

# THE CITY OF MARYSVILLE, WASHINGTON ANNUAL COMPREHENSIVE FINANCIAL REPORT

(For the Year Ending December 31, 2021)





Annual Comprehensive Financial Report  
For the Fiscal Year Ending  
December 31, 2021

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28 May 2022

Honorable Mayor  
The Marysville City Council,  
Citizens of the City of Marysville:

This correspondence will formally transmit the Annual Comprehensive Financial Report (ACFR) of the City of Marysville for the year ended December 31, 2021. This submittal is in accordance with Washington State Statutes and Marysville code provisions. This report of the financial condition of the City also provides full financial disclosure in accordance with generally accepted accounting principles (GAAP).

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that has been established for this purpose. 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 misstatements.

Cities and counties of the State of Washington use the Budgeting, Accounting and Reporting System (BARS) developed and prescribed by the State Auditor's Office. The City's financial statements have been audited by the Washington State Auditor's office. The goal of an independent audit is to provide reasonable assurance that City financial statements for the fiscal year ended December 31, 2021 are free of material misstatements. The State Auditor concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Marysville's statements are fairly presented in conformity with GAAP. The State Auditor's report is presented at the first component of the financial section of this report.

As the recipient of federal, state, and county financial assistance if the annual receipts exceed \$750,000 the City is required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). This audit is conducted by the State Auditor's Office in conjunction with the City's annual independent audit. During this reporting period the receipt of federal financial assistance did meet the threshold, so a single audit was performed.

GAAP requires that the City provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a "*Management's Discussion and Analysis*" (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.

### **Profile of the Government**

The City of Marysville is located 35 miles north of downtown Seattle and 4 miles north of Everett in Snohomish County. To the west of the City are Interstate 5 and the Tulalip Indian Reservation and to the east lie the city of Lake Stevens and the foothills of the Cascade Mountains. The City and the immediate area is primarily suburban and rural residential with supporting retail and commercial enterprises. Light industrial and manufacturing business are located in the northern portion of the City. On December 30, 2009, Marysville became the second largest City in the county with a current population of 71,250 when the City annexed in the remaining Urban Growth Area. Incorporated in 1891, Marysville has developed into an ideally located economic center, one that offers residents and businesses a way of life that provides opportunities to prosper, while preserving the unhurried qualities we have all come to treasure in this fast-growing region.

Marysville is approximately 20.99 square miles in size. Visitors and residents can enjoy 444.58 acres of recreational attractions including parks, soccer fields, nature trails, a boat launch and golf course. The City also offers visitors a number of new retail shopping areas, restaurants and hotels.

The City of Marysville is a non-charter code city operating under a Council-Mayor form of government. City Council elections are held every two years with Council members elected to staggered four-year terms. The Mayoral elections are held every

four years. Citizens of Marysville may run for Mayor or City Council if they are at least 18 years old and residents of the City for the previous twelve months.

The Chief Administrative Officer (CAO) along with the Mayor, are responsible for implementing the policies and goals of the City Council and provides leadership, coordination and development of City departments. The CAO is appointed by, reports directly to, and serves at the pleasure of the Mayor.

The City of Marysville provides a full range of municipal services, including police, community development, street maintenance and construction, parks and recreation, courts, and general administrative services. The City operates enterprise funds for water, sewer, stormwater, solid waste, and golf course.

The City prepares a biennial budget in accordance with the Revised Code of Washington (RCW) 35.A.34. Biennial budgets must be adopted by the City council prior to the first of each odd-numbered calendar year. This budget serves as the foundation for the City of Marysville's financial planning and control. The budget is prepared by fund and department. A budget increase or decrease to a fund must be authorized by the City Council. Appropriation changes within a fund may be authorized by the Chief Administrative Officer.

### **Long Term Financial Planning and Relevant Financial Policies**

Because the city has been fiscally prudent in these past several post-recession years, we have a solid financial foundation from which to work. An improving economy provides its own set of challenges: investing in economic development, diversifying our employment base and providing the infrastructure to meet the needs of businesses coming our way. This high growth phase coupled with the fiscal discipline of the last several years provides the opportunity to move forward on long-term projects that the city has planned for quite some time.

The stewardship of public funds is one of the greatest responsibilities given to the officials and managers of the City of Marysville. Therefore, the establishment and maintenance of wise fiscal policies enables City officials to protect public interests and ensure public trust. These policies have been established to provide general fiscal guidelines and are intended to provide sound direction in the management of the City's financial affairs. They address topics that include the operating and enterprise fund budgets, revenues and expenditures, cash management and investment, reserve and fund balance and debt management.

To ensure the City keeps abreast of and incorporates economic conditions into its financial plan, revenues are projected for six years and the forecast is updated annually. Operating expenses are supported by ongoing revenues per City policy. Reserve replenishment continues to be a high priority, with the objective of meeting and maintaining the reserve requirements. In 2021 S&P Global Rating upgraded the City's bond rating from AA to AA+.

### **Major Initiatives**

The 2021-2022 biennial budget approved by the City Council included the following major initiatives:

- Construct the Bayview Trail connection to Centennial Trail and open Olympic View Park.
- Development of the Waterfront Park and new trail system to encourage livability and walkability in the downtown area.
- Six patrol vehicles for the six officers added and begin staff planning for the new Public Safety building.
- Culvert replacement and widening of State Ave. between 100<sup>th</sup> and 104<sup>th</sup> Streets NE.
- Surface Water improvements in the downtown area
- Construction and completion of a new civic campus.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Marysville for its comprehensive annual financial report for the fiscal year ended December 31, 2020. The City has received the award each year beginning in 2007. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this Comprehensive Annual Financial Report would not have been possible without the efficient and dedicated service of the Finance Department. Thank you to our department heads for understanding the importance of the financial status of this organization and as such, worked diligently to provide quality service within our financial means. It is to their credit that the citizens of the City of Marysville can rely on this report as the definitive discussion of all City financial operations.

Respectively Submitted:

*Sandy Langdon*

Sandy Langdon  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Marysville**  
**Washington**

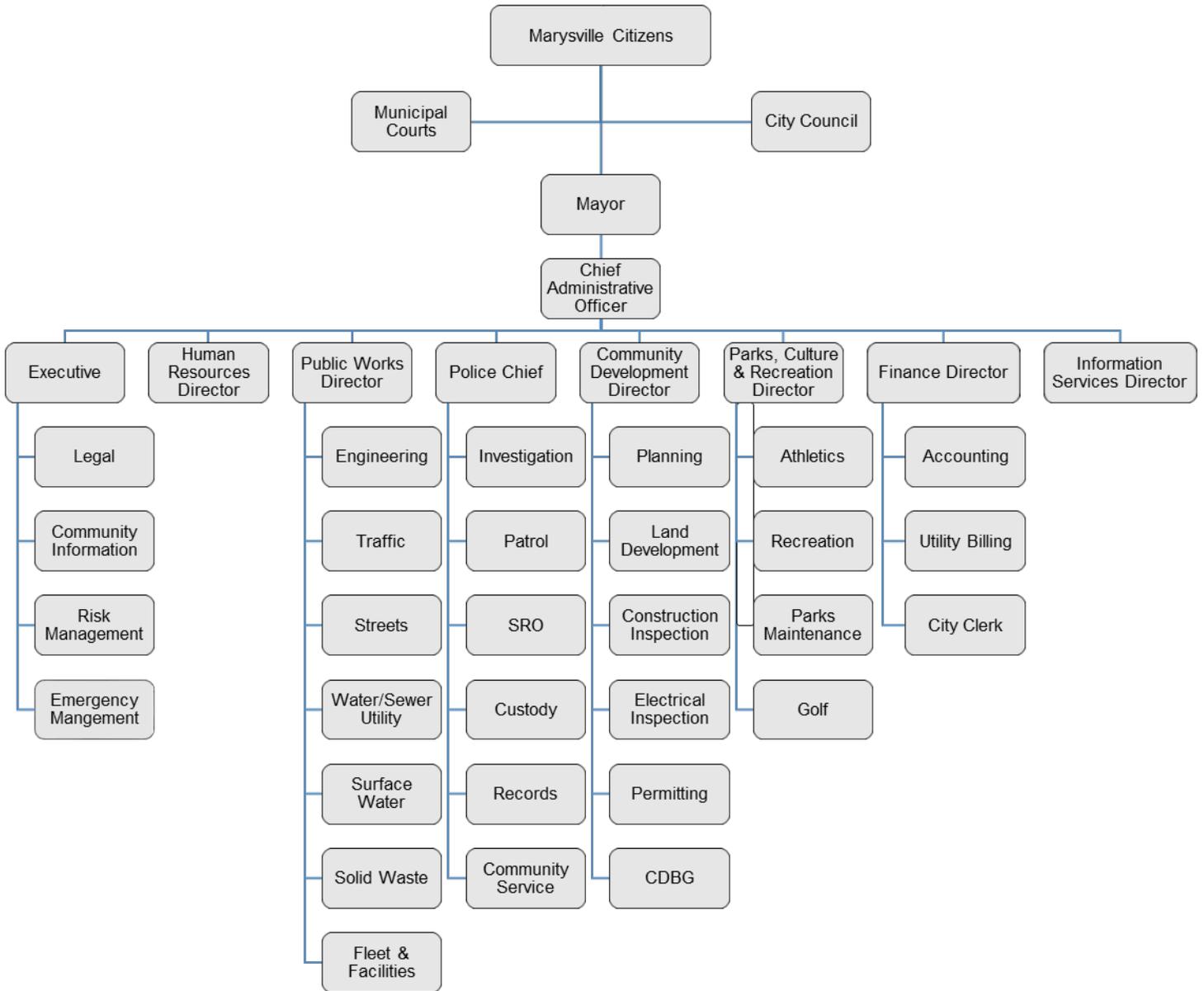
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2020

*Christopher P. Morill*

Executive Director/CEO

# CITY OF MARYSVILLE ORGANIZATIONAL CHART



**ELECTED OFFICIALS AS OF DECEMBER 31, 2021**



MAYOR  
Jon Nehring



Jeff Vaughan  
Position 1



Mark James  
Position 2



Tom King  
Position 3



Michael Stevens  
Position 4



Kelly Richards  
Position 5



Steve Mueller  
Position 6



Kamille Norton  
Council President  
Position 7

**ADMINISTRATIVE STAFF**

Chief Administrative Officer  
City Attorney  
Community Development Director  
Court Administrator  
Finance Director  
Human Resource Director  
Parks, Culture and Recreation Director  
Police Chief  
Public Works Director

Gloria Hirashima  
Jon Walker  
Haylie Miller  
Suzanne Elsner  
Sandy Langdon  
Jason Smith  
Tara Mizell  
Erik Scairpon  
Jeff Laycock



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

**INDEPENDENT AUDITOR'S REPORT ON THE AUDIT OF THE  
FINANCIAL STATEMENTS**

Mayor and City Council  
City of Marysville  
Marysville, Washington

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Marysville as of and for the year then ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Marysville, as of December 31, 2021, 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.

**Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time; and
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## **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 is the responsibility of management and, 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 Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund 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.

## **Other Information**

The other information comprises the introductory and statistical sections, but does not include the financial statements and our auditor's report thereon. Management is responsible for the other information included in the financial statements. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or provide any assurance thereon.

In connection with the audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

## **OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with *Government Auditing Standards*, we will also issue our report dated August 31, 2022, 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,

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive style with a large, sweeping initial "P".

Pat McCarthy, State Auditor

Olympia, WA

August 31, 2022

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

The City of Marysville presents this discussion and analysis of its financial performance to provide an overview of the City's financial activities for fiscal year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with the accompanying basic financial statements and the associated notes.

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of the City of Marysville exceed its liabilities and deferred inflows at the close of December 31, 2021 by approximately \$ 452.1 million (net position) an increase of \$ 51.1 million or 12.72%. Of this amount, unrestricted net position totals \$ 78.7 million and may be used to meet the City's ongoing obligations to citizens and creditors. Restricted net position totals \$ 33.2 million and are subject to external restrictions on how it may be used.
- As of December 31, 2021, the City's governmental activities reported a combined net position of \$ 262.1 million, an increase of \$ 40.2 million from 2020. Approximately 13.1% of this amount (\$ 34.4 million) is available for spending at the City's discretion.
- The City's total long-term outstanding debt decreased by \$7.9 million during calendar year 2021.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction the City of Marysville's basic financial statements. The basic statements include three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report contains other supplementary information in addition to the basic financial statements and required information.

**Government-Wide Financial Statements**

The Government-Wide Financial Statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The statements present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately. Additionally, certain eliminations have occurred in regards to interfund activity, payable and receivables.

The Statement of Net Position presents financial information on all of the City of Marysville's assets, liabilities and deferred inflows/outflow resources, with the difference reported as net position. Evaluating increases or decreases over time can serve as a useful indicator of whether the financial position of the city is improving or declining.

The Statement of Activities present information on the net cost of each governmental and business-type function during the fiscal year. The statement distinguishes revenue generated by specific functions from revenue provided by taxes and other sources not related to a specific function. The revenue generated by the specific functions (charges for services, grants, and contributions) is compared to the expenses for those functions to show the degree to which each function supports itself or relies on taxes and other general funding sources for support. All activity on this statement is reported on the accrual basis of account requiring the revenues to be reported when they are earned and expenses are reported when they are incurred, regardless of when cash is received or disbursed.

In the Statement of Activities, we separate the City activities as follows:

**Governmental Activities** – most of the City's basic services are reported in this category, including General Government, Municipal Court, Police, Fire, Engineering, Parks/Recreation, Community Development, Street Maintenance, and General Government Debt Service. Property and sales taxes, user fees, interest income, franchise fees, and state and federal shared revenues and grants generally finance these activities.

**Business-Type Activities** – The City's Waterworks Utility, Solid Waste, and Golf Course Funds are reported in this category. These types of activities are funded by the City charging a fee to customers to cover all or most of the cost of certain services it provides.

**Fund Financial Statements**

The Fund Financial Statements include statements for each of the three categories of activities – governmental, business-type and fiduciary. The governmental activities are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The business-type activities are prepared using the economic resources measurement focus and the accrual basis of accounting. The fiduciary activities are custodial funds, and are prepared using the economic resources measurement focus and full accrual. Reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach.

The City, like other state and local governments, uses fund accounting to account for a number of funding sources and activities. In general, fund accounting provides a mechanism for separately accounting for a variety of different funding sources, and enables the City to demonstrate compliance with legal and/or contractual requirements that may be associated with these funds. Thus, the accompanying fund financial statements present individual funds, organized into one of three groups based on the nature of the activities and the purpose: Governmental, Proprietary or Fiduciary Funds. Note that the fund financial statements also include “other governmental funds” on the governmental funds, and “other enterprise funds” on the proprietary funds. In addition, the fund financial statements include a schedule that reconciles the fund financial statements to the Government-Wide Financial Statements.

**Governmental Funds** – Most of the City’s basic services are reported in the governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City’s general government operations and the basic services it provides to its citizens. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City’s programs. The differences between the results shown in the Governmental fund financial statements and those shown in the Government-Wide financial statements are explained in a reconciliation schedule following each Governmental Fund financial statement.

**Proprietary Funds** – When the City charges customers for the service it provides, whether to outside City customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds include two components 1) enterprise funds and 2) internal service funds. Proprietary funds are reported in the same manner that all activities are reported in the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Fund Net Position. In fact, the City’s enterprise funds are the same as the business-type activities reported in the governmental-wide statement, but provide more detail and additional information, such as cash flows, for proprietary funds. Internal service funds are used to report activities that provide supplies and services for the City’s other programs and activities – such as fleet maintenance, facility maintenance, computer maintenance and insurance funds. Because these funds largely benefit government rather than business-type functions, they are reported with governmental activities in the government-wide financial statements.

**Fiduciary Fund** – The City is the trustee, or fiduciary for certain funds held on behalf of various third parties. The City’s fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. These type of activities are excluded from the City’s other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**Notes to the Financial Statements**

The notes to the financial statements provide information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements. The notes to the financial statements immediately follow the basic financial statements in this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information (RSI) concerning the Schedule of Proportionate Share of the Net Pension Liability, the Schedule Employer Contributions, and the funding progress for the Other Post Employments Benefits. Also included as required supplementary information are the Schedules Revenues, Expenditures and Changes in Fund Balances – Budget and Actual the general fund and major special revenue funds.

**Combining Statements**

The combining statements for other governmental funds, internal service funds and agency-type fiduciary funds are presented immediately following the required supplementary information.

**Statistical Section**

This section includes unaudited trend information and demographics.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS****Statement of Net Position**

Following is a condensed version of the government-wide statement of net position for 2021 compared to 2020:

Condensed Statement of Net Position (in thousands)						
	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2021	2020	2021	2020	2021	2020
<b>ASSETS</b>						
Current and other assets	92,860	72,009	59,605	45,055	152,466	117,064
Capital assets (net of accumulated depreciation)	277,966	245,998	167,535	171,550	445,501	417,548
<b>TOTAL ASSETS</b>	<b>\$ 370,826</b>	<b>\$ 318,007</b>	<b>\$ 227,141</b>	<b>\$ 216,605</b>	<b>\$ 597,967</b>	<b>\$ 534,612</b>
Deferred outflows	2,825	3,077	967	1,036	3,792	4,113
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>\$ 373,651</b>	<b>\$ 321,084</b>	<b>\$ 228,107</b>	<b>\$ 217,641</b>	<b>\$ 601,758</b>	<b>\$ 538,725</b>
<b>LIABILITIES AND DEFERRED INFLOWS</b>						
Current and other liabilities	12,886	9,531	8,316	7,153	21,202	16,685
Long-term liabilities	79,238	87,251	24,650	30,701	103,888	117,953
<b>TOTAL LIABILITIES</b>	<b>\$ 92,124</b>	<b>\$ 96,783</b>	<b>\$ 32,966</b>	<b>\$ 37,855</b>	<b>\$ 125,090</b>	<b>\$ 134,637</b>
Deferred inflows	19,443	2,421	5,118	594	24,561	3,015
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS</b>	<b>\$ 111,567</b>	<b>\$ 99,203</b>	<b>\$ 38,085</b>	<b>\$ 38,449</b>	<b>\$ 149,652</b>	<b>\$ 137,652</b>
<b>NET POSITION</b>						
Net Investment in capital assets	200,849	180,596	139,310	138,699	340,159	319,295
Restricted	26,791	14,296	6,456	5,726	33,246	20,022
Unrestricted	34,445	26,989	44,256	34,768	78,701	61,756
<b>TOTAL NET POSITION</b>	<b>\$ 262,084</b>	<b>\$ 221,881</b>	<b>\$ 190,022</b>	<b>\$ 179,192</b>	<b>\$ 452,107</b>	<b>\$ 401,073</b>

**Governmental Activities**

During the 2021 fiscal year, net position for governmental activities increased \$ 40.2 million or 18.2% from 2020. Key elements of the increase are as follows:

- Current and other assets increased by \$ 20.8 million. The increase is mainly the result of change in Net Pension Asset.
- Capital assets, net of accumulated depreciation increased by \$ 32.0 million dollars. There was an increase of \$ 13.4 million in Construction Work in Progress. The City is currently working on a large street construction project and the construction of a new civic campus. The remaining difference is due to additions to land and other depreciable assets (net of depreciation).
- Deferred outflows saw a slight decrease related to debt refunding and pensions.
- Current liabilities reflects an increase of \$ 3.3 million, mainly from the federal grant American Rescue Plan Act (\$ 4.7 million) and normal fluctuations in accounts payable activity and the changes in court and property tax receivables.
- Long-term liabilities decreased \$ 8.0 million a result of annual debt service payments, offset by in adjustments to the net pension and OPEB liability.
- The \$ 17.0 million increased in deferred inflows is related to pensions.

**Business-Type Activities**

Business-type activities of the City’s utilities and golf course realized a \$ 10.8 million increase in net position. Key elements of the increase are as follows:

- Total assets and deferred outflows increased by \$ 10.5 million. The \$ 14.6 million increase in current and other assets, the result of projects in the Waterworks Utility fund, and a \$ 4.0 million decrease in capital assets.
- Total liabilities and deferred inflows were virtually identical in 2021 as in 2020.

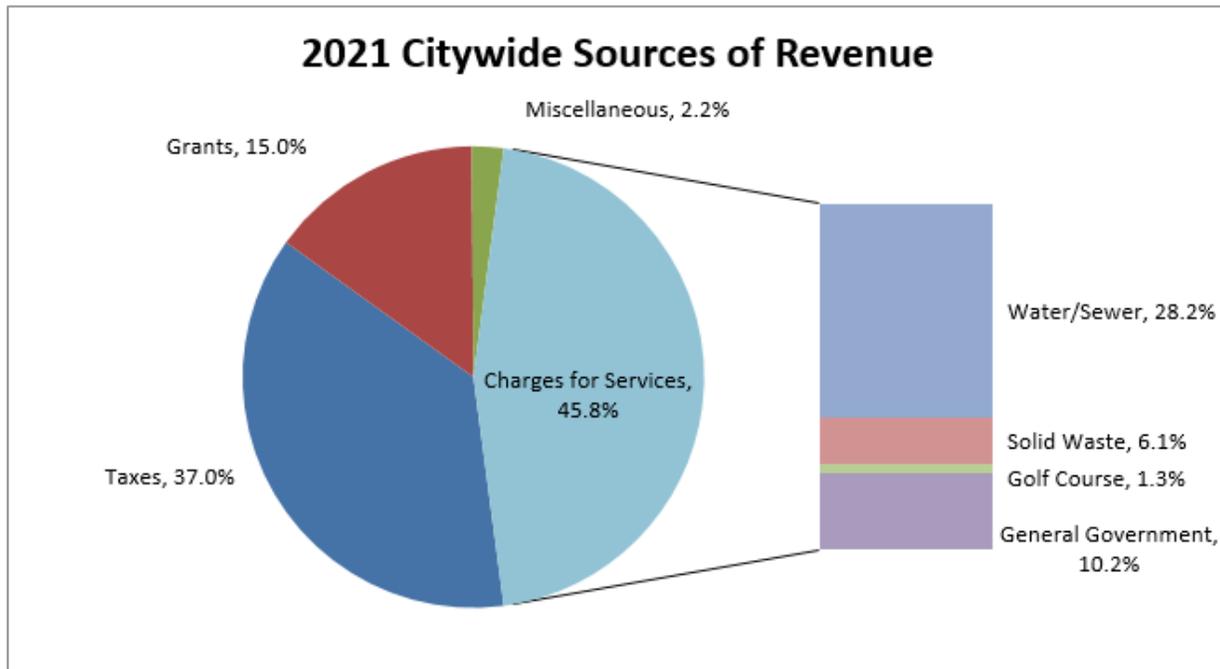
**Changes in Net Position**

As discussed earlier, the Statement of Net Position provides a measure of the financial health of an entity at a specific date in time. The Statement of Activities provides details on how net position changed from the beginning of the year to the end of the year and whether net position increased or decreased. Therefore the Statement of Activities provides information as to whether the City as a whole is better off financially by yearend as illustrated in the following table.

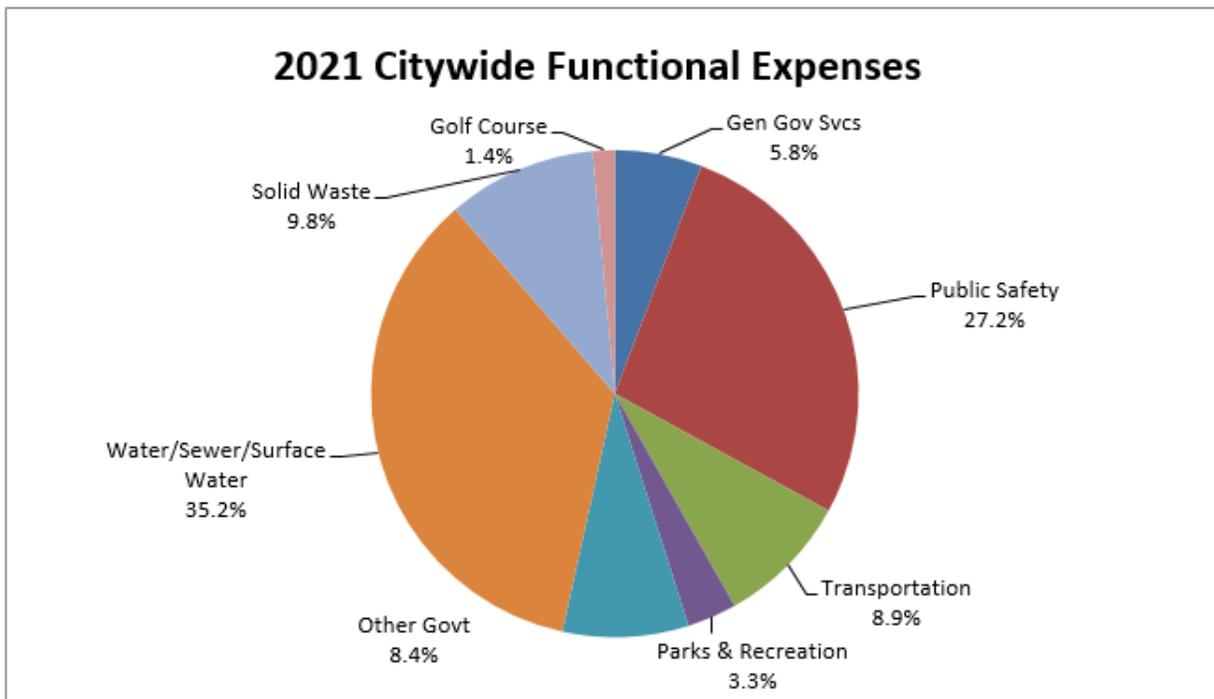
Changes in Net Position  
For Year Ended December 31, 2021  
(in thousands)

	GOVERNMENTAL		BUSINESS-TYPE		TOTAL	
	ACTIVITIES		ACTIVITIES			
	2021	2020	2021	2020	2021	2020
<b>Revenues</b>						
<b>Program Revenue:</b>						
Charges for Services	\$ 14,327	\$ 13,104	\$ 50,237	\$ 43,074	\$ 64,564	\$ 56,178
Operating Grants and Contributions	12,767	5,929	1,185	855	13,951	6,784
Capital Grants and Contributions	4,032	4,840	3,116	6,439	7,147	11,278
<b>General Revenues:</b>						
Property Taxes	15,923	14,586	-	-	15,923	14,586
Sales Taxes	22,294	20,324	-	-	22,294	20,324
Other Taxes	13,983	12,211	-	-	13,983	12,211
Interest and Investment Earnings	180	1,192	(57)	645	122	1,836
Gain on sale of capital assets	2,969	-	-	-	2,969	-
Miscellaneous	41	-	-	-	41	-
<b>Total Revenue</b>	<b>86,515</b>	<b>72,186</b>	<b>54,479</b>	<b>51,013</b>	<b>140,993</b>	<b>123,196</b>
<b>Program Expenses</b>						
<b>Governmental Activities</b>						
Judicial	1,124	1,451	-	-	1,124	1,451
General Government	4,052	6,683	-	-	4,052	6,683
Public Safety	24,302	23,955	-	-	24,302	23,955
Physical Environment	338	498	-	-	338	498
Transportation	7,923	9,537	-	-	7,923	9,537
Economic Environment	4,068	3,958	-	-	4,068	3,958
Health	419	157	-	-	419	157
Culture & Recreation	2,936	2,724	-	-	2,936	2,724
Interest on Long-term Debt	2,643	2,867	-	-	2,643	2,867
<b>Business-Type Activities</b>						
Water/Sewer/Surface Water	-	-	31,466	37,682	31,466	37,682
Garbage & Solid Waste	-	-	8,848	8,106	8,848	8,106
Golf Course	-	-	1,309	1,200	1,309	1,200
<b>Total Expenses</b>	<b>47,805</b>	<b>51,830</b>	<b>41,622</b>	<b>46,988</b>	<b>89,427</b>	<b>98,816</b>
Increase in Net Position Before Transfers	38,710	20,356	12,857	4,025	51,567	24,380
Loss on Disposition of Assets	-	-	-	-	-	-
Special Items - Termination of Fire JOA	-	-	-	-	-	-
Transfers	1,678	2,039	(1,678)	(2,039)	-	-
<b>Increase in Net Position</b>	<b>40,388</b>	<b>22,395</b>	<b>11,179</b>	<b>1,986</b>	<b>51,567</b>	<b>24,380</b>
Net Position - Beginning of Year	221,881	196,754	179,192	177,111	401,073	373,866
Changes in Accounting Principles-GASB 75	-	-	-	-	-	-
Prior Period Adjustment	(185)	2,731	(349)	95	(534)	2,826
<b>Net Position - End of Year</b>	<b>\$ 262,084</b>	<b>\$ 221,880</b>	<b>\$ 190,022</b>	<b>\$ 179,192</b>	<b>\$ 452,106</b>	<b>\$ 401,072</b>

As shown in the chart below, charges for services made up 45.8% of the total revenue received by the city as a whole in 2021. Taxes made up 37.0% of the revenue sources. Of the 37.0%, 11.3% is from property taxes, 15.8% from sales taxes, and the remaining from business and other taxes.



The following chart compares the functional expenses of the City. Public Safety and the Water/Sewer Utility Fund make up almost two-thirds of the total City expenses.



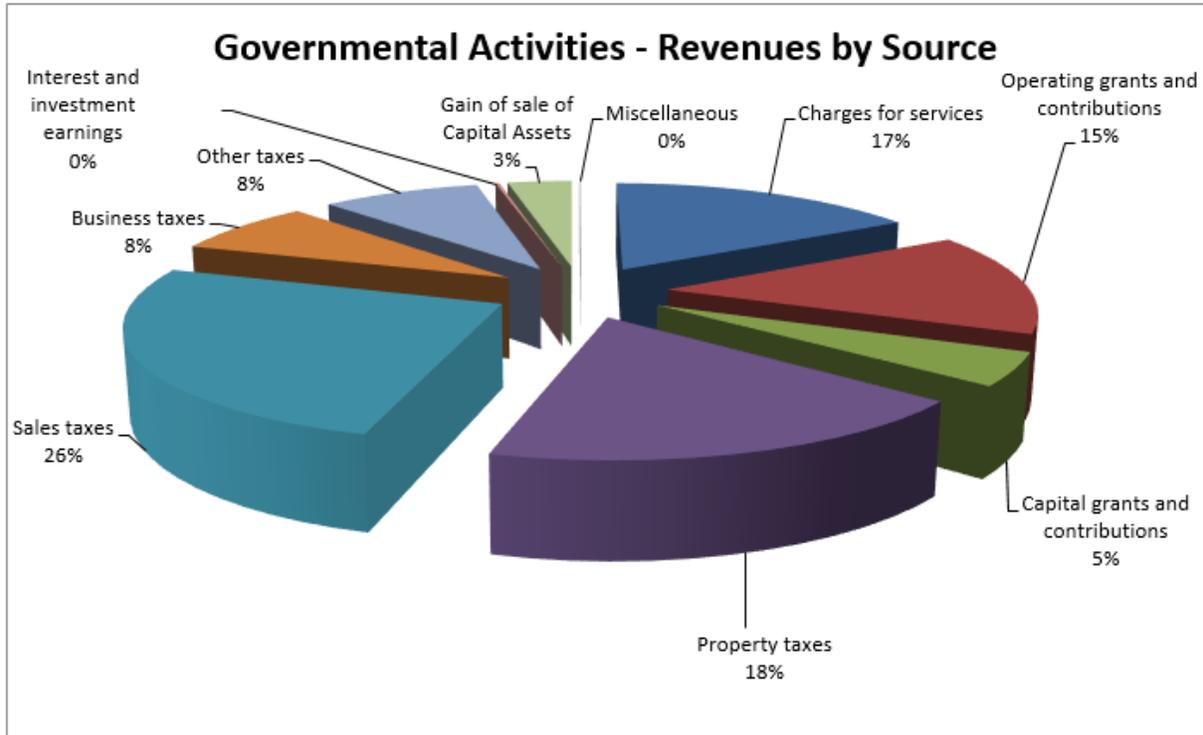
**GOVERNMENTAL ACTIVITIES ANALYSIS**

As shown in the Statement of Activities, the total cost of all governmental activities in 2021 was \$ 47.8 million. Of this amount \$ 31.1 million was paid either by those who directly benefited from the programs or by other governments and organizations that

subsidized certain programs with grants and contributions. The net expense (total expenses less program revenues) of \$16.7 million was the cost of governmental activity services paid primarily by city taxpayers.

**Revenues**

Total governmental activity revenue (excluding transfers) increased by \$ 7.3 million or 30.0%. The increase is associated with an increase in grants and contributions, taxes and investment interest and in property taxes. As the chart below depicts, the majority of governmental activity revenue, 61.0%, is from taxes. Combined taxes were up \$ 5.1 million, or 10.8% from 2020.



Sales tax increased by \$ 1.9 million or 9.69% from 2020 as a result of increased sales from online activity. Property taxes increased \$ 1.3 million or 9.16% a result of increased assessed values and new construction. Other taxes increased \$ 1.7 million or 14.51% from 2020. This category includes utility taxes assessed on utilities, such as water, sewer, garage, storm water, telephone, electric and natural gas for services sold within the city limits. The increase in utility tax is the result of rate increases imposed by the utility companies.

**Expenses**

Total governmental activity expenses decreased by \$ 4.0 million or 7.77%, compared to 2020. Highlights of the change in governmental activity expenses are:

- Decreases of \$ 2.6 million in General Government is due to \$ 2.05 million in federal grant (CARES) expenses. The \$ 1.6 million decrease in Transportation is a result of the widening of State Ave. nearing the completion phase.

**BUSINESS-TYPE ACTIVITIES ANALYSIS**

Total expenses of business-type activities in 2021 were \$ 41.6 million. Program revenue covered \$ 54.4 million, with \$ 1.7 million in transfers resulting in a net gain of \$ 11.1 million.

**Revenues**

Total revenues (excluding transfers) were up \$ 3.4 million or 6.8% from the prior year. Charges for services increased by \$ 7.2 million from 2020 due to an increase in utility charges and recovery fees

Capital grants and contributions consist of infrastructure constructed by the developer and then turned over to the City. Business-type capital contributions decreased by \$ 3.3 million.

In 2021, interest earnings on investments decreased by 108.91%. The decrease is due to an increase in capital projects and lower interest rates in 2021.

### Expenses

Total business-type saw a decrease of \$5.3 million or 11.4% from 2020. This decrease is a result of a reduction in Waterworks Utility Projects.

## FUND-LEVEL FINANCIAL ANALYSIS

As discussed earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### Governmental Fund

The focus of the City's governmental funds is to provide information on near-term revenues/financial resources and expenditures. This information helps determine the City's financing requirements in the near future. In particular, unassigned fund balance measures the City's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year the City's governmental funds reported a combined ending fund balance of \$ 44.5 million, a decrease of \$ 5.4 million from 2020. This decrease was primarily due to construction of the two major construction projects that the City bonded for in 2018.

Revenues for the governmental funds in 2021 were \$ 81.8 million up \$ 12.6 million or 18.2% from 2020 and expenditures were \$ 90.1 million down \$ 12.1 million or 11.8%.

*General Fund* - The general fund is the main operating fund of the City through which all receipts and payments of ordinary City operations are processed, unless legally required to be accounted for in another fund. Taxes are the major revenue source. At the end of 2021, the fund balance of the General Fund was \$ 28.7 million up \$ 1.2 million from 2020. As a measure of fund's liquidity, the ending fund balance is 62.5% of the fund's 2021 expenditures. As of December 31, 2021, total revenue was \$ 56.5 million, an increase of \$ 7.8 million or 16.0% and total expenditures were \$ 46.0 million. Of the \$ 28.7 million fund balance, the entire amount is unassigned and is available for discretionary spending. Even though the economy is starting to show signs of slowing down, and the City is stabilizing, the City remains committed to managing costs and balancing current year revenue and expenses to ensure the financial security of the City.

*Streets Capital Improvement Fund* – The Street Capital Improvement Fund accounts for the construction of transportation within the city, such as roads, streets, park and rides, and bridges. The fund reported an 8.5% decrease in fund balance due to the culvert replacement and widening of State Ave. between 100<sup>th</sup> and 104<sup>th</sup> Streets NE.

*General Capital Improvements* – The General Capital Improvements fund tracks the bond proceeds and expenditures associated with the construction of the new city campus and other general capital facilities. The fund reported a decrease of 100.0% of fund balance due to spend down of the LTGO Bond for the construction of the new city campus.

*Local Improvement District 71 Fund (LID71)* – The LID 71 Fund accounts for assessments related to the LID and provides payment to the Fiscal Agent for principal and interest on bonds issued in September 2014. The fund fluctuates based off the assessments collected and the bonds called during the current year.

*Other Governmental Funds* – The City has eleven other special revenue funds, two other debt service funds and one non-major construction fund.

Combined, the Other Governmental Funds reported total assets of \$ 16.2 million with a combined fund balance of \$ 13.99 million. Liabilities and deferred inflows decreased due to a decrease in accounts payable. The cash and investments increased by \$ 9.1 million. This increase is a result from the Growth Management Act Real Estate Excise Tax funds and the real estate market activity.

Revenue for the Other Government Funds in 2021 was \$ 16.2 million up \$ 0.2 million from 2020. Due primarily to a changes in Charges for Services.

Expenditures for the Other Government Funds in 2021 were \$ 11.6 million, a decrease of \$ 5.9 million. Due primarily to the decrease in large street construction.

### Proprietary Funds

The City’s proprietary fund statements are similar regarding the information found in the government-wide financial statements, but more detail is provided due to the assortment of activities. These funds include the Waterworks Utility and Solid Waste as the major funds for the purpose of this report. As a result, all statements related to the enterprise funds are presented at the entity-wide level. The Cedarcrest Golf Course is the only enterprise fund that is not considered a major fund. The City does have Internal Service funds which are reported in the fund statements.

*Waterworks Utility Fund* – The Waterworks Utility Fund accounts for the operations, maintenance, and construction of activities related to the supplying of water, sewer, and storm drainage/surface water services to the community. The fund reported total assets and deferred outflow of \$ 216.7 million, total liabilities and deferred inflows of \$ 36.4 million, and net position of \$ 180.3 million, an increase of \$ 10.4 million from the prior year. Key elements for the change include:

- The annual 2% rate increase in utilities.
- Decrease in outstanding bonds, notes and loans payable.

*Solid Waste Fund* – The Solid Waste Fund accounts for the operations and maintenance of providing solid waste services to citizens within the city limits. The fund reported total assets and deferred outflows of \$ 8.8 million, total liabilities and deferred inflows of \$ 1.5 million and net position of \$ 7.3 million, a decrease of 3.98% from the prior year.

*Other Enterprise Funds* – The City’s other enterprise fund includes only one activity and that is the Cedarcrest Golf Course. The fund reported total assets and deferred outflows of \$ 2.3 million, total liabilities and deferred inflows of \$ 0.1 million, and net position of a \$ 2.1 million, an increase of \$ 0.5 million. The increase is due to an increase in rounds played.

**General Fund Budgetary Highlights**

The 2021/2022 biennial budget was adopted in October 2020 by the City Council. The operating and capital budgets retain current service levels of operations, maintaining the City’s infrastructure and addresses community priorities.

Appropriation of operating funds are reviewed and amended as needed by the City Council. The 2021/2022 biennial budget was amended four times in 2021 and one amendment in 2022. The final General Fund expenditure (not including transfers) budget was \$ 1.7 million higher from the original budget. The amendments were to account for the addition of 32 positions and several projects, including over \$ 3.0 million for Parks.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The City’s investment in capital assets, including construction in progress, for its governmental and business-type activities as of December 31, 2021 amounts to \$ 445.5 million (net of accumulated depreciation) an increase of \$ 28.0 million from 2020.

Capital Assets at Year End, Net of Depreciation  
(in thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2021	2020	2021	2020	2021	2020
Land	\$ 36,717	\$ 36,117	\$ 10,600	\$ 10,600	\$ 47,317	\$ 46,718
Buildings	8,077	8,013	5,069	5,265	13,145	13,278
Infrastructure	137,230	120,055	-	-	137,230	120,055
Improvements other than buildings	9,414	6,338	145,510	144,849	154,924	151,187
Machinery and Equipment	9,408	8,995	1,912	2,041	11,320	11,036
Construction in Progress	77,120	66,479	4,444	8,795	81,565	75,274
	<b>\$ 277,966</b>	<b>\$ 245,998</b>	<b>\$ 167,535</b>	<b>\$ 171,550</b>	<b>\$ 445,501</b>	<b>\$ 417,548</b>

Key changes to major capital assets during 2021 included the following:

- Increase in Infrastructure as large projects in streets and utilities were completed.
- Increase in Construction In Progress associated with the construction of large street projects, utility improvements, and the new civic campus.

Additional information on the City’s capital assets can be found in Note 4 to the financial statements.

**Long Term Debt**



Debt Capacity Available

Item	Capacity
General	\$ 175,296
Open Space/Park Facilities	243,237
Utilities	243,237
Total	\$ 661,771

Additional information on the City’s long-term debt can be found in Note 8 to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES**

The City of Marysville Council voted not to increase the regular property tax levy by 1% allowed under initiative 747 in 2022. Assessed values (AV) for 2022 are estimated to increase by 10% from the 2021 assessed values. The levy rate for 2022 is \$ 1.496 per \$ 1,000 of assessed valuation, a decrease of 6.6% from the prior year of \$ 1.602. The decrease is due to the rise in assessed value and the decision not to increase regular property tax levy by the allowed 1%.

Total General Fund revenues for 2022 are estimated to decrease by \$ 1.75 million from 2021 before transfers and the total General Fund expenditures are estimated to decrease by \$ 1.14 million from 2021 before transfers. This decrease due to projects and reduction in operating costs and the revenue decrease is a result of conservative forecast regarding sales tax and grant revenue. For 2022, the COVID 19 pandemic remains a concern as impacts to the City and local businesses. But due to the City’s strong commitment to managing costs the City believes that with the reserves in place and continued commitment to review and manage expenses, the City will be able to respond appropriately. The City is continuing to review and prioritize the strategic investments necessary to lay the groundwork for a prosperous future.

**Requests for Information**

The City’s financial statements are designed to provide users with a general overview of the City’s finances as well as to demonstrate the City’s accountability to its citizens, investors, creditors, and other customers. If you have a question about the

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Statement of Net Position  
December 31, 2021

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
<i>Current Assets</i>			
Cash and cash equivalents	30,248,138	21,878,413	52,126,551
Investments	22,957,146	17,400,406	40,357,552
Receivables (net)	10,105,887	8,185,332	18,291,219
Special Assessment Receivable	3,434,837	-	3,434,837
Internal Balances	(1,545,882)	1,545,882	-
Inventories	294,109	120,564	414,673
Restricted Cash & Investments:			
Restricted Investments	-	5,577,185	5,577,185
Investment in joint venture	1,755,992	-	1,755,992
<i>Noncurrent Assets</i>			
Capital Assets:			
Land	36,717,032	10,600,464	47,317,496
Depreciable assets (net)	164,128,445	152,490,527	316,618,972
Construction in progress	77,120,410	4,444,214	81,564,624
Net Pension Asset	25,609,821	4,897,679	30,507,500
<b>Total Assets</b>	<b>370,825,935</b>	<b>227,140,666</b>	<b>597,966,601</b>
<b>Deferred Outflows of Resources</b>			
Debt refunding	82,622	294,101	376,723
Related to pensions	2,665,591	672,452	3,338,043
Related to OPEB	76,799	-	76,799
<b>Total Deferred Outflows of Resources</b>	<b>2,825,012</b>	<b>966,553</b>	<b>3,791,565</b>
<b>Total Assets and Deferred Outflows</b>	<b>373,650,947</b>	<b>228,107,219</b>	<b>601,758,166</b>
<b>Liabilities</b>			
<i>Current Liabilities</i>			
Accounts payable and accrued expenses	6,958,099	3,193,194	10,151,293
Unearned revenue	245,503	-	245,503
Other current liabilities	443,588	358,240	801,828
Current portion - bonds, notes and loans payable	3,996,308	4,566,089	8,562,397
Current portion - compensated absences	1,089,151	198,304	1,287,455
Current portion - total OPEB liability	153,597	-	153,597
<i>Non-Current Liabilities (see Note 11):</i>			
Bonds, notes and loans payable	73,203,350	23,952,815	97,156,165
Compensated absences	1,089,151	198,304	1,287,455
Net pension liability	1,090,819	499,362	1,590,181
Total OPEB liability	3,854,514	-	3,854,514
<b>Total Liabilities</b>	<b>92,124,080</b>	<b>32,966,308</b>	<b>125,090,388</b>
<b>Deferred Inflows of Resources</b>			
Related to pensions	19,442,703	5,118,478	24,561,181
<b>Total Deferred Inflows of Resources</b>	<b>19,442,703</b>	<b>5,118,478</b>	<b>24,561,181</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>111,566,783</b>	<b>38,084,786</b>	<b>149,651,569</b>
<b>Net Position</b>			
Net investment in capital assets	200,848,851	139,310,402	340,159,253
Restricted for:			
Net pension assets	9,765,729	878,776	10,644,505
Debt service	3,946,170	5,577,185	9,523,355
Law enforcement	99,962	-	99,962
Tourism	194,603	-	194,603
Technology infrastructure	531,202	-	531,202
REET	6,408,556	-	6,408,556
Transportation Benefit District	5,827,551	-	5,827,551
Grants	16,745	-	16,745
Unrestricted	34,444,795	44,256,070	78,700,865
<b>Total Net Position</b>	<b>262,084,164</b>	<b>190,022,433</b>	<b>452,106,597</b>

The accompanying notes are an integral part of this statement



**Balance Sheet  
Governmental Funds  
December 31, 2021**

	General Fund	Street Capital Improvements	General Capital Improvements	Local Improvement District 71	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Cash and cash equivalents	16,964,124	1,126,451	870,813	73,915	8,278,078	27,313,381
Investments	13,267,191	616,964	-	67,610	7,277,576	21,229,341
Receivables (net)	8,640,611	622,120	4,838	156,055	682,263	10,105,887
Due from other funds	370,319	-	-	-	-	370,319
Special Assessment Receivable	-	-	-	3,434,837	-	3,434,837
<b>Total Assets</b>	<b>39,242,245</b>	<b>2,365,535</b>	<b>875,651</b>	<b>3,732,417</b>	<b>16,237,917</b>	<b>62,453,765</b>
<b>Liabilities</b>						
Accounts payable and accrued expenses	2,607,187	630,833	932,492	947	513,606	4,685,065
Due to other funds	-	-	-	-	1,645,076	1,645,076
Unearned revenue	89,448	-	-	156,055	-	245,503
Deposits payable	84,620	-	-	-	82,955	167,575
<b>Total Liabilities</b>	<b>2,781,255</b>	<b>630,833</b>	<b>932,492</b>	<b>157,002</b>	<b>2,241,637</b>	<b>6,743,219</b>
<b>Deferred Inflows of Resources</b>						
Property taxes	212,638	-	-	-	-	212,638
Special assessments	-	-	-	3,434,837	-	3,434,837
Grants	4,708,784	-	-	-	-	4,708,784
Other unavailable revenue	2,350,000	-	-	-	-	2,350,000
Court receivables	458,541	-	-	-	-	458,541
<b>Total Deferred Inflows of Resources</b>	<b>7,729,963</b>	<b>-</b>	<b>-</b>	<b>3,434,837</b>	<b>-</b>	<b>11,164,800</b>
<b>Fund Balances</b>						
<i>Restricted for:</i>						
Law Enforcement	-	-	-	-	99,962	99,962
Tourism	-	-	-	-	194,603	194,603
Technology Infrastructure	-	-	-	-	531,202	531,202
REET	-	-	-	-	6,408,556	6,408,556
Transportation Benefit District	-	-	-	-	5,827,551	5,827,551
Debt Service	-	-	-	140,578	646,768	787,346
Grants	-	-	-	-	16,745	16,745
<i>Committed to:</i>						
Law Enforcement	-	-	-	-	7,036	7,036
Community Center	-	-	-	-	5,178	5,178
<i>Assigned to:</i>						
Street Construction & Maintenance	-	1,734,702	-	-	1,455,879	3,190,581
Debt Service	-	-	-	-	53,184	53,184
<i>Unassigned</i>	28,731,027	-	(56,841)	-	(1,250,384)	27,423,802
<b>Total Fund Balances</b>	<b>28,731,027</b>	<b>1,734,702</b>	<b>(56,841)</b>	<b>140,578</b>	<b>13,996,280</b>	<b>44,545,746</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>39,242,245</b>	<b>2,365,535</b>	<b>875,651</b>	<b>3,732,417</b>	<b>16,237,917</b>	<b>62,453,765</b>

The accompanying notes are an integral part of this statement

**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position  
December 31, 2021**

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<b>Total Governmental Fund Balances</b>	44,545,746
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**Amounts reported for governmental activities in the statement of net position are different because:**

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds (exclusive of internal service funds' capital assets).

Land	36,717,032	
Depreciable assets (including infrastructure)	195,602,163	
Construction in progress	77,120,410	
Less accumulated depreciation	<u>(40,622,085)</u>	268,817,520

The investment in joint ventures (Sno911) is not reported at the fund financial reporting level but is reported on the government-wide statement of net position.	1,755,992
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Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds - property taxes, special assessments, grants and fines.	11,164,800
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Deferred inflows and outflows for pensions reported on the government-wide statement of position but not reported on the governmental fund balance sheet.	(15,703,267)
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Deferred outflows for OPEB reported on the government-wide statement of net position but not reported on the government balance sheet.	76,799
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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.	24,426,890
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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.	11,698,180
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The internal service fund chargeback to enterprise funds is not reported in the governmental funds, but is reported on the government-wide financial statements.	(271,125)
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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/special assessment bonds payable	(77,199,658)	
Deferred outflows - bond related	82,622	
Accrued interest payable	(276,013)	
Other postemployment benefits payable	(4,008,111)	
Net pension liability payable	(970,209)	
Compensated absences payable	<u>(2,056,002)</u>	<u>(84,427,371)</u>

<b>Net Position Of Governmental Activities</b>	<u>262,084,164</u>
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*The accompanying notes are an integral part of this statement*

**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2021**

	General Fund	Street Capital Improvements	General Capital Improvements	Local Improvement District 71	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Taxes	41,202,647	-	-	-	9,682,452	50,885,099
Licenses and permits	2,947,279	-	-	-	250	2,947,529
Intergovernmental	7,339,135	5,184,174	-	-	3,866,790	16,390,099
Charges for services	4,332,823	3,247,595	-	-	2,640,853	10,221,271
Fines and forfeitures	482,821	-	-	-	3,543	486,364
Investment earnings	(97,317)	9,513	6,340	1,361	68,065	(12,038)
Rent and leases	134,796	-	-	-	28,906	163,702
Special Assessments	-	-	-	500,137	-	500,137
Miscellaneous	191,133	-	8,478	-	5,341	204,952
<b>Total Revenues</b>	<b>56,533,317</b>	<b>8,441,282</b>	<b>14,818</b>	<b>501,498</b>	<b>16,296,200</b>	<b>81,787,115</b>
<b>Expenditures</b>						
<b>Current:</b>						
Judicial	1,485,749	-	-	-	-	1,485,749
General government	4,853,038	-	-	-	155,454	5,008,492
Public safety	27,029,227	-	-	-	23,782	27,053,009
Physical environment	641,568	-	-	-	-	641,568
Transportation	5,572,185	-	-	-	862,653	6,434,838
Health & human services	419,018	-	-	-	-	419,018
Economic environment	2,519,107	-	-	-	2,172,767	4,691,874
Culture & recreation	2,868,631	-	-	-	-	2,868,631
<b>Capital Outlay:</b>						
General government	590,274	-	24,580,430	-	-	25,170,704
Transportation	-	7,496,754	-	-	38,112	7,534,866
Economic environment	-	-	-	-	562,778	562,778
Culture & recreation	15,775	-	-	-	2,004,326	2,020,101
<b>Debt Service:</b>						
Principal	-	-	-	325,000	2,855,000	3,180,000
Interest and fiscal charges	-	-	-	105,410	2,884,554	2,989,964
Other	-	-	-	4,812	-	4,812
<b>Total Expenditures</b>	<b>45,994,572</b>	<b>7,496,754</b>	<b>24,580,430</b>	<b>435,222</b>	<b>11,559,426</b>	<b>90,066,404</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>10,538,745</b>	<b>944,528</b>	<b>(24,565,612)</b>	<b>66,276</b>	<b>4,736,774</b>	<b>(8,279,289)</b>
<b>Other Financing Sources (Uses)</b>						
Proceeds from sale of fixed assets	1,175,000	-	-	-	-	1,175,000
Insurance recoveries	41,207	-	-	-	-	41,207
Transfers in	1,066,944	373,600	8,291,624	-	5,794,990	15,527,158
Transfers out	(11,644,987)	(1,478,219)	-	-	(725,659)	(13,848,865)
<b>Total Other Financing Sources (Uses)</b>	<b>(9,361,836)</b>	<b>(1,104,619)</b>	<b>8,291,624</b>	<b>-</b>	<b>5,069,331</b>	<b>2,894,500</b>
<b>Net Change in Fund Balances</b>	<b>1,176,909</b>	<b>(160,091)</b>	<b>(16,273,988)</b>	<b>66,276</b>	<b>9,806,105</b>	<b>(5,384,789)</b>
<b>Fund Balances Beginning of Year</b>	<b>27,554,118</b>	<b>1,894,793</b>	<b>16,217,147</b>	<b>74,302</b>	<b>4,190,175</b>	<b>49,930,535</b>
<b>Fund Balances End of Year</b>	<b>28,731,027</b>	<b>1,734,702</b>	<b>(56,841)</b>	<b>140,578</b>	<b>13,996,280</b>	<b>44,545,746</b>

The accompanying notes are an integral part of this statement

**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, 2021**

<b>Net Changes In Fund Balances - Total Governmental Funds</b>		(5,384,789)
<b>Amounts reported for governmental activities in the statement of activities are different because:</b>		
<p>Governmental funds report capital outlays as expenditures on the governmental fund type operating statement. However, in the government-wide statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capitalized capital outlay exceeded depreciation expense in the current period.</p>		
	Depreciation expense (2,527,686) Capital outlay 35,649,884 Capital contributions -	33,122,198
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.		(1,531,393)
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, special assessments, grants and court receivables: Deferred as of 12/31/21 11,164,800 Deferred as of 12/31/20 (7,425,445)	3,739,355
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.		(198,628)
Elimination of transfers between governmental funds:		
	Transfers in (13,848,865) Transfers out 13,848,865	-
Internal service funds are used by management to charge the cost equipment, maintenance of facilities, computer costs and insurance to individual funds. The net revenue (expense) of internal service funds is reported with the governmental activities.		752,581
The internal service fund chargeback to enterprise funds is not reported in the governmental funds, but is reported on the government-wide financial statements.		(290,522)
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.		3,180,000
Amortization of bond-related items is reported in the government-wide statement of activities, but does not require the use of current financial resources and therefore is not reported in the governmental funds.		335,858
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.		(137,647)
Pension expenses and related intergovernmental revenues (LEOFF 2 special funding) are reported in the statement of activities, but do not require the use of current financial resources and are therefore not reported as expenditures in governmental funds.		6,867,953
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.		16,056
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 12/31/21 (2,056,002) Liability as of 12/31/20 1,973,741	(82,261)
<b>Change In Net Position of Governmental Activities</b>		<b>40,388,761</b>

*The accompanying notes are an integral part of this statement*

Statement of Net Position  
Proprietary Funds  
December 31, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Waterworks Utility	Solid Waste	Nonmajor Enterprise Golf	Total Enterprise Funds	
<b>Assets</b>					
Current Assets:					
Cash and cash equivalents	18,597,767	2,947,384	333,262	21,878,413	2,934,757
Investments	15,055,719	2,096,853	247,834	17,400,406	1,727,805
Receivables (net)	6,449,642	1,735,690	-	8,185,332	-
Due from other funds	-	1,274,757	-	1,274,757	-
Inventories	66,308	-	54,256	120,564	294,109
<b>Total Current Assets</b>	<b>40,169,436</b>	<b>8,054,684</b>	<b>635,352</b>	<b>48,859,472</b>	<b>4,956,671</b>
Noncurrent Assets:					
Investments - Restricted	5,577,185	-	-	5,577,185	-
Capital assets:					
Land	9,782,452	-	818,012	10,600,464	-
Depreciable assets (net)	151,635,623	-	854,904	152,490,527	9,148,367
Construction in progress	4,444,214	-	-	4,444,214	-
Net pension asset	4,205,494	692,185	-	4,897,679	1,182,931
<b>Total Noncurrent Assets</b>	<b>175,644,968</b>	<b>692,185</b>	<b>1,672,916</b>	<b>178,010,069</b>	<b>10,331,298</b>
<b>TOTAL ASSETS</b>	<b>215,814,404</b>	<b>8,746,869</b>	<b>2,308,268</b>	<b>226,869,541</b>	<b>15,287,969</b>
<b>Deferred Outflows of Resources</b>					
Debt refunding	294,101	-	-	294,101	-
Related to pensions	577,415	95,037	-	672,452	162,416
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>871,516</b>	<b>95,037</b>	<b>-</b>	<b>966,553</b>	<b>162,416</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS</b>	<b>216,685,920</b>	<b>8,841,906</b>	<b>2,308,268</b>	<b>227,836,094</b>	<b>15,450,385</b>
<b>Liabilities</b>					
Current Liabilities:					
Accounts payable and accrued expenses	2,418,569	710,601	64,024	3,193,194	2,273,034
Accrued interest payable	213,191	-	-	213,191	-
Compensated absences payable	178,987	19,318	-	198,304	61,150
Bonds, notes, loans payable	4,566,089	-	-	4,566,089	-
Deposits payable	23,100	-	3,500	26,600	-
Other current liabilities	16,813	-	101,636	118,449	-
<b>Total Current Liabilities</b>	<b>7,416,749</b>	<b>729,919</b>	<b>169,160</b>	<b>8,315,827</b>	<b>2,334,184</b>
Noncurrent Liabilities					
Bonds, notes, loans payable	23,952,815	-	-	23,952,815	-
Net pension liability	428,788	70,574	-	499,362	120,610
Compensated absences	178,987	19,318	-	198,304	61,150
<b>Total Noncurrent Liabilities</b>	<b>24,560,590</b>	<b>89,892</b>	<b>-</b>	<b>24,650,481</b>	<b>181,760</b>
<b>TOTAL LIABILITIES</b>	<b>31,977,338</b>	<b>819,810</b>	<b>169,160</b>	<b>32,966,308</b>	<b>2,515,944</b>
<b>Deferred Inflows of Resources</b>					
Related to pensions	4,395,088	723,390	-	5,118,478	1,236,261
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>4,395,088</b>	<b>723,390</b>	<b>-</b>	<b>5,118,478</b>	<b>1,236,261</b>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS</b>	<b>36,372,426</b>	<b>1,543,200</b>	<b>169,160</b>	<b>38,084,786</b>	<b>3,752,205</b>
<b>Net Position</b>					
Net investment in capital assets	137,637,486	-	1,672,916	139,310,402	9,148,367
Restricted for net pension assets	754,579	124,197	-	878,776	212,250
Restricted for debt service	5,577,185	-	-	5,577,185	-
Unrestricted	36,344,244	7,174,509	466,192	43,984,945	2,337,563
<b>TOTAL NET POSITION</b>	<b>180,313,494</b>	<b>7,298,706</b>	<b>2,139,108</b>	<b>189,751,308</b>	<b>11,698,180</b>

The net effect of activities allocated from internal service funds is presented as an internal balance on the statement of net position

271,125

**Adjusted Total Net Position**

**190,022,433**

The accompanying notes are an integral part of this statement

**Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended December 31, 2021**

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Waterworks Utility	Solid Waste	Nonmajor Enterprise Golf	Total Enterprise Funds	
<b>Operating Revenues</b>					
<i>Charges for services:</i>					
Water/Sewer/Surface Water	32,189,821	-	-	32,189,821	-
Golf	-	-	1,726,378	1,726,378	-
Garbage & Solid Waste	-	8,541,708	-	8,541,708	-
Other Services	-	-	-	-	11,200,764
<b>Total Operating Revenues</b>	<b>32,189,821</b>	<b>8,541,708</b>	<b>1,726,378</b>	<b>42,457,907</b>	<b>11,200,764</b>
<b>Operating Expenses</b>					
Maintenance and operations	17,773,803	7,448,480	1,271,735	26,494,018	9,413,278
Taxes	3,430,667	1,460,875	9,817	4,901,359	-
Depreciation	7,804,857	-	35,158	7,840,015	1,214,218
<b>Total Operating Expenses</b>	<b>29,009,327</b>	<b>8,909,355</b>	<b>1,316,710</b>	<b>39,235,392</b>	<b>10,627,496</b>
Operating Income (loss)	3,180,494	(367,647)	409,668	3,222,515	573,268
<b>Non-Operating Revenues (Expenses)</b>					
Investment earnings	(102,822)	42,553	2,793	(57,476)	19,971
Connection and capital surcharges	7,586,546	-	-	7,586,546	-
Miscellaneous nonoperating revenue	125,781	22,620	44,179	192,580	-
Interest expense	(733,629)	-	(5,119)	(738,748)	-
Non-operating grants	1,184,658	-	-	1,184,658	34,840
Insurance recoveries	-	-	-	-	145,869
Gain (loss) on disposal of capital assets	-	-	-	-	(21,367)
Non capitalized repairs and improvements	(1,938,808)	-	-	(1,938,808)	-
<b>Total Non-Operating Revenues (Expenses)</b>	<b>6,121,726</b>	<b>65,173</b>	<b>41,853</b>	<b>6,228,752</b>	<b>179,313</b>
Income (Loss) Before Contributions and Transfers	9,302,220	(302,474)	451,521	9,451,267	752,581
<b>Capital contributions</b>	3,115,511	-	-	3,115,511	-
<b>Transfers Out</b>	<b>(1,678,293)</b>	<b>-</b>	<b>-</b>	<b>(1,678,293)</b>	<b>-</b>
<b>Change in Net Position</b>	<b>10,739,438</b>	<b>(302,474)</b>	<b>451,521</b>	<b>10,888,485</b>	<b>752,581</b>
<b>Net Position Beginning of Year</b>	<b>169,922,953</b>	<b>7,601,180</b>	<b>1,687,587</b>	<b>179,211,720</b>	<b>10,937,779</b>
Prior Period Adjustment	(348,897)	-	-	(348,897)	7,820
<b>Net Position End of Year</b>	<b>180,313,494</b>	<b>7,298,706</b>	<b>2,139,108</b>	<b>189,751,308</b>	<b>11,698,180</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				290,522	
<b>Adjusted Change in Net Position</b>				<b>11,179,007</b>	

The accompanying notes are an integral part of this statement

**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2021**

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Waterworks Utility	Solid Waste	Nonmajor Enterprise Golf	Total Enterprise Funds	
<b>Cash Flows from Operating Activities</b>					
Cash received from customers	38,792,895	8,319,118	1,738,865	48,850,878	-
Cash received from interfund charges	-	-	-	-	11,200,764
Cash received from other sources	-	-	44,179	44,179	-
Cash payments to suppliers for goods and services	(12,866,292)	(5,656,335)	(1,286,815)	(19,809,442)	(6,593,911)
Cash payments to employees for services	(7,177,904)	(1,314,911)	-	(8,492,815)	(2,061,906)
Cash paid for taxes	(3,430,667)	(1,460,875)	(9,817)	(4,901,359)	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>15,318,032</b>	<b>(113,003)</b>	<b>486,412</b>	<b>15,691,441</b>	<b>2,544,947</b>
<b>Cash Flows from Non-Capital financing activities</b>					
Proceeds from federal, state and local grants	253,048	19,560	-	272,608	34,840
Interfund loan payments	-	43,134	-	43,134	-
Insurance recoveries	-	-	-	-	145,869
Transfer out to other funds	(1,678,293)	-	-	(1,678,293)	-
<b>Net Cash Flows from non-Capital and related financing activities</b>	<b>(1,425,245)</b>	<b>62,694</b>	<b>-</b>	<b>(1,362,551)</b>	<b>180,709</b>
<b>Cash Flows from Capital and Related Financing Activities</b>					
Acquisition/construction - capital	(1,725,936)	-	-	(1,725,936)	(1,600,563)
Payments on debt principal	(4,195,757)	-	(195,000)	(4,390,757)	-
Payments on debt interest	(1,008,517)	-	(10,238)	(1,018,755)	-
Proceeds from federal, state and local grants	931,610	-	-	931,610	-
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<b>(5,998,600)</b>	<b>-</b>	<b>(205,238)</b>	<b>(6,203,838)</b>	<b>(1,600,563)</b>
<b>Cash Flows from Investing Activities</b>					
Purchase of investments	(2,849,646)	-	(139,679)	(2,989,325)	(248,809)
Proceeds from sale of investment securities	-	328,825	-	328,825	165,216
Interest on investments	46,082	42,553	2,793	91,428	19,971
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>(2,803,564)</b>	<b>371,378</b>	<b>(136,886)</b>	<b>(2,569,072)</b>	<b>(63,622)</b>
Net Increase (Decrease) in Cash and Cash Equivalents	5,090,623	321,069	144,288	5,555,980	1,061,471
Cash and Cash Equivalents Beginning of Year	13,507,144	2,626,315	188,974	16,322,433	1,873,286
<b>Cash and Cash Equivalents End of Year</b>	<b>18,597,767</b>	<b>2,947,384</b>	<b>333,262</b>	<b>21,878,413</b>	<b>2,934,757</b>

The accompanying notes are an integral part of this statement

Page 1 of 2

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2021**

(continued)

	Business-type Activities - Enterprise Funds			Total Enterprise Funds	Governmental Activities - Internal Service Fund
	Waterworks Utility	Solid Waste	Nonmajor Enterprise Golf		
<b>Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities</b>					
Operating Income (Loss)	3,180,494	(367,647)	409,668	3,222,515	573,268
<b>Adjustments:</b>					
Depreciation	7,804,857	-	35,158	7,840,015	1,214,218
Other nonoperating receipts	7,712,327	3,060	44,179	7,759,566	-
Other nonoperating payments	(1,938,808)	-	-	(1,938,808)	-
<b>Changes in assets and liabilities</b>					
(Increase)/Decrease in inventories	9,555	-	(3,241)	6,314	(36,859)
(Increase)/Decrease in receivables	(1,118,353)	(225,650)	-	(1,344,003)	-
Increase/(Decrease) in net pension liability, DO, DI	(1,666,825)	(86,398)	-	(1,753,223)	(135,787)
Increase/(Decrease) in accounts payable	1,366,382	577,927	(11,839)	1,932,470	930,107
Increase/(Decrease) other current liabilities	(31,597)	(14,295)	12,487	(33,405)	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>15,318,032</b>	<b>(113,003)</b>	<b>486,412</b>	<b>15,691,441</b>	<b>2,544,947</b>
<b>Schedule of Non-Cash Capital and Related Financing Activities</b>					
Capital assets contributed by private developers	3,115,511	-	-	3,115,511	-
Increase (decrease) in fair value of investments	(148,904)	-	-	(148,904)	-
<b>Total Non-Cash Activities</b>	<b>2,966,607</b>	<b>-</b>	<b>-</b>	<b>2,966,607</b>	<b>-</b>

The accompanying notes are an integral part of this statement

Page 2 of 2

**Statement of Fiduciary Net Position  
Fiduciary Funds  
December 31, 2021**

	<b>Custodial Funds</b>
<b>Assets</b>	
Cash and cash equivalents	66,053
<b>Total Assets</b>	<b>66,053</b>
 <b>Liabilities</b>	
Other liabilities	1,565
<b>Total Liabilities</b>	<b>1,565</b>
 <b>Total Net Position - Restricted for Other Governments</b>	
	<b>64,488</b>

*The accompanying notes are an integral part of this statement*

**Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended December 31, 2021**

	<b>Custodial Funds</b>
<b>Additions:</b>	
Drug seizures	21,506
State court fees collected	497,215
Warrant services	-
Leasehold taxes	5,149
Weapons permitting	15,770
Building advisory	7,273
Fingerprinting fees collected for other agencies	5,448
Other fees collected for other agencies	1,000
<b>Total Additions</b>	<b>553,361</b>
<b>Deductions:</b>	
Drug seizures	6,505
State court fees remitted	464,336
Warrant services	-
Leasehold taxes	3,525
Weapons permitting	17,054
Building advisory	6,422
Fingerprinting fees collected for other agencies	5,138
Other fees collected for other agencies	1,125
<b>Total Deductions</b>	<b>504,105</b>
Net increase (decrease) in fiduciary net position	49,256
Net Position Beginning of Year	15,232
<b>Net Position End of Year</b>	<b>64,488</b>

*The accompanying notes are an integral part of this statement*

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**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Reporting Entity**

The City of Marysville was incorporated on March 20, 1891 and operates under the laws of the State of Washington applicable to a non-charter code city with a mayor-council form of government. The accounting and reporting policies of the city conform to generally accepted accounting principles (GAAP) of local governments.

The city is a general-purpose government and provides public safety, road improvement, parks and recreation, judicial administration and general governmental services. In addition, the city owns and operates a water/sewer/surface water utility, a golf course and provides garbage collection and recycling services. The accompanying statements include all funds, agencies and boards controlled by or dependent on the city. The financial statements include as well the assets and liabilities of all funds for which the city has a custodial or trust responsibility. The financial statements do not include the financial position or results of operations of the Marysville School District, which is a separate municipal corporation.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Our policy is to allocate indirect costs to a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements or a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**C. Measurement Focus, Basis of Accounting, and Financial Statement Preparation**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the city considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Under modified accrual basis of accounting, property taxes, sales taxes, utility taxes and interest associated within the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. Grant

revenue is recognized for cost reimbursement grants when the expenditure occurs in accordance with GASB Statement 33. When the expenditure is incurred, grant revenue is considered to have been earned and therefore available and recognized as revenue. All other revenue items are considered to be measurable and available only when cash is received by the city.

The city reports the following major government funds:

- The General Fund is the city's operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The general fund includes police, parks, culture and recreation, parks maintenance, community development, courts, executive, finance, human resources, and legal.
- The Street Capital Improvement fund accounts for the design and construction of the city's infrastructure.
- The General Capital Improvement fund accounts for the construction of the new city campus.
- The Local Improvement District (LID) #71 accounts for assessments related to the LID and provides payment to the fiscal agent for principal and interest on bonds issued in September 2014.

The city reports the following major enterprise funds:

- The Waterworks Utility operating fund accounts for the distribution and filtration of water, the collection and treatment of wastewater, as well as the collection and treatment of sewage, and the design and construction of all water/sewer/surface water capital projects. Also included in the waterworks utility fund are all debt service payments.
- The Solid Waste fund accounts for the collection of commercial and residential solid waste as well as curb side recycling program.

Additionally, the government reports the following fund types:

- Special revenue funds account for the proceeds of specific revenue sources to finance specific activities as required by law or administrative regulations.
- Debt service funds account for the accumulation of resources and the payment of general long-term debt principal and interest from governmental resources and special assessment bond principal and interest from special assessment levies when the government is obligated in some manner for the payment.
- Capital project funds account for the design and construction of city infrastructure and city parks and recreational facilities and other governmental facilities.
- Internal service funds account for the city's fleet management, facility services, information services, unemployment insurance and liability insurance provided to other departments on a cost reimbursement basis.
- Custodial funds account for the funds received for drug seizure, weapon permits and other county mitigation fees.

As a general rule, the effect of interfund activity has been eliminated for the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. The city has allocated certain indirect costs that are included in the program expense reported for individual functions and activities.

Amounts reported as program revenues include 1) charges to customers, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than program revenues. General revenues include all taxes.

The proprietary statements are reported using the economic resources measurement focus and full-accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liability is incurred regardless of the timing of cash flows. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the city are the Waterworks Utility Fund, Solid Waste Fund, Golf Fund, and the internal service fund charges to customers for sales and services. Operating expenses for the enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available to use, it is the City of Marysville's policy to use restricted resources first, and then unrestricted resources as needed.

**D. Budgetary Information****Scope of Budget**

In accordance with the Revised Code of Washington (RCW) 35A.34, the City budgets for all operating funds. These budgets are prepared in accordance with generally accepted accounting principles. Budgetary accounts are integrated in fund ledgers for all budgeted funds, but the financial statements include budgetary comparisons for budgeted governmental funds only.

The budget, as adopted, constitutes the legal authority for expenditures. Appropriations are authorized for two years, but must be reviewed by the City Council at the midpoint of the biennial period. The appropriated budgets are adopted at the fund level where expenditures may not exceed appropriations. Subsidiary revenue and expenditure ledgers are used to compare the budgeted amounts with actual revenues and expenditures. As a management control device, the subsidiary ledgers monitor expenditures for individual functions and activities by object class. Any unexpended appropriation balances lapse at the end of the biennium.

**Amending the Budget**

The City Administrative Officer is authorized to transfer appropriations between programs within any fund; however, any revisions that alter the total expenditures of a fund must be approved by the City Council. When City Council determines that it is in the best interest of the City to increase or decrease the appropriation for a particular fund, it may do so by ordinance approved by a simple majority.

The financial statements contain the original and final budget information. The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized changes applicable for the fiscal year.

As of December 31, 2021, the following funds reported deficits in fund balance or net position:

Fund 314 – General Capital Improvements has a deficit fund balance of \$56,841 due to retainage held and payable at a future date.

Fund 102- Arterial Street has a deficit fund balance due to retainage of \$59,402 held and payable at a future date.

Fund 115 – Affordable Housing Tax has a deficit fund balance of \$359,507 from an interfund loan that was used to purchase a building that will be used as a MESH house for people in transition.

Fund 310 – Parks Construction has a deficit fund balance of \$833,732 due to an interfund loan used to purchase the historical Opera House.

**E. Assets, Liabilities, Fund Balances and Net Position****Cash and Cash Equivalents**

The City of Marysville invests all short-term cash surpluses. Monies from all City funds are internally pooled for investment purposes. The interest earned from the pooled investments is prorated to individual funds at the end of each month based on the cash balance in each fund at the end of the month. The City considers all highly-liquid assets, including investment in the Washington State's Local Government Investment Pool, and short-term investments with a maturity of three months or less when purchased, to be cash equivalents.

**Investments (see note 2 – Deposits and Investments)**

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.

**Receivables (see note 11 – Receivables)**

The City of Marysville recognizes receivables in its various funds based on the account basis required for that fund. These receivables include the following:

1. Property Taxes (see note 3 – Property Taxes) - Uncollected property taxes levied for the current year are reported as receivables at year-end. When property taxes become three years delinquent, the county is required by state statute to foreclose on the property. Historically, all taxes have been collected; therefore, no allowance for uncollectible taxes is recorded.
2. Sales Tax - There is a running two-month lag in remittance of sales tax to the city. Sales taxes collected in November and December are not remitted by the state to the city until January and February of the following year and are reported as receivables at year-end.

There is no allowance for uncollectible sales taxes because all sales taxes are required by law to be collected by businesses at the time of sale and remitted to the state.

3. Other Taxes - Electric, telephone, natural gas taxes remitted after the end of the year for activity occurring during the prior year are reported as receivables at year-end.
4. Interest Receivable - Interest receivable consists of amounts earned, but not received, on investments.
5. Accounts Receivable - Customer accounts receivable consist of amounts owed by private individuals or organization for goods and services provided. Unbilled services provided to utility customers are estimated at year-end and included in accounts receivable.

#### **Amounts Due to and from Other Funds; Interfund Loans and Advances Receivable**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund loans receivable/payable" or "advances to/from other funds." All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Separate schedules of interfund loans, amounts due to and from other funds and advances are furnished in Note 13 – Interfund Transactions and Balances.

#### **Amounts Due to and from Other Governmental Units**

These accounts include amounts due to or from other governments for grants, entitlements, temporary loans, taxes and charges for services.

#### **Special Assessments**

Special assessments are amounts levied against benefited properties to recover costs associated with the construction of local improvement district (LID) projects. A lien is recorded against benefited properties until the assessment has been paid. Special assessments receivable represent all outstanding assessment amounts including current assessments billed but not collected, unpaid delinquent assessments, and special assessment amounts due in future years, which are recorded in a deferred inflow of resources account. Since special assessments are secured by liens against related properties, no allowance for uncollectible amounts is made. Total assessment principal billed in 2021 was \$198,234 and total principal collected was \$328,264. As of December 31, 2021, \$8,079 of special assessments receivable were delinquent.

#### **Inventories**

Inventories in proprietary funds use a perpetual inventory method in which an expense is recorded when related items are consumed. Physical inventories are taken at year-end and the value of items remaining in inventory is calculated for financial reporting purposes. Inventories in proprietary funds are valued by the FIFO method, which approximates the market value. Inventories associated with Golf Course are held for resale. All other inventories are held for internal use only.

#### **Restricted Assets and Liabilities**

Constraints imposed by debt covenants and laws and regulations of other governments require that the City maintain cash accounts, investments and receivables for certain purposes. These accounts contain resources to ensure compliance with the revenue debt bond covenants. Specific debt service reserve requirements are described in note 8 – Long-Term Debt. The restricted assets of the enterprise funds is composed of \$5,577,185 of investments for debt service.

#### **Capital Assets (see note 4 – Capital Assets and Depreciation)**

The City began prospective reporting of general infrastructure assets in January 1, 2005 and incorporated the retrospective values in 2007.

Capital assets, which include property, plant, and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and estimated useful life in excess of one year. Infrastructure assets are capitalized when cost equals or exceeds \$300,000. Donated capital assets are recorded at acquisition value at the date of donation.

Capital assets purchased, constructed, or leased by a governmental fund type are recorded as expenditures in that fund at the time the related expenditures are incurred. The associated capital assets are capitalized in the Governmental Activities column on the Government Wide Statement of Net Position. Capital assets of internal service funds are reported with governmental assets.

Costs of normal maintenance and repair for general capital assets are not capitalized. However, any improvement that increases an asset's value, capacity or materially extends its life is added to that asset's capitalized costs.

All project costs are included in construction in progress in the government-wide statement of net position. At completion, capital costs are reclassified to the appropriate capital asset account. In the governmental fund financial statements, lease and contract payments are reported as expenditures.

Property, plant and equipment of the primary government, are depreciated using the straight line method over the following estimated useful lives:

<b>ESTIMATED SERVICE LIFE</b>	
Buildings & Structures	25-50 Years
Infrastructure	13-100 Years
Improvement Other Than Buildings	5-50 Years
Machinery & Equipment	2-20 Years

**Pensions** (see note 5 – Pension Plans)

For purpose 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.

For purposes of calculating the restricted net position related to the net pension asset, the City includes the net pension asset and the related deferred outflows and deferred inflows.

**Other Post-Employment Benefits (OPEB) Plans** (see note 6– Defined Benefit Other Post-Employment Benefits (OPEB) Plans)

Lifetime full medical coverage is provided to uniformed Police and Fire personnel who became members of the Law Enforcement Officers and Fire Fighters (LEOFF) retirement system prior to October 1, 1977. A liability for the accumulated unfunded actuarially required contributions 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.

**Compensated Absences**

Employees may accumulate up to 180 days of sick leave. However, since the city does not have a policy to pay any amounts when employees separate from service with the government, there is no liability recorded for unpaid accumulated sick leave. Sick leave pay is recorded as an expense/expenditure upon usage. Eligible employees accumulate 10 to 25 days of vacation annually depending upon the employee's length of service, but may not accumulate more than two full years of earned accrual.

At the time of retirement or separation from the City, employees will be compensated for any unpaid accumulated vacation leave up to 240 hours.

**Unearned Revenues**

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

**Deferred Outflow/Inflows of Resources**

Deferred outflow of resources is the consumption of net position that is applicable to a future reporting period. A deferred outflow of resources involved no consumption of resources that results in either a net decrease in assets or a net increase in liabilities. It also represents access to present service capability that is under the government's controls. Deferred outflows of resources presented in this manner on the accompanying financial statements are related to outstanding debt, pension, OPEB, property taxes and court receivables.

Deferred inflow of resources is the acquisition of net position that is applicable to a future reporting period. A deferred inflow of resources involved no acquisition of resources resulting in either a net increase in assets or a new decrease in liabilities. It represents a present obligation to sacrifice resources that the government has little or no discretion to avoid. Deferred inflow of resources presented in this manner on the accompanying financial statements are related to outstanding debt, OPEB and pension.

**Long-term Debt** (see note 8-Long-Term Debt)

Liabilities for long-term debt are recorded in the government-wide statement of net position and in the proprietary funds balance sheet. The liabilities include bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

For governmental funds financial statements, bond issuance costs are expended at the time of issuance. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bond proceeds are reported as other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as a debt service expenditure. The nature of debt in the governmental activity is specific to a program and, therefore; debt service costs are not an allocated expenditure.

**Net Position and Fund Balance**

Net Position is segregated into three categories on the government-wide statement of net position: 1) net investment in capital assets; 2) restricted; and 3) unrestricted. The flow assumption of the City is to use restricted assets before unrestricted assets. Restricted assets are usually set aside in a separate fund, specifically used for the purpose of debt service or capital.

Fund balances, with the implementation of GASB 54, presented in the governmental fund financial statements represent the difference between assets and liabilities reported within the government fund. Fund balance is classified into the following categories:

Non-spendable – items that cannot be spent due to form; inventories, prepaid amounts, long-term loan receivables, or amounts that must be maintained intact legally.

Spendable - amounts are further segregated into categories based on the degree to which the uses of resources are constrained. When an expenditure is incurred for which restricted and unrestricted amounts are available, the City considers restricted amounts to be used first, followed by committed, then assigned, and lastly, unassigned amounts.

Restricted – amounts constrained for specific purposes imposed by external parties, such as those resulting from federal and state legislation, grant awards, bond covenants, and inter-local service agreements.

Committed – fund balance constrained by ordinance or resolution is adopted by City council and requires the same action to remove the constraint. In Washington State, ordinances and resolutions carry the same force of law.

Assigned – constraints that are neither restricted or committed, are considered assigned. Assignments are adopted by City Council through the budget ordinance. Special revenue funds typically report the majority of assigned fund balance and are created through ordinance by City Council. Fund balance in special revenue funds that are intended to be used for specific purposes, but are neither restricted or committed, include transfers from other funds, investment interest not constrained by contract or covenant, fees for services and rents.

Unassigned – any remaining fund balance in the general fund not classified as non-spendable, restricted, committed or assigned is considered unassigned. Also negative fund balance in any other governmental fund is unassigned. Also, the City’s financial policies require a minimum of 10% of General Funds budgeted revenues (less beginning fund balance) be held in reserve. The reserves can be used for anything that council feels is necessary and therefore is reported as unassigned. Any and all expenditures from the reserve require a super majority vote by the entire City Council.

**NOTE 2 - DEPOSITS AND INVESTMENTS**

**Deposits**

The City’s deposits and certificates of deposit are entirely covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

<b>Cash and Deposits</b>	<b>Total</b>
Cash on Hand	4,750
FDIC Insured Bank Deposits	8,634,259
<b>Total Cash and Deposits</b>	<b>8,639,009</b>

**Investments**

As required by state law, all investments of the City’s funds are obligations of the U.S. Government, U.S. agency issues, obligations of the State of Washington, the State of Washington Local Government Investment Pool, or certificates of deposit with Washington State Banks.

The City is a participant in the Local Government Investment Pool (LGIP) which 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 prepared 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>.

*Credit Risk* - Safety of principal is the foremost objective of the City's investment program. City investments are undertaken in a conservative manner that seeks to ensure the preservation of the portfolio's capital. The City holds investments in government agencies all of which hold AAA ratings from Standard & Poor's and Aaa from Moody's Investor Services.

*Custodial Credit Risk* is the risk that in the event of a bank failure, the City's investments may not be recovered. All City securities are held for safekeeping by US Bank.

*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. Safety of the principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

*Interest Rate Risk* – Interest rate risk is the risk that changes in interest rates of debt instruments will adversely affect the fair value of an investment. To mitigate the effect of interest rate risk, the portfolio is invested in high quality, highly liquid obligations with limited maximum and average maturities. The City's investment policy limits the effective duration of the portfolio to a maximum of five with a weighted average maturity of two years.

**Investments that are not measured at fair value**

As of December 31, 2021, the City had the following investments at amortized cost reported as cash equivalents:

Investment Type	Maturities	Total
CD – Bank of America	6/16/2022	11,677
Deposit Account – Opus Bank	-	2,810,853
State Pool Primary	-	40,742,733
<b>Total Deposits</b>		<b>43,565,263</b>

**Investments measured at fair value**

Investment Type	Fair Value	Less Than 1 Year	1 to 4 Years
Federal Farm Credit Bank	5,752,818	2,763,205	2,989,613
Federal Home Loan Bank	9,155,587	5,075,543	4,080,044
Federal National Mortgage Association	4,242,805	502,059	3,740,746
Federal Home Loan Mortgage Association	4,732,100	1,500,973	3,231,127
US Treasury Notes	21,792,010	-	21,792,010
Municipal Bonds	247,740	-	247,740
<b>Total Investments</b>	<b>45,923,060</b>	<b>9,841,780</b>	<b>36,081,280</b>

The City measures and reports investments at fair value using the valuation input hierarchy established by generally accepted account principles 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

Investment Type	Fair Value	Quotes Prices in Active Markets (Level 1)	Other Observable Inputs (Level 2)
Federal Agency Securities	23,883,310	-	23,883,310
US Treasury Securities	21,792,010	21,792,010	-
Municipal Bonds	247,740	247,740	-
<b>Total Investments</b>	<b>45,923,060</b>	<b>22,039,750</b>	<b>23,883,310</b>

Reconciliation of cash deposits and investments are detailed in the following table:

Cash Deposits and Investments	Fair Value	Cost Based Measure	Total
Federal Farm Credit Bank	5,752,818	-	5,752,818
Federal Home Loan Bank	9,155,587	-	9,155,587
Federal National Mortgage Association	4,242,805	-	4,242,805
Federal Home Loan Mortgage Association	4,732,100	-	4,732,100
US Treasury Notes	21,792,010	-	21,792,010
Municipal Bonds	247,740		247,740
Cash on Hand	-	4,750	4,750
FDIC Insured Deposits (KeyBank)	-	8,634,259	8,634,259
State Pool	-	40,742,733	40,742,733
CD – Bank of America	-	11,677	11,677
Deposit Account – Opus Bank	-	2,810,853	2,810,853
<b>Total Cash Deposits &amp; Investments</b>	<b>45,923,060</b>	<b>52,204,272</b>	<b>98,127,332</b>

**NOTE 3 - PROPERTY TAXES:**

The county treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Collections are distributed at/after the end of each month. Properties listed on the County tax rolls as of May 31 are included in the annual tax levy January 1. New construction through August 31 is included in the annual tax levy the following January 1.

Property Tax Calendar	
January 1	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 revenue 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 2021 was \$1.6022 per \$1,000 on an assessed valuation of \$9,729,494,216.

Purpose of Levy	Levy Rate Per \$1,000	Total Levy Amount
General Government	1.1022	\$ 10,723,855
Emergency Medical Service (EMS)	.5000	4,864,747
<b>Total City Levy</b>	<b>\$ 1.6022</b>	<b>\$ 15,588,602</b>

**NOTE 4 - CAPITAL ASSETS AND DEPRECIATION**

A summary of changes in governmental capital assets follows:

GOVERNMENTAL ACTIVITIES	BEGINNING BALANCE 01/01/2021	PRIOR PERIOD ADJUSTMENT	ADDITIONS	DELETIONS	ENDING BALANCE 12/31/2021
Capital assets, not being depreciated:					
Land	36,117,301	-	1,108,035	(508,304)	36,717,032
Construction in progress	66,478,814	-	31,039,027	(20,397,431)	77,120,410
Total capital assets not being depreciated	102,596,115	-	32,147,062	(20,905,735)	113,837,442
Capital assets, being depreciated:					
Buildings and structures	12,358,046	-	1,304,689	(2,829,999)	10,832,736
Improvements other than buildings	10,526,605	-	3,495,397	-	14,022,002
Infrastructure	150,861,161	-	19,020,412	-	169,881,573
Machinery and equipment	19,462,907	-	1,680,316	(176,649)	20,966,575
	193,208,719	-	25,500,814	(3,006,648)	215,702,885
Less accumulated depreciation for:					
Buildings	(4,344,611)	(31,497)	(186,900)	1,806,910	(2,756,099)
Improvements other than buildings	(4,188,940)	(35,362)	(383,859)	-	(4,608,161)
Infrastructure	(30,805,765)	71,362	(1,917,053)	-	(32,651,456)
Machinery and equipment	(10,467,942)	8,027	(1,253,580)	154,770	(11,558,725)
Total accumulated depreciation	(49,807,258)	12,529	(3,741,392)	1,961,680	(51,574,441)
Total assets being depreciated, net	143,401,461	12,529	21,759,422	(1,044,968)	164,128,444
Governmental activities capital assets, net	245,997,576	12,529	53,906,484	(21,950,702)	277,965,887

Net Investment in capital assets:

**Governmental Activities**

Net Capital Assets	277,965,887
Less Noncurrent Debt	(66,570,000)
Less Current Debt Principal	(3,640,000)
Less Debt Premium	(6,989,658)
Plus Deferred Outflow Related to Debt	82,622
 Net investments in capital assets	 200,848,851

A summary of changes in business-type capital asset follows:

BUSINESS-TYPE ACTIVITIES	BEGINNING BALANCE 1/1/2021	PRIOR PERIOD ADJUSTMENT	ADDITIONS	DELETIONS	ENDING BALANCE 12/31/2021
Capital assets, not being depreciated:					
Land	10,600,464	-	-	-	10,600,464
Construction in progress	8,794,930	-	2,820,156	(7,170,872)	4,444,214
Total capital assets not being depreciated	19,395,394	-	2,820,156	(7,170,872)	15,044,678
Capital assets, being depreciated:					
Buildings and structures	9,849,871	-	-	-	9,849,871
Improvements other than buildings	264,847,036	-	8,526,700	(117,505)	273,256,231
Machinery and equipment	5,295,147	-	37,204	(214,402)	5,117,949
	279,992,054	-	8,563,904	(331,907)	288,224,051
Less accumulated depreciation for:					
Buildings	(4,585,082)	2,435	(198,407)	-	(4,781,055)
Improvements other than buildings	(119,997,806)	(375,872)	(7,490,028)	117,505	(127,746,201)
Machinery and equipment	(3,254,509)	(14,314)	(151,848)	214,402	(3,206,269)
Total accumulated depreciation	(127,837,397)	(387,751)	(7,840,284)	331,907	(135,733,525)
 Total assets being depreciated, net	 152,154,657	 (387,751)	 723,620	 -	 152,490,526
 Business-type activities capital assets, net	 \$ 171,550,051	 \$ (387,751)	 \$ 3,543,776	 \$ (7,170,872)	 \$ 167,535,204

Net Investment in capital assets

**Business Activities**

Net Capital Assets	167,535,204
Less Noncurrent Debt	(22,285,033)
Less Current Debt Principal	(4,288,123)
Less Debt Premium	(1,945,749)
Plus Deferred Outflow Related to Debt	294,101
 Net investments in capital assets	 139,310,400

**Depreciation**

Depreciation expense was charged to the following functions/programs of the primary government as follows:

**Governmental Activities**

General Government Services	\$ 272,021
Protection of Persons & Property	13,576
Physical Environment	6,581
Transportation	2,040,739
Physical Health	3,925
Culture & Recreation	190,844
Internal Service	<u>1,214,218</u>
Total Depreciation-Governmental Activities	<u>\$ 3,741,903</u>

**Business-type Activities**

Waterworks Utility	\$ 7,804,857
Golf	<u>35,427</u>
Total Depreciation-Business-Type Activities	<u>\$ 7,840,284</u>

**Construction Commitments**

As of December 31, 2021, the City had other outstanding contractual commitments, which include construction and engineering contracts for capital projects currently in progress. The City's outstanding contract obligations are summarized below:

Project	Expended To Date	Remaining Commitment
Parks Construction	2,360,540	168,703
Street Construction	18,946,656	3,292,015
Utility Construction	7,125,747	2,656,256
<b>Total</b>	<b>28,432,943</b>	<b>6,116,974</b>

**NOTE 5 - PENSION PLANS**

The following table represents the aggregate pension amounts for all plans for the year 2021:

Aggregate Pension Amounts – All Plans	
Pension liabilities	(1,590,181)
Pension assets	30,507,500
Deferred outflows of resources	3,338,043
Deferred inflows of resources	(24,561,181)
Pension expense/expenditures	(5,628,792)

**State Sponsored Pension Plans**

Substantially all City full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans. The state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available annual comprehensive financial report that includes financial statements and required supplementary information for each plan. The DRS annual comprehensive financial report may be obtained by writing to: Department of Retirement Systems, Communications Unit, P.O. Box 48380, Olympia, WA 98540-8380.

Or the DRS annual comprehensive financial report may be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov).

**Public Employees' Retirement System (PERS)**

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

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

**Contributions**

The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2021 were as follows:

<b>PERS Plan 1</b>		
<b>Actual Contribution Rates:</b>	<b>Employer</b>	<b>Employee</b>
January – June 2021		
PERS Plan 1	7.92%	6.00%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
<b>TOTAL</b>	<b>12.97%</b>	<b>6.00%</b>
July – December 2021		
PERS Plan 1	10.07%	6.00%
Administrative Fee	0.18%	
<b>TOTAL</b>	<b>10.25%</b>	<b>6.00%</b>

**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 can retire under one of two provisions:

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

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

**PERS Plan 3** defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. PERS Plan 3 members choose their contribution rate upon joining membership and have a chance to change rates upon changing employers.

As established by statute, Plan 3 required defined contribution rates are set at a minimum of 5 percent and escalate to 15 percent with a choice of six options. Employers do not contribute to the defined contribution benefits. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

**Contributions**

The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2021 were as follows:

<b>PERS Plan 2/3</b>		
<b>Actual Contribution Rates:</b>	<b>Employer 2/3</b>	<b>Employee 2</b>
January – June 2021		
PERS Plan 2/3	7.92%	7.90%
PERS Plan 1 UAAL	4.87%	
Administrative Fees	0.18%	
Employee PERS Plan 3		Varies
<b>TOTAL</b>	<b>12.97%</b>	<b>7.90%</b>
July – December 2021		
PERS Plan 2/3	6.36%	6.36%
PERS Plan 1 UAAL	3.71%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
<b>TOTAL</b>	<b>10.25%</b>	<b>6.36%</b>

The City's actual PERS plan contributions were \$887,474 to PERS Plan 1 and \$1,383,355 to PERS Plan 2/3 for the year ended December 31, 2021.

**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 Control Board, Parks and Recreation Commission, and Washington State Patrol),
- Washington State Counties,
- Washington State Cities (except for Seattle, Spokane, and Tacoma),
- Correctional entities formed by PSERS employers under the Interlocal Cooperation Act.

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

**Contributions**

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

The PSERS Plan 2 required contribution rates (expressed as a percentage of current-year covered payroll) for 2021 were as follows:

<b>PSERS Plan 2</b>		
<b>Actual Contribution Rates:</b>	<b>Employer</b>	<b>Employee</b>
January – June 2021		
PSERS Plan 2	7.20%	7.20%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
<b>TOTAL</b>	<b>12.25%</b>	<b>7.20%</b>
July – December 2021		
PSERS Plan 2	6.50%	6.50%
PERS Plan 1 UAAL	3.71%	
Administrative Fee	0.18%	
<b>TOTAL</b>	<b>10.39%</b>	<b>6.50%</b>

The City’s actual contributions to the PSERS 2 plan were \$87,864 for the year ended December 31, 2021.

**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            1.0% of FAS

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

**Contributions**

Starting on July 1, 2000, **LEOFF Plan 1** employers and employees contribute zero percent, as long as the plan remains fully funded. The LEOFF Plan I had no required employer or employee contributions for fiscal year 2021. 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 included an administrative expense component set at 0.18 percent. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board.

Effective July 1, 2017, when a LEOFF employer charges a fee or recovers costs for services rendered by a LEOFF 2 member to a non-LEOFF employer, the LEOFF employer must cover both the employer and state contributions on the LEOFF 2 basic salary earned for those services. The state contribution rate (expressed as a percentage of covered payroll) was 3.41% in 2021.

The LEOFF Plan 2 required contribution rates (expressed as a percentage of covered payroll) for 2021 were as follows:

LEOFF Plan 2		
Actual Contribution Rates:	Employer	Employee
January – June 2021		
State and local governments	5.15%	8.59%
Administrative Fee	0.18%	
<b>TOTAL</b>	<b>5.33%</b>	<b>8.59%</b>
July – December 2021		
State and local governments	5.12%	8.53%
Administrative Fee	0.18%	
<b>TOTAL</b>	<b>5.30%</b>	<b>8.53%</b>

The City’s actual contributions to the plan were \$ 460,176 for the year ended December 31, 2021.

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, 2021, the state contributed \$78,170,320 to LEOFF Plan 2. The amount recognized by the City as its proportionate share of this amount is \$309,303.

**Actuarial Assumptions**

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2021 with a valuation date of June 30, 2020. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary’s (OSA) *2013-2018 Demographic Experience Study* and the *2019 Economic Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2020 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2021. Plan liabilities were rolled forward from June 30, 2020, to June 30, 2021, reflecting each plan’s normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.5% salary inflation
- **Salary increases:** In addition to the base 3.5% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.4%

Mortality rates were developed using the Society of Actuaries’ Pub. H-210 mortality rates, which vary by member status, as the base table. The OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout their lifetime.

There were no changes in assumptions since the last valuation. There were changes in methods since the last valuation:

- For the purposes of the June 30, 2020 Actuarial Valuation Report (AVR), a non-contribution rate setting valuation under current funding policy, the Office of the State Actuary (OSA) introduced temporary method changes to produce asset and liability measures as of the valuation date. See high-level summary below. OSA will revert back to the methods outlined in the 2019 AVR when preparing the 2021 AVR, a contribution rate-setting valuation, which will serve as the basis for 2022 ACFR results.
- To produce measures at June 30, 2020, unless otherwise noted in the 2020 AVR, OSA relied on the same data, assets, methods, and assumptions as the June 30, 2019 AVR. OSA projected the data forward one year reflecting assumed new hires and current members exiting the plan as expected. OSA estimated June 30, 2020, assets by relying on the fiscal year end 2019 assets, reflecting actual investment performance over FY 2020, and reflecting assumed contribution amounts and benefit payments during FY 2020. OSA reviewed the actual June 30, 2020, participant and financial data to determine if any material changes to projection assumptions were necessary. OSA also considered any material impacts to the plans from 2021 legislation. See the 2020 AVR for more information.

**Discount Rate**

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

To determine that rate, an asset sufficiency test was completed to test whether each pension plan’s fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on OSA’s assumptions, the pension plans’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.4 percent was used to determine the total liability.

**Long-Term Expected Rate of Return**

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

**Estimated Rates of Return by Asset Class**

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2021, 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%
	<b>100%</b>	

**Sensitivity of Net Pension Liability/(Asset)**

The table below presents the City’s proportionate share of the net pension liability (asset) 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	\$ 2,708,963	\$ 1,590,181	\$ 614,488
PERS 2/3	(4,443,081)	(15,596,294)	(24,780,969)
PSERS 2	(63,824)	(407,086)	(678,761)
LEOFF 1	(480,597)	(533,840)	(579,904)
LEOFF 2	(8,809,669)	(13,970,281)	(18,195,793)

**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, 2021, the City reported a total pension liability of \$1,590,181 and a total pension asset of (\$30,507,500) for its proportionate share of the net pension liabilities as follows:

	Liability (or Asset)
PERS 1	\$ 1,590,181
PERS 2/3	(15,596,294)
PSERS 2	(407,086)
LEOFF 1	(533,840)
LEOFF 2	(13,970,281)

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

	LEOFF 1 Asset	LEOFF 2 Asset
Employer's proportionate share	(533,840)	(13,970,281)
State's proportionate share of the net pension liability/(asset) associated with the employer	(3,610,878)	(9,012,356)
<b>TOTAL</b>	<b>(4,144,717)</b>	<b>(22,982,638)</b>

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

	Proportionate Share 6/30/20	Proportionate Share 6/30/21	Change in Proportion
PERS 1	.129246%	.130211%	.000965%
PERS 2/3	.156557%	.156564%	.000007%
PSERS 2	.166369%	.177195%	.010826%
LEOFF 1	.015209%	.015584%	.000375%
LEOFF 2	.225716%	.240518%	.225716%

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

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2020. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2020, the state of Washington contributed 87.12 percent of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88 percent of employer contributions. LEOFF 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

In fiscal year 2021, the state of Washington contributed 39.00 percent of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 61.00 percent of employer contributions.

**Pension Expense**

For the year ended December 31, 2021, the City recognized pension expense as follows:

	Pension Expense
PERS 1	\$ (263,812)
PERS 2/3	(3,506,753)
PSERS 2	(18,245)
LEOFF 1	(86,500)
LEOFF 2	(1,753,481)
<b>TOTAL</b>	<b>(5,628,792)</b>

**Deferred Outflows of Resources and Deferred Inflows of Resources**

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>PERS 1</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	-	-
Net difference between projected and actual investment earnings on pension plan investments	-	(1,764,569)
Changes of assumptions	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	404,427	-
<b>TOTAL</b>	<b>404,427</b>	<b>(1,764,569)</b>

<b>PERS 2/3</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	757,489	(191,195)
Net difference between projected and actual investment earnings on pension plan investments	-	(13,034,843)
Changes of assumptions	22,791	(1,107,595)
Changes in proportion and differences between contributions and proportionate share of contributions	310,731	(201,209)
Contributions subsequent to the measurement date	645,935	-
<b>TOTAL</b>	<b>1,736,946</b>	<b>(14,534,842)</b>

<b>PSERS 2</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	41,772	(1,609)
Net difference between projected and actual investment earnings on pension plan investments	-	(291,597)
Changes of assumptions	63	(41,626)
Changes in proportion and differences between contributions and proportionate share of contributions	-	(9,616)
Contributions subsequent to the measurement date	44,089	-
<b>TOTAL</b>	<b>85,925</b>	<b>(344,447)</b>

<b>LEOFF 1</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	-	-
Net difference between projected and actual investment earnings on pension plan investments	-	(163,121)
Changes of assumptions	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	-	-
<b>TOTAL</b>	<b>-</b>	<b>(163,121)</b>

<b>LEOFF 2</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	633,639	(73,832)
Net difference between projected and actual investment earnings on pension plan investments	-	(6,661,131)
Changes of assumptions	6,039	(664,427)
Changes in proportion and differences between contributions and proportionate share of contributions	244,172	(354,812)
Contributions subsequent to the measurement date	226,895	-
<b>TOTAL</b>	<b>1,110,745</b>	<b>(7,754,201)</b>

Deferred outflows of resources related to pensions resulting from the City’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. 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	PERS 2/3	PSERS 2	LEOFF1	LEOFF 2
2022	(467,434)	(3,534,507)	(77,788)	(43,331)	(1,794,112)
2023	(428,340)	(3,300,314)	(73,324)	(39,634)	(1,672,955)
2024	(405,013)	(3,154,909)	(69,626)	(37,398)	(1,581,415)
2025	(463,781)	(3,395,012)	(77,145)	(42,758)	(1,778,545)
2026	-	(63,281)	(1,416)	-	(41,474)
Thereafter	-	4,193	(3,313)	-	(1,851)
<b>Total</b>	<b>(1,764,569)</b>	<b>(13,443,831)</b>	<b>(302,612)</b>	<b>(163,121)</b>	<b>(6,870,351)</b>

**NOTE 6 – DEFINED BENEFIT OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS**

The following table represents the OPEB amounts for all plans subject to the requirements of GASB 75 for the year 2021.

Aggregate OPEB Amounts – All Plans	
OPEB liabilities	(4,008,111)
Deferred outflows of resources	76,799
OPEB expense/expenditures	285,242

**OPEB Plan Description**

As required by the Revised Code of Washington (RCW) Chapter 41.26, the City provides lifetime medical care for 7 LEOFF 1 retirees. The City provides medical insurance and reimbursements for all necessary hospital, medical, and nursing care expenses not payable by worker’s compensation, social security, insurance provided by another employer, other pension plan, or any other similar source. Medical insurance for the retirees is provided by the City’s employee medical insurance program. Under the authorization of the LEOFF Disability Board, direct payment is made for other retiree medical expenses not covered by standard medical plan benefit provisions.

The City provides health coverage for LEOFF 1 retirees through a medical plan purchased through the Association of Washington Cities (AWC) Employees Benefit Trust as a single employer plan. In addition, the City pays or reimburses eligible retired LEOFF 1 police officers the necessary usual and customary medical expenses in excess of those covered by the applicable insurance plan. The City also purchases a long-term care insurance plan for eligible LEOFF 1 members. Dental costs and dependents are not covered.

Employees covered by benefit terms – At December 31, 2021, the following employees were covered by the benefit terms:

Covered Employees	
Inactive employees or beneficiaries currently receiving benefits	7
Inactive employees entitled to but not yet receiving benefits	-
Active employees	-
<b>Total</b>	<b>7</b>

Funding for LEOFF 1 retiree healthcare costs is provided by the City as required by RCW. These medical benefits are funded on a pay-as-you-go basis through the General Fund and paid out of the Police Department budget. Health insurance premiums are paid monthly and long-term care insurance is paid annually. Other medical services are paid as billings are presented for reimbursement. The City reimbursed 100 percent of the amount of validated claims for medical costs incurred by these individuals.

**Assumptions and Other Inputs**

The City’s Net OPEB Liability (OPEB) was calculated using the alternative measurement method in accordance with the parameters of GASB Statement 75 for employers in plans with fewer than one hundred total plan members utilizing the interactive tool developed by the Office of the State Actuary (OSA) for use by local government. The following assumptions were used to measure the total Net OPEB Liability:

**Discount Rate**

Beginning of Measurement Year	2.21%
End of Measurement Year	2.16%

**Healthcare Trend Rates**

Medical Costs	Initial rate is about 5.3%, trends down to about 5% in the 2020’s
---------------	---

Long-Term Care	4.5%
Medicare Part B Premiums	Approximately 5%, varies by year
<b>Mortality Rates (assume 100% male population)</b>	
Base Mortality Table	PubS.H-2010 (Public Safety) Blended 50%/50% Healthy/Disabled
Age Setback	-1 year Healthy/ 0 years Disabled
Mortality Improvements	MP-2017 Long-Term Rates
Projection Period	Generational
<b>Medicare Participation Rate</b>	100%

The following presents the total OPEB liability for the City of Marysville calculated using the current healthcare cost trend rate as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate.

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability	\$ 3,599,195	\$ 4,008,111	\$ 4,481,083

The following presents the total OPEB liability of the City of Marysville calculated using the current discount rate, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Total OPEB Liability	\$ 4,518,448	\$ 4,008,111	\$ 3,578,162

**Changes in the Total OPEB Liability**

For 2021, a schedule of changes in the total OPEB liability is reported below.

LEOFF 1	
Total OPEB Liability at 1/1/2021	3,864,599
Interest	83,850
Changes of experience data & assumption	201,392
Estimated benefit payments	(141,730)
<b>Total OPEB Liability as 12/31/2021</b>	<b>4,008,111</b>

The measurement date of 6/30/2021 was used in the calculation. The city uses the alternative measurement method in accordance with GASB 75. The City paid benefits of \$60,942 for the year ended December 31, 2021.

At December 31, 2021 the city reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

LEOFF 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	-
Changes of assumptions	-	-
Payments subsequent to the measurement date	76,799	-
<b>TOTAL</b>	<b>76,799</b>	<b>-</b>

**NOTE 7 – RISK MANAGEMENT**

The City is exposed to financial loss resulting from city-caused damage to property or persons, bodily injuries, natural disasters, and unemployment compensation benefits paid to former employees. Individual internal service funds are used to account for and finance self-insurance activities. These include unemployment compensation and general liability. The city purchases commercial insurance for claims in excess of anticipated self-insured losses. Premiums paid to these funds by other governmental funds are used to pay for administrative costs, claims, and risk transfer/insurance.

Unemployment Compensation Insurance

In October 2018, the City Council signed resolution 2453 changing the payment method for the City's Unemployment Insurance. In January, 2019, the City started collecting premiums from other governmental funds and making payments to reimburse the State of Washington Employment Security Department on a quarterly basis for unemployment compensation claims paid to former employees.

Liability Insurance

The City of Marysville purchases a variety of insurance coverages to protect itself from unexpected financial loss. Liability coverage is in force with limits up to \$25,000,000, subject to a self-insured retention of \$100,000, which applies on a per occurrence basis. Coverage includes automobile liability, general liability, law enforcement liability, and public officials liability, employment practices liability, employee benefit liability, and Washington Stop Gap coverage. Claims are administered by the City with the assistance from Defense Counsel depending on the need, and subject to involvement from our excess insurers should a loss exceed our self-insured retention. Insurance for property, equipment breakdown, automobile physical damage, cyber, and pollution related exposures is also in place. A brief summary of insurance in force is as follows:

Policy Type	Limits of insurance	Carrier	Deductible
Commercial Property, Equipment Breakdown, Automobile Physical Damage, and Boiler & Machinery Insurance	\$200,000,000 All Risk \$100,000,000 Boiler & Machinery \$25,000,000 Flood \$ 5,000,000 Flood Zones A&V \$ 100,000 Unscheduled Business Interruption \$50,000,000 Extra Expense	Various Carriers	\$10,000
Earthquake	\$5,000,000	Everest Indemnity Insurance Company	\$250,000
Commercial Cyber Liability Insurance	\$2,000,000 Aggregate \$ 500,000 Privacy Notification/Monitoring Costs	Lloyd's of London - Beazley Syndicate	\$75,000
Pollution	\$2,000,000 Aggregate	Interstate Fire and Casualty Company	\$150,000
Crime	\$2,500,000	National Union Fire Insurance Company of Pittsburgh, PA	\$10,000
General Liability	\$2,000,000 Each Occurrence	Safety National Casualty Corp	\$100,000 Self-Insured Retention
Auto Liability	\$2,000,000 Combined Single Limit Bodily Injury & Property Damage	Safety National Casualty Corp	\$100,000 Self-Insured Retention
Public Officials Liability	\$2,000,000 Each Wrongful Act	Safety Specialty Insurance Co.	\$100,000 Self-Insured Retention
Law Enforcement Liability	\$200,000,000 Each Occurrence Limit	Safety Specialty Insurance Co.	\$100,000 Self-Insured Retention
Excess Liability	\$3,000,000 Each Occurrence Limit xs \$2,000,000	Safety National Casualty Corp.	N/A
Excess Liability	\$15,000,000 xs \$5,000,000	Allied World Assurance Co. & Evanston Insurance Company	N/A

Policy Type	Limits of insurance	Carrier	Deductible
Excess Liability	\$5,000,000 xs \$20,000,000	Hallmark Specialty Insurance Co.	N/A

Since the city began to self-insure in 2019 there have been no claims which have exceeded the city’s self-insurance limit.

At December 31, 2021, the city had available cash and investments in the self-insurance funds of \$ 2,638,171. The claims liability reported in the self-insurance funds is based on the requirements of GASB Statement 10. Prior to the issuance of the financial statements, GASB Statement 10 requires that a liability for claim be reported if it is probable that a liability has been incurred at the date of the financial statements and can be reasonably estimated. This estimated liability is not discounted to present value.

Changes in the self –insurance funds’ claims liabilities in 2021 are shown in the table below:

	Insurance Fund	Unemployment Compensation Fund
<b>December 31, 2020</b>		
Beginning Liability	15,000	-
Claims Incurred	95,000	8,949
Claims Paid	5,000	-
<b>Ending Liability</b>	<b>105,000</b>	<b>8,949</b>
<b>December 31, 2021</b>		
Beginning Liability	105,000	8,949
Claims Incurred	47,494	5,255
Claims Paid	62,494	13,657
<b>Ending Liability</b>	<b>90,000</b>	<b>547</b>

In 2020, the City created a self-insured health benefits program for its employees as a means to contain rising health benefit costs. Medical Insurance Fund 512 was established to account for the distribution of actual medical expense, associated administrative costs and reserves for the program. The Association of Washington Cities continues to provide medical coverage for LEOFF 1 retirees, long term disability insurance and employees who chose Kaiser or Group Health insurance.

In order to mitigate its risk exposure, the City holds individual and aggregate stop loss insurance and maintains both claims fluctuation and liability reserves. The claims fluctuation liability reserve was \$1,106,781 at December 31, 2021 based on an analysis of the recent twelve months of incurred claims with applied monthly completion factors, as required by Washington Administrative Code (WAC) 200-110-040(a).

	Medical Insurance Fund
<b>December 31, 2020</b>	
Beginning Liability	-
Claims Incurred	3,682,288
Claims Paid	2,630,022
<b>Ending Liability</b>	<b>1,052,266</b>
<b>December 31, 2021</b>	
Beginning Liability	1,052,266
Claims Incurred	3,600,772
Claims Paid	3,546,257
<b>Ending Liability</b>	<b>1,106,781</b>

**NOTE 8 – LONG-TERM DEBT**

The city issues general obligation bonds to finance the purchase, acquisition, and construction of significant capital assets. General obligation bonds have been issued for both general government and business-type activities and are being repaid from the applicable resources. Federal obligation bonds are direct obligations and pledge the full faith and credit of the government.

In August, 2020, the City issued \$11,590,000 in limited tax general obligation bonds with an average interest rate of 2.644% to provide additional funds for the construction of a new public safety building and other general government facilities.

In September, 2020 the City issued \$4,320,000 in limited tax general obligation bonds with an interest rate of 2.00% to refund \$4,320,000 of outstanding 2010 limited tax general obligation bonds. The aggregate difference in debt service between the refunded 2010 debt and the new 2020 issue was \$1,018,898 and resulted in a net present value savings of \$755,383. The refunded 2010 bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position.

General government obligation bonds outstanding at December 31, 2021 are as follows:

DESCRIPTION	DATE OF ISSUE	DATE OF FINAL MATURITY	INTEREST RATE (S)	AMOUNT ORIGINALLY ISSUED	REDEMPTION TO DATE	DEBT OUTSTANDING
<b>Governmental Activities</b>						
LTGO Refunding Bonds 2013	10/16/13	12/01/23	3.00-5.00	6,315,000	4,515,000	1,800,000
LTGO Bonds Series 2016 Refunding	09/01/14	12/01/27	2.00	4,990,000	1,865,000	3,125,000
LTGO Bonds 2013	10/16/13	12/01/30	3.00-5.00	9,005,000	3,490,000	5,515,000
LTGO Bonds 2018	06/28/18	12/01/38	3.00-5.00	11,375,000	-	11,375,000
LTGO Bonds 2018B	10/09/18	12/01/48	5.00	31,280,000	535,000	30,745,000
LTGO Bonds 2020A	08/18/20	12/01/40	2.00-5.00	11,590,000	380,000	11,210,000
LTGO Bonds 2020B	09/10/20	12/01/34	2.00	4,320,000	-	4,225,000
<b>Total Governmental Activities</b>				<b>\$ 78,875,000</b>	<b>\$ 10,785,000</b>	<b>\$ 67,995,000</b>
<b>Business Activities</b>						
Golf Course	05/17/07	12/01/21	3.90-5.30	2,120,000	2,120,000	0
<b>Total Business Activities</b>				<b>2,120,000</b>	<b>2,120,000</b>	<b>-</b>
<b>Special Assessments (w/government commitment)</b>						
LID 71 - 156th Street Overpass	09/23/14	06/01/36	2.05-4.15	6,022,846	3,807,846	2,215,000
<b>Total Special Assessments</b>				<b>6,022,846</b>	<b>3,807,846</b>	<b>2,215,000</b>
<b>TOTAL GENERAL OBLIGATION BONDS</b>				<b>\$ 87,017,846</b>	<b>\$ 16,712,846</b>	<b>\$ 70,210,000</b>

Annual debt service requirements to maturity for general obligation bonds are as follows:

YEAR ENDING	GOVERNMENTAL ACTIVITIES			SPECIAL ASSESSMENT			
	12/31	PRINCIPAL	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
2022		3,640,000	2,760,619	6,400,619	-	91,923	91,923
2023		3,780,000	2,616,769	6,396,769	-	91,923	91,923
2024		2,890,000	2,467,019	5,357,019	-	91,923	91,923
2025		3,005,000	2,354,994	5,359,994	-	91,923	91,923
2026		3,125,000	2,238,019	5,363,019	-	91,923	91,923
2027-2031		14,940,000	9,282,106	24,222,106	-	459,615	459,615
2032-2036		13,400,000	6,616,250	20,016,250	2,215,000	459,615	2,674,615
2037-2041		11,070,000	4,267,188	15,337,188	-	-	-
2042-2046		8,240,000	2,252,750	10,492,750	-	-	-
2047-2050		3,905,000	295,250	4,200,250	-	-	-
<b>TOTAL</b>		<b>\$ 67,995,000</b>	<b>\$ 35,150,963</b>	<b>\$ 103,145,963</b>	<b>\$ 2,215,000</b>	<b>\$ 1,378,845</b>	<b>\$ 3,593,845</b>

The LTGO Bond issue 2020B was a direct borrowing issue and the debt service requirements are included in the governmental activities table above and shown separately below:

YEAR ENDING	LTGO 2020B			
	12/31	PRINCIPAL	INTEREST	TOTAL
2022		305,000	84,500	389,500
2023		315,000	78,400	393,400
2024		235,000	72,100	307,100
2025		235,000	67,400	302,400
2026		250,000	62,700	312,700
2027-2031		1,710,000	225,300	1,935,300
2032-2034		1,175,000	47,400	1,222,400
<b>TOTAL</b>		<b>\$ 4,225,000</b>	<b>\$ 637,800</b>	<b>\$ 4,862,800</b>

**Business-type Long-Term Debt**

The City issues revenue bonds to finance construction projects for the City’s utilities. Revenue bonds are payable from revenues generated by the user fees, and are backed by the Waterworks Utility fund. Revenue debt outstanding as of December 31, 2021 is as follows:

DESCRIPTION	DATE OF ISSUE	DATE OF FINAL MATURITY	INTEREST RATE(S)	AMOUNT	REDEMPTION	DEBT
				ORIGINALLY ISSUED	TO DATE	OUTSTANDING
Water Revenue Bonds	05/29/14	04/01/28	2.00-5.00	39,945,000	15,925,000	24,020,000
<b>TOTAL REVENUE BONDS</b>				<b>\$ 39,945,000</b>	<b>\$ 15,925,000</b>	<b>\$ 24,020,000</b>

Annual debt service requirements to maturity for revenue bonds are as follows:

YEAR ENDING	REVENUE BONDS BUSINESS-TYPE ACTIVITY			
	12/31	PRINCIPAL	INTEREST	TOTAL
2022		3,010,000	835,550	3,845,550
2023		3,170,000	681,050	3,851,050
2024		3,330,000	518,550	3,848,550
2025		3,465,000	383,325	3,848,325
2026		3,575,000	277,725	3,852,725
2027-2028		7,470,000	225,750	7,695,750
<b>TOTAL</b>		<b>\$ 24,020,000</b>	<b>\$ 2,921,950</b>	<b>\$ 26,941,950</b>

The City’s other business type activities consist of multiple Public Works Trust Funds Loans and a Drinking Water Revolving Fund Loan used to update the Wastewater Treatment Plant and to construct a new filtration plant.

Other Business-type long-term debt outstanding as of December 31, 2021 is as follows:

DESCRIPTION	DATE OF ISSUE	DATE OF FINAL MATURITY	INTEREST RATE(S)	AMOUNT	REDEMPTION	DEBT
				ORIGINALLY ISSUED	TO DATE	OUTSTANDING
PWTFL-WWTP	10/22/01	07/01/21	0.50	1,000,000	1,000,000	-
PWTFL-WWTP	02/04/02	07/01/22	0.50	10,000,000	9,470,589	529,411
PWTFL-WWTP Phase II	05/13/04	07/01/24	0.50	10,000,000	8,421,052	1,578,948
DWRFL-Stilly Well	12/12/03	10/01/23	1.50	4,080,000	3,635,204	444,796
<b>Total Other Long Term Obligations</b>				<b>25,080,000</b>	<b>22,526,845</b>	<b>2,553,155</b>
<b>TOTAL OTHER BUSINESS-TYPE LONG TERM OBLIGATIONS</b>				<b>\$ 25,080,000</b>	<b>\$ 22,526,845</b>	<b>\$ 2,553,155</b>

Annual debt service requirements to maturity for other Business-type long term debt are as follows:

YEAR ENDING 12/31	OTHER BUSINESS-TYPE ACTIVITIES		
	PRINCIPAL	INTEREST	TOTAL
2022	1,278,123	17,214	1,295,337
2023	748,712	8,599	757,311
2024	526,315	2,632	528,947
<b>TOTAL</b>	<b>\$ 2,553,150</b>	<b>\$ 28,445</b>	<b>\$ 2,581,595</b>

Total Business-type debt service requirements to maturity is as follows:

YEAR ENDING 12/31	TOTAL BUSINESS-TYPE ACTIVITY		
	PRINCIPAL	INTEREST	TOTAL
2022	4,288,123	852,764	5,140,887
2023	3,918,712	689,649	4,608,361
2024	3,856,315	521,182	4,377,497
2025	3,465,000	383,325	3,848,325
2026	3,575,000	277,725	3,852,725
2027-2028	7,470,000	225,750	7,695,750
<b>TOTAL</b>	<b>\$ 26,573,150</b>	<b>\$ 2,950,395</b>	<b>\$ 29,523,545</b>

At December 31, 2021, the City has \$ 699,952 available in governmental debt service funds to service the general bonded debt. Restricted assets in proprietary funds contain \$5,525,225 in sinking funds and reserves as required by bond indentures.

**NOTE 9 – LEASES**

**Lease Revenue**

The City entered into a lease with option to purchase agreement with the Boys and Girls Club of Snohomish County leasing a portion of the City facility located at 1010 Beach Avenue. The lease agreement began on January 1, 2010 and will terminate on December 31, 2024, with the option to extend an additional five years. The option to purchase the facility cannot be exercised prior to the termination of the lease period. This asset has a cost of \$ 1,777,533, accumulated depreciation of \$136,006 and a carrying value of \$1,641,527. Non-cancelable lease provides for a minimum annual payment as follows:

Year Ending December 31	Minimum Future Rent
2022	28,529
2023	28,529
2024	28,529
<b>Total</b>	<b>\$ 85,587</b>

**NOTE 10 – CHANGES IN LONG-TERM LIABILITIES**

During the year ended December 31, 2021, the following changes occurred in long-term liabilities:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Bonds payable:					
General obligation bonds	\$ 70,850,000	\$ -	\$ (2,855,000)	\$ 67,995,000	\$ 3,640,000
For issuance premiums	7,148,186	197,780	(356,308)	6,989,658	356,308
Total bonds Payable	77,998,186	197,780	(3,211,308)	74,984,658	3,996,308
Special Assessment (w/government commitment)	2,540,000	-	(325,000)	2,215,000	-
Pension Liability	4,658,723	-	(3,567,905)	1,090,818	-
OPEB Liability	3,864,599	4,008,111	(3,864,599)	4,008,111	153,597
Compensated absences	2,089,859	88,443	-	2,178,302	1,089,151
Governmental activity long-term liabilities:	<u>\$ 91,151,367</u>	<u>\$ 4,294,334</u>	<u>\$ (10,968,812)</u>	<u>\$ 84,476,889</u>	<u>\$ 5,239,056</u>
<b>Business-Type Activities</b>					
Bonds payable:					
General obligation bonds	\$ 195,000	\$ -	\$ (195,000)	\$ -	\$ -
Revenue Bond	26,885,000	-	(2,865,000)	24,020,000	3,010,000
For issuance premiums	2,223,713	-	(277,964)	1,945,749	277,964
Total bonds Payable	29,303,713	-	(3,337,964)	25,965,749	3,287,964
Public Works Trust Fund Loans	3,883,913	-	(1,330,757)	2,553,156	1,278,123
Pension Liabilities	1,906,634	-	(1,407,272)	499,362	-
Compensated absences	451,599	-	(54,991)	396,608	198,304
Business-type activity long-term liabilities:	<u>\$ 35,545,859</u>	<u>\$ -</u>	<u>\$ (6,130,984)</u>	<u>\$ 29,414,875</u>	<u>\$ 4,764,391</u>

*The general fund has been used to liquidate other post employment benefits*

Since internal service funds predominantly serve the governmental funds, their long-term liabilities are included as part of the above totals for governmental activities. At year end the governmental balances above include \$120,610 related to the internal service funds' net pension liability and \$122,300 related to internal service funds' compensated absences. Also, for the governmental activities compensated absences are generally liquidated by the general fund.

**Arbitrage**

Arbitrage occurs when the City invests funds borrowed at tax-exempt rates of interest in higher yielding 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 2021.

**NOTE 11 – RECEIVABLES**

Receivables as of December 31, 2021 appear as follows:

	Governmental Activities	Business-Type Activities	Total
<b>Taxes Receivable</b>			
Property Taxes	366,720	-	366,720
Sales & Use Taxes	784,423	-	784,423
Real Estate Excise Taxes	404,010	-	404,010
Utility Taxes	(2,185)	-	(2,185)
<b>Total Tax Receivable</b>	<b>1,552,968</b>	<b>-</b>	<b>1,552,968</b>
<b>Grant Receivable</b>			
American Rescue Plan Act	4,708,784	-	4,708,784
<b>Total Grant Receivable</b>	<b>4,708,784</b>	<b>-</b>	<b>4,708,784</b>
<b>Sale of Capital Asset Receivable</b>			
RFA Purchase of Public Safety Building	2,350,000	-	2,350,000
<b>Total Sale of Asset Receivable</b>	<b>2,350,000</b>	<b>-</b>	<b>2,350,000</b>
<b>Customer Receivables</b>			
Miscellaneous	1,466,216	931,378	2,397,593
Utility Accounts	-	7,240,931	7,240,931
<b>Total Customer Receivable</b>	<b>1,466,216</b>	<b>8,172,308</b>	<b>9,638,524</b>
<b>Interest</b>	27,920	13,024	40,944
<b>Total Receivables</b>	<b>10,105,888</b>	<b>8,185,332</b>	<b>18,291,220</b>

**NOTE 12 - CONTINGENCIES AND LITIGATION**

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

The City of Marysville is the defendant in certain legal actions. At this time the City Attorney is unable to determine the probability of the outcomes in these cases. However, in all cases of legal actions against the city, the City Attorney believes there are meritorious defenses to the plaintiffs' claims, and that both separately and collectively the alleged damages in these cases are within the coverage limits of the city's insurance policies. Therefore, the city believes that the costs of defending these claims, and any awards, if any, will not be material to the city's financial position.

**NOTE 13 - INTERFUND TRANSACTIONS AND BALANCES**

Loans between funds are classified as interfund loans receivable and payable, or advances to and from other funds depending on the time period for which the loan was made. Advances to other funds are typically loans that are not expected to be repaid within one year from the date of the financial statements. Interfund loans receivable and payable are used primarily to meet short-term cash flow requirements while waiting for other financing instruments to be put in place.

Interfund transfers are the flow of assets without a reciprocal return of assets, goods, or services in return. The City uses transfers to 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, 2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and 3) use unrestricted revenues collected in one fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund activity for the year is as follows:

Funds	Interfund Loans Receivable	Interfund Loans Payable
001- General	370,319	-
115- Affordable Housing Tax	-	370,319
310 - Parks Construction	-	1,274,757
410 - Solid Waste	1,274,757	-
<b>Total</b>	<b>\$ 1,645,076</b>	<b>\$ 1,645,076</b>

**Transfer In**

Fund	Total Transfer Out	General	Street Construction	General Capital Improvement	Nonmajor Governmental
General Fund	11,644,987	-	-	8,291,624	3,353,363
Street Construction	1,478,219	-	-	-	1,478,219
Nonmajor Governmental Funds	725,659	192,698	373,600	-	159,361
Waterworks Utility	1,678,293	874,246	-	-	804,047
Solid Waste	-	-	-	-	-
Nonmajor Enterprise Funds	-	-	-	-	-
<b>Total Transfer In</b>	<b>\$ 15,527,158</b>	<b>\$ 1,066,944</b>	<b>\$ 373,600</b>	<b>\$ 8,291,624</b>	<b>\$ 5,794,990</b>

Current year transfers were to fund street maintenance, street construction, debt service, and vehicle purchases. The General fund provides an annual subsidy to the Golf Course, and the Waterworks Utility provides annual funding to Street Maintenance for surface water activities.

**NOTE 14 – JOINT VENTURES & OTHER RELATED ORGANIZATIONS**

**Marysville Fire District RFA**

A RFA Planning Committee consisting of three elected officials from the district and four elected officials from the City of Marysville, supported by leadership and staff, was established in February 2018 to evaluate the feasibility of creating a new and separate regional fire authority to provide the fire protection and emergency services within the boundaries of the City of Marysville and District 12. After one year of review, analysis, outreach and planning, the committee proposed a RFA plan document providing for the governance, design, financing and development of fire protection and emergency services. The Fire District Board and Marysville City Council passed resolutions in February 2019 to forward the RFA plan to a public vote on April 23, 2019. Voters in Marysville and Fire District 12 approved the plan authorizing and creating the Marysville Fire District RFA effective October 1, 2019.

The RFA is governed by a Board of Directors consisting of five (5) voting members consisting of four (4) elected officials of the Marysville City Council and (1) elected official from District 12. There is an additional non-voting member who shall be one (1) elected official from the District.

Separate financial statements for the new RFA may be obtained from Marysville Fire District RFA, Finance Department, 1094 Cedar Ave, Marysville, WA 98270.

**Snohomish County 911**

The City 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 include police, fire and medical aid.

In the event of the dissolution of Snohomish County 911, any money in the possession of Snohomish County 911 or the Board of Directors after payment of all costs, expenses and charges validly incurred under this agreement shall be returned to the parties to this agreement and shall be apportioned between the parties based on the average ratio of each parties' contributions to the operating budget over the preceding five years. Before deducting the payment of all costs, expenses and charges validly incurred, the city's share was \$1,755,992 on December 31, 2021. The City's equity interest of \$1,755,992 was recorded in government activities on the statement of net position.

Snohomish County 911's 2021 operating budget was \$24,429,390, operating revenues received were \$24,450,056 and total operating expenditures were \$23,395,721 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 of Housing Affordability**

In September, 2013, the City of Marysville joined the cities of Everett, Granite Falls, Lake Stevens, Lynnwood, Mill Creek, Mountlake Terrace, Mukilteo, Snohomish, the Town of Woodway and Snohomish County to establish the Alliance of 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 the AHA is to cooperatively formulate affordable housing goals and policies and to foster efforts to prove 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 of the members. 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 of Snohomish County (HASCO). Fiscal agent duties were transferred to HASCO during fiscal year 2018. The values included in the table below were audited and updated by the new fiscal agent and may be different than what was reported in previous years.

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

Fiscal Year	AHA Budget	Marysville's share	% of Budget
2014	\$ 89,850	\$ 3,613	4.0%
2015	92,543	3,721	4.0%
2016	93,651	3,702	4.0%
2017	97,934	3,675	3.8%
2018	102,586	5,513	5.4%
2019	107,391	6,541	6.1%
2020	112,408	6,939	6.2%
2021	117,673	7,002	6.0%
2022	118,200	7,014	6.0%

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, 127711 4<sup>th</sup> Ave W, Everett, WA 98204 (or email: [pfrost@hasco.or](mailto:pfrost@hasco.or)) or from Chris Collier, Program Manager, Alliance of Housing Affordability, 127711 4<sup>th</sup> Ave W, Everett, WA 98204.

**AWC Employee Benefit Trust**

The City of Marysville 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, 2021, 262 cities/towns/non-city entities participate in the AWC Trust HCP.

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

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

The AWC Trust HCP includes medical, dental and vision insurance through the following carriers: Kaiser Foundation Health Plan of Washington, Kaiser Foundation Health Plan of Washington Options, Inc, Regence BlueShield, Asuris Northwest Health, Delta Dental of Washington, and Vision Service Plan. Eligible members are cities and towns within the state of Washington. Non-City Entities (public agency, public corporation, intergovernmental agency, or political subdivision within the state of Washington) are eligible to apply for coverage into the AWC Trust HCP, submitting application to the Board of Trustees for review as required in the Trust Agreement. In 2020 the City created a self-insured health benefits program for its employees as a mean to contain raising health benefit costs. AWC continues to provide medical insurance for employees who elect to be covered under the Kaiser Foundation Health Plan of Washington and the city's LEOFF 1 retirees.

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. In 2021 the AWC Trust HCP purchases 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 \$1.0 million with Companion Life through ASG Risk Management. The aggregate policy is for 200% of expected medical claims.

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

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

The accounting records of the Trust HCP are maintained in accordance with methods prescribed by the State Auditor's office under the authority of Chapter 43.09 RCW. The Trust HCP also follows applicable accounting standards established by the Governmental Account 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 15- POLLUTION REMEDIATION OBLIGATION**

On December 20, 2016, the City purchased the WELCO Lumber company property located at 1218 1<sup>st</sup> Street, Marysville, WA. After conducting both a Phase I and Phase II Environmental Site Assessments analytical data from the consultant's investigation indicated concentrations of TPH above the MTCA Method A cleanup levels were present in the site soils. In addition soil and water impacts identified were in multiple areas all over the site and likely represent multiple, separate releases none of which have been fully characterized with respect to lateral or vertical extend. In order to assess the full impacts to the property and develop accurate clean-up costs, further investigations are required.

**NOTE 16 – ASSET RETIREMENT OBLIGATION**

The City of Marysville provides water, sewer and surface water services to the citizens of Marysville. As a provider of these services, the City owns, operates and maintains a lagoon, sewer filtration plants, and several wells. The City is continually maintaining and upgrading these assets ensuring that they remain in good service and continually extending the life of the assets with no plans to decommission any of these assets.

**NOTE 17 - PRIOR PERIOD ADJUSTMENT**

Governmental Activities - Governmental Activities – A prior period adjustment of (\$185,251) is being reported on the Statement of Activities – Governmental Activities. The adjustment includes \$12,529 in adjustments made to capital assets and (\$197,780) to correct the amortization premiums on bonds payable.

Proprietary Fund Statements and Business-Type Activities – A prior period adjustment of (\$348,897) is being reported on the Statement of Activities-Business –Type Activities. This adjustment includes corrections to the ITD depreciation and capital contributions.

**NOTE 18– COVID**

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, and limiting gathering sizes.

The City of Marysville has a Revenue Shortfall Policy that has been activated at Level I. Level I activation is when reserve reductions are 1% but less than 10%. Even though the City has not needed to use reserves, it felt it was prudent to activate since the temporary closure of many businesses would ultimately translate to reduced revenues to the City. Level I includes delaying expenditures where possible, departments monitor budget to ensure essential expenditures, and council may consider delaying/post-pone capital improvement projects (CIP). The City will also review vacant positions for possible delay and continue to seek and apply for grants relating to the event.

The length of time these measures will be in place, and the full extent of the financial impact on the City of Marysville is unknown at this time, which will ultimately depend on the length of the current pandemic response measures in place. City staff will continue to monitor and analyze the impacts on the City's revenues.

On March 11, 2021 the President of the United States signed into law the American Rescue Plan Act (ARPA) which provides \$1.9 trillion COVID-19 relief package for individuals, families, small businesses and state and local governments facing challenges caused by COVID-19. Included in this legislation is approximately \$9.6 million which will be distributed to the City in two installments; of which half will be disbursed in 2021 and half in 2022 with the provision that funds must be spent by December 31, 2024.

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
General Fund  
For the Year Ended December 31, 2021**

	<b>Original 2021-2022 Biennial Budget</b>	<b>Amended 2021-2022 Biennial Budget</b>	<b>2021 Actual</b>	<b>Variance With Amended Budget</b>
<b>Revenues</b>				
Taxes	73,395,627	78,606,427	41,202,647	(37,403,780)
Licenses and permits	6,272,435	6,272,435	2,947,279	(3,325,156)
Intergovernmental	3,249,480	4,063,480	7,339,135	3,275,655
Charges for services	9,367,362	9,367,362	4,332,823	(5,034,539)
Fines and forfeitures	863,940	863,940	482,821	(381,119)
Investment interest	479,026	479,026	(97,317)	(576,343)
Rents and leases	217,555	217,555	134,796	(82,759)
Miscellaneous	144,695	151,695	191,133	39,438
<b>Total Revenues</b>	<b>93,990,120</b>	<b>100,021,920</b>	<b>56,533,317</b>	<b>(43,488,603)</b>
<b>Expenditures</b>				
<b>Current:</b>				
Judicial	3,028,823	3,128,823	1,485,749	1,643,074
General government	10,124,693	10,592,423	4,853,038	5,739,385
Public safety	52,143,432	55,467,692	27,029,227	28,438,465
Physical environment	5,187,247	5,187,247	641,568	4,545,679
Transportation	8,764,982	10,119,414	5,572,185	4,547,229
Health & human services	153,200	253,200	419,018	(165,818)
Economic environment	4,907,812	5,495,605	2,519,107	2,976,498
Culture & recreation	5,743,258	6,641,289	2,868,631	3,772,658
<b>Capital Outlay:</b>				
General government	-	-	590,274	(590,274)
Culture & recreation	-	-	15,775	(15,775)
<b>Total Expenditures</b>	<b>90,053,447</b>	<b>96,885,693</b>	<b>45,994,572</b>	<b>50,891,121</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>3,936,673</b>	<b>3,136,227</b>	<b>10,538,745</b>	<b>7,402,518</b>
<b>Other Financing Uses</b>				
Proceeds from sale of fixed assets	-	-	1,175,000	1,175,000
Insurance recoveries	-	-	41,207	41,207
Transfers in	4,728,106	4,728,106	1,066,944	(3,661,162)
Transfers out	(21,715,688)	(24,194,250)	(11,644,987)	12,549,263
<b>Total other financing uses</b>	<b>(16,987,582)</b>	<b>(19,466,144)</b>	<b>(9,361,836)</b>	<b>10,104,308</b>
<b>Net Change in Fund Balances</b>	<b>(13,050,909)</b>	<b>(16,329,917)</b>	<b>1,176,909</b>	<b>17,506,826</b>
<b>Fund Balances Beginning of Year</b>	<b>23,274,704</b>	<b>26,733,206</b>	<b>27,554,118</b>	<b>820,912</b>
<b>Fund Balances End of Year</b>	<b>10,223,795</b>	<b>10,403,289</b>	<b>28,731,027</b>	<b>18,327,738</b>

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

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Public Employees' Retirement System - Plan 1  
As of June 30, 2021  
Last 7 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021
Employer's proportion of the net pension liability (asset)	0.129963%	0.129243%	0.127933%	0.126504%	0.138175%	0.129246%	0.130211%
Employer's proportionate share of the net pension liability (asset)	\$ 6,798,274	\$ 6,940,958	\$ 6,070,521	\$ 5,649,712	\$ 5,313,319	\$ 4,563,082	\$ 1,590,181
Covered payroll	\$14,122,963	\$15,267,909	\$ 15,818,704	\$16,536,432	\$19,025,986	\$19,400,482	\$ 19,959,916
Employer's proportionate share of the net pension liability as a percentage of covered payroll	48.14%	45.46%	38.38%	34.17%	27.93%	23.52%	7.97%
Plan fiduciary net position as a percentage of the total pension liability	59.10%	57.03%	61.24%	63.22%	67.12%	68.64%	88.74%

Public Employees' Retirement System - Plan 2/3  
As of June 30, 2021  
Last 7 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021
Employer's proportion of the net pension liability (asset)	0.153107%	0.150858%	0.150640%	0.147999%	0.164246%	0.156557%	(0.156564%)
Employer's proportionate share of the net pension liability (asset)	\$ 5,470,600	\$ 7,595,581	\$ 5,234,020	\$ 2,526,951	\$ 1,595,387	\$ 2,002,275	\$ (15,596,294)
Covered payroll	\$13,645,668	\$14,200,149	\$ 14,768,762	\$15,457,811	\$17,855,996	\$18,249,119	\$ 18,725,806
Employer's proportionate share of the net pension liability (asset) as a percentage of covered payroll	40.09%	53.49%	35.44%	16.35%	8.93%	10.97%	-83.29%
Plan fiduciary net position as a percentage of the total pension liability	89.20%	85.82%	90.97%	95.77%	97.77%	97.22%	120.29%

Note to Schedule:  
The City currently does not have 10 years of pension data available

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Public Safety Employees' Retirement System - Plan 2  
As of June 30, 2021  
Last 7 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021
Employer's proportion of the net pension liability (asset)	0.306379%	0.247658%	0.228550%	(0.215048%)	(0.197848%)	(0.166369%)	(0.177195%)
Employer's proportionate share of the net pension liability (asset)	\$ 55,920	\$ 105,250	\$ 44,780	\$ (2,664)	\$ (25,728)	\$ (22,892)	\$ (407,086)
Employer's covered payroll	\$ 888,526	\$ 803,986	\$ 809,195	\$ 844,430	\$ 912,697	\$ 1,021,273	\$ 1,201,164
Employer's proportionate share of the net pension liability as a percentage of covered payroll	6.29%	13.09%	5.53%	-0.32%	-2.82%	-2.24%	-33.89%
Plan fiduciary net position as a percentage of the total pension liability	95.08%	90.41%	96.26%	99.79%	101.85%	101.68%	123.67%

Law Enforcement Officers' and Fire Fighters' Retirement-Plan 1  
As of June 30, 2021  
Last 7 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021
Employer's proportion of the net pension (asset)	(0.015457%)	(0.015624%)	(0.015846%)	(0.016013%)	(0.015669%)	(0.015209%)	(0.015584%)
Employer's proportionate share of the net pension (asset)	\$ (186,291)	\$ (160,972)	\$ (240,419)	\$ (290,716)	\$ (309,715)	\$ (287,223)	\$ (533,840)
State's proportionate share of the net pension asset associated with the employer	-	\$ (1,088,810)	\$ (1,626,186)	\$ (1,966,398)	\$ (2,094,906)	\$ (1,942,771)	\$ (3,610,878)
<b>TOTAL</b>	<b>\$ (186,291)</b>	<b>\$ (1,249,782)</b>	<b>\$ (1,866,605)</b>	<b>\$ (2,257,114)</b>	<b>\$ (2,404,621)</b>	<b>\$ (2,229,994)</b>	<b>\$ (4,144,718)</b>
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%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	127.36%	123.74%	135.96%	144.42%	148.78%	146.88%	187.45%

Note to Schedule:

The City currently does not have 10 years of pension data available  
LEOFF 1 is closed and no longer accepts contributions

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**Law Enforcement Officers' and Fire Fighters' Retirement-Plan 2**  
**As of June 30, 2021**  
**Last 7 Fiscal Years**

	2015	2016	2017	2018	2019	2020	2021
Employer's proportion of the net pension (asset)	(0.222857%)	(0.227940%)	(0.235422%)	(0.244296%)	(0.240505%)	(0.225716%)	(0.240518%)
Employer's proportionate share of the net pension (asset)	\$ (2,290,524)	\$ (1,325,767)	\$ (3,266,895)	\$ (4,959,741)	\$ (5,571,762)	\$ (4,604,277)	\$ (13,970,281)
State's proportionate share of the net pension asset associated with the employer	\$ (1,514,498)	\$ (864,304)	\$ (2,119,173)	\$ (3,211,339)	\$ (3,648,758)	\$ (2,944,086)	\$ (9,012,356)
<b>TOTAL</b>	<b>\$ (3,805,022)</b>	<b>\$ (2,190,071)</b>	<b>\$ (5,386,068)</b>	<b>\$ (8,171,080)</b>	<b>\$ (9,220,520)</b>	<b>\$ (7,548,363)</b>	<b>\$ (22,982,637)</b>
Covered payroll	\$ 6,467,801	\$ 6,905,245	\$ 7,364,424	\$ 8,098,539	\$ 8,446,163	\$ 8,564,003	\$ 9,309,867
Employer's proportionate share of the net pension asset as a percentage of covered payroll	35.41%	19.20%	44.36%	61.24%	65.97%	53.76%	150.06%
Plan fiduciary net position as a percentage of the total pension liability	111.67%	106.04%	113.36%	118.50%	119.43%	115.83%	142.00%

*Note to Schedule:*

*The City currently does not have 10 years of pension data available*

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Public Employees' Retirement System - Plan 1  
As of December 31, 2021  
Last 7 Fiscal Years

	2015*	2016	2017	2018	2019	2020	2021
Statutorily or contractually required contributions	\$ 665,362	\$ 744,788	\$ 803,900	\$ 898,917	\$ 947,320	\$ 959,408	\$ 887,474
Contributions in relation to the statutorily or contractually required contributions	\$ (665,362)	\$ (744,788)	\$ (803,900)	\$ (898,917)	\$ (947,320)	\$ (959,408)	\$ (887,474)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 15,082,608	\$ 15,418,859	\$ 16,211,486	\$ 17,859,775	\$ 18,613,660	\$ 19,891,189	\$ 20,546,529
Contributions as a percentage of covered payroll	4.41%	4.83%	4.96%	5.03%	5.09%	4.82%	4.32%

Public Employees' Retirement System - Plan 2/3  
As of December 31, 2021  
Last 7 Fiscal Years

	2015*	2016	2017	2018	2019	2020	2021
Statutorily or contractually required contributions	\$ 817,579	\$ 877,097	\$ 1,030,587	\$ 1,222,074	\$ 1,370,023	\$ 1,478,169	\$ 1,383,355
Contributions in relation to the statutorily or contractually required contributions	\$ (817,579)	\$ (877,097)	\$ (1,030,587)	\$ (1,222,074)	\$ (1,370,023)	\$ (1,478,169)	\$ (1,383,355)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 14,116,258	\$ 14,394,571	\$ 15,148,685	\$ 16,758,726	\$ 17,490,694	\$ 18,661,638	\$ 19,266,198
Contributions as a percentage of covered payroll	5.79%	6.09%	6.80%	7.29%	7.83%	7.92%	7.18%

Notes to Schedule:

The City currently does not have 10 years of pension data available

\*In the 2015 RSJ, the statutorily required contributions were not distributed correctly between PERS1, PERS2/3, and PSERS.  
The 2015 numbers above reflect the revised distribution

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Public Safety Employees' Retirement System - Plan 2  
As of December 31, 2021  
Last 7 Fiscal Years

	2015*	2016	2017	2018	2019	2020	2021
Statutorily or contractually required contributions	\$ 55,473	\$ 53,412	\$ 55,562	\$ 58,825	\$ 65,578	\$ 82,717	\$ 87,864
Contributions in relation to the statutorily or contractually required contributions	\$ (55,473)	\$ (53,412)	\$ (55,562)	\$ (58,825)	\$ (65,578)	\$ (82,717)	\$ (87,864)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 838,497	\$ 788,947	\$ 833,865	\$ 829,259	\$ 918,893	\$ 1,154,439	\$ 1,280,331
Contributions as a percentage of covered payroll	6.62%	6.77%	6.66%	7.09%	7.14%	7.17%	6.86%

Law Enforcement Officers & Fire Fighters' Retirement System - Plan 2  
As of December 31, 2021  
Last 7 Fiscal Years

	2015	2016	2017	2018	2019	2020	2020
Statutorily or contractually required contributions	\$ 350,634	\$ 373,246	\$ 396,548	\$ 435,467	\$ 432,288	\$ 459,350	\$ 460,176
Contributions in relation to the statutorily or contractually required contributions	\$ (350,634)	\$ (373,246)	\$ (396,548)	\$ (435,467)	\$ (432,288)	\$ (459,350)	\$ (460,176)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 6,721,887	\$ 7,136,631	\$ 7,696,906	\$ 8,294,618	\$ 8,315,309	\$ 8,942,844	\$ 8,958,329
Contributions as a percentage of covered payroll	5.22%	5.23%	5.15%	5.25%	5.20%	5.14%	5.14%

Notes to Schedule:

The City currently does not have 10 years of pension data available

\*In the 2015 RSI, the statutorily required contributions were not distributed correctly between PERS1, PERS2/3, and PSERS.

The 2015 numbers above reflect the revised distribution

City of Marysville  
 Schedule of Changes in Total OPEB Liability and Related Ratios  
 LEOFF 1  
 For the year ended December 31, 2021  
 Last 4 Fiscal Years\*

	2018	2019	2020	2021
<b>Total OPEB liability - beginning</b>	\$ 3,579,606	\$ 3,466,170	\$ 3,646,105	\$ 3,864,599
Service cost	-	-	-	-
Interest	125,984	132,016	125,054	83,850
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	(117,331)	158,802	240,987	201,392
Changes of assumptions	-	-	-	-
Benefit payments	(122,089)	(110,883)	(147,547)	(141,730)
Other changes	-	-	-	-
<b>Total OPEB liability - ending</b>	<u>3,466,170</u>	<u>3,646,105</u>	<u>3,864,599</u>	<u>4,008,111</u>
<b>Covered-employee payroll</b>	\$ -	\$ -	\$ -	\$ -
<b>Total OPEB liability as a % of covered payroll</b>	N/A	N/A	N/A	N/A

**Notes to Schedule:**

- \* Until a full 10-year trend is compiled, only information for those years available is presented.  
 No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

**Combining Balance Sheet  
Nonmajor Governmental Funds  
December 31, 2021**

	<b>Special Revenue Funds</b>	<b>Debt Service Fund</b>	<b>Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	7,586,788	363,317	327,973	8,278,078
Investments	6,738,692	336,635	202,249	7,277,576
Receivables	639,323	-	42,940	682,263
<b>Total Assets</b>	<b>14,964,803</b>	<b>699,952</b>	<b>573,162</b>	<b>16,237,917</b>
<b>Liabilities, Deferred Inflows and Fund Balances</b>				
<b>Liabilities</b>				
Accounts payable and accrued expenses	381,469	-	132,137	513,606
Due to other funds	370,319	-	1,274,757	1,645,076
Deposits payable	82,955	-	-	82,955
<b>Total Liabilities</b>	<b>834,743</b>	<b>-</b>	<b>1,406,894</b>	<b>2,241,637</b>
<b>Deferred Inflows of Resources</b>				
Grants	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>				
<b>Restricted for:</b>				
Law Enforcement	99,962	-	-	99,962
Hotel/Motel	194,603	-	-	194,603
Technology Infrastructure	531,202	-	-	531,202
REET	6,408,556	-	-	6,408,556
Transportation Benefit District	5,827,551	-	-	5,827,551
Debt Service Guaranty	-	646,768	-	646,768
Grants	16,745	-	-	16,745
<b>Committed to:</b>				
Law Enforcement	7,036	-	-	7,036
Community Center	5,178	-	-	5,178
<b>Assigned to:</b>				
Debt Service	-	53,184	-	53,184
Street Maintenance	1,455,879	-	-	1,455,879
<b>Unassigned</b>	<b>(416,652)</b>	<b>-</b>	<b>(833,732)</b>	<b>(1,250,384)</b>
<b>Total Fund Balances</b>	<b>14,130,060</b>	<b>699,952</b>	<b>(833,732)</b>	<b>13,996,280</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>14,964,803</b>	<b>699,952</b>	<b>573,162</b>	<b>16,237,917</b>

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended December 31, 2021**

	<b>Special Revenue Funds</b>	<b>Debt Service Fund</b>	<b>Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues</b>				
Taxes	9,682,452	-	-	9,682,452
Licenses and permits	250	-	-	250
Intergovernmental	2,108,611	-	1,758,179	3,866,790
Charges for services	1,838,169	-	802,684	2,640,853
Fines & forfeitures	3,543	-	-	3,543
Investment earnings	53,603	13,718	744	68,065
Rents & leases	-	-	28,906	28,906
Miscellaneous revenues	5,341	-	-	5,341
<b>Total Revenues</b>	<b>13,691,969</b>	<b>13,718</b>	<b>2,590,513</b>	<b>16,296,200</b>
<b>Expenditures</b>				
<b>Current:</b>				
General government	155,454	-	-	155,454
Public safety	23,782	-	-	23,782
Transportation	862,653	-	-	862,653
Economic environment	2,172,767	-	-	2,172,767
<b>Capital Outlay:</b>				
Transportation	38,112	-	-	38,112
Economic environment	562,778	-	-	562,778
Culture & recreation	-	-	2,004,326	2,004,326
<b>Debt Service:</b>				
Principal retirement	-	2,855,000	-	2,855,000
Interest and fiscal charges	319	2,872,369	11,866	2,884,554
<b>Total Expenditures</b>	<b>3,815,865</b>	<b>5,727,369</b>	<b>2,016,192</b>	<b>11,559,426</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>9,876,104</b>	<b>(5,713,651)</b>	<b>574,321</b>	<b>4,736,774</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	12,621	5,727,369	55,000	5,794,990
Transfers (out)	(567,919)	-	(157,740)	(725,659)
<b>Total Other Financing Sources (Uses)</b>	<b>(555,298)</b>	<b>5,727,369</b>	<b>(102,740)</b>	<b>5,069,331</b>
Net Change in Fund Balances	9,320,806	13,718	471,581	9,806,105
Fund Balances Beginning of Year	4,809,254	686,234	(1,305,313)	4,190,175
<b>Fund Balances End of Year</b>	<b>14,130,060</b>	<b>699,952</b>	<b>(833,732)</b>	<b>13,996,280</b>

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
December 31, 2021**

	101 Street Maintenance	102 Arterial Street	103 Drug Seizure	104 Tribal Gaming	105 Hotel/ Motel	106 KBCC Appreciation	108 I/NET
<b>Assets</b>							
Cash and cash equivalents	803,463	1,171	51,886	3,651	106,096	2,687	332,971
Investments	743,778	1,085	48,076	3,385	89,039	2,491	255,476
Receivables	146	-	-	-	9,468	-	-
<b>Total Assets</b>	<b>1,547,387</b>	<b>2,256</b>	<b>99,962</b>	<b>7,036</b>	<b>204,603</b>	<b>5,178</b>	<b>588,447</b>
<b>Liabilities and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable and accrued expenses	8,553	59,401	-	-	10,000	-	57,245
Due to other funds	-	-	-	-	-	-	-
Deposits payable	82,955	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>91,508</b>	<b>59,401</b>	<b>-</b>	<b>-</b>	<b>10,000</b>	<b>-</b>	<b>57,245</b>
<b>Fund Balances</b>							
<b>Restricted for:</b>							
Law Enforcement	-	-	99,962	-	-	-	-
Hotel/Motel	-	-	-	-	194,603	-	-
Technology Infrastructure	-	-	-	-	-	-	531,202
REET	-	-	-	-	-	-	-
Transportation Benefit District	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-
Grants	-	-	-	-	-	-	-
<b>Committed to:</b>							
Law Enforcement	-	-	-	7,036	-	-	-
Community Center	-	-	-	-	-	5,178	-
<b>Assigned to:</b>							
Street Maintenance	1,455,879	-	-	-	-	-	-
<b>Unassigned</b>	<b>-</b>	<b>(57,145)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>1,455,879</b>	<b>(57,145)</b>	<b>99,962</b>	<b>7,036</b>	<b>194,603</b>	<b>5,178</b>	<b>531,202</b>
<b>Total Liabilities and Fund Balances</b>	<b>1,547,387</b>	<b>2,256</b>	<b>99,962</b>	<b>7,036</b>	<b>204,603</b>	<b>5,178</b>	<b>588,447</b>

Combining Balance Sheet  
 Nonmajor Special Revenue Funds  
 December 31, 2021

	109 CDBG	110 GMA- REET 1	111 GMA- REET II	114 Transportation Benefit District	115 Affordable Housing Tax	116 School Mitigation	119 COVID 19	Total Nonmajor Special Revenue Funds
<b>Assets</b>								
Cash and cash equivalents	-	1,537,233	1,579,498	2,913,906	369	245,166	8,691	7,586,788
Investments	-	1,424,327	1,463,488	2,699,493	-	-	8,054	6,738,692
Receivables	-	202,005	202,005	214,577	11,122	-	-	639,323
<b>Total Assets</b>	<b>-</b>	<b>3,163,565</b>	<b>3,244,991</b>	<b>5,827,976</b>	<b>11,491</b>	<b>245,166</b>	<b>16,745</b>	<b>14,964,803</b>
<b>Liabilities and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable and accrued expenses	-	-	-	425	679	245,166	-	381,469
Due to other funds	-	-	-	-	370,319	-	-	370,319
Deposits payable	-	-	-	-	-	-	-	82,955
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>425</b>	<b>370,998</b>	<b>245,166</b>	<b>-</b>	<b>834,743</b>
<b>Fund Balances</b>								
<b>Restricted for:</b>								
Law Enforcement	-	-	-	-	-	-	-	99,962
Hotel/Motel	-	-	-	-	-	-	-	194,603
Technology Infrastructure	-	-	-	-	-	-	-	531,202
REET	-	3,163,565	3,244,991	-	-	-	-	6,408,556
Transportation Benefit District	-	-	-	5,827,551	-	-	-	5,827,551
Grants	-	-	-	-	-	-	16,745	16,745
<b>Committed to:</b>								
Law Enforcement	-	-	-	-	-	-	-	7,036
Community Center	-	-	-	-	-	-	-	5,178
<b>Assigned to:</b>								
Street Maintenance	-	-	-	-	-	-	-	1,455,879
<b>Unassigned</b>								
	-	-	-	-	(359,507)	-	-	(416,652)
<b>Total Fund Balances</b>	<b>-</b>	<b>3,163,565</b>	<b>3,244,991</b>	<b>5,827,551</b>	<b>(359,507)</b>	<b>-</b>	<b>16,745</b>	<b>14,130,060</b>
<b>Total Liabilities and Fund Balances</b>	<b>-</b>	<b>3,163,565</b>	<b>3,244,991</b>	<b>5,827,976</b>	<b>11,491</b>	<b>245,166</b>	<b>16,745</b>	<b>14,964,803</b>

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021**

	<b>101</b>	<b>102</b>	<b>103</b>	<b>104</b>	<b>105</b>	<b>106</b>	<b>108</b>
	<b>Street</b>	<b>Arterial</b>	<b>Drug</b>	<b>Tribal</b>	<b>Hotel/ Motel</b>	<b>KBCC</b>	<b>I/NET</b>
	<b>Maintenance</b>	<b>Street</b>	<b>Seizure</b>	<b>Gaming</b>		<b>Appreciation</b>	
<b>Revenues</b>							
Taxes	-	-	-	-	143,334	-	104,761
Licenses and permits	250	-	-	-	-	-	-
Intergovernmental	1,415,175	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeitures	-	-	3,543	-	-	-	-
Investment interest	300	-	778	41	817	-	3,529
Miscellaneous	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>1,415,725</b>	<b>-</b>	<b>4,321</b>	<b>41</b>	<b>144,151</b>	<b>-</b>	<b>108,290</b>
<b>Expenditures</b>							
<b>Current:</b>							
General government	-	-	-	-	-	-	155,454
Public safety	-	-	23,782	-	-	-	-
Transportation	4,005	-	-	-	-	-	-
Economic environment	-	-	-	-	16,000	-	-
<b>Capital Outlay:</b>							
Transportation	38,112	-	-	-	-	-	-
Economic environment	-	-	-	-	-	-	-
<b>Debt Service:</b>							
Interest and fiscal charges	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>42,117</b>	<b>-</b>	<b>23,782</b>	<b>-</b>	<b>16,000</b>	<b>-</b>	<b>155,454</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>1,373,608</b>	<b>-</b>	<b>(19,461)</b>	<b>41</b>	<b>128,151</b>	<b>-</b>	<b>(47,164)</b>
<b>Other Financing Sources (Uses)</b>							
Transfer in	-	1,621	-	-	-	-	-
Transfers out	-	-	-	-	(21,219)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>1,621</b>	<b>-</b>	<b>-</b>	<b>(21,219)</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>1,373,608</b>	<b>1,621</b>	<b>(19,461)</b>	<b>41</b>	<b>106,932</b>	<b>-</b>	<b>(47,164)</b>
<b>Fund Balances Beginning of Year</b>	<b>82,271</b>	<b>(58,766)</b>	<b>119,423</b>	<b>6,995</b>	<b>87,671</b>	<b>5,178</b>	<b>578,366</b>
<b>Fund Balances End of Year</b>	<b>1,455,879</b>	<b>(57,145)</b>	<b>99,962</b>	<b>7,036</b>	<b>194,603</b>	<b>5,178</b>	<b>531,202</b>

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2021**

	109	110	111	114	115	116	119	Total Nonmajor Special Revenue Funds
	CDBG	GMA- REET 1	GMA- REET II	Transportation Benefit District	Affordable Housing Tax	School Mitigation	COVID 19	
<b>Revenues</b>								
Taxes	-	2,849,831	2,849,831	3,633,800	100,895	-	-	9,682,452
Licenses and permits	-	-	-	-	-	-	-	250
Intergovernmental	693,436	-	-	-	-	-	-	2,108,611
Charges for services	-	-	-	-	-	1,838,169	-	1,838,169
Fines and forfeitures	-	-	-	-	-	-	-	3,543
Investment interest	-	8,621	9,104	30,141	272	-	-	53,603
Miscellaneous	-	-	-	-	5,341	-	-	5,341
<b>Total Revenues</b>	<b>693,436</b>	<b>2,858,452</b>	<b>2,858,935</b>	<b>3,663,941</b>	<b>106,508</b>	<b>1,838,169</b>	<b>-</b>	<b>13,691,969</b>
<b>Expenditures</b>								
<b>Current:</b>								
General government	-	-	-	-	-	-	-	155,454
Public safety	-	-	-	-	-	-	-	23,782
Transportation	-	-	-	858,648	-	-	-	862,653
Economic environment	318,598	-	-	-	-	1,838,169	-	2,172,767
<b>Capital Outlay:</b>								
Transportation	-	-	-	-	-	-	-	38,112
Economic environment	-	-	-	-	562,778	-	-	562,778
<b>Debt Service:</b>								
Interest and fiscal charges	-	-	-	-	319	-	-	319
<b>Total Expenditures</b>	<b>318,598</b>	<b>-</b>	<b>-</b>	<b>858,648</b>	<b>563,097</b>	<b>1,838,169</b>	<b>-</b>	<b>3,815,865</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>374,838</b>	<b>2,858,452</b>	<b>2,858,935</b>	<b>2,805,293</b>	<b>(456,589)</b>	<b>-</b>	<b>-</b>	<b>9,876,104</b>
<b>Other Financing Sources</b>								
Transfers in	-	-	-	-	11,000	-	-	12,621
Transfers out	(171,479)	-	-	(375,221)	-	-	-	(567,919)
<b>Total Other Financing Sources (Uses)</b>	<b>(171,479)</b>	<b>-</b>	<b>-</b>	<b>(375,221)</b>	<b>11,000</b>	<b>-</b>	<b>-</b>	<b>(555,298)</b>
<b>Net Change in Fund Balances</b>	<b>203,359</b>	<b>2,858,452</b>	<b>2,858,935</b>	<b>2,430,072</b>	<b>(445,589)</b>	<b>-</b>	<b>-</b>	<b>9,320,806</b>
<b>Fund Balances Beginning of Year</b>	<b>(203,359)</b>	<b>305,113</b>	<b>386,056</b>	<b>3,397,479</b>	<b>86,082</b>	<b>-</b>	<b>16,745</b>	<b>4,809,254</b>
<b>Fund Balances End of Year</b>	<b>-</b>	<b>3,163,565</b>	<b>3,244,991</b>	<b>5,827,551</b>	<b>(359,507)</b>	<b>-</b>	<b>16,745</b>	<b>14,130,060</b>

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**Combining Balance Sheet  
Nonmajor Debt Service Funds  
December 31, 2021**

	206 LTGO Bond	299 LID Guaranty	Total Nonmajor Debt Service Funds
<b>Assets</b>			
Cash and cash equivalents	27,605	335,712	363,317
Investments	25,579	311,056	336,635
<b>Total Assets</b>	<b>53,184</b>	<b>646,768</b>	<b>699,952</b>
<b>Liabilities</b>			
<b>Total Liabilities</b>	-	-	-
<b>Fund Balances</b>			
<b>Restricted for:</b>			
Debt Service Guaranty	-	646,768	646,768
<b>Assigned to:</b>			
Debt Service	53,184	-	53,184
<b>Total Fund Balances</b>	<b>53,184</b>	<b>646,768</b>	<b>699,952</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>53,184</b>	<b>646,768</b>	<b>699,952</b>

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Debt Service Funds  
For the Year Ended December 31, 2021**

	<b>206 LTGO Bond</b>	<b>299 LID Guaranty</b>	<b>Total Nonmajor Debt Service Funds</b>
<b>Revenues</b>			
Investment interest	9,973	3,745	13,718
<b>Total Revenues</b>	<b>9,973</b>	<b>3,745</b>	<b>13,718</b>
<b>Debt Service:</b>			
Principal retirement	2,855,000	-	2,855,000
Interest and fiscal charges	2,872,369	-	2,872,369
<b>Total Expenditures</b>	<b>5,727,369</b>	<b>-</b>	<b>5,727,369</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(5,717,396)</b>	<b>3,745</b>	<b>(5,713,651)</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in	5,727,369	-	5,727,369
<b>Total Other Financing Sources (Uses)</b>	<b>5,727,369</b>	<b>-</b>	<b>5,727,369</b>
<b>Net Change in Fund Balances</b>	<b>9,973</b>	<b>3,745</b>	<b>13,718</b>
<b>Fund Balances Beginning of Year</b>	<b>43,211</b>	<b>643,023</b>	<b>686,234</b>
<b>Fund Balances End of Year</b>	<b>53,184</b>	<b>646,768</b>	<b>699,952</b>

**Combining Balance Sheet  
Nonmajor Capital Projects Funds  
December 31, 2021**

	<b>310 Parks Construction</b>	<b>Total Nonmajor Capital Projects Funds</b>
<b>Assets</b>		
Cash and cash equivalents	327,973	327,973
Investments	202,249	202,249
Receivables (net)	42,940	42,940
<b>Total Assets</b>	<b>573,162</b>	<b>573,162</b>
<b>Liabilities</b>		
Accounts payable and accrued expenses	132,137	132,137
Due to other funds	1,274,757	1,274,757
<b>Total Liabilities</b>	<b>1,406,894</b>	<b>1,406,894</b>
<b>Fund Balances</b>		
<b>Restricted for:</b>		
Unassigned	(833,732)	(833,732)
<b>Total Fund Balances</b>	<b>(833,732)</b>	<b>(833,732)</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>573,162</b>	<b>573,162</b>

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2021**

	<b>Capital Development Plan</b>	<b>Total Nonmajor Capital Projects Funds</b>
<b>Revenues</b>		
Intergovernmental	1,758,179	1,758,179
Charges for services	802,684	802,684
Investment interest	744	744
Rents and leases	28,906	28,906
<b>Total Revenues</b>	<b>2,590,513</b>	<b>2,590,513</b>
<b>Expenditures</b>		
<i>Capital:</i>		
Culture and recreation	2,004,326	2,004,326
<i>Debt service:</i>		
Interest	11,866	11,866
<b>Total Expenditures</b>	<b>2,016,192</b>	<b>2,016,192</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>574,321</b>	<b>574,321</b>
<b>Other Financing Sources (Uses)</b>		
Transfers in	55,000	55,000
Transfers (out)	(157,740)	(157,740)
<b>Other Financing Sources (Uses)</b>	<b>(102,740)</b>	<b>(102,740)</b>
<b>Net Change in Fund Balance</b>	<b>471,581</b>	<b>471,581</b>
<b>Fund Balances Beginning of Fiscal Year</b>	<b>(1,305,313)</b>	<b>(1,305,313)</b>
<b>Fund Balances End of Fiscal Year</b>	<b>(833,732)</b>	<b>(833,732)</b>

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Fund 101 - Street Maintenance  
For the Year Ended December 31, 2021**

	Original 2021-2022 Biennial Budget	Amended 2021-2022 Biennial Budget	2021 Actual	Variance With Amended Budget
<b>Revenues</b>				
Licenses and permits	-	-	250	250
Intergovernmental	3,091,929	3,091,929	1,415,175	(1,676,754)
Investment interest	-	-	300	300
<b>Total Revenues</b>	<b>3,091,929</b>	<b>3,091,929</b>	<b>1,415,725</b>	<b>(1,676,204)</b>
<b>Expenditures</b>				
<b>Current:</b>				
Transportation	-	-	4,005	(4,005)
<b>Capital Outlay:</b>				
Transportation	-	-	38,112	(38,112)
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>42,117</b>	<b>(42,117)</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>3,091,929</b>	<b>3,091,929</b>	<b>1,373,608</b>	<b>(1,718,321)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(3,091,929)	(3,091,929)	-	3,091,929
<b>Total other financing sources (uses)</b>	<b>(3,091,929)</b>	<b>(3,091,929)</b>	<b>-</b>	<b>3,091,929</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>1,373,608</b>	<b>1,373,608</b>
<b>Fund Balances Beginning of Year</b>	<b>-</b>	<b>-</b>	<b>82,271</b>	<b>82,271</b>
<b>Fund Balances End of Year</b>	<b>-</b>	<b>-</b>	<b>1,455,879</b>	<b>1,455,879</b>

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Fund 102 - Arterial Street**  
**For the Year Ended December 31, 2021**

	Original 2021-2022 Biennial Budget	Amended 2021-2022 Biennial Budget	2021 Actual	Variance With Amended Budget
<b>Revenues</b>				
<b>Total Revenues</b>	-	-	-	-
<b>Expenditures</b>				
Transportation	-	-	-	-
<b>Total Expenditures</b>	-	-	-	-
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	-	-	-
<b>Other Financing Sources</b>				
Transfers in	-	-	1,621	1,621
<b>Total other financing sources</b>	-	-	1,621	1,621
<b>Net Change in Fund Balances</b>	-	-	1,621	1,621
<b>Fund Balances Beginning of Year</b>	-	-	(58,766)	(58,766)
<b>Fund Balances End of Year</b>	-	-	(57,145)	(57,145)

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Fund 103 - Drug Seizure**  
**For the Year Ended December 31, 2021**

	Original 2021-2022 Biennial Budget	Amended 2021-2022 Biennial Budget	2021 Actual	Variance With Amended Budget
<b>Revenues</b>				
Fines and forfeitures	20,000	20,000	3,543	(16,457)
Investment interest	300	300	778	478
<b>Total Revenues</b>	<b>20,300</b>	<b>20,300</b>	<b>4,321</b>	<b>(15,979)</b>
<b>Expenditures</b>				
Current:				
Public safety	80,000	80,000	23,782	56,218
<b>Total Expenditures</b>	<b>80,000</b>	<b>80,000</b>	<b>23,782</b>	<b>56,218</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(59,700)</b>	<b>(59,700)</b>	<b>(19,461)</b>	<b>40,239</b>
<b>Net Change in Fund Balances</b>	<b>(59,700)</b>	<b>(59,700)</b>	<b>(19,461)</b>	<b>40,239</b>
<b>Fund Balances Beginning of Year</b>	<b>92,039</b>	<b>92,039</b>	<b>119,423</b>	<b>27,384</b>
<b>Fund Balances End of Year</b>	<b>32,339</b>	<b>32,339</b>	<b>99,962</b>	<b>67,623</b>

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Fund 104 - Tribal Gaming**  
**For the Year Ended December 31, 2021**

	Original 2021-2022 Biennial Budget	Amended 2021-2022 Biennial Budget	2021 Actual	Variance With Amended Budget
<b>Revenues</b>				
Investment interest	75	75	41	(34)
<b>Total Revenues</b>	<b>75</b>	<b>75</b>	<b>41</b>	<b>(34)</b>
<b>Expenditures</b>				
Current:				
Public safety	7,072	7,072	-	7,072
<b>Total Expenditures</b>	<b>7,072</b>	<b>7,072</b>	<b>-</b>	<b>7,072</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(6,997)</b>	<b>(6,997)</b>	<b>41</b>	<b>7,038</b>
<b>Net Change in Fund Balances</b>	<b>(6,997)</b>	<b>(6,997)</b>	<b>41</b>	<b>7,038</b>
<b>Fund Balances Beginning of Year</b>	<b>6,997</b>	<b>6,997</b>	<b>6,995</b>	<b>(2)</b>
<b>Fund Balances End of Year</b>	<b>-</b>	<b>-</b>	<b>7,036</b>	<b>7,036</b>

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Fund 105 - Hotel/Motel**  
**For the Year Ended December 31, 2021**

	Original 2021-2022 Biennial Budget	Amended 2021-2022 Biennial Budget	2021 Actual	Variance With Amended Budget
<b>Revenues</b>				
Taxes	220,000	220,000	143,334	(76,666)
Investment interest	1,000	1,000	817	(183)
<b>Total Revenues</b>	<b>221,000</b>	<b>221,000</b>	<b>144,151</b>	<b>(76,849)</b>
<b>Expenditures</b>				
Current:				
Economic environment	220,000	220,000	16,000	204,000
<b>Total Expenditures</b>	<b>220,000</b>	<b>220,000</b>	<b>16,000</b>	<b>204,000</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>1,000</b>	<b>1,000</b>	<b>128,151</b>	<b>127,151</b>
<b>Other Financing Uses</b>				
Transfers out	-	-	(21,219)	(21,219)
<b>Total other financing uses</b>	<b>-</b>	<b>-</b>	<b>(21,219)</b>	<b>(21,219)</b>
<b>Net Change in Fund Balances</b>	<b>1,000</b>	<b>1,000</b>	<b>106,932</b>	<b>105,932</b>
<b>Fund Balances End of Year</b>	<b>118,215</b>	<b>118,215</b>	<b>194,603</b>	<b>76,388</b>

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Fund 106 - KBCC Appreciation  
For the Year Ended December 31, 2021**

	Original 2021-2022 Biennial Budget	Amended 2021-2022 Biennial Budget	2021 Actual	Variance With Amended Budget
<b>Revenues</b>				
Taxes			\$ -	\$ -
Intergovernmental			-	-
Fines and forfeitures			-	-
Investment interest			-	-
Miscellaneous			-	-
<b>Total Revenues</b>	-	-	-	-
<b>Expenditures</b>				
Current:				
General government			-	-
Public safety			-	-
Physical environment			-	-
Transportation			-	-
Health & human services			-	-
Economic environment			-	-
Culture & recreation			-	-
<b>Capital Outlay</b>			-	-
<b>Debt Service:</b>			-	-
Principal			-	-
Interest and fiscal charges			-	-
<b>Total Expenditures</b>	-	-	-	-
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	-	-	-
<b>Other Financing Uses</b>				
Transfers out			-	-
<b>Total other financing uses</b>	-	-	-	-
<b>Net Change in Fund Balances</b>	-	-	-	-
<b>Fund Balances Beginning of Year</b>			5,178	-
<b>Fund Balances End of Year</b>	-	-	5,178	-

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Fund 108 - VNET  
For the Year Ended December 31, 2021**

	Original 2021-2022 Biennial Budget	Amended 2021-2022 Biennial Budget	2021 Actual	Variance With Amended Budget
<b>Revenues</b>				
Taxes	224,000	224,000	104,761	(119,239)
Investment interest	5,000	5,000	3,529	(1,471)
<b>Total Revenues</b>	<b>229,000</b>	<b>229,000</b>	<b>108,290</b>	<b>(120,710)</b>
<b>Expenditures</b>				
Current:				
General government	442,000	442,000	155,454	286,546
<b>Total Expenditures</b>	<b>442,000</b>	<b>442,000</b>	<b>155,454</b>	<b>286,546</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(213,000)</b>	<b>(213,000)</b>	<b>(47,164)</b>	<b>165,836</b>
<b>Net Change in Fund Balances</b>	<b>(213,000)</b>	<b>(213,000)</b>	<b>(47,164)</b>	<b>165,836</b>
<b>Fund Balances Beginning of Year</b>	<b>519,120</b>	<b>519,120</b>	<b>578,366</b>	<b>59,246</b>
<b>Fund Balances End of Year</b>	<b>306,120</b>	<b>306,120</b>	<b>531,202</b>	<b>225,082</b>

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Fund 109 - CDBG**  
**For the Year Ended December 31, 2021**

	Original 2021-2022 Biennial Budget	Amended 2021-2022 Biennial Budget	2021 Actual	Variance With Amended Budget
<b>Revenues</b>				
Intergovernmental	690,000	1,299,353	693,436	(605,917)
<b>Total Revenues</b>	<b>690,000</b>	<b>1,299,353</b>	<b>693,436</b>	<b>(605,917)</b>
<b>Expenditures</b>				
Economic environment	590,000	1,199,353	318,598	880,755
<b>Total Expenditures</b>	<b>590,000</b>	<b>1,199,353</b>	<b>318,598</b>	<b>880,755</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>100,000</b>	<b>100,000</b>	<b>374,838</b>	<b>274,838</b>
<b>Other Financing Uses</b>				
Transfers out	(100,000)	(100,000)	(171,479)	(71,479)
<b>Total other financing uses</b>	<b>(100,000)</b>	<b>(100,000)</b>	<b>(171,479)</b>	<b>(71,479)</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>203,359</b>	<b>203,359</b>
<b>Fund Balances Beginning of Year</b>	<b>-</b>	<b>-</b>	<b>(203,359)</b>	<b>(203,359)</b>
<b>Fund Balances End of Year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Fund 110 - GMA - REET 1**  
**For the Year Ended December 31, 2021**

	Original 2021-2022 Biennial Budget	Amended 2021-2022 Biennial Budget	2021 Actual	Variance With Amended Budget
<b>Revenues</b>				
Taxes	2,700,000	2,700,000	2,849,831	149,831
Investment interest	35,000	35,000	8,621	(26,379)
<b>Total Revenues</b>	<b>2,735,000</b>	<b>2,735,000</b>	<b>2,858,452</b>	<b>123,452</b>
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	2,735,000	2,735,000	2,858,452	123,452
<b>Other Financing Uses</b>				
Transfers out	(2,932,116)	(2,932,116)	-	2,932,116
<b>Total other financing uses</b>	(2,932,116)	(2,932,116)	-	2,932,116
<b>Net Change in Fund Balances</b>	(197,116)	(197,116)	2,858,452	3,055,568
<b>Fund Balances Beginning of Year</b>	2,727,730	2,727,730	305,113	(2,422,617)
<b>Fund Balances End of Year</b>	<b>2,530,614</b>	<b>2,530,614</b>	<b>3,163,565</b>	<b>632,951</b>

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Fund 111 - GMA - REET 2**  
**For the Year Ended December 31, 2021**

	Original 2021-2022 Biennial Budget	Amended 2021-2022 Biennial Budget	2021 Actual	Variance With Amended Budget
<b>Revenues</b>				
Taxes	2,700,000	2,700,000	2,849,831	149,831
Investment interest	35,000	35,000	9,104	(25,896)
<b>Total Revenues</b>	<b>2,735,000</b>	<b>2,735,000</b>	<b>2,858,935</b>	<b>123,935</b>
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	2,735,000	2,735,000	2,858,935	123,935
<b>Other Financing Uses</b>				
Transfers out	(2,932,116)	(2,932,116)	-	2,932,116
<b>Total other financing uses</b>	(2,932,116)	(2,932,116)	-	2,932,116
<b>Net Change in Fund Balances</b>	(197,116)	(197,116)	2,858,935	3,056,051
<b>Fund Balances Beginning of Year</b>	2,807,843	2,807,843	386,056	(2,421,787)
<b>Fund Balances End of Year</b>	<b>2,610,727</b>	<b>2,610,727</b>	<b>3,244,991</b>	<b>634,264</b>

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Fund 114 - Transportation Benefit District**  
**For the Year Ended December 31, 2021**

	Original 2021-2022 Biennial Budget	Amended 2021-2022 Biennial Budget	2021 Actual	Variance With Amended Budget
<b>Revenues</b>				
Taxes	5,001,059	5,001,059	3,633,800	(1,367,259)
Investment interest	35,000	35,000	30,141	(4,859)
<b>Total Revenues</b>	<b>5,036,059</b>	<b>5,036,059</b>	<b>3,663,941</b>	<b>(1,372,118)</b>
<b>Expenditures</b>				
Current:				
Transportation	2,850,000	2,850,000	858,648	1,991,352
<b>Total Expenditures</b>	<b>2,850,000</b>	<b>2,850,000</b>	<b>858,648</b>	<b>1,991,352</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>2,186,059</b>	<b>2,186,059</b>	<b>2,805,293</b>	<b>619,234</b>
<b>Other Financing Uses</b>				
Transfers out	(1,300,000)	(1,300,000)	(375,221)	924,779
<b>Total other financing uses</b>	<b>(1,300,000)</b>	<b>(1,300,000)</b>	<b>(375,221)</b>	<b>924,779</b>
<b>Net Change in Fund Balances</b>	<b>886,059</b>	<b>886,059</b>	<b>2,430,072</b>	<b>1,544,013</b>
<b>Fund Balances Beginning of Year</b>	<b>2,421,041</b>	<b>2,421,041</b>	<b>3,397,479</b>	<b>976,438</b>
<b>Fund Balances End of Year</b>	<b>3,307,100</b>	<b>3,307,100</b>	<b>5,827,551</b>	<b>2,520,451</b>

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Fund 115 - Affordable Housing Tax**  
**For the Year Ended December 31, 2021**

	Original 2021-2022 Biennial Budget	Amended 2021-2022 Biennial Budget	2021 Actual	Variance With Amended Budget
<b>Revenues</b>				
Taxes	180,980	180,980	100,895	(80,085)
Investment interest	-	-	272	272
Miscellaneous	-	-	5,341	5,341
<b>Total Revenues</b>	<b>180,980</b>	<b>180,980</b>	<b>106,508</b>	<b>(74,472)</b>
<b>Expenditures</b>				
Capital Outlay	590,000	690,000	562,778	127,222
<b>Debt Service:</b>				
Interest and fiscal charges	-	-	319	(319)
<b>Total Expenditures</b>	<b>590,000</b>	<b>690,000</b>	<b>563,097</b>	<b>126,903</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(409,020)</b>	<b>(509,020)</b>	<b>(456,589)</b>	<b>52,431</b>
<b>Other Financing Uses</b>				
Transfers in	450,000	450,000	11,000	(439,000)
<b>Total other financing uses</b>	<b>450,000</b>	<b>450,000</b>	<b>11,000</b>	<b>(439,000)</b>
<b>Net Change in Fund Balances</b>	<b>40,980</b>	<b>(59,020)</b>	<b>(445,589)</b>	<b>(386,569)</b>
<b>Fund Balances Beginning of Year</b>	<b>52,786</b>	<b>76,125</b>	<b>86,082</b>	<b>9,957</b>
<b>Fund Balances End of Year</b>	<b>93,766</b>	<b>17,105</b>	<b>(359,507)</b>	<b>(376,612)</b>

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Fund 116 - School Mitigation  
For the Year Ended December 31, 2021**

	Original 2021-2022 Biennial Budget	Amended 2021-2022 Biennial Budget	2021 Actual	Variance With Amended Budget
<b>Revenues</b>				
Charges for services	4,500,000	4,500,000	1,838,169	(2,661,831)
<b>Total Revenues</b>	<b>4,500,000</b>	<b>4,500,000</b>	<b>1,838,169</b>	<b>(2,661,831)</b>
<b>Expenditures</b>				
Current:				
Economic environment	4,500,000	4,500,000	1,838,169	2,661,831
<b>Total Expenditures</b>	<b>4,500,000</b>	<b>4,500,000</b>	<b>1,838,169</b>	<b>2,661,831</b>
<b>Net Change in Fund Balances</b>	-	-	-	-
<b>Fund Balances Beginning of Year</b>			-	-
<b>Fund Balances End of Year</b>	-	-	-	-

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Fund 119 - COVID 19**  
**For the Year Ended December 31, 2021**

	Original 2021-2022 Biennial Budget	Amended 2021-2022 Biennial Budget	2021 Actual	Variance With Amended Budget
<b>Revenues</b>				
Intergovernmental	-	-	-	-
Investment interest	-	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances Beginning of Year</b>	<b>-</b>	<b>-</b>	<b>16,745</b>	<b>16,745</b>
<b>Fund Balances End of Year</b>	<b>-</b>	<b>-</b>	<b>16,745</b>	<b>16,745</b>

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Fund 206 - LTGO Bond**  
**For the Year Ended December 31, 2021**

	Original 2021-2022 Biennial Budget	Amended 2021-2022 Biennial Budget	2021 Actual	Variance With Amended Budget
<b>Revenues</b>				
Investment interest	8,000	8,000	9,973	1,973
<b>Total Revenues</b>	<b>8,000</b>	<b>8,000</b>	<b>9,973</b>	<b>1,973</b>
<b>Expenditures</b>				
<b>Debt Service:</b>				-
Principal	6,495,000	6,495,000	2,855,000	3,640,000
Interest and fiscal charges	5,637,988	5,637,988	2,872,369	2,765,619
<b>Total Expenditures</b>	<b>12,132,988</b>	<b>12,132,988</b>	<b>5,727,369</b>	<b>6,405,619</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(12,124,988)</b>	<b>(12,124,988)</b>	<b>(5,717,396)</b>	<b>6,407,592</b>
<b>Other Financing Uses</b>				
Transfers In	12,127,988	12,127,988	5,727,369	(6,400,619)
<b>Total other financing uses</b>	<b>12,127,988</b>	<b>12,127,988</b>	<b>5,727,369</b>	<b>(6,400,619)</b>
<b>Net Change in Fund Balances</b>	<b>3,000</b>	<b>3,000</b>	<b>9,973</b>	<b>6,973</b>
<b>Fund Balances Beginning of Year</b>	<b>95,503</b>	<b>95,503</b>	<b>43,211</b>	<b>(52,292)</b>
<b>Fund Balances End of Year</b>	<b>98,503</b>	<b>98,503</b>	<b>53,184</b>	<b>(45,319)</b>

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Fund 271 - LID 71**  
**For the Year Ended December 31, 2021**

	Original 2021-2022 Biennial Budget	Amended 2021-2022 Biennial Budget	2021 Actual	Variance With Amended Budget
<b>Revenues</b>				
Fines and forfeitures	7,000	7,000	-	(7,000)
Investment interest	2,000	2,000	1,361	(639)
Special assessments	715,560	715,560	500,137	(215,423)
<b>Total Revenues</b>	<b>724,560</b>	<b>724,560</b>	<b>501,498</b>	<b>(223,062)</b>
<b>Expenditures</b>				
<b>Debt Service:</b>				
Principal	764,010	794,010	325,000	469,010
Interest and fiscal charges	-	-	110,222	(110,222)
<b>Total Expenditures</b>	<b>764,010</b>	<b>794,010</b>	<b>435,222</b>	<b>358,788</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(39,450)</b>	<b>(69,450)</b>	<b>66,276</b>	<b>135,726</b>
<b>Net Change in Fund Balances</b>	<b>(39,450)</b>	<b>(69,450)</b>	<b>66,276</b>	<b>135,726</b>
<b>Fund Balances Beginning of Year</b>	<b>72,088</b>	<b>72,088</b>	<b>74,302</b>	<b>2,214</b>
<b>Fund Balances End of Year</b>	<b>32,638</b>	<b>2,638</b>	<b>140,578</b>	<b>137,940</b>

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Fund 299 - LID Guaranty  
For the Year Ended December 31, 2021**

	Original 2021-2022 Biennial Budget	Amended 2021-2022 Biennial Budget	2021 Actual	Variance With Amended Budget
<b>Revenues</b>				
Investment interest	10,000	10,000	3,745	(6,255)
<b>Total Revenues</b>	<b>10,000</b>	<b>10,000</b>	<b>3,745</b>	<b>(6,255)</b>
<b>Expenditures</b>				
Current:				
General government	20,000	20,000	-	20,000
<b>Total Expenditures</b>	<b>20,000</b>	<b>20,000</b>	<b>-</b>	<b>20,000</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(10,000)</b>	<b>(10,000)</b>	<b>3,745</b>	<b>13,745</b>
<b>Net Change in Fund Balances</b>	<b>(10,000)</b>	<b>(10,000)</b>	<b>3,745</b>	<b>13,745</b>
<b>Fund Balances Beginning of Year</b>	<b>643,414</b>	<b>643,414</b>	<b>643,023</b>	<b>(391)</b>
<b>Fund Balances End of Year</b>	<b>633,414</b>	<b>633,414</b>	<b>646,768</b>	<b>13,354</b>

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Fund 305 - Street Capital Improvements**  
**For the Year Ended December 31, 2021**

	Original 2021-2022 Biennial Budget	Amended 2021-2022 Biennial Budget	2021 Actual	Variance With Amended Budget
<b>Revenues</b>				
Intergovernmental	3,922,849	3,922,849	5,184,174	1,261,325
Charges for services	3,400,000	3,400,000	3,247,595	(152,405)
Investment interest	10,000	10,000	9,513	(487)
<b>Total Revenues</b>	<b>7,332,849</b>	<b>7,332,849</b>	<b>8,441,282</b>	<b>1,108,433</b>
<b>Expenditures</b>				
<b>Capital Outlay:</b>				
Transportation	15,450,000	15,450,000	7,496,754	7,953,246
<b>Total Expenditures</b>	<b>15,450,000</b>	<b>15,450,000</b>	<b>7,496,754</b>	<b>7,953,246</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(8,117,151)</b>	<b>(8,117,151)</b>	<b>944,528</b>	<b>9,061,679</b>
<b>Other Financing Uses</b>				
Transfers in	7,164,234	7,164,234	373,600	(6,790,634)
Transfers out	(3,417,238)	(3,417,238)	(1,478,219)	1,939,019
<b>Total other financing uses</b>	<b>3,746,996</b>	<b>3,746,996</b>	<b>(1,104,619)</b>	<b>(4,851,615)</b>
<b>Net Change in Fund Balances</b>	<b>(4,370,155)</b>	<b>(4,370,155)</b>	<b>(160,091)</b>	<b>4,210,064</b>
<b>Fund Balances Beginning of Year</b>	<b>4,418,616</b>	<b>4,418,616</b>	<b>1,894,793</b>	<b>(2,523,823)</b>
<b>Fund Balances End of Year</b>	<b>48,461</b>	<b>48,461</b>	<b>1,734,702</b>	<b>1,686,241</b>

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Fund 310 - Parks Construction**  
**For the Year Ended December 31, 2021**

	Original 2021-2022 Biennial Budget	Amended 2021-2022 Biennial Budget	2021 Actual	Variance With Amended Budget
<b>Revenues</b>				
Intergovernmental	642,000	642,000	1,758,179	1,116,179
Charges for services	710,000	710,000	802,684	92,684
Investment interest	-	-	744	744
Rents and leases	58,000	58,000	28,906	(29,094)
<b>Total Revenues</b>	<b>1,410,000</b>	<b>1,410,000</b>	<b>2,590,513</b>	<b>1,180,513</b>
<b>Expenditures</b>				
<b>Capital Outlay</b>				
Culture & recreation	2,360,000	4,570,000	2,004,326	2,565,674
Interest and fiscal charges	-	-	11,866	(11,866)
<b>Total Expenditures</b>	<b>2,360,000</b>	<b>4,570,000</b>	<b>2,016,192</b>	<b>2,553,808</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(950,000)</b>	<b>(3,160,000)</b>	<b>574,321</b>	<b>3,734,321</b>
<b>Other Financing Uses</b>				
Transfers in	1,280,000	3,490,000	55,000	(3,435,000)
Transfers out	(341,645)	(341,645)	(157,740)	183,905
<b>Total other financing uses</b>	<b>938,355</b>	<b>3,148,355</b>	<b>(102,740)</b>	<b>(3,251,095)</b>
<b>Net Change in Fund Balances</b>	<b>(11,645)</b>	<b>(11,645)</b>	<b>471,581</b>	<b>483,226</b>
<b>Fund Balances Beginning of Year</b>	<b>204,589</b>	<b>204,589</b>	<b>(1,305,313)</b>	<b>(1,509,902)</b>
<b>Fund Balances End of Year</b>	<b>192,944</b>	<b>192,944</b>	<b>(833,732)</b>	<b>(1,026,676)</b>

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Fund 314 - General Capital Improvements**  
**For the Year Ended December 31, 2021**

	Original 2021-2022 Biennial Budget	Amended 2021-2022 Biennial Budget	2021 Actual	Variance With Amended Budget
<b>Revenues</b>				
Investment interest	900,454	900,454	6,340	(894,114)
Miscellaneous			8,478	8,478
<b>Total Revenues</b>	<b>900,454</b>	<b>900,454</b>	<b>14,818</b>	<b>(885,636)</b>
<b>Expenditures</b>				
<b>Capital Outlay:</b>				
General government	32,016,272	32,016,272	24,580,430	7,435,842
<b>Total Expenditures</b>	<b>32,016,272</b>	<b>32,016,272</b>	<b>24,580,430</b>	<b>7,435,842</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(31,115,818)</b>	<b>(31,115,818)</b>	<b>(24,565,612)</b>	<b>6,550,206</b>
<b>Other Financing Uses</b>				
Transfers in	12,427,593	12,427,593	8,291,624	(4,135,969)
Disposition of capital assets	1,000,000	1,000,000	-	(1,000,000)
<b>Total other financing uses</b>	<b>13,427,593</b>	<b>13,427,593</b>	<b>8,291,624</b>	<b>(5,135,969)</b>
<b>Net Change in Fund Balances</b>	<b>(17,688,225)</b>	<b>(17,688,225)</b>	<b>(16,273,988)</b>	<b>1,414,237</b>
<b>Fund Balances Beginning of Year</b>	<b>17,688,225</b>	<b>17,688,225</b>	<b>16,217,147</b>	<b>(1,471,078)</b>
<b>Fund Balances End of Year</b>	<b>-</b>	<b>-</b>	<b>(56,841)</b>	<b>(56,841)</b>

Internal Service Funds  
 Combining Statement of Net Position  
 December 31, 2021

	501 Fleet Maintenance	502 Facilities Maintenance	503 Information Services	510 Unemployment Insurance	511 Liability Insurance	512 Medical Insurance	Total
<b>Assets</b>							
<b>Current Assets:</b>							
Cash and cash equivalents	1,137,281	145,268	252,540	53,344	355,325	990,999	2,934,757
Investments	214,907	98,225	176,170	49,425	329,228	859,850	1,727,805
Receivables (net)	-	-	-	-	-	-	-
Inventories	294,109	-	-	-	-	-	294,109
<b>Total Current Assets</b>	<b>1,646,297</b>	<b>243,493</b>	<b>428,710</b>	<b>102,769</b>	<b>684,553</b>	<b>1,850,849</b>	<b>4,956,671</b>
<b>Noncurrent Assets:</b>							
Capital assets:							
Depreciable, net	9,148,367	-	-	-	-	-	9,148,367
Net pension asset	407,620	201,644	573,667	-	-	-	1,182,931
<b>Total Noncurrent Assets:</b>	<b>9,555,987</b>	<b>201,644</b>	<b>573,667</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,331,298</b>
Deferred Outflows - pensions	55,966	27,686	78,764	-	-	-	162,416
<b>Total Assets and Deferred Outflows</b>	<b>11,258,250</b>	<b>472,823</b>	<b>1,081,141</b>	<b>102,769</b>	<b>684,553</b>	<b>1,850,849</b>	<b>15,450,385</b>
<b>Liabilities</b>							
<b>Current Liabilities:</b>							
Accounts payable and accrued expenses	904,977	39,256	64,879	547	93,606	1,169,769	2,273,034
Compensated absences payable	22,586	7,484	31,080	-	-	-	61,150
<b>Total Current Liabilities</b>	<b>927,563</b>	<b>46,740</b>	<b>95,959</b>	<b>547</b>	<b>93,606</b>	<b>1,169,769</b>	<b>2,334,184</b>
<b>Noncurrent Liabilities</b>							
Net pension liability	41,561	20,559	58,490	-	-	-	120,610
Compensated absences payable	22,586	7,484	31,080	-	-	-	61,150
<b>Total Liabilities</b>	<b>991,710</b>	<b>74,783</b>	<b>185,529</b>	<b>547</b>	<b>93,606</b>	<b>1,169,769</b>	<b>2,515,944</b>
Deferred Inflows - pensions	425,997	210,735	599,529	-	-	-	1,236,261
<b>Total Liabilities and Deferred Inflows</b>	<b>1,417,707</b>	<b>285,518</b>	<b>785,058</b>	<b>547</b>	<b>93,606</b>	<b>1,169,769</b>	<b>3,752,205</b>
<b>Net Position</b>							
Investment in capital assets	9,148,367	-	-	-	-	-	9,148,367
Restricted for net pension assets	73,138	36,181	102,931	-	-	-	212,250
Unrestricted	619,038	151,124	193,152	102,222	590,947	681,080	2,337,563
<b>Total Net Position</b>	<b>9,840,543</b>	<b>187,305</b>	<b>296,083</b>	<b>102,222</b>	<b>590,947</b>	<b>681,080</b>	<b>11,698,180</b>

**Internal Service Funds**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Position**  
**For the Year Ended December 31, 2021**

	501 Fleet Maintenance	502 Facilities Maintenance	503 Information Services	510 Unemployment Insurance	511 Liability Insurance	512 Medical Insurance	Total
<b>Operating Revenues</b>							
Charges for services	2,824,644	783,849	1,511,184	36,927	800,900	5,243,260	11,200,764
<b>Total Operating Revenues</b>	<b>2,824,644</b>	<b>783,849</b>	<b>1,511,184</b>	<b>36,927</b>	<b>800,900</b>	<b>5,243,260</b>	<b>11,200,764</b>
<b>Operating Expenses</b>							
Maintenance and operations	1,493,657	710,928	1,463,278	16,204	702,832	5,026,379	9,413,278
Depreciation	1,214,218	-	-	-	-	-	1,214,218
<b>Total Operating Expenses</b>	<b>2,707,875</b>	<b>710,928</b>	<b>1,463,278</b>	<b>16,204</b>	<b>702,832</b>	<b>5,026,379</b>	<b>10,627,496</b>
<b>Operating Income (Loss)</b>	<b>116,769</b>	<b>72,921</b>	<b>47,906</b>	<b>20,723</b>	<b>98,068</b>	<b>216,881</b>	<b>573,268</b>
<b>Non-Operating Revenues</b>							
Investment interest	3,528	1,127	2,536	540	2,139	10,101	19,971
Non-operating grants	-	-	-	-	-	34,840	34,840
Insurance recoveries	34,539	-	-	-	111,330	-	145,869
Gain (loss) on disposition of capital assets	(21,367)	-	-	-	-	-	(21,367)
<b>Total Non-Operating Revenues</b>	<b>16,700</b>	<b>1,127</b>	<b>2,536</b>	<b>540</b>	<b>113,469</b>	<b>44,941</b>	<b>179,313</b>
<b>Transfers in</b>	<b>7,807</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,807</b>
Transfers out	-	(7,807)	-	-	-	-	(7,807)
<b>Change in Net Position</b>	<b>141,276</b>	<b>66,241</b>	<b>50,442</b>	<b>21,263</b>	<b>211,537</b>	<b>261,822</b>	<b>752,581</b>
<b>Net Position Beginning of Year</b>	<b>9,691,447</b>	<b>121,064</b>	<b>245,641</b>	<b>80,959</b>	<b>379,410</b>	<b>419,258</b>	<b>10,937,779</b>
Prior Period Adjustment	7,820	-	-	-	-	-	7,820
<b>Net Position End of Year</b>	<b>9,840,543</b>	<b>187,305</b>	<b>296,083</b>	<b>102,222</b>	<b>590,947</b>	<b>681,080</b>	<b>11,698,180</b>

Internal Service Funds  
 Combining Statement of Cash Flows  
 For the Year Ended December 31, 2021

	501 Fleet Maintenance	502 Facilities Maintenance	503 Information Services	510 Unemployment Insurance	511 Liability Insurance	512 Medical Insurance	Total
<b>Cash Flows from Operating Activities</b>							
Cash received from interfund charges	2,824,644	783,849	1,511,184	36,927	800,900	5,243,260	11,200,764
Cash paid to suppliers for goods and services	(143,344)	(275,421)	(486,554)	(24,606)	(714,281)	(4,949,705)	(6,593,911)
Cash paid to employees for services	(601,216)	(451,928)	(1,008,762)	-	-	-	(2,061,906)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>2,080,084</b>	<b>56,500</b>	<b>15,868</b>	<b>12,321</b>	<b>86,619</b>	<b>293,555</b>	<b>2,544,947</b>
<b>Cash Flows from Non-Capital financing activities</b>							
Insurance recoveries	34,539	-	-	-	111,330	-	145,869
Non-operating grants	-	-	-	-	-	34,840	34,840
Transfers from other funds	7,807	-	-	-	-	-	7,807
Transfers to other funds	-	(7,807)	-	-	-	-	(7,807)
<b>Net Cash Flows from non-Capital and related financing activities</b>	<b>42,346</b>	<b>(7,807)</b>	<b>-</b>	<b>-</b>	<b>111,330</b>	<b>34,840</b>	<b>180,709</b>
<b>Cash Flows from Capital and Related Financing Activities</b>							
Acquisition and construction of capital assets	(1,600,563)	-	-	-	-	-	(1,600,563)
Proceeds from sale of assets	-	-	-	-	-	-	-
<b>Net Cash Provided by (Used in) Capital and Related Financing Activities</b>	<b>(1,600,563)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,600,563)</b>
<b>Cash Flows from Investing Activities</b>							
Purchase of investments	-	(18,327)	-	(5,125)	(90,551)	(134,806)	(248,809)
Proceeds from sale of investments	160,112	-	5,104	-	-	-	165,216
Interest on investments	3,528	1,127	2,536	540	2,139	10,101	19,971
<b>Net Cash Provided by (Used in) Investing Activities</b>	<b>163,640</b>	<b>(17,200)</b>	<b>7,640</b>	<b>(4,585)</b>	<b>(88,412)</b>	<b>(124,705)</b>	<b>(63,622)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>685,507</b>	<b>31,493</b>	<b>23,508</b>	<b>7,736</b>	<b>109,537</b>	<b>203,690</b>	<b>1,061,471</b>
<b>Cash and Cash Equivalents Beginning of Year</b>	<b>451,774</b>	<b>113,775</b>	<b>229,032</b>	<b>45,608</b>	<b>245,788</b>	<b>787,309</b>	<b>1,873,286</b>
<b>Cash and Cash Equivalents End of Year</b>	<b>1,137,281</b>	<b>145,268</b>	<b>252,540</b>	<b>53,344</b>	<b>355,325</b>	<b>990,999</b>	<b>2,934,757</b>

Internal Service Funds  
 Combining Statement of Cash Flows  
 For the Year Ended December 31, 2021

	501 Fleet Maintenance	502 Facilities Maintenance	503 Information Services	510 Unemployment Insurance	511 Liability Insurance	512 Medical Insurance	Total
<b>Reconciliation of Operating (Loss) to Net Cash Provided by (Used in) Operating Activities</b>							
Operating Income (Loss)	116,769	72,921	47,906	20,723	98,068	216,881	573,268
<b>Adjustments:</b>							
Depreciation	1,214,218	-	-	-	-	-	1,214,218
<b>Change in assets and liabilities:</b>							
(Increase)/Decrease in inventories	(36,859)	-	-	-	-	-	(36,859)
(Increase)/Decrease in receivables	-	-	-	-	-	-	-
Increase/(Decrease) in accounts payable	836,427	8,732	28,125	(8,402)	(11,449)	76,674	930,107
Increase/(Decrease) in net pension liability, DI, DO	(50,471)	(25,153)	(60,163)	-	-	-	(135,787)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>2,080,084</b>	<b>56,500</b>	<b>15,868</b>	<b>12,321</b>	<b>86,619</b>	<b>293,555</b>	<b>2,544,947</b>

**Combining Statement of Net Position  
Fiduciary Funds  
December 31, 2021**

	643 Drug Seizure	650 Intergovernmental	Custodial Funds
<b>Assets</b>			
Cash and cash equivalents	29,104	36,949	66,053
<b>Total Assets</b>	<b>29,104</b>	<b>36,949</b>	<b>66,053</b>
<b>Liabilities</b>			
Other liabilities	899	666	1,565
<b>Total Liabilities</b>	<b>899</b>	<b>666</b>	<b>1,565</b>
<b>Net Position</b>	<b>28,205</b>	<b>36,283</b>	<b>64,488</b>

**Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended December 31, 2021**

	<b>643</b>	<b>650</b>	<b>Custodial</b>
	<b>Drug Seizure</b>	<b>Intergovernmental</b>	<b>Funds</b>
<b>Additions</b>			
Drug seizures	21,506	-	21,506
State court fees collected	-	497,215	497,215
Warrant services	-	-	-
Leasehold taxes	-	5,149	5,149
Weapons permitting	-	15,770	15,770
Building advisory	-	7,273	7,273
Fingerprinting fees collected for other agencies	-	5,448	5,448
Other fees collected for other agencies	-	1,000	1,000
<b>Total additions</b>	<b>21,506</b>	<b>531,855</b>	<b>553,361</b>
<b>Deductions</b>			
Drug seizures	6,505	-	6,505
State court fees remitted	-	464,336	464,336
Warrant services	-	-	-
Leasehold taxes	-	3,525	3,525
Weapons permitting	-	17,054	17,054
Building advisory	-	6,422	6,422
Fingerprinting fees collected for other agencies	-	5,138	5,138
Other fees collected for other agencies	-	1,125	1,125
<b>Total deductions</b>	<b>6,505</b>	<b>497,600</b>	<b>504,105</b>
<b>Beginning Net Position</b>	<b>13,204</b>	<b>2,028</b>	<b>15,232</b>
<b>Ending Net Position</b>	<b>28,205</b>	<b>36,283</b>	<b>64,488</b>

**STATISTICAL SECTION OVERVIEW**

This part of the City of Marysville's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information say about the government's overall financial health. The statistical section is organized by major sections described below.

**Financial Trends**

These schedule contain information to assist the reader in understanding how the City's financial position has changed over time.

**Revenue Capacity**

These schedules contain information to assist the reader in understanding and assessing the City's most significant local revenue sources; water/sewer/surface water service fees and property taxes.

**Debt Capacity**

These schedules present information to assist the reader in understanding and assessing the affordability of the City's current levels of outstanding debt and the government's ability to issue additional debt in the future

**Demographic and Economic Information**

These schedules offer demographic and economic indicators to assist the reader in understanding the environment within which the City's financial activities take place.

**Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the city provides and the activities it performs.

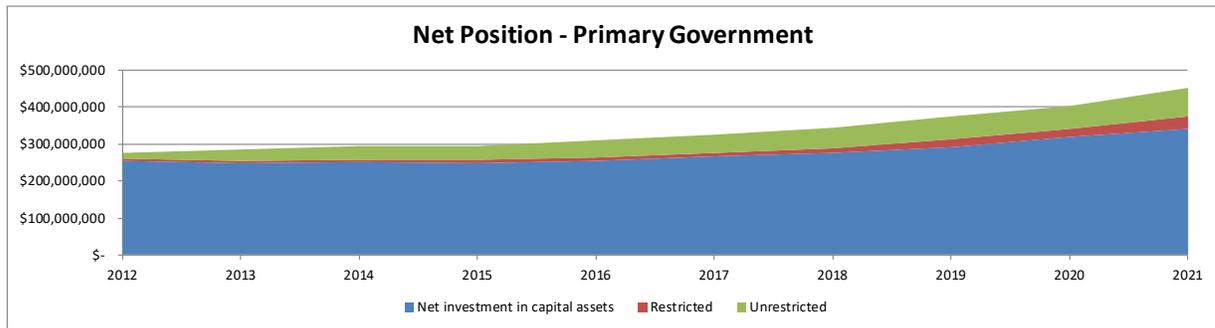
**Sources:** Unless otherwise noted, the information in the schedules is derived from the annual financial reports for the relevant year.

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**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
 (accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental Activities</b>										
Net investment in capital assets	\$ 148,249,723	\$ 141,355,210	\$ 137,368,413	\$ 140,810,400	\$ 144,212,253	\$ 148,708,065	\$ 155,816,528	\$ 159,736,625	\$ 180,596,055	\$ 200,848,851
Restricted	69,854	77,059	989,700	3,839,953	2,262,992	4,308,231	6,056,413	16,623,130	14,295,831	26,790,518
Unrestricted	(2,640,846)	8,362,436	16,024,164	10,317,772	24,363,378	24,780,759	25,686,947	20,394,419	26,988,768	34,444,795
<b>Total governmental activities net position</b>	<b>\$ 145,678,731</b>	<b>\$ 149,794,705</b>	<b>\$ 154,382,277</b>	<b>\$ 154,968,125</b>	<b>\$ 170,838,623</b>	<b>\$ 177,797,055</b>	<b>\$ 187,559,888</b>	<b>\$ 196,754,174</b>	<b>\$ 221,880,654</b>	<b>\$ 262,084,164</b>
<b>Business-type Activities</b>										
Net investment in capital assets	106,815,932	106,095,062	114,086,816	106,818,354	110,531,409	116,082,683	119,473,225	130,958,557	138,698,542	139,310,402
Restricted	5,529,858	5,544,027	4,550,455	5,526,424	5,547,716	5,538,711	5,518,347	5,619,108	5,726,082	6,455,961
Unrestricted	19,012,887	22,831,308	20,292,994	26,927,156	23,714,131	25,889,043	29,765,261	40,533,742	34,767,699	44,256,070
<b>Total business-type activities net position</b>	<b>\$ 131,358,677</b>	<b>\$ 134,470,397</b>	<b>\$ 138,930,265</b>	<b>\$ 139,271,934</b>	<b>\$ 139,793,256</b>	<b>\$ 147,510,437</b>	<b>\$ 154,756,833</b>	<b>\$ 177,111,407</b>	<b>\$ 179,192,323</b>	<b>\$ 190,022,433</b>
<b>Primary Government</b>										
Net investment in capital assets	\$ 255,065,655	\$ 247,450,272	\$ 251,455,229	\$ 247,628,754	\$ 254,743,662	\$ 264,790,748	\$ 275,289,753	\$ 290,695,182	\$ 319,294,597	\$ 340,159,253
Restricted	5,599,712	5,621,086	5,540,155	9,366,377	7,810,708	9,846,942	11,574,760	22,242,238	20,021,913	33,246,479
Unrestricted	16,372,041	31,193,744	36,317,158	37,244,928	48,077,509	50,669,802	55,452,208	60,928,161	61,756,467	78,700,865
<b>Total primary government net position</b>	<b>\$ 277,037,408</b>	<b>\$ 284,265,102</b>	<b>\$ 293,312,542</b>	<b>\$ 294,240,059</b>	<b>\$ 310,631,879</b>	<b>\$ 325,307,492</b>	<b>\$ 342,316,721</b>	<b>\$ 373,865,581</b>	<b>\$ 401,072,977</b>	<b>\$ 452,106,597</b>



CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)

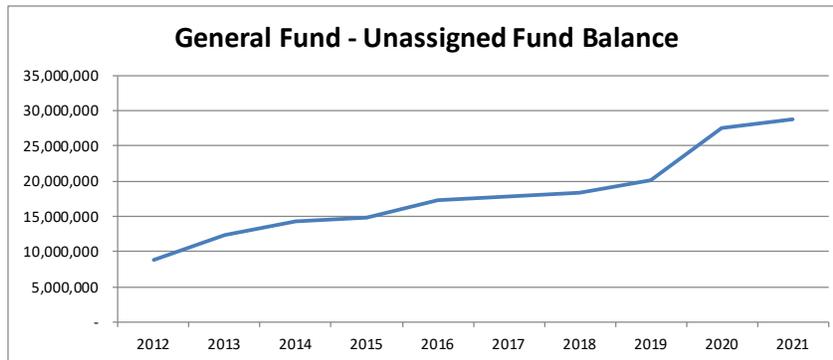
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>EXPENSES</b>										
<b>Governmental activities</b>										
Judicial	\$ 1,361,713	\$ 1,297,685	\$ 1,369,450	\$ 1,350,483	\$ 1,494,861	\$ 1,409,968	\$ 1,372,830	\$ 1,479,415	\$ 1,451,393	\$ 1,123,656
General Government	1,948,738	3,116,991	3,586,931	5,507,340	3,603,151	3,833,055	4,310,306	6,520,829	6,682,787	4,052,317
Public Safety	23,179,163	23,130,412	25,154,574	25,654,989	27,246,035	29,378,604	29,615,366	31,485,845	23,954,869	24,302,171
Physical Environment	984,599	1,083,953	1,013,456	1,076,714	1,224,366	1,630,297	1,838,623	2,003,083	497,942	337,898
Transportation	8,200,060	5,379,629	6,448,078	8,420,679	7,944,384	8,678,946	8,692,781	8,572,406	9,537,250	7,922,978
Economic Environment	1,831,180	1,904,920	2,135,367	2,256,138	2,543,445	1,985,412	2,299,217	2,833,517	3,957,837	4,067,779
Health	15,784	27,342	33,371	40,693	23,594	12,811	70,863	76,467	156,550	419,018
Culture & Recreation	2,370,633	2,479,042	3,165,436	3,160,313	3,840,971	3,377,268	4,369,074	4,451,158	2,724,144	2,936,421
Interest on Long-term Debt	909,150	898,610	1,453,855	1,224,025	1,288,998	1,038,576	2,039,290	2,809,974	2,867,077	2,642,862
<b>Total governmental activities expenses</b>	<b>40,801,020</b>	<b>39,318,584</b>	<b>44,360,518</b>	<b>48,691,374</b>	<b>49,209,805</b>	<b>51,344,937</b>	<b>54,608,350</b>	<b>60,232,694</b>	<b>51,829,849</b>	<b>47,805,100</b>
<b>Business-type activities</b>										
Water/Sewer/Surface Water	21,096,110	23,324,404	21,911,544	23,038,255	28,221,547	26,040,860	27,960,076	28,380,188	37,681,845	31,465,610
Solid Waste	4,386,858	4,492,323	5,338,501	5,351,900	5,491,363	6,917,507	7,201,464	7,267,312	8,106,080	8,847,655
Golf	1,138,670	1,090,135	1,050,097	1,195,081	1,135,229	1,216,084	1,119,339	1,207,915	1,199,640	1,309,161
<b>Total business-type activities</b>	<b>26,621,638</b>	<b>28,906,862</b>	<b>28,300,142</b>	<b>29,585,236</b>	<b>34,848,139</b>	<b>34,174,451</b>	<b>36,280,879</b>	<b>36,855,415</b>	<b>46,987,565</b>	<b>41,622,426</b>
<b>Total primary government expenses</b>	<b>\$ 67,422,658</b>	<b>\$ 68,225,446</b>	<b>\$ 72,660,660</b>	<b>\$ 78,276,610</b>	<b>\$ 84,057,944</b>	<b>\$ 85,519,388</b>	<b>\$ 90,889,229</b>	<b>\$ 97,088,109</b>	<b>\$ 98,817,414</b>	<b>\$ 89,427,526</b>
<b>PROGRAM REVENUES</b>										
<b>Governmental activities</b>										
Charges for Services:										
Judicial	868,678	620,473	729,959	746,871	631,591	762,199	934,320	467,221	456,881	292,719
General Government	1,453,997	2,282,519	4,198,818	3,763,483	3,113,252	3,589,885	3,744,627	2,296,161	1,425,293	1,592,231
Public Safety	918,100	816,528	999,881	1,103,582	859,651	1,027,128	1,042,593	667,811	1,624,076	945,450
Physical Environment	1,000	750	750	3,134	1,500	1,000	1,250	2,250	-	-
Transportation	981,799	814,950	660,549	1,138,282	948,281	1,978,549	2,114,883	4,522,527	4,162,731	4,612,630
Economic Environment	1,632,994	2,173,887	2,100,299	1,720,524	2,031,443	1,779,045	2,231,919	5,573,351	4,724,585	5,808,384
Culture & Recreation	395,835	358,802	349,518	353,895	570,426	1,000,414	829,319	1,084,518	710,527	1,075,564
Operating grants and contributions	1,661,264	1,894,736	3,053,117	5,958,337	3,026,528	3,676,058	5,514,467	2,797,760	5,928,789	12,766,609
Capital grants and contributions	-	-	50,000	273,403	-	13,728	-	1,324,546	4,839,542	4,032,358
<b>Total governmental activities program revenues</b>	<b>7,913,667</b>	<b>8,962,645</b>	<b>12,142,891</b>	<b>15,061,511</b>	<b>11,182,672</b>	<b>13,828,006</b>	<b>16,413,378</b>	<b>18,736,145</b>	<b>23,872,424</b>	<b>31,125,945</b>
<b>Business-type activities:</b>										
Charges for Services:										
Water/Sewer/Surface Water	24,313,325	25,882,491	26,768,139	30,258,766	30,665,035	33,547,693	32,712,894	38,352,476	33,442,062	39,902,148
Solid Waste	6,051,999	6,232,260	6,866,097	7,037,150	7,269,832	7,520,347	7,624,583	7,860,460	8,055,615	8,564,328
Golf	955,819	957,912	895,476	1,063,146	1,093,665	978,258	1,139,732	1,325,287	1,576,428	1,770,557
Operating grants and contributions	-	1,017,696	233,663	70,494	20,876	45,793	-	-	854,987	1,184,658
Capital grants and contributions	679,599	406,274	1,560,763	771,052	766,209	662,206	2,959,173	12,213,859	6,438,695	3,115,511
<b>Total business-type activities program revenues</b>	<b>32,000,742</b>	<b>34,496,633</b>	<b>36,324,138</b>	<b>39,200,608</b>	<b>39,815,617</b>	<b>42,754,297</b>	<b>44,436,382</b>	<b>59,752,082</b>	<b>50,367,787</b>	<b>54,537,202</b>
<b>Total primary government program revenues</b>	<b>\$ 39,914,409</b>	<b>\$ 43,459,278</b>	<b>\$ 48,467,029</b>	<b>\$ 54,262,119</b>	<b>\$ 50,998,289</b>	<b>\$ 56,582,303</b>	<b>\$ 60,849,760</b>	<b>\$ 78,488,227</b>	<b>\$ 74,240,211</b>	<b>\$ 85,663,147</b>

**CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS**  
(accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Net (expense)/revenue</b>										
Governmental activities	\$(32,887,353)	\$(30,355,939)	\$(32,217,627)	\$(33,629,863)	\$(38,027,133)	\$(37,516,931)	\$(38,194,972)	\$(41,496,549)	\$(27,957,425)	\$(16,679,155)
Business-type activities	5,379,104	5,589,771	8,023,996	9,615,372	4,967,478	8,579,846	8,155,503	22,896,667	3,380,222	12,914,776
<b>Total primary government net expense</b>	<b>(27,508,249)</b>	<b>(24,766,168)</b>	<b>(24,193,631)</b>	<b>(24,014,491)</b>	<b>(33,059,655)</b>	<b>(28,937,085)</b>	<b>(30,039,469)</b>	<b>(18,599,882)</b>	<b>(24,577,203)</b>	<b>(3,764,379)</b>
<b>GENERAL REVENUES &amp; OTHER CHANGES IN NET POSITION</b>										
<b>Governmental activities:</b>										
Taxes										
Property	15,304,643	15,423,843	16,146,732	15,728,430	15,915,807	16,432,004	17,540,346	18,308,527	14,586,429	15,922,571
Sales	8,422,733	8,811,666	10,969,729	13,696,505	14,520,863	15,472,713	16,933,902	20,287,870	20,324,163	22,294,486
Business	2,984,068	3,091,719	3,272,989	3,477,925	3,305,925	6,593,380	6,470,971	6,488,053	6,428,258	6,665,515
Other	2,453,918	2,795,237	1,793,736	3,168,967	4,181,263	4,530,484	4,929,761	5,555,908	5,782,928	7,317,339
Investment Earnings	84,140	93,065	939,124	180,600	287,542	324,561	837,430	1,940,159	1,191,888	179,888
Special & Extraordinary Items	-	-	185,440	-	-	-	(744,940)	(9,711,276)	-	3,009,824
Transfers	2,989,464	2,837,308	3,721,362	5,103,038	4,747,284	1,122,221	1,436,482	2,474,559	2,039,446	1,678,293
<b>Total government activities</b>	<b>32,238,966</b>	<b>33,052,838</b>	<b>37,029,112</b>	<b>41,355,465</b>	<b>42,958,684</b>	<b>44,475,363</b>	<b>47,403,952</b>	<b>45,343,800</b>	<b>50,353,112</b>	<b>57,067,916</b>
<b>Business-type activities:</b>										
Investment Earnings	215,433	114,439	157,234	108,266	301,128	259,556	527,375	923,239	645,034	(57,476)
Transfers	(2,989,464)	(2,837,308)	(3,721,362)	(5,103,038)	(4,747,284)	1,122,221	(1,436,482)	(2,474,559)	(2,039,446)	(1,678,293)
<b>Total business-type activities</b>	<b>(2,774,031)</b>	<b>(2,722,869)</b>	<b>(3,564,128)</b>	<b>(4,994,772)</b>	<b>(4,446,156)</b>	<b>1,381,777</b>	<b>(909,107)</b>	<b>(1,551,320)</b>	<b>(1,394,412)</b>	<b>(1,735,769)</b>
<b>Total primary government general revenues &amp; other changes in net position</b>	<b>29,464,935</b>	<b>30,329,969</b>	<b>33,464,984</b>	<b>36,360,693</b>	<b>38,512,528</b>	<b>45,857,140</b>	<b>46,494,845</b>	<b>43,792,480</b>	<b>48,958,700</b>	<b>55,332,147</b>
<b>CHANGE IN NET POSITION</b>										
Governmental activities	1,754,499	165,485	4,811,485	7,725,602	4,931,551	6,958,432	9,208,980	3,847,251	22,395,687	40,388,761
Business-type activities	823,669	2,656,235	4,459,868	4,620,600	521,322	7,717,181	7,246,396	21,345,347	1,985,810	11,179,007
<b>Total primary government</b>	<b>\$ 2,578,168</b>	<b>\$ 2,821,720</b>	<b>\$ 9,271,353</b>	<b>\$ 12,346,202</b>	<b>\$ 5,452,873</b>	<b>\$ 14,675,613</b>	<b>\$ 16,455,376</b>	<b>\$ 25,192,598</b>	<b>\$ 24,381,497</b>	<b>\$ 51,567,768</b>

FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Fund</b>										
Assigned to:										
Unassigned	8,805,096	12,406,520	14,224,582	14,756,671	17,360,240	17,890,333	18,331,221	20,070,120	27,554,118	28,731,027
<b>Total general fund</b>	<b>\$ 8,805,096</b>	<b>\$ 12,406,520</b>	<b>\$ 14,224,582</b>	<b>\$ 14,756,671</b>	<b>\$ 17,360,240</b>	<b>\$ 17,890,333</b>	<b>\$ 18,331,221</b>	<b>\$ 20,070,120</b>	<b>\$ 27,554,118</b>	<b>\$ 28,731,027</b>
<b>All other governmental funds</b>										
Restricted For:										
Preservation of Infrastructure	-	-	-	-	-	-	-	-	-	-
Law Enforcement	55,963	50,620	88,758	187,600	282,976	21,923	77,815	101,039	119,423	99,962
Tourism	50,312	35,219	75,368	63,709	76,982	87,973	117,007	44,758	87,671	194,603
Technology Infrastructure	26,605	49,622	139,057	238,469	312,121	365,335	422,891	528,810	578,366	531,202
REET	388,257	423,628	81,653	274,188	1,237,167	1,939,407	3,962,592	7,949,349	691,169	6,408,556
Transportation Benefit Distric	-	-	-	-	-	1,078,334	1,426,639	2,703,739	3,397,479	5,827,551
Street Construction/Maint	-	-	-	-	-	-	-	1,837,679	-	-
Affordable Housing	-	-	-	-	-	-	-	-	86,082	-
Civic Campus Construction	-	-	-	-	-	-	-	29,770,015	15,033,594	-
Debt Service	-	-	-	-	-	-	-	847,016	717,325	787,346
Grants	-	-	-	-	-	-	-	208,487	16,745	16,745
Committed to:										
Law Enforcement	118,221	100,951	85,020	54,161	38,319	38,666	11,125	6,923	6,995	7,036
Community Center	15,475	12,197	10,027	9,119	6,436	5,780	6,269	4,848	5,178	5,178
Assigned to:										
Civic Campus Construction	-	-	-	-	-	-	32,781,000	997,787	1,183,553	-
Streets	-	32,104	374,189	2,262,876	2,263,429	1,997,033	13,522,538	2,948,889	1,977,064	3,190,581
Parks Construction	56,869	110,987	124,804	249,022	34,033	422,661	-	-	-	-
Debt Service	69,854	77,059	989,700	1,363,138	776,253	800,917	1,130,253	89,004	43,211	53,184
Unassigned	(13,955,667)	(5,047,873)	1,045,177	-	-	-	(802,002)	(377,103)	(1,567,438)	(1,307,225)
<b>Total all other governmental funds</b>	<b>\$ (13,174,111)</b>	<b>\$ (4,155,486)</b>	<b>\$ 3,013,753</b>	<b>\$ 4,702,282</b>	<b>\$ 5,027,716</b>	<b>\$ 6,758,029</b>	<b>\$ 52,656,127</b>	<b>\$ 47,661,240</b>	<b>\$ 22,376,417</b>	<b>\$ 15,814,719</b>



CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)

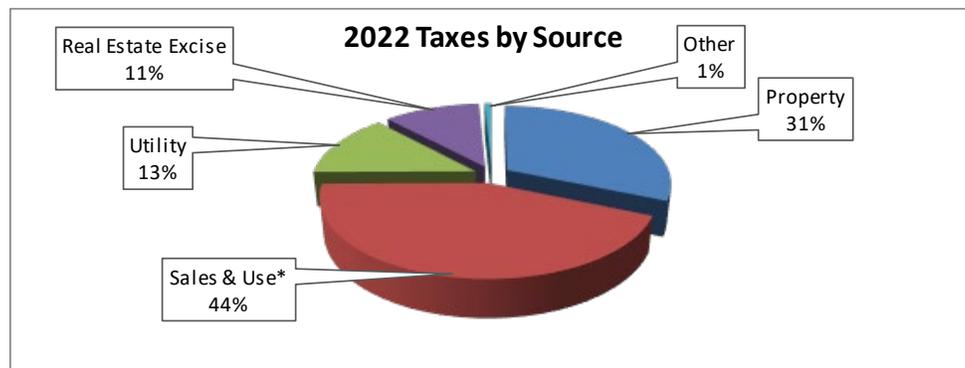
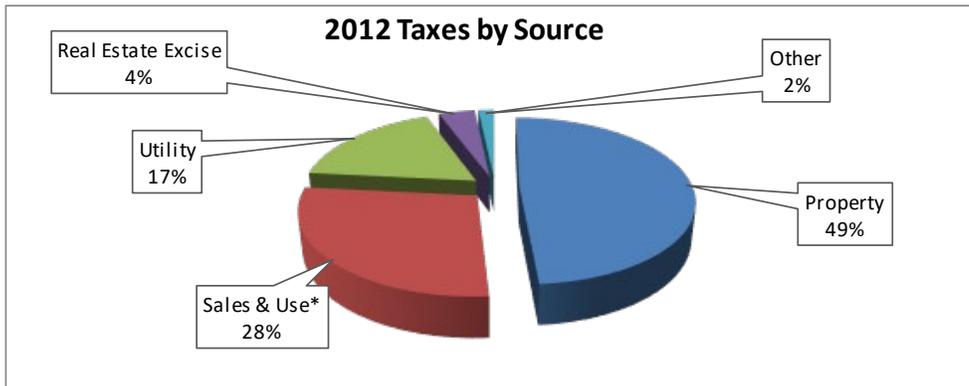
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>REVENUES</b>										
Taxes	\$ 31,450,171	\$ 32,594,141	\$ 34,542,134	\$ 37,880,120	\$ 39,684,473	\$ 41,815,144	\$ 44,811,311	\$ 49,389,329	\$ 45,921,284	\$ 50,885,099
Licenses & Permits	1,710,163	2,202,023	2,251,750	1,856,916	2,245,458	2,163,799	2,387,517	3,104,682	2,727,107	2,947,529
Intergovernmental	3,507,954	2,745,830	4,042,241	7,202,783	4,168,675	4,826,504	6,705,570	5,056,117	9,671,493	16,390,099
Charges for Services	5,136,745	5,726,569	6,191,303	6,578,202	4,280,902	6,214,282	6,749,387	10,395,659	8,659,721	10,221,271
Fines & Forfeitures	661,103	538,082	585,865	647,959	517,004	443,952	509,396	639,385	506,214	486,364
Other Revenues	571,185	522,317	2,251,696	1,965,996	1,426,012	1,392,120	2,038,236	2,964,635	1,685,440	856,753
<b>Total Revenues</b>	<b>43,037,321</b>	<b>44,328,962</b>	<b>49,864,989</b>	<b>56,131,976</b>	<b>52,322,524</b>	<b>56,855,801</b>	<b>63,201,417</b>	<b>71,549,807</b>	<b>69,171,259</b>	<b>81,787,115</b>
<b>EXPENDITURES</b>										
General Government	5,624,331	5,935,422	6,648,721	6,921,063	4,840,595	5,288,277	5,905,566	7,846,481	8,310,352	6,494,241
Security of Persons and Property	23,265,472	23,267,452	24,504,740	25,720,364	26,908,051	28,763,734	30,775,148	31,432,904	24,551,536	27,053,009
Physical Environment	1,010,942	1,101,277	1,021,108	1,096,568	1,187,622	1,656,661	1,911,924	2,033,124	616,687	641,568
Transportation	6,219,929	3,238,781	4,153,612	6,526,990	5,933,816	6,551,949	6,791,948	6,481,940	7,324,345	6,434,838
Economic Environment	1,837,469	1,915,487	2,118,549	2,469,400	2,535,744	2,482,083	2,795,288	3,122,034	4,768,578	4,691,874
Health & Human Services	15,784	27,342	33,371	40,693	23,594	12,811	70,863	76,467	156,550	419,018
Culture & Recreation	2,132,048	2,295,922	2,868,420	2,993,965	3,599,742	3,281,669	4,275,950	4,266,077	2,657,782	2,868,631
Capital Outlay	8,457,518	1,893,334	3,247,469	5,685,748	1,978,410	4,197,764	9,762,064	15,669,297	48,396,074	35,288,449
Debt Service										
Principal	937,635	1,018,560	1,191,967	2,225,271	2,215,508	1,736,017	2,044,368	2,473,525	2,200,000	3,180,000
Interest	909,150	1,122,523	1,453,855	1,224,025	1,288,998	1,038,576	1,714,991	3,131,505	2,830,581	2,989,964
Other	-	-	-	-	-	-	-	6,808	313,426	4,812
<b>Total Expenditures</b>	<b>50,410,278</b>	<b>41,816,100</b>	<b>47,241,812</b>	<b>54,904,087</b>	<b>50,512,080</b>	<b>55,009,541</b>	<b>66,048,110</b>	<b>76,540,162</b>	<b>102,125,911</b>	<b>90,066,404</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENDITURES</b>	<b>(7,372,957)</b>	<b>2,512,862</b>	<b>2,623,177</b>	<b>1,227,889</b>	<b>1,810,444</b>	<b>1,846,260</b>	<b>(2,846,693)</b>	<b>(4,990,355)</b>	<b>(32,954,652)</b>	<b>(8,279,289)</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	4,396,302	6,156,367	10,439,187	9,578,841	8,188,285	10,341,720	11,175,076	11,476,987	24,080,896	15,527,158
Transfers out	(4,131,117)	(5,701,532)	(10,114,195)	(8,586,112)	(7,167,570)	(9,927,576)	(10,034,453)	(9,742,620)	(22,109,040)	(13,848,865)
Debt proceeds & capital leases	-	16,429,615	6,022,846	-	-	-	48,045,053	-	13,141,885	-
Refunding debt proceeds	-	(6,777,263)	-	-	5,207,805	-	-	-	4,320,000	-
Disposition of capital assets	-	-	16,286	-	-	-	-	-	-	1,175,000
Insurance Recoveries	-	-	-	-	-	-	-	-	-	41,207
Payment to Refunding bond escrow agent	-	-	-	-	(5,109,961)	-	-	-	(4,279,915)	-
<b>Total other financing sources (uses)</b>	<b>265,185</b>	<b>10,107,187</b>	<b>6,364,124</b>	<b>992,729</b>	<b>1,118,559</b>	<b>414,144</b>	<b>49,185,676</b>	<b>1,734,367</b>	<b>15,153,826</b>	<b>2,894,500</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (7,107,772)</b>	<b>\$ 12,620,049</b>	<b>\$ 8,987,301</b>	<b>\$ 2,220,618</b>	<b>\$ 2,929,003</b>	<b>\$ 2,260,404</b>	<b>\$ 46,338,983</b>	<b>\$ (3,255,988)</b>	<b>\$ (17,800,826)</b>	<b>\$ (5,384,789)</b>
Debt service as percentage of non-capital expenditures	4.40%	5.36%	6.01%	7.01%	7.22%	5.46%	6.68%	9.21%	9.36%	11.26%

**GOVERNMENTAL TAX REVENUES BY SOURCE  
LAST TEN FISCAL YEARS**

Year	Regular Property	EMS Property	Sales & Use*	Utility	Gambling	Admission	Real Estate Excise	Other <sup>(1)</sup>	Total
2012	12,947,333	2,412,073	8,731,843	5,568,723	105,038	219,088	1,252,622	213,451	31,450,171
2013	13,007,908	2,245,665	9,693,793	5,611,115	112,604	231,763	1,477,232	214,061	32,594,141
2014	13,323,549	2,320,014	10,872,238	6,036,881	99,215	220,642	1,450,598	218,997	34,542,134
2015	13,364,409	2,353,450	13,629,001	6,171,831	91,936	268,502	1,779,390	221,600	37,880,120
2016	13,548,782	2,401,301	14,429,581	6,176,187	119,476	251,331	2,543,910	213,906	39,684,473
2017	13,887,470	2,481,544	15,373,791	6,485,175	108,542	227,705	3,026,936	223,982	41,815,144
2018	14,088,844	3,578,935	16,836,808	6,348,666	122,280	252,245	3,362,026	221,507	44,811,311
2019	14,314,434	3,967,259	20,191,271	6,363,662	124,391	235,196	3,969,502	223,614	49,389,329
2020	10,256,331	4,406,786	20,266,602	6,429,577	71,640	134,259	4,176,064	180,026	45,921,283
2021	10,897,979	5,048,258	22,148,911	6,667,755	73,909	89,978	5,699,663	258,645	50,885,099
% Change 2012-2021	-15.83%	109.29%	153.66%	19.74%	-29.64%	-58.93%	355.02%	21.17%	61.80%

\*Includes regular sales and use tax, natural gas and criminal justice. In 2010, the City began receiving an additional .2% of sales tax from the state associated with the 2009 annexation.

(1)Other Includes: Hotel/Motel, Leasehold Excise Taxes, I NET



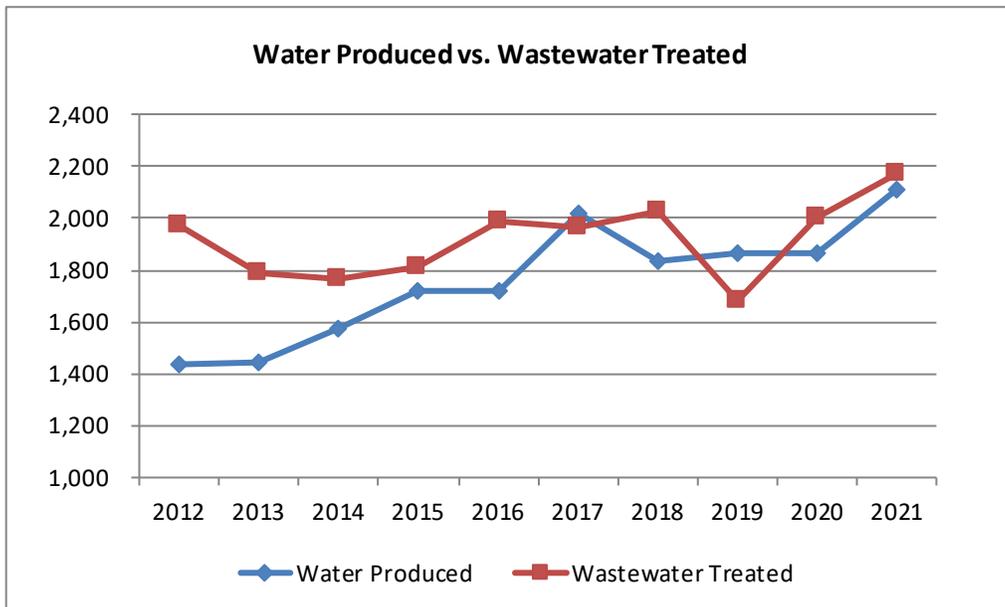
**WATER PRODUCED AND CONSUMED AND WASTEWATER TREATED  
LAST TEN FISCAL YEARS**

Year	(units in millions)		Total Direct Bi-Monthly Rates			
	Gallons of Water Produced	Gallons of Wastewater Treated	Water		Sewer	
			Base Rate*	Usage Rate	Base Rate	Usage Rate
2012	1,438	1,976	\$ 20.53	**	\$ 76.52	\$ 1.61
2013	1,443	1,787	\$ 20.94	**	\$ 78.05	\$ 1.64
2014	1,572	1,764	\$ 21.36	**	\$ 79.61	\$ 1.67
2015	1,717	1,810	\$ 21.79	**	\$ 81.20	\$ 1.71
2016	1,718	1,988	\$ 22.22	**	\$ 82.73	\$ 1.74
2017	2,021	1,963	\$ 22.66	**	\$ 84.49	\$ 1.77
2018	1,832	2,024	\$ 23.12	**	\$ 86.18	\$ 1.81
2019	1,869	1,679	\$ 23.58	**	\$ 87.90	\$ 1.85
2020	1,864	2,000	\$ 24.05	**	\$ 89.66	\$ 1.88
2021	2,108	2,176	\$ 24.53	**	\$ 91.45	\$ 1.92

\*Rate shown is for 5/8" meters (most common meter for single family households).

1st Tier	0 to 6,000 Gal	\$ 1.32
2nd Tier	7,000-20,000 Gal	\$ 4.62
3rd Tier	21,000-30,000 Gal	\$ 5.28
4th Tier	31,000 + Gal	\$ 5.94

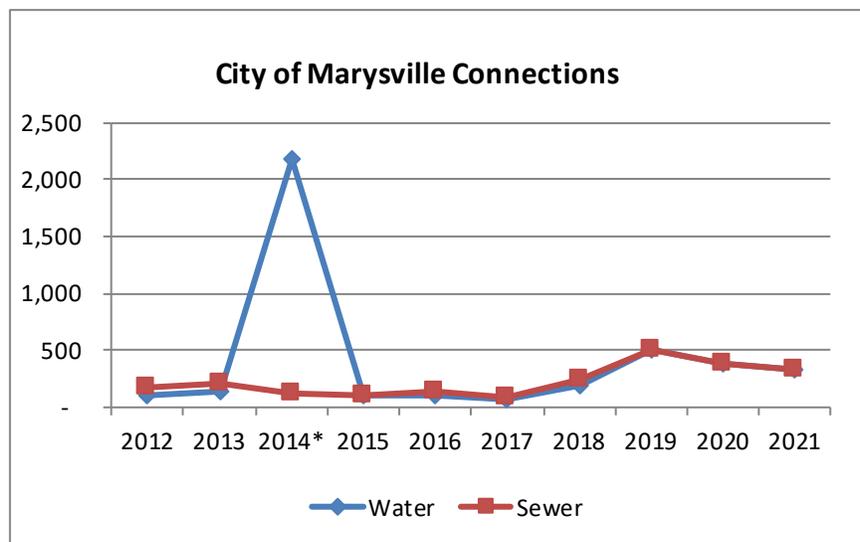
See STAT 6d for other meter sizes and rates.



STAT6b

**ANNUAL CONNECTIONS  
LAST TEN FISCAL YEAR**

Year	Water Connections	Sewer Connections	Total Connections
2012	100	171	271
2013	132	205	337
2014*	2,182	112	2,294
2015	98	108	206
2016	107	144	251
2017	59	92	151
2018	188	236	424
2019	512	503	1,015
2020	382	382	764
2021	326	326	652



\* The 2014 number includes the acquisition of the PUD Water customers in the Sunnyside area (Southeast Marysville, 2,086 connections)

STAT 6c

**NUMBER OF WATER AND SEWER CUSTOMERS BY TYPE  
LAST TEN FISCAL YEARS**

<b>WATER</b>				
<b>Year</b>	<b>Residential</b>	<b>Commercial</b>	<b>Other</b>	<b>Total</b>
2012	17,794	1,029	147	18,970
2013	17,912	1,039	151	19,102
2014*	19,898	1,024	206	21,128
2015	20,060	956	264	21,280
2016	20,097	985	179	21,261
2017	20,289	952	248	21,489
2018	20,420	951	233	21,604
2019	20,757	959	217	21,933
2020	21,284	981	261	22,526
2021	21,594	1,009	386	22,989

<b>SEWER</b>				
<b>Year</b>	<b>Residential</b>	<b>Commercial</b>	<b>Other</b>	<b>Total</b>
2012	15,529	885	0	16,414
2013	15,721	894	0	16,615
2014	15,980	909	0	16,889
2015	16,172	900	0	17,072
2016	16,259	887	0	17,146
2017	16,429	901	0	17,330
2018	16,569	901	0	17,470
2019	16,972	905	0	17,877
2020	17,467	925	0	18,392
2021	17,756	941	0	18,697

\* The 2014 number includes the acquisition of the PUD Water customers

**WATER/SEWER/SURFACE WATER RATES  
LAST TEN FISCAL YEARS**

**WATER RATE HISTORY**

		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Bi-Monthly Charge</b>											
<b>3/4" Service (w/ 5/8" meter)</b>											
	first 6,000 gallons	\$ 20.53	\$ 20.94	\$ 21.36	\$ 21.79	\$ 22.22	\$ 22.66	\$ 23.12	\$ 23.58	\$ 24.05	\$ 24.53
	per additional 1,000 gallons										
1st Tier	0 to 6,000 Gal	\$ 1.11	\$ 1.13	\$ 1.15	\$ 1.18	\$ 1.20	\$ 1.22	\$ 1.25	\$ 1.27	\$ 1.30	\$ 1.32
2nd Tier	7,000-20,000 Gal	\$ 3.86	\$ 3.94	\$ 4.02	\$ 4.10	\$ 4.18	\$ 4.26	\$ 4.35	\$ 4.44	\$ 4.52	\$ 4.62
3rd Tier	21,000-30,000 Gal	\$ 4.41	\$ 4.50	\$ 4.59	\$ 4.68	\$ 4.78	\$ 4.88	\$ 4.97	\$ 5.07	\$ 5.17	\$ 5.28
4th Tier	31,000 + Gal	\$ 4.97	\$ 5.07	\$ 5.17	\$ 5.27	\$ 5.38	\$ 5.49	\$ 5.60	\$ 5.71	\$ 5.82	\$ 5.94
<b>3/4" Service (w/ 3/4" meter)</b>											
	first 9,000 gallons	\$ 30.80	\$ 31.42	\$ 32.05	\$ 32.69	\$ 33.34	\$ 34.01	\$ 34.69	\$ 35.68	\$ 36.09	\$ 36.81
	per additional 1,000 gallons										
<b>Commercial Rates</b>											
1st Tier	0 to 6,000 Gal	\$ 1.10	\$ 1.13	\$ 1.15	\$ 1.18	\$ 1.20	\$ 1.22	\$ 1.25	\$ 1.27	\$ 1.30	\$ 1.32
2nd Tier	7,000+	\$ 2.76	\$ 2.82	\$ 2.88	\$ 2.93	\$ 2.99	\$ 3.05	\$ 3.11	\$ 3.17	\$ 3.24	\$ 3.30

**SEWER RATE HISTORY**

		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Single Family Residential</b>											
	Bi-Monthly Flat Rate	\$ 76.52	\$ 78.05	\$ 79.61	\$ 81.20	\$ 82.83	\$ 84.49	\$ 86.18	\$ 87.90	\$ 89.66	\$ 91.45
<b>Class 1 Commercial/Industrial</b>											
	(per 1,000 gal) Bi- Monthly*	\$ 1.61	\$ 1.64	\$ 1.67	\$ 1.71	\$ 1.74	\$ 1.77	\$ 1.81	\$ 1.85	\$ 1.88	\$ 1.92
	Minimum Charge*	\$ 76.52	\$ 78.05	\$ 79.61	\$ 81.20	\$ 82.83	\$ 84.49	\$ 86.18	\$ 87.90	\$ 89.66	\$ 91.45

**STORM WATER RATE HISTORY**

		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Residential (1 ERU = 3,200 sq.ft.)</b>											
	1 ERU (bi-monthly rate)	\$ 20.80	\$ 21.22	\$ 21.64	\$ 22.08	\$ 22.52	\$ 22.98	\$ 23.42	\$ 23.90	\$ 24.38	\$ 24.86
<b>Non-Residential (1 ERU = 3,200 sq.ft.)</b>											
	sq.ft. of impervious surface/1 ERU	\$ 20.80	\$ 21.22	\$ 21.64	\$ 22.08	\$ 22.52	\$ 22.98	\$ 23.42	\$ 23.90	\$ 24.38	\$ 24.86

**LARGEST WATER/SEWER CUSTOMERS  
CURRENT YEAR AND TEN YEARS AGO**

Customer	2021 Water Revenue			2012 Water Revenue		
	Amount	Rank	%	Amount	Rank	%
NATIONAL FOOD CORP^	56,323	1	0.54%			
AFFINITY AT ARLINGTON LLC	44,049	2	0.42%			
VINTAGE AT LAKEWOOD, LLC	35,154	3	0.33%			
UTILITY INVOICE PROCESSING CEN	34,333	4	0.33%			
CITY OF MARYSVILLE	31,668	5	0.30%			
SMOKEY POINT MOBILE PARK	25,989	6	0.25%			
MOBILE MANOR - OFFICE	25,657	7	0.24%			
KLEIN FAMILY PROPERTIES LLC	22,727	8	0.22%			
KLEIN FAMILY PROPERTIES LLC	22,677	9	0.22%			
BEST WESTERN HOTEL	20,776	10	0.20%			
<hr/>						
National Food Corp				\$ 60,060	1	0.86%
US Navy				39,356	2	0.56%
Smokey Point Mobile Park				22,065	3	0.32%
City of Marysville				21,937	4	0.31%
Windsor Square Apartments				18,825	5	0.27%
Medallion Hotel				15,849	6	0.23%
Mobile Manor				15,591	7	0.22%
Casita Apartments				14,403	8	0.21%
Greenman III, Robert F				13,764	9	0.20%
Glenwood Mobile Estates				13,490	10	0.19%
<hr/>						
Subtotal	319,354		3.04%	235,340		3.37%
Balance from other customers	10,191,983		96.96%	6,740,554		96.63%
Grand Total	10,511,337		100.00%	6,975,894		100.00%

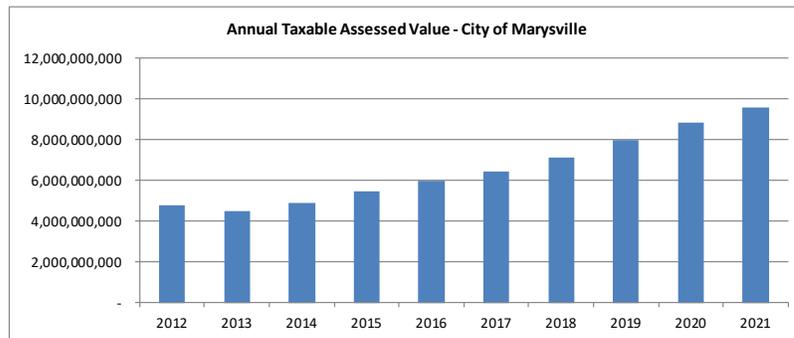
Customer	2021 Sewer Revenue			2012 Sewer Revenue		
	Amount	Rank	%	Amount	Rank	%
AFFINITY AT ARLINGTON LLC	\$ 132,838	1	0.94%	\$		
VINTAGE AT LAKEWOOD, LLC	102,637	2	0.72%			
KLEIN FAMILY PROPERTIES LLC	70,326	3	0.50%			
KLEIN FAMILY PROPERTIES LLC	70,326	4	0.50%			
SMOKEY POINT MOBILE PARK	64,849	5	0.46%			
NATIONAL FOOD CORP	64,609	6	0.46%			
BEST WESTERN HOTEL	58,144	7	0.41%			
JS GROUP	55,841	8	0.39%			
GLENWOOD MOBILE ESTATES	54,705	9	0.39%			
WINDSOR SQUARE APARTMENTS	49,928	10	0.35%			
<hr/>						
National Food Corp				\$ 78,258	1	0.78%
Smokey Point Mobile Park				54,263	2	0.54%
Medallion Hotel				46,724	3	0.46%
Glenwood Mobile Estates				45,772	4	0.45%
Windsor Square Apartments				41,778	5	0.41%
Robert F Greenman III				39,233	6	0.39%
Holiday Inn Express				32,060	7	0.32%
Merrill Gardens at Marysville				30,463	8	0.30%
Midway Garden Mobile Home Park				29,643	9	0.29%
Crystal Tree Village				28,770	10	0.29%
<hr/>						
Subtotal	724,203		5.11%	426,964		4.23%
Balance from other customers	13,461,380		94.89%	9,659,124		95.77%
Grand Total	\$ 14,185,583		100.00%	\$ 10,086,088		100.00%

TAXABLE ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF PROPERTY  
LAST TEN FISCAL YEARS

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Multi-Family Property	Other Property	Personal Property	State Assessed Personal Prop.	Changes Post Certification Less: Tax Exempt Property	Total Taxable Assessed Value <sup>1</sup>	Total Direct Tax Rate <sup>2</sup>
2012	3,380,846,821	647,870,340	100,360,100	3,721,900	272,685,087	200,540,580	108,727,800	52,173,440	2,549,404	4,769,475,472	3.190
2013	3,113,813,225	663,932,765	103,074,100	4,263,900	275,122,537	166,339,660	100,753,892	48,955,978	269,000	4,476,525,057	3.405
2014	3,420,713,877	699,920,514	104,962,300	4,243,800	283,349,800	172,990,543	96,376,676	51,092,852	35,691,959	4,869,342,321	3.189
2015	3,998,010,873	734,832,965	105,795,900	4,007,400	310,384,171	157,507,439	114,477,825	53,916,643	4,765,569	5,483,698,785	2.865
2016	4,397,186,638	761,536,165	109,422,000	4,589,400	331,068,803	191,180,700	122,490,224	55,995,362	3,347,522	5,976,816,814	2.682
2017	4,746,796,849	815,479,265	104,764,100	5,700,300	396,633,317	171,020,966	128,931,009	56,337,411	(514,120)	6,425,149,097	2.548
2018	5,289,535,729	863,754,495	110,322,200	6,514,600	499,825,740	185,271,580	130,138,709	55,963,510	2,763,280	7,144,089,843	2.470
2019	5,934,218,610	972,825,400	119,574,600	9,525,900	554,008,940	193,825,300	140,320,012	61,702,218	-	7,986,000,980	2.280
2020	6,560,204,641	1,056,604,990	127,422,200	10,655,400	640,055,960	87,780,900	147,321,652	64,858,875	168,378,900	8,863,283,518	1.651
2021	7,183,130,486	1,205,972,442	137,874,800	16,252,600	698,796,090	267,686,060	153,821,571	65,960,167	-	9,729,494,216	1.602

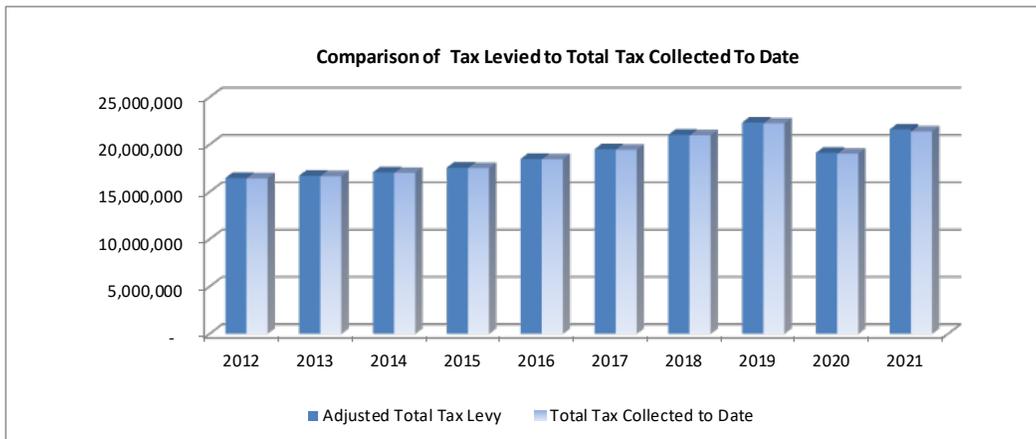
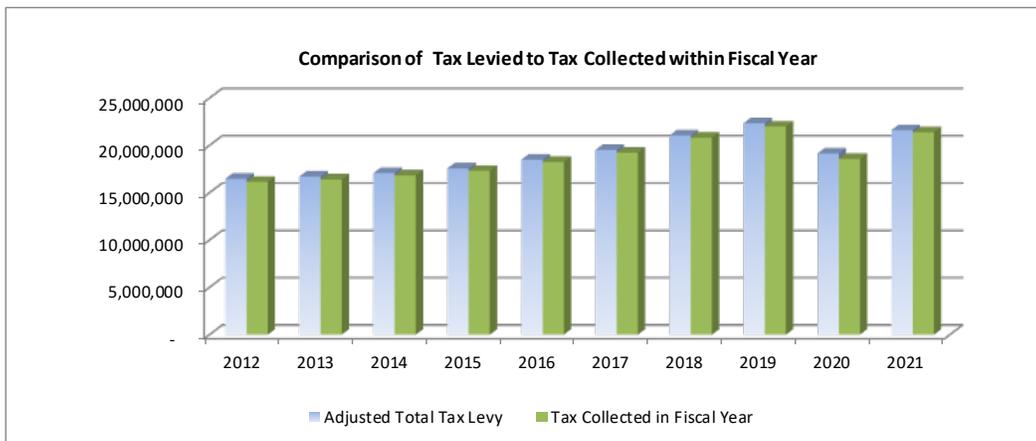
<sup>1</sup>Washington State law requires all property be assessed at 100% of its true and fair market value.

<sup>2</sup>Tax rates are per \$1,000 of assessed value. Detail of tax rates can be found in Stat 7c.



PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS

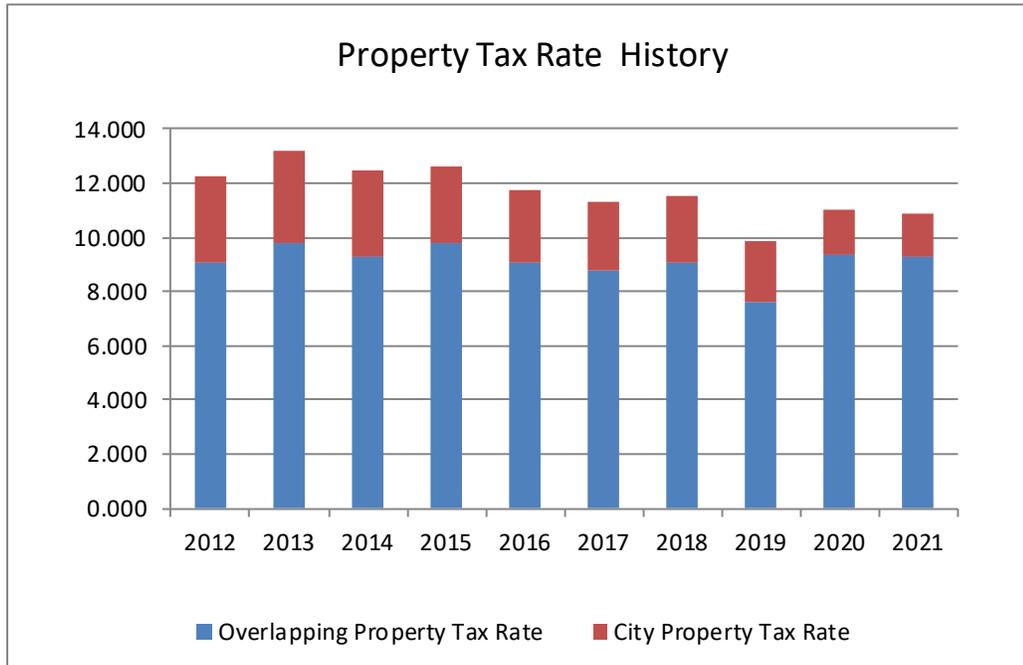
Fiscal Year Ended December 31	Total Tax Levy for Fiscal Year	Assessor's Certification Adjustments	Adjusted Total Tax levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Adjusted Levy		Amount	Percentage of Adjusted Levy
2012	15,213,984	1,246,371	16,460,355	16,134,014	98.0%	291,699	16,425,713	99.8%
2013	15,245,259	1,457,665	16,702,924	16,390,520	98.1%	258,347	16,648,867	99.7%
2014	15,528,646	1,531,678	17,060,324	16,813,473	98.6%	198,592	17,012,065	99.7%
2015	15,709,247	1,849,844	17,559,091	17,302,532	98.5%	213,355	17,515,887	99.8%
2016	16,025,914	2,458,844	18,484,758	18,238,891	98.7%	200,474	18,439,366	99.8%
2017	16,369,551	3,136,902	19,506,452	19,219,979	98.5%	229,211	19,449,190	99.7%
2018	17,643,646	3,393,420	21,037,067	20,800,503	98.9%	169,442	20,969,945	99.7%
2019	18,207,635	4,116,938	22,324,573	21,971,495	98.4%	265,182	22,236,676	99.6%
2020	14,637,062	4,494,275	19,131,336	18,557,760	97.0%	470,771	19,028,531	99.5%
2021	15,588,602	6,017,583	21,606,185	21,375,617	98.9%	-	21,375,617	98.9%



STAT 7c

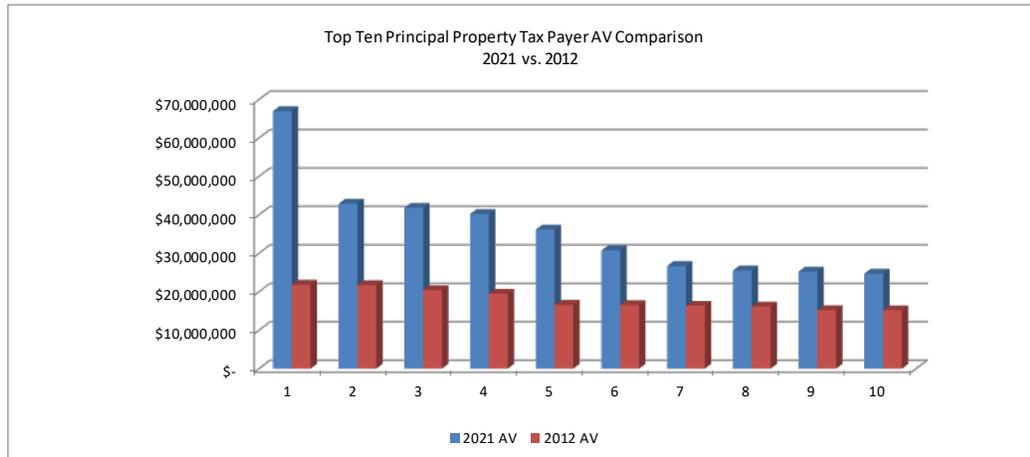
**DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS**  
(rate per \$1,000 of assessed value)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>City Direct Rates:</b>										
Regular	\$2.690	\$2.905	\$2.717	\$2.437	\$2.278	\$2.161	\$1.970	\$1.783	\$1.151	\$1.102
Subtotal-Regular Levy	\$2.690	\$2.905	\$2.717	\$2.437	\$2.278	\$2.161	\$1.970	\$1.783	\$1.151	\$1.102
Emergency Medical	0.500	0.500	0.472	0.428	0.404	0.387	0.500	0.497	0.500	0.500
86 GO Bond	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
City Total	\$3.190	\$3.405	\$3.189	\$2.865	\$2.682	\$2.548	\$2.470	\$2.280	\$1.651	\$1.602
<b>Overlapping Taxes:</b>										
County	0.982	1.030	1.079	0.999	0.933	0.879	0.791	0.717	0.665	0.636
Fire District									1.450	1.375
State School	2.379	2.433	2.384	2.279	2.124	2.028	2.848	2.566	2.860	2.825
Local School	5.238	5.851	5.342	6.020	5.594	5.439	5.074	3.866	3.968	4.005
Library District	0.500	0.500	0.500	0.468	0.442	0.415	0.380	0.470	0.441	0.424
	9.099	9.814	9.305	9.766	9.093	8.761	9.093	7.619	9.384	9.266
Grand Total	\$12.289	\$13.219	\$12.494	\$12.631	\$11.775	\$11.309	\$11.563	\$9.899	\$11.04	\$10.87



**PRINCIPAL PROPERTY TAXPAYERS**  
Principal Taxpayers Historical Comparison

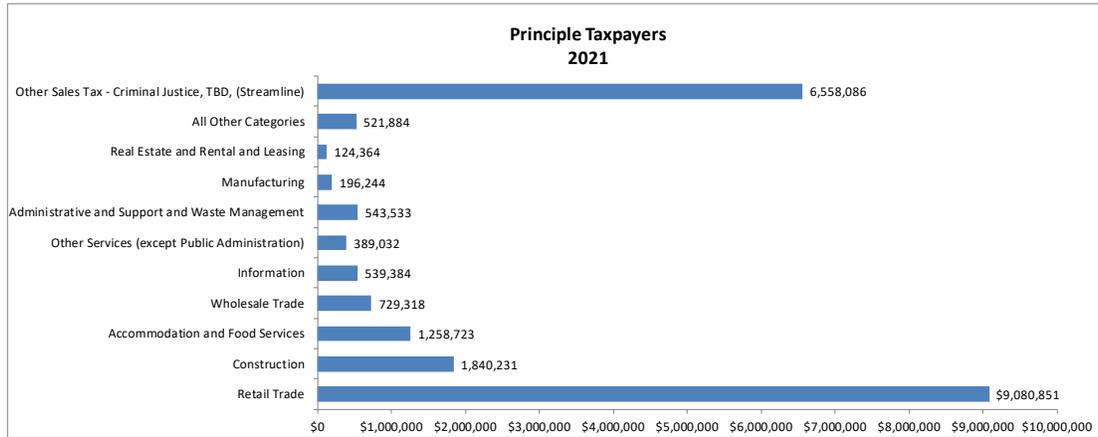
Taxpayer	Common Name	Service or Product	2021			2012		
			Assessed Valuation <sup>(1)</sup>	Rank	As a Percentage of Total City Valuation <sup>(1)</sup>	Assessed Valuation <sup>(2)</sup>	Rank	As a Percentage of Total City Valuation <sup>(2)</sup>
CARROLLS CREEK APARTMENTS PROP OWN	Carrolls Creek Landing	Apartments	\$ 66,993,800	1	0.70%			
SMOKEY POINT APARTMENTS III LLC		Property Mgmt	42,920,335	2	0.45%			
SMOKEY POINT APARTMENTS LL LLC	Smokey Pt Apartments	Apartments	41,833,000	3	0.44%			
SMOKEY POINT APARTMENTS LLC	Smokey Pt Apartments	Apartments	40,220,000	4	0.42%			
SMOKEY POINT APARTMENTS II LLC	Smokey Pt Apartments	Apartments	36,166,987	5	0.38%			
M & D PROPERTIES LLC		Property Mgmt	30,771,000	6	0.32%			
HEALTHCARE PARTNERS RE LLC	Everett Clinic	Medical Services	26,698,000	7	0.28%			
ROIC WASHINGTON LLC	Gateway Shopping Ctr	Property Mgmt	25,538,900	8	0.27%			
CHCT WASHINGTON LLC		Medical Services	25,221,000	9	0.26%			
INLAND WESTERN MARYSVILLE LLC	Safeway Plaza	Shopping Center	24,703,200	10	0.26%			
Gateway Trident LLC	18111 25th Ave	Apartments				\$ 21,828,667	1	0.46%
Northwest Composites Inc.	12806 State Ave	Manufacturing				21,718,000	2	0.46%
Inland Western Marysville LLC	Safeway Plaza	Shopping Center				20,425,000	3	0.43%
MGP IX Marysville LLC		Property Managemt				19,495,762	4	0.41%
Powell Smokey Pt LLC		Property Managemt				16,593,000	5	0.35%
Frontier Communications NW Inc		Communications				16,546,181	6	0.35%
ROIC Washington LLC		Property Managemt				16,343,600	7	0.34%
Puget Sound Energy		Natural Gas				16,143,534	8	0.34%
Costco Wholesale Corp		Retail				15,216,000	9	0.32%
Smokey Pt Invstmnt - Undi Fam LLC		Investment				15,179,400	10	0.32%
			<b>\$ 361,066,222</b>		<b>3.77%</b>	<b>\$ 179,489,144</b>		<b>3.76%</b>



**PRINCIPLE SALES TAXPAYERS  
LAST TEN FISCAL YEARS**

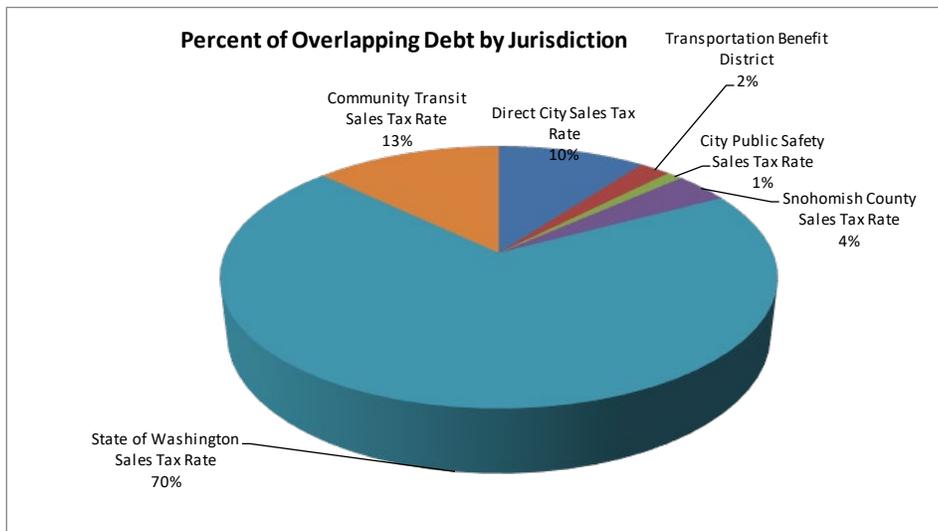
	Taxes Paid 2012	Taxes Paid 2013	Taxes Paid 2014	Taxes Paid 2015	Taxes Paid 2016	Taxes Paid 2017	Taxes Paid 2018	Taxes Paid 2019	Taxes Paid 2020	Taxes Paid 2021
Retail Trade	\$3,604,265	\$3,794,615	\$4,380,304	\$4,772,180	\$5,157,005	\$5,345,112	\$5,769,294	\$6,796,375	\$7,508,206	\$9,080,851
Construction	545,003	943,643	867,921	951,929	968,884	1,168,537	1,196,662	1,573,568	1,868,144	1,840,231
Accommodation and Food Services	668,924	700,700	755,532	789,244	847,262	944,726	1,053,482	1,077,614	1,012,066	1,258,723
Wholesale Trade	356,795	378,666	455,296	501,951	498,607	494,377	640,652	651,018	590,765	729,318
Information	302,107	333,328	431,194	481,607	466,061	468,010	472,528	481,730	477,003	539,384
Other Services (except Public Administration)	248,417	261,848	260,639	282,372	319,958	334,959	332,744	354,479	323,211	389,032
Administrative and Support and Waste Management	83,914	88,705	96,463	107,300	111,628	122,014	226,163	306,309	443,581	543,533
Manufacturing	116,730	115,160	149,501	153,873	104,156	143,092	188,111	197,067	196,720	196,244
Real Estate and Rental and Leasing	93,945	100,437	84,208	102,713	136,839	142,257	121,152	140,950	121,542	124,364
All Other Categories	246,607	269,648	298,516	330,814	358,076	419,193	340,630	374,912	391,727	521,884
Other Sales Tax - Criminal Justice, TBD, (Streamline)	2,463,474	2,705,553	3,079,118	4,258,371	5,461,105	5,791,494	6,183,946	8,033,422	4,490,057	6,558,086
<b>Total Paid</b>	<b>\$8,730,181</b>	<b>\$9,692,301</b>	<b>\$10,858,692</b>	<b>\$12,732,354</b>	<b>\$14,429,581</b>	<b>\$15,373,770</b>	<b>\$16,525,363</b>	<b>\$19,987,444</b>	<b>\$17,423,022</b>	<b>\$21,781,648</b>

**Data Source:**  
State of Washington, Department of Revenue



**DIRECT AND OVERLAPPING SALES TAX RATES  
LAST TEN FISCAL YEARS**

Year	Direct City Sales Tax Rate	Transportation Benefit District	City Public Safety Sales Tax Rate	Overlapping Taxes			Total Direct and Overlapping Rate
				Snohomish County Sales Tax Rate	State of Washington Sales Tax Rate	Community Transit Sales Tax Rate	
2012	1.05%	N/A	0.10%	0.25%	6.30%	0.90%	8.60%
2013	1.05%	N/A	0.10%	0.25%	6.30%	0.90%	8.60%
2014	1.05%	N/A	0.10%	0.25%	6.30%	0.90%	8.60%
2015	1.05%	0.20%	0.10%	0.25%	6.30%	0.90%	8.80%
2016	1.05%	0.20%	0.10%	0.25%	6.30%	1.20%	9.10%
2017	1.05%	0.20%	0.10%	0.25%	6.30%	1.20%	9.10%
2018	1.05%	0.20%	0.10%	0.25%	6.30%	1.20%	9.10%
2019	1.15%	0.20%	0.10%	0.35%	6.30%	1.20%	9.30%
2020	0.95%	0.20%	0.10%	0.35%	6.50%	1.20%	9.30%
2021	0.95%	0.20%	0.10%	0.35%	6.50%	1.20%	9.30%



**Data Source:**  
State of Washington

**RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

Year	Governmental Type Activities				Business-Type Activities			Total Primary Government	Percentage of Personal Income*	Per Capita**
	General Obligation Bonds <sup>^</sup>	Public Works Trust Fund Loans	Special Assessment Bonds	Interlocal Agreement	General Obligation Bonds <sup>^^^</sup>	Revenue Bonds <sup>^^^</sup>	Public Works Trust Fund Loans <sup>^^^</sup>			
2012	19,555,000	187,500	0	552,506	2,499,742	48,955,000	15,884,010	87,633,758	0.26%	1,428
2013	27,759,614	0	0	484,183	2,000,621	47,685,023	13,199,210	91,128,651	0.26%	1,467
2014	26,546,088	0	6,022,846	412,216	1,730,707	46,124,141	11,868,542	92,704,540	0.27%	1,481
2015	25,212,563	0	5,107,846	311,571	1,448,434	43,111,873	10,537,695	85,729,982	0.23%	1,337
2016	24,156,842	0	4,250,000	238,910	1,148,460	40,484,604	9,206,939	79,485,755	0.20%	1,224
2017	22,713,515	0	3,920,000	162,893	830,245	37,787,607	7,876,183	73,290,442	0.18%	1,112
2018	69,010,242	0	3,590,000	83,525	555,500	35,004,643	6,545,425	114,789,335	0.26%	1,712
2019	67,038,440	0	2,900,000	0	380,000	32,116,679	5,214,669	107,649,788	0.23%	1,587
2020	77,998,187	0	2,540,000	0	195,000	29,108,715	3,883,913	113,725,815	0.22%	1,608
2021	74,984,658	0	2,215,000	0	0	25,965,749	2,553,156	105,718,563	0.20%	1,484

\*See Stat 13 for personal income data

\*\*See Stat 13 for population data

<sup>^</sup> Due to CAFR Review, GO Bond data has been updated for 08-12, 15 and 16

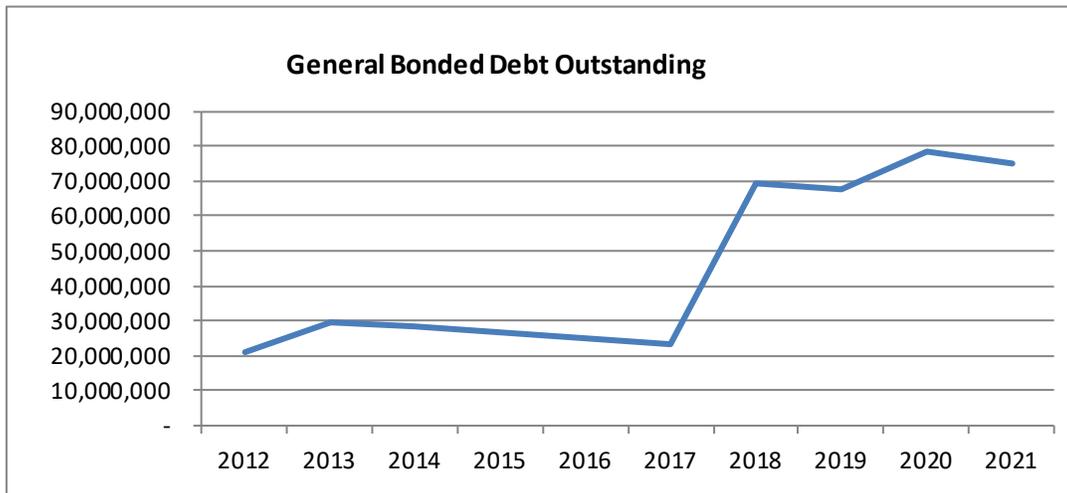
<sup>^^^</sup> Due to CAFR Review Business Type Bonds were updated for 2008-12.

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

STAT 9

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

Year	General Obligation Bonds <sup>1&amp;4</sup>	Less Debt Service Funds	Net Bonded Debt	Percent of Taxable Assessed Value <sup>2</sup>	Per Capita <sup>3</sup>
2012	21,128,557	69,854	21,058,703	0.44%	343
2013	29,760,235	77,059	29,683,176	0.62%	478
2014	28,276,795	27,168	27,646,521	0.57%	442
2015	26,660,997	30,087	26,630,910	0.46%	415
2016	25,305,302	41,601	25,263,701	0.41%	389
2017	23,543,760	49,092	23,494,668	0.36%	357
2018	69,065,742	66,028	68,999,714	0.96%	1029
2019	67,383,277	89,004	67,294,273	0.84%	992
2020	78,193,187	43,211	78,149,976	0.88%	1105
2021	74,984,658	53,184	74,931,474	0.78%	1052



1 See Stat 8 - governmental type activities general obligation bonds + business type activities general obligation bonds = general obligation bonds

2 See Stat 7a for property value data

3 See Stat 13 for population data

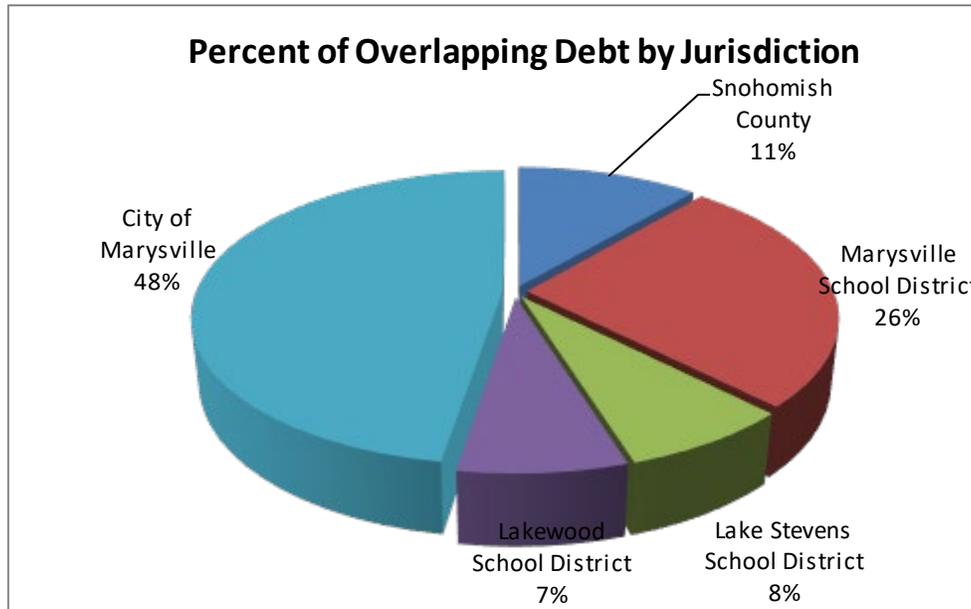
4 Due to CAFR Review of 2016 Stats., GO Bond totals needed to be updated for 2015 and 2016

STAT 10

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2021**

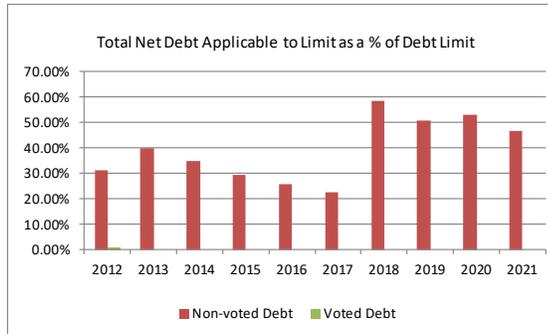
Governmental Unit	Debt Outstanding	Estimated Percentage Applicable*	Estimated Share of Overlapping Debt
<b>Debt repaid with property taxes</b>			
Snohomish County	\$ 291,270,141	6.30%	\$ 18,355,252
Marysville School District No. 25	52,536,000	81.34%	42,733,845
Lake Stevens School District No. 4	122,690,000	10.06%	12,338,098
Lakewood School District No. 306	52,075,000	23.10%	12,029,654
<b>Other debt</b>			
			-
Subtotal, overlapping debt			85,456,849
<b>City direct debt</b>			77,199,658
<b>Total direct and overlapping debt</b>			<u><u>\$ 162,656,507</u></u>

\* The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.



**LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Assessed Value (AV)	4,476,525,057	4,476,525,057	4,869,342,321	5,483,698,785	5,976,816,814	6,425,149,097	7,144,089,843	7,986,000,980	8,863,283,518	9,729,494,216
Non-voted debt limit (1.5% of AV)	67,147,876	67,147,876	73,040,135	82,255,482	89,652,252	96,377,236	107,161,348	119,790,015	132,949,253	145,942,413
Debt applicable to limit:										
Total general obligation debt	20,918,925	26,650,000	25,530,000	24,290,000	23,110,000	21,780,000	62,800,000	61,100,000	70,850,000	67,995,000
Less: Amount set aside for repayment of GO debt	(19,001)	(24,715)	(27,168)	(30,087)	(41,600)	(49,092)	(66,027)	(89,004)	(43,211)	(53,184)
Total net debt applicable to limit	20,899,924	26,625,285	25,502,832	24,259,913	23,068,400	21,730,908	62,733,973	61,010,996	70,806,789	67,941,816
Legal Debt Margin	46,247,952	40,522,591	47,537,303	57,995,569	66,583,852	74,646,328	44,427,375	58,779,019	62,142,464	78,000,597
Total net debt applicable to the limit as a % of debt limit	31.13%	39.65%	34.92%	29.49%	25.73%	22.55%	58.54%	50.93%	53.26%	46.55%
Voted debt limit (1% of AV)	44,765,251	44,765,251	48,693,423	54,836,988	59,768,168	64,251,491	71,440,898	79,860,010	88,632,835	97,294,942
Debt applicable to limit:										
Total general obligation debt	0	0	0	0	0	0	0	0	0	0
Less: Amount set aside for repayment of GO debt	0	0	0	0	0	0	0	0	0	0
Total net debt applicable to limit	0	0	0	0	0	0	0	0	0	0
Legal Debt Margin	44,765,251	44,765,251	48,693,423	54,836,988	59,768,168	64,251,491	71,440,898	79,860,010	88,632,835	97,294,942
Total net debt applicable to the limit as a % of debt limit	0.81%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%



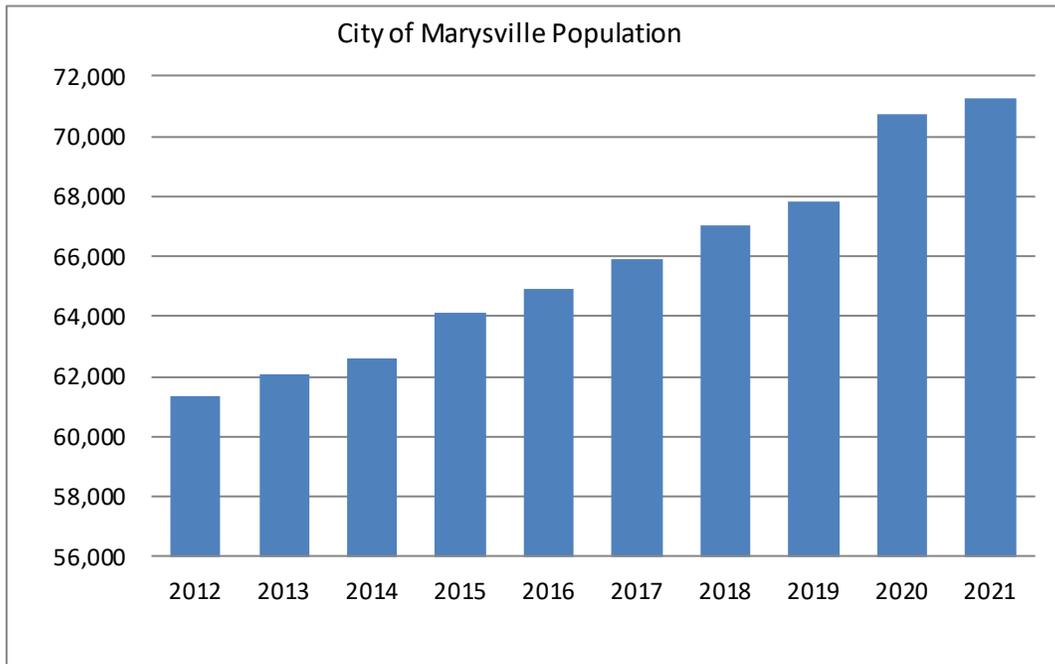
**PLEGGED-REVENUE COVERAGE  
LAST TEN FISCAL YEARS**

SEWER AND WATER REVENUE BONDS							SPECIAL ASSESSMENT BONDS			
Year	Utility Service Charges	Utility Operating Expenses (1)	Net Available Revenue	Debt Service		Coverage	Special Assessment Collections	Debt Service		Coverage
				Principal	Interest			Principal	Interest	
2012	22,203,291	14,011,688	8,191,603	600,000	2,359,262	2.77	-	-	-	-
2013	23,076,545	15,769,224	7,307,321	2,060,000	2,293,993	1.68	-	-	-	-
2014	23,906,695	15,991,055	7,915,640	2,145,000	1,719,367	2.05	1,722,963	-	-	-
2015	25,505,609	17,260,372	8,245,237	2,710,000	1,641,719	1.89	1,435,522	915,000	147,393	1.35
2016	25,976,164	17,683,085	8,293,079	2,325,000	1,525,875	2.15	454,196	857,846	195,201	0.43
2017	27,071,785	18,078,697	8,993,088	2,420,000	1,431,450	2.33	516,875	330,000	170,335	1.03
2018	27,476,992	19,478,835	7,998,157	2,505,000	1,345,050	2.08	796,549	330,000	159,280	1.63
2019	28,176,106	18,844,284	9,331,822	2,610,000	1,122,300	2.50	616,621	690,000	148,225	0.74
2020	28,793,223	19,789,347	9,003,876	2,730,000	1,122,300	2.34	348,287	360,000	120,350	0.73
2021	32,189,821	21,204,470	10,985,351	2,865,000	982,425	2.86	501,498	360,000	105,410	1.08

(1) Excludes depreciation, amortization

**DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

Year	City of Marysville Population <sup>(1)</sup>	Personal Income <sup>(2)</sup> (millions of dollars)	Per Capita Personal Income <sup>(2)</sup>	Unemployment Rate - % of Labor Force <sup>(3)</sup>	Median Age <sup>(4)</sup>	School Enrollment <sup>(5)</sup>
2012	61,360	33,570	45,796	7.5%	37.73	11,643
2013	62,100	34,858	46,733	5.8%	38.04	11,426
2014	62,600	34,156	44,967	5.2%	38.34	11,347
2015	64,140	36,633	48,488	4.7%	38.57	11,227
2016	64,940	39,370	49,970	4.3%	38.87	11,085
2017	65,900	41,661	51,879	4.1%	39.08	11,180
2018	67,040	44,722	54,934	3.8%	39.22	11,092
2019	67,820	47,617	57,900	3.0%	39.39	11,000
2020	70,714	51,706	62,267	7.8%	39.39	10,340
2021	71,250	52,223 *	62,890 *	3.8%	38.2	10,270



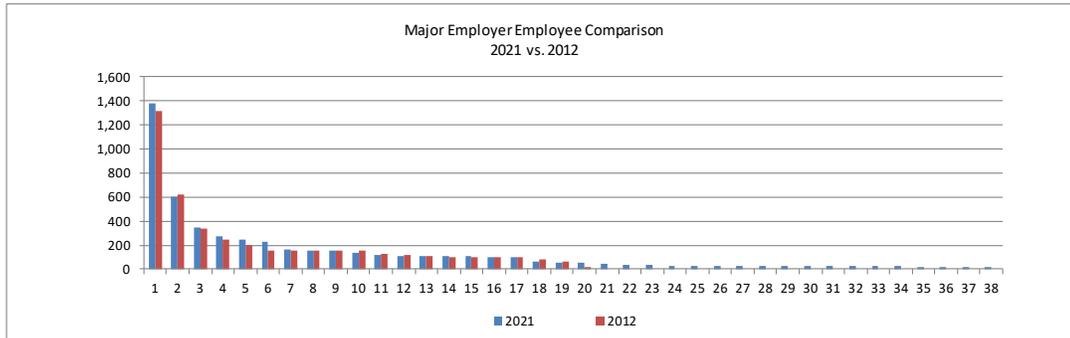
Sources:

- (1) Washington Ste Office of Financial Management, Forecasting Division
- (2) United States Bureau of Economic Analysis. Figures are for all of Snohomish County
- (3) Washington State Employment Security Department. Figures are for all of Snohomish County
- (4) Washington State Office of Financial Management, Forecasting Division. Figures are for Snohomish County
- (5) Office of Superintendent of Public Instruction, Washington State Report Card

\* City calculated estimates.

MAJOR EMPLOYERS WITHIN THE CITY OF MARYSVILLE  
CURRENT YEAR AND TEN YEARS AGO

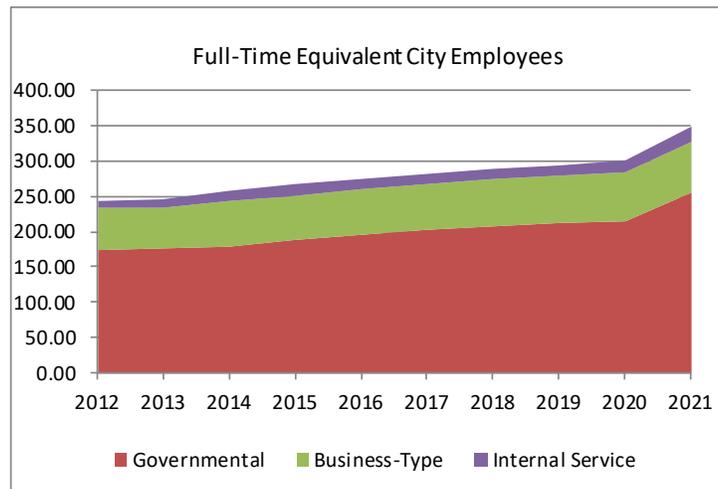
		2021			2012				
Name of Employer	Service or Product	Employees	Rank	Percentage of Total City Employment <sup>(1)</sup>	Name of Employer	Service or Product	Employees	Rank	Percentage of Total City Employment <sup>(2)</sup>
Marysville School District	Education	1,381	1	13.85%	Marysville School District	Education	1,315	1	17.68%
C&D Zodiac (f/k/a Northwest Composites)	Plastics/honeycomb tubing	602	2	6.04%	Northwest Composites	Plastics/honeycomb tubing	620	2	8.34%
City of Marysville	City government	349	3	3.50%	Fred Meyer, Inc.	Retail - variety	339	3	4.56%
Walmart	Retail - variety	277	4	2.47%	City of Marysville	City government	244	4	3.28%
Smokey Point Behavioral Hospital	Hospital	246	5	2.78%	Costco	Retail - Warehouse Club	200	5	2.69%
Fred Meyer, Inc.	Retail - variety	230	6	2.31%	Keller Williams Realty	Real Estate Services	156	6	2.10%
Winco Foods	Grocery/pharmacy	162	7	1.62%	Target	Retail - variety	150	7	2.02%
The Everett Clinic	Medical	155	8	1.55%	Safeway	Grocery/pharmacy	150	8	2.02%
Costco	Retail - Warehouse Club	152	9	1.52%	Winco Foods	Grocery/pharmacy	150	9	2.02%
Marysville Care Center	Health care center	140	10	1.40%	Marysville Care Center	Health care center	150	10	2.02%
Marysville Toyota	Auto Dealership	120	11	1.20%	Red Robin	Restaurant	130	11	1.75%
Marysville Honda	Auto Dealership	113	12	1.13%	Marysville Fire District	Fire Service	115	12	1.55%
Safeway	Grocery/pharmacy	112	13	1.12%	YMCA	Community Services	110	13	1.48%
Target	Retail - variety	110	14	1.10%	Madeline Villa Health Care	Health care center	100	14	1.34%
Marysville Ford	Auto Dealership	108	15	1.08%	Kohl's	Department Store	100	15	1.34%
Madeline Villa Health Care	Health care center	101	16	1.01%	Haggens	Grocery/pharmacy	100	16	1.34%
Albertson's	Grocery/pharmacy	100	17	1.00%	Albertson's	Grocery/pharmacy	100	17	1.34%
Dicks Sporting Goods	Retail - Sporting Goods	60	18	0.60%	Pacific Grinding Wheel	Grinding wheel manufacturer	80	18	1.08%
Evergreen Restaurant Group	Outback and Bonefish Grill	52	19	0.52%	Grace Academy	Education	60	19	0.81%
Hobby Lobby	Craft Supplies	51	20	0.51%	Parr Lumber	Retail - Wood Products	21	20	0.28%
Walgreens	Retail - variety	46	21	0.46%					
Chick Fil A	Restaurant	39	22	0.39%					
Haggens	Grocery/pharmacy	38	23	0.38%					
Parr Lumber	Lumber and wood products	27	24	0.27%					
Rock Solid Restaurants LLC	Hop N Drops	26	25	0.26%					
Red Robin	Restaurant	26	25	0.26%					
Mutual Materials	Home Outdoor Supply	25	27	0.25%					
Petco	Pet Supplies	25	27	0.25%					
Dickey's BBQ	Restaurant	25	27	0.25%					
Harbor Freight	Retail Tools	25	27	0.25%					
PetSmart	Pet Supplies	23	31	0.23%					
Jimmy John's	Sandwich Shop	23	31	0.23%					
Popeyes	Restaurant	23	31	0.23%					
McDonalds	Restaurant	22	34	0.22%					
Bartell's	Retail	20	35	0.20%					
Village Tap House and Grill	Restaurant	18	36	0.18%					
Jersey Mike's	Sandwich Shop	18	36	0.18%					
Sound Harley Davidson	Motorcycle Shop	16	38	0.16%					
Gale Contractors	Contractor service products	15	39	0.15%					
		<b>5,101</b>		<b>51.15%</b>			<b>4,390</b>		<b>59.03%</b>



(1) Total City Employment Estimated by City Management

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS**

Function/Program	Full-time equivalent employees as of December 31									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental Activities:</b>										
General governmental services	53.00	53.00	55.00	60.50	63.50	63.50	64.25	64.50	64.50	74.75
Police	81.50	82.50	87.50	89.50	92.50	98.00	101.00	103.00	107.00	124.50
Engineering	15.00	15.00	11.00	12.00	12.00	13.00	14.00	14.00	14.00	21.00
Transportation	12.50	12.50	12.50	12.50	14.50	14.50	15.00	16.00	16.00	24.00
Culture and recreation	12.50	12.50	12.50	13.50	13.50	14.00	14.00	14.00	14.00	11.00
Total FTEs governmental activities	174.50	175.50	178.50	188.00	196.00	203.00	208.25	211.50	215.50	255.25
<b>Business-Type Activities:</b>										
Water/Sewer/Surface Water	47.00	47.00	53.75	55.25	55.75	56.00	56.25	58.25	58.25	60.50
Solid Waste	7.00	7.00	8.00	8.00	8.50	8.50	9.30	9.34	9.34	11.59
Golf	4.00	4.00	4.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total FTEs business-type activities	58.00	58.00	65.75	63.25	64.25	64.50	65.55	67.59	67.59	72.09
<b>Internal Service:</b>										
Fleet Services	4.00	5.00	5.50	5.50	6.50	6.50	6.30	6.33	6.33	6.33
Facilities Maintenance	2.00	2.00	2.50	2.50	2.50	2.50	2.30	2.33	4.33	6.33
Computer Services	5.50	5.50	5.75	6.75	5.75	5.75	6.00	6.00	6.00	9.00
Total FTEs internal service	11.50	12.50	13.75	14.75	14.75	14.75	14.60	14.66	16.66	21.66
<b>Total City FTEs</b>	<b>244.00</b>	<b>246.00</b>	<b>258.00</b>	<b>266.00</b>	<b>275.00</b>	<b>282.25</b>	<b>288.40</b>	<b>293.75</b>	<b>299.75</b>	<b>349.00</b>
<b>Annual percent change total city</b>	<b>-1.61%</b>	<b>0.82%</b>	<b>4.88%</b>	<b>3.10%</b>	<b>3.38%</b>	<b>2.64%</b>	<b>2.18%</b>	<b>1.86%</b>	<b>2.04%</b>	<b>16.43%</b>



OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Police</b>										
Bookings	3,671	3,668	3,935	2,893	3,097	2,795	3,243	2,820	1,233	1,179
Citations (Total)	5,813	5,805	7,316	6,012	5,860	4,842	6,319	7,824	6,567	5,114
Parking Violations	138	110	113	182	223	511	583	661	339	151
Illegal Passing of School Buses							355	254	52	269
Calls for Service / Ave Per Month	5,412	5,662	6,163	5,987	5,409	5,587	5,983	5,918	5,742	5,363
<b>Fire</b>										
Number of Incidents	10,052	10,417	11,368	12,856	13,861	15,345	14,158	13,996	12,839	14,264
EMS Transports	4,357	4,766	5,052	5,350	5,946	6,289	5,971	6,013	5,373	5,896
<b>Water</b>										
New Connections	100	132	2182 ^	98	107	59	188	512	382	326
Average Yearly Water Consumption (millions of gallons)	1,438.0	1,443.0	1,571.9	1,717.4	1,718.3	2,021.4	1,832.0	1,869.1	1,863.8	2,108.5
<b>Sewer</b>										
New Connections	171	205	112	108	144	92	236	503	382	326
<b>Sanitation</b>										
Refuse Collected (tons per year)	13,991.39	14,325.67	15,905.42	16,129.80	16,406.25	16,830.69	17,804.67	18,043.78	18,700.00	19,724.79
<b>Wastewater</b>										
Average Monthly Wastewater Treatment										
Influent	5.06	4.90	5.19	4.97	5.43	5.38	5.55	4.61	5.48	5.98
Effluent	5.40	4.97	5.08	4.86	5.26	5.33	5.53	4.62	5.22	5.70
<b>Culture and Recreation</b>										
Registrations	8,424	8,436	8,680	8,495	8,485	12,777	15,283	17,541	4,403	9,474
Rentals	967*	983	975***	927***	1,033	1,031	1,031	996	307	643
Community Center Attendance"	19,044	18,017	16,838***	11,143***	11,593	11,120	16,096	15,586	3,675	N/A
Opera House Paid Attendance****	N/A	N/A	N/A	N/A	3,137	5,294	5,349	5,402	553	1,072
<b>Municipal Court</b>										
Total Filings (Arlington, Lake Stevens, Marysville)	8,741	7,920	10,362	8,674	9,249	9,791	12,474	13,265	9,822	7,122
<b>Community Development</b>										
New/Improved Building Valuations \$	- \$	- \$	- \$	\$ 53,098,316	\$118,806,080	\$ 59,518,376	\$ 94,977,856	\$196,536,604	\$144,878,881	\$ 186,953,435
Single Family Permits	0	-	-	184	199	147	243	457	387	289
Multi Family Permits	0	-	-	-	28	13	6	2	1	20
Commercial Permits	0	-	-	83	78	81	99	83	58	63
Total Permits***^	2,434	3,275	3,369	3,208	3,672	3,747	4,426	5,756	5,072	5,497
<b>Golf</b>										
Total Rounds	34,530	36,691	31,223	35,321	35,443	29,586	33,981	39,287	47,774	50,091

Source: Various City Departments

#2020 Most numbers were down considerably due to Covid 19 restrictions

\*Reduction in Rentals due to rental being once per day, rather than twice.

\*\*In 2011 the reporting on permits changed. The report now tracks total permits granted in a given year without New/Improved Building Valuations

\*\*\* In 2014, the Ken Baxter Community Center was closed from 11/21/14 to 12/31/14 for repairs. And from 1/1/15 to 3/31/15

^ The 2014 number includes the acquisition of the PUD Water customers in the Sunnyside area (Southeast Marysville, 2,086 connections)

^^ New software in 2015 has allowed the breakout of permits and valuations to be done.

^^^ Library was transferred to Sno Isle Library System on 3/1/15, therefore the City lost its ability to rent space at the library.

\*\*\*\* The City is leasing the Opera House from the owner and is renting the Opera House for Weddings, Events, Concerts, etc. started in 2016 Starting in 2018, the City now owns the Opera House Venue

" Community Center was closed for Covid and did not reopen, was demolished and will be relocated in 2022.

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Public Safety</b>										
Fire Stations	5	5	5	5	5	5	5	5	5	5
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
<b>Culture and Recreation</b>										
Parks Acreage	527	527	527	527	538	538	538	538	538	538
Parks	32	32	32	32	32	32	32	32	32	32
Community Centers^	1	1	1	1	2**	2**	2^	2	2	2
Library	1	1	1	0	0	0	0	0	0	0
<b>Transportation</b>										
Paved Streets (in miles)	201.6	202.4	202.4	202.8	203.9	204.6	204.6	204.6	213.5	217.4
Signs	9,237	9,524	9,129	9,386	9,531	9,633	9,822	9,977	10,851	11,178
Signalized Intersections	38	38	43	44	44	45	45	45	46	43
Street Lights	4,139	435*	681	585	435	492	505	515	681	671
<b>Water/Sewer/Surface Water</b>										
Water										
Water Mains (miles)	306	319	323	327	333****	335	335	328	334	336
Water Storage Capacity (mg)	24	24	24	24	24	24	24	24	24	24
Sewer										
Sanitary Sewers (miles)	230	227	227	227	229****	230	231	236	240	251
Storm Sewers (miles)	186	187	170	172	178	178	179	186	195	234
Treatment Capacity (mgd)	12.7	12.7	12.7	12.7	12.7	12.7	12.7	12.7	12.7	12.7
<b>Sanitation</b>										
Collection Trucks	9	9	9	8	11***	11	11	10	12	14
<b>Golf</b>										
Municipal Golf Courses	1	1	1	1	1	1	1	1	1	1

\*City owned street lights. Prior to 2013 numbers included PUD owned streetlights.  
 \*\* City leases the renovated Opera House and owns the Ken Baxter Community Center  
 \*\*\* includes 2 spare trucks  
 \*\*\*\* 2016 Water and Sewer Miles were recalculated and updated.  
 ^ Starting in 2018, City now owns the Opera House venue

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