and increased by \$3,867,730 for business-type activities. The City's overall financial position increased during calendar year 2022 by \$29,914,207. 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.

73.3% 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 70.7% 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, 72.7% of the City's total net position is invested in capital assets.

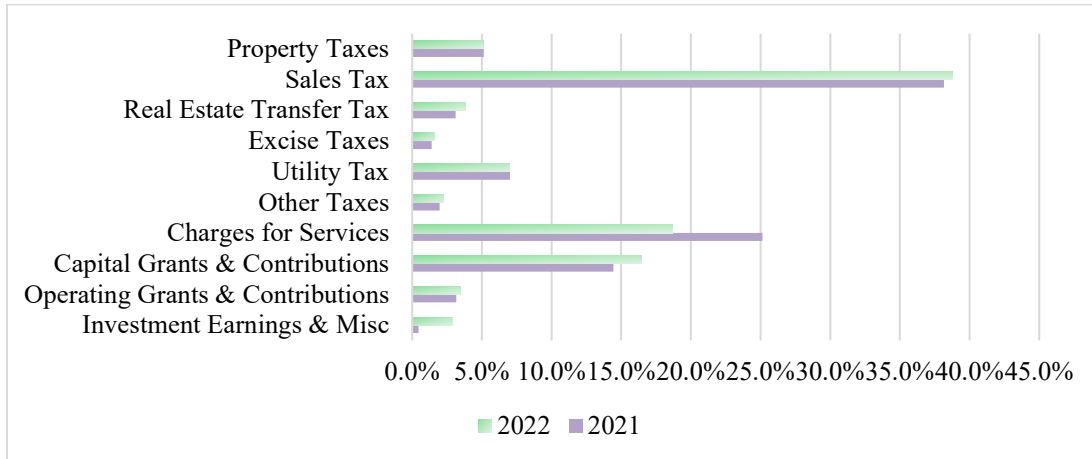
The following table provides a summary of the City's changes in net position:

	Summary of Changes in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program:						
Charges for services	\$ 16,430,237	\$ 20,703,447	\$ 28,183,944	\$ 26,907,331	\$ 44,614,181	\$ 47,610,778
Operating grants and contributions	3,073,534	2,596,297	100,784	367,388	3,174,318	2,963,685
Capital grants and contributions	14,472,543	11,890,242	549,597	810,004	15,022,140	12,700,246
General:						
Property taxes	4,521,313	4,233,938	-	-	4,521,313	4,233,938
Sales taxes	34,091,867	31,425,145	-	-	34,091,867	31,425,145
Business and other taxes	12,827,921	11,133,425	-	-	12,827,921	11,133,425
Investment earnings	246,196	(164,813)	(10,527)	52,996	235,669	(111,817)
Other revenues	2,300,622	448,208	-	-	2,300,622	448,208
Total revenues	87,964,233	82,265,889	28,823,798	28,137,719	116,788,031	110,403,608
Program Expenses:						
General government	10,353,051	7,764,908	-	-	10,353,051	7,764,908
Economic environment	6,077,090	4,806,185	-	-	6,077,090	4,806,185
Judicial	1,139,053	840,599	-	-	1,139,053	840,599
Culture and recreation	9,004,103	6,812,909	-	-	9,004,103	6,812,909
Public safety	22,604,384	19,043,915	-	-	22,604,384	19,043,915
Social services	457,313	397,114	-	-	457,313	397,114
Transportation	9,012,342	9,325,059	-	-	9,012,342	9,325,059
Utilities	35,708	39,602	-	-	35,708	39,602
Interest on long-term debt	3,088,410	2,038,950	-	-	3,088,410	2,038,950
Water/sewer/storm utility	-	-	23,229,800	20,935,360	23,229,800	20,935,360
Golf course	-	-	1,707,458	1,499,272	1,707,458	1,499,272
Total expenses	61,771,454	51,069,241	24,937,258	22,434,632	86,708,712	73,503,873
Revenues over (under) expenses	26,192,779	31,196,648	3,886,540	5,703,087	30,079,319	36,899,735
Transfers	-	88,725	-	(88,725)	-	-
Changes in net position	26,192,779	31,285,373	3,886,540	5,614,362	30,079,319	36,899,735
Beginning net position	206,080,790	174,706,451	78,280,422	72,755,026	284,361,212	247,461,477
Prior period adjustments	(126,347)	88,966	(18,810)	(88,966)	(145,157)	-
Beginning net position - restated	205,954,443	174,795,417	78,261,612	72,666,060	284,216,055	247,461,477
Ending net position	\$ 232,147,222	\$ 206,080,790	\$ 82,148,152	\$ 78,280,422	\$ 314,295,374	\$ 284,361,212

GOVERNMENTAL ACTIVITIES-REVENUES

Total tax revenue increased by \$4,648,593 or 9.9% from 2021 to 2022.

As the chart below depicts, in total, in 2022 taxes make up 58.5% of the total revenues stream as compared to 56.8% in 2021. 2022 property taxes make up 5.1% of revenues, equal to 5.1% in 2021; 2022 sales taxes make up 38.8% of total revenues as compared to 38.2% in 2021.



The operating grants and contributions for general government of \$808,711 included the following:

- COVID-19 assistance - \$538,146
- Public Utility District Privilege Tax - \$263,065
- Other Miscellaneous Revenues and Donations - \$7,500

The operating grants for culture and recreation of \$83,241 included the following:

- Donations, Parks, and Senior Services - \$81,241
- Snohomish County - \$2,000

The operating grants for public safety of \$545,797 included the following:

- LEOFF Pension Plan Special Funding - \$295,952
- Department of Justice Grants – \$75,702
- Washington State Criminal Justice distributions - \$63,910
- Department of Homeland Security Grants - \$32,694
- Washington State Criminal Justice Training Commissions Grants - \$23,243
- Traffic safety grants - \$18,168
- Department of Treasury Grant - \$5,875
- Legislative Allocation - \$5,100
- Law Enforcement Services - \$4,320
- Other Miscellaneous Revenues and Donations - \$20,834

The operating grants and contributions for transportation of \$1,054,489 included the following:

- Motor Vehicle Fuel Tax and Other Street Operating Funds - \$766,050
- Sound Transit Interlocal Agreement - \$284,018
- Washington Traffic Safety Commission - \$4,421

The operating grants and contributions for utilities of \$3,372 included the following:

- Department of Ecology Grant - \$3,372

The operating grants and contributions for economic environment of \$583,140 included the following:

- Sound Transit Interlocal Agreement - \$548,140
- Department of Commerce Grant - \$35,000

The capital grants and contributions for transportation of \$10,536,064 included the following:

- Washington State Department of Transportation grants - \$8,874,485
- Interlocal Agreements - \$1,661,579

The capital grants and contributions for public safety of \$2,258,782 included the following:

- Snohomish County Interlocal Agreement - \$2,228,772
- Puget Sound Energy Interlocal Agreement - \$30,010

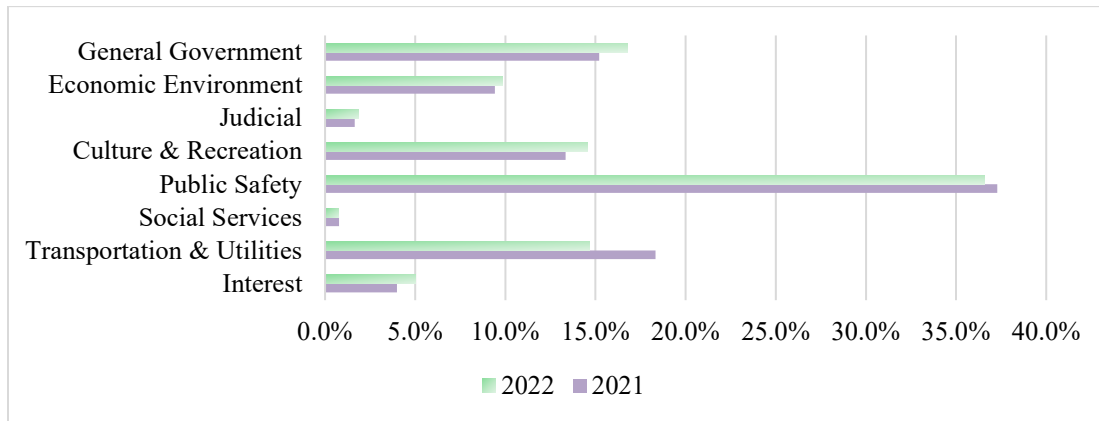
The capital grants and contributions for culture and recreation of \$3,330,224 included the following:

- Washington Recreation and Conservation Office Grants - \$1,244,820
- Washington State Historical Society Grant - \$120,280
- Washington State Department of Transportation Grants - \$76,101
- Sound Transit Access Enhancement Funds - \$832,284
- Snohomish County Interlocal Agreement - \$658,197
- Other Miscellaneous Revenues and Donations - \$398,542

It is noteworthy that program revenues from Charges for Services and grants and contributions cover 55% of governmental operating expenses, down from 69% a year ago. The taxpayers and the City's other general governmental revenues cover the remaining 45% 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 2022 and 2021:



Of the City's governmental activities functions, 36.6% of the total costs related to public safety in 2022 as compared to 37.3% in 2021. Public safety expenses increased by \$3,560,469. The increase is due to a return to more normal operations in 2022 after some positions were temporarily held vacant and other expenditures were temporarily put on hold in 2021 as a planned response to the COVID-19 budget impacts. Transportation & utilities expenses make up 14.6% of total costs in 2022 as compared to 18.3% in 2021. General government expenses make up 16.8% of total expenses as compared to 15.2% in 2021. General government expenses increased by \$2,588,143 as the temporary expenditure holds put in place in response to COVID-19 in 2021 were eased in 2022. Culture & recreation expenses make up 14.6% of total costs in 2022 as compared with 13.3% in 2021. Culture and recreation expenses increased by \$2,191,194 due to increased operational expenditures related to the restoring of temporarily held seasonal staff positions and increases in recreation programs due to returning to normal after COVID. Economic environment expenses make up 9.8% of total expenses as compared to 9.4% in 2021.

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	
	2022	2021	2022	2021
General government	\$ 10,353,051	\$ 7,764,908	\$ 4,985,641	\$ 4,639,235
Economic environment	6,097,045	4,806,185	1,736,011	520,125
Judicial	1,139,053	840,599	188,041	(393,508)
Culture and recreation	9,004,103	6,812,909	3,232,340	(1,957,632)
Public safety	22,604,384	19,043,915	17,828,731	14,335,609
Social services	457,313	397,114	457,313	397,114
Transportation	9,012,342	9,325,059	(3,199,478)	(3,130,415)
Utilities	35,708	39,602	(501,914)	(570,223)
Interest on debt	3,088,410	2,038,950	3,088,410	2,038,950
Total	\$ 61,791,409	\$ 51,069,241	\$ 27,815,095	\$ 15,879,255

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		%
	2022	2021	Change
Water/sewer/storm utility	\$ 4,395,540	\$ 5,347,996	-17.81%
Golf course	183,555	381,943	-51.94%
Total	\$ 4,579,095	\$ 5,729,939	-20.08%

The following analysis is provided for the major enterprise funds.

Sewer/Water/Storm Water Utility Fund – Operating revenues increased \$1,277,252 or 5.1% in 2022 over 2021. Water charges for services increased \$751,802 or 9.9%. Sewer charges for services increased \$295,917 or 2.2%. Storm charges for services increased by \$235,322 or 5.6%. The increases are related to growth in the customer base.

Total operating expenses increased \$2,229,708 or 11.3% from the 2021 amount. At December 31, 2022, net position totals \$77,583,580. Of this amount, \$53,879,383 or 69.45% is invested in capital assets.

The various expenses changed from 2021 to 2022 as follows:

- Administration and general – water – increase of \$124,005 or 4.7%.
- Administration and general – sewer – decrease of \$246,051 or 9.6%
- Administration and general – stormwater – increase of \$326,200 or 57.3%
- Maintenance and operations – water – increase of \$400,274 or 12.5%
- Maintenance and operations – sewer – increase of \$707,628 or 12.2%
- Maintenance and operations – stormwater - increase of \$211,618 or 11.2%

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 \$2,229,708 or 11.3%.

Golf Course Fund – Operating revenues for 2022 were only \$639 less than in 2021. Golf revenues increased significantly during the COVID-19 pandemic while indoor recreational opportunities were limited, and the golf course has continued to be a popular destination for outdoor recreation.

Total operating expenses increased by \$197,749 or 13.18% over the 2021 amount. Operating income decreased from \$381,943 in 2021 to \$183,555 in 2022.

As of December 31, 2022, the net position totaled \$3,916,604 compared with \$3,758,357 as of December 31, 2021.

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 \$92,682,637 as compared to \$106,930,165 at December 31, 2021.

The restricted amount at December 31, 2022, was \$60,160,015 which includes \$39,272,929 for public safety capital, \$1,447,157 for transportation capital, \$1,348,779 for parks and recreation, \$5,183,014 for capital projects, \$4,721,125 for streets and paths improvements, \$2,470,789 for criminal justice and \$2,861,541 for park improvements and a variety of other lesser governmental funds restrictions.

\$6 million is committed, primarily for revenue fluctuations. The City Council passed a Resolution 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. The Council approved a transfer from this fund at the end of 2020 to balance the General Fund due to the negative impacts COVID had on sales tax and recreation revenues. The action included a plan to fully restore the Revenue Stabilization Fund over the 2021-2022 biennium. The full transferred amount of \$1.13 million was returned to the Revenue Stabilization Fund in 2021. No further transfers were required for 2022.

Also, included in the General Fund is approximately \$9.5 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 \$13,480,149. The total ending fund balances of governmental funds show a decrease of \$15.2 million compared to an increase of \$60.1 million at December 31, 2021. This is due to a planned spend down for capital projects.

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 increased by \$4,003,851 or 16.1% in 2022, after interfund transfers to other funds. The difference between revenues and expenditures was \$7,726,705 before interfund transfers. Of the total \$3,832,773 transferred from the General Fund, \$1,656,510 was transferred to service debt, \$1,163,226 was transferred to fund capital projects, and \$1,013,037 was transferred to the Non-Major Special Revenue Funds. Total transfers out were \$1,166,775 (23.3%) more than total transfers in 2021 due to a decrease in transfers to capital project funds.

Total revenues increased by \$4,977,902 or 9.4% in 2022. The primary cause of this increase was the increase in 2022 sales tax revenues.

Permits and fees increased \$349,838 or 13.6% from 2021 due to timing in how construction permit revenues are received as projects progress.

Charges for services for Recreation increased \$720,850 or 47.8% which resulted from a return to normal operations after COVID-19 restrictions were phased out.

In 2022, total expenditures increased by \$6,798,717 or 15.76% compared to 2021. The increase is primarily due to the restoration of positions that were temporarily held vacant due to the COVID-19 pandemic.

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. The reserves were fully replenished in 2021 and no additional transfers were needed in 2022. As of December 31, 2022, the City met the policy requirements for reserves as follows:

2021 General Fund Expenditures		<u>\$ 43,133,128</u>
Reserve Requirement (2.5 months)		8,986,068
Reserves:		
Revenue Stabilization Fund	\$ 6,000,000	
Unassigned Fund Balance	<u>13,480,149</u>	
Total Reserve Balance		<u>19,480,149</u>
Reserve Requirement Overage		<u><u>\$ 10,494,081</u></u>

Transportation Capital Fund – The Transportation Capital Fund is used to account for transportation related capital projects, which in 2022 included among others, the Poplar Way Extension Bridge, 196th Street SW (SR524) Improvements and 42nd Ave West Improvements. Revenues increased by \$2,592,558 from 2021 to 2022 due to an increase in the amount of grant funding received in 2022. Expenditures decreased by \$977,302 from 2021 to 2022 due to the timing of construction project progress. Fund balance decreased by \$1,598,104, or 52.48%, from 2021 to 2022 due to the planned spend-down for specific projects.

American Rescue Plan Act Fund – The American Rescue Plan Act Fund (ARPA) was created in 2021 allocate and monitor the federal emergency funding received in advance in 2021 and 2022 to support the community’s recovery efforts during and after the COVID-19 crisis. The City was allocated approximately \$10.9 million and recognized \$538,146 of that amount as revenue in 2022. The City Council has authorized various projects to support Lynnwood’s community recovery efforts in 2022. The City has until the end of 2024 to use American Rescue Plan Act funding for operating expenditures and through the end of 2026 to use the funding for any committed capital projects.

Parks and Recreation Capital Fund – The Parks and Recreation Capital Fund is used to account for construction, improvement or capital maintenance of the City’s parks, trails, recreation, open spaces and related facilities. Revenues increased by \$2,432,083 from 2021 to 2022 due to an increase in the amount of grant funding received in 2022. Expenditures increased by \$9,593,184 from 2021 to 2022 due to the acquisition of land for future Town Square Park. Fund balance increased by \$1,218,683, or 9.37%, from 2021 to 2022.

Public Safety Capital Fund – The Public Safety Capital Fund is used to account for construction, improvements, or capital maintenance of Public Safety buildings. In 2021, the City Council approved a construction contract for the Community Justice Center and bonded debt of \$60 million was issued for the new construction project. In 2022 an additional \$8.9 million was issued for the same 30-year term. Revenues increased by \$693,339 from 2021 to 2022 due to an increase in investment interest received in 2022. Expenditures increased by \$20,201,367 from 2021 to 2022 due to the ongoing construction project. Fund balance decreased by \$16,306,906, or 29.34%, from 2021 to 2022 due to the planned spend-down of the bond funds for the construction project.

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, Department directors, Managers, and interested Lynnwood community members. Appropriations for operating and capital funds are reviewed and amended as needed by the City Council. During 2022, the budget was amended once to account for unanticipated revenues, additional transfers between funds and expenditure authority from existing fund balances.

Actual results compared to final budget

Total General Fund revenues for the second year of the biennium were \$58 million or 52.33% of the amended budget of \$111 million. The budget included \$5.4 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 50.32% of the amended biennial budget.

Sales tax revenues, which represents 42.7% of the total budgeted General Fund revenues, totaled \$29.47 million for the year. Sales tax revenues in 2022 increased by \$2.37 million from 2021, an 8.7% increase.

Property tax revenues totaled \$4.47 million or 7.7% of the actual revenues. Business taxes (business license fees) totaled 11.91% of actual revenues.

Total General Fund expenditures were \$49.9 million or 48.75% of the amended biennial budget of \$102.5 million.

Capital Assets and Debt Administration

Capital Assets

The City's net book value of capital assets as of December 31, 2022, increased by 29% for governmental activities and decreased by 1% in business-type activities. The overall increase was 14% 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, 2022, the depreciable capital assets for governmental activities were 54% depreciated. This compares with the December 31, 2021, percentage of 53%. For business-type activities, the percentage did not change from 43%.

At December 31, 2022, the major projects included in the governmental activities construction in progress include:

- Poplar Way Bridge Extension - \$4,622,561
- 196th Street SW Improvements - \$34,977,524
- Scriber Creek Trail Improvements - \$1,797,890
- Lynnwood Community Justice Center - \$34,210,942
- Lynnwood Community Recovery Center - \$2,228,771.83
- 42nd Ave West Improvements - \$942,371

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

- 2021 Kenneworth 2100i Plus Vector - \$555,880
- 2021 Ford E450 Cues TV Van - \$316,716
- Council Chambers Audio-Video Upgrade - \$100,870

Governmental activities land increased \$9,271,670 consisting primarily of:

- Undeveloped Land for Scriber Creek Trail Improvements - \$31,140
- Right-of-Way Acquisition for Scriber Creek Trail Improvements - \$71,429
- Undeveloped Land for Sprague's Pond Park Addition - \$1,245,689
- Land for Town Square Park - \$7,923,413

At December 31, 2022, the major projects included in the business-type activities construction in progress include:

- 196th St Utility Improvements- \$4,032,979
- Lift Station 8 Improvements - \$510,413
- WWTP Sludge Hauling System - \$271,330
- 188th ST SW Flood Wall - \$352,812
- Water Main Replacements - \$229,118
- WWTP Aeration Blower Upgrades - \$221,570

At December 31, 2022, major projects completed:

- South Lynnwood Park Improvements - \$2,513,644
- Heritage Park Water Tower Improvements - \$449,272
- 60th Ave Sewer Replacements - \$1,406,369

- WWTP Building Replacement - \$3,131,638
- WWTP Odor Scrubber - \$2,488,180
- WWTP Fire Protection System - \$1,309,185

The following table provides a summary of capital asset activity:

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Nondepreciable assets:						
Land	\$ 52,476,124	\$ 43,204,454	\$ 8,259,914	\$ 8,259,914	\$ 60,736,038	\$ 51,464,368
Easements	480,898	480,898	4,340,120	4,340,120	4,821,018	4,821,018
Art, non-depreciable	203,219	128,219	-	-	203,219	128,219
Construction in progress	81,631,649	39,830,629	6,181,263	12,896,070	87,812,912	52,726,699
Total nondepreciable assets	134,791,890	83,644,200	18,781,297	25,496,104	153,573,187	109,140,304
Depreciable assets:						
Buildings	44,070,911	43,491,437	39,564,443	34,838,900	83,635,354	78,330,337
Intangible assets	942,750		329,824		1,272,574	
Improvements other than buildings	26,100,098	23,751,879	2,779,173	2,788,273	28,879,271	26,540,152
Machinery and equipment	20,549,620	20,232,505	7,511,430	4,922,031	28,061,050	25,154,536
Infrastructure	106,079,710	105,520,152	94,814,846	92,738,177	200,894,556	198,258,329
Total depreciable assets	197,743,089	192,995,973	144,999,716	135,287,381	342,742,805	328,283,354
Total accumulated depreciation	107,204,660	102,929,554	61,575,337	57,798,977	168,779,997	160,728,531
Book value - depreciable assets	90,538,429	90,066,419	83,424,379	77,488,404	173,962,808	167,554,823
Percentage depreciated	54%	53%	42%	43%	49%	49%
Book value - all assets	\$ 225,330,319	\$ 173,710,619	\$ 102,205,676	\$ 102,984,508	\$ 327,535,995	\$ 276,695,127

Long-Term Liabilities

The following table reports outstanding long-term liabilities at both December 31, 2022, and 2021:

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
General obligation bonds	\$ 91,858,042	\$ 79,756,735	\$ -	\$ -	\$ 91,858,042	\$ 79,756,735
Revenue bonds	-	-	43,078,680	45,155,508	43,078,680	45,155,508
Subtotal	91,858,042	79,756,735	43,078,680	45,155,508	134,936,722	124,912,243
Net pension liability	3,023,120	2,607,815	690,821	316,257	3,713,941	2,924,072
OPEB - LEOFF 1-Police	9,789,211	10,893,334	-	-	9,789,211	10,893,334
Claims and judgements	224,620	224,620	-	-	224,620	224,620
Leases payable	530,668	-	238,139	-	768,807	-
Compensated absences	5,134,655	4,590,588	833,943	747,085	5,968,598	5,337,673
Total	\$ 110,560,316	\$ 98,073,092	\$ 44,841,583	\$ 46,218,850	\$ 155,401,899	\$ 144,291,942

In a report issued on September 26, 2022, Standard & Poor's (S&P) assigned its 'AA+' Rating to the city's 2022 Limited Term General Obligation (LTGO) bonds that Council authorized on August 9, 2022. The only rating higher is 'AAA' which few municipalities have achieved. S & P also affirmed its 'AA+' long-term rating on the City's outstanding bonds.

S & P assigned the city an 'AA+' rating with a stable outlook. It also notes the city has strong financial management practices. Additional factors referenced in the report:

- Growing economic base that is supported by the city's position as a destination retail center;
- Strong financial profile, with robust reserves and a history of stable operating results;
- Strong financial policies and practices, including regular budget monitoring, long-term planning, and formal reserve targets; and
- Manageable fixed-cost profile, with no plans for additional debt.

The 'AA+' Bond Rating, which is an extraordinary achievement for the City, is 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 12, 2022 the City issued \$12,735,000 Limited Tax General Obligation Bonds to finance the acquisition of land for a city park and additional funding for constructing the City's Community Justice Center (CJC) that was financed through a 2021 bond issuance. The bonds to finance the park acquisition carry a 10-year term while the term of the bonds for the CJC construction aligns with the 2021 bond issuance with maturities through 2050. Annual principal payments range from \$250,000 to \$930,000, with interest varying from 4.625% to 5%, paid semi-annually. The final principal and interest payment is scheduled for 2050.

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 Mayor of the City of Lynnwood issued an Emergency Proclamation in response to the COVID-19 public health crisis in March of 2020. The General Fund was negatively impacted by reduced sales tax and recreation revenues. Expenditure reduction measures and a one-time transfer from the Revenue Stabilization Fund to the General Fund was authorized to balance revenues and expenditures at the end of 2020. Throughout 2021, sales tax revenues returned to pre-pandemic levels and exceeded budgeted amounts. The balance of the Revenue Stabilization Fund was fully restored in 2021 and no additional transfers were needed for 2022. The Mayor ended the State of Emergency in March of 2022.

The City of Lynnwood was allocated \$10.9 million in Coronavirus State and Local Fiscal Recovery Funds through the American Rescue Plan Act. Half of the funding was received in 2021 with the other half received in 2022.

For additional information see Note 5, Other Disclosures.

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 2022 continued that approach with an incremental increase over the 2021 levy. If the need were to arise, the City Council has the ability to significantly increase property tax revenue without voter approval through banked capacity.

Sound Transit's Lynnwood Link light rail, scheduled to begin service in 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. Updates to these plans began in 2022 and continues in 2023.

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 2022, the Snohomish County Assessor reports an increase of \$49.1 billion in total assessed valuation over 2021.

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, withing the Lynnwood Regional Growth Center, is a key component of Lynnwood’s economic future. In 2022, City Center saw the completion of the Avalon Alderwood project bringing 328 housing units to market in the area of the mall. The Alexan Alderwood project adding another 328 units is under construction. Construction progress continued at Lynnwood City Center Station for light rail service in 2024. 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
425-670-5154

BASIC
FINANCIAL
STATEMENTS


 CITY OF LYNNWOOD BASIC FINANCIAL STATEMENTS
City of Lynnwood, Washington
Statement of Net Position
December 31, 2022

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current Assets				
Cash and cash equivalents (Note 3-A)	\$ 78,908,161	\$ 13,886,249	\$ 92,794,410	\$ 6,592,727
Restricted assets: cash and cash equivalents	123,435	-	123,435	1,046,257
Investments (Note 3-A)	19,573,847	5,370,459	24,944,306	2,035,360
Receivables (net):				
Accounts	9,917,068	6,528,012	16,445,080	1,508,914
Taxes	7,993,018	-	7,993,018	-
Intergovernmental	2,167,255	927	2,168,182	-
Leases	210,850	-	210,850	612,063
Internal	(514,968)	514,968	-	-
Prepaid items	164,207	187,084	351,291	81,365
Inventory	-	32,317	32,317	12,982
Total Current Assets	118,542,873	26,520,016	145,062,889	11,889,668
Noncurrent Assets				
Investment in joint venture	722,677	-	722,677	-
Leases	897,871	-	897,871	831,676
Net pension assets	13,925,413	1,126,007	15,051,420	94,240
Restricted assets: cash and cash equivalents	-	44,856	44,856	-
Note receivable	-	61,322	61,322	-
Internal receivable	719,000	(719,000)	-	-
Capital assets (Note 3-D)				
Nondepreciable	134,791,891	18,781,297	153,573,188	6,851,675
Depreciable, net	90,538,428	83,424,379	173,962,807	13,741,924
Total Noncurrent Assets	241,595,280	102,718,861	344,314,141	21,519,515
Total Assets	360,138,153	129,238,877	489,377,030	33,409,183
Deferred Outflows of Resources				
Deferred Outflows-loss on refunding	-	-	-	19,019
Deferred Outflows - OPEB	241,322	-	241,322	-
Deferred Outflows of Resources-Pensions	10,404,669	1,148,372	11,553,041	93,870
Total Deferred Outflows of Resources	10,645,991	1,148,372	11,794,363	112,889
Liabilities				
Current Liabilities				
Accounts payable	6,339,295	1,553,517	7,892,812	359,772
Accrued expenses	1,119,666	161,687	1,281,353	293,241
Retainage payable	-	15,894	15,894	-
Deposits payable	-	18,715	18,715	353,661
Custodial accounts payable	-	4,481	4,481	-
Compensated absences payable	4,422,769	717,488	5,140,257	13,457
Leases payable	212,687	45,356	258,043	3,638
Unearned revenue	10,554,909	26,141	10,581,050	-
Accrued interest	340,507	75,865	416,372	-
Total OPEB liability - current portion	482,644	-	482,644	-
General obligation bonds payable	2,468,758	-	2,468,758	1,201,858
Revenue bonds payable	-	2,370,000	2,370,000	1,095,000
Total Current Liabilities	25,941,235	4,989,144	30,930,379	3,320,627
Long-Term Liabilities (net of current portion): (Note 3-F)				
Deposits payable	-	-	-	46,257
Compensated absences payable	711,886	116,455	828,341	13,457
Leases payable	530,668	238,139	768,807	13,803
Claims and judgments payable	224,621	-	224,621	-
Total OPEB liability	9,306,567	-	9,306,567	113,155
Net pension liability	3,023,120	690,821	3,713,941	54,239
Environmental remediation	-	-	-	5,619,992
General obligation bonds payable	89,389,284	-	89,389,284	2,159,700
Revenue bonds payable, net of premiums/discounts	-	40,708,680	40,708,680	11,381,939
Total Long-term Liabilities	103,186,146	41,754,095	144,940,241	19,402,542
Total Liabilities	129,127,381	46,743,239	175,870,620	22,723,169
Deferred Inflows of Resources				
Deferred Inflows of Resources-Gain on refunding	-	97,870	97,870	17,325
Deferred Inflows of Resources - Leases	1,106,595	-	1,106,595	1,417,415
Deferred Inflows of Resources-Pensions	8,422,901	1,397,988	9,820,889	113,471
Total Deferred Inflows of Resources	9,529,496	1,495,858	11,025,354	1,548,211
Net Position				
Net investment in capital assets (Note 3-I)	170,220,695	58,108,134	228,328,829	4,739,355
Restricted for:				
Debt service	1,134,071	299,133	1,433,204	1,000,000
Capital outlay	9,760,105	-	9,760,105	-
Criminal justice	2,200,983	-	2,200,983	-
Tourism	871,062	-	871,062	-
Drug enforcement	269,806	-	269,806	-
Opioid settlement	1,408,838	-	1,408,838	-
Other purposes	3,596,507	-	3,596,507	-
Streets	4,712,273	-	4,712,273	-
Pension asset	15,741,945	1,085,719	16,827,664	76,994
Unrestricted	22,210,982	22,655,166	44,866,148	3,434,343
Total Net Position	\$ 232,127,267	\$ 82,148,152	\$ 314,275,419	\$ 9,250,692

See accompanying notes to the basic financial statements

City of Lynnwood, Washington
 Statement of Activities
 For the Year Ended December 31, 2022

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	\$ 10,353,051	\$ 2,307,909	\$ 800,719	\$ 2,258,782	\$ (4,985,641)	\$ -	\$ (4,985,641)	\$ -
Economic environment	6,097,045	3,777,894	583,140	-	(1,736,011)	-	(1,736,011)	-
Judicial	1,139,053	951,012	-	-	(188,041)	-	(188,041)	-
Culture and recreation	9,004,103	3,255,791	83,242	2,432,730	(3,232,340)	-	(3,232,340)	-
Public safety	22,604,384	4,243,891	531,762	-	(17,828,731)	-	(17,828,731)	-
Social services	457,313	-	-	-	(457,313)	-	(457,313)	-
Transportation	9,012,342	1,359,490	1,071,299	9,781,031	3,199,478	-	3,199,478	-
Utilities	35,708	534,250	3,372	-	501,914	-	501,914	-
Interest	3,088,410	-	-	-	(3,088,410)	-	(3,088,410)	-
Total Governmental Activities	61,791,409	16,430,237	3,073,534	14,472,543	(27,815,095)	-	(27,815,095)	-
Business-Type Activities:								
Water and Sewer Utility	23,229,800	26,302,667	100,784	549,597	-	3,723,248	3,723,248	-
Golf Course	1,707,458	1,881,277	-	-	-	173,819	173,819	-
Total Business-Type Activities	24,937,258	28,183,944	100,784	549,597	-	3,897,067	3,897,067	-
Total - Primary Government	86,728,667	44,614,181	3,174,318	15,022,140	(27,815,095)	3,897,067	(23,918,028)	-
Component Units								
Lynnwood Public Facilities District	\$ 6,672,294	\$ 3,713,643	\$ 693,220	\$ -				\$ (2,265,431)
General Revenues								
Property taxes					4,521,313	-	4,521,313	-
Sales taxes					34,091,867	-	34,091,867	2,607,359
Utility taxes					6,117,307	-	6,117,307	-
Real estate transfer taxes					3,361,872	-	3,361,872	-
Excise taxes					1,400,345	-	1,400,345	1,272,956
Transportation benefit district vehicle fees					1,149,823	-	1,149,823	-
Admissions taxes					491,728	-	491,728	-
Gambling taxes					306,846	-	306,846	-
Investment earnings (losses)					246,196	(10,527)	235,669	146,194
Gain on disposition of capital assets					753,581	-	753,581	3,000
Miscellaneous					1,547,041	-	1,547,041	-
Transfers					-	-	-	-
Total General Revenues and Transfers					53,987,919	(10,527)	53,977,392	4,029,509
Change in Net Position					26,172,824	3,886,540	30,059,364	1,764,078
Net Position Beginning of Year					206,080,790	78,280,422	284,361,212	7,821,978
Prior Period Adjustments - Note 4-F					(126,347)	(18,810)	(145,157)	(335,364)
Net Position End of Year					\$ 232,127,267	\$ 82,148,152	\$ 314,275,419	\$ 9,250,692

See accompanying notes to the basic financial statements

City of Lynnwood, Washington
Balance Sheet
Governmental Funds
December 31, 2022

	General	Transportation Capital	Public Safety Capital	Parks and Recreation Capital	ARPA	Other Governmental Funds	Total Governmental Funds
Assets							
Cash and cash equivalents	\$ 14,810,258	\$ 158,449	\$ 41,641,504	\$ 134,966	\$ 9,998,604	\$ 8,217,592	\$ 74,961,373
Investments	6,326,294	315,117	-	268,416	-	10,625,352	17,535,179
Receivables (net):							
Accounts	3,914,482	1,112,352	-	1,272,125	-	3,618,109	9,917,068
Taxes	6,643,896	-	-	-	-	1,171,691	7,815,587
Other taxes	177,431	-	-	-	-	-	177,431
Intergovernmental	147,384	1,096,670	-	370,719	-	348,775	1,963,548
Interfund	2,194,204	-	-	-	-	-	2,194,204
Leases	-	-	-	1,108,721	-	-	1,108,721
Prepaid	109,926	-	-	-	-	-	109,926
Investment in joint venture	722,677	-	-	-	-	-	722,677
Restricted cash and cash equivalents	-	-	-	-	-	123,435	123,435
Total Assets	\$ 35,046,552	\$ 2,682,588	\$ 41,641,504	\$ 3,154,947	\$ 9,998,604	\$ 24,104,954	\$ 116,629,149
Liabilities							
Accounts payable	\$ 1,532,410	\$ 1,234,000	\$ 2,368,575	489,101	\$ -	\$ 644,816	\$ 6,268,902
Accrued salaries and wages payable	763,822	1,431	-	-	15,520	35,747	816,520
Interfund payable	-	-	-	-	-	1,342,204	1,342,204
Unearned revenue	486,815	-	-	85,010	9,983,084	-	10,554,909
Other current liabilities payable	156,988	-	-	125,463	-	958	283,409
Total Liabilities	2,940,035	1,235,431	2,368,575	699,574	9,998,604	2,023,725	19,265,944
Deferred Inflows of Resources							
Deferred Inflows of Resources - property tax	97,183	-	-	-	-	-	97,183
Deferred Inflows of Resources - leases	-	-	-	1,106,595	-	-	1,106,595
Deferred Inflows of Resources - grants	-	-	-	-	-	-	-
Deferred Inflows of Resources - municipal court	1,911,312	-	-	-	-	-	1,911,312
Deferred Inflows of Resources - red-light photo	269,554	-	-	-	-	-	269,554
Deferred Inflows of Resources - other	10,521	-	-	-	-	1,285,403	1,295,924
Total Deferred Inflows of Resources	2,288,570	-	-	1,106,595	-	1,285,403	4,680,568
Total Liabilities and Deferred Inflows of Resources	5,228,605	1,235,431	2,368,575	1,806,169	9,998,604	3,309,128	23,946,512
Fund Balances							
Nonspendable	832,603	-	-	-	-	-	832,603
Restricted	-	1,447,157	39,272,929	1,348,778	-	18,091,151	60,160,015
Committed	6,000,000	-	-	-	-	2,704,675	8,704,675
Assigned	9,505,195	-	-	-	-	-	9,505,195
Unassigned	13,480,149	-	-	-	-	-	13,480,149
Total Fund Balances	29,817,947	1,447,157	39,272,929	1,348,778	-	20,795,826	92,682,637
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 35,046,552	\$ 2,682,588	\$ 41,641,504	\$ 3,154,947	\$ 9,998,604	\$ 24,104,954	\$ 116,629,149

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, 2022

Total Governmental Fund Balances \$ 92,682,637

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). 218,729,901

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. 3,573,973

Deferred inflows and outflows for pensions reported on the government-wide statement of position but not reported on the governmental fund balance sheet. 2,009,392

Deferred outflows for OPEB reported on the government-wide statement of net position but not reported on the government balance sheet. 241,322

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. 13,780,960

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. 12,444,307

The internal service fund chargeback to enterprise funds is not reported in the governmental funds, but is reported on the government-wide financial statements. (647,968)

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 bonds payable	\$ (91,858,042)	
Lease payable	\$ (743,355)	
Accrued interest payable	(340,507)	
Other postemployment benefits payable	(9,789,211)	
Net pension liability payable	(2,934,496)	
Compensated absences payable	(5,021,646)	
	(110,687,257)	(110,687,257)

Net Position Of Governmental Activities **\$ 232,127,267**

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, 2022

	General	Transportation Capital	Public Safety Capital	Parks and Recreation Capital	ARPA	Other Governmental Funds	Total Governmental Funds
Revenues							
Taxes	\$ 40,873,774	\$ -	\$ -	\$ -	\$ -	\$ 9,948,158	\$ 50,821,932
Intergovernmental	1,510,074	8,874,485	-	3,043,174	538,146	3,500,617	17,466,496
Licenses and permits	5,511,479	-	-	-	-	477,944	5,989,423
Charges for services	3,351,505	412,376	-	-	-	1,622,241	5,386,122
Fines and forfeitures	5,817,008	-	-	-	-	12,876	5,829,884
Investment earnings	(33,516)	(5,891)	787,350	(3,279)	-	(393,560)	351,104
Rent and leases	492,730	-	-	60,518	-	-	553,248
Miscellaneous	155,451	1,661,579	-	287,050	-	35,657	2,139,737
Total Revenues	<u>57,678,505</u>	<u>10,942,549</u>	<u>787,350</u>	<u>3,387,463</u>	<u>538,146</u>	<u>15,203,933</u>	<u>88,537,946</u>
Expenditures							
Current:							
General government	8,739,284	-	-	-	19,644	75,857	8,834,785
Economic Environment	5,459,050	-	-	-	-	942,198	6,401,248
Judicial	1,445,483	-	-	-	-	-	1,445,483
Culture and recreation	7,796,824	-	-	565,140	-	40,821	8,402,785
Public safety	23,795,302	-	-	-	325,119	294,234	24,414,655
Social services	457,313	-	-	-	-	-	457,313
Transportation	1,729,776	1,899,665	-	-	-	3,038,976	6,668,417
Utilities	-	-	-	-	-	30,437	30,437
Capital Outlay	311,362	16,422,876	25,990,053	11,799,152	193,383	2,162,940	56,879,766
Debt Service:							
Principal retirement	199,395	-	-	-	-	930,000	1,129,395
Interest and fiscal charges	18,011	-	-	-	-	2,825,067	2,843,078
Total Expenditures	<u>49,951,800</u>	<u>18,322,541</u>	<u>25,990,053</u>	<u>12,364,292</u>	<u>538,146</u>	<u>10,340,530</u>	<u>117,507,362</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>7,726,705</u>	<u>(7,379,992)</u>	<u>(25,202,703)</u>	<u>(8,976,829)</u>	<u>-</u>	<u>4,863,403</u>	<u>(28,969,416)</u>
Other Financing Sources (Uses)							
Proceeds from disposition of assets	-	-	-	-	-	576,125	576,125
Judgements and settlements	-	-	-	-	-	123,435	123,435
GO Bond Proceeds	-	-	8,905,000	3,830,000	-	-	12,735,000
Premium on GO Bonds	-	-	213,596	212,227	-	-	425,823
Discount on GO Bonds	-	-	(129,516)	-	-	-	(129,516)
Debt issue costs	-	-	(93,283)	(40,022)	-	-	(133,305)
Leases (lessee)	109,919	-	-	-	-	-	109,919
Transfers in	-	5,781,888	-	6,193,307	-	6,761,284	18,736,479
Transfers out	(3,832,773)	-	-	-	-	(14,903,706)	(18,736,479)
Total Other Financing Sources (Uses)	<u>(3,722,854)</u>	<u>5,781,888</u>	<u>8,895,797</u>	<u>10,195,512</u>	<u>-</u>	<u>(7,442,862)</u>	<u>13,707,481</u>
Net Change in Fund Balances	4,003,851	(1,598,104)	(16,306,906)	1,218,683	-	(2,579,459)	(15,261,935)
Fund Balances Beginning of Year	24,799,689	3,045,261	55,579,835	130,095	-	23,375,285	106,930,165
Prior Period Adjustment	1,014,407	-	-	-	-	-	1,014,407
Fund Balances End of Year	<u>\$ 29,817,947</u>	<u>\$ 1,447,157</u>	<u>\$ 39,272,929</u>	<u>\$ 1,348,778</u>	<u>\$ -</u>	<u>\$ 20,795,826</u>	<u>\$ 92,682,637</u>

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, 2022

Net Changes In Fund Balances - Total Governmental Funds		\$ (15,261,935)
Amounts reported for governmental activities in the statement of activities are different because:		
<p>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.</p>		
Depreciation expense	\$ (4,725,886)	
Capital outlay	55,638,399	
Capital contributions	634,558	51,547,071
<p>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.</p>		
		(19,929)
<p>Revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Property taxes, fines and grants:		
Deferred as of 12/31/22	\$ 3,573,973	
Deferred as of 12/31/21	(5,882,575)	(2,308,602)
<p>Elimination of transfers between governmental funds:</p>		
Transfers in	\$ (18,736,479)	
Transfers out	18,736,479	-
<p>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.</p>		
		490,388
<p>The internal service fund chargeback to enterprise funds is not reported in the governmental funds, but is reported on the government-wide financial statements.</p>		
		(110,211)
<p>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.</p>		
		1,129,395
<p>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.</p>		
		1,117,793
<p>Net pension debits reported on the government-wide statement of position but not reported on the governmental fund balance sheet.</p>		
		3,260,940
<p>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.</p>		
		(112,027)
<p>Proceeds from issuance of long term debt is an other financing source in the governmental funds, but increases liabilities in the government-wide statement of net position</p>		
		(13,031,307)
<p>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.</p>		
Liability as of 12/31/22	\$ (5,021,646)	
Liability as of 12/31/21	4,492,894	(528,752)
Change In Net Position of Governmental Activities		\$ 26,172,824

See accompanying notes to the basic financial statements

City of Lynnwood, Washington
 Statement of Net Position
 Proprietary Funds
 December 31, 2022

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water and Sewer Utility	Golf Course	Total	
Assets				
Current Assets:				
Cash and cash equivalents	\$ 13,715,702	\$ 170,547	\$ 13,886,249	\$ 3,946,788
Restricted assets: cash and cash equivalents	-	-	-	-
Investments	5,017,747	352,712	5,370,459	2,038,668
Receivables:				
Accounts	6,528,012	-	6,528,012	-
Intergovernmental	-	927	927	203,707
Inventories	-	32,317	32,317	-
Prepaid items	72,071	115,013	187,084	54,281
Total Current Assets	25,333,532	671,516	26,005,048	6,243,444
Noncurrent Assets:				
Restricted assets: cash and cash equivalents	-	44,856	44,856	-
Notes receivable	61,322	-	61,322	-
Net pension asset	1,126,007	-	1,126,007	144,453
Capital assets:				
Nondepreciable	15,106,667	3,674,630	18,781,297	145,927
Depreciable, net	82,602,931	821,448	83,424,379	6,454,491
Total Noncurrent Assets	98,896,927	4,540,934	103,437,861	6,744,871
TOTAL ASSETS	124,230,459	5,212,450	129,442,909	12,988,315
Deferred Outflows of Resources				
Deferred Outflows of Resources - pensions	1,148,372	-	1,148,372	147,266
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,148,372	-	1,148,372	147,266
Liabilities				
Current Liabilities:				
Accounts payable	1,421,854	131,663	1,553,517	70,393
Accrued payroll	161,687	-	161,687	19,737
Retainage payable	15,894	-	15,894	-
Interfund payable	-	133,000	133,000	-
Custodial accounts payable	4,481	-	4,481	-
Compensated absences payable	717,488	-	717,488	97,228
Leases	3,341	42,015	45,356	-
Claims and judgments payable	-	-	-	224,621
Deposits payable	-	18,715	18,715	-
Unearned revenue	-	26,141	26,141	-
Revenue bonds payable	2,370,000	-	2,370,000	-
Accrued interest payable	75,865	-	75,865	-
Total Current Liabilities	4,770,610	351,534	5,122,144	411,979
Long-Term Liabilities: (net of current portion)				
Compensated absences payable	116,455	-	116,455	15,781
Leases	12,827	225,312	238,139	-
Interfund payable	-	719,000	719,000	-
Net pension liability	690,821	-	690,821	88,624
Revenue bonds payable	40,708,680	-	40,708,680	-
Total Long-term Liabilities	41,528,783	944,312	42,473,095	104,405
TOTAL LIABILITIES	46,299,393	1,295,846	47,595,239	516,384
Deferred Inflows of Resources				
Deferred Inflows of Resources - gain on refunding	97,870	-	97,870	-
Deferred Inflows of Resources - pensions	1,397,988	-	1,397,988	174,890
TOTAL DEFERRED INFLOWS OF RESOURCES	1,495,858	-	1,495,858	174,890
Net Position				
Net investment in capital assets	53,879,383	4,228,751	58,108,134	6,600,418
Restricted for:				
Debt service	299,133	-	299,133	-
Pension asset	1,085,719	-	1,085,719	139,285
Unrestricted	22,319,345	(312,147)	22,007,198	5,704,604
TOTAL NET POSITION	\$ 77,583,580	\$ 3,916,604	81,500,184	\$ 12,444,307
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.			647,968	
Adjusted Total Net Position			\$ 82,148,152	

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, 2022

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water and Sewer Utility	Golf Course	Total	
Operating Revenues				
Charges for services	\$ 26,302,667	\$ 1,626,202	\$ 27,928,869	\$ 3,451,761
Rentals	-	244,924	244,924	-
Miscellaneous	-	10,151	10,151	2,341
Total Operating Revenues	<u>26,302,667</u>	<u>1,881,277</u>	<u>28,183,944</u>	<u>3,454,102</u>
Operating Expenses				
Administration and general	5,953,897	1,615,112	7,569,009	-
Operations and maintenance	12,216,385	-	12,216,385	2,073,555
Insurance and claims	-	-	-	21,156
Depreciation	3,736,845	82,610	3,819,455	989,753
Total Operating Expenses	<u>21,907,127</u>	<u>1,697,722</u>	<u>23,604,849</u>	<u>3,084,464</u>
Operating Income	<u>4,395,540</u>	<u>183,555</u>	<u>4,579,095</u>	<u>369,638</u>
Non-Operating Revenues (Expenses)				
Interest and fiscal charges	(1,348,633)	(7,939)	(1,356,572)	-
Other nonoperating revenue	100,784	-	100,784	-
Gain (Loss) on disposition of capital assets	(81,250)	(2,731)	(83,981)	197,385
Debt issuance costs	(2,067)	-	(2,067)	-
Investment earnings	4,111	(14,638)	(10,527)	(76,635)
Miscellaneous revenue	-	-	-	-
Total Non-Operating Revenues (Expenses)	<u>(1,327,055)</u>	<u>(25,308)</u>	<u>(1,352,363)</u>	<u>120,750</u>
Income (Loss) Before Contributions and Transfers	<u>3,068,485</u>	<u>158,247</u>	<u>3,226,732</u>	<u>490,388</u>
Contributions	549,597	-	549,597	-
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Change in Net Position	<u>3,618,082</u>	<u>158,247</u>	<u>3,776,329</u>	<u>490,388</u>
Net Position Beginning of Year	<u>73,984,308</u>	<u>3,758,357</u>	<u>77,742,665</u>	<u>11,953,919</u>
Prior Period Adjustment	(18,810)	-	(18,810)	-
Net Position End of Year	<u>\$ 77,583,580</u>	<u>\$ 3,916,604</u>	<u>\$ 81,500,184</u>	<u>\$ 12,444,307</u>
Reconciliation of the fund level operating statement to the government-wide statement of activities:				
Change in net position	\$ 3,618,082	\$ 158,247	\$ 3,776,329	
Internal service fund charges (credits) to enterprise funds, resulting in changes to operating expenses.	<u>109,277</u>	<u>934</u>	<u>110,211</u>	
Adjusted Change in Net Position	<u>\$ 3,727,359</u>	<u>\$ 159,181</u>	<u>\$ 3,886,540</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, 2022

	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	\$ 30,321,479	\$ 1,880,350	\$ 32,201,829	\$ 1,118,085
Cash received from interfund services provided	-	-	-	2,368,092
Cash payments to employees for services	(6,044,050)	-	(6,044,050)	(822,585)
Cash payments for goods and services	(12,523,191)	(1,724,106)	(14,247,297)	(1,323,988)
Cash received (paid) from/(to) other funds	-	-	-	-
Net Cash Provided by (Used in) Operating Activities	<u>11,754,238</u>	<u>156,244</u>	<u>11,910,482</u>	<u>1,339,604</u>
Cash Flows from Non-Capital financing activities				
Cash flows from/(to) interfund loans	-	(140,939)	(140,939)	-
Receipts from non-capital grants	12,213	-	12,213	-
Net Cash Flows from non-Capital and related financing activities	<u>12,213</u>	<u>(140,939)</u>	<u>(128,726)</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities				
Proceeds from disposition of capital assets	-	-	-	175,335
Cash receipts from capital grants	-	-	-	-
Cash received from (paid to) other funds	-	-	-	-
Bond issuance costs	(2,067)	-	(2,067)	-
Principal paid on bonds & leases	(2,281,684)	(44,645)	(2,326,329)	-
Interest paid on bonds & leases	(1,631,449)	-	(1,631,449)	-
Capital contributions	549,597	-	549,597	-
Payments for capital acquisitions	(2,767,102)	-	(2,767,102)	(117,512)
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(6,132,705)</u>	<u>(44,645)</u>	<u>(6,177,350)</u>	<u>57,823</u>
Cash Flows from Investing Activities				
Purchase of investment securities	(5,047,395)	-	(5,047,395)	(2,194,879)
Proceeds from sale and maturities of investment securities	2,103,183	81,667	2,184,850	2,781,772
Investment earnings	4,111	(14,638)	(10,527)	(76,635)
Net Cash Provided by (Used in) Investing Activities	<u>(2,940,101)</u>	<u>67,029</u>	<u>(2,873,072)</u>	<u>510,258</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>2,693,645</u>	<u>37,689</u>	<u>2,731,334</u>	<u>1,907,685</u>
Cash and Cash Equivalents Beginning of Year	<u>11,022,057</u>	<u>177,714</u>	<u>11,199,771</u>	<u>2,039,103</u>
Cash and Cash Equivalents End of Year	<u>\$ 13,715,702</u>	<u>\$ 215,403</u>	<u>\$ 13,931,105</u>	<u>\$ 3,946,788</u>

(continued)

City of Lynnwood, Washington
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2022

(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)	\$ 4,395,540	\$ 183,555	\$ 4,579,095	\$ 369,638
Adjustments:				
Depreciation	3,736,845	82,610	3,819,455	989,753
Miscellaneous revenues	88,571	-	88,571	
(Increase) Decrease in Assets:				
Accounts receivable	3,930,241	(927)	3,929,314	32,075
Inventories, deposits, and prepaid items	4,528	(122,464)	(117,936)	(19,735)
Increase (Decrease) in Liabilities:				
Accounts payable	(214,199)	12,535	(201,664)	(8,010)
Compensated absences payable	86,858	-	86,858	15,315
Other Current Liabilities	(274,146)	935	(273,211)	(39,432)
Net Cash Provided by (Used in) Operating Activities	\$ 11,754,238	\$ 156,244	\$ 11,910,482	\$ 1,339,604
Schedule of Non-Cash Capital and Related Financing Activities				
Capital assets acquired through lease financing	(17,852)	\$ (311,972)	\$ (329,824)	\$ -
Fair value of investments increased (decreased) by	(354,831)	-	(354,831)	(118,670)
Total Non-Cash Activities	\$ (372,683)	\$ (311,972)	\$ (684,655)	\$ (118,670)

See accompanying notes to the basic financial statements

City of Lynnwood, Washington
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2022

	Pension (and Other Employee Benefit) Trust Funds	Private-Purpose Trust Funds	Custodial Funds
Assets			
Cash and cash equivalents	\$ 233,218	\$ 21,769	\$ 161,685
Receivables	-	-	677
Total Assets	233,218	21,769	\$ 162,362
Liabilities			
Accounts payable and other accrued expenses	-	-	45,648
Total Liabilities	-	-	45,648
Net Position			
Restricted for specific program use	233,218	21,769	116,714
Total Net Position	\$ 233,218	\$ 21,769	\$ 116,714

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, 2022

	Pension (and Other Employee Benefit) Trust Funds	Private-Purpose Trust Funds	Custodial Funds
Additions:			
Contributions	\$ 73,136	\$ 426	\$ -
Court collections	-	-	663,988
Pass thru collections - PFD	-	-	714,868
Building code surcharges collected	-	-	3,896
Sales taxes collected	-	-	376,956
Leasehold taxes collected	-	-	8,218
Drug seizures	-	-	139,501
Weapons permitting fees collected for other agencies	-	-	8,971
Fingerprinting fees collected for other agencies	-	-	2,869
Interest revenue	4,914	-	-
Total Additions	78,050	426	1,919,268
Deductions:			
Benefits and disbursements	90,841	-	-
Administrative expenses	5,000	-	-
Court remittances	-	-	723,373
Pass thru collections - PFD	-	-	714,868
Building code surcharges remitted	-	-	3,896
Sales taxes remitted	-	-	374,900
Leasehold taxes remitted	-	-	8,218
Drug seizures distributed	-	-	138,856
Weapons permitting fees remitted to other agencies	-	-	8,803
Fingerprinting fees remitted to other agencies	-	-	2,677
Total Deductions	95,841	-	1,975,591
Change in Net Position	(17,791)	426	(56,324)
Net Position Beginning of Year	251,009	21,343	173,037
Net Position End of Year	\$ 233,218	\$ 21,769	\$ 116,714

See accompanying notes to the basic financial statements

NOTES TO THE BASIC
FINANCIAL
STATEMENTS

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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), 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 City’s significant 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, 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, 2022, the outstanding sales tax and revenue bonds were \$3.3 million and \$11.9 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. 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 on 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 the 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 five 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* is used for transportation capital projects, primarily funded by grants and transfers in from other transportation funds.

The *Public Safety Capital Fund* is used for costs related to construction of a new public safety building, which is primarily funded from 2021 and 2022 bond proceeds.

The *American Rescue Plan Act Fund* is used to track revenues and expenditures related to American Rescue Plan Act grant funds.

The *Parks and Recreation Capital Fund* is used for costs related to construction, improvement, or capital maintenance of City's parks, trails, recreation, open space and related facilities, which is funded primarily by grants and 2022 bond proceeds.

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 is the City's major enterprise fund:

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.

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 in 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 operation of these funds are included in 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

The 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, are 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. Assets, Liabilities and Net Position/Fund Balances

1-E-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
- Other local government investment pools (i.e., Snohomish County Investment Pool)

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

1-E-2 Receivables

All trade and tax receivables are reported net of an allowance for uncollectibles, where applicable. Taxes receivable consist 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-E-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.

1-E-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-E-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 2022 the total amount of interest incurred by the enterprise funds, all of which was charged to expense, was \$1,356,572.

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 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-E-6 Leases (see Note 3-F)

Lessee: The City is a lessee for noncancelable leases. The City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide and proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized using the straight-line basis over its useful life.

Governmental funds recognize a capital outlay and other financing source at the commencement of a new lease. Lease payments in governmental funds are reported as debt service principal and debt service interest expenditures.

Key estimates and judgements related to lease include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lessor: The City is a lessor for noncancelable leases. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term using the straight-line basis.

Key estimates and judgements related to lease include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease liability are composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

1-E-7 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).
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-E-8 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-E-9 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-E-10 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.

1-E-11 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. \$2,704,675 is also identified as committed in nonmajor governmental funds; \$880,427 in Special Revenue Funds, and \$1,824,248 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 \$9.5 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.

Fund Balance Policy – The City financial policies, most recently updated on November 22, 2021, include the following fund balance policies:

Enterprise Funds Reserve – Operating Fund. The operating reserve balance targets for Water, Sewer, and Storm Utilities are 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 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-E-12 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 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-E-13 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-E-14 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-E-15 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-E-16 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 assets 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 assets 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 Public Facilities District (PFD), a discretely presented component unit, 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 expenditures for a fund requires approval of the City Council through a budget amendment.

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 biennium. The 2021-2022 budget was amended once in 2021 and once in 2022.

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, 2022, 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 authorizes 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, 2022, were \$93,255,938 including Fiduciary Funds of \$416,672. The Fiduciary Funds do not include clearing account balances.

	General Fund	Transportation Capital Fund	Public Safety Capital Fund	Parks and Recreation Capital Fund	ARPA Fund	Other Governmental Funds	Internal Service Funds	Water and Sewer Utility	Golf Course	Fiduciary Funds	Total
Cash and Cash Equiv.	\$ 14,810,258	\$ 158,449	\$ 41,641,504	\$ 134,966	\$ 9,998,604	\$ 8,217,592	\$ 3,946,788	\$ 13,715,702	\$ 170,547	\$ 416,672	\$ 93,211,082
Restricted Cash	-	-	-	-	-	-	-	-	44,856	-	44,856
	\$ 14,810,258	\$ 158,449	\$ 41,641,504	\$ 134,966	\$ 9,998,604	\$ 8,217,592	\$ 3,946,788	\$ 13,715,702	\$ 215,403	\$ 416,672	\$ 93,255,938

Restricted Cash in the Golf Course Fund 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, 2022, the City had the following investments at amortized cost:

Investments	Maturities	Investments held by City as an agent for other local governments, individuals, or private organizations		Total
		City's own investments		
Washington Local Government Investment Pool	n/a	\$ 69,298,101	\$ -	\$ 69,298,101
Total		\$ 69,298,101	\$ -	\$ 69,298,101

The City is a participant in the Local Government Investment Pool as 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>.

In 2021, the City became a participant in the Snohomish County Investment Pool (SCIP), an external investment pool. The City reports its investment in the Pool at the fair value amount, which is the same as the value of the Pool per share. The responsibility for managing the pool resides with the County Treasurer. The Pool is established from the RCW 36.29 which authorizes the County Treasurer to invest the funds of participants. The SCIP is not registered with the SEC. The SCIP investment policy is established by the Snohomish County Finance Committee consisting of the County Treasurer, County Executive and Chairperson of the County Council.

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, 2022, the City had the following fair value measurements:

Type of Asset	12/31/2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities	\$ 24,944,306	\$ -	\$ 24,944,306	\$ -
Snohomish County Investment Pool	\$ 10,176,006	\$ -	\$ 10,176,006	\$ -
Total		\$ -	\$ 35,120,312	\$ -

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, 2022 are:

Debt Security	S & P Rating
Federal Home Loan Bank	AAA
Federal Natl Mortgage Assn	AAA
Federal Home Loan Mtg Corp	AAA
Federal Farm Credit Bank	AAA

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 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.

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:

	General Fund	Transportation Capital Projects	Parks and Recreation Capital Projects	Nonmajor Funds			Total
				Special Revenue	Debt Service	Capital Projects	
Receivables:							
Accounts	\$ 17,002,388	\$ 1,112,352	\$ 1,272,125	\$ 1,389,337	\$ -	\$ 2,228,772	\$ 23,004,974
Property Taxes	105,274	-	-	-	-	-	105,274
Sales Tax	5,669,920	-	-	1,171,691	-	-	6,841,611
Utility Taxes	868,702	-	-	-	-	-	868,702
Other Taxes	177,431	-	-	-	-	-	177,431
Real Estate Excise Tax	-	-	-	-	-	-	-
Intergovernmental	147,384	1,096,670	370,719	313,775	-	35,000	1,963,548
Gross Receivables	\$ 23,971,099	\$ 2,209,022	\$ 1,642,844	\$ 2,874,803	\$ -	\$ 2,263,772	\$ 32,961,540
Less: Allowance for Uncollectibles	(13,087,906)	-	-	-	-	-	(13,087,906)
Total	\$ 10,883,193	\$ 2,209,022	\$ 1,642,844	\$ 2,874,803	\$ -	\$ 2,263,772	\$ 19,873,634

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 2022 was \$0.53 per \$1,000 on an assessed valuation of \$8,481,263,134. The City has no special levies approved by voters that 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	<u>\$0.53058134488</u>	<u>\$4,500,000</u>
Total City Levy	<u>\$0.53058134488</u>	<u>\$4,500,000</u>

3-D. Capital Assets

Capital asset activity for the year ended December 31, 2022, was as follows:

<u>Governmental Activities:</u> <u>(including Internal Service fund):</u>	<u>Beginning Balance 1/1/2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance 12/31/2022</u>
Nondepreciable capital assets:				
Land	\$ 43,204,454	\$ 9,271,670	\$ -	\$ 52,476,124
Easements	480,898	-	-	480,898
Art, non-depreciable	128,219	75,000	-	203,219
Construction in progress	39,830,629	45,708,358	(3,907,338)	81,631,649
Total nondepreciable capital assets	<u>83,644,200</u>	<u>55,055,028</u>	<u>(3,907,338)</u>	<u>134,791,890</u>
Depreciable capital assets				
Buildings	43,491,437	645,076	(65,602)	44,070,911
Intangible assets	832,830	109,920	-	942,750
Improvements other than buildings	23,751,879	2,488,906	(140,687)	26,100,098
Machinery and equipment	20,232,505	1,654,430	(1,337,315)	20,549,620
Infrastructure	105,520,152	559,558	-	106,079,710
Total depreciable capital assets	<u>193,828,803</u>	<u>5,457,890</u>	<u>(1,543,604)</u>	<u>197,743,089</u>
Total capital assets	<u>277,473,003</u>	<u>60,512,918</u>	<u>(5,450,942)</u>	<u>332,534,979</u>
Less accumulated depreciation for:				
Buildings	(21,205,065)	(1,218,883)	50,430	(22,373,518)
Intangible assets	-	(205,998)	-	(205,998)
Improvements other than buildings	(17,161,993)	(637,358)	139,815	(17,659,536)
Machinery and equipment	(12,624,218)	(1,504,262)	1,250,289	(12,878,191)
Infrastructure	(51,938,278)	(2,149,139)	-	(54,087,417)
Total accumulated depreciation	<u>(102,929,554)</u>	<u>(5,715,640)</u>	<u>1,440,534</u>	<u>(107,204,660)</u>
Governmental activities capital assets, net	<u>\$ 174,543,449</u>	<u>\$ 54,797,278</u>	<u>\$ (4,010,408)</u>	<u>\$ 225,330,319</u>



Business-Type Activities:	Beginning Balance 1/1/2022	Increases	Decreases	Ending Balance 12/31/2022
Nondepreciable capital assets:				
Land	\$ 8,259,914	\$ -	\$ -	\$ 8,259,914
Easements	4,340,120	-	-	4,340,120
Construction in progress	12,896,070	1,038,417	(7,753,224)	6,181,263
Total nondepreciable capital assets	25,496,104	1,038,417	(7,753,224)	18,781,297
Depreciable capital assets				
Buildings	34,838,900	4,725,543	-	39,564,443
Intangible assets	311,972	17,852	-	329,824
Improvements other than buildings	2,788,273	-	(9,100)	2,779,173
Machinery and equipment	4,922,031	2,626,128	(36,729)	7,511,430
Infrastructure	92,738,177	2,135,700	(59,031)	94,814,846
Total depreciable capital assets	135,599,353	9,505,223	(104,860)	144,999,716
Total capital assets	161,095,457	10,543,640	(7,858,084)	163,781,013
Less accumulated depreciation for:				
Buildings	(25,416,998)	(601,142)	-	(26,018,140)
Intangible assets	-	(46,425)	-	(46,425)
Improvements other than buildings	(1,979,834)	(41,958)	9,099	(2,012,693)
Machinery and equipment	(3,438,181)	(512,104)	33,997	(3,916,288)
Infrastructure	(26,963,964)	(2,617,827)	-	(29,581,791)
Total accumulated depreciation	(57,798,977)	(3,819,456)	43,096	(61,575,337)
Business-type activities capital assets, net	\$ 103,296,480	\$ 6,724,184	\$ (7,814,988)	\$ 102,205,676

In 2022, the City completed South Lynnwood Park Improvements, Heritage Park Water Tower Improvements, and 60th Ave Sewer Replacement projects. In addition, the City made great progress on the 196th Street SW (SR 524), Community Justice Center and WWTP Aeration Blower Upgrade projects, which are all currently in the construction phase.

Depreciation Expense by Function:

Governmental Activities

General Government	\$ 1,282,264
Public Safety	483,186
Transportation	2,638,308
Economic Environment	19,874
Culture and Recreation	1,079,206

Total Depreciation Expense - Governmental Activities \$ 5,502,838

Business-type Activities

Water/Sewer/Storm Utility	\$ 3,736,845
Golf Course	82,610

Total Depreciation Expense - Business-Type Activities \$ 3,819,455



Discretely Presented Component Unit Lynnwood Public Facilities District	Beginning Balance 1/1/2022	Increases	Decreases	Ending Balance 12/31/2022
Nondepreciable capital assets:				
Land	\$ 6,788,800	\$ -	\$ -	\$ 6,788,800
Construction in progress	26,544	36,331	-	62,875
Total nondepreciable capital assets	<u>6,815,344</u>	<u>36,331</u>	<u>-</u>	<u>6,851,675</u>
Depreciable capital assets:				
Buildings	21,197,283	-	-	21,197,283
Tenant and leasehold improvements	683,947	-	-	683,947
Other improvements	80,895	-	-	80,895
Capital improvements - LCC	847,724	-	(19,817)	827,907
Furniture & Fixtures	-	12,000	-	12,000
Leased Equipment	-	19,212	-	19,212
RRR - LCC	1,679,140	26,514	-	1,705,654
Total depreciable capital assets	<u>24,488,989</u>	<u>57,726</u>	<u>(19,817)</u>	<u>24,526,898</u>
Total capital assets	<u>31,304,333</u>	<u>94,057</u>	<u>(19,817)</u>	<u>31,378,573</u>
Less accumulated depreciation for:				
Buildings	(7,874,838)	(491,810)	-	(8,366,648)
Tenant and leasehold improvements	(623,590)	(16,811)	-	(640,401)
Other improvements	(39,223)	(6,740)	-	(45,963)
Capital improvements - LCC	(623,526)	(66,267)	19,817	(669,976)
Furniture & Fixtures	-	(2,200)	-	(2,200)
Leased Equipment	-	(1,921)	-	(1,921)
RRR - LCC	(941,714)	(116,150)	-	(1,057,864)
Total accumulated depreciation	<u>(10,102,891)</u>	<u>(701,899)</u>	<u>19,817</u>	<u>(10,784,973)</u>
Business-type activities capital assets, net	<u>\$ 21,201,442</u>	<u>\$ (607,842)</u>	<u>\$ -</u>	<u>\$ 20,593,600</u>

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, 2022, consisted of the following:

TRANSFERS OUT	TRANSFERS IN					Total
	Transportation Capital Fund	Parks and Recreation Capital	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	
General Fund	\$ -	\$ -	\$ 1,013,037	\$ 1,656,510	\$ 1,163,226	\$ 3,832,773
Nonmajor Special Revenue Funds	5,771,888	4,720,652	379,996	499,996	-	11,372,532
Nonmajor Capital Projects Funds	10,000	1,472,655	-	1,500,000	548,519	3,531,174
Total	<u>\$ 5,781,888</u>	<u>\$ 6,193,307</u>	<u>\$ 1,393,033</u>	<u>\$ 3,656,506</u>	<u>\$ 1,711,745</u>	<u>\$ 18,736,479</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 additional 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, 2022 consisted of the following:

DUE TO		DUE FROM		
		Facilities		
		Capital	Golf Course	Total
	General Fund	\$ 1,342,204	\$ 852,000	\$ 2,194,204
	Total	\$ 1,342,204	\$ 852,000	\$ 2,194,204

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.

In 2022, a one-day interfund loan was made from the general fund to the facilities capital fund, due to a timing difference in grant reimbursements.

3-F – Leases

Lease Receivable

During the current fiscal year, the City began leasing a building purchased in October 2022. The lease is for five years, and the City of Lynnwood will receive monthly payments of \$22,045. The City recognized \$58,242 in lease revenue and \$10,019 in interest revenue during the current fiscal year related to this lease. As of December 31, 2022, the City’s receivable for lease payments was \$1,108,721. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of December 31, 2022, the balance of the deferred inflow of resources was \$1,106,595.

As of December 31, 2022, future lease receivable principal and interest payments are as follows:

Year ended				
December 31	Principal	Interest	Total	
2023	\$ 210,850	\$ 53,690	\$ 264,540	
2024	222,300	42,240	264,540	
2025	234,372	30,168	264,540	
2026	247,102	17,438	264,540	
2027	194,097	4,308	198,405	
Total	\$ 1,108,721	\$ 147,844	\$ 1,256,565	

Lease payable

During the current fiscal year, the City entered into several under five-years noncancelable lease agreements as lessee for the use of office machinery, office building, warehouse, storage space and property/land access. As of December 31, 2022, the value of the lease liability was \$1,020,151.

Lease assets for the year ended December 31, 2022, are summarized as follows:

<u>Governmental activities</u>	<u>Beginning Balance 1/1/2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance 12/31/2022</u>
Intangible right-to-use leased assets:				
Right-to-use Land	\$ -	\$ -	\$ -	\$ -
Leased Building	831,789	-	-	831,789
Leased Equipment	1,041	109,920	-	110,961
Total leased assets	832,830	109,920	-	942,750
Less accumulated amortization for:				
Right-to-use Land	-	-	-	-
Leased Building	-	(184,842)	-	(184,842)
Leased Equipment	-	(21,156)	-	(21,156)
Total accumulated amortization	\$ -	\$ (205,998)	\$ -	\$ (205,998)

<u>Business-Type activities</u>	<u>Beginning Balance 1/1/2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance 12/31/2022</u>
Intangible right-to-use leased assets:				
Right-to-use Land	\$ 280,775	\$ -	\$ -	\$ 280,775
Leased Building	31,197	-	-	31,197
Leased Equipment	-	17,852	-	17,852
Total leased assets	311,972	17,852	-	329,824
Less accumulated amortization for:				
Right-to-use Land	-	(40,110)	-	(40,110)
Leased Building	-	(4,457)	-	(4,457)
Leased Equipment	-	(1,858)	-	(1,858)
Total accumulated amortization	\$ -	\$ (46,425)	\$ -	\$ (46,425)

As of December 31, 2022, the principal and interest requirements to maturity are as follows:

<u>Governmental activities</u>	<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	2023	\$ 212,687	\$ 17,056	\$ 229,743
	2024	201,915	11,706	213,621
	2025	205,302	6,530	211,832
	2026	112,824	1,699	114,523
	2027	10,626	213	10,839
	Total	\$ 743,354	\$ 37,204	\$ 780,558

<u>Business-Type activities</u>	<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
	2023	\$ 45,356	\$ 6,625	\$ 51,981
	2024	46,488	5,493	51,981
	2025	47,652	4,329	51,981
	2026	48,844	3,136	51,980
	2027	1,887	24	1,911
	Total	\$ 190,227	\$ 19,607	\$ 209,834

3-G. Long-Term Liabilities

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 General Fund, Real Estate Excise Tax Fund and Criminal Justice 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.

Changes in Long-term liabilities - Changes in the City’s long-term obligations consisted of the following for the year ended December 31, 2022 (includes internal service fund):

	Outstanding 1/1/2022	Additions	Reductions	Outstanding 12/31/2022	Amounts Due in One Year
Governmental Activities					
2012 general obligation bonds	19,520,000	-	930,000	18,590,000	960,000
2021 general obligation bonds	49,315,000	-	-	49,315,000	965,000
2022 general obligation bonds	-	12,735,000	-	12,735,000	445,000
Unamortized premiums	10,921,735	425,823	-	11,347,558	98,758
Unamortized discounts	-	(129,516)	-	(129,516)	-
Claims and judgements payable	224,620	-	-	224,620	-
Compensated absences	4,590,588	3,080,138	2,536,071	5,134,655	4,422,769
Net pension liability	2,607,815	1,749,092	1,333,787	3,023,120	-
Total OPEB liability	10,893,334	9,789,211	10,893,334	9,789,211	482,644
Total Governmental Activities	\$ 98,073,092	\$ 27,649,748	\$ 15,693,192	\$ 110,029,648	\$ 7,374,171
Business-Type Activities					
2015 utility system revenue bonds	18,885,000	-	1,040,000	17,845,000	1,090,000
2018 utility system revenue bonds	18,200,000	-	830,000	17,370,000	870,000
Unamortized premiums	3,260,508	-	206,828	3,053,680	-
Net pension liability	316,257	374,564	-	690,821	-
Compensated absences	747,085	532,297	445,439	833,943	717,488
Total Business-Type Activities	\$ 41,408,850	\$ 906,861	\$ 2,522,267	\$ 39,793,444	\$ 2,677,488
Direct Placement Debt					
2020 utility system revenue bonds	5,220,000	-	410,000	4,810,000	410,000
Total Direct Placement Debt	\$ 5,220,000	\$ -	\$ 410,000	\$ 4,810,000	\$ 410,000

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 \$113,009 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.

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 2022.

The annual total requirements to amortize the debt outstanding for general obligation, revenue bonds, and installment notes

payable as of December 31, 2022, including interest, are as follows:

General Obligation Debt

Year	Governmental Activities		Total
	Principal	Interest	
2023	2,370,000	3,324,469	5,694,469
2024	2,465,000	3,234,819	5,699,819
2025	2,560,000	3,140,181	5,700,181
2026	2,145,000	3,032,831	5,177,831
2027	2,225,000	2,957,631	5,182,631
2028-2032	14,005,000	13,342,056	27,347,056
2033-2037	17,085,000	10,041,756	27,126,756
2038-2042	13,945,000	6,703,619	20,648,619
2043-2047	13,990,000	3,785,100	17,775,100
2048-2051	9,850,000	818,800	10,668,800
Total	\$ 80,640,000	\$ 50,381,263	\$ 131,021,263

Revenue Bonds

Year	Business Type Activities		Total
	Principal	Interest	
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	2,240,000	1,172,888	3,412,888
2027	2,315,000	1,094,094	3,409,094
2028-2032	11,990,000	4,141,319	16,131,319
2033-2037	11,065,000	1,655,444	12,720,444
2038-2041	1,450,000	72,500	1,522,500
Total	\$ 35,215,000	\$ 12,214,506	\$ 47,429,506

Direct Placement Debt

Year	Business Type Activities		Total
	Principal	Interest	
2023	410,000	69,745	479,745
2024	415,000	63,800	478,800
2025	420,000	57,783	477,783
2026	430,000	51,693	481,693
2027	435,000	45,458	480,458
2028-2031	2,700,000	78,590	2,778,590
Total	\$ 4,810,000	\$ 367,068	\$ 5,177,068

Governmental Activities General Obligation Bonds – The City has three outstanding general obligation bond issues that were

issued to fund the construction of two capital improvement projects and one property acquisition.

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+. These bonds were refunded in early 2023 with Series 2023 Refunding Bonds (see Note 6).

Series 2021 General Obligation Bonds - On June 24, 2021, the City issued 30-year Limited Tax General Obligation Bonds for constructing the City's Community Justice Center (CJC) in the amount of \$49,315,000. Annual principal payments range from \$965,000 to \$2,870,000, with interest varying from 4% to 5%, paid semi-annually. The final principal and interest payment is scheduled for 2050. These bonds carry a Standard and Poor's rating of AA+.

Series 2022 General Obligation Bonds - On October 12, 2022, the City issued \$12,735,000 Limited Tax General Obligation Bonds to finance the acquisition of land for a city park and additional funding for constructing the City's Community Justice Center (CJC) that was financed through the 2021 bond issuance. The bonds to finance the park acquisition carry a 10-year term while the term of the bonds for the CJC construction aligns with the 2021 bond issuance with maturities through 2050. Annual principal payments range from \$250,000 to \$930,000, with interest varying from 4.625% to 5%, paid semi-annually. These bonds carry a Standard and Poor's rating of AA+.

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.

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 \$5,905,000 of the 2010 Utility Improvement Refunding Bonds which 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. Annual principal payments range from \$390,000 to \$910,000, with 1.45% interest paid semi-annually. The refunding resulted 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.

Asset Retirement Obligations (ARO) - Some tangible capital assets, including the wastewater treatment plant and water wells have been identified as having a legally enforceable liability associated with the retirement of a tangible capital asset, but the

liability is not yet reasonably estimable. Estimates are not currently available as the city has no past experience decommissioning these types of assets, or the assets are maintained indefinitely so an estimated remaining useful life is unknown. Once the liability is reasonably estimable, the city will record a liability for the obligation.

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

	Outstanding 1/1/2022	Additions	Reductions	Outstanding 12/31/2022	Amounts Due in One Year
Business-Type Activities					
General Obligation Bonds (Private Placement)	4,416,500	-	1,108,300	3,308,200	1,148,500
Revenue Bonds	12,875,000	-	985,000	11,890,000	1,095,000
Premium on Revenue Bonds	693,655	-	53,358	640,297	53,358
Compensated absences	23,085	3,828	-	26,913	13,457
Leases	-	19,212	1,771	17,441	3,638
Environmental Remediation	5,619,992	-	-	5,619,992	-
Net pension liability	16,634	37,605	-	54,239	-
Total OPEB liability	64,117	49,038	-	113,155	-
Total Business-Type Activities	\$ 23,708,983	\$ 109,683	\$ 2,148,429	\$ 21,670,237	\$ 2,313,953

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

	Revenue Bonds		GO Bonds (Private Placement)		Total
	Principal	Interest	Principal	Interest	
2023	1,095,000	497,638	1,148,500	82,043	2,823,181
2024	1,200,000	457,944	1,188,200	53,561	2,899,705
2025	1,185,000	414,444	971,500	24,093	2,595,037
2026	1,820,000	355,194	-	-	2,175,194
2027	605,000	269,831	-	-	874,831
2028 - 2032	3,960,000	887,238	-	-	4,847,238
2033 - 2034	2,025,000	115,125	-	-	2,140,125
Total	\$ 11,890,000	\$ 2,997,414	\$ 3,308,200	\$ 159,697	\$ 18,355,311

3-H. Pension Plans

The following table represents the aggregate pension amounts for all plans for the year 2022:

Aggregate Pension Amounts – All Plans	
Pension liabilities	\$ (3,708,109)
Pension assets	15,051,420
Deferred outflows of resources	11,409,746
Deferred inflows of resources	(9,731,942)
Pension expense/expenditures	942,155

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.

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

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

Or the DRS ACFR may be downloaded from the DRS website at www.drs.wa.gov. The direct link for the 2022 ACFR is <https://www.drs.wa.gov/wp-content/uploads/2021/06/2022-ACFR.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 2022 were as follows:

PERS Plan 1		
Actual Contribution Rates	Employer	Employee*
January – August 2022		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	3.71%	
Administrative Fee	0.18%	
Total	10.25%	6.00%
September – December 2022		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	3.85%	
Administrative Fee	0.18%	
Total	10.39%	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 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.

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 2022 were as follows:

PERS Plan 2/3		
Actual Contribution Rates	Employer 2/3	Employee 2*
January – August 2022		
PERS Plan 2/3	6.36%	6.36%
PERS Plan 1 UAAL	3.71%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
Total	10.25%	6.36%
September – December 2022		
PERS Plan 2/3	6.36%	6.36%
PERS Plan 1 UAAL	3.85%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
Total	10.39%	6.36%

The City’s actual PERS plan contributions were \$930,436 for to PERS 1 and \$1,333,196 to PERS 2/3 for the year ended December 31, 2022.

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 2022 were as follows:

PSERS Plan 2		
Actual Contribution Rates	Employer	Employee
January – August 2022		
PSERS Plan 2	6.50%	6.50%
PERS Plan 1 UAAL	3.71%	
Administrative Fee	0.18%	
Total	10.39%	6.50%
September – December 2022		
PSERS Plan 2	6.60%	6.60%
PERS Plan 1 UAAL	3.85%	
Administrative Fee	0.18%	
Total	10.63%	6.60%

The City’s actual contributions to the plan were \$70,093 for PSERS Plan 2 for the year ended December 31, 2022.

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 2022. 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 3.41% in 2022.

The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2022 were as follows:

LEOFF Plan 2		
Actual Contribution Rates	Employer	Employee
January – December 2022		
State and local governments	5.12%	8.53%
Administrative Fee	0.18%	
Total	5.30%	8.53%
Ports and Universities	8.53%	8.53%
Administrative Fee	0.18%	
Total	8.71%	8.53%

The City's actual contributions to the plan were \$486,012 for the year ended December 31, 2022.

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, 2022, the state contributed \$81,388,085 to LEOFF Plan 2. The amount recognized by the City as its proportionate share of this amount is \$295,950.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2022 with a valuation date of June 30, 2021. The actuarial assumptions used in the valuation were based on the results of

the Office of the State Actuary's (OSA) *2013-2018 Demographic Experience Study* and the *2021 Economic Experience Study*. Additional assumptions for subsequent events and law changes are current as of the 2021 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2022. Plan liabilities were rolled forward from June 30, 2021, to June 30, 2022, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.25% salary inflation
- **Salary increases:** In addition to the base 3.25% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.00%

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.

Methods did not change from prior contribution rate setting June 30, 2019 Actuarial Valuation Report (AVR), however OSA introduced a temporary method change to produce asset and liability measures for the June 30, 2020 AVR. There were also the following assumption changes:

- OSA updated the Joint-and-Survivor Factors and Early Retirement Factors in the model. Those factors are used to value benefits for early retirement and survivors of members that are deceased prior to retirement. These factors match the administrative factors provided to DRS for future implementation that reflect current demographic and economic assumptions.
- OSA updated the economic assumptions based on the 2021 action of the PFC and the LEOFF Plan 2 Retirement Board. The investment return assumption was reduced from 7.5% (7.4% for LEOFF 2) to 7.0%, and the salary growth assumption was lowered from 3.5% to 3.25%. This action is a result of recommendations from OSA's biennial economic experience study.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.0 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 7.0 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 7.0 percent was determined using a building-block-method. In selecting this assumption, the OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMA's) and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the CMA's and their target asset allocation to simulate future investment returns at various future times.

Estimated Rates of Return by Asset Class

The table below summarizes the 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, 2022. The inflation component used to create the table is 2.2 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	1.50%
Tangible Assets	7%	4.70%
Real Estate	18%	5.40%
Global Equity	32%	5.90%
Private Equity	23%	8.90%
	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 7.0 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 (6.0 percent) or 1-percentage point higher (8.0 percent) than the current rate.

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
PERS 1	\$4,953,982	\$ 3,708,109	\$2,620,753
PERS 2/3	7,117,662	(6,044,052)	(16,857,232)
PSERS 2	278,836	(117,068)	(429,522)
LEOFF 1	(2,535,187)	(2,892,939)	(3,203,165)
LEOFF 2	(276,172)	(5,997,362)	(10,679,665)

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, 2022, the City reported its proportionate share of the net pension liabilities as follows:

	Liability (or Asset)
PERS 1	\$ 3,708,109
PERS 2/3	(6,044,052)
PSERS 2	(117,068)
LEOFF 1	(2,892,939)
LEOFF 2	(5,997,362)

The amount of the 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 asset, the related State support, and the total portion of the net pension asset that was associated with the City were as follows:

	LEOFF 1 Asset	LEOFF 2 Asset
Employer’s proportionate share	\$ 2,892,939	\$ 5,997,362
State’s proportionate share of the net pension asset associated with the employer	\$ 19,567,766	\$ 3,884,960
TOTAL	\$ 22,460,705	\$ 9,882,322

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

	Proportionate Share 6/30/21	Proportionate Share 6/30/22	Change in Proportion
PERS 1	.129742%	.133176%	.003434%
PERS 2/3	.155045%	.162966%	.007921%
PSERS 2	.177054%	.163731%	(.013323%)
LEOFF 1	.099328%	.100848%	.001520%
LEOFF 2	.222081%	.220678%	(.001403%)

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30, 2022 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the *Schedules of Employer and Nonemployer Allocations* for all plans except LEOFF 1.

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2022. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). The state of Washington contributed 87.12 percent of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88 percent of employer contributions. LEOFF 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

In fiscal year 2022, 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.

Pension Expense

For the year ended December 31, 2022, the City recognized pension expense as follows:

	Pension Expense
PERS 1	\$ 1,796,168
PERS 2/3	\$ (1,997,561)
PSERS 2	\$ 32,793
LEOFF 1	\$ (168,859)
LEOFF 2	\$ 1,279,613
TOTAL	\$ 942,155

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2022, 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		\$614,543
Contributions subsequent to the measurement date	\$ 516,102	
TOTAL	\$ 516,102	\$614,543

<i>PERS 2/3</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,497,575	\$136,822
Net difference between projected and actual investment earnings on pension plan investments		4,468,412
Changes of assumptions	3,368,725	882,053
Changes in proportion and differences between contributions and proportionate share of contributions	104,970	363,697
Contributions subsequent to the measurement date	663,464	
TOTAL	\$ 5,634,733	\$ 5,850,984

<i>PSERS 2</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 60,816	\$ 1,288
Net difference between projected and actual investment earnings on pension plan investments		82,099
Changes of assumptions	85,943	34,337
Changes in proportion and differences between contributions and proportionate share of contributions	15,438	3,652
Contributions subsequent to the measurement date	35,931	
TOTAL	\$ 198,128	\$ 121,377
<i>LEOFF 1</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on pension plan investments	\$ 0	\$ 361,223
TOTAL	\$ 0	\$ 361,223

<i>LEOFF 2</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,425,072	\$ 55,645
Net difference between projected and actual investment earnings on pension plan investments		2,008,147
Changes of assumptions	1,519,301	522,206
Changes in proportion and differences between contributions and proportionate share of contributions	1,867,641	197,818
Contributions subsequent to the measurement date	248,769	
TOTAL	\$ 5,060,784	\$ 2,783,816

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, 2023. 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:	<i>PERS 1</i>
2023	\$ (260,062)
2024	\$ (236,203)
2025	\$ (296,310)
2026	\$ 178,032
2027	\$ --
Thereafter	\$ --

Year ended December 31:	<i>PERS 2/3</i>
2023	\$ (1,387,023)
2024	\$ (1,293,123)
2025	\$ (1,567,600)
2026	\$ 1,987,456
2027	\$ 687,963
Thereafter	\$ 692,612

Year ended December 31:	<i>PSERS</i>
2023	\$ (25,372)
2024	\$ (21,956)
2025	\$ (28,903)
2026	\$ 41,072
2027	\$ 11,735
Thereafter	\$ 64,244

Year ended December 31:	<i>LEOFF 1</i>
2023	\$ (152,989)
2024	\$ (138,522)
2025	\$ (173,206)
2026	\$ 103,492
2027	\$ --
Thereafter	\$ --

Year ended December 31:	<i>LEOFF2</i>
2023	\$ (364,025)
2024	\$ (280,036)
2025	\$ (460,905)
2026	\$ 1,132,877
2027	\$ 531,055
Thereafter	\$ 1,469,231

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, Finance Manager, and 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, 2022, pension plan membership consisted of four (4) inactive plan 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.

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 (FPF) 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, 2022, the FPF had \$233,218 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 treasury and therefore are included in the City’s investment policy addressed in Note 3-A.

As of December 31, 2022, the annual money-weighted rate of return on pension plan investments, net of investment expenses, was 2.03 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, 2022, and the actuarial valuation date on which the total pension liability is based was as of December 31, 2022.

- **Discount rate:** 2.00% - Rate applied in the measurement of the total pension liability
- **Inflation:** 2.50% - total economic inflation, 3.00% 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, PRI-2012, is projected using MP-2021 projection scale.
- 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	\$1,489,420	\$1,333,787	\$1,199,390

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at 12/31/2021	\$1,590,620	\$251,009	\$ 1,339,611
Changes for the year:			
Service Cost	-	-	-
Interest	30,904	-	30,904
Changes in assumptions	-	-	-
Differences between expected and actual experience	36,322	-	36,322
Contributions – employer	-	73,136	(73,136)
Contributions – employees	-	-	-
Net investment income	-	4,914	(4,914)
Benefit payments and withdraws (pension expense)	(90,841)	(90,841)	-
Administrative expense	-	(5,000)	5,000
Other changes	-	-	-
Net changes	(23,615)	(17,791)	(5,824)
Balance at 12/31/2022	\$1,567,005	\$233,218	\$1,333,787
Plan fiduciary net position as a percentage of the total pension liability		14.9%	

Pension Expense and Deferred Inflows and Outflows of Resources

	Pension Expense
Pension expense recognized for fiscal year ending 2021	\$50,335
Pension expense recognized for fiscal year ending 2022	\$49,009

At December 31, 2022, 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	\$ 169,494	(437,716)
Net difference between projected and actual investment earnings on pension plan investments	4,073	(642)
Changes of assumptions	284,369	(86,778)
Contributions subsequent to the measurement date	-	-
TOTAL	\$ 457,936	\$ (525,136)

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
2023	\$ 16,013
2024	(15,988)
2025	1,951
2026	(33,251)
2027	(30,737)
Thereafter	(5,188)

3-1. Other Post-Employment Benefits

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

The following table represents the aggregate OPEB amounts for all plans subject to the requirements of GASB 75 for the year 2022:

OPEB Liabilities	\$ 9,789,211
OPEB Assets	\$ 0
Deferred Outflows of Resources	\$ 241,322
Deferred Inflows of Resources	\$ 0
OPEB Expense	\$ (659,947)

Annual OPEB Cost and Total 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, 2022, 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 2022 the City contributed \$216,588 in medical payments and reimbursements.

Assumptions and Other Inputs:

The total OPEB liability in the June 30, 2022, 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.

Retirement, disablement, termination, and mortality rates were assumed to follow the LEOFF 1 rates used in the June 30, 2021, 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.

Methodology	
Actuarial Valuation Date	6/30/2022
Actuarial Measurement Date	6/30/2022
Actuarial Cost Method	Entry Age ¹
Amortization Method	Recognized Immediately
Asset Valuation Method	N/A (No Assets)
Assumptions	
Discount Rate²	
Beginning of Measurement Year	2.16%
End of Measurement Year	3.54%
Healthcare Trend Rates³	
Medical Costs	Approximately 5.0%, varies by year
Long-Term Care	4.5%
Medicare Part B Premiums	Approximately 5.5%, varies by year
Mortality Rates (Assumes 100% Male Population)¹	
Base Mortality Table	PubS.H-2010 (Public Safety) Blended 50%/50% Healthy/Disabled
Age Setback	-1 year Healthy / 0 years Disabled
Mortality Improvements	MP-2017 Long-Term Rates
Projection Period	Generational
Medicare Participation Rate	100%

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, as well as what the OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	\$ 8,901,913	\$ 9,789,211	\$10,803,311

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 3.54 percent, as well as what the OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.54 percent) or one percentage point higher (4.54 percent) that the current rate.

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB Liability	\$ 10,872,121	\$9,789,211	\$ 8,863,453

Changes in the Total OPEB Liability

LEOFF 1 Retiree Medical and Long-Term Care Benefits	
Total OPEB Liability at 01/01/2022	\$10,893,334
Service cost	0
Interest	230,525
Changes of benefit terms	0
Changes in experience data and assumptions	(890,472)
Benefit payments	(444,176)
Other changes	
Total OPEB Liability at 12/31/2022	\$ 9,789,211

At December 31, 2022, 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 the measurement date	\$ 241,322	

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, 2023.

3-J. Fund Balance and Net Assets

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	\$ 832,603
	<u>\$ 832,603</u>

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

Transportation Capital Fund:

Capital Projects	\$ 1,447,157
	<u>\$ 1,447,157</u>

Public Safety Capital Fund:

Capital Projects	\$ 39,272,929
	<u>\$ 39,272,929</u>

Parks and Recreation Capital Fund:

Capital Projects	\$ 1,348,778
	<u>\$ 1,348,778</u>

Nonmajor Governmental Funds:

Capital Projects	\$ 5,183,014
Drug Enforcement/Criminal Justice	2,470,789
Debt Service	1,134,071
Park Improvements	2,861,541
Recreation programs for low income	123,092
Tourism promotion	871,062
Street and paths improvements	4,721,125
Solid Waste Management	94,873
Supportive Housing	508,149
Opioid Settlement	123,435

Total Nonmajor Governmental Funds	<u>\$ 18,091,151</u>
--	----------------------

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

General Fund:	
Revenue Stabilization	\$ 6,000,000
Total General Fund	<u>\$ 6,000,000</u>
Other Governmental Funds:	
Capital Projects	\$ 1,824,248
Tree Reserve	351,646
Art Reserve	511,748
Aid Car Reserve	17,033
Total Other Governmental Funds	<u>\$ 2,704,675</u>

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

General Fund:	
Economic Development	<u>\$ 9,505,195</u>

Net Investment in Capital Assets – The net investment in capital assets, reported on the government-wide statement of net position as of December 31, 2022 is as follows:

	Governmental Activities	Business- type Activities
Net investment in capital assets:		
Total capital assets	\$ 332,534,979	\$ 163,781,013
Less accumulated depreciation	(107,204,660)	(61,575,337)
Net capital assets	225,330,319	102,205,676
Less: accounts payable	(2,368,575)	(621,603)
Less: retainage payable	-	(15,894)
Add: unspent bond proceeds	39,860,348	-
Less: deferred inflow-gain on refunding	-	(97,870)
Less: capital related debt	(91,858,042)	(43,078,680)
Less: leases	(743,355)	(283,495)
Net investment in capital assets	<u>\$ 170,220,695</u>	<u>\$ 58,108,134</u>

4-A. Risk Management

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 166 members.

New members initially contract for a three-year term, and thereafter automatically renew on an annual basis. A one-year withdrawal notice is required before membership can be terminated. Termination does not relieve a former member from its unresolved loss history incurred during membership.

Liability coverage is written on an occurrence basis, with a \$50,000 deductible. Coverage includes general, automobile, police, errors or omissions, stop gap, employment practices, prior wrongful acts, and employee benefits liability. Limits are \$4 million per occurrence in the self-insured layer, and \$16 million in limits above the self-insured layer is provided by reinsurance. Total limits are \$20 million per occurrence subject to aggregates and sublimits. The Board of Directors determines the limits and terms of coverage annually.

All Members are provided a separate cyber risk policy and premises pollution liability coverage group purchased by WCIA. The cyber risk policy provides coverage and separate limits for security & privacy, event management, and cyber extortion, with limits up to \$1 million and subject to member deductibles, sublimits, and a \$5 million pool aggregate. Premises pollution

liability provides Members with a \$2 million incident limit and \$10 million pool aggregate subject to a \$100,000 per incident Member deductible.

Insurance for property, automobile physical damage, fidelity, inland marine, and equipment breakdown 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. As outlined in the interlocal, WCIA retains the right to additionally assess the membership for any funding shortfall.

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

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

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). Chapter 48.62 RCW provides that two or more local government entities may, by Interlocal agreement under Chapter 39.34 RCW, form together or join a pool or organization for the joint purchasing of insurance, and/or joint self-insurance, to the same extent that they may individually purchase insurance or self-insure.

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

As of December 31, 2022, 262 cities/towns/non-city entities participate in the AWC Trust HCP.

The AWC Trust HCP allows members to establish a program of joint insurance and provides health and welfare services to all participating members.

In April 2020, the Board of Trustees adopted a large employer policy, requiring newly enrolling groups with 600 or more employees to submit medical claims experience data in order to receive a quote for medical coverage. Outside of this, the AWC Trust HCP pools claims without regard to individual member experience. The pool is actuarially rated each year with the assumption of projected claims run out for all current members.

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

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. In 2022, the AWC Trust HCP purchased medical stop loss insurance for Regence/Asuris and Kaiser plans at an Individual Stop Loss (ISL) of \$1.5 million through United States Fire Insurance Company. The aggregate policy is for 200% of expected medical claims.

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

The operations of the Health Care Program are managed by the Board of Trustees or its delegates. The Board of Trustees is comprised of four regionally elected officials from Trust member cities or towns, the Employee Benefit Advisory Committee Chair and Vice Chair, and two appointed individuals from the AWC Board of Directors, who are from Trust member cities or towns. The Trustees or its appointed delegates review and analyze Health Care Program related matters and make operational decisions regarding premium contributions, reserves, plan options and benefits in compliance with Chapter 48.62 RCW. The Board of Trustees has decision authority consistent with the Trust Agreement, Health Care Program policies, Chapter 48.62 RCW and Chapter 200-110-WAC.

The accounting records of the AWC Trust HCP are maintained in accordance with methods prescribed by the State Auditor's office under the authority of Chapter 43.09 RCW. The AWC Trust HCP also follows applicable accounting standards established by the Governmental Accounting Standards Board ("GASB"). In 2018, the retiree medical plan subsidy was eliminated, and is noted as such in the report for the fiscal year ending December 31, 2018. Year-end financial reporting is done on an accrual basis and submitted to the Office of the State Auditor as required by Chapter 200-110 WAC. The audit report for the AWC Trust HCP is available from the Washington State Auditor's office.

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 the 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, 2022. In the opinion of City management, the outcome of these contingencies will not have a material effect on 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.

Legal Financial Obligation Refunds – In February 2021, in *State v. Blake*, 197 Wn.2d 170, 173 (2021), the Washington Supreme Court invalidated Washington's simple drug possession statute. The effect of this decision is to render void all such convictions dating back to 1971. Under due process, all penalties, fines and restitution (legal financial obligations or LFOs) ordered in connection with simple possession convictions must be refunded. An unresolved legal issue arising from the Blake decision is whether refunds of LFOs are the responsibility of the State or the individual local government agencies that collected LFOs for criminal convictions prosecuted by those jurisdictions. At this time, an estimate of collected LFOs by the City of Lynnwood subject to refund is not available. Several lawsuits to determine whether Blake related liabilities belong to the State are currently pending. The City of Lynnwood is not a party to this litigation but will be following these matters. In the meantime, the City is planning as though liability for payment of the LFOs is the City's responsibility. This will ensure that the City is prepared to fund the liability and not be caught off-guard should the courts ultimately determine that the State

of Washington does not bear responsibility for payment of all LFOs. The City considers any LFO refunds processed and refunded by the City accruable in our governmental funds when they become due and payable (i.e., the claim is vacated and the defendant appears in court to claim the refund). This did not occur in 2022. However, it is important to note that all LFO refunds made by the City subsequently have utilized state funding, which has been liberally appropriated by the Washington Legislature for payment of Blake-related LFOs each year since the Blake decision was rendered. In addition, a Washington State Refund Bureau has been created and is anticipated to begin operation during the second half of 2023 to process and pay LFO refunds collected by the City of Lynnwood using state funding. At this time, we believe state funding will be adequate to cover all LFO refund liability for eligible cases arising out of the City of Lynnwood.

4-D. Joint Ventures and Jointly Governed Organizations

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 of this Agreement and shall be apportioned between Principals based on the ratio that the average of each Principals’ contributions to the operating budget over the preceding five (5) years bears to the total of all then remaining Principals’ User Fees paid during such five-year period. Before deducting the payment of all costs, expenses and charges validly incurred, the City of Lynnwood’s share was \$722,677 on December 31, 2022. This value has been recorded in the government-wide statements as an asset for the year ended December 31, 2022.

Snohomish County 911’s 2022 operating budget was \$26,034,697, operating revenues received were \$26,904,022 and total operating expenditures were \$25,119,101. 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 were transferred to HASCO during fiscal year 2018. The values included in the table below were audited and updated by the new fiscal agent and may be different than what was reported in prior years.

Each member city is responsible for contributing operating revenues as determined from the AHA annual budget. Contributions from the member cities are based on each member's population. A grant from the Gates Foundation provided \$50,000 to assist with the first few 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%
2022	\$118,200	\$4,096	5.10%
2023	\$135,522	\$4,017	4.90%

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 (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.

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 \$47,177 in estimated taxpayer savings applicable to the City of Lynnwood for Fiscal Year 2022.

4-F. Prior Period Adjustments and Restatements

In 2022, the City is reporting a prior period adjustment of \$145,157 to correct previously reported asset balances and \$1,014,407 to add previously unreported cash equity in joint venture.

4-G. Fund Changes – The City added fund 147 to account for the opioid settlement. Council will take action in 2023 to the formally add fund through a budget amendment.

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 COVID-19. The City of Lynnwood’s Mayor issued an Emergency Proclamation in response to the COVID-19 public health crisis in March of 2020.

The General Fund was negatively impacted by reduced sales tax and recreation revenues. The Mayor called for all departments to immediately reduce spending in order to balance the budget. Expenditure reduction measures totaling \$5.6 million were enacted. In conjunction with the adoption of the 2021-2022 biennial budget, the City Council passed a resolution authorizing the transfer of up to \$2.2 million in reserve funding to balance the General Fund and allowing for General Fund reserves to end the year under the 2.5 month minimum required in policy. The General Fund budget was adopted with conservative revenue estimates and included a plan to replenish reserves over 2021 and 2022. The actual amount of transfer needed at the end of

2020 was \$1.13 million. The General Fund had 2.2 months of operating reserves at the end of 2020.

Throughout 2021, sales tax revenues returned to pre-pandemic levels and exceeded budgeted amounts. The balance of the reserve fund was fully restored in 2021 and no further transfers were needed for 2022. The City's State of Emergency remained in effect for all of 2021 and was ended on March 28, 2022.

2021-2022 COVID-19 Emergency Relief Funding

In April of 2021, the U.S. Government established the American Rescue Plan Act of 2021 (ARPA) 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 of Lynnwood was allocated \$10.9 million in Coronavirus State and Local Fiscal Recovery Funds. Half of the funding was received in June 2021 with the other half expected twelve months later in 2022. The funds were distributed to the State of Washington and then allocated to other jurisdictions.

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 Council has taken action to identify over \$10 million in various City and Community programs and projects that are eligible to receive ARPA funding.

Note 6 – Subsequent Events

On May 10, 2023, the City issued \$16,450,000 in Limited Tax General Obligation Refunding Bonds to redeem the City's outstanding series 2012 bonds. Annual principal payments range from \$545,000 to \$1,520,000, with interest of 5%, paid semi-annually. The final principal and interest payment is scheduled for 2037. These bonds carry a Standard and Poor's rating of AA+. Net present value savings of \$930,100 was achieved through the refunding, or approximately 5%.

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, 2022

	Original 2021-2022 Biennial Budget	Final 2021-2022 Biennial Budget	2021 Actual	2022 Actual	Variance With Final Budget
Revenues					
Taxes:					
Property tax	\$ 8,800,000	\$ 8,800,000	\$ 4,265,407	\$ 4,474,288	\$ (60,305)
Sales tax	46,684,959	47,417,959	27,102,477	29,477,046	9,161,564
Business taxes	13,523,331	13,523,331	6,310,303	6,915,880	(297,148)
Other taxes	18,271	18,271	3,703	6,560	(8,008)
Total Taxes	69,026,561	69,759,561	37,681,890	40,873,774	8,796,103
Licenses and Permits:					
Business licenses	6,213,641	6,213,641	2,291,644	2,270,325	(1,651,672)
Franchise fees	930,342	930,342	433,158	314,670	(182,514)
Permits and fees	5,790,260	5,790,260	2,576,646	2,926,484	(287,130)
Total Licenses and Permits	12,934,243	12,934,243	5,301,448	5,511,479	(2,121,316)
Intergovernmental:					
Liquor Board taxes	1,109,030	1,109,030	601,426	572,145	64,541
Other	2,502,214	2,510,614	966,448	937,929	(606,237)
Total Intergovernmental	3,611,244	3,619,644	1,567,874	1,510,074	(541,696)
Charges for Services:					
Planning fees	3,106,116	3,106,116	1,406,538	1,033,372	(666,206)
Interfund	5,382,939	5,382,939	-	-	(5,382,939)
Recreation	4,765,741	4,765,741	1,507,112	2,227,962	(1,030,667)
Other	204,947	204,947	81,398	90,171	(33,378)
Total Charges for Services	13,459,743	13,459,743	2,995,048	3,351,505	(7,113,190)
Fines and Forfeitures:	9,642,017	9,642,017	4,895,690	5,817,008	1,070,681
Miscellaneous					
Investment interest	236,543	236,543	43,174	259,881	66,512
Rents and concessions	946,400	946,400	359,193	492,730	(94,477)
Other	397,433	397,433	149,683	155,451	(92,299)
Total Miscellaneous	1,580,376	1,580,376	552,050	908,062	(120,264)
Total Revenues	\$ 110,254,184	\$ 110,995,584	\$ 52,994,000	\$ 57,971,902	\$ (29,682)

(continued on next page)

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, 2022

(continued from prior page)

	Original 2021-2022 Biennial Budget	Final 2021-2022 Biennial Budget	2021 Actual	2022 Actual	Variance With Final Budget
Expenditures					
General Government					
Legislative/executive	\$ 2,283,059	\$ 2,308,120	\$ 1,034,964	\$ 1,362,738	\$ (89,582)
Administrative services	7,635,332	7,687,271	972,414	1,132,845	5,582,012
Information Technology	4,911,171	5,019,503	2,412,428	2,474,045	133,030
Legal	2,751,400	2,751,400	1,375,024	1,417,390	(41,014)
Human Resources	2,020,759	2,060,759	1,042,113	985,892	32,754
Property management	3,423,632	3,483,632	1,459,564	1,366,374	657,694
Total General Government	23,025,353	23,310,685	8,296,507	8,739,284	6,274,894
Economic Environment	12,148,073	12,148,073	4,776,441	5,439,095	1,932,537
Judicial	2,047,927	2,127,927	983,429	1,445,483	(300,985)
Culture & Recreation	15,666,562	16,055,459	6,562,606	7,796,824	1,696,029
Public Safety					
Police	42,940,675	43,047,675	19,591,661	22,840,452	615,562
Fire	1,927,489	1,927,489	956,423	954,850	16,216
Total Public Safety	44,868,164	44,975,164	20,548,084	23,795,302	631,778
Social Services	1,005,211	1,005,211	397,114	457,313	150,784
Transportation	2,793,485	2,793,485	1,481,140	1,729,776	(417,431)
Debt Service					
Principal	-	-	-	199,395	(199,395)
Interest	-	-	-	18,011	(18,011)
Total Debt Service	-	-	-	217,406	(217,406)
Capital Outlay	13,000	13,000	87,807	311,362	(386,169)
Total Expenditures	101,567,775	102,429,004	43,133,128	49,931,845	9,364,031
Other Financing Sources (Uses)					
Transfers In	402,883	402,883	-	-	(402,883)
Leases (lessee)	-	-	-	109,919	109,919
Transfers Out	(9,144,091)	(9,207,321)	(5,004,515)	(3,832,773)	370,033
Total Other Financing Sources (Uses)	(8,741,208)	(8,804,438)	(5,004,515)	(3,722,854)	77,069
Net Change in Fund Balance	\$ (54,799)	\$ (237,858)	\$ 4,856,357	\$ 4,317,203	\$ 9,411,418
Fund Balance - Beginning of Year			4,124,785	8,981,142	
Prior Period Adjustment				1,014,407	
Fund Balance - End of Year			\$ 8,981,142	\$ 14,312,752	

The General Fund, as presented for financial reporting purposes, includes the separately adopted budgets of the General Fund, Economic Development Fund and Revenue Stabilization Fund on the GAAP basis. This schedule presents the information for the legally adopted General 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
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 and Revenue Stabilization Fund on the GAAP basis. The funds listed below are consolidated into the General Fund for reporting purposes.

Revenues

	<u>2022</u>	<u>2021</u>
General Fund	57,971,902	52,994,000
Economic Development Fund	(293,397)	(100,327)
Revenue Stabilization Fund	-	-
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - general fund	<u><u>57,678,505</u></u>	<u><u>52,893,673</u></u>

Expenditures

	<u>2022</u>	<u>2021</u>
General Fund	49,931,845	43,133,128
Economic Development Fund	19,955	-
Revenue Stabilization Fund	-	-
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balance - general fund	<u><u>49,951,800</u></u>	<u><u>43,133,128</u></u>

Other Financing Sources (Uses)

	<u>2022</u>	<u>2021</u>
General Fund	(3,722,854)	(5,004,515)
Economic Development Fund	-	(1,125,000)
Revenue Stabilization Fund	-	1,129,967
Total other financing sources (uses) as reported on the statement of revenues, expenditures and changes in fund balance - general fund	<u><u>(3,722,854)</u></u>	<u><u>(4,999,548)</u></u>



City of Lynnwood, Washington
American Rescue Plan Act Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Biennium Ended December 31, 2022

	Original 2021-2022 Biennial Budget	Final 2021-2022 Biennial Budget	2021 Actual	2022 Actual	Variance With Final Budget
Revenues					
Intergovernmental	\$ -	\$ 10,936,804	\$ 415,572	\$ 538,146	\$ (9,983,086)
Total Revenues	<u>-</u>	<u>10,936,804</u>	<u>415,572</u>	<u>538,146</u>	<u>(9,983,086)</u>
Expenditures					
Current:					
General Government	-	10,936,804	68,797	19,644	10,848,363
Public Safety	-	-	-	325,119	(325,119)
Capital Outlay	<u>-</u>	<u>-</u>	<u>346,775</u>	<u>193,383</u>	<u>(540,158)</u>
Total Expenditures	<u>-</u>	<u>10,936,804</u>	<u>415,572</u>	<u>538,146</u>	<u>9,983,086</u>
Net Change in Fund Balances	-	-	-	-	-
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>\$ -</u>	<u>\$ -</u>

The American Rescue Plan Act Fund is budgeted as presented for financial purposes on the GAAP basis.

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

PERS 1

	<u>2022</u>	<u>2021</u>	<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	0.133176%	0.129742%	0.131507%	0.139755%	0.141150%	0.142394%	0.132475%	0.136623%
Employer's proportionate share of the net pension liability	\$ 3,708,109	\$ 1,584,453	\$ 4,642,907	\$ 5,374,076	\$ 6,303,807	\$ 6,756,706	\$ 7,114,531	\$ 7,146,653
Covered payroll	\$ 19,628,141	\$ 18,619,262	\$ 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	18.89%	8.51%	24.83%	26.89%	33.68%	39.17%	45.32%	45.91%
Plan fiduciary net position as a percentage of the total pension liability	76.56%	88.74%	68.64%	67.12%	63.22%	61.24%	57.03%	59.10%

PERS 2/3

	<u>2022</u>	<u>2021</u>	<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	0.162966%	0.155045%	0.158922%	0.167356%	0.171192%	0.173956%	0.160135%	0.166966%
Employer's proportionate share of the net pension liability (asset)	\$ (6,044,052)	\$ (15,444,977)	\$ 2,032,522	\$ 1,625,596	\$ 2,922,951	\$ 6,044,139	\$ 8,062,671	\$ 5,965,790
Covered payroll	\$ 19,551,594	\$ 18,545,101	\$ 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 (asset) as a percentage of covered payroll	-30.91%	-83.28%	10.91%	8.74%	16.45%	36.74%	54.02%	40.26%
Plan fiduciary net position as a percentage of the total pension liability	106.73%	120.29%	97.22%	97.77%	95.77%	90.97%	85.82%	89.20%

PSERS 2

	<u>2022</u>	<u>2021</u>	<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	0.163731%	0.177054%	0.192976%	0.267048%	0.227010%	0.218084%	0.209520%	0.231513%
Employer's proportionate share of the net pension liability (asset)	\$ (117,068)	\$ (406,762)	\$ (26,553)	\$ (34,727)	\$ 2,813	\$ 42,729	\$ 89,042	\$ 42,256
Covered payroll	\$ 1,065,381	\$ 1,200,206	\$ 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	-10.99%	-33.89%	-2.34%	-2.61%	0.32%	5.76%	13.11%	6.24%
Plan fiduciary net position as a percentage of the total pension liability	105.96%	123.67%	101.68%	101.85%	99.79%	96.26%	90.41%	95.08%

(continued)

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

	LEOFF 1							
	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension asset	0.100848%	0.099328%	0.099087%	0.099898%	0.099543%	0.097900%	0.096516%	0.095558%
Employer's proportionate share of the net pension asset	\$ 2,892,939	\$ 3,402,542	\$ 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	\$ 19,567,768	\$ 23,014,711	\$ 12,657,203	\$ 13,356,111	\$ 12,223,890	\$ 10,046,927	\$ 6,726,036	\$ 7,789,969
TOTAL	\$ 22,460,707	\$ 26,417,253	\$ 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%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension asset	169.62%	187.45%	146.88%	148.78%	144.42%	135.96%	123.74%	127.36%

	LEOFF 2							
	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension asset	0.220678%	0.222081%	0.229167%	0.243037%	0.294521%	0.486125%	0.433881%	0.456878%
Employer's proportionate share of the net pension asset	\$ 5,997,362	\$ 12,899,384	\$ 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	\$ 3,884,960	\$ 8,321,511	\$ 2,989,099	\$ 3,687,171	\$ 3,871,561	\$ 4,375,900	\$ 1,645,192	\$ 3,104,893
TOTAL	\$ 9,882,322	\$ 21,220,895	\$ 7,663,771	\$ 9,317,592	\$ 9,850,979	\$ 11,121,740	\$ 4,168,774	\$ 7,800,685
Employer's covered payroll	\$ 8,593,848	\$ 8,596,164	\$ 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	69.79%	150.06%	55.90%	63.79%	74.39%	50.36%	19.20%	-35.42%
Plan fiduciary net position as a percentage of the total pension asset	116.09%	142.00%	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, 2022

PERS 1

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 930,436	\$ 859,699	\$ 979,983	\$ 991,659	\$ 974,283	\$ 875,695	\$ 815,773	\$ 666,898
Contributions in relation to the contractually required contributions	<u>(930,436)</u>	<u>(859,699)</u>	<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>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 21,913,434	\$ 18,647,826	\$ 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	4.25%	4.61%	5.13%	4.96%	5.07%	4.91%	4.80%	4.41%

PERS 2/3

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 1,333,196	\$ 1,333,538	\$ 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>(1,333,196)</u>	<u>(1,333,538)</u>	<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>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 20,956,664	\$ 18,573,775	\$ 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	6.36%	7.18%	7.92%	7.63%	7.50%	6.82%	11.00%	10.00%

(continued)

City of Lynnwood, Washington
Schedule of Employer Contributions
 For the year ended December 31, 2022

PSERS 2

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 70,093	\$ 77,540	\$ 87,412	\$ 88,603	\$ 73,584	\$ 86,976	\$ 86,478	\$ 71,594
Contributions in relation to the contractually required contributions	<u>(70,093)</u>	<u>(77,540)</u>	<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>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,073,761	\$ 1,127,307	\$ 1,214,056	\$ 1,242,756	\$ 1,074,157	\$ 760,560	\$ 761,251	\$ 658,733
Contributions as a percentage of covered payroll	6.53%	6.88%	7.20%	7.13%	6.85%	11.44%	11.36%	10.87%

LEOFF 2

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily or contractually required contributions	\$ 486,012	\$ 422,246	\$ 458,033	\$ 459,958	\$ 417,061	\$ 684,235	\$ 719,240	\$ 641,223
Contributions in relation to the statutorily or contractually required contributions	<u>\$ (486,012)</u>	<u>\$ (422,246)</u>	<u>\$ (458,033)</u>	<u>\$ (459,958)</u>	<u>\$ (417,061)</u>	<u>\$ (684,235)</u>	<u>\$ (719,240)</u>	<u>\$ (641,223)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 9,492,406	\$ 8,221,098	\$ 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	5.12%	5.14%	5.15%	5.20%	5.25%	5.13%	5.05%	5.05%

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
Firefighter's Pension
For the year ended December 31, 2022

	<u>2022</u>	<u>2021</u>	<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	\$ 30,904	\$ 28,835	\$ 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	36,322	451,949	146,585	356,504	-	116,948	(38,717)	32,573	-
Changes of assumptions	-	(273,131)	(130,094)	(114,417)	(132,101)	104,541	-	194,582	-
Benefit payments	(90,841)	(117,566)	(76,327)	(95,102)	(95,103)	(96,468)	(94,313)	(70,585)	(73,119)
Net change in total pension liability	<u>(23,615)</u>	<u>90,087</u>	<u>(19,096)</u>	<u>197,950</u>	<u>(183,476)</u>	<u>173,162</u>	<u>(85,083)</u>	<u>198,002</u>	<u>23,074</u>
Total pension liability - beginning	<u>1,590,620</u>	<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>	<u>1,196,000</u>
Total pension liability - ending (a)	<u><u>1,567,005</u></u>	<u><u>1,590,620</u></u>	<u><u>1,500,533</u></u>	<u><u>1,519,629</u></u>	<u><u>1,321,679</u></u>	<u><u>1,505,155</u></u>	<u><u>1,331,993</u></u>	<u><u>1,417,076</u></u>	<u><u>1,219,074</u></u>
Plan fiduciary net position									
Contributions - employer	73,136	68,741	66,367	62,165	61,710	54,134	55,130	55,515	56,875
Net investment income	4,914	1,734	2,844	9,686	3,639	7,108	-	-	651
Benefit payments, including refunds of contributions	(90,841)	(117,566)	(76,327)	(95,102)	(95,103)	(96,468)	(94,313)	(70,585)	(73,119)
Administrative expense	(5,000)	(2,500)	(4,750)	(2,000)	(4,500)	(2,000)	(4,250)	-	(21,825)
Other	-	-	2,431	-	-	-	(59,479)	(90,652)	(45,326)
Net change in plan fiduciary net position	<u>(17,791)</u>	<u>(49,591)</u>	<u>(9,435)</u>	<u>(25,251)</u>	<u>(34,254)</u>	<u>(37,226)</u>	<u>(102,912)</u>	<u>(105,722)</u>	<u>(82,744)</u>
Plan fiduciary net position - beginning	<u>251,001</u>	<u>300,592</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>	<u>698,136</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 233,210</u></u>	<u><u>\$ 251,001</u></u>	<u><u>\$ 300,592</u></u>	<u><u>\$ 310,027</u></u>	<u><u>\$ 335,278</u></u>	<u><u>\$ 369,532</u></u>	<u><u>\$ 406,758</u></u>	<u><u>\$ 509,670</u></u>	<u><u>\$ 615,392</u></u>
Net pension liability ending (a) - (b)	<u><u>\$ 1,333,795</u></u>	<u><u>\$ 1,339,619</u></u>	<u><u>\$ 1,199,941</u></u>	<u><u>\$ 1,209,602</u></u>	<u><u>\$ 986,401</u></u>	<u><u>\$ 1,135,623</u></u>	<u><u>\$ 925,235</u></u>	<u><u>\$ 907,406</u></u>	<u><u>\$ 603,682</u></u>
Plan fiduciary net position as a % of total pension liability (b)/(a)	14.9%	15.8%	20.0%	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%	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
Firefighter's Pension
Last 10 Fiscal Years
For the year ended December 31, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially/statutorily/contractually determined contribution	\$ 133,682	\$ 135,657	\$ 116,323	\$ 105,216	\$ 105,216	\$ 77,442	\$ 77,442	\$ 43,999	\$ 43,999	\$ 51,946
Actual contribution in relation to the above *	73,136	68,741	66,367	62,165	60,146	54,134	(4,349)	(35,137)	(10,276)	(3,753)
Contribution deficiency (excess)	<u>\$ 60,546</u>	<u>\$ 66,916</u>	<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>
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, 2021

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 - 14 Years

Asset valuation method - Market Value

Inflation - 2.50%

Salary increases - 3.00%

Investment rate of return - 2.00%

Mortality - PRI-2012, using MP-2021 projection scale

* 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
Firefighter's Pension
Last 10 Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Annual money-weighted rate of return, net of investment expense	2.03%	0.63%	0.93%	3.00%	1.03%	1.83%	0.00%	0.00%	0.09%	0.14%

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

	June 30, ⁽²⁾				
	2022	2021	2020	2019	2018
Total OPEB liability - beginning	\$ 10,893,334	\$ 10,668,568	\$ 9,854,835	\$ 11,617,646	\$ 12,036,582
Interest	230,525	231,087	337,538	441,313	422,777
Differences between expected and actual experience					
Changes of assumptions	(890,472)	420,306	901,628	(1,771,614)	(383,326)
Benefit payments	(444,176)	(426,627)	(425,433)	(432,510)	(458,387)
Net change in total OPEB liability	(1,104,123)	224,766	813,733	(1,762,811)	(418,936)
Total OPEB liability - ending	<u>\$ 9,789,211</u>	<u>\$ 10,893,334</u>	<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	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.

SUPPLEMENTARY
FINANCIAL
INFORMATION



City of Lynnwood, Washington
Combining Balance Sheet
Nonmajor Governmental Funds - By Fund Type
December 31, 2022

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 4,905,010	\$ 1,134,071	\$ 2,178,511	\$ 8,217,592
Investments	6,305,775	-	4,319,577	10,625,352
Receivables:				
Accounts	1,389,337	-	2,228,772	3,618,109
Taxes	1,171,691	-	-	1,171,691
Intergovernmental	313,775	-	35,000	348,775
Leases	-	-	-	-
Restricted cash and cash equivalents	123,435	-	-	123,435
Total Assets	\$ 14,209,023	\$ 1,134,071	\$ 8,761,860	\$ 24,104,954
Liabilities, Deferred Inflows and Fund Balances				
Liabilities				
Accounts payable	\$ 232,422	\$ -	\$ 412,394	\$ 644,816
Accrued salaries and wages payable	35,747	-	-	35,747
Interfund payable	-	-	1,342,204	1,342,204
Unearned revenue	-	-	-	-
Other current liabilities payable	958	-	-	958
Total Liabilities	269,127	-	1,754,598	2,023,725
Deferred Inflows of Resources				
Deferred Inflows - Leases	-	-	-	-
Deferred Inflows - Grants	-	-	-	-
Deferred Inflows - Other	1,285,403	-	-	1,285,403
Total Deferred Inflows of Resources	1,285,403	-	-	1,285,403
Total Liabilities and Deferred Inflows of Resources	1,554,530	-	1,754,598	3,309,128
Fund Balances				
Restricted	11,774,066	1,134,071	5,183,014	18,091,151
Committed	880,427	-	1,824,248	2,704,675
Total Fund Balances	12,654,493	1,134,071	7,007,262	20,795,826
Total Liabilities, Deferred Inflows and Fund Balances	\$ 14,209,023	\$ 1,134,071	\$ 8,761,860	\$ 24,104,954



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, 2022

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ 6,586,285	\$ -	\$ 3,361,873	\$ 9,948,158
Intergovernmental	1,236,845	-	2,263,772	3,500,617
Charges for services	1,622,241	-	-	1,622,241
Licenses and permits	477,944	-	-	477,944
Fines and forfeitures	12,876	-	-	12,876
Investment interest	(191,640)	-	(201,920)	(393,560)
Miscellaneous	5,647	-	30,010	35,657
Total Revenues	9,750,198	-	5,453,735	15,203,933
Expenditures				
Current:				
General government	-	-	75,857	75,857
Economic environment	727,936	-	214,262	942,198
Public safety	294,234	-	-	294,234
Transportation	3,038,976	-	-	3,038,976
Culture and recreation	40,821	-	-	40,821
Utilities	30,437	-	-	30,437
Capital Outlay	114,354	-	2,048,586	2,162,940
Debt Service:				
Principal retirement	-	930,000	-	930,000
Interest and fiscal charges	-	2,825,067	-	2,825,067
Total Expenditures	4,246,758	3,755,067	2,338,705	10,340,530
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,503,440	(3,755,067)	3,115,030	4,863,403
Other Financing Sources (Uses)				
Proceeds from disposition of assets	576,125	-	-	576,125
Judgements and settlements	123,435	-	-	123,435
GO Bond Proceeds	-	-	-	-
Premium on GO Bonds	-	-	-	-
Debt issue costs	-	-	-	-
Transfers in	1,393,033	3,656,506	1,711,745	6,761,284
Transfers (out)	(11,372,532)	-	(3,531,174)	(14,903,706)
Total Other Financing Sources (Uses)	(9,279,939)	3,656,506	(1,819,429)	(7,442,862)
Net Change in Fund Balances	(3,776,499)	(98,561)	1,295,601	(2,579,459)
Fund Balances Beginning of Year	16,430,992	1,232,632	5,711,661	23,375,285
Fund Balances End of Year	\$ 12,654,493	\$ 1,134,071	\$ 7,007,262	\$ 20,795,826

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, 2022

	Original 2021-2022 Biennial Budget	Final 2021-2022 Biennial Budget	2021 Actual	2022 Actual	Variance With Final Budget
Revenues					
Intergovernmental	\$ 25,460,433	\$ 25,460,433	\$ 8,310,521	\$ 8,874,485	\$ (8,275,427)
Charges for services	-	-	-	412,376	412,376
Investment interest	-	-	2,520	(5,891)	(3,371)
Miscellaneous	-	-	36,950	1,661,579	1,698,529
Total Revenues	25,460,433	25,460,433	8,349,991	10,942,549	(6,167,893)
Expenditures					
Current:					
Transportation	11,365,000	11,365,000	2,637,113	1,899,665	6,828,222
Capital Outlay - Transportation	35,552,777	35,552,777	16,662,730	16,422,876	2,467,171
Total Expenditures	46,917,777	46,917,777	19,299,843	18,322,541	9,295,393
Excess (Deficiency) of Revenues Over (Under) Expenditures	(21,457,344)	(21,457,344)	(10,949,852)	(7,379,992)	3,127,500
Other Financing Sources (Uses)					
Transfers in	20,119,589	23,950,589	11,463,752	5,781,888	(6,704,949)
Net Changes in Fund Balances	(1,337,755)	2,493,245	513,900	(1,598,104)	(3,577,449)
Fund Balances Beginning of Year	1,337,755	2,531,361	2,531,361	3,045,261	-
Fund Balances End of Year	\$ -	\$ 5,024,606	\$ 3,045,261	\$ 1,447,157	\$ (3,577,449)

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, 2022

	Original 2021-2022 Biennial Budget	Final 2021-2022 Biennial Budget	2021 Actual	2022 Actual	Variance With Final Budget
Revenues					
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	600,000	600,000	94,011	787,350	281,361
Total Revenues	600,000	600,000	94,011	787,350	281,361
Expenditures					
Capital outlay - Public Safety	60,000,000	64,950,000	5,788,686	25,990,053	33,171,261
Total Expenditures	60,000,000	64,950,000	5,788,686	25,990,053	33,171,261
Excess (Deficiency) of Revenues Over (Under) Expenditures	(59,400,000)	(64,350,000)	(5,694,675)	(25,202,703)	33,452,622
Other Financing Sources (Uses)					
GO Bond Proceeds	60,000,000	65,000,000	49,315,000	8,905,000	(6,780,000)
Premium on GO Bonds	-	-	10,921,735	213,596	11,135,331
Discount on GO Bonds	-	-	-	(129,516)	(129,516)
Debt issue costs	-	-	(233,148)	(93,283)	(326,431)
Transfers in	1,308,000	1,308,000	1,308,000	-	-
Transfers out	-	(50,000)	(510,233)	-	(460,233)
Net Changes in Fund Balances	1,908,000	1,908,000	55,106,679	(16,306,906)	36,891,773
Fund Balances Beginning of Year	-	473,156	473,156	55,579,835	-
Fund Balances End of Year	\$ 1,908,000	\$ 2,381,156	\$ 55,579,835	\$ 39,272,929	\$ 36,891,773

City of Lynnwood, Washington
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2022

	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	\$ 271,665	\$ 159,174	\$ 660,064	\$ 495,227	\$ 21,227	\$ 41,185	\$ 171,316
Investments	540,277	110,632	1,312,712	984,889	-	81,907	340,707
Receivables:							
Accounts	-	-	23,243	-	80,691	-	-
Taxes	107,527	-	179,589	-	103,467	-	-
Intergovernmental	-	-	29,619	-	284,156	-	-
Total Assets	\$ 919,469	\$ 269,806	\$ 2,205,227	\$ 1,480,116	\$ 489,541	\$ 123,092	\$ 512,023
Liabilities and Fund Balances							
Liabilities							
Accounts payable	\$ 48,407	\$ -	\$ 2,557	\$ -	\$ 162,916	\$ -	\$ 275
Accrued salaries and wages payable	-	-	1,687	-	33,906	-	-
Other liabilities	-	-	-	-	958	-	-
Total Liabilities	48,407	-	4,244	-	197,780	-	275
Deferred Inflows of Resources							
Deferred Inflows of Resources - Grants	-	-	-	-	-	-	-
Deferred Inflows of Resources - Other	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
Total Liabilities and Deferred Inflows of Resources	48,407	-	4,244	-	197,780	-	275
Fund Balances							
Committed	-	-	-	-	-	-	511,748
Restricted	871,062	269,806	2,200,983	1,480,116	291,761	123,092	-
Total Fund Balances	871,062	269,806	2,200,983	1,480,116	291,761	123,092	511,748
Total Liabilities and Fund Balances	\$ 919,469	\$ 269,806	\$ 2,205,227	\$ 1,480,116	\$ 489,541	\$ 123,092	\$ 512,023

(continued)



City of Lynnwood, Washington
 Combining Balance Sheet
 Nonmajor Special Revenue Funds
 December 31, 2022

(continued)

	Cumulative Aid Car Reserve	Tree Fund Reserve	Paths and Trails	Solid Waste	Supportive Housing	Opioid Settlement	Park Impact Fee	Transportation Benefit District	Total Nonmajor Special Revenue Funds
Assets									
Cash and cash equivalents	\$ 17,033	\$ 368,155	\$ 8,852	\$ 95,006	\$ 154,028	\$ -	\$ 957,433	\$ 1,484,645	\$ 4,905,010
Investments	-	-	-	-	306,326	-	1,904,108	724,217	6,305,775
Receivables:									
Accounts	-	-	-	-	-	1,285,403	-	-	1,389,337
Taxes	-	-	-	-	47,795	-	-	733,313	1,171,691
Intergovernmental	-	-	-	-	-	-	-	-	313,775
Restricted cash and cash equivalents	-	-	-	-	-	123,435	-	-	123,435
Total Assets	\$ 17,033	\$ 368,155	\$ 8,852	\$ 95,006	\$ 508,149	\$ 1,408,838	\$ 2,861,541	\$ 2,942,175	\$ 14,209,023
Liabilities and Fund Balances									
Liabilities									
Accounts payable	\$ -	\$ 16,509	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,758	\$ 232,422
Accrued salaries and wages payable	-	-	-	133	-	-	-	21	35,747
Other liabilities	-	-	-	-	-	-	-	-	958
Total Liabilities	-	16,509	-	133	-	-	-	1,779	269,127
Deferred Inflows of Resources									
Deferred Inflows of Resources - Grants	-	-	-	-	-	-	-	-	-
Deferred Inflows of Resources - Other	-	-	-	-	-	1,285,403	-	-	1,285,403
Total Deferred Inflows of Resources	-	-	-	-	-	1,285,403	-	-	1,285,403
Total Liabilities and Deferred Inflows of Resources	-	16,509	-	133	-	1,285,403	-	1,779	1,554,530
Fund Balances									
Committed	17,033	351,646	-	-	-	-	-	-	880,427
Restricted	-	-	8,852	94,873	508,149	123,435	2,861,541	2,940,396	11,774,066
Total Fund Balances	17,033	351,646	8,852	94,873	508,149	123,435	2,861,541	2,940,396	12,654,493
Total Liabilities and Fund Balances	\$ 17,033	\$ 368,155	\$ 8,852	\$ 95,006	\$ 508,149	\$ 1,408,838	\$ 2,861,541	\$ 2,942,175	\$ 14,209,023

City of Lynnwood, Washington
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2022

	Lodging Tax	Drug Enforcement	Criminal Justice Reserve	Transportation Impact Fee	Street Operating	Cumulative Park Reserve and Development	Cumulative Art Reserve
Revenues							
Taxes	\$ 821,640	\$ -	\$ 938,078	\$ -	\$ -	\$ -	\$ -
Intergovernmental	7,500	-	175,769	-	1,050,108	-	-
Charges for services	-	-	17,853	1,161,588	-	-	-
Licenses and permits	-	-	-	-	327,542	-	-
Fines and forfeitures	-	12,876	-	-	-	-	-
Investment interest	-	(3,240)	(64,243)	(38,658)	1,852	(3,932)	(15,513)
Miscellaneous	(28,371)	-	12,593	-	5,051	1,374	-
Total Revenues	800,769	9,636	1,080,050	1,122,930	1,384,553	(2,558)	(15,513)
Expenditures							
Current:							
Public safety	-	36,579	257,655	-	-	-	-
Economic Development	727,936	-	-	-	-	-	-
Transportation	-	-	-	-	2,980,162	-	-
Culture and recreation	-	-	-	-	-	5,580	-
Utilities	-	-	-	-	-	-	-
Capital Outlay	-	-	24,308	-	62,447	-	27,599
Total Expenditures	727,936	36,579	281,963	-	3,042,609	5,580	27,599
Excess (Deficiency) of Revenues Over (Under) Expenditures	72,833	(26,943)	798,087	1,122,930	(1,658,056)	(8,138)	(43,112)
Other Financing Sources (Uses)							
Insurance and claims	-	-	-	-	-	-	-
Proceeds from disposition of assets	-	-	-	-	576,125	-	-
Transfers in	-	-	-	-	1,348,033	18,496	-
Transfers out	-	-	(499,996)	(950,000)	-	-	-
Total Other Financing Sources (Uses)	-	-	(499,996)	(950,000)	1,924,158	18,496	-
Net Change in Fund Balances	72,833	(26,943)	298,091	172,930	266,102	10,358	(43,112)
Fund Balances Beginning of Year	798,229	296,749	1,902,892	1,307,186	25,659	112,734	554,860
Fund Balances End of Year	\$ 871,062	\$ 269,806	\$ 2,200,983	\$ 1,480,116	\$ 291,761	\$ 123,092	\$ 511,748

(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, 2022

(continued)

	Cumulative Aid Car Reserve	Tree Fund Reserve	Solid Waste	Paths and Trails	Supportive Housing	Opioid Settlement	Park Impact Fee	Transportation Benefit District	Total Nonmajor Special Revenue Funds
Revenues									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 211,584	\$ -	\$ -	\$ 4,614,983	\$ 6,586,285
Intergovernmental	-	-	3,372	96	-	-	-	-	1,236,845
Charges for services	-	-	-	-	-	-	442,800	-	1,622,241
Licenses and permits	-	150,402	-	-	-	-	-	-	477,944
Fines and forfeitures	-	-	-	-	-	-	-	-	12,876
Investment interest	236	-	-	-	(21,576)	-	(6,978)	(39,588)	(191,640)
Miscellaneous	-	-	-	-	-	-	15,000	-	5,647
Total Revenues	<u>236</u>	<u>150,402</u>	<u>3,372</u>	<u>96</u>	<u>190,008</u>	<u>-</u>	<u>450,822</u>	<u>4,575,395</u>	<u>9,750,198</u>
Expenditures									
Current:									
Public safety	-	-	-	-	-	-	-	-	294,234
Economic Development	-	-	-	-	-	-	-	-	727,936
Transportation	-	-	-	-	-	-	-	58,814	3,038,976
Culture and recreation	-	35,241	-	-	-	-	-	-	40,821
Utilities	-	-	30,437	-	-	-	-	-	30,437
Capital Outlay	-	-	-	-	-	-	-	-	114,354
Total Expenditures	<u>-</u>	<u>35,241</u>	<u>30,437</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,814</u>	<u>4,246,758</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>236</u>	<u>115,161</u>	<u>(27,065)</u>	<u>96</u>	<u>190,008</u>	<u>-</u>	<u>450,822</u>	<u>4,516,581</u>	<u>5,503,440</u>
Other Financing Sources									
Insurance and claims	-	-	-	-	-	123,435	-	-	123,435
Proceeds from disposition of assets	-	-	-	-	-	-	-	-	576,125
Transfers in	-	-	26,504	-	-	-	-	-	1,393,033
Transfers out	-	-	-	-	-	-	(4,720,652)	(5,201,884)	(11,372,532)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>26,504</u>	<u>-</u>	<u>-</u>	<u>123,435</u>	<u>(4,720,652)</u>	<u>(5,201,884)</u>	<u>(9,279,939)</u>
Net Change in Fund Balances	<u>236</u>	<u>115,161</u>	<u>(561)</u>	<u>96</u>	<u>190,008</u>	<u>123,435</u>	<u>(4,269,830)</u>	<u>(685,303)</u>	<u>(3,776,499)</u>
Fund Balances Beginning of Year	<u>16,797</u>	<u>236,485</u>	<u>95,434</u>	<u>8,756</u>	<u>318,141</u>	<u>-</u>	<u>7,131,371</u>	<u>3,625,699</u>	<u>16,430,992</u>
Fund Balances End of Year	<u>\$ 17,033</u>	<u>\$ 351,646</u>	<u>\$ 94,873</u>	<u>\$ 8,852</u>	<u>\$ 508,149</u>	<u>\$ 123,435</u>	<u>\$ 2,861,541</u>	<u>\$ 2,940,396</u>	<u>\$ 12,654,493</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, 2022

	Original 2021-2022 Biennial Budget	Final 2021-2022 Biennial Budget	2021 Actual	2022 Actual	Variance With Final Budget
Revenues					
Taxes	\$ 1,160,000	\$ 1,160,000	\$ 548,550	\$ 821,640	\$ 210,190
Intergovernmental	1,719,189	-	-	7,500	7,500
Investment earnings	10,000	10,000	(10,045)	(28,371)	(48,416)
Total Revenues	2,889,189	1,170,000	538,505	800,769	169,274
Expenditures					
Current:					
Economic development	3,046,960	1,427,771	634,472	727,936	65,363
Total Expenditures	3,046,960	1,427,771	634,472	727,936	65,363
Excess (Deficiency) of Revenues Over (Under) Expenditures	(157,771)	(257,771)	(95,967)	72,833	234,637
Net Change in Fund Balances	(157,771)	(257,771)	(95,967)	72,833	234,637
Fund Balances Beginning of Year	829,670	894,196	894,196	798,229	-
Fund Balances End of Year	\$ 671,899	\$ 636,425	\$ 798,229	\$ 871,062	\$ 234,637



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, 2022

	Original 2021-2022 Biennial Budget	Final 2021-2022 Biennial Budget	2021 Actual	2022 Actual	Variance With Final Budget
Revenues					
Intergovernmental revenue	\$ 205,000	\$ 205,000	\$ 1,170	\$ -	\$ (203,830)
Fines and forfeitures	95,000	95,000	4,619	12,876	(77,505)
Investment interest	2,000	2,000	(1,302)	(3,240)	(6,542)
Total Revenues	302,000	302,000	4,487	9,636	(287,877)
Expenditures					
Current:					
Public Safety	200,000	200,000	-	36,579	163,421
Capital Outlay			-	-	-
Total Expenditures	200,000	200,000	-	36,579	163,421
Net Change in Fund Balances	102,000	102,000	4,487	(26,943)	(124,456)
Fund Balances Beginning of Year	251,255	292,263	292,262	296,749	(1)
Fund Balances End of Year	\$ 353,255	\$ 394,263	\$ 296,749	\$ 269,806	\$ (124,457)



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, 2022

	Original 2021-2022 Biennial Budget	Final 2021-2022 Biennial Budget	2021 Actual	2022 Actual	Variance With Final Budget
Revenues					
Taxes	\$ 1,450,000	\$ 1,450,000	\$ 911,176	\$ 938,078	\$ 399,254
Intergovernmental	164,901	326,901	246,620	175,769	95,488
Charges for services	314,840	314,840	120,089	17,853	(176,898)
Investment income	75,000	75,000	(21,652)	(64,243)	(160,895)
Miscellaneous	5,000	5,000	4,321	12,593	11,914
Total Revenues	2,009,741	2,171,741	1,260,554	1,080,050	168,863
Expenditures					
Current:					
Public safety	1,044,168	1,206,168	347,153	257,655	601,360
Capital Outlay	500,000	500,000	5,000	24,308	470,692
Total Expenditures	1,544,168	1,706,168	352,153	281,963	1,072,052
Excess (Deficiency) of Revenues Over (Under) Expenditures	465,573	465,573	908,401	798,087	1,240,915
Other Financing Sources (Uses)					
Transfers (out)	(2,308,000)	(2,308,000)	(1,808,004)	(499,996)	-
Net Change in Fund Balance	(1,842,427)	(1,842,427)	(899,603)	298,091	1,240,915
Fund Balances Beginning of Year	2,082,154	2,802,494	2,802,495	1,902,892	1
Fund Balances End of Year	\$ 239,727	\$ 960,067	\$ 1,902,892	\$ 2,200,983	\$ 1,240,916



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, 2022

	Original 2021-2022 Biennial Budget	Final 2021-2022 Biennial Budget	2021 Actual	2022 Actual	Variance With Final Budget
Revenues					
Charges for services	\$ 1,015,000	\$ 1,015,000	\$ 1,386,737	\$ 1,161,588	\$ 1,533,325
Investment interest	25,000	25,000	(18,444)	(38,658)	(82,102)
Miscellaneous			-	-	-
Total Revenues	<u>1,040,000</u>	<u>1,040,000</u>	<u>1,368,293</u>	<u>1,122,930</u>	<u>1,451,223</u>
Other Financing Sources (Uses)					
Transfers out	<u>(2,370,000)</u>	<u>(3,320,000)</u>	<u>(2,370,000)</u>	<u>(950,000)</u>	<u>-</u>
Net Change in Fund Balances	(1,330,000)	(2,280,000)	(1,001,707)	172,930	1,451,223
Fund Balances Beginning of Year	<u>2,344,714</u>	<u>2,308,893</u>	<u>2,308,893</u>	<u>1,307,186</u>	<u>-</u>
Fund Balances End of Year	<u>\$ 1,014,714</u>	<u>\$ 28,893</u>	<u>\$ 1,307,186</u>	<u>\$ 1,480,116</u>	<u>\$ 1,451,223</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, 2022

	Original 2021-2022 Biennial Budget	Final 2021-2022 Biennial Budget	2021 Actual	2022 Actual	Variance With Final Budget
Revenues					
Licenses and permits	\$ 300,000	\$ 300,000	\$ 27,338	\$ 327,542	\$ 54,880
Intergovernmental	1,890,123	2,203,023	821,529	1,050,108	(331,386)
Investment interest	1,000	1,000	-	1,852	852
Miscellaneous	-	-	56,845	5,051	61,896
Total Revenues	2,191,123	2,504,023	905,712	1,384,553	(213,758)
Expenditures					
Current:					
Transportation	5,209,042	5,621,942	2,554,698	2,980,162	87,082
Capital Outlay	-	-	21,710	62,447	(84,157)
Total Expenditures	5,209,042	5,621,942	2,576,408	3,042,609	2,925
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,017,919)	(3,117,919)	(1,670,696)	(1,658,056)	(210,833)
Other Financing Sources (Uses)					
Transfers in	2,801,065	2,801,065	1,453,032	1,348,033	-
Proceeds from the disposition of capital assets	-	100,000	-	576,125	476,125
Other Financing Sources (Uses)	2,801,065	2,901,065	1,453,032	1,924,158	476,125
Net Change in Fund Balances	(216,854)	(216,854)	(217,664)	266,102	265,292
Fund Balances Beginning of Year	357,021	243,324	243,323	25,659	(1)
Fund Balances End of Year	\$ 140,167	\$ 26,470	\$ 25,659	\$ 291,761	\$ 265,291



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, 2022

	Original 2021-2022 Biennial Budget	Final 2021-2022 Biennial Budget	2021 Actual	2022 Actual	Variance With Final Budget
Revenues					
Investment interest	\$ 2,500	\$ 2,500	\$ (1,119)	\$ (3,932)	\$ (7,551)
Miscellaneous	20,000	20,000	10,479	1,374	(8,147)
Total Revenues	<u>22,500</u>	<u>22,500</u>	<u>9,360</u>	<u>(2,558)</u>	<u>(15,698)</u>
Expenditures					
Current:					
Culture and Recreation	63,000	63,000	3,086	5,580	54,334
Total Expenditures	<u>63,000</u>	<u>63,000</u>	<u>3,086</u>	<u>5,580</u>	<u>54,334</u>
Other Financing Sources (Uses)					
Transfers in	37,000	37,000	18,504	18,496	-
Other Financing Sources (Uses)	<u>37,000</u>	<u>37,000</u>	<u>18,504</u>	<u>18,496</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,500)	(3,500)	24,778	10,358	38,636
Fund Balances Beginning of Year	<u>77,239</u>	<u>87,956</u>	<u>87,956</u>	<u>112,734</u>	<u>-</u>
Fund Balances End of Year	<u>\$ 73,739</u>	<u>\$ 84,456</u>	<u>\$ 112,734</u>	<u>\$ 123,092</u>	<u>\$ 38,636</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, 2022

	Original 2021-2022 Biennial Budget	Final 2021-2022 Biennial Budget	2021 Actual	2022 Actual	Variance With Final Budget
Revenues					
Investment interest	\$ 2,000	\$ 2,000	\$ (5,887)	\$ (15,513)	\$ (23,400)
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>(5,887)</u>	<u>(15,513)</u>	<u>(23,400)</u>
Expenditures					
Current:					
Culture and Recreation	15,000	15,000	-	-	15,000
Capital Outlay	15,000	15,000	-	27,599	(12,599)
Total Expenditures	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>27,599</u>	<u>2,401</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(28,000)</u>	<u>(28,000)</u>	<u>(5,887)</u>	<u>(43,112)</u>	<u>(20,999)</u>
Other Financing Sources (Uses)					
Transfers in	50,000	50,000	510,233	-	460,233
Net Change in Fund Balances	22,000	22,000	504,346	(43,112)	439,234
Fund Balances Beginning of Year	<u>50,478</u>	<u>50,515</u>	<u>50,514</u>	<u>554,860</u>	<u>(1)</u>
Fund Balances End of Year	<u>\$ 72,478</u>	<u>\$ 72,515</u>	<u>\$ 554,860</u>	<u>\$ 511,748</u>	<u>\$ 439,233</u>



City of Lynnwood, Washington
Cumulative Aid Car Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Biennium Ended December 31, 2022

	Original 2021-2022 Biennial Budget	Final 2021-2022 Biennial Budget	2021 Actual	2022 Actual	Variance With Final Budget
Revenues					
Investment interest	\$ -	\$ -	\$ (176)	\$ 236	\$ 60
Total Revenues	<u>-</u>	<u>-</u>	<u>(176)</u>	<u>236</u>	<u>60</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	(176)	236	60
Fund Balances Beginning of Year	<u>-</u>	<u>-</u>	<u>16,973</u>	<u>16,797</u>	<u>16,973</u>
Fund Balances End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,797</u>	<u>\$ 17,033</u>	<u>\$ 17,033</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, 2022

	Original 2021-2022 Biennial Budget	Final 2021-2022 Biennial Budget	2021 Actual	2022 Actual	Variance With Final Budget
Revenues					
Licenses and Permits	\$ 50,000	\$ 50,000	\$ 72,749	\$ 150,402	\$ 173,151
Total Revenues	<u>50,000</u>	<u>50,000</u>	<u>72,749</u>	<u>150,402</u>	<u>173,151</u>
Expenditures					
Current:					
Culture and Recreation	45,000	105,000	69,432	35,241	327
Total Expenditures	<u>45,000</u>	<u>105,000</u>	<u>69,432</u>	<u>35,241</u>	<u>327</u>
Net Change in Fund Balances	5,000	(55,000)	3,317	115,161	173,478
Fund Balances Beginning of Year	<u>277,816</u>	<u>233,168</u>	<u>233,168</u>	<u>236,485</u>	<u>-</u>
Fund Balances End of Year	<u>\$ 282,816</u>	<u>\$ 178,168</u>	<u>\$ 236,485</u>	<u>\$ 351,646</u>	<u>\$ 173,478</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, 2022

	Original 2021-2022 Biennial Budget	Final 2021-2022 Biennial Budget	2021 Actual	2022 Actual	Variance With Final Budget
Revenues					
Intergovernmental			\$ (132)	\$ 96	\$ (36)
Total Revenues	-	-	(132)	96	(36)
Expenditures					
Current:					
Culture and recreation			-	-	-
Total Expenditures	-	-	-	-	-
Net Change in Fund Balances	-	-	(132)	96	(36)
Fund Balances Beginning of Year	-	-	8,888	8,756	8,888
Fund Balances End of Year	\$ -	\$ -	\$ 8,756	\$ 8,852	\$ 8,852



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, 2022

	Original 2021-2022 Biennial Budget	Final 2021-2022 Biennial Budget	2021 Actual	2022 Actual	Variance With Final Budget
Revenues					
Intergovernmental	\$ 24,276	\$ 24,276	\$ 8,570	\$ 3,372	\$ (12,334)
Total Revenues	<u>24,276</u>	<u>24,276</u>	<u>8,570</u>	<u>3,372</u>	<u>(12,334)</u>
Expenditures					
Current:					
Utilities	<u>77,276</u>	<u>77,276</u>	<u>27,202</u>	<u>30,437</u>	<u>19,637</u>
Total Expenditures	<u>77,276</u>	<u>77,276</u>	<u>27,202</u>	<u>30,437</u>	<u>19,637</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(53,000)	(53,000)	(18,632)	(27,065)	7,303
Other Financing Sources (Uses)					
Transfers in	<u>53,000</u>	<u>53,000</u>	<u>26,496</u>	<u>26,504</u>	<u>-</u>
Net Change in Fund Balances	-	-	7,864	(561)	7,303
Fund Balances Beginning of Year	<u>84,482</u>	<u>87,569</u>	<u>87,570</u>	<u>95,434</u>	<u>1</u>
Fund Balances End of Year	<u>\$ 84,482</u>	<u>\$ 87,569</u>	<u>\$ 95,434</u>	<u>\$ 94,873</u>	<u>\$ 7,304</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, 2022

	Original 2021-2022 Biennial Budget	Final 2021-2022 Biennial Budget	2021 Actual	2022 Actual	Variance With Final Budget
Revenues					
Taxes	\$ 400,000	\$ 400,000	\$ 232,925	\$ 211,584	\$ 44,509
Investment interest	1,200	1,200	(2,077)	(21,576)	(24,853)
Total Revenues	<u>401,200</u>	<u>401,200</u>	<u>230,848</u>	<u>190,008</u>	<u>19,656</u>
Net Change in Fund Balances	401,200	401,200	230,848	190,008	19,656
Fund Balances Beginning of Year	<u>250</u>	<u>87,293</u>	<u>87,293</u>	<u>318,141</u>	<u>-</u>
Fund Balances End of Year	<u>\$ 401,450</u>	<u>\$ 488,493</u>	<u>\$ 318,141</u>	<u>\$ 508,149</u>	<u>\$ 19,656</u>



City of Lynnwood, Washington
Opioid Settlement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Biennium Ended December 31, 2022

	Original 2021-2022 Biennial Budget	Final 2021-2022 Biennial Budget	2021 Actual	2022 Actual	Variance With Final Budget
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	123,435	123,435
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>123,435</u>	<u>123,435</u>
Net Change in Fund Balances	-	-	-	123,435	123,435
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></u>	<u><u>\$ -</u></u>	<u><u>\$ 123,435</u></u>	<u><u>\$ 123,435</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, 2022

	Original 2021-2022 Biennial Budget	Final 2021-2022 Biennial Budget	2021 Actual	2022 Actual	Variance With Final Budget
Revenues					
Charges for services	\$ 5,000,000	\$ 5,000,000	\$ 5,056,092	\$ 442,800	\$ 498,892
Investment interest	8,800	8,800	(34,438)	(6,978)	(50,216)
Miscellaneous	15,000	15,000	8,000	15,000	8,000
Total Revenues	<u>5,023,800</u>	<u>5,023,800</u>	<u>5,029,654</u>	<u>450,822</u>	<u>456,676</u>
Other Financing Sources (Uses)					
Transfers (out)	<u>(5,900,000)</u>	<u>(5,900,000)</u>	<u>(329,301)</u>	<u>(4,720,652)</u>	<u>850,047</u>
Net Change in Fund Balances	(876,200)	(876,200)	4,700,353	(4,269,830)	1,306,723
Fund Balances Beginning of Year	<u>2,450,353</u>	<u>2,431,018</u>	<u>2,431,018</u>	<u>7,131,371</u>	<u>-</u>
Fund Balances End of Year	<u>\$ 1,574,153</u>	<u>\$ 1,554,818</u>	<u>\$ 7,131,371</u>	<u>\$ 2,861,541</u>	<u>\$ 1,306,723</u>

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, 2022

	Original 2021-2022 Biennial Budget	Final 2021-2022 Biennial Budget	2021 Actual	2022 Actual	Variance With Modified Budget
Revenues					
Taxes	\$ 5,340,000	\$ 7,655,000	\$ 4,271,702	\$ 4,614,983	\$ (3,040,017)
Investment earnings	25,000	25,000	(5,899)	(39,588)	(64,588)
Total Revenues	<u>5,365,000</u>	<u>7,680,000</u>	<u>4,265,803</u>	<u>4,575,395</u>	<u>(3,104,605)</u>
Expenditures					
Current:					
Transportation	1,357,479	1,357,479	28,224	58,814	(1,298,665)
Total Expenditures	<u>1,357,479</u>	<u>1,357,479</u>	<u>28,224</u>	<u>58,814</u>	<u>(1,298,665)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,007,521	6,322,521	4,237,579	4,516,581	(1,805,940)
Other Financing Sources (Uses)					
Transfers out	<u>(7,668,985)</u>	<u>(10,549,985)</u>	<u>(5,226,197)</u>	<u>(5,201,884)</u>	5,348,101
Net Changes in Fund Balances	(3,661,464)	(4,227,464)	(988,618)	(685,303)	3,542,161
Fund Balances Beginning of Year	<u>4,188,817</u>	<u>4,614,317</u>	<u>4,614,317</u>	<u>3,625,699</u>	<u>(988,618)</u>
Fund Balances End of Year	<u><u>\$ 527,353</u></u>	<u><u>\$ 386,853</u></u>	<u><u>\$ 3,625,699</u></u>	<u><u>\$ 2,940,396</u></u>	<u><u>\$ 2,553,543</u></u>
			\$ -	\$ -	\$ -



City of Lynnwood, Washington
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2022

	2021 GO Bonds	Recreation Center 2012 LTGO Bonds	Total Nonmajor Debt Service Funds
Assets			
Cash and cash equivalents	\$ 1,021,568	\$ 112,503	\$ 1,134,071
Total Assets	<u>\$ 1,021,568</u>	<u>\$ 112,503</u>	<u>\$ 1,134,071</u>
Fund Balances			
Restricted	1,021,568	112,503	1,134,071
Total Fund Balances	1,021,568	112,503	1,134,071
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 1,021,568</u>	<u>\$ 112,503</u>	<u>\$ 1,134,071</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, 2022

	2021 GO Bonds	Recreation Center 2012 LTGO Bonds	Total Nonmajor Debt Service Funds
Total Revenues	-	-	-
Debt Service:			
Principal retirement	-	930,000	930,000
Interest and fiscal charges	2,099,254	725,813	2,825,067
Total Expenditures	2,099,254	1,655,813	3,755,067
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,099,254)	(1,655,813)	(3,755,067)
Other Financing Sources (Uses)			
Transfers in	1,999,996	1,656,510	3,656,506
Total Other Financing Sources (Uses)	1,999,996	1,656,510	3,656,506
Net Change in Fund Balances	(99,258)	697	(98,561)
Fund Balances Beginning of Year	1,120,826	111,806	1,232,632
Fund Balances End of Year	\$ 1,021,568	\$ 112,503	\$ 1,134,071

City of Lynnwood, Washington
General Government Debt Service
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Biennium Ended December 31, 2022

	Original 2021-2022 Biennial Budget	Final 2021-2022 Biennial Budget	2021 Actual	2022 Actual	Variance With Final Budget
Expenditures					
Debt Service:					
Interest	3,997,354	3,997,354	879,178	2,099,254	1,018,922
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,997,354)	(3,997,354)	(879,178)	(2,099,254)	1,018,922
Other Financing Sources (Uses)					
Transfers in	4,000,000	4,000,000	2,000,004	1,999,996	-
Net Changes in Fund Balances	2,646	2,646	1,120,826	(99,258)	1,018,922
Fund Balances Beginning of Year	-	-	-	1,120,826	-
Fund Balances End of Year	\$ 2,646	\$ 2,646	\$ 1,120,826	\$ 1,021,568	\$ 1,018,922



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, 2022

	Original 2021-2022 Biennial Budget	Final 2021-2022 Biennial Budget	2021 Actual	2022 Actual	Variance With Final Budget
Expenditures					
Debt Service:					
Principal	\$ 1,825,000	\$ 1,825,000	\$ 895,000	\$ 930,000	\$ -
Interest	1,487,425	1,487,425	761,612	725,813	-
Miscellaneous	1,200	1,200	-	-	1,200
Total Expenditures	3,313,625	3,313,625	1,656,612	1,655,813	1,200
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,313,625)	(3,313,625)	(1,656,612)	(1,655,813)	1,200
Other Financing Sources (Uses)					
Transfers in	3,313,026	3,313,026	1,656,516	1,656,510	-
Net Changes in Fund Balances	(599)	(599)	(96)	697	1,200
Fund Balances Beginning of Year	111,901	111,901	111,902	111,806	1
Fund Balances End of Year	\$ 111,302	\$ 111,302	\$ 111,806	\$ 112,503	\$ 1,201

City of Lynnwood, Washington
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2022

	Other General Capital	Facilities Capital	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	\$ 125,316	\$ -	\$ 707,129	\$ 863,962	\$ 6,519	\$ 475,585	\$ 2,178,511
Investments	249,223	-	1,406,312	1,718,216	-	945,826	4,319,577
Receivables:							
Accounts	-	2,228,772	-	-	-	-	2,228,772
Intergovernmental	35,000	-	-	-	-	-	35,000
Leases	-	-	-	-	-	-	-
Total Assets	\$ 409,539	\$ 2,228,772	\$ 2,113,441	\$ 2,582,178	\$ 6,519	\$ 1,421,411	\$ 8,761,860
Liabilities							
Accounts payable	\$ 13,221	\$ 399,173	\$ -	\$ -	\$ -	\$ -	\$ 412,394
Interfund payable	-	1,342,204	-	-	-	-	1,342,204
Total Liabilities	13,221	1,741,377	-	-	-	-	1,754,598
Deferred Inflows of Resources							
Deferred Inflows of Resources - Leases	-	-	-	-	-	-	-
Deferred Inflows of Resources - Grants	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-	-	-
Total Liabilities and Deferred Inflows of Resources	13,221	1,741,377	-	-	-	-	1,754,598
Fund Balances							
Committed	396,318	-	-	-	6,519	1,421,411	1,824,248
Restricted	-	487,395	2,113,441	2,582,178	-	-	5,183,014
Total Fund Balances	396,318	487,395	2,113,441	2,582,178	6,519	1,421,411	7,007,262
Total Liabilities and Fund Balances	\$ 409,539	\$ 2,228,772	\$ 2,113,441	\$ 2,582,178	\$ 6,519	\$ 1,421,411	\$ 8,761,860

City of Lynnwood, Washington
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2022

	Other General Capital	Facilities Capital	Real Estate Excise Taxes 2	Real Estate Excise Taxes 1	Hardware Software Upgrade	Capital Development Plan	Total Nonmajor Capital Projects Funds
Revenues							
Taxes	\$ -	\$ -	\$ 1,680,936	\$ 1,680,937	\$ -	\$ -	\$ 3,361,873
Intergovernmental	35,000	2,228,772	-	-	-	-	2,263,772
Investment interest	(17,965)	5,524	(69,395)	(82,753)	-	(37,331)	(201,920)
Contributions	-	30,010	-	-	-	-	30,010
Total Revenues	17,035	2,264,306	1,611,541	1,598,184	-	(37,331)	5,453,735
Expenditures							
<i>Current:</i>							
General government	-	75,857	-	-	-	-	75,857
Economic environment	214,262	-	-	-	-	-	214,262
Culture and recreation	-	-	-	-	-	-	-
Capital Outlay	-	2,048,586	-	-	-	-	2,048,586
Total Expenditures	214,262	2,124,443	-	-	-	-	2,338,705
Excess (Deficiency) of Revenues Over (Under) Expenditures	(197,227)	139,863	1,611,541	1,598,184	-	(37,331)	3,115,030
Other Financing Sources (Uses)							
GO Bond Proceeds	-	-	-	-	-	-	-
Premium on GO Bonds	-	-	-	-	-	-	-
Debt issue costs	-	-	-	-	-	-	-
Transfers in	520,459	91,290	-	-	-	1,099,996	1,711,745
Transfers (out)	-	-	(997,163)	(1,468,142)	-	(1,065,869)	(3,531,174)
Other Financing Sources (Uses)	520,459	91,290	(997,163)	(1,468,142)	-	34,127	(1,819,429)
Net Change in Fund Balance	323,232	231,153	614,378	130,042	-	(3,204)	1,295,601
Fund Balances Beginning of Fiscal Year	73,086	256,242	1,499,063	2,452,136	6,519	1,424,615	5,711,661
Fund Balances End of Fiscal Year	\$ 396,318	\$ 487,395	\$ 2,113,441	\$ 2,582,178	\$ 6,519	\$ 1,421,411	\$ 7,007,262

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, 2022

	Original 2021-2022 Biennial Budget	Final 2021-2022 Biennial Budget	2021 Actual	2022 Actual	Variance With Final Budget
Revenues					
Investment interest	\$ -	\$ -	\$ (765)	\$ (17,965)	\$ (18,730)
Total Revenues	<u>-</u>	<u>-</u>	<u>(765)</u>	<u>17,035</u>	<u>16,270</u>
Expenditures					
Current:					
Economic Environment	\$ 4,975,000	\$ 4,975,000	\$ 103,791	\$ 214,262	\$ 4,656,947
Capital Outlay - Economic Environment	250,000	250,000	155,617	-	94,383
Total Expenditures	<u>5,225,000</u>	<u>5,225,000</u>	<u>259,408</u>	<u>214,262</u>	<u>4,751,330</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,225,000)	(5,225,000)	(260,173)	(197,227)	4,767,600
Other Financing Sources (Uses)					
Transfers in	4,993,242	5,243,242	306,635	520,459	(4,416,148)
	<u>4,993,242</u>	<u>5,243,242</u>	<u>306,635</u>	<u>520,459</u>	<u>(4,416,148)</u>
Fund Balances End of Year					
Net Changes in Fund Balances	(231,758)	18,242	46,462	323,232	351,452
Fund Balances Beginning of Year	<u>231,758</u>	<u>26,624</u>	<u>26,624</u>	<u>73,086</u>	<u>-</u>
Fund Balances End of Year	<u>\$ -</u>	<u>\$ 44,866</u>	<u>\$ 73,086</u>	<u>\$ 396,318</u>	<u>\$ 351,452</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, 2022

	Original 2021-2022 Biennial Budget	Final 2021-2022 Biennial Budget	2021 Actual	2022 Actual	Variance With Final Budget
Revenues					
Intergovernmental	\$ -	\$ 3,000,000	\$ -	\$ 2,228,772	\$ (771,228)
Investment earnings	-	-	(6,669)	5,524	(1,145)
Miscellaneous	-	-	-	30,010	30,010
Total Revenues	-	3,000,000	(6,669)	2,264,306	(742,363)
Expenditures					
Current:					
General Government	\$ 100,000	\$ 163,230	\$ 252,563	\$ 75,857	\$ (165,190)
Capital outlay - General Government	1,245,629	4,245,629	804,664	2,048,586	1,392,379
Total Expenditures	1,345,629	4,408,859	1,057,227	2,124,443	1,227,189
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,345,629)	(1,408,859)	(1,063,896)	139,863	484,826
Other Financing Sources (Uses)					
Transfers in	182,568	245,798	128,074	91,290	(26,434)
Net Changes in Fund Balances	(1,163,061)	(1,163,061)	(935,822)	231,153	458,392
Fund Balances Beginning of Year	1,163,703	1,192,064	1,192,064	256,242	-
Fund Balances End of Year	\$ 642	\$ 29,003	\$ 256,242	\$ 487,395	\$ 458,392



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, 2022

	Original 2021-2022 Biennial Budget	Final 2021-2022 Biennial Budget	2021 Actual	2022 Actual	Variance With Final Budget
Revenues					
Intergovernmental	\$ 10,297,700	\$ 10,297,700	\$ 661,957	\$ 3,043,174	\$ (6,592,569)
Investment earnings	-	-	(3,067)	(3,279)	(6,346)
Rent and leases	-	-	-	60,518	60,518
Contributions and other	-	300,000	296,490	287,050	283,540
Total Revenues	10,297,700	10,597,700	955,380	3,387,463	(6,254,857)
Expenditures					
Current:					
Culture and Recreation	644,697	944,697	227,249	565,140	152,308
Capital Outlay - Capital and Recreation	18,472,406	18,472,406	2,543,859	11,799,152	4,129,395
Total Expenditures	19,117,103	19,417,103	2,771,108	12,364,292	4,281,703
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,819,403)	(8,819,403)	(1,815,728)	(8,976,829)	(1,973,154)
Other Financing Sources (Uses)					
GO Bond Proceeds	-	-	-	3,830,000	3,830,000
Premium on GO Bonds	-	-	-	212,227	212,227
Debt issue costs	-	-	-	(40,022)	(40,022)
Transfers in	8,599,776	8,599,776	1,348,187	6,193,307	(1,058,282)
Transfers out	-	-	-	-	-
Net Changes in Fund Balances	(219,627)	(219,627)	(467,541)	1,218,683	970,769
Fund Balances Beginning of Year	219,627	597,636	597,636	130,095	-
Fund Balances End of Year	\$ -	\$ 378,009	\$ 130,095	\$ 1,348,778	\$ 970,769



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, 2022

	Original 2021-2022 Biennial Budget	Final 2021-2022 Biennial Budget	2021 Actual	2022 Actual	Variance With Final Budget
Revenues					
Taxes	\$ 1,600,000	\$ 1,600,000	\$ 1,288,154	\$ 1,680,936	\$ 1,369,090
Investment interest	70,000	70,000	(16,367)	(69,395)	(155,762)
Total Revenues	<u>1,670,000</u>	<u>1,670,000</u>	<u>1,271,787</u>	<u>1,611,541</u>	<u>1,213,328</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,670,000	1,670,000	1,271,787	1,611,541	1,213,328
Other Financing Sources (Uses)					
Transfers out	<u>(5,233,495)</u>	<u>(5,233,495)</u>	<u>(3,588,960)</u>	<u>(997,163)</u>	<u>647,372</u>
Net Changes in Fund Balances	(3,563,495)	(3,563,495)	(2,317,173)	614,378	1,860,700
Fund Balances Beginning of Year	<u>3,575,598</u>	<u>3,816,236</u>	<u>3,816,236</u>	<u>1,499,063</u>	<u>(2,317,173)</u>
Fund Balances End of Year	<u>\$ 12,103</u>	<u>\$ 252,741</u>	<u>\$ 1,499,063</u>	<u>\$ 2,113,441</u>	<u>\$ 1,860,700</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, 2022

	Original 2021-2022 Biennial Budget	Final 2021-2022 Biennial Budget	2021 Actual	2022 Actual	Variance With Final Budget
Revenues					
Taxes	\$ 1,600,000	\$ 1,600,000	\$ 1,288,154	\$ 1,680,937	\$ 1,369,091
Investment Earnings	50,000	50,000	(25,023)	(82,753)	(157,776)
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,650,000	1,650,000	1,263,131	1,598,184	1,211,315
Other Financing Sources (Uses)					
Transfers out	(3,883,102)	(3,883,102)	(1,500,000)	(1,468,142)	914,960
Net Changes in Fund Balances	(2,233,102)	(2,233,102)	(236,869)	130,042	2,126,275
Fund Balances - Beginning	2,396,093	2,689,005	2,689,005	2,452,136	-
Fund Balances - Ending	<u>\$ 162,991</u>	<u>\$ 455,903</u>	<u>\$ 2,452,136</u>	<u>\$ 2,582,178</u>	<u>\$ 2,126,275</u>



City of Lynnwood, Washington
Hardware/Software Upgrade Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Biennium Ended December 31, 2022

	Original 2021-2022 Biennial Budget	Final 2021-2022 Biennial Budget	2021 Actual	2022 Actual	Variance With Final Budget
Net Change in Fund Balances	-	-	-	-	-
Fund Balances Beginning of Year	-	-	6,519	6,519	6,519
Fund Balances End of Year	\$ -	\$ -	\$ 6,519	\$ 6,519	\$ 6,519



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, 2022

	Original 2021-2022 Biennial Budget	Final 2021-2022 Biennial Budget	2021 Actual	2022 Actual	Variance With Final Budget
Revenues					
Investment interest	\$ 30,000	\$ 30,000	\$ (14,485)	\$ (37,331)	\$ (81,816)
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>(14,485)</u>	<u>(37,331)</u>	<u>(81,816)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	30,000	30,000	(14,485)	(37,331)	(81,816)
Other Financing Sources (Uses)					
Transfers in	2,200,000	2,200,000	1,100,004	1,099,996	-
Transfers out	<u>(2,539,593)</u>	<u>(2,789,593)</u>	<u>(898,469)</u>	<u>(1,065,869)</u>	<u>825,255</u>
Net Changes in Fund Balances	(309,593)	(559,593)	187,050	(3,204)	743,439
Fund Balances Beginning of Year	<u>991,440</u>	<u>1,237,565</u>	<u>1,237,565</u>	<u>1,424,615</u>	<u>-</u>
Fund Balances End of Year	<u>\$ 681,847</u>	<u>\$ 677,972</u>	<u>\$ 1,424,615</u>	<u>\$ 1,421,411</u>	<u>\$ 743,439</u>



City of Lynnwood, Washington
Internal Service Funds
Combining Statement of Net Position
December 31, 2022

	<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	\$ 3,268,515	\$ 348,625	\$ 32,039	\$ 297,609	\$ 3,946,788
Investments	2,038,668	-	-	-	2,038,668
Receivables:					
Intergovernmental	203,707	-	-	-	203,707
Prepays	-	25,000	-	29,281	54,281
Total Current Assets	<u>5,510,890</u>	<u>373,625</u>	<u>32,039</u>	<u>326,890</u>	<u>6,243,444</u>
Noncurrent Assets:					
Pension asset	144,453	-	-	-	144,453
Capital assets:					
Nondepreciable	145,927	-	-	-	145,927
Depreciable, net	6,347,154	-	-	107,337	6,454,491
Total Noncurrent Assets:	<u>6,637,534</u>	<u>-</u>	<u>-</u>	<u>107,337</u>	<u>6,744,871</u>
TOTAL ASSETS	<u>12,148,424</u>	<u>373,625</u>	<u>32,039</u>	<u>434,227</u>	<u>12,988,315</u>
Deferred Outflows - related to pensions	<u>147,266</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>147,266</u>
Liabilities					
Current Liabilities:					
Accounts payable	70,332	62	-	-	70,394
Wages payable	19,737	-	-	-	19,737
Claims and judgments payable	-	224,620	-	-	224,620
Compensated absences payable	97,228	-	-	-	97,228
Total Current Liabilities	<u>187,297</u>	<u>224,682</u>	<u>-</u>	<u>-</u>	<u>411,979</u>
Noncurrent Liabilities					
Compensated absences payable	15,781	-	-	-	15,781
Net pension liability payable	88,624	-	-	-	88,624
TOTAL LIABILITIES	<u>291,702</u>	<u>224,682</u>	<u>-</u>	<u>-</u>	<u>516,384</u>
Deferred Inflows	<u>174,890</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>174,890</u>
Net Position					
Investment in capital assets	6,493,081	-	-	107,337	6,600,418
Restricted - pension asset	139,285	-	-	-	139,285
Unrestricted	5,196,732	148,943	32,039	326,890	5,704,604
Total Net Position	<u>\$ 11,829,098</u>	<u>\$ 148,943</u>	<u>\$ 32,039</u>	<u>\$ 434,227</u>	<u>\$ 12,444,307</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, 2022

	Equipment Rental Reserve	Self Insurance	Reserve Retirement Contribution	Technology Reserve	Total
Operating Revenues					
Charges for services	\$ 3,320,561	\$ -	\$ -	\$ 131,200	\$ 3,451,761
Miscellaneous	2,341	-	-	-	2,341
Total Operating Revenues	3,322,902	-	-	131,200	3,454,102
Operating Expenses					
Maintenance and operations	2,072,649	-	-	906	2,073,555
Insurance and claims	-	21,156	-	-	21,156
Depreciation	944,276	-	-	45,477	989,753
Total Operating Expenses	3,016,925	21,156	-	46,383	3,084,464
Operating Income (Loss)	305,977	(21,156)	-	84,817	369,638
Non-Operating Revenues					
Other nonoperating revenue	-	-	-	-	-
Investment interest	(76,635)	-	-	-	(76,635)
Gain on disposition of capital assets	197,385	-	-	-	197,385
Total Non-Operating Revenues	120,750	-	-	-	120,750
Change in Net Position	426,727	(21,156)	-	84,817	490,388
Net Position Beginning of Year	11,402,371	170,099	32,039	349,410	11,953,919
Prior Period Adjustment	-	-	-	-	-
Net Position End of Year	\$ 11,829,098	\$ 148,943	\$ 32,039	\$ 434,227	\$ 12,444,307

City of Lynnwood, Washington
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended December 31, 2022

	<u>Equipment Rental Reserve</u>	<u>Self Insurance</u>	<u>Reserve Retirement Contribution</u>	<u>Technology Reserve</u>	<u>Total</u>
Increase (Decrease) in Cash and Cash Equivalents					
Cash Flows from Operating Activities					
Cash received from interfund services provided	\$ 2,236,892	\$ -	\$ -	\$ 131,200	\$ 2,368,092
Other cash receipts	1,118,085	-	-	-	1,118,085
Cash payments to employees for services	(822,585)	-	-	-	(822,585)
Cash payments for goods and services	<u>(1,271,887)</u>	<u>(21,094)</u>	<u>-</u>	<u>(31,007)</u>	<u>(1,323,988)</u>
Net Cash Provided by (Used in) Operating Activities	<u>1,260,505</u>	<u>(21,094)</u>	<u>-</u>	<u>100,193</u>	<u>1,339,604</u>
Cash Flows from Non-Capital financing activities					
Receipts from non-capital grants	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Flows from non-Capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities					
Acquisition and construction of capital assets	(117,511)	-	-	(1)	(117,512)
Proceeds from sale of equipment	<u>175,335</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>175,335</u>
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>57,824</u>	<u>-</u>	<u>-</u>	<u>(1)</u>	<u>57,823</u>
Cash Flows from Investing Activities					
Purchase of investment securities	(2,194,879)	-	-	-	(2,194,879)
Proceeds from sale and maturities of investment securities	2,781,772	-	-	-	2,781,772
Interest and dividends on investments	<u>(76,635)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(76,635)</u>
Net Cash Provided by (Used in) Investing Activities	<u>510,258</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>510,258</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,828,587	(21,094)	-	100,192	1,907,685
Cash and Cash Equivalents Beginning of Year	<u>1,439,928</u>	<u>369,719</u>	<u>32,039</u>	<u>197,417</u>	<u>2,039,103</u>
Cash and Cash Equivalents End of Year	<u>\$ 3,268,515</u>	<u>\$ 348,625</u>	<u>\$ 32,039</u>	<u>\$ 297,609</u>	<u>\$ 3,946,788</u>

City of Lynnwood, Washington
Internal Service Funds
 Combining Statement of Cash Flows
 For the Year Ended December 31, 2022

	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)	\$ 305,977	\$ (21,156)	\$ -	\$ 84,817	\$ 369,638
Adjustments:					
Depreciation	944,276	-	-	45,477	989,753
(Increase) Decrease in Assets:					
Receivables, net	32,075	-	-	-	32,075
Inventories, deposits and prepaid expenses	-	-	-	(19,735)	(19,735)
Increase (Decrease) in Liabilities:					
Accounts and other payables	2,294	62	-	(10,366)	(8,010)
Compensated absences	15,315	-	-	-	15,315
Pension related liabilities	(39,432)	-	-	-	(39,432)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,260,505</u>	<u>\$ (21,094)</u>	<u>\$ -</u>	<u>\$ 100,193</u>	<u>\$ 1,339,604</u>
Schedule of Non-Cash Capital and Related Financing Activities					
Fair value of investments increased (decreased) by	\$ (118,670)	-	-	-	\$ (118,670)
Total Non-Cash Activities	<u>\$ (118,670)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (118,670)</u>



FEDERAL AWARDS AND SINGLE AUDIT

**City of Lynnwood
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022**

Federal Agency (Pass-Through Agency)	Federal Program	ALN 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	106,399	-	106,399	-	1, 2, 3
OFFICE ON VIOLENCE AGAINST WOMEN, JUSTICE, DEPARTMENT OF (via Everett Police Department)	Violence Against Women Formula Grants	16.588	F22-31103-029	6,998	-	6,998	-	1, 2, 3
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF	Bulletproof Vest Partnership Program	16.607		-	11,683	11,683	-	1, 2, 3
COMMUNITY ORIENTED POLICING SERVICE, JUSTICE, DEPARTMENT OF	Public Safety Partnership and Community Policing Grants	16.710		-	19,950	19,950	-	1, 2, 3
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF	Edward Byrne Memorial Justice Assistance Grant Program	16.738		-	3,564	3,564	-	1, 2, 3
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF	Edward Byrne Memorial Justice Assistance Grant Program	16.738		-	11,868	11,868	-	1, 2, 3
Total ALN 16.738:				-	15,432	15,432	-	
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF (via Attorney General of Washington)	National Sexual Assault Kit Initiative	16.833	RU-22-22	10,000	-	10,000	-	1, 2, 3
Highway Planning and Construction Cluster								

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, 2022**

Federal Agency (Pass-Through Agency)	Federal Program	ALN 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	IMD-STPUL- 2004(037) LA- 5787	4,930	-	4,930	-	1, 2, 3
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	CM-0524(011) LA-7931	78,572	-	78,572	-	1, 2, 3
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	CM-HLP-0715 (005) LA-10309	52,762	-	52,762	-	1, 2, 3
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	STPUL-2689 (001) LA-9812	499,645	-	499,645	-	1, 2, 3
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	TAP-2523(003) LA-9367	12,586	-	12,586	-	1, 2, 3
Total Highway Planning and Construction Cluster:				648,495	-	648,495	-	

Highway Safety Cluster

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, 2022**

Federal Agency (Pass-Through Agency)	Federal Program	ALN 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	20.800	2022-HVE-4451 -Region 10 Target Zone Task Force	8,009	-	8,009	-	1, 2, 3
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Traffic Safety Commission)	State and Community Highway Safety	20.800	2023-HVE-4691 -Region 10 Target Zone Task Force	1,301	-	1,301	-	1, 2, 3
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Association of Sheriffs and Police Chiefs)	State and Community Highway Safety	20.800	2022 WASPC Traffic Safety Equipment Grant	6,723	-	6,723	-	1, 2, 3
Total Highway Safety Cluster:				16,033	-	16,033	-	
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Traffic Safety Commission)	Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.808	2022-HVE-4451 -Region 10 Target Zone Task Force	1,861	-	1,861	-	1, 2, 3
TREASURY, DEPARTMENT OF THE, TREASURY, DEPARTMENT OF THE	Equitable Sharing	21.016		-	5,875	5,875	-	1, 2, 3
TREASURY, DEPARTMENT OF THE, TREASURY, DEPARTMENT OF THE	Equitable Sharing	21.016		-	2,277	2,277	-	1, 2, 3
Total ALN 21.016:				-	8,152	8,152	-	

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, 2022**

Federal Agency (Pass-Through Agency)	Federal Program	ALN Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
DEPARTMENTAL OFFICES, TREASURY, DEPARTMENT OF THE	COVID 19 - CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027		-	538,146	538,146	-	1, 2, 3
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Washington State Military Department)	COVID 19 - Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4481-DR -WA	32,694	-	32,694	-	1, 2, 3
Total Federal Awards Expended:				822,480	593,363	1,415,843	-	

The accompanying notes are an integral part of this schedule.

CITY OF LYNNWOOD, WASHINGTON

**Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2022**

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 3 – 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.



STATISTICAL SECTION

City of Lynnwood, Washington
Introduction to the Statistical Section
(Unaudited)

This part of the City of Lynnwood's annual comprehensive 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, 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	December 31, 2021	December 31, 2022
Governmental Activities										
Net investment in capital assets	\$ 105,273	\$ 108,229	\$ 122,437	\$ 122,041	\$ 115,143	\$ 122,653	\$ 127,289	\$ 130,655	\$ 147,753	\$ 170,221
Restricted	9,357	12,091	13,139	15,688	19,279	29,450	33,132	33,941	39,309	39,696
Unrestricted	19,684	22,572	12,973	15,757	9,846	8,043	12,289	10,111	19,019	22,211
Subtotal Governmental Activities Net Position	134,314	142,892	148,549	153,486	144,268	160,146	172,710	174,707	206,081	232,128
Business-type Activities										
Net investment in capital assets	39,477	39,111	35,485	42,340	39,668	45,195	45,370	48,095	56,693	58,108
Restricted	2,759	3,144	1,579	13,941	1,865	576	577	554	798	1,385
Unrestricted	12,388	12,472	15,104	(494)	14,614	13,836	19,775	24,105	20,789	22,655
Subtotal Business-type Activities Net Position	54,624	54,727	52,168	55,787	56,147	59,607	65,722	72,754	78,280	82,148
Primary Government										
Net investment in capital assets	144,750	147,340	157,922	164,381	154,811	167,848	172,659	178,750	204,446	228,329
Restricted	12,116	15,235	14,718	29,629	21,144	30,026	33,709	34,495	40,107	41,081
Unrestricted	32,072	35,044	28,077	15,263	24,460	21,879	32,064	34,216	39,808	44,866
Total Primary Government Net Position	\$ 188,938	\$ 197,619	\$ 200,717	\$ 209,273	\$ 200,415	\$ 219,753	\$ 238,432	\$ 247,461	\$ 284,361	\$ 314,276
Total Percentage Increase or Decrease From Prior Fiscal Year	6.0%	4.6%	1.6%	4.3%	-4.2%	9.6%	8.5%	3.8%	14.9%	10.5%
	Percentage of Total									
	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021	December 31, 2022
Governmental Activities										
Net investment in capital assets	78.4%	75.7%	82.4%	79.5%	79.8%	76.6%	73.7%	74.8%	71.7%	73.3%
Restricted	7.0%	8.5%	8.8%	10.2%	13.4%	18.4%	19.2%	19.4%	19.1%	17.1%
Unrestricted	14.6%	15.8%	8.7%	10.3%	6.8%	5.0%	7.1%	5.8%	9.2%	9.6%
Subtotal Governmental Activities Net Position	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Business-type Activities										
Net investment in capital assets	72.3%	71.5%	68.0%	75.9%	70.7%	75.8%	69.0%	66.1%	72.4%	70.7%
Restricted	5.1%	5.7%	3.0%	25.0%	3.3%	1.0%	0.9%	0.8%	1.0%	1.7%
Unrestricted	22.6%	22.8%	29.0%	-0.9%	26.0%	23.2%	30.1%	33.1%	26.6%	27.6%
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	76.6%	74.6%	78.7%	78.5%	77.2%	76.4%	72.4%	72.2%	71.9%	72.7%
Restricted	6.4%	7.7%	7.3%	14.2%	10.6%	13.7%	14.1%	13.9%	14.1%	13.1%
Unrestricted	17.0%	17.7%	14.0%	7.3%	12.2%	10.0%	13.4%	13.8%	14.0%	14.3%
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%

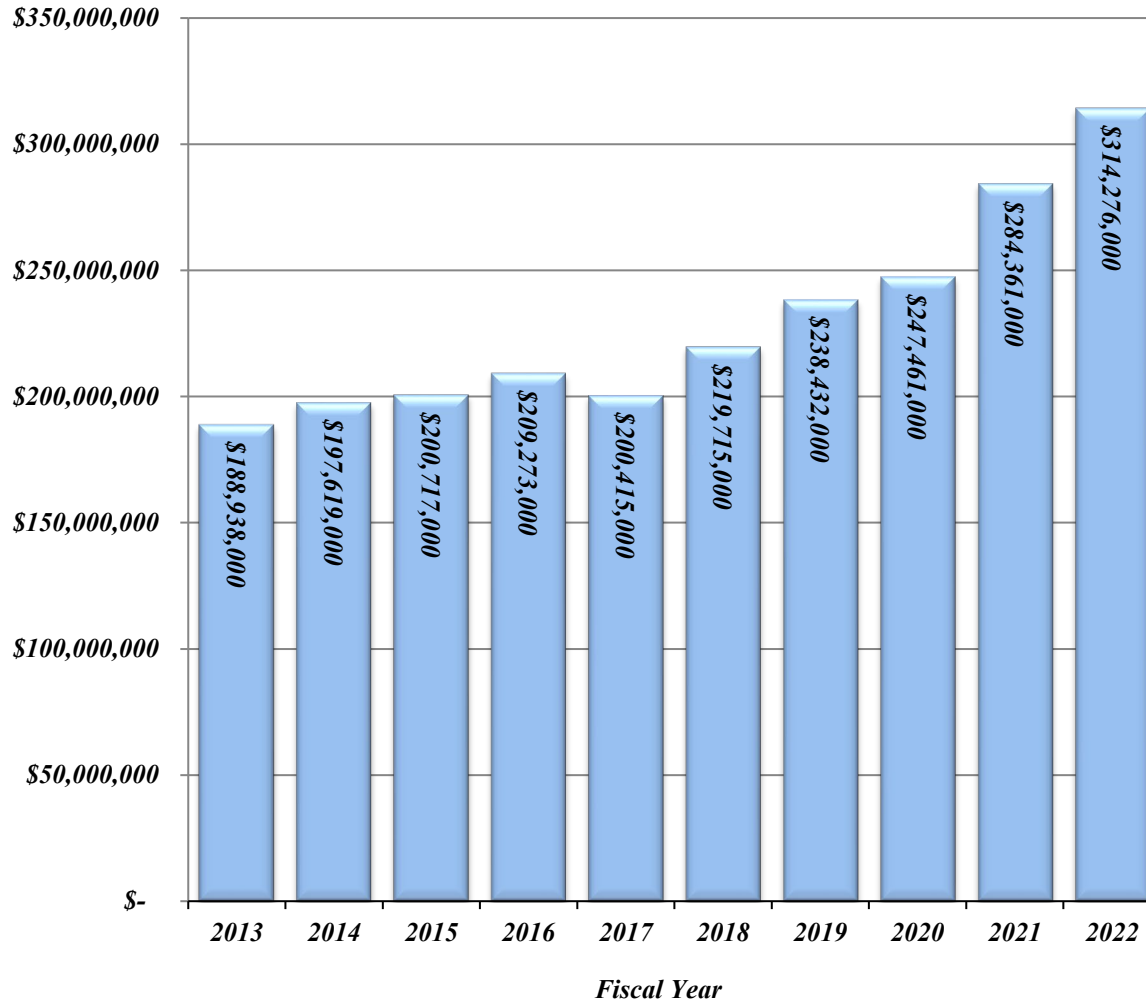
Notes:

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' annual comprehensive 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

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)									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses:										
General government	\$ 12,126	\$ 13,938	\$ 11,731	\$ 13,988	\$ 16,590	\$ 9,144	\$ 8,686	\$ 12,776	\$ 7,765	\$ 10,353
Judicial	1,567	998	1,080	1,056	1,080	1,032	960	949	840	1,139
Public safety	26,684	26,272	29,038	32,400	32,573	23,247	21,382	21,345	19,044	22,604
Physical environment	33	295	-	-	-	-	-	-	-	-
Transportation	7,362	8,843	6,110	5,975	7,194	9,873	8,565	9,117	9,325	9,012
Natural environment	153	110	283	346	-	-	-	-	-	-
Social services	408	418	460	362	520	549	553	451	397	457
Human services	-	-	-	-	-	-	-	-	-	-
Economic environment	2,780	4,230	2,874	3,443	3,757	5,740	5,851	4,739	4,806	6,097
Culture and recreation	8,250	6,833	6,793	6,923	12,050	8,940	8,131	6,684	6,813	9,005
Utilities	-	-	82	2	(55)	36	31	38	40	36
Interest on long-term debt	1,119	1,110	1,058	993	934	938	829	791	2,039	3,088
Total Expenses	60,482	63,047	59,509	65,488	74,643	59,499	54,988	56,890	51,069	61,791
Program Revenues:										
Charges for services:										
General government	6,880	4,907	5,262	3,768	4,371	4,789	3,802	4,997	2,472	2,308
Culture and recreation	2,715	2,695	2,407	2,725	5,010	3,235	2,944	3,294	6,934	3,256
Other activities	9,944	11,036	6,490	8,104	8,798	7,045	6,281	5,129	11,298	10,867
Operating grants and contributions	1,495	2,588	1,220	1,139	1,533	3,347	4,910	4,518	2,596	3,074
Capital grants and contributions	4,947	6,495	11,922	7,104	3,127	10,529	5,588	1,877	11,890	14,473
Total Program Revenues	25,981	27,721	27,301	22,840	22,839	28,945	23,525	19,815	35,190	33,978
Net (Expense) Revenue	(34,501)	(35,326)	(32,208)	(42,648)	(51,804)	(30,554)	(31,463)	(37,075)	(15,879)	(27,813)
General Revenues										
Taxes:										
Property	11,515	11,511	11,515	11,861	11,917	6,100	3,951	4,268	4,234	4,521
Sales	19,070	19,856	21,130	23,268	24,345	26,893	27,191	24,350	31,425	34,092
Other ¹	10,575	9,878	10,031	9,917	11,539	11,918	10,603	8,595	10,040	11,678
Transportation benefit district vehicle fees						1,242	1,152	1,306	1,093	1,150
Investment earnings	204	168	-	293	249	579	847	521	(165)	246
Miscellaneous	5	14	748	199	114	105	179	69	195	1,547
Gain (loss) on disposal of capital assets	(23)	247	175	-	-	-	154	-	253	754
Transfers	1,828	1,737	1,869	2,048	96	(442)	-	-	89	-
Total General Revenues	43,174	43,411	45,468	47,586	48,260	46,395	44,077	39,109	47,164	53,988
Change in Net Position	\$ 8,673	\$ 8,085	\$ 13,260	\$ 4,938	\$ (3,544)	\$ 15,841	\$ 12,614	\$ 2,034	\$ 31,285	\$ 26,175

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' annual comprehensive 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)									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses:										
Water/Sewer/Storm Water Utilities	\$ 14,297	\$ 14,917	\$ 17,442	\$ 15,144	\$ 21,001	\$ 19,418	\$ 19,052	\$ 21,054	\$ 20,935	\$ 23,230
Golf	977	1,019	1,115	1,113	1,188	1,241	1,310	1,334	1,499	1,707
Total Expenses	15,274	15,936	18,557	16,257	22,189	20,659	20,362	22,388	22,434	24,937
Program Revenues:										
Charges for services:										
Water/Sewer/Storm Water Utilities	16,125	17,242	18,292	19,870	20,794	21,624	23,141	24,245	25,025	26,303
Golf	1,083	1,113	1,213	1,148	1,131	1,292	1,345	1,648	1,882	1,881
Operating grants and contributions	-	170	-	-	-	-	-	51	367	101
Capital grants and contributions	225	823	111	875	476	280	844	3,034	810	550
Total Program Revenues	17,433	19,348	19,616	21,893	22,401	23,196	25,330	28,978	28,084	28,835
Net (Expense) Revenue	2,159	3,412	1,059	5,636	212	2,537	4,968	6,590	5,650	3,898
Investment earnings	27	18	16	154	228	476	1,131	443	53	(11)
Miscellaneous	234	46	2	3	16	5	4	-	-	-
Disposal of capital assets	(4)	1	-	(126)	-	-	12	-	-	-
Transfers	(1,827)	(1,737)	(1,869)	(2,048)	(96)	442	-	-	(89)	-
Total General Revenues	(1,570)	(1,672)	(1,851)	(2,017)	148	923	1,147	443	(36)	(11)
Change in Net Position	\$ 589	\$ 1,740	\$ (792)	\$ 3,619	\$ 360	\$ 3,460	\$ 6,115	\$ 7,033	\$ 5,614	\$ 3,887

Data Source:

Applicable years' annual comprehensive 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)									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses:										
Governmental activities ¹	\$ 60,482	\$ 63,047	\$ 59,509	\$ 65,488	\$ 74,643	\$ 59,499	\$ 54,988	\$ 56,890	\$ 51,069	\$ 61,791
Business-type activities ²	15,274	15,936	18,557	16,257	22,189	20,659	20,362	22,388	22,434	24,937
Total Expenses	75,756	78,983	78,066	81,745	96,832	80,158	75,350	79,278	73,503	86,728
Program Revenues:										
Governmental activities ¹	25,981	27,721	27,301	22,840	22,839	28,945	23,525	19,815	35,190	33,978
Business-type activities ²	17,433	19,348	19,616	21,893	22,401	23,196	25,330	28,978	28,084	28,835
Total Program Revenues	43,414	47,069	46,917	44,733	45,240	52,141	48,855	48,793	63,274	62,813
Net (Expense) Revenue	(32,342)	(31,914)	(31,149)	(37,012)	(51,592)	(28,017)	(26,495)	(30,485)	(10,229)	(23,915)
General Revenues:										
Governmental activities ¹	43,174	43,411	45,468	47,586	48,260	46,395	44,077	39,109	47,164	53,988
Business-type activities ²	(1,570)	(1,672)	(1,851)	(2,017)	148	923	1,147	443	(36)	(11)
Total General Revenues	41,604	41,739	43,617	45,569	48,408	47,318	45,224	39,552	47,128	53,977
Change in Net Position	\$ 9,262	\$ 9,825	\$ 12,468	\$ 8,557	\$ (3,184)	\$ 19,301	\$ 18,729	\$ 9,067	\$ 36,899	\$ 30,062

Data Source:

¹ Exhibit A-2

² Exhibit A-3

City of Lynnwood, Washington
Fund Balances - Governmental Funds
Last Ten Calendar Years
(Amounts Expressed in \$1,000)
(modified accrual basis of accounting)

	December 31,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	\$ 434	\$ 2,453	\$ 103	\$ 21	\$ 41	\$ 78	\$ 17	\$ 98	\$ 40	\$ 833
Restricted	86	87	-	-	-	-	-	-	-	-
Committed	2,030	5,848	5,815	6,000	6,000	6,000	6,000	4,870	6,000	6,000
Assigned	2,920	1,502	2,019	4,551	5,662	9,460	10,575	11,044	9,819	9,505
Unassigned	15,683	8,012	11,493	10,114	8,149	5,352	4,108	4,027	8,941	13,480
Total General Fund	\$ 21,153	\$ 17,902	\$ 19,430	\$ 20,686	\$ 19,852	\$ 20,890	\$ 20,700	\$ 20,039	\$ 24,800	\$ 29,818
General Fund Percentage Change	16.1%	-15.4%	8.5%	6.5%	-4.0%	5.2%	-0.9%	-3.2%	23.8%	20.2%
All Other Governmental Funds										
Restricted	\$ 8,834	\$ 10,619	\$ 13,138	\$ 15,688	\$ 19,279	\$ 21,740	\$ 24,866	\$ 25,270	\$ 79,818	\$ 60,160
Committed	1,558	1,099	340	817	671	1,378	1,878	1,571	2,312	2,705
Assigned	371	176	-	-	-	1,197	680	-	-	-
Unassigned	(1,069)	(142)	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 9,694	\$ 11,752	\$ 13,478	\$ 16,505	\$ 19,950	\$ 24,315	\$ 27,424	\$ 26,841	\$ 82,130	\$ 62,865
All Other Governmental Funds Percentage Change	37.9%	21.2%	14.7%	22.5%	20.9%	21.9%	12.8%	-2.1%	206.0%	-23.5%
Total Governmental Funds	\$ 30,847	\$ 29,654	\$ 32,908	\$ 37,191	\$ 39,802	\$ 45,205	\$ 48,124	\$ 46,880	\$ 106,930	\$ 92,683
All Governmental Funds Percentage Change	22.2%	-3.9%	11.0%	13.0%	7.0%	13.6%	6.5%	-2.6%	128.1%	-13.3%

Data Source:

Applicable years' Annual Financial Statements. Balance Sheet - Governmental Funds

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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
	Dollar Amounts (in thousands)									
Taxes	\$ 39,285	\$ 33,476	\$ 41,979	\$ 44,348	\$ 47,056	\$ 45,662	\$ 42,411	\$ 37,951	\$ 46,223	\$ 50,822
Intergovernmental	5,740	1,360	8,600	6,933	7,638	13,530	9,490	7,264	12,034	17,466
Licenses and permits	3,360	3,564	4,767	4,757	5,393	5,710	3,932	5,619	5,402	5,989
Charges for services	6,068	5,412	5,486	4,846	5,503	6,095	4,433	4,760	9,917	5,939
Fines and forfeitures	4,437	1,629	4,901	4,723	4,593	4,331	4,814	3,154	4,900	5,830
Investment earnings	200	16	108	275	228	570	749	485	(118)	351
Miscellaneous	405	434	642	2,456	1,141	688	385	264	553	2,140
Total revenues	\$ 59,495	\$ 45,891	\$ 66,483	\$ 68,338	\$ 71,552	\$ 76,586	\$ 66,214	\$ 59,497	\$ 78,910	\$ 88,538
% change from prior year	6.6%	-22.9%	44.9%	2.8%	4.7%	7.0%	-13.5%	-10.1%	32.6%	12.2%
	Percentage of Total									
Taxes	66.0%	72.9%	63.1%	64.9%	65.8%	59.6%	64.1%	63.8%	58.6%	57.4%
Licenses and permits	5.6%	7.8%	7.2%	7.0%	7.5%	7.5%	5.9%	9.4%	6.8%	6.8%
Intergovernmental	9.6%	3.0%	12.9%	10.1%	10.7%	17.7%	14.3%	12.2%	15.2%	19.7%
Charges for services	10.2%	11.8%	8.3%	7.1%	7.7%	8.0%	6.7%	8.0%	12.6%	6.7%
Fines and forfeitures	7.5%	3.5%	7.4%	6.9%	6.4%	5.7%	7.3%	5.3%	6.2%	6.6%
Investment earnings	0.3%	0.0%	0.2%	0.4%	0.3%	0.7%	1.1%	0.8%	-0.1%	0.4%
Miscellaneous	0.7%	0.9%	1.0%	3.6%	1.6%	0.9%	0.6%	0.4%	0.7%	2.4%
Total revenues	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
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)								
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
2021	4,265	31,425	487	214	313	549	8,970	46,223
2022	4,474	34,092	484	307	492	822	10,151	50,822
% Change in Dollars Over 10 Years	-61.5%	79.4%	1.5%	45.6%	-45.7%	-1.6%	39.5%	25.7%
Percentage of Total								
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%	21.7%	100.0%
2021	9.2%	68.0%	1.1%	0.5%	0.7%	1.2%	19.3%	100.0%
2022	8.8%	67.1%	1.0%	0.6%	1.0%	1.6%	19.9%	100.0%

Data Source:

Applicable years' annual financial report and city records.

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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Current:										
General government	\$ 8,330	\$ 9,903	\$ 8,960	\$ 10,183	\$ 10,410	\$ 9,004	\$ 8,473	\$ 10,238	\$ 8,618	\$ 8,835
Public safety	25,309	26,172	28,267	30,928	32,317	25,014	22,982	21,115	20,896	24,415
Judicial	1,055	997	1,083	1,058	1,105	1,054	1,024	1,014	983	1,446
Utilities & environment	1,280	251	201	154	31	30	25	38	27	30
Economic environment	2,786	2,997	2,931	3,659	3,939	5,944	5,995	5,006	5,515	6,401
Physical environment	-	110	-	-	-	-	-	-	-	-
Transportation	2,808	1,417	5,514	5,485	3,950	6,670	5,643	6,155	6,701	6,668
Social services	6,608	417	460	499	520	548	553	447	397	457
Culture and recreation	4,644	5,690	5,884	6,342	11,310	8,423	7,561	6,103	6,862	8,403
Total Current	\$ 52,820	\$ 47,954	\$ 53,300	\$ 58,308	\$ 63,582	\$ 56,687	\$ 52,256	\$ 50,116	\$ 49,999	\$ 56,655
% Change From Prior Year	11.2%	-9.2%	11.1%	9.4%	9.0%	-10.8%	-7.8%	-4.1%	-0.2%	13.3%
Capital Outlay	\$ 4,644	\$ 338	\$ 8,866	\$ 5,341	\$ 3,172	\$ 12,158	\$ 8,553	\$ 8,931	\$ 26,417	\$ 56,880
% Change From Prior Year	6.0%	-92.7%	2523.1%	-39.8%	-40.6%	283.3%	-29.7%	4.4%	195.8%	115.3%
Debt Service										
Principal	\$ 1,424	\$ 1,295	\$ 1,401	\$ 1,354	\$ 1,409	\$ 1,036	\$ 967	\$ 860	\$ 895	\$ 1,129
Interest	1,172	1,119	1,058	993	934	869	830	796	1,641	2,843
Other charges	-	-	-	-	-	-	-	-	-	-
Total Debt Service	\$ 2,596	\$ 2,414	\$ 2,459	\$ 2,347	\$ 2,343	\$ 1,905	\$ 1,797	\$ 1,656	\$ 2,536	\$ 3,972
% Change From Prior Year	-4.5%	-7.0%	1.9%	-4.6%	-0.2%	-18.7%	-5.7%	-7.8%	53.1%	56.6%
Total Expenditures	\$ 60,060	\$ 50,706	\$ 64,625	\$ 65,996	\$ 69,097	\$ 70,750	\$ 62,606	\$ 60,703	\$ 78,952	\$ 117,507
% Change From Prior Year	10.0%	-15.6%	27.5%	2.1%	4.7%	2.4%	-11.5%	-3.0%	30.1%	48.8%
Debt Service as a % of Noncapital Expenditures	4.7%	4.8%	4.4%	3.9%	3.6%	3.3%	3.3%	3.2%	4.8%	6.6%

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
General Governmental Current Expenditures by Function (Unaudited) ¹
Last Ten Calendar Years
(Amounts Expressed in \$1,000)
(modified accrual basis of accounting)

Function	For the Calendar Year Ended December 31,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Dollar Amounts (in thousands)										
Current:										
General government	\$ 8,330	\$ 9,903	\$ 8,960	\$ 10,183	\$ 10,410	\$ 9,004	\$ 8,473	\$ 10,238	\$ 8,618	\$ 8,835
Public safety	25,309	26,172	28,267	30,928	32,317	25,014	22,982	21,115	20,896	24,415
Judicial	1,055	997	1,083	1,058	1,105	1,054	1,024	1,014	983	1,446
Utilities & environment	1,280	251	201	154	31	30	25	38	27	30
Economic environment	2,786	2,997	2,931	3,659	3,939	5,944	5,995	5,006	5,515	6,401
Physical environment	-	110	-	-	-	-	-	-	-	-
Transportation	2,808	1,417	5,514	5,485	3,950	6,670	5,643	6,155	6,701	6,668
Social services	6,608	417	460	499	520	548	553	447	397	457
Culture and recreation	4,644	5,690	5,884	6,342	11,310	8,423	7,561	6,103	6,862	8,403
Total Current	\$ 52,820	\$ 47,954	\$ 53,300	\$ 58,308	\$ 63,582	\$ 56,687	\$ 52,256	\$ 50,116	\$ 49,999	\$ 56,655
Percentage of Total										
Current:										
General government	15.8%	20.7%	16.8%	17.5%	16.4%	15.9%	16.2%	20.4%	17.2%	15.6%
Public safety	47.9%	54.6%	53.0%	53.0%	50.8%	44.1%	44.0%	42.1%	41.8%	43.1%
Judicial	2.0%	2.1%	2.0%	1.8%	1.7%	1.8%	2.0%	2.0%	2.0%	2.5%
Utilities & environment	2.4%	0.5%	0.4%	0.3%	0.1%	0.1%	0.0%	0.1%	0.1%	0.1%
Economic environment	5.3%	6.2%	5.5%	6.3%	6.2%	10.5%	11.5%	10.0%	11.0%	11.3%
Physical environment	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Transportation	5.3%	3.0%	10.3%	9.4%	6.2%	11.8%	10.8%	12.3%	13.4%	11.8%
Social services	12.5%	0.9%	0.9%	0.9%	0.8%	1.0%	1.1%	0.9%	0.8%	0.8%
Culture and recreation	8.8%	11.9%	11.0%	10.9%	17.8%	14.8%	14.4%	12.2%	13.7%	14.8%
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 -

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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Revenues	\$ 59,495	\$ 45,891	\$ 66,483	\$ 68,338	\$ 71,552	\$ 76,586	\$ 66,214	\$ 59,497	\$ 78,910	\$ 88,538
Total Expenditures	60,060	50,706	64,625	65,996	69,097	70,750	62,606	60,703	78,952	117,507
Excess (Deficiency) of Revenues Over (Under) Expenditures	(565)	(4,815)	1,858	2,342	2,455	5,836	3,608	(1,206)	(42)	(28,969)
Other Financing Sources										
Transfers in	7,568	2,311	7,687	7,480	17,007	10,906	12,283	8,659	21,319	18,736
Transfers out	(5,435)	(3,527)	(5,818)	(5,545)	(16,911)	(11,348)	(12,433)	(8,659)	(21,231)	(18,736)
Refunding bonds issued	-	-	-	-	-	-	-	-	-	-
Bond issued	-	-	-	-	-	-	-	-	49,082	12,602
Premium on bonds	-	-	-	-	-	-	-	-	10,922	426
Discount on bonds	-	-	-	-	-	-	-	-	-	(130)
Insurance recoveries	2	-	(2)	-	-	-	-	-	-	-
Judgements and settlements	-	-	-	-	-	-	-	-	-	123
Leases (lessee)	-	-	-	-	-	-	-	-	-	110
Sale of capital assets	-	368	-	6	59	9	-	-	-	576
Total Other Financing Sources	2,135	(848)	1,867	1,941	155	(433)	(150)	-	60,092	13,707
Net Change in Fund Balances	\$ 1,570	\$ (5,663)	\$ 3,725	\$ 4,283	\$ 2,610	\$ 5,403	\$ 3,458	\$ (1,206)	\$ 60,050	\$ (15,262)

Data Source:

Applicable years' annual financial report - Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental

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
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%
2021	0.5406	7,953,751,038	6.0%
2022	0.5306	8,481,263,134	6.6%

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 Assessor's Office Annual Report for 2022 Taxes

City of Lynnwood, Washington
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	
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
2021	0.54	-	0.54	1.45	2.80	0.64	2.83	0.68	8.94
2022	0.53	-	0.53	1.35	3.19	0.60	2.67	0.63	8.97

Data Source:

Snohomish County Assessor's Office Annual Report for 2022 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 ²	Amount	Percentage of Levy
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%
2021	4,300,000	4,249,221	98.82%	24,227	4,273,447	99.38%	26,553	0.62%
2022	4,500,000	4,443,038	98.73%	40,609	4,483,647	99.64%	16,353	0.36%

Notes:

¹ The amounts are reported in the year to which they apply, not to the year collected.

² The percentages are greater than 100% because the levy may increase or decrease per year. It is an estimate.

Data Source:

Snohomish County Fund Revenue Distribution Report From 01-01-2022 To 12-31-2022

Snohomish County Assessor's Office Annual Report for 2022 Taxes

City of Lynnwood, Washington
Principal Property Taxpayers
Calendar Year Ended December 31, 2022 and 2012
Last Eleven Calendar Years ¹

2022				
Principal Taxpayer	Nature of Business	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Alderwood Mall	Retail Sales	\$ 147,669,483	1	1.74%
Merlone Geier Partners	Commercial	57,244,000	2	0.67%
HPP Hudson Northview LLC	Office Building	54,410,300	3	0.64%
Redstone WA Property LLC	Office Building	46,261,500	4	0.55%
Alderwood Heights Associates II LLC	Multi-Family Housing	44,667,700	5	0.53%
Alaska Electrical Pension Fund	Office Building	43,310,800	6	0.51%
CEP III Collins 18 LLC	Commercial	41,451,000	7	0.49%
Macy's	Retail Sales	39,528,000	8	0.47%
Whispering Cedars Associates	Multi-Family Housing	38,685,000	9	0.46%
Alderwood Park LLC Bcore MF	Multi-Family Housing	38,101,800	10	0.45%
Total Principal Taxpayers		551,329,583		6.50%
All Other Taxpayers		7,929,933,551		93.50%
Total		<u>\$ 8,481,263,134</u>		<u>100.00%</u>

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		<u>\$ 4,207,375,958</u>		<u>100.00%</u>

Data Source:

Snohomish County Assessor's Office

Notes:

¹ Data unavailable for 2013, using previous year (2012)'s data in place of year ten.

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
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%
2021	1.00%	1.20%	1.40%	0.30%	0.10%	6.50%	10.50%
2022	1.00%	1.20%	1.40%	0.40%	0.10%	6.50%	10.60%

Note:

Effective April 1, 2022, local sales and use tax within Snohomish County increased one-tenth of one percent (.001). The tax will be used for housing and related services.

Data Source :

State of Washington, Department of Revenue

City of Lynnwood, Washington
Principal Sales Taxpayers
Last Ten Calendar Years

Principal Taxpayers by Category	Taxes Paid 2022	Taxes Paid 2021	Taxes Paid 2020	Taxes Paid 2019	Taxes Paid 2018	Taxes Paid 2017	Taxes Paid 2016	Taxes Paid 2015	Taxes Paid 2014	Taxes Paid 2013
Retail Trade	\$ 11,397,502	\$ 10,961,967	\$ 8,855,341	\$ 10,280,408	\$ 9,710,595	\$ 9,776,639	\$ 9,771,179	\$ 12,786,672	\$ 12,342,860	\$ 17,680,052
Motor Vehicle & Parts Dealers	7,079,290	6,564,098	4,840,333	4,852,774	4,813,550	4,610,461	3,990,656	Incl above	Incl above	Incl above
Construction	3,554,278	2,978,002	1,919,888	2,106,138	2,260,622	1,756,171	2,303,455	1,651,459	1,301,965	Incl above
Accommodation & Food Services	2,263,721	1,855,985	1,306,098	1,916,984	2,142,572	2,066,652	2,041,157	2,053,905	1,833,858	Incl above
Mfg and Wholesale Trade	1,080,216	1,035,747	961,517	1,134,533	1,141,932	963,918	789,847	784,018	756,127	Incl above
Telecommunication & Other Information Services	644,075	647,707	579,794	688,452	709,205	717,860	706,483	677,902	637,232	Incl above
Professional, Scientific and Technical Services	770,533	780,912	607,435	471,275	294,967	274,379	264,668	258,957	225,857	Incl above
Finance and Insurance	329,117	382,758	309,588	308,433	282,363	296,574	253,408	182,858	151,960	Incl above
Real Estate, Rental, Leasing	316,245	282,352	244,053	271,713	261,701	262,750	283,375	220,892	260,620	Incl above
Arts, Entertainment and Recreation	121,740	104,803	58,161	146,474	137,536	134,672	127,771	131,632	105,006	Incl above
All Other Categories	1,920,329	1,508,146	1,338,718	1,485,226	1,154,305	1,026,283	606,282	475,036	648,380	Incl above
Other Sales Tax - Criminal Justice and TBD	4,403,237	4,089,743	3,241,595	3,528,629	3,984,102	2,458,299	872,590	840,695	812,585	783,923
Total Paid	\$ 33,880,283	\$ 31,192,220	\$ 24,262,521	\$ 27,191,039	\$ 26,893,450	\$ 24,344,658	\$ 22,010,871	\$ 20,064,026	\$ 19,076,450	\$ 18,463,975

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 Calendar Years

December 31,	Governmental Activities			Business-type	Total	Less: Amounts	Net	Personal	Percentage	Estimated	Total
	General	Special	Total	Activities							
	Obligation	Assessment		Revenue	Debt	Service Funds		Income	Personal	Population	Per
	Bonds	Bonds		Bonds ⁴					Income ²		Capita ³
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
2021	\$ 68,835,000	\$ -	\$ 68,835,000	\$ 42,305,000	\$ 111,140,000	\$ 111,806	\$ 111,140,000	\$ 2,753,506,922	4.04%	41,020	\$ 2,709
2022	\$ 80,640,000	\$ -	\$ 80,640,000	\$ 40,025,000	\$ 120,665,000	\$ 112,503	\$ 120,665,000	\$ 2,858,037,493	4.22%	38,740	\$ 3,115

Notes:

¹ Exhibit D-1

² Total Outstanding Debt/Personal Income

³ Total Outstanding Debt/Estimated Population

⁴ 2017 through 2022 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
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
2021	68,835,000	0.87%	41,020	1,678
2022	80,640,000	0.95%	38,740	2,082

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, 2022

<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	\$ 213,155,000	21.22%	\$ 45,235,778
Snohomish County	<u>382,881,802</u>	4.98%	<u>19,068,244</u>
Total Overlapping Debt	596,036,802		64,304,022
Other Debt			
City Direct Debt ³	80,640,000	100%	<u>80,640,000</u>
Total Direct and Overlapping Governmental Debt			<u><u>\$ 144,944,022</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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Assessed Value ¹	\$ 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	\$ 7,953,751,038	\$ 8,481,263,134
Legal Debt Margin ²										
<i>Debt limits:</i>										
2.5% of assessed value total	\$ 101,941,391	\$ 110,103,156	\$ 119,280,521	\$ 129,323,595	\$ 141,360,567	\$ 156,802,033	\$ 175,387,511	\$ 187,596,507	\$ 198,843,776	\$ 212,031,578
1.5% of assessed value (nonvoted)	61,164,835	66,061,894	71,568,313	77,594,157	84,816,340	94,081,220	105,232,507	112,557,904	119,306,266	127,218,947
Less: debt applicable to limit:										
General obligation debt (City)	(26,673,142)	(25,818,178)	(24,935,221)	(24,071,075)	(23,177,123)	(22,241,587)	(21,275,000)	(20,415,000)	(68,835,000)	(80,640,000)
Lynnwood Public Fac. Dist. ³	(27,213,944)	(26,288,404)	(26,489,700)	(25,962,583)	(24,976,766)	(23,656,949)	(21,086,700)	(19,255,400)	(21,105,026)	(18,355,310)
Add: available assets	304,523	165,104	164,110	148,156	149,480	122,476	117,280	111,902	111,806	112,503
Legal debt margin 1.5% - without a vote	\$ 7,582,272	\$ 14,120,416	\$ 20,307,502	\$ 27,708,655	\$ 36,811,931	\$ 48,305,160	\$ 62,988,087	\$ 72,999,406	\$ 29,478,046	\$ 28,336,140
As a percentage of debt limit	12.40%	21.37%	28.37%	35.71%	43.40%	51.34%	59.86%	64.85%	24.71%	22.27%
2.5% of assessed value total	\$ 101,941,391	\$ 110,103,156	\$ 119,280,521	\$ 129,323,595	\$ 141,360,567	\$ 156,802,033	\$ 175,387,511	\$ 187,596,507	\$ 198,843,776	\$ 212,031,578
Less: debt applicable to limit:										
General obligation debt (City)	(26,673,142)	(25,818,178)	(24,935,221)	(24,071,075)	(23,177,123)	(22,241,587)	(21,275,000)	(20,415,000)	(68,835,000)	(80,640,000)
Lynnwood Public Fac. Dist. ³	(27,213,944)	(26,288,404)	(26,489,700)	(25,962,583)	(24,976,766)	(23,656,949)	(21,086,700)	(19,255,400)	(21,105,026)	(18,355,310)
Add: available assets	304,523	165,104	164,110	148,156	149,480	122,476	117,280	111,902	111,806	112,503
Legal debt margin 2.5% - with a vote	\$ 48,358,828	\$ 58,161,678	\$ 68,019,710	\$ 79,438,093	\$ 93,356,158	\$ 111,025,973	\$ 133,143,091	\$ 148,038,009	\$ 109,015,556	\$ 113,148,771
As a percentage of debt limit	47.44%	52.82%	57.02%	61.43%	66.04%	70.81%	75.91%	78.91%	54.82%	53.36%

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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Assessed Value ¹	\$ 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	\$ 7,953,751,038	\$ 8,481,263,134
Legal Debt Margin ²										
Debt limit (2.5% of assessed value)	\$ 101,941,391	\$ 110,103,156	\$ 119,280,521	\$ 129,323,595	\$ 141,360,567	\$ 156,802,033	\$ 175,387,511	\$ 187,596,507	\$ 198,843,776	\$ 212,031,578
Less: debt applicable to limit: General obligation debt	-	-	-	-	-	-	-	-	-	-
Add: available assets	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 101,941,391	\$ 110,103,156	\$ 119,280,521	\$ 129,323,595	\$ 141,360,567	\$ 156,802,033	\$ 175,387,511	\$ 187,596,507	\$ 198,843,776	\$ 212,031,578
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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Assessed Value ¹	\$ 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	\$ 7,953,751,038	\$ 8,481,263,134
Legal Debt Margin ²										
Debt limit (2.5% of assessed value)	\$ 101,941,391	\$ 110,103,156	\$ 119,280,521	\$ 129,323,595	\$ 141,360,567	\$ 156,802,033	\$ 175,387,511	\$ 187,596,507	\$ 198,843,776	\$ 212,031,578
Less: debt applicable to limit:										
General obligation debt ³	-	-	-	-	-	-	-	-	-	-
Add: Available assets	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 101,941,391	\$ 110,103,156	\$ 119,280,521	\$ 129,323,595	\$ 141,360,567	\$ 156,802,033	\$ 175,387,511	\$ 187,596,507	\$ 198,843,776	\$ 212,031,578
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 *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

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
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	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
2021	25,025,415	16,646,608	8,378,807	2,185,000	1,728,317	3,913,317	2.14
2022	26,302,667	18,170,282	8,132,385	2,281,684	1,631,449	3,913,133	2.08

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
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%
2021	41,020	2,753,506,922 ^d	67,126 ^d	40.2 ^b	6,508	5.4%	5.2%	5.3%
2022	38,740	2,858,037,493 ^d	73,775 ^d	39.6 ^b	6,200	4.2%	3.3%	3.6%

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->

^{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.

^{2d} For 2021-2022, Annual Personal Income and Per Capita for US, Washington & Snohomish County, per Bureau of

³ Personal Income ⁽²⁾ divided by Population ⁽¹⁾.

^{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.

^{3d} For 2021-2022, Annual Personal Income and Per Capita for US, Washington & Snohomish County, per Bureau of

^{4a} <https://suburbanstats.org/population/washington/how-many-people-live-in-lynnwood>

^{4b} <https://censusreporter.org/profiles/16000US5340840-lynnwood-wa/> (Census data: ACS 2020 5-year)

⁵ Report Card Data Enrollment for 2021-2022 School Year filtered to Edmonds School District Schools within City limits only. Does not include private schools or

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.

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, 2022 and 2013

Employer	Product/Service	2022		
		Number of Employees	Rank	Percentage of Total City Employment
Edmonds School District ¹	Public Education	1,893	1	17.97%
Edmonds Community College ²	Public Education	1,520	2	14.43%
Nordstrom	Retail	401	3	3.81%
City of Lynnwood ⁴	Government	330	4	3.13%
Costco	Wholesale Warehouse	322	5	3.05%
Macy's West Stores Inc ³	Retail	314	6	2.98%
Zumiez Inc	Corporate Headquarters	301	7	2.86%
Costco Business Center	Wholesale Warehouse	245	8	2.33%
Fred Meyer Stores	Retail	189	9	1.79%
Expeditors International of WA, Inc	Freight Forwarder	185	10	1.76%
Total Principal Employers		5,699		54.11%
Total Other Employers ⁵		4,833		45.89%
Total Employers		10,532		100.00%

Employer	Product/Service	2011 ⁶		
		Number of Employees	Rank	Percentage of Total City Employment
Edmonds Community College	Education	2,000	1	10.33%
Edmonds School District	Education	1500	2	7.74%
City of Lynnwood	Government	488	3	2.52%
Comcast	Media/Cable Television	416	4	2.15%
Nordstrom	Retail	327	5	1.69%
Macy's	Retail	338	6	1.75%
J C Penney	Retail	283	7	1.46%
Fred Meyer Stores	Retail	219	8	1.13%
RPM	Accounts Receivable Management	196	9	1.01%
Cobalt	Data Processing	186	10	0.96%
Total Principal Employers		5,953		30.74%
Total Other Employers		13,415		69.26%
Total Employers		19,368		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 as of 12/31/21.

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 lifeguards to full-time maintenance workers during summer months.

⁵ As of 2019, Business Licenses are 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 2022 business licenses were issued less the top 10 employers except the Edmonds College, Edmonds School District and City of Lynnwood which are not included in the Business License Data. Full Time employee count from the Business License Data are employees reported as working 15 hours or more. Part-time employees are those working less than 15 hours.

⁶ 2013 Principal Employer data is not available, using 2011 data used in 2012 LGTO Official Statement.

City of Lynnwood, Washington
City Employees by Function/Program
Last Ten Calendar Years

Function/Program	December 31,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	84.41	82.06	86.50	94.00	89.23	79.15	89.00	90.35	102.45	103.45
Public Safety										
Police										
Officer	72.00	72.00	72.00	72.00	74.00	74.00	74.00	71.00	73.00	73.00
Civilians	12.00	12.00	14.00	14.00	11.00	15.00	15.00	16.00	15.00	15.00
Detention and corrections	15.00	15.00	15.00	15.00	16.00	20.00	17.00	20.00	19.00	19.00
Animal control	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	58.00	57.00	56.00	56.00	56.00	-	-	-	-	-
Civilians	1.50	2.50	2.50	2.50	2.00	-	-	-	-	-
Public Works										
Engineering and inspections	18.00	20.50	21.00	21.00	19.75	23.75	28.00	23.65	20.15	20.15
Street maintenance	9.15	9.15	10.00	10.00	8.80	8.90	9.00	9.10	9.45	9.45
Water	9.00	9.35	10.35	9.00	8.85	8.85	8.00	10.28	9.98	9.98
Sewer	19.00	20.00	17.35	19.00	21.85	21.85	24.00	20.50	22.55	22.55
Storm drainage	10.00	11.00	10.30	10.00	11.75	11.75	6.00	14.27	14.67	14.67
Culture and Recreation	41.98	41.98	38.50	35.00	39.75	40.75	40.75	42.75	41.75	41.75
Total	351.04	353.54	354.50	358.50	359.98	305.00	311.75	318.90	329.00	330.00
Percentage Change From Prior Year	-1.3%	0.7%	0.3%	1.1%	0.4%	-15.3%	2.2%	2.3%	5.5%	3.5%

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 lifeguards to full-time maintenance workers during summer months.

City of Lynnwood, Washington
 Operating Statistics by Program
 Last Ten Calendar Years ⁵

	December 31,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Building permits	2,247	2,423	3,278	2,454	2,512	1,822	852	1,883	2,317	2,644
Public Safety										
Police										
Inmates booked	4,065	4,047	4,628	3,764	3,093	2,695	2,565	1,097	502	-
Physical arrests (UCR) ¹										
Adults	2,226	2,430	2,251	2,815	2,840	2,282	2,557	1,757	1,336	1,911
Juveniles	431	362	283	221	190	129	206	80	33	143
Municipal Court										
Traffic Violations	7,001	6,641	8,030	8,111	5,533	6,572	4,461	2,069	1,604	2,177
Parking/PE	24,700	29,301	34,378	36,820	34,856	34,810	39,299	32,521	39,565	45,853
Criminal violations	2,443	2,320	2,168	2,475	2,379	2,072	1,977	1,642	1,162	1,496
DUI/Physical Control	304	221	211	261	245	168	170	138	118	157
Fire ⁴										
Number of calls answered	6,940	6,963	7,636	9,026	6,932	-	-	-	-	-
Inspections	5,171	4,958	5,960	5,081	678	-	-	-	-	-
Transportation										
Potholes repaired	81	28	125	146	141	216	250	231	252	178
Culture and Recreation										
Total recreation program registrations (net)	29,022	29,857	28,849	33,424	34,848	36,873	23,195	37,320	105,263	55,010
Recreation center usage	256,129	244,183	263,998	271,019	267,365	260,586	247,982	45,870	210,526	238,751
Water										
Average daily consumption (CCF) ²	3,952	3,960	4,094	4,012	4,103	4,207	3,923	4,380	4,703	4,501
Hydrant inspected/repaired/replacement	1,705	1,106	692	849	1,083	1,162	1,081	159	1,872	100
Sewer										
Average daily sewer treatment (MGD) ³	4.15	4.52	4.17	4.48	4.61	4.32	4.05	4.21	4.23	4.35
City Clerk										
Number of public disclosure requests	272	453	562	489	432	435	522	408	442	502

Notes:

¹ UCR - Uniform Crime Reporting Program

² CCF - Hundreds of cubic feet

³ MGD - Millions of gallons per day

⁴ 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 Ten Calendar Years

Function/program	December 31,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety										
Police										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Police Vehicles	81	79	85	86	81	86	82	87	88	92
Fire										
Number of Stations	2	2	2	2	-	-	-	-	-	-
Transportation										
Miles of streets, lane miles	272	272	272	272	306	306	286	287	287	351
Number of signals	55	55	55	57	60	60	60	62	63	65
Number of street lights	356	373	370	370	436	420	423	400	432	434
Culture and recreation										
Number of parks	17	17	17	17	17	17	17	17	17	17
Open space and undeveloped parks	120.94 acres	120.94 acres	123.96 acres	142.72 acres	142.72 acres	142.72 acres	142.72 acres	147.17 acres	147.17 acres	150.68 acres
Miles of trails outside of parks	6.78	6.78	7.6	7.6	7.6	7.6	7.6	7.6	7.6	7.6
Golf courses	1	1	1	1	1	1	1	1	1	1
Recreation center	1	1	1	1	1	1	1	1	1	1
Senior center	1	1	1	1	1	1	1	1	1	1
Water										
Number of consumers	8,053	8,538	8,558	9,203	9,242	8,935	9,069	9,138	9,348	8,843
Miles of water mains	-	162	136	135	136	109	113	119	113	113
Fire hydrants	1,007	1,043	1,045	1,032	1,089	1,066	1,098	1,114	1,106	1,109
Sewer										
Miles of sanitary sewers	96.9	106.7	106.4	105.4	105.8	105.4	107.2	108.7	107.8	106.7
Number of sewer customers	8,514	8,071	8,083	8,987	9,598	8,121	8,870	8,941	9,147	7,096
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	7.4 MGD

Notes:

Fire operations were transferred to South Snohomish County Regional Fire & Rescue in 2017

MGD - Millions of gallons per day