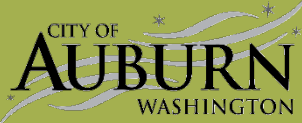


ANNUAL COMPREHENSIVE FINANCIAL REPORT 2021

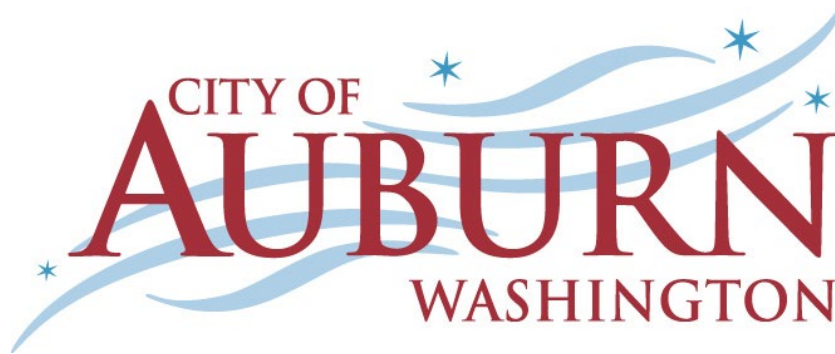
FOR THE YEAR ENDED DECEMBER 31, 2021



CITY OF AUBURN
WASHINGTON

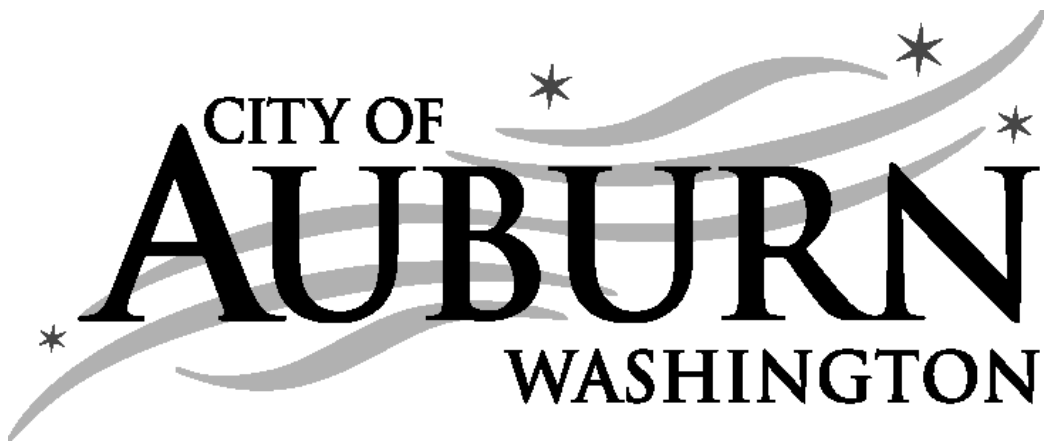
**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

Fiscal Year January 1, 2021 through December 31, 2021



Prepared by

City of Auburn Finance Department
Jamie Thomas, Finance Director



ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Year Ended December 31, 2021

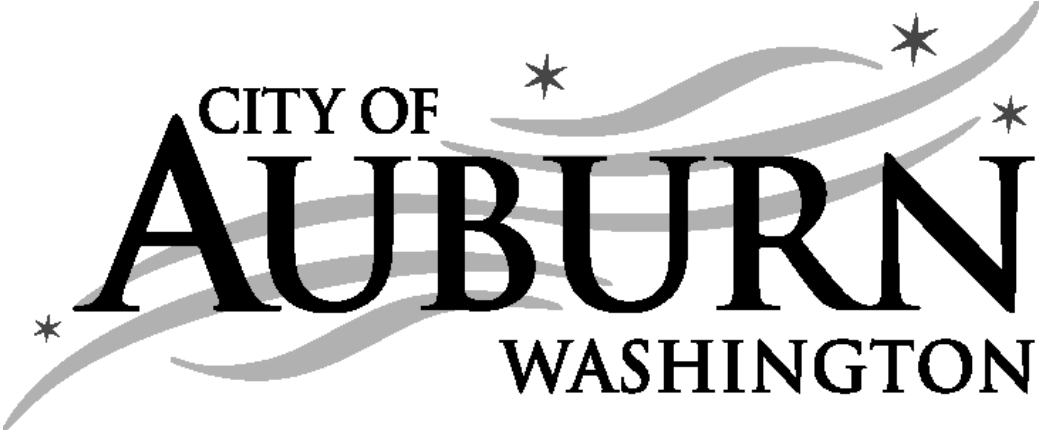
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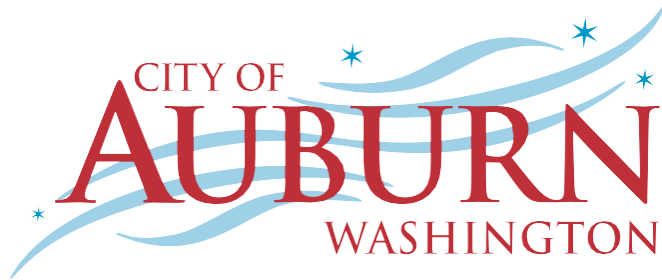
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Mayor Nancy Backus
Serving as Mayor since 2014
City Council 2004-2014

AUBURN CITY COUNCIL



James Jeyaraj
Deputy Mayor
Serving since 2019



Bob Baggett
Serving since 2016



Larry Brown
Serving since 2018



Kate Baldwin
Serving since 2021



Robyn Mulenga
Serving since 2019



Chris Stearns
Serving since 2019

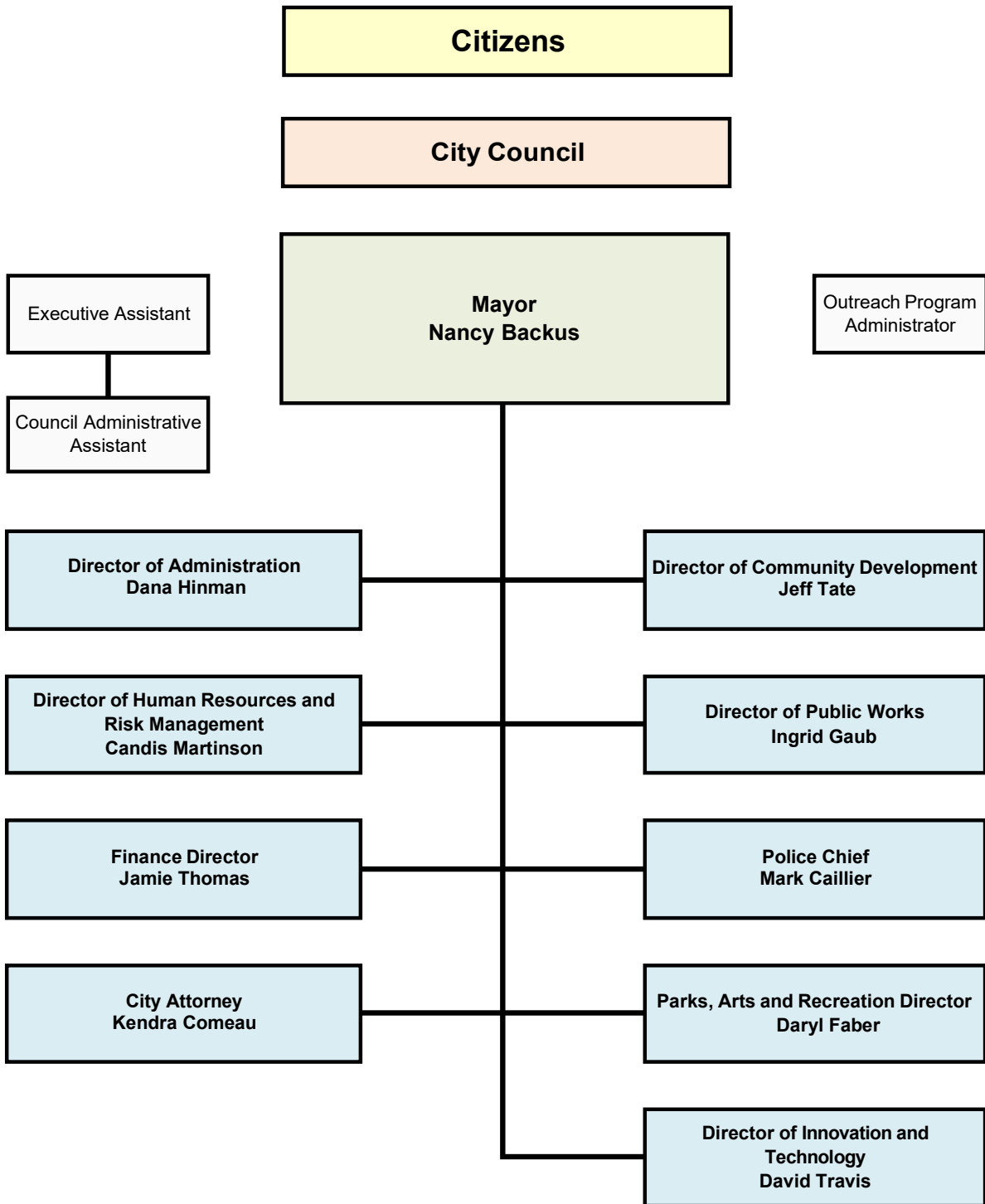


Yolanda Trout-Manuel
Serving since 2014

DEPARTMENT DIRECTORS

Administration | Dana Hinman
City Attorney | Kendra Comeau
Community Development | Jeff Tate
Finance | Jamie Thomas
Human Resources | Candis Martinson

Innovation and Technology | David Travis
Parks, Arts & Recreation | Daryl Faber
Police | Mark Caillier
Public Works | Ingrid Gaub



October 28, 2022

Honorable Nancy Backus, Mayor
Members of the Auburn City Council
Citizens of the City of Auburn
25 W Main Street
Auburn, WA 98001

We are pleased to present the City's Annual Comprehensive Financial Report for the year ended December 31, 2021. We publish this financial statement in conformity with generally accepted accounting principles (GAAP). It has been audited in accordance with generally accepted auditing standards by the Washington State Auditor's Office.

Therefore, we issue and transmit to you the City of Auburn's Annual Comprehensive Financial Report for the fiscal year ended December 31, 2021. This transmittal letter provides an overview of the report and the financial condition of the City. It also provides insight into the history of the City and the economic conditions affecting it, and describes the systems and controls employed by the Finance department.

The Annual Comprehensive Financial Report has several significant uses. First, it provides a general overview of the City's finances to the general public and taxpayers. Second, it is referenced by bond buyers and rating agencies to evaluate the City's fiscal stability and creditworthiness. Finally, the Annual Comprehensive Financial Report is a series of financial statements that have been audited by the State Auditor's Office and provides assurances that assets are safeguarded, and funds are expended as they were legally appropriated in the biennial budget.

I. INTRODUCTION

A. Management Representation

The Auburn Finance Department prepared the report and accepts complete responsibility for the accuracy, completeness, and fairness of presentation of the information included. The data is believed to be accurate in all material respects, and it is believed that all significant information necessary for an understanding of the affairs and financial condition of the City has been disclosed. The report has been prepared in conformance with generally accepted accounting principles and in conformance with financial reporting standards issued by the Governmental Accounting Standards Board (GASB).

City management has developed and evaluated a comprehensive internal control structure that is designed to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh the benefits, the City's internal control structure is designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we attest that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of *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. Auburn's MD&A can be found immediately following the independent auditor's report.

B. Organization of the Report

The report is divided into three sections: the Introductory Section, the Financial Section, and the Statistical Section. The Introductory Section contains the table of contents, a list of the City's principal officials, an organizational chart, this letter of transmittal, and the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers' Association of the United States and Canada for the 2020 Annual Comprehensive Financial Report. The Financial Section contains the Washington State Auditor's Report, completed by the Washington State Auditor, Management's Discussion and Analysis, Government-Wide Financial Statements, the Fund Financial Statements, Notes to the Financial Statements and Other Required Combining and Supplemental Information. The Statistical Section, which is unaudited, contains a range of statistical tables and charts that present various financial, economic, social, and demographic data about the City. This information depicts various trends that have affected the fiscal condition of the City over the last ten years. The data presented in this section complies with the requirements of GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section*.

C. Reporting Entity

The City of Auburn was incorporated in 1891 and currently operates as a non-charter Code City under the laws of the State of Washington. Code City status in Washington provides "home rule" authority to cities. Auburn has a Mayor/Council form of government; the Mayor is elected and is the full-time Chief Administrator. The seven-member City Council is elected at large, rather than by district. Members of the City Council are responsible for establishing the general direction and policies for the City and for providing the resources necessary to carry out those policies. As the City's chief administrator, the Mayor is responsible for carrying out the policy and direction set by the City Council. This includes the enforcement of laws and ordinances, the execution of contracts and agreements, and maintenance of peace and order in the city. The City is located primarily in southern King County and a small northeastern portion of Pierce County. These are the two most populous counties in the State of Washington, comprising over 41% of the state-wide population. The City is strategically located in relation to the labor and consumer markets of the two largest cities in the area: Seattle in King County and Tacoma in Pierce County. Auburn currently serves approximately 85,699 people within its incorporated limits.

The City provides a wide range of services, both beneficial and necessary to its residents as well as to the adjacent area. These services include police protection; parks and recreational facilities that include a senior center, gymnasium, community and teen center, golf course and museum; land use management and development regulation; infrastructure construction and maintenance; water, sanitary sewage collection, storm drainage, and solid waste services; a general aviation airport; and a municipal cemetery. The City is a member/owner of Valley Communications providing emergency 911 services and South Correctional Entity (SCORE) providing jail facilities. Both these organizations provide services to other owner/member governments and other non-owner/member governments as well through interlocal agreements.

II. ECONOMIC CONDITION

A. Summary of Local Economy

Auburn began as a small rural community founded on agriculture and the railroad, which maintained a significant switching and repair facility. The City has grown significantly since World War II, both as a residential community and as a commercial and industrial location. Auburn has become a significant area for automobile sales and has also developed a substantial manufacturing and distribution base with the largest employer being The Boeing Co., which employs approximately 3,600 people at its Auburn facility. Boeing is a worldwide supplier of aircraft and related products. At the start of 2021, Auburn was providing approximately 41,370 jobs with a unemployment rate of 3.4%. The COVID-19 pandemic led to significant job losses and at the beginning of 2021 the unemployment rate had come down to 7.9% from a high of 18% in April 2020. By the end of 2021 the unemployment rate had subsided to 4.3%, which is below both the national and state figures.

Auburn has enjoyed steady residential and industrial growth over the years as development has moved outward from the major cities. Auburn is currently home to about 4,000 businesses and is the center of the largest industrial complex in the Pacific Northwest. The City has a growing array of manufacturing facilities, as well as distribution, wholesale, and retail operations. Auburn's transit-oriented district is home to the MultiCare Auburn Medical Center, with a Trauma Level III emergency facility. This location serves the local geographic area and employs approximately 1,700 people.

Significant developments in the City include the issuance of 278 commercial building permits representing about \$101.2 million in construction investments, including projects such as the construction of the Legacy Plaza (8-story, 266 unit mixed use development), a new Lea Hill Elementary School replacement, construction for the replacement of Pioneer Elementary School, construction of the Copper Gate mixed use development (500 unit mixed use complex), and a new 200,000 square foot warehouse. These projects have positive impacts on available revenue and, as they take hold, will serve to strengthen the City's economic future.

The City's total assessed property valuation has doubled in 10 years from \$7.2 billion in 2011 to \$14.4 billion in 2021. However, in the State of Washington property tax is limited to 1% growth year over year, despite the rising assessed valuations. The total property tax rate has decreased from \$1.93 per 1,000 in assessed valuation in 2011 to \$1.77 per 1,000 in assessed valuation in 2021.

Sales tax revenue, excluding criminal justice and annexation sales tax credits, increased by \$3.0 million (16%) from 2020 to 2021. Sales tax revenue constitutes about 22% of total General Fund revenue. While the local economy is generally favorable, the City remains vigilant in its management of expenses to ensure it lives within its means, particularly with the uncertainties related to concerns of an impending recession.

Despite economic cycles, the City has continually focused on enhancing the quality of life in the community and focusing on maintaining and redeveloping its aging infrastructure. For example, the City's Arterial Street program is partially funded by dedicating 1% of utility taxes toward arterial roadway improvements.

The City's budgeting process is based on financial policies directed at conserving fiscal resources while supporting programmatic strategies. Budget recommendations reflect a long-range analysis of fiscal

trends. These policies and practices have not only averted serious funding problems in the past but have enabled the General Fund to remain on a firm financial footing during the most recent recession.

The City maintains a stable financial condition by managing expenditure budgets to available revenue streams. All funds contain adequate balances, and the City's debt is manageable. The General fund contains a satisfactory balance along with a reserve fund for stabilization, a significant Insurance fund has been set aside for contingencies, and the Equipment Rental fund is adequate for vehicle replacement. The Proprietary and Fiduciary funds are in satisfactory condition. The City completed a review of the City's water, sewer, and stormwater utility rates in 2019 and established rates to fund operating and capital needs through 2022. This will cover increased debt service associated with new revenue bonds being issued in 2020 to support significant new utility construction projects. Utility rates will be reviewed in 2022 as part of the 2023-2024 Biennial Budget process.

B. Future Economic Outlook

Auburn is in a continuous process of both short-term and long-term financial planning. Short-term financial planning is inherent in the development of the City's biennial budget. Concurrent with the biennial budget is the review of the City's long-term capital needs. Funding sources are assessed with the development of the six-year Capital Facilities Plan. The capital facility plan is a component of the Comprehensive Master Plan, which outlines how the City should look and function in twenty years and creates a vision that can be realistically implemented. An integral part of this vision is determining how to allocate the City's financial resources to achieve the desired goals.

The City has several long-term municipal planning and capital projects underway. These include reconstruction of aged utility infrastructure and street improvements that include rehabilitation of local neighborhood streets. These projects will improve mobility, will contribute to the restoration of a North/South arterial corridor, and provide for greater recreational opportunities for the community. These municipal projects, coupled with the new private sector developments described earlier, will help ensure local economic growth continues, albeit not at the rate experienced in the late 1990s. The challenge is to control costs that grow at a faster rate than revenue. Areas of concern are health care costs, pension costs, other post-employment benefits (OPEB), and public safety costs related to incarceration and labor contracts. Continuing to maintain service level in these sectors will draw valuable resources from other areas such as infrastructure replacement and capital programs. As Auburn moves forward, economic conditions will be continually monitored and adjustments to city spending, and services made to maintain the City's financial health. Long-term plans will be focused on ensuring the City continues to be an economically strong and viable city.

III. FINANCIAL INFORMATION

A. Cash Management

The City invests in U.S. Treasury and Agency Issues, Prime Bankers Acceptances, Time Deposits, and Repurchase Agreements. Investment policies and procedures, established by the Mayor and adopted by the City Council, require the City to establish a trustee to take delivery of all investment transactions at time of payment. The City has contracted with the Bank of New York to provide delivery versus payment trustee services on all government agency investments. The State of Washington maintains an investment pool to provide economies of scale in investing to smaller- and medium-sized cities in the State. The City uses this service for all funds not invested in longer-term securities. The pool operates under the same

legal restrictions that apply to all municipalities in the State and, consequently, uses the same instruments as listed above. The State also takes delivery of all investment transactions.

The City has adopted a comprehensive investment policy statement to guide City investment practices. These policies are closely patterned after the recommendations in *Investing Public Funds* published by the Government Finance Officers Association (GFOA). Investments are restricted to less than five years in order to maintain liquidity on all investments in all funds yet enable the City to take advantage of the yield curve. Fiduciary funds, which involve long-term reserves and require minimal liquidity, are invested for longer time periods. The City undertakes repurchase agreements only with financial institutions that offer the City full protection in the event of default, by providing the delivery of the underlying security to the City.

B. Risk Management

The City participates in the Washington Cities' Insurance Authority (an insurance pool of over 160 members) and the City actively pursues risk reduction in the operation of its programs.

The Washington Cities' Insurance Authority not only provides a sharing of risk by pooling of losses, it also provides an extensive array of professional services in risk management. The pool monitors the City's management practices and damage claims. The City follows the guidelines provided by the pool in an effort to minimize risk exposure in the day-to-day operations of the City's programs. The City also maintains an extensive employee safety program managed by the Human Resources department.

The City purchases, with employee participation, most of its health insurance for its employees through commercial policies administered by Brown and Brown. Employees represented by the outside Teamsters Union have insurance through the Teamsters organization and employees represented by the inside Teamsters Union have insurance policies administered by the Association of Washington Cities. Beginning in 2014, the City created its own worker's compensation program and pool. Prior, the City participated in the Washington State Workers' Compensation program.

To keep its long-term options open and to provide for any uninsured losses that might occur, the City has elected to build an insurance reserve (the Insurance fund). The Insurance fund supplements various insurance coverages maintained by the City. This fund is also used to self-insure some limited exposures, the most significant of which is accidental loss to City-owned vehicles.

IV. OTHER RELEVANT INFORMATION

A. Independent Audit

State law requires an annual audit of all City books of accounts and financial records by the Office of the State Auditor, which is headed by an independently elected State official, the State Auditor. The Auditor has broad legal authority to inquire into all financial and legal compliance matters and such audits are considered equal to audits by certified public accounting firms. The 2021 financial audit of the City is complete and was conducted in conformance with Generally Accepted Auditing Standards. The financial statements of all City funds have been included in this audit. The City has been given an unmodified opinion for 2021. Please see the Auditor's Report. The State Auditor's Office also audits the City's administration of its federal grants under the single audit concept.

B. Awards

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 Auburn for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2020. This was the fourteenth consecutive year that the City has achieved this prestigious award. 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 Annual Comprehensive 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.

C. Acknowledgments

Preparation of this report could not have been accomplished without the professional, efficient, and dedicated staff of the Finance department and various other City employees who assisted in its production. Further appreciation is extended to the Mayor and City Council for their encouragement, interest, and support in conducting the financial affairs of the City in a sound and progressive manner. The assistance of the auditors from the Washington State Auditor's Office is also greatly appreciated.

Respectfully submitted,



Jamie Thomas
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Auburn
Washington**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO





**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 Auburn
Auburn, 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 Auburn 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 Auburn, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General and Arterial Street funds 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 financial statements and schedules are presented for the purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. This information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Information

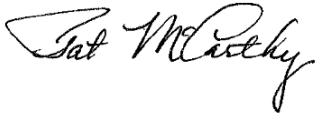
The other information comprises Introductory and Statistical Sections but does not include the basic financial statements and our auditor's report thereon. Management is responsible for the other information included in the financial statements. Our opinions on the basic financial statements do not cover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

In connection with the audit of the basic 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 October 28, 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

October 28, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Auburn's (the "City") discussion and analysis is designed to:

- Assist the reader in focusing on significant financial issues
- Provide an overview of the City's financial activity
- Identify changes in the City's financial position (its ability to meet future years' challenges)
- Identify any material deviations from the approved budget
- Identify individual fund issues or concerns

Management's Discussion and Analysis is designed to focus on the current year's activities, resulting changes and currently known facts. Therefore, it should be read in conjunction with the Transmittal Letter and the City's financial statements.

Financial Highlights

- Total government-wide net position – the difference between assets plus deferred outflows and liabilities plus deferred inflows – equals \$800.2 million, an increase of \$43.2 million or 5.7%. Of this, a total of \$602.1 million, or 75.2% of total net position, represents net investment in capital assets and includes assets such as utility systems, streets, buildings, land, vehicles and equipment. An additional \$3.2 million of net position is restricted for purposes of endowment and debt service. Of the remaining \$194.9 million of net position, \$36.6 million is legally restricted, restricted by City policy for specific purposes, or is restricted for use by the City's utilities, and \$158.3 million is unrestricted.
- The net increase in government-wide net position during 2021 was \$43.2 million. City-owned net investment in capital assets increased by \$20.8 million, restricted net position decreased by \$4.5 million, and unrestricted net position increased by \$27.0 million.
- Business-type net position increased by \$15.5 million to \$299.3 million during 2021 as a result of net capital investment and net earnings related to the City's water, sewer and storm water utilities.
- Governmental fund balances at year-end totaled \$92.9 million. Of this amount, \$38.6 million, or 41.6%, is unassigned and available to fund ongoing activities. Compared to 2020, total governmental fund balances increased by \$12.3 million. This increase reflects the net effect of a general improvement in the regional economy, particularly the collection of sales and use taxes, and continued vigilance in monitoring general spending.
- Total City debt payments during the year, less compensated absences, pension liabilities, and other post-employment benefits, were \$4.6 million. Total long-term liabilities, including bonds and loans, totaled \$103.9 million at December 31, 2021. The ending long-term liabilities is a decrease of \$12.8 million from 2020 and is largely attributable to a \$7 million reduction in Net Pension liabilities and the retirement of bond principal. See note 8 for further information on long-term liability activity during the year.

Overview of the Financial Statements

The City's basic financial statements are presented in three parts:

- 1) Government-wide financial statements
- 2) Fund financial statements
- 3) Notes to the financial statements

These statements report the City's net position and changes during the reporting year. The net position is the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources.

Other supplementary information, in addition to the basic financial statements, is also contained in this report. This section of the management's discussion and analysis is intended to introduce and explain the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns which add to a total for the City. The focus of the *Statement of Net Position* is designed to be similar to bottom-line results for the City and its governmental and business-type activities. This statement combines and consolidates governmental funds' current financial resources (short-term spendable resources) with capital assets, deferred outflows of resources, long-term obligations and deferred inflows of resources. Over time, increases or decreases in net position may be one indicator of improvement or deterioration in the City's overall financial health.

The *Statement of Activities* is focused on both the gross and net cost of various functions, including both governmental and business-type activities, which are supported by the City's general tax and other revenues. This is intended to summarize and simplify the user's analysis of cost of various governmental services and/or subsidy to various business-type activities. The revenue generated by the specific functions (charges for services, grants, and contributions) is compared to the expenditures for those functions to show how much each function either supports itself or relies on taxes and other general funding sources for support. All activity on this statement is reported on the accrual basis of accounting, requiring that revenues are reported when they are earned and expenditures are reported when they are incurred, regardless of when cash is received or disbursed.

Governmental activities of the City include general government (executive, finance, legal, human resources, and contracted court), public safety (police), physical environment, economic environment, transportation, health and human services, and culture and recreation. The City's business-type activities include water, sanitary sewer, storm water and solid waste utilities as well as the operations of an airport and cemetery. Governmental activities are primarily supported by taxes, charges for services, and grants, while business-type activities are self-supporting through user fees and charges.

Fund Financial Statements

The Fund Financial Statements are the traditional reporting format for governments. A fund is a fiscal and accounting entity with a self-balancing set of accounts used to account for specific activities or meet certain objectives. While the government-wide statements present the City's finances based on the type of activity (general government vs. business type), the Fund Financial Statements are presented by fund type, such as the general fund, special revenue funds and proprietary funds, with the focus on major funds.

Governmental Funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. The government major fund is presented utilizing the "sources and uses of liquid resources" basis. This is the manner in which the budget is typically developed. The basis of accounting is different between the governmental fund statements and the government-wide financial statements. The governmental fund statements focus on the near-term revenues/financial resources and expenditures while the government-wide financial statements include both near-term and long-term revenues/financial resources and expenditures. The information in the governmental fund statements can be used to evaluate the City's near-term financing requirements and immediate fiscal health. Comparing the governmental fund statements with the government-wide statements can help the reader better understand the long-term impact of the City's current-year financing decisions.

Because the basis of accounting is different between the governmental fund statements and the government-wide financial statements, reconciliations are provided. The reconciliation between the governmental fund Balance Sheets and the government-wide Statement of Net Position is found directly following the governmental funds' Balance Sheet; the reconciliation between the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities is found directly following the governmental funds' Statement of Revenues, Expenditures, and Changes in Fund Balances.

The City maintains twenty-one individual governmental funds. Of these, three are considered major (the general fund, the arterial street fund, and the capital improvement projects fund) and are presented separately in the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances. The remaining governmental funds are combined into a single column labeled "Other Governmental Funds". Individual fund data for each of the other governmental funds can be found in the combining statements later in this report. The City maintains budgetary control over its operating funds through the adoption of a biennial budget. Budgets are adopted at the fund level according to state law. Budgetary comparison statements are presented for the general and arterial street funds as part of the basic financial statements. Other budgetary comparison statements are included following the other government funds' combining statements.

Proprietary funds are used by governments to account for their business-type activities and use the same basis of accounting utilized in private industry. Business-type activities provide specific goods or services to a group of customers that are paid for by fees charged to those customers. There is a direct relationship between the fees paid and the services rendered.

The City has two types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to account for goods and services provided to citizens, while internal service funds are used to account for goods and services provided internally to various City departments.

Enterprise funds report the same functions presented as business-type activities in the government-wide statements, but in greater detail. The City's enterprise fund statements provide information on the City's four utilities (water, sanitary sewer, storm water, and solid waste) as well as the City-owned airport and cemetery.

Internal service funds are an essential accounting tool used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet of vehicles, maintenance and operation of facilities, computer hardware and software services, employee costs related to occupational injury or illness, and insurance premiums. Internal service funds benefit both governmental and business-type activities, and are allocated accordingly in the government-wide statement of activities.

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds. Fiduciary funds are not included in the government-wide financial statements because their assets are not available to support the City's activities.

Notes to the Financial Statements

The notes provide additional 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 can be found at the end of the Basic Financial Statements section.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the budget vs. actual reports of the City’s general fund and major special revenue funds. The budget vs. actual required supplementary information can be found on pages 44 and 45, and the pension benefit and other postemployment benefit required supplementary information is found in the required supplemental information section.

The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, and internal service funds are presented in the section titled “Fund Financial Statements and Schedules”.

Government-wide Financial Analysis

The statement of net position may serve as a useful indicator of the City’s financial position. The overall financial position has improved for the City of Auburn over the prior year. Changes in Net Position from 2020 to 2021 show an increase in total net position of \$43.2 million or 5.7%. Following is a condensed version of the government-wide statement of net position with a comparison to 2020:

**STATEMENT OF NET POSITION
Comparative Analysis of 2021 and 2020**

	Governmental Activities		Business-type Activities		Total	
	As of 12/31/21	As of 12/31/20	As of 12/31/21	As of 12/31/20	As of 12/31/21	As of 12/31/20
Current and other assets	\$ 203,873,518	\$ 153,167,102	\$ 96,223,698	\$ 87,940,885	\$ 300,097,216	\$ 241,107,987
Capital assets, net of accumulated depreciation	398,848,062	398,828,178	259,271,277	247,197,406	658,119,339	646,025,584
Total assets	602,721,580	551,995,280	355,494,975	335,138,291	958,216,555	887,133,571
Deferred Outflows of Resources	3,968,330	4,280,751	1,032,794	1,102,421	5,001,124	5,383,172
Long-term liabilities	58,677,979	67,386,700	37,618,063	42,440,292	96,296,042	109,826,992
Other liabilities	17,407,034	12,151,733	12,790,834	8,985,341	30,197,868	21,137,074
Total liabilities	76,085,013	79,538,433	50,408,897	51,425,633	126,493,910	130,964,066
Deferred Inflows of Resources	29,760,671	3,608,197	6,800,333	1,018,337	36,561,004	4,626,534
Net position						
Net investment in capital assets	373,890,921	372,441,433	228,161,102	208,850,752	602,052,023	581,292,185
Restricted for:						
Capital Projects	34,399,207	29,391,156	-	-	34,399,207	29,391,156
Nonexpendable Permanent Endowment	2,010,357	1,925,183	-	-	2,010,357	1,925,183
Debt Service	3,828	2,873	1,201,412	11,032,826	1,205,240	11,035,699
Tourist Promotion	433,129	315,807	-	-	433,129	315,807
Drug Investigation & Enforce	1,058,013	998,267	-	-	1,058,013	998,267
Comm Dev Block Grant	42,842	42,325	-	-	42,842	42,325
Central Business Distr Dev	186,016	166,486	-	-	186,016	166,486
Rate Stabilization	-	-	438,483	438,483	438,483	438,483
Unrestricted	88,819,913	67,845,872	69,517,542	63,474,681	158,337,455	131,320,553
Total net position	\$ 500,844,225	\$ 473,129,402	\$ 299,318,539	\$ 283,796,742	\$ 800,162,764	\$ 756,926,144

The largest component of the City’s net position, \$602.1 million, is its net investment in capital assets. This balance is broken down by governmental activities (\$373.9 million) and business type activities (\$228.2 million). Governmental capital assets, such as streets, parks, trails, and vehicles and equipment related to police and public works, are used to provide services to the citizens; and business type capital assets account for the utility systems infrastructure (water and sewer transmission/distribution lines, wells, pump stations, lift stations, storm retention ponds, etc.). As a result, these assets are necessary for providing existing levels of service and are not for sale, and are therefore not available to fund current and future City obligations. Total net investment in capital assets increased by \$20.8 million over 2020, most of this increase, \$19.3 million, of this increase is related to a sizable increase in investments in the City’s utility systems

infrastructure which is funded with proceeds from utility bonds issued in mid-2020. The City elected the GASB 34 reporting option to include all general infrastructure of the City acquired or substantially renovated since 1980.

The second largest component of the City's net position is unrestricted net position, \$158.3 million. This balance is broken down by: governmental activities (\$88.8 million), which may be used for functions such as public safety employee salaries and supplies, parks and road maintenance, and other general governmental services; and business-type activities (\$69.5 million) which may only be spent on activities related to one of the four City utilities (water, sanitary sewer, storm water and solid waste) or to the City-owned ventures (airport and cemetery). Examples of utility activities include maintenance of water/sewer mains, pump and lift stations, storm drain flushing, water meter reading, and garbage collection. Activities related to the other City-owned ventures include maintenance of hangars and runways at the airport, and grooming and landscaping at the cemetery.

Restricted governmental fund net position is \$38.1 million and is restricted for purposes such as contractual obligations on capital project construction, debt service, drug investigation and enforcement, and the cemetery endowment fund.

Changes in Net Position

The change in net position represents the increase or decrease in City net position resulting from its various activities.

The City's total net position increased by \$43.2 million over 2020.

- Governmental activities contributed \$27.3 million to the total increase in City net position. The largest factors include a strong economy which produced tax revenue increases of \$9.3 million over 2020, while governmental expenditures only increased \$4.9 million over the same time period.
- Governmental activity expenses had a net decrease of \$4.9 million compared to 2020. \$9.3 million of this decrease was attributed to the reduction in the City's net pension liability. This decrease was offset by increases for regular operations and services, most of which were attributed to salary and benefit costs. Also, there was a significant reduction of services in 2020 due to COVID, so many of the operating increases were related to the re-opening of parks and recreation services in early to mid- 2021.
- Business-type net position totaled \$299.3 million, an increase of \$15.5 million (5.5%) over 2020, which was a result of business-type revenues increasing by \$8.2 million and a smaller increase in expenses (\$5.2 million). The most notable increase in revenue were charges for services (\$4.7 million) and capital grants and contributions (\$6.9 million). These increases were partially offset by lower revenues in interest earnings and miscellaneous revenues.

Following table on the next page is a condensed version of the City's changes in net position. The table shows the revenues, expenditures and related changes in net position for both governmental-type and business-type activities:

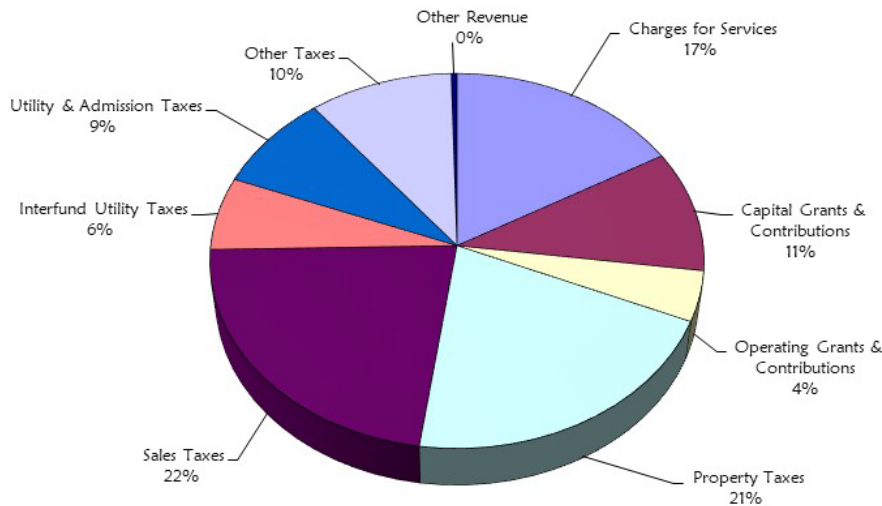
CHANGES IN NET POSITION
Comparative Analysis of 2021 and 2020

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues						
Charges for services	\$ 18,776,026	\$ 12,487,875	\$ 73,687,356	\$ 68,966,638	\$ 92,463,382	\$ 81,454,513
Operating grants and contributions	4,877,951	6,904,118	-	-	4,877,951	6,904,118
Capital grants and contributions	11,838,148	9,455,065	13,400,812	6,518,995	25,238,960	15,974,061
General revenues						
Property taxes	23,458,850	22,721,452	-	-	23,458,850	22,721,452
Sales taxes	25,289,050	21,900,597	-	-	25,289,050	21,900,597
Interfund utility taxes	7,101,829	4,543,436	-	-	7,101,829	4,543,436
Admission & utility taxes	9,521,243	8,866,275	-	-	9,521,243	8,866,275
Excise taxes	6,463,047	4,580,114	-	-	6,463,047	4,580,114
Other taxes	5,031,185	3,846,314	-	-	5,031,185	3,846,314
Investment earnings	(114,738)	1,027,312	17,401	364,027	(97,337)	1,391,339
Miscellaneous revenue	572,013	252,441	277,871	3,373,753	849,884	3,626,193
Total revenues	112,814,604	96,584,999	87,383,440	79,223,413	200,198,044	175,808,412
Expenses:						
General government	12,837,356	12,332,380	-	-	12,837,356	12,332,380
Public safety	32,440,701	37,951,994	-	-	32,440,701	37,951,994
Transportation	18,469,045	17,781,630	-	-	18,469,045	17,781,630
Physical environment	2,992,107	3,981,592	-	-	2,992,107	3,981,592
Culture and recreation	12,332,974	11,681,611	-	-	12,332,974	11,681,611
Economic environment	3,664,340	5,308,106	-	-	3,664,340	5,308,106
Health and human services	2,107,798	671,257	-	-	2,107,798	671,257
Interest on long-term debt	651,329	650,215	-	-	651,329	650,215
Water	-	-	13,624,963	13,253,694	13,624,963	13,253,694
Sanitary sewer	-	-	26,829,991	26,004,990	26,829,991	26,004,990
Storm drainage	-	-	9,545,696	8,780,867	9,545,696	8,780,867
Solid waste	-	-	18,383,884	15,620,963	18,383,884	15,620,963
Golf course	-	-	-	-	-	-
Other business-type activities	-	-	3,081,240	2,603,752	3,081,240	2,603,752
Total expenses	85,495,650	90,358,785	71,465,774	66,264,266	156,961,424	156,623,051
Increase in net position before transfers	27,318,954	6,226,214	15,917,666	12,959,147	43,236,620	19,185,361
Transfers	395,869	264,371	(395,869)	(264,371)	-	-
Change in net position	27,714,823	6,490,585	15,521,797	12,694,776	43,236,620	19,185,361
Net Position, January 1, as Previously Reported	473,129,402	466,638,817	283,796,742	271,101,966	756,926,144	737,740,783
Change in Accounting Principle	-	-	-	-	-	-
Net Position, January 1, as Restated	473,129,402	466,638,817	283,796,742	271,101,966	756,926,144	649,349,553
Net position, December 31	\$ 500,844,225	\$ 473,129,402	\$ 299,318,539	\$ 283,796,742	\$ 800,162,764	\$ 756,926,144

Governmental Activities

The chart below summarizes the governmental activity revenue, by source.

Revenues by Source – Governmental Activities



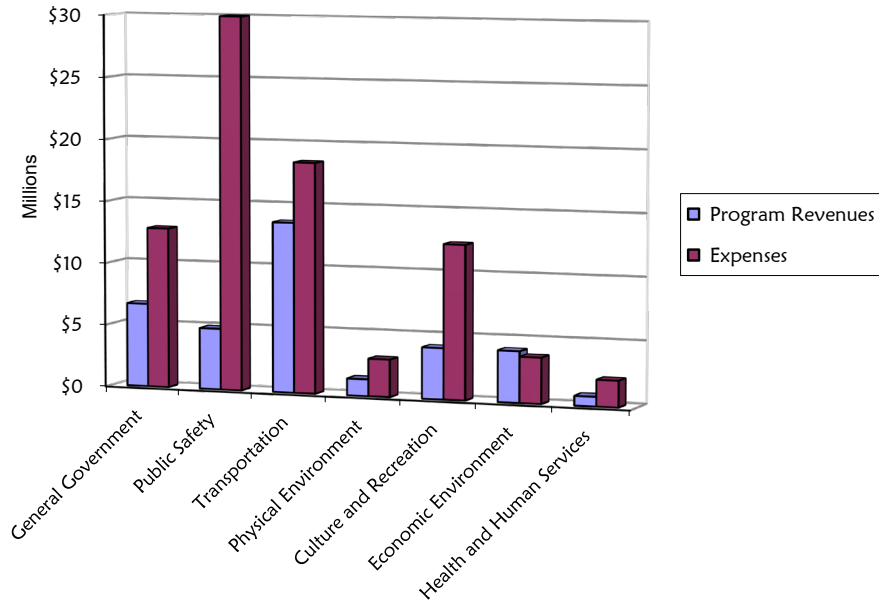
The City’s most significant Governmental Revenue sources are taxes (68%) and charges for services (17%). These were also the two categories the City saw the largest increases over 2020 – \$9.3 million increase in taxes and \$6.3 million increase in charges for services. Increases in charges for services were mostly attributed to the re-opening of many of the City’s recreation, senior center, parks, and theater programs in 2021 after significant closures in 2020 due to COVID-19.

General tax revenues increased by 15.7% to \$76.9 million between 2020 and 2021:

- Property tax revenue increased \$0.7 million or 3.2%. Property tax increases are limited, by State law, to 1% each year. Any increase that exceeds 1% is related to the “catch-up” collection due to new construction or the collection of delinquent taxes.
- Sales tax collections increased \$3.4 million or 15.5%, due largely to increased economic activity from post-COVID demand for goods and services and a strong construction sector.
- Utility and admission tax revenue increased by \$3.2 million or 24.0% due to an increase in the City’s internal utility tax rate from 7% to 10%.
- Excise tax revenue increased by \$1.9 million or 41.1%. The majority of this is Real Estate Excise Tax (REET), which is an excise tax that City receives on the sale of real property within the City limits of Auburn. With the value and volume of home sales experiencing rapid growth in 2021, the City collected higher than normal amounts of REET.

The chart below reflects the specific programs’ revenues and related expenses for the various activities of the City. Gaps between specific programs’ revenues and their related expenses are funded through general tax revenues.

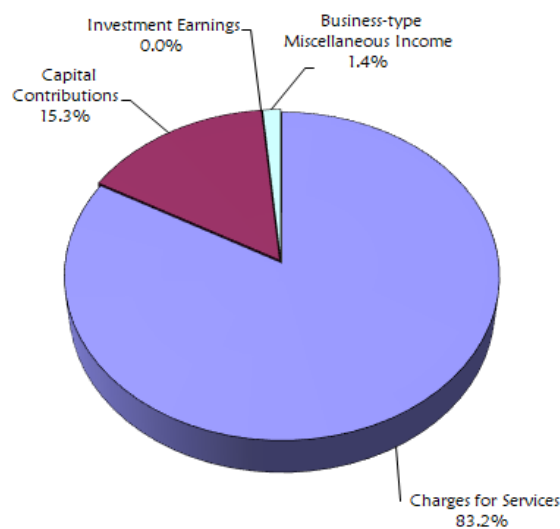
Program Expenses and Revenues – Governmental Activities



Business-Type Activities

The following chart shows the funding sources for the for business-type activities, broken down by source:

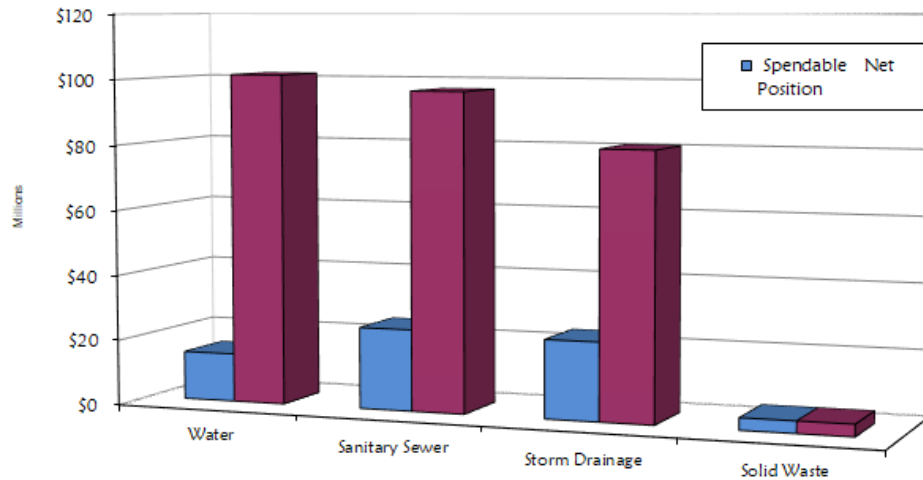
Business Type Activity Revenues - By Source



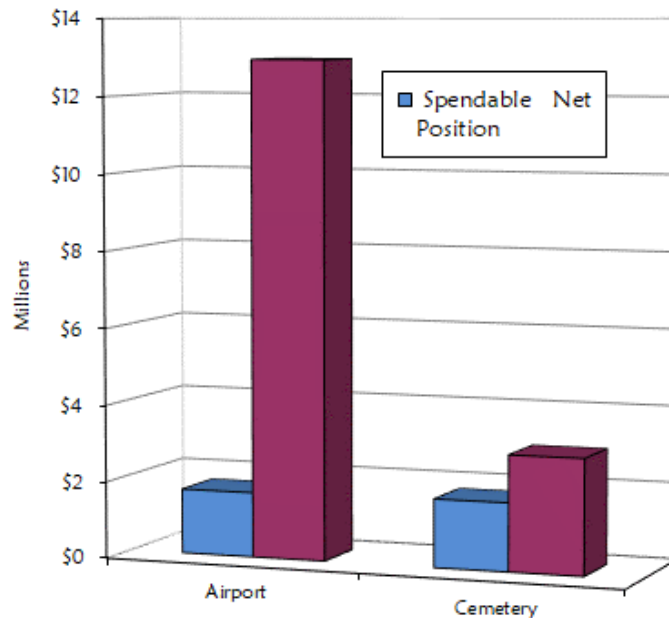
The most significant revenue source is charges for services (\$73.7 million in 2021). Revenue is collected into these funds via user fees and consumption charges. Rates for these fees are established taking into consideration the ongoing maintenance and operating costs for the systems they support, as well as the long-term capital investments and improvements that are necessary in the short and long term. These activities also rely on capital grants and contributions (\$13.4 million in 2021) to help fund infrastructure projects.

Following are two charts that contrast the total net position to the spendable portion of net position for each enterprise fund:

Comparison of Total Net Position to Spendable Net Position – Utility Funds

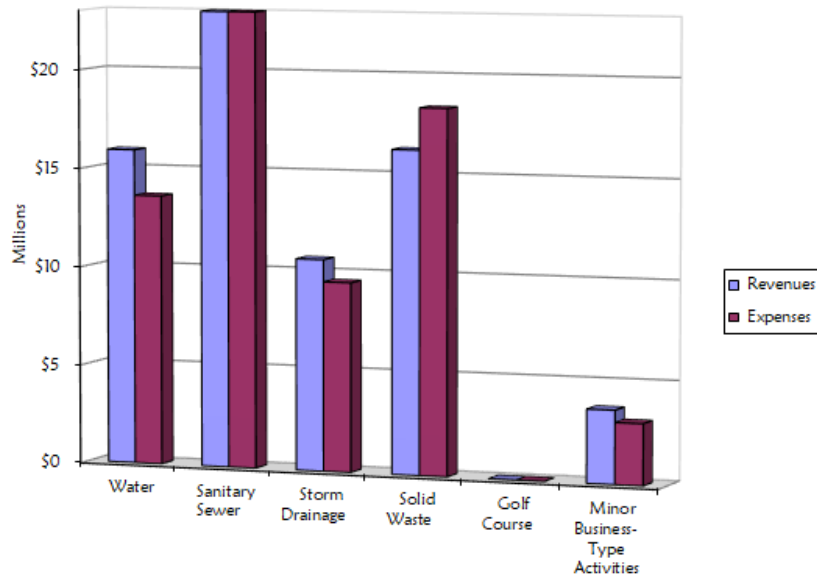


Comparison of Total Net Position to Spendable Net Position – Airport and Cemetery



The following chart shows how each utility fund program revenue and expenses compare:

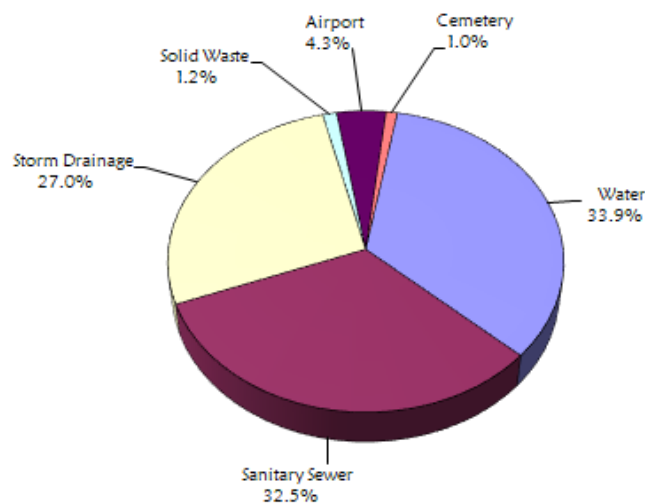
**Business Type Activity Revenues and Expenses
(Before Capital Contributions and Transfers)**



Generally, revenue collected from user fees of the City’s utility systems exceed expenses. In 2021 there was one exception which was the Solid Waste fund. In late 2021 the City entered into a new service contract with the City’s solid waste hauler, Waste Management. The old contract held contract rates (solid waste fund expenditures) artificially low for several years, the contract change was significant, resulting in a \$2.8 million increase in Solid Waste expenses in 2021. However, Council approved rate increases did not go into effect until late 2021, 2022, and 2023. The increased rate revenue will be seen in future years.

The following chart shows the relative net position balances for each business-type fund:

Business Type Net Position – By Fund



The majority of the City’s enterprise net position in enterprise funds relate to capital asset infrastructure, such as water and sewer mains and the airport runway. As such, most of the net position is not available to support the ongoing expenditures of the funds. Additionally, some activities such as water, sewer, and storm serve a greater number of customers and have significantly more expensive infrastructure needs, therefore their net position typically remains higher to properly fund future investments.

Financial Analysis of Governmental Funds

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

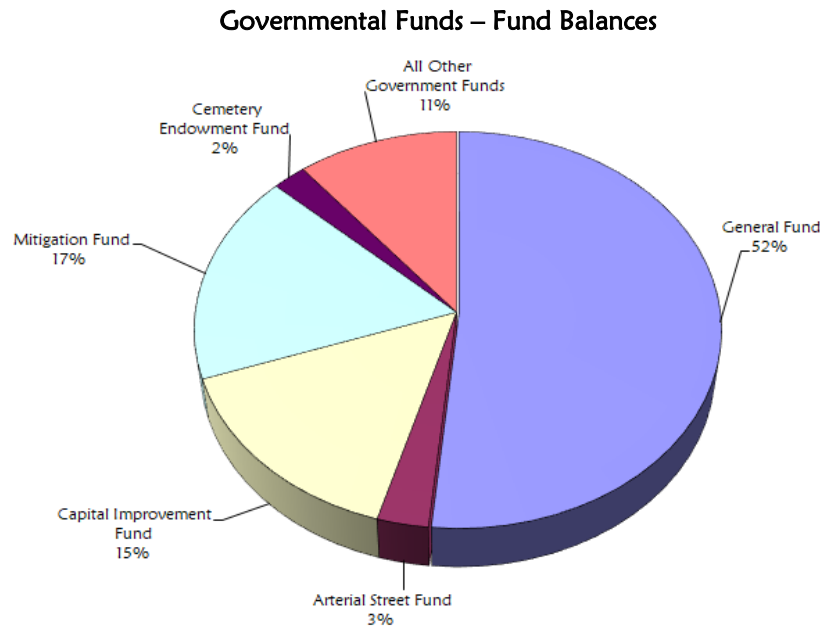
As of December 31, 2021, the City’s governmental funds had combined fund balances of \$92.9 million, an increase of \$12.3 million or 15.3% over the previous year. This change was primarily a result of changes in fund balances in the City’s general fund (\$6.0 million) and capital improvement fund (\$3.8 million) and mitigation fund (\$1.6 million).

The following table shows the changes in fund balance between 2020 and 2021:

Changes in Fund Balance - By Fund			
	2021	2020	Difference
General fund:	\$ 47,900,705	\$ 41,939,224	\$ 5,961,481
Arterial street fund:	2,710,488	2,284,075	426,413
Capital improvement fund:	14,082,918	10,284,327	3,798,591
Mitigation fund:	16,041,880	14,417,022	1,624,858
Cemetery endowment fund:	2,106,447	2,022,262	84,185
All other government funds:	10,054,106	9,651,240	402,866
Total:	\$ 92,896,544	\$ 80,598,150	\$ 12,298,394

Of the government funds’ total fund balances, \$38.6 million is unassigned. Nonspendable, restricted, committed and assigned fund balances account for the remaining \$54.2 million. Of this, \$16.1 million is either committed or assigned for capital projects, \$26.2 million is in special revenue funds that are restricted for specific purposes and \$2.0 million is nonspendable principal balances in endowment fund (permanent fund).

The chart on the following page shows how the total \$92.9 million governmental fund balances are allocated, by relative fund:



The General Fund is the primary operating fund of the City, which accounts for 52% of all governmental fund balances. All receipts and payments of ordinary City operations are processed through it unless they are required to be accounted for in another fund.

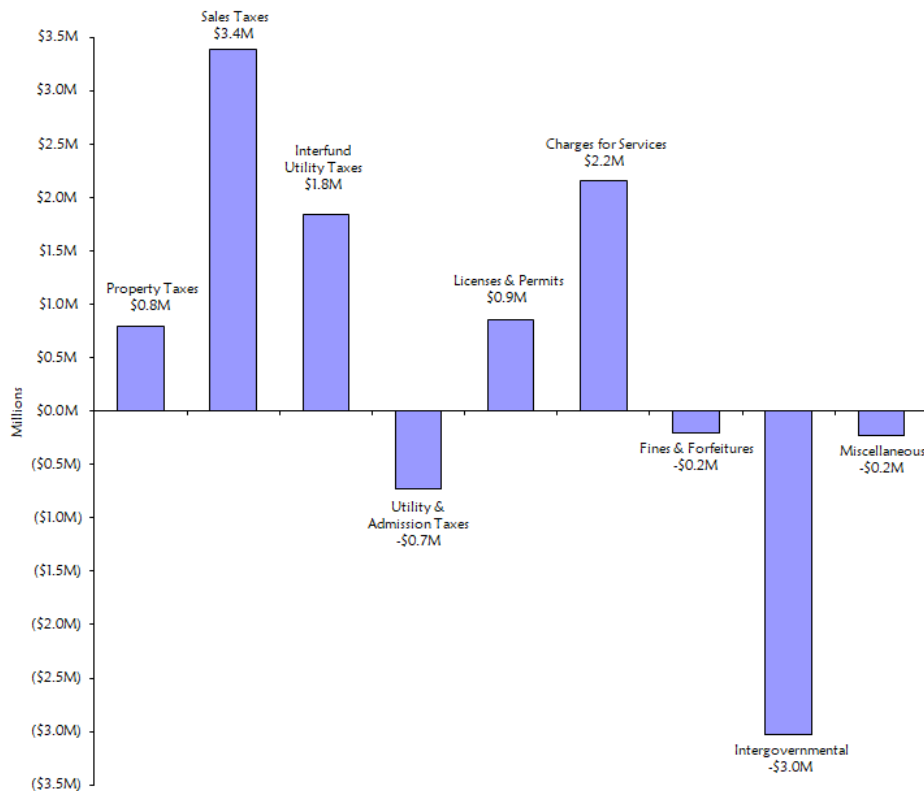
At the end of 2021, the general fund had a fund balance of \$47.9 million, \$9.2 million of which is assigned, and \$38.6 million is unassigned. This increase is attributed to revenue increases by approximately \$4.9 million; at the same time, expenditures only increased by about \$3.7 million over 2020. The most significant contributors to the increase in the City’s general fund growth between 2020 and 2021 were:

- Increased sales and use tax revenues \$ 3.4 million
- Increased city utility tax revenues 1.9 million
- Increased permitting and licensing activity 0.9 million
- Increased development services revenue 1.2 million
- Increased revenue for internal departmental support 0.6 million
- Streamlined Sales Tax revenue (temporarily reinstated) 1.0 million
- One-time revenues related to SB 5092 0.3 million
- Increased revenue for Parks, Arts and Recreation programs 0.7 million
- Reduction in federal grant revenues (due to 2020 CARES grant receipt) (3.8 million)
- Increases to salary and benefit costs (1.7 million)
- Increases to professional services expenses (1.4 million)
- Increases to interfund transfers (0.6 million)
- Increases to internal service costs (0.8 million)
- Changes in other revenues (net) (0.5 million)

Other funds that had significant fund balances include:

- \$2.7 million in the Arterial Street fund, used specifically for major street improvement projects. Most of these projects are funded with state and federal grants, motor vehicle excise tax, and impact mitigation fees.
- \$14.1 million in the Capital Improvement fund, used for various governmental capital asset projects. The fund balance increased by \$3.8 million due primarily to the higher than expected collection of Real Estate Excise Tax (REET).
- \$28.2 million in all other government funds, increased by \$2.1 million over 2020:
 - \$16.0 million of this fund balance is in the mitigation fund, which accounts for the collection of park and traffic impact and mitigation fees that are ultimately used for capital projects. The fund increased by \$1.6 million between 2020 and 2021 due to higher-than-expected parks and transportation impact fees, collected from several large commercial development projects in the City.
 - The remaining \$12.2 million of this fund balance is comprised of the City’s arterial and local street preservation funds, cemetery maintenance, hotel/motel tax, and municipal parks construction fund. These funds – in aggregate – increased by about \$0.5 million largely due to lower than expected spending on street projects.
- General fund revenue increased by \$4.8 million, sources of which are shown in the chart below. Property taxes increased by \$0.8 million while sales taxes increased by \$3.4 million from 2020. Over the same period, utility and other taxes increased by a net of \$1.2 million, Licenses and permits increased by \$0.9 million, charges for services increased by \$2.2 million, fines & forfeitures decreased by \$0.2 million, intergovernmental revenues decreased by \$3.0 million (due to one-time CARES Act monies in 2020), and miscellaneous revenues decreased by \$0.3 million.

2021 General Fund Revenue Changes – By Source



Financial Analysis of Proprietary Funds

The City's proprietary funds provide the same type of information as found in the government-wide financial statements, but in greater detail. Factors affecting the finances of the City's proprietary funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The City budgets biennially by adopting two single-year budgets at the end of each even-numbered year and then making adjustments as necessary via budget amendments throughout the biennium. Major amendments to the 2021 budget included:

- Budgeted general fund expenditures and transfers out increased from \$82.3 million to \$90.2 million. Significant changes include expenditures associated with new grants and ARPA funding, operating transfers related to capital projects, and funding for the Auburn Food Bank and Auburn Consolidated Resource Center.

Reasons for the variances in the general fund between the final budget and actual results include:

- Actual General Fund revenues totaled \$85.1 million, or 11.2% above budget. Significant areas of favorable variance include sales and use taxes, which exceeded budget by \$5.0 million; criminal justice sales tax, which exceeded budget by \$581,000; building permits, which exceeded budget by \$436,000; and plan check fees, which were \$408,000 above budget. All areas of favorable variance are a factor of strong economic activity and private investment in capital within the City. Areas of unfavorable variance include interfund sewer taxes, which were \$258,000 below budget, and traffic infraction revenues, which were \$216,000 under budget.
- Actual general fund expenditures, including transfers out, totaled \$79.1 million and were under budget by \$9.3 million. Departments experienced savings due to lower than anticipated salary and benefit payments due to continued vigilance in monitoring city-wide expenditures, as well as large amounts of employee attrition. Significant areas of under-expenditure include reduced personnel costs – largely due to vacancies – and reduced professional services contracts and other miscellaneous expenditures.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets for both its governmental and business-type activities as of December 31, 2021 totaled \$658.1 million (net of accumulated depreciation), an increase of \$12.1 million from 2020. This investment in capital assets includes land, buildings, improvements, machinery and equipment, construction in progress, utility transmission/distribution systems, roads, bridges, and other infrastructure.

Major capital asset changes during the year include:

- Developer contributions resulted in an increase of \$11.4 million in utility infrastructure assets and \$6.2 million in governmental infrastructure assets.
- \$11.0 million was spent by proprietary funds on construction projects during the year. Most of this was funded with bond proceeds which were collected in a bond issued in mid-2020.
- \$11.7 million was spent by governmental funds on construction projects during the year. Some of the larger projects in the governmental funds include: \$1.3 million for 2021 Local Street Preservation, \$1.3 million for Lakeland Hills Way Preservation, \$1.1 million for F Street SE Non-motorized Improvements, \$1.0 million for Game Farm Park Improvements, \$0.8 million for Auburn Way North Preservation, Phase 3, \$0.7 million for City Street Light LED Retrofit, and \$0.6 million for Auburn Way North Preservation, Phase 2.

A summary of the City’s capital assets follows:

Summary of Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	As of 12/31/2021	As of 12/31/2020	As of 12/31/2021	As of 12/31/2020	As of 12/31/2021	As of 12/31/2020
Land	\$ 109,092,635	\$ 109,092,635	\$ 12,938,077	\$ 12,931,692	\$ 122,030,712	\$ 122,024,327
Building	48,122,923	49,646,506	1,581,086	1,681,200	49,704,009	51,327,706
Site improvements	9,948,295	9,061,716	227,899,878	219,562,982	237,848,173	228,624,698
Equipment	9,320,328	9,457,382	230,819	259,085	9,551,147	9,716,467
Intangibles	(159,251)	(371,841)	7,823,968	6,889,163	7,664,717	6,517,322
Infrastructure	217,715,902	211,948,389	-	-	217,715,902	211,948,389
Construction in progress	4,807,230	9,993,391	8,797,449	5,873,284	13,604,679	15,866,675
	<u>\$ 398,848,062</u>	<u>\$ 398,828,178</u>	<u>\$ 259,271,277</u>	<u>\$ 247,197,406</u>	<u>\$ 658,119,339</u>	<u>\$ 646,025,584</u>

More detailed information on capital assets is provided in Note 7.

Long-term Debt

At the end of the current fiscal year, the City had total net bonded debt outstanding of \$65.1 million. Of this amount, \$16.6 million is due to other governments, \$19.0 million is general obligation bonds, and \$29.5 million is revenue bonds for the water, sewer and storm utilities. The City currently maintains a rating of Aa3 with Moody’s and a rating of AA+ with Standard & Poor’s for its general obligation debt.

The following schedule summarizes the City’s bonded debt:

	Governmental Activities	Business-type Activities	Total
General obligation bonds	\$ 19,013,767	\$ -	\$ 19,013,767
Special assessment bonds	-	-	-
Revenue bonds	-	29,510,000	29,510,000
Due to other governments	\$ 16,558,066	-	16,558,066
	<u>\$ 35,571,833</u>	<u>\$ 29,510,000</u>	<u>\$ 65,081,833</u>

In addition the City has an outstanding \$6.5 million in non-bonded long-term debt with 9 separate Public Works Trust Fund and Drinking Water Loans.

Washington State law limits the amount of general obligation debt a governmental entity may issue to 7.5% of its total assessed value. Of the 7.5% limit, 2.5% is for general purposes, 2.5% is for open spaces/parks, and 2.5% is for utilities. Non-voted (limited tax) general obligation indebtedness is limited to 1.5% of assessed valuation. The combination of unlimited tax and limited tax general obligation debt for all purposes cannot exceed 7.5% of assessed valuation. Additional information can be found in note 9 and in the statistical section of this report.

Economic Factors

The past year brought a strong recovery compared to the impacts experienced in 2020 as a result of the COVID-19 pandemic. Positive economic impacts were much greater than expected. Pent up demand for goods and services and inflationary costs of goods results in strong sales and use tax revenue collections. A strong housing and rental market lead to higher than expected investments in housing and commercial investments in the City. Real property values, which had finally recovered to pre-recession levels by 2016, continued to grow and assessed valuation grew an additional

6.8% in 2021. Property tax receipts grew by 3.5%, which was almost exclusively attributed to “catch-up” from tax collected on new construction from the prior year.

While economic recovery remained strong though 2021, there are many fears of an impending recession fueled by high rates of inflation triggered by increasing labor costs, scarcity of goods, and continued increases by the federal reserve. The City is considering the strong revenue activity in 2021 as short-term and will be leveraging the increased revenue towards one-time uses. Prior to experiencing the strong economic conditions of 2021, the City was facing a fiscal imbalance (expenditure growth outpacing revenue growth) in the next two biennium. While 2021 has provided a slight reprieve, this imbalance is expected to return if smart fiscal policies and spending are not adhered to and/or new funding sources are not considered. Therefore, the City remains cautious and continues to vigilantly monitor and control its expenditures in order to live within the City's means.

Requests for Information

This financial report is designed to provide a general overview of the City of Auburn's finances for readers with an interest in the City's finances. Questions concerning this report, or requests for additional information, may be addressed to the Finance Director, City of Auburn, 25 West Main Street, Auburn WA 98001-4998.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

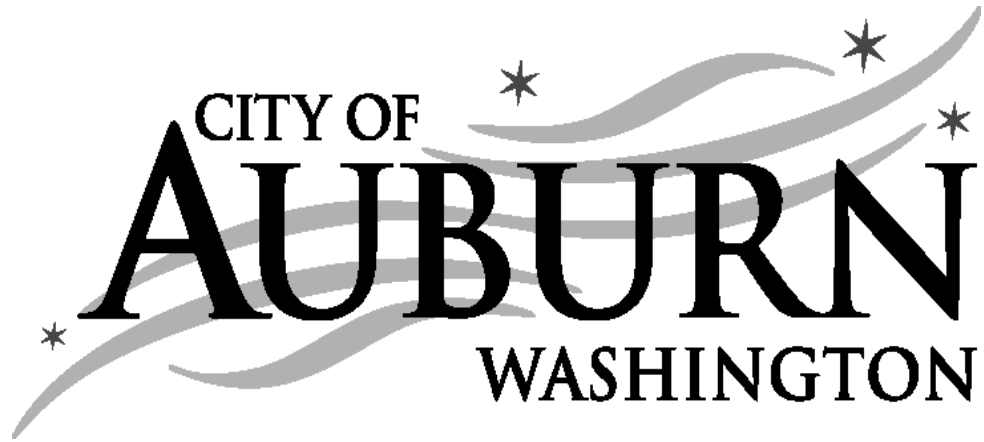
The City presents two government-wide financial statements.

The Statement of Net Position

This statement provides information all on city assets, liabilities, and deferred outflows/inflows of resources with the net difference reported as net position.

The Statement of Activities

This statement is focused on both the gross and net cost of various functions, including both governmental and business-type activities. The governmental activities are principally supported by taxes and intergovernmental revenues. The business-type activities are intended to recover all, or a significant portion, of their costs through user fees and charges.



City of Auburn, Washington
STATEMENT OF NET POSITION
 December 31, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents (Note 3)	\$ 63,701,259	\$ 63,049,745	\$ 126,751,004
Investments (Note 3)	25,326,050	4,951,200	30,277,250
Receivables			
Taxes	322,466	-	322,466
Customer Accounts	790,478	7,904,027	8,694,505
Other Receivables	2,701,700	7,104	2,708,804
Due From Other Governmental Units (Note 6)	4,123,266	1,438,109	5,561,375
Internal Balances	(613,080)	613,080	-
Materials and Supplies Inventory	418,454	318,983	737,437
Restricted Assets:			
Temporarily Restricted:			
Cash and Cash Equivalents (Note 3)	23,038,611	10,993,360	34,031,971
Due From Other Governmental Units (Note 6)	1,676,826	-	1,676,826
Permanently Restricted:			
Cash and Cash Equivalents (Note 3)	2,010,357	-	2,010,357
Prepays	109,354	-	109,354
Long-Term Contracts and Notes	-	600,900	600,900
Net Pension Asset (Note 9)	41,642,366	6,347,190	47,989,556
Investment in Joint Ventures (Note 14)	38,625,411	-	38,625,411
Depreciable Capital Assets (Net of Accumulated Depreciation) (Note 7)	284,948,197	229,711,783	514,659,980
Non-Depreciable Capital Assets (Note 7)	113,899,865	29,559,494	143,459,359
Total Assets	602,721,580	355,494,975	958,216,555
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Outflows from Bond Refunding	543,510	142,317	685,827
Deferred Outflows related to Pensions (Note 9)	3,424,820	890,477	4,315,297
Total Deferred Outflow of Resources	3,968,330	1,032,794	5,001,124
LIABILITIES:			
Accounts Payable	6,713,240	7,999,080	14,712,320
Other Liabilities Payable	351,210	-	351,210
Payable From Restricted Assets:			
Accrued Interest	-	1,462,084	1,462,084
Deposits	-	285,517	285,517
Unearned Revenue	5,802,647	-	5,802,647
Bonds and Other Debt Payable:			
Due Within One Year (Note 8)	3,870,836	3,044,153	6,914,989
Due in More Than One Year (Note 8)	25,342,133	36,481,401	61,823,534
Due to Other Governmental Units:			
Due Within One Year (Note 8)	669,101	-	669,101
Due in More Than One Year (Note 8)	15,888,965	-	15,888,965
Other Non-Current Liabilities:			
Net Pension Liability (Note 9)	1,026,840	1,136,662	2,163,502
Total Firemen's Pension Liability (Note 9)	3,049,730	-	3,049,730
Total OPEB Liability (Note 10)	13,370,311	-	13,370,311
Total Liabilities	76,085,013	50,408,897	126,493,910
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows related to Pensions (Note 9)	29,760,671	6,800,333	36,561,004
Total Deferred Inflows of Resources	29,760,671	6,800,333	36,561,004
NET POSITION			
Net Investment in Capital Assets	373,890,921	228,161,102	602,052,023
Restricted:			
Capital Projects	34,399,207	-	34,399,207
Nonexpendable Permanent Endowment	2,010,357	-	2,010,357
Debt Service	3,828	1,201,412	1,205,240
Tourist Promotion	433,129	-	433,129
Drug Investigation and Enforcement	1,058,013	-	1,058,013
Community Development Block Grant Program	42,842	-	42,842
Central Business District Development	186,016	-	186,016
Rate Stabilization	-	438,483	438,483
Unrestricted	88,819,913	69,517,542	158,337,455
Total Net Position	\$ 500,844,225	\$ 299,318,539	\$ 800,162,764

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

City of Auburn, Washington
STATEMENT OF ACTIVITIES
 For the Year Ended December 31, 2021

Page 1 of 2

	Expenses	Program Revenues		
		Charges for Services and Fines	Operating Grants and Contributions	Capital Grants and Contributions
FUNCTIONS / PROGRAMS:				
Primary Government				
Governmental Activities:				
General Government	\$ 12,837,356	\$ 4,545,962	\$ 2,132,101	\$ -
Public Safety	32,440,701	2,612,840	2,272,347	9,754
Transportation	18,469,045	4,239,115	-	9,389,782
Physical Environment	2,992,107	719,487	-	621,162
Culture and Recreation	12,332,974	3,409,793	127,395	546,355
Economic Environment	3,664,340	3,248,829	346,108	498,954
Health and Human Resources	2,107,798	-	-	772,141
Interest on Long-Term Debt	651,329	-	-	-
	<u>85,495,650</u>	<u>18,776,026</u>	<u>4,877,951</u>	<u>11,838,148</u>
Business-Type Activities				
Water	13,624,963	15,879,799	-	5,382,110
Sanitary Sewer	26,829,991	27,402,561	-	2,653,740
Storm Drainage	9,545,696	10,591,890	-	5,364,962
Solid Waste	18,383,884	16,233,094	-	-
Nonmajor Business-Type Activities	3,081,240	3,580,012	-	-
	<u>71,465,774</u>	<u>73,687,356</u>	<u>-</u>	<u>13,400,812</u>
Total Primary Government	<u>\$ 156,961,424</u>	<u>\$ 92,463,382</u>	<u>\$ 4,877,951</u>	<u>\$ 25,238,960</u>
General Revenues:				
Taxes:				
Property				
Retail Sales and Use				
Interfund Utility				
Utility				
Excise				
Other				
Investment Earnings				
Other Revenues				
Gain on Sale of Capital Assets				
Contributions to Endowment Funds				
Transfers (Note 5)				
Total General Revenues				
Change in Net Position				
Net Position, January 1				
Net Position, December 31				

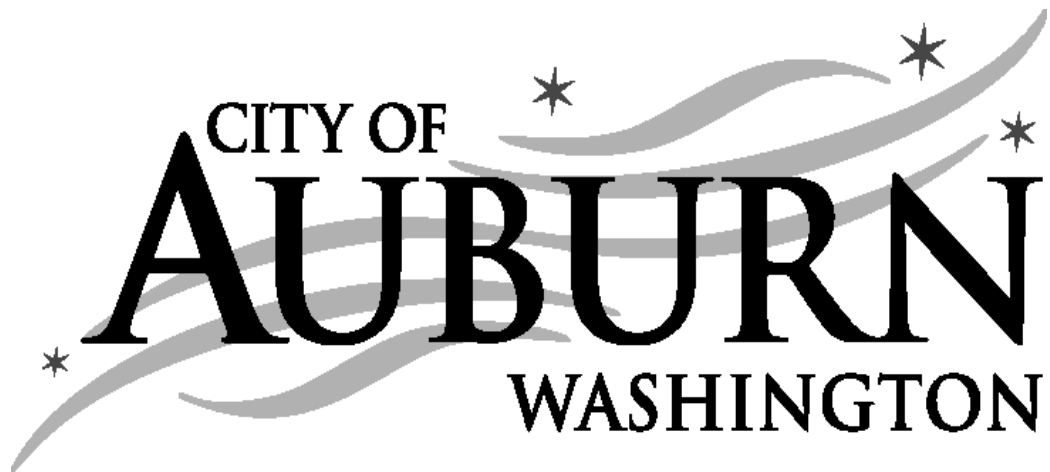
The notes to the basic financial statements are an integral part of this statement.

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Net (Expense) Revenue and
Changes in Net Position

Governmental Activities	Business-Type Activity	Total
\$ (6,159,293)	\$ -	\$ (6,159,293)
(27,545,760)	-	(27,545,760)
(4,840,148)	-	(4,840,148)
(1,651,458)	-	(1,651,458)
(8,249,431)	-	(8,249,431)
429,551	-	429,551
(1,335,657)	-	(1,335,657)
(651,329)	-	(651,329)
<u>(50,003,525)</u>	<u>-</u>	<u>(50,003,525)</u>
-	7,636,946	7,636,946
-	3,226,310	3,226,310
-	6,411,156	6,411,156
-	(2,150,790)	(2,150,790)
-	498,772	498,772
-	15,622,394	15,622,394
<u>\$ (50,003,525)</u>	<u>\$ 15,622,394</u>	<u>\$ (34,381,131)</u>
\$ 23,458,850	\$ -	\$ 23,458,850
25,289,050	-	25,289,050
7,101,829	-	7,101,829
9,521,243	-	9,521,243
6,463,047	-	6,463,047
5,031,185	-	5,031,185
(114,738)	17,401	(97,337)
416,066	277,871	693,937
73,772	-	73,772
82,175	-	82,175
395,869	(395,869)	-
<u>77,718,348</u>	<u>(100,597)</u>	<u>77,617,751</u>
27,714,823	15,521,797	43,236,620
<u>473,129,402</u>	<u>283,796,742</u>	<u>756,926,144</u>
<u>\$ 500,844,225</u>	<u>\$ 299,318,539</u>	<u>\$ 800,162,764</u>



MAJOR GOVERNMENTAL FUNDS

General Fund

The general fund accounts for all of the City's financial resources except those required by statute or generally accepted accounting principles to be accounted for in another fund. As is the case with most municipalities, the general fund is the largest and most important accounting entity of the City. As noted in the statements that follow, the general fund receives the bulk of its revenues from local taxes, followed by State shared revenues, service charges, and other income.

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

Arterial Street Fund

This fund is supported by the State of Washington's motor vehicle fuel tax and by various grants and is used for major street construction.

Capital Improvement Projects Fund

This fund accounts for major capital acquisitions, and streets and parks construction projects.

City of Auburn, Washington
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2021

	General Fund	Arterial Street	Capital Improvement	Other Governmental Funds	Total Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 20,983,360	\$ 2,344,824	\$ 12,967,701	\$ 34,163,455	\$ 70,459,340
Investments (Note 3)	24,271,875	-	1,054,175	-	25,326,050
Receivables:					
Taxes	322,466	-	-	-	322,466
Customer Accounts	677,831	22,499	-	5,588	705,918
Other Receivables	2,583,170	-	-	52,571	2,635,741
Interfund Receivable (Note 5)	150,000	-	-	-	150,000
Inventories	49,674	-	-	-	49,674
Due From Other Governmental Units (Note 6)	3,936,109	656,921	365,010	654,895	5,612,935
Total Assets	<u>52,974,485</u>	<u>3,024,244</u>	<u>14,386,886</u>	<u>34,876,509</u>	<u>105,262,124</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:					
Liabilities:					
Current Payables	3,333,163	313,756	303,968	721,429	4,672,316
Customer Deposits	207,488	-	-	-	207,488
Municipal Court Payable	-	-	-	-	-
Matured Bonds Payable	-	-	-	-	-
Interfund Payable (Note 5)	-	-	-	150,000	150,000
Other Liabilities Payable	14,797	-	-	-	14,797
Unearned Revenue	-	-	-	5,802,647	5,802,647
Total Liabilities	<u>3,555,448</u>	<u>313,756</u>	<u>303,968</u>	<u>6,674,076</u>	<u>10,847,248</u>
Deferred Inflow of Resources:					
Unavailable Revenue-Other	1,518,332	-	-	-	1,518,332
Total Deferred Inflow of Resources	<u>1,518,332</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,518,332</u>
Fund Balances: (Note 1)					
Nonspendable	49,674	-	-	-	49,674
Nonspendable Permanent Endowment	-	-	-	2,010,357	2,010,357
Restricted	-	2,710,488	13,401,585	20,010,962	36,123,035
Committed	-	-	-	5,283,101	5,283,101
Assigned	9,204,036	-	681,333	898,013	10,783,382
Unassigned	38,646,995	-	-	-	38,646,995
Total Fund Balances:	<u>47,900,705</u>	<u>2,710,488</u>	<u>14,082,918</u>	<u>28,202,433</u>	<u>92,896,544</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 52,974,485</u>	<u>\$ 3,024,244</u>	<u>\$ 14,386,886</u>	<u>\$ 34,876,509</u>	<u>\$ 105,262,124</u>

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

City of Auburn, Washington
RECONCILIATION OF BALANCE SHEET OF GOVERNMENT FUNDS TO THE STATEMENT OF NET POSITION
 December 31, 2021

Total governmental fund balances as reported on this statement		\$ 92,896,544
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore not reported in the governmental funds.		389,962,344
Other non-current assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Investment in Joint Ventures	22,067,345	
Prepays	109,354	
Interest receivable on investments	65,959	
Net pension asset	36,099,096	58,341,754
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as unavailable revenue in the governmental funds.		
Unavailable revenue beyond the city's 30-day measurable and available period	1,518,332	1,518,332
Internal service funds are used by management to charge the cost of certain activities, such as insurance, fleet maintenance and information technology, to individual funds. The assets and liabilities of these internal service funds are included in governmental activities in the statement of net position.		24,952,156
Some liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Bonds and loans payable	(21,916,309)	
Premium on bonds payable	(3,584,342)	
Deferred amount on bond refunding	543,510	
Deferred amounts related to pensions	(24,042,333)	
Interest payable	(128,925)	
Net pension liability	(927,902)	
Total OPEB liability	(13,370,311)	
Compensated absences payable	(3,400,293)	(66,826,905)
Net position of government activities as reported on the statement of net position		\$ 500,844,225

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

City of Auburn, Washington
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2021

	General Fund	Arterial Street	Capital Improvement	Other Governmental Funds	Total Governmental Funds
REVENUES:					
Taxes:					
Property	\$ 23,234,591	\$ -	\$ -	\$ 246,303	\$ 23,480,894
Retail Sales & Use	25,028,855	-	-	260,195	25,289,050
Interfund Utility	6,390,281	-	-	711,548	7,101,829
Utility	8,136,281	-	-	1,384,962	9,521,243
Excise	365,128	-	5,948,593	149,326	6,463,047
Other	-	-	-	41,621	41,621
Licenses and Permits	2,937,103	43,000	-	-	2,980,103
Intergovernmental	7,085,148	2,502,822	328,490	3,854,575	13,771,035
Charges for Services	8,450,170	939,047	65,000	2,982,938	12,437,155
Fines and Forfeitures	434,042	-	-	-	434,042
Special Assessments	-	-	-	591	591
Investment Earnings	(224,873)	1,302	8,936	27,020	(187,615)
Miscellaneous	1,332,170	-	444,620	450,386	2,227,176
Total Revenues	<u>83,168,896</u>	<u>3,486,171</u>	<u>6,795,639</u>	<u>10,109,465</u>	<u>103,560,171</u>
EXPENDITURES:					
Current:					
General Government	12,941,762	-	-	196,596	13,138,358
Security of Persons and Property	38,126,303	-	-	862,753	38,989,056
Physical Environment	3,985,974	-	-	-	3,985,974
Transportation	3,815,547	3,593,250	20	5,422,197	12,831,014
Economic Environment	3,093,508	-	-	1,146,920	4,240,428
Health and Human Services	2,192,261	-	-	-	2,192,261
Culture and Recreation	11,953,562	-	-	-	11,953,562
Debt Service:					
Principal	-	197,376	-	1,041,802	1,239,178
Interest and Other Costs	-	9,357	-	838,272	847,629
Capital Outlay	93,293	-	1,704,504	1,157,898	2,955,695
Total Expenditures	<u>76,202,210</u>	<u>3,799,983</u>	<u>1,704,524</u>	<u>10,666,438</u>	<u>92,373,155</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>6,966,686</u>	<u>(313,812)</u>	<u>5,091,115</u>	<u>(556,973)</u>	<u>11,187,016</u>
OTHER FINANCING SOURCES (USES):					
Insurance Recoveries	416,066	-	-	-	416,066
Transfers In (Note 5)	1,538,371	740,225	2,472,305	4,952,339	9,703,240
Transfers Out (Note 5)	(2,959,642)	-	(3,764,829)	(2,283,457)	(9,007,928)
Total Other Financing Sources and Uses	<u>(1,005,205)</u>	<u>740,225</u>	<u>(1,292,524)</u>	<u>2,668,882</u>	<u>1,111,378</u>
Net Change in Fund Balances	<u>5,961,481</u>	<u>426,413</u>	<u>3,798,591</u>	<u>2,111,909</u>	<u>12,298,394</u>
Fund Balances - January 1, as Previously Reported	<u>41,939,224</u>	<u>2,284,075</u>	<u>10,284,327</u>	<u>26,090,524</u>	<u>80,598,150</u>
Fund Balances - Ending	<u>\$ 47,900,705</u>	<u>\$ 2,710,488</u>	<u>\$ 14,082,918</u>	<u>\$ 28,202,433</u>	<u>\$ 92,896,544</u>

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

City of Auburn, Washington
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES OF GOVERNMENT FUNDS TO THE STATEMENT OF ACTIVITIES**
 For the Year Ended December 31, 2021

Net change in fund balances per the Statement of Revenues, Expenditures and Changes in Fund Balance		\$ 12,298,394
Amount reported as change in net position in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay (\$11,384,133) exceeded depreciation (\$17,373,855) in the current period.		(5,989,722)
Certain Capital and Joint Venture activities do not use or provide current financial resources but increase net position.		1,865,575
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:		
Property taxes	(22,044)	
Special assessments	(892)	
Other unavailable revenue	221,306	
Amortization of bond premium	190,426	
Investment interest receivable	59,419	
	448,215	
Developer contributions and annexation of infrastructure assets are reported as revenue in the statement of activities, but do not provide current financial resources and are not reported as fund revenue.		6,240,373
Repayment of the principal of long-term debt consumes the current financial resources of governmental funds but has no effect on the net position.		1,239,178
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet maintenance, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.		1,125,128
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Amortization of prepaids	(109,354)	
Change in accrued interest payable	5,874	
Change in net pension obligation or asset	10,339,169	
Change in total OPEB liability	1,414,562	
Change in compensated absences payable	(1,162,569)	
	10,487,682	
Change in net position on the Statement of Activities		\$ 27,714,823

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

City of Auburn, Washington
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2021

	Budget Amounts		Actual Results	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis)	Final Adopted (GAAP Basis)		
REVENUES:				
Taxes:				
Property	\$ 22,842,300	\$ 22,842,300	\$ 23,234,591	\$ 392,291
Retail Sales & Use	19,334,400	19,334,400	25,028,855	5,694,455
Interfund Utility	6,471,400	6,471,400	6,390,281	(81,119)
Utility	7,934,900	7,934,900	8,136,281	201,381
Excise	517,000	517,000	365,128	(151,872)
Licenses and Permits	2,029,400	2,029,400	2,937,103	907,703
Intergovernmental	4,320,220	5,927,620	6,986,777	1,059,157
Charges for Services	7,497,790	7,707,790	8,450,170	742,380
Fines and Forfeitures	722,200	722,200	434,042	(288,158)
Investment Earnings	138,800	138,800	(156,027)	(294,827)
Miscellaneous	875,300	1,045,400	1,332,169	286,769
Total Revenues	<u>72,683,710</u>	<u>74,671,210</u>	<u>83,139,370</u>	<u>8,468,160</u>
EXPENDITURES:				
Current:				
General Government	14,855,110	15,127,542	12,941,762	2,185,780
Security of Persons and Property	39,594,997	41,386,078	37,929,291	3,456,787
Physical Environment	3,967,870	4,162,870	3,985,974	176,896
Transportation	4,092,068	3,992,068	3,815,547	176,521
Economic Environment	4,464,315	3,527,956	3,093,508	434,448
Health and Human Services	991,009	2,472,855	2,192,261	280,594
Culture and Recreation	13,789,408	14,335,608	11,953,562	2,382,046
Capital Outlay	98,000	98,000	93,293	4,707
Total Expenditures	<u>81,852,777</u>	<u>85,102,977</u>	<u>76,005,198</u>	<u>9,097,779</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,169,067)</u>	<u>(10,431,767)</u>	<u>7,134,172</u>	<u>17,565,939</u>
OTHER FINANCING SOURCES (USES):				
Insurance Recoveries	25,000	100,000	416,066	316,066
Transfers In (Note 5)	162,000	1,595,900	1,538,372	(57,528)
Transfers Out (Note 5)	(441,300)	(5,076,300)	(4,959,642)	116,658
Total Other Financing Sources and Uses	<u>(254,300)</u>	<u>(3,380,400)</u>	<u>(3,005,204)</u>	<u>375,196</u>
Net Change in Fund Balances	<u>(9,423,367)</u>	<u>(13,812,167)</u>	<u>4,128,968</u>	<u>17,941,135</u>
Fund Balances - Beginning	<u>19,948,152</u>	<u>31,228,400</u>	<u>31,228,400</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 10,524,785</u>	<u>\$ 17,416,233</u>	<u>\$ 35,357,368</u>	<u>\$ 17,941,135</u>

**RECONCILIATION OF PERSPECTIVE DIFFERENCE BETWEEN BUDGETARY INFORMATION AND
GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP):**

The Cumulative Reserve Fund is combined with the General Fund for purposes of GASB Statement 54	10,553,767
The Fire, Relief & Pension Fund is combined with the General Fund for purposes of GASB Statement 73	<u>1,989,570</u>
Fund Balance - Ending (GAAP)	<u>\$ 47,900,705</u>

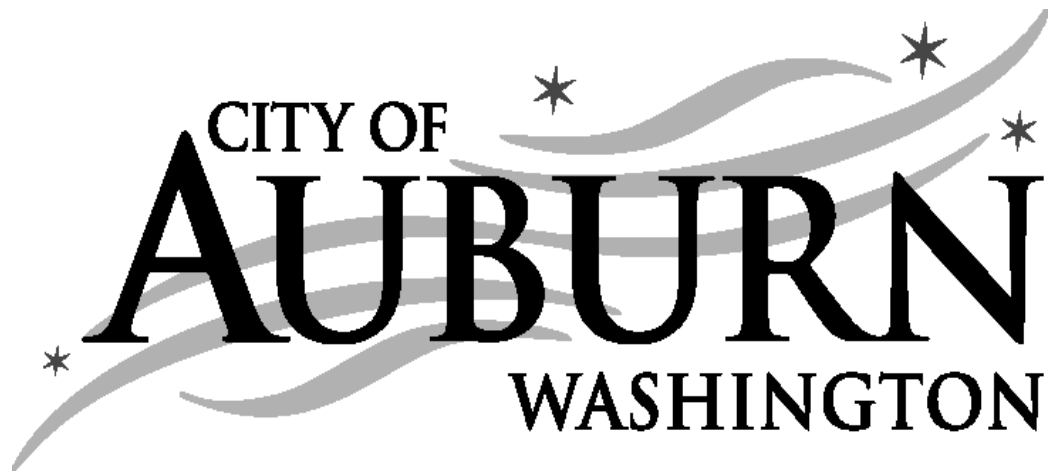
The notes to the basic financial statements are an integral part of this statement.

City of Auburn, Washington
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ARTERIAL STREET FUND

For the Year Ended December 31, 2021

	Budget Amounts		Actual Results	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis)	Final Adopted (GAAP Basis)		
REVENUES:				
Licenses and Permits	\$ -	\$ -	\$ 43,000	\$ 43,000
Intergovernmental	\$2,193,730	\$4,753,488	\$2,502,822	(\$2,250,666)
Charges for Services	500,000	700,000	939,047	239,047
Investment Earnings	6,200	6,200	1,302	(4,898)
Total Revenues	<u>2,699,930</u>	<u>5,459,688</u>	<u>3,486,171</u>	<u>(1,973,517)</u>
EXPENDITURES:				
Current:				
Transportation	5,329,030	10,276,648	3,593,250	6,683,398
Debt Service				
Principal	197,400	197,400	197,376	24
Interest and Other Costs	9,500	9,500	9,357	143
Total Expenditures	<u>5,535,930</u>	<u>10,483,548</u>	<u>3,799,983</u>	<u>6,683,565</u>
Excess (Deficiency) of Revenues Over (Under Expenditures)	<u>(2,836,000)</u>	<u>(5,023,860)</u>	<u>(313,812)</u>	<u>4,710,048</u>
OTHER FINANCING SOURCES (USES):				
Transfers In (Note 5)	2,248,150	3,296,915	740,225	(2,556,690)
Total Other Financing Sources and Uses	<u>2,248,150</u>	<u>3,296,915</u>	<u>740,225</u>	<u>(2,556,690)</u>
Net Change in Fund Balances	<u>(587,850)</u>	<u>(1,726,945)</u>	<u>426,413</u>	<u>2,153,358</u>
Fund Balances - Beginning	1,015,159	2,284,075	2,284,075	-
Fund Balances - Ending	<u>\$ 427,309</u>	<u>\$ 557,130</u>	<u>\$ 2,710,488</u>	<u>\$ 2,153,358</u>

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



MAJOR PROPRIETARY FUNDS

ENTERPRISE FUNDS

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

The Water Fund

This fund accounts for all maintenance, construction, and debt service requirements associated with Auburn's water system.

The Sanitary Sewer Fund

This fund accounts for maintenance, construction, and debt requirements for Auburn's sanitary sewer system.

The Storm Drainage Fund

This fund accounts for the maintenance, construction and debt service requirements of Auburn's storm drainage system.

The Solid Waste Fund

Garbage collection services for the City are accounted for in this fund, supported almost entirely by garbage collection fees. Expenses include payment to the City's garbage contractor and other service charges.

City of Auburn, Washington
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
 December 31, 2021

	Enterprise Funds					Governmental Activities	
	Water	Sanitary Sewer	Storm Drainage	Solid Waste	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
ASSETS:							
Current Assets							
Cash and Cash Equivalents	\$ 14,719,905	\$ 20,799,254	\$ 16,904,318	\$ 7,470,754	\$ 3,155,514	\$ 63,049,745	\$ 18,290,887
Investments	-	-	4,951,200	-	-	4,951,200	-
Restricted Cash:							
Bond Payments	2,246,000	438,395	657,541	-	-	3,341,936	-
Customer Deposits	91,672	61,527	3,422	-	128,896	285,517	-
Other	5,987,879	295,639	1,082,389	-	-	7,365,907	-
Customer Accounts	2,007,050	4,146,223	1,611,351	127,448	11,955	7,904,027	84,560
Other Receivables	-	-	7,104	-	-	7,104	-
Due From Other Governmental Units	10,000	-	109,161	1,259,601	59,347	1,438,109	187,157
Inventories	242,192	13,059	9,597	-	54,135	318,983	368,780
Total Current Assets	25,304,698	25,754,097	25,336,083	8,857,803	3,409,847	88,662,528	18,931,384
Noncurrent Assets							
Long-Term Contracts and Notes	-	600,900	-	-	-	600,900	-
Net Pension Asset	2,266,854	1,360,112	2,040,168	-	680,056	6,347,190	2,493,540
Capital Assets:							
Land	1,283,524	1,695,023	5,937,014	-	4,022,516	12,938,077	-
Intangible - Water Rights	7,823,968	-	-	-	-	7,823,968	-
Buildings and Equipment	2,509,599	1,304,180	282,111	496,618	4,101,062	8,693,570	28,423,633
Improvements Other Than Buildings	159,207,726	113,189,587	89,739,833	-	15,517,893	377,655,039	483,114
Construction in Progress	6,918,228	865,150	980,569	-	33,502	8,797,449	65,641
Less: Accumulated Depreciation	(69,396,109)	(40,839,968)	(34,720,930)	(496,618)	(11,183,201)	(156,636,826)	(20,086,670)
Total Capital Assets (Net of A/D)	108,346,936	76,213,972	62,218,597	-	12,491,772	259,271,277	8,885,718
Total Noncurrent Assets	110,613,790	78,174,984	64,258,765	-	13,171,828	266,219,367	11,379,258
Total Assets	135,918,488	103,929,081	89,594,848	8,857,803	16,581,675	354,881,895	30,310,642
DEFERRED OUTFLOW OF RESOURCES:							
Deferred Outflow from Bond Refunding	78,146	34,939	29,232	-	-	142,317	-
Deferred Outflow related to Pensions	309,166	193,419	286,842	49,420	51,630	890,477	315,165
	387,312	228,358	316,074	49,420	51,630	1,032,794	315,165
LIABILITIES:							
Current Liabilities:							
Current Payables	1,627,369	612,294	626,924	5,068,571	63,922	7,999,080	1,175,924
Claims Payable (Incurred but not Reported)	-	-	-	-	-	-	865,000
Loans Payable - Current	250,914	288,262	-	-	-	539,176	-
Employee Leave Benefits - Current	172,872	153,048	199,603	-	39,455	564,978	217,769
Revenue Bonds Payable - Current	1,268,753	244,273	426,973	-	-	1,939,999	-
Payable From Restricted Assets:							
Accrued Interest	1,065,376	146,794	249,914	-	-	1,462,084	-
Deposits	91,672	61,527	3,422	-	128,896	285,517	-
Total Current Liabilities	4,476,956	1,506,198	1,506,836	5,068,571	232,273	12,790,834	2,258,693
Noncurrent Liabilities							
Employee Leave Benefits	74,823	66,243	86,394	-	17,077	244,537	94,256
Loans Payable	2,108,418	937,360	-	-	-	3,045,778	-
Revenue Bonds Payable	24,596,375	3,030,092	5,564,619	-	-	33,191,086	-
Net Pension Liability	1,216,710	167,400	(122,090)	87,217	(212,575)	1,136,662	98,938
Total Noncurrent Liabilities	27,996,326	4,201,095	5,528,923	87,217	(195,498)	37,618,063	193,194
Total Liabilities	32,473,282	5,707,293	7,035,759	5,155,788	36,775	50,408,897	2,451,887
DEFERRED INFLOW OF RESOURCES:							
Deferred Inflow related to Pensions	2,450,098	1,466,564	2,170,553	67,602	645,516	6,800,333	2,608,684
NET POSITION:							
Net Investment in Capital Assets:	86,632,404	72,152,380	56,884,546	-	12,491,772	228,161,102	8,885,718
Restricted for:							
Debt Service	658,575	148,845	393,992	-	-	1,201,412	-
Rate Stabilization	-	-	438,483	-	-	438,483	-
Unrestricted	14,091,441	24,682,357	22,987,589	3,683,833	3,459,242	68,904,462	16,679,518
Total Net Position	\$ 101,382,420	\$ 96,983,582	\$ 80,704,610	\$ 3,683,833	\$ 15,951,014	\$ 298,705,459	\$ 25,565,236

Adjustment to reflect the consolidation of internal service funds related to enterprise funds
 613,080
 Net position of business-type activities \$ 299,318,539

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

City of Auburn, Washington
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2021

	Enterprise Funds					Governmental Activities	
	Water	Sanitary Sewer	Storm Drainage	Solid Waste	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
OPERATING REVENUES:							
Charges of Services	\$ 15,879,799	\$ 27,402,561	\$ 10,591,890	\$ 16,233,094	\$ 2,595,566	\$ 72,702,910	\$ 15,069,104
Other Operating Revenue	-	-	-	-	984,446	984,446	88,891
Total Operating Revenue	<u>15,879,799</u>	<u>27,402,561</u>	<u>10,591,890</u>	<u>16,233,094</u>	<u>3,580,012</u>	<u>73,687,356</u>	<u>15,157,995</u>
OPERATING EXPENSES:							
Operations & Maintenance	3,912,937	19,244,065	4,150,264	15,829,877	1,973,054	45,110,197	10,602,127
Administration	5,221,782	5,455,736	3,109,673	2,554,007	407,814	16,749,012	1,078,827
Depreciation / Amortization	3,826,387	2,382,652	2,133,233	-	670,729	9,013,001	1,834,451
Other Operating Expenses	-	-	-	-	29,643	29,643	-
Total Operating Expenses	<u>12,961,106</u>	<u>27,082,453</u>	<u>9,393,170</u>	<u>18,383,884</u>	<u>3,081,240</u>	<u>70,901,853</u>	<u>13,515,405</u>
Operating Income (Loss)	<u>2,918,693</u>	<u>320,108</u>	<u>1,198,720</u>	<u>(2,150,790)</u>	<u>498,772</u>	<u>2,785,503</u>	<u>1,642,590</u>
NON-OPERATING REVENUE (EXPENSE):							
Interest Revenue	22,790	21,240	(34,640)	5,111	2,900	17,401	16,922
Other Non-Operating Revenue	26,542	765	102,214	38,590	109,760	277,871	118,851
Gain/(Loss) on Sale of Capital Assets	-	-	-	-	-	-	(28,785)
Interest Expense	(663,857)	(72,545)	(152,526)	-	-	(888,928)	-
Total Non-Operating Revenue (Expense)	<u>(614,525)</u>	<u>(50,540)</u>	<u>(84,952)</u>	<u>43,701</u>	<u>112,660</u>	<u>(593,656)</u>	<u>106,988</u>
Income (Loss) Before Contributions & Transfers	<u>2,304,168</u>	<u>269,568</u>	<u>1,113,768</u>	<u>(2,107,089)</u>	<u>611,432</u>	<u>2,191,847</u>	<u>1,749,578</u>
Capital Contribution	5,382,110	2,653,740	5,364,962	-	-	13,400,812	-
Transfers In (Note 5)	-	-	-	-	-	-	498,507
Transfers Out (Note 5)	(119,472)	(91,086)	(155,972)	-	(29,339)	(395,869)	(797,950)
Change in Net Position	<u>7,566,806</u>	<u>2,832,222</u>	<u>6,322,758</u>	<u>(2,107,089)</u>	<u>582,093</u>	<u>15,196,790</u>	<u>1,450,135</u>
Net Position, January 1	93,815,614	94,151,360	74,381,852	5,790,922	15,368,921	283,508,669	24,115,101
Net Position, December 31	<u>\$ 101,382,420</u>	<u>\$ 96,983,582</u>	<u>\$ 80,704,610</u>	<u>\$ 3,683,833</u>	<u>\$ 15,951,014</u>	<u>\$ 298,705,459</u>	<u>\$ 25,565,236</u>

Change in net position from this statement	15,196,790
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	325,007
Change in net position of business-type activities	<u>\$ 15,521,797</u>

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

City of Auburn, Washington
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended December 31, 2021

Page 1 of 2

	Water	Sanitary Sewer	Storm Drainage	Solid Waste	Non Major Enterprise Funds	Total	Government Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:							
Cash Received from Users	\$ 15,990,058	\$ 27,338,991	\$ 10,686,209	\$ 18,786,954	\$ 4,044,694	\$ 76,846,906	\$ 15,180,595
Cash Paid to Suppliers for Goods & Services	(4,829,984)	(22,430,302)	(3,182,891)	(14,570,280)	(1,539,432)	(46,552,889)	(7,286,611)
Cash Paid for Taxes	-	-	-	-	(29,671)	(29,671)	-
Cash Paid to Employees	(4,498,920)	(3,003,678)	(4,473,965)	(561,610)	(1,170,980)	(13,709,153)	(5,347,164)
Other Cash Received	25,463	765	5,574	-	3,139	34,941	8,718
Net Cash Provided (Used) by Operating Activities	6,686,617	1,905,776	3,034,927	3,655,064	1,307,750	16,590,134	2,555,538
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Interfund Loan Payable	-	-	-	-	(425,000)	(425,000)	-
Operating Grant	(10,000)	-	59,602	(1,169,424)	106,621	(1,013,201)	-
Transfers In	-	-	-	-	-	-	498,507
Transfers Out	(119,472)	(91,086)	(155,972)	-	(29,339)	(395,869)	(797,950)
Net Cash Provided (Used) by Noncapital Financing Activities	(129,472)	(91,086)	(96,370)	(1,169,424)	(347,718)	(1,834,070)	(299,443)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Proceeds from Sale of Equipment	-	-	-	-	-	-	295,219
Purchase of Capital Assets	(6,886,858)	(1,591,318)	(1,152,411)	-	(48,163)	(9,678,750)	(1,927,688)
Contributed Capital	690,769	413,631	888,290	-	-	1,992,690	-
Proceeds from Other Governments	-	22,500	-	-	-	22,500	-
Proceeds from Insurance Settlement	1,079	-	-	-	-	1,079	110,133
Principal Payment on Debt	(1,693,345)	(521,487)	(411,430)	-	-	(2,626,262)	-
Interest Payment on Debt	(1,049,101)	(152,844)	(248,406)	-	-	(1,450,351)	-
Net Cash Provided (Used) for Capital and Related Financing Activities	(8,937,456)	(1,829,518)	(923,957)	-	(48,163)	(11,739,094)	(1,522,336)
CASH FLOW FROM INVESTING ACTIVITIES:							
Proceeds from Sale of Investments	-	4,521,754	2,729,581	-	-	7,251,335	-
Purchase of Investments	-	-	(5,013,870)	-	-	(5,013,870)	-
Interest Received	22,790	21,240	28,030	5,111	2,900	80,071	16,922
Net Cash Provided (Used) in Investing Activities	22,790	4,542,994	(2,256,259)	5,111	2,900	2,317,536	16,922
Net Increase (Decrease) in Cash and Cash Equivalents	(2,357,521)	4,528,166	(241,659)	2,490,751	914,769	5,334,506	750,681
Cash and Cash Equivalents - Beginning of Year	25,402,977	17,066,649	18,889,329	4,980,003	2,369,641	68,708,599	17,540,206
Cash and Cash Equivalents - End of Year	\$ 23,045,456	\$ 21,594,815	\$ 18,647,670	\$ 7,470,754	\$ 3,284,410	\$ 74,043,105	\$ 18,290,887
CASH AT END OF YEAR CONSISTS OF:							
Cash and Cash Equivalents	14,719,905	20,799,254	16,904,318	7,470,754	3,155,514	63,049,745	18,290,887
Restricted Cash - Bond Payments	2,246,000	438,395	657,541	-	-	3,341,936	-
Restricted Cash - Customer Deposits	91,672	61,527	3,422	-	128,896	285,517	-
Restricted Cash - Other	5,987,879	295,639	1,082,389	-	-	7,365,907	-
Total Cash	\$ 23,045,456	\$ 21,594,815	\$ 18,647,670	\$ 7,470,754	\$ 3,284,410	\$ 74,043,105	\$ 18,290,887

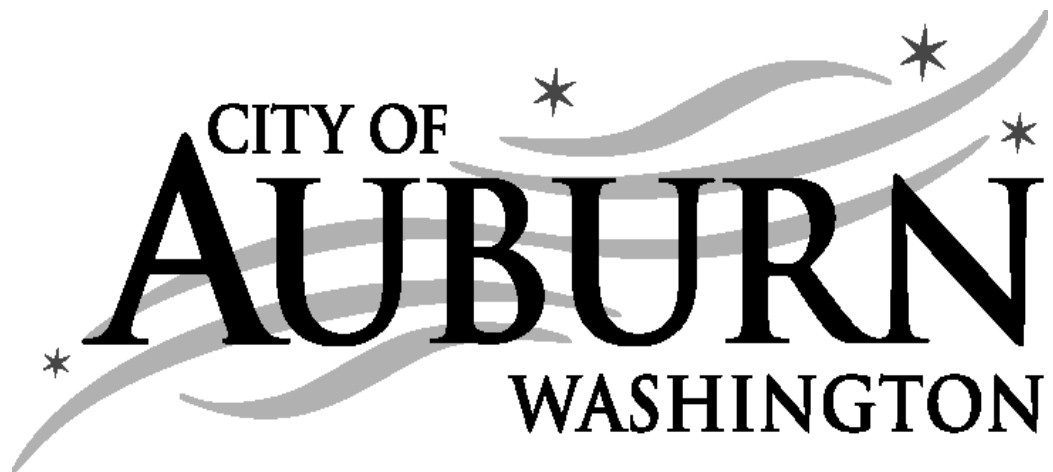
The notes to the basic financial statements are an integral part of this statement.

City of Auburn, Washington
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Fiscal Year Ended December 31, 2021

Page 2 of 2

	Water	Sanitary Sewer	Storm Drainage	Solid Waste	Non Major Enterprise Funds	Total	Government Activities Internal Service Funds
RECONCILIATION OF NET OPERATING INCOME TO NEW CASH PROVIDED BY OPERATING ACTIVITIES							
Operating Income (Loss)	\$ 2,918,693	\$ 320,108	\$ 1,198,720	\$ (2,150,790)	\$ 498,772	\$ 2,785,503	\$ 1,642,590
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:							
Depreciation	3,826,387	2,382,652	2,133,233	-	670,729	9,013,001	1,834,451
Other Non-Operating Revenue	25,463	765	5,574	-	3,139	34,941	8,718
Asset (Increases) Decreases:							
Accounts Receivable	83,379	(82,771)	101,423	2,553,860	459,479	3,115,370	22,600
Miscellaneous A/R Revenue	-	19,200	(7,104)	-	-	12,096	-
Inventory	(9,177)	58	(852)	-	(36,188)	(46,159)	(53,604)
Liability Increases (Decreases):							
Accounts & Vouchers Payable	375,963	(297,548)	304,756	3,281,364	(58,287)	3,606,248	83,364
Deposits Payable	26,880	1	-	-	5,203	32,084	-
Wages & Benefits Payable	(642,374)	(512,983)	(773,801)	2,226	(261,362)	(2,188,294)	(954,003)
Compensated Absences Payable	81,403	76,294	72,978	(31,596)	26,265	225,344	(28,578)
Total Adjustments	3,767,924	1,585,668	1,836,207	5,805,854	808,978	13,804,631	912,948
Net Cash Provided (Used) by Operating Activities	\$ 6,686,617	\$ 1,905,776	\$ 3,034,927	\$ 3,655,064	\$ 1,307,750	\$ 16,590,134	\$ 2,555,538
SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES							
Capital Assets Acquired by Contributed Capital	4,691,341	2,240,109	4,476,672	-	-	11,408,122	-
Increase (Decrease) in Fair Value of Investment	-	-	(62,670)	-	-	(62,670)	-
Total Non Cash Investing, Capital and Financing Activities	\$ 4,691,341	\$ 2,240,109	\$ 4,414,002	\$ -	\$ -	\$ 11,345,452	\$ -

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



FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held by the City of Auburn as a trustee or agent. Fiduciary funds involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, and other governmental units.

FIDUCIARY FUNDS

Custodial Fund

This fund accounts for the funds over which the City strictly acts in a custodial capacity.

City of Auburn, Washington
STATEMENT OF FIDUCIARY NET POSITION
 December 31, 2021

		Custodial Fund
ASSETS:		
Cash and Cash Equivalents	\$	718,952
Receivables:		
Customer Accounts		196,844
Total Assets		<u>915,796</u>
LIABILITIES:		
Current Payables		45,139
Total Liabilities		<u>45,139</u>
NET POSITION		
Restricted for Other Governments & Organizations		870,657
Total Net Position	\$	<u><u>870,657</u></u>

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

City of Auburn, Washington
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 For the Fiscal Year Ended December 31, 2021

	Custodial Funds
ADDITIONS:	
Contributions:	
Other Governments	\$ 251,500
Tax, Fines, Permits Collection for Other Governments	1,344,694
Amounts collected for other organizations and individuals	80,077
Investment Interest	153
Total Additions	1,676,424
DEDUCTIONS:	
Administrative Expenses	\$ 28,000
Payment to City for Services	244,185
Tax, Fines, Permits & Misc distributed to other governments	1,270,459
Distributions to other organizations and individuals	74,312
Total Deductions	1,616,956
Change in Net Position	59,468
Net Position - January 1	811,189.00
Net Position - December 31st	\$ 870,657

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



City of Auburn

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Auburn, King County, Washington, was incorporated in 1891. It operates under the laws of the State of Washington applicable to a Non-Charter Code City under a Mayor/Council form of government. A full-time mayor and seven part-time council members administer Auburn, all elected at-large to four-year terms. The City provides a range of municipal services authorized by state law, including water services, sanitary sewer collection, solid waste collection, storm drainage, a general aviation airport, a municipal cemetery and a municipal golf course.

The accounting and reporting policies of the City of Auburn, which conform to Generally Accepted Accounting Principles (GAAP) for governments, are regulated by the Washington State Auditor's Office.

Effective for fiscal year 2021, the City did not implement any new accounting and reporting standards issued by the Governmental Accounting Standards Board (GASB).

A. Reporting Entity

In accordance with the criteria set forth in Statement No. 14 of the Governmental Accounting Standards Board (GASB) the City's Annual Comprehensive Financial Report includes all funds controlled by the City.

Joint Ventures - Based on the criteria of Governmental Accounting Standards Board (GASB) Statement No. 14 as modified by GASB Statements No. 34 and 61, the Valley Communications Center and South Correctional Entity Facility (SCORE) are included in the accompanying government-wide statement of net position as a joint venture. (Refer to Notes 8 and 14).

Jointly Governed Organizations - The cities of Auburn, Algona and Pacific formed the Valley Regional Fire Authority (VRFA) effective January 1, 2007. The VRFA is a separate municipal corporation of the State of Washington, organized as a regional fire protection service authority under RCW 52.26. The VRFA is not financially accountable to the member cities, none of the participating cities has an ongoing financial interest in the VRFA, and the VRFA is not financially dependent upon any member city. The VRFA imposes its own property tax levy and fire benefit charge. As such, the VRFA is not included in the City of Auburn's financial reporting entity. (Refer to Note 15)

B. Basic Financial Statements

The City's basic financial statements consist of government-wide financial statements and fund financial statements. The government-wide financial statements, which include the statement of net position and the statement of activities, summarize the entire operation of the City. The governmental fund financial statements, which include the balance sheet, statement of revenues, expenditures and changes in fund balance, and statements of revenues, expenditures and changes in fund balance budget and actual, provide a more detailed level of reporting. The proprietary fund financial statements, which include statement of net position, statement of revenues, expenses, and changes in net position and statement of cash flows, provide a more detailed level of reporting.

The government-wide financial statements report information on all of the non-fiduciary activities of the City. For the most part, the effect of interfund activity has been eliminated from these statements. Because governmental activities are normally supported by taxes and intergovernmental revenue, while business-type activities are generally supported through user fees and charges, governmental activities are reported separately from business-type activities on all government-wide financial statements.

The Statement of Net Position reports the assets, deferred outflows of resources, deferred inflows and liabilities of the primary government. The net position section of this statement represents the residual amount of assets and their associated liabilities, deferred outflow and deferred inflows of resources. The net position section is divided into three categories. The first category is *Net Investment in Capital Assets*, which includes all capital assets, net of accumulated depreciation, less the outstanding balances of any borrowing (bonds, loans) used for acquisition, construction, or improvement of those assets. Capital assets

cannot readily be sold and converted into cash. The second category is *Restricted Net Position*, which includes those assets, net of their related debt that have a constraint placed on their use. The constraints are either: 1) externally imposed by creditors, such as through debt covenants, grantors, contributors, or laws and regulations of other governments, or 2) imposed by law through constitutional provisions or enabling legislation. The final section is *Unrestricted Net Position*, and this represents net position that generally can be used for any purpose. However, they are not necessarily in a spendable form, such as cash.

The statement of activities demonstrates the degree to which the direct expenses of various functions and activities of the City are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. The City's 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 function or activity, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other items that are not properly included among function or activity revenues are instead reported as general revenues.

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

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. Each fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/equity, revenue, and expenditures or expenses, as appropriate. The City resources are allocated to, and accounted for in, individual funds according to the purpose for which they are spent and how they are controlled.

The *basis of accounting* refers to the timing of when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

The *modified accrual basis* of accounting is followed in all governmental and permanent funds of the City. Under the modified accrual basis of accounting, revenues are recognized when measurable and available. Revenues are generally considered available if they are collected within the current period or soon enough thereafter to pay current liabilities. For derived tax revenues, such as sales tax and utility business and occupation taxes, revenues are recognized in the period when the underlying exchange has occurred. For imposed non-exchange taxes, such as property taxes, revenues are recognized when the use of resources is permitted, or when resources are available. Grant revenue is recognized in the period in which the expenditure occurs and the eligibility requirements have been met. Non-exchange transactions, such as contributions, are recognized when the donation eligibility requirements have been satisfied. Those specific major revenue sources accrued are:

Property Taxes – King County and Pierce County collect property taxes and remit to the City daily or monthly.

Sales Tax Revenues – The State of Washington collects all sales taxes. Auburn's portion is remitted to the City by the State monthly. The Sales and Use Tax revenue portion received from the state in January of the following year is accrued in the current year since it is considered a material value and because of when the underlying transaction occurred and the resources are considered to be measurable and available.

Grant Revenues – On cost reimbursement grants, grant revenue is recognized when the eligible expenditure is incurred.

Under the modified accrual basis, expenditures are recorded when the fund liability is incurred, except for the un-matured interest and principal on general long-term debt, which is recognized when due, and for compensated absences which are recorded as expenditures when liquidated from expendable available fund resources. Purchases of capital assets from governmental funds are reported as expenditures during the year incurred and the asset is capitalized and reported on the government-wide statement of net position. Long-term liabilities, including compensated absences not currently due and payable, are also reported on the government-wide statement of net position.

The *accrual basis* of accounting is followed in all proprietary and agency funds. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when incurred.

The three broad fund categories and nine fund types presented in this report are described below:

1. Governmental Fund Types

All governmental funds are accounted for on a spending or “financial flow” measurement focus. This means that only current assets and current liabilities and deferred inflow of resources generally are included on these balance sheets. Reported fund balance is considered a measure of “available spendable resources”. Governmental fund operating statements focus on measuring cash flows rather than net income; and present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

- a. General fund – This fund is used to account for all financial resources and transactions of the City not accounted for in another fund, as required. The general fund is always considered a major fund.
- b. Special Revenue funds – These funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. One special revenue fund is considered major: the arterial street fund. This fund is supported by the State of Washington’s motor vehicle fuel tax and by various grants.
- c. Debt Service funds – These funds account for the accumulation of resources for, and the payment of, general long-term and special assessment debt principal, interest, and related costs. These funds also include the local improvement districts (LID) guarantee fund which provides financial security for outstanding LID bonds. No debt service funds are considered major funds and are reported within the “Other Governmental Funds”.
- d. Capital Projects funds – These funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds. One capital project fund is considered major: the capital improvement projects fund. This fund accounts for major capital acquisitions, and street and parks construction projects.
- e. Permanent funds – These funds are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes of supporting a specific City program. The city has one permanent fund, Cemetery Endowment.

2. Proprietary Fund Types

Financial statements for proprietary funds use the economic resources measurement focus and the accrual basis of accounting. This means that all assets and all liabilities (whether current or non-current) associated with proprietary fund activity are included on the Statement of Net Position. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when incurred. The economic resources measurement focus is applied in the determination of financial position, net income, and cash flow.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenue of the City’s utility funds, other enterprise funds, and internal

service funds are charges to customers for sales and services, vehicle and computer replacement, and insurance. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, taxes, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses, or as capital contributions. Substantially all proprietary fund operating revenues are used as security for revenue bonds.

The Enterprise funds are used to account for services to the general public where all or most of the costs, including depreciation, are to be financed or recovered from users of such services. Four enterprise funds are considered major funds. Utilities provided to residents are accounted for in the water fund, sanitary sewer fund, storm drainage fund, and the solid waste fund.

The Internal Service funds are used to account for the financing of goods and services provided to other funds, departments, or governments on a cost reimbursement basis. The City uses internal service funds to account for its fleet of vehicles, its maintenance and operation of facilities, the City-wide provision of computer hardware and software services, the cost of employees affected by an occupational injury or illness, and its insurance premiums.

3. Fiduciary Fund Types

Fiduciary funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Fiduciary funds are classified for accounting measurement purposes as either a governmental fund or a proprietary fund. The Fiduciary Funds are not included in the government-wide financial statements since they are not assets of the City available to support city programs. The City's custodial funds function primarily as a clearing mechanism for cash resources which are collected by the City, held for a period of time and then disbursed to authorized recipients.

D. Budget and Budgetary Accounting

The City of Auburn budgets in accordance with the Revised Code of Washington (RCW) 35A.33 for the general fund and special revenue funds. For governmental funds, there are no substantial differences between the budgetary basis and generally accepted accounting principles. Budgetary accounts are integrated in fund ledgers for all budgeted funds, but the financial statements include budgetary comparisons for the biennial budgeted governmental funds only. Budgets established for proprietary and trust funds are "management budgets" and are not legally required to be reported and, as such, are not reported in the Annual Comprehensive Financial Report (ACFR).

The biennial budget is proposed by the Mayor and adopted by the City Council with legal budgetary control at the fund level; i.e., expenditures and other financing sources may not exceed budgeted appropriations at the fund level. The Mayor may authorize transfers within funds; however, the City Council must approve by ordinance any amendments that increase the total for the fund. At fiscal year-end any unexpended appropriation balances automatically carryforward subject to the rules established in the enabling ordinance.

The City prepares the biennial budget on the modified accrual basis, which conforms to Generally Accepted Accounting Principles (GAAP). The Annual Comprehensive Financial Report includes budgetary comparisons for those governmental funds with legally adopted budgets. Budget amounts include the adopted current year budget appropriations and any revisions made during the year.

State law establishes the budget process and the time limits under which a budget must be developed. The City follows the procedures outlined below to establish its biennial budget:

- a. Sixty days prior to each odd numbered fiscal year, the Mayor submits to the City Council a preliminary budget for the biennium commencing the following January 1st. The operating budget includes proposed expenditures and funding sources.
- b. Public hearings are conducted at the Auburn City Council Meetings to obtain taxpayer comments.

- c. Prior to December 31st, the budget is legally enacted through passage of an ordinance.
- d. The final operating budget as adopted is published and distributed after adoption. Copies of the budget are made available to the public.

ORIGINAL AND SUPPLEMENTAL APPROPRIATIONS

	Original Budget	Revisions	Final Budget
Governmental Funds			
General Fund	\$ 82,294,077	\$ 7,885,200	\$ 90,179,277
Total Governmental Funds	82,294,077	7,885,200	90,179,277
Special Revenue Funds:			
Local Street	\$ 2,363,950	\$ 1,257,269	\$ 3,621,219
Arterial Street	5,535,930	4,947,618	10,483,548
Hotel/Motel Tax	177,110	-	177,110
Arterial Street Preservation	2,836,250	6,614,391	9,450,641
Drug Forfeiture Fund	492,994	118,800	611,794
American Resuce Plan Fund	-	1,958,900	1,958,900
Housing and Community Development	600,000	1,132,500	1,732,500
Recreation Trails	-	-	-
Business Improvement Area	90,000	-	90,000
Cumulative Reserve	-	42,200	42,200
Mitigation Fees	4,265,480	3,473,057	7,738,537
Total Special Revenue Funds	16,361,714	19,544,735	35,906,449
Total Budgeted Funds	\$ 98,655,791	\$ 27,429,935	\$ 126,085,726

E. Assets, Liabilities, and Fund Balance

1. Deposits and Investments

It is the City's policy to invest all temporary cash surplus. At December 31, 2021, the Washington State Local Government Investment Pool (LGIP) was holding \$140,836,442 in short-term investments. This amount is classified on the Statement of Net Position as part of the line item cash and cash equivalents. The interest on these investments is prorated to the various funds based upon ownership of investments. For purposes of the Statement of Cash Flows, cash and cash equivalents includes cash on deposit with financial institutions in both demand and time deposit accounts, and amounts invested in the Local Government Investment Pool, administered by the State Treasurer's Office. The State Finance Committee is the administrator of the statute that created the pool and adopts appropriate rules. The State Treasurer's Office is responsible for establishing the investment policy for the pool and reviews it annually. Any proposed changes are reviewed by the LGIP Advisory Committee. The terms of the policy are designed to ensure the safety and liquidity of the funds deposited in the LGIP.

The City, by state law, is authorized to purchase certificates of deposit issued by Washington State depositories that participate in Washington Public Deposit Protection Commission (WPDP), U.S. Treasury and Agency securities, banker's acceptances, and repurchase agreements. The City purchases repurchase agreements only from institutions that use authorized securities for collateral. The City of Auburn also has signed a "master repurchase agreement" with its primary bank, Key Bank.

For purposes of the statement of cash flows, all proprietary fund types and similar trust funds consider all highly liquid investments (including restricted assets) with maturity of three months or less when purchased to be cash equivalents.

Investments are recorded at fair value or amortized cost. Adjustments are made to cost for investments amortized over the period to maturity in accordance with GASB Statement No. 31. The investment in the state investment pool is valued at amortized cost.

2. Receivables

Taxes receivable consist of property taxes (see Note 4). Accrued interest receivable consists of amounts earned on notes and contracts at the end of the year.

Customer accounts receivable consist of amounts owed by private individuals or organizations for goods and services provided. Uncollectible amounts are considered immaterial and the direct write-off method is used.

Special assessments are levied against certain property owners and become liens against the property benefited by the improvement. Special assessments receivable consist of current assessments, which are due within one year, delinquent assessments remaining unpaid after the due date, and unearned, uncollected assessments, which have been levied, but are not due within one year.

Other receivables include utility taxes due from private organizations and customer accounts receivable, which consist of amounts owed from private individuals or organizations for goods and services, including amounts owed for which billings have not been prepared. Notes and contracts receivable consist of amounts owed on open accounts from private individuals or organizations for goods and services rendered.

3. Interfund Receivables and Payables

These accounts include all interfund receivables and payables. A separate schedule of interfund activity is furnished in Note 5.

4. Amounts Due From Other Governmental Units

This account includes amounts due from other governments for grants, entitlements and charges for services. A schedule by fund of amounts due from other governmental units is presented in Note 6.

5. Inventories and Prepaid Expenses

Government fund types recognize the cost of inventory items and prepaid expenses (expenses that benefit future periods) as expenditures in the year of purchase. In enterprise and internal service funds, inventories are valued at cost using the weighted average costing method.

6. Restricted Assets

In accordance with the utility bond ordinances, state law, or other agreements, separate restricted assets have been established. These assets are restricted for specific purposes including the establishment of bond reserve funds, utility rate stabilization funds, financing the ongoing capital improvement programs of the various utilities, customer deposits, nonexpendable permanent cemetery endowment and other purposes.

7. Interfund Transactions

During the course of normal operations, the City has numerous transactions between City funds. Interfund services provided and used, such as buying goods and services, are recorded as revenues in the internal service funds and expenditures in the paying fund. Transfers between funds are included as “other financing sources or uses” in governmental fund types and as other items in proprietary fund types.

8. Capital Assets

Capital assets are recorded at historical cost when known or at estimated historical cost when actual costs are not known. Infrastructure, such as roads, bridges and water mains, is reported in the applicable government or business-type activities columns in the government-wide statement of net position. All infrastructure costs have been calculated and are reported. Government donated capital assets are stated at their acquisition value on the date donated.

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. For proprietary funds, interest costs incurred to bring certain assets to the condition and location necessary for their intended use are capitalized as part of the historical cost of acquiring the assets.

Capital assets of enterprise and internal service funds are recorded at cost. The capital assets of the airport are carried at cost and include those acquired with capital contributed by the Federal Government.

Capital assets of all funds are depreciated, and are calculated on the straight-line method using estimated lives as follows:

Asset	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Building	\$5,000	Straight-line	20 - 50 years
Other Improvements	\$5,000	Straight-line	10 - 50 years
Equipment/Machinery	\$5,000	Straight-line	2 - 20 years
Infrastructure	\$5,000	Straight-line	25 - 50 years
Utility Plant	\$5,000	Straight-Line	25 - 50 years

At the inception of capital leases at the government fund reporting level, the net present value of future minimum lease payments allocable to the capital asset is reflected as expenditures and an “other financing source” of an equal amount.

9. Pensions

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

10. Deferred Outflows/Inflows of Resources

Deferred outflow of resources represents a consumption of net assets that applies to future periods and will not be recognized as an outflow (expense/expenditure) until that reporting period. Deferred inflow of resources represent an acquisition of net assets that applies to future periods. The difference between the carrying amount of redeemed and/or defeased debt and its reacquisition price is the deferred amount on refunding and is amortized over the remaining life of the debt, or the life of the new debt, whichever is shorter. Deferred outflows and deferred inflows of resources related to pensions are reported for differences between expected and actual experience, changes of assumptions, and differences between projected and actual returns on pension plan investments.

11. Compensated Absences

City employees accrue vacation leave at a variable rate based on years of service. In general, employees are allowed to accumulate vacation leave up to what would be earned in two years.

Unaffiliated employees accrue sick leave at the rate of eight hours per month up to 960 hours. Sick leave accumulations over 960 hours at year-end are paid at 25%. Sick leave is not paid upon termination except in some instances upon separation in good standing, where employees hired before 12/31/1984 can be reimbursed at their current rate for unused sick leave up to a maximum of 960 hours, at a rate based on years of service. The City's union contracts have varied sick leave accruals and payout options.

In general, non-exempt employees can accrue up to 80 hours of compensatory time. The City reports compensated absences as liabilities in the government-wide statement of net position and in proprietary funds. Vacation, compensatory time, and sick leave are calculated separately for each employee using the rules described above. The reporting format is in compliance with GASB statement No. 16.

Governmental funds recognize expenditures for vacation, sick, and compensatory time when paid. Proprietary funds recognize the expense and accrue a liability for vacation and sick leave pay as the leave is earned. All compensated absence liabilities include salary-related payments, where applicable.

12. Unearned Revenues

This account reflects the amounts of taxes and other long-term receivables for which the revenue recognition criteria have not been met. It also reflects prepayments on accounts and grants received in advance.

13. Net Position Components – Proprietary Funds

In proprietary funds, net position is generally restricted in connection with restricted assets or for legal segregation. These restrictions are identified on the statement of net position of each fund type.

The City holds and administers a Utility System Rate Stabilization Fund. The City may, by ordinance, withdraw from the Rate Stabilization Fund for inclusion in the net revenue of the Utility System at any time for any current fiscal year of the Utility System, except that the total amount withdrawn from the Rate Stabilization Fund in any fiscal year may not exceed the total debt service of the Utility System in that year.

14. Fund Balance Components – Governmental Funds

Fund balance is presented in the governmental fund financial statements and represents the difference between assets and liabilities reported within the governmental fund.

Beginning with the most restrictive constraints, fund balance amounts are reported in the following categories:

- a. Nonspendable fund balance includes items that cannot be spent. This includes activity that is not in a spendable form (investments, prepaid amounts, long-term portion of loans/notes receivable, or property held for resale unless the proceeds are restricted, committed or assigned) and activity that is legally or contractually required to remain intact.
- b. Restricted fund balance is externally (outside the City) enforceable limitations imposed by creditors, grantors, contributors, laws and regulations of other governments, or laws through constitutional provisions or enabling legislation.
- c. Committed fund balance is self-imposed limitations imposed at the highest level of decision making authority, namely, Mayor and City Council. Mayor and City Council approval by ordinance is required to commit, modify or rescind resources.

- d. Assigned fund balance includes amounts that are constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. It is the City's policy that the Finance Director shall have the authority to assign amounts of fund balance to a specific purpose; however, before expenditure, amounts must be appropriated by the City Council which is often adopted by City Council in the biennial budget ordinance. For governmental funds, other than the General Fund, this is the residual amount within the fund that is not restricted or committed.
- e. Unassigned fund balance is the residual amount of the General Fund not included in the four categories described above. Also, any deficit fund balances within the other governmental fund types are reported as unassigned.

When expenditure is incurred for purposes for which both restricted and unrestricted resources are available, it is the City's policy to use restricted resources first. When expenditures are incurred for purposes, for which unrestricted (committed, assigned, and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the City's policy to spend committed resources first, then assigned and unassigned, in that order.

The following shows the composition of the fund balance of the governmental funds for the fiscal year ended December 31, 2021:

Governmental Fund Balances
December 31, 2021

	General Fund	Major		Other Governmental Funds	Total Governmental Funds
		Arterial Street Fund	Capital Improvement Fund		
Nonspendable					
Inventory	\$ 49,674	\$ -	\$ -	\$ -	\$ 49,674
Cemetery Endowment	-	-	-	2,010,357	2,010,357
Total Nonspendable	49,674	-	-	2,010,357	2,060,031
Restricted					
Major Street Construction	-	2,710,488	-	-	2,710,488
REET 1 Allowable Projects	-	-	7,690,440	-	7,690,440
REET 2 Allowable Projects	-	-	5,711,145	-	5,711,145
Arterial Street Preservation Fund	-	-	-	1,176,586	1,176,586
Parks and Trails Construction Projects	-	-	-	1,075,138	1,075,138
City Tourism Promotion	-	-	-	433,129	433,129
Drug Investigation and Enforcement	-	-	-	1,058,013	1,058,013
Community Development Block Grant Program	-	-	-	42,842	42,842
Recreational Trail Development	-	-	-	88,712	88,712
Downtown Business Area Improvements	-	-	-	186,016	186,016
Street and Fire Service Mitigation Fees	-	-	-	15,946,698	15,946,698
Debt Service	-	-	-	3,828	3,828
Total Restricted	-	2,710,488	13,401,585	20,010,962	36,123,035
Committed					
Local Street Improvements (Save our Streets)	-	-	-	3,328,733	3,328,733
Arterial Street Preservation	-	-	-	1,954,368	1,954,368
Total Committed	-	-	-	5,283,101	5,283,101
Assigned					
Appropriations Over Estimated Revenue	9,204,036	-	-	-	9,204,036
Arterial Street Preservation Fund	-	-	681,333	2,742	684,075
Drug Investigation and Enforcement	-	-	-	1,823	1,823
Recreation Trail Development	-	-	-	83	83
Downtown Business Area Improvements	-	-	-	186	186
Local Street Improvements	-	-	-	3,341	3,341
School Administration Fees	-	-	-	95,182	95,182
Cemetery Capital Enhancement and Maintenance	-	-	-	96,090	96,090
Downtown Infrastructure Improvements	-	-	-	316,579	316,579
Debt Service	-	-	-	381,987	381,987
Total Assigned	9,204,036	-	681,333	898,013	10,783,382
Unassigned					
Unassigned	38,646,995	-	-	-	38,646,995
Total Unassigned	38,646,995	-	-	-	38,646,995
Total Fund Balances	\$ 47,900,705	\$ 2,710,488	\$ 14,082,918	\$ 28,202,433	\$ 92,896,544

F. Revenues, Expenditures and Expenses

Operating revenues and expenses for the proprietary fund are those that result from providing services and producing and delivering goods and/or services in connection with a proprietary fund's principal ongoing operations. For the city, operating expenses for proprietary funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Contributions of capital in proprietary fund financial statements arise from internal and external contributions of capital assets or from grants or outside contributions of resources restricted to capital acquisition and construction.

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

G. Estimates

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

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

The city has complied with all material finance-related legal or contractual provisions. For fiscal year 2021, expenditures are within legal budget appropriations for all city funds.

NOTE 3 – DEPOSITS AND INVESTMENTS

At December 31, 2021, the carrying amount of the City's cash demand deposits with Key Bank totaled \$12,105,475 while the bank balance was \$12,632,481. In addition, the balance of the City's interest bearing checking account with Pacific Premier Bank totaled \$10,551,567. Furthermore, there was \$18,800 in petty cash (\$10,000 in the Drug Forfeiture Fund to be used for enforcements purposes, \$8,800 in various petty cash and cashier change funds).

Custodial Credit Risk. Custodial credit risk is the risk associated with the failure of a depository financial institution. In the event of a depository financial institution's failure, it is the risk that the City would not be able to recover its deposits or collateralized securities that are in the possession of the outside parties.

The City minimizes custodial credit risk by following the restrictions set forth in state law.

The Federal Deposit Insurance Corporation (FDIC) insures the City's deposits up to \$250,000. The Washington Public Deposit Protection Commission (WPDPC) (established under Chapter 39.58 of the Revised Code of Washington) constitutes a multiple financial institution collateral pool. Pledged securities under the WPDPC collateral pool are held by the WPDPC's agent in the name of the collateral pool.

As required by State law, all investments of the City's funds are obligations of the U.S. Government, or deposits with Washington State banks that participate in the WPDPC. Pension and permanent funds are not subject to these limitations. All temporary investments such as the State Investment Pool are stated at amortized cost. Other investments are shown on the statement of net position at fair value as of December 31, 2021. In accordance with GASB Statement 79, the state investment pool (LGIP) is reported at amortized cost. The LGIP meets the maturity, quality, diversification and liquidity requirements as set forth in GASB Statement 79. The LGIP is an unrated external investment pool, and was authorized by Chapter 294, Laws of 1986, and is managed and operated by the Washington State Treasurer. The LGIP does not have any legally binding guarantees of share values. The LGIP does not impose liquidity fees or redemption gates on participant withdrawals.

The Office of the State Treasurer prepares a stand-alone LGIP financial report. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at <http://www.tre.wa.gov>. During 2021, the net decrease in the fair value of investments being hold for more than one year is \$484,816 at year-end.

As of December 31, 2021, the City had the following investments and maturities:

Schedule of Investments by Maturities
As of December 31, 2021

Investment Type	Fair Value	Investment maturities			
		Less than 1 year	1 to 2 years	2 to 3 years	Greater than 3 years
US Agency	\$ 30,277,250	\$ 5,068,150	\$ 4,956,300	\$ 15,301,600	\$ 4,951,200
	<u>\$ 30,277,250</u>	<u>\$ 5,068,150</u>	<u>\$ 4,956,300</u>	<u>\$ 15,301,600</u>	<u>\$ 4,951,200</u>

Reconciliation to government-wide statement of net position:

Total investments above	\$ 30,277,250
Plus: cash in checking	22,657,042
Plus: petty cash	18,800
Less: cash investments in custodial funds	(718,952)
Total cash and investments at fair value	<u>\$ 52,234,140</u>

Investment Type	Amortized Cost			
State investment pool (LGIP)	\$ 140,836,442	\$ 140,836,442	\$ -	\$ -
	<u>\$ 140,836,442</u>	<u>\$ 140,836,442</u>	<u>\$ -</u>	<u>\$ -</u>
Total cash and investments, government-wide statement of net position	<u>\$ 193,070,582</u>			

Reconciliation of Cash and Investments
Government-Wide Statement of Net Position
As of December 31, 2021

	Governmental Activities	Business-Type Activities	Total
Cash and Cash Equivalents	\$ 57,898,612	\$ 63,049,745	\$ 120,948,357
Cash with Outside Agencies	-	-	-
Investments	25,326,050	4,951,200	30,277,250
Temporarily Restricted:			
Cash and Cash Equivalents	28,841,258	10,993,360	39,834,618
Permanently Restricted:			
Cash and Cash Equivalents	2,010,357	-	2,010,357
	<u>\$ 114,076,277</u>	<u>\$ 78,994,305</u>	<u>\$ 193,070,582</u>

The city measures and reports investments at fair value using the valuation input hierarchy established by generally accepted accounting 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 quoted prices that are not observable;
 *Level 3 – Unobservable inputs for an asset or liability.

At December 31, 2021, the city had the following investments measured at fair value:

Investments and Derivative Instruments Measured at Fair Value
 As of December 31, 2021

Investments by Fair Value Level	12/31/2021	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
US Agency	\$ 30,277,250	\$ 30,277,250	\$ -	\$ -
Total Investments by Fair Value Level	\$ 30,277,250	\$ 30,277,250	\$ -	\$ -

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City’s investment policy limits the maximum maturity of an investment to not greater than five years, unless an investment is matched to an anticipated future cash flow. The segmented time distribution presented in the schedule of investments by maturity above indicates how the City has managed its interest rate risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law and the City’s investment policy limits the instruments in which the City may invest. These include:

1. US Treasury obligations
2. US Government Agency obligations and US Government Sponsored Enterprises (GSE’s) which may include, but are not limited to Federal Farm Credit Bank (FFCB), Federal Home Loan Bank (FHLB), Government National Mortgage Association (GNMA), Federal Home Loan Mortgage Corporation (FHLMC), Federal National Mortgage Association (FNMA), Student Loan Marketing Corporation (SLMA), and/or Tennessee Valley Authority (TVA)
3. Non-negotiable Certificates of Deposit of financial institutions which are qualified public depositories as defined by RCW 39.58.010(2) and in accordance with the restrictions therein
4. Bonds of the State of Washington and any local government in the State of Washington, General Obligation bonds outside the State of Washington; at the time of investment, the bonds must have a rating of AA- from S&P or Aa3 from Moody’s, or higher. In the case of a split rating, the lower rating of these two rating agencies will be used.
5. Washington Local Government Investment Pool (LGIP) managed by the Washington State Treasurer’s Office
6. Other investments authorized by law
7. Time deposits and savings account deposits with Washington State Public Deposit Protection Commission (PDPC) approved banks.

The City’s municipal bond holding at time of purchase carried a AAA rating from S&P and a Aaa rating from Moody’s.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. The City diversifies its investments by security type and institution. City investment policy restricts security holdings to 25 - 40% of the City’s total investment portfolio in a single security type. This restriction excludes US Treasury obligations, US Agency Securities and the Washington State Local Government Investment Pool which may comprise 100% of the total investment portfolio.

Other information

Effective 2002, the City has established arrangements with Bank of New York for safekeeping of all investments.

The following is a schedule of investments by fund type:

Schedule of Investments by Fund Category and Investment Type

As of December 31, 2021

	State Investment Pool	U.S. Agency	Total
Governmental Funds	\$ -	\$ 25,326,050	\$ 25,326,050
Enterprise Funds	-	4,951,200	4,951,200
Local Government Investment Pool	140,836,442	-	140,836,442
Total	\$ 140,836,442	\$ 30,277,250	\$ 171,113,692

NOTE 4 – PROPERTY TAXES

Property taxes received during tax year 2021 were \$23,480,894 including collection of prior year delinquent assessments. Property taxes assessed for collection in tax year 2021 were based on a regular tax levy of \$1.82 per \$1,000 on a total 2020 assessed value of \$13,211,866,719.

For levy year 2021, to be received in 2022, the City’s regular tax levy is \$1.77 per \$1,000 on a 2021 assessed valuation of \$14,386,393,795 as of December 31, 2021, for a total regular levy of \$23,897,840. State law provides that debt cannot be incurred in excess of the following percentages of the taxable property of the City.

- 1.50% of assessed value without a vote of the people
- 2.50% of assessed value with a vote of the people

The City has additional authority to incur the following debt as a percentage of total valuation.

- 2.50% of assessed value with a vote of the people, indebtedness is for utilities
- 2.50% of assessed value with a vote of the people, indebtedness is for parks, or open space development

At December 31, 2021, the debt limits for the City were as follows:

Item	Without a Vote 1.50%	With a Vote			Total Capacity
		General Purposes 1.00%	For Utilities 2.50%	For Parks or Open Space Development 2.50%	
Legal Limit	\$ 215,795,907	\$143,863,938	\$ 359,659,845	\$ 359,659,845	\$ 1,078,979,535
Outstanding indebtedness	(38,474,375)	-	-	-	(38,474,375)
Margin available	<u>\$ 177,321,532</u>	<u>\$143,863,938</u>	<u>\$ 359,659,845</u>	<u>\$ 359,659,845</u>	<u>\$ 1,040,505,160</u>

The County Treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Taxes are levied annually on January 1 on property values listed as of the prior August 31. The County assesses property at 100% of fair market value. A revaluation of all property is required every year and a physical inspection is required at least once every six years. Property taxes levied by the County Assessor and collected by the County Treasurer become a lien on the first day of the levy year and may be paid in two installments if the total amount exceeds \$50. The first half of real property taxes is due on April 30 and the balance is due October 31. Delinquent taxes bear interest at the rate of 12% and are subject to additional penalties if not paid as scheduled. No allowance for uncollectable taxes is established because delinquent taxes are considered fully collectable.

At year-end, property taxes are recorded as a receivable. During the year, property tax revenues are recognized when cash is received.

1. The Washington State Constitution limits the total regular property taxes to 1% of assessed valuation or \$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% limit.
2. Washington State law in RCW 84.55.010 limits the annual growth of regular property taxes to the lesser of 1% or the rate of inflation. With a vote of the majority of the voters within a taxing district, the 1% levy limitation can be “lifted” and additional taxes may be levied
3. The City may voluntarily levy taxes below the legal limit.

Special levies approved by the voters are not subject to the above limitations.

Property taxes are recorded as receivable and offset by an unearned revenue account when levied. Since state law allows for the sale of property for failure to pay taxes, no estimate of uncollectible taxes is made.

NOTE 5 – INTERFUND ACTIVITY

Transfers are legally authorized transfers of resources from a fund receiving revenue to the fund through which resources are to be expended. The principal purposes for interfund transfers include interfund subsidies and transfers into capital project and debt service funds. Interfund transfers for the year ended December 31, 2021 were as follows:

Funds	Transfers	
	Transfer In	Transfer Out
Governmental funds:		
General	\$ 1,538,372	\$ 2,959,642
Total general fund	1,538,372	2,959,642
Other Governmental funds		
Special revenue funds:		
Arterial Streets	740,225	-
Local Streets	1,564,844	-
Arterial Street Preservation	437,946	68,500
American Rescue Plan Act (ARPA)	-	1,376,372
Drug Forfeiture Fund	-	125,458
Mitigation Fees	-	713,127
Total special revenue funds	2,743,015	2,283,458
Debt service funds:		
2020 LTGO A&B Refunding	1,538,200	-
LID 250	370,839	-
Total debt service funds	1,909,039	-
Capital projects funds:		
Municipal Park Construction	1,032,987	-
Capital Improvements	2,472,305	3,764,829
	7,523	-
Total capital projects funds	3,512,815	3,764,829
Total all governmental funds	9,703,242	9,007,929
Proprietary funds:		
Water	-	119,472
Sewer	-	91,086
Storm Drainage	-	155,972
Non-major Enterprise funds		
Cemetery	-	29,339
Total proprietary funds	-	395,869
Internal service funds:		
Facilities	76,582	775,950
Innovation & Technology	130,152	-
Equipment Rental	291,773	22,000
Total internal service funds	498,507	797,950
Total	\$ 10,201,748	\$ 10,201,748

All transfers are considered routine.

Loans between funds are classified as interfund receivable and payable. Interfund Loans do not affect total fund equity.

Interfund Loans		Balance			Balance
Due From	Due To	1/1/2021	New Loans	Repayments	12/31/2021
Housing & Comm. Dev.	General Fund	\$ 100,000	\$ 150,000	\$ 100,000	\$ 150,000
Airport Capital	General Fund	\$ 425,000	\$ -	\$ 425,000	\$ -
Total interfund loans		<u>\$ 525,000</u>	<u>\$ 150,000</u>	<u>\$ 525,000</u>	<u>\$ 150,000</u>

All interfund loans are considered short-term cash loans.

*The purpose of the interfund loan to Housing & Community Development was to cover authorized expenditures while the City waited for reimbursement of federal Community Development Block Grant monies.

*The purpose of the interfund loan to the Airport Capital Fund is to cover 2020 FAA grant-funded costs reimbursed in 2021.

NOTE 6 – DUE FROM OTHER GOVERNMENTAL UNITS

As of December 31, 2021 the City had receivables due from other governmental units as follows:

Due from Other Governmental Units	
General Fund:	
Auburn School District	83,877
King Conservation District -Farmers Market	20,199
King County District Court	441,584
King County Parks -Youth Soccer grant	5,000
King County Property Taxes	13,731
King County -Real Estate Excise Taxes	770,106
King County Sheriff's - Registered Sex Offender Grant	3,646
King County VSHS Levy grant	60,566
Muckleshoot Indian Tribe	385,997
City of Kent-VNET	1,703
Pierce County - Real Estate Excise Taxes	16,441
Port of Seattle -Business Incubator Grant	60,000
Seattle Police Dept -US Department of Justice JAG Grant	41,070
US Department of Justice -Bulletproof Vest Program	6,189
US Department of Justice -2020 CESF Program	21,583
UW Police Department	18,583
WA State Traffic Safety Commission - Grants	1,107
WA State Treasurer - Sales Taxes	1,984,727
Total General Fund	<u>3,936,109</u>
Arterial Street Fund:	
Sound Transit	30,808
WA State Transportation Improvement Board - Arterial Street Imp.	297,890
WA Dept. of Transportation - Arterial Street Improvements	328,223
Total Arterial Street Fund	<u>656,921</u>
Arterial Street Preservation Fund:	
WA State Transportation Improvement Board - Arterial Street Imp.	125,265
WA Dept. of Transportation - Arterial Street Preservation	97,784
Total Arterial Street Preservation Fund	<u>223,050</u>
Drug Forfeiture Fund:	
City of Puyallup -TNET	3,976
Pierce County Sheriff's Department -TNET	7,480
Total Drug Forfeiture Fund	<u>11,456</u>
Housing & Community Development:	
U.S. Dept. of Housing - Community Development Block Grant -COVID1	156,418
U.S. Dept. of Housing - Community Development Block Grant	256,271
WA State Department of Commerce- CDBG-CV2 grant	7,699
Total Housing & Community Development Fund	<u>420,389</u>
Capital Improvements:	
Pierce County - Real Estate Excise Taxes	79,166
WA State Department of Commerce	2,751
WA State Recreation & Conservation Office	283,093
Total General Government Capital Improvements Fund	<u>365,010</u>
Water Fund:	
Valley Communications	10,000
Total Water Fund	<u>10,000</u>
Storm Drainage Fund:	
City of Algona	180
City of Pacific	4,819
King County Flood Control District -Grant	104,162
Total Storm Drainage Fund	<u>109,161</u>
Solid Waste Fund:	
King County - Waste reduction and recycling grant	20,340
Seattle King County Public Health	14,502
Waste Management	1,220,592
WA State Department of Ecology - Grant	4,166
Total Solid Waste fund	<u>1,259,601</u>
Airport Fund	
Federal Aviation Administration -Grant	59,347
Total Airport Capital fund	<u>59,347</u>
Facilities Fund:	
City of Federal Way	18,333
Total Airport Capital fund	<u>18,333</u>
Information Services Fund:	
City of Algona	23,626
City of Pacific	8,470
Valley Regional Fire Authority	3,000
Total Information Services fund	<u>35,096</u>
Equipment Rental Fund:	
Auburn School District	133,728
Total Information Services fund	<u>133,728</u>
Total	<u><u>7,238,201</u></u>
Reconciliation to government-wide statement of net position:	
Total due from other governmental units, government-wide statement of net position	<u><u>7,238,201</u></u>

NOTE 7 – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended December 31, 2021 is as follows:

Schedule of Capital Asset Activity

	Balance 1/1/21	Increases	Decreases/ Adjustments	Balance 12/31/21
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 109,092,635	\$ -	\$ -	\$ 109,092,635
Construction in progress	9,993,391	4,804,353	(9,990,514)	4,807,230
Total capital assets, not being depreciated	119,086,026	4,804,353	(9,990,514)	113,899,865
Capital assets, being depreciated:				
Buildings	74,327,861	-	-	74,327,861
Improvements other than buildings	26,687,775	1,595,299	-	28,283,074
Machinery and equipment	33,438,819	2,071,067	(1,934,123)	33,575,763
Intangibles	346,573	217,520	-	564,093
Infrastructure	425,364,605	20,854,464	-	446,219,069
Total capital assets being depreciated	560,165,633	24,738,350	(1,934,123)	582,969,860
Less: accumulated depreciation for:				
Buildings	(24,681,355)	(1,523,583)	-	(26,204,938)
Improvements other than buildings	(17,626,059)	(708,720)	-	(18,334,779)
Machinery and equipment	(23,981,437)	(1,884,117)	1,610,119	(24,255,435)
Intangibles	(718,414)	(4,933)	3	(723,344)
Infrastructure	(213,416,216)	(15,086,951)	-	(228,503,167)
Total accumulated depreciation	(280,423,481)	(19,208,304)	1,610,122	(298,021,663)
Total capital assets, being depreciated, net	279,742,152	5,530,046	(324,001)	284,948,197
Governmental activities capital assets, net	<u>\$ 398,828,178</u>	<u>\$ 10,334,399</u>	<u>\$ (10,314,515)</u>	<u>\$ 398,848,062</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 12,931,692	\$ 6,385	\$ -	\$ 12,938,077
Water Rights	6,889,163	934,805	-	7,823,968
Construction in progress	5,873,284	8,800,700	(5,876,535)	8,797,449
Total capital assets, not being depreciated	25,694,139	9,741,890	(5,876,535)	29,559,494
Capital assets, being depreciated:				
Buildings	6,085,433	-	-	6,085,433
Improvements other than buildings	360,448,717	17,206,321	-	377,655,038
Machinery and equipment	2,592,940	15,196	-	2,608,136
Total capital assets being depreciated	369,127,090	17,221,517	-	386,348,607
Less: accumulated depreciation for:				
Buildings	(4,404,233)	(100,114)	-	(4,504,347)
Improvements other than buildings	(140,885,735)	(8,869,425)	-	(149,755,160)
Machinery and equipment	(2,333,855)	(43,462)	-	(2,377,317)
Total accumulated depreciation	(147,623,823)	(9,013,001)	-	(156,636,824)
Total capital assets, being depreciated, net	221,503,267	8,208,516	-	229,711,783
Business-type activities capital assets, net	<u>\$ 247,197,406</u>	<u>\$ 17,950,406</u>	<u>\$ (5,876,535)</u>	<u>\$ 259,271,277</u>

Capital asset activity for the year ended December 31, 2021 is as follows:

Depreciation/amortization expense was charged to functions/programs of the City as follows:

Governmental activities:	
General Government	\$ 1,076,431
Public Safety	786,912
Transportation	14,244,822
Health and Human Services	-
Culture and Recreation	1,265,690
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	<u>1,834,449</u>
Total depreciation/amortization expense - governmental activities	<u>\$ 19,208,304</u>
Business-type activities:	
Water	\$ 3,826,387
Sanitary Sewer	2,382,652
Storm Water	2,133,233
Solid Waste	-
Airport	633,181
Cemetery	<u>37,548</u>
Total depreciation expense - business-type activities	<u>\$ 9,013,001</u>

NOTE 8 – LONG-TERM LIABILITIES

General Obligation Bonds are direct obligations of the City for which its full faith and credit are pledged. Debt service for voter-approved issues, of which the City has none, would be funded by special property tax levies. Debt service for City Council authorized bonds, also called councilmanic bonds, is funded from regular property taxes or general revenues, and is generally paid from debt service funds but can be paid from other designated funds.

General Obligation Bonds outstanding at year-end are as follows:

- 2016 Limited Tax General Obligation Refunding Bonds were issued for the primary purposes of (a) refunding on a current basis the 2005 Limited Tax General Obligation Refunding Bonds and (b) refunding on an advance basis the 2006A Limited Tax General Obligation Bonds. As a result of these transactions, the 2005 and 2006A bonds are considered to be defeased and the liability for those bonds has been removed from the City's financial statements. The remaining balance of outstanding defeased debt as of December 31, 2021 is \$1,428,767.
- 2020 Limited Tax General Obligation Series A Refunding Bonds were issued in the principal amount of \$15,010,000 on October 22, 2020 for the purpose of refunding on a current basis the 2010 Limited Tax General Obligation Series B Bonds of which \$17,560,000 was outstanding. The bonds were issued at a premium of \$3,124,761 and bear a fixed interest rate of 4-5% through maturity. The net proceeds of \$17,973,858 (after payment of \$160,903 in issuance costs) were deposited into an irrevocable trust with an escrow agent to pay the full outstanding principal and interest on the 2010 B Bonds on the October 23, 2020 redemption date. As a result of this transaction, the 2010 B bonds are considered to be defeased and the liability for those bonds have been removed from the City's financial statements. The refunding transaction reduced the City's total debt service payments by \$3,898,891 through the final maturity of December 1, 2039 and resulted in an economic gain (the difference between the present values of the debt service payments on the old and new debt) of \$3,391,515.
- 2020 Limited Tax General Obligation Series B Refunding Bonds were issued in the principal amount of \$4,470,000 on October 22, 2020 for the purpose of refunding on a current basis the 2010 Limited Tax General Obligation Series D Bonds of which \$5,160,000 was outstanding. The bonds were issued at a premium of \$864,988 and bear a fixed interest rate of 2-5% through maturity. The net proceeds of \$5,287,071 (after payment of \$47,917 in issuance costs) were deposited into an irrevocable trust with an escrow agent to pay the full outstanding principal and interest on the 2010 D Bonds on the October 23, 2020 redemption date. As a result of this transaction, the 2010 D bonds are considered to be defeased and the liability for those bonds have been removed from the City's financial statements. The refunding transaction reduced the City's total debt service payments by \$1,003,626 through the final maturity of December 1, 2034 and resulted in an economic gain (the difference between the present values of the debt service payments on the old and new debt) of \$903,068.

Revenue Bonds are payable from water, sewer and storm drainage utility revenues generated by those enterprise funds.

- 2013 Utility System Revenue Bonds were issued to finance water and storm utility system improvements.
- 2020 Utility System Revenue Bonds were issued in the par amount of \$12,030,000 to finance water utility system improvements.
- 2020 Utility System Revenue Refunding Bonds were issued in the principal amount of \$11,835,000 for the purpose of advance refunding the 2010 Utility System Revenue Bonds of which \$15,675,000 was outstanding. The bonds were issued at a premium of \$2,997,541 and bear a fixed interest rate of 5% through maturity. The net proceeds of \$14,933,747 (after payment of \$129,168 in issuance costs and the City's reserve account contribution of \$1,175,010) were deposited into an irrevocable trust with an escrow agent to pay the full outstanding principal and interest on the December 1, 2020 redemption date. As a result of this transaction, the 2010 Revenue Bonds are considered to be defeased and the liability for those bonds have been removed from the City's financial statements. The refunding transaction reduced the City's total debt service payments by \$2,728,553 through the final maturity of December 1, 2030 and resulted in an economic gain (the difference between the present values of the debt service payments on the old and new debt) of \$2,552,622.

State of Washington Public Works Trust Fund and Drinking Water State Revolving Fund Loans are a direct responsibility of the City. Auburn currently has nine outstanding loans with a remaining total balance of \$6,487,498. Seven of the loans are for water and sewer construction projects. The loans are being repaid from water and sewer fund revenues over a 20-year period that begins upon each project completion (PWTF 2001, PWTF 2002, PWTF 2004, PWTF 2006, PWTF 2013, DWSRF 2016, & DWSRF 2020). The other two loans are for arterial street improvements and are being repaid from arterial street fund revenues over a 20-year period that began in 2009 upon project completion (PWTF 2008) and over a 29-year period that began in 2013 upon project completion (PWTF 2012).

Compensated Absences are paid by those funds that have employees. These are mostly payable by the General fund and enterprise funds.

The following schedules summarize the long-term debt transactions of the City for the year ended December 31, 2021. The first table summarizes all debt transactions for Auburn, while the second provides detailed information on all long-term debt. Additional schedules reflect total annual debt service requirements to maturity and the reconciliation of debt by fund type.

CHANGES IN LONG-TERM LIABILITIES SUMMARY

	General Obligation	Utility	Employee Leave Benefit	Other Post Employment Benefits	Net Pension Liability	Firemen's Pension Liability	Premium	Due To Other Governments	Total
Long-term liabilities payable 12/31/20	\$ 23,155,487	\$ 35,721,217	\$ 3,162,498	\$ 14,784,873	\$ 9,175,767	\$ 3,562,986	\$ 9,893,900	\$ 17,200,962	\$ 116,657,690
Added	-	-	2,864,010	290,093	-	207,471	-	-	3,361,574
Retired	(1,239,178)	(2,626,262)	(1,504,676)	(1,704,655)	(7,012,265)	(720,727)	(688,473)	(642,896)	(16,139,132)
Long-term liabilities payable 12/31/21	\$ 21,916,309	\$ 33,094,955	\$ 4,521,832	\$ 13,370,311	\$ 2,163,502	\$ 3,049,730	\$ 9,205,427	\$ 16,558,066	\$ 103,880,132

DEBT SERVICE REQUIREMENT TO MATURITY

Year	General Obligation Bonds		Utility Bonds/Loans		Total Long-Term Debt	
	Principal	Interest	Principal	Interest	Principal ⁽¹⁾	Interest
2022	1,751,659	1,495,120	2,676,552	1,372,447	4,428,211	2,867,567
2023	1,818,039	1,425,906	2,740,438	1,277,319	4,558,477	2,703,225
2024	1,890,575	1,353,809	2,835,438	1,178,203	4,726,013	2,532,012
2025	1,969,116	1,278,685	2,827,594	1,074,537	4,796,710	2,353,222
2026-2030	9,234,006	5,092,278	14,764,482	3,661,967	23,998,488	8,754,245
2031-2035	11,101,303	2,777,746	6,052,038	1,240,950	17,153,341	4,018,696
2036-2040	7,807,135	648,936	3,983,961	351,098	11,791,096	1,000,034
2041-2045	-	-	116,993	292	116,993	292
Totals	\$ 35,571,833	\$ 14,072,480	\$ 35,997,496	\$ 10,156,813	\$ 71,569,329	\$ 24,229,293

\$ 71,569,329	Principal debt service requirements to maturity
4,521,833	Employee Leave Benefits
13,370,311	Other Post Employment Benefits
2,163,502	Net Pension Liability
3,049,730	Firemen's Pension Liability
9,205,427	Premium
\$ 103,880,132	Long Term Liabilities: 12/31/21

CHANGES IN LONG-TERM LIABILITIES

Issue Name	Interest Rates	Maturity Date	Original Amount ⁽²⁾	Principal Installments	Balance 12/31/20	Additions	Reductions	Balance 12/31/21	Due Within One Year
GOVERNMENTAL DEBT									
<u>General Obligation Bonds:</u>									
LTGO Refunding 2016	1.64 -1.64%	12/1/2025	3,166,930	\$71,470 - \$366,159	1,770,569	-	(341,802)	1,428,767	347,558
LTGO Refunding 2020A (LTGO 2010B)	4.00-5.00%	12/1/2039	15,010,000	\$480,000 - \$1,045,000	14,145,000	-	(480,000)	13,665,000	505,000
LTGO Refunding 2020B (LTGO 2010D)	4.00-5.00%	12/1/2034	4,470,000	\$71,470 - \$366,159	4,140,000	-	(220,000)	3,920,000	230,000
Total General Obligation Bonds			22,646,930		20,055,569	-	(1,041,802)	19,013,767	1,082,558
<u>Employee Leave Benefits:</u>									
Compensated absences					2,578,327	2,351,284	(1,217,294)	3,712,317	2,590,902
<u>Other Post Employment Benefits:</u>									
LEOFF 1					14,784,873	290,093	(1,704,655)	13,370,311	-
<u>Pensions:</u>									
Net Pension Liability					6,075,671	-	(5,048,831)	1,026,840	-
Firemen's Pension Liability					3,562,986	207,471	(720,727)	3,049,730	-
<u>Public Works Trust Fund Loans:</u>									
PWTF 2008	0.50%	7/1/2028	1,527,273	\$80,383	643,062	-	(80,383)	562,679	80,383
PWTF 2012	0.50%	6/1/2041	3,284,857	\$116,993	2,456,856	-	(116,993)	2,339,863	116,993
Total Public Works Trust Fund Loans			4,812,130		3,099,918	-	(197,376)	2,902,542	197,376
Premium Related to Debt					3,803,847	-	(219,504)	3,584,343	-
Total Governmental			\$ 27,459,060		\$ 53,961,191	\$ 2,848,848	\$ (10,150,189)	\$ 46,659,850	\$ 3,870,836
BUSINESS-TYPE DEBT									
<u>Revenue Bonds:</u>									
Utility sys bonds 2013 ⁽¹⁾	0.38-4.00%	12/1/2032	11,415,000	\$335,000 - \$785,000	7,680,000	-	(515,000)	7,165,000	530,000
Utility sys refunding bonds 2020 (2010 Bonds)	5%	12/1/2030	11,835,000	\$950,000 - \$1,450,000	11,835,000	-	(950,000)	10,885,000	995,000
Utility sys bonds 2020 ⁽¹⁾	4.00-5.00%	12/1/2039	12,030,000	\$175,000 - \$895,000	11,855,000	-	(395,000)	11,460,000	415,000
Total Revenue Bonds			35,280,000		31,370,000	-	(1,860,000)	29,510,000	1,940,000
<u>Employee Leave Benefits:</u>									
Compensated absences					584,171	512,726	(287,382)	809,515	564,977
<u>Net Pension Liability</u>					3,100,096	-	(1,963,434)	1,136,662	-
<u>Public Works Trust Fund & Drinking Water Loans:</u>									
PWTF 2001	0.50%	7/1/2021	4,290,405	\$227,086	227,086	-	(227,086)	-	0
PWTF 2002	1.00%	7/1/2022	641,250	\$26,114	52,229	-	(26,114)	26,115	26,115
PWTF 2004	0.50%	7/1/2024	2,049,036	\$107,844	431,376	-	(107,844)	323,532	107,844
PWTF 2006	0.50%	7/1/2026	3,325,000	\$180,418	1,082,508	-	(180,418)	902,090	180,418
PWTF 2013	2.00%	6/1/2032	3,325,000	\$188,538	2,262,462	-	(188,538)	2,073,924	188,538
DWSRF 2016 ⁽³⁾	1.50%	10/1/2026	248,066	\$30,262	181,574	-	(30,262)	151,312	30,262
DWSRF 2020	1.75%	10/1/2039	3,030,000	\$5,999	113,982	-	(5,999)	107,983	5,999
Total Public Works Trust Fund & Drinking Water Loans			16,908,757		4,351,217	-	(766,262)	3,584,955	539,176
Premium Related to Debt					6,090,053		(468,969)	5,621,084	-
Total Proprietary			\$ 52,188,757		\$ 45,495,537	\$ 512,726	\$ (5,346,047)	\$ 40,662,216	\$ 3,044,153
Total All Funds			\$ 79,647,817		\$ 99,456,728	\$ 3,361,574	\$ (15,496,236)	\$ 87,322,066	\$ 6,914,989

⁽¹⁾ Subject to federal arbitrage compliance rules.⁽²⁾ The original amount is the amount authorized and issued with exception of the Utility System Bonds 2013 in which the authorized amount was \$13,000,000 and the issued amount was \$11,415,000.⁽³⁾ The original authorized loan amount was reduced from \$1,353,400 in concert with a reduction in project scope (limited to design costs only).

Due to Other Governments

- SCORE Public Development Authority issued General Obligation bonds in 2009 to acquire, construct, improve, and equip a consolidated correctional facility located in Des Moines, Washington. These bonds were subsequently refunded in December 2019 and will mature in 2038. The city is contracted to pay 34.94% of the debt service. This debt is paid from the General fund.

CHANGES IN LONG-TERM LIABILITIES DUE TO OTHER GOVERNMENTS

Issue Name	Interest Rates	Maturity Date	Original Amount	Principal Installments	Balance 12/31/20	Additions	Reductions	Balance 12/31/21	Due Within One Year
GOVERNMENTAL DEBT:									
<u>General Obligation Bonds:</u>									
SCORE Refunding Bonds 2019	3.00-5.00%	12/1/2038	17,838,617	\$637,655 - \$1,325,973	17,200,962	-	(642,896)	16,558,066	669,101
Total General Obligation Bonds Due Other Governments			<u>\$ 17,838,617</u>		<u>\$ 17,200,962</u>	<u>\$ -</u>	<u>\$ (642,896)</u>	<u>\$ 16,558,066</u>	<u>\$ 669,101</u>

LONG-TERM LIABILITIES RECONCILIATION

	Enterprise Funds	Governmental Funds	12/31/21
Liabilities payable from restricted assets:			
Revenue bonds	\$ 2,204,135	\$ -	\$ 2,204,135
Long-term bonds payable:			
General obligation bonds	-	19,013,767	19,013,767
Capital lease	-	-	-
Revenue bonds	27,305,865	-	27,305,865
Public Works Trust Fund loans	3,584,956	2,902,542	6,487,498
Due to Other Governments	-	16,558,066	16,558,066
Employee leave benefits	809,515	3,712,317	4,521,832
Other Post Employment Benefits	-	13,370,311	13,370,311
Net Pension Liability	1,136,662	1,026,840	2,163,502
Firemen's Pension Liability	-	3,049,730	3,049,730
Premium	5,621,084	3,584,343	9,205,427
Total long-term debt	<u>\$ 40,662,217</u>	<u>\$ 63,217,916</u>	<u>\$ 103,880,131</u>

Revenue Bond Debt Service Coverage

The required debt service coverage for the 2013 utility revenue, 2020 utility revenue, and 2020 utility revenue refunding bonds is 1.25. Debt service coverage for 2021 was 3.17. The ratio indicates the direction and degree to which the revenue stream exists to meet the current debt burden. The ratio is calculated by dividing the net revenue available by debt service requirements.

The restricted rate stabilization fund for the utility revenue bonds was established to minimize the effect on rates of revenue fluctuations between years. By transferring cash into this stabilization fund, adjusted net revenue available for debt service, as defined, would be decreased by the amount of the transfer. Conversely, transfers out of the account would increase adjusted net revenue available for debt service.

Estimated Arbitrage Rebate

The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt of over \$5 million to make payments to the United States Treasury of investment interest received at yields that exceed the issuer's tax-exempt borrowing rates. Payments of arbitrage rebate amounts due under these regulations must be made to the U.S. Treasury every five years. The City's estimated arbitrage rebate as of December 31, 2021 is \$0 for its tax-exempt bond issues.

Note 9 – PENSION PLANS

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

Aggregate Pension Amounts - All Plans	
Pension liabilities	\$ (2,163,502)
Pension assets	\$ 47,989,556
Deferred outflows of resources	\$ 4,315,298
Deferred inflows of resources	\$ (36,561,004)
Pension expense/expenditures	\$ (8,795,153)

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.

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:

PERS Plan 1		
Actual Contribution Rates:	Employer	Employee*
January – June 2021:		
PERS Plan 1	7.92%	6.00%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
Total	12.97%	6.00%
July – December 2021:		
PERS Plan 1	6.36%	6.00%
PERS Plan 1 UAAL	3.71%	
Administrative Fee	0.18%	
Total	10.25%	6.00%

* For employees participating in JBM, the contribution rate was 12.26%.

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:

PERS Plan 2/3		
Actual Contribution Rates:	Employer 2/3	Employee 2*
January – June 2021:		
PERS Plan 2/3	7.92%	7.90%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
Total	12.97%	7.90%
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
Total	10.25%	6.36%

* For employees participating in JBM, the contribution rate was 19.75% January 1 – June 30, 2021; then the rate changed to 15.90% for the period of July 1 – December 31, 2021.

The City's actual PERS plan contributions were \$1,205,178 to PERS Plan 1 and \$2,005,971 to PERS Plan 2/3 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% 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 1 had no required employer or employee contributions for fiscal year 2020. Employers paid only the administrative expense of 0.18 percent of covered payroll.

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

Contributions

The **LEOFF Plan 2** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2. The employer rate 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 3.44% from January 1 through June 30, 2020, and 3.41% from July 1 through December 31, 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%	
Total	5.33%	8.59%
July – December 2021		
State and local governments	5.12%	8.53%
Administrative Fee	0.18%	
Total	5.30%	8.53%

The City's actual contributions to the plan were \$756,576 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 \$488,070.

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

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

There were a few changes in methods and no changes in assumptions since the last valuation.

- For purposes of the June 30, 2020 AVR, a non-contribution rate setting valuation under current funding policy, OSA introduced temporary method changes to produce asset and liability measures as of the valuation date. OSA will revert back to the methods outlined in their 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 (FY)-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 their projection assumptions where necessary. OSA also considered any material impacts to the plans from 2021 legislation. See leg.wa.gov/osa for more information regarding the methods and assumptions used.

Discount Rate

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

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

Long-Term Expected Rate of Return

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

Estimated Rates of Return by Asset Class

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%
	100%	

Sensitivity of Net Pension Liability/(Asset)

The table below presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.4 percent, as well as what the City's proportionate share of the net pension liability 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 (6.40%)	Current Discount Rate (7.40%)	1% Increase (8.40%)
PERS 1	\$ 3,685,647	\$ 2,163,502	\$ 836,034
PERS 2/3	(6,457,826)	(22,668,538)	(36,018,066)
LEOFF 1	(2,949,576)	(3,276,345)	(3,559,055)
LEOFF 2	\$ (13,901,387)	\$ (22,044,674)	\$ (28,712,401)

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 its proportionate share of net pension liabilities as follows:

	Liability (Asset)
PERS 1	\$ 2,163,502
PERS 2/3	(22,668,538)
LEOFF 1	(3,276,345)
LEOFF 2	\$ (22,044,674)

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

	LEOFF 1 Asset	LEOFF 2 Asset
Employer's proportionate share	\$ (3,276,345)	\$ (22,044,674)
State's proportionate share of the net pension asset associated with the employer	(22,161,113)	(14,221,221)
TOTAL	\$(25,437,457)	\$(36,265,895)

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	0.176594%	0.177157%	(0.000563)%
PERS 2/3	0.229959%	0.227559%	(0.002400)%
LEOFF 1	0.096208%	0.095644%	(0.000564)%
LEOFF 2	0.374857%	0.379530%	(0.004673)%

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 2021. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). In fiscal year 2021, 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 percent of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 61 percent of employer contributions.

The collective net pension liability (asset) was measured as of June 30, 2021, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2020, with update procedures used to roll forward the total pension liability to the measurement date.

Pension Expense

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

	Pension Expense
PERS 1	\$ (377,307)
PERS 2/3	(5,193,688)
LEOFF 1	(477,328)
LEOFF 2	(2,746,829)
TOTAL	\$ (8,795,153)

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:

PERS 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$
Net difference between projected and actual investment earnings on pension plan investments		(2,400,763)
Changes of assumptions		
Changes in proportion and differences between contributions and proportionate share of contributions		
Contributions subsequent to the measurement date	522,016	
TOTAL	\$ 522,016	\$ (2,400,763)

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,100,978	\$ (277,894)
Net difference between projected and actual investment earnings on pension plan investments		(18,945,580)
Changes of assumptions	33,126	(1,609,841)
Changes in proportion and differences between contributions and proportionate share of contributions	9,567	(296,798)
Contributions subsequent to the measurement date	894,887	
TOTAL	\$ 2,038,558	\$ (21,130,114)

LEOFF 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$
Net difference between projected and actual investment earnings on pension plan investments		(1,001,125)
Changes of assumptions		
Changes in proportion and differences between contributions and proportionate share of contributions		
Contributions subsequent to the measurement date		
TOTAL	\$	\$ (1,001,125)

LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 999,862	\$ (116,504)
Net difference between projected and actual investment earnings on pension plan investments		(10,511,059)
Changes of assumptions	9,529	(1,048,446)
Changes in proportion and differences between contributions and proportionate share of contributions	365,615	(352,993)
Contributions subsequent to the measurement date	379,717	
TOTAL	\$ 1,754,723	\$ (12,029,002)

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	LEOFF 1	LEOFF 2
2022	\$ (635,962)	\$ (5,245,586)	\$ (265,935)	\$ (2,816,157)
2023	(582,773)	(4,905,196)	(243,246)	(2,624,974)
2024	(551,035)	(4,698,065)	(229,525)	(2,480,527)
2025	(630,992)	(5,047,011)	(262,419)	(2,791,592)
2026	-	(94,552)	-	(50,548)
Thereafter	\$ -	\$ 3,967	\$ -	\$ 109,802

City of Auburn Fire Relief and Pension Plan

The City is the administrator of the Firemen's Pension Plan (Plan), which is a closed, single-employer defined benefit pension plan that was established in conformance with RCW Chapters 41.16 and 41.18. This plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Membership is limited to firefighters employed prior to March 1, 1970 when the LEOFF retirement system was established. The City's obligation under the Firemen's Pension Plan consists of paying all benefits, including payments to beneficiaries and healthcare, for firefighters who retired prior to March 1, 1970, and excess pension and healthcare benefits of LEOFF for covered firefighters who retired after March 1, 1970. Benefits and refunds of the defined benefit pension plan are recognized when due and payable in accordance with the Plan. The Plan does not issue a separate financial report. Membership of the Firemen's Pension Plan consisted of 13 eligible inactive employees or their beneficiaries, of which 11 received city paid benefits. There are no active employees in this plan.

Under state law, the Firemen's Pension Plan is provided an allocation of 25% of all monies received by the state from taxes on fire insurance premiums (which is not considered a special funding situation), interest earnings, member contributions made prior to the inception of LEOFF, and City contributions required to meet projected future pension obligations. In 2021, \$98,371 was received from the state from taxes on fire insurance premiums, and \$19,570 was received from interest earnings. On-behalf payments of fringe benefits and salaries for the City's employees were recognized as revenues and expenditures/expenses during the period. Administrative costs, such as City staff time and actuarial valuation costs are funded from interest earnings or City contributions.

The City has determined that *GASB Statement No. 67 – Financial Reporting for Pension Plans; an amendment of GASB Statement No. 25* does not apply to the City's single-employer Fire Relief and Pension Fund as there are no assets accumulated in a qualifying trust and it does not meet the criteria applicability set by the statement as the contributions to that fund are not irrevocable. Plan assets may be used to cover medical expenses which are outside of the scope of the pension plan benefits. Therefore, the Fire Relief and Pension Fund has been presented in conformance with *GASB Statement No. 73 – Accounting and*

Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68.

The following table represents the plan aggregate pension amounts for 2021:

Aggregate Pension Amounts – Fire Relief and Pension Plan	
Pension liabilities	\$ (3,049,730)
Deferred outflows of resources	\$ 0
Deferred inflows of resources	\$ 0
Pension expense/expenditures	\$ (425,607)

Service Retirement Benefit

The amount of a members benefit is based upon the rank of the firefighter at the time of retirement and amounts to 50% of salary plus an additional 2% for each year of service in excess of 25 years, to a maximum benefit of 60% of salary. An annual post-retirement increase is determined based upon 2 factors:

- escalation by salary in proportion to the current salary of rank from which the firefighter retired (RCW 41.18.040), and
- increase proportionate to the annual increase in the Seattle-area CPI and regardless of the increase (or decrease) in the CPI, the benefits are increased at least 2% each year. (RCW 41.18.104)

Assumptions and Other Inputs to the Total Pension Liability

GASB Statement 73 requires a schedule of changes in Total Pension Liability from year to year. Both the December 31, 2020 and the December 31, 2021 amounts are based on the below specified actuarial valuation (the valuation date) and then projected forward to the measurement date. The measurement date is the date as of which the total pension liability is determined.

The discount rate and other key actuarial assumptions utilized are noted below:

Fire Relief and Pension Plan	December 31, 2020	December 31, 2021
Discount Rate – municipal bond rate (average rating AA/Aa or higher)	2.00%	2.00%
Valuation Date	January 1, 2019	January 1, 2021
Measurement Date	December 31, 2020	December 31, 2021
Inflation	2.25%	2.25%
Salary Increases Including Inflation	3.25%	3.25%
Mortality	RP-2000 Mortality Table (combined healthy) with generational projection using 100% of Projection Scale BB	RP-2010 Safety Mortality Table (headcount-weighted) with generational projection using the ultimate rates in Projection Scale MP-2017
Actuarial Cost Method	Entry Age Normal	Entry Age Normal

Total Pension Liability

The following table represents the changes in the total pension liability for 2021:

Fire Relief and Pension Plan	Increase (Decrease) Total Pension Liability
Balances as of December 31, 2020	\$ 3,562,986
Changes for the year:	
Service cost	0
Interest on total pension liability	69,409
Effect of plan changes	0
Effect of economic/demographic gains or losses	(534,707)
Effect of assumptions, changes or inputs	138,062
Benefit payments *	(186,020)
Balances as of December 31, 2021	\$ 3,049,730

* Benefit payments are estimated based on expected payouts.

Sensitivity Analysis

The following table presents the total pension liability of the City, calculated using the discount rate of 2.00%, as well as what the City's total pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.00%) or 1 percentage point higher (3.00%) than the current rate.

1% Decrease (1.00%)	Current Discount Rate (2.00%)	1% Increase (3.00%)
\$ 3,372,349	\$ 3,049,730	\$ 2,774,039

Pension Expense

The amount of pension expense recognized by the City for the reporting period is as follows:

Fire Relief and Pension Plan	January 1, 2020 to December 31, 2020	January 1, 2021 to December 31, 2021
Service Cost	\$ 0	\$ 0
Interest on Total Pension Liability	91,863	69,409
Effect of Plan Changes	0	0
Contributions From State Fire Insurance Premium Tax	(85,819)	(98,371)
Recognition of Deferred Inflows/Outflows of Resources:		
Recognition of Economic/Demographic Gains/Losses	0	(534,707)
Recognition of Assumption Changes or Inputs	244,126	138,062
Pension Expense	\$ 250,170	\$ (425,607)

Deferred Outflows/Inflows of Resources

As of December 31, 2021, the deferred outflows and inflows of resources are as follows:

Fire Relief and Pension Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ 0
Changes of assumptions	0	0
Contributions subsequent to the measurement date	0	0
TOTAL	\$ 0	\$ 0

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

Year ended December 31:	
2022	\$0
2023	0
2024	0
2025	0
2026	0
Thereafter	0

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS

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

Aggregate OPEB Amounts	
OPEB Liabilities	\$ 13,370,311
OPEB Assets	\$ 0
Deferred outflows of resources	\$ 0
Deferred inflows of resources	\$ 0
OPEB expense/expenditures	\$ (851,421)

Plan Description

The city is the administrator of the Law Enforcement Officer and Fire Fighter(LEOFF) 1 employees plan providing lifetime medical care. The plan is a single employer, defined benefit, other post-employment benefit plan (OPEB). The plan does not issue a separate standalone financial report.

Benefits Provided

Effective March 1, 1970, the LEOFF plan was established by the Legislature under Revised Code of Washington (RCW) Chapter 41.26. LEOFF members who joined the system by September 30, 1977 are Plan 1 members. In addition, the City is required to pay post-employment benefits in accordance with RCW Chapter 41.16; all medical and long term care as long as a disability exists are covered for any active firefighter hired prior to March 1, 1970. For any retired firefighter hired prior to March 1, 1970, medical and long term care are covered at the discretion of the Retirement Board. Members retired prior to 1961 for reasons other than duty disability are not eligible for medical benefits during retirement.

The City OPEB plan provides medical, prescription drug, dental, Medicare Part B premiums, long-term care, and vision expenses for retirees. The plan does not cover dependent spouses and children. The City’s cost is reduced by any amounts retirees receive from Medicare or other health plans.

Funding Policy

The plan is funded on a pay-as-you-go basis from the General Fund and there are no assets accumulated in a qualifying trust.

Membership

As of December 31, 2021, there are 35 retirees and 0 active employees meeting the eligibility requirements of a LEOFF 1 member. This is considered a closed group with no new members.

Retirees currently receiving benefits	35
Retirees entitled to but not yet receiving benefits	0
Active employees	0
Total	35

OPEB Liability

The Valuation Date is January 1, 2021. This is the date as of which the actuarial valuation was performed. The Measurement Date is December 31, 2021. This is the date as of which the total OPEB liability under GASB 75 is determined. The Reporting Date is the Plan’s and City’s fiscal year ending date. Update procedures were used to roll forward the total OPEB liability to the measurement date.

Assumptions and Other Inputs

A number of assumptions are used in development of the OPEB plan actuarial valuation as discussed below.

GASB 75 requires the discount rate used to measure the Total OPEB Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method) to be a yield or index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The Bond Buyer General Obligation 20-bond municipal bond index for bonds that mature in 20 years is 2.06% as of December 31, 2021. Rounding this to the nearest ¼% results in a discount rate of 2.00% as of the December 31, 2021 measurement date.

A medical (healthcare) and dental trend rate of 4.70% along with a long-term care inflation rate of 4.5%.

Mortality assumptions are based on the Pub-2010 Safety Mortality Table (headcount-weighted) with generational projection using the ultimate rates in Projection Scale MP-2017, with ages set back one year for males. For disabled members, mortality assumptions are based on Pub-2010 Safety Disability Mortality Table with generational projection using the ultimate rates in Projection Scale MP-2017.

Sensitivity Analysis

The following presents the total OPEB liability of the City, calculated using the current healthcare cost trend rates as well as what the City’s total OPEB liability would be if it were calculated using trend rates that are one percentage point lower or one percentage point higher than the current trend rates.

	1% Decrease	Current Trend Rate	1% Increase
Total December 31, 2021 OPEB Liability	\$ 11,950,583	\$ 13,370,311	\$ 15,024,684

The following presents the total OPEB liability of the City calculated using the discount rate of 2.00%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.00%) or one percentage point higher (3.00%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Total December 31, 2021 OPEB Liability	\$ 15,139,944	\$ 13,370,311	\$ 11,896,566

The following table represents the changes in total OPEB liability for 2021:

OPEB LEOFF Plan 1	Increase (Decrease) Total OPEB Liability
Balance as of December 31, 2020	\$ 14,784,873
Changes for the Year:	
Service Cost	0
Interest on Total OPEB Liability	290,093
Effect of Plan Changes	0
Effect of Economic/Demographic Gains or Losses	(704,125)
Effect of Assumptions, Changes or Inputs	(437,389)
Expected Benefit Payments	(563,141)
Balance as of December 31, 2021	\$ 13,370,311

For the year ended December 31, 2021, the City recognized an OPEB expense of \$ (851,421).

Changes in assumptions that affected measurement of the total OPEB liability since the prior measurement date include changes in premiums and claims, mortality, and trends.

The City reported no deferred outflows of resources and no deferred inflows of resources related to OPEB.

NOTE 11 – ASSOCIATION OF WASHINGTON CITIES EMPLOYEE BENEFIT TRUST (“Trust”)

Trust Description

The City of Auburn 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, 2020, 262 cities/towns/non-city entities participate in the AWC Trust HCP.

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

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

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

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. In 2020, the AWC Trust HCP purchased stop loss insurance for Regence/Asuris plans at an individual stop loss (ISL) of \$1.5 million through Commencement Bay Risk Management, and Kaiser ISL at \$1 million with Companion Life through ASG Risk Management. The aggregate policy is for 200% of expected medical claims.

Participating employers contract to remain in the AWC Trust HCP for a minimum of three years. Participating employers with over 250 employees must provide written notice of termination of all coverage a minimum of 12 months in advance of the termination date, and participating employers with under 250 employees must provide written notice of termination of all coverage a minimum of 6 months in advance of termination date.

When all coverage is being terminated, termination will only occur on December 31. Participating employers terminating a group or line of coverage must notify the AWC Trust HCP a minimum of 60 days prior to termination. A participating employer's termination will not obligate that member to past debts, or further contributions to the AWC Trust HCP. Similarly, the terminating member forfeits all rights and interest to the AWC Trust HCP account.

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

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

NOTE 12 – CONSTRUCTION COMMITMENTS

At December 31, 2021, the City had the following contractual obligations on construction projects:

SCHEDULE OF OUTSTANDING CONSTRUCTION OBLIGATIONS
As of December 31, 2021

	<u>Amount Outstanding</u>
Street projects	\$ 6,279,604
Traffic projects	957,996
Utilities projects	7,626,092
Other projects	3,209,507
Total commitments	<u>\$ 18,073,199</u>

NOTE 13 – CEMETERY ENDOWED CARE FUND

The City maintains one permanent fund known as the cemetery endowed care fund. Paid into this fund is 10% of the base, pre-tax sales price of each grave, niche or crypt. This fund is irreducible in principal and no part of the income of this fund shall ever be used for purposes other than those specified upon the creation of the fund.

RCW 68.44.020 restricts the use of endowment net appreciation to endowment care “stipulated in the instrument by which the fund was established”. For the City, the instrument that established the fund is Auburn City Code section 3.04.080, and section 3.040.120 governs the use of the fund.

ACC 3.04.120 restricts net interest or income from investments to the care of the lots and in the improvement or embellishment of the cemetery or the erection or preservation of any buildings or structures, fences or walks, or for the repair, preservation, erection or renewal of any tomb, monument, grave, stone, fence, railing or other erection in or around the cemetery. The funds may also be used for planting and cultivating trees, shrubs, flowers or plants in or around the cemetery. All expenditures of income from the fund must first be authorized by the City Council.

For 2021, of the \$2,010 net appreciation on investments, all was available for expenditures. Amounts that are available for expenditure are reflected as assigned fund balance.

NOTE 14 – JOINT VENTURES / RELATED PARTY**Valley Communications Center**

The “Valley Communications Center” was established August 20, 1976, when an Interlocal Agreement was entered into by four participating municipal corporations: Renton, Kent, Auburn and Tukwila. The provisions and terms of the “Interlocal Cooperation Act”, pursuant to RCW 39.34, sanction the agreement. The initial duration of the agreement was five years and thereafter is automatically extended for consecutive two-year periods, unless terminated by one or more of the participating cities. Any such termination must be in writing and served upon the other cities on or before July 1 in any one year and such termination shall then become effective on the last day of such year.

On August 4, 1999 the Administration Board of Valley Communications Center voted to include the City of Federal Way as a full participating member city as of January 1, 2000. The five participating municipal corporations that include the cities of Renton, Kent, Auburn, Tukwila, and Federal Way on April 17, 2000 entered into a new Interlocal Agreement, pursuant to RCW 39.34, et seq. This agreement reaffirmed Valley Communications Center as a governmental administration agency pursuant to RCW 39.34.030 (3) (b).

The purpose of the joint operation, hereafter referred to as Valley Com, is to provide improved consolidated emergency communications (dispatch) services for police, fire and medical aid to the five participating cities and to the several subscribing agencies, which include King County Fire Districts #2, #20, #40, #43, #44, #47, Black Diamond Fire Department, Vashon Island Fire Department, City of Pacific Police and Fire Departments, City of Algona Police Department, City of Black Diamond Police Department, City of Des Moines Police Department, SeaTac Fire Department, North Highline Fire Department, and King County EMS Units. In 1988, King County Fire District #1 was annexed to the City of Tukwila. A separate agreement between Valley Com and the subscribing agencies has been executed, which set forth condition of services and rates charged.

The participating cities provide the majority of revenues to Valley Com. The method of allocating revenue source was changed in 1990 to a basis of prior year’s calls with actual first and second quarter and estimated third and fourth quarter calls. The allocation of prorated financial participation among the five participating cities is the percentage of estimated dispatched calls attributed to each jurisdiction compared to the total actual and estimated dispatched calls, for the period for January 1 through December 31. The percentages are applied to the current approved budget, less revenue from subscribing agencies and all other sources.

The 2021 cost distribution for the five participating cities is as follows:

	Dispatchable Calls	Percent of Total *
Kent	101,249	26.51%
Renton	80,799	21.15%
Auburn	83,626	21.90%
Tukwila	35,008	9.17%
Federal Way	81,257	21.27%
Total	<u>381,939</u>	<u>100.00%</u>

*Distribution of current year net income is based on these budgeted percentages.

SOURCE: Valley Com Center - 2021 Owner Equity Allocation

Valley Com is served by an Administration Board composed of the Mayors or designated representatives from the five participating cities of Renton, Kent, Auburn, Tukwila and Federal Way. The Administration Board is responsible for the following functions: 1) Budget review and recommendation to the legislative bodies of the participating cities, and budget adoption after each legislative body has approved the required financial participation for the ensuing year; 2) Approval of appointment and/or discharge of the Director; 3) Approval of personnel policy and final decisions on all major policy changes; 4) Review and approval of all contracts.

In addition, an Operations Board provides direction and consists of two members of each participating City’s public safety departments, including the heads of such departments or their designees. The Operations Board performs the following functions: 1) Oversees the operation of Valley Com, advises and makes recommendations to the Administration Board; 2) Makes recommendations on Director selection; 3) Presents proposed policies and budget to the Administration Board; 4) Approves disbursement of funds by the Director.

The Director presents a proposed budget to the Operations Board on or before August 15 of each year. Said budget is then presented to the Administration Board by September 1 of each year. The Administration Board can make changes to the proposed Valley Com budget as it finds necessary, but final approval falls to the legislative body of each participating city in accordance with the provisions of the Interlocal Agreement.

In August 1993, Valley Com entered into an Interlocal Cooperation Agreement, pursuant to Chapter 39.34 RCW, with the sub-regions of King County, Seattle and Eastside Public Safety Communications Agency (EPSCA). This agreement

governs the development, acquisition and installation of the 800 MHz emergency radio communications system (system) funded by the \$57 million King County levy.

This agreement provides that upon voluntary termination of any sub-region participation in the system, it surrenders its radio frequencies, relinquishes its equipment and transfers any unexpended levy proceeds and association equipment replacement reserves to another sub-region or consortium of sub-regions.

The share of equity belonging to the five participating cities is as follows:

Item	Kent	Renton	Auburn	Tukwila	Federal Way	Total
Equity Dec 31, 2020	\$ 9,564,555	\$ 7,037,728	\$ 7,234,069	\$ 3,416,212	\$ 6,022,545	\$ 33,275,109
Current year change	1,337,422	1,067,292	1,104,634	462,424	1,073,341	5,045,113
Equity Dec 31, 2021	<u>\$ 10,901,977</u>	<u>\$ 8,105,020</u>	<u>\$ 8,338,703</u>	<u>\$ 3,878,636</u>	<u>\$ 7,095,886</u>	<u>\$ 38,320,222</u>
% of equity	28.45%	21.15%	21.76%	10.12%	18.52%	
% of 2021 distribution	26.51%	21.15%	21.90%	9.17%	21.27%	

SOURCE: Valley Com Center - 2021 Owner Equity Allocation

Liabilities are the responsibility of the five participating cities in direct proportion to their equity position. Complete audited financial statements for Valley Communications Center can be obtained from Valley Communications Center, 27519 108th Ave SE, Kent, WA 98030, or telephone 253-372-1300.

South Correctional Entity (SCORE)

On March 25, 2009, the Cities of Auburn, Burien, Des Moines, Federal Way, Renton, SeaTac and Tukwila, Washington (Member Cities) entered into a SCORE Facility Interlocal Agreement (as amended and restated on October 1, 2009, the "2009 Interlocal Agreement") pursuant to chapter 39.34 RCW (Interlocal Cooperation Act) to jointly construct, equip, maintain and operate a consolidated regional misdemeanor correctional facility located in Des Moines, Washington (SCORE Facility) to serve the parties to the 2009 Interlocal Agreement and state agencies and other local governments (Subscribing Agencies) to provide correctional services essential to the preservation of the public health, safety and welfare. To carry out the purposes of the 2009 Interlocal Agreement and to operate, manage and maintain the SCORE Facility, the Member Cities formed the South Correctional Entity (SCORE), a separate governmental administrative agency pursuant to the 2009 Interlocal Agreement and RCW 39.34.030(3).

The 2009 Interlocal Agreement named the City of Des Moines as the "Host City" and the remaining Member Cities as the "Owner Cities". Pursuant to a separate "Host City Agreement" dated October 1, 2009, the Host City will not enjoy the same equity position as the Owner Cities until all debts issued are paid and the Host City fulfills all of its obligations as outlined in the Host City Agreement. Pursuant to SCORE financial policies, all unexpended funds or reserve funds shall be distributed based on the percentage of the Member City's average daily population at the SCORE Facility for the last three (3) years regardless of its Owner City or Host City status.

SCORE and the SCORE Facility may serve the Member Cities and Subscribing Agencies which are in need of correctional facilities. Any agreement with a Subscribing Agency shall be in writing and approved by SCORE as provided within the SCORE Formation Interlocal Agreement.

SCORE, as a governmental administrative agency formed under the Interlocal Cooperation Act, is not expressly authorized to issue bonds. To finance and refinance the costs of the SCORE Facility, the City of Renton, Washington, chartered the South Correctional Entity Facility Public Development Authority as a public corporation pursuant to RCW 35.21.730 through 35.21.757 (Public Corporation Act) and Ordinance No. 5444, passed on February 2, 2009 (Charter Ordinance).

2009 SCORE Bonds

The SCORE PDA issued its Bonds, Series 2009A (2009A Bonds) and Bonds, Series 2009B (Taxable Build America Bonds—Direct Payment) (2009B Bonds, and, together the 2009 Bonds) on November 4, 2009 in the aggregate principal amount of \$86,235,000. Proceeds of the 2009 Bonds were used to finance a portion of the costs of acquiring, constructing, developing, equipping and improving the SCORE Facility, to capitalize interest during construction, and to pay costs of issuance for the 2009 Bonds.

Pursuant to the 2009 Interlocal Agreement and the ordinances of each city, each Owner City (which includes the Cities of Auburn, Burien, Federal Way, Renton, SeaTac, and Tukwila) is obligated to budget for and pay its share, and only its share, of the principal of and interest on the 2009 Bonds as the same become due and payable (referred to as each Owner City’s 2009 Capital Contribution). Each Owner City’s obligation to pay its 2009 Capital Contribution is an irrevocable, unconditional full faith and credit obligation of such Owner City, payable from regular property taxes levied within the constitutional and statutory authority provided without a vote of the electors of the Owner City on all of the taxable property within the Owner City and other sources of revenues available therefor.

Subsequent Activities: Refunding of 2009 Bonds and Amendment and Restatement of Interlocal Agreement.

Pursuant to the 2009 Interlocal Agreement, on September 5, 2018, the City of Federal Way gave its notice of intent to withdraw from SCORE effective December 31, 2019. The remaining Member Cities (including the cities of Auburn, Burien, Des Moines, Renton, SeaTac and Tukwila) entered into an Amended and Restated SCORE Interlocal Agreement (2019 Interlocal Agreement), which amended and restated the 2009 Interlocal Agreement in its entirety, removed Federal Way as a Member City (effective December 31, 2019) and an Owner City (effective immediately), added the City of Des Moines as an Owner City, terminated the Host City Agreement, and made other revisions to provide for the issuance of bonds to refund the 2009 Bonds.

On December 11, 2019, the Authority issued its Refunding Bonds, Series 2019 in the aggregate principal amount of \$51,055,000 (2019 Bonds). The 2019 Interlocal Agreement became effective on the date of issuance of the 2019 Bonds. Proceeds of the 2019 Bonds were used, together with a contribution from Federal Way to fully pay its 2009 Capital Contribution, to defease and refund all of the outstanding 2009 Bonds.

As a result, Federal Way has satisfied its 2009 Capital Contribution and, as of December 31, 2019, will no longer be considered a Member City of SCORE.

Pursuant to the 2019 Interlocal Agreement and the ordinances of each city, each remaining Owner City (including the Cities of Auburn, Burien, Des Moines, Renton, SeaTac, and Tukwila) is obligated to budget for and pay its share, and only its share, of the principal of and interest on the 2019 Bonds as the same become due and payable (referred to as each Owner City’s 2019 Capital Contribution). Each Owner City’s obligation to pay its 2019 Capital Contribution is an irrevocable, unconditional full faith and credit obligation of such Owner City, payable from regular property taxes levied within the constitutional and statutory authority provided without a vote of the electors of the Owner City on all of the taxable property within the Owner City and other sources of revenues available therefor. The City of Federal Way is not obligated, under the 2019 Interlocal Agreement or otherwise, to pay debt service on the 2019 Bonds or other debt of the Authority.

The following is a summary of the debt service requirements for the 2019 Bonds:

Summary of Debt Service Requirements - Refunding Bonds, 2019 (Ref 2009A & 2009B)										
Debt Service Schedule				Debt Service Allocation to Owner Cities						
Year	Principal	Interest	Total	Auburn 34.94%	Burien 4.82%	Des Moines 6.02%	Renton 40.96%	SeaTac 3.62%	Tukwila 9.64%	
2022	\$ 1,915,000	\$ 1,996,100	\$ 3,911,100	\$ 1,366,538	\$ 188,515	\$ 235,448	\$ 1,601,987	\$ 141,582	\$ 377,030	
2023	1,990,000	1,919,500	3,909,500	1,365,979	188,438	235,352	1,601,331	141,524	376,876	
2024	2,070,000	1,839,900	3,909,900	1,366,119	188,457	235,376	1,601,495	141,538	376,914	
2025	2,155,000	1,757,100	3,912,100	1,366,888	188,563	235,508	1,602,396	141,618	377,126	
2026	2,260,000	1,649,350	3,909,350	1,365,927	188,431	235,343	1,601,270	141,518	376,861	
2027-2031	13,115,000	6,434,250	19,549,250	6,830,508	942,274	1,176,865	8,007,373	707,683	1,884,548	
2032-2036	16,405,000	3,142,000	19,547,000	6,829,722	942,165	1,176,729	8,006,451	707,601	1,884,331	
2037-2038	7,480,000	338,250	7,818,250	2,731,697	376,840	470,659	3,202,356	283,021	753,679	
Totals	\$ 47,390,000	\$ 19,076,450	\$ 66,466,450	\$ 23,223,378	\$ 3,203,683	\$ 4,001,280	\$ 27,224,659	\$ 2,406,085	\$ 6,407,365	

The City of Auburn reports its share of equity interest in the Governmental Activities column within the Government-wide financial statements under non-current assets. The following summary of the Capital Contributions for the 2019 Bonds is condensed (unaudited) financial information reported as of December 31, 2021 in relation to SCORE:

South Correctional Entity (SCORE)					
Member City	2020 Percent of Equity	2020 Equity Balance	2021 Percent of Equity	2021 Apportionment	2021 Equity Balance
Auburn	43.05%	\$ 12,967,700	41.93%	\$ 760,941	\$ 13,728,641
Burien	5.14%	1,548,383	5.30%	187,658	1,736,041
Des Moines	4.62%	1,392,707	4.95%	226,688	1,619,395
Renton	31.70%	9,546,337	31.93%	903,035	10,449,372
SeaTac	7.66%	2,306,559	8.13%	354,751	2,661,310
Tukwila	7.83%	2,357,977	7.76%	183,808	2,541,785
Grand Totals	100.00%	\$ 30,119,663	100.00%	\$ 2,616,881	\$ 32,736,544

Completed financial statements for SCORE and SCORE PDA can be obtained at SCORE, Attn: Finance Director, 20817 17th Avenue South, Des Moines, WA 98198.

Since the obligation to fund future joint venture-related debt is separately reported as due to other governments, the investment in joint ventures is reported as a combination of this debt with the current reported equity in joint ventures as follows:

Investment in Joint Ventures

	Balance 12/31/2020	Additions	Reductions	Balance 12/31/2021
Valley Communication Public Dev Auth	\$ -	\$ -	\$ -	\$ -
SCORE Public Development Authority	17,200,962	-	(642,896)	16,558,066
Due to Other Governments	17,200,962	-	(642,896)	16,558,066
Valley Communications Center	7,234,070	1,104,634	-	8,338,704
South Correctional Entity (SCORE)	12,967,700	760,941	-	13,728,641
Equity Share	20,201,770	1,865,575	-	22,067,345
Total Investment in Joint Ventures				<u>\$ 38,625,411</u>

NOTE 15 – JOINTLY GOVERNED ORGANIZATION / RELATED PARTY

Residents of the cities of Auburn, Algona and Pacific approved in the November 7, 2006 general election the creation of a regional fire authority pursuant to RCW 52.26. The new regional fire protection service authority, called the Valley Regional Fire Authority (VRFA), provides first responder fire and emergency medical services to residents of Auburn, Algona and Pacific. The VRFA is a new municipal corporation, with its own Governing Board, and is legally separate from the three cities it serves. The Governing Board of the VRFA consists of the Mayors of the three cities within the VRFA service area, as well as two Councilmembers from each city. Membership on the Governing Board is made by appointment from the city council of the respective member cities. Effective January 1, 2007, all personnel, assets, equipment and contractual obligations of the former Auburn Fire Department were transferred to the VRFA. Similar transfers were made by the cities of Algona and Pacific.

In accordance with the interlocal agreement at time of formation, each member city retained its obligation for LEOFF 1 firefighter and Fire Relief and Pension Plan obligations. Premium and benefit payments for retired LEOFF 1 firefighters for 2021 were \$158,596. Medical premiums and benefit payments made under the Fire Relief and Pension Plan for 2021 were \$29,400.

NOTE 16 – CONTINGENCIES AND LITIGATIONS

As of December 31, 2021 a number of claims were pending against the City for damages and legal actions. While the outcome of these actions is uncertain, no uncovered losses are anticipated at this time with these pending claims. In the event of a liability finding against the City, it is anticipated that any potential adverse judgment against the City also would be subject to coverage under the City's general liability insurance.

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. The City's management believes that such disallowances, if any, will be immaterial.

NOTE 17 – RISK MANAGEMENT & INSURANCE

Risk Management

The City is exposed to various risks of loss such as: theft and damage and destruction of assets, errors and omissions, injuries or property damage to others, employees' health, and natural disasters. All risk financing activities are accounted for in the Insurance internal service fund. To insure against risks of loss the City of Auburn is a member of the Washington Cities Insurance Authority (WCIA).

Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), nine cities originally formed WCIA on January 1, 1981. WCIA was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and / or jointly contracting for risk management services. WCIA has a total of 166 Members.

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

Liability coverage is written on an occurrence basis, without deductibles. Coverage includes general, automobile, police, errors or omissions, stop gap, employment practices, prior wrongful acts, and employee benefits liability. Limits are \$4 million per occurrence in the self-insured layer, and \$16 million in limits above the self-insured layer is provided by reinsurance. Total limits are \$20 million per occurrence subject to aggregate sublimits. The Board of Directors determines the limits and terms of coverage annually.

Insurance coverage for property, automobile physical damage, fidelity, inland marine, and boiler and machinery coverage are purchased on a group basis. Various deductibles apply by type of coverage. Property coverage is self-funded from the members' deductible to \$750,000, for all perils other than flood and earthquake, and insured above that to \$400 million per occurrence subject to aggregates and sublimits. Automobile physical damage coverage is self-funded from the members' deductible to \$250,000 and insured above that to \$100 million per occurrence subject to aggregates and sublimits.

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

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

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

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

No settlement has exceeded insurance coverage over the past three years.

Workers’ Compensation

Title 51 RCW requires the City to ensure payment of benefits for job-related injuries and diseases through the Workers’ Compensation fund or through self-insurance. The City become self-insured for Worker’s Compensation in 2014. The funding and allocations for the worker’s compensation program are reviewed by an actuary on an annual basis. The actuarial study made by Bickmore as of December 31, 2021, projected ultimate loss during 2022 and 2023 program years to be \$663,000 and \$696,000, respectively. At December 31, 2021, incurred but not reported and claims payable were estimated at \$865,000. At December 31, 2021, fund equity was \$2,862,454. The City carrier’s excess works’ compensation insurance coverage with a private carrier for losses exceeding \$500,000 per occurrence to a maximum indemnity in occurrence with statutory limits. Claims handling is currently contracted to an independent, qualified third-party administrator (TPA).

The Workers Compensation claims liability includes an estimated amount for claims that have been incurred but not reported (IBNR). Reported claims liabilities are based on the requirements of GASB 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonable estimated.

Changes in the Workers Compensation self-insurance fund claims liabilities in 2021 and 2020 were:

CHANGES OF ESTIMATED CLAIMS LIABILITIES FOR 2021 AND 2020

	Workers Compensation	
	2021	2020
Beg. of Year Claims Liabilities	\$932,000	\$932,000
Less: Claim Payments	(166,601)	(91,396)
Plus: Claims and Changes in Estimates	99,601	91,396
End of Year Claims Liabilities	<u>\$865,000</u>	<u>\$932,000</u>

NOTE 18 – TAX ABATEMENTS

The city offers a multifamily property tax exemption within the downtown core to encourage construction of new multifamily housing, and that the provisions of additional housing opportunities in the downtown core will assist in achieving the goals of the city’s comprehensive plan. Under Chapter 84.14 RCW, the city provides the opportunity for a limited, eight-year exemptions from ad valorem property taxation for a qualified new multifamily and rehabilitated multifamily housing constructed in the downtown core and twelve-year exemptions from ad valorem property taxation for qualified new affordable multifamily and rehabilitated multifamily housing contracted in the downtown core. Abatements are obtained through application by the property owner, including proof of improvements that have been made, and equal 100 percent of the additional property tax resulting from the increase in assessed value because of the improvements. If application is approved and all requirements meet, exemption begins January 1st, of the year immediately following the calendar year of issuance of the final certificate of tax exemption. If at any time it is determined the property no longer complies with the terms of the contract or the requirements, or the use of the property for any reason no longer qualifies for the tax exemption, the tax exemption shall be cancelled and additional taxes, interest and penalties imposed.

The city has the following tax abatement agreement(s) in place as of December 31, 2021.

- 1) Plan A Development LLC, project name Trek Apartments; a four-story building of 126 apartment units with outdoor plaza and ground parking and retail space. The final certificate of tax exemption was issued December 3, 2015, with the eight-year ad valorem property tax exemption to start with tax year 2016. The city’s portion of the property tax abated during the fiscal year 2021 was \$36,367.

- 2) Merrill Gardens at Auburn LLC, project name Merrill Gardens; a senior living community with 129 apartment units (114 assisted living units and 15 memory care units). The building is four stories above grade with one level of below grade parking. The final certificate of tax exemption was issued September 14, 2017, with the eight-year ad valorem property tax exemption to start with tax year 2018. The city's portion of the property tax abated during the fiscal year 2021 was \$41,471.
- 3) Altus Group US Inc, project name The Verge Apartments; a 7-story building of 226 apartment units, upper story outdoor plazas, parking and ground floor commercial space. The final certificate of tax exemption was issued on October 14, 2021, with the eight-year ad valorem property tax exemption to start with tax year 2022.

NOTE 19 – REPORTING CHANGE

The City created the Auburn Transportation Benefit District (TBD) on September 12, 2011 Ordinance 6377. The TBD is an independent taxing district and was established primarily to benefit the City of Auburn transportation functions. During the TBD's existence the TBD has not collected or spent any funds, does not have any contracts, has not committed to any projects, and does not have any assets. In 2015, the legislature changed the law to allow that a City with the same boundaries as the TBD may assume the rights, powers, functions, and obligations of that TBD. The City of Auburn council passed ordinance number 6739 on November 18, 2019 to assume the rights, powers, functions, and obligations of the existing Auburn TBD.

NOTE 20 – SUBSEQUENT EVENT - COVID-19 PANDEMIC

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of COVID-19. Precautionary measures to slow the spread of the virus continued throughout 2021. These measures included limitations on business operations, public events, gatherings, travel, and in-person interactions.

In response to the pandemic, most city facilities continued to be closed to the public in 2021, many city employees work remotely under the guidance of procedures that were put in place at the beginning of the pandemic.

The city will transition to working back in the office starting in January 2022 and opening city facilities to the public in the first few months of 2022. The Mayor and Leadership Team continue to monitor the situation during this period of uncertainty.



REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Proportionate Share of the Net Pension Liability
As of June 30, 2021
Last 10 Fiscal Years*

PERS 1	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.177157%	0.176594%	0.184008%	0.190096%	0.192614%	0.194185%	0.192878%
Employer's proportionate share of the net pension liability (asset)	\$ 2,163,502	\$ 6,234,722	\$ 7,075,761	\$ 8,489,752	\$ 9,139,685	\$ 10,428,649	\$ 10,089,313
Covered payroll	\$ 27,362,217	\$ 26,748,878	\$ 25,792,744	\$ 24,866,577	\$ 24,085,628	\$ 22,947,013	\$ 21,788,519
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	7.91%	23.31%	27.43%	34.14%	37.95%	45.45%	46.31%
Plan fiduciary net position as a percentage of the total pension liability	88.74%	68.64%	67.12%	63.22%	61.24%	57.03%	59.10%
PERS 2/3	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.227559%	0.229959%	0.236778%	0.239249%	0.243488%	0.247760%	0.241739%
Employer's proportionate share of the net pension liability (asset)	\$ (22,668,538)	\$ 2,941,045	\$ 2,299,919	\$ 4,084,964	\$ 8,460,044	\$ 12,223,580	\$ 8,637,472
Covered payroll	\$ 27,362,217	\$ 26,748,878	\$ 25,763,285	\$ 24,674,226	\$ 23,904,107	\$ 22,734,107	\$ 21,460,504
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	-82.85%	11.00%	8.93%	16.56%	35.39%	53.77%	40.25%
Plan fiduciary net position as a percentage of the total pension liability	120.29%	97.22%	97.77%	95.77%	90.97%	85.82%	89.20%
LEOFF 1	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	9.564400%	0.096208%	0.097999%	0.101761%	0.102451%	0.101574%	0.103718%
Employer's proportionate share of the net pension liability (asset)	\$ (3,276,345)	\$ (1,816,897)	\$ (1,937,059)	\$ (1,847,473)	\$ (1,554,407)	\$ (1,046,503)	\$ (1,250,031)
Covered payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's proportionate share of the net pension liability as a percentage of its 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	187.45%	146.88%	148.78%	144.42%	136.00%	123.74%	127.36%
LEOFF 2	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.379530%	0.374857%	0.394720%	0.403472%	0.370954%	0.359661%	0.354511%
Employer's proportionate share of the net pension liability (asset)	\$ (22,044,674)	\$ (7,646,536)	\$ (9,144,451)	\$ (8,191,361)	\$ (5,147,640)	\$ (2,091,896)	\$ (2,193,486)
State's proportionate share of the net pension liability (asset) associated with the employer	\$ (14,221,221)	\$ (4,889,380)	\$ (5,988,390)	\$ (5,303,752)	\$ (3,339,178)	\$ (1,363,764)	\$ (1,450,178)
Total	\$ (36,265,895)	\$ (12,535,916)	\$ (15,132,841)	\$ (13,495,113)	\$ (8,486,818)	\$ (3,455,660)	\$ (3,643,664)
Covered payroll	\$ 14,178,478	\$ 13,661,010	\$ 13,248,982	\$ 12,697,917	\$ 11,623,292	\$ 10,953,667	\$ 10,336,409
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	-155.48%	-55.97%	-69.02%	-64.51%	-44.29%	-19.10%	-21.22%
Plan fiduciary net position as a percentage of the total pension liability	142.00%	115.83%	119.43%	118.50%	113.40%	106.04%	111.67%

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Proportionate Share of the Net Pension Liability
As of June 30, 2021
Last 10 Fiscal Years*

* The City implemented GASB Statement No. 68 in fiscal year 2015. Information is not available for prior years. The schedule will be built prospectively until it contains ten years of data.

Notes to Schedule:

Significant methods and assumptions used in calculating the actuarial determined contribution are presented in Note 9.

Contribution and covered payroll on this schedule is based on the plan fiscal year – July 1 – June 30.

The LEOFF 1 plan is closed and has no further covered payroll.

REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Employer Contributions
As of December 31, 2021
Last 10 Fiscal Years*

PERS 1	2021	2020	2019	2018	2017	2016	2015
Statutorily or contractually required	\$ 1,205,178	\$ 1,318,974	\$ 1,310,731	\$ 1,296,482	\$ 1,216,069	\$ 1,132,885	\$ 1,001,824
Contributions in relation to the statutorily or contractually required contributions	\$ (1,205,178)	\$ (1,318,974)	\$ (1,310,731)	\$ (1,296,482)	\$ (1,216,069)	\$ (1,132,885)	\$ (1,001,824)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$28,098,202	\$26,726,280	\$26,516,814	\$25,212,705	\$24,538,921	\$23,510,382	\$22,436,909
Contributions as a percentage of covered	4.29%	4.94%	4.94%	5.14%	4.96%	4.82%	4.47%
PERS 2/3	2021	2020	2019	2018	2017	2016	2015
Statutorily or contractually required	\$ 2,005,971	\$ 2,121,829	\$ 2,047,116	\$ 1,941,592	\$ 1,714,887	\$ 1,495,562	\$ 1,286,928
Contributions in relation to the statutorily or contractually required contributions	\$ (2,005,971)	\$ (2,121,829)	\$ (2,047,116)	\$ (1,941,592)	\$ (1,714,887)	\$ (1,495,562)	\$ (1,286,928)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$28,098,202	\$26,726,280	\$26,516,814	\$25,087,758	\$24,350,435	\$23,330,702	\$22,130,501
Contributions as a percentage of covered	7.14%	7.94%	7.72%	7.74%	7.04%	6.41%	5.82%
LEOFF 2	2021	2020	2019	2018	2017	2016	2015
Statutorily or contractually required	\$ 756,576	\$ 737,023	\$ 730,140	\$ 708,333	\$ 639,662	\$ 594,665	\$ 551,812
Contributions in relation to the statutorily or contractually required contributions	\$ (756,576)	\$ (737,023)	\$ (730,140)	\$ (708,333)	\$ (639,662)	\$ (594,665)	\$ (551,812)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$14,315,013	\$13,852,684	\$13,597,937	\$13,044,797	\$11,992,821	\$11,370,216	\$10,553,437
Contributions as a percentage of covered	5.29%	5.32%	5.37%	5.43%	5.33%	5.23%	5.23%

* The City implemented GASB Statement No. 68 in fiscal year 2015. Information is not available for prior years. The schedule will be built prospectively until it contains ten years of data.

Note to Schedule:

Significant methods and assumptions used in calculating the actuarial determined contribution are presented in Note 9.

REQUIRED SUPPLEMENTARY INFORMATION
 Schedule of Changes in Total Pension Liability & Related Ratios
 Fire Relief and Pension Plan
 Last 10 Fiscal Years *

	Fiscal Year Ending December 31									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total Pension Liability - Beginning	\$3,562,986	\$3,452,448	\$2,973,304	\$3,212,435	\$3,218,004	N/A	N/A	N/A	N/A	N/A
Service Cost	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A
Interest on Total Pension Liability	69,409	91,863	114,553	108,873	116,957	N/A	N/A	N/A	N/A	N/A
Effect of Plan Changes	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A
Effect of Economic/Demographic Gains (Losses)	(534,707)	-	208,957	-	-	N/A	N/A	N/A	N/A	N/A
Effect of Assumption Changes or Inputs	138,062	244,126	376,773	(142,719)	77,612	N/A	N/A	N/A	N/A	N/A
Benefit Payments	(186,020)	(225,451)	(221,139)	(205,285)	(200,138)	N/A	N/A	N/A	N/A	N/A
Net Change in Total Pension Liability	(513,256)	110,538	479,144	(239,131)	(5,569)	N/A	N/A	N/A	N/A	N/A
Total Pension Liability - Ending	\$3,049,730	\$3,562,986	\$3,452,448	\$2,973,304	\$3,212,435	N/A	N/A	N/A	N/A	N/A
Covered Payroll	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A
Total Pension Liability as a % of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

* The City implemented GASB Statement No. 73 in fiscal year 2017. Information is not available for prior years. The schedule will be built prospectively until it contains ten years of data.

Notes to Schedule:

No assets have been accumulated in a trust that meets the criteria of a qualified plan.

The effect of assumption changes or inputs is the result of a change in the discount rate from 2.75% as of December 31, 2019 to 2.00% as of December 31, 2020.

Significant methods and assumptions used in calculating the actuarial determined contribution are presented in Note 9.

REQUIRED SUPPLEMENTARY INFORMATION
 Schedule of Changes in Total OPEB Liability and Related Ratios
 Firemen's Relief and Pension Plan and LEOFF 1 Employees
 For the Year Ended December 31
 Last 10 Fiscal Years*

	Fiscal Year Ending December 31									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total OPEB Liability - Beginning	\$ 14,784,873	\$ 13,702,359	\$ 16,228,865	\$ 17,472,360	N/A	N/A	N/A	N/A	N/A	N/A
Service Cost	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A
Interest on Total OPEB Liability	290,093	368,593	636,891	597,724	N/A	N/A	N/A	N/A	N/A	N/A
Changes of Benefit Terms	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A
Effect of Economic/Demographic Gains (Losses)	(704,125)	-	(3,427,650)	-	N/A	N/A	N/A	N/A	N/A	N/A
Effect of Assumption Changes or Inputs	(437,389)	1,315,995	883,507	(1,045,269)	N/A	N/A	N/A	N/A	N/A	N/A
Expected Benefit Payments	(563,141)	(602,074)	(619,254)	(795,950)	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB Liability - Ending	\$ 13,370,311	\$ 14,784,873	\$ 13,702,359	\$ 16,228,865	N/A	N/A	N/A	N/A	N/A	N/A
Covered Payroll	-	-	-	-	N/A	N/A	N/A	N/A	N/A	N/A
Total OPEB Liability as a % of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

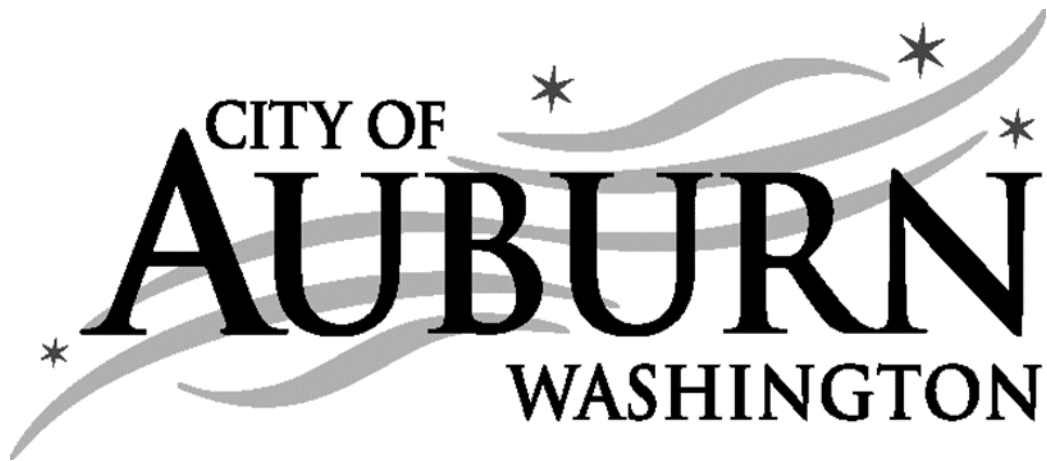
* The City implemented GASB Statement No. 75 in fiscal year 2018. Information is not available for prior years. The schedule will be built prospectively until it contains ten years of data.

Notes to Schedule:

No assets have been accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits.

The effect of assumption changes or inputs is the result of a change in the discount rate from 2.75% as of December 31, 2019 to 2.00% as of December 31, 2020.

Significant methods and assumptions used in calculating the actuarial determined contribution are presented in Note 10.



NON-MAJOR GOVERNMENTAL FUNDS

The City has four types of Non-Major Governmental Funds.

Special Revenue Funds

Special revenue funds account for the proceeds of specific revenue sources and are segregated into individual funds to ensure that expenditures are made exclusively for qualified purposes. Special revenue funds are accounted for on a modified accrual basis. Biennial budgets are adopted with appropriations lapsing at year-end.

Debt Service Funds

Debt service funds account for payments of principal and interest on general obligation and special assessment long-term debt.

Capital Project Funds

Capital project funds account for the City of Auburn's financial resources used for the acquisition or construction of major non-proprietary capital facilities.

Permanent Funds

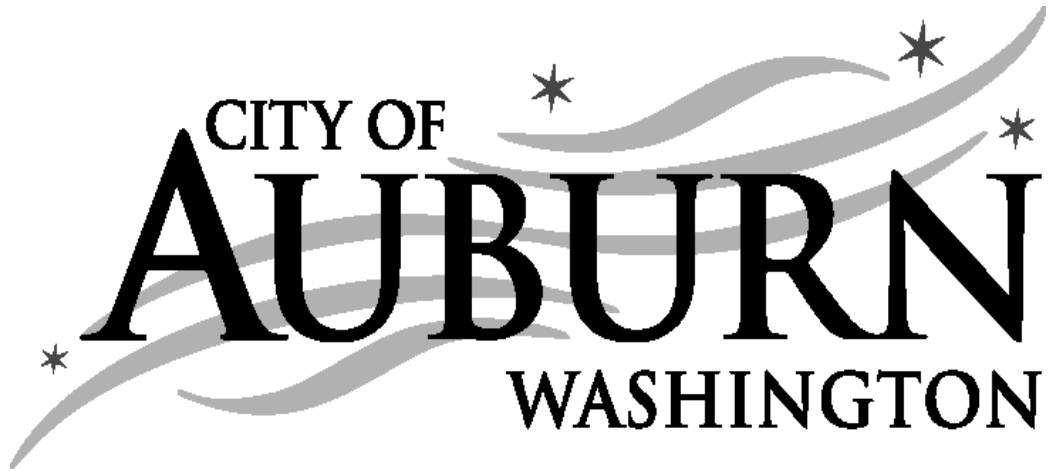
Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support City programs that are for the benefit of the City or its citizens.

City of Auburn, Washington
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
 December 31, 2021

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
ASSETS:					
Cash and Cash Equivalents	\$ 30,264,200	\$ 385,815	\$ 1,406,993	\$ 2,106,447	\$ 34,163,455
Receivables:					
Customer Accounts	1,881	-	3,707	-	5,588
Other Receivables	52,571	-	-	-	52,571
Due From Other Governmental Units	654,895	-	-	-	654,895
Total Assets	<u>30,973,547</u>	<u>385,815</u>	<u>1,410,700</u>	<u>2,106,447</u>	<u>34,876,509</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:					
Liabilities:					
Current Payables	702,446	-	18,983	-	721,429
Interfund Payable (Note 5)	150,000	-	-	-	150,000
Unearned Revenue	5,802,647	-	-	-	5,802,647
Total Liabilities	<u>6,655,093</u>	<u>-</u>	<u>18,983</u>	<u>-</u>	<u>6,674,076</u>
Deferred Inflow of Resources:					
Fund Balances:					
Nonspendable	-	-	-	2,010,357	2,010,357
Restricted	18,931,996	3,828	1,075,138	-	20,010,962
Committed	5,283,101	-	-	-	5,283,101
Assigned	103,357	381,987	316,579	96,090	898,013
Total Fund Balances	<u>24,318,454</u>	<u>385,815</u>	<u>1,391,717</u>	<u>2,106,447</u>	<u>28,202,433</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 30,973,547</u>	<u>\$ 385,815</u>	<u>\$ 1,410,700</u>	<u>\$ 2,106,447</u>	<u>\$ 34,876,509</u>

City of Auburn, Washington
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENT FUNDS
For the Year Ended December 31, 2021

	Total Nonmajor Special Revenue	Total Nonmajor Debt Service	Total Nonmajor Capital Projects	Total Nonmajor Permanent	Total Nonmajor Governmental
REVENUES:					
Taxes:					
Property	\$ -	\$ -	\$ 246,303	\$ -	\$ 246,303
Retail Sales & Use	-	260,195	-	-	260,195
Interfund Utility	711,548	-	-	-	711,548
Utility	1,384,962	-	-	-	1,384,962
Excise	149,326	-	-	-	149,326
Other	41,621	-	-	-	41,621
Intergovernmental	3,854,575	-	-	-	3,854,575
Charges for Services	2,895,921	-	4,842	82,175	2,982,938
Special Assessments	-	591	-	-	591
Investment Earnings	23,485	122	1,403	2,010	27,020
Miscellaneous	441,889	361	8,136	-	450,386
Total Revenues	<u>9,503,327</u>	<u>261,269</u>	<u>260,684</u>	<u>84,185</u>	<u>10,109,465</u>
EXPENDITURES:					
Current:					
General Government	196,596	-	-	-	196,596
Security of Persons & Property	862,753	-	-	-	862,753
Transportation	5,422,197	-	-	-	5,422,197
Economic Environment	1,146,920	-	-	-	1,146,920
Debt Service:					
Principal	-	1,041,802	-	-	1,041,802
Interest	-	838,272	-	-	838,272
Capital Outlay	-	-	1,157,898	-	1,157,898
Total Expenditures	<u>7,628,466</u>	<u>1,880,074</u>	<u>1,157,898</u>	<u>-</u>	<u>10,666,438</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>1,874,861</u>	<u>(1,618,805)</u>	<u>(897,214)</u>	<u>84,185</u>	<u>(556,973)</u>
OTHER FINANCING SOURCES (USES):					
Transfers In (Note 5)	2,002,790	1,909,039	1,040,510	-	4,952,339
Transfers Out (Note 5)	<u>(2,283,457)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,283,457)</u>
Total Other Financing Sources (Uses)	<u>(280,667)</u>	<u>1,909,039</u>	<u>1,040,510</u>	<u>-</u>	<u>2,668,882</u>
Net Change in Fund Balances	<u>1,594,194</u>	<u>290,234</u>	<u>143,296</u>	<u>84,185</u>	<u>2,111,909</u>
Fund Balances - Beginning	22,724,260	95,581	1,248,421	2,022,262	26,090,524
Fund Balances - Ending	<u>\$ 24,318,454</u>	<u>\$ 385,815</u>	<u>\$ 1,391,717</u>	<u>\$ 2,106,447</u>	<u>\$ 28,202,433</u>



NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds account for the proceeds of specific revenue sources and are segregated into individual funds to ensure that expenditures are made exclusively for qualified purposes. Special revenue funds are accounted for on a modified accrual basis. Annual budgets are adopted with appropriations lapsing each year of the biennium. The City has eight non-major special revenue funds.

The Local Street Fund

This fund was created when Auburn voters approved the Save Our Streets lid lift in 2004 and is used to account for all revenues and expenditures related to this initiative.

Hotel/Motel Tax Fund

This fund was created to account for the hotel/motel taxes levied to support City tourist promotion.

Arterial Street Preservation Fund

This fund was created to repair classified arterial streets and is funded from a one percent utility tax increase that was adopted by Council in 2008.

Drug Forfeiture Fund

Money seized and forfeited from drug activity is deposited in this fund to be used exclusively for drug investigation and enforcement.

American Rescue Plan Act Fund

The fund was created to track Federal funding from the coronavirus rescue package designed to facilitate the recovery from the devastating economic impacts and public health emergency effects of the COVID-19 pandemic.

The Housing and Community Development Fund

Accounts for projects associated with the Community Development Block Grant program.

The Recreational Trails Fund

Created for the purpose of trail development. This is a tax-supported fund.

The Business Improvement Area Fund

Accounts for special assessments on downtown merchants for ongoing services and for improvements made to the downtown area.

Mitigation Fees

Accounts for the receipt of contracted mitigation fees for streets and fire service.

City of Auburn, Washington
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
December 31, 2021

Page 1 of 2

	Local Streets	Hotel/ Motel Tax	Arterial Street Preservation	Drug Forfeiture	American Rescue Plan Act (ARPA)	Housing Community Development
ASSETS:						
Cash and Cash Equivalents	\$ 3,640,658	\$ 433,204	\$ 2,905,314	\$ 1,067,602	\$ 5,847,305	\$ 29,705
Receivables:						
Customer Accounts	-	-	1,260	633	-	(12)
Other Receivables	-	-	52,571	-	-	-
Due From Other Governmental Units	-	-	223,050	11,456	-	420,389
Total Assets	<u>3,640,658</u>	<u>433,204</u>	<u>3,182,195</u>	<u>1,079,691</u>	<u>5,847,305</u>	<u>450,082</u>
LIABILITIES AND FUND BALANCES:						
Liabilities:						
Current Payables	308,584	75	48,499	19,855	44,658	257,240
Interfund Payable (Note 5)	-	-	-	-	-	150,000
Unearned Revenue	-	-	-	-	5,802,647	-
Total Liabilities	<u>308,584</u>	<u>75</u>	<u>48,499</u>	<u>19,855</u>	<u>5,847,305</u>	<u>407,240</u>
Fund Balances:						
Restricted	-	433,129	1,176,586	1,058,013	-	42,842
Committed	3,328,733	-	1,954,368	-	-	-
Assigned	3,341	-	2,742	1,823	-	-
Total Fund Balances	<u>3,332,074</u>	<u>433,129</u>	<u>3,133,696</u>	<u>1,059,836</u>	<u>-</u>	<u>42,842</u>
Total Liabilities and Fund Balances	<u>\$ 3,640,658</u>	<u>\$ 433,204</u>	<u>\$ 3,182,195</u>	<u>\$ 1,079,691</u>	<u>\$ 5,847,305</u>	<u>\$ 450,082</u>

Page 2 of 2

Recreational Trails	Business Improvement Area	Mitigation Fees	Total Nonmajor Special Revenue Funds
\$ 88,795	\$ 186,202	\$ 16,065,415	\$ 30,264,200
-	-	-	1,881
-	-	-	52,571
-	-	-	654,895
<u>88,795</u>	<u>186,202</u>	<u>16,065,415</u>	<u>30,973,547</u>
-	-	23,535	702,446
-	-	-	150,000
-	-	-	5,802,647
-	-	<u>23,535</u>	<u>6,655,093</u>
88,712	186,016	15,946,698	18,931,996
-	-	-	5,283,101
83	186	95,182	103,357
<u>88,795</u>	<u>186,202</u>	<u>16,041,880</u>	<u>24,318,454</u>
<u>\$ 88,795</u>	<u>\$ 186,202</u>	<u>\$ 16,065,415</u>	<u>\$ 30,973,547</u>

City of Auburn, Washington
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
For the Year Ended December 31, 2021

Page 1 of 2

	Local Streets	Hotel/ Motel Tax	Arterial Street Preservation	Drug Forfeiture	American Rescue Plan Act (ARPA)	Housing Community Development
REVENUES:						
Taxes:						
Interfund Utility	\$ -	\$ -	\$ 711,548	\$ -	\$ -	\$ -
Utility	-	-	1,384,962	-	-	-
Excise	-	149,326	-	-	-	-
Other	-	-	-	-	-	-
Intergovernmental	-	-	1,176,586	7,953	1,572,968	1,090,068
Charges for Services	-	-	-	22,881	-	-
Investment Earnings	3,341	365	2,742	1,823	-	-
Miscellaneous	-	-	-	441,889	-	-
Total Revenues	3,341	149,691	3,275,838	474,546	1,572,968	1,090,068
EXPENDITURES:						
Current:						
Security of Persons and Property	-	-	-	312,753	-	-
Transportation	1,524,683	-	3,897,514	-	-	-
Economic Environment	-	32,369	-	-	-	1,089,551
General Government	-	-	-	-	196,596	-
Total Expenditures	1,524,683	32,369	3,897,514	312,753	196,596	1,089,551
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,521,342)	117,322	(621,676)	161,793	1,376,372	517
OTHER FINANCING SOURCES (USES):						
Transfers In (Note 5)	1,564,844	-	437,946	-	-	-
Transfers Out (Note 5)	-	-	(68,500)	(125,458)	(1,376,372)	-
Total Other Financing Sources (Uses)	1,564,844	-	369,446	(125,458)	(1,376,372)	-
Net Change in Fund Balances	43,502	117,322	(252,230)	36,335	-	517
Fund Balances - Beginning	3,288,572	315,807	3,385,926	1,023,501	-	42,325
Fund Balances - Ending	\$ 3,332,074	\$ 433,129	\$ 3,133,696	\$ 1,059,836	\$ -	\$ 42,842

Recreational Trails	Business Improvement Area	Mitigation Fees	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ -	\$ 711,548
-	-	-	1,384,962
-	-	-	149,326
-	41,621	-	41,621
7,000	-	-	3,854,575
-	-	2,873,040	2,895,921
83	186	14,945	23,485
-	-	-	441,889
<u>7,083</u>	<u>41,807</u>	<u>2,887,985</u>	<u>9,503,327</u>
-	-	550,000	862,753
-	-	-	5,422,197
-	25,000	-	1,146,920
-	-	-	196,596
-	<u>25,000</u>	<u>550,000</u>	<u>7,628,466</u>
<u>7,083</u>	<u>16,807</u>	<u>2,337,985</u>	<u>1,874,861</u>
-	-	-	2,002,790
-	-	(713,127)	(2,283,457)
-	-	(713,127)	(280,667)
<u>7,083</u>	<u>16,807</u>	<u>1,624,858</u>	<u>1,594,194</u>
<u>81,712</u>	<u>169,395</u>	<u>14,417,022</u>	<u>22,724,260</u>
<u>\$ 88,795</u>	<u>\$ 186,202</u>	<u>\$ 16,041,880</u>	<u>\$ 24,318,454</u>

City of Auburn, Washington
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
LOCAL STREETS SPECIAL REVENUE FUND
For the Year Ended December 31, 2021

	Budget Amounts		Actual Results	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis)	Final Adopted (GAAP Basis)		
REVENUES:				
Taxes:				
Investment Earnings	\$ 10,600	\$ 10,600	\$ 3,341	\$ (7,259)
Total Revenues	<u>10,600</u>	<u>10,600</u>	<u>3,341</u>	<u>(7,259)</u>
EXPENDITURES:				
Current:				
Transportation	2,363,950	3,621,219	1,524,683	2,096,536
Total Expenditures	<u>2,363,950</u>	<u>3,621,219</u>	<u>1,524,683</u>	<u>2,096,536</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,353,350)</u>	<u>(3,610,619)</u>	<u>(1,521,342)</u>	<u>2,089,277</u>
OTHER FINANCING SOURCES (USES):				
Transfers In (Note 5)	2,350,000	2,350,000	1,564,844	(785,156)
Total Other Financing Sources (Uses)	<u>2,350,000</u>	<u>2,350,000</u>	<u>1,564,844</u>	<u>(785,156)</u>
Net Change in Fund Balances	<u>(3,350)</u>	<u>(1,260,619)</u>	<u>43,502</u>	<u>1,304,121</u>
Fund Balances - Beginning	1,321,778	3,288,572	3,288,572	-
Fund Balances - Ending	<u>\$ 1,318,428</u>	<u>\$ 2,027,953</u>	<u>\$ 3,332,074</u>	<u>\$ 1,304,121</u>

City of Auburn, Washington
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HOTEL/MOTEL TAX SPECIAL REVENUE FUND
For the Year Ended December 31, 2021

	Budget Amounts		Actual Results	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis)	Final Adopted (GAAP Basis)		
REVENUES:				
Taxes:				
Excise	\$ 135,000	\$ 135,000	\$ 149,326	\$ 14,326
Charges for Services	2,500	2,500	-	(2,500)
Investment Earnings	1,600	1,600	365	(1,235)
Total Revenues	<u>139,100</u>	<u>139,100</u>	<u>149,691</u>	<u>10,591</u>
EXPENDITURES:				
Current:				
Economic Environment	177,110	177,110	32,369	144,741
Total Expenditures	<u>177,110</u>	<u>177,110</u>	<u>32,369</u>	<u>144,741</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(38,010)</u>	<u>(38,010)</u>	<u>117,322</u>	<u>155,332</u>
OTHER FINANCING SOURCES (USES):				
Net Change in fund Balances	<u>(38,010)</u>	<u>(38,010)</u>	<u>117,322</u>	<u>155,332</u>
Fund Balances - Beginning	225,286	315,807	315,807	-
Fund Balances - Ending	<u>\$ 187,276</u>	<u>\$ 277,797</u>	<u>\$ 433,129</u>	<u>\$ 155,332</u>

City of Auburn, Washington
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
ARTERIAL STREET PRESERVATION SPECIAL REVENUE FUND
For the Year Ended December 31, 2021

	Budget Amounts		Actual Results	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis)	Final Adopted (GAAP Basis)		
REVENUES:				
Taxes:				
Interfund Utility	\$ 725,100	\$ 725,100	\$ 711,548	\$ (13,552)
Utility	1,315,300	1,315,300	1,384,962	69,662
Intergovernmental	741,250	5,016,622	1,176,586	(3,840,036)
Investment Earnings	12,400	12,400	2,742	(9,658)
Total Revenues	<u>2,794,050</u>	<u>7,069,422</u>	<u>3,275,838</u>	<u>(3,793,584)</u>
EXPENDITURES:				
Current:				
Transportation	<u>2,836,250</u>	<u>9,382,141</u>	<u>3,897,514</u>	<u>5,484,627</u>
Total Expenditures	<u>2,836,250</u>	<u>9,382,141</u>	<u>3,897,514</u>	<u>5,484,627</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(42,200)</u>	<u>(2,312,719)</u>	<u>(621,676)</u>	<u>1,691,043</u>
OTHER FINANCING SOURCES (USES):				
Transfers In (Note 5)	-	437,946	437,946	-
Transfers Out (Note 5)	<u>(50,000)</u>	<u>(68,500)</u>	<u>(68,500)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>369,446</u>	<u>369,446</u>	<u>-</u>
Net Change in Fund Balances	<u>(92,200)</u>	<u>(1,943,273)</u>	<u>(252,230)</u>	<u>1,691,043</u>
Fund Balances - Beginning	<u>1,606,304</u>	<u>3,385,926</u>	<u>3,385,926</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 1,514,104</u>	<u>\$ 1,442,653</u>	<u>\$ 3,133,696</u>	<u>\$ 1,691,043</u>

City of Auburn, Washington
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
DRUG FORFEITURE SPECIAL REVENUE FUND
For the Year Ended December 31, 2021

	Budget Amounts		Actual Results	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis)	Final Adopted (GAAP Basis)		
REVENUES:				
Taxes:				
Intergovernmental	\$ -	\$ -	\$ 7,953	\$ 7,953
Charges for Services	16,000	16,000	22,881	6,881
Investment Earnings	6,600	6,600	1,823	(4,777)
Miscellaneous	125,000	125,000	441,889	316,889
Total Revenues	<u>147,600</u>	<u>147,600</u>	<u>474,546</u>	<u>326,946</u>
EXPENDITURES:				
Current:				
Security of Persons & Property	364,874	396,874	312,753	84,121
Total Expenditures	<u>364,874</u>	<u>396,874</u>	<u>312,753</u>	<u>84,121</u>
Excess (Deficiency of Revenues Over (Under) Expenditures	<u>(217,274)</u>	<u>(249,274)</u>	<u>161,793</u>	<u>411,067</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out (Note 5)	(128,120)	(214,920)	(125,458)	89,462
Total Other Financing Sources and Uses	<u>(128,120)</u>	<u>(214,920)</u>	<u>(125,458)</u>	<u>89,462</u>
Net Change in Fund Balances	<u>(345,394)</u>	<u>(464,194)</u>	<u>36,335</u>	<u>500,529</u>
Fund Balances - Beginning	957,967	1,023,501	1,023,501	-
Fund Balances - Ending	<u>\$ 612,573</u>	<u>\$ 559,307</u>	<u>\$ 1,059,836</u>	<u>\$ 500,529</u>

City of Auburn, Washington
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
AMERICAN RESCUE PLAN ACT (ARPA) SPECIAL REVENUE FUND
For the Year Ended December 31, 2021

	Budget Amounts		Actual Results	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis)	Final Adopted (GAAP Basis)		
REVENUES:				
Intergovernmental	\$ -	\$ 7,375,600	\$ 1,572,968	\$ (5,802,632)
Total Revenues	<u>-</u>	<u>7,375,600</u>	<u>1,572,968</u>	<u>(5,802,632)</u>
EXPENDITURES:				
Current:				
General Government	-	-	196,596	(196,596)
Total Expenditures	<u>-</u>	<u>-</u>	<u>196,596</u>	<u>(196,596)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>7,375,600</u>	<u>1,376,372</u>	<u>(5,999,228)</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out (Note 5)	-	(1,958,900)	(1,376,372)	582,528
Total Other Financing Sources (Uses)	<u>-</u>	<u>(1,958,900)</u>	<u>(1,376,372)</u>	<u>582,528</u>
Net Change in Fund Balances	-	5,416,700	-	(5,416,700)
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	<u>\$ -</u>	<u>\$ 5,416,700</u>	<u>\$ -</u>	<u>\$ (5,416,700)</u>

City of Auburn, Washington
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
HOUSING & COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND
For the Year Ended December 31, 2021

	Budget Amounts		Actual Results	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis)	Final Adopted (GAAP Basis)		
REVENUES:				
Intergovernmental	\$ 600,000	\$ 1,732,500	\$ 1,090,068	\$ (642,432)
Total Revenues	<u>600,000</u>	<u>1,732,500</u>	<u>1,090,068</u>	<u>(642,432)</u>
EXPENDITURES:				
Current:				
Economic Environment	600,000	1,732,500	1,089,551	642,949
Total Expenditures	<u>600,000</u>	<u>1,732,500</u>	<u>1,089,551</u>	<u>642,949</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>517</u>	<u>517</u>
OTHER FINANCING SOURCES (USES):				
Net Change in Fund Balances	-	-	517	517
Fund Balances - Beginning	42,904	42,325	42,325	-
Fund Balances - Ending	<u>\$ 42,904</u>	<u>\$ 42,325</u>	<u>\$ 42,842</u>	<u>\$ 517</u>

City of Auburn, Washington
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
RECREATION TRAILS SPECIAL REVENUE FUND
For the Year Ended December 31, 2021

	Budget Amounts		Actual Results	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis)	Final Adopted (GAAP Basis)		
REVENUES:				
TAXES:				
Intergovernmental	\$ 7,000	\$ 7,000	\$ 7,000	\$ -
Investment Earnings	700	700	83	(617)
Total Revenues	<u>7,700</u>	<u>7,700</u>	<u>7,083</u>	<u>(617)</u>
EXPENDITURES:				
Excess (Deficiency) of Revenues Over (Under) Expenditures				
	<u>7,700</u>	<u>7,700</u>	<u>7,083</u>	<u>(617)</u>
OTHER FINANCING SOURCES (USES):				
Net Change in Fund Balances	<u>7,700</u>	<u>7,700</u>	<u>7,083</u>	<u>(617)</u>
Fund Balances - Beginning	79,425	81,712	81,712	-
Fund Balances - Ending	<u>\$ 87,125</u>	<u>\$ 89,412</u>	<u>\$ 88,795</u>	<u>\$ (617)</u>

City of Auburn, Washington
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
BUSINESS IMPROVEMENT AREA SPECIAL REVENUE FUND
For the Year Ended December 31, 2021

	Budget Amounts		Actual Results	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis)	Final Adopted (GAAP Basis)		
REVENUES:				
Taxes:				
Other	\$ 55,000	\$ 55,000	\$ 41,621	\$ (13,379)
Investment Earnings	700	700	186	(514)
Total Revenues	<u>55,700</u>	<u>55,700</u>	<u>41,807</u>	<u>(13,893)</u>
EXPENDITURES:				
Current:				
Economic Environment	<u>90,000</u>	<u>90,000</u>	<u>25,000</u>	<u>65,000</u>
Total Expenditures	<u>90,000</u>	<u>90,000</u>	<u>25,000</u>	<u>65,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(34,300)</u>	<u>(34,300)</u>	<u>16,807</u>	<u>51,107</u>
OTHER FINANCING SOURCES (USES):				
Net Change in Fund Balances	<u>(34,300)</u>	<u>(34,300)</u>	<u>16,807</u>	<u>51,107</u>
Fund Balances - Beginning	<u>96,325</u>	<u>169,395</u>	<u>169,395</u>	<u>-</u>
Fund Balances - Ending	<u><u>\$ 62,025</u></u>	<u><u>\$ 135,095</u></u>	<u><u>\$ 186,202</u></u>	<u><u>\$ 51,107</u></u>

City of Auburn, Washington
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
CUMULATIVE RESERVE SPECIAL REVENUE FUND
For the Year Ended December 31, 2021

	Budget Amounts		Actual Results	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis)	Final Adopted (GAAP Basis)		
REVENUES:				
Investment Earnings	\$ 101,000	\$ 101,000	\$ (68,577)	\$ (169,577)
Total Revenues	<u>101,000</u>	<u>101,000</u>	<u>(68,577)</u>	<u>(169,577)</u>
EXPENDITURES:				
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>101,000</u>	<u>101,000</u>	<u>(68,577)</u>	<u>(169,577)</u>
OTHER FINANCING SOURCES (USES):				
Transfers In (Note 5)	-	2,000,000	2,000,000	-
Transfers Out (Note 5)	-	(42,200)	-	42,200
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,957,800</u>	<u>2,000,000</u>	<u>42,200</u>
Net Change in Fund Balances	<u>101,000</u>	<u>2,058,800</u>	<u>1,931,423</u>	<u>(127,377)</u>
Fund Balances - Beginning	6,383,315	8,622,344	8,622,344	-
Fund Balances - Ending	<u>\$ 6,484,315</u>	<u>\$ 10,681,144</u>	<u>\$ 10,553,767</u>	<u>\$ (127,377)</u>

**RECONCILIATION OF PERSPECTIVE DIFFERENCE BETWEEN BUDGETARY INFORMATION AND
GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP):**

The Cumulative Reserve Fund is combined with
the General Fund for purposes of GASB Statement 54

(10,553,767)

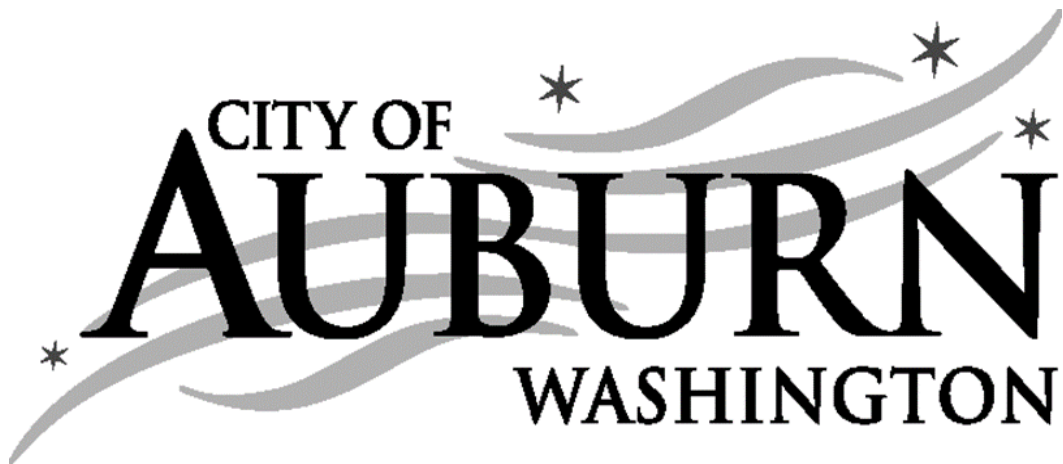
Fund Balance - Ending (GAAP)

\$ -

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

City of Auburn, Washington
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MITIGATION SPECIAL REVENUE FUND
For the Year Ended December 31, 2021

	Budget Amounts		Actual Results	Variance with Final Budget Positive (Negative)
	Original (GAAP Basis)	Final Adopted (GAAP Basis)		
REVENUES:				
TAXES:				
Charges for Services	\$ 1,130,400	\$ 1,130,400	\$ 2,873,040	\$ 1,742,640
Investment Earnings	87,160	87,160	14,945	(72,215)
Total Revenues	<u>1,217,560</u>	<u>1,217,560</u>	<u>2,887,985</u>	<u>1,670,425</u>
EXPENDITURES:				
Current:				
Security of Person & Property	119,200	594,200	550,000	44,200
Total Expenditures	<u>119,200</u>	<u>594,200</u>	<u>550,000</u>	<u>44,200</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,098,360</u>	<u>623,360</u>	<u>2,337,985</u>	<u>1,714,625</u>
OTHER FINANCING SOURCES (USES):				
Transfers Out (Note 5)	(4,146,280)	(7,144,337)	(713,127)	6,431,210
Total Other Financing Sources (Uses)	<u>(4,146,280)</u>	<u>(7,144,337)</u>	<u>(713,127)</u>	<u>6,431,210</u>
Net Change in Fund Balances	<u>(3,047,920)</u>	<u>(6,520,977)</u>	<u>1,624,858</u>	<u>8,145,835</u>
Fund Balances - Beginning	<u>12,420,562</u>	<u>14,417,022</u>	<u>14,417,022</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 9,372,642</u>	<u>\$ 7,896,045</u>	<u>\$ 16,041,880</u>	<u>\$ 8,145,835</u>



NON-MAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUNDS

Debt service funds account for payments of principal and interest on general obligation and special assessment long-term debt. The City of Auburn has two outstanding general obligation issues, and two special assessment funds.

The 2016 General Obligation Bonds

Accounts for the debt service on a Council-approved bond issue to refund on a current basis the 2005 General Obligation Refunding Airport Bonds and refunding on an advance basis the 2006A General Obligation Bonds for Golf and Cemetery.

2020 A Series and B Series Refunding General Obligation Bonds

The 2020 A Series accounts for the debt service on the refund of the 2010 B Series General Obligation Bonds which was to finance acquisition costs of certain condominium units in the City Hall Annex. The 2020 B Series accounts for the debt service on the refund of the 2010 D Series General Obligation Bonds which was to finance a portion of the downtown infrastructure improvements in the City's revitalization area.

The L.I.D. Guarantee Fund

This fund provides financial security for outstanding L.I.D. bonds and special assessment debt.

Special Assessment Debt Fund

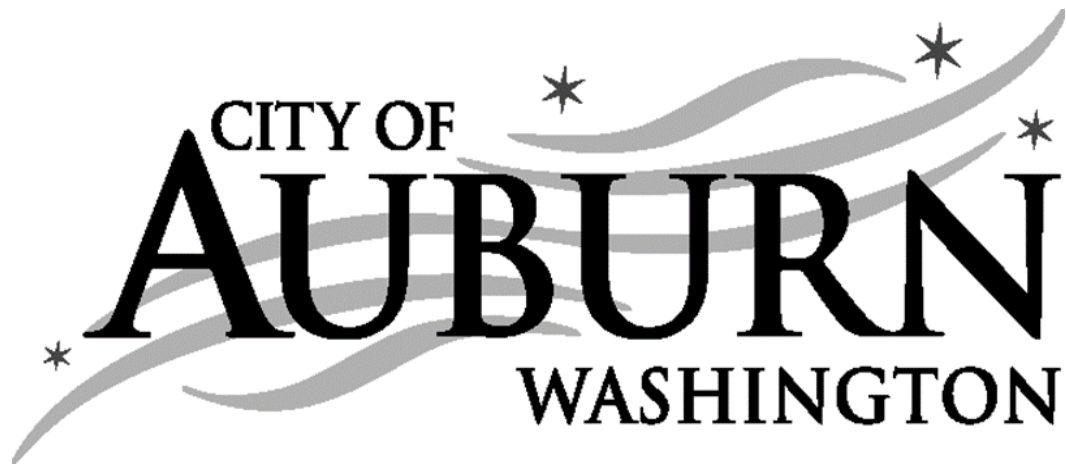
Accounts for the special assessment collections and debt service payments for all local improvement districts located within the City.

City of Auburn, Washington
COMBINING BALANCE SHEET
NON-MAJOR DEBT SERVICE FUNDS
 December 31, 2021

	2020 Refunding A&B (2010 B&D)	2016 Combined Refunding Golf/Cemetery	LID Guarantee	Special Assessments	Total Nonmajor Debt Service Funds
ASSETS:					
Cash and Cash Equivalents	\$ 381,987	\$ -	\$ 1,677	\$ 2,151	\$ 385,815
Total Assets	<u>381,987</u>	<u>-</u>	<u>1,677</u>	<u>2,151</u>	<u>385,815</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:					
Fund Balances:					
Restricted	-	-	1,677	2,151	3,828
Assigned	381,987	-	-	-	381,987
Total Fund Balances	<u>381,987</u>	<u>-</u>	<u>1,677</u>	<u>2,151</u>	<u>385,815</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 381,987</u>	<u>\$ -</u>	<u>\$ 1,677</u>	<u>\$ 2,151</u>	<u>\$ 385,815</u>

City of Auburn, Washington
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NON-MAJOR DEBT SERVICE FUNDS
For the Year Ended December 31, 2021

	2020 Refunding A&B (2010 B&D)	2016 Combined Refunding Golf/Cemetery	L I D Guarantee	Special Assessments	Total Nonmajor Debt Service Funds
REVENUES:					
Taxes:					
Retail Sales & Use	\$ 260,195	\$ -	\$ -	\$ -	\$ 260,195
Special Assessments	-	-	-	591	591
Investment Earnings	119	-	1	2	122
Miscellaneous	-	-	-	361	361
Total Revenues	<u>260,314</u>	<u>-</u>	<u>1</u>	<u>954</u>	<u>261,269</u>
EXPENDITURES:					
Debt Service:					
Principal	700,000	341,802	-	-	1,041,802
Interest	809,235	29,037	-	-	838,272
Total Expenditures	<u>1,509,235</u>	<u>370,839</u>	<u>-</u>	<u>-</u>	<u>1,880,074</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,248,921)</u>	<u>(370,839)</u>	<u>1</u>	<u>954</u>	<u>(1,618,805)</u>
OTHER FINANCING SOURCES (USES):					
Transfers In (Note 5)	1,538,200	370,839	-	-	1,909,039
Total Other Financing Sources (Uses)	<u>1,538,200</u>	<u>370,839</u>	<u>-</u>	<u>-</u>	<u>1,909,039</u>
Net Change in Fund Balances	<u>289,279</u>	<u>-</u>	<u>1</u>	<u>954</u>	<u>290,234</u>
Fund Balances - Beginning	92,708	-	1,676	1,197	95,581
Fund Balances - Ending	<u>\$ 381,987</u>	<u>\$ -</u>	<u>\$ 1,677</u>	<u>\$ 2,151</u>	<u>\$ 385,815</u>



NON-MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS

Capital projects funds account for the City of Auburn's financial resources used for the acquisition or construction of major non-proprietary capital facilities. Auburn has two non-major capital project funds.

The Municipal Park Construction Fund

Accounts for park related construction activity and includes funding from a portion of field rental income and adult athletic team fees.

The Local Revitalization Fund

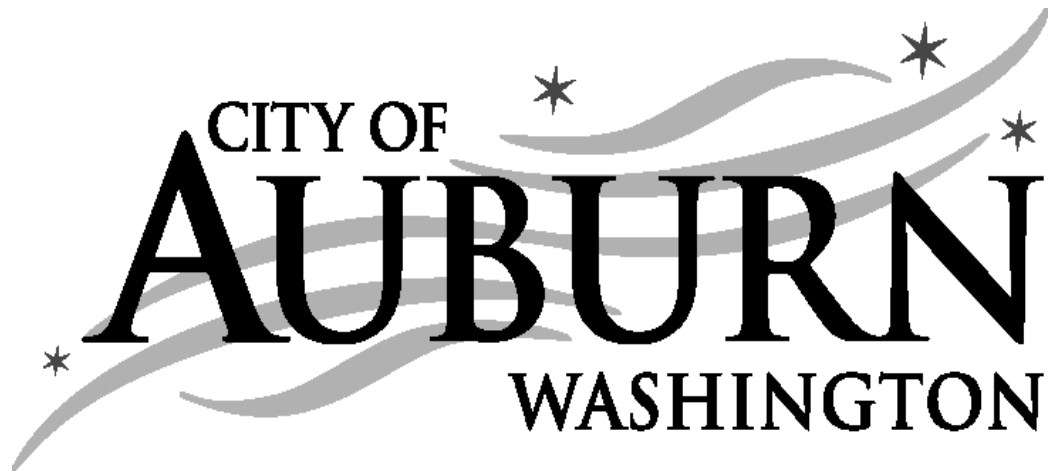
Accounts for the City Hall Plaza and the Downtown Promenade project.

City of Auburn, Washington
COMBINING BALANCE SHEET
CAPITAL PROJECT FUNDS
 December 31, 2021

	Municipal Park Construction	Local Revitalization	Nonmajor Capital Project Funds
ASSETS:			
Cash and Cash Equivalents	\$ 1,082,891	\$ 324,102	\$ 1,406,993
Receivables:			
Customer Accounts	3,707	-	3,707
Total Assets	<u>1,086,598</u>	<u>324,102</u>	<u>1,410,700</u>
LIABILITIES AND FUND BALANCES:			
Liabilities:			
Current Payables	11,460	7,523	18,983
Total Liabilities	<u>11,460</u>	<u>7,523</u>	<u>18,983</u>
Fund Balances:			
Restricted	1,075,138	-	1,075,138
Assigned	-	316,579	316,579
Total Fund Balances	<u>1,075,138</u>	<u>316,579</u>	<u>1,391,717</u>
Total Liabilities and Fund Balances	<u>\$ 1,086,598</u>	<u>\$ 324,102</u>	<u>\$ 1,410,700</u>

City of Auburn, Washington
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
CAPITAL PROJECT FUNDS
For the Year Ended December 31, 2021

	Municipal Park Construction	Local Revitalization	Nonmajor Capital Project Funds
REVENUES:			
Taxes:			
Property	\$ 246,303	\$ -	\$ 246,303
Charges for Services	4,842	-	4,842
Investment Earnings	1,072	331	1,403
Miscellaneous	8,136	-	8,136
Total Revenues	<u>260,353</u>	<u>331</u>	<u>260,684</u>
EXPENDITURES:			
Capital Outlay	1,111,537	46,361	1,157,898
Total Expenditures	<u>1,111,537</u>	<u>46,361</u>	<u>1,157,898</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(851,184)</u>	<u>(46,030)</u>	<u>(897,214)</u>
OTHER FINANCING SOURCES (USES):			
Transfers In (Note 5)	1,032,987	7,523	1,040,510
Total Other Financing Sources (Uses)	<u>1,032,987</u>	<u>7,523</u>	<u>1,040,510</u>
Net Change in Fund Balances	<u>181,803</u>	<u>(38,507)</u>	<u>143,296</u>
Fund Balances - Beginning	893,335	355,086	1,248,421
Fund Balances - Ending	<u>\$ 1,075,138</u>	<u>\$ 316,579</u>	<u>\$ 1,391,717</u>



NON-MAJOR GOVERNMENTAL FUNDS

PERMANENT FUNDS

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support City programs that are for the benefit of the City or its citizens. Auburn has one permanent fund.

The Cemetery Endowed Care Fund

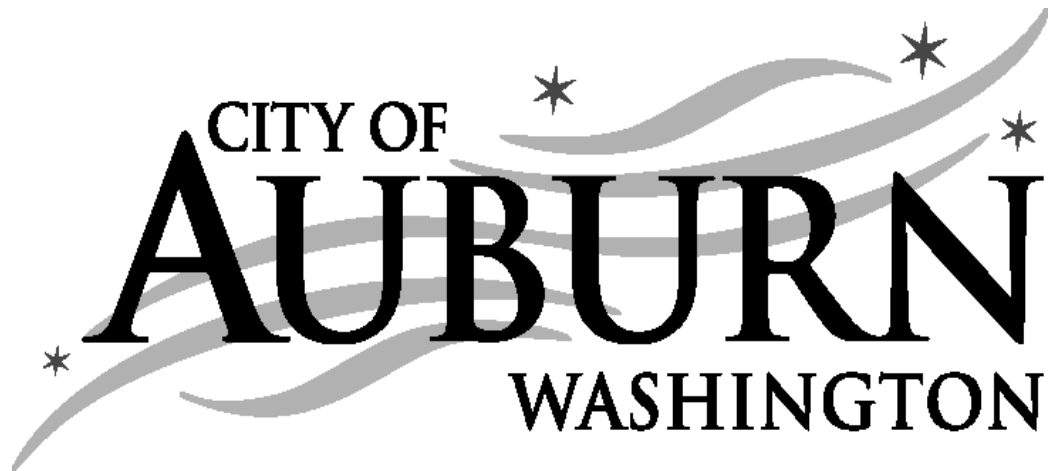
Accounts for non-expendable investments held by the City's trustee. The interest income from investments is available for use by the cemetery fund for capital enhancement and maintenance.

City of Auburn, Washington
BALANCE SHEET
PERMANENT FUND
 December 31, 2021

	Cemetery Endowed Care
<hr/>	
ASSETS:	
Cash and Cash Equivalents	
Non-Expendable Trust	<u>\$ 2,106,447</u>
Total Assets	<u><u>2,106,447</u></u>
LIABILITIES AND FUND BALANCES:	
FUND BALANCES:	
Nonspendable	2,010,357
Assigned	<u>96,090</u>
Total Fund Balances	<u><u>2,106,447</u></u>
Total Liabilities and Fund Balances	<u><u>\$ 2,106,447</u></u>

City of Auburn, Washington
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
PERMANENT FUND
 For the Year Ended December 31, 2021

		Cemetery Endowed Care
<hr/>		
REVENUES:		
Increase to Endowment from Lot Sales	\$	82,175
Investment Earnings		2,010
Total Revenues		84,185
 EXPENDITURES:		
Excess (Deficiency) of Revenues Over (Under) Expenditures		84,185
 OTHER FINANCING SOURCES (USES):		
 Net Change in Fund Balance		84,185
Fund Balance - Beginning		2,022,262
Fund Balance - Ending	\$	2,106,447



NON-MAJOR PROPRIETARY FUNDS

ENTERPRISE FUNDS

The City's enterprise funds are used to account for operations that are financed and operated in a manner similar to private business operations. The goods and services these funds provide to the general public are primarily financed by service charges. Enterprise funds are self-supporting and use the accrual method of accounting. Auburn has two non-major enterprise funds.

The Airport Fund

Provides accounting of the activities of the Auburn Municipal Airport. Sources of income for the fund are leases, rentals, fuel charges, investment interest, and grant funding as available.

The Cemetery Fund

Accounts for Mountain View Cemetery's operations.

City of Auburn, Washington
COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
 December 31, 2021

	Airport	Cemetery	Total Nonmajor Enterprise Funds
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 1,484,987	\$ 1,670,527	\$ 3,155,514
Restricted Cash:			
Customer Deposits	128,896	-	128,896
Customer Accounts	11,955	-	11,955
Due From Other Governmental Units	59,347	-	59,347
Inventories	44,918	9,217	54,135
Total Current Assets	<u>1,730,103</u>	<u>1,679,744</u>	<u>3,409,847</u>
Noncurrent Assets:			
Net Pension Asset	226,685	453,371	680,056
Capital Assets:			
Land	3,679,680	342,836	4,022,516
Buildings and Equipments	3,094,307	1,006,755	4,101,062
Improvements Other Than Buildings	13,978,825	1,539,068	15,517,893
Construction in Progress	27,926	5,576	33,502
Less: Accumulated Depreciation	<u>(9,515,269)</u>	<u>(1,667,932)</u>	<u>(11,183,201)</u>
Total Capital Assets (Net of A/D)	<u>11,265,469</u>	<u>1,226,303</u>	<u>12,491,772</u>
Total Noncurrent Assets	<u>11,492,154</u>	<u>1,679,674</u>	<u>13,171,828</u>
Total Assets	<u>13,222,257</u>	<u>3,359,418</u>	<u>16,581,675</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Outflow Related to Pensions	<u>6,629</u>	<u>45,001</u>	<u>51,630</u>
	<u>6,629</u>	<u>45,001</u>	<u>51,630</u>
LIABILITIES:			
Current Liabilities:			
Current Payables	24,478	39,444	63,922
Employee Leave Benefits - Current	10,588	28,867	39,455
Customer Deposits	128,896	-	128,896
Total Current Liabilities	<u>163,962</u>	<u>68,311</u>	<u>232,273</u>
Noncurrent Liabilities:			
Employee Leave Benefits	4,582	12,495	17,077
Net Pension Liability	<u>(83,339)</u>	<u>(129,236)</u>	<u>(212,575)</u>
Total Noncurrent Liabilities	<u>(78,757)</u>	<u>(116,741)</u>	<u>(195,498)</u>
Total Liabilities	<u>85,205</u>	<u>(48,430)</u>	<u>36,775</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflow Related to Pensions	<u>191,468</u>	<u>454,048</u>	<u>645,516</u>
NET POSITION:			
Net Investment in Capital Assets	11,265,469	1,226,303	12,491,772
Unrestricted	<u>1,686,744</u>	<u>1,772,498</u>	<u>3,459,242</u>
Total Net Position	<u>\$ 12,952,213</u>	<u>\$ 2,998,801</u>	<u>\$ 15,951,014</u>

City of Auburn, Washington
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NON-MAJOR ENTERPRISE FUNDS
For the Year Ended December 31, 2021

	Airport	Cemetery	Total Nonmajor Enterprise Funds
OPERATING REVENUES:			
Charges for Services	\$ 610,795	\$ 1,984,771	\$ 2,595,566
Other Operating Revenue	984,446	-	984,446
Total Operating Revenues	<u>1,595,241</u>	<u>1,984,771</u>	<u>3,580,012</u>
OPERATING EXPENSES:			
Operations & Maintenance	1,053,091	919,963	1,973,054
Administration	123,589	284,225	407,814
Depreciation/Amortization	633,181	37,548	670,729
Other Operating Expenses	2,764	26,879	29,643
Total Operating Expenses	<u>1,812,625</u>	<u>1,268,615</u>	<u>3,081,240</u>
Operating Income (Loss)	<u>(217,384)</u>	<u>716,156</u>	<u>498,772</u>
NON-OPERATING REVENUE (EXPENSE):			
Interest Revenue	1,542	1,358	2,900
Other Non-Operating Revenues	109,760	-	109,760
Total Non-Operating Revenue (Expense)	<u>111,302</u>	<u>1,358</u>	<u>112,660</u>
Income (Loss) Before Contributions & Transfers	<u>(106,082)</u>	<u>717,514</u>	<u>611,432</u>
Transfers Out (Note 5)	-	(29,339)	(29,339)
Change in Net Position	<u>(106,082)</u>	<u>688,175</u>	<u>582,093</u>
Net Position, January 1	<u>13,058,295</u>	<u>2,310,626</u>	<u>15,368,921</u>
Net Position, December 31	<u>\$ 12,952,213</u>	<u>\$ 2,998,801</u>	<u>\$ 15,951,014</u>

City of Auburn, Washington
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended December 31, 2021

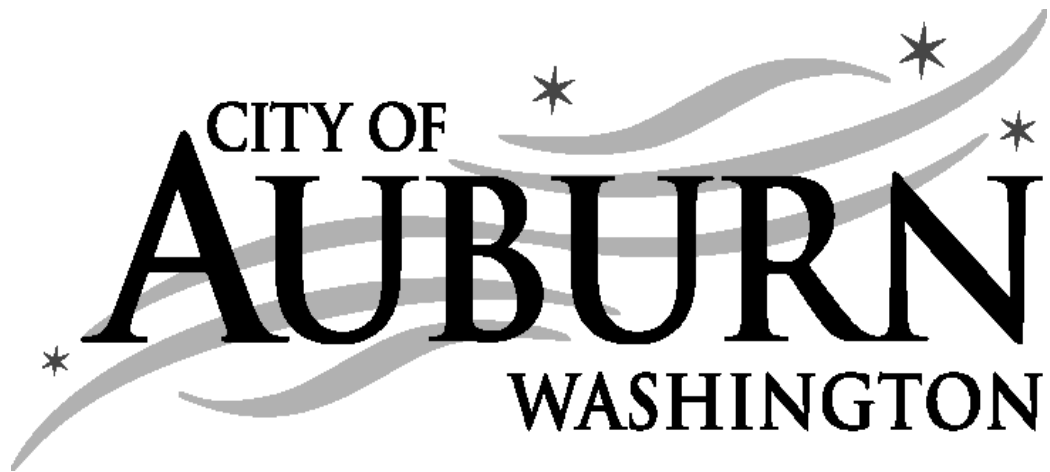
Page 1 of 2

	Airport	Cemetery	Total Non Major Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received From Users	\$ 2,059,923	\$ 1,984,771	\$ 4,044,694
Cash Paid to Suppliers for Goods & Services	(957,268)	(582,164)	(1,539,432)
Cash Paid for Taxes	(2,792)	(26,879)	(29,671)
Cash Paid to Employees	(369,429)	(801,551)	(1,170,980)
Net Cash Provided (Used) By Operating Activities	<u>733,573</u>	<u>574,177</u>	<u>1,307,750</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Interfund Loan Payable	(425,000)	-	(425,000)
Operating Grant Received	106,621	-	106,621
Operating Transfers Out	-	(29,339)	(29,339)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>(318,379)</u>	<u>(29,339)</u>	<u>(347,718)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase of Capital Assets	(38,257)	(9,906)	(48,163)
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>(38,257)</u>	<u>(9,906)</u>	<u>(48,163)</u>
CASH FLOW FROM INVESTING ACTIVITIES:			
Interest Received	1,542	1,358	2,900
Net Cash Provided (Used) in Investing Activities	<u>1,542</u>	<u>1,358</u>	<u>2,900</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>378,479</u>	<u>536,290</u>	<u>914,769</u>
Cash and Cash Equivalents - Beginning of Year	<u>1,235,404</u>	<u>1,134,237</u>	<u>2,369,641</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 1,613,883</u></u>	<u><u>\$ 1,670,527</u></u>	<u><u>\$ 3,284,410</u></u>
CASH AT END OF YEAR CONSISTS OF:			
Cash and Cash Equivalents	1,484,987	1,670,527	3,155,514
Restricted Cash - Customer Deposits	128,896	-	128,896
Total Cash	<u><u>\$ 1,613,883</u></u>	<u><u>\$ 1,670,527</u></u>	<u><u>\$ 3,284,410</u></u>

City of Auburn, Washington
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
For the Fiscal Year Ended December 31, 2021

Page 2 of 2

	Airport	Cemetery	Total Non Major Enterprise Funds
RECONCILIATION OF NET OPERATING INCOME TO NEW CASH PROVIDED BY OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (217,384)	\$ 716,156	\$ 498,772
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Depreciation	633,181	37,548	670,729
Other Non-Operating Revenue	3,139	-	3,139
Asset (Increases) Decreases:			
Accounts Receivable	459,479	-	459,479
Inventory	(36,086)	(102)	(36,188)
Liability Increases (Decreases):			
Accounts & Vouchers Payable	(33,846)	(24,441)	(58,287)
Deposits Payable	5,203	-	5,203
Wages & Benefits Payable	(86,825)	(174,537)	(261,362)
Compensated Absences Payable	6,712	19,553	26,265
Total Adjustments	<u>950,957</u>	<u>(141,979)</u>	<u>808,978</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 733,573</u>	<u>\$ 574,177</u>	<u>\$ 1,307,750</u>
SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES			
Total Non Cash Investing, Capital and Financing Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



NON-MAJOR PROPRIETARY FUNDS

INTERNAL SERVICE FUNDS

The City of Auburn's internal service funds are used to account for the financing of goods and services provided by one department of operation to other departments on a cost reimbursement basis. Internal service funds are self-supporting and use the accrual method of accounting. Auburn has five internal service funds.

The Insurance Fund

Provides a source of funds to pay unemployment claims and property and casualty claims which fall below deductible levels.

The Workers Comp Self Insurance Fund

Provides a source of funds to pay time loss and medical benefits for employees who are affected by an occupational injury or illness.

The Facilities Funds

Accounts for the costs of maintaining various City facilities.

The Information Services Fund

Accounts for the costs of purchasing and maintaining the City's various computer and telecommunications systems.

The Equipment Rental Fund

Accounts for the costs of purchasing, maintaining, and operating Auburn's fleet of vehicles and related equipment.

City of Auburn, Washington
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2021

	Workers Comp Insurance	Self Insurance	Facilities	Information Services	Equipment Rental	Total
ASSETS:						
Current Assets:						
Cash and Cash Equivalents	\$ 1,786,729	\$ 3,771,754	\$ 1,121,843	\$ 3,811,649	\$ 7,798,912	\$ 18,290,887
Customer Accounts	-	-	84,560	-	-	84,560
Due From Other Governmental Units	-	-	18,333	35,096	133,728	187,157
Inventories	-	-	-	-	368,780	368,780
Total Current Assets	<u>1,786,729</u>	<u>3,771,754</u>	<u>1,224,736</u>	<u>3,846,745</u>	<u>8,301,420</u>	<u>18,931,384</u>
Noncurrent Assets:						
Net Pension Asset	-	-	453,371	1,586,798	453,371	2,493,540
Capital Assets:						
Buildings and Equipment	-	-	-	9,382,122	19,041,511	28,423,633
Improvements Other than Buildings	-	-	-	294,889	188,225	483,114
Construction in Progress	-	-	-	-	65,641	65,641
Less: Accumulated Depreciation	-	-	-	(8,421,902)	(11,664,768)	(20,086,670)
Total Capital Assets (Net of A/D)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,255,109</u>	<u>7,630,609</u>	<u>8,885,718</u>
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>453,371</u>	<u>2,841,907</u>	<u>8,083,980</u>	<u>11,379,258</u>
Total Assets	<u>1,786,729</u>	<u>3,771,754</u>	<u>1,678,107</u>	<u>6,688,652</u>	<u>16,385,400</u>	<u>30,310,642</u>
DEFERRED OUTFLOWS OF RESOURCES:						
Deferred Outflow Related to Pensions	<u>-</u>	<u>7,349</u>	<u>75,004</u>	<u>166,855</u>	<u>65,957</u>	<u>315,165</u>
LIABILITIES:						
Current Liabilities:						
Current Payables	18,554	36,134	341,909	197,556	581,771	1,175,924
Claims Payable (Incurred but not reported)	-	865,000	-	-	-	865,000
Employee Leave Benefits - Current	-	-	48,266	141,031	28,472	217,769
Total Current Liabilities	<u>18,554</u>	<u>901,134</u>	<u>390,175</u>	<u>338,587</u>	<u>610,243</u>	<u>2,258,693</u>
Noncurrent Liabilities						
Employee Leave Benefits	-	-	20,891	61,042	12,323	94,256
Net Pension Liability	-	1,087	(135,191)	(614,168)	847,210	98,938
Total Noncurrent Liabilities	<u>-</u>	<u>1,087</u>	<u>(114,300)</u>	<u>(553,126)</u>	<u>859,533</u>	<u>193,194</u>
Total Liabilities	<u>18,554</u>	<u>902,221</u>	<u>275,875</u>	<u>(214,539)</u>	<u>1,469,776</u>	<u>2,451,887</u>
DEFERRED INFLOWS OF RESOURCES:						
Deferred Inflow Related to Pensions	<u>-</u>	<u>14,428</u>	<u>468,366</u>	<u>1,600,130</u>	<u>525,760</u>	<u>2,608,684</u>
NET POSITION:						
Net Investment in Capital Assets	-	-	-	1,255,109	7,630,609	8,885,718
Restricted For:						
Unrestricted	<u>1,768,175</u>	<u>2,862,454</u>	<u>1,008,870</u>	<u>4,214,807</u>	<u>6,825,212</u>	<u>16,679,518</u>
Total Net Position	<u>\$ 1,768,175</u>	<u>\$ 2,862,454</u>	<u>\$ 1,008,870</u>	<u>\$ 5,469,916</u>	<u>\$ 14,455,821</u>	<u>\$ 25,565,236</u>

City of Auburn, Washington
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2021

	Insurance	Workers Comp Self Insurance	Facilities	Information Services	Equipment Rental	Total
OPERATING REVENUES:						
Charges for Services	\$ -	\$ 1,097,271	\$ 3,360,608	\$ 6,306,080	\$ 4,305,145	\$ 15,069,104
Other Operating Revenue	-	-	36,250	52,641	-	88,891
Total Operating Revenues	-	1,097,271	3,396,858	6,358,721	4,305,145	15,157,995
OPERATING EXPENSES:						
Operations & Maintenance	-	523,221	2,660,813	5,668,596	1,749,497	10,602,127
Administration	22,385	141,300	34,100	60,900	820,142	1,078,827
Depreciation/Amortization	-	-	-	459,277	1,375,174	1,834,451
Total Operating Expenses	22,385	664,521	2,694,913	6,188,773	3,944,813	13,515,405
Operating Income (Loss)	(22,385)	432,750	701,945	169,948	360,332	1,642,590
NON-OPERATING REVENUE (EXPENSE):						
Interest Revenue	945	3,465	1,562	3,861	7,089	16,922
Other Non-Operating Revenues	-	-	-	-	118,851	118,851
Gain (Loss) on Sale of Capital Assets	-	-	-	-	(28,785)	(28,785)
Total Non-Operating Revenue (Expense)	945	3,465	1,562	3,861	97,155	106,988
Income (Loss) Before Contributions	(21,440)	436,215	703,507	173,809	457,487	1,749,578
Transfers In (Note 5)	-	-	76,582	130,152	291,773	498,507
Transfers Out (Note 5)	-	-	(775,950)	-	(22,000)	(797,950)
Change in Net Position	(21,440)	436,215	4,139	303,961	727,260	1,450,135
Net Position, January 1	1,789,615	2,426,239	1,004,731	5,165,955	13,728,561	24,115,101
Total Net Position - Ending	\$ 1,768,175	\$ 2,862,454	\$ 1,008,870	\$ 5,469,916	\$ 14,455,821	\$ 25,565,236

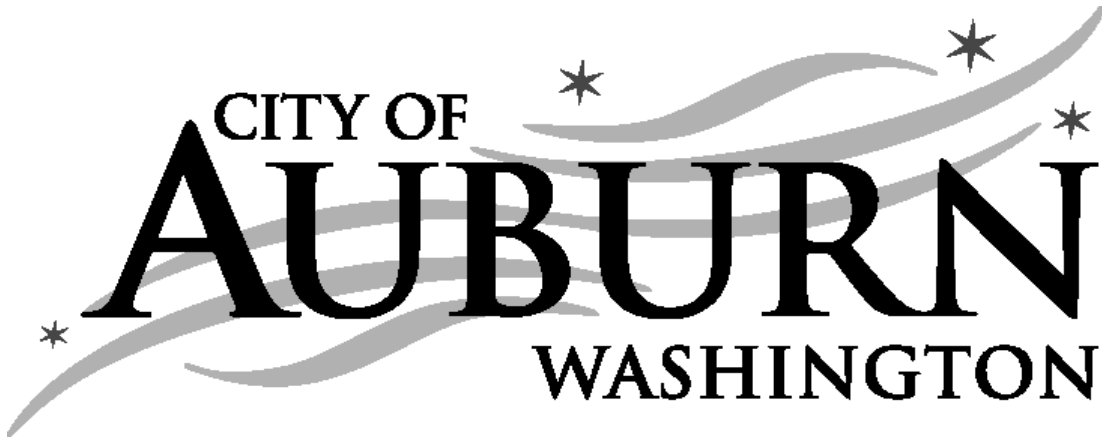
City of Auburn, Washington
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
 For the Fiscal Year Ended December 31, 2021

		Insurance	Workers Comp Self Insurance	Facilities	Information Services	Equipment Rental	Total
CASH FLOWS FROM OPERATING ACTIVITIES:							
Cash Received From Users	\$	-	\$ 1,097,271	\$ 3,395,178	\$ 6,383,001	\$ 4,305,145	\$ 15,180,595
Cash Paid to Suppliers for Goods & Services		(39,048)	(589,403)	(1,733,388)	(3,604,345)	(1,320,427)	(7,286,611)
Cash Paid to Employees		-	(150,351)	(1,125,922)	(2,966,084)	(1,104,807)	(5,347,164)
Other Cash Received		-	-	-	-	8,718	8,718
Net Cash Provided (Used) By Operating Activities		<u>(39,048)</u>	<u>357,517</u>	<u>535,868</u>	<u>(187,428)</u>	<u>1,888,629</u>	<u>2,555,538</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:							
Transfers In		-	-	76,582	130,152	291,773	498,507
Transfers Out		-	-	(775,950)	-	(22,000)	(797,950)
Net Cash Provided (Used) by Non-Capital Financing Activities		<u>-</u>	<u>-</u>	<u>(699,368)</u>	<u>130,152</u>	<u>269,773</u>	<u>(299,443)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:							
Proceeds from Sale of Equipment		-	-	-	-	295,219	295,219
Purchase of Capital Assets		-	-	-	(161,168)	(1,766,520)	(1,927,688)
Net Cash Provided (Used) for Capital and Related Financing Activities		<u>-</u>	<u>-</u>	<u>-</u>	<u>(161,168)</u>	<u>(1,361,168)</u>	<u>(1,522,336)</u>
CASH FLOW FROM INVESTING ACTIVITIES:							
Interest Received		945	3,465	1,562	3,861	7,089	16,922
Net Cash Provided (Used) in Investing Activities		<u>945</u>	<u>3,465</u>	<u>1,562</u>	<u>3,861</u>	<u>7,089</u>	<u>16,922</u>
Net Increase (Decrease) in Cash and Cash Equivalents		<u>(38,103)</u>	<u>360,982</u>	<u>(161,938)</u>	<u>(214,583)</u>	<u>804,323</u>	<u>750,681</u>
Cash and Cash Equivalents - Beginning of Year		<u>1,824,832</u>	<u>3,410,772</u>	<u>1,283,781</u>	<u>4,026,232</u>	<u>6,994,589</u>	<u>17,540,206</u>
Cash and Cash Equivalents - End of Year	\$	<u>1,786,729</u>	<u>3,771,754</u>	<u>1,121,843</u>	<u>3,811,649</u>	<u>7,798,912</u>	<u>18,290,887</u>
CASH AT END OF YEAR CONSISTS OF:							
Cash and Cash Equivalents		<u>1,786,729</u>	<u>3,771,754</u>	<u>1,121,843</u>	<u>3,811,649</u>	<u>7,798,912</u>	<u>18,290,887</u>
Total Cash	\$	<u>1,786,729</u>	<u>3,771,754</u>	<u>1,121,843</u>	<u>3,811,649</u>	<u>7,798,912</u>	<u>18,290,887</u>

City of Auburn, Washington
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Fiscal Year Ended December 31, 2021

Page 2 of 2

	Insurance	Workers Comp Self Insurance	Facilities	Information Services	Equipment Rental	Total
RECONCILIATION OF NET OPERATING INCOME TO NEW CASH PROVIDED BY OPERATING ACTIVITIES						
Operating Income (Loss)	\$ (22,385)	\$ 432,750	\$ 701,945	\$ 169,948	\$ 360,332	\$ 1,642,590
ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:						
Depreciation	-	-	-	459,277	1,375,174	1,834,451
Other Non-Operating Revenues	-	-	-	-	8,718	8,718
Asset (Increases) Decreases:						
Accounts Receivable	-	-	(1,680)	24,280	-	22,600
Inventory	-	-	-	-	(53,604)	(53,604)
Liability Increases (Decreases):						
Accounts & Vouchers Payable	(16,663)	(69,513)	83,281	(281,452)	367,711	83,364
Wages & Benefits Payable	-	-	(167,983)	(617,854)	(168,166)	(954,003)
Compensated Absences Payable	-	(5,720)	(79,695)	58,373	(1,536)	(28,578)
Total Adjustments	(16,663)	(75,233)	(166,077)	(357,376)	1,528,297	912,948
Net Cash Provided (Used) by Operating Activities	<u>\$ (39,048)</u>	<u>\$ 357,517</u>	<u>\$ 535,868</u>	<u>\$ (187,428)</u>	<u>\$ 1,888,629</u>	<u>\$ 2,555,538</u>
SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES						
Total Non Cash Investing, Capital and Financing Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



City of Auburn
STATISTICAL SECTION
 December 31, 2021

Financial Trends Information

Financial trends schedules are intended to provide users with information to assist them in understanding and assessing how the City’s financial position has changed over time.

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Schedule 2	Changes in net position	157
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Schedule 4	Changes in fund balances, government funds	159
Schedule 5	Tax revenues by source, government funds	160

Revenue Capacity Information

The objective of providing revenue capacity information is to help users understand and assess the factors affecting the City’s ability to generate its most significant local source revenues.

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Schedule 8	Property tax levies and collections	164
Schedule 9	Principal taxpayers-property taxes and sales taxes.....	165
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Debt Capacity Information

Debt capacity information is intended to assist users to understand and assess the City’s current levels of outstanding debt and ability to issue additional debt in the future.

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Schedule 14	Computation of net direct and estimated overlapping debt	169
Schedule 15	Ratios of net general bonded debt to assessed value.....	170
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Demographic and Economic Information

These schedules offer demographic and economic information to assist users in understanding certain aspects of the environment within which the City operates and to provide information that facilitates comparisons of financial statement information over time and across governmental units.

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Operating Information

These schedules contain service and infrastructure data to help users understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.

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City of Auburn, Washington
SCHEDULE 1
NET POSITION BY COMPONENTS
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
Net Investment in Capital Assets	\$ 354,899,294	\$ 346,195,793	\$ 348,080,505	\$ 361,094,242	\$ 367,128,894	\$ 373,368,906	\$ 375,208,981	\$372,887,236	\$ 372,441,433	\$373,890,921
Restricted	13,164,116	15,019,909	16,404,328	19,470,880	26,745,270	29,854,240	30,001,950	33,911,413	32,842,097	38,133,392
Unrestricted	43,245,050	47,426,352	51,898,566	40,928,090	42,900,814	42,803,759	42,377,297	59,840,168	67,845,872	88,819,913
Total governmental activities net position	<u>411,308,460</u>	<u>408,642,054</u>	<u>416,383,399</u>	<u>421,493,212</u>	<u>436,774,978</u>	<u>446,026,906</u>	<u>447,588,227</u>	<u>466,638,817</u>	<u>473,129,402</u>	<u>500,844,225</u>
Business-type activities:										
Net Investment in Capital Assets	173,709,864	165,619,867	169,098,916	187,604,782	195,490,061	205,677,614	208,136,620	212,172,136	208,850,752	228,161,102
Restricted	4,719,058	16,839,589	14,115,610	4,764,340	3,110,414	1,856,970	1,924,566	2,001,709	11,471,309	1,639,895
Unrestricted	30,439,381	32,880,216	37,724,080	32,974,662	40,797,698	41,627,494	49,088,740	56,928,121	63,474,681	69,517,542
Total business-type activities net position	<u>208,868,303</u>	<u>215,339,672</u>	<u>220,938,606</u>	<u>225,343,784</u>	<u>239,398,173</u>	<u>249,162,078</u>	<u>259,149,926</u>	<u>271,101,966</u>	<u>283,796,742</u>	<u>299,318,539</u>
Primary government:										
Net Investment in Capital Assets	528,609,158	511,815,660	517,179,421	548,699,024	562,618,955	579,046,520	583,345,601	585,059,372	581,292,185	602,052,023
Restricted	17,883,174	31,859,498	30,519,938	24,235,220	29,855,684	31,711,210	31,926,516	35,913,122	44,313,406	39,773,287
Unrestricted	73,684,431	80,306,568	89,622,646	73,902,752	83,698,512	84,431,253	91,466,037	116,768,289	131,320,553	158,337,455
Total primary government net position	<u>\$ 620,176,763</u>	<u>\$ 623,981,726</u>	<u>\$ 637,322,005</u>	<u>\$ 646,836,996</u>	<u>\$ 676,173,151</u>	<u>\$ 695,188,984</u>	<u>\$ 706,738,153</u>	<u>\$737,740,783</u>	<u>\$ 756,926,144</u>	<u>\$800,162,764</u>

Source: City of Auburn, Finance Department

City of Auburn, Washington
SCHEDULE 2
CHANGES IN NET POSITION
 Last Ten Fiscal Years
 (Accrual Basis of Accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 9,441,887	\$ 7,508,112	\$ 8,363,427	\$ 9,187,539	\$ 9,557,602	\$ 10,384,647	\$ 10,191,329	\$ 13,292,724	\$ 12,332,380	\$ 12,837,356
Public safety	27,339,301	27,423,015	27,144,153	29,883,217	32,117,837	32,746,406	30,337,791	24,016,496	37,951,994	32,440,701
Transportation	15,736,610	14,861,834	16,150,877	17,324,036	16,602,993	17,904,352	17,620,176	17,709,231	17,781,630	18,469,045
Physical environment	2,535,877	2,699,301	2,976,461	2,924,046	3,266,375	3,217,885	3,794,576	3,981,499	3,981,592	2,992,107
Culture and recreation	8,310,210	9,184,289	11,094,524	12,096,651	12,811,186	13,539,098	13,665,612	13,400,311	11,681,611	12,332,974
Economic environment	2,914,335	2,346,025	2,751,869	3,044,354	3,224,984	3,859,863	4,140,104	4,457,626	5,308,106	3,664,340
Health and human services	633,175	510,285	622,374	925,299	573,115	674,270	787,535	619,247	671,257	2,107,798
Interest on long-term debt	2,336,960	3,795,024	3,615,211	1,986,853	1,709,647	1,555,803	1,502,236	1,466,217	650,215	651,329
Total governmental activities expenses	69,248,355	68,327,885	72,718,896	77,371,995	79,863,739	83,882,324	82,039,359	78,943,351	90,358,785	85,495,650
Business-type activities:										
Water	9,655,724	11,893,094	11,992,944	13,691,529	13,107,629	12,408,008	12,499,974	13,023,888	13,253,694	13,624,963
Sewer	19,680,724	21,584,215	23,026,216	23,992,161	25,685,370	25,360,718	26,213,221	26,907,482	26,004,990	26,829,991
Storm drainage	8,025,729	7,726,467	7,668,072	8,308,559	8,814,542	8,979,969	9,374,373	9,126,096	8,780,867	9,545,696
Solid waste	11,305,322	12,535,078	12,760,313	12,907,832	13,460,155	14,539,703	15,311,654	15,682,121	15,620,963	18,383,884
Golf course	1,912,174	1,933,597	-	-	-	-	-	-	-	-
Non-major business-type activities	1,954,104	1,857,252	1,924,874	2,062,695	2,150,693	2,106,557	2,186,842	2,628,203	2,603,752	3,081,240
Total business-type activities expenses	52,533,777	57,529,703	57,372,419	60,962,776	63,218,389	63,394,955	65,586,064	67,367,790	66,264,266	71,465,774
Total primary government expenses	\$ 121,782,132	\$ 125,857,588	\$ 130,091,315	\$ 138,334,771	\$ 143,082,128	\$ 147,277,279	\$ 147,625,423	\$ 146,311,141	\$ 156,623,051	\$ 156,961,424
Program revenues										
Governmental activities:										
Charges for services										
General Government	\$ 897,521	\$ 893,326	\$ 1,160,198	\$ 1,243,263	\$ 939,184	\$ 1,241,905	\$ 1,462,867	\$ 3,758,197	\$ 3,584,821	\$ 4,545,962
Public Safety	1,016,191	2,103,823	2,273,903	1,993,117	1,468,536	2,523,667	2,821,516	3,240,007	2,146,428	2,612,840
Transportation	1,819,851	1,967,778	1,660,270	1,446,026	3,265,147	2,118,980	886,760	3,207,197	2,103,258	4,239,115
Physical Environment	36,766	398,564	276,632	384,485	260,555	431,580	611,342	503,798	671,543	719,487
Culture and Recreation	880,380	873,970	2,876,185	3,052,599	2,508,166	3,073,262	3,355,206	3,183,370	2,191,540	3,409,793
Economic Environment	3,266,188	3,586,844	3,087,853	2,989,579	3,896,453	2,400,940	1,913,090	2,729,376	1,790,286	3,248,829
Total charges for services	7,916,897	9,824,305	11,335,041	11,109,069	12,338,041	11,790,334	11,050,781	16,621,946	12,487,875	18,776,026
Operating grants and contributions	3,560,707	1,967,252	1,333,652	4,234,309	2,767,931	2,257,646	2,831,794	3,394,916	6,904,118	4,877,951
Capital grants and contributions	17,835,784	5,955,062	6,001,230	19,526,548	13,275,208	13,229,502	9,065,857	6,461,827	9,455,065	11,838,148
Total governmental activities program revenues	29,313,388	17,746,619	18,669,923	34,869,926	28,381,180	27,277,482	22,948,432	26,478,689	28,847,058	35,492,125
Business-type activities:										
Charges for services	50,710,688	57,533,735	60,332,817	63,391,139	65,733,943	68,220,200	69,723,671	70,315,493	68,966,638	73,687,356
Operating grants and contributions	97,052	90,361	111,025	106,286	106,286	106,286	106,286	106,286	106,286	-
Capital grants and contributions	7,248,835	5,483,344	5,070,810	5,821,857	10,574,852	4,363,568	4,566,838	6,686,288	6,518,995	13,400,812
Total business-type activities program revenues	58,056,575	63,107,440	65,514,652	69,319,282	76,415,081	72,690,054	74,396,795	77,108,067	75,591,919	87,088,168
Total primary government program revenues	87,369,963	80,854,059	84,184,575	104,189,208	104,796,261	99,967,536	97,345,227	103,586,756	104,438,977	122,580,293
Net (expense)/revenue										
Governmental activities	(39,934,967)	(50,581,266)	(54,048,973)	(42,502,069)	(51,482,559)	(56,604,841)	(59,090,927)	(52,464,662)	(61,511,727)	(50,003,525)
Business-type activities	5,522,798	5,577,737	8,142,233	8,356,506	13,196,692	9,295,099	8,810,731	9,740,277	9,327,653	15,622,394
Total primary government net expense	\$ (34,412,169)	\$ (45,003,529)	\$ (45,906,740)	\$ (34,145,563)	\$ (38,285,867)	\$ (47,309,742)	\$ (50,280,196)	\$ (42,724,385)	\$ (52,184,074)	\$ (34,381,131)
General revenues and other changes in net position										
Governmental activities:										
Taxes:										
Property taxes	\$ 14,970,136	\$ 14,490,790	\$ 15,867,838	\$ 17,271,705	\$ 18,102,286	\$ 20,967,953	\$ 21,546,734	\$ 22,075,276	\$ 22,721,452	\$ 23,458,850
Retail sales and use tax	16,679,278	18,335,157	19,744,684	21,125,730	21,475,335	22,333,454	21,996,115	22,212,601	21,900,597	25,259,050
Interfund utility taxes	3,281,816	3,892,250	4,068,667	4,620,831	4,624,951	4,550,265	4,760,229	4,543,629	7,109,829	7,181,029
Utility taxes	8,856,498	9,156,636	9,040,015	8,838,179	8,917,401	10,391,462	9,841,620	9,278,114	8,866,275	9,521,243
Excise taxes	2,141,620	2,555,850	2,888,797	4,999,517	5,057,013	4,141,146	4,393,134	5,650,339	4,580,114	6,463,047
Other taxes	4,679,333	4,429,090	4,601,925	4,722,482	5,160,215	5,253,964	5,213,217	4,751,163	3,846,314	5,031,185
Investment earnings	178,618	121,687	105,117	118,399	332,520	787,786	1,657,481	2,134,741	1,027,312	(114,738)
Miscellaneous	547,391	(4,625,627)	178,482	194,600	157,874	204,306	428,580	258,502	252,441	572,013
Transfers	(513,428)	(218,230)	5,294,793	(462,955)	424,173	454,436	414,975	394,287	264,371	395,869
Total governmental activities	50,821,262	48,137,603	61,790,318	61,068,488	64,251,768	69,074,772	70,044,361	71,515,252	68,002,312	77,718,348
Business-type activities:										
Investment earnings	82,903	68,400	51,261	70,560	196,595	479,132	989,564	1,387,405	364,027	17,401
Miscellaneous	1,781,676	763,717	2,700,233	1,881,835	1,085,275	444,110	602,528	1,218,645	3,267,467	277,871
Transfers	513,428	218,230	(5,294,793)	462,955	(424,173)	(454,436)	(414,975)	(394,287)	(264,371)	(395,869)
Total business-type activities:	2,378,007	1,050,347	(2,543,299)	2,415,350	857,697	468,806	1,177,117	2,211,763	3,367,123	(100,597)
Total primary government	\$ 53,199,269	\$ 49,187,950	\$ 59,247,019	\$ 63,483,838	\$ 65,109,465	\$ 69,543,578	\$ 71,221,478	\$ 73,727,015	\$ 71,369,435	\$ 77,617,751
Change in net position Before Change in Accounting Principle										
Governmental activities	10,886,295	(2,443,663)	7,741,345	18,566,419	12,769,209	12,469,931	10,953,434	19,050,590	6,490,585	27,714,823
Business-type activities	7,900,805	6,628,084	5,598,934	10,771,856	14,054,389	9,763,905	9,987,848	11,952,040	12,694,776	15,521,797
Total primary government	\$ 18,787,100	\$ 4,184,421	\$ 13,340,279	\$ 29,338,275	\$ 26,823,598	\$ 22,233,836	\$ 20,941,282	\$ 31,002,630	\$ 19,185,361	\$ 43,236,620
Change in Accounting Principle										
Governmental activities	-	(222,743)	-	(13,456,606)	2,512,557	(3,218,004)	(9,389,375)	-	-	-
Business-type activities	-	(156,715)	-	(6,366,678)	-	-	-	-	-	-
Total primary government	\$ -	\$ (379,458)	\$ -	\$ (19,823,284)	\$ 2,512,557	\$ (3,218,004)	\$ (9,389,375)	\$ -	\$ -	\$ -
Change in net position After Change in Accounting Principle										
Governmental activities	10,886,295	(2,666,406)	7,741,345	5,109,813	15,281,766	9,251,927	1,564,059	19,050,590	6,490,585	27,714,823
Business-type activities	7,900,805	6,471,369	5,598,934	4,405,178	14,054,389	9,763,905	9,987,848	11,952,040	12,694,776	15,521,797
Total primary government	\$ 18,787,100	\$ 3,804,963	\$ 13,340,279	\$ 9,514,991	\$ 29,336,155	\$ 19,015,832	\$ 11,551,907	\$ 31,002,630	\$ 19,185,361	\$ 43,236,620

Source: City of Auburn, Finance Department

City of Auburn, Washington
SCHEDULE 3
FUND BALANCES, GOVERNMENT FUNDS
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$370,400	\$127	\$127	\$127	\$0	\$30,453	\$38,179	\$36,097	\$47,085	\$49,674
Assigned	5,935,567	5,892,611	4,045,598	7,284,159	7,160,098	9,315,528	9,375,470	17,118,273	11,257,547	9,204,036
Unassigned	17,395,933	17,751,778	20,914,093	20,267,776	24,991,081	25,414,801	24,627,984	19,068,746	30,634,592	38,646,995
Total General Fund	23,701,900	23,644,516	24,959,818	27,552,062	32,151,179	34,760,782	34,041,633	36,223,116	41,939,224	47,900,705
All other governmental funds										
Nonspendable	1,475,580	1,536,316	1,574,148	1,585,707	1,666,043	1,717,134	1,775,453	1,826,063	1,925,183	2,010,357
Restricted	11,688,536	13,483,593	14,830,180	17,885,173	25,079,227	28,137,106	28,226,498	32,085,350	30,916,914	36,123,035
Committed	3,258,257	3,242,662	5,066,181	3,658,719	5,421,640	3,223,108	3,079,656	3,172,152	3,910,112	5,283,101
Assigned	2,388,684	4,976,833	4,725,119	4,755,182	1,226,315	1,221,511	2,827,045	2,239,557	1,906,717	1,579,346
Total All Other Governmental Funds	\$ 18,811,057	\$ 23,239,404	\$ 26,195,628	\$ 27,884,781	\$ 33,393,225	\$ 34,298,859	\$ 35,908,652	\$ 39,323,122	\$ 38,658,926	\$ 44,995,839

Source: City of Auburn, Finance Department

City of Auburn, Washington
SCHEDULE 4
CHANGES IN FUND BALANCES, GOVERNMENT FUNDS
 Last Ten Fiscal Years
 (Modified Accrual Basis of Accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	\$ 46,003,582	\$ 48,545,041	\$ 51,718,489	\$ 56,632,337	\$ 58,279,984	\$ 62,425,246	\$ 62,430,346	\$ 64,032,701	\$ 62,638,993	\$ 71,897,684
Licenses and permits	2,344,643	3,041,948	2,400,662	2,074,432	3,005,125	1,906,796	1,853,554	2,825,404	2,086,579	2,980,103
Intergovernmental	20,045,299	11,854,984	9,379,699	13,620,446	12,714,010	16,187,560	12,234,229	11,137,941	14,734,337	13,771,035
Charges for services	4,006,762	3,891,776	5,717,712	7,321,295	11,563,678	7,117,774	6,471,503	10,467,203	8,670,078	12,437,155
Fines and forfeits	1,592,957	1,441,603	1,258,408	938,775	905,921	882,254	920,187	914,240	635,209	434,042
Special assessments	39,115	40,772	472,800	7,494	4,111	3,835	2,210	2,807	712	591
Investment earnings	200,826	144,151	135,709	117,942	279,058	672,713	1,308,888	1,767,742	1,005,175	(187,615)
Miscellaneous	871,191	621,673	1,691,274	1,890,419	1,854,450	1,966,333	1,600,279	2,406,291	774,011	2,227,176
Total revenues	75,104,375	69,581,948	72,774,753	82,603,140	88,606,337	91,162,511	86,821,196	93,554,329	90,545,094	103,560,171
Expenditures										
General government	8,761,452	7,300,667	7,712,018	8,661,592	8,936,366	9,755,757	9,804,631	12,688,544	11,951,230	13,138,358
Public safety	24,039,435	27,146,590	27,264,294	29,164,772	30,809,069	32,084,376	34,226,582	36,322,025	36,790,348	38,989,056
Transportation	20,766,134	15,119,530	8,979,583	16,323,425	12,607,616	20,652,538	15,512,706	11,641,856	10,102,948	12,831,014
Physical environment	2,526,526	2,855,908	3,086,738	2,991,145	3,309,993	3,359,548	4,128,266	4,372,251	4,339,008	3,985,974
Economic environment	2,876,558	2,692,389	2,783,898	3,066,674	3,324,309	3,880,025	4,314,648	4,699,552	5,587,597	4,240,428
Health and human services	616,583	631,997	626,681	925,299	573,115	674,270	787,535	619,247	821,362	2,192,261
Culture and recreation	7,228,345	7,925,325	9,759,110	10,700,680	11,480,488	11,943,070	12,450,884	12,437,720	10,571,483	11,953,562
Capital outlay ⁽¹⁾	4,007,018	2,746,599	3,394,886	3,580,304	6,784,343	2,096,281	2,145,994	3,270,129	3,743,808	2,955,695
Debt service:										
Principal	1,219,137	2,238,181	2,704,468	1,713,940	1,737,569	1,635,126	1,676,777	1,437,533	1,738,594	1,239,178
Interest / other	2,245,858	2,709,768	2,892,281	1,801,109	1,632,786	1,590,525	1,537,504	1,478,169	822,678	847,629
Total expenditures	74,287,046	71,366,954	69,203,957	78,928,940	81,195,654	87,671,516	86,585,527	88,967,026	86,469,056	92,373,155
Excess of revenues over (under) expenditures	817,329	(1,785,006)	3,570,796	3,674,200	7,410,683	3,490,995	235,669	4,587,303	4,076,038	11,187,016
Other financing sources (uses)										
Transfers in	6,643,116	4,776,100	5,309,769	7,100,830	11,121,265	7,050,817	8,205,317	6,477,764	12,216,778	9,703,240
Transfers out	(7,005,097)	(4,450,925)	(5,003,448)	(6,668,626)	(11,182,611)	(7,163,278)	(7,838,860)	(5,646,268)	(11,430,226)	(9,007,928)
Insurance recoveries	291,210	192,898	136,585	153,041	83,737	134,003	288,518	177,154	189,322	416,066
Issuance of debt	-	3,044,491	240,366	-	3,128,732	-	-	-	-	-
Issuance of refunding bond	-	-	-	-	38,198	-	-	-	19,480,000	-
Debt Premium	-	-	-	-	-	-	-	-	3,989,749	-
Payment to escrow agent - refunded bond	-	-	-	-	(3,005,000)	-	-	-	(23,469,749)	-
Sales of capital assets	800	2,593,405	17,458	21,952	-	2,700	-	-	-	-
Total other financing sources (uses)	(69,971)	6,155,969	700,730	607,197	184,321	24,242	654,975	1,008,650	975,874	1,111,378
Net change in fund balances	\$ 747,358	\$ 4,370,963	\$ 4,271,526	\$ 4,281,397	\$ 7,595,004	\$ 3,515,237	\$ 890,644	\$ 5,595,953	\$ 5,051,912	\$ 12,298,394
Debt service as a percentage of noncapital expenditures	6.64%	8.71%	10.68%	5.50%	5.14%	4.66%	4.38%	3.72%	3.36%	2.58%

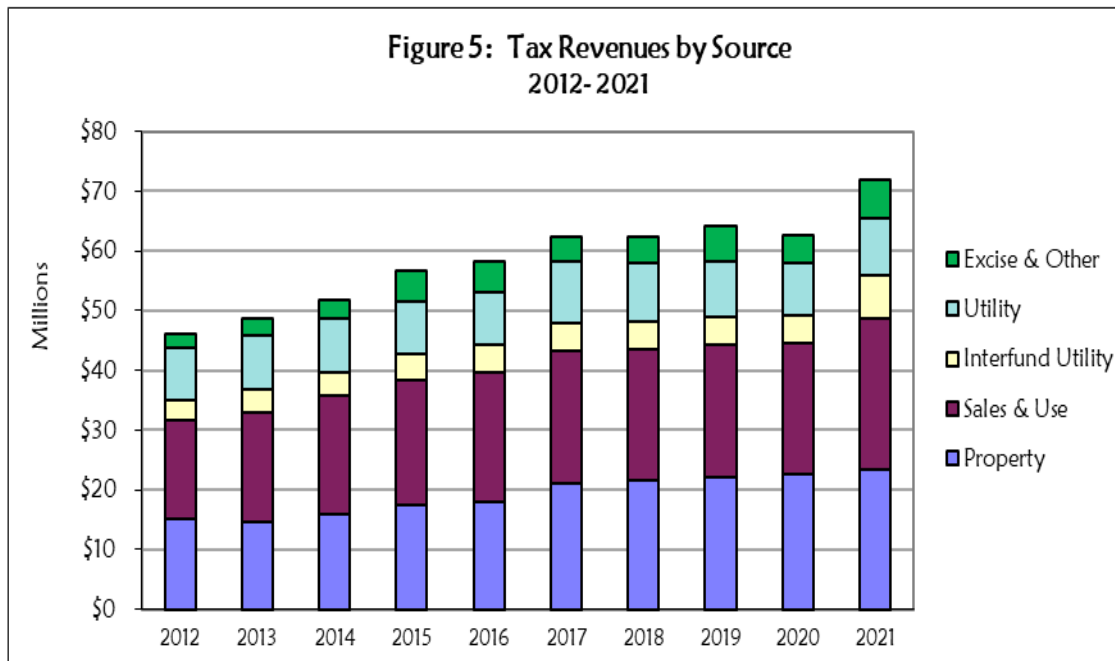
(1) Capital outlay reported in governmental funds for 2021 are \$2,955,695 plus \$8,428,438 which is reported for each functional activity with the other funds results in total capital outlay of \$11,384,133 as reported on the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Government Funds to the Statement of Activities.

Source: City of Auburn, Finance Department

City of Auburn, Washington
SCHEDULE 5
TAX REVENUES BY SOURCE, GOVERNMENT FUNDS
 Last Ten Fiscal Years

Fiscal Year	Property	Sales & Use	Interfund Utility	Utility	Excise	Other	Total
2012	14,987,636	16,679,278	3,281,816	8,856,498	2,141,620	56,734	46,003,582
2013	14,535,673	18,335,157	3,892,250	9,156,636	2,555,850	69,475	48,545,041
2014	15,933,338	19,744,684	4,068,667	9,040,015	2,888,797	42,988	51,718,489
2015	17,337,108	21,125,730	4,260,831	8,838,179	4,999,517	70,972	56,632,337
2016	18,067,324	21,475,335	4,624,951	8,917,401	5,057,013	137,960	58,279,984
2017	20,976,384	22,333,454	4,540,265	10,391,462	4,141,146	42,535	62,425,246
2018	21,561,924	21,996,115	4,552,505	9,841,620	4,393,134	85,048	62,430,346
2019	22,057,841	22,212,601	4,760,229	9,278,114	5,650,339	73,577	64,032,701
2020	22,688,696	21,900,597	4,543,436	8,866,275	4,580,114	59,875	62,638,993
2021	23,480,894	25,289,050	7,101,829	9,521,243	6,463,047	41,621	71,897,684
Change							
2012-2021	56.7%	51.6%	116.4%	7.5%	201.8%	-26.6%	56.3%

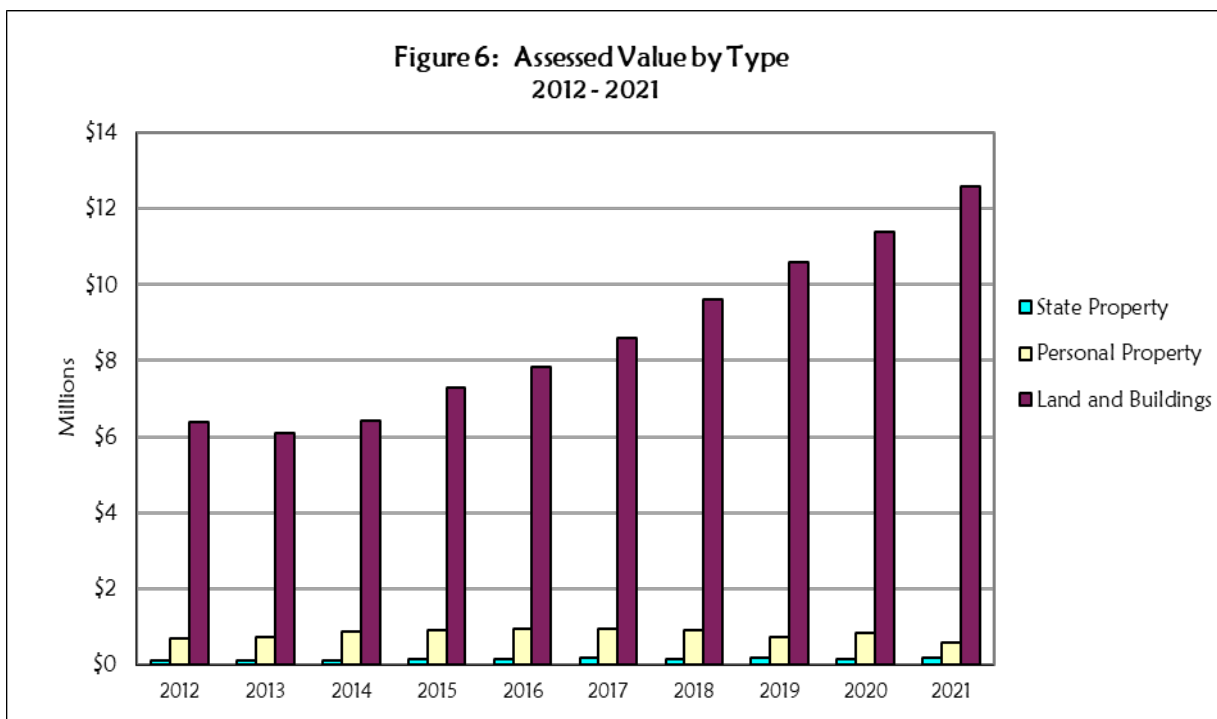
Source: City of Auburn, Finance Department



City of Auburn, Washington
SCHEDULE 6
ASSESSED VALUE BY TYPE
 Last Ten Fiscal Years
 (Amounts Expressed in Thousands)

Fiscal Year	State Property and Other	Personal Property	Land and Building	Total Assessed Value	Total Direct Rate
2012	124,204	709,024	6,392,321	7,225,550	2.08
2013	124,230	745,891	6,098,598	6,968,719	2.10
2014	132,854	880,015	6,409,300	7,422,169	2.17
2015	146,941	911,493	7,308,219	8,366,653	2.08
2016	156,673	958,859	7,851,588	8,967,119	2.05
2017	171,829	957,161	8,592,887	9,721,877	2.20
2018	169,543	918,637	9,611,541	10,699,721	2.03
2019	171,044	733,264	10,585,207	11,489,515	1.92
2020	165,647	832,886	11,381,503	12,380,036	1.82
2021	173,560	602,789	12,592,421	13,368,770	1.77

Source: King County Dept of Assessments & Pierce County Assessor-Treasurer

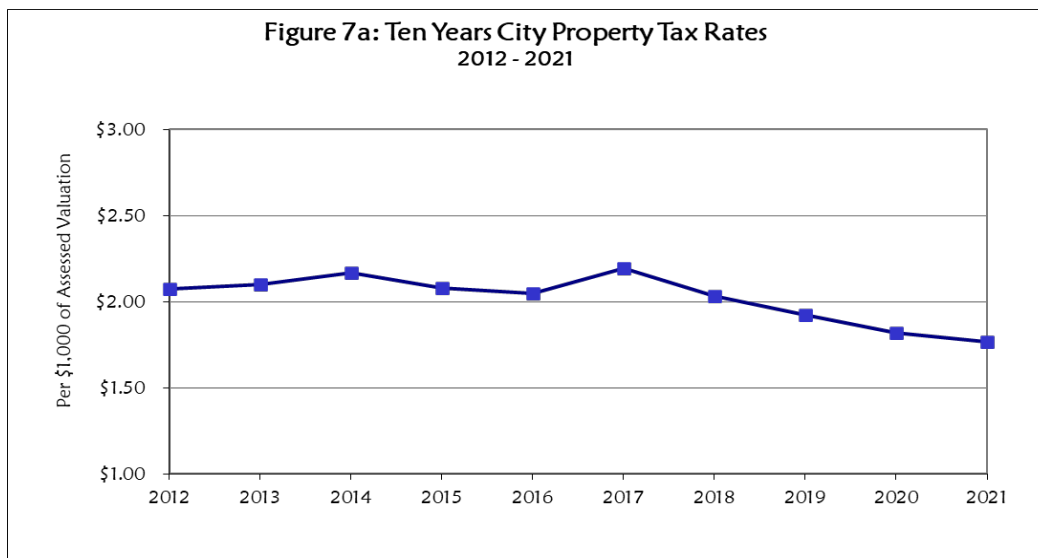


City of Auburn, Washington
SCHEDULE 7
PROPERTY TAX DATA
 Last Ten Fiscal Years

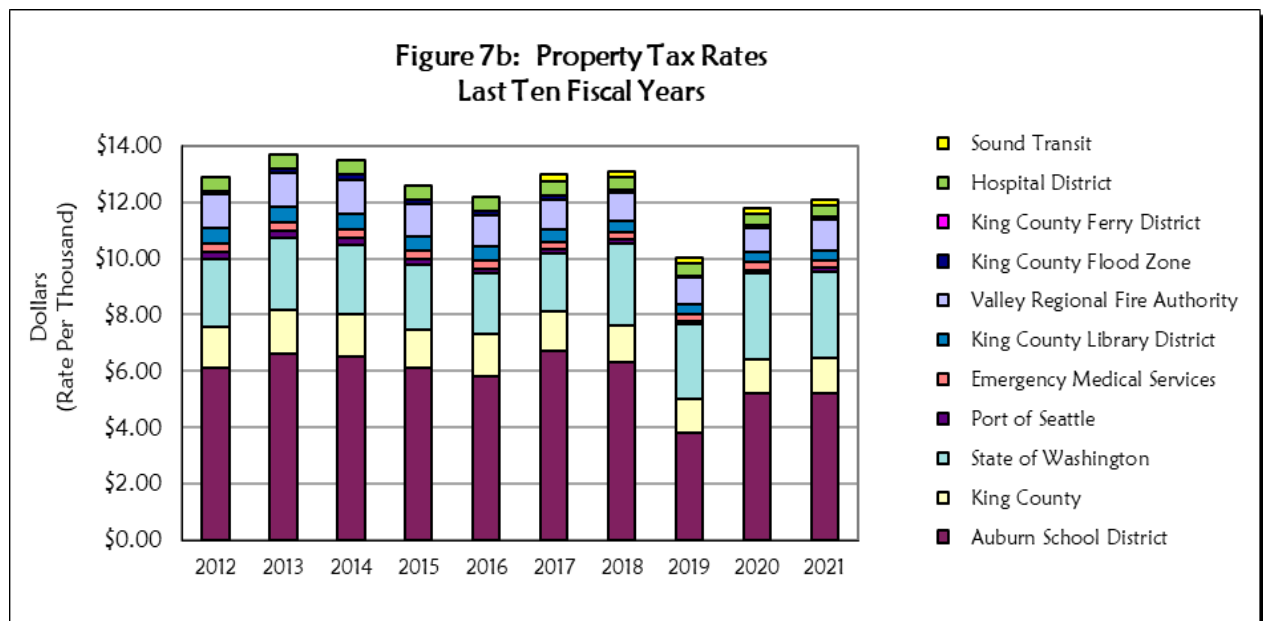
Item	2012	2013	2014	2015
Assessed and estimated actual values ⁽¹⁾				
Estimated and actual value (in thousands)	\$ 7,225,550	\$ 6,968,719	\$ 7,422,169	\$ 8,366,653
Assessed value (in thousands)	7,225,550	6,968,719	7,422,169	8,366,653
Ratio of assessed to actual	100%	100%	100%	100%
Property tax rates ⁽¹⁾				
Direct regular and special				
General fund	\$ 2.07527	\$ 2.10000	\$ 2.16739	\$ 2.08085
Subtotal	2.07527	2.10000	2.16739	2.08085
Overlapping regular and special ⁽¹⁾				
Auburn School District	\$ 6.14004	\$ 6.62190	\$ 6.50262	\$ 6.14079
King County	1.41588	1.54051	1.51605	1.34522
State of Washington	2.42266	2.56720	2.47044	2.28514
Port of Seattle	0.22982	0.23324	0.21533	0.18885
Sound Transit	-	-	-	-
Emergency Medical Services	0.30000	0.30000	0.33500	0.30217
Hospital District	0.50000	0.50000	0.50000	0.50000
King County Library District	0.56992	0.56743	0.56175	0.50276
Valley Regional Fire Authority	1.18925	1.20479	1.20294	1.18043
King County Flood Zone	0.11616	0.13210	0.15369	0.13860
King County Ferry District	0.00372	0.00378	0.00349	-
Subtotal	<u>12.88745</u>	<u>13.67095</u>	<u>13.46131</u>	<u>12.58396</u>
Total direct and overlapping	<u>\$ 14.96272</u>	<u>\$ 15.77095</u>	<u>\$ 15.62870</u>	<u>\$ 14.66481</u>

Sources:

(1) King County and Pierce County Departments of Assessments; real and personal property has been assessed at 100% of the estimated actual value.



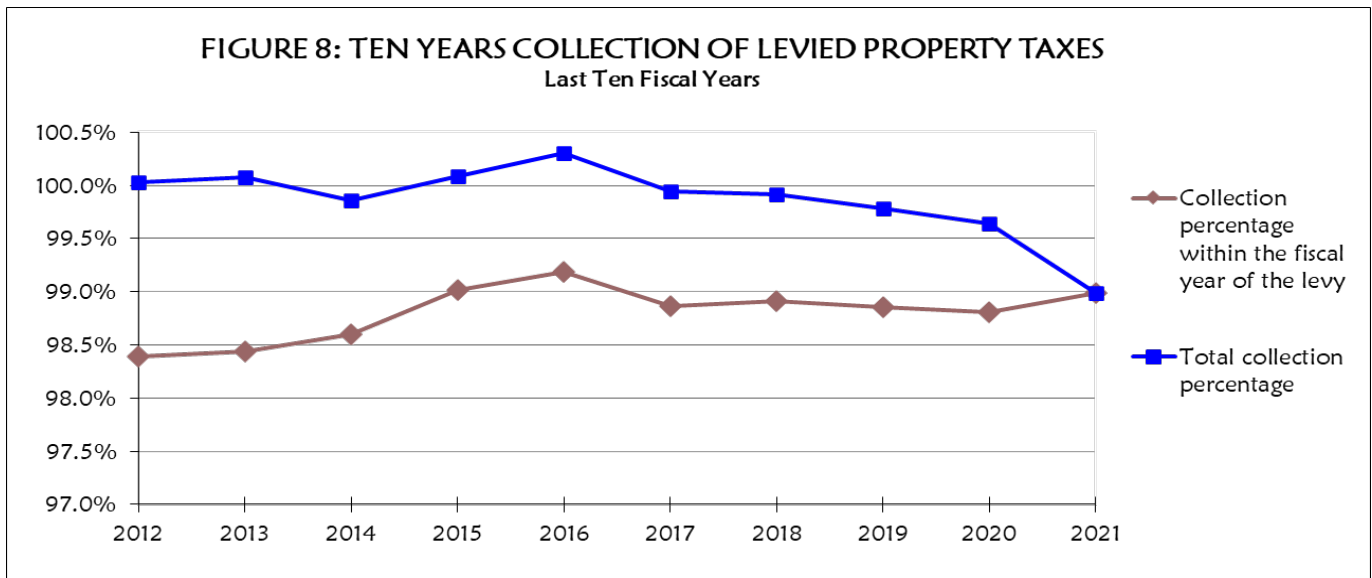
	2016	2017	2018	2019	2020	2021
\$	8,967,119	\$ 9,721,877	\$ 10,699,721	\$ 11,489,516	\$ 12,380,036	\$ 13,368,770
	8,967,119	9,721,877	10,699,721	11,489,516	12,380,036	13,368,770
	100%	100%	100%	100%	100%	100%
\$	2.04719	\$ 2.19668	\$ 2.03239	\$ 1.92435	\$ 1.81928	\$ 1.76739
	2.04719	2.19668	2.03239	1.92435	1.81928	1.76739
\$	5.82831	\$ 6.74299	\$ 6.29971	\$ 3.81351	\$ 5.19948	\$ 5.20244
	1.48027	1.38294	1.32735	1.21906	1.23953	1.24688
	2.16898	2.03205	2.91820	2.62922	3.02799	3.08823
	0.16954	0.15334	0.13518	0.12266	0.11944	0.11984
	-	0.25000	0.22745	0.20700	0.19937	0.19709
	0.28235	0.26305	0.23940	0.21762	0.26500	0.26499
	0.50000	0.50089	0.45689	0.41673	0.40069	0.38511
	0.47714	0.45118	0.41190	0.37441	0.36040	0.35733
	1.13495	1.06821	0.98189	0.92352	0.86897	1.10439
	0.12980	0.11740	0.10708	0.09660	0.09199	0.08909
	-	-	-	-	-	-
	12.17134	12.96205	13.10505	10.02033	11.77286	12.05539
\$	14.21853	\$ 15.15873	\$ 15.13744	\$ 11.94468	\$ 13.59214	\$ 13.82278



City of Auburn, Washington
SCHEDULE 8
PROPERTY TAX LEVIES AND COLLECTIONS
 Last Ten Fiscal Years

Fiscal Year	Total Tax Levy for Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Current Year Levy Balance
		Amount	% of Levy		Amount	% of Levy	
King County:							
2012	13,389,558	13,167,731	98.3%	226,410	\$ 13,394,141	100.0%	\$ (4,583)
2013	12,884,878	12,673,712	98.4%	222,207	12,895,919	100.1%	(11,041)
2014	14,182,244	13,970,560	98.5%	189,292	14,159,852	99.8%	22,392
2015	15,387,637	15,226,048	98.9%	176,963	15,403,011	100.1%	(15,374)
2016	16,033,819	15,897,626	99.2%	190,976	16,088,602	100.3%	(54,783)
2017	18,647,980	18,418,844	98.8%	217,262	18,636,106	99.9%	11,874
2018	19,097,241	18,872,111	98.8%	207,772	19,079,883	99.9%	17,358
2019	19,543,743	19,298,789	98.7%	198,617	19,497,406	99.8%	46,337
2020	20,042,110	19,775,977	98.7%	187,767	19,963,744	99.6%	78,365
2021	20,706,155	20,480,037	98.9%	-	20,480,037	98.9%	226,118
							<u>\$ 316,663</u>
Pierce County:							
2012	1,495,390	1,478,223	98.9%	17,166	\$ 1,495,390	100.0%	\$ (0)
2013	1,484,398	1,471,129	99.1%	13,269	1,484,398	100.0%	0
2014	1,595,675	1,586,010	99.4%	9,665	1,595,675	100.0%	0
2015	1,746,163	1,738,447	99.6%	7,716	1,746,163	100.0%	(0)
2016	1,867,636	1,857,614	99.5%	10,022	1,867,636	100.0%	(0)
2017	2,237,907	2,229,137	99.6%	8,770	2,237,907	100.0%	(0)
2018	2,320,452	2,312,378	99.7%	8,073	2,320,452	100.0%	0
2019	2,389,591	2,383,037	99.7%	6,084	2,389,121	100.0%	470
2020	2,434,937	2,433,602	99.9%		2,433,602	99.9%	1,334
2021	2,514,808	2,505,423	99.6%		2,505,423	99.6%	9,384
							<u>\$ 11,188</u>
Total current levy balance							<u>\$ 327,851</u>

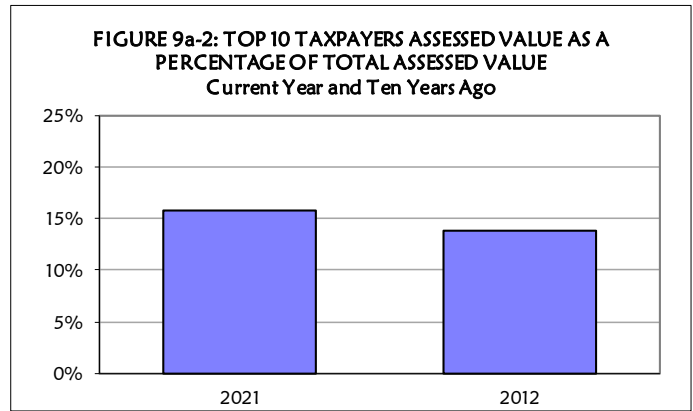
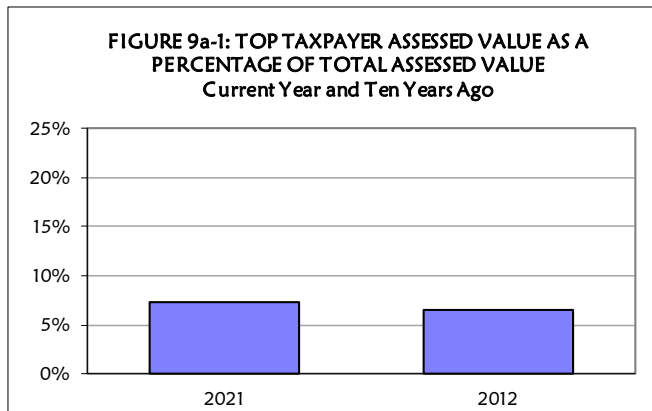
Source: King County Finance and Business Operations Division
 Pierce County Budget and Finance Department



City of Auburn, Washington
SCHEDULE 9a
PRINCIPAL TAXPAYERS-PROPERTY TAXES
 Current Year and Ten Years Ago

Taxpayer	2021			2012		
	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Boeing	\$ 985,804,297	1	7.37%	\$ 468,071,713	1	6.48%
EProperty Tax Inc.	181,697,000	2	1.36%	72,683,500	4	1.01%
Safeway	161,197,463	3	1.21%	79,636,302	3	1.10%
PPF Industrial	153,373,700	4	1.15%	43,795,600	9	0.61%
Principal Life Insurance Co.	140,277,900	5	1.05%	N/A		N/A
Glimcher Supermall Venture	118,903,605	6	0.89%	83,858,955	2	1.16%
Prologis	117,897,900	7	0.88%	N/A		N/A
NUVEN	88,004,500	8	0.66%	N/A		N/A
Puget Sound Energy	83,328,821	9	1.36%	59,804,161	6	0.83%
KW Lakeland LLC	73,288,800	10	0.55%	N/A		N/A
Universal Health	N/A			67,280,010	5	0.93%
Belara Communities LLC	N/A			48,145,500	8	0.67%
Muckleshoot Indian Tribe	N/A			56,630,000	7	0.78%
Qwest Corporation	N/A			24,148,433	10	0.33%
TOTALS	\$ 2,103,773,986		16.47%	\$ 1,004,054,174		13.90%

Source: King County and Pierce County Departments of Assessments
 Total assessed value for 2021: \$ 13,368,769,816
 Total assessed value for 2012: \$ 7,225,549,856



City of Auburn, Washington
SCHEDULE 9b
PRINCIPAL TAXPAYERS-SALES TAXES
 Current Year and Ten Years Ago

2021				2012			
Sales Tax Received	Sector ⁽¹⁾	Rank	Percentage of Total City Sales Taxes Received	Sales Tax Received	Sector ⁽¹⁾	Rank	Percentage of Total City Sales Taxes Received
\$ 705,872	Automotive	1	3.3%	\$ 436,288	General Retail	1	3.3%
518,154	Automotive	2	2.4%	311,437	Automotive	2	2.4%
507,888	Retail Trade	3	2.3%	301,142	Automotive	3	2.3%
492,513	Automotive	4	2.3%	282,442	Automotive	4	2.2%
387,731	Automotive	5	1.8%	242,384	Automotive	5	1.9%
386,857	Automotive	6	1.8%	230,114	Automotive	6	1.8%
371,316	Construction	7	1.7%	223,789	Retail Trade	7	1.7%
367,525	Retail Trade	8	1.7%	214,560	Retail Trade	8	1.6%
346,158	Construction	9	1.6%	212,602	Manufacturing	9	1.6%
342,280	Automotive	10	1.6%	200,059	Automotive	10	1.5%
\$ 4,426,294			20.4%	\$ 2,654,817			20.4%

Source: Washington State Department of Revenue

(1) It is illegal to disclose specific taxpayer sales tax information, so the above information is being provided without identification.

City of Auburn, Washington
SCHEDULE 10
RETAIL TAX COLLECTIONS BY SECTOR
 Last Ten Fiscal Years
 (Amounts Expressed in Thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
RETAIL TRADE SECTOR										
Automotive/gas	\$ 3,019	\$ 3,136	\$ 3,309	\$ 3,707	\$ 3,659	\$ 3,972	\$ 4,122	\$ 4,069	\$ 3,827	\$ 4,555
Furniture	226	235	254	254	185	197	210	222	209	290
Electronics & appliances	145	174	237	295	221	211	229	277	300	344
Building materials	425	447	502	590	579	580	576	652	751	803
Food stores	341	335	353	368	397	369	388	406	451	487
Health & personal care	149	174	188	221	284	369	420	426	348	391
Apparel	772	889	1,009	1,080	1,136	1,119	1,170	1,236	873	1,123
General merchandise	967	974	955	988	1,018	993	221	818	878	917
Misc. retail trade	897	990	1,182	1,193	1,032	1,033	1,827	1,399	1,689	2,107
Subtotal - Retail Trade	6,943	7,354	7,989	8,695	8,512	8,843	9,163	9,506	9,327	11,017
SERVICE SECTOR										
Information	\$ 396	\$ 446	\$ 487	\$ 526	\$ 630	\$ 662	\$ 638	\$ 668	\$ 685	\$ 760
Finance & insurance	53	91	88	95	111	122	140	138	178	158
Real estate, rental, leasing	326	279	315	334	359	368	368	434	369	449
Professional, scientific, technical	173	184	216	195	238	239	254	344	394	482
Administrative, supply & remediation services	334	336	350	383	329	276	424	524	652	792
Educational	54	50	49	60	50	56	47	46	40	44
Healthcare & social services	115	33	66	82	92	75	93	93	111	99
Arts & entertainment	153	149	158	208	156	110	119	120	50	74
Accommodation & food service	921	979	1,067	1,159	1,218	1,276	1,435	1,469	1,205	1,429
Other services	530	507	526	603	788	728	711	609	537	637
Subtotal - Services	3,056	3,054	3,322	3,646	3,970	3,912	4,229	4,445	4,220	4,924
OTHER SECTORS										
Construction	\$ 1,221	\$ 1,943	\$ 1,754	\$ 2,297	\$ 2,292	\$ 2,632	\$ 2,310	\$ 2,193	\$ 3,068	\$ 3,034
Manufacturing	405	624	1,163	862	761	678	754	821	390	501
Transportation	55	46	71	66	99	89	120	89	197	373
Wholesaling	1,297	1,279	1,205	1,229	1,265	1,363	1,469	1,496	1,346	1,424
Other business	61	64	120	72	67	65	154	265	308	410
Subtotal - Other	3,038	3,956	4,312	4,525	4,485	4,827	4,807	4,863	5,309	5,742
GRAND TOTAL	\$ 13,037	\$ 14,364	\$ 15,623	\$ 16,866	\$ 16,967	\$ 17,582	\$ 18,198	\$ 18,814	\$ 18,856	\$ 21,683

OVERLAPPING SALES TAX RATES

Basic sales tax rates

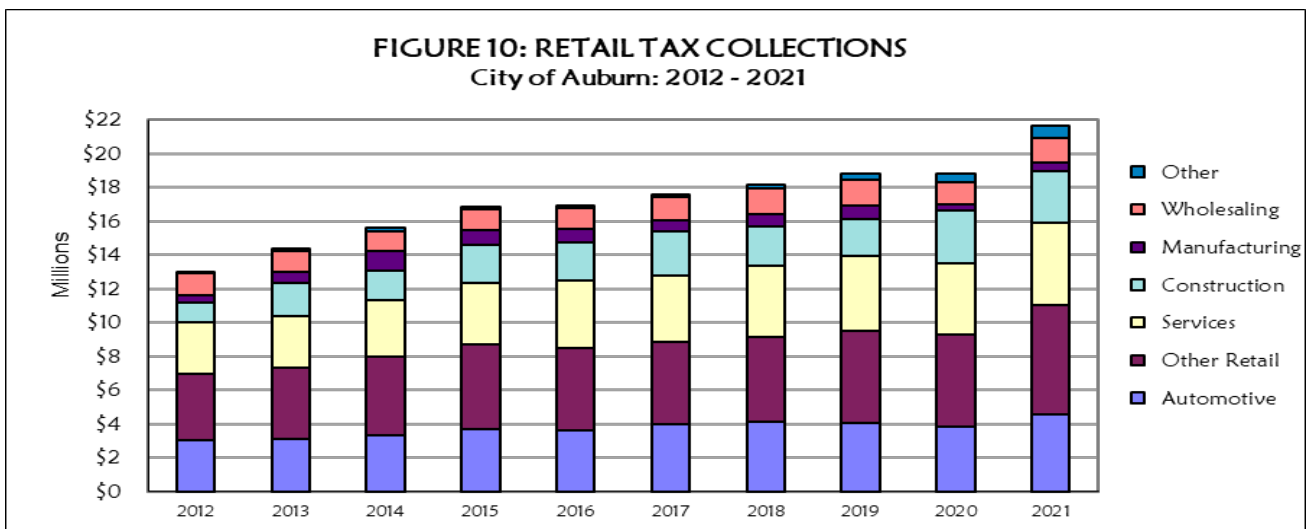
City of Auburn	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%
Washington State	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
King County	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Regional Transit Authority	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	1.40%	1.40%	1.40%	1.50%
Metro	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%	0.90%
Criminal Justice	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%	0.10%
Total basic sales tax rate	9.50%	9.50%	9.50%	9.50%	9.50%	9.50%	10.00%	10.00%	10.00%	10.10%

Special sales tax rates

Restaurants-for stadium funding ⁽¹⁾	0.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Motor vehicles	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%

(1) This tax expired on October 1, 2011

Source: City of Auburn Finance Department and State of Washington



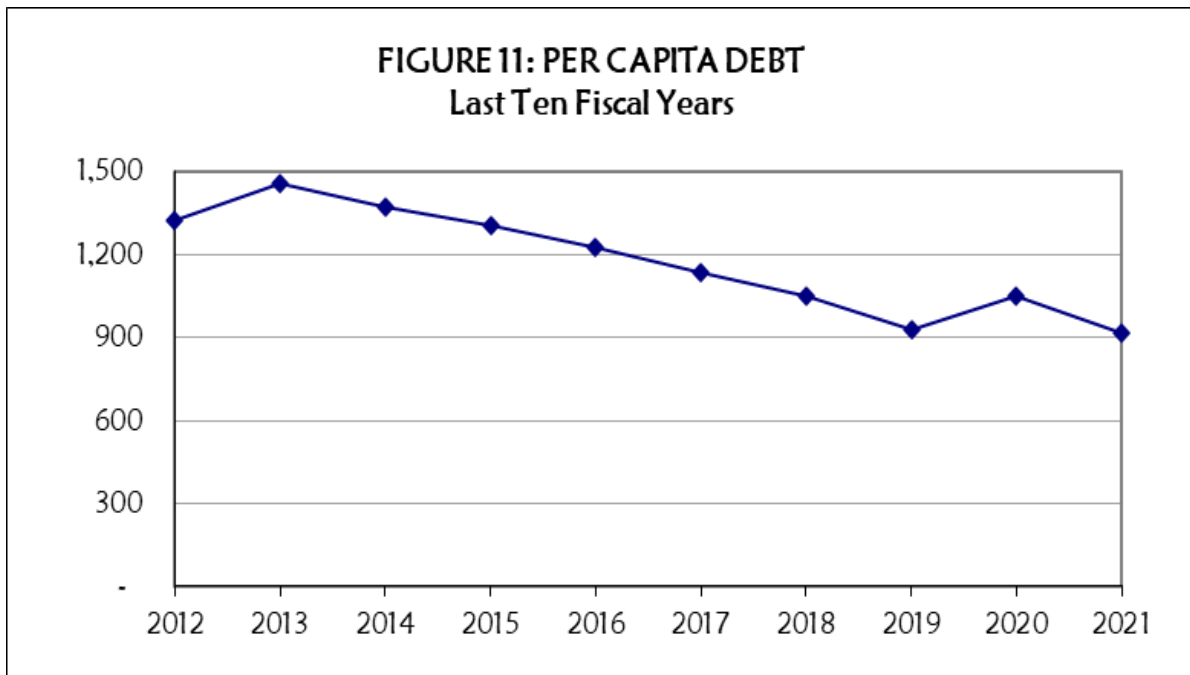
City of Auburn, Washington
SCHEDULE 11
RATIOS OF OUTSTANDING DEBT BY TYPE
 Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-type Activities		Total Primary Government ⁽²⁾	Percentage of Personal Income ⁽¹⁾	Per Capita
	General Obligation Bonds	Public Works Trust Fund Loans	Capital Leases	Revenue Bonds	Public Works Trust Fund Loans			
2012	\$ 61,900,771	\$ 1,286,125	\$ 524,498	\$ 23,057,333	\$ 7,401,474	\$ 94,170,201	5.05%	1,321.87
2013	59,568,505	4,239,813	480,771	34,292,569	8,203,090	106,784,748	5.57%	1,458.11
2014	57,367,766	4,284,173	435,068	32,813,473	7,524,538	102,425,018	5.12%	1,372.44
2015	55,094,519	4,086,797	569,773	31,304,378	7,563,847	98,619,314	4.85%	1,305.44
2016	54,245,944	3,889,421	476,635	28,545,000	7,522,767	94,679,767	4.48%	1,228.65
2017	50,766,661	3,692,045	382,914	28,161,699	6,702,388	89,705,707	4.07%	1,136.09
2018	48,427,873	3,494,669	282,461	26,523,113	5,866,029	84,594,145	3.58%	1,049.36
2019	42,703,404	3,297,294	173,692	24,829,528	4,967,012	75,970,930	2.98%	929.65
2020	41,060,378	3,099,918	-	37,460,053	4,351,217	85,971,566	3.10%	1,049.20
2021	39,156,176	2,902,542	-	35,131,084	3,584,955	80,774,757	2.60%	917.06

Sources: City of Auburn, Finance Department

(1) Personal income data provided by US Census Bureau estimate for 2013, 2012, 2011; Hebert Research for 2010 only; other years are city estimates

(2) Excludes compensated absences



City of Auburn, Washington
SCHEDULE 12
COMPUTATION OF LEGAL DEBT MARGIN
 As of December 31, 2021

	General Capacity		Special Purpose Capacity		Total Capacity
	Councilmanic	Excess Levy	Parks and Open Spaces	Utility Purpose	
December 31, 2021 - Total Assessed Value:					
\$	14,386,393,795				
2.5% of Assessed Value	\$ -	\$ 359,659,845	\$ 359,659,845	\$ 359,659,845	\$ 1,078,979,535
1.5% of Assessed Value	215,795,907	(215,795,907)	-	-	-
Statutory Debt Limit	215,795,907	143,863,938	359,659,845	359,659,845	1,078,979,535
Debt Outstanding	38,474,375	-	-	-	38,474,375
Net Debt Outstanding	38,474,375	-	-	-	38,474,375
Remaining Debt Capacity	\$ 177,321,532	\$ 143,863,938	\$ 359,659,845	\$ 359,659,845	\$ 1,040,505,160

City of Auburn, Washington
SCHEDULE 13
LEGAL DEBT MARGIN RATIOS
 Last Ten Fiscal Years
 (Expressed in Thousands)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit	\$ 518,188	\$ 546,602	\$ 617,872	\$ 661,996	\$ 716,628	\$ 791,936	\$ 854,513	\$ 923,770	\$ 990,892	\$ 1,078,980
Total net debt applicable to limit	63,815	64,047	61,892	59,409	57,152	54,208	52,097	46,115	40,356	38,474
Legal debt margin	\$ 454,372	\$ 482,554	\$ 555,980	\$ 602,588	\$ 659,476	\$ 737,728	\$ 802,416	\$ 877,655	\$ 950,535	\$ 1,040,505
Total net debt applicable to the limit as a percentage of debt limit	12.32%	11.72%	10.02%	8.97%	7.98%	6.85%	6.10%	4.99%	4.07%	3.57%

City of Auburn, Washington
SCHEDULE 14
COMPUTATION OF NET DIRECT AND ESTIMATED OVERLAPPING DEBT
As of December 31, 2021

	Net Debt Outstanding	Percent Applicable ⁽³⁾	Bonded Amount Applicable
Net direct debt:			
Net direct debt - City of Auburn ⁽¹⁾			\$ 42,058,718
Estimated net overlapping debt: ⁽²⁾			
King County	\$ 962,255,000	1.80%	\$ 17,320,590
Port of Seattle	281,355,000	1.80%	5,064,390
School District No. 210	432,680,000	58.12%	251,473,616
School District No. 408	488,985,000	81.06%	396,371,241
School District No. 415	236,781,000	1.67%	3,954,243
Rural Library District	44,335,000	3.00%	1,330,050
Valley Regional Fire Authority	8,115,000	89.42%	7,256,433
Pierce County	118,905,000	0.89%	1,058,255
Total estimated net overlapping debt			<u>683,828,817</u>
Total direct and overlapping debt			<u>\$ 725,887,535</u>

Sources:

- (1) Includes both bonded and non bonded debt related to government activities. From Sch. 8 Changes in LT Liabilities
(2) Overlapping governments
(3) King County Assessors office and Pierce County Assessors office.

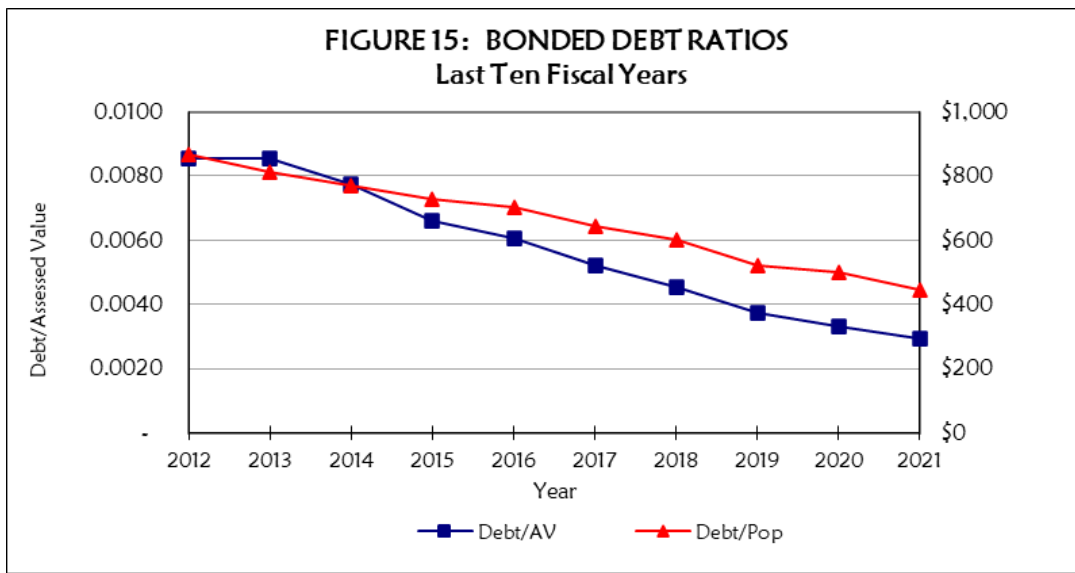
Calculation of overlapping debt: applicable percentage is determined by the ratio of assessed valuation of taxable property in overlapping unit to valuation of property subject to taxation in the City of Auburn.

City of Auburn, Washington
SCHEDULE 15
RATIOS OF NET GENERAL BONDED DEBT TO ASSESSED VALUE
AND GROSS BONDED DEBT PER CAPITA
 Last Ten Fiscal Years

Fiscal Year	Population	Assessed Value ⁽¹⁾ (Thousands)	Net Bonded Debt ⁽²⁾	Debt Service Amount ⁽³⁾ Available	Net Bonded Debt (Thousands)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2012	71,240	\$ 7,225,550	\$ 61,900,771	\$ 46,155	\$ 61,855	0.86%	\$ 869
2013	73,235	6,968,719	59,568,505	-	59,569	0.85%	813
2014	74,630	7,422,169	57,367,766	-	57,368	0.77%	769
2015	75,545	8,366,653	55,094,519	-	55,095	0.66%	729
2016	77,060	8,967,119	54,245,944	-	54,246	0.60%	704
2017	78,960	9,721,877	50,766,661	-	50,767	0.52%	643
2018	80,615	10,699,721	48,427,873	-	48,428	0.45%	601
2019	81,720	11,489,516	42,703,404	-	42,703	0.37%	523
2020	81,940	12,380,036	41,060,378	-	41,060	0.33%	501
2021	88,080	13,368,770	39,156,176	-	39,156	0.29%	445

Notes:

- (1) From Schedule 7
- (2) General Obligation Debt related to government activities, from Schedule 11.
- (3) Fund balance from debt service fund.



City of Auburn, Washington
SCHEDULE 16
PLEGGED REVENUE BOND COVERAGES
 Last Ten Fiscal Years

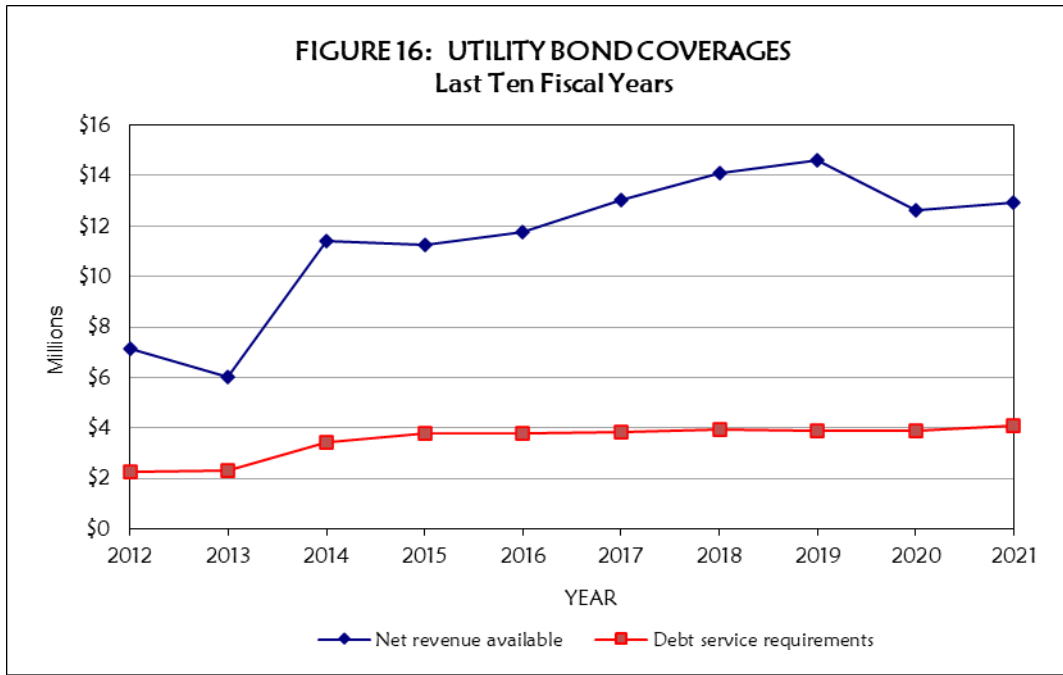
Year	Gross ⁽¹⁾ Revenue	Direct ⁽²⁾ Operating Expense	Net Revenue Available	Debt Service Requirements			Times Coverage
				Principal	Interest	Total ⁽³⁾	
2012	\$ 38,119,472	\$ 30,974,506	\$ 7,144,966	\$ 1,013,830	\$ 1,248,612	\$ 2,262,442	3.16
2013	42,406,722	36,406,640	6,000,082	1,028,830	1,277,285	2,306,115	2.60
2014	46,900,016	35,502,812	11,397,204	1,943,830	1,508,405	3,452,235	3.30
2015	49,673,159	38,425,799	11,247,360	2,197,667	1,599,347	3,797,014	2.96
2016	50,385,548	38,614,719	11,770,829	2,231,093	1,563,433	3,794,526	3.10
2017	51,771,171	38,726,814	13,044,357	2,326,117	1,523,830	3,849,947	3.39
2018	53,103,312	39,020,666	14,082,646	2,422,369	1,494,706	3,917,075	3.60
2019	53,910,487	39,330,641	14,579,846	2,482,692	1,391,468	3,874,160	3.76
2020	51,149,771	38,530,032	12,619,739	2,553,276	1,334,334	3,887,610	3.25
2021	54,013,161	41,094,457	12,918,704	2,626,262	1,450,352	4,076,614	3.17

Source: City of Auburn, Finance Department

(1) Includes water, sewer & storm drainage operating, interest and other revenues.

(2) Includes water, sewer & storm drainage operating expenses less depreciation.

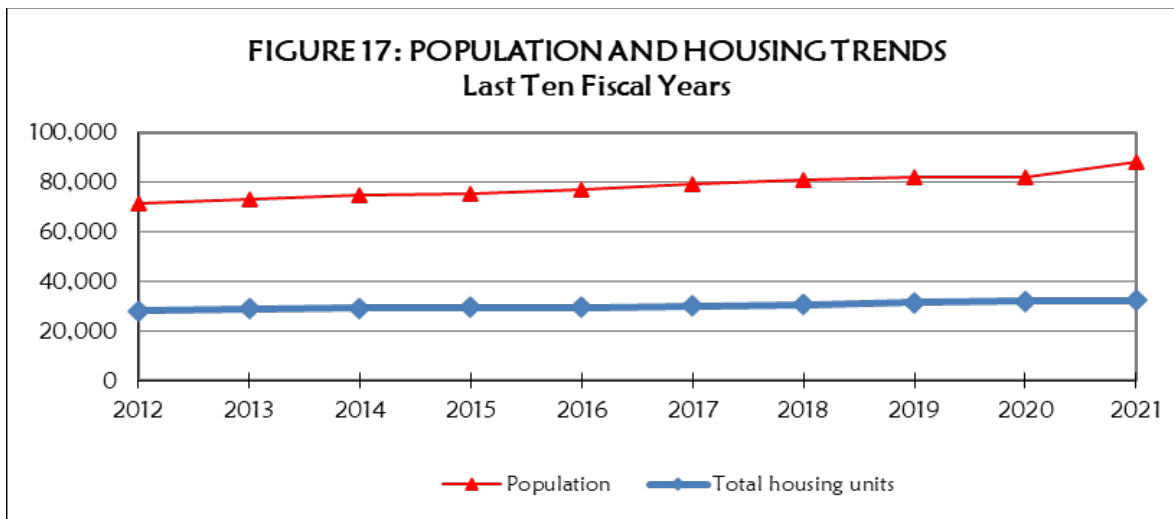
(3) Includes both parity and non-parity debt.



City of Auburn, Washington
SCHEDULE 17
POPULATION, INCOME AND HOUSING TRENDS
 Last Ten Fiscal Years

Item	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
School enrollment ⁽¹⁾	14,596	14,971	15,277	15,663	15,945	16,525	16,949	17,300	16,702	16,880
Rate of unemployment ⁽²⁾	7.5%	6.0%	5.4%	4.9%	4.4%	4.4%	4.2%	3.5%	9.5%	6.4%
Population ⁽³⁾	71,240	73,235	74,630	75,545	77,060	78,960	80,615	81,720	81,940	88,080
Personal income (thousands of dollars) ⁽⁴⁾	\$ 1,871,973	\$ 1,917,219	\$ 2,000,606	\$ 2,033,520	\$ 2,111,829	\$ 2,206,142	\$ 2,365,567	\$ 2,552,034	\$ 2,769,162	\$ 3,108,167
Per capita personal income ⁽⁴⁾	\$ 26,277	\$ 26,179	\$ 26,807	\$ 26,918	\$ 27,405	\$ 27,940	\$ 29,344	\$ 31,229	\$ 33,795	\$ 35,288
Housing units ⁽⁵⁾										
One unit	14,957	15,393	15,804	16,042	16,167	16,373	16,616	16,674	17,046	17,128
Two or more	10,631	10,841	10,841	10,847	10,854	11,110	11,417	12,008	12,230	12,532
Mobile home or special	2,618	2,630	2,631	2,637	2,630	2,675	2,659	2,663	2,671	2,674
Total housing units	28,206	28,864	29,276	29,526	29,651	30,158	30,692	31,345	31,947	32,334

- Sources:
 (1) Auburn School District No. 408
 (2) Bureau of Labor Statistics (BLS)
 (3) WA State Office of Financial Management
 (4) US Census Bureau
 (5) WA State Office of Financial Management



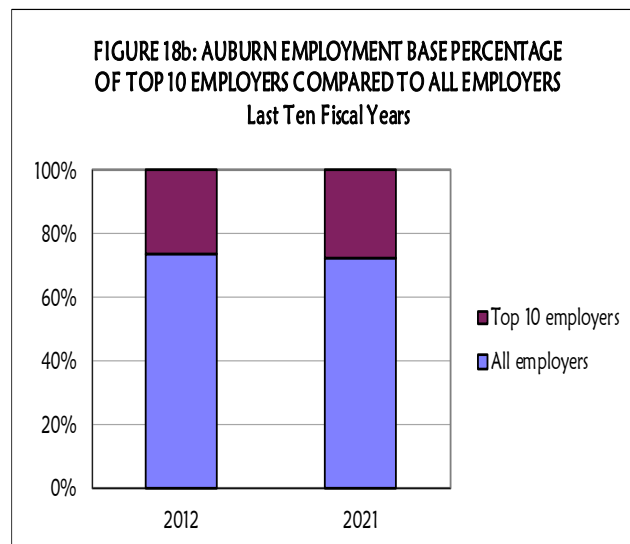
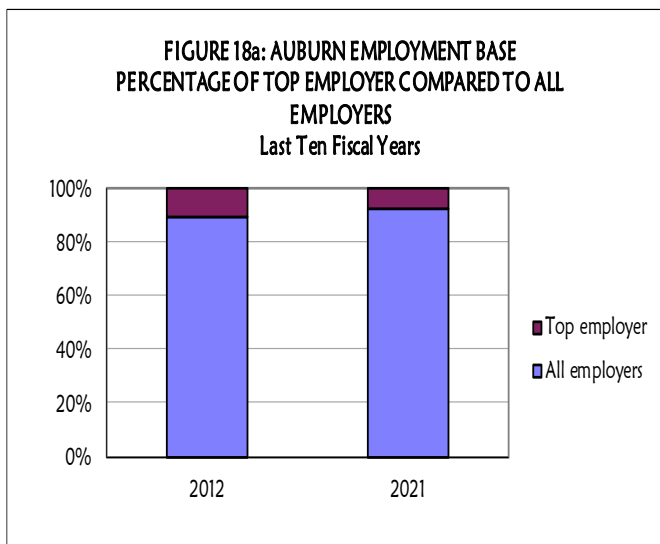
City of Auburn, Washington
SCHEDULE 18
MAJOR EMPLOYERS
 Current Year and Ten Years Ago

Employer	Product/service	2021			2012		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
The Boeing Company	Aerospace	3,599	1	8.7%	3,970	1	12.0%
The Outlet Collection*	Retail	3,125	2	7.6%	1,100	4	3.3%
Auburn School District	Education	2,439	3	5.9%	1,850	2	5.6%
Multicare Auburn Medical Center**	Hospital	1,708	4	4.1%	635	5/6	1.9%
Muckleshoot Tribal Enterprises	Gaming	1,370	5	3.3%	1,500	3	4.5%
Green River College	Education	1,067	6	2.6%	635	5/6	1.9%
Safeway Distribution Center	Distribution	785	7	1.9%			0.0%
Costco Wholesale Optical	Distribution	705	8				
Social Security Administration	Gov't / Public Offices	552	9	1.3%	600	7	1.8%
Ply Gem Pacific Windows Corp	Manufacturing	540	10	1.3%			
Zones, Inc.	Technology Reseller			0.0%	500	8/9	1.5%
Federal Aviation Administration	Federal Government			0.0%	450	10	1.4%
Emerald Downs Racetrack	Gaming			0.0%	500	8/9	1.5%
City of Auburn	City government			0.0%			
General Services Administration	Federal Government			0.0%			0.0%
LMI Aerospace	Manufacturing			0.0%			
Skills, Inc	Manufacturing			0.0%			0.0%
Totals		15,890		38.4%	11,740		35.5%

2021 - City of Auburn, Economic Development
 2012 - City of Auburn ACFR

* Previously the Supermall.

**Previously Auburn Regional Medical Center.

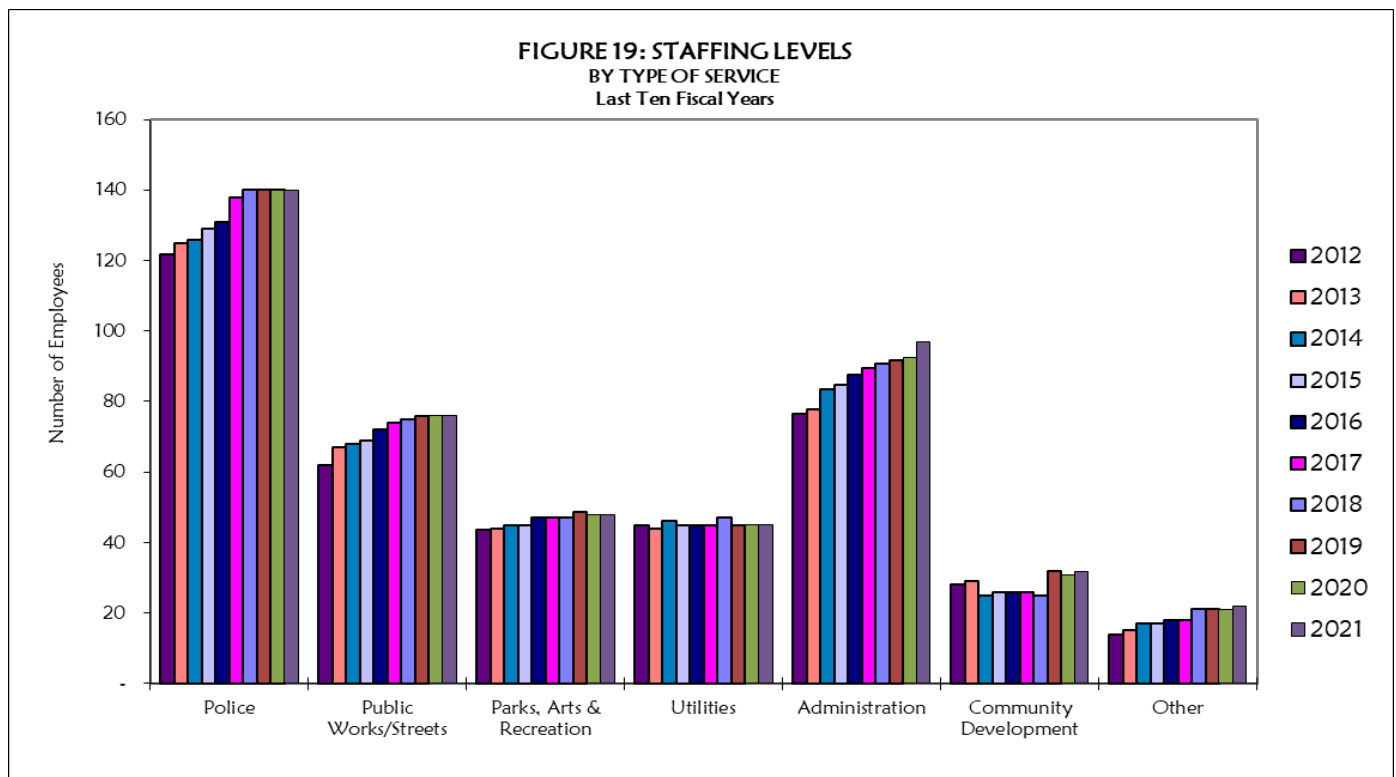


City of Auburn, Washington
SCHEDULE 19
STAFFING LEVELS BY DEPARTMENT
 Last Ten Fiscal Years

Department	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Mayor	7	7	3	3	3	3	3	3	4	5
Administration ⁽¹⁾	0	0	8	8	10	11	12	8	7	5
Human Resources	8	8	8	8	9	8	8	8	9	8
Finance	22	23	23	22	22	22	22	24	24	25
Legal	13	13	14	14	14	15	15	16	16	21
Community Development	28	29	25	26	26	26	25	32	31	32
Police	122	125	126	129	131	138	140	140	140	140
Public Works	43	48	49	50	53	54	55	55	55	55
Parks, Arts and Recreation ⁽²⁾	36	36	45	45	47	47	47	49	48	48
Street	19	19	19	19	19	20	20	21	21	21
Water	22	22	24	23	23	23	23	23	23	23
Sewer	11	10	10	10	10	10	10	10	10	10
Storm Drainage	10	10	10	10	10	10	12	12	12	12
Solid Waste	2	2	2	2	2	2	2	0	0	0
Airport ⁽³⁾	0	0	0	0	0	0	3	3	3	3
Cemetery	7	5	5	5	6	6	6	6	6	6
Golf Course ⁽²⁾	8	8	0	0	0	0	0	0	0	0
Facilities	9	9	9	10	10	10	10	11	11	11
Multimedia ⁽⁴⁾	0	0	4	4	4	4	4	4	4	4
Innovation & Technology	18	18	15	16	16	17	17	18	18	18
Equipment Rental	7	10	12	12	12	12	12	12	12	13
TOTAL	391	402	411	416	427	438	446	454	453	460

Source: City of Auburn Finance Department

- (1) The Administration Department was created in 2014. These FTEs were reorganized from several existing departments such as the Mayors Department, Public Works and Community Development. This department primarily consists of Emergency Management, Economic Development and Public Affairs.
- (2) In 2014 the Golf Course Fund was reclassified from an Enterprise Fund and is now included in the General Fund. This change moved 8 FTEs from the Golf Course Fund to the Parks, Arts and Recreation Department.
- (3) In 2018, 3.0 FTEs were added to the Airport and the Airport is now managed in-house.
- (4) In 2014 the Multimedia Division was reorganized from the Innovation & Technology Fund into its' own Internal Service Fund. The 3.6 FTEs report to the Director of Administration. In 2021, the Multimedia Assistant position was increased from 0.6 FTE to 0.75 FTE.



City of Auburn, Washington
SCHEDULE 20
OPERATING INDICATORS BY DEPARTMENT
 Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Planning*										
Commercial permits	305	394	389	386	410	320	322	338	270	278
Commercial construction value (\$1,000's)	\$ 69,246	\$ 138,248	\$ 60,732	\$ 66,223	\$ 151,220	\$ 74,840	\$ 72,623	\$ 157,026	\$ 93,920	\$ 101,169
Residential permits	665	576	463	340	426	345	210	195	202	232
Residential construction value (\$1,000's)	\$ 100,050	\$ 97,151	\$ 84,539	\$ 63,370	\$ 73,679	\$ 52,750	\$ 25,790	\$ 18,832	\$ 32,630	\$ 37,018
Police										
Crimes:										
Arson	27	14	32	-	-	19	20	22	19	16
Aggravated Assault	110	145	156	186	179	198	158	171	208	184
Burglary	983	651	810	851	727	722	615	547	587	611
DUI	171	138	126	188	158	194	223	180	186	159
Homicide	6	5	1	8	6	3	1	5	6	5
Narcotics	383	279	458	511	458	742	912	797	770	231
Rape	23	26	31	31	36	49	42	45	32	47
Robbery	110	109	104	91	98	117	115	125	125	136
Theft	2,415	2,583	3,192	2,728	2,235	2,169	2,945	2,223	2,922	3,269
Theft - motor vehicle	588	678	630	996	756	692	637	580	697	902
Traffic:										
Non-criminal	4,922	5,378	6,520	5,489	5,926	5,074	5,573	4,372	3,421	3,411
Parking	1,946	2,052	5,238	3,737	3,822	3,777	3,477	4,425	2,990	3,013
Parks and Recreation										
Athletic teams	388	382	358	321	328	306	312	315	15	158
Recreation activities	3,833	3,568	3,557	3,511	2,435	3,389	3,498	3,520	1,169	1,828
Golf course rounds	45,704	47,480	47,697	52,718	48,803	47,001	50,720	51,860	51,684	61,771
Senior center visits	40,704	36,991	40,715	38,485	36,636	35,454	32,464	77,378	35,417	35,133
Cultural activities	146	180	202	204	203	214	211	229	86	163
Museum audience served	15,397	14,163	13,968	13,535	14,380	13,570	15,153	14,638	3,463	6,441
Cemetery placements	259	226	250	237	281	264	263	253	273	353

Sources: Various city departments

* Includes the following permit types: Building, addition, tenant improvements, alterations and sign permits.

City of Auburn, Washington
SCHEDULE 21
CAPITAL ASSET INDICATORS BY DEPARTMENT
 Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General City										
Total area (square miles)	30	30	30	30	30	30	30	30	30	30
Public Works										
Miles of streets	249	245	244	254	238	238	247	248	245	247
Number of streetlights ⁽¹⁾	6,101	6,110	6,211	6,362	6,552	6,581	6,738	3,429	3,526	3,589
Number of traffic signals	93	94	94	95	95	95	95	94	95	96
Utilities										
Number of services	13,863	14,106	14,573	14,787	14,872	14,746	14,769	14,781	14,909	15,021
Miles of water lines ⁽¹⁾	314	315	316	320	321	323	347	283	287	288
Miles of sanitary sewer lines ⁽¹⁾	219	220	220	223	224	225	227	206	209	209
Miles of storm lines ⁽¹⁾	252	263	282	294	319	337	362	234	240	244
Number of fire hydrants ⁽¹⁾	3,308	3,329	3,559	3,580	3,577	3,595	3,664	3,014	3,115	3,132
Public Safety										
Number of police stations	2	2	2	2	3	3	3	3	4	4
Parks and Recreation										
Total park acreage ⁽²⁾	630	635	972	977	988.7	986	986	986	986	986
Number of softball/baseball fields	17	17	18	18	18	18	18	18	18	18
Number of soccer/football fields	3	4	4	4	4	4	4	4	4	4
Number of playgrounds	35	36	28	31	31	30	30	30	30	30

Sources: Various city departments

(1) This statistic has declined because it now represents City owned asset only effective in 2019.

(2) The increase in total park acreage since 2013 is due to property inventory update in anticipation of the Parks Recreation & Open Space Plan update and additional park categories are now being reported.

City of Auburn, Washington
SCHEDULE 22
NUMBER OF UTILITY CUSTOMERS BY CUSTOMER CLASS
 Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Water Customers by Class										
Single Family Residential	11,224	11,476	11,822	11,973	12,054	12,010	12,010	12,028	12,078	12,132
Multifamily	989	986	1,000	1,003	1,002	1,009	1,012	1,010	1,023	1,027
Commercial	1,098	1,094	1,146	1,190	1,186	1,158	1,159	1,163	1,168	1,170
Mfr./Industrial	37	37	38	38	37	2	2	2	2	2
Schools	36	37	37	37	38	37	37	37	37	37
City Accounts	26	28	30	30	31	31	30	30	31	31
Irrigation	446	441	493	509	517	492	512	505	564	616
Total Retail Water Customers	13,856	14,099	14,566	14,780	14,865	14,739	14,762	14,775	14,903	15,015
Wholesale Water Customers	8	7	7	7	7	7	7	7	6	6
Sewer Customers by Class										
Single Family Residential	11,522	11,982	12,631	12,890	13,091	13,124	13,176	13,234	13,319	13,368
Non-single Family Residential	2,653	2,659	2,713	2,728	2,725	2,724	2,728	2,731	2,749	2,758
Total Sewer Customers	14,175	14,641	15,344	15,618	15,816	15,848	15,904	15,965	16,068	16,126
Storm Customers by Class										
Single Family Residential	15,168	15,618	16,013	16,222	16,200	16,566	16,610	16,665	16,723	16,820
Non-single Family Residential	1,661	1,640	1,670	1,679	1,913	1,671	1,691	1,696	1,702	1,753
Total Storm Customers	16,829	17,258	17,683	17,901	18,113	18,237	18,301	18,361	18,425	18,573

Sources: City of Auburn - Utility Billing

