

Comprehensive Annual Financial Report



For the Fiscal Year Ending December 31, 2019



CITY OF LYNNWOOD
WASHINGTON



Cover photo: Activity at South Lynnwood Park
Chad Emerson, 2018



CITY OF LYNNWOOD, WASHINGTON

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended

December 31, 2019

Prepared by:

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Accountant, Julie Stanhope
Enterprise Accountant, Arum Kwon

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CITY OF LYNNWOOD, WASHINGTON
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2019

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INTRODUCTORY SECTION

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July 31, 2020

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

I am pleased to transmit to you Lynnwood’s Comprehensive Annual Financial Report (CAFR) for the fiscal year ending December 31, 2019. 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 a CAFR 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 CAFR 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, and the City of Lynnwood Transportation Benefit District (TBD), the City’s blended component unit. Our CAFR 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 publicly-owned 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.

GAAP require that the CAFR 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-significant infrastructure—including the Lynnwood Link segment of Sound Transit’s light rail system (commencing service 2024). It is believed that Lynnwood’s residential population of 39,600 is considerably less than the City’s daytime population. The City encompasses

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Letter of Transmittal

7.86 square miles, and is planning for a 2035 population within that area of 54,000. In addition, Lynnwood is expected to grow in both size and population through annexation of adjacent unincorporated areas—with capacity for a 2035 population of 85,000.

Election of city officials occurs during odd-numbered years, and the Mayor's term of office is four years. The seven members of the City Council are elected at-large for staggered, four-year terms. The City Council is responsible for establishing the general direction and policies for the City and for the allocation of resources via an adopted budget. As the chief executive officer, the Mayor is responsible for carrying out the policies and direction set by the City Council. This includes the administration of laws and ordinances, the execution of contracts and agreements, and the delivery of municipal services. The City provides a full range of local government services including public safety; criminal justice, planning and zoning; parks and recreation; economic development; streets and traffic management; and water, wastewater and stormwater utilities. In November 2017, voters approved the formation of a Regional Fire Authority (RFA) that includes Lynnwood. Accordingly, Lynnwood's Fire and Emergency Medical Service (EMS) services were transferred to South County Fire & Rescue.

As mentioned above, Lynnwood has adopted financial management policies to guide budgeting and accounting practices. The City Council adopts a biennial budget each even-numbered year. The budget process includes a detailed, six-year financial forecast, which serves as the foundation for the City of Lynnwood's financial planning. One or more times during the biennium, budget adjustments are brought forward to the City Council.

LOCAL ECONOMY

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

Meanwhile, Washington State's economy continues to outperform the national economy. Lynnwood contributes to and benefits from Washington's strong financial position. As a regional employment center and a retail shopping destination, Lynnwood is recognized as a key catalyst for the economic health of Snohomish County. In 2019, the City accounted for 3,573 business licenses, and the annual revenue from business licensing (\$2.8 million in 2018) supports General Fund services. For 2019, the Snohomish County Assessor reports \$29.5 million in new assessed value due to \$51.7 million in construction activity (an increase of 2.7 million over 2018). High-density, transit-oriented development is being permitted and constructed near the new light rail station (also under construction during 2019). Local businesses employ more than 21,700 people.

Partially due to the formation of the RFA in 2017, the City has one of the lowest property tax levy rates in the Puget Sound region. For 2019, the General Levy rate was \$0.57 per \$1,000 of assessed valuation, based upon the adopted levy of \$4 million. Following formation of a Regional Fire Authority, in 2018 voters approved a special EMS levy for the RFA (South County Fire & Rescue). The City's special EMS levy was simultaneously repealed.

During 2019, some General Fund revenues did not perform as forecasted. In particular, sales tax, permit fees, admissions tax, and Recreation Center fees under-performed during 2019, and this resulted in a \$1.6 gap in the ending fund balance. Consumer and business behavior during 2019 foretold signs of a slowing economy. It is particularly difficult to forecast the timing of land development projects, which generate permit fee, construction sales tax, and real estate excise tax revenues. Nonetheless, with a full 12 months

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Letter of Transmittal

of the budget biennium remaining at the close of 2019, it would not be difficult to identify \$1.6 million in expenditure reductions to offset 2019's unrealized revenue. As mentioned above, General Fund reserves exceeded \$10 million at the close of 2019.

The vicinity of Alderwood Mall is a very active area of the City. At 1.3 million square feet, Alderwood Mall is the third-largest shopping center in the Puget Sound area, offering extensive shopping, restaurant, and entertainment experiences. This retail center is anchored by national department stores and retailers, two multi-screen theaters, and the Alderwood Village lifestyle center. Alderwood Mall continues to foster new investment in its environs, including new multifamily and mixed-use development. Stores within walking distance of Alderwood Mall include: Barnes & Noble, Best Buy, Costco, HomeGoods, Kohl's, Lowe's, Marshalls, Nordstrom Rack, Ross, Target, TJ Max, Total Wine, Video Only and Whole Foods. During 2019, Northgate Mall (1 million square feet) closed and this significantly increased the market area for Alderwood Mall. With the demise of Northgate Mall, there is no regional shopping mall between downtown Seattle and Alderwood Mall.

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

With an inventory of more than 1,000 rooms, Lynnwood's lodging industry serves both Snohomish County and King County. In 2019, Lynnwood received a lodging tax distribution of \$779,160, a four percent (4%) increase from 2018. Visitors to Lynnwood contribute to the local economy, generating economic activity, employment and general tax revenues.

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.

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.

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LONG-TERM FINANCIAL PLANNING AND GUIDING FINANCIAL POLICIES

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

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

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

MAJOR INITIATIVES

Lynnwood manages its finances utilizing Munis, an enterprise resource planning software system developed by Tyler Technologies. Deployed modules include mainstream accounting functions, procurement, human resource management, capital asset and grant management, position control, regulatory business licensing, and utility billing. During 2019, Lynnwood joined 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. During 2019, the City transferred \$1,045,450 and \$1,100,000 from the General Fund to the Street and Capital Development Fund, respectively. In addition, the City transferred \$1,454,392 in revenue from construction sales tax and permit fees to its Economic Development Infrastructure Fund (EDIF), which had a balance of over \$10 million at the end of 2019. These important investments in infrastructure were achieved while preserving \$10.1 million in General Fund reserves.

Projects completed or in progress in 2019 ranged from treatment plant upgrades, roadway construction, and infrastructure improvements to significant trail and park improvements. Investments in capital assets of the City's utilities amounted to \$9,170,022 million during 2019.

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

Construction of Sound Transit's Lynnwood Link light rail service between Lynnwood and points south (University of Washington, downtown Seattle, Bellevue, Sea-Tac International Airport, etc.) is underway. During 2019, buildings were razed and site preparation moved forward. Construction of the guideway columns and the City Center Station is now underway. Beginning in 2024, Lynnwood's station, which will be the terminus of the northern route (for approximately a decade), is anticipated to serve 20,000 riders per day. A separate funding package approved by voters (Sound Transit 3) will continue the light rail line northward through Lynnwood and on to Paine Field airport and the City of Everett. That segment will include a transit station near Alderwood Mall.



2019 Comprehensive Annual Financial Report
Letter of Transmittal

ACKNOWLEDGEMENTS AND AWARDS

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

The City also received the GFOA's Distinguished Budget Presentation Award for its budgets for the 2017-2018 and 2019-2020 bienniums. 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 CAFR could not have been accomplished without the dedicated effort of Administrative Services staff. I appreciate the many contributions from John C. White CPA, Cyndie Eddy, Sherri Gordon, Janella Lewis, Serena Battulga, Corbitt Loch, Julie Stanhope, Arum Kwon, 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,

Sonja Springer

Sonja E. Springer, CPA
Finance Director



Government Finance Officers Association

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

Presented to

**City of Lynnwood
Washington**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2018

Christopher P. Morrill

Executive Director/CEO



ELECTED AND APPOINTED OFFICIALS

(As Of December 31, 2019)



MAYOR

Nicola Smith
Term Expires 2021



CITY COUNCIL

George Hurst
Position 6
Term Expires 2019

Ian Cotton
Position 2
Term Expires 2021

Benjamin Goodwin
Council President
Position 5—Term Expires 2019

Shannon Sessions
Council VP, Position 7
Term Expires 2019

Shirley Sutton
Position 4
Term Expires 2019

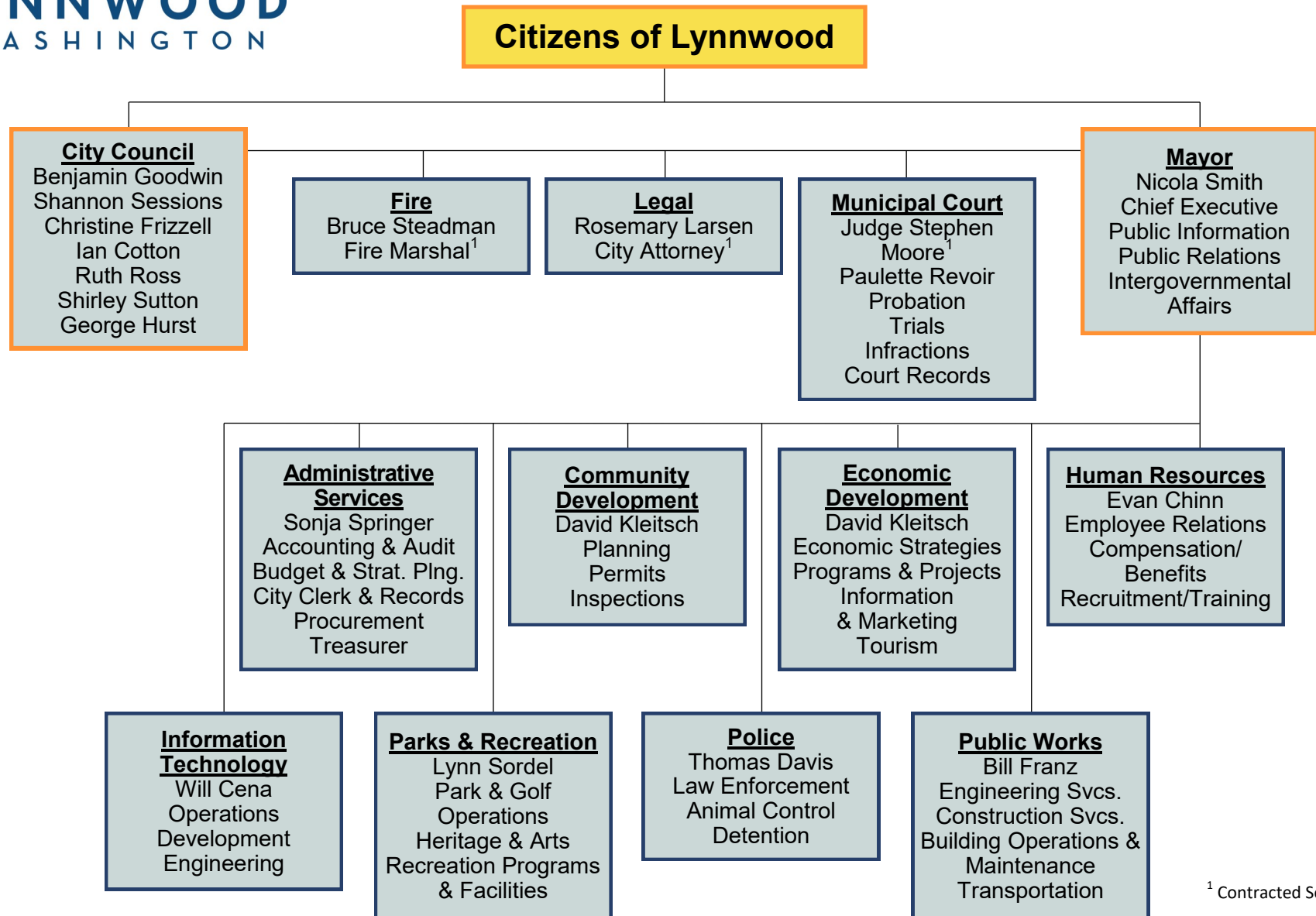
Ruth Ross
Position 3
Term Expires 2021

Christine Frizzell
Position 1
Term Expires 2021

Assistant City Administrator	Art Ceniza
Finance Director	Sonja Springer
City Attorney	Rosemary Larson
Community Development Director—interim	David Kleitsch
Economic Development Director	David Kleitsch
Fire Chief (South County Fire & Rescue)	Bruce Steadman
Human Resources Director	Evan Chin
Information Technology Director—interim	Will Cena
Municipal Court Judge	Steven Moore
Municipal Court Administrator	Paulette Revoir
Parks, Recreation & Cultural Arts Director	Lynn Sordel
Police Chief	Thomas Davis
Public Works Director	William Franz

EXECUTIVE STAFF

2019 Organization Chart



¹ Contracted Service

FINANCIAL SECTION



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

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

July 31, 2020

Mayor and City Council
City of Lynnwood
Lynnwood, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Lynnwood, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's

preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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

Matters of Emphasis

As discussed in Note 4-H to the financial statements, in February 2020, a state of emergency was declared that could have a negative financial effect on the City. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

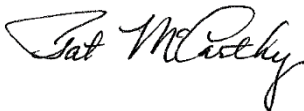
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements as a whole. The combining and individual fund statements and schedules are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we will also issue our report dated July 31, 2020, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the City's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,



Pat McCarthy

State Auditor

Olympia, WA

MANAGEMENT'S
DISCUSSION
AND ANALYSIS

Within this section of the City of Lynnwood, Washington (“the City”) comprehensive annual financial report (CAFR), 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, 2019. 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 \$238,432,226 (net position) at the end of the calendar year.
- Total net position is comprised of the following:
 - (1) Net investment in capital assets of \$172,659,058 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 \$33,708,599 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 \$32,064,569 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 \$48,124,485 this year. This compares to the adjusted prior year ending fund balance of \$44,666,585, showing an increase of \$3,457,900 or 7.7% during the current year.
- At the end of the current calendar year, unassigned fund balance for the General Fund was \$4,108,301, or 9.0% of total General Fund expenditures.
- Overall, the City continues to maintain a strong financial position.

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

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

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

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

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

The government-wide financial statements are presented on pages 32 and 33 of this report.

Fund Financial Statements

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

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

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

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

The basic governmental fund financial statements are presented on pages 34-37 of this report.

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

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

The basic enterprise fund financial statements are presented on pages 38-41 of this report.

- *Fiduciary fund* type represents funds held in trust and includes the firemen's pension trust fund and two fiduciary funds. The statements for these funds are presented on pages 42 and 43.

Notes to the Basic Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the basic financial statements begin on page 47 of this report.

Required Supplementary Information

This section includes the budgetary schedules for the general fund and disclosure related to pensions and other-postemployment benefits. These are presented in the on pages 94-102.

Supplementary Information

Combining and comparative individual statements and schedules for some major and nonmajor funds are presented as supplementary information in this report beginning on page 104.

Financial Analysis of the City as a Whole

The City's net position at calendar year-end was \$238,432,226. The following table provides a summary of the City's net position:

	Governmental Activities		Business-type Activities		Total	
	2019	2018 (restated)	2019	2018	2019	2018 (restated)
Assets:						
Current	\$ 61,257,580	\$ 55,678,336	\$ 24,545,498	\$ 19,486,467	\$ 85,803,078	\$ 75,164,803
Capital assets	148,564,149	144,844,245	82,018,722	79,257,739	230,582,871	224,101,984
Other	10,134,344	10,831,026	12,646,641	17,234,846	22,780,985	28,065,872
Total assets	219,956,073	211,353,607	119,210,861	115,979,052	339,166,934	327,332,659
Deferred outflows of resources	5,089,490	4,564,117	446,815	419,942	5,536,305	4,984,059
Liabilities:						
Current	6,531,175	6,411,223	3,556,471	3,834,917	10,087,646	10,246,140
Non-current	39,620,957	43,705,335	49,517,055	52,178,283	89,138,012	95,883,618
Total liabilities	46,152,132	50,116,558	53,073,526	56,013,200	99,225,658	106,129,758
Deferred inflows of resources	6,183,247	5,705,437	862,108	778,798	7,045,355	6,484,235
Net position:						
Net investment in capital assets	127,289,148	122,602,658	45,369,910	45,194,736	172,659,058	167,797,394
Restricted	33,132,088	29,450,366	576,511	575,698	33,708,599	30,026,064
Unrestricted	12,288,948	8,042,705	19,775,621	13,836,562	32,064,569	21,879,267
Net position	\$ 172,710,184	\$ 160,095,729	\$ 65,722,042	\$ 59,606,996	\$ 238,432,226	\$ 219,702,725

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 9.4 to 1 as compared to 8.7 to 1 at December 31, 2018. The current ratio for the business-type activities at December 31, 2019 is 6.9 to 1 as compared to 5.1 to 1 at December 31, 2018. For the City overall, the current ratio is 8.5 to 1 as compared to 7.3 to 1 at December 31, 2018. These ratios are strong.

The City reported positive balances in net position for both governmental and business-type activities. Net position increased \$12,614,455 for governmental activities and increased by \$6,115,046 for business-type activities. The City's overall financial position increased during calendar year 2019 by \$18,729,501. 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.

73.7% 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 69.0% 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, 72.4% 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	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program:						
Charges for services	\$ 13,027,006	\$ 15,068,765	\$ 24,485,840	\$ 22,915,405	\$ 37,512,846	\$ 37,984,170
Operating grants and contributions	4,910,376	3,347,017	-	-	4,910,376	3,347,017
Capital grants and contributions	5,588,050	10,529,047	844,044	280,465	6,432,094	10,809,512
General:						
Property taxes	3,951,052	6,100,350	-	-	3,951,052	6,100,350
Sales taxes	27,191,036	26,893,450	-	-	27,191,036	26,893,450
Business and other taxes	11,755,104	13,159,655	-	-	11,755,104	13,159,655
Investment earnings	847,047	579,102	1,130,750	475,214	1,977,797	1,054,316
Other revenues	333,147	104,486	16,670	5,338	349,817	109,824
Total revenues	67,602,818	75,781,872	26,477,304	23,676,422	94,080,122	99,458,294
Program Expenses:						
General government	8,686,443	9,144,034	-	-	8,686,443	9,144,034
Economic environment	5,850,956	5,740,132	-	-	5,850,956	5,740,132
Judicial	959,925	1,032,081	-	-	959,925	1,032,081
Culture and recreation	8,130,499	8,940,249	-	-	8,130,499	8,940,249
Public safety	21,382,395	23,297,502	-	-	21,382,395	23,297,502
Social services	553,170	548,383	-	-	553,170	548,383
Transportation	8,564,785	9,873,081	-	-	8,564,785	9,873,081
Utilities	30,870	36,155	-	-	30,870	36,155
Interest on long-term debt	829,320	937,523	-	-	829,320	937,523
Water/sewer/storm utility	-	-	19,052,059	19,417,664	19,052,059	19,417,664
Golf course	-	-	1,310,199	1,240,738	1,310,199	1,240,738
Total expenses	54,988,363	59,549,140	20,362,258	20,658,402	75,350,621	80,207,542
Revenues over (under) expenses	12,614,455	16,232,732	6,115,046	3,018,020	18,729,501	19,250,752
Transfers	-	(442,100)	-	442,100	-	-
Changes in net position	12,614,455	15,790,632	6,115,046	3,460,120	18,729,501	19,250,752
Beginning net position:						
as originally reported	160,058,237	149,942,773	59,606,996	56,146,876	219,665,233	206,089,649
Prior period adjustments	37,492	(5,675,168)	-	-	37,492	(5,675,168)
Beg net position-restated	160,095,729	144,267,605	59,606,996	56,146,876	219,702,725	200,414,481
Ending net position	\$ 172,710,184	\$ 160,058,237	\$ 65,722,042	\$ 59,606,996	\$ 238,432,226	\$ 219,665,233

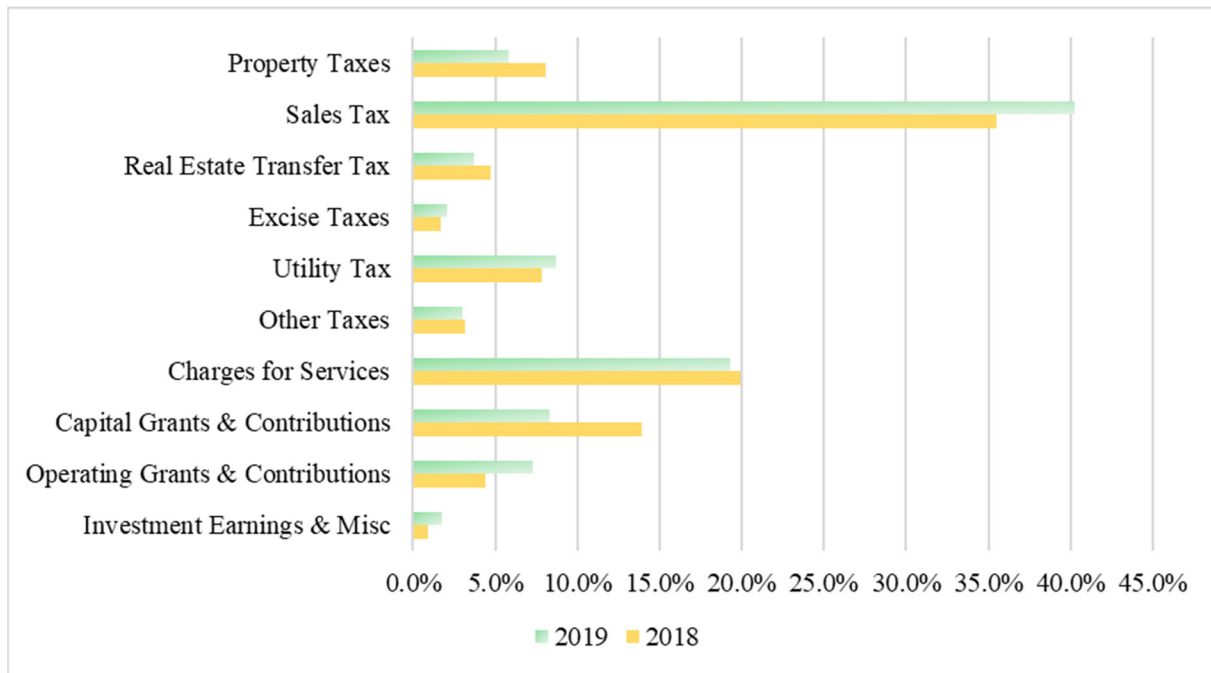
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GOVERNMENTAL ACTIVITIES-REVENUES

Although total tax revenues decreased by \$3,256,263 or 7.06% less than those reported in 2018, the decrease was the result of the elimination of the EMS property tax levy of \$2,350,633 that was collected in 2018. Beginning in 2019, the collection of EMS property tax was transferred to the South County Fire District No. 1 as the City transferred fire services to South County Fire in October 2017. Sales taxes increased by \$297,586 or 1.1%. Retail sales, the largest sector comprising 37.8% of the overall sales tax base increased by 5.9% from 2018. Construction taxes, which are one-time revenues in nature, decreased by 6.8% from 2018.

Business and other taxes decreased by \$1,404,551, or 10.7% from 2018. The decrease was primarily due to a decrease of \$1,060,748 or 29.9% in real estate excise taxes and a \$219,384 or 23.8% decrease in admission taxes. Real excise taxes, which are assessed on all real property sales, was unusually high in 2018 as a major shopping center as well as three large apartment complexes were sold in 2018. The decrease in admission taxes was a result of fewer sales of movie tickets at the theaters in 2019 and could be related to the unusual increase in movie tickets purchased in 2018 due to the “Movie Pass” discount program in 2018 that was no longer in business in 2019.

As the chart below depicts, in total, in 2019 taxes make up 63.5% of the total revenues stream as compared to 60.9% in 2018. 2019 property taxes make up 5.8% of revenues, as compared to 8.0% in 2018, and 2019 sales taxes make up 40.2% of total revenues as compared to 35.5% in 2018.



The operating grants and contributions for general government of \$444,478 included the following:

- Public Utility District Privilege Tax - \$264,503
- Other Miscellaneous Revenues and Donations - \$179,975

The operating grants for culture and recreation of \$1,010,113 included the following:

- Donations, Parks and Senior Services - \$28,287
- Public Hospital District No 2 agreements for:
 - Move 60 Teen Program - \$104,620
 - Parks and Recreation staff support services - \$17,366
 - Swim Voucher Programs - \$40,680
- National Recreation & Park Association grant - \$40,000
- Lodging Tax - \$779,160

The operating grants for public safety of \$2,019,232 included the following:

- LEOFF Pension Plan Special Funding - \$293,440
- GEMT – Ground Emergency Medical Transportation (WA Health Care Authority) - \$1,164,794
- City of Edmonds – Police Services - \$55,582
- Edmonds School District – Police Services - \$62,575
- City of Edmonds Share of Narcotics Sergeant - \$81,278
- Investigative Work for SERS/Snohomish 911 - \$35,852
- Snohomish County Regional Drug and Gang Task Force - \$15,100
- Department of Justice Equitable Sharing - \$124,117
- Washington Traffic Safety Commission - \$19,851
- Washington State Criminal Justice distributions - \$58,890

The operating grants and contributions for transportation of \$926,375 included the following:

- Motor Vehicle Fuel Tax and Other Street Operating Funds - \$926,375

The operating grants and contributions for utilities of \$12,821 included the following:

- Department of Ecology Grant - \$12,821

The operating grants and contributions for judicial of \$31,716 included the following:

- Administrative Office of the Courts - \$31,716

The capital grants and contributions for transportation of \$5,159,041 included the following:

- Federal indirect grants through Washington State DOT for:
 - 35th and 36th Avenue West Roadway - \$400,979
 - 42nd Ave W Improvements - \$5,724
 - 44th Ave W I-5 Underpass Improvements - \$1,317
 - Interurban Trail Missing Link - South Segment - \$448
 - Poplar Way Bridge Extension - \$295,713
 - SR 99 & SR 524 Real-Time Adaptive Signal Control - \$391
- Washington State Transportation Improvement Board for 36th Ave W Rd Improvements - \$3,567,047
- Washington State DOT for 196th St SW & SR 524 Improvements - \$487,242
- Alderwood Water & Waste District - \$36,897
- Contributed Capital Assets – Streets - \$332,671

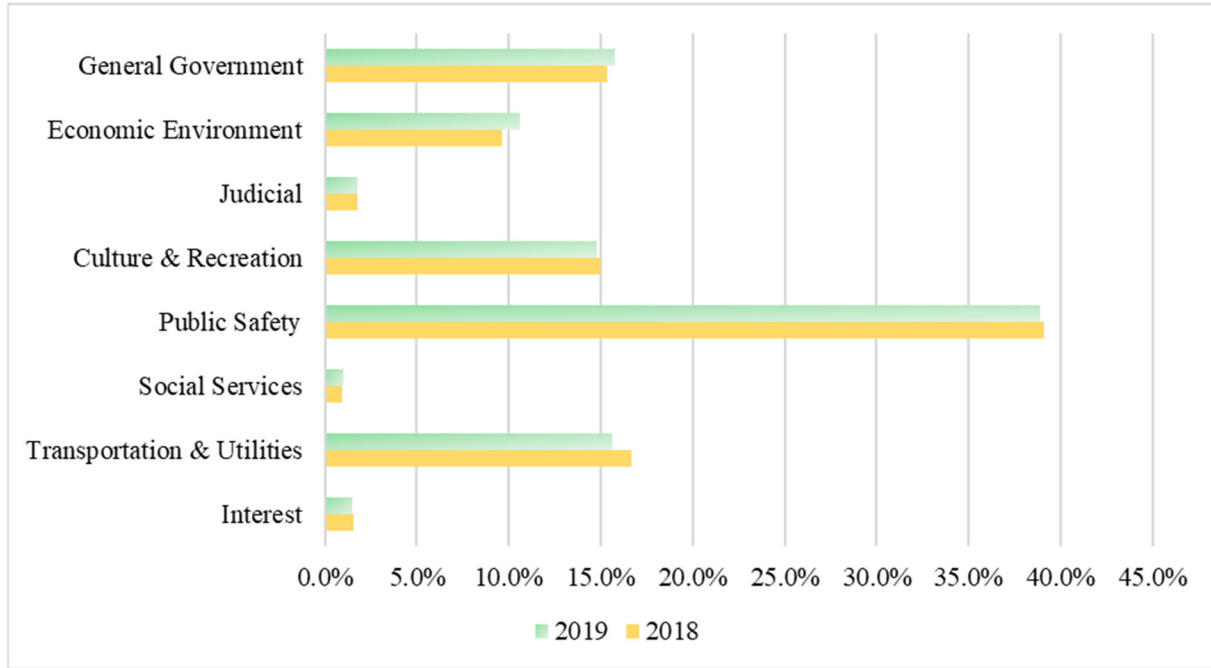
The capital grants and contributions for culture and recreation of \$429,009 included the following:

- US Department of Interior (South Lynnwood Park Renewal) - \$24,878
- WA Recreation and Conservation Office (South Lynnwood Park Renewal) - \$24,878
- WA Recreation and Conservation Office (South Lynnwood Park Athletic Field) - \$20,146
- Washington State Grant – DOT for Scriber Creek - \$232,761
- Snohomish County Grant for Heritage Park Water Tower Improvements - \$13,972
- Verdant Bike2Health Project (PHD 2) - \$73,878

It is noteworthy that program revenues cover 42.8% of governmental operating expenses, down from 48.7% a year ago. The taxpayers and the City's other general governmental revenues cover the remaining 57.2% of the governmental expenses. As a result, the general economy and the success of City businesses have a major impact on the City's revenue streams.

GOVERNMENTAL ACTIVITIES - FUNCTIONAL EXPENSES

The chart below illustrates the cost of each of the City's major governmental activities by function and related percentages of the total functional expenditures for 2019 and 2018:



Of the City's governmental activities functions, 38.9% of the total costs relates to public safety in 2019 as compared to 39.1% in 2018. Public safety expenses decreased by \$1,915,107. The decrease is due to the elimination of the transfer of EMS property tax revenue collection and remittance to South County Fire in 2019. In 2018, \$2,350,633 was paid to South County Fire for the EMS property tax collected in 2018. Transportation & utilities expenses make up 15.6% of total costs in 2019 as compared to 16.6% in 2018. The decrease of \$1,308,296 is due to decreased engineering operating expenditures associated with street maintenance and road improvement projects like chip sealing in 2019 as compared to 2018 as more engineering work was on capitalized street construction projects in 2019. General government expenses make up 15.8% of total expenses as compared to 15.4% in 2018. General government expenses decreased \$457,951. Culture & recreation expenses make up 14.8% of total costs in 2019 as compared with 15.0% in 2018. Culture and recreation expenses decreased by \$809,750 due to reduced operational expenditures including utility costs, bank credit card fees, small equipment and technology equipment and other operating supplies. Economic environment expenses make up 10.6% of total expenses as compared to 9.6% in 2018. Economic environment expenses increased \$110,824 due to increased professional services on the Lynnwood Light Rail project that is fully reimbursable by Sound Transit.

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

(continued on following page)

Governmental Activities

	Total Cost of Services		Net Cost of Services	
	2019	2018	2019	2018
General government	\$ 8,686,443	\$ 9,144,034	\$ 4,439,903	\$ 3,515,458
Judicial	959,925	1,032,081	(598,345)	(760,031)
Public safety	21,382,395	23,297,502	16,221,480	20,387,271
Utilities	30,870	36,155	(537,090)	(506,138)
Transportation	8,564,785	9,873,081	2,031,048	(3,056,695)
Economic environment	5,850,956	5,740,132	4,775,579	4,806,424
Social services	553,170	548,383	553,170	548,383
Culture and recreation	8,130,499	8,940,249	3,747,866	4,732,116
Interest on debt	829,320	937,523	829,320	937,523
Total	\$ 54,988,363	\$ 59,549,140	\$ 31,462,931	\$ 30,604,311

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		%
	2019	2018	Change
Water/sewer/storm utility	\$ 5,617,213	\$ 3,930,329	42.92%
Golf course	63,863	80,053	-20.22%
Total	\$ 5,681,076	\$ 4,010,382	41.66%

The following analysis is provided for the major enterprise funds.

Sewer/Water/Storm Utility Fund – Operating revenues increased \$1,516,924 or 7.0% in 2019 over 2018. Water charges for services increased \$543,170 or 8.0%. Sewer charges for services increased \$742,927 or 6.9%. Storm charges for services increased \$298,503 or 7.4%. Increases are primarily due to rate increases in 2019 of 5% for water, 5% for sewer and 7% for storm.

Total operating expenses decreased \$169,960 or 1.0% from the 2018 amount. At December 31, 2019, net position totals \$62,509,100. Of this amount, \$41,175,308 or 65.9% is invested in capital assets.

The various expenses changed from 2018 to 2019 as follows:

- Administration and general – water – increase of \$399,593 or 22.0%.
- Administration and general – sewer – increase of \$604,677 or 39.5%
- Administration and general – stormwater – reduction of \$70,086 or 9.9%
- Maintenance and operations – water – reduction of \$504,495 or 13.8%
- Maintenance and operations – sewer – reduction of \$771,534 or 14.0%
- Maintenance and operations – stormwater - increase of \$193,137 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 decreased incrementally by \$169,960 or 1.0%.

Golf Course Fund – Operating revenues increased \$53,511 or 4.1%. Despite being closed for 16 days due to inclement weather, the golf course finished the year with a 4% increase in rounds and record breaking revenue in cart rentals, pro-shop, food and beverage, and overall revenues.

Total operating expenses increased by \$69,701 or 5.8% over the 2018 amount, mainly due to pro-shop costs. Operating income decreased from \$80,053 in 2018 to \$63,863 in 2019.

As of December 31, 2019, the net position totaled \$3,065,463 compared with \$3,026,625 as of December 31, 2018.

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 \$48,124,485 as compared to \$45,205,280 at December 31, 2018.

The restricted amount at December 31, 2019 was \$24,865,883, which includes \$117,281 for debt service, \$3,591,505 for criminal justice, \$13,674,293 for capital improvements, \$5,373,532 for transportation, \$1,266,951 for tourism, and \$842,321 for a variety of other restrictions.

\$7,878,466 is committed, primarily for revenue fluctuations. The general fund reports approximately \$10.6 million assigned to future economic development infrastructure.

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

Also, included in the General Fund is approximately \$10.6 million intended (assigned) to be spent on future economic development. These funds are included in the Economic Infrastructure Development fund, another managerial fund that is included in the General Fund.

The General Fund reports an unassigned amount of fund balance of \$4,108,301. This amount will be used for future one-time operating costs. The total ending fund balances of governmental funds show an increase of \$2.9 million net of a negative prior period adjustment of \$538,697 compared to an increase of \$5.4 million at December 31, 2018.

Major Governmental Funds

General Fund - The General Fund is the City's primary operating fund and the largest source of day-to-day service delivery. The General Fund's fund balance decreased by \$190,327 or .9% in 2019, after interfund transfers to other funds. The difference between revenues and expenditures was \$4,425,656 before interfund transfers. Of the total \$4,996,788 transferred from the General Fund, \$1,794,838 was transferred to service debt, \$2,130,000 was transferred to fund capital projects, \$1,045,450 was transferred to the Street Operating Fund (Non Major Special Revenue Fund) and \$26,500 was transferred to the Solid Waste Management fund (Non Major Special Revenue Fund). Total transfers out were \$1,051,538 (26.7%) more than total transfers in 2018 due to an increase in transfers of \$1,012,500 to capital project funds.

Total revenues decreased by \$2,539,564 or 4.8% in 2019. The primary cause of this decrease was the reduction in property taxes of \$2,218,066 due to the transfer of collection of the EMS property tax to South County Fire, a separate special purpose district. Sales tax revenues increased by 3.3% or \$753,059 over the 2018 amount.

Business license revenues decreased by \$968,788 or 35.7% from 2018 as a result of the transfer of billing and collection of business license fees from the City to the State Department of Revenue in November 2019. The due dates and collection of a significant portion of business license fees was spread into 2020 when the State took over collection.

Permits and fees decreased \$932,875 or 38.9% from 2018. Planning fees decreased by \$323,972 or 34.7% from 2018. These development revenues were unusually high in 2018 due to the increased development activity in 2018, including several large housing complexes as well as many other major new projects, including a hotel, all requiring building permits and planning fees in 2018.

Intergovernmental revenues increased by \$1,395,570 (87.8%) due to the collection of \$1,164,794 in ground emergency medical transport (GEMT) fees. These fees were coordinated through the Washington State Health Care Authority and represent reimbursement from Medicare of the actual costs of medical transports performed by the fire department in 2017.

In 2019, total expenditures decreased by \$2,546,803 or 5.3% compared to 2018. The decrease is due to a decrease of \$2,386,071 or 67% in fire services expenditures a result of the discontinuation of the EMS property tax payment (\$2,30,648 in 2018) to South County Fire, which resulted in a decrease of \$1,729,612 or 7.1% in total public safety expenditures.

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. As of December 31, 2019, the City has met the policy requirements for reserves in 2019 as follows:

2019 General Fund Expenditures	\$ 45,691,886
Reserve Requirement (2.5 months)	9,519,143
Reserves:	
Revenue Stabilization Fund	\$ 6,000,000
Unassigned Fund Balance	4,108,301
Total Reserve Balance	10,108,301
Exceeds Reserve Requirement	\$ 589,158

Transportation Capital Fund – the Transportation Capital Fund, while not new, is now classified as a major fund due to the increased dollar amount of activity. As the name indicates, the fund is used to account for transportation related capital projects, which in 2019 included among others, 35th/36th Ave W Roadway Improvements, the Poplar Way Extension Bridge, and 196th Street SW (SR524) Improvements. Revenues decreased by \$5,408,656 from 2018 to 2019 due to a decrease in the amount of grant funding received in 2019. Expenditures decreased by \$4,847,224 from 2018 to 2019. This aligns with the fact that City purchased less Right-of-Way on the 196th Street SW Improvements project than it did in 2018. Also, majority of the construction costs for Interurban Trail South Segment project was paid and substantially completed in 2018 so in 2019, the City only paid for closing invoices. Fund balance decreased by \$495,147, or 7.4%, from 2018 to 2019. Fund balance decreased by \$495,147, or 7.4%, from 2018 to 2019.

Budgetary Highlights – General Fund

The City adopts a biennial budget and combines both years together. The biennial budget is developed to guide the City's financial direction. It outlines how financial resources will be managed during the biennial budget years while allowing for reallocation of resources. Major groups that participate in the budget process are the Mayor, City Council, Chief Administrative Officer, Department directors, Managers, and interested Lynnwood citizens. Appropriation of operating and capital funds are reviewed and amended as needed by the City Council. During 2019, the budget was amended once and modified once during the mid-biennium to account for significant unforeseen situations, including the addition of the ground emergency medical transport fees (GEMT) revenues budget of \$1,117,193.

The final General Fund expenditure budget was \$839,278 higher than the original budget. The largest increase to the expenditure budget included \$531,538 for various contract/encumbrance carryovers from 2018 from incomplete projects in 2018 that required the budget authority in 2019 to complete the projects. Another significant increase to the expenditure budget was \$300,440 for the intergovernmental transfer to the State of Washington Health Care Authority that was required in order to receive the Ground Emergency Medical Transport (GEMT) revenues in 2019.

The final General Fund revenue budget was \$1,276,168 higher than the original budget. This includes a budget amendment of \$218,475 that was added to intergovernmental revenues to reflect the impacts of additional work billed to the Regional Transit Authority to accommodate the construction of the new light station. Also, in 2019 a budget amendment added \$1,117,193 to the intergovernmental revenues budget for the forecasted grounds emergency medical transport (GEMT) fees to be received in 2019.

Actual results compared to final budget

Total General Fund revenues over the first year of the biennium were \$50.1 million or 43.8% of the final biennial budget of \$114.3 million. The final budget includes \$4.4 million for interfund services revenues. In the financial statements, Interfund services were reclassified as a reduction of direct expenditures to the General Fund departments as opposed to revenues to the General Fund, so the actual interfund service revenue was zero. Adjusting for this amount, the General Fund revenues were 45.6% of the final adopted biennial budget. Property tax revenues were 47.8% of the biennial budget.

Sales tax revenues, which represents almost 43% of the total budgeted General Fund revenues, totaled \$23.7 million for the first year of the biennium and accounted for 48.3% of the \$49.0 million budget for sales tax. Sales tax revenues in 2019 increased by \$753,059 from 2018, which is a positive and strong 3.3% increase.

Business license revenues totaled \$1,747,113 or 28% of the final biennial budget and were lower than budgeted due to the lag in time that the State Department of Revenue has allowed businesses to pay their annual license fees. Both permit fees and planning fees, coming in at 38.7% and 23.1% of the biennial budget respectively, were lower than estimated but are expected to increase in the second year of the biennium.

Investment revenues, which totaled \$291,274 for the first the biennium, account for 71.6% of the total budget due to better management of the investment portfolio and increasing interest rates compared to previous years.

Total General Fund expenditures were \$45.7 million or 42.7% of the final biennial budget. The Administrative Services budget includes \$4.4 million of the costs that were actually charged directly to receiving funds for interfund services. While the budget resides in the General Fund where the costs were originally incurred, these interfund service costs were allocated to the Utility, Fleet and Golf funds in the financial statements. Adjusting for the amount charged directly to these funds (\$2,499,477), the General Fund expenditures were 45% of the final budget. All General Fund department's expenditures were within their biennial budget.

Capital Assets and Debt Administration

Capital Assets

The City's net book value of capital assets as of December 31, 2019 increased by 2.5% for governmental activities and increased by 3.4% in business-type activities. The overall increase was 2.8% 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, 2019, the depreciable capital assets for governmental activities were 52% depreciated. This compares with the December 31, 2018 percentage of 50%. For business-type activities, the percentage increased from 43% to 44%.

At December 31, 2019, the major projects included in the governmental activities construction in progress include:

- Poplar Way Bridge Extension - \$3,460,071
- 36th Avenue West Improvements - \$12,107,699
- 196th Street SW Improvements - \$6,176,786
- Beech Road Improvements - \$312,236
- Scriber Creek Trail Improvements - \$383,267
- Lynnwood Community Justice Center - \$301,552
-

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

- DJI Matrice Drone - \$28,949
- 2019 Ford Transit Cargo Van - \$37,382
- Diving Board – \$26,177
- Trimble Data Collection Equipment/Software - \$17,394

Governmental activities land and infrastructure increased approximately \$416,208 consisting primarily of:

- Completion of Interurban Trail South Segment Project- \$83,537
- Roadway and Sidewalk at 189th Place & 40th Ave W- \$332,671

At December 31, 2019, the major projects included in the business-type activities construction in progress include:

- Lift Station 8 - \$510,413
- Lift Station 4 & 8 Improvements - \$1,367,050
- Lift Station 10 Flood Protection - \$56,235
- WWTP Building Replacement - \$194,818

At December 31, 2019, major project completed:

- Force Main #8 - \$3,652,056

The following table provides a summary of capital asset activity:

	Governmental Activities		Business-type Activities		Total	
	2019	2018 (restated)	2019	2018	2019	2018 (restated)
Nondepreciable assets:						
Land	\$ 40,880,986	\$ 40,690,314	\$ 8,259,914	\$ 8,259,914	\$ 49,140,900	\$ 48,950,228
Easements	452,683	439,018	4,340,120	4,340,120	4,792,803	4,779,138
Art, non-depreciable	128,219	128,219	-	-	128,219	128,219
Construction in progress	23,154,973	15,785,197	2,335,565	1,480,896	25,490,538	17,266,093
Total nondepreciable assets	64,616,861	57,042,748	14,935,599	14,080,930	79,552,460	71,123,678
Depreciable assets:						
Buildings	42,922,248	42,300,910	34,447,324	34,447,329	77,369,572	76,748,239
Improvements other than buildings	22,847,213	22,662,879	2,774,233	2,774,233	25,621,446	25,437,112
Machinery and equipment	17,336,354	16,918,245	4,820,580	4,675,878	22,156,934	21,594,123
Infrastructure	93,135,804	92,816,490	77,214,033	72,695,438	170,349,837	165,511,928
Total depreciable assets	176,241,619	174,698,524	119,256,170	114,592,878	295,497,789	289,291,402
Total accumulated depreciation	92,294,331	86,897,027	52,173,047	49,416,069	144,467,378	136,313,096
Book value - depreciable assets	83,947,288	87,801,497	67,083,123	65,176,809	151,030,411	152,978,306
Percentage depreciated	52%	50%	44%	43%	49%	47%
Book value - all assets	\$ 148,564,149	\$ 144,844,245	\$ 82,018,722	\$ 79,257,739	\$ 230,582,871	\$ 224,101,984

(continued on following page)

Long-Term Liabilities

The following table reports outstanding long-term liabilities at both December 31, 2019 and 2018:

	Governmental Activities		Business-type Activities		Totals	
	2019	2018	2019	2018	2019	2018
General obligation bonds	\$ 21,275,000	\$ 22,241,587	\$ -	\$ -	\$ 21,275,000	\$ 22,241,587
Revenue bonds	-	-	50,200,763	52,235,464	50,200,763	52,235,464
Subtotal	21,275,000	22,241,587	50,200,763	52,235,464	71,475,763	74,477,051
Net pension liability	6,838,403	8,469,127	1,370,871	1,746,845	8,209,274	10,215,972
OPEB - LEOFF 1-Police	9,854,835	11,617,646	-	-	9,854,835	11,617,646
Claims and judgements	68,472	85,201	-	-	68,472	85,201
Compensated absences	3,281,075	3,176,284	304,148	332,376	3,585,223	3,508,660
Total	\$ 41,317,785	\$ 45,589,845	\$ 51,875,782	\$ 54,314,685	\$ 93,193,567	\$ 99,904,530

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

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

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

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

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

The City's outstanding debt decreased incrementally as the City issued no new debt and paid the scheduled amounts of the outstanding debt.

Economic Conditions Affecting the City

COVID 19 – Although the COVID-19 virus and the resulting economic effects did not affect the fiscal year ended December 31, 2019, its effects will have a severe impact on the City’s finances in 2020 and will affect the upcoming 2021-22 budget process. Current estimates show an \$8 million revenue reduction impact to the General Fund, with an estimated \$9 million reduction to citywide revenues. As businesses were closed for several months, the impact to the sales tax is substantial, with the loss of sales tax revenues estimated to be \$6 million. The City’s response to date has been for all departments to identify and implement expenditure reductions, elimination of other discretionally expenditures such as travel and training and personnel related savings including a hiring-freeze, voluntary – separation and furlough programs.

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

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

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

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

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 2019, the Snohomish County Assessor reports \$29.5 million in new assessed value due to \$51.7 million in construction activity. The local lodging industry remains strong, reflected by more than \$850,000 in lodging tax revenue during 2019.

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

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

To support this private investment, street projects have moved forward in the City Center with 196th St. SW (SR 524) and 36th Ave W receiving funding for widening and streetscape improvements; and 42nd Ave W received funding for initial design. Site work for the Sound Transit Lynnwood Link Light Rail has begun (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.

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 98036-5635

BASIC
FINANCIAL
STATEMENTS

City of Lynnwood, Washington
Statement of Net Position
December 31, 2019

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current Assets				
Cash and cash equivalents (Note 3-A)	\$ 32,535,225	\$ 13,152,587	\$ 45,687,812	\$ 7,374,556
Restricted assets: cash and cash equivalents	-	21,173	21,173	1,745,457
Investments (Note 3-A)	13,658,805	7,914,936	21,573,741	2,032,023
Receivables:				
Accounts	3,864,001	3,278,787	7,142,788	661,486
Taxes	7,765,191	-	7,765,191	-
Intergovernmental	3,280,286	-	3,280,286	-
Interest	7,103	-	7,103	-
Internal	(14,479)	14,479	-	-
Prepaid items	161,448	142,499	303,947	75,569
Inventory	-	21,037	21,037	28,447
Total Current Assets	61,257,580	24,545,498	85,803,078	11,917,538
Noncurrent Assets				
Investment in joint venture	1,376,601	-	1,376,601	-
Net pension assets	7,639,743	-	7,639,743	-
Restricted assets: cash and cash equivalents	-	13,703,319	13,703,319	-
Note receivable	-	61,322	61,322	-
Internal receivable	1,118,000	(1,118,000)	-	-
Capital assets (Note 3-D)				
Nondepreciable	64,616,863	14,935,598	79,552,461	6,966,126
Depreciable, net	83,947,286	67,083,124	151,030,410	16,077,526
Total Noncurrent Assets	158,698,493	94,665,363	253,363,856	23,043,652
Total Assets	219,956,073	119,210,861	339,166,934	34,961,190
Deferred Outflows of Resources				
Deferred Outflows-loss on refunding	-	-	-	23,773
Deferred Outflows - OBEB	127,197	-	127,197	-
Deferred Outflows of Resources-Pensions	4,962,293	446,815	5,409,108	24,807
Total Deferred Outflows of Resources	5,089,490	446,815	5,536,305	48,580
Liabilities				
Current Liabilities				
Accounts payable	2,471,333	733,082	3,204,415	333,683
Accrued expenses	1,801,383	262,772	2,064,155	148,751
Other payables	303,782	-	303,782	-
Deposits payable	-	22,443	22,443	645,890
Custodial accounts payable	-	7,939	7,939	-
Compensated absences payable	836,828	101,899	938,727	39,282
Current portion of environmental remediation	-	-	-	35,400
Unearned revenue	189,427	10,630	200,057	-
Accrued interest	68,422	160,878	229,300	-
General obligation refunding bonds payable	860,000	-	860,000	1,883,417
Revenue bonds payable	-	2,256,828	2,256,828	-
Total Current Liabilities	6,531,175	3,556,471	10,087,646	3,086,423
Long-Term Liabilities (net of current portion): (Note 3-F)				
Deposits payable	-	-	-	45,457
Compensated absences payable	2,444,247	202,249	2,646,496	7,993
Claims and judgments payable	68,472	-	68,472	-
Other postemployment benefits	9,854,835	-	9,854,835	73,412
Net pension liability	6,838,403	1,370,871	8,209,274	95,395
Environmental remediation	-	-	-	5,755,699
General obligation bonds payable	20,415,000	-	20,415,000	5,485,400
Revenue bonds payable, net of premiums/discounts	-	47,943,935	47,943,935	14,517,014
Total Long-term Liabilities	39,620,957	49,517,055	89,138,012	25,980,370
Total Liabilities	46,152,132	53,073,526	99,225,658	29,066,793
Deferred Inflows of Resources				
Deferred Inflows of Resources-Gain on refunding	-	118,296	118,296	34,649
Deferred Inflows of Resources-Pensions	6,183,247	743,812	6,927,059	56,778
Total Deferred Inflows of Resources	6,183,247	862,108	7,045,355	91,427
Net Position				
Net investment in capital assets (Note 3-J)	127,289,148	45,369,910	172,659,058	1,146,945
Restricted for:				
Debt service	117,281	576,511	693,792	1,000,000
Capital outlay	13,674,293	-	13,674,293	-
Criminal justice	3,591,505	-	3,591,505	-
Tourism	1,266,951	-	1,266,951	-
Drug enforcement	230,480	-	230,480	-
Other purposes	352,426	-	352,426	-
Streets	5,632,947	-	5,632,947	-
Pension asset	8,266,205	-	8,266,205	-
Unrestricted	12,288,948	19,775,621	32,064,569	3,704,605
Total Net Position	\$ 172,710,184	\$ 65,722,042	\$ 238,432,226	\$ 5,851,550

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

Function/Program	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services and Sales	Contributions and Interest	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-Type Activities	Total	
Primary Government								
Governmental Activities								
General government	\$ 8,686,443	\$ 3,802,062	\$ 444,478	\$ -	\$ (4,439,903)	\$ -	\$ (4,439,903)	\$ -
Economic environment	5,850,956	609,736	465,641	-	(4,775,579)	-	(4,775,579)	-
Judicial	959,925	1,526,554	31,716	-	598,345	-	598,345	-
Culture and recreation	8,130,499	2,943,511	1,010,113	429,009	(3,747,866)	-	(3,747,866)	-
Public safety	21,382,395	3,141,683	2,019,232	-	(16,221,480)	-	(16,221,480)	-
Social services	553,170	-	-	-	(553,170)	-	(553,170)	-
Transportation	8,564,785	448,321	926,375	5,159,041	(2,031,048)	-	(2,031,048)	-
Utilities	30,870	555,139	12,821	-	537,090	-	537,090	-
Interest	829,320	-	-	-	(829,320)	-	(829,320)	-
Total Governmental Activities	54,988,363	13,027,006	4,910,376	5,588,050	(31,462,931)	-	(31,462,931)	-
Business-Type Activities:								
Water and Sewer Utility	19,052,059	23,140,625	-	844,044	-	4,932,610	4,932,610	-
Golf Course	1,310,199	1,345,215	-	-	-	35,016	35,016	-
Total Business-Type Activities	20,362,258	24,485,840	-	844,044	-	4,967,626	4,967,626	-
Total - Primary Government	75,350,621	37,512,846	4,910,376	6,432,094	(31,462,931)	4,967,626	(26,495,305)	-
Component Units								
Lynnwood Public Facilities District	\$ 6,853,118	\$ 5,161,784	\$ -	\$ 50,000				\$ (1,641,334)
General Revenues								
Property taxes					3,951,052	-	3,951,052	-
Sales taxes					27,191,036	-	27,191,036	3,314,018
Utility taxes					5,869,786	-	5,869,786	-
Real estate transfer taxes					2,492,804	-	2,492,804	-
Excise taxes					1,384,054	-	1,384,054	-
Transportation benefit district vehicle fees					1,152,211	-	1,152,211	-
Admissions taxes					702,034	-	702,034	620
Gambling taxes					154,215	-	154,215	-
Investment earnings (losses)					847,047	1,130,750	1,977,797	259,825
Gain on disposition of capital assets					153,901	12,100	166,001	-
Miscellaneous					179,246	4,570	183,816	1,656
Total General Revenues and Transfers					44,077,386	1,147,420	45,224,806	3,576,119
Change in Net Position					12,614,455	6,115,046	18,729,501	1,934,785
Net Position Beginning of Year					160,058,237	59,606,996	219,665,233	3,916,765
Prior Period Adjustments - Note 4-F					37,492	-	37,492	-
Net Position End of Year					\$ 172,710,184	\$ 65,722,042	\$ 238,432,226	\$ 5,851,550

See accompanying notes to the basic financial statements

City of Lynnwood, Washington
Balance Sheet
Governmental Funds
December 31, 2019

	General	Transportation Capital	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 9,716,165	\$ 5,984,074	\$ 13,754,789	\$ 29,455,028
Investments	5,022,355	-	6,493,636	11,515,991
Receivables:				
Accounts	3,610,562	-	253,439	3,864,001
Taxes	5,630,177	-	1,839,254	7,469,431
Other taxes	295,760	-	-	295,760
Interest	7,103	-	-	7,103
Intergovernmental	718,653	1,945,251	354,383	3,018,287
Interfund	1,251,000	-	-	1,251,000
Prepaid	17,259	-	-	17,259
Total Assets	\$ 26,269,034	\$ 7,929,325	\$ 22,695,501	\$ 56,893,860
Liabilities				
Accounts payable	\$ 706,918	\$ 1,056,899	\$ 637,755	\$ 2,401,572
Accrued salaries and wages payable	1,695,670	3,539	63,127	1,762,336
Other current liabilities payable	295,733	-	8,048	303,781
Unearned revenue	-	-	189,427	189,427
Total Liabilities	2,698,321	1,060,438	898,357	4,657,116
Deferred Inflows of Resources				
Deferred Inflows of Resources - property tax	93,939	-	-	93,939
Deferred Inflows of Resources - grants	-	1,179,297	62,484	1,241,781
Deferred Inflows of Resources - municipal court	2,248,363	-	-	2,248,363
Deferred Inflows of Resources - red-light photo	528,176	-	-	528,176
Total Deferred Inflows of Resources	2,870,478	1,179,297	62,484	4,112,259
Total Liabilities and Deferred Inflows of Resources	5,568,799	2,239,735	960,841	8,769,375
Fund Balances				
Nonspendable	17,259	-	-	17,259
Restricted	-	5,689,590	19,176,293	24,865,883
Committed	6,000,000	-	1,878,466	7,878,466
Assigned	10,574,675	-	679,901	11,254,576
Unassigned	4,108,301	-	-	4,108,301
Total Fund Balances	20,700,235	5,689,590	21,734,660	48,124,485
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 26,269,034	\$ 7,929,325	\$ 22,695,501	\$ 56,893,860

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, 2019

Total Governmental Fund Balances	\$	48,124,485
 Amounts reported for governmental activities in the statement of net position are different because:		
 Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds (exclusive of internal service funds' capital assets).		
Cost of capital assets	\$ 228,805,943	
Less accumulated depreciation	<u>(85,393,358)</u>	143,412,585
 The investment in joint ventures is not reported at the fund financial reporting level but is reported on the government-wide statement of net position.		
		1,376,601
 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.		
		4,112,259
 Deferred inflows and outflows for pensions reported on the government-wide statement of position but not reported on the governmental fund balance sheet.		
		(1,175,819)
 Deferred outflows for OPEB reported on the government-wide statement of net position but not reported on the government balance sheet.		
		127,197
 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.		
		7,639,743
 The internal service fund is used by management to charge the costs of the equipment rental to individual funds. The assets and liabilities of the internal service funds are included in governmental activities column on the government-wide statement of net position.		
		10,372,951
 The internal service fund chargeback to enterprise funds is not reported in the governmental funds, but is reported on the government-wide financial statements.		
		(147,479)
 Liabilities not due and payable in the current period and therefore are not reported in the governmental fund balance sheets but are reported on the government-wide statement of net position (excludes internal service funds).		
General obligation refunding bonds payable	\$ (21,275,000)	
Accrued interest payable	(68,422)	
Other postemployment benefits payable	(9,854,835)	
Net pension liability payable	(6,703,497)	
Compensated absences payable	<u>(3,230,585)</u>	
		<u>(41,132,339)</u>
 Net Position Of Governmental Activities	 \$	 <u>172,710,184</u>

See accompanying notes to the basic financial statements

City of Lynnwood, Washington
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2019

	<u>General</u>	<u>Transportation Capital</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues				
Taxes	\$ 34,383,205	\$ -	\$ 8,027,676	\$ 42,410,881
Intergovernmental	2,985,269	4,185,769	2,318,366	9,489,404
Licenses and permits	3,657,910	-	274,322	3,932,232
Charges for services	3,407,284	-	614,126	4,021,410
Fines and forfeitures	4,774,184	-	39,235	4,813,419
Investment earnings	291,274	-	447,484	738,758
Other interest	-	-	9,788	9,788
Rent and leases	412,286	-	-	412,286
Miscellaneous	206,130	-	179,247	385,377
Total Revenues	<u>50,117,542</u>	<u>4,185,769</u>	<u>11,910,244</u>	<u>66,213,555</u>
Expenditures				
Current:				
General government	8,440,744	-	32,499	8,473,243
Economic Environment	4,249,562	-	1,745,381	5,994,943
Judicial	1,024,232	-	-	1,024,232
Culture and recreation	7,415,174	-	145,431	7,560,605
Public safety	22,728,095	-	253,920	22,982,015
Social services	553,170	-	-	553,170
Transportation	1,165,626	2,069,371	2,407,943	5,642,940
Utilities	-	-	24,793	24,793
Capital Outlay	115,283	7,492,391	945,586	8,553,260
Debt Service:				
Principal retirement	-	-	966,587	966,587
Interest and fiscal charges	-	-	829,868	829,868
Total Expenditures	<u>45,691,886</u>	<u>9,561,762</u>	<u>7,352,008</u>	<u>62,605,656</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,425,656</u>	<u>(5,375,993)</u>	<u>4,558,236</u>	<u>3,607,899</u>
Other Financing Sources (Uses)				
Proceeds from disposition of assets	-	-	1	1
Transfers in	380,805	4,880,846	7,021,403	12,283,054
Transfers out	(4,996,788)	-	(7,436,266)	(12,433,054)
Total Other Financing Sources (Uses)	<u>(4,615,983)</u>	<u>4,880,846</u>	<u>(414,862)</u>	<u>(149,999)</u>
Net Change in Fund Balances	(190,327)	(495,147)	4,143,374	3,457,900
Fund Balances Beginning of Year	<u>20,890,562</u>	<u>6,723,434</u>	<u>17,591,286</u>	<u>45,205,282</u>
Prior Period Adjustment	-	(538,697)	-	(538,697)
Fund Balances End of Year	<u>\$ 20,700,235</u>	<u>\$ 5,689,590</u>	<u>\$ 21,734,660</u>	<u>\$ 48,124,485</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, 2019

Net Changes In Fund Balances - Total Governmental Funds		\$ 3,457,900
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures on the governmental fund type operating statement. However, in the government-wide statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period.		
Depreciation expense	\$ (4,867,317)	
Capital outlay	8,553,260	
Capital contributions	332,671	4,018,614
The book value of capital assets sold are reported on the government-wide statement of activities but not reported in the governmental fund's operating statement.		
		(2,761)
Revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Property taxes, fines and grants:		
Deferred as of 12/31/19	\$ 4,112,259	
Prior period adjustment - grant revenues	(538,697)	
Deferred as of 12/31/18	(3,062,812)	510,750
Governmental funds do not report the change in the investment in the joint venture, but the change is reported on the government-wide statement of activity.		
		(416,801)
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.		
		1,195,754
The internal service fund chargeback to enterprise funds is not reported in the governmental funds, but is reported on the government-wide financial statements.		
		(251,325)
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.		
		966,587
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.		
		1,655,627
Net pension debits reported on the government-wide statement of position but not reported on the governmental fund balance sheet.		
		1,583,982
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.		
		548
Compensated absences are reported in the government-wide statement of activities, but do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Liability as of 12/31/19	\$ (3,230,585)	
Liability as of 12/31/18	3,126,165	(104,420)
Change In Net Position of Governmental Activities		\$ 12,614,455

City of Lynnwood, Washington
Statement of Net Position
Proprietary Funds
December 31, 2019

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water and Sewer Utility	Golf Course	Total	
Assets				
Current Assets:				
Cash and cash equivalents	\$ 13,095,779	\$ 56,808	\$ 13,152,587	\$ 3,080,197
Restricted assets: cash and cash equivalents	21,173	-	21,173	-
Investments	7,841,046	73,890	7,914,936	2,142,814
Receivables:				
Accounts	3,278,787	-	3,278,787	-
Intergovernmental	-	-	-	261,999
Inventories	-	21,037	21,037	-
Prepaid items	138,165	4,334	142,499	144,189
Total Current Assets	24,374,950	156,069	24,531,019	5,629,199
Noncurrent Assets:				
Restricted assets: cash and cash equivalents	13,670,247	33,072	13,703,319	-
Notes receivable	61,322	-	61,322	-
Capital assets:				
Nondepreciable	11,272,229	3,663,369	14,935,598	55,901
Depreciable, net	66,551,891	531,233	67,083,124	5,095,662
Total Noncurrent Assets	91,555,689	4,227,674	95,783,363	5,151,563
TOTAL ASSETS	115,930,639	4,383,743	120,314,382	10,780,762
TOTAL DEFERRED OUTFLOWS OF RESOURCES	446,815	-	446,815	57,869
Liabilities				
Current Liabilities:				
Accounts payable	702,073	31,009	733,082	69,761
Accrued payroll	262,772	-	262,772	39,047
Interfund payable	-	133,000	133,000	-
Custodial accounts payable	4,741	3,198	7,939	-
Compensated absences payable	101,899	-	101,899	13,094
Claims and judgments payable	-	-	-	68,472
Deposits payable	-	22,443	22,443	-
Unearned revenue	-	10,630	10,630	-
Revenue bonds payable	2,256,828	-	2,256,828	-
Accrued interest payable	160,878	-	160,878	-
Total Current Liabilities	3,489,191	200,280	3,689,471	190,374
Long-Term Liabilities: (net of current portion)				
Compensated absences payable	202,249	-	202,249	37,396
Interfund payable	-	1,118,000	1,118,000	-
Net pension liability	1,370,871	-	1,370,871	134,906
Revenue bonds payable	47,943,935	-	47,943,935	-
Total Long-term Liabilities	49,517,055	1,118,000	50,635,055	172,302
TOTAL LIABILITIES	53,006,246	1,318,280	54,324,526	362,676
Deferred Inflows of Resources				
Deferred Inflows of Resources - gain on refunding	118,296	-	118,296	-
Deferred Inflows of Resources - pensions	743,812	-	743,812	103,004
TOTAL DEFERRED INFLOWS OF RESOURCES	862,108	-	862,108	103,004
Net Position				
Net investment in capital assets	41,175,308	4,194,602	45,369,910	5,151,563
Restricted for:				
Debt service	576,511	-	576,511	-
Unrestricted	20,757,281	(1,129,139)	19,628,142	5,221,388
TOTAL NET POSITION	\$ 62,509,100	\$ 3,065,463	65,574,563	\$ 10,372,951
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.			147,479	
Adjusted Total Net Position			\$ 65,722,042	

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, 2019

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Water and Sewer Utility	Golf Course	Total	
Operating Revenues				
Charges for services	\$ 23,140,625	\$ 1,159,873	\$ 24,300,498	\$ 3,446,377
Rentals	-	177,411	177,411	-
Miscellaneous	-	7,931	7,931	-
Total Operating Revenues	<u>23,140,625</u>	<u>1,345,215</u>	<u>24,485,840</u>	<u>3,446,377</u>
Operating Expenses				
Administration and general	4,986,057	1,218,652	6,204,709	-
Operations and maintenance	9,831,287	11,789	9,843,076	1,890,633
Insurance and claims	-	-	-	1,542
Depreciation	2,706,068	50,911	2,756,979	763,609
Total Operating Expenses	<u>17,523,412</u>	<u>1,281,352</u>	<u>18,804,764</u>	<u>2,655,784</u>
Operating Income	<u>5,617,213</u>	<u>63,863</u>	<u>5,681,076</u>	<u>790,593</u>
Non-Operating Revenues (Expenses)				
Interest and fiscal charges	(1,778,035)	(30,784)	(1,808,819)	-
Gain (Loss) on disposition of capital assets	12,100	-	12,100	156,661
Investment earnings	1,124,991	5,759	1,130,750	98,501
Miscellaneous revenue	4,570	-	4,570	-
Total Non-Operating Revenues (Expenses)	<u>(636,374)</u>	<u>(25,025)</u>	<u>(661,399)</u>	<u>255,162</u>
Income (Loss) Before Contributions and Transfers	4,980,839	38,838	5,019,677	1,045,755
Contributions	844,044	-	844,044	-
Transfers In	-	-	-	150,000
Change in Net Position	5,824,883	38,838	5,863,721	1,195,755
Net Position Beginning of Year	<u>56,684,217</u>	<u>3,026,625</u>	<u>59,710,842</u>	<u>9,177,196</u>
Net Position End of Year	<u>\$ 62,509,100</u>	<u>\$ 3,065,463</u>	<u>\$ 65,574,563</u>	<u>\$ 10,372,951</u>
Reconciliation of the fund level operating statement to the government-wide statement of activities:				
Change in net position	\$ 5,824,883	\$ 38,838	\$ 5,863,721	
Internal service fund charges (credits) to enterprise funds, resulting in changes to operating expenses.	249,387	1,937	251,324	
Adjusted Change in Net Position	<u>\$ 6,074,270</u>	<u>\$ 40,775</u>	<u>\$ 6,115,045</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, 2019

	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	\$ 22,860,788	\$ 1,345,215	\$ 24,206,003	\$ 738,974
Cash received from interfund services provided	-	-	-	2,736,831
Cash payments to employees for services	(4,859,330)	-	(4,859,330)	(733,226)
Cash payments for goods and services	(9,922,230)	(1,212,873)	(11,135,103)	(1,197,288)
Cash received (paid) from/(to) other funds	-	(11,789)	(11,789)	-
Net Cash Provided by (Used in) Operating Activities	8,079,228	120,553	8,199,781	1,545,291
Cash Flows from Non-Capital financing activities				
Cash flows from/(to) interfund loans	-	(163,784)	(163,784)	-
Insurance Recoveries	-	-	-	150,000
Net Cash Flows from non-Capital and related financing activities	-	(163,784)	(163,784)	150,000
Cash Flows from Capital and Related Financing Activities				
Proceeds from disposition of capital assets	12,100	-	12,100	141,888
Principal paid on revenue bonds	(1,825,000)	-	(1,825,000)	-
Interest paid on revenue bonds	(2,145,422)	-	(2,145,422)	-
Capital contributions	102,041	-	102,041	-
Payments for capital acquisitions	(5,269,435)	-	(5,269,435)	(507,497)
Net Cash Provided by (Used in) Capital and Related Financing Activities	(9,125,716)	-	(9,125,716)	(365,609)
Cash Flows from Investing Activities				
Purchase of investment securities	(1,993,417)	(68,290)	(2,061,707)	(2,845,880)
Proceeds from sale and maturities of investment securities	6,481,923	61,082	6,543,005	1,688,749
Investment earnings	1,137,102	5,825	1,142,927	98,460
Net Cash Provided by (Used in) Investing Activities	5,625,608	(1,383)	5,624,225	(1,058,671)
Net Increase (Decrease) in Cash and Cash Equivalents	4,579,120	(44,614)	4,534,506	271,011
Cash and Cash Equivalents Beginning of Year	22,208,079	134,494	22,342,573	2,809,186
Cash and Cash Equivalents End of Year	\$ 26,787,199	\$ 89,880	\$ 26,877,079	\$ 3,080,197

(continued)

City of Lynnwood, Washington
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2019

(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)	\$ 5,617,213	\$ 63,863	\$ 5,681,076	\$ 790,593
Adjustments:				
Depreciation	2,706,068	50,911	2,756,979	763,609
(Increase) Decrease in Assets:				
Accounts receivable	(297,513)	-	(297,513)	(91,675)
Inventories, deposits, and prepaid items	243,241	8,802	252,043	143,030
Increase (Decrease) in Liabilities:				
Accounts payable	299,917	1,345	301,262	(60,637)
Compensated absences payable	(28,228)	-	(28,228)	371
Other Current Liabilities	(461,470)	(4,368)	(465,838)	-
Net Cash Provided by (Used in) Operating Activities	<u>\$ 8,079,228</u>	<u>\$ 120,553</u>	<u>\$ 8,199,781</u>	<u>\$ 1,545,291</u>
Schedule of Non-Cash Capital and Related Financing Activities				
Contribution of capital assets	\$ 742,003	\$ -	\$ 742,003	\$ -
Fair value of investments increased (decreased) by	74,211	719	74,930	-
Total Non-Cash Activities	<u>\$ 816,214</u>	<u>\$ 719</u>	<u>\$ 816,933</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements

City of Lynnwood, Washington
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2019

	Pension Trust	Private Purpose Trust
Assets		
Cash and cash equivalents	\$ 164,679	\$ 36,683
Investments at fair value	147,780	10,866
Total Assets	312,459	47,549
Net Position		
Restricted for pensions	312,459	-
Restricted for private trust	-	47,549
Total Net Position	\$ 312,459	\$ 47,549

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, 2019

	Pension Trust	Private-purpose Trust
Additions:		
Contributions:		
Intergovernmental	\$ 62,165	\$ -
Other	10,344	5,613,982
Total Additions	72,509	5,613,982
Deductions:		
Benefits and disbursements	95,102	5,638,086
Administrative Expenses	2,000	-
Total Deductions	97,102	5,638,086
Change in Net Position	(24,593)	(24,104)
Net Position Beginning of Year	337,052	71,653
Net Position End of Year	\$ 312,459	\$ 47,549

See accompanying notes to the basic financial statements

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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 and fire protection), public works (streets, sanitation, and utilities), culture, recreation, and library services, planning and zoning, and general administrative services.

Note 1 - Summary of Significant Accounting Policies

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

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

1-A. Reporting Entity

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

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

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

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

A brief description of the blended component unit follows:

Transportation Benefit District (TBD) – The City of Lynnwood Council formed the TBD on June 3, 2010 by its adoption of Ordinance No. 2837 pursuant to RCW 35.21.225 and RCW 36.73 for the purpose of levying of additional revenue sources for the purpose of acquiring, constructing, improving, providing and funding transportation improvements within the TBD that are consistent with the existing state, regional, and local transportation plans. The TBD is governed by the 7-member Lynnwood City Council acting in an ex officio and independent capacity.

Although it is legally separated from the City, the TBD is reported as if it were part of the primary government because its sole purpose is for the construction, preservation, maintenance and operation of City streets.

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, 2019, the outstanding sales tax and revenue bonds were \$6.5 million and \$14.6 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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 particular function. The City does not allocate indirect expenses to functions in the statement of activities.

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

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

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

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

Additionally, the City reports the following fund types:

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

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

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

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

Agency 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 and private contractors.

Note 1 - Summary of Significant Accounting Policies (Continued)

1-C. Measurement Focus

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

Fund Financial Statements - All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which 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 on the statements of net position. The statements of changes in fund net position present increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its proprietary activities. The agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

1-D. Basis of Accounting

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

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

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

Under the modified accrual basis, the following revenue sources are considered to be 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.)

Note 1 - Summary of Significant Accounting Policies (Continued)

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

1-E. New Accounting and Reporting Standards

Three new Governmental Accounting Standards Board (GASB) pronouncements were expected to become effective during in 2019, GASB Statement 83, which involves the recognition of certain retirement obligations, GASB Statement 84 covering Fiduciary Activities and GASB Statement 88 covering disclosures over private debt issues. On May 8, 2020 the GASB adopted Statement No. 95 effectively delaying implementation of these, and other upcoming standards by one year, or in some cases eighteen months.

GASB Statement No. 84 – Fiduciary Activities. The objective of this statement is to standardize and establish consistent accounting and financial over fiduciary activities. The City has identified one fund, the Terlicker Recreation Scholarship Fund, that will likely be reclassified from its current classification as a Fiduciary Fund to a nonmajor Special Revenue Fund. This reclassification is expected to be implemented in the upcoming fiscal year, 2020.

1-F. Assets, Liabilities and Net Position/Fund Balances**1-F-1 Cash, Cash Equivalents, and Investments**

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

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

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

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

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

1-F-2 Receivables

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

Note 1 - Summary of Significant Accounting Policies (Continued)

1-F-3 Interfund Balances

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

1-F-4 Inventories

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

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

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated capital assets are recorded at their acquisition value as of the date received. The City maintains a capitalization threshold of five thousand dollars (\$5,000) and an estimated three-year life. Improvements to capital assets are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed. Pursuant to GASB 89, interest incurred during the construction of capital assets utilized by enterprise funds is not capitalized. In 2019 the total amount of interest incurred by the enterprise funds, all of which was, charged to expense was \$1,778,035.

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)**1-F-6 Compensated Absences**

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

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

1. Termination – Voluntary or discharge
For accrued sick leave hours from one to 720 hours, the accrued sick leave hours shall be paid on a five to one ratio (five hours of sick leave equals one hour of pay). The maximum payout amount shall be 144 hours of paid time.
2. Termination by layoff
For accrued sick leave hours from one to 720 hours, the accrued sick leave hours shall be paid on a three-to-one ratio (three hours of accrued sick leave equals one hour of pay). The maximum payout amount shall be 368 hours of paid time. (Ord. 3287 § 5, 2018).
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 only, 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 only, an employee with 1,600 accrued hours of sick leave receives 550 hours of paid time as the total accrued sick leave payout amount.

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

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

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

- **Nonspendable** – Fund balances are reported as nonspendable when amounts cannot be spent because they are either (a) not in spendable form (i.e., items that are not expected to be converted to cash) or (b) legally or contractually required to be maintained intact.
- **Restricted** – Fund balances are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.
- **Committed** – Fund balances are reported as committed when they can be used only for specific purposes pursuant to constraints imposed by formal action of the City Council through the approval of a motion. Only the City Council also 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. \$1,878,466, is also identified as committed in nonmajor governmental funds; \$360,459 in Special Revenue Funds, and \$1,518,007 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 \$10.6 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.

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

General Fund - The adopted budget should include General Fund reserve¹ balances equaling not less than 2.5 months of the operating expenditures of the prior fiscal year. Reserves may consist of aggregate total of the General Fund *Unassigned* Fund balance and the *Committed* Revenue Stabilization Fund balance.

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

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

Debt Management Policies include:

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

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

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

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

Note 1 - Summary of Significant Accounting Policies (Continued)

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-F-11 Operating Revenues and Expenses

Operating revenues and expenses generally result from providing services and producing and delivering goods in consistent with a proprietary fund’s principal ongoing operations. The principal operating revenues of the city’s utility funds and internal service funds are charges to customers for sales and services and vehicle replacement. The City also recognizes as operating revenue the portion of utility connection fees intended to recover the cost of connecting new customers to the water and sewer system.

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

1-F-12 Interfund Activity

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

Transfers between governmental and business-type activities on the government-wide statement of activities are reported as general revenues. Transfers between funds reported in the governmental activities column are eliminated. Transfers between funds reported in the business type activities column are eliminated.

1-F-13 Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

1-F-14 Comparative Data

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

1-F-15 Deferred Outflows/Inflows of Resources

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

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

Note 2 – Stewardship, Compliance and Accountability

Budgetary Information – The City adopts a biennial budget encompassing all governmental funds except one, the Transportation Benefit District (TBD). The TBD is governed by a legally separate board comprised of the City Councilmembers and adopts a separate annual budget. The discretely presented component unit, the Public Facilities District (PFD) has a separate board and adopts an annual budget which is not reported in the City’s financial statements.

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

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

The Mayor is authorized to transfer budgeted amounts between departments within any fund with the exception of the General Fund. Any revisions that alter total expenditures of a fund or department in the General Fund must be approved by the City Council. The budget amounts shown in the financial statements are the final authorized amounts as revised during the year. The budget was amended two (2) times during the 2019-2020 biennium.

Note 3 - Detailed Notes on All Funds

3-A. Deposits and Investments

Cash and Cash Equivalents and Investments

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

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

Deposits

Custodial Credit Risk – In the case of deposits, this is the risk that in the event of a bank failure, the City’s deposits may not be returned to it. The City’s bank balances of deposits as of December 31, 2019, are entirely insured by Federal Depository Insurance (FDIC) up to \$250,000 and all deposits not covered by FDIC insurance are covered by Washington Public Deposit Protection Commission (WPDPC) of the State of Washington for amounts over \$250,000.

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

The City’s bank balances as of December 31, 2019, were \$59,613,667 including Fiduciary Funds of \$201,362. The Fiduciary Funds do not include the suspense funds or clearing account balances.

Cash Balances at December 31, 2019	General Fund	Other Governmental	Internal Service Funds	Water and Sewer Utility	Golf Course	Fiduciary Funds	Total
Cash and Cash Equiv.	\$ 9,716,165	\$ 19,738,863	\$ 3,080,197	\$ 13,095,779	\$ 56,808	\$ 201,362	\$ 45,889,174
Restricted Cash	-	-	-	13,691,420	33,073		13,724,493
	<u>\$ 9,716,165</u>	<u>\$ 19,738,863</u>	<u>\$ 3,080,197</u>	<u>\$ 26,787,200</u>	<u>\$ 89,880</u>	<u>\$ 201,362</u>	<u>\$ 59,613,667</u>

Restricted Cash in the Water and Sewer Utility Fund includes unspent bond proceeds of \$13,670,247 associated with the 2018 bond issue. The remaining restricted cash of \$21,173 is based on customer deposits and prepayments.

Note 3 – Detailed Notes on All Funds (Continued)

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, 2019, the City had the following investments at amortized cost:

<u>Investments</u>	<u>Maturities</u>	<u>City's own investments</u>	<u>Investments held by City as an agent for other local governments, individuals, or private organizations</u>	<u>Total</u>
Washington Local Government Investment Pool	n/a	\$ 56,432,467	\$ -	\$ 56,432,467
Total		\$ 56,432,467	\$ -	\$ 56,432,467

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

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

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

Investments at Fair Market 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.

Note 3 – Detailed Notes on All Funds (Continued)

At December 31, 2019, the City had the following fair value measurements:

Type of Asset	12/31/2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities	\$ 21,573,741	\$ -	\$ 21,573,741	\$ -
Total			\$ 21,573,741	

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, 2019 are:

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

Custodial Credit Risk - Investments – For investments, custodial credit risk is the risk that, in the event of a bank failure, the City’s investments may not be recovered. The City does have a specific custodial credit risk policy. All City securities are held for safekeeping by US Bank, as the City’s agent, in the City’s name.

Concentration of Credit Risk –Concentration of credit risk is the risk of loss attributed to the magnitude of the City’s investment in a single issuer. Currently, the City does not have an investment policy related to concentration of credit risk.

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

3-B. Receivables

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

Note 3 – Detailed Notes on All Funds (Continued)

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	Nonmajor Funds		Total
		Capital Projects	Special Revenue	Capital Projects	
Receivables:					
Accounts	\$ 20,105,070	\$ -	\$ 139,592	\$ 113,847	\$ 20,358,509
Property Taxes	118,177	-	-	-	118,177
Sales Tax	4,546,792	-	978,206	-	5,524,998
Utility Taxes	965,208	-	-	-	965,208
Other Taxes	295,760	-	-	-	295,760
Real Estate Excise Tax	-	-	-	861,048	861,048
Interest	7,103	-	-	-	7,103
Intergovernmental	718,653	1,945,251	25,850	328,533	3,018,287
Gross Receivables	\$ 26,756,763	\$ 1,945,251	\$ 1,143,648	\$ 1,303,428	\$ 31,149,090
Less: Allowance for Uncollectibles	(16,494,508)	-	-	-	(16,494,508)
Total	<u>\$ 10,262,255</u>	<u>\$ 1,945,251</u>	<u>\$ 1,143,648</u>	<u>\$ 1,303,428</u>	<u>\$ 14,654,582</u>

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 2019 was \$0.57 per \$1,000 on an assessed valuation of \$7,015,500,457. The special levies identified in the table were approved by the voters and are not subject to the limitations listed above.

<u>Purpose of Levy</u>	<u>Levy Rate per \$1,000</u>	<u>Total Levy Amount</u>
General Government	<u>\$0.57016602372</u>	<u>\$4,000,000</u>
Total City Levy	<u>\$0.57016602372</u>	<u>\$4,000,000</u>

Note 3 - Detailed Notes on All Funds (Continued)

3-D. Capital Assets

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

Governmental Activities: (including Internal Service fund):	Beginning Balance 1/1/2019	Increases	Decreases	Ending Balance 12/31/2019
Nondepreciable capital assets:				
Land	\$ 40,690,314	\$ 190,672	\$ -	\$ 40,880,986
Easements	439,018	13,665	-	452,683
Art, non-depreciable	128,219	-	-	128,219
Construction in progress	<u>15,785,197</u>	<u>7,523,234</u>	<u>(153,456)</u>	<u>23,154,975</u>
Total nondepreciable capital assets	<u>57,042,748</u>	<u>7,727,571</u>	<u>(153,456)</u>	<u>64,616,863</u>
Depreciable capital assets				
Buildings	42,300,910	621,338	-	42,922,248
Improvements other than buildings	22,662,879	200,061	(15,727)	22,847,213
Machinery and equipment	*16,918,245	695,321	(277,214)	17,336,352
Infrastructure	<u>92,816,490</u>	<u>319,314</u>	<u>-</u>	<u>93,135,804</u>
Total depreciable capital assets	<u>174,698,524</u>	<u>1,836,034</u>	<u>(292,941)</u>	<u>176,241,617</u>
Total capital assets	<u>231,741,272</u>	<u>9,563,605</u>	<u>(446,397)</u>	<u>240,858,480</u>
Less accumulated depreciation for:				
Buildings	(17,890,695)	(1,195,692)	-	(19,086,387)
Improvements other than buildings	(15,521,893)	(581,757)	11,533	(16,092,117)
Machinery and equipment	(9,845,369)	(1,233,621)	222,091	(10,856,899)
Infrastructure	<u>(43,639,072)</u>	<u>(2,619,857)</u>	<u>-</u>	<u>(46,258,929)</u>
Total accumulated depreciation	<u>(86,897,029)</u>	<u>(5,630,927)</u>	<u>233,624</u>	<u>(92,294,332)</u>
Governmental activities capital assets, net	<u>\$ 144,844,243</u>	<u>\$ 3,932,678</u>	<u>\$ (212,773)</u>	<u>\$ 148,564,148</u>

* The beginning balance in Governmental Activities- Machinery and Equipment was restated.

(continued on following page)

Note 3 - Detailed Notes on All Funds (Continued)

Business-Type Activities:	Beginning Balance 1/1/2019	Increases	Decreases	Ending Balance 12/31/2019
Nondepreciable capital assets:				
Land	\$ 8,259,914	\$ -	\$ -	\$ 8,259,914
Easements	4,340,120	-	-	4,340,120
Construction in progress	1,480,896	4,506,725	(3,652,056)	2,335,565
Total nondepreciable capital assets	14,080,930	4,506,725	(3,652,056)	14,935,599
Depreciable capital assets				
Buildings	34,447,324	-	-	34,447,324
Improvements other than buildings	2,774,233	-	-	2,774,233
Machinery and equipment	4,675,878	144,702	-	4,820,580
Infrastructure	72,695,438	4,518,595	-	77,214,033
Total depreciable capital assets	114,592,873	4,663,297	-	119,256,170
Total capital assets	128,673,803	9,170,022	(3,652,056)	134,191,769
Less accumulated depreciation for:				
Buildings	(24,098,216)	(442,667)	-	(24,540,883)
Improvements other than buildings	(1,823,777)	(63,921)	-	(1,887,698)
Machinery and equipment	(2,874,459)	(270,419)	-	(3,144,878)
Infrastructure	(20,619,617)	(1,979,971)	-	(22,599,588)
Total accumulated depreciation	(49,416,069)	(2,756,978)	-	(52,173,047)
Business-type activities capital assets, net	\$ 79,257,734	\$ 6,413,044	\$ (3,652,056)	\$ 82,018,722

In 2019, the City completed the Force Main 8 and Interurban 40th Trailhead Improvements projects. In addition, the City made significant progress on 36th Ave W Improvements: Maple to Hwy 99 and 196th Street SW (SR 524), which are currently in construction and right-of-way phases, respectively.

(continued on following page)

Note 3 - Detailed Notes on All Funds (Continued)

Depreciation Expense by Function:

Governmental Activities	
General Government	\$ 1,047,590
Public Safety	378,772
Transportation	3,114,830
Economic Environment	46,411
Culture and Recreation	<u>1,043,324</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 5,630,927</u></u>
Business-type Activities	
Water/Sewer/Storm Utility	\$ 2,706,068
Golf Course	<u>50,911</u>
Total Depreciation Expense - Business-Type Activities	<u><u>\$ 2,756,979</u></u>

Discretely Presented Component Unit	Beginning Balance 1/1/2019	Increases	Decreases	Ending Balance 12/31/2019
Lynnwood Public Facilities District				
Nondepreciable capital assets:				
Land	\$ 6,788,800	\$ -	\$ -	\$ 6,788,800
Construction in progress	<u>710,448</u>	<u>16,897</u>	<u>(550,019)</u>	<u>177,326</u>
Total nondepreciable capital assets	<u>7,499,248</u>	<u>16,897</u>	<u>(550,019)</u>	<u>6,966,126</u>
Depreciable capital assets:				
Buildings	19,916,337	55,759	-	19,972,096
Building Improvements	815,162	-	-	815,162
Land Improvements	-	550,019	(2,000)	548,019
Improvements other than buildings	2,326,625	392,621	-	2,719,246
Infrastructure	<u>79,375</u>	<u>-</u>	<u>-</u>	<u>79,375</u>
Total depreciable capital assets	<u>23,137,499</u>	<u>998,399</u>	<u>(2,000)</u>	<u>24,133,898</u>
Total capital assets	<u>30,636,747</u>	<u>1,015,296</u>	<u>(552,019)</u>	<u>31,100,024</u>
Less accumulated depreciation for:				
Buildings	(6,067,200)	(468,360)	-	(6,535,560)
Building Improvements	(27,172)	(20,379)	-	(47,551)
Land Improvements	-	(25,118)	-	(25,118)
Improvements other than buildings	(1,169,167)	(218,122)	-	(1,387,289)
Infrastructure	<u>(56,886)</u>	<u>(3,969)</u>	<u>-</u>	<u>(60,855)</u>
Total accumulated depreciation	<u>(7,320,425)</u>	<u>(735,948)</u>	<u>-</u>	<u>(8,056,373)</u>
Business-type activities capital assets, net	<u><u>\$ 23,316,322</u></u>	<u><u>\$ 279,348</u></u>	<u><u>\$ (552,019)</u></u>	<u><u>\$ 23,043,651</u></u>

(continued on following page)

Note 3 – Detailed Notes on All Funds (Continued)

3-E. - Interfund Transfers and Loans

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

Interfund transfers for the year ended December 31, 2019, consisted of the following:

		TRANSFER TO						
		General Fund	Transportation Capital Fund	Special Revenue Fund	Debt Service Fund	Nonmajor Capital Projects	Internal Service Funds	Total
TRANSFER FROM	General Fund	\$ -	\$ 1,030,000	\$ 1,071,950	\$ 1,794,838	\$ 1,100,000	\$ -	\$ 4,996,788
	Transportation Capital Fund	-	-	-	-	-	-	-
	Debt Service Funds	380,805	-	-	-	-	150,000	530,805
	Special Revenue Funds	-	2,846,785	300,000	-	1,096,698	-	4,243,483
	Nonmajor Capital Project Funds	-	1,004,061	-	-	1,657,917	-	2,661,978
		<u>\$ 380,805</u>	<u>\$ 4,880,846</u>	<u>\$ 1,371,950</u>	<u>\$ 1,794,838</u>	<u>\$ 3,854,615</u>	<u>\$ 150,000</u>	<u>\$ 12,433,054</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, 2019 consisted of the following:

		DUE FROM	
		Golf Course	Total
DUE TO	General Fund	\$ 1,251,000	\$ 1,251,000
	Total	<u>\$ 1,251,000</u>	<u>\$ 1,251,000</u>

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

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

Note 3 – Detailed Notes on All Funds (Continued)

3-F – Operating Leases

Office, Warehouse, Storage Space, and Access Lease

The City leases office, warehouse, storage space, and property/land access are under non-cancellable operating leases. Total costs for these leases for the year ending December 31, 2019 was \$343,012 in governmental activities and \$47,502 in business-type activities. The future minimum lease payments are, as follows:

Year Ending December 31,	Governmental Activities	Business-Type Activities
2020	\$ 350,179	\$ 48,122
2021	248,535	20,286
2022	200,278	6,353
2023	34,359	6,543
2024	-	6,740
	\$ 833,351	\$ 88,044

Printers and Copiers

The City leases many office printers and copiers under non-cancellable operating leases. Total costs for these leases for the year ending December 31, 2019 was \$85,489 in governmental activities and \$5,012 in business-type activities. The future minimum lease payments for the non-cancellable leases are, as follows:

Year Ending December 31,	Governmental Activities	Business-Type Activities
2020	\$ 82,208	\$ 5,012
2021	82,208	5,012
2022	42,540	2,506
	\$ 206,956	\$ 12,530

3-G. Long-Term Debt

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

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

(continued on following page)

Note 3 – Detailed Notes on All Funds (Continued)

Changes in Long-term liabilities - Changes in the City’s long-term obligations consisted of the following for the year ended December 31, 2019
(includes internal service fund):

	Outstanding 1/1/2019	Additions	Reductions	Outstanding 12/31/2019	Amounts Due in One Year
Governmental Activities					
2005 general oblig. bonds (800 Mhz)	\$ 131,587	\$ -	\$ 131,587	\$ -	\$ -
2012 general obligation bonds	22,110,000	-	835,000	21,275,000	860,000
Claims and judgements payable	85,201	-	16,729	68,472	-
Compensated absences	3,176,284	2,401,710	2,296,919	3,281,075	836,828
Net pension liability	8,469,127	-	1,630,724	6,838,403	-
Other post-employment benefits	11,617,646	441,313	2,204,124	9,854,835	-
Total Governmental Activities	\$45,589,845	\$ 2,843,023	\$ 7,115,083	\$ 41,317,785	\$1,696,828
Business-Type Activities					
2010 utility system revenue bonds	\$ 6,230,000	\$ -	\$ 325,000	\$ 5,905,000	\$ 340,000
2015 utility system revenue bonds	21,710,000	-	895,000	20,815,000	940,000
2018 utility system revenue bonds	20,380,000	-	605,000	19,775,000	770,000
Unamortized (premiums)/discounts	3,915,464	-	209,701	3,705,763	206,829
Net pension liability	1,746,845	-	375,974	1,370,871	-
Compensated absences	332,376	262,449	290,677	304,148	101,899
Total Business-Type Activities	\$54,314,685	\$ 262,449	\$ 2,701,352	\$ 51,875,782	\$2,358,728

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 \$50,491 of internal service funds compensated absences are included in the above amounts. For the governmental activities, the General Fund, Special Revenue Funds, Capital Projects Funds, and Internal Service Funds generally liquidate accrued compensated absences, and the net pension liabilities. Nonmajor debt services funds have generally liquidated long-term debt liabilities. The general fund had liquidated other post-employment benefits liabilities.

The bonds associated with the special assessment (LID) are secured by the assessments levied against property owners in the LID boundaries and further secured by the City’s Local Improvement Guarantee Fund (LIG). If the property owners fail to make payments the City can pursue foreclosure and sale of the property. The bonds are not general obligation debt of the City, and the City is acting only as an agent and is in no way liable for the debt. Bondholder remedies against the City are confined to mandating City officials perform their statutory duty to enforce assessments and apply proceeds of the LIG to principal and interest payments. There were no delinquent LID accounts at December 31, 2019.

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 2019.

Note 3 – Detailed Notes on All Funds (Continued)

The annual total requirements to amortize the debt outstanding for general obligation, revenue bonds, and installment notes payable as of December 31, 2019, including interest, are as follows:

Year	Governmental Activities		Business Type Activities		Total
	Principal	Interest	Principal	Interest	
2020	860,000	796,013	2,050,000	1,930,537	5,636,550
2021	895,000	761,613	2,140,000	1,842,538	5,639,150
2022	930,000	725,813	2,235,000	1,747,038	5,637,851
2023	960,000	696,488	2,335,000	1,647,238	5,638,726
2024	990,000	667,688	2,435,000	1,542,938	5,635,625
2025-2029	5,475,000	2,810,563	14,345,000	6,083,156	28,713,719
2030-2034	6,565,000	1,714,638	13,910,000	3,237,606	25,427,244
2035-2039	4,600,000	372,800	7,045,000	746,769	12,764,569
Total	\$ 21,275,000	\$ 8,545,614	\$ 46,495,000	\$ 18,777,818	\$ 95,093,432

Governmental Activities General Obligation Bonds

2005 General Obligation Bonds (800 MHz) Loan – The Snohomish County Emergency Radio System (SERS) was formed in 1999 to provide enhanced emergency communication services to Snohomish County. SERS was created via an interlocal agreement among the cities of Brier, Edmonds, Everett, Lynnwood, Marysville, Mill Creek, Mountlake Terrace, Mukilteo, Woodway, and Snohomish County. Snohomish County Fire District No. 1 joined after the original formation. SERS is a joint venture with each entity’s equity interest reported on its financial statements. See Note 4-D Joint Ventures for additional information. Snohomish County issued \$27,125,000 of limited tax general obligation bonds on October 20, 1999 for multiple purposes, including funding participation in SERS. The City of Lynnwood’s original participation was in the amount of \$1,795,107. Snohomish County refunded these bonds in 2005 and again in 2015, including the City’s participation amount of \$1,519,147 in 2005 and \$470,221 in 2015. The City reports these bonds as 2005 general obligation bonds. The bonds are amortized over 15 years at 5% interest payable semi-annually. The loan was paid off in 2019.

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+.

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

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

Note 3 – Detailed Notes on All Funds (Continued)

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.

Utility System Revenue and Refunding Bonds, 2018 - 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.

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

On February 25, 2019, the City Council adopted Ordinance No. 3329 establishing a line of credit with Zions Bancorporation and providing for the issuance and sale of a limited tax general obligation bond not to exceed \$5.1 million to acquire property for a youth homeless shelter. During 2019 the no borrowings took place and the authorization is set to expire in October 2020.

Lynnwood Public Facilities District	Outstanding			Outstanding	Amounts due
Business-type Activities	1/1/2019	Additions	Reductions	12/31/3019	in one year
Bonds payable					
General Obligation Bonds	\$ 7,510,700		\$ 994,000	\$ 6,516,700	\$ 1,031,300
Revenue Bonds	15,295,000		725,000	14,570,000	800,000
Premium on Revenue Bonds	851,249		52,117	799,132	52,117
Total Bonds Payable	\$ 23,656,949	\$ -	\$ 1,771,117	\$ 21,885,832	\$ 1,883,417
Compensated Absences	23,214	24,061	-	47,275	39,282
Environmental Remediation	5,581,190	209,909		5,791,099	35,400
Net Pension Liability					-
OPEB Liabilities	80,286	-	6,874	73,412	-
Business-type Activities					
Long Term Liabilities	\$ 29,341,639	\$ 233,970	\$ 1,777,991	\$ 27,797,618	\$ 1,958,099

(Continued on following page)

Note 3 – Detailed Notes on All Funds (Continued)

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

<u>Lynnwood PFD</u> <u>Year Ending</u> <u>December 31,</u>	<u>Business-Type Activities</u> <u>Series B & Revenue Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 1,831,300	\$ 776,302	\$ 2,607,602
2021	1,963,900	718,725	2,682,625
2022	2,093,300	656,417	2,749,717
2023	2,243,500	579,681	2,823,181
2024	2,388,200	511,504	2,899,704
2025 -2029	5,971,500	1,518,756	7,490,256
2030 -2034	4,595,000	547,169	5,142,169
Total	<u>\$ 21,086,700</u>	<u>\$ 5,308,554</u>	<u>\$ 26,395,254</u>

3-H. Pension Plans

The following table represents the aggregate pension amounts for all plans for the year 2019:

Aggregate Pension Amounts – All Plans	
Pension liabilities	\$ (8,209,274)
Pension assets	7,639,743
Deferred outflows of resources	5,409,108
Deferred inflows of resources	(6,927,059)
Pension expense/expenditures	875,656

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 comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

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

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

Public Employees’ Retirement System (PERS)

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

Note 3 – Detailed Notes on All Funds (Continued)

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 2019 were as follows:

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

Note 3 – Detailed Notes on All Funds (Continued)

Contributions

The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2019 were as follows:

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

The City’s actual PERS plan contributions were \$991,659 for to PERS 1 and \$1,424,123 to PERS 2/3 for the year ended December 31, 2019.

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.

(Continued on following page)

Note 3 – Detailed Notes on All Funds (Continued)

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 2019 were as follows:

PSERS Plan 2		
Actual Contribution Rates:	Employer	Employee
January – June 2019		
PSERS Plan 2	7.07%	7.07%
PERS Plan 1 UAAL	5.13%	
Administrative Fee	0.18%	
Total	12.38%	7.07%

PSERS Plan 2		
Actual Contribution Rates:	Employer	Employee
July – December 2019		
PSERS Plan 2	7.20%	7.20%
PERS Plan 1 UAAL	4.76%	
Administrative Fee	0.18%	
Total	12.14%	7.20%

The City’s actual contributions to the plan were \$88,603 for PSERS Plan 2 for the year ended December 31, 2019.

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

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

LEOFF Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined per 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

Note 3 – Detailed Notes on All Funds (Continued)

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 2019. 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 LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2019 were as follows:

LEOFF Plan 2		
Actual Contribution Rates	Employer	Employee
January – June 2019		
State and local governments	5.25%	8.75%
Administrative Fee	0.18%	
Total	5.43%	8.75%
Ports and Universities		
Administrative Fee	0.18%	
Total	8.93%	8.75%
July – December 2019		
State and local governments	5.15%	8.59%
Administrative Fee	0.18%	
Total	5.33%	8.59%
Ports and Universities		
Administrative Fee	0.18%	
Total	8.77%	8.59%

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Note 3 – Detailed Notes on All Funds (Continued)

The City's actual contributions to the plan were \$459,958 for the year ended December 31, 2019.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For the state fiscal year ending June 30, 2019, the state contributed \$72,959,897 to LEOFF Plan 2. The amount recognized by the City as its proportionate share of this amount is \$293,440.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2019 with a valuation date of June 30, 2018. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2007-2012 Experience Study* and the *2017 Economic Experience Study*.

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

- **Inflation:** 2.75% total economic inflation; 3.50% salary inflation
- **Salary increases:** In addition to the base 3.50% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.40%

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

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

- OSA updated modeling to reflect providing benefit payments to the date of the initial retirement eligibility for terminated vested members who delay application for retirement benefits.
- OSA updated COLA programming to reflect legislation signed during the 2018 legislative session that provides PERS and TRS Plan 1 annuitants who are not receiving a basic minimum, alternate minimum, or temporary disability benefit with a one-time permanent 1.5% increase to their monthly retirement benefit, not to exceed a maximum of \$62.50 per month.

Discount Rate

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

To determine that rate, an asset sufficiency test included an assumed 7.5 percent long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. (All plans use 7.5 percent except LEOFF 2, which has assumed 7.4 percent). Consistent with the long-term expected rate of return, a 7.4 percent future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue being made at contractually required rates (including PERS 2/3, PSERS 2, SERS 2/3, and TRS 2/3 employers, whose rates include a component for the PERS 1, and TRS 1 plan liabilities). Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.4 percent was used to determine the total liability.

(continued on following page)

Note 3 – Detailed Notes on All Funds (Continued)

Long-Term Expected Rate of Return

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

Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2019, are summarized in the table below. The inflation component used to create the table is 2.2 percent and represents the WSIB’s most recent long-term estimate of broad economic inflation.

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

Sensitivity of Net Pension Liability/(Asset)

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

	1% Decrease (6.4%)	Current Discount Rate (7.4%)	1% Increase (8.4%)
PERS 1	\$ 6,730,054	\$ 5,374,076	\$ 4,197,586
PERS 2/3	12,467,674	1,625,596	(7,271,046)
PSERS 2	358,517	(34,727)	(343,653)
LEOFF 1	(1,615,324)	(1,974,595)	(2,284,791)
LEOFF 2	(1,046,933)	(5,630,421)	(9,371,597)

(continued on following page)

Note 3 – Detailed Notes on All Funds (Continued)

Pension Plan Fiduciary Net Position

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

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

At June 30, 2019, the City reported a total pension liability of \$8,209,274 of which \$6,999,672 consists of its proportionate share of the net pension liabilities and a total pension asset of \$7,639,743 as follows:

	Liability (or Asset)
PERS 1	\$ 5,374,076
PERS 2/3	1,625,596
PSERS 2	(34, 727)
LEOFF 1	(1,807,205)
LEOFF 2	(5,979,418)

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

	LEOFF 1 (Asset)	LEOFF 2 (Asset)
LEOFF 2 – employer’s proportionate share	\$ (1,974,595)	\$ (5,630,421)
LEOFF 2 – State’s proportionate share of the net pension liability/(asset) associated with the employer	\$ (13,356,111)	\$ (3,687,171)
TOTAL	\$ (15,330,706)	\$ (9,317,592)

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

	Proportionate Share 6/30/18	Proportionate Share 6/30/19	Change in Proportion
PERS 1	.141150%	.139755%	(.001395%)
PERS 2/3	.171192%	.167356%	(.003836%)
PSERS 2	.227010%	.267048%	.040038%
LEOFF 1	.099543%	.099898%	.000355%
LEOFF 2	.294521%	.243037%	(.051484%)

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

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2019. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2019, the state of Washington contributed 87.12 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 2019, the state of Washington contributed 39.57 percent of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 60.43 percent of employer contributions.

Note 3 – Detailed Notes on All Funds (Continued)

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

Pension Expense

For the year ended December 31, 2019, the City recognized pension expense in the state sponsored plans as follows:

	Pension Expense
PERS 1	\$ 180,894
PERS 2/3	\$ 304,369
PSERS 2	\$ 57,577
LEOFF 1	\$ (109,402)
LEOFF 2	\$ 343,276
TOTAL	\$ 776,714

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<i>PERS 1</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on pension plan investments		\$ (359,033)
Contributions subsequent to the measurement date	\$ 481,687	
TOTAL	\$ 481,687	\$ (359,033)

<i>PERS 2/3</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 465,737	\$ (349,494)
Net difference between projected and actual investment earnings on pension plan investments		(2,366,205)
Changes of assumptions	41,626	(682,046)
Changes in proportion and differences between contributions and proportionate share of contributions	347,208	(204,949)
Contributions subsequent to the measurement date	731,610	
TOTAL	\$ 1,586,181	\$ (3,602,694)

<i>PSERS 2</i>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 29,326	\$ (3,071)
Net difference between projected and actual investment earnings on pension plan investments		(60,305)
Changes of assumptions	279	(18,663)
Changes in proportion and differences between contributions and proportionate share of contributions	9,679	(916)
Contributions subsequent to the measurement date	44,970	
TOTAL	\$ 84,254	\$ (82,955)

Note 3 – Detailed Notes on All Funds (Continued)

LEOFF 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on pension plan investments	\$ 0	\$ (204,706)
TOTAL	\$ 0	\$ (204,706)

LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 405,159	\$ (101,250)
Net difference between projected and actual investment earnings on pension plan investments		(1,154,412)
Changes of assumptions	9,276	(633,603)
Changes in proportion and differences between contributions and proportionate share of contributions	2,419,773	(\$345,423)
Contributions subsequent to the measurement date	230,349	
TOTAL	\$ 3,064,557	\$ (2,234,688)

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, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	PERS 1
2020	\$ (79,258)
2021	\$ (187,741)
2022	\$ (66,997)
2023	\$ (25,037)
2024	\$ 0
Thereafter	\$ 0

Year ended December 31:	PERS 2/3
2020	\$ (692,297)
2021	\$ (1,167,519)
2022	\$ (491,681)
2023	\$ (241,344)
2024	\$ (143,392)
Thereafter	\$ (11,890)

Note 3 – Detailed Notes on All Funds (Continued)

Year ended December 31:	PSERS
2020	\$ (9,332)
2021	\$ (18,815)
2022	\$ (11,509)
2023	\$ (5,567)
2024	\$ 5
Thereafter	\$ 1,547

Year ended December 31:	LEOFF 1
2020	\$ (47,547)
2021	\$ (104,799)
2022	\$ (38,029)
2023	\$ (14,331)
2024	\$ 0
Thereafter	\$ 0

Year ended December 31:	LEOFF2
2020	\$ (61,727)
2021	\$ (326,229)
2022	\$ (36,531)
2023	\$ 85,896
2024	\$ 178,394
Thereafter	\$ 759,717

Historical funding source for liquidating Department of Retirement Systems Pension Obligations

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

City Sponsored Pension Plan - Firemen’s Pension Plan

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

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

Plan membership

At December 31, 2019, pension plan membership consisted of four (4) inactive plan members and one (1) surviving spouse for a total of five (5) members currently receiving benefits. The pension plan is closed to new entrants.

Benefits provided

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

Note 3 – Detailed Notes on All Funds (Continued)

Key Elements of Pension Formulas

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

Funding

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

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

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

Assumptions and Other Inputs

As of December 31, 2019, the FPF had \$312,459 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 market value. Investment activities of the FPF are co-mingled with the City of Lynnwood treasury and therefore are included in the City’s investment policy addressed in Note 3-A.

As of December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of investment expenses, was 3.00 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, 2019, and the actuarial valuation date on which the total pension liability is based was as of December 31, 2018, with update procedures used to roll forward the total pension liability to the measurement date.

- **Discount rate:** 2.75% - Rate applied in the measurement of the total pension liability
- **Inflation:** 2.00% - total economic inflation, 2.50% wage inflation.
- **Investment rate of return:** 4.00% - Composite rate is based on the expected return on long-term municipal bonds and is used for both the funded and unfunded liability.
- **Actuarial Cost Method:** Entry Age Normal
- The mortality table used, RP-2000, is projected to the year 2025 using Scale BB to include an allowance for future improvements in longevity.
- The table below presents the City’s net pension liability calculated using the discount rate of 2.75% as well as what the pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (1.75%) or 1-percentage point higher (3.75%) than the current rate:

	1% Decrease	Current Disc. Rate	1% Increase
	1.75%	2.75%	3.75%
Net Pension Liability	\$1,357,668	\$1,209,602	\$1,082,032

Note 3 – Detailed Notes on All Funds (Continued)

Changes in the Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) – (b)
Balances at 12/31/2018	\$1,321,679	\$335,278	\$ 986,401
Changes for the year:			
Service Cost	-	-	-
Interest	50,965	-	50,965
Changes in assumptions	(114,417)	-	(114,417)
Differences between expected and actual experience	356,504	-	356,504
Contributions – employer	-	62,165	(62,165)
Contributions – employees	-	-	-
Net investment income		9,686	(9,686)
Benefit payments and withdraws (pension expense)	(95,102)	(95,102)	-
Administrative expense		(2,000)	2,000
Other changes	-	-	-
Net changes	197,950	(25,251)	223,201
Balance at 12/31/2019	\$1,519,629	\$310,027	\$1,209,602
Plan fiduciary net position as a percentage of the total pension liability		20.4%	

Pension Expense and Deferred Inflows and Outflows of Resources

	Pension Expense
Pension expense recognized for fiscal year ending 2018	\$61,108
Pension expense recognized for fiscal year ending 2019	\$98,942

At December 31, 2019, 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	\$ 372,402	\$ -
Net difference between projected and actual investment earnings on pension plan investments	10,842	-
Changes of assumptions	59,739	(192,429)
Contributions subsequent to the measurement date	-	-
TOTAL	\$ 442,983	\$ (192,429)

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
2020	\$ 53,425
2021	50,191
2022	48,922
2023	47,718
2024	15,715
Thereafter	34,583

Note 3 – Detailed Notes on All Funds (Continued)

3-I. Other Post-Employment Benefits

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

The following table represents the OPEB amounts for all plans subject to the requirements of GASB 75 for the year 2019:

OPEB Liabilities	\$ 9,854,835
OPEB Assets	\$ 0
Deferred Outflows of Resources	\$ 127,197
Deferred Inflows of Resources	\$ 0
OPEB Expenses Expenditures	\$ (1,330,301)

Annual OPEB Cost and Net OPEB Obligation

OPEB Plan Description –

- a. The city administers LEOFF 1 Retiree Medical and Long-Term Care Benefits, a single-employer or multiple-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, 2019, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	21
Inactive employees entitled to but not yet receiving benefits	0
Active employees	0
Total	21

- d. There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB 75. The plan is funded on a pay-as-you-go basis and there are no assets accumulated in a qualifying trust.
- e. Funding for LEOFF retiree healthcare costs is provided entirely by the City as required by RCW. During the City contributed \$341,308 in medical payments and reimbursements.

Assumptions and Other Inputs:

The total OPEB liability in the June 30, 2019, 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.

(continued on following page)

Note 3 – Detailed Notes on All Funds (Continued)

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

Healthcare costs and trends were determined by Milliman and used by OSA in the state-wide LEOFF 1 medical study performed in 2013. The results were based on grouped data with four active groupings and four inactive groupings. The actuarial cost method used to determine the AAL was the Projected Unit Credit. The AAL and Net OPEB Obligation are amortized on an open basis as a level dollar over 15 years. These assumptions are individually and collectively reasonable for the purposes of this valuation. The medical inflation trend is the percentage that medical costs are expected to increase in future years.

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.

A 40 percent excise tax Patient Protection and Affordable Care Act

Actuarial Valuation Date: 06/30/2019

Actuarial Measurement Date: 06/30/2019

Actuarial Cost Method: Entry Age

Discount Rate:

Beginning of Measurement Year	3.87%
End of Measurement Year	3.50%

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

Long-term Care Healthcare Trend Rate: 4.50%

Mortality Rates (assuming 100% male population):

Base Mortality Table: RP-2000 Mortality Table
 Age Setback: +1 year Healthy / -2 years Disabled Blended 50%/50% Healthy/Disabled
 Mortality Improvements: 100% Scale BB

Projection Period: Generational

Medicare Participation Rate: 100.00%

Medical and long-term care costs were projected from June 30, 2018 to the measurement date of June 30, 2019 using the healthcare trend rates detailed in the 2018 LEOFF 1 Medical Benefits Actuarial Valuation Report.

(continued on following page)

Note 3 – Detailed Notes on All Funds (Continued)

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

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

	1% Decrease (5.0%)	Current Healthcare Cost Trend Rate (6.0%)	1% Increase (7.0%)
Total OPEB Liability	\$ 8,861,783	\$ 9,854,835	\$11,002,984

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 3.50 percent², as well as what the OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.50 percent) or one percentage point higher (4.50 percent) that the current rate.

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB Liability	\$ 8,861,783	\$ 9,854,835	\$ 11,002,984

Changes in Total OPEB Liability

LEOFF 1 Retiree Medical and Long-Term Care Benefits	
Total OPEB Liability at 01/01/2019	\$11,617,646
Service cost	0
Interest	441,313
Changes of benefit terms	0
Changes in experience data and assumptions	(1,771,614)
Benefit payments	(432,510)
Other changes	
Total OPEB Liability at 12/31/2019	\$ 9,854,835

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in experience data and assumptions		\$ 0
Payments subsequent to measurement date	\$ 127,197	

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, 2019.

² Source: Bond Buyer General Obligation 20-Bond Municipal Index

Note 3 – Detailed Notes on All Funds (Continued)

3-J. Fund Equity

Fund Balances – Fund balances are classified as follows:

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

General Fund:

Prepaid Postage	\$ 17,259
	<u>\$ 17,259</u>

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

Transportation Capital Fund:

Capital Projects	\$ 5,689,590
	<u>\$ 5,689,590</u>

Nonmajor Governmental Funds:

Capital Projects	\$ 7,984,703
Drug Enforcement/Criminal Justice	3,821,985
Debt Service	117,281
Park Improvements	184,353
Recreation programs for low income	77,239
Tourism promotion	1,266,951
Street and paths improvements	5,641,799
Solid Waste Management	81,982

Total Nonmajor Governmental Funds \$ 19,176,293

- **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	\$ 1,518,007
Tree Reserve	293,816
Art Reserve	49,878
Aid Car Reserve	16,765

Total Other Governmental Funds \$ 1,878,466

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

General Fund:

Economic Development	\$ 10,574,675
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Other Governmental Funds:

Debt Service	<u>\$ 679,901</u>
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Note 3 – Detailed Notes on All Funds (Continued)

- **Net Investment in Capital Assets** – The net investment in capital assets, reported on the government-wide statement of net position as of December 31, 2019 is as follows:

	Governmental Activities	Business- type Activities
Net investment in capital assets:		
Total capital assets	\$ 240,858,480	\$ 134,191,769
Less accumulated depreciation	92,294,332	52,173,047
Net capital assets	148,564,148	82,018,722
Less: capital related debt	(21,275,000)	(46,613,096)
Add: unspent bond proceeds	-	13,670,247
Less: unamortized bond premium	-	(3,705,963)
Net investment in capital assets	<u>\$ 127,289,148</u>	<u>\$ 45,369,910</u>

4-A. Risk Management

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

The City combines the reporting of risk management activities into one internal service fund – the Self-Insurance Fund No. 515 – to account for and finance uninsured risks. All departments of the City make payments through Interfund assessments to the self-insurance fund based on estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses.

The City of Lynnwood is a member of Cities Insurance Association of Washington (CIAW). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a program or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The program was formed on September 1, 1988, when 34 cities in the state of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. As of December 1, 2019, there are 191 members in the program.

The program provides the following forms of joint self-insurance and reinsurance coverage for its members: Property; including Automobile Comprehensive and Collision, Equipment Breakdown, and Crime Protection and Liability; including General, Automobile, and Wrongful Acts, which are included to fit member’s various needs.

The program acquires liability insurance through their administrator, Clear Risk Solutions, which is subject to a per occurrence self-insured retention (SIR) of \$100,000. Lynnwood is responsible for the first \$75,000 of each liability claim, while the program is responsible for the next \$25,000. Excess insurance is maintained with a limit of \$10,000,000 each occurrence and \$10,000,000 aggregate. In any one policy year, the City’s obligation to pay the \$75,000 per loss retention is capped at \$310,000. Once the City pays \$310,000, the insurer will pay the \$75,000 retention for each loss up to a total amount of \$500,000. If the insurer reaches a total payout of \$500,000 in any one year for the retention, then the City is again responsible for the \$75,000 per loss retention.

Members contract to remain in the program for a minimum of one year and must give notice before December 1 to terminate participation the following December 1. The Interlocal Agreement is renewed automatically each year. In the event of termination, a member is still responsible for contributions to the program for any unresolved, unreported, and in-process claims for the period they were a signatory to the Interlocal Agreement.

A board of ten members is selected by the membership from three geographic areas of the state on a staggered term basis and is responsible for conducting the business affairs of the program.

Note 4 – Detailed Notes on All Funds (Continued)

The program has no employees. Claims are filed by members/brokers with Clear Risk Solutions, who has been contracted to perform program administration, underwriting, claims adjustment, and loss prevention for the program. Fees paid to the third-party administrator under this arrangement for the year ending December 1, 2019, were \$2,687,104.78.

Property insurance is maintained separately from the CIAW program with a limit of \$125,000,000 any one occurrence and with a deductible of \$25,000 per occurrence for covered losses other than from earthquake or flood. Earthquake coverage is maintained with a limit of \$25,000,000 any one quake and a deductible of 5% of the value of the property that is damaged subject to a \$100,000 minimum. Flood coverage for properties not in a Flood Zone A or V is maintained with a limit of \$25,000,000 and a \$100,000 deductible. For any properties in Flood Zones A or V the limit is \$3,000,000 and the deductible is \$250,000. Coverage for damage to City owned automobiles is maintained with a deductible of \$5,000. The property insurance policy period is July 1, 2019 to July 1, 2020.

The City terminated its contract with CIAW effective December 1, 2019 for liability insurance coverage and effective July 1, 2020 for property insurance coverage. The City contracted with the Washington Cities Insurance Authority (WCIA) to provide liability insurance coverage effective December 1, 2019 and to provide property insurance coverage effective July 1, 2020.

The City of Lynnwood is also a member of the Washington Cities Insurance Authority (WCIA). Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed 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 163 members.

The City became a member of WCIA on December 1, 2019. 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 and employee benefits liability. Limits are \$4 million per occurrence in the self-insured layer, and \$16 million in limits above the self-insured layer is provided by reinsurance. Total limits are \$20 million per occurrence subject to aggregates and sublimits. The Board of Directors determines the limits and terms of coverage annually.

Insurance for property, automobile physical damage, fidelity, inland marine, and boiler and machinery coverage are purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded from the members' deductible to \$750,000, for all perils other than flood and earthquake, and insured above that to \$300 million per occurrence subject to aggregates and sublimits. Automobile physical damage coverage is self-funded from the members' deductible to \$250,000 and insured above that to \$100 million per occurrence subject to aggregates and sublimits.

In-house services include risk management consultation, loss control field services, and claims and litigation administration. WCIA contracts for certain claims investigations, consultants for personnel and land use issues, insurance brokerage, actuarial, and lobbyist services.

WCIA is fully funded by its members, who make annual assessments on a prospectively rated basis, as determined by an outside, independent actuary. The assessment covers loss, loss adjustment, reinsurance and other administrative expenses. As outlined in the interlocal, WCIA retains the right to additionally assess the membership for any funding shortfall.

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

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

As of December 31, 2019, 261 cities/towns/non-city entities participate in the AWC Trust HCP.

The AWC Trust HCP allows members to establish a program of joint insurance and provides health and welfare services to all participating members. The AWC Trust HCP pools claims without regard to individual member experience. The pool is actuarially rated each year with the assumption of projected claims run-out for all current members. The AWC Trust HCP includes medical, dental and vision insurance through the following carriers: Kaiser Foundation Health Plan of Washington, Kaiser Foundation Health Plan of Washington Options, Inc., Regence BlueShield, Asuris Northwest Health, Delta Dental of Washington, and Vision Service Plan. Eligible members are cities and towns within the state of Washington. Non-City Entities (public agency, public corporation, intergovernmental agency, or political subdivision within the state of Washington) are eligible to apply for coverage into the AWC Trust HCP, submitting application to the Board of Trustees for review as required in the Trust Agreement.

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. In 2019, the AWC Trust HCP purchased stop loss insurance for Regence/Asuris plans at an Individual Stop Loss (ISL) of \$1.5 million through Commencement Bay Risk Management, and Kaiser ISL at \$1 million with Companion Life through ASG Risk Management. The aggregate policy is for 200% of expected medical claims.

Participating employers contract to remain in the AWC 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.

Note 4 – Detailed Notes on All Funds (Continued)**4-C. Contingent Liabilities**

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

The City was a defendant in several lawsuits at December 31, 2019. 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.

4-D. Joint Ventures

SNOHOMISH COUNTY 911 - The City of Lynnwood and other Police and Fire entities jointly operate SNOHOMISH COUNTY 911. SNOHOMISH COUNTY 911, a cash basis, special purpose district, was created under the Interlocal Cooperation Act, as codified in RCW 39.34. This established the statutory authority necessary for Snohomish County, the cities, towns, fire districts, police districts and other service districts to enter into a contract and agreement to jointly establish, maintain and operate a support communications center. Control of SNOHOMISH COUNTY 911 is with a 16-member Board of Directors which is specified in the Interlocal Agreement. SNOHOMISH COUNTY 911 takes 911 calls and performs emergency dispatch services for local governmental agencies including police, fire and medical aid.

In the event of the dissolution of SNOHOMISH COUNTY 911, any money in the possession of SNOHOMISH COUNTY 911 or the Board of Directors after payment of all costs, expenses and charges validly incurred under this Agreement shall be returned to the parties to this Agreement in proportion to their contribution during the fiscal year of dissolution. Before deducting the payment of all costs, expenses and charges validly incurred, the City of Lynnwood's share was \$1,376,601 on December 31, 2019. This value has been recorded in the government-wide statements as an asset for the year ended December 31, 2019.

Snohomish County 911's 2019 operating budget was \$23,457,603, operating revenues received were \$24,057,771 and total operating expenditures were \$23,152,188. Complete financial statements for SNOHOMISH COUNTY 911 can be obtained from SNOHOMISH COUNTY 911's administrative office at 1121 SE Everett Mall Way, Suite 200, Everett, WA 98208.

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. Fiscal agent duties are performed by the City of Mountlake Terrace.

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

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

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

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

Joint Recreation Facilities - The City of Lynnwood, the City of Edmonds, Snohomish County and Edmonds School District No. 15 entered into an agreement to develop Meadowdale Playfields and Recreation Complex. The Edmonds School District provided a 25-acre site adjacent to Meadowdale Elementary; and Meadowdale Middle School (at 66th Ave W and 168th St SW) The City of Lynnwood is responsible for the maintenance of the complex and bills 50% of the associated costs to the City of Edmonds on a bi-annual basis. Lynnwood's share of maintenance costs totaled \$61,475.

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/doing-business/information-local-governments/governmental-accounting-standards-board-gasb-statement-no-77>. The Department of Revenue report listed no tax abatements applicable to the City of Lynnwood in 2019.

4-F. Prior Period Adjustments and Restatements

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

Net Position previously reported at December 31, 2018	\$ 160,058,237
Beginning Net Position Restatement	
- During the 2019 capital asset reconciliation process it was discovered that there were capital assets classified as operating in the amount of \$50,241 and an asset which had previously been recorded in 2018 in the amount of \$12,749. The net adjustment is for \$37,492	37,492
Net Position, as restated, at December 31, 2018	\$ 160,095,729

Note 4 – Detailed Notes on All Funds (Continued)

Transportation Capital fund:

Fund Balance previously reported at December 31, 2018	\$ 6,723,434
Beginning Fund Balance Restatement - Reported revenues in 2018 included \$538,697 of grant revenues which were received after the 60 day revenue recognition period and should have been reported as a Deferred Inflow of Resources.	(538,697)
Fund Balance, as restated, at December 31, 2018	\$ 6,184,737

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

- The following new fund was opened on 01/01/2019:
 - ✓ Internal Service Fund: Technology Reserve Fund 520

4-H. Subsequent Events -

COVID-19 (Corona Virus)

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of a deadly new virus. In the weeks following the declaration, precautionary measures to slow the spread of the virus have been ordered. These measures include closing schools, colleges and universities, cancelling public events, prohibiting public and private gatherings, and requiring people to stay home unless they are leaving for an essential function.

The overall financial effect on the City is unknown. Preliminary estimates indicate a \$5.16 million revenue loss to the General Fund which will be covered through yet to be determined expenditure reductions including a temporary hiring freeze described below:

- No new employee positions will be considered.
- Hiring to fill vacant positions is discouraged. Filling vacant positions will be considered on a case-by-case basis.
- The delay or foregoing of the purchase of non-essential equipment, goods, and services.
- Foregoing of employee non-essential training and travel, while also adherence to all applicable Orders such as social distancing and staying home.

Additional measures being considered include a voluntary separation incentive program, furloughs and reduced hours. The length of time these measures will be in place, and the full extent of the financial impact on the City is unknown at this time.

Transportation Benefit District Dissolution

On March 23, 2020, the Lynnwood City Council adopted Ordinance No. 3356 dissolving the Transportation Benefit District (TBD) as a separate entity, the activities of the TBD will continue as part of the general City government and will continue to be reported as a special revenue fund in a presentation similar when the TBD was a blended component unit. The cash assets of the district were transferred to the City. No other changes to the TBD will result from the dissolution of the separate legal entity for the TBD.

REQUIRED
SUPPLEMENTARY
INFORMATION

City of Lynnwood, Washington
Schedule of Revenues - Budget and Actual
General Fund
For the Year Ended December 31, 2019

	Original 2019-2020 Biennial Budget	Biennial Budget as Modified through December 2019	2019 Actual	Variance with Amended Biennial Budget
Revenues				
Taxes:				
Property tax	\$ 8,455,000	\$ 8,355,000	\$ 3,991,045	\$ (4,363,955)
Sales tax	48,988,457	48,988,457	23,662,407	(25,326,050)
Business taxes	14,522,051	14,522,051	6,726,034	(7,796,017)
Other taxes	8,650	8,650	3,719	(4,931)
Total Taxes	<u>71,974,158</u>	<u>71,874,158</u>	<u>34,383,205</u>	<u>(37,490,953)</u>
Licenses and Permits:				
Business licenses	6,235,247	6,235,247	1,747,113	(4,488,134)
Franchise fees	999,251	999,251	442,681	(556,570)
Permits and fees	3,794,300	3,794,300	1,468,116	(2,326,184)
Total Licenses and Permits	<u>11,028,798</u>	<u>11,028,798</u>	<u>3,657,910</u>	<u>(7,370,888)</u>
Intergovernmental:				
Liquor Board taxes	1,022,805	1,022,805	526,303	(496,502)
Streamlined sales tax	257,718	257,718	-	(257,718)
Other	3,972,382	5,348,050	2,458,966	(2,889,084)
Total Intergovernmental	<u>5,252,905</u>	<u>6,628,573</u>	<u>2,985,269</u>	<u>(3,643,304)</u>
Charges for Services:				
Planning fees	2,636,214	2,636,214	609,736	(2,026,478)
Interfund	4,390,041	4,390,041	-	(4,390,041)
Recreation	5,343,350	5,343,350	2,405,748	(2,937,602)
Other	1,148,947	1,148,947	391,800	(757,147)
Total Charges for Services	<u>13,518,552</u>	<u>13,518,552</u>	<u>3,407,284</u>	<u>(10,111,268)</u>
Fines and Forfeitures:	<u>9,141,660</u>	<u>9,141,660</u>	<u>4,774,184</u>	<u>(4,367,476)</u>
Miscellaneous				
Investment interest	406,864	406,864	291,274	(115,590)
Rents and concessions	1,045,250	1,045,750	412,286	(633,464)
Other	701,660	701,660	206,130	(495,530)
Total Miscellaneous	<u>2,153,774</u>	<u>2,154,274</u>	<u>909,690</u>	<u>(1,244,584)</u>
Total Revenues	<u>\$ 113,069,847</u>	<u>\$ 114,346,015</u>	<u>\$ 50,117,542</u>	<u>\$ (64,228,473)</u>

City of Lynnwood, Washington
Schedule of Expenditures - Budget and Actual
General Fund
For the Year Ended December 31, 2019

	Original 2019-2020 Biennial Budget	Biennial Budget as Amended through December 2019	2019 Actual	Variance with Final Biennial Budget
Expenditures				
General Government				
Legislative/executive	\$ 2,333,599	\$ 2,329,484	\$ 1,024,299	\$ 1,305,185
Administrative services	7,541,752	7,532,789	1,547,379	5,985,410
Information Technology	4,982,295	5,229,791	2,058,790	3,171,001
Legal	3,348,654	3,348,654	1,713,925	1,634,729
Human Resources	2,138,387	2,136,267	686,047	1,450,220
Property management	3,602,606	3,599,600	1,410,304	2,189,296
Total General Government	23,947,293	24,176,585	8,440,744	15,735,841
Economic Environment	12,259,706	12,518,493	4,249,562	8,268,931
Judicial	2,287,935	2,285,532	1,024,232	1,261,300
Culture & Recreation	15,980,334	16,029,201	7,415,174	8,614,027
Public Safety				
Police	44,445,815	44,402,353	21,551,260	22,851,093
Fire	1,936,442	2,276,882	1,176,835	1,100,047
Total Public Safety	46,382,257	46,679,235	22,728,095	23,951,140
Social Services	1,179,517	1,177,988	553,170	624,818
Transportation	4,036,032	4,030,817	1,165,626	2,865,191
Debt Service	1,000	1,000	-	1,000
Capital Outlay	10,000	24,501	115,283	(90,782)
Total Expenditures	\$ 106,084,074	\$ 106,923,352	\$ 45,691,886	\$ 61,231,466

The City's budget is adopted on a GAAP basis.

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

PERS 1

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's proportion of the net pension liability	0.139755%	0.141150%	0.142394%	0.132475%	0.136623%
Employer's proportionate share of the net pension liability	\$ 5,374,076	\$ 6,303,807	\$ 6,756,706	\$ 7,114,531	\$ 7,146,653
Covered payroll	\$ 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	26.89%	33.68%	39.17%	45.32%	45.91%
Plan fiduciary net position as a percentage of the total pension liability	67.12%	63.22%	61.24%	57.03%	59.10%

PERS 2/3

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

PSERS 2

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

LEOFF 1

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's proportion of the net pension asset	0.099898%	0.099543%	0.097900%	0.096516%	0.095558%
Employer's proportionate share of the net pension asset	\$ 1,974,595	\$ 1,807,205	\$ 1,485,358	\$ 994,391	\$ 1,151,685
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's proportionate share of the net pension liability as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension asset	148.78%	144.42%	135.96%	123.74%	127.36%

City of Lynnwood, Washington
Schedule of Employer Contributions
As of December 31

PERS 1

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

PERS 2/3

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

PSERS 2

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

Note to Schedule:

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

City of Lynnwood, Washington

*Schedule of Proportionate Share of the Net Pension Liability/Asset
Law Enforcement Officers' and Fire Fighters' Retirement Plan 2
State Sponsored Plans
As of June 30*

	2019	2018	2017	2016	2015
<u>Employer's proportion of the net pension liability (asset)</u>	(0.243037%)	(0.294521%)	(0.486125%)	(0.433881%)	(0.456878%)
<u>Employer's proportionate share of the net pension liability (asset)</u>	\$ (5,630,421)	\$ (5,979,418)	\$ (6,745,840)	\$ (2,523,582)	\$ (4,695,792)
<u>State's proportionate share of the net pension liability (asset) associated with the employer</u>	\$ (3,871,561)	\$ (3,871,561)	\$ (4,375,900)	\$ (1,645,192)	\$ (3,104,893)
TOTAL	\$ (9,501,982)	\$ (9,850,979)	\$ (11,121,740)	\$ (4,168,774)	\$ (7,800,685)
<u>Employer's covered payroll</u>	\$ 8,826,066	\$ 8,037,687	\$ 13,394,830	\$ 13,144,036	\$ 13,258,319
<u>Employer's proportionate share of the net pension liability (asset) as a percentage of covered employee payroll</u>	63.79%	74.39%	50.36%	19.20%	35.42%
<u>Plan fiduciary net position as a percentage of the total pension liability (asset)</u>	119.43%	118.50%	113.36%	106.04%	111.67%

Note to Schedule:

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

*Schedule of Employer Contributions
Law Enforcement Officers' and Fire Fighters' Retirement Plan 2
State Sponsored Plans
As of December 31*

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

Note to Schedule:

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

City of Lynnwood, Washington
Schedule of Changes in Net Pension Liability and Related Ratios
Firemen's Pension

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability						
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	50,965	43,728	48,141	47,947	41,432	41,801
Changes in benefit terms	-	-	-	-	-	54,392
Differences between expected and actual experience	356,504	-	116,948	(38,717)	32,573	-
Changes of assumptions	(114,417)	(132,101)	104,541	-	194,582	-
Benefit payments	(95,102)	(95,103)	(96,468)	(94,313)	(70,585)	(73,119)
Net change in total pension liability	<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>1,321,679</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>1,519,629</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	62,165	61,710	54,134	55,130	55,515	56,875
Contributions - nonemployer contributing entities	-	-	-	-	-	-
Contributions - employee	-	-	-	-	-	-
Net investment income	9,686	3,639	7,108	-	-	651
Benefit payments, including refunds of contributions	(95,102)	(95,103)	(96,468)	(94,313)	(70,585)	(73,119)
Administrative expense	(2,000)	(4,500)	(2,000)	(4,250)	-	(21,825)
Other	-	-	-	(59,479)	(90,652)	(45,326)
Net change in plan fiduciary net position	<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>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>\$ 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>\$ 1,209,602</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)	20.4%	25.4%	24.6%	30.5%	36.0%	50.5%
Covered payroll	0	0	0	0	0	0
Net pension liability as a % of covered employee payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to Schedule:

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

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

City of Lynnwood, Washington
Schedule of Employer Contributions
Firemen's Pension
Last 10 Fiscal Years

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially/statutorily/contractually determined contribution	\$ 124,523	\$ 105,216	\$ 77,442	\$ 77,442	\$ 43,999	\$ 43,999	\$ 51,946	\$ 51,946	\$ 49,477	\$ 49,477
Actual contribution in relation to the above *	62,165	61,710	54,134	(4,349)	(35,137)	(10,276)	(3,753)	1,536	(11,407)	1,202
Contribution deficiency (excess)	\$ 62,358	\$ 43,506	\$ 23,308	\$ 81,791	\$ 79,136	\$ 54,275	\$ 55,699	\$ 50,410	\$ 60,884	\$ 48,275
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, 2019

Methods and assumptions used to determine contribution rates:

Actuarial cost method - entry age normal

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

Remaining amortization period - 15 Years

Asset valuation method - Fair Market Value

Inflation - 2.00%

Salary increases - 2.50%

Investment rate of return - 4.00%

Mortality - RP-2000 using scale BB

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

City of Lynnwood, Washington
Schedule of Investment Returns
Firemen's Pension
Last 10 Fiscal Years

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
Annual money-weighted rate of return, net of investment expense	3.00%	1.03%	1.83%	0.00%	0.00%	0.09%	0.14%	0.16%	0.22%	0.76%

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

	June 30, ⁽²⁾	
	2019	2018
Total OPEB liability - beginning	\$ 11,617,646	\$ 12,036,582
Service cost	-	-
Interest	441,313	422,777
Changes in benefit terms	-	-
Differences between expected and actual experience		
Changes of assumptions	(1,771,614)	(383,326)
Benefit payments	(432,510)	(458,387)
Other changes	-	-
Net change in total OPEB liability	(1,762,811)	(418,936)
Total OPEB liability - ending	\$ 9,854,835	\$ 11,617,646
Covered payroll	-	-
Total OPEB liability as a % of covered payroll	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, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 7,154,716	\$ 710,271	\$ 5,889,802	\$ 13,754,789
Investments	3,661,907	86,930	2,744,799	6,493,636
Receivables:				
Accounts	139,592	-	113,847	253,439
Taxes	978,206	-	861,048	1,839,254
Intergovernmental	25,850	-	328,533	354,383
Total Assets	\$ 11,960,271	\$ 797,201	\$ 9,938,029	\$ 22,695,501
Liabilities, Deferred Inflows and Fund Balances				
Liabilities				
Accounts payable	\$ 267,801	\$ 19	\$ 369,935	\$ 637,755
Accrued salaries and wages payable	63,127	-	-	63,127
Other current liabilities payable	1,306	-	6,742	8,048
Unearned revenue	189,427	-	-	189,427
Total Liabilities	521,661	19	376,677	898,357
Deferred Inflows of Resources				
Deferred Inflows - Grants	3,842	-	58,642	62,484
Total Deferred Inflows of Resources	3,842	-	58,642	62,484
Total Liabilities and Deferred Inflows of Resources	525,503	19	435,319	960,841
Fund Balances				
Committed	360,459	-	1,518,007	1,878,466
Assigned	-	679,901	-	679,901
Restricted	11,074,309	117,281	7,984,703	19,176,293
Total Fund Balances	11,434,768	797,182	9,502,710	21,734,660
Total Liabilities, Deferred Inflows and Fund Balances	\$ 11,960,271	\$ 797,201	\$ 9,938,029	\$ 22,695,501

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, 2019

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues				
Taxes	\$ 5,534,872	\$ -	\$ 2,492,804	\$ 8,027,676
Intergovernmental	2,021,876	-	296,490	2,318,366
Charges for services	614,126	-	-	614,126
Licenses and permits	274,322	-	-	274,322
Other interest	-	9,788	-	9,788
Fines and forfeitures	39,235	-	-	39,235
Investment interest	253,423	-	194,061	447,484
Miscellaneous	65,400	-	113,847	179,247
Total Revenues	8,803,254	9,788	3,097,202	11,910,244
Expenditures				
Current:				
General government	-	-	32,499	32,499
Economic environment	1,555,800	-	189,581	1,745,381
Public safety	253,920	-	-	253,920
Transportation	2,407,943	-	-	2,407,943
Culture and recreation	35,137	-	110,294	145,431
Utilities	24,793	-	-	24,793
Capital Outlay	18,305	-	927,281	945,586
Debt Service:				
Principal retirement	-	966,587	-	966,587
Interest and fiscal charges	-	829,868	-	829,868
Total Expenditures	4,295,898	1,796,455	1,259,655	7,352,008
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,507,356	(1,786,667)	1,837,547	4,558,236
Other Financing Sources (Uses)				
Proceeds from disposition of assets	1	-	-	1
Transfers in	1,371,950	1,794,838	3,854,615	7,021,403
Transfers (out)	(4,243,483)	(530,805)	(2,661,978)	(7,436,266)
Total Other Financing Sources (Uses)	(2,871,532)	1,264,033	1,192,637	(414,862)
Net Change in Fund Balances	1,635,824	(522,634)	3,030,184	4,143,374
Fund Balances Beginning of Year	9,798,944	1,319,816	6,472,526	17,591,286
Fund Balances End of Year	\$ 11,434,768	\$ 797,182	\$ 9,502,710	\$ 21,734,660

City of Lynnwood, Washington
General Fund
Comparative Balance Sheet
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 9,716,165	\$ 11,791,564
Investments	5,022,355	3,620,848
Receivables:		
Accounts	3,610,562	3,516,233
Property taxes	118,177	166,908
Sales taxes	4,546,792	4,419,832
Utility taxes	965,208	1,207,085
Other taxes	295,760	-
Interest receivable	7,103	3,557
Intergovernmental	718,653	426,121
Interfund	1,251,000	1,384,000
Prepaid items	17,259	77,917
Total Assets	<u>\$ 26,269,034</u>	<u>\$ 26,614,065</u>
Liabilities, Deferred Inflows of Resources and Fund Balances		
Liabilities		
Accounts payable	\$ 706,918	\$ 878,771
Accrued salaries and wages payable	1,695,670	1,546,254
Custodial accounts payable	-	11,561
Other current liabilities payable	295,733	224,107
Total Liabilities	2,698,321	2,660,693
Deferred Inflows of Resources		
Deferred Inflows of Resources - property tax	93,939	133,932
Deferred Inflows of Resources - municipal court	2,248,363	2,460,498
Deferred Inflows of Resources - red-light photo	528,176	468,382
Total Deferred Inflows of Resources	<u>2,870,478</u>	<u>3,062,812</u>
Total Liabilities and Deferred Inflows of Resources	<u>5,568,799</u>	<u>5,723,505</u>
Fund Balances		
Nonspendable	17,259	77,917
Committed	6,000,000	6,000,000
Assigned	10,574,675	9,459,691
Unassigned	4,108,301	5,352,952
Total Fund Balances	<u>20,700,235</u>	<u>20,890,560</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 26,269,034</u>	<u>\$ 26,614,065</u>



City of Lynnwood, Washington
General Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended December 31, 2019 and 2018

	2019	2018
Revenues		
Property taxes	\$ 3,991,045	\$ 6,209,111
Sales taxes	23,662,407	22,909,348
Business taxes	6,726,034	7,094,435
Other taxes	3,719	1,917
Licenses and permits	3,657,910	5,574,046
Intergovernmental revenues	2,985,269	1,589,699
Charges for services	3,407,284	3,979,661
Fines and forfeitures	4,774,184	4,292,162
Investment earnings	291,274	347,267
Rents and concessions	412,286	428,253
Miscellaneous	206,130	231,207
Total Revenues	50,117,542	52,657,106
Expenditures		
Current:		
General government	8,440,744	8,606,022
Economic environment	4,249,562	4,410,255
Judicial	1,024,232	1,054,363
Culture and recreation	7,415,174	7,529,452
Public safety	22,728,095	24,457,707
Social services	553,170	548,383
Transportation	1,165,626	1,408,880
Debt service:		
Interest	-	300
Capital outlay	115,283	223,327
Total Expenditures	45,691,886	48,238,689
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,425,656	4,418,417
Other Financing Sources (Uses)		
Transfers in	380,805	565,000
Transfers (out)	(4,996,788)	(3,945,250)
Total Other Financing Sources (Uses)	(4,615,983)	(3,380,250)
Net Change in Fund Balances	(190,327)	1,038,167
Fund Balances Beginning of Year	20,890,562	19,852,395
Fund Balances End of Year	\$ 20,700,235	\$ 20,890,562



City of Lynnwood, Washington
Transportation Capital Fund
Comparative Balance Sheet
December 31, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	\$ 5,984,074	\$ 3,806,694
Due from other governments	1,945,251	3,870,768
Total Assets	7,929,325	7,677,462
Liabilities		
Accounts payable	1,056,899	828,955
Retainage payable	-	125,073
Wages payable	3,539	-
Total Liabilities	1,060,438	954,028
Deferred Inflow of Resources		
Deferred Inflow of Resources - Grant Revenue	1,179,297	-
Total Deferred Inflows of Resources	1,179,297	-
Total Liabilities and Deferred Inflows of Resources	2,239,735	954,028
Fund Balances		
Restricted for capital outlay	5,689,590	6,723,434
Total Liabilities and Fund Balances	\$ 7,929,325	\$ 7,677,462



City of Lynnwood, Washington
Transportation Capital Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
December 31, 2019 and 2018

	2019	2018
Revenues		
Intergovernmental	\$ 4,185,769	\$ 9,594,425
Total Revenues	<u>4,185,769</u>	<u>9,594,425</u>
Expenditures		
Current		
Transportation	2,069,371	2,978,556
Capital Outlay - Transportation	<u>7,492,391</u>	<u>11,430,430</u>
Total Expenditures	<u>9,561,762</u>	<u>14,408,986</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,375,993)	(4,814,561)
Other Financing Sources (Uses)		
Transfers in	4,880,846	5,398,757
Transfers out	-	(275,000)
Other Financing Sources (Uses)	<u>4,880,846</u>	<u>5,123,757</u>
Net Change in Fund Balances	(495,147)	309,196
Fund Balances Beginning of Year	<u>6,723,434</u>	<u>6,414,238</u>
Prior Period Adjustment	<u>(538,697)</u>	<u>-</u>
Fund Balances End of Year	<u>\$ 5,689,590</u>	<u>\$ 6,723,434</u>

City of Lynnwood, Washington
Transportation Capital Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2019

	Original 2019-2020 Biennial Budget	Biennial Budget as Modified through December 2019	2019 Actual	Variance With Modified Budget
Revenues				
Intergovernmental	\$ 38,028,341	\$ 38,028,341	\$ 4,185,769	\$ (33,842,572)
Total Revenues	<u>38,028,341</u>	<u>38,028,341</u>	<u>4,185,769</u>	<u>(33,842,572)</u>
Expenditures				
Current:				
Transportation	19,868,739	10,002,475	2,069,371	(7,933,104)
Capital Outlay - Transportation	<u>36,896,091</u>	<u>56,777,366</u>	<u>7,492,391</u>	<u>(49,284,975)</u>
Total Expenditures	<u>56,764,830</u>	<u>66,779,841</u>	<u>9,561,762</u>	<u>(57,218,079)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,736,489)	(28,751,500)	(5,375,993)	23,375,507
Other Financing Sources (Uses)				
Transfers in	<u>15,106,489</u>	<u>14,725,454</u>	<u>4,880,846</u>	<u>(9,844,608)</u>
Net Changes in Fund Balances	(3,630,000)	(14,026,046)	(495,147)	13,530,899
Fund Balances Beginning of Year	<u>6,844,075</u>	<u>15,708,445</u>	<u>6,723,434</u>	<u>(8,985,011)</u>
Prior Period Adjustment	-	-	(538,697)	(538,697)
Fund Balances End of Year	<u>\$ 3,214,075</u>	<u>\$ 1,682,399</u>	<u>\$ 5,689,590</u>	<u>\$ 4,007,191</u>



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

	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	\$ 721,675	\$ 121,311	\$ 1,800,199	\$ 1,058,143	\$ 55,929	\$ 40,293	\$ 25,972
Investments	654,144	110,836	1,632,102	960,571	43,465	36,946	23,906
Receivables:							
Accounts	-	-	15,076	-	124,516	-	-
Taxes	92,499	-	140,544	-	126,271	-	-
Intergovernmental	-	-	16,557	-	5,025	-	-
Total Assets	\$ 1,468,318	\$ 232,147	\$ 3,604,478	\$ 2,018,714	\$ 355,206	\$ 77,239	\$ 49,878
Liabilities and Fund Balances							
Liabilities							
Accounts payable	\$ 196,487	\$ 1,667	\$ 8,477	\$ -	\$ 40,289	\$ -	\$ -
Accrued salaries and wages payable	4,880	-	654	-	54,196	-	-
Other liabilities	-	-	-	-	1,306	-	-
Unearned revenue	-	-	-	-	-	-	-
Total Liabilities	201,367	1,667	9,131	-	95,791	-	-
Deferred Inflows of Resources							
Deferred Inflows of Resources - Grants	-	-	3,842	-	-	-	-
Total Deferred Inflows of Resources	-	-	3,842	-	-	-	-
Total Liabilities and Deferred Inflows of Resources	201,367	1,667	12,973	-	95,791	-	-
Fund Balances							
Committed	-	-	-	-	-	-	49,878
Restricted	1,266,951	230,480	3,591,505	2,018,714	259,415	77,239	-
Total Fund Balances	1,266,951	230,480	3,591,505	2,018,714	259,415	77,239	49,878
Total Liabilities and Fund Balances	\$ 1,468,318	\$ 232,147	\$ 3,604,478	\$ 2,018,714	\$ 355,206	\$ 77,239	\$ 49,878

(continued)



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

(continued)

	Cumulative Aid Car Reserve	Tree Fund Reserve	Paths and Trails	Solid Waste	Park Impact Fee	Transportation Benefit District	Total Nonmajor Special Revenue Funds
Assets							
Cash and cash equivalents	\$ 8,072	\$ 294,021	\$ 113,686	\$ 80,477	\$ 97,424	\$ 2,737,514	\$ 7,154,716
Investments	8,693	-	\$ 104,315	-	86,929	-	3,661,907
Receivables:							
Accounts	-	-	-	-	-	-	139,592
Taxes	-	-	-	-	-	618,892	978,206
Intergovernmental	-	-	-	4,268	-	-	25,850
Total Assets	\$ 16,765	\$ 294,021	\$ 218,001	\$ 84,745	\$ 184,353	\$ 3,356,406	\$ 11,960,271
Liabilities and Fund Balances							
Liabilities							
Accounts payable	\$ -	\$ 205	\$ 19,722	\$ 743	\$ -	\$ 211	\$ 267,801
Accrued salaries and wages payable	-	-	-	2,020	-	1,377	63,127
Other liabilities	-	-	-	-	-	-	1,306
Unearned revenue	-	-	189,427	-	-	-	189,427
Total Liabilities	-	205	209,149	2,763	-	1,588	521,661
Deferred Inflows of Resources							
Deferred Inflows of Resources - Grants	-	-	-	-	-	-	3,842
Total Deferred Inflows of Resources	-	-	-	-	-	-	3,842
Total Liabilities and Deferred Inflows of Resources	-	205	209,149	2,763	-	1,588	525,503
Fund Balances							
Committed	16,765	293,816	-	-	-	-	360,459
Restricted	-	-	8,852	81,982	184,353	3,354,818	11,074,309
Total Fund Balances	16,765	293,816	8,852	81,982	184,353	3,354,818	11,434,768
Total Liabilities and Fund Balances	\$ 16,765	\$ 294,021	\$ 218,001	\$ 84,745	\$ 184,353	\$ 3,356,406	\$ 11,960,271



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

	Lodging Tax	Drug Enforcement	Criminal Justice Reserve	Transportation Impact Fee	Street Operating	Cumulative Park Reserve and Development	Cumulative Art Reserve
Revenues							
Taxes	\$ 854,032	\$ -	\$ 754,107	\$ -	\$ -	\$ -	\$ -
Intergovernmental	779,160	124,117	105,525	-	926,375	-	-
Charges for services	-	-	36,279	448,320	4,050	-	-
Licenses and permits	-	-	-	-	174,842	-	-
Fines and forfeitures	-	39,235	-	-	-	-	-
Investment interest	-	6,786	123,245	59,516	-	2,357	1,566
Miscellaneous	37,654	-	5,058	-	4,766	12,172	-
Total Revenues	<u>1,670,846</u>	<u>170,138</u>	<u>1,024,214</u>	<u>507,836</u>	<u>1,110,033</u>	<u>14,529</u>	<u>1,566</u>
Expenditures							
Current:							
Public safety	-	145,319	108,601	-	-	-	-
Economic Development	1,555,800	-	-	-	-	-	-
Transportation	-	-	-	-	2,305,900	-	-
Culture and recreation	-	-	-	-	-	12,008	-
Utilities	-	-	-	-	-	-	-
Capital Outlay	-	-	5,839	-	12,376	-	90
Total Expenditures	<u>1,555,800</u>	<u>145,319</u>	<u>114,440</u>	<u>-</u>	<u>2,318,276</u>	<u>12,008</u>	<u>90</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>115,046</u>	<u>24,819</u>	<u>909,774</u>	<u>507,836</u>	<u>(1,208,243)</u>	<u>2,521</u>	<u>1,476</u>
Other Financing Sources (Uses)							
Proceeds from disposition of assets	-	-	1	-	-	-	-
Transfers in	-	-	-	-	1,345,450	-	-
Transfers out	-	-	(1,096,698)	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(1,096,697)</u>	<u>-</u>	<u>1,345,450</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	115,046	24,819	(186,923)	507,836	137,207	2,521	1,476
Fund Balances Beginning of Year	<u>1,151,905</u>	<u>205,661</u>	<u>3,778,428</u>	<u>1,510,878</u>	<u>122,208</u>	<u>74,718</u>	<u>48,402</u>
Fund Balances End of Year	<u>\$ 1,266,951</u>	<u>\$ 230,480</u>	<u>\$ 3,591,505</u>	<u>\$ 2,018,714</u>	<u>\$ 259,415</u>	<u>\$ 77,239</u>	<u>\$ 49,878</u>

(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, 2019

(continued)

	Cumulative Aid Car Reserve	Tree Fund Reserve	Solid Waste	Paths and Trails	Park Impact Fee	Transportation Benefit District	Total Nonmajor Special Revenue Funds
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,926,733	\$ 5,534,872
Intergovernmental	-	-	12,821	73,878	-	-	2,021,876
Charges for services	-	-	-	-	125,477	-	614,126
Licenses and permits	-	99,480	-	-	-	-	274,322
Fines and forfeitures	-	-	-	-	-	-	39,235
Investment interest	532	-	-	-	1,504	57,917	253,423
Miscellaneous	-	-	-	-	5,750	-	65,400
Total Revenues	532	99,480	12,821	73,878	132,731	3,984,650	8,803,254
Expenditures							
Current:							
Public safety	-	-	-	-	-	-	253,920
Economic Development	-	-	-	-	-	-	1,555,800
Transportation	-	-	-	72,609	-	29,434	2,407,943
Culture and recreation	-	23,129	-	-	-	-	35,137
Utilities	-	-	24,793	-	-	-	24,793
Capital Outlay	-	-	-	-	-	-	18,305
Total Expenditures	-	23,129	24,793	72,609	-	29,434	4,295,898
Excess (Deficiency) of Revenues Over (Under) Expenditures	532	76,351	(11,972)	1,269	132,731	3,955,216	4,507,356
Other Financing Sources							
Proceeds from disposition of assets	-	-	-	-	-	-	1
Transfers in	-	-	26,500	-	-	-	1,371,950
Transfers out	-	-	-	-	-	(3,146,785)	(4,243,483)
Total Other Financing Sources (Uses)	-	-	26,500	-	-	(3,146,785)	(2,871,532)
Net Change in Fund Balances	532	76,351	14,528	1,269	132,731	808,431	1,635,824
Fund Balances Beginning of Year	16,233	217,465	67,454	7,583	51,622	2,546,387	9,798,944
Fund Balances End of Year	\$ 16,765	\$ 293,816	\$ 81,982	\$ 8,852	\$ 184,353	\$ 3,354,818	\$ 11,434,768

City of Lynnwood, Washington
Lodging Tax Fund
Comparative Balance Sheet
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 721,675	\$ 766,105
Investments	654,144	529,012
Receivables:		
Taxes	92,499	56,560
Interest	-	520
Total Assets	<u>\$ 1,468,318</u>	<u>\$ 1,352,197</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 196,487	\$ 197,370
Accrued salaries and wages payable	4,880	2,922
Total Liabilities	<u>201,367</u>	<u>200,292</u>
Fund Balances		
Restricted	<u>1,266,951</u>	<u>1,151,905</u>
Total Liabilities and Fund Balances	<u>\$ 1,468,318</u>	<u>\$ 1,352,197</u>



City of Lynnwood, Washington
Lodging Tax Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
December 31, 2019 and 2018

	2019	2018
Revenues		
Taxes	\$ 854,032	\$ 770,491
Intergovernmental	779,160	749,192
Investment earnings	37,654	21,781
Total Revenues	1,670,846	1,541,464
Expenditures		
Current:		
Economic development	1,555,800	1,513,660
Total Expenditures	1,555,800	1,513,660
Excess (Deficiency) of Revenues Over (Under) Expenditures	115,046	27,804
Net Change in Fund Balances	115,046	27,804
Fund Balances Beginning of Year	1,151,905	1,124,101
Fund Balances End of Year	\$ 1,266,951	\$ 1,151,905



City of Lynnwood, Washington
Lodging Tax Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2019

	Original 2019-2020 Biennial Budget	Biennial Budget as Modified through December 2019	2019 Actual	Variance With Modified Biennial Budget
Revenues				
Taxes	\$ 1,713,322	\$ 1,713,322	\$ 854,032	\$ (859,290)
Intergovernmental	1,589,486	1,589,486	779,160	(810,326)
Investment earnings	10,000	10,000	37,654	27,654
Total Revenues	3,312,808	3,312,808	1,670,846	(1,641,962)
Expenditures				
Current:				
Economic development	3,264,539	3,264,539	1,555,800	(1,708,739)
Total Expenditures	3,264,539	3,264,539	1,555,800	(1,708,739)
Excess (Deficiency) of Revenues Over (Under) Expenditures	48,269	48,269	115,046	66,777
Other Financing Uses				
Transfers out	-	-	-	-
Net Change in Fund Balances	48,269	48,269	115,046	66,777
Fund Balances Beginning of Year	1,173,439	1,151,905	1,151,905	-
Fund Balances End of Year	\$ 1,221,708	\$ 1,200,174	\$ 1,266,951	\$ 66,777



City of Lynnwood, Washington
Drug Enforcement Fund
Comparative Balance Sheet
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 121,311	\$ 124,048
Investments	110,836	84,464
Receivables:		
Interest	-	83
Total Assets	<u>\$ 232,147</u>	<u>\$ 208,595</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 1,667	\$ 2,934
Total Liabilities	1,667	2,934
Fund Balances		
Restricted	<u>230,480</u>	<u>205,661</u>
Total Liabilities and Fund Balances	<u>\$ 232,147</u>	<u>\$ 208,595</u>



City of Lynnwood, Washington
Drug Enforcement Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2019 and 2018

	2019	2018
Revenues		
Intergovernmental revenue	\$ 124,117	\$ -
Fines and forfeitures	39,235	38,566
Investment earnings	6,786	6,535
Total Revenues	170,138	45,101
Expenditures		
Current:		
Public safety	145,319	159,745
Capital Outlay	-	113,446
Total Expenditures	145,319	273,191
Excess (Deficiency) of Revenues Over (Under) Expenditures	24,819	(228,090)
Other Financing Sources (Uses)		
Proceeds from disposition of capital assets	-	9,555
Transfers out	-	(51,839)
Total Other Financing Sources (Uses)	-	(42,284)
Net Changes in Fund Balances	24,819	(270,374)
Fund Balances Beginning of Year	205,661	476,035
Fund Balances End of Year	\$ 230,480	\$ 205,661



City of Lynnwood, Washington
Drug Enforcement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2019

	Original 2019-2020 Biennial Budget	Biennial Budget as Modified through December 2019	2019 Actual	Variance With Modified Biennial Budget
Revenues				
Intergovernmental revenue	\$ 200,000	\$ 200,000	\$ 124,117	\$ (75,883)
Fines and forfeitures	70,000	70,000	39,235	(30,765)
Investment interest	2,000	2,000	6,786	4,786
Total Revenues	272,000	272,000	170,138	(101,862)
Expenditures				
Current:				
Public Safety	100,000	100,000	145,319	(45,319)
Capital Outlay	160,000	160,000	-	160,000
Total Expenditures	260,000	260,000	145,319	114,681
Net Change in Fund Balances	12,000	12,000	24,819	12,819
Fund Balances Beginning of Year	144,144	205,661	205,661	-
Fund Balances End of Year	\$ 156,144	\$ 217,661	\$ 230,480	\$ 12,819



City of Lynnwood, Washington
Criminal Justice Reserve Fund
Comparative Balance Sheet
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 1,800,199	\$ 2,127,795
Investments	1,632,102	1,478,124
Receivables:		
Accounts receivable	15,076	500
Taxes	140,544	143,376
Interest	-	1,452
Intergovernmental	16,557	42,524
Total Assets	<u>\$ 3,604,478</u>	<u>\$ 3,793,771</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 8,477	\$ 3,645
Wages payable	654	11,698
Total Liabilities	9,131	15,343
Deferred Inflows of Resources		
Deferred Inflows of Resources - Grants	3,842	-
Total Deferred Inflows of Resources	3,842	-
Total Liabilities and Deferred Inflows of Resources	12,973	15,343
Fund Balances		
Restricted	3,591,505	3,778,428
Total Liabilities and Fund Balances	<u>\$ 3,604,478</u>	<u>\$ 3,809,114</u>



City of Lynnwood, Washington
Criminal Justice Reserve Fund
Comparative Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Years Ended December 31, 2019 and 2018

	2019	2018
Revenues		
Taxes	\$ 754,107	\$ 690,116
Intergovernmental	105,525	205,784
Charges for services	36,279	34,287
Investment interest	123,245	67,222
Miscellaneous	5,058	30,438
Total Revenues	1,024,214	1,027,847
Expenditures		
Current:		
Public safety	108,601	447,187
Capital Outlay	5,839	81,105
Total Expenditures	114,440	528,292
Excess (Deficiency) of Revenues		
Over (Under) Expenditures	909,774	499,555
Other Financing Sources (Uses)		
Proceeds from disposition of capital assets	1	-
Transfers in	-	51,839
Transfers out	(1,096,698)	-
Net Change in Fund Balances	(186,923)	551,394
Fund Balances Beginning of Year	3,778,428	3,227,034
Fund Balances End of Year	\$ 3,591,505	\$ 3,778,428

City of Lynnwood, Washington
Criminal Justice Reserve
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2019

	Original 2019-2020 Biennial Budget	Biennial Budget as Modified through December 2019	2019 Actual	Variance With Modified Biennial Budget
Revenues				
Taxes	\$ 1,431,000	\$ 1,431,000	\$ 754,107	\$ (676,893)
Intergovernmental	150,000	150,000	105,525	(44,475)
Charges for services	30,000	30,000	36,279	6,279
Investment income	80,000	80,000	123,245	43,245
Miscellaneous	-	-	5,058	5,058
Total Revenues	<u>1,691,000</u>	<u>1,691,000</u>	<u>1,024,214</u>	<u>(666,786)</u>
Expenditures				
Current:				
Public safety	684,000	770,939	108,601	662,338
Capital Outlay	<u>430,000</u>	<u>525,000</u>	<u>5,839</u>	<u>519,161</u>
Total Expenditures	<u>1,114,000</u>	<u>1,295,939</u>	<u>114,440</u>	<u>1,181,499</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	577,000	395,061	909,774	514,713
Other Financing Sources (Uses)				
Proceeds from disposition of capital assets	-	-	1	1
Transfers (out)	<u>(1,300,000)</u>	<u>(1,300,000)</u>	<u>(1,096,698)</u>	<u>203,302</u>
Net Change in Fund Balance	(723,000)	(904,939)	(186,923)	718,016
Fund Balances Beginning of Year	<u>3,431,421</u>	<u>3,778,427</u>	<u>3,778,428</u>	<u>1</u>
Fund Balances End of Year	<u>\$ 2,708,421</u>	<u>\$ 2,873,488</u>	<u>\$ 3,591,505</u>	<u>\$ 718,017</u>

City of Lynnwood, Washington
Transportation Impact Fees Fund
Comparative Balance Sheet
December 31, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	\$ 1,058,143	\$ 890,123
Investments	960,571	620,146
Interest Receivable	-	609
Total Assets	\$ 2,018,714	\$ 1,510,878
 Fund Balances		
Restricted	\$ 2,018,714	\$ 1,510,878



City of Lynnwood, Washington
Transportation Impact Fees Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2019 and 2018

	2019	2018
Revenues		
Charges for services	\$ 448,320	\$ 1,601,692
Investment interest	59,516	20,068
Miscellaneous	-	722
Total Revenues	507,836	1,622,482
Other Financing Sources (Uses)		
Transfers in	-	18,299
Transfers out	-	(313,243)
Net Change in Fund Balances	507,836	1,327,538
Fund Balances Beginning of Year	1,510,878	183,340
Fund Balances End of Year	\$ 2,018,714	\$ 1,510,878

City of Lynnwood, Washington
Transportation Impact Fees
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2019

	Original 2019-2020 Biennial Budget	Biennial Budget as Modified through December 2019	2019 Actual	Variance With Modified Biennial Budget
Revenues				
Charges for services	\$ 1,034,500	\$ 1,034,500	\$ 448,320	\$ (586,180)
Investment interest	9,000	9,000	59,516	50,516
Miscellaneous	-	-	-	-
Total Revenues	<u>1,043,500</u>	<u>1,043,500</u>	<u>507,836</u>	<u>(535,664)</u>
Other Financing Sources (Uses)				
Transfers out	<u>(1,926,454)</u>	<u>(1,926,454)</u>	<u>-</u>	<u>1,926,454</u>
Net Change in Fund Balances	(882,954)	(882,954)	507,836	1,390,790
Fund Balances Beginning of Year	<u>895,617</u>	<u>1,510,878</u>	<u>1,510,878</u>	<u>-</u>
Fund Balances End of Year	<u>\$ 12,663</u>	<u>\$ 627,924</u>	<u>\$ 2,018,714</u>	<u>\$ 1,390,790</u>

City of Lynnwood, Washington
Street Fund
Comparative Balance Sheet
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 55,929	\$ 50,750
Investments	43,465	35,564
Receivables:		
Accounts	124,516	101,910
Taxes	126,271	59,485
Interest	-	35
Intergovernmental	5,025	3,529
Total Assets	<u>\$ 355,206</u>	<u>\$ 251,273</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 40,289	\$ 73,214
Wages payable	54,196	54,893
Other liabilities	1,306	958
Total Liabilities	<u>95,791</u>	<u>129,065</u>
Fund Balances		
Restricted	<u>259,415</u>	<u>122,208</u>
Total Liabilities and Fund Balances	<u>\$ 355,206</u>	<u>\$ 251,273</u>



City of Lynnwood, Washington
Street Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2019 and 2018

	2019	2018
Revenues		
Licenses and permits	\$ 174,842	\$ 119,549
Intergovernmental	926,375	802,560
Charges for services	4,050	2,554
Investment earnings	-	1,962
Miscellaneous	4,766	5,372
Total Revenues	1,110,033	931,997
Expenditures		
Current:		
Transportation	2,305,900	2,262,732
Capital Outlay	12,376	-
Total Expenditures	2,318,276	2,262,732
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,208,243)	(1,330,735)
Other Financing Sources (Uses)		
Transfers in	1,345,450	1,250,000
Other Financing Sources (Uses)	1,345,450	1,250,000
Net Change in Fund Balances	137,207	(80,735)
Fund Balances Beginning of Year	122,208	202,943
Fund Balances End of Year	\$ 259,415	\$ 122,208

City of Lynnwood, Washington
Street Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2019

	Original 2019-2020 Biennial Budget	Biennial Budget as Modified through December 2019	2019 Actual	Variance With Modified Biennial Budget
Revenues				
Licenses and permits	\$ 256,250	\$ 256,250	\$ 174,842	\$ (81,408)
Intergovernmental	1,817,600	1,817,600	926,375	(891,225)
Charges for Services	-	-	4,050	4,050
Investment interest	1,000	1,000	-	(1,000)
Miscellaneous	-	-	4,766	4,766
Total Revenues	<u>2,074,850</u>	<u>2,074,850</u>	<u>1,110,033</u>	<u>(964,817)</u>
Expenditures				
Current:				
Transportation	4,798,496	4,798,496	2,305,900	(2,492,596)
Capital Outlay	<u>-</u>	<u>-</u>	<u>12,376</u>	<u>12,376</u>
Total Expenditures	<u>4,798,496</u>	<u>4,798,496</u>	<u>2,318,276</u>	<u>(2,480,220)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,723,646)</u>	<u>(2,723,646)</u>	<u>(1,208,243)</u>	<u>1,515,403</u>
Other Financing Sources (Uses)				
Transfers in	2,690,900	2,690,900	1,345,450	(1,345,450)
Other Financing Sources (Uses)	<u>2,690,900</u>	<u>2,690,900</u>	<u>1,345,450</u>	<u>(1,345,450)</u>
Net Change in Fund Balances	(32,746)	(32,746)	137,207	169,953
Fund Balances Beginning of Year	<u>371,560</u>	<u>122,208</u>	<u>122,208</u>	<u>-</u>
Fund Balances End of Year	<u>\$ 338,814</u>	<u>\$ 89,462</u>	<u>\$ 259,415</u>	<u>\$ 169,953</u>

City of Lynnwood, Washington
Cumulative Park Reserve and Development Fund
Comparative Balance Sheet
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 40,293	\$ 43,569
Investments	36,946	31,118
Interest Receivable	-	31
Total Assets	<u>\$ 77,239</u>	<u>\$ 74,718</u>
 Fund Balances		
Restricted	<u>\$ 77,239</u>	<u>\$ 74,718</u>



City of Lynnwood, Washington
Cumulative Park Reserve and Development Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2019 and 2018

	2019	2018
Revenues		
Investment earnings	\$ 2,357	\$ 1,356
Miscellaneous	12,172	11,732
Total Revenues	14,529	13,088
Expenditures		
Current:		
Culture and recreation	12,008	9,036
Total Expenditures	12,008	9,036
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,521	4,052
Fund Balances Beginning of Year	74,718	70,666
Fund Balances End of Year	\$ 77,239	\$ 74,718



City of Lynnwood, Washington
Cumulative Park Reserve and Development Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2019

	Original 2019-2020 Biennial Budget	Biennial Budget as Modified through December 2019	2019 Actual	Variance With Modified Biennial Budget
Revenues				
Investment interest	\$ 1,000	\$ 1,000	\$ 2,357	\$ 1,357
Miscellaneous	26,000	26,000	12,172	(13,828)
Total Revenues	<u>27,000</u>	<u>27,000</u>	<u>14,529</u>	<u>(12,471)</u>
Expenditures				
Current:				
Culture and Recreation	26,000	26,000	12,008	13,992
Total Expenditures	<u>26,000</u>	<u>26,000</u>	<u>12,008</u>	<u>13,992</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,000	1,000	2,521	1,521
Fund Balances Beginning of Year	<u>63,166</u>	<u>74,718</u>	<u>74,718</u>	<u>-</u>
Fund Balances End of Year	<u>\$ 64,166</u>	<u>\$ 75,718</u>	<u>\$ 77,239</u>	<u>\$ 1,521</u>

City of Lynnwood, Washington
Cumulative Art Reserve Fund
Comparative Balance Sheet
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 25,972	\$ 28,377
Investments	23,906	20,005
Interest receivable	-	20
Total Assets	<u>\$ 49,878</u>	<u>\$ 48,402</u>
Fund Balances		
Committed	<u>\$ 49,878</u>	<u>\$ 48,402</u>
Total Liabilities and Fund Balance	<u>\$ 49,878</u>	<u>\$ 48,402</u>



City of Lynnwood, Washington
Cumulative Art Reserve Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2019 and 2018

	2019	2018
Revenues		
Investment earnings	\$ 1,566	\$ 949
Total Revenues	<u>1,566</u>	<u>949</u>
Expenditures		
Current:		
Capital Outlay	<u>90</u>	<u>-</u>
Total Expenditures	<u>90</u>	<u>-</u>
Net Change in Fund Balance	1,476	949
Fund Balances Beginning of Year	<u>48,402</u>	<u>47,453</u>
Fund Balances End of Year	<u>\$ 49,878</u>	<u>\$ 48,402</u>



City of Lynnwood, Washington
Cumulative Art Reserve Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2019

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

City of Lynnwood, Washington
Cumulative Aid Car Fund
Comparative Balance Sheet
December 31, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	\$ 8,072	\$ 9,558
Investments	8,693	6,668
Interest receivable	-	7
Total Assets	\$ 16,765	\$ 16,233
 Fund Balances		
Committed	\$ 16,765	\$ 16,233

City of Lynnwood, Washington
Cumulative Aid Car Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenues		
Investment earnings	\$ 532	\$ 315
Total Revenues	<u>532</u>	<u>315</u>
Fund Balances Beginning of Year	<u>16,233</u>	<u>15,918</u>
Fund Balances End of Year	<u>\$ 16,765</u>	<u>\$ 16,233</u>

City of Lynnwood, Washington
Tree Fund Reserve
Comparative Balance Sheet
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 294,021	\$ 217,465
Liabilities and Fund Balance		
Liabilities		
Accounts payable	\$ 205	\$ -
Fund Balances		
Committed	293,816	217,465
Total Liabilities and Fund Balances	<u>\$ 294,021</u>	<u>\$ 217,465</u>



City of Lynnwood, Washington
Tree Fund Reserve
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended December 31, 2019 and 2018

	2019	2018
Revenues		
Licenses and permits	\$ 99,480	\$ 16,691
Total Revenues	<u>99,480</u>	<u>16,691</u>
Expenditures		
Current:		
Culture and Recreation	<u>23,129</u>	<u>11,023</u>
Total Expenditures	<u>23,129</u>	<u>11,023</u>
Net Change in Fund Balances	76,351	5,668
Fund Balances Beginning of Year	<u>217,465</u>	<u>211,797</u>
Fund Balances End of Year	<u>\$ 293,816</u>	<u>\$ 217,465</u>



City of Lynnwood, Washington
Tree Fund Reserve
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2019

	Original 2019-2020 Biennial Budget	Biennial Budget as Modified through December 2019	2019 Actual	Variance With Modified Biennial Budget
Revenues				
Licenses and Permits	\$ 30,000	\$ 30,000	\$ 99,480	\$ 69,480
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>99,480</u>	<u>69,480</u>
Expenditures				
Current:				
Culture and Recreation	55,000	55,000	23,129	(31,871)
Total Expenditures	<u>55,000</u>	<u>55,000</u>	<u>23,129</u>	<u>(31,871)</u>
Net Change in Fund Balances	(25,000)	(25,000)	76,351	101,351
Fund Balances Beginning of Year	<u>289,225</u>	<u>217,465</u>	<u>217,465</u>	<u>-</u>
Fund Balances End of Year	<u>\$ 264,225</u>	<u>\$ 192,465</u>	<u>\$ 293,816</u>	<u>\$ 101,351</u>

City of Lynnwood, Washington
Paths and Trails Fund
Comparative Balance Sheet
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 113,686	\$ 290,370
Investments	104,315	-
Total Assets	<u>\$ 218,001</u>	<u>\$ 290,370</u>
Liabilities		
Accounts payable	\$ 19,722	\$ 5,757
Unearned revenue	189,427	277,030
Total Liabilities	209,149	282,787
Fund Balances		
Restricted	8,852	7,583
Total Liabilities and Fund Balances	<u>\$ 218,001</u>	<u>\$ 290,370</u>

City of Lynnwood, Washington
Paths and Trails Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenues		
Intergovernmental	\$ 73,878	\$ 23,671
Total Revenues	<u>73,878</u>	<u>23,671</u>
Expenditures		
Current:		
Culture and recreation	<u>72,609</u>	<u>24,940</u>
Total Expenditures	<u>72,609</u>	<u>24,940</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,269	(1,269)
Fund Balances Beginning of Year	<u>7,583</u>	<u>8,852</u>
Fund Balances End of Year	<u>\$ 8,852</u>	<u>\$ 7,583</u>



City of Lynnwood, Washington
Paths and Trails Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2019

	Original 2019-2020 Biennial Budget	Biennial Budget as Modified through December 2019	2019 Actual	Variance With Modified Biennial Budget
Revenues				
Intergovernmental	\$ 229,708	\$ 229,708	\$ 73,878	\$ (155,830)
Total Revenues	<u>229,708</u>	<u>229,708</u>	<u>73,878</u>	<u>(155,830)</u>
Expenditures				
Current:				
Culture and recreation	<u>229,708</u>	<u>293,526</u>	<u>72,609</u>	<u>220,917</u>
Total Expenditures	<u>229,708</u>	<u>293,526</u>	<u>72,609</u>	<u>220,917</u>
Net Change in Fund Balances	-	(63,818)	1,269	65,087
Fund Balances Beginning of Year	<u>8,852</u>	<u>71,401</u>	<u>7,583</u>	<u>(63,818)</u>
Fund Balances End of Year	<u>\$ 8,852</u>	<u>\$ 7,583</u>	<u>\$ 8,852</u>	<u>\$ 1,269</u>

City of Lynnwood, Washington
Solid Waste Fund
Comparative Balance Sheet
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 80,477	\$ 68,873
Receivables		
Intergovernmental	4,268	4,257
Total Assets	<u>\$ 84,745</u>	<u>\$ 73,130</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 743	\$ 5,676
Wages payable	2,020	-
Total Liabilities	<u>2,763</u>	<u>5,676</u>
Fund Balances		
Restricted	<u>81,982</u>	<u>67,454</u>
Total Liabilities and Fund Balances	<u>\$ 84,745</u>	<u>\$ 73,130</u>



City of Lynnwood, Washington
Solid Waste Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2019 and 2018

	2019	2018
Revenues		
Intergovernmental	\$ 12,821	\$ 9,460
Total Revenues	<u>12,821</u>	<u>9,460</u>
Expenditures		
Current		
Utilities	<u>24,793</u>	<u>29,557</u>
Total Expenditures	<u>24,793</u>	<u>29,557</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,972)	(20,097)
Other Financing Sources (Uses)		
Transfers in	<u>26,500</u>	<u>61,000</u>
Net Change in Fund Balance	14,528	40,903
Fund Balances Beginning of Year	<u>67,454</u>	<u>26,551</u>
Fund Balances End of Year	<u>\$ 81,982</u>	<u>\$ 67,454</u>



City of Lynnwood, Washington
Solid Waste Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2019

	Original 2019-2020 Biennial Budget	Biennial Budget as Modified through December 2019	2019 Actual	Variance With Modified Biennial Budget
Revenues				
Intergovernmental	\$ 35,250	\$ 35,250	\$ 12,821	\$ (22,429)
Total Revenues	<u>35,250</u>	<u>35,250</u>	<u>12,821</u>	<u>(22,429)</u>
Expenditures				
Current:				
Utilities	<u>108,147</u>	<u>108,147</u>	<u>24,793</u>	<u>(83,354)</u>
Total Expenditures	<u>108,147</u>	<u>108,147</u>	<u>24,793</u>	<u>(83,354)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(72,897)	(72,897)	(11,972)	60,925
Other Financing Sources (Uses)				
Transfers in	<u>53,000</u>	<u>53,000</u>	<u>26,500</u>	<u>60,925</u>
Net Change in Fund Balances	(19,897)	(19,897)	14,528	34,425
Fund Balances Beginning of Year	<u>50,251</u>	<u>67,454</u>	<u>67,454</u>	<u>-</u>
Fund Balances End of Year	<u>\$ 30,354</u>	<u>\$ 47,557</u>	<u>\$ 81,982</u>	<u>\$ 34,425</u>

City of Lynnwood, Washington
Park Impact Fee Fund
Comparative Balance Sheet
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 97,424	\$ 51,622
Investments	86,929	-
Total Assets	<u>\$ 184,353</u>	<u>\$ 51,622</u>
 Fund Balances		
Restricted	<u>\$ 184,353</u>	<u>\$ 51,622</u>

City of Lynnwood, Washington
Park Impact Fee Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2019 and 2018

	2019	2018
Revenues		
Charges for services	\$ 125,477	\$ 49,122
Investment interest	1,504	-
Miscellaneous	5,750	2,500
Total Revenues	132,731	51,622
Fund Balances Beginning of Year	51,622	-
Fund Balances End of Year	\$ 184,353	\$ 51,622



City of Lynnwood, Washington
Park Impact Fee Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2019

	Original 2019-2020 Biennial Budget	Biennial Budget as Modified through December 2019	2019 Actual	Variance With Modified Biennial Budget
Revenues				
Charges for services	\$ 2,000,000	\$ 2,000,000	\$ 125,477	\$ (1,874,523)
Investment interest	500	500	1,504	1,004
Miscellaneous	2,500	2,500	5,750	3,250
Total Revenues	<u>2,003,000</u>	<u>2,003,000</u>	<u>132,731</u>	<u>(1,870,269)</u>
Other Financing Sources (Uses)				
Transfers (out)	<u>(2,000,000)</u>	<u>(2,000,000)</u>	-	<u>2,000,000</u>
Net Change in Fund Balances	3,000	3,000	132,731	129,731
Fund Balances Beginning of Year	<u>-</u>	<u>51,622</u>	<u>51,622</u>	<u>-</u>
Fund Balances End of Year	<u>\$ 3,000</u>	<u>\$ 54,622</u>	<u>\$ 184,353</u>	<u>\$ 129,731</u>

City of Lynnwood, Washington
Transportation Benefit District Fund
Comparative Balance Sheet
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 2,737,514	\$ 1,946,288
Taxes receivable	618,892	600,703
Total Assets	<u>\$ 3,356,406</u>	<u>\$ 2,546,991</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 211	\$ 604
Wages payable	1,377	-
Total Liabilities	<u>1,588</u>	<u>604</u>
Fund Balances		
Restricted	<u>3,354,818</u>	<u>2,546,387</u>
Total Liabilities and Fund Balances	<u>\$ 3,356,406</u>	<u>\$ 2,546,991</u>



City of Lynnwood, Washington
Transportation Benefit District Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2019 and 2018

	2019	2018
Revenues		
Taxes	\$ 3,926,733	\$ 4,433,002
Investment interest	57,917	31,984
Total Revenues	<u>3,984,650</u>	<u>4,464,986</u>
Expenditures		
Current		
Transportation	29,434	2,702
Total Expenditures	<u>29,434</u>	<u>2,702</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,955,216	4,462,284
Other Financing Sources (Uses)		
Transfers out	<u>(3,146,785)</u>	<u>(3,688,420)</u>
Net Change in Fund Balances	808,431	773,864
Fund Balances Beginning of Year	<u>2,546,387</u>	<u>1,772,523</u>
Fund Balances End of Year	<u>\$ 3,354,818</u>	<u>\$ 2,546,387</u>



Transportation Benefit District Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2019

	Original 2019 Annual* Budget	Final 2019 Annual* Budget	Actual	Variance With Modified Budget
Revenues				
Taxes	\$ 3,600,000	\$ 3,600,000	\$ 3,926,733	\$ 326,733
Investment earnings	20,000	20,000	57,917	37,917
Total Revenues	<u>3,620,000</u>	<u>3,620,000</u>	<u>3,984,650</u>	<u>364,650</u>
Expenditures				
Current:				
Transportation	<u>360,000</u>	<u>360,000</u>	<u>29,434</u>	<u>(330,566)</u>
Total Expenditures	<u>360,000</u>	<u>360,000</u>	<u>29,434</u>	<u>(330,566)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,260,000	3,260,000	3,955,216	695,216
Other Financing Sources (Uses)				
Transfers out	<u>(4,820,000)</u>	<u>(4,820,000)</u>	<u>(3,146,785)</u>	<u>1,673,215</u>
Net Changes in Fund Balances	(1,560,000)	(1,560,000)	808,431	2,368,431
Fund Balances Beginning of Year	<u>1,574,514</u>	<u>1,574,514</u>	<u>2,546,387</u>	<u>971,873</u>
Fund Balances End of Year	<u>\$ 14,514</u>	<u>\$ 14,514</u>	<u>\$ 3,354,818</u>	<u>\$ 3,340,304</u>

* The Transportation Benefit District, a component unit governed by a legally separate board, adopts an annual budget.

NONMAJOR
DEBT
SERVICE
FUNDS

City of Lynnwood, Washington
Combining Balance Sheet
Nonmajor Debt Service Funds
For the Year Ended December 31, 2019

	800 MHZ	Recreation Center 2012 LTGO Bonds	Local Improvement Guaranty	LID 93-1 I-5 & 196th Project	Total Nonmajor Debt Service Funds
Assets					
Cash and cash equivalents	\$ 6,004	\$ 111,277	\$ 97,791	\$ 495,199	\$ 710,271
Investments	-	-	86,930	-	86,930
Total Assets	<u>\$ 6,004</u>	<u>\$ 111,277</u>	<u>\$ 184,721</u>	<u>\$ 495,199</u>	<u>\$ 797,201</u>
Liabilities					
Accounts payable	-	-	-	19	19
Fund Balances					
Restricted	6,004	111,277	-	-	117,281
Assigned	-	-	184,721	495,180	679,901
Total Fund Balances	6,004	111,277	184,721	495,180	797,182
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 6,004</u>	<u>\$ 111,277</u>	<u>\$ 184,721</u>	<u>\$ 495,199</u>	<u>\$ 797,201</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, 2019

	800 MHZ	Recreation Center 2012 LTGO Bonds	Local Improvement Guaranty	LID 93-1 I-5 & 196th Project	Total Nonmajor Debt Service Funds
Revenues					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Investment interest	-	-	9,266	522	9,788
Total Revenues	-	-	9,266	522	9,788
Debt Service:					
Principal retirement	131,587	835,000	-	-	966,587
Interest and fiscal charges	6,579	821,062	-	2,227	829,868
Total Expenditures	138,166	1,656,062	-	2,227	1,796,455
Excess (Deficiency) of Revenues Over (Under) Expenditures	(138,166)	(1,656,062)	9,266	(1,705)	(1,786,667)
Other Financing Sources (Uses)					
Transfers in	138,200	1,656,638	-	-	1,794,838
Transfers out	(5,805)	-	(150,000)	(375,000)	(530,805)
Total Other Financing Sources (Uses)	132,395	1,656,638	(150,000)	(375,000)	1,264,033
Net Change in Fund Balances	(5,771)	576	(140,734)	(376,705)	(522,634)
Fund Balances Beginning of Year	11,775	110,701	325,455	871,885	1,319,816
Fund Balances End of Year	\$ 6,004	\$ 111,277	\$ 184,721	\$ 495,180	\$ 797,182

City of Lynnwood, Washington
800 MHZ Fund
Comparative Balance Sheet
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	<u>\$ 6,004</u>	<u>\$ 11,775</u>
Fund Balances		
Restricted for debt service	<u>\$ 6,004</u>	<u>\$ 11,775</u>

City of Lynnwood, Washington
800 MHZ Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Expenditures		
Debt Service:		
Principal retirement	\$ 131,587	\$ 125,536
Interest and fiscal charges	6,579	12,856
Total Expenditures	<u>138,166</u>	<u>138,392</u>
Other Financing Sources (Uses)		
Transfers in	138,200	138,634
Transfers out	(5,805)	-
Total Other Financing Sources (Uses)	<u>132,395</u>	<u>138,634</u>
Net Change in Fund Balances	(5,771)	242
Fund Balances Beginning of Year	<u>11,775</u>	<u>11,533</u>
Fund Balances End of Year	<u>\$ 6,004</u>	<u>\$ 11,775</u>

City of Lynnwood, Washington
800 MHZ Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2019

	Original 2019-2020 Biennial Budget	Biennial Budget as Modified through December 2019	Actual	Variance With Modified Biennial Budget
Expenditures				
Debt Service:				
Principal	131,587	131,587	131,587	-
Interest	6,579	6,579	6,579	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(138,166)	(138,166)	(138,166)	-
Other Financing Sources (Uses)				
Transfers out	(11,810)	(11,810)	(5,805)	6,005
Transfers in	138,200	138,200	138,200	-
Net Changes in Fund Balances	(11,776)	(11,776)	(5,771)	6,005
Fund Balances Beginning of Year	11,776	11,776	11,775	(1)
Fund Balances End of Year	\$ -	\$ -	\$ 6,004	\$ 6,004

City of Lynnwood, Washington
Recreation Center 2012 LTGO Bonds
Comparative Balance Sheet
December 31, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	\$ 111,277	\$ 110,701
 Fund Balances		
Restricted for debt service	\$ 111,277	\$ 110,701

City of Lynnwood, Washington
Recreation Center 2012 LTGO Bonds
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Expenditures		
Debt Service:		
Principal retirement	\$ 835,000	\$ 810,000
Interest and fiscal charges	821,062	845,362
Total Expenditures	<u>1,656,062</u>	<u>1,655,362</u>
Other Financing Sources		
Transfers in	<u>1,656,638</u>	<u>1,628,116</u>
Net Change in Fund Balances	576	(27,246)
Fund Balances Beginning of Year	<u>110,701</u>	<u>137,947</u>
Fund Balances End of Year	<u>\$ 111,277</u>	<u>\$ 110,701</u>

City of Lynnwood, Washington
Recreation Center 2012 LTGO Bonds
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2019

	Original 2019-2020 Biennial Budget	Biennial Budget as Modified through December 2019	2019 Actual	Variance With Modified Biennial Budget
Expenditures				
Debt Service:				
Principal	\$ 1,695,000	\$ 1,695,000	\$ 835,000	\$ (860,000)
Interest	1,617,076	1,617,076	821,062	(796,014)
Miscellaneous	1,200	1,200		(1,200)
Total Expenditures	3,313,276	3,313,276	1,656,062	(1,657,214)
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,313,276	3,313,276	1,656,062	(1,657,214)
Other Financing Sources (Uses)				
Transfers in	3,313,276	3,313,276	1,656,638	(1,656,638)
Net Changes in Fund Balances	6,626,552	6,626,552	3,312,700	(3,313,852)
Fund Balances Beginning of Year	110,701	110,701	110,701	-
Fund Balances End of Year	<u>\$ 6,737,253</u>	<u>\$ 6,737,253</u>	<u>\$ 3,423,401</u>	<u>\$ (3,313,852)</u>

City of Lynnwood, Washington
Local Improvement Guaranty Fund
Comparative Balance Sheet
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 97,791	\$ 191,960
Investments	86,930	133,364
Receivables:		
Interest	-	131
Total Assets	<u>\$ 184,721</u>	<u>\$ 325,455</u>
Fund Balances		
Assigned	<u>\$ 184,721</u>	<u>\$ 325,455</u>
Total Fund Balances	<u>\$ 184,721</u>	<u>\$ 325,455</u>

City of Lynnwood, Washington
Local Improvement Guaranty Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenues		
Investment interest	\$ 9,266	\$ 6,271
Other Financing Sources (Uses)		
Transfers out	(150,000)	-
Total Other Financing Sources (Uses)	(150,000)	-
Net Change in Fund Balances	(140,734)	6,271
Fund Balances Beginning of Year	<u>325,455</u>	<u>319,184</u>
Fund Balances End of Year	<u>\$ 184,721</u>	<u>\$ 325,455</u>

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City of Lynnwood, Washington
Local Improvement Guaranty Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2019

	Original 2019-2020 Biennial Budget	Biennial Budget as Modified through December 2019	2019 Actual	Variance With Modified Biennial Budget
Revenues				
Investment interest	-	-	9,266	9,266
Total Revenues	-	-	9,266	9,266
Other Financing Sources (Uses)				
Transfers out	-	(150,000)	(150,000)	-
Total Other Financing Sources (Uses)	-	(150,000)	(150,000)	-
Net Changes in Fund Balances	-	(150,000)	(140,734)	9,266
Fund Balances Beginning of Year	-	325,455	325,455	-
Fund Balances End of Year	\$ -	\$ 175,455	\$ 184,721	\$ 9,266

City of Lynnwood, Washington
LID 93-1 I-5 and 196th Project
Comparative Balance Sheet
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 495,199	\$ 472,003
Restricted cash and investments	-	-
Receivables:		
Accounts	-	399,882
Property taxes	-	-
Total Assets	<u>\$ 495,199</u>	<u>\$ 871,885</u>
Liabilities		
Accounts payable	\$ 19	\$ -
Fund Balances		
Assigned	<u>495,180</u>	<u>871,885</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 495,199</u>	<u>\$ 871,885</u>

City of Lynnwood, Washington
LID 93-1 I-5 and 196th Project
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenues		
Charges for services	\$ -	\$ 2
Other interest	522	23,037
Special assessments	-	384,815
Total Revenues	<u>522</u>	<u>407,854</u>
Expenditures		
Debt Service:		
Principal retirement	\$ -	\$ 100,000
Interest and fiscal charges	2,227	10,035
Total Expenditures	<u>2,227</u>	<u>110,035</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,705)	297,819
Other Financing Sources (Uses)		
Transfers out	(375,000)	-
Total Other Financing Sources (Uses)	<u>(375,000)</u>	<u>-</u>
Net Change in Fund Balance	(376,705)	-
Fund Balances Beginning of Year	<u>871,885</u>	<u>574,066</u>
Fund Balances End of Year	<u>\$ 495,180</u>	<u>\$ 871,885</u>

City of Lynnwood, Washington
LID 93-1 I-5 and 196th Project
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2019

	Original 2019-2020 Biennial Budget	Biennial Budget as Modified through December 2019	2019 Actual	Variance With Modified Biennial Budget
Revenues				
Charges for services	\$ -	\$ -	\$ -	\$ -
Other interest	-	-	522	522
Special assessments	406,960	406,960	-	(406,960)
Total Revenues	<u>406,960</u>	<u>406,960</u>	<u>522</u>	<u>(406,438)</u>
Expenditures				
Debt Service:				
Interest	-	-	2,227	2,227
Miscellaneous	1,000	1,000	-	(1,000)
Total Expenditures	<u>1,000</u>	<u>1,000</u>	<u>2,227</u>	<u>1,227</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>405,960</u>	<u>405,960</u>	<u>(1,705)</u>	<u>(407,665)</u>
Other Financing Sources (Uses)				
Transfers out	(750,000)	(750,000)	(375,000)	375,000
Total Other Financing Sources (Uses)	<u>(750,000)</u>	<u>(750,000)</u>	<u>(375,000)</u>	<u>375,000</u>
Net Changes in Fund Balances	(344,040)	(344,040)	(376,705)	(32,665)
Fund Balances Beginning of Year	<u>409,650</u>	<u>871,885</u>	<u>871,885</u>	<u>-</u>
Fund Balances End of Year	<u>\$ 65,610</u>	<u>\$ 527,845</u>	<u>\$ 495,180</u>	<u>\$ (32,665)</u>

NONMAJOR
CAPITAL
PROJECT
FUNDS

City of Lynnwood, Washington
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2019 and 2018

	Other General Capital	Facilities Capital	Parks and Recreation Capital	Public Safety Infrastructure Capital
Assets				
Cash and cash equivalents	\$ 100,538	\$ 1,578,104	\$ 220,244	\$ 960,453
Investments	-	-	-	-
Receivables:				
Accounts	-	-	113,847	-
Taxes	-	-	-	-
Intergovernmental	-	-	328,533	-
Total Assets	\$ 100,538	\$ 1,578,104	\$ 662,624	\$ 960,453
Liabilities				
Accounts payable	\$ 30,275	\$ -	\$ 174,353	\$ 165,307
Other current liabilities	-	-	6,742	-
Total Liabilities	30,275	-	181,095	165,307
Deferred Inflows of Resources				
Deferred Inflows of Resources - Grants	-	-	58,642	-
Total Deferred Inflows of Resources	-	-	58,642	-
Total Liabilities and Deferred Inflows of Resources	30,275	-	239,737	165,307
Fund Balances				
Committed	70,263	-	-	-
Restricted	-	1,578,104	422,887	795,146
Total Fund Balances	70,263	1,578,104	422,887	795,146
Total Liabilities and Fund Balances	\$ 100,538	\$ 1,578,104	\$ 662,624	\$ 960,453

(continued)

City of Lynnwood, Washington
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2019 and 2018

(continued)

	Real Estate Excise Tax 2	Real Estate Excise Tax 1	Hardware Software Upgrade	Capital Development Plan	Total Nonmajor Capital Projects Funds
Assets					
Cash and cash equivalents	\$ 1,282,392	\$ 987,070	\$ 4,346	\$ 756,655	\$ 5,889,802
Investments	1,162,682	895,374	2,173	684,570	2,744,799
Receivables:					
Accounts	-	-	-	-	113,847
Taxes	430,524	430,524	-	-	861,048
Intergovernmental	-	-	-	-	328,533
Total Assets	\$ 2,875,598	\$ 2,312,968	\$ 6,519	\$ 1,441,225	\$ 9,938,029
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 369,935
Other current liabilities	-	-	-	-	6,742
Total Liabilities	-	-	-	-	376,677
Deferred Inflows of Resources					
Deferred Inflows of Resources - Grants	-	-	-	-	58,642
Total Deferred Inflows of Resources	-	-	-	-	58,642
Total Liabilities and Deferred Inflows of Resources	-	-	-	-	435,319
Fund Balances					
Committed	-	-	6,519	1,441,225	1,518,007
Restricted	2,875,598	2,312,968	-	-	7,984,703
Total Fund Balances	2,875,598	2,312,968	6,519	1,441,225	9,502,710
Total Liabilities and Fund Balances	\$ 2,875,598	\$ 2,312,968	\$ 6,519	\$ 1,441,225	\$ 9,938,029

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

	Other General Capital	Facilities Capital	Parks and Recreation Capital	Public Safety Infrastructure Capital
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	296,490	-
Investment interest	-	-	-	-
Contributions and other	-	-	113,847	-
Total Revenues	-	-	410,337	-
Expenditures				
<i>Current:</i>				
General government	-	32,499	-	-
Economic environment	189,581	-	-	-
Culture and recreation	-	-	110,294	-
Capital Outlay	-	29,932	595,797	301,552
Total Expenditures	189,581	62,431	706,091	301,552
Excess (Deficiency) of Revenues Over (Under) Expenditures	(189,581)	(62,431)	(295,754)	(301,552)
Other Financing Sources (Uses)				
Transfers in	132,710	1,264,770	260,437	1,096,698
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	132,710	1,264,770	260,437	1,096,698
Net Change in Fund Balance	(56,871)	1,202,339	(35,317)	795,146
Fund Balances Beginning of Fiscal Year	127,134	375,765	458,204	-
Fund Balances End of Fiscal Year	\$ 70,263	\$ 1,578,104	\$ 422,887	\$ 795,146

(continued)



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

(continued)

	Real Estate Excise Taxes 2	Real Estate Excise Taxes 1	Hardware Software Upgrade	Capital Development Plan	Total Nonmajor Capital Projects Funds
Revenues					
Taxes	\$ 1,246,402	\$ 1,246,402	\$ -	\$ -	\$ 2,492,804
Intergovernmental	-	-	-	-	296,490
Investment interest	89,595	63,299	-	41,167	194,061
Contributions	-	-	-	-	113,847
Total Revenues	1,335,997	1,309,701	-	41,167	3,097,202
Expenditures					
<i>Current:</i>					
General government	-	-	-	-	32,499
Economic environment	-	-	-	-	189,581
Culture and recreation	-	-	-	-	110,294
Capital Outlay	-	-	-	-	927,281
Total Expenditures	-	-	-	-	1,259,655
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,335,997	1,309,701	-	41,167	1,837,547
Other Financing Sources (Uses)					
Transfers in	-	-	-	1,100,000	3,854,615
Transfers (out)	(1,201,561)	(798,558)	-	(661,859)	(2,661,978)
Other Financing Sources (Uses)	(1,201,561)	(798,558)	-	438,141	1,192,637
Net Change in Fund Balance	134,436	511,143	-	479,308	3,030,184
Fund Balances Beginning of Fiscal Year	2,741,162	1,801,825	6,519	961,917	6,472,526
Fund Balances End of Fiscal Year	\$ 2,875,598	\$ 2,312,968	\$ 6,519	\$ 1,441,225	\$ 9,502,710

City of Lynnwood, Washington
Other General Government Capital
Comparative Balance Sheets
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 100,538	\$ 127,134
Total Assets	<u>\$ 100,538</u>	<u>\$ 127,134</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 30,275	\$ -
Total Liabilities	30,275	-
Fund Balances		
Committed	<u>70,263</u>	<u>127,134</u>
Total Liabilities and Fund Balances	<u>\$ 100,538</u>	<u>\$ 127,134</u>

City of Lynnwood, Washington
Other General Government Capital
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2019 and 2018

	2019	2018
Expenditures		
Current		-
Economic environment	189,581	20,181
Total Expenditures	189,581	20,181
Excess (Deficiency) of Revenues Over (Under) Expenditures	(189,581)	(20,181)
Other Financing (Uses)		
Transfers in	132,710	-
Transfers (out)	-	(290,000)
Total Other Financing Sources (Uses)	132,710	(290,000)
Net Change in Fund Balances	(56,871)	(310,181)
Fund Balances Beginning of Year	127,134	437,315
Fund Balances End of Year	\$ 70,263	\$ 127,134

City of Lynnwood, Washington
Other General Government Capital
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2019

	Original 2019-2020 Biennial Budget	Biennial Budget as Modified through December 2019	2019 Actual	Variance With Final Budget
Expenditures				
Current:				
Economic Environment	\$ -	\$ -	\$ 189,581	\$ 189,581
Capital Outlay - Economic Environment	<u>11,200,000</u>	<u>10,170,000</u>	<u>-</u>	<u>(10,170,000)</u>
Total Expenditures	<u>11,200,000</u>	<u>10,170,000</u>	<u>189,581</u>	<u>(9,980,419)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,200,000)	(10,170,000)	(189,581)	(9,980,419)
Other Financing Sources (Uses)				
Transfers in	<u>11,100,000</u>	<u>10,070,000</u>	<u>132,710</u>	<u>(9,937,290)</u>
	<u>11,100,000</u>	<u>10,070,000</u>	<u>132,710</u>	<u>(9,937,290)</u>
Fund Balances End of Year				
Net Changes in Fund Balances	(100,000)	(100,000)	(56,871)	43,129
Fund Balances Beginning of Year	<u>100,000</u>	<u>127,134</u>	<u>127,134</u>	<u>-</u>
Fund Balances End of Year	<u>\$ -</u>	<u>\$ 27,134</u>	<u>\$ 70,263</u>	<u>\$ 43,129</u>

City of Lynnwood, Washington
Facilities Capital Infrastructure Fund
Comparative Balance Sheets
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 1,578,104	\$ 400,448
Total Assets	<u>\$ 1,578,104</u>	<u>\$ 400,448</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ -	\$ 24,683
Fund Balances		
Restricted for capital outlay	<u>1,578,104</u>	<u>375,765</u>
Total Liabilities and Fund Balances	<u>\$ 1,578,104</u>	<u>\$ 400,448</u>



City of Lynnwood, Washington
Facilities Capital Infrastructure Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2019 and 2018

	2019	2018
Expenditures		
Current		
General Government	\$ 32,499	\$ 367,030
Capital Outlay - General Government	29,932	-
Total Expenditures	62,431	367,030
Excess (Deficiency) of Revenues Over (Under) Expenditures	(62,431)	(367,030)
Other Financing Sources (Uses)		
Transfers in	1,264,770	151,048
Net Change in Fund Balances	1,202,339	(215,982)
Fund Balances Beginning of Year	375,765	591,747
Fund Balances End of Year	\$ 1,578,104	\$ 375,765

City of Lynnwood, Washington
Facilities Capital Infrastructure Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2019

	Original 2019-2020 Biennial Budget	Biennial Budget as Modified through December 2019	2019 Actual	Variance From Modified Budget
Expenditures				
Current:				
General Government	\$ -	\$ 2,050,000	\$ 32,499	\$ (2,017,501)
Capital outlay - General Government	<u>3,775,000</u>	<u>1,846,657</u>	<u>-</u>	<u>(1,846,657)</u>
Total Expenditures	<u>3,775,000</u>	<u>3,896,657</u>	<u>32,499</u>	<u>(3,864,158)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,775,000)	(3,896,657)	(32,499)	3,864,158
Other Financing Sources (Uses)				
Transfers in	3,624,153	3,490,934	1,264,770	(2,226,164)
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Changes in Fund Balances	(150,847)	(405,723)	1,232,271	1,637,994
Fund Balances Beginning of Year	<u>150,847</u>	<u>497,422</u>	<u>375,765</u>	<u>(121,657)</u>
Fund Balances End of Year	<u>\$ -</u>	<u>\$ 91,699</u>	<u>\$ 1,608,036</u>	<u>\$ 1,516,337</u>



City of Lynnwood, Washington
Parks and Recreation Capital Fund
Comparative Balance Sheets
December 31, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	\$ 220,244	\$ 420,832
Receivables:		
Accounts	113,847	-
Due from other governments	328,533	49,741
Total Assets	\$ 662,624	\$ 470,573
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ 174,353	\$ 12,369
Other payables	6,742	-
Total Liabilities	181,095	12,369
Deferred Inflows of Resources		
Deferred Inflows of Resources - Grants	58,642	-
Total Deferred Inflows of Resources	58,642	-
Total Liabilities and Deferred Inflows of Resources	239,737	12,369
Fund Balances		
Restricted for capital outlay	422,887	458,204
Total Liabilities and Fund Balances	\$ 662,624	\$ 470,573



City of Lynnwood, Washington
Parks and Recreation Capital Fund
Comparative Statements of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2019 and 2018

	2019	2018
Revenues		
Intergovernmental	\$ 296,490	\$ 554,741
Contributions and other	113,847	-
Total Revenues	410,337	554,741
Expenditures		
Current		
Culture and recreation	110,294	859,907
Capital Outlay	595,797	189,453
Total Expenditures	706,091	1,049,360
Excess (Deficiency) of Revenues Over (Under) Expenditures	(295,754)	(494,619)
Other Financing Sources (Uses)		
Transfers in	260,437	483,338
Net Change in Fund Balances	(35,317)	(11,281)
Fund Balances Beginning of Year	458,204	469,485
Fund Balances End of Year	\$ 422,887	\$ 458,204

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City of Lynnwood, Washington
Parks and Recreation Capital Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2019

	Original 2019-2020 Biennial Budget	Biennial Budget as Modified through December 2019	2019 Actual	Variance With Modified Budget
Revenues				
Intergovernmental	\$ 5,908,900	\$ 5,908,900	\$ 296,490	\$ (5,612,410)
Contributions and other	-	-	113,847	113,847
Total Revenues	<u>5,908,900</u>	<u>5,908,900</u>	<u>410,337</u>	<u>(5,498,563)</u>
Expenditures				
Current:				
Culture and Recreation	-	755,272	110,294	(644,978)
Capital Outlay - Capital and Recreation	<u>1,026,900</u>	<u>9,303,943</u>	<u>595,797</u>	<u>(8,708,146)</u>
Total Expenditures	<u>1,026,900</u>	<u>10,059,215</u>	<u>706,091</u>	<u>(9,353,124)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,882,000	(4,150,315)	(295,754)	3,854,561
Other Financing Sources (Uses)				
Transfers in	<u>4,118,000</u>	<u>4,251,219</u>	<u>260,437</u>	<u>(3,990,782)</u>
Net Changes in Fund Balances	9,000,000	100,904	(35,317)	(136,221)
Fund Balances Beginning of Year	<u>21,878</u>	<u>490,519</u>	<u>458,204</u>	<u>(32,315)</u>
Fund Balances End of Year	<u>\$ 9,021,878</u>	<u>\$ 591,423</u>	<u>\$ 422,887</u>	<u>\$ (168,536)</u>

City of Lynnwood, Washington
Public Safety Capital Infrastructure Fund
Comparative Balance Sheets
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 960,453	\$ -
Liabilities		
Accounts payable	165,307	-
Total Liabilities	165,307	-
Fund Balances		
Restricted for capital outlay	795,146	-
Total Liabilities and Fund Balances	\$ 960,453	\$ -

City of Lynnwood, Washington
Public Safety Capital Infrastructure Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Expenditures		
Current		
Public Safety	\$ -	\$ -
Capital Outlay - Public Safety	<u>301,552</u>	<u>-</u>
Total Expenditures	<u>301,552</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(301,552)	-
Other Financing Sources (Uses)		
Transfers in	1,096,698	-
	<u>1,096,698</u>	<u>-</u>
Net Change in Fund Balances	795,146	-
Fund Balances Beginning of Year	<u>-</u>	<u>-</u>
Fund Balances End of Year	<u>\$ 795,146</u>	<u>\$ -</u>

City of Lynnwood, Washington
Public Safety Capital Infrastructure Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2019

	Original 2019-2020 Biennial Budget	Biennial Budget as Modified through December 2019	2019 Actual	Variance With Modified Budget
Expenditures				
Current:				
Public Safety	\$ -	\$ -	\$ -	\$ -
Capital outlay - Public Safety	<u>1,300,000</u>	<u>1,300,000</u>	<u>301,552</u>	<u>(998,448)</u>
Total Expenditures	<u>1,300,000</u>	<u>1,300,000</u>	<u>301,552</u>	<u>(998,448)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,300,000)	(1,300,000)	(301,552)	998,448
Other Financing Sources (Uses)				
Transfers in	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,096,698</u>	<u>(203,302)</u>
Net Changes in Fund Balances	-	-	795,146	795,146
Fund Balances Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 795,146</u>	<u>\$ 795,146</u>

City of Lynnwood, Washington
Roadway Surfacing Fund
Comparative Balance Sheets
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ -	\$ 237
Total Assets	<u>\$ -</u>	<u>\$ 237</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ -	\$ 237
Fund Balances		
Restricted for capital outlay	<u>-</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 237</u>

Note: This has been closed out and is **not** included in the combining statements

City of Lynnwood, Washington
Roadway Surfacing Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Expenditures		
Current		
Transportation	-	\$ 6,503
Total Expenditures	-	6,503
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(6,503)
Other Financing Sources (Uses)		
Transfers out	-	(1,184)
Net Change in Fund Balances	-	(7,687)
Fund Balances Beginning of Year	-	7,687
Fund Balances End of Year	\$ -	\$ -

Note: This has been closed out and is **not** included in the combining statements

City of Lynnwood, Washington
196th Improvements Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Other Financing Sources (Uses)		
Transfers in (out)	\$ -	\$ (276,604)
Net Change in Fund Balances	-	(276,604)
Fund Balances Beginning of Year	-	276,604
Fund Balances End of Year	<u>\$ -</u>	<u>\$ -</u>

Note: This has been closed out and is **not** included in the combining statements

City of Lynnwood, Washington
36th/35th Avenue West
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2019 and 2018

	2019	2018
Other Financing Sources (Uses)		
Transfers in (out)	-	(257,170)
Net Change in Fund Balances	-	(257,170)
Fund Balances Beginning of Year	-	257,170
Fund Balances End of Year	\$ -	\$ -

Note: This has been closed out and is **not** included in the combining statements

City of Lynnwood, Washington
Park Acquisition and Development Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Other Financing Sources(Uses)		
Transfers out	\$ -	\$ (938)
Net Change in Fund Balances	-	(938)
Fund Balances Beginning of Year	-	938
Fund Balances End of Year	<u>\$ -</u>	<u>\$ -</u>

Note: This has been closed out and is **not** included in the combining statements

City of Lynnwood, Washington
Poplar Way Bridge Extension
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Other Financing Sources (Uses)		
Transfers (out)	\$ -	\$ (56,248)
Net Change in Fund Balances	-	(56,248)
Fund Balances Beginning of Year	-	56,248
Fund Balances End of Year	<u>\$ -</u>	<u>\$ -</u>

Note: This has been closed out and is **not** included in the combining statements

City of Lynnwood, Washington
Real Estate Excise Taxes 2 Fund
Comparative Balance Sheets
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 1,282,392	\$ 1,530,841
Investments	1,162,682	1,064,694
Interest receivable	-	1,046
Taxes receivable	430,524	144,581
Total Assets	<u>\$ 2,875,598</u>	<u>\$ 2,741,162</u>
Fund Balances		
Restricted for capital outlay	<u>\$ 2,875,598</u>	<u>\$ 2,741,162</u>



City of Lynnwood, Washington
Real Estate Excise Taxes 2 Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2019 and 2018

	2019	2018
Revenues		
Taxes	\$ 1,246,402	\$ 1,776,776
Investment interest	89,595	39,320
Total Revenues	<u>1,335,997</u>	<u>1,816,096</u>
Other Financing (Uses)		
Transfers (out)	<u>(1,201,561)</u>	<u>(471,595)</u>
Net Change in Fund Balances	134,436	1,344,501
Fund Balances Beginning of Year	<u>2,741,162</u>	<u>1,396,661</u>
Fund Balances End of Year	<u>\$ 2,875,598</u>	<u>\$ 2,741,162</u>



City of Lynnwood, Washington
Real Estate Excise Taxes 2 Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2019

	Original 2019-2020 Biennial Budget	Biennial Budget as Modified through December 2019	2019 Actual	Variance With Modified Budget
Revenues				
Taxes	\$ 2,200,000	\$ 2,200,000	\$ 1,246,402	\$ (953,598)
Investment interest	40,000	40,000	89,595	49,595
Total Revenues	<u>2,240,000</u>	<u>2,240,000</u>	<u>1,335,997</u>	<u>(904,003)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,240,000	2,240,000	1,335,997	(904,003)
Other Financing Sources (Uses)				
Transfers out	<u>(4,318,000)</u>	<u>(4,318,000)</u>	<u>(1,201,561)</u>	<u>3,116,439</u>
Net Changes in Fund Balances	(2,078,000)	(2,078,000)	134,436	2,212,436
Fund Balances Beginning of Year	<u>2,155,166</u>	<u>2,741,162</u>	<u>2,741,162</u>	<u>-</u>
Fund Balances End of Year	<u>\$ 77,166</u>	<u>\$ 663,162</u>	<u>\$ 2,875,598</u>	<u>\$ 2,212,436</u>

City of Lynnwood, Washington
Real Estate Excise Taxes 1 Fund
Comparative Balance Sheets
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 987,070	\$ 976,416
Investments	895,374	680,159
Interest receivable	-	668
Taxes receivable	430,524	144,582
Total Assets	<u>\$ 2,312,968</u>	<u>\$ 1,801,825</u>
Fund Balances		
Restricted for capital outlay	<u>\$ 2,312,968</u>	<u>\$ 1,801,825</u>

City of Lynnwood, Washington
Real Estate Excise Taxes 1 Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenues		
Taxes	\$ 1,246,402	\$ 1,776,776
Investment interest	63,299	22,858
Total Revenues	<u>1,309,701</u>	<u>1,799,634</u>
Other Financing (Uses)		
Transfers in	-	60,015
Transfers out	<u>(798,558)</u>	<u>(1,091,155)</u>
Net Change in Fund Balance	511,143	768,494
Fund Balances Beginning of Year	<u>1,801,825</u>	<u>1,033,331</u>
Fund Balances End of Year	<u>\$ 2,312,968</u>	<u>\$ 1,801,825</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 Year Ended December 31, 2019

	Original 2019-2020 Biennial Budget	Biennial Budget as Modified through December 2019	2019 Actual	Variance With Modified Budget
Revenues				
Taxes	\$ 2,200,000	\$ 2,200,000	\$ 1,246,402	\$ (953,598)
Investment Earnings	40,000	40,000	63,299	23,299
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,240,000	2,240,000	1,309,701	(930,299)
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	(3,149,153)	(3,149,153)	(798,558)	2,350,595
Net Changes in Fund Balances	(909,153)	(909,153)	511,143	1,420,296
Fund Balances - Beginning	1,162,176	1,801,825	1,801,825	-
Fund Balances - Ending	\$ 253,023	\$ 892,672	\$ 2,312,968	\$ 1,420,296

City of Lynnwood, Washington
Hardware/Software Upgrade Fund
Comparative Balance Sheets
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 4,346	\$ 7,175
Investments	2,173	-
Total Assets	<u>\$ 6,519</u>	<u>\$ 7,175</u>
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ -	\$ 656
Fund Balances		
Committed	<u>6,519</u>	<u>6,519</u>
Total Liabilities and Fund Balances	<u>\$ 6,519</u>	<u>\$ 7,175</u>

City of Lynnwood, Washington
Hardware/Software Upgrade Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Expenditures		
Current		
General Government	\$ -	\$ 30,529
Capital Outlay	<u>-</u>	<u>70,189</u>
Total Expenditures	<u>-</u>	<u>100,718</u>
Net Change in Fund Balances	-	(100,718)
Fund Balances Beginning of Year	<u>6,519</u>	<u>107,237</u>
Fund Balances End of Year	<u>\$ 6,519</u>	<u>\$ 6,519</u>

City of Lynnwood, Washington
Capital Development Plan Fund
Comparative Balance Sheets
December 31, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	\$ 756,655	\$ 565,880
Investments	684,570	395,648
Receivables:		
Interest	-	389
Total Assets	1,441,225	961,917
Fund Balances		
Committed	1,441,225	961,917
Total Liabilities and Fund Balances	\$ 1,441,225	\$ 961,917

City of Lynnwood, Washington
Capital Development Plan Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2019 and 2018

	2019	2018
Revenues		
Investment interest	\$ 41,167	\$ 544
Total Revenues	41,167	544
Other Financing (Uses)		
Transfers in	1,100,000	1,100,000
Transfers (out)	(661,859)	(551,048)
Total Other Financing Sources (Uses)	438,141	548,952
Net Change in Fund Balances	479,308	549,496
Fund Balances Beginning of Year	961,917	412,421
Fund Balances End of Year	\$ 1,441,225	\$ 961,917

City of Lynnwood, Washington
Capital Development Plan Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
For the Year Ended December 31, 2019

	Original 2019-2020 Biennial Budget	Biennial Budget as Modified through December 2019	2019 Actual	Variance With Modified Budget
Revenues				
Investment interest	\$ -	\$ -	\$ 41,167	\$ 41,167
Total Revenues	<u>-</u>	<u>-</u>	<u>41,167</u>	<u>41,167</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	41,167	41,167
Other Financing Sources (Uses)				
Transfers in	2,200,000	2,200,000	1,100,000	(1,100,000)
Transfers out	<u>(3,139,000)</u>	<u>(3,139,000)</u>	<u>(661,859)</u>	<u>2,477,141</u>
Net Changes in Fund Balances	(939,000)	(939,000)	479,308	1,418,308
Fund Balances Beginning of Year	<u>961,372</u>	<u>961,917</u>	<u>961,917</u>	<u>-</u>
Fund Balances End of Year	<u>\$ 22,372</u>	<u>\$ 22,917</u>	<u>\$ 1,441,225</u>	<u>\$ 1,418,308</u>

City of Lynnwood, Washington
Interurban Trail Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Other Financing Sources (Uses)		
Transfers in (out)	\$ -	\$ (138)
Net Change in Fund Balances	-	(138)
Fund Balances Beginning of Year	-	138
Fund Balances End of Year	<u>\$ -</u>	<u>\$ -</u>

Note: This has been closed out and is **not** included in the combining statements

City of Lynnwood, Washington
Citywide Safety Project Fund
Comparative Balance Sheets
December 31, 2019 and 2018

	2019	2018
Assets		
Cash and cash equivalents	\$ -	\$ 15,660
Total Assets	\$ -	\$ 15,660
Liabilities and Fund Balances		
Liabilities		
Accounts payable	\$ -	\$ 15,660
Total Liabilities	-	15,660
Fund Balances		
Restricted for capital outlay	-	-
Total Liabilities and Fund Balances	\$ -	\$ 15,660

Note: This has been closed out and is **not** included in the combining statements

City of Lynnwood, Washington
Citywide Safety Project Fund
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Revenues		
Intergovernmental	\$ -	\$ 67
Other Financing Sources (Uses)		
Transfers out		(60,015)
Net Change in Fund Balances	-	(59,948)
Fund Balances Beginning of Year	-	59,948
Fund Balances End of Year	\$ -	\$ -

Note: This has been closed out and is **not** included in the combining statements

PROPRIETARY FUNDS

City of Lynnwood, Washington
Water, Sewer and Storm Water Utility Fund
 Comparative Statements of Net Position
 December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 13,095,779	\$ 3,804,647
Restricted assets: cash and cash equivalents	21,173	19,533
Investments	7,841,046	12,329,552
Receivables:		
Accounts	3,278,787	2,981,274
Interest	-	12,111
Prepaid items	138,165	381,406
Total Current Assets	<u>24,374,950</u>	<u>19,528,523</u>
Noncurrent Assets:		
Restricted assets: cash and cash equivalents	13,670,247	18,383,899
Notes receivable	61,322	61,322
Capital assets:		
Nondepreciable	11,272,229	10,417,561
Depreciable, net	66,551,891	64,594,665
Total Noncurrent Assets	<u>91,555,689</u>	<u>93,457,447</u>
TOTAL ASSETS	<u>115,930,639</u>	<u>112,985,970</u>
Deferred Outflows of Resources - pensions	<u>446,815</u>	<u>419,942</u>
Total Assets and Deferred Outflows of Resources	<u>116,377,454</u>	<u>113,405,912</u>
Liabilities		
Current Liabilities:		
Accounts payable	702,073	1,001,990
Accrued payroll	262,772	241,301
Retainage payable	-	78,199
Custodial accounts payable	4,741	3,101
Compensated absences payable	101,899	106,701
Revenue bonds payable	2,256,828	2,029,701
Interest payable	160,878	303,621
Total Current Liabilities	<u>3,489,191</u>	<u>3,764,614</u>
Long-Term Liabilities (net of current portion):		
Compensated absences payable	202,249	225,675
Net pension liability	1,370,871	1,746,845
Revenue bonds payable	47,943,935	50,205,763
Total Long-term Liabilities	<u>49,517,055</u>	<u>52,178,283</u>
TOTAL LIABILITIES	<u>53,006,246</u>	<u>55,942,897</u>
Deferred Inflows of Resources		
Deferred Inflows of Resources - gain on refunding	118,296	133,239
Deferred Inflows of Resources - pensions	743,812	645,559
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>862,108</u>	<u>778,798</u>
Total Liabilities and Deferred Inflows of Resources	<u>53,868,354</u>	<u>56,721,695</u>
Net Position		
Net investment in capital assets	41,175,308	40,949,223
Restricted for:		
Debt service	576,511	575,698
Unrestricted	20,757,281	15,159,296
Total Net Position	<u>\$ 62,509,100</u>	<u>\$ 56,684,217</u>



City of Lynnwood, Washington
Water, Sewer and Storm Water Utility Fund
Comparative Statement of Revenues, Expenses and Changes in Fund Net Position
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating Revenues		
Charges for services:		
Water	\$ 7,359,107	\$ 6,815,937
Sewer	11,581,944	10,839,017
Storm	4,181,898	3,892,395
Miscellaneous	17,676	76,352
	<u>23,140,625</u>	<u>21,623,701</u>
Operating Expenses		
Administration and general-Water	2,215,043	1,815,450
Administration and general-Sewer	2,135,816	1,531,139
Administration and general-Storm	635,198	705,284
Maintenance and operation-Water	3,156,794	3,661,289
Maintenance and operation-Sewer	4,752,638	5,524,172
Maintenance and operation-Storm	1,921,855	1,728,718
Depreciation	2,706,068	2,727,320
	<u>17,523,412</u>	<u>17,693,372</u>
Total Operating Expenses	<u>17,523,412</u>	<u>17,693,372</u>
Operating Income	<u>5,617,213</u>	<u>3,930,329</u>
Non-Operating Revenues (Expenses)		
Investment interest	1,124,991	471,142
Interest expense	(1,778,035)	(1,314,436)
Debt issuance costs	-	(249,100)
Other nonoperating revenue	-	-
Gain (loss) on the disposition of capital assets	12,100	(302,047)
Miscellaneous revenue	4,570	5,338
	<u>(636,374)</u>	<u>(1,389,103)</u>
Total Non-Operating Revenues (Expenses)	<u>(636,374)</u>	<u>(1,389,103)</u>
Income Before Contributions and Transfers Out	4,980,839	2,541,226
Contributions	844,044	280,465
Transfers In	-	442,100
	<u>5,824,883</u>	<u>3,263,791</u>
Change in Net Position	<u>5,824,883</u>	<u>3,263,791</u>
Net Position Beginning of Year	<u>56,684,217</u>	<u>53,420,426</u>
Net Position End of Year	<u>\$ 62,509,100</u>	<u>\$ 56,684,217</u>

City of Lynnwood, Washington
Water, Sewer and Storm Water Utility Fund
Comparative Statement of Cash Flows
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	\$ 22,843,112	\$ 21,965,160
Cash payments to employees for services	(4,859,330)	(5,017,555)
Cash payments for goods and services	(9,922,230)	(9,700,139)
Miscellaneous Revenues	17,676	-
Net Cash Provided by (Used in) Operating Activities	<u>8,079,228</u>	<u>7,247,466</u>
Cash Flows from Noncapital Financing Activities		
Other nonoperating revenues	-	69,683
Net Cash Flows from Noncapital Financing Activities	<u>-</u>	<u>69,683</u>
Cash Flows from Capital and Related Financing Activities		
Capital contributions	102,041	222,417
Cash receipts from the disposal of capital assets	12,100	2,000
Proceeds from revenue bonds	-	22,988,959
Cash received from (paid to) other funds		442,100
Principal paid on revenue bonds	(1,825,000)	(4,780,000)
Interest paid on revenue bonds and contracts	(2,145,422)	(1,238,530)
Bond issuance costs		(277,532)
Payments for capital acquisitions	(5,269,435)	(9,347,476)
Net Cash Flows from Capital and Related Financing Activities	<u>(9,125,716)</u>	<u>8,011,938</u>
Cash Flows from Investing Activities		
Purchase of investment securities	(1,993,417)	(8,306,448)
Proceeds from sale and maturities of investment securities	6,481,923	899,397
Investment (losses)/earnings	1,137,102	469,263
Net Cash Flows From Investing Activities	<u>5,625,608</u>	<u>(6,937,788)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	4,579,120	8,391,299
Cash and Cash Equivalents Beginning of Year	<u>22,208,079</u>	<u>13,816,780</u>
Cash and Cash Equivalents End of Year	<u>\$ 26,787,199</u>	<u>\$ 22,208,079</u>



City of Lynnwood, Washington
Water, Sewer and Storm Water Utility Fund
Comparative Statement of Cash Flows
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities		
Operating Income	\$ 5,617,213	\$ 3,930,329
Adjustments:		
Depreciation	2,706,068	2,727,320
(Increase) Decrease in Assets:		
Accounts receivable	(297,513)	287,254
Inventories, deposits, prepaid and other	243,241	(108,117)
Increase (Decrease) in Liabilities:		
Accounts payable	299,917	38,557
Compensated absences payable	(28,228)	(95,411)
Other current liabilities	(461,470)	467,534
Net Cash Provided by (Used in) Operating Activities	<u>\$ 8,079,228</u>	<u>\$ 7,247,466</u>
Schedule of Non-Cash Capital and Related Financing Activities		
Capital assets written off or retired	\$ -	\$ 300,047
Contribution of capital assets	742,003	58,048
Fair value of investments increased (decreased) by	74,211	(638)
Total Non-Cash Activities	<u>\$ 816,214</u>	<u>\$ 357,457</u>



City of Lynnwood, Washington
Golf Course Fund
Comparative Statements of Net Position
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 56,808	\$ 93,869
Investments	73,890	66,682
Receivables:		
Interest	-	66
Prepaid expenses	4,334	10,210
Inventories	21,037	23,963
Total Current Assets	<u>156,069</u>	<u>194,790</u>
Noncurrent Assets:		
Restricted:		
Cash and investments	10,629	18,663
Customer prepayments	22,443	21,962
Capital assets:		
Nondepreciable	3,663,369	3,663,369
Depreciable, net	531,233	582,144
Total Noncurrent Assets	<u>4,227,674</u>	<u>4,286,138</u>
Total Assets	<u>4,383,743</u>	<u>4,480,928</u>
Liabilities		
Current Liabilities:		
Accounts payable	31,009	29,664
Interfund payable	133,000	133,000
Deposits payable	22,443	21,962
Custodial accounts	3,198	15
Unearned revenue	10,630	18,662
Total Current Liabilities	<u>200,280</u>	<u>203,303</u>
Interfund payable	1,118,000	1,251,000
Total Long-Term Liabilities	<u>1,118,000</u>	<u>1,251,000</u>
Total Liabilities	<u>1,318,280</u>	<u>1,454,303</u>
Net Position		
Investment in capital assets	4,194,602	4,245,513
Unrestricted (deficit)	(1,129,139)	(1,218,888)
Total Net Position	<u>\$ 3,065,463</u>	<u>\$ 3,026,625</u>



City of Lynnwood, Washington
Golf Course Fund
Comparative Statement of Revenues, Expenses and Changes in Fund Net Position
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating Revenues		
Charges for services	\$ 1,159,873	\$ 1,130,234
Rentals	177,411	160,242
Miscellaneous	7,931	1,228
Total Operating Revenues	<u>1,345,215</u>	<u>1,291,704</u>
Operating Expenses		
Administration and general	1,218,652	1,143,806
Maintenance and operations	11,789	8,314
Depreciation	50,911	59,531
Total Operating Expenses	<u>1,281,352</u>	<u>1,211,651</u>
Operating Income (Loss)	<u>63,863</u>	<u>80,053</u>
Non-Operating Revenues (Expenses)		
Investment interest	5,759	4,072
Interest expense	(30,784)	(29,087)
Total Non-Operating Revenues (Expenses)	<u>(25,025)</u>	<u>(25,015)</u>
Change in Net Position	38,838	55,038
Net Position Beginning of Year	<u>3,026,625</u>	<u>2,971,587</u>
Net Position End of Year	<u>\$ 3,065,463</u>	<u>\$ 3,026,625</u>



City of Lynnwood, Washington
Golf Course Fund
Comparative Statement of Cash Flows
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from customers	\$ 1,345,215	\$ 1,298,459
Cash payments for goods and services	(1,212,873)	(1,180,791)
Other cash received (paid)	(11,789)	(8,314)
Net Cash Provided by (Used in) Operating Activities	120,553	109,354
Cash Flows from/To Noncapital Financing Activities		
Cash flows from/(to) interfund loans	(163,784)	(162,087)
Cash Flows from Investment Activities		
Purchase of investment securities	(68,290)	-
Proceeds from sale and maturities of investment securities	61,082	41,598
Investment earnings	5,825	4,159
Cash Flows from Capital and Related Financing Activities		
Payments for capital acquisitions	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	(44,614)	(6,976)
Cash and Cash Equivalents Beginning of Year	134,494	141,470
Cash and Cash Equivalents End of Year	<u>\$ 89,880</u>	<u>\$ 134,494</u>

Continued



City of Lynnwood, Washington
Golf Course Fund
Comparative Statement of Cash Flows
For the Years Ended December 31, 2019 and 2018

(Continued)

	<u>2019</u>	<u>2018</u>
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities		
Operating Income (Loss)	\$ 63,863	\$ 80,053
Adjustments:		
Depreciation	50,911	59,531
(Increase) Decrease in Assets:		
Inventories, deposits and prepaid items	8,802	3,386
Increase (Decrease) in Liabilities:		
Accounts payable	1,345	(40,371)
Other liabilities	(4,368)	6,755
Net Cash Provided by (Used in) Operating Activities	<u>\$ 120,553</u>	<u>\$ 109,354</u>
Schedule of Non-Cash Capital and Related Financing Activities		
Retirement and write-off of capital assets	\$ -	\$ 5,400
Fair value of investments increased (decreased) by	719	(95)
Total Non-Cash Activities	<u>\$ 719</u>	<u>\$ 5,305</u>

City of Lynnwood, Washington
Internal Service Funds
Combining Statement of Net Position
December 31, 2019

	<u>Equipment Rental Reserve</u>	<u>Self Insurance</u>	<u>Reserve Retirement Contribution</u>	<u>Technology Reserve</u>	<u>Total</u>
Assets					
Current Assets:					
Cash and cash equivalents	\$ 2,688,674	\$ 264,610	\$ 16,980	\$ 109,933	\$ 3,080,197
Investments	2,027,632	-	15,213	99,969	2,142,814
Receivables:					
Intergovernmental	261,999	-	-	-	261,999
Prepaid insurance	-	144,189	-	-	144,189
Total Current Assets	<u>4,978,305</u>	<u>408,799</u>	<u>32,193</u>	<u>209,902</u>	<u>5,629,199</u>
Noncurrent Assets:					
Capital assets:					
Nondepreciable	55,901	-	-	-	55,901
Depreciable, net	5,095,662	-	-	-	5,095,662
Total Noncurrent Assets:	<u>5,151,563</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,151,563</u>
Deferred Outflows	<u>57,869</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,869</u>
Total Assets and Deferred Outflows	<u>10,187,737</u>	<u>408,799</u>	<u>32,193</u>	<u>209,902</u>	<u>10,838,631</u>
Liabilities					
Current Liabilities:					
Accounts payable	53,212	8,839	-	7,710	69,761
Wages payable	39,047	-	-	-	39,047
Claims and judgments payable	-	68,472	-	-	68,472
Compensated absences payable	13,094	-	-	-	13,094
Total Current Liabilities	<u>105,353</u>	<u>77,311</u>	<u>-</u>	<u>7,710</u>	<u>190,374</u>
Noncurrent Liabilities					
Compensated absences payable	37,396	-	-	-	37,396
Net pension liability payable	134,906	-	-	-	134,906
Total Liabilities	<u>277,655</u>	<u>77,311</u>	<u>-</u>	<u>7,710</u>	<u>362,676</u>
Deferred Inflows	<u>103,004</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>103,004</u>
Total Liabilities and Deferred Inflows	<u>380,659</u>	<u>77,311</u>	<u>-</u>	<u>7,710</u>	<u>465,680</u>
Net Position					
Investment in capital assets	5,151,563	-	-	-	5,151,563
Unrestricted	4,655,515	331,488	32,193	202,192	5,221,388
Total Net Position	<u>\$ 9,807,078</u>	<u>\$ 331,488</u>	<u>\$ 32,193</u>	<u>\$ 202,192</u>	<u>\$ 10,372,951</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, 2019

	Equipment Rental Reserve	Self Insurance	Reserve Retirement Contribution	Technology Reserve	Total
Operating Revenues					
Charges for services	\$ 3,171,106	\$ 156,396	\$ -	\$ 118,875	\$ 3,446,377
Miscellaneous	-	-	-	-	-
Total Operating Revenues	<u>3,171,106</u>	<u>156,396</u>	<u>-</u>	<u>118,875</u>	<u>3,446,377</u>
Operating Expenses					
Administration and general	-	-	-	-	-
Maintenance and operations	1,821,853	-	-	68,780	1,890,633
Insurance and claims	-	1,542	-	-	1,542
Miscellaneous services	-	-	-	-	-
Depreciation	763,609	-	-	-	763,609
Total Operating Expenses	<u>2,585,462</u>	<u>1,542</u>	<u>-</u>	<u>68,780</u>	<u>2,655,784</u>
Operating Income (Loss)	<u>585,644</u>	<u>154,854</u>	<u>-</u>	<u>50,095</u>	<u>790,593</u>
Non-Operating Revenues					
Other nonoperating revenue	-	-	-	-	-
Investment interest	89,060	6,452	892	2,097	98,501
Gain on disposition of capital assets	156,661	-	-	-	156,661
Total Non-Operating Revenues	<u>245,721</u>	<u>6,452</u>	<u>892</u>	<u>2,097</u>	<u>255,162</u>
Transfers in	-	-	-	150,000	150,000
Transfers out	-	-	-	-	-
Change in Net Position	<u>831,365</u>	<u>161,306</u>	<u>892</u>	<u>202,192</u>	<u>1,195,755</u>
Net Position Beginning of Year	8,975,713	170,182	31,301	-	9,177,196
Net Position End of Year	<u>\$ 9,807,078</u>	<u>\$ 331,488</u>	<u>\$ 32,193</u>	<u>\$ 202,192</u>	<u>\$ 10,372,951</u>



City of Lynnwood, Washington
Internal Service Funds
 Combining Statement of Cash Flows
 For the Year Ended December 31, 2019

	Equipment Rental Reserve	Self Insurance	Reserve Retirement Contribution	Technology Reserve	Total
Increase (Decrease) in Cash and Cash Equivalents					
Cash Flows from Operating Activities					
Cash received from interfund services provided	\$ 2,340,457	\$ 277,499	\$ -	\$ 118,875	\$ 2,736,831
Other cash receipts	738,974	-	-	-	738,974
Cash payments to employees for services	(733,226)	-	-	-	(733,226)
Cash payments for goods and services	(1,123,623)	(12,595)	-	(61,070)	(1,197,288)
Net Cash Provided by (Used in) Operating Activities	<u>1,222,582</u>	<u>264,904</u>	<u>-</u>	<u>57,805</u>	<u>1,545,291</u>
Cash Flows from Non-Capital financing activities					
Interfund loan received	7,000	(7,000)	-	-	-
Cash received from other funds - transfer	-	-	-	150,000	150,000
Net Cash Flows from non-Capital and related financing activities	<u>7,000</u>	<u>(7,000)</u>	<u>-</u>	<u>150,000</u>	<u>150,000</u>
Cash Flows from Capital and Related Financing Activities					
Acquisition and construction of capital assets	(507,497)	-	-	-	(507,497)
Proceeds from sale of equipment	141,888	-	-	-	141,888
Net Cash Provided by (Used in) Capital and Related Financing Activities	<u>(365,609)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(365,609)</u>
Cash Flows from Investing Activities					
Purchase of investment securities	(2,732,466)	-	(14,453)	(98,961)	(2,845,880)
Proceeds from sale and maturities of investment securities	1,676,173	-	12,576	-	1,688,749
Interest and dividends on investments	90,014	6,452	905	1,089	98,460
Net Cash Provided by (Used in) Investing Activities	<u>(966,279)</u>	<u>6,452</u>	<u>(972)</u>	<u>(97,872)</u>	<u>(1,058,671)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(102,306)</u>	<u>264,356</u>	<u>(972)</u>	<u>109,933</u>	<u>271,011</u>
Cash and Cash Equivalents Beginning of Year	<u>2,790,980</u>	<u>254</u>	<u>17,952</u>	<u>-</u>	<u>2,809,186</u>
Cash and Cash Equivalents End of Year	<u>\$ 2,688,674</u>	<u>\$ 264,610</u>	<u>\$ 16,980</u>	<u>\$ 109,933</u>	<u>\$ 3,080,197</u>



City of Lynnwood, Washington
Internal Service Funds
 Combining Statement of Cash Flows
 For the Year Ended December 31, 2019

	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)	\$ 585,644	\$ 154,854	\$ -	\$ 50,095	\$ 790,593
Adjustments:					
Depreciation	763,609	-	-	-	763,609
(Increase) Decrease in Assets:					
Receivables, net	(91,675)	-	-	-	(91,675)
Inventories, deposits and prepaid expenses	21,927	121,103	-	-	143,030
Increase (Decrease) in Liabilities:					
Accounts and other payables	(57,294)	(11,053)	-	7,710	(60,637)
Compensated absences	371	-	-	-	371
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,222,582</u>	<u>\$ 264,904</u>	<u>\$ -</u>	<u>\$ 57,805</u>	<u>\$ 1,545,291</u>



City of Lynnwood, Washington
Equipment Rental Reserve Fund
Comparative Statements of Net Position
December 31, 2019 and 2018

	2019	2018
Assets		
Current Assets:		
Cash and cash equivalents	\$ 2,688,674	\$ 2,790,980
Investments	2,027,632	971,339
Receivables:		
Intergovernmental	261,999	170,324
Interest	-	954
Interfund	-	7,000
Prepaid Insurance	-	21,927
Total Current Assets	4,978,305	3,962,524
Noncurrent Assets:		
Capital assets:		
Nondepreciable	55,901	76,802
Depreciable, net	5,095,662	5,370,708
Total Noncurrent Assets:	5,151,563	5,447,510
Deferred Outflows of Resources - Pensions	57,869	54,938
Total Assets and Deferred Outflows	10,187,737	9,464,972
Liabilities		
Current Liabilities:		
Accounts payable	53,212	109,471
Wages payable	39,047	40,082
Compensated absences payable	13,094	14,705
Total Current Liabilities	105,353	164,258
Noncurrent Liabilities		
Compensated absences payable	37,396	35,414
Net pension liability	134,906	199,020
Total Noncurrent Liabilities	172,302	234,434
Deferred Inflows of Resources - Pensions	103,004	90,567
Total Liabilities and Deferred Inflows	380,659	489,259
Net Position		
Investment in capital assets	5,151,563	5,447,510
Unrestricted	4,655,515	3,528,203
Total Net Position	\$ 9,807,078	\$ 8,975,713



City of Lynnwood, Washington
Equipment Rental Reserve Fund
Comparative Statement of Revenues, Expenses and Changes in Fund Net Position
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating Revenues		
Charges for services	\$ 3,171,106	\$ 2,828,665
Miscellaneous	-	317
Total Operating Revenues	<u>3,171,106</u>	<u>2,828,982</u>
Operating Expenses		
Administration and general	-	69,783
Maintenance and operations	1,821,853	1,491,344
Depreciation	763,609	772,396
Total Operating Expenses	<u>2,585,462</u>	<u>2,333,523</u>
Operating Income (Loss)	<u>585,644</u>	<u>495,459</u>
Non-Operating Revenues		
Investment interest	89,060	34,838
Gain (loss) on disposition of capital assets	156,661	91,148
Change in Net Position	831,365	621,445
Net Position Beginning of Year	<u>8,975,713</u>	<u>8,354,268</u>
Net Position End of Year	<u>\$ 9,807,078</u>	<u>\$ 8,975,713</u>



City of Lynnwood, Washington
Equipment Rental Reserve Fund
Comparative Statement of Cash Flows
For the Years Ended December 31, 2019 and 2018

	2019	2018
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from interfund services provided	\$ 2,340,457	\$ 2,046,253
Other cash receipts	738,974	694,948
Cash payments to employees for services	(733,226)	(886,734)
Cash payments for goods and services	(1,123,623)	(712,776)
Net Cash Provided by (Used in) Operating Activities	1,222,582	1,141,691
Cash Flows from Noncapital Financing Activities		
Interfund loan received/(paid)	7,000	(7,000)
Cash Flows from Capital and Related Financing Activities		
Acquisition and construction of capital assets	(507,497)	(555,840)
Proceeds from sale of equipment	141,888	97,165
Net Cash Provided by (Used in) Capital and Related Financing Activities	(365,609)	(458,675)
Cash Flows from Investing Activities		
Purchase of investment securities	(2,732,466)	(654,353)
Proceeds from sale and maturities of investment securities	1,676,173	415,764
Interest and dividends on investments	90,014	34,872
Net Cash Provided by (Used in) Investing Activities	(966,279)	(203,717)
Net Increase (Decrease) in Cash and Cash Equivalents	(102,306)	472,299
Cash and Cash Equivalents Beginning of Year	2,790,980	2,318,681
Cash and Cash Equivalents End of Year	\$ 2,688,674	\$ 2,790,980



City of Lynnwood, Washington
Equipment Rental Reserve Fund
Comparative Statement of Cash Flows
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income/ (Loss)	\$ 585,644	\$ 495,459
Adjustments:		
Depreciation	763,609	772,396
Other non-operating receipts and disbursements	-	(7,000)
(Increase) Decrease in Assets:		
Receivables, net	(91,675)	(95,933)
Inventories, deposits and prepaid expenses	21,927	1,742
Increase (Decrease) in Liabilities:		
Accounts and other payables	(57,294)	43,224
Compensated absences	371	(6,804)
Pension liability and deferrals		(61,393)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,222,582</u>	<u>\$ 1,141,691</u>
Schedule of Non-Cash Capital and Related Financing Activities		
Fair value of investments increased (decreased) by	<u>\$ -</u>	<u>\$ (436)</u>
Total Non-Cash Activities	<u>\$ -</u>	<u>\$ (436)</u>



City of Lynnwood, Washington
Self Insurance Fund
Comparative Statements of Net Position
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 264,610	\$ 254
Prepaid insurance	144,189	265,292
Total Current Assets	<u>408,799</u>	<u>265,546</u>
Liabilities		
Current Liabilities:		
Accounts payable	8,839	3,163
Claims and judgements payable	68,472	85,201
Interfund loans payable	-	7,000
Total Current Liabilities	<u>77,311</u>	<u>95,364</u>
Net Position		
Committed	<u>\$ 331,488</u>	<u>\$ 170,182</u>



City of Lynnwood, Washington
Self Insurance Fund
Comparative Statement of Revenues, Expenses and Changes in Fund Net Position
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating Revenues		
Charges for services	\$ 156,396	\$ -
Operating Expenses		
Insurance and claims	1,542	-
Total Operating Expenses	1,542	-
Operating Income (Loss)	154,854	-
Non-Operating Revenues (Expenses)		
Investment interest	6,452	3,276
Insurance and claims	-	2,636
Total Non-Operating Revenues	6,452	5,912
Change in Net Position	161,306	5,912
Net Position Beginning of Year	170,182	164,270
Net Position End of Year	<u>\$ 331,488</u>	<u>\$ 170,182</u>

City of Lynnwood, Washington
Self Insurance Fund
Comparative Statement of Cash Flows
For the Years Ended December 31, 2019 and 2018

	2019	2018
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from interfund services provided	\$ 277,499	\$ -
Payments to other funds for services	-	-
Cash payments for goods and services	(12,595)	(77,384)
Net Cash Provided by (Used in) Operating Activities	264,904	(77,384)
Cash Flows from non-capital and related financing activities:		
Insurance recoveries	-	2,636
Receipts from non-capital grants	-	-
Interfund loans received/(paid)	(7,000)	7,000
Cash Flows from non-capital and related financing activities	(7,000)	9,636
Cash Flows from capital and related financing activities:		
Proceeds from disposition of capital assets	-	-
Capital Contributions	-	-
Net Cash Provided by (Used in) Capital and related financing activities	-	-
Cash Flows from Investing Activities		
Purchase of investments	-	-
Proceeds from sale and maturities of investment securities	-	31,696
Interest and dividends on investments	6,452	3,276
Net Cash Provided by (Used in) Investing Activities	6,452	34,972
Net Increase (Decrease) in Cash and Cash Equivalents	264,356	(32,776)
Cash and Cash Equivalents Beginning of Year	254	33,030
Cash and Cash Equivalents End of Year	\$ 264,610	\$ 254



City of Lynnwood, Washington
Self Insurance Fund
Comparative Statement of Cash Flows
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income (Loss)	\$ 154,854	\$ -
Adjustments:		
Depreciation	-	-
Other non-operating receipts/disbursements	-	-
(Increase) Decrease in Assets:		
Receivables, net	-	-
Inventories, deposits and prepaid expenses	121,103	(74,748)
Increase (Decrease) in Liabilities:		
Accounts Payable	(11,053)	(2,636)
Other Current Liabilities	-	-
Net Cash Provided by (Used in) Operating Activities	<u>\$ 264,904</u>	<u>\$ (77,384)</u>
Schedule of Non-Cash Capital and Related Financing Activities		
Fair value of investments increased (decreased) by	\$ -	\$ (35)
Total Non-Cash Activities	<u>\$ -</u>	<u>\$ (35)</u>

City of Lynnwood, Washington
Resource Retirement Contribution Fund
Comparative Statements of Net Position
December 31, 2019 and 2018

	2019	2018
Assets		
Current Assets:		
Cash and cash equivalents	\$ 16,980	\$ 17,952
Investments	15,213	13,336
Interest receivable		13
	\$ 32,193	\$ 31,301
Net Position		
Unrestricted	\$ 32,193	\$ 31,301

City of Lynnwood, Washington
Resource Retirement Contribution Fund
Comparative Statement of Revenues, Expenses and Changes in Fund Net Position
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Non-Operating Revenues		
Investment interest	\$ 892	\$ 608
Change in Net Position	892	608
Net Position Beginning of Year	<u>31,301</u>	<u>30,693</u>
Net Position End of Year	<u>\$ 32,193</u>	<u>\$ 31,301</u>



City of Lynnwood, Washington
Resource Retirement Contribution Fund
Comparative Statement of Cash Flows
For the Years Ended December 31, 2019 and 2018

	2019	2018
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from interfund services provided	\$ -	\$ -
Other cash receipts	-	-
Cash payments to employees for services	-	-
Other cash payments	-	-
Net Cash Provided by (Used in) Operating Activities	-	-
Cash Flows from Capital and Related Financing Activities		
Proceeds from disposition of capital assets	-	-
Payments for capital acquisitions	-	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	-	-
Cash Flows from Investing Activities		
Purchase of investments	(14,453)	(8,985)
Proceeds from sale and maturities of investment securities	12,576	10,980
Interest and dividends on investments	905	606
Net Cash Provided by (Used in) Investing Activities	(972)	2,601
Net Increase (Decrease) in Cash and Cash Equivalents	(972)	2,601
Cash and Cash Equivalents Beginning of Year	17,952	15,351
Cash and Cash Equivalents End of Year	\$ 16,980	\$ 17,952

City of Lynnwood, Washington
Resource Retirement Contribution Fund
Comparative Statement of Cash Flows
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating (Loss)	\$ -	\$ -
Adjustments:		
Depreciation	-	-
(Increase) Decrease in Assets:		
Intergovernmental receivable	-	-
Increase (Decrease) in Liabilities:		
Intergovernmental payable	-	-
Compensated absences	-	-
Net Cash Provided by (Used in) Operating Activities	<u>\$ -</u>	<u>\$ -</u>
Schedule of Non-Cash Capital and Related Financing Activities		
Fair value of investments increased (decreased) by	<u>\$ -</u>	<u>\$ (17)</u>
Total Non-Cash Activities	<u>\$ -</u>	<u>\$ (17)</u>

City of Lynnwood, Washington
Technology Reserve Fund
Comparative Statements of Net Position
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Current Assets:		
Cash and cash equivalents	\$ 109,933	\$ -
Investments	99,969	-
Total Current Assets	<u>209,902</u>	<u>-</u>
Liabilities		
Current Liabilities:		
Accounts payable	7,710	-
Total Current Liabilities	<u>7,710</u>	<u>-</u>
Net Position		
Restricted	<u>\$ 202,192</u>	<u>\$ -</u>

City of Lynnwood, Washington
Technology Reserve Fund
Comparative Statement of Revenues, Expenses and Changes in Fund Net Position
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating Revenues		
Charges for services	\$ 118,875	\$ -
Operating Expenses		
Administration and general	-	-
Maintenance and operations	68,780	-
Total Operating Expenses	68,780	-
Operating Income (Loss)	50,095	-
Non-Operating Revenues (Expenses)		
Investment interest	2,097	-
Total Non-Operating Revenues	2,097	-
Income Before Transfers in	52,192	-
Transfers in	150,000	-
Change in Net Position	202,192	-
Net Position Beginning of Year	-	-
Net Position End of Year	\$ 202,192	\$ -

City of Lynnwood, Washington
Technology Reserve Fund
Comparative Statement of Cash Flows
For the Years Ended December 31, 2019 and 2018

	2019	2018
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash received from interfund services provided	\$ 118,875	\$ -
Payments to other funds for services	-	-
Cash payments for goods and services	(61,070)	-
Net Cash Provided by (Used in) Operating Activities	57,805	-
Cash Flows from non-capital and related financing activities:		
Cash received from other funds	150,000	-
Cash Flows from non-capital and related financing activities	150,000	-
Cash Flows from capital and related financing activities:		
Proceeds from disposition of capital assets	-	-
Capital Contributions	-	-
Net Cash Provided by (Used in) Capital and related financing activities	-	-
Cash Flows from Investing Activities		
Purchase of investments	(98,961)	-
Interest and dividends on investments	1,089	-
Net Cash Provided by (Used in) Investing Activities	(97,872)	-
Net Increase (Decrease) in Cash and Cash Equivalents	109,933	-
Cash and Cash Equivalents Beginning of Year	-	-
Cash and Cash Equivalents End of Year	\$ 109,933	\$ -

City of Lynnwood, Washington
Technology Reserve Fund
Comparative Statement of Cash Flows
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities		
Operating Income (Loss)	\$ 50,095	\$ -
Adjustments:		
Depreciation	-	-
Other non-operating receipts/disbursements	-	-
(Increase) Decrease in Assets:		
Receivables, net	-	-
Inventories, deposits and prepaid expenses	-	-
Increase (Decrease) in Liabilities:		
Accounts Payable	7,710	-
Other Current Liabilities	-	-
Net Cash Provided by (Used in) Operating Activities	<u>\$ 57,805</u>	<u>\$ -</u>

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FIDUCIARY FUNDS



City of Lynnwood, Washington
Private Purpose Trust Funds
Combining Statement of Net Position
December 31, 2019

	<u>Recreation Scholarships</u>	<u>Court Trust</u>	<u>Total</u>
Assets			
Current Assets:			
Cash and cash equivalents	\$ 10,079	\$ 26,604	\$ 36,683
Investments	10,866	-	10,866
Total Current Assets	<u>20,945</u>	<u>26,604</u>	<u>47,549</u>
Net Position			
Restricted for private trust	<u>20,945</u>	<u>26,604</u>	<u>47,549</u>
Total Net Position	<u>\$ 20,945</u>	<u>\$ 26,604</u>	<u>\$ 47,549</u>



City of Lynnwood, Washington
Private Purpose Trust Funds
Combining Statement of Changes in Fiduciary Net Position
December 31, 2019

	<u>Recreation Scholarships</u>	<u>Court Trust</u>	<u>Total</u>
Additions:			
Contributions:			
Other	\$ 659	\$ 5,613,323	\$ 5,613,982
Total Additions	<u>659</u>	<u>5,613,323</u>	<u>5,613,982</u>
Deductions:			
Benefits and Disbursements	-	5,638,086	5,638,086
Total Deductions	<u>-</u>	<u>5,638,086</u>	<u>5,638,086</u>
Change in Net Position	659	(24,763)	(24,104)
Net Position Beginning of Year	<u>20,286</u>	<u>51,367</u>	<u>71,653</u>
Net Position End of Year	<u>\$ 20,945</u>	<u>\$ 26,604</u>	<u>\$ 47,549</u>



City of Lynnwood, Washington
Comparative Statement of Net Plan Position
Recreation Scholarship funds
Fiduciary Funds
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Restricted cash and investments	\$ 10,079	\$ 11,395
Investments	10,866	8,891
Total Assets	<u>20,945</u>	<u>20,286</u>
Net Position		
Committed for scholarships	<u>\$ 20,945</u>	<u>\$ 20,286</u>



City of Lynnwood, Washington
Comparative Statement of Changes in Fiduciary Net Position
Recreation Scholarship Funds
Fiduciary Funds
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Additions		
Contributions	\$ 659	\$ 404
Beginning Net Position	<u>20,286</u>	<u>19,882</u>
Ending Net Position	<u>\$ 20,945</u>	<u>\$ 20,286</u>



City of Lynnwood, Washington
Comparative Statement of Net Position
Court Trust Fund
Fiduciary Funds
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Restricted cash and investments	\$ 26,604	\$ 51,367
Net Position		
Restricted	<u>\$ 26,604</u>	<u>\$ 51,367</u>



City of Lynnwood, Washington
Statement of Changes in Fiduciary Net Position
Court Trust Fund
Fiduciary Funds
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Additions		
Court collections	\$ 5,613,323	\$ 22,427
Deductions		
Disbursements	<u>5,638,086</u>	<u>13,368</u>
Change in Net Position	(24,763)	9,059
Beginning Net Position	<u>51,367</u>	<u>42,308</u>
Ending Net Position	<u>\$ 26,604</u>	<u>\$ 51,367</u>



City of Lynnwood, Washington
Comparative Statement of Net Plan Position
Firemen's Pension Trust Fund
Fiduciary Funds
December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Assets		
Cash and cash equivalents	\$ 164,679	\$ 196,884
Investments	147,780	140,033
Interest Receivable	<u>-</u>	<u>135</u>
Total Assets	<u>312,459</u>	<u>337,052</u>
Net Position		
Restricted for pensions	<u>\$ 312,459</u>	<u>\$ 337,052</u>



City of Lynnwood, Washington
Statement of Changes in Fiduciary Net Position
Pension Trust Fund
Fiduciary Funds
For the Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Additions		
Intergovernmental revenues	\$ 62,165	\$ 61,710
Investment interest	10,344	6,977
Total Additions	<u>72,509</u>	<u>68,687</u>
Deductions		
Benefits	\$ 95,102	\$ 95,103
Administrative Expenses	2,000	4,500
Total Deductions	<u>97,102</u>	<u>99,603</u>
Change in Net Position	\$ (24,593)	\$ (30,916)
Beginning Net Position	337,052	367,968
Ending Net Position	<u>\$ 312,459</u>	<u>\$ 337,052</u>



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FEDERAL AWARDS AND SINGLE AUDIT



City of Lynnwood
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2019

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
NATIONAL PARK SERVICE, INTERIOR, DEPARTMENT OF THE (via Washington State Recreation and Conservation Office)	Outdoor Recreation Acquisition, Development and Planning	15.916	P19AP00196/ 18-1834D	24,878	-	24,878	-	
OFFICE OF JUSTICE PROGRAMS, JUSTICE, DEPARTMENT OF	Bulletproof Vest Partnership Program	16.607	OMB#1121- 0235	-	4,669	4,669	-	1, 2, 7
CRIMINAL DIVISION, JUSTICE, DEPARTMENT OF	Equitable Sharing Program	16.922	OMB#1123- 0011/ WA0310400	-	60,662	60,662	60,662	1, 2, 7
Highway Planning and Construction Cluster								
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	STPUL-9931 (009) LA-7167	3,872	-	3,872	-	1, 2, 7
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	STPUL-9931 (017) LA-8974	397,106	-	397,106	-	1, 2, 7
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	STPUL-2004 (037) LA-5787	295,713	-	295,713	-	1, 2, 7

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, 2019

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	HSIP-000S (311) LA-7808	391	-	391	-	1, 2, 7, 9
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	TAP-2523(003) LA-9367	1,317	-	1,317	-	1, 2, 7
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	TAP-9999(783) LA-8998	448	-	448	-	1, 2, 7
FEDERAL HIGHWAY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington State Department of Transportation)	Highway Planning and Construction	20.205	STPUL-2689 (001) LA-9612	5,724	-	5,724	-	1, 2, 7
Total Highway Planning and Construction Cluster:				704,571	-	704,571	-	
Highway Safety Cluster								
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Snohomish County Sheriff's Office)	State and Community Highway Safety	20.600	DUI Training	8,217	-	8,217	-	

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, 2019

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Traffic Safety Commission)	State and Community Highway Safety	20.600	2019-HVE-3325/ Statewide Distracted Driving Patrols	4,338	-	4,338	-	
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Traffic Safety Commission)	State and Community Highway Safety	20.600	2020-HVE-3770/ Target Zero Team Patrols	2,016	-	2,016	-	
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Traffic Safety Commission)	State and Community Highway Safety	20.600	2020-Sub-Grants-3899-LEL	1,326	-	1,326	-	
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Association of Sheriffs and Police Chiefs)	State and Community Highway Safety	20.600	Traffic Safety Grants	5,892	-	5,892	-	
			Total CFDA 20.600:	21,789	-	21,789	-	
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Snohomish County Sheriff's Office)	National Priority Safety Programs	20.616	Pedestrian Safety Campaign	10,517	-	10,517	-	

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, 2019

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Traffic Safety Commission)	National Priority Safety Programs	20.616	2019-Sub-Grants-3345-LEL	1,459	-	1,459	-	
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Traffic Safety Commission)	National Priority Safety Programs	20.616	2019-HVE-3325/ DUI	3,153	-	3,153	-	
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Traffic Safety Commission)	National Priority Safety Programs	20.616	2019-HVE-3325/ Statewide Click it or Ticket	1,863	-	1,863	-	
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Traffic Safety Commission)	National Priority Safety Programs	20.616	2019-HVE-3325/ Statewide Impaired Driving Patrols	1,808	-	1,808	-	
			Total CFDA 20.616:	18,800	-	18,800	-	
			Total Highway Safety Cluster:	40,589	-	40,589	-	
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION, TRANSPORTATION, DEPARTMENT OF (via Washington Traffic Safety Commission)	Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	2019-HVE-3325/ Motorcycle Safety	4,986	-	4,986	-	

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, 2019

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via Washington State Military Department)	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4242-DR- -WA/ DR16-462	250	-	250	-	1, 2, 7, 9
FEDERAL EMERGENCY MANAGEMENT AGENCY, HOMELAND SECURITY, DEPARTMENT OF (via King County Office of Emergency Management)	Preparing for Emerging Threats and Hazards	97.133	EMW-2016-GR- 00145-S01	3,548	-	3,548	-	1, 2, 7
Total Federal Awards Expended:				778,822	65,331	844,153	60,662	

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, 2019**

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 – Program Costs

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the City's portion, are more than shown. Such expenditures are recognized following, as applicable, either the cost principles in the OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 7 – Indirect Cost Rate

The City has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 9 – Prior Year Expenditures

Expenditures for this program include expenditures from prior years. The City received payments in 2019 upon the completion and closure of the grants.



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STATISTICAL SECTION



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

This part of the City of Lynnwood's comprehensive annual financial report presents detailed information as a context for understanding this year's financial statements, note disclosures, and supplementary information. This information has not been audited by the independent auditor.

Categories

Exhibits

Financial Trends

A-1 -- A-11

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-6

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.



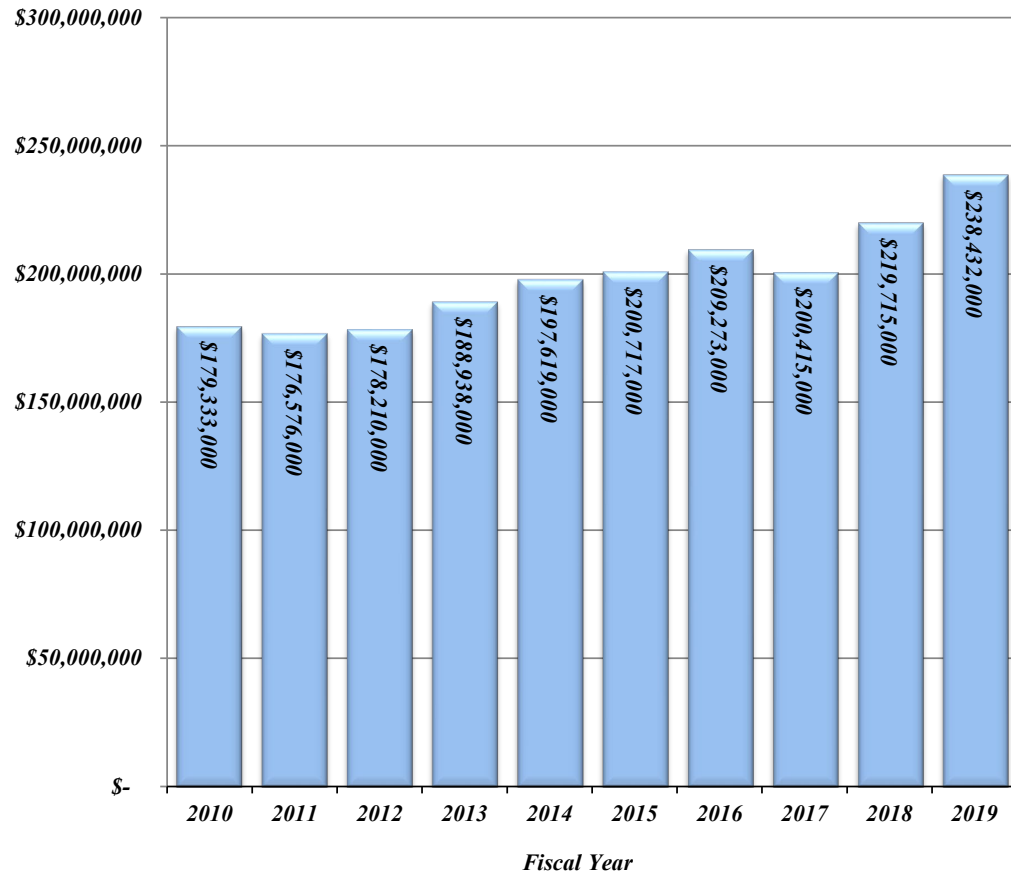
City of Lynnwood, Washington
 Government-wide Net Position by Category¹
 Last Ten Calendar Years
 (Amounts Expressed in \$1,000)
 (accrual basis of accounting)

	(Amounts Expressed in \$1,000)									
	December 31, 2010	December 31, 2011	December 31, 2012	December 31, 2013	Restated December 31, 2014	Restated December 31, 2015	December 31, 2016	Restated December 31, 2017	Restated December 31, 2018	December 31, 2019
Governmental Activities										
Net investment in capital assets	\$ 119,542	\$ 103,947	\$ 102,878	\$ 105,273	\$ 108,229	\$ 122,437	\$ 122,041	\$ 115,143	\$ 122,653	\$ 127,289
Restricted	3,434	8,796	6,906	9,357	12,091	13,139	15,688	19,279	29,450	33,132
Unrestricted	661	8,085	14,259	19,684	22,572	12,973	15,757	9,846	8,043	12,289
Subtotal Governmental Activities Net Position	123,637	120,828	124,043	134,314	142,892	148,549	153,486	144,268	160,146	172,710
Business-type Activities										
Net investment in capital assets	36,825	44,192	41,185	39,477	39,111	35,485	42,340	39,668	45,195	45,370
Restricted	1,733	8,960	5,997	2,759	3,144	1,579	13,941	1,865	576	577
Unrestricted	17,138	2,596	6,985	12,388	12,472	15,104	(494)	14,614	13,836	19,775
Subtotal Business-type Activities Net Position	55,696	55,748	54,167	54,624	54,727	52,168	55,787	56,147	59,607	65,722
Primary Government										
Net investment in capital assets	156,367	148,139	144,063	144,750	147,340	157,922	164,381	154,811	167,848	172,659
Restricted	5,167	17,756	12,903	12,116	15,235	14,718	29,629	21,144	30,026	33,709
Unrestricted	17,799	10,681	21,244	32,072	35,044	28,077	15,263	24,460	21,879	32,064
Total Primary Government Net Position	\$ 179,333	\$ 176,576	\$ 178,210	\$ 188,938	\$ 197,619	\$ 200,717	\$ 209,273	\$ 200,415	\$ 219,753	\$ 238,432
Total Percentage Increase or Decrease From Prior Fiscal Year	5.6%	-1.5%	0.9%	6.0%	4.6%	1.6%	4.3%	-4.2%	9.6%	8.5%
	Percentage of Total									
	December 31, 2010	December 31, 2011	December 31, 2012	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019
Governmental Activities										
Net investment in capital assets	96.7%	86.0%	82.9%	78.4%	75.7%	82.4%	79.5%	79.8%	76.6%	73.7%
Restricted	2.8%	7.3%	5.6%	7.0%	8.5%	8.8%	10.2%	13.4%	18.4%	19.2%
Unrestricted	0.5%	6.7%	11.5%	14.6%	15.8%	8.7%	10.3%	6.8%	5.0%	7.1%
Subtotal Governmental Activities Net Position	100.0%	100.0%	100.0%	99.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Business-type Activities										
Net investment in capital assets	66.1%	79.3%	76.0%	72.3%	71.5%	68.0%	75.9%	70.7%	75.8%	69.0%
Restricted	3.1%	16.1%	11.1%	5.1%	5.7%	3.0%	25.0%	3.3%	1.0%	0.9%
Unrestricted	30.8%	4.6%	12.9%	22.6%	22.8%	29.0%	-0.9%	26.0%	23.2%	30.1%
Subtotal Business-type Activities Net Position	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Primary Government										
Net investment in capital assets	87.2%	83.9%	80.8%	76.6%	74.6%	78.7%	78.5%	77.2%	76.4%	72.4%
Restricted	2.8%	10.1%	7.2%	6.4%	7.7%	7.3%	14.2%	10.6%	13.7%	14.1%
Unrestricted	6.0%	6.0%	12.0%	17.0%	17.7%	14.0%	7.3%	12.2%	10.0%	13.4%
Total Primary Government Net Position	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes:
¹ Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets, restricted; and unrestricted. Net position is considered restricted only when (1) an external party, such as the State of Washington, the Federal government, or bondholders, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the City. There are no restrictions currently reported as a result of enabling legislation.

Data Source:
 Applicable years' comprehensive annual financial reports adjusted as follows:
 2018 Governmental Activities Net Investment 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)									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses:										
General government	\$ 7,298	\$ 6,661	\$ 7,864	\$ 12,126	\$ 13,938	\$ 11,731	\$ 13,988	\$ 16,590	\$ 9,144	\$ 8,686
Judicial	1,174	1,046	1,060	1,567	998	1,080	1,056	1,080	1,032	960
Public safety	25,856	24,493	25,552	26,684	26,272	29,038	32,400	32,573	23,247	21,382
Physical environment	2,781	1,785	1,985	33	295	-	-	-	-	-
Transportation	5,283	4,255	4,983	7,362	8,843	6,110	5,975	7,194	9,873	8,565
Natural environment	-	-	-	153	110	283	346	-	-	-
Social services	-	-	-	408	418	460	362	520	549	553
Human services	-	-	-	-	-	-	-	-	-	-
Economic environment	3,291	2,834	2,668	2,780	4,230	2,874	3,443	3,757	5,740	5,851
Culture and recreation	5,789	7,289	7,406	8,250	6,833	6,793	6,923	12,050	8,940	8,131
Utilities	-	-	-	-	-	82	2	(55)	36	31
Interest on long-term debt	749	1,094	1,209	1,119	1,110	1,058	993	934	938	829
Total Expenses	52,221	49,457	52,727	60,482	63,047	59,509	65,488	74,643	59,499	54,988
Program Revenues:										
Charges for services:										
General government	1,749	2,760	2,683	6,880	4,907	5,262	3,768	4,371	4,789	3,802
Culture and recreation	1,727	2,185	2,860	2,715	2,695	2,407	2,725	5,010	3,235	2,944
Other activities	9,761	6,833	7,378	9,944	11,036	6,490	8,104	8,798	7,045	6,281
Operating grants and contributions	3,965	1,257	1,603	1,495	2,588	1,220	1,139	1,533	3,347	4,910
Capital grants and contributions	2,577	2,305	1,729	4,947	6,495	11,922	7,104	3,127	10,529	5,588
Total Program Revenues	19,779	15,340	16,253	25,981	27,721	27,301	22,840	22,839	28,945	23,525
Net (Expense) Revenue	(32,442)	(34,117)	(36,474)	(34,501)	(35,326)	(32,208)	(42,648)	(51,804)	(30,554)	(31,463)
General Revenues										
Taxes:										
Property	10,387	11,092	11,072	11,515	11,511	11,515	11,861	11,917	6,100	3,951
Sales	16,151	16,828	18,076	19,070	19,856	21,130	23,268	24,345	26,893	27,191
Other ¹	6,232	7,996	8,573	10,575	9,878	10,031	9,917	11,539	11,918	10,603
Transportation benefit district vehicle fees									1,242	1,152
Investment earnings	388	271	237	204	168	-	293	249	579	847
Miscellaneous	1,667	7	(74)	5	14	748	199	114	105	179
Gain (loss) on disposal of capital assets	-	-	-	(23)	247	175	-	-	-	154
Transfers	696	617	1,387	1,828	1,737	1,869	2,048	96	(442)	-
Total General Revenues	35,521	36,811	39,271	43,174	43,411	45,468	47,586	48,260	46,395	44,077
Change in Net Position	\$ 3,079	\$ 2,694	\$ 2,797	\$ 8,673	\$ 8,085	\$ 13,260	\$ 4,938	\$ (3,544)	\$ 15,841	\$ 12,614

Notes:

¹ Beginning in 2018, some amounts which had previously been classified as *Other* were broken out separately. Most are being retained in the *Other* category.

Data Source:

Applicable years' comprehensive annual financial report. Government-wide Statement of Activities

City of Lynnwood, Washington
 Changes in Net Position - Business-type Activities
 Last Ten Calendar Years
 (Amounts Expressed in \$1,000)
 (accrual basis of accounting)

	Calendar Year Ended December 31, (Amounts Expressed in \$1,000)									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses:										
Water/Sewer/Storm Water Utilities	\$ 11,612	\$ 12,841	\$ 14,314	\$ 14,297	\$ 14,917	\$ 17,442	\$ 15,144	\$ 21,001	\$ 19,418	\$ 19,052
Golf	1,449	1,082	1,068	977	1,019	1,115	1,113	1,188	1,241	1,310
Total Expenses	13,061	13,923	15,382	15,274	15,936	18,557	16,257	22,189	20,659	20,362
Program Revenues:										
Charges for services:										
Water/Sewer/Storm Water Utilities	12,543	13,740	14,348	16,125	17,242	18,292	19,870	20,794	21,624	23,141
Golf	984	1,067	949	1,083	1,113	1,213	1,148	1,131	1,292	1,345
Operating grants and contributions	-	-	106	-	170	-	-	-	-	-
Capital grants and contributions	248	212	124	225	823	111	875	476	280	844
Total Program Revenues	13,775	15,019	15,527	17,433	19,348	19,616	21,893	22,401	23,196	25,330
Net (Expense) Revenue	714	1,096	145	2,159	3,412	1,059	5,636	212	2,537	4,968
Investment earnings	96	72	50	27	18	16	154	228	476	1,131
Miscellaneous	-	-	-	234	46	2	3	16	5	4
Disposal of capital assets	-	2	-	(4)	1	-	(126)	-	-	12
Transfers	(696)	(617)	(1,387)	(1,827)	(1,737)	(1,869)	(2,048)	(96)	442	-
Total General Revenues	(600)	(543)	(1,337)	(1,570)	(1,672)	(1,851)	(2,017)	148	923	1,147
Change in Net Position	\$ 114	\$ 553	\$ (1,192)	\$ 589	\$ 1,740	\$ (792)	\$ 3,619	\$ 360	\$ 3,460	\$ 6,115

Data Source:

Applicable years' comprehensive annual financial report. Government-wide Statement of Activities.

City of Lynnwood, Washington
Changes in Net Position - Total
Last Ten Calendar Years
(Amounts Expressed in \$1,000)
(accrual basis of accounting)

	Calendar Year Ended December 31, (Amounts Expressed in \$1,000)									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses:										
Governmental activities ¹	\$ 52,221	\$ 49,457	\$ 52,727	\$ 60,482	\$ 63,047	\$ 59,509	\$ 65,488	\$ 74,643	\$ 59,499	\$ 54,988
Business-type activities ²	13,061	13,923	15,382	15,274	15,936	18,557	16,257	22,189	20,659	20,362
Total Expenses	65,282	63,380	68,109	75,756	78,983	78,066	81,745	96,832	80,158	75,350
Program Revenues:										
Governmental activities ¹	19,779	15,340	16,253	25,981	27,721	27,301	22,840	22,839	28,945	23,525
Business-type activities ²	13,775	15,019	15,527	17,433	19,348	19,616	21,893	22,401	23,196	25,330
Total Program Revenues	33,554	30,359	31,780	43,414	47,069	46,917	44,733	45,240	52,141	48,855
Net (Expense) Revenue	(31,728)	(33,021)	(36,329)	(32,342)	(31,914)	(31,149)	(37,012)	(51,592)	(28,017)	(26,495)
General Revenues:										
Governmental activities ¹	35,521	36,811	39,271	43,174	43,411	45,468	47,586	48,260	46,395	44,077
Business-type activities ²	(600)	(543)	(1,337)	(1,570)	(1,672)	(1,851)	(2,017)	148	923	1,147
Total General Revenues	34,921	36,268	37,934	41,604	41,739	43,617	45,569	48,408	47,318	45,224
Change in Net Position	\$ 3,193	\$ 3,247	\$ 1,605	\$ 9,262	\$ 9,825	\$ 12,468	\$ 8,557	\$ (3,184)	\$ 19,301	\$ 18,729

Data Source:

¹ Exhibit A-2

² Exhibit A-3

City of Lynnwood, Washington
Fund Balances - Governmental Funds
Calendar Year 2010
(Amounts Expressed in \$1,000)
(modified accrual basis of accounting)

	December 31,
	2010
General Fund	
Unreserved	\$ 4,638
General Fund Percentage Change	-4098.3%
All Other Governmental Funds	
Reserved	\$ 1,992
Unreserved	25
Special Revenue Funds	4,281
Capital Projects Funds	(16,935)
Subtotal All Other Governmental Funds	(10,637)
Total Governmental Funds	\$ (5,999)
All Governmental Funds Percentage Change	-157.0%

Notes:

The City implemented GASB Statement No. 54 in calendar year 2011.
 (Refer to Exhibit A-6 for 2011 - 2019)

Data Source:

Applicable years' financial statements - Governmental Funds Balance Sheet

City of Lynnwood, Washington
Fund Balances - Governmental Funds
Calendar Years 2011 - 2019
(Amounts Expressed in \$1,000)
(modified accrual basis of accounting)

	December 31,								
	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund									
Nonspendable	\$ 910	\$ 721	\$ 434	\$ 2,453	\$ 103	\$ 21	\$ 41	\$ 78	\$ 17
Restricted	88	180	86	87	-	-	-	-	-
Committed	31	1,033	2,030	5,848	5,815	6,000	6,000	6,000	6,000
Assigned	4,716	3,710	2,920	1,502	2,019	4,551	5,662	9,460	10,575
Unassigned	6,780	12,580	15,683	8,012	11,493	10,114	8,149	5,352	4,108
Total General Fund	\$ 12,525	\$ 18,224	\$ 21,153	\$ 17,902	\$ 19,430	\$ 20,686	\$ 19,852	\$ 20,890	\$ 20,700
General Fund Percentage Change	170.1%	45.5%	16.1%	-15.4%	8.5%	6.5%	-4.0%	5.2%	-0.9%
All Other Governmental Funds									
Restricted	\$ 5,266	\$ 5,983	\$ 8,834	\$ 10,619	\$ 13,138	\$ 15,688	\$ 19,279	\$ 21,740	\$ 24,866
Committed	1,247	1,715	1,558	1,099	340	817	671	1,378	1,878
Assigned	1,417	486	371	176	-	-	-	1,197	680
Unassigned	(26,038)	(1,156)	(1,069)	(142)	-	-	-	-	-
Total All Other Governmental Funds	\$ (18,108)	\$ 7,028	\$ 9,694	\$ 11,752	\$ 13,478	\$ 16,505	\$ 19,950	\$ 24,315	\$ 27,424
All Other Governmental Funds Percentage Change	70.2%	-138.8%	37.9%	21.2%	14.7%	22.5%	20.9%	21.9%	12.8%
Total Governmental Funds	\$ (5,583)	\$ 25,252	\$ 30,847	\$ 29,654	\$ 32,908	\$ 37,191	\$ 39,802	\$ 45,205	\$ 48,124
All Governmental Funds Percentage Change	-6.9%	-552.3%	22.2%	-3.9%	11.0%	13.0%	7.0%	13.6%	6.5%

Notes:

The City implemented GASB Statement No. 54 in calendar year 2011. (Refer to Exhibit A-5 for 2010).

Data Source:

Applicable years' comprehensive annual financial report/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)

For the Calendar Year Ended December 31,										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenue Source	Dollar Amounts (in thousands)									
Taxes	\$ 31,800	\$ 35,000	\$ 36,781	\$ 39,285	\$ 33,476	\$ 41,979	\$ 44,348	\$ 47,056	\$ 45,662	\$ 42,411
Licenses and permits	1,919	3,077	3,332	3,360	3,564	4,767	4,757	5,393	5,710	3,932
Intergovernmental	8,951	5,433	5,187	5,740	1,360	8,600	6,933	7,638	13,530	9,490
Charges for services	3,921	4,943	5,897	6,068	5,412	5,486	4,846	5,503	6,095	4,433
Fines and forfeitures	7,428	3,987	3,963	4,437	1,629	4,901	4,723	4,593	4,331	4,814
Investment earnings	357	266	232	200	16	108	275	228	570	749
Miscellaneous	412	373	438	405	434	642	2,456	1,141	688	385
Total revenues	\$ 54,788	\$ 53,079	\$ 55,830	\$ 59,495	\$ 45,891	\$ 66,483	\$ 68,338	\$ 71,552	\$ 76,586	\$ 66,214
% change from prior year	10.8%	-3.1%	5.2%	6.6%	-22.9%	44.9%	2.8%	4.7%	7.0%	-13.5%
	Percentage of Total									
Taxes	58.0%	65.9%	65.9%	66.0%	72.9%	63.1%	64.9%	65.8%	59.6%	64.1%
Licenses and permits	3.5%	5.8%	6.0%	5.6%	7.8%	7.2%	7.0%	7.5%	7.5%	5.9%
Intergovernmental	16.3%	10.2%	9.3%	9.6%	3.0%	12.9%	10.1%	10.7%	17.7%	14.3%
Charges for services	7.2%	9.3%	10.6%	10.2%	11.8%	8.3%	7.1%	7.7%	8.0%	6.7%
Fines and forfeitures	13.6%	7.5%	7.1%	7.5%	3.5%	7.4%	6.9%	6.4%	5.7%	7.3%
Investment earnings	0.7%	0.5%	0.4%	0.3%	0.0%	0.2%	0.4%	0.3%	0.7%	1.1%
Miscellaneous	0.8%	0.7%	0.8%	0.7%	0.9%	1.0%	3.6%	1.6%	0.9%	0.6%
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)								
2010	\$ 10,387	\$ 15,679	\$ 537	\$ 161	\$ 601	\$ 472	\$ 3,964	\$ 31,801
2011	11,092	16,318	456	162	555	510	5,907	35,000
2012	11,072	17,518	480	147	576	558	6,431	36,782
2013	11,264	28,450	491	120	617	620	7,726	49,288
2014	11,241	19,128	498	116	604	729	7,016	39,332
2015	11,515	21,130	512	130	604	827	7,261	41,979
2016	11,861	23,268	513	138	662	797	7,109	44,348
2017	11,917	24,345	510	135	678	810	8,661	47,056
2018	6,209	26,893	473	212	921	771	10,183	45,662
2019	3,991	27,191	469	159	792	854	8,955	42,411
% Change in Dollars Over 10 Years	-61.6%	73.4%	-12.7%	-1.2%	31.8%	80.9%	125.9%	33.4%
Percentage of Total								
2010	32.7%	49.3%	1.7%	0.5%	1.9%	1.5%	12.5%	100.0%
2011	31.7%	46.6%	1.3%	0.5%	1.6%	1.5%	16.9%	100.0%
2012	30.1%	47.6%	1.3%	0.4%	1.6%	1.5%	17.5%	100.0%
2013	22.9%	57.7%	1.0%	0.2%	1.3%	1.3%	15.7%	100.0%
2014	28.6%	48.6%	1.3%	0.3%	1.5%	1.9%	17.8%	100.0%
2015	27.4%	50.3%	1.2%	0.3%	1.4%	2.0%	17.3%	100.0%
2016	26.7%	52.5%	1.2%	0.3%	1.5%	1.8%	16.0%	100.0%
2017	25.3%	51.7%	1.1%	0.3%	1.4%	1.7%	18.5%	100.0%
2018	13.6%	58.9%	1.0%	0.5%	2.0%	1.7%	22.3%	100.0%
2019	9.4%	64.1%	1.1%	0.4%	1.9%	2.0%	21.1%	100.0%

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)

Function	For the Calendar Year Ended December 31,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Current:										
General government	\$ 8,854	\$ 8,056	\$ 8,307	\$ 8,330	\$ 9,903	\$ 8,960	\$ 10,183	\$ 10,410	\$ 9,004	\$ 8,473
Public safety	24,608	23,857	24,624	25,309	26,172	28,267	30,928	32,317	25,014	22,982
Judicial	1,166	1,046	1,060	1,055	997	1,083	1,058	1,105	1,054	1,024
Utilities & environment	-	-	-	1,280	251	201	154	31	30	25
Economic environment	-	-	-	2,786	2,997	2,931	3,659	3,939	5,944	5,995
Physical environment	5,915	4,882	4,685	-	110	-	-	-	-	-
Transportation	2,508	1,963	2,541	2,808	1,417	5,514	5,485	3,950	6,670	5,643
Social services	-	-	-	6,608	417	460	499	520	548	553
Culture and recreation	5,322	6,390	6,290	4,644	5,690	5,884	6,342	11,310	8,423	7,561
Total Current	\$ 48,373	\$ 46,194	\$ 47,507	\$ 52,820	\$ 47,954	\$ 53,300	\$ 58,308	\$ 63,582	\$ 56,687	\$ 52,256
% Change From Prior Year	-4.3%	-4.5%	2.8%	11.2%	-9.2%	11.1%	9.4%	9.0%	-10.8%	-7.8%
Capital Outlay	\$ 23,950	\$ 6,884	\$ 4,381	\$ 4,644	\$ 338	\$ 8,866	\$ 5,341	\$ 3,172	\$ 12,158	\$ 8,553
% Change From Prior Year	88.3%	-71.3%	-36.4%	6.0%	-92.7%	2523.1%	-39.8%	-40.6%	283.3%	-29.7%
Debt Service										
Principal	\$ 1,745	\$ 1,276	\$ 1,292	\$ 1,424	\$ 1,295	\$ 1,401	\$ 1,354	\$ 1,409	\$ 1,036	\$ 967
Interest	694	1,017	1,209	1,172	1,119	1,058	993	934	869	830
Other charges	-	-	217	-	-	-	-	-	-	-
Total Debt Service	\$ 2,439	\$ 2,293	\$ 2,718	\$ 2,596	\$ 2,414	\$ 2,459	\$ 2,347	\$ 2,343	\$ 1,905	\$ 1,797
% Change From Prior Year	-62.3%	-6.0%	18.5%	-4.5%	-7.0%	1.9%	-4.6%	-0.2%	-18.7%	-5.7%
Total Expenditures	\$ 74,762	\$ 55,371	\$ 54,606	\$ 60,060	\$ 50,706	\$ 64,625	\$ 65,996	\$ 69,097	\$ 70,750	\$ 62,606
% Change From Prior Year	7.2%	-25.9%	-1.4%	10.0%	-15.6%	27.5%	2.1%	4.7%	2.4%	-11.5%
Debt Service as a % of Noncapital Expenditures	4.8%	4.7%	5.4%	4.7%	4.8%	4.4%	3.9%	3.6%	3.3%	3.3%

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)

For the Calendar Year Ended December 31,										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function	Dollar Amounts (in thousands)									
Current:										
General government	\$ 8,854	\$ 8,056	\$ 8,307	\$ 8,330	\$ 9,903	\$ 8,960	\$ 10,183	\$ 10,410	\$ 9,004	\$ 8,473
Public safety	24,608	23,857	24,624	25,309	26,172	28,267	30,928	32,317	25,014	22,982
Judicial	1,166	1,046	1,060	1,055	997	1,083	1,058	1,105	1,054	1,024
Utilities & environment	-	-	-	1,280	251	201	154	31	30	25
Economic environment	-	-	-	2,786	2,997	2,931	3,659	3,939	5,944	5,995
Physical environment	5,915	4,882	4,685	-	110	-	-	-	-	-
Transportation	2,508	1,963	2,541	2,808	1,417	5,514	5,485	3,950	6,670	5,643
Social services	-	-	-	6,608	417	460	499	520	548	553
Culture and recreation	5,322	6,390	6,290	4,644	5,690	5,884	6,342	11,310	8,423	7,561
Total Current	\$ 48,373	\$ 46,194	\$ 47,507	\$ 52,820	\$ 47,954	\$ 53,300	\$ 58,308	\$ 63,582	\$ 56,687	\$ 52,256
	Percentage of Total									
Current:										
General government	18.3%	17.4%	17.5%	15.8%	20.7%	16.8%	17.5%	16.4%	15.9%	16.2%
Public safety	50.9%	51.6%	51.8%	47.9%	54.6%	53.0%	53.0%	50.8%	44.1%	44.0%
Judicial	2.4%	2.3%	2.2%	2.0%	2.1%	2.0%	1.8%	1.7%	1.8%	2.0%
Utilities & environment	0.0%	0.0%	0.0%	2.4%	0.5%	0.4%	0.3%	0.1%	0.1%	0.0%
Economic environment	0.0%	0.0%	0.0%	5.3%	6.2%	5.5%	6.3%	6.2%	10.5%	11.5%
Physical environment	12.2%	10.6%	9.9%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Transportation	5.2%	4.2%	5.3%	5.3%	3.0%	10.3%	9.4%	6.2%	11.8%	10.8%
Social services	0.0%	0.0%	0.0%	12.5%	0.9%	0.9%	0.9%	0.8%	1.0%	1.1%
Culture and recreation	11.0%	13.8%	13.2%	8.8%	11.9%	11.0%	10.9%	17.8%	14.8%	14.4%
Total Current	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Notes:

¹ Includes all governmental fund types.

Data Source:

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

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

Source	For the Calendar Year Ended December 31,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Total Revenues	\$ 54,788	\$ 53,079	\$ 55,830	\$ 59,495	\$ 45,891	\$ 66,483	\$ 68,338	\$ 71,552	\$ 76,586	\$ 66,214
Total Expenditures	74,762	55,371	54,606	60,060	50,706	64,625	65,996	69,097	70,750	62,606
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,974)	(2,292)	1,224	(565)	(4,815)	1,858	2,342	2,455	5,836	3,608
Other Financing Sources										
Transfers in	8,141	6,084	33,998	7,568	2,311	7,687	7,480	17,007	10,906	12,283
Transfers out	(7,495)	(5,672)	(30,958)	(5,435)	(3,527)	(5,818)	(5,545)	(16,911)	(11,348)	(12,433)
Refunding bonds issued	-	-	-	-	-	-	-	-	-	-
Bond issued	-	-	24,955	-	-	-	-	-	-	-
Premium on bonds	-	-	428	-	-	-	-	-	-	-
Insurance recoveries	-	-	1	2	-	(2)	-	-	-	-
Sale of capital assets	2,819	3,531	1	-	368	-	6	59	9	-
Total Other Financing Sources	3,465	3,943	28,425	2,135	(848)	1,867	1,941	155	(433)	(150)
Net Change in Fund Balances	\$ (16,509)	\$ 1,651	\$ 29,649	\$ 1,570	\$ (5,663)	\$ 3,725	\$ 4,283	\$ 2,610	\$ 5,403	\$ 3,458

Data Source:

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

City of Lynnwood, Washington
Taxable Assessed Value of Property
Last Ten Calendar Years

Calendar Year Ended December 31,	Total Direct Tax Rate ¹	Total Assessed Value ^{2,3}	Annual Percentage Change
2010	2.0000	\$ 5,237,466,464	-3.3%
2011	2.3700	4,726,403,303	-9.8%
2012	2.6500	4,207,375,958	-11.0%
2013	2.7400	4,077,655,634	-3.1%
2014	2.5700	4,404,126,247	8.0%
2015	2.4504	4,771,220,851	8.3%
2016	2.2995	5,172,943,809	8.4%
2017	2.1328	5,654,422,666	9.3%
2018	0.9488	6,272,081,312	10.9%
2019	0.5702	7,015,500,457	11.9%

Notes:

¹ Tax rates expressed in rate per \$1,000.

² All property is assessed at 100% of fair market value.

³ Assessed value by property classes is not available.

Data Source:

Snohomish County Tax Assessor's Annual Report

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	
2010	1.50	0.50	2.00		3.42	0.78	1.99	0.58	8.77
2011	1.87	0.50	2.37		4.15	0.87	2.21	0.60	10.20
2012	2.15	0.50	2.65		4.70	0.98	2.38	0.61	11.32
2013	2.24	0.50	2.74		4.97	1.08	2.43	0.61	11.83
2014	2.07	0.50	2.57		4.65	1.08	2.38	0.61	11.29
2015	1.98	0.47	2.45		4.93	1.00	2.28	0.57	11.23
2016	1.86	0.44	2.30		4.67	0.89	2.12	0.57	10.56
2017	1.73	0.41	2.14		4.78	0.84	2.03	0.79	10.57
2018	0.57	0.37	0.94	1.50	4.76	0.79	2.85	0.69	11.53
2019	0.57	-	0.57	1.87	3.76	0.72	2.57	0.75	10.24

Data Source:

Snohomish County Assessor's Office Annual Report for [respective year] Taxes

City of Lynnwood, Washington
Property Tax Levies and Collections
Last Ten Calendar Years

Calendar Year Ended December 31,	Taxes Levied for the Calendar Year	Collected Within the Calendar Year of the Levy		Collections in Subsequent Years ¹	Total Collections to Date		Total Uncollected Taxes	
		Amount	Percentage of Levy		Amount	Percentage of Levy	Amount	Percentage of Levy
2010	10,497,809	10,204,634	97.21%	181,266	10,385,900	98.93%	111,909	1.07%
2011	11,199,322	10,900,599	97.33%	183,147	11,083,746	98.97%	115,576	1.03%
2012	11,147,913	10,861,252	97.43%	218,703	11,079,955	99.39%	67,958	0.61%
2013	11,162,474	10,975,171	98.32%	215,576	11,190,747	100.25%	(28,273)	-0.25%
2014	11,325,709	11,124,426	98.22%	183,332	11,307,758	99.84%	17,951	0.16%
2015	11,670,607	11,520,374	98.71%	109,462	11,629,836	99.65%	40,771	0.35%
2016	11,895,122	11,723,059	98.55%	175,973	11,899,032	100.03%	(3,910)	-0.03%
2017	12,059,919	11,840,572	98.18%	113,395	11,953,967	99.12%	105,952	0.88%
2018	5,950,633	5,796,456	97.41%	253,486	6,049,942	101.67%	(99,309)	-1.67%
2019	3,999,999	3,922,053	98.05%	46,320	3,968,373	99.21%	31,626	0.79%

Notes:

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

Data Source:

Snohomish County Fund Distribution for Period from 01/01/2019 to 12/31/2019

City of Lynnwood, Washington
Principal Property Taxpayers
Calendar Year Ended December 31, 2019 and 2009

2019				
<u>Principal Taxpayer</u>	<u>Nature of Business</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Alderwood Mall	Retail Sales	\$ 158,516,621	1	2.26%
Merlone Geier Partners	Commercial	78,858,000	2	0.77%
HPP Hudson Northview LLC	Office Building	54,174,800	3	1.12%
Alderwood Heights Associates II LLC	Multi-Family Housing	50,250,000	4	0.72%
Redstone WA Property LLC	Office Building	43,467,000	5	0.62%
Macy's	Retail Sales	40,414,000	6	0.58%
Alaska Electrical Pension Fund	Office Building	40,699,410	7	0.58%
Whispering Cedars Associates	Multi-Family Housing	36,668,000	8	0.52%
Gemini Alderwood Park Fee Owner LLC	Multi-Family Housing	35,720,000	9	0.51%
CEP III Collins 18 LLC	Commercial	35,230,000	10	0.50%
Total Principal Taxpayers		573,997,831		8.18%
All Other Taxpayers		6,441,502,626		91.82%
Total		\$ 7,015,500,457		100.00%

2009 ¹				
<u>Principal Taxpayer</u>	<u>Nature of Business</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Alderwood Mall LLC	Retail Sales	\$ 134,355,100	1	2.48%
Northview Corporate Center LLC	Commercial	43,779,300	2	0.81%
ECI Three Adlerwood LLC	Retail Sales	41,441,500	3	0.76%
Transwestern Investment Co.	Real Estate Management	39,938,000	4	0.74%
Alderwood Plaza LLC	Commercial	32,225,000	5	0.59%
Lynnwood Center LLC	Commercial	31,246,692	6	0.58%
Verizon Northwest Inc.	Retail Sales	25,914,020	7	0.48%
Macy's	Retail Sales	23,695,500	8	0.44%
Lynnwood Square	Retail Sales	23,591,700	9	0.44%
Fred Meyer Stores Inc	Retail Sales	21,667,200	10	0.40%
Total Principal Taxpayers		417,854,012		7.71%
All Other Taxpayers		4,999,997,981		92.29%
Total		\$ 5,417,851,993		100.00%

Data Source:

Snohomish County Assessor's Office

¹ Although the prescribed reported date for the comparative amount is nine years prior to the current year which would be 2010, information for that period is not currently available.

City of Lynnwood, Washington
Direct and Overlapping Sales Tax Rates
Last Ten Calendar Years

Calendar Year	Direct City	Overlapping				State of Washington	Total Direct and Overlapping Rate
		Local Transit	Regional Transit Authority	Snohomish County	Transportation Benefit District		
2010	1.00%	0.90%	0.90%	0.20%		6.50%	9.50%
2011	1.00%	0.90%	0.90%	0.20%		6.50%	9.50%
2012	1.00%	0.90%	0.90%	0.20%		6.50%	9.50%
2013	1.00%	0.90%	0.90%	0.20%		6.50%	9.50%
2014	1.00%	0.90%	0.90%	0.20%		6.50%	9.50%
2015	1.00%	0.90%	0.90%	0.20%		6.50%	9.50%
2016	1.00%	1.20%	0.90%	0.20%		6.50%	9.80%
2017	1.00%	1.20%	1.40%	0.20%	0.10%	6.50%	10.40%
2018	1.00%	1.20%	1.40%	0.20%	0.10%	6.50%	10.40%
2019	1.00%	1.20%	1.40%	0.30%	0.10%	6.50%	10.50%

Note:

Beginning April 1, 2019, the local sales and use tax rate increased one-tenth of one percent (.001) for emergency communication systems and facili

Data Source :

State of Washington, Department of Revenue

City of Lynnwood, Washington
Principal Sales Taxpayers
Calendar Years 2010 through 2019

Principal Taxpayers by Category	Taxes Paid 2019	Taxes Paid 2018	Taxes Paid 2017	Taxes Paid 2016	Taxes Paid 2015	Taxes Paid 2014	Taxes Paid 2013	Taxes Paid 2012	Taxes Paid 2011	Taxes Paid 2010
Retail Trade	\$ 10,280,408	\$ 9,710,595	\$ 9,776,639	\$ 9,771,179	\$ 12,786,672	\$ 12,342,860	\$ 17,680,052	\$ 16,501,715	\$ 15,298,365	\$ 14,562,373
Motor Vehicle & Parts Dealers	4,852,774	4,813,550	4,610,461	3,990,656	Incl above	Incl above	Incl above	Incl above	Incl above	Incl above
Construction	2,106,138	2,260,622	1,756,171	2,303,455	1,651,459	1,301,965	Incl above	Incl above	Incl above	Incl above
Accommodation & Food Services	1,916,984	2,142,572	2,066,652	2,041,157	2,053,905	1,833,858	Incl above	Incl above	Incl above	Incl above
Mfg and Wholesale Trade	1,134,533	1,141,932	963,918	789,847	784,018	756,127	Incl above	Incl above	Incl above	Incl above
Telecommunication & Other Information Services	688,452	709,205	717,860	706,483	677,902	637,232	Incl above	Incl above	Incl above	Incl above
Professional, Scientific and Technical Services	471,275	294,967	274,379	264,668	258,957	225,857	Incl above	Incl above	Incl above	Incl above
Finance and Insurance	308,433	282,363	296,574	253,408	182,858	151,960	Incl above	Incl above	Incl above	Incl above
Real Estate, Rental, Leasing	271,713	261,701	262,750	283,375	220,892	260,620	Incl above	Incl above	Incl above	Incl above
Arts, Entertainment and Recreation	146,474	137,536	134,672	127,771	131,632	105,006	Incl above	Incl above	Incl above	Incl above
All Other Categories	1,485,226	1,154,305	1,026,283	606,282	475,036	648,380	Incl above	Incl above	Incl above	Incl above
Other Sales Tax - Criminal Justice and TBD	3,528,629	3,984,102	2,458,299	872,590	840,695	812,585	783,923	487,043	461,592	\$ 465,957
Total Paid	\$ 27,191,039	\$ 26,893,450	\$ 24,344,658	\$ 22,010,871	\$ 20,064,026	\$ 19,076,450	\$ 18,463,975	\$ 16,988,758	\$ 15,759,957	\$ 15,028,330

Note: Information is provided by category because of individual taxpayer information is confidential

Data Source:

State of Washington, Department of Revenue. Detail by category unavailable until 2014.

City of Lynnwood, Washington
Ratios of Total Debt Outstanding by Type
Last Ten Fiscal Years

December 31,	Governmental Activities			Business-type	Total	Less: Amounts	Net	Personal	Percentage	Estimated	Total
	General	Special	Total	Activities							
	Obligation	Assessment		Revenue							Per
	Bonds	Bonds		Bonds ⁴	Debt	Service Funds			Income ²		Capita ³
2010	\$ 22,835,546	\$ 3,930,000	\$ 26,765,546	\$ 15,856,515	\$ 42,622,061	\$ 588,605	\$ 42,033,456	\$ 603,899,840	4.02%	35,836	\$ 1,173
2011	\$ 28,051,771	\$ 3,430,000	\$ 31,481,771	\$ 14,756,515	\$ 46,238,286	\$ 588,605	\$ 45,649,681	\$ 619,492,047	3.47%	35,860	\$ 1,273
2012	\$ 27,522,029	\$ 3,185,000	\$ 30,707,029	\$ 13,595,758	\$ 44,302,787	\$ 588,605	\$ 43,714,182	\$ 674,638,431	6.57%	35,900	\$ 1,218
2013	\$ 26,673,142	\$ 2,125,000	\$ 28,798,142	\$ 12,410,000	\$ 41,208,142	\$ 588,605	\$ 40,619,537	\$ 675,765,961	6.10%	35,960	\$ 1,130
2014	\$ 25,818,178	\$ 1,670,000	\$ 27,488,178	\$ 11,870,000	\$ 39,358,178	\$ 588,605	\$ 38,769,573	\$ 714,404,916	5.51%	36,485	\$ 1,063
2015	\$ 24,935,221	\$ 1,105,000	\$ 26,040,221	\$ 37,107,602	\$ 63,147,823	\$ 1,865,542	\$ 61,282,281	\$ 722,144,329	8.74%	36,420	\$ 1,683
2016	\$ 24,071,075	\$ 615,000	\$ 24,686,075	\$ 35,783,434	\$ 60,469,509	\$ 1,865,542	\$ 58,603,967	\$ 1,842,086,960	3.28%	36,590	\$ 1,602
2017	\$ 23,177,123	\$ 100,000	\$ 23,277,123	\$ 34,221,596	\$ 57,498,719	\$ 1,865,542	\$ 55,633,177	\$ 1,938,138,350	2.97%	36,950	\$ 1,506
2018	\$ 22,241,587	\$ -	\$ 22,241,587	\$ 52,235,464	\$ 74,477,051	\$ 122,476	\$ 74,477,051	\$ 2,138,274,880	3.48%	38,260	\$ 1,947
2019	\$ 21,275,000	\$ -	\$ 21,275,000	\$ 50,200,763	\$ 71,475,763	\$ 117,280	\$ 71,475,763	\$ 2,592,560,000	2.76%	39,600	\$ 1,805

Notes:

¹ Exhibit D-1

² Total Outstanding Debt/Personal Income

³ Total Outstanding Debt/Estimated Population

⁴ 2017 through 2019 include unamortized portion of premium.

City of Lynnwood, Washington
Ratios of Total Debt Outstanding by Type
Last Ten Calendar Years

Calendar Year	General Obligation (GO) Bonds ¹	Percentage of Actual Taxable Value of Property	Estimated Population	Debt Per Capita
2010	\$ 22,835,546	0.44%	35,836	\$ 637
2011	28,051,771	0.59%	35,860	782
2012	27,522,029	0.65%	35,900	767
2013	26,673,142	0.65%	35,960	742
2014	25,818,178	0.59%	36,485	708
2015	24,935,221	0.52%	36,420	685
2016	24,071,075	0.47%	36,590	658
2017	23,177,123	0.41%	36,950	627
2018	22,241,587	0.35%	38,260	581
2019	21,275,000	0.30%	39,600	537

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, 2019

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable ¹	Estimated Share of Overlapping ² Debt
Overlapping Debt ²			
Debt Repaid With Property Taxes			
Edmonds School District #15	\$ 298,470,000	21.92%	\$ 65,422,332
Public Hospital District #2 (Verdant Health Commission)	1,011,860	20.30%	205,451
Snohomish County	<u>337,907,769</u>	5.28%	<u>17,847,168</u>
Total Overlapping Debt	637,389,629		83,474,951
Other Debt			
Snohomish County	3,690,362	5.28%	194,913
City Direct Debt ³	21,275,000	100%	<u>21,275,000</u>
Total Direct and Overlapping Governmental Debt			<u><u>\$ 104,944,864</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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Assessed Value ¹	\$ 5,237,466,464	\$ 4,726,403,303	\$ 4,207,375,958	\$ 4,077,655,634	\$ 4,404,126,247	\$ 4,771,220,851	\$ 5,172,943,809	\$ 5,654,422,666	\$ 6,272,081,312	\$ 7,015,500,457
Legal Debt Margin ²										
<i>Debt limits:</i>										
2.5% of assessed value total	\$ 130,936,662	\$ 118,160,083	\$ 105,184,399	\$ 101,941,391	\$ 110,103,156	\$ 119,280,521	\$ 129,323,595	\$ 141,360,567	\$ 156,802,033	\$ 175,387,511
1.5% of assessed value (nonvoted)	78,561,997	70,896,050	63,110,639	61,164,835	66,061,894	71,568,313	77,594,157	84,816,340	94,081,220	105,232,507
Less: debt applicable to limit:										
General obligation debt (City)	(22,835,546)	(28,051,771)	(27,522,029)	(26,673,142)	(25,818,178)	(24,935,221)	(24,071,075)	(23,177,123)	(22,241,587)	(21,275,000)
Lynnwood Public Fac. Dist. ³	(28,599,085)	(28,311,621)	(27,911,542)	(27,213,944)	(26,288,404)	(26,489,700)	(25,962,583)	(24,976,766)	(23,656,949)	(21,086,700)
Add: available assets	520,047	837,663	559,756	304,523	165,104	164,110	148,156	149,480	122,476	117,280
Legal debt margin 1.5% - without a vote	\$ 27,647,413	\$ 15,370,321	\$ 8,236,824	\$ 7,582,272	\$ 14,120,416	\$ 20,307,502	\$ 27,708,655	\$ 36,811,931	\$ 48,305,160	\$ 62,988,087
As a percentage of debt limit	35.19%	21.68%	13.05%	12.40%	21.37%	28.37%	35.71%	43.40%	51.34%	59.86%
2.5% of assessed value total	\$ 130,936,662	\$ 118,160,083	\$ 105,184,399	\$ 101,941,391	\$ 110,103,156	\$ 119,280,521	\$ 129,323,595	\$ 141,360,567	\$ 156,802,033	\$ 175,387,511
Less: debt applicable to limit:										
General obligation debt (City)	(22,835,546)	(28,051,771)	(27,522,029)	(26,673,142)	(25,818,178)	(24,935,221)	(24,071,075)	(23,177,123)	(22,241,587)	(21,275,000)
Lynnwood Public Fac. Dist. ³	(28,599,085)	(28,311,621)	(27,911,542)	(27,213,944)	(26,288,404)	(26,489,700)	(25,962,583)	(24,976,766)	(23,656,949)	(21,086,700)
Add: available assets	520,047	837,663	559,756	304,523	165,104	164,110	148,156	149,480	122,476	117,280
Legal debt margin 2.5% - with a vote	\$ 80,022,078	\$ 62,634,354	\$ 50,310,584	\$ 48,358,828	\$ 58,161,678	\$ 68,019,710	\$ 79,438,093	\$ 93,356,158	\$ 111,025,973	\$ 133,143,091
As a percentage of debt limit	61.12%	53.01%	47.83%	47.44%	52.82%	57.02%	61.43%	66.04%	70.81%	75.91%

Notes:

² Under state law, voters may approve general obligation debt issues of up to 7.5% of the assessed value. This 7.5% debt capacity is allocated equally among general government, parks and open space and utilities, resulting in 2.5% for each purpose. Within the 2.5% limit, the City Council has the authority to issue bonds without voter approval for a combined total of up to 1.5% of the City's assessed valuation. This schedule reports limits for *General Purpose*. Refer to Exhibit C-5 for the *Utility Purpose Limit*, and Exhibit C-6 for the *Open Space, Park & Capital Facilities* limits.

³ Because the City is contingently liable for the debt of the Lynnwood Public Facilities District, the debt is subject to the City's Legal Debt Margin.

Data Source:

¹ Snohomish County Tax Assessor's Annual Report

City of Lynnwood, Washington
 Legal Debt Margin - 2.5% Utility Purpose Limit Voted
 Last Ten Calendar Years

	December 31,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Assessed Value ¹	\$ 5,237,466,464	\$ 4,726,403,303	\$ 4,207,375,958	\$ 4,077,655,634	\$ 4,404,126,247	\$ 4,771,220,851	\$ 5,172,943,809	\$ 5,654,422,666	\$ 6,272,081,312	\$ 7,015,500,457
Legal Debt Margin ²										
Debt limit (2.5% of assessed value)	\$ 130,936,662	\$ 118,160,083	\$ 105,184,399	\$ 101,941,391	\$ 110,103,156	\$ 119,280,521	\$ 129,323,595	\$ 141,360,567	\$ 156,802,033	\$ 175,387,511
Less: debt applicable to limit: General obligation debt	-	-	-	-	-	-	-	-	-	-
Add: available assets	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 130,936,662	\$ 118,160,083	\$ 105,184,399	\$ 101,941,391	\$ 110,103,156	\$ 119,280,521	\$ 129,323,595	\$ 141,360,567	\$ 156,802,033	\$ 175,387,511
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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Assessed Value ¹	\$ 5,237,466,464	\$ 4,726,403,303	\$ 4,207,375,958	\$ 4,077,655,634	\$ 4,404,126,247	\$ 4,771,220,851	\$ 5,172,943,809	\$ 5,654,422,666	\$ 6,272,081,312	\$ 7,015,500,457
Legal Debt Margin ²										
Debt limit (2.5% of assessed value)	\$ 130,936,662	\$ 118,160,083	\$ 105,184,399	\$ 101,941,391	\$ 110,103,156	\$ 119,280,521	\$ 129,323,595	\$ 141,360,567	\$ 156,802,033	\$ 175,387,511
Less: debt applicable to limit:										
General obligation debt ³	-	-	-	-	-	-	-	-	-	-
Add: Available assets	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$ 130,936,662	\$ 118,160,083	\$ 105,184,399	\$ 101,941,391	\$ 110,103,156	\$ 119,280,521	\$ 129,323,595	\$ 141,360,567	\$ 156,802,033	\$ 175,387,511
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
2010	\$12,548,396	\$ 9,453,570	\$3,094,826	\$1,060,000	\$ 372,450	\$1,432,450	2.16
2011	13,847,973	9,970,356	3,877,617	1,100,000	629,933	1,729,933	2.24
2012	15,315,872	12,383,231	2,932,641	1,145,000	568,660	1,713,660	1.71
2013	16,686,124	11,657,694	5,028,430	1,170,000	522,896	1,692,896	2.97
2014	18,187,155	14,035,457	4,151,698	540,000	476,063	1,016,063	4.09
2015	18,292,097	13,646,177	4,645,920	1,002,836	512,298	1,515,134	3.07
2016	19,870,417	13,798,270	6,072,147	1,391,494	1,376,323	2,767,817	2.19
2017	20,793,661	15,917,018	4,876,643	1,405,000	1,302,538	2,707,538	1.80
2018	21,623,701	14,966,052	6,657,649	1,170,000 ²	1,238,530	2,408,530	2.76
2019	23,140,625	14,817,344	8,323,281	1,825,000	2,145,422	3,970,422	2.10

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
2010	35,836	1,427,849,584 ^a	39,844 ^a	37.0	5,582	9.2%	9.1%	9.4%
2011	35,860	1,501,780,940 ^a	41,879 ^a	37.4	6,264	8.9%	7.8%	9.1%
2012	35,900	1,581,107,800 ^a	44,042 ^a	37.7	7,370	7.2%	6.1%	8.2%
2013	35,960	1,605,290,360 ^a	44,641 ^a	38.0	9,107	5.3%	5.3%	7.5%
2014	36,030	1,689,374,640 ^a	46,888 ^a	36.5	10,799	5.5%	4.7%	6.1%
2015	36,420	1,765,932,960 ^a	48,488 ^a	38.6	9,417	5.0%	5.0%	5.3%
2016	36,590	1,842,086,960 ^b	50,344 ^b	37.0	9,775	4.9%	5.3%	4.9%
2017	36,950	1,938,138,350 ^b	52,453 ^b	37.0	7,290	4.2%	4.8%	4.4%
2018	38,260	2,138,274,880 ^b	55,888 ^b	37.0	7,111	4.0%	4.5%	3.9%
2019	39,600	2,592,560,000 ^c	65,469 ^c	39.5	7,324	3.1%	4.3%	3.5%

Data Source:

¹ Snohomish County: <https://www.ofm.wa.gov/washington-data-research/population-demographics/population-estimates/april-1-official-population-estimates>

^{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, Statewide Personal Income, per Bureau of Economic Analysis, applied to Lynnwood population.

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 Statewide Personal Income applied to Lynnwood population

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

^{4b} <https://censusreporter.org/profiles/16000US5340840-lynnwood-wa/>

⁵ Office of Superintendent of Public Instruction, Washington State Data Portal, Report Title: Report Card Enrollment for 2019-20. Edmonds School District Schools within City limits only. Excludes private schools and college enrollment.

⁶ Washington State Employment Security: <https://esd.wa.gov/labormarketinfo/labor-force> Data File: LAUS-Historical-NSA-City.xlsx (annual average)

⁷ U.S. Department of Labor, Bureau of Labor Statistics, <https://stats.bls.gov/cps>

⁸ U.S. Department of Labor, Bureau of Labor Statistics, <https://bls.gov/data/#unemployment>

City of Lynnwood, Washington
Principal Employers
 For the Calendar Years Ended December 31, 2019 and 2010

		2019		
Employer	Product/Service	Number of Employees	Rank	Percentage of Total City Employment
Edmonds School District ¹	Public Education	1,913	1	10.14%
Edmonds Community College ²	Public Education	956	2	5.07%
Nordstrom	Retail	408	3	2.16%
Zumiez Inc	Corporate Headquarters	310	4	1.64%
Fred Meyer Stores	Retail	307	6	1.63%
City of Lynnwood ³	Government	305	5	1.62%
Macy's West Stores Inc	Retail	295	7	1.56%
Costco	Wholesale Warehouse	271	8	1.44%
Costco Business Center	Wholesale Warehouse	256	9	1.36%
Cheesecake Factory	Restaurant	189	10	1.00%
Total Principal Employers		5,210		27.63%
Total Other Employers ⁴		13,647		72.37%
Total Employers		18,857		100.00%

		2010		
Employer	Product/Service	Number of Employees	Rank	Percentage of Total City Employment
Volunteers of America		350	1	2.21%
Macy's West Stores Inc	Retail	338	2	2.14%
Nordstrom	Retail	308	3	1.95%
J C Penney	Retail	283	4	1.79%
Fred Meyer Stores	Retail	219	5	1.38%
Costco Wholesale	Wholesale Warehouse	198	6	1.25%
Receivables Performance Management		193	7	1.22%
Target	Retail	191	8	1.21%
Pemco Mutual Insurance Company	Insurance	173	9	1.09%
Sears Roebuck & Co.	Retail	145	10	0.92%
Total Principal Employers		2,398		15.16%
Total Other Employers		13,415		84.84%
Total Employers		15,813		100.00%

Data Source:

¹ Per Edmonds School District, they do 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

³ City of Lynnwood Employees based on FTE count per budget documents which includes approximately 150 FTE part time employees in positions ranging from part-time camp counselors during summer months to interns and volunteers to full time police officers and maintenance workers.

⁴ As of 2019, Business Licenses being issued through the State of Washington, not the City of Lynnwood. The total other employers data was acquired from the Business License Department based on number of employees reported at the time 2019 business licenses were issued less the top 10 employers which are listed individually. Full Time per Business License Data are employees reported as working 15 hours or more. Part-time employees are those working less than 15 hours.

Note: Prior to 2015 the school district, college and municipality were not included.

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

Function/Program	December 31,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government	117.34	79.67	79.67	84.41	82.06	86.50	94.00	89.23	79.15	89.00
Public Safety										
Police										
Officer	85.00	75.00	75.00	72.00	72.00	72.00	72.00	74.00	74.00	74.00
Civilians	15.00	12.00	12.00	12.00	12.00	14.00	14.00	11.00	15.00	15.00
Detention and corrections	16.00	17.00	17.00	15.00	15.00	15.00	15.00	16.00	20.00	17.00
Animal control	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Fire ¹										
Firefighters, medics and officers	60.00	53.00	53.00	58.00	57.00	56.00	56.00	-	-	-
Civilians	3.40	1.40	1.40	1.50	2.50	2.50	2.50	-	-	-
Public Works										
Engineering and inspections	20.63	20.75	20.75	18.00	20.50	21.00	21.00	19.75	23.75	28.00
Street maintenance	12.00	11.00	11.00	9.15	9.15	10.00	10.00	8.80	8.90	9.00
Water	19.00	9.00	9.00	9.00	9.35	9.00	9.00	8.85	8.85	8.00
Sewer	19.00	19.00	19.00	19.00	20.00	19.00	19.00	21.85	21.85	24.00
Storm drainage	6.00	10.00	10.00	10.00	11.00	10.00	10.00	11.75	11.75	6.00
Culture and Recreation	56.97	46.83	46.83	41.98	41.98	38.50	35.00	39.75	40.75	40.75
Total	432.34	355.65	355.65	351.04	353.54	354.50	358.50	301.98	305.00	311.75
Percentage Change From Prior Year	8.8%	-17.7%	0.0%	-1.3%	0.7%	0.3%	1.1%	-15.8%	1.0%	2.2%

Data Source:

City budgets except for 2019 which was from Police Department and payroll reports

¹ Fire Department Employees were transferred to South Snohomish County Regional Fire & Rescue in 2017 and are no longer City employees.

Throughout the year, the City will employ approximately 150 FTE (full time equivalent) part time employees in positions ranging from part-time camp counselors during summer months to interns and volunteers to fulltime police officers and maintenance workers.

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

	December 31,							
	2012	2013	2014	2015	2016	2017	2018	2019
General Government								
Building permits	2,225	2,247	2,423	3,278	2,454	2,512	1,822	852
Public Safety								
Police								
Inmates booked	4,269	4,065	4,047	4,628	3,764	3,093	2,695	2,565
Physical arrests (UCR) ¹								
Adults	2,345	2,226	2,430	2,251	2,815	2,840	2,282	2,557
Juveniles	438	431	362	283	221	190	129	206
Municipal Court								
Traffic Violations	7,834	7,001	6,641	8,030	8,111	5,533	6,572	4,461
Parking/PE	26,478	24,700	29,301	34,378	36,820	34,856	34,810	39,299
Criminal violations	3,293	2,443	2,320	2,168	2,475	2,379	2,072	1,977
DUI/Physical Control	448	304	221	211	261	245	168	170
Fire ⁴								
Number of calls answered	7,046	6,940	6,963	7,636	9,026	6,932	-	-
Inspections	3,806	5,171	4,958	5,960	5,081	678	-	-
Transportation								
Potholes repaired	52	81	28	125	146	141	216	250
Culture and Recreation								
Total recreation program registrations (net)	27,376	29,022	29,857	28,849	33,424	34,848	36,873	23,195
Recreation center usage	248,517	256,129	244,183	263,998	271,019	267,365	260,586	247,982
Water								
Average daily consumption (CCF) ²	3,850	3,952	3,960	4,094	4,012	4,103	4,207	3,923
Hydrant inspected/repaired/replacement	1,623	1,705	1,106	692	849	1,083	1,162	1,081
Sewer								
Average daily sewer treatment (MGD) ³	4.64	4.15	4.52	4.17	4.48	4.61	4.32	4.05
Finance								
Number of public disclosure requests	N/A	272	453	562	489	432	435	522

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 Eight Calendar Years ¹

Function/program	December 31,							
	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety								
Police								
Number of Stations	1	1	1	1	1	1	1	1
Number of Police Vehicles	81	81	79	85	86	81	86	82
Fire								
Number of Stations	2	2	2	2	2	-	-	-
Transportation								
Miles of streets, lane miles	272	272	272	272	272	306	306	286
Number of signals	55	55	55	55	57	60	60	60
Number of street lights	356	356	373	370	370	436	420	423
Culture and recreation								
Number of parks	16	17	17	17	17	17	17	17
Open space and undeveloped parks	120.94 acres	120.94 acres	120.94 acres	123.96 acres	142.72 acres	142.72 acres	142.72 acres	142.72 acres
Miles of trails outside of parks	6.78	6.78	6.78	7.6	7.6	7.6	7.6	7.6
Golf courses	1	1	1	1	1	1	1	1
Recreation center	1	1	1	1	1	1	1	1
Senior center	1	1	1	1	1	1	1	1
Water								
Number of consumers	8,053	8,053	8,538	8,558	9,203	9,242	8,935	9,069
Miles of water mains	169	-	162	136	135	136	109	113
Fire hydrants	1,007	1,007	1,043	1,045	1,032	1,089	1,066	1,098
Sewer								
Miles of sanitary sewers	96.9	96.9	106.7	106.4	105.4	105.8	105.4	107.2
Number of sewer customers	8,514	8,514	8,071	8,083	8,987	9,598	8,121	8,870
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

¹ Information unavailable prior to 2012 so only eight years are presented