



# 2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT

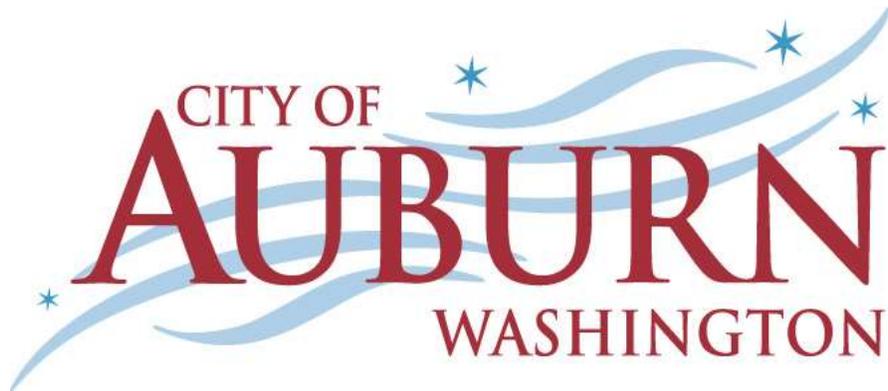
FOR THE YEAR ENDED DECEMBER 31, 2022



CITY OF AUBURN  
WASHINGTON

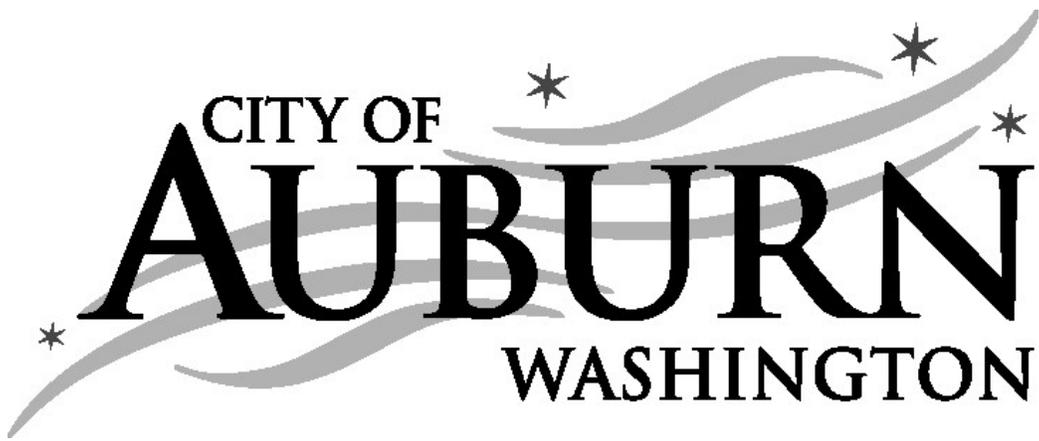
ANNUAL COMPREHENSIVE  
FINANCIAL REPORT

Fiscal Year January 1, 2022 through December 31, 2022



Prepared by

City of Auburn Finance Department  
Jamie Thomas, Finance Director



**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
For the Year Ended December 31, 2022

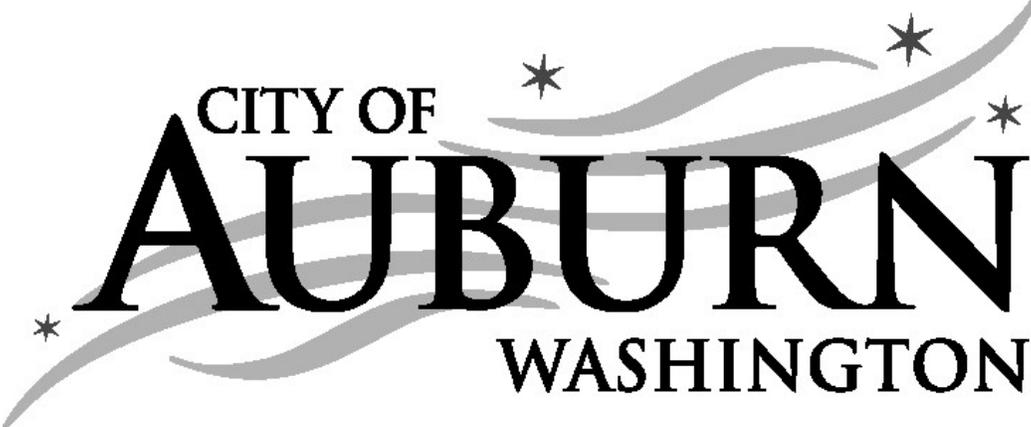
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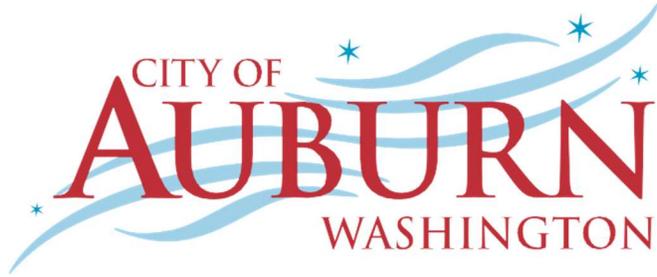
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Mayor Nancy Backus  
Serving as Mayor since 2014  
City Council 2004-2014

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## AUBURN CITY COUNCIL

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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



Cheryl Rakes  
Serving since 2023



Yolanda Trout-Manuel  
Serving since 2014

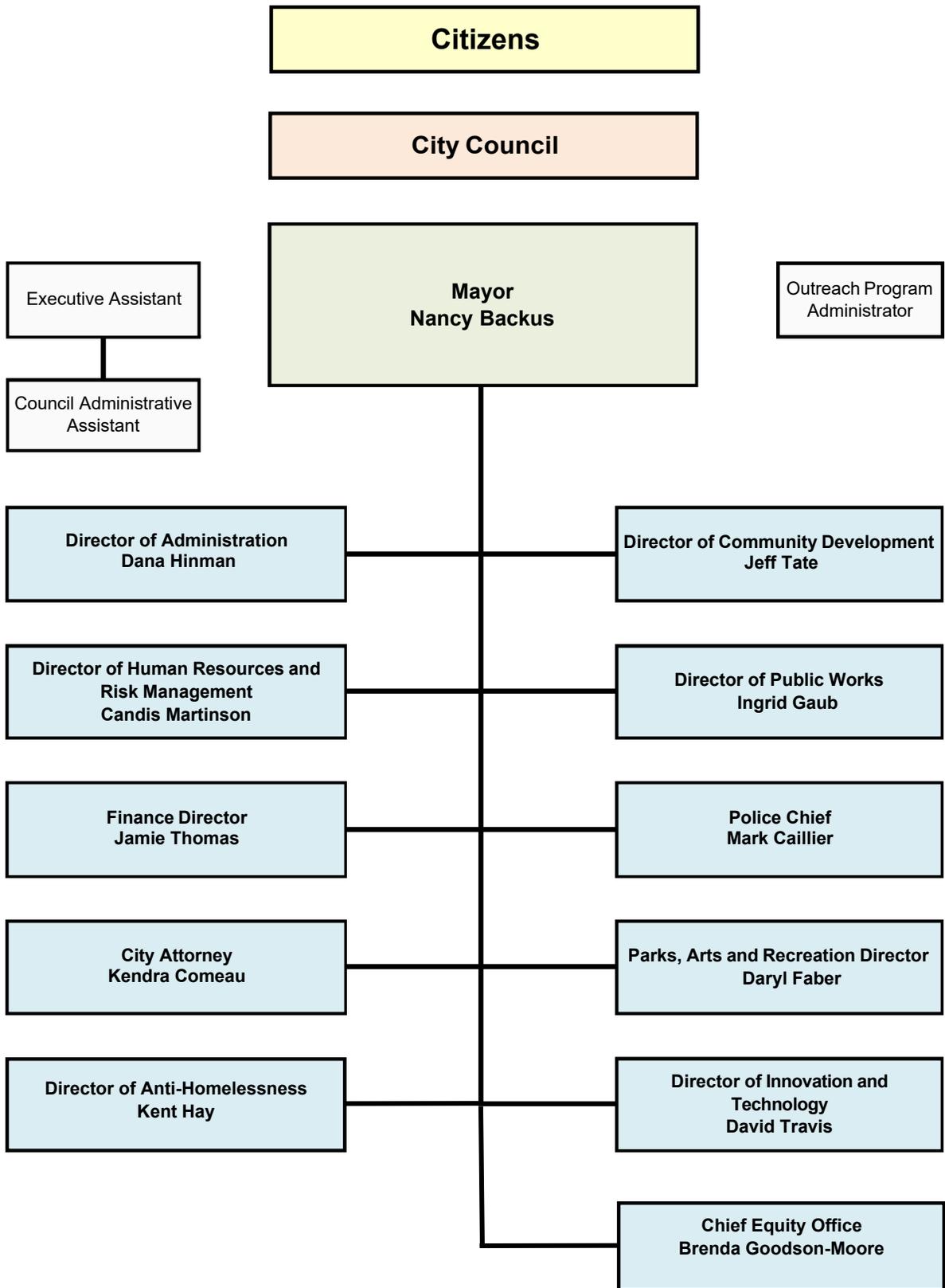
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## DEPARTMENT DIRECTORS

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Administration | Dana Hinman  
Anti-Homelessness | Kent Hay  
Chief Equity Office | Brenda Goodson-Moore  
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



November 30, 2023

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, 2022. 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, 2022. 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 2021 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 88,750 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 2022, Auburn was providing approximately 42,799 jobs with an unemployment rate of 5.3%. By the end of 2022 the unemployment rate had subsided to 3.6%, 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 6,000 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.

The City's total assessed property valuation has increased by 150% in 10 years from \$6.9 billion in 2012 to \$17.5 billion in 2022. 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 \$2.10 per 1,000 in assessed valuation in 2012 to \$1.66 per 1,000 in assessed valuation in 2022.

Sales tax revenue, excluding criminal justice and annexation sales tax credits, increased by \$1.0 million (4.5%) from 2021 to 2022, making 2022 the second year in a row for strong sales tax collections, largely due to pent up demand and inflationary costs. Sales tax revenue constitutes about 24% 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 2.5% 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 2022 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 2022. 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, 2021. This was the thirty-fifth 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

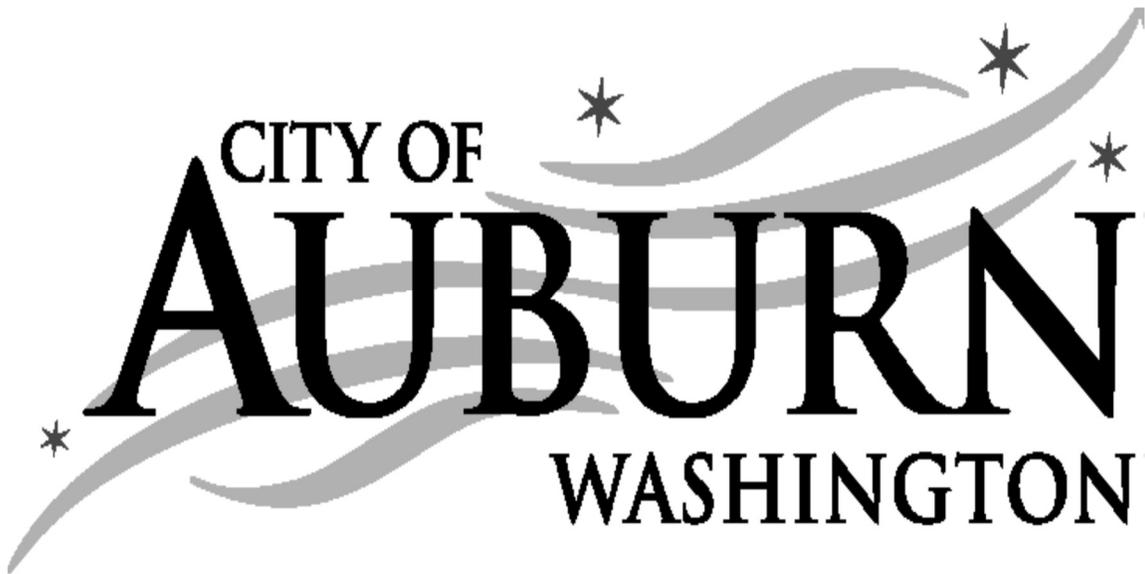
**City of Auburn  
Washington**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2021

*Christopher P. Morrill*

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, 2022, 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, 2022, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General, Arterial Street, American Rescue Plan Act (ARPA) Special Revenue and Mitigation Special Revenue 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.

## **Matters of Emphasis**

As discussed in Note 19 to the financial statements, in 2022, the City adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

## **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 as 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 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 basic 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 basic financial statements or to the basic 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 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 basic 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 November 30, 2023, 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 initial "P" and "M".

Pat McCarthy, State Auditor

Olympia, WA

November 30, 2023

## 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 \$823.8 million, an increase of \$23.6 million or 3.0%. Of this, a total of \$602.2 million, or 73.1% 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 \$6.7 million of net position is restricted for purposes of endowment and debt service. Of the remaining \$215.0 million of net position, \$61.0 million is legally restricted, restricted by City policy for specific purposes, or is restricted for use by the City's utilities. \$21.2 million in net pension assets are restricted, as required by GASB 68, and the remaining \$154.0 million is unrestricted.
- The net increase in government-wide net position during 2023 was \$23.6 million. City-owned net investment in capital assets increased by \$0.1 million, restricted net position increased by \$27.8 million, and unrestricted net position decreased by \$4.3 million.
- Business-type net position increased by \$7.5 million to \$306.8 million during 2022 as a result of net pension asset increases and amounts restricted for debt service.
- Governmental fund balances at year-end totaled \$105.6 million. Of this amount, \$46.1 million, or 43.7%, is unassigned and available to fund ongoing activities. Compared to 2021, total governmental fund balances increased by \$12.7 million, most of which is accounted for in unassigned fund balance. This increase reflects the net effect of a general improvement in the regional economy, particularly the collection of sales and use taxes and a newly adopted business and occupation tax.
- Total City debt payments during the year, less compensated absences, lease liabilities, pension liabilities, and other post-employment benefits, were \$3.8 million. Total long-term liabilities, including bonds and loans, totaled \$103.6 million at December 31, 2022. The ending long-term liabilities saw a decrease of \$0.3 million from 2021. While the City retired \$3.8 million of bond principal, and a net reduction of post-employment liabilities of \$2.4 million, the City also added \$2.8 million of net pension liability. New in 2022, the City recognized \$4.6 million of lease liability payable as required by GASB Statement No. 87, further offsetting the net decrease in ending long-term liabilities. See note 7 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 on 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 nineteen individual governmental funds. Of these, five are considered major (the general fund, the arterial street fund, the capital improvement projects fund, the American Rescue Plan Act fund, and the mitigation fees 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, arterial street, American Rescue Plan Act and mitigation fees 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 42 through 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 2021 to 2022 show an increase in total net position of \$23.6 million or 3.0%. Following is a condensed version of the government-wide statement of net position with a comparison to 2021:

### STATEMENT OF NET POSITION Comparative Analysis of 2022 and 2021

	Governmental Activities		Business-type Activities		Total	
	As of 12/31/22	As of 12/31/21	As of 12/31/22	As of 12/31/21	As of 12/31/22	As of 12/31/21
Current and other assets	\$ 203,344,989	\$ 203,873,518	\$ 97,171,469	\$ 96,223,698	\$ 300,516,458	\$ 300,097,216
Capital assets, net of accumulated depreciation	399,916,214	398,848,062	265,455,402	259,271,277	665,371,616	658,119,339
Total assets	603,261,203	602,721,580	362,626,871	355,494,975	965,888,074	958,216,555
Deferred Outflows of Resources	12,388,774	3,968,330	2,633,739	1,032,794	15,022,513	5,001,124
Long-term liabilities	59,281,203	58,677,979	35,491,591	37,618,063	94,772,794	96,296,042
Other liabilities	26,258,122	17,407,034	12,887,458	12,790,834	39,145,580	30,197,868
Total liabilities	85,539,325	76,085,013	48,379,049	50,408,897	133,918,374	126,493,910
Deferred Inflows of Resources	13,149,679	29,760,671	10,043,516	6,800,333	23,193,195	36,561,004
Net position						
Net investment in capital assets	371,760,693	373,890,921	230,412,106	228,161,102	602,172,799	602,052,023
Restricted for:						
Capital Projects	37,643,124	34,399,207	-	-	37,643,124	34,399,207
Nonexpendable Permanent Endowment	2,070,670	2,010,357	-	-	2,070,670	2,010,357
Debt Service	1,702	3,828	4,587,016	1,201,412	4,588,718	1,205,240
Tourist Promotion	464,299	433,129	-	-	464,299	433,129
Drug Investigation & Enforce	1,116,248	1,058,013	-	-	1,116,248	1,058,013
Comm Dev Block Grant	42,904	42,842	-	-	42,904	42,842
Central Business Distr Dev	133,695	186,016	-	-	133,695	186,016
Rate Stabilization	-	-	438,483	438,483	438,483	438,483
Pension Asset	18,676,810	-	2,532,355	-	21,209,165	-
Unrestricted	85,050,827	88,819,913	68,868,085	69,517,542	153,918,912	158,337,455
Total net position	\$ 516,960,973	\$ 500,844,225	\$ 306,838,045	\$ 299,318,539	\$ 823,799,018	\$ 800,162,764

The largest component of the City's net position, \$602.2 million or 73.1%, is its net investment in capital assets. This balance is broken down by governmental activities (\$371.8 million) and business type activities (\$230.4 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; 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 \$0.1 million over 2021. 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, \$154.0 million. This balance is broken down by: governmental activities (\$85.1 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 (\$68.9 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 \$60.0 million and is restricted for purposes such as contractual obligations on capital project construction, debt service, drug investigation and enforcement, pension assets 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 \$23.6 million over 2021.

- Governmental activities contributed \$16.1 million to the total increase in City net position. The largest factor in this increase was the introduction of the City's Business and Occupation tax in 2022, which produced \$4.7 million in revenue that was not present in 2021. However, decreases in certain revenue sources, particularly charges for service related to transportation, as well as capital grants and contributions, resulted in a net revenue increase of only \$0.6 million over 2021. Governmental expenditures increased by \$12.1 million over the same period.
- Governmental activity expenses had a net increase of \$12.1 million compared to 2021. A significant factor in this increase is the required recognition of net pension liabilities: in 2021, a \$5.0 million reduction in the City's net pension liability was recognized, whereas in 2022 an increase of \$1.9 million was recognized, contributing a \$6.9 million in year-over-year expenditure increase. Another contributing factor was increases in regular operations and services, most of which were attributed to salary and benefit costs. Also, there was a reduction of services in 2021 due to COVID, so many of the operating increases were related to the annual operation of parks and recreation services, some of which were closed until mid-2021.
- Business-type net position totaled \$306.8 million, an increase of \$7.5 million (2.5%) over 2021. Business-type revenue increased by \$3.6 million; charges for services saw an increase of \$11.2 million, largely due to higher service fees related to a renewed contract with the City's solid waste hauler. Conversely, capital grants and contributions declined \$9.6 million from 2021 as a result of lower contributions from external developers. Business-type expenses increased by \$11.7 million, with approximately \$8.1 million attributable to increased costs related to solid waste as previously mentioned.

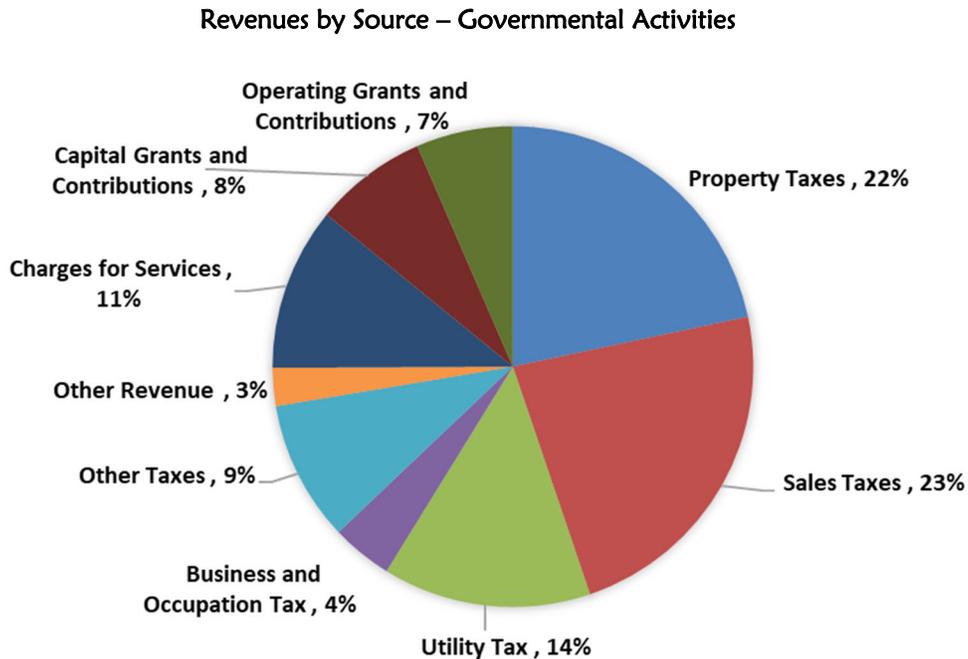
The following table on the next page is a condensed version of the City's changes in net position. The table shows the revenues, expenditures and related changes in net position for both governmental-type and business-type activities:

**CHANGES IN NET POSITION**  
**Comparative Analysis of 2022 and 2021**

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Revenues:</b>						
Program revenues						
Charges for services	\$ 12,467,659	\$ 18,776,026	\$ 84,871,076	\$ 73,687,356	\$ 97,338,735	\$ 92,463,382
Operating grants and contributions	7,398,845	4,877,951	-	-	7,398,845	4,877,951
Capital grants and contributions	8,644,981	11,838,148	3,847,367	13,400,812	12,492,348	25,238,961
General revenues						
Property taxes	24,635,089	23,458,850	-	-	24,635,089	23,458,850
Sales taxes	26,295,124	25,289,050	-	-	26,295,124	25,289,050
Interfund utility taxes	6,396,937	7,101,829	-	-	6,396,937	7,101,829
Admission & utility taxes	9,532,991	9,521,243	-	-	9,532,991	9,521,243
Excise taxes	6,110,151	6,463,047	-	-	6,110,151	6,463,047
Business and Occupation	4,664,551	-	-	-	4,664,551	-
Other taxes	4,635,655	5,031,185	-	-	4,635,655	5,031,185
Investment earnings	815,061	(114,738)	1,068,685	17,401	1,883,746	(97,337)
Miscellaneous revenue	1,789,159	572,013	1,194,771	277,871	2,983,930	849,883
Total revenues	<u>113,386,203</u>	<u>112,814,604</u>	<u>90,981,899</u>	<u>87,383,440</u>	<u>204,368,102</u>	<u>200,198,044</u>
<b>Expenses:</b>						
General government	14,735,664	12,837,356	-	-	14,735,664	12,837,356
Public safety	38,402,492	32,440,701	-	-	38,402,492	32,440,701
Transportation	18,517,806	18,469,045	-	-	18,517,806	18,469,045
Physical environment	3,597,960	2,992,107	-	-	3,597,960	2,992,107
Culture and recreation	14,800,322	12,332,974	-	-	14,800,322	12,332,974
Economic environment	4,662,845	3,664,340	-	-	4,662,845	3,664,340
Health and human services	2,179,401	2,107,798	-	-	2,179,401	2,107,798
Interest on long-term debt	677,414	651,329	-	-	677,414	651,329
Water	-	-	14,094,553	13,624,963	14,094,553	13,624,963
Sanitary sewer	-	-	28,481,203	26,829,991	28,481,203	26,829,991
Storm drainage	-	-	10,370,729	9,545,696	10,370,729	9,545,696
Solid waste	-	-	26,457,098	18,383,884	26,457,098	18,383,884
Golf course	-	-	-	-	-	-
Other business-type activities	-	-	3,754,361	3,081,240	3,754,361	3,081,240
Total expenses	<u>97,573,904</u>	<u>85,495,650</u>	<u>83,157,944</u>	<u>71,465,774</u>	<u>180,731,848</u>	<u>156,961,424</u>
Increase in net position before transfers	15,812,299	27,318,954	7,823,955	15,917,666	23,636,254	43,236,620
Transfers	304,449	395,869	(304,449)	(395,869)	-	-
Change in net position	<u>16,116,748</u>	<u>27,714,823</u>	<u>7,519,506</u>	<u>15,521,797</u>	<u>23,636,254</u>	<u>43,236,620</u>
Net Position, January 1, as Previously Reported	500,844,225	473,129,402	299,318,539	283,796,742	800,162,764	756,926,144
Change in Accounting Principle	-	-	-	-	-	-
Net Position, January 1, as Restated	500,844,225	466,638,817	299,318,539	271,101,966	800,162,764	649,349,553
Net position, December 31	<u>\$ 516,960,973</u>	<u>\$ 500,844,225</u>	<u>\$ 306,838,045</u>	<u>\$ 299,318,539</u>	<u>\$ 823,799,018</u>	<u>\$ 800,162,764</u>

**Governmental Activities**

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



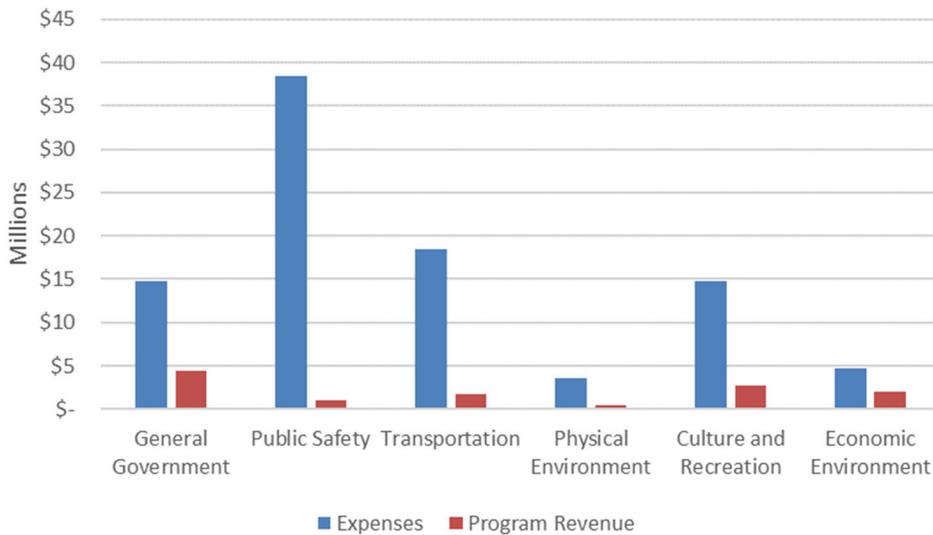
The City’s most significant Governmental Revenue sources are taxes (72%), grants and contributions (14%), and charges for services (11%). Overall, the City’s governmental revenue remained consistent, exhibiting an increase of \$0.6 million or 0.5% over 2021. Governmental charges for service revenue decreased by \$6.3 million, due primarily to reductions in impact fee collections related to construction, and building permits and related fees. Offsetting these revenue decreases was a tax revenue increase of \$5.4 million, primarily driven by the implementation of a business and occupation tax in 2022.

General tax revenues increased by 7.0% to \$82.3 million between 2021 and 2022:

- Property tax revenue increased \$1.2 million or 5.0%. 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 and the collection of delinquent taxes.
- Sales tax collections increased \$1.0 million or 4.0%, due largely to increased economic activity from post-COVID demand for goods and services, inflation, and a strong construction sector.
- Utility and admission tax revenue decreased by \$0.7 million or 4.2% due mainly to a change in accounting related to interfund utility tax charged on the pass-through revenues for the King County Metro Sewer fund, which was offset by an increase in Solid Waste Utility tax collections.
- Excise tax revenue decreased by \$0.4 million or 5.5%. The majority of this is Real Estate Excise Tax (REET), which is an excise tax that the 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. Going into 2022, home prices continued to increase, but the number of transactions decreased, leading to a slight decrease in the collection of REET revenue.

The chart below identifies 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.

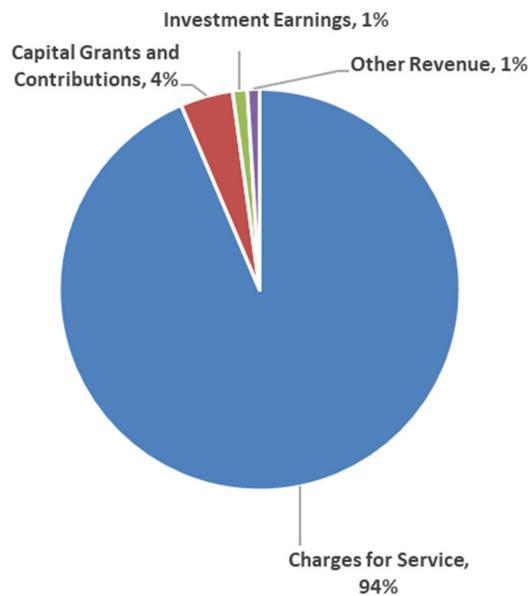
**Program Expenses and Revenues – Governmental Activities**



**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**

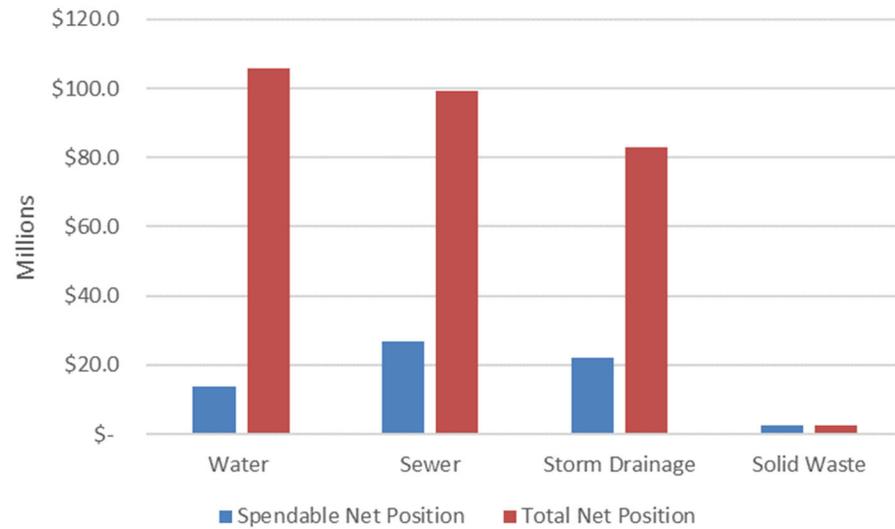


The most significant revenue source is charges for services (\$84.9 million in 2022). Revenue is collected into these funds via user fees and consumption charges. Rates for these fees are established taking into consideration the ongoing maintenance and operating costs for the systems they support, as well as the long-term capital investments and

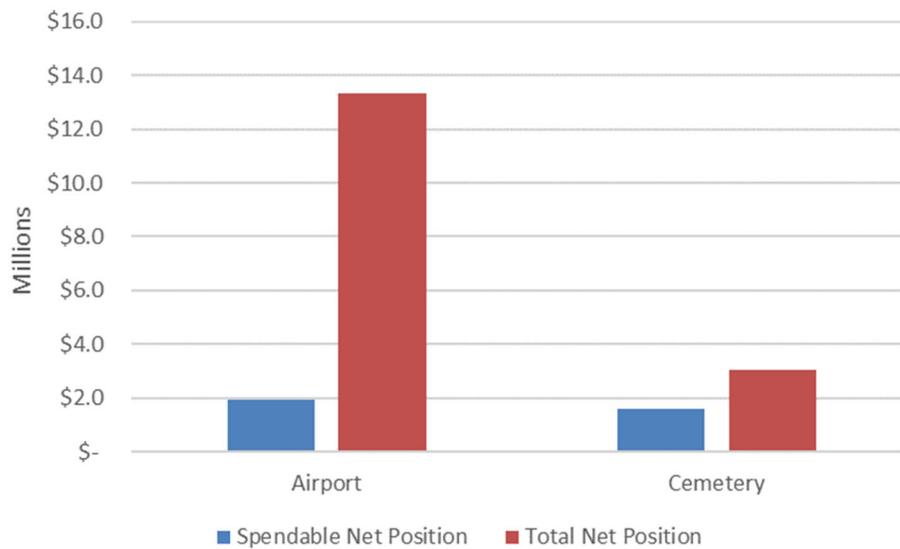
improvements that are necessary in the short and long term. These activities also rely on capital grants and contributions (\$3.8 million in 2022) to help fund infrastructure projects.

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

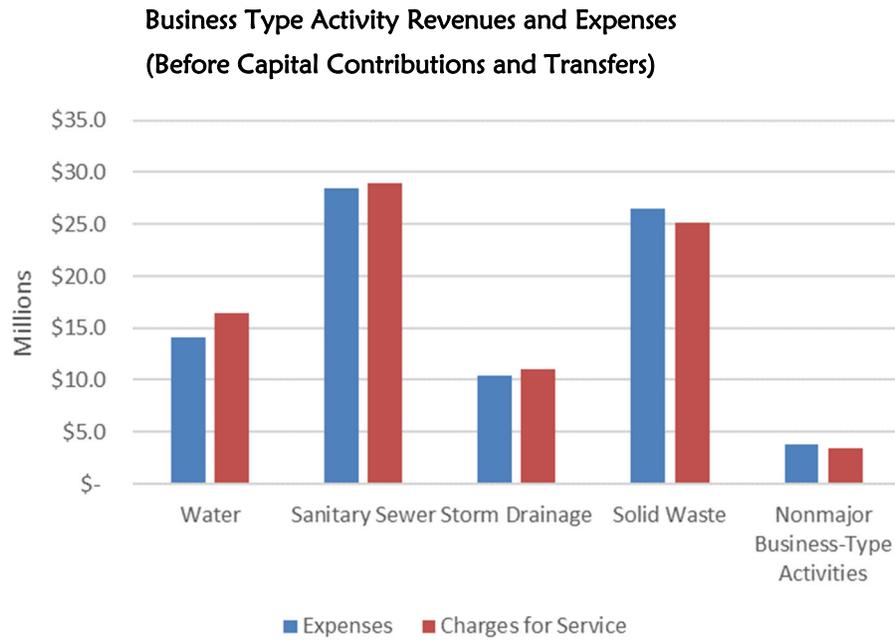
**Comparison of Total Net Position to Spendable Net Position – Utility Funds**



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

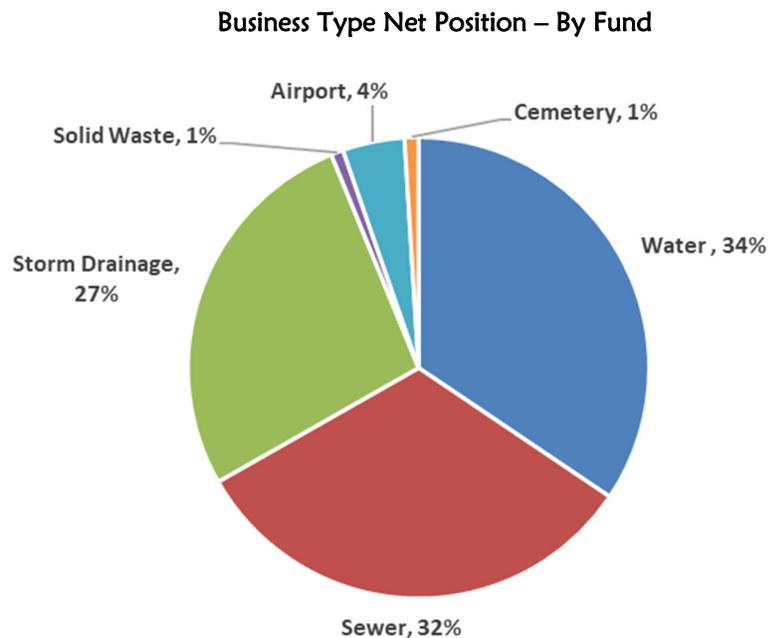


The following chart shows how each utility fund program revenue and expenses compare:



Generally, revenue collected from user fees of the City’s utility systems exceed expenses. In 2022 there was one exception which was the Solid Waste fund. In order to mitigate rate increases for solid waste services in 2022 and 2023, a portion of the accumulated fund balance was used. Therefore, an full cost recovery model was intentionally not in effect for 2022.

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



The majority of the City’s enterprise net position in enterprise funds relates 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 will help 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, 2022, the City’s governmental funds had combined fund balances of \$105.6 million, an increase of \$12.7 million or 13.6% over the previous year. This change was primarily a result of changes in fund balances in the City’s general fund (\$10.3 million) and capital improvement fund (\$2.1 million).

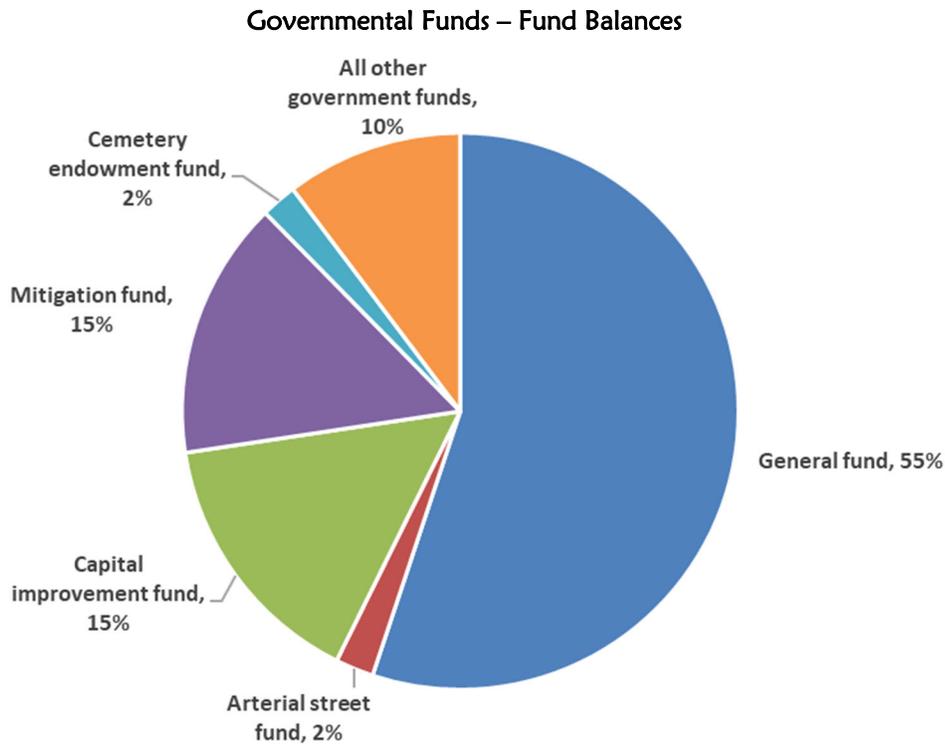
The following table shows the changes in fund balance between 2021 and 2022:

**Changes in Fund Balance - By Fund**

	2022	2021	Difference
General fund	\$ 58,171,881	\$ 47,900,705	\$ 10,271,176
Arterial street fund	2,350,156	2,710,488	(360,332)
Capital improvement fund	16,134,370	14,082,918	2,051,452
Mitigation fund	15,849,622	16,041,880	(192,258)
Cemetery endowment fund	2,201,305	2,106,447	94,858
All other government funds	10,858,179	10,054,106	804,073
<b>Total</b>	<b>\$ 105,565,513</b>	<b>\$ 92,896,544</b>	<b>\$ 12,668,969</b>

Of the government funds’ total fund balances, \$46.1 million is unassigned. Nonspendable, restricted, committed and assigned fund balances account for the remaining \$59.5 million. Of this, \$18.5 million is either committed or assigned for capital projects, \$26.7 million is in special revenue funds that are restricted for specific purposes and \$2.1 million is nonspendable principal balances in endowment fund (permanent fund).

The following chart shows how the total \$105.6 million governmental fund balances are allocated, by relative fund:



The General Fund is the primary operating fund of the City, which accounts for 55% 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 2022, the general fund had a fund balance of \$58.2 million, \$12.1 million of which is assigned or committed, and \$46.0 million is unassigned. This increase of \$10.3 million over 2021 is attributed to revenue increases by approximately \$14.1 million; at the same time, expenditures only increased by about \$9.7 million over 2021. The most significant contributors to the increase in the City’s general fund growth between 2021 and 2022 were:

- Increased Property Tax \$ 1.1 million
- Increased sales and use tax revenue 1.0 million
- Business and Occupation tax 4.7 million

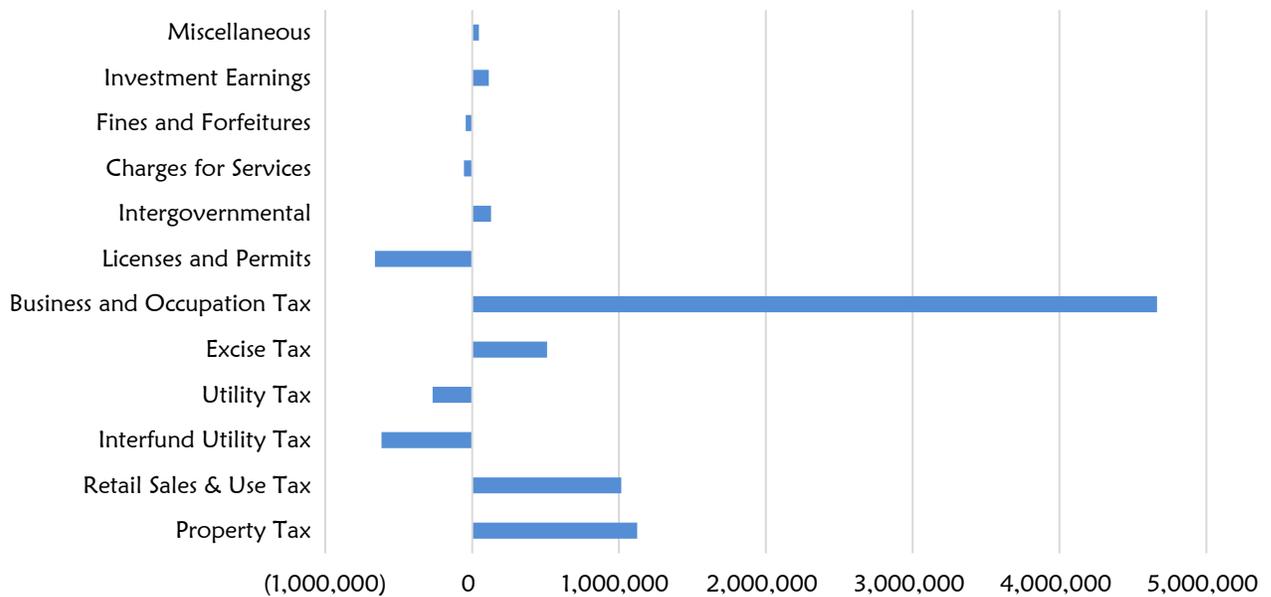
Other funds that had significant fund balances include:

- \$2.4 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.
- \$16.1 million in the Capital Improvement fund, used for various governmental capital asset projects. The fund balance increased by \$2.1 million due to the collection of Real Estate Excise Tax that exceeds capital spending.
- \$28.9 million in all other government funds, increased by \$0.7 million over 2021:
  - \$15.8 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 decreased

by \$0.2 million between 2021 and 2022 due to lower collections of developer impact fees, but consistent levels of capital spending compared to 2021.

- The remaining \$13.1 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 \$0.9 million largely due to lower-than-expected spending on street projects.
- General fund revenue increased by \$6.0 million, sources of which are shown in the chart below. Property taxes increased by \$1.1 million while sales taxes increased by \$1.0 million from 2021. Over the same period, utility and other taxes decreased by a net of \$0.9 million, licenses and permits decreased by \$0.7 million, charges for services decreased by \$0.1 million, fines & forfeitures decreased by \$0.04 million, intergovernmental revenues increased by \$0.1 million, and miscellaneous revenues increased by \$0.7 million.

**2022 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 2022 budget included:

- Budgeted general fund expenditures and transfers out increased from \$85.6 million to \$113.8 million. Significant changes include expenditures associated with new grants and ARPA funding, a one-time transfer to the City’s cumulative reserve fund.

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

- Actual General Fund revenues totaled \$99.2 million, or 10.5% above budget. Significant areas of favorable variance include business and occupation tax, which exceeded budget by \$3.9 million; sales and use taxes, which exceeded budget by \$2.2 million; property tax, which exceeded budget by \$1.2 million; and interfund solid waste taxes, which were \$890,000 above budget. All areas of favorable variance are a factor of stronger than expected economic activity. Areas of unfavorable variance include interfund sewer taxes, which were \$1.9 million below budget due to the City no longer applying this tax to the pass-through King County Metro sewerage charges, and traffic infraction revenues, which were \$260,000 under budget.
- Actual general fund expenditures, including transfers out, totaled \$88.9 million and were under budget by \$1.0 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, 2022 totaled \$665.4 million (net of accumulated depreciation), an increase of \$2.6 million from 2021. 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 \$2.5 million in utility infrastructure assets and \$1.8 million in governmental infrastructure assets.
- \$11.8 million was spent by proprietary funds on construction projects during the year. A substantial portion of this was funded with bond proceeds which were collected in a bond issued in mid-2020.
- \$13.5 million was spent by governmental funds on construction projects during the year. Some of the larger projects in the governmental funds include: \$2.0 million for 4th Street SE Preservation, \$1.5 million for Auburn Arts and Culture Center Renovation, \$1.3 million for Lead Service Line Replacement, \$0.8 million for 2<sup>nd</sup> Street SE Preservation, \$0.8 million for Lea Hill-Auburn 19 Bridge Deck Preservation, \$0.7 million for High Friction Surface Treatment, and \$0.7 million for the 2021 annual Local Street Preservation program.

A summary of the City's capital assets follows:

#### Summary of Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	As of 12/31/2022	As of 12/31/2021	As of 12/31/2022	As of 12/31/2021	As of 12/31/2022	As of 12/31/2021
Land	108,373,418	\$ 109,092,635	\$ 13,177,445	\$ 12,938,077	\$ 121,550,863	\$ 122,030,712
Construction in progress	9,027,389	4,807,230	8,775,229	8,797,449	17,802,618	13,604,679
Buildings	50,411,699	52,139,402	1,481,293	1,581,088	51,892,992	53,720,490
Improvements other than buildings	9,830,266	9,948,293	233,080,013	227,899,878	242,910,279	237,848,171
Machinery and equipment	9,767,967	9,330,562	182,649	230,817	9,950,616	9,561,379
Intangibles	504,458	509,393	8,758,773	7,823,968	9,263,231	8,333,361
Infrastructure	212,001,017	217,715,903	-	-	212,001,017	217,715,903
	<u>\$ 399,916,214</u>	<u>\$ 403,543,419</u>	<u>\$ 265,455,402</u>	<u>\$ 259,271,276</u>	<u>\$ 665,371,616</u>	<u>\$ 662,814,695</u>

More detailed information on capital assets is provided in Note 6.

**Long-term Debt**

At the end of the current fiscal year, the City had total net bonded debt outstanding of \$61.4 million. Of this amount, \$15.9 million is due to other governments, \$17.9 million is general obligation bonds, and \$26.7 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	\$ 17,931,209	\$ -	\$ 17,931,209
Special assessment bonds	-	-	-
Revenue bonds	-	27,570,000	27,570,000
Due to other governments	\$ 15,888,965	-	15,888,965
	<u>\$ 33,820,174</u>	<u>\$ 27,570,000</u>	<u>\$ 61,390,174</u>

In addition, the City has an outstanding \$5.0 million in non-bonded long-term debt with 8 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.

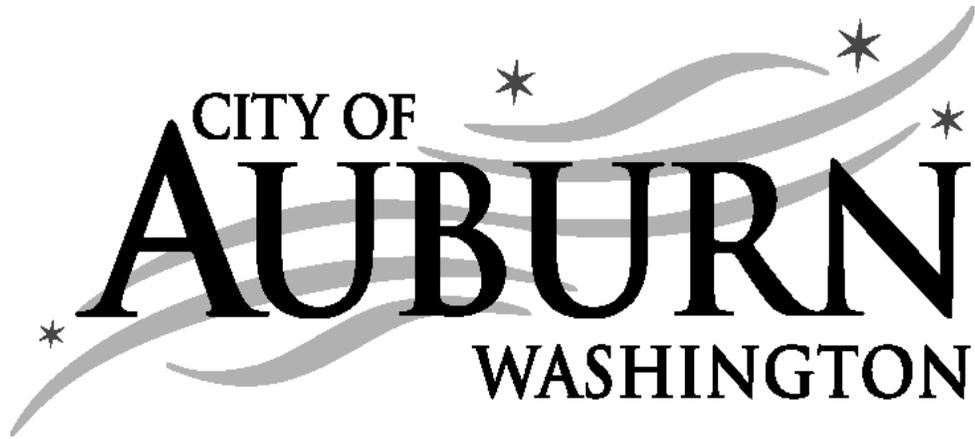
**Economic Factors**

The past year realized modest growth over 2021. Most positive economic impacts were seen in sales and retail taxes, which were much greater than expected. Continued pent up demand for goods and services and inflationary costs of goods results in strong sales and use tax revenue collections. However, decreased building permit activity and developer investments may be indicators of future economic slowing. Real property values, which had finally recovered to pre-recession levels by 2016, continued to grow and assessed valuation grew an additional 9% in 2022.

While economic recovery remained stable though 2022 following a strong 2021, there are continued concerns 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 2022 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 and 2022 have 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

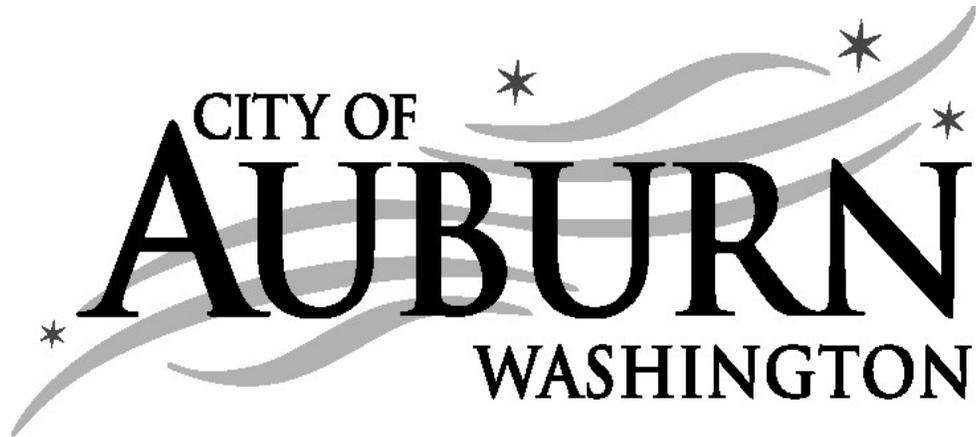
The City presents two government-wide financial statements.

### **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, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS:</b>			
Cash and Cash Equivalents (Note 2)	\$ 85,166,484	\$ 64,723,010	\$ 149,889,494
Investments (Note 2)	19,196,650	4,566,850	23,763,500
Receivables			
Taxes	615,079	-	615,079
Customer Accounts	1,027,639	9,601,761	10,629,400
Other Receivables	4,884,821	201,652	5,086,473
Due From Other Governmental Units (Note 5)	3,564,801	371,973	3,936,774
Internal Balances	317,641	(317,641)	-
Materials and Supplies Inventory	452,809	376,526	829,335
Restricted Assets:			
Temporarily Restricted:			
Cash and Cash Equivalents (Note 2)	23,559,533	7,410,043	30,969,576
Due From Other Governmental Units (Note 5)	2,842,655	-	2,842,655
Permanently Restricted:			
Cash and Cash Equivalents (Note 2)	2,070,670	-	2,070,670
Prepays	95,000	-	95,000
Long-Term Contracts, Leases and Notes	2,044,362	7,704,940	9,749,302
Net Pension Asset (Note 8)	18,676,810	2,532,355	21,209,165
Investment in Joint Ventures (Note 13)	38,830,035	-	38,830,035
Depreciable Assets (Net of Accumulated Depreciation) (Note 6)	282,515,407	234,743,955	517,259,362
Non-Depreciable Assets (Note 6)	117,400,807	30,711,447	148,112,254
<b>Total Assets</b>	<b>603,261,203</b>	<b>362,626,871</b>	<b>965,888,074</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred Outflows from Bond Refunding	514,431	142,317	656,748
Deferred Outflows related to Pensions (Note 8)	11,874,343	2,491,422	14,365,765
<b>Total Deferred Outflow of Resources</b>	<b>12,388,774</b>	<b>2,633,739</b>	<b>15,022,513</b>
<b>LIABILITIES:</b>			
Accounts Payable	9,775,919	8,075,451	17,851,370
Other Liabilities Payable	558,196	-	558,196
Payable From Restricted Assets:			
Accrued Interest	6,577	1,360,843	1,367,420
Deposits	-	299,101	299,101
Unearned Revenue	10,265,763	-	10,265,763
Net Pension Liability (Note 8)	2,881,384	2,033,135	4,914,519
Employee Leave Benefits-Compensated Absences			
Due Within One Year (Note 7)	2,918,535	609,001	3,527,536
Due in More Than One Year (Note 7)	1,119,599	233,623	1,353,222
Bonds and Other Debt Payable:			
Due Within One Year (Note 7)	1,320,109	2,543,062	3,863,171
Due in More Than One Year (Note 7)	22,681,104	33,224,833	55,905,937
Lease Payable:			
Due Within One Year (Note 7)	262,717	-	262,717
Due in More Than One Year (Note 7)	4,406,022	-	4,406,022
Due to Other Governmental Units:			
Due Within One Year (Note 7)	695,306	-	695,306
Due in More Than One Year (Note 7)	15,193,659	-	15,193,659
OPEB Liability			
Due Within One Year (Note 9)	455,000	-	455,000
Due in More Than One Year (Note 9)	10,501,157	-	10,501,157
Other Non-Current Liabilities:			
Total Firemen's Pension Liability (Note 8)	2,498,278	-	2,498,278
<b>Total Liabilities</b>	<b>85,539,325</b>	<b>48,379,049</b>	<b>133,918,374</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred Inflows related to Leases (Note 18)	2,162,113	7,266,687	9,428,800
Deferred Inflows related to Pensions (Note 8)	10,987,566	2,776,829	13,764,395
<b>Total Deferred Inflows of Resources</b>	<b>13,149,679</b>	<b>10,043,516</b>	<b>23,193,195</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	371,760,693	230,412,106	602,172,799
Restricted:			
Capital Projects	37,643,124	-	37,643,124
Nonexpendable Permanent Endowment	2,070,670	-	2,070,670
Debt Service	1,702	4,587,016	4,588,718
Tourist Promotion	464,299	-	464,299
Drug Investigation and Enforcement	1,116,248	-	1,116,248
Community Development Block Grant Program	42,904	-	42,904
Central Business District Development	133,695	-	133,695
Rate Stabilization	-	438,483	438,483
Pension Asset	18,676,810	2,532,355	21,209,165
Unrestricted	85,050,827	68,868,085	153,918,912
<b>Total Net Position</b>	<b>\$ 516,960,973</b>	<b>\$ 306,838,045</b>	<b>\$ 823,799,018</b>

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, 2022

Page 1 of 2

	Expenses	Program Revenues		
		Charges for Services and Fines	Operating Grants and Contributions	Capital Grants and Contributions
<b>FUNCTIONS / PROGRAMS:</b>				
<b>Primary Government</b>				
Governmental Activities:				
General Government	\$ 14,735,664	\$ 4,506,672	\$ 3,238,751	\$ -
Public Safety	38,402,492	1,006,147	3,022,558	20,530
Transportation	18,517,806	1,796,513	340,000	6,628,014
Physical Environment	3,597,960	427,515	-	264,982
Culture and Recreation	14,800,322	2,715,193	154,251	713,519
Economic Environment	4,662,845	2,015,619	643,285	367,994
Health and Human Resources	2,179,401	-	-	649,942
Interest on Long-Term Debt	677,414	-	-	-
	<u>97,573,904</u>	<u>12,467,659</u>	<u>7,398,845</u>	<u>8,644,981</u>
Business-Type Activities				
Water	14,094,553	16,459,868	-	1,772,439
Sanitary Sewer	28,481,203	28,925,941	-	666,761
Storm Drainage	10,370,729	10,985,794	-	1,408,167
Solid Waste	26,457,098	25,099,818	-	-
Nonmajor Business-Type Activities	3,754,361	3,399,655	-	-
	<u>83,157,944</u>	<u>84,871,076</u>	<u>-</u>	<u>3,847,367</u>
Total Primary Government	<u>\$ 180,731,848</u>	<u>\$ 97,338,735</u>	<u>\$ 7,398,845</u>	<u>\$ 12,492,348</u>

## General Revenues:

## Taxes:

Property

Retail Sales and Use

Interfund Utility

Utility

Excise

Business and Occupation

Other

Investment Earnings

Other Revenues

Gain on Sale of Capital Assets

Contributions to Endowment Funds

Transfers (Note 4)

Total General Revenues

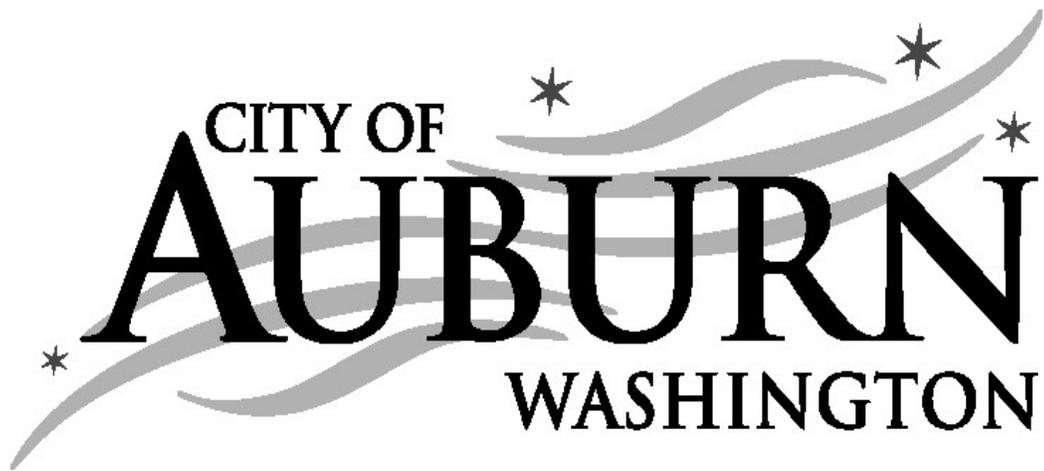
Change in Net Position

Net Position, January 1

Net Position, December 31

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

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activity	Total
\$ (6,990,241)	\$ -	\$ (6,990,241)
(34,353,257)	-	(34,353,257)
(9,753,279)	-	(9,753,279)
(2,905,463)	-	(2,905,463)
(11,217,359)	-	(11,217,359)
(1,635,947)	-	(1,635,947)
(1,529,459)	-	(1,529,459)
(677,414)	-	(677,414)
<u>(69,062,419)</u>	<u>-</u>	<u>(69,062,419)</u>
-	4,137,754	4,137,754
-	1,111,499	1,111,499
-	2,023,232	2,023,232
-	(1,357,280)	(1,357,280)
-	(354,706)	(354,706)
-	<u>5,560,499</u>	<u>5,560,499</u>
<u>\$ (69,062,419)</u>	<u>\$ 5,560,499</u>	<u>\$ (63,501,920)</u>
\$ 24,635,089	\$ -	\$ 24,635,089
26,295,124	-	26,295,124
6,396,937	-	6,396,937
9,532,991	-	9,532,991
6,110,151	-	6,110,151
4,664,551	-	4,664,551
4,635,655	-	4,635,655
815,061	1,068,685	1,883,746
802,501	1,190,521	1,993,022
923,345	4,250	927,595
63,313	-	63,313
304,449	(304,449)	-
<u>85,179,167</u>	<u>1,959,007</u>	<u>87,138,174</u>
16,116,748	7,519,506	23,636,254
<u>500,844,225</u>	<u>299,318,539</u>	<u>800,162,764</u>
<u>\$ 516,960,973</u>	<u>\$ 306,838,045</u>	<u>\$ 823,799,018</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.

### 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.

### Mitigation Fees

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

City of Auburn, Washington  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
December 31, 2022

	General Fund	Arterial Street	Capital Improvement	American Rescue Plan Act (ARPA)	Mitigation Fees	Other Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>							
Cash and Cash Equivalents	\$ 36,415,687	\$ 1,493,163	\$ 16,377,443	\$ 10,220,763	\$ 15,859,731	\$ 12,373,620	\$ 92,740,407
Investments (Note 2)	19,196,650	-	-	-	-	-	19,196,650
Receivables:							
Taxes	319,647	-	-	-	-	295,432	615,079
Customer Accounts	889,114	72,198	-	-	-	282	961,594
Other Receivables	4,523,571	-	-	-	-	296,787	4,820,358
Interfund Receivable (Note 4)	150,000	-	-	-	-	-	150,000
Inventories	57,740	-	-	-	-	-	57,740
Long-Term Notes, Leases and Contracts	1,671,437	-	-	-	-	372,925	2,044,362
Due From Other Governmental Units (Note 5)	3,408,983	1,542,029	56,093	-	-	1,244,533	6,251,638
Prepays	-	-	-	-	-	95,000	95,000
<b>Total Assets</b>	<b>66,632,829</b>	<b>3,107,390</b>	<b>16,433,536</b>	<b>10,220,763</b>	<b>15,859,731</b>	<b>14,678,579</b>	<b>126,932,828</b>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:</b>							
Liabilities:							
Current Payables	4,614,873	712,234	299,166	-	10,109	909,589	6,545,971
Customer Deposits	188,588	-	-	-	-	-	188,588
Interfund Payable (Note 4)	-	-	-	-	-	150,000	150,000
Other Liabilities Payable	246,798	-	-	-	-	-	246,798
Unearned Revenue	-	45,000	-	10,220,763	-	-	10,265,763
<b>Total Liabilities</b>	<b>5,050,259</b>	<b>757,234</b>	<b>299,166</b>	<b>10,220,763</b>	<b>10,109</b>	<b>1,059,589</b>	<b>17,397,120</b>
Deferred Inflow of Resources:							
Unavailable Revenue-Other	1,808,082	-	-	-	-	-	1,808,082
Deferred Inflows Related to Leases (Note 8)	1,602,607	-	-	-	-	559,506	2,162,113
<b>Total Deferred Inflow of Resources</b>	<b>3,410,689</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>559,506</b>	<b>3,970,195</b>
Fund Balances: (Note 1)							
Nonspendable	57,740	-	-	-	-	95,000	152,740
Nonspendable Permanent Endowment	-	-	-	-	-	2,070,670	2,070,670
Restricted	-	2,350,156	15,411,665	-	15,750,083	5,695,529	39,207,433
Committed	1,311,450	-	-	-	-	4,219,956	5,531,406
Assigned	10,801,447	-	722,705	-	99,539	978,329	12,602,020
Unassigned	46,001,244	-	-	-	-	-	46,001,244
<b>Total Fund Balances:</b>	<b>58,171,881</b>	<b>2,350,156</b>	<b>16,134,370</b>	<b>-</b>	<b>15,849,622</b>	<b>13,059,484</b>	<b>105,565,513</b>
<b>Total Liabilities, Deferred Inflows and Fund Balances</b>	<b>\$ 66,632,829</b>	<b>\$ 3,107,390</b>	<b>\$ 16,433,536</b>	<b>\$ 10,220,763</b>	<b>\$ 15,859,731</b>	<b>\$ 14,678,579</b>	<b>\$ 126,932,828</b>

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, 2022

Total governmental fund balances as reported on this statement		\$ 105,565,513
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.		390,512,481
Other non-current assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Net Investment in Joint Ventures (excess of \$38,830,035 of investment over \$15,888,965 of due to other governments)	22,941,070	
Interest receivable	64,463	
Net pension asset (excess of \$18,676,810 of total net pension assets over \$944,903 of net pension assets for internal service funds)	17,731,907	
		40,737,440
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	1,808,082	
		1,808,082
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.		24,638,899
Some liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.		
Bonds and loans payable	(20,636,375)	
Lease Liability	(4,467,116)	
Premium on bonds payable	(3,364,838)	
Deferred amount on bond refunding	514,431	
Deferred amounts related to pensions	927,203	
Interest payable	(128,323)	
Firemen's pension liability	(2,498,278)	
Net pension liability	(1,969,337)	
Total OPEB liability	(10,956,157)	
Compensated absences payable	(3,722,653)	
		(46,301,442)
Net position of government activities as reported on the statement of net position		\$ 516,960,973

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, 2022

	General Fund	Arterial Street	Capital Improvement	American Rescue Plan Act (ARPA)	Mitigation Fees	Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>							
Taxes:							
Property	\$ 24,358,448	\$ -	\$ -	\$ -	\$ -	\$ 279,460	\$ 24,637,908
Retail Sales & Use	26,045,124	-	-	-	-	250,000	26,295,124
Interfund Utility	5,772,912	-	-	-	-	624,025	6,396,937
Utility	7,866,680	-	-	-	-	1,666,311	9,532,991
Excise	875,277	-	5,044,897	-	-	189,977	6,110,151
Business and Occupation	4,664,551	-	-	-	-	-	4,664,551
Other	-	-	-	-	-	885	885
Licenses and Permits	2,275,480	-	-	-	-	-	2,275,480
Intergovernmental	7,214,230	2,956,741	408,840	2,957,500	-	3,749,477	17,286,788
Charges for Services	8,394,613	-	289,973	-	1,692,835	122,109	10,499,530
Fines and Forfeitures	390,200	-	-	-	-	-	390,200
Investment Earnings	(111,614)	30,309	227,589	-	232,042	186,198	564,524
Miscellaneous	1,378,714	173,498	-	-	-	464,683	2,016,895
Total Revenues	<u>89,124,615</u>	<u>3,160,548</u>	<u>5,971,299</u>	<u>2,957,500</u>	<u>1,924,877</u>	<u>7,533,125</u>	<u>110,671,964</u>
<b>EXPENDITURES:</b>							
Current:							
General Government	14,517,861	-	-	-	-	-	14,517,861
Security of Persons and Property	40,245,089	-	-	-	-	314,648	40,559,737
Physical Environment	4,321,115	-	-	-	-	-	4,321,115
Transportation	3,726,729	4,427,730	-	-	-	6,380,851	14,535,310
Economic Environment	3,841,187	-	-	-	-	1,196,100	5,037,287
Health and Human Services	1,982,524	-	-	-	-	-	1,982,524
Culture and Recreation	13,957,709	-	-	-	-	1,251	13,958,960
Debt Service:							
Principal	218,008	197,376	-	-	-	1,082,558	1,497,942
Interest and Other Costs	62,097	8,663	-	-	-	797,682	868,442
Capital Outlay	4,766,297	-	2,994,978	-	-	669,917	8,431,192
Total Expenditures	<u>87,638,616</u>	<u>4,633,769</u>	<u>2,994,978</u>	<u>-</u>	<u>-</u>	<u>10,443,007</u>	<u>105,710,370</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,485,999</u>	<u>(1,473,221)</u>	<u>2,976,321</u>	<u>2,957,500</u>	<u>1,924,877</u>	<u>(2,909,882)</u>	<u>4,961,594</u>
<b>OTHER FINANCING SOURCES (USES):</b>							
Sales of Capital Assets	2,226,784	-	-	-	-	-	2,226,784
Insurance Recoveries	103,473	-	-	-	-	-	103,473
Leases	4,685,125	-	-	-	-	-	4,685,125
Transfers In (Note 4)	3,033,653	1,112,889	1,891,028	-	-	3,810,966	9,848,536
Transfers Out (Note 4)	(1,263,858)	-	(2,815,897)	(2,957,500)	(2,117,135)	(2,153)	(9,156,543)
Total Other Financing Sources and Uses	<u>8,785,177</u>	<u>1,112,889</u>	<u>(924,869)</u>	<u>(2,957,500)</u>	<u>(2,117,135)</u>	<u>3,808,813</u>	<u>7,707,375</u>
Net Change in Fund Balances	<u>10,271,176</u>	<u>(360,332)</u>	<u>2,051,452</u>	<u>-</u>	<u>(192,258)</u>	<u>898,931</u>	<u>12,668,969</u>
Fund Balances - January 1, as Previously Reported	<u>47,900,705</u>	<u>2,710,488</u>	<u>14,082,918</u>	<u>-</u>	<u>16,041,880</u>	<u>12,160,553</u>	<u>92,896,544</u>
Fund Balances - Ending	<u>\$ 58,171,881</u>	<u>\$ 2,350,156</u>	<u>\$ 16,134,370</u>	<u>\$ -</u>	<u>\$ 15,849,622</u>	<u>\$ 13,059,484</u>	<u>\$ 105,565,513</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, 2022

Net change in fund balances per the Statement of Revenues, Expenditures and Changes in Fund Balance		\$ 12,668,969
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 (\$8,431,192), transportation (\$10,214,367), economic environment (\$12,997), and health & human services (\$61,019) exceeded depreciation (\$18,629,112) in the current period.	90,463	
Certain Capital and Joint Venture activities do not use or provide current financial resources but increase net position.		873,725
Governmental funds report sales of assets as other financing sources while the Statement of Activities reports only the gain or loss on sale of capital assets.		(1,349,134)
Debt proceeds are reported as financing sources in governmental fund and thus contribute to the change in fund balances. In the government-wide statements, however, issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities.		
Lease liability	(4,685,125)	(4,685,125)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:		
Property taxes	(2,819)	
Other unavailable revenue	292,569	
Amortization of bond premium	190,426	
Investment interest receivable	(1,496)	
	478,680	
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.		1,808,809
Repayment of the principal of long-term debt consumes the current financial resources of governmental funds but has no effect on the net position.		1,497,942
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.		(313,257)
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	602	
Change in net pension liability or asset	3,062,634	
Change in total OPEB liability	2,414,154	
Change in compensated absences payable	(322,360)	
	5,045,676	
Change in net position on the Statement of Activities		\$ 16,116,748

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, 2022

	Budget Amounts		Actual Results	Variance with Final Budget Positive (Negative)
	Original	Final Adopted		
<b>REVENUES:</b>				
Taxes:				
Property	\$ 23,198,400	\$ 23,198,400	\$ 24,358,448	\$ 1,160,048
Retail Sales & Use	20,292,300	22,792,300	26,045,124	3,252,824
Interfund Utility	6,779,000	6,779,000	5,772,912	(1,006,088)
Utility	7,867,300	7,867,300	7,866,680	(620)
Excise	552,100	552,100	875,277	323,177
Business and Occupation	4,800,000	500,000	4,664,551	4,164,551
Licenses and Permits	2,264,300	2,264,300	2,275,480	11,180
Intergovernmental	4,412,320	7,480,195	7,109,569	(370,626)
Charges for Services	7,951,430	8,185,520	8,394,613	209,093
Fines and Forfeitures	731,400	885,400	390,200	(495,200)
Investment Earnings	91,200	91,200	(60,685)	(151,885)
Miscellaneous	949,500	1,129,000	1,378,714	249,714
Total Revenues	<u>79,889,250</u>	<u>81,724,715</u>	<u>89,070,883</u>	<u>7,346,168</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	15,220,641	17,325,367	14,517,861	2,807,506
Security of Persons and Property	41,773,411	44,104,050	40,020,940	4,083,110
Physical Environment	4,183,506	4,700,506	4,321,115	379,391
Transportation	4,204,404	4,040,654	3,726,729	313,925
Economic Environment	4,712,187	5,279,841	3,841,187	1,438,654
Health and Human Services	1,000,237	3,527,561	1,982,524	1,545,037
Culture and Recreation	14,129,330	15,378,110	13,957,709	1,420,401
Capital Outlay	10,000	10,000	4,766,297	(4,756,297)
Total Expenditures	<u>85,233,716</u>	<u>94,366,089</u>	<u>87,414,467</u>	<u>6,951,622</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(5,344,466)</u>	<u>(12,641,374)</u>	<u>1,656,416</u>	<u>14,297,790</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sales of Capital Assets	-	-	197,000	197,000
Issuance of Debt - Leases	-	-	4,685,125	4,685,125
Insurance Recoveries	25,000	225,000	103,473	(121,527)
Transfers In (Note 4)	2,024,000	4,983,661	3,033,653	(1,950,008)
Transfers Out (Note 4)	(371,300)	(19,428,879)	(19,344,127)	84,752
Total Other Financing Sources and Uses	<u>1,677,700</u>	<u>(14,220,218)</u>	<u>(11,324,876)</u>	<u>2,895,342</u>
Net Change in Fund Balances	<u>(3,666,766)</u>	<u>(26,861,592)</u>	<u>(9,668,460)</u>	<u>17,193,132</u>
Fund Balances - Beginning	<u>10,524,785</u>	<u>35,357,368</u>	<u>35,357,368</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 6,858,019</u>	<u>\$ 8,495,776</u>	<u>\$ 25,688,908</u>	<u>\$ 17,193,132</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	30,592,441
The Fire, Relief & Pension Fund is combined with the General Fund for purposes of GASB Statement 73	1,890,532
Fund Balance - Ending (GAAP)	<u>\$ 58,171,881</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, 2022

	Budget Amounts		Actual Results	Variance with Final Budget Positive (Negative)
	Original	Final Adopted		
<b>REVENUES:</b>				
Intergovernmental	\$1,170,000	\$4,198,072	\$2,956,741	(\$1,241,331)
Charges for Services	1,500,000	135,000	-	(135,000)
Investment Earnings	2,100	2,100	30,309	28,209
Miscellaneous	250,000	300,000	173,498	(126,502)
Total Revenues	<u>2,922,100</u>	<u>4,635,172</u>	<u>3,160,548</u>	<u>(1,474,624)</u>
<b>EXPENDITURES:</b>				
Current:				
Transportation	5,686,200	11,746,368	4,427,730	7,318,638
Debt Service				
Principal	197,400	197,400	197,376	24
Interest and Other Costs	8,800	8,800	8,663	137
Total Expenditures	<u>5,892,400</u>	<u>11,952,568</u>	<u>4,633,769</u>	<u>7,318,799</u>
<b>Excess (Deficiency) of Revenues Over (Under Expenditures)</b>	<u>(2,970,300)</u>	<u>(7,317,396)</u>	<u>(1,473,221)</u>	<u>5,844,175</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In (Note 4)	2,856,200	5,615,465	1,112,889	(4,502,576)
Total Other Financing Sources and Uses	<u>2,856,200</u>	<u>5,615,465</u>	<u>1,112,889</u>	<u>(4,502,576)</u>
Net Change in Fund Balances	<u>(114,100)</u>	<u>(1,701,931)</u>	<u>(360,332)</u>	<u>1,341,599</u>
Fund Balances - Beginning	427,309	2,710,488	2,710,488	-
Fund Balances - Ending	<u>\$ 313,209</u>	<u>\$ 1,008,557</u>	<u>\$ 2,350,156</u>	<u>\$ 1,341,599</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**  
**AMERICAN RESCUE PLAN ACT (ARPA) SPECIAL REVENUE FUND**  
For the Year Ended December 31, 2022

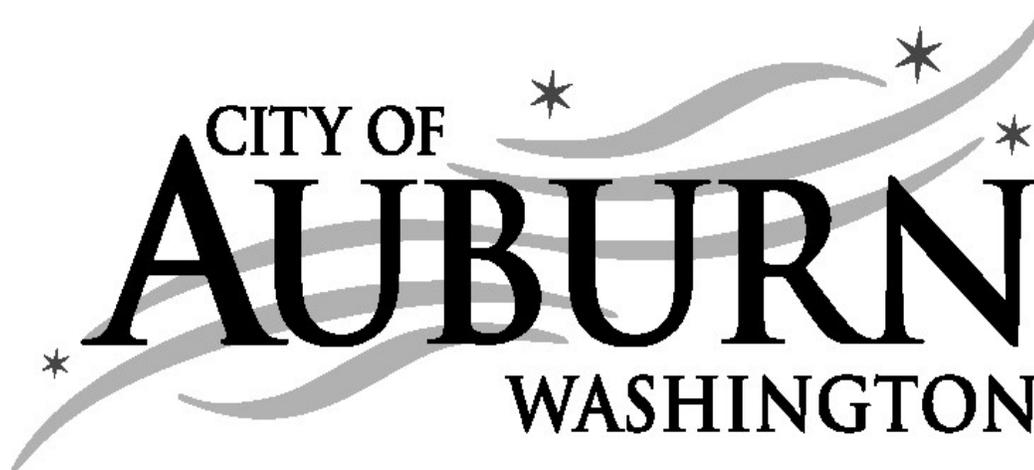
	Budget Amounts		Actual Results	Variance with Final Budget Positive (Negative)
	Original	Final Adopted		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ 6,036,766	\$ 2,957,500	\$ (3,079,266)
Total Revenues	-	6,036,766	2,957,500	(3,079,266)
<b>EXPENDITURES:</b>				
Current:				
General Government	-	328,400	-	328,400
Total Expenditures	-	328,400	-	328,400
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	-	5,708,366	2,957,500	(2,750,866)
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out (Note 4)	-	(5,708,366)	(2,957,500)	2,750,866
Total Other Financing Sources (Uses)	-	(5,708,366)	(2,957,500)	2,750,866
Net Change in Fund Balances	-	-	-	-
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	\$ -	\$ -	\$ -	\$ -

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**  
**MITIGATION SPECIAL REVENUE FUND**  
For the Year Ended December 31, 2022

	Budget Amounts		Actual Results	Variance with Final Budget Positive (Negative)
	Original	Final Adopted		
<b>REVENUES:</b>				
<b>TAXES:</b>				
Charges for Services	\$ 1,106,400	\$ 1,106,400	\$ 1,692,835	\$ 586,435
Investment Earnings	55,500	55,500	232,042	176,542
Total Revenues	<u>1,161,900</u>	<u>1,161,900</u>	<u>1,924,877</u>	<u>762,977</u>
<b>EXPENDITURES:</b>				
Current:				
Security of Person & Property	543,700	68,700	-	68,700
Total Expenditures	<u>543,700</u>	<u>68,700</u>	<u>-</u>	<u>68,700</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>618,200</u>	<u>1,093,200</u>	<u>1,924,877</u>	<u>831,677</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out (Note 4)	(5,307,750)	(7,221,094)	(2,117,135)	5,103,959
Total Other Financing Sources (Uses)	<u>(5,307,750)</u>	<u>(7,221,094)</u>	<u>(2,117,135)</u>	<u>5,103,959</u>
Net Change in Fund Balances	<u>(4,689,550)</u>	<u>(6,127,894)</u>	<u>(192,258)</u>	<u>5,935,636</u>
Fund Balances - Beginning	9,372,642	16,041,880	16,041,880	-
Fund Balances - Ending	<u>\$ 4,683,092</u>	<u>\$ 9,913,986</u>	<u>\$ 15,849,622</u>	<u>\$ 5,935,636</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, 2022

	Enterprise Funds					Governmental Activities	
	Water	Sanitary Sewer	Storm Drainage	Solid Waste	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>ASSETS:</b>							
Current Assets							
Cash and Cash Equivalents	\$ 13,826,776	\$ 22,972,741	\$ 16,689,485	\$ 7,603,264	\$ 3,630,744	\$ 64,723,010	\$ 18,056,280
Investments	-	-	4,566,850	-	-	4,566,850	-
Restricted Cash:							
Bond Payments	2,183,144	438,395	658,088	-	-	3,279,627	-
Customer Deposits	104,070	61,527	3,422	-	130,082	299,101	-
Other (Reserve for Bonds and Rate Stabilization)	2,448,053	294,444	1,088,818	-	-	3,831,315	-
Customer Accounts	2,203,858	4,504,623	1,796,825	1,096,237	218	9,601,761	66,045
Other Receivables	-	-	7,104	-	194,548	201,652	-
Due From Other Governmental Units	-	-	122,276	117,156	132,541	371,973	155,818
Inventories	313,273	12,867	10,414	-	39,972	376,526	395,069
Total Current Assets	<u>21,079,174</u>	<u>28,284,597</u>	<u>24,943,282</u>	<u>8,816,657</u>	<u>4,128,105</u>	<u>87,251,815</u>	<u>18,673,212</u>
Noncurrent Assets							
Long-Term Contracts, Leases and Notes	-	578,400	-	-	7,126,540	7,704,940	-
Net Pension Asset	920,143	533,150	751,962	-	327,100	2,532,355	944,903
Capital Assets Not Being Depreciated:							
Land	1,283,524	1,695,023	5,937,014	-	4,261,885	13,177,446	-
Intangible - Water Rights	8,758,773	-	-	-	-	8,758,773	-
Construction in Progress	6,283,865	883,132	1,135,843	-	472,388	8,775,228	90,807
Capital Assets:							
Buildings and Equipment	2,509,599	1,304,180	282,111	496,618	4,091,641	8,684,149	30,042,154
Improvements Other Than Buildings	167,888,532	114,548,300	93,201,563	-	15,517,893	391,156,288	512,390
Right of Use (Leases)	-	-	-	-	-	-	226,966
Less: Accumulated Depreciation	(72,930,035)	(43,318,870)	(36,558,389)	(496,618)	(11,792,570)	(165,096,482)	(21,468,584)
Total Capital Assets (Net of A/D)	<u>113,794,258</u>	<u>75,111,765</u>	<u>63,998,142</u>	<u>-</u>	<u>12,551,237</u>	<u>265,455,402</u>	<u>9,403,733</u>
Total Noncurrent Assets	<u>114,714,401</u>	<u>76,223,315</u>	<u>64,750,104</u>	<u>-</u>	<u>20,004,877</u>	<u>275,692,697</u>	<u>10,348,636</u>
Total Assets	<u>135,793,575</u>	<u>104,507,912</u>	<u>89,693,386</u>	<u>8,816,657</u>	<u>24,132,982</u>	<u>362,944,512</u>	<u>29,021,848</u>
<b>DEFERRED OUTFLOW OF RESOURCES:</b>							
Deferred Outflow from Bond Refunding	78,146	34,939	29,232	-	-	142,317	-
Deferred Outflow related to Pensions	866,866	535,880	820,313	70,567	197,796	2,491,422	956,486
Total Deferred Outflow of Resources	<u>945,012</u>	<u>570,819</u>	<u>849,545</u>	<u>70,567</u>	<u>197,796</u>	<u>2,633,739</u>	<u>956,486</u>
<b>LIABILITIES:</b>							
Current Liabilities:							
Current Payables	700,718	516,801	496,608	6,114,886	246,438	8,075,451	2,097,948
Claims Payable (Incurred but not Reported)	-	-	-	-	-	-	1,132,000
Loans Payable - Current	224,800	288,262	-	-	-	513,062	-
Employee Leave Benefits - Current	172,114	151,157	246,831	5,254	33,645	609,001	228,012
Leases Payable - Current	-	-	-	-	-	-	40,269
Revenue Bonds Payable - Current	1,327,964	255,320	446,716	-	-	2,030,000	-
Payable From Restricted Assets:							
Accrued Interest	998,923	132,796	229,124	-	-	1,360,843	1,064
Deposits	104,070	61,527	3,422	-	130,082	299,101	-
Total Current Liabilities	<u>3,528,589</u>	<u>1,405,863</u>	<u>1,422,701</u>	<u>6,120,140</u>	<u>410,165</u>	<u>12,887,458</u>	<u>3,499,293</u>
Noncurrent Liabilities							
Employee Leave Benefits	66,026	57,986	94,689	2,015	12,907	233,623	87,469
Loans Payable	1,883,620	649,098	-	-	-	2,532,718	-
Leases Payable	-	-	-	-	-	-	161,354
Revenue Bonds Payable	22,944,382	2,707,872	5,039,861	-	-	30,692,115	-
Net Pension Liability	1,478,887	328,393	128,697	97,158	-	2,033,135	912,047
Total Noncurrent Liabilities	<u>26,372,915</u>	<u>3,743,349</u>	<u>5,263,247</u>	<u>99,173</u>	<u>12,907</u>	<u>35,491,591</u>	<u>1,160,870</u>
Total Liabilities	<u>29,901,504</u>	<u>5,149,212</u>	<u>6,685,948</u>	<u>6,219,313</u>	<u>423,072</u>	<u>48,379,049</u>	<u>4,660,163</u>
<b>DEFERRED INFLOW OF RESOURCES:</b>							
Deferred Inflow related to Leases	-	-	-	-	7,266,687	7,266,687	-
Deferred Inflow related to Pensions	1,048,485	605,888	829,830	14,456	278,170	2,776,829	996,913
Total Deferred Inflow of Resources	<u>1,048,485</u>	<u>605,888</u>	<u>829,830</u>	<u>14,456</u>	<u>7,544,857</u>	<u>10,043,516</u>	<u>996,913</u>
<b>NET POSITION:</b>							
Net Investment in Capital Assets:	87,779,897	71,568,397	58,512,575	-	12,551,237	230,412,106	9,202,110
Restricted for:							
Debt Service	3,265,869	242,859	1,078,288	-	-	4,587,016	-
Rate Stabilization	-	-	438,483	-	-	438,483	-
Pension Asset	920,143	533,150	751,962	-	327,100	2,532,355	944,903
Unrestricted	13,822,689	26,979,225	22,245,845	2,653,455	3,484,512	69,185,726	14,174,245
Total Net Position	<u>\$ 105,788,598</u>	<u>\$ 99,323,631</u>	<u>\$ 83,027,153</u>	<u>\$ 2,653,455</u>	<u>\$ 16,362,849</u>	<u>\$ 307,155,686</u>	<u>\$ 24,321,258</u>

Adjustment to reflect the consolidation  
of internal service funds related to  
enterprise funds (317,641)  
Net position of business-type activities \$ 306,838,045

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, 2022

	Enterprise Funds					Governmental Activities	
	Water	Sanitary Sewer	Storm Drainage	Solid Waste	Non-Major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>OPERATING REVENUES:</b>							
Charges of Services	\$ 16,459,868	\$ 28,925,941	\$ 10,985,794	\$ 25,099,818	\$ 2,429,785	\$ 83,901,206	\$ 15,473,619
Other Operating Revenue	-	-	-	-	969,870	969,870	95,930
Total Operating Revenue	<u>16,459,868</u>	<u>28,925,941</u>	<u>10,985,794</u>	<u>25,099,818</u>	<u>3,399,655</u>	<u>84,871,076</u>	<u>15,569,549</u>
<b>OPERATING EXPENSES:</b>							
Operations & Maintenance	3,840,391	20,656,344	4,135,306	23,425,569	2,332,327	54,389,937	13,215,579
Administration	6,028,393	4,115,950	3,835,875	3,031,529	779,774	17,791,521	1,535,644
Depreciation / Amortization	3,533,926	2,478,902	1,837,459	-	616,789	8,467,076	1,996,538
Other Operating Expenses	-	-	-	-	25,471	25,471	-
Total Operating Expenses	<u>13,402,710</u>	<u>27,251,196</u>	<u>9,808,640</u>	<u>26,457,098</u>	<u>3,754,361</u>	<u>80,674,005</u>	<u>16,747,761</u>
Operating Income (Loss)	<u>3,057,158</u>	<u>1,674,745</u>	<u>1,177,154</u>	<u>(1,357,280)</u>	<u>(354,706)</u>	<u>4,197,071</u>	<u>(1,178,212)</u>
<b>NON-OPERATING REVENUE (EXPENSE):</b>							
Interest Revenue	278,430	335,524	300,426	100,507	53,798	1,068,685	257,360
Other Non-Operating Revenue	86,333	21,860	132,440	226,395	723,493	1,190,521	19,799
Gain/(Loss) on Sale of Capital Assets	-	-	-	-	4,250	4,250	45,695
Interest Expense	(601,400)	(58,844)	(133,330)	-	-	(793,574)	(1,076)
Other Non-Operating Expenses	(90,443)	(240,442)	(428,759)	-	-	(759,644)	-
Total Non-Operating Revenue (Expense)	<u>(327,080)</u>	<u>58,098</u>	<u>(129,223)</u>	<u>326,902</u>	<u>781,541</u>	<u>710,238</u>	<u>321,778</u>
Income (Loss) Before Contributions & Transfers	<u>2,730,078</u>	<u>1,732,843</u>	<u>1,047,931</u>	<u>(1,030,378)</u>	<u>426,835</u>	<u>4,907,309</u>	<u>(856,434)</u>
Capital Contribution	1,772,439	666,761	1,408,167	-	-	3,847,367	-
Transfers In (Note 4)	-	-	-	-	-	-	410,801
Transfers Out (Note 4)	(96,339)	(59,555)	(133,555)	-	(15,000)	(304,449)	(798,345)
Change in Net Position	<u>4,406,178</u>	<u>2,340,049</u>	<u>2,322,543</u>	<u>(1,030,378)</u>	<u>411,835</u>	<u>8,450,227</u>	<u>(1,243,978)</u>
Net Position, January 1	101,382,420	96,983,582	80,704,610	3,683,833	15,951,014	298,705,459	25,565,236
Net Position, December 31	<u>\$ 105,788,598</u>	<u>\$ 99,323,631</u>	<u>\$ 83,027,153</u>	<u>\$ 2,653,455</u>	<u>\$ 16,362,849</u>	<u>\$ 307,155,686</u>	<u>\$ 24,321,258</u>

Change in net position from this statement	8,450,227
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	<u>(930,721)</u>
Change in net position of business-type activities	<u>\$ 7,519,506</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, 2022

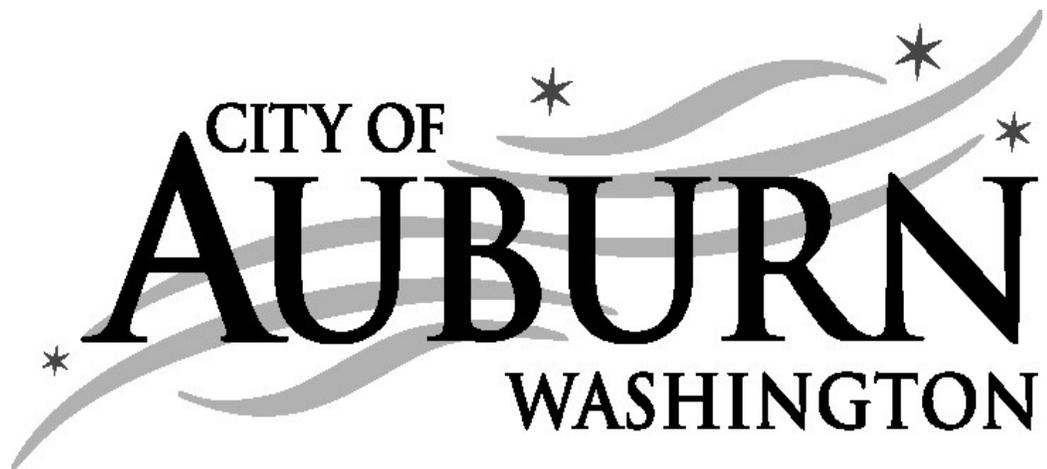
	Water	Sanitary Sewer	Storm Drainage	Solid Waste	Non Major Enterprise Funds	Total	Government Activities Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>							
Cash Received from Users	\$ 16,275,458	\$ 28,567,541	\$ 10,800,320	\$ 24,131,029	\$ 3,063,590	\$ 82,837,938	\$ 15,619,403
Cash Paid to Suppliers for Goods & Services	(6,545,902)	(21,873,609)	(3,825,695)	(24,770,529)	(1,512,222)	(58,527,957)	(8,057,768)
Cash Paid for Taxes	-	-	-	-	(53,407)	(53,407)	-
Cash Paid to Employees	(4,680,593)	(3,219,734)	(4,556,297)	(697,337)	(1,333,225)	(14,487,186)	(5,418,610)
Other Cash Received	84,580	22,278	33,512	-	13,510	153,880	(90,334)
Other Non-Operating Revenue	-	-	-	-	16,272	16,272	-
Other Cash Paid	(90,443)	(240,442)	(428,759)	-	-	(759,644)	-
Net Cash Provided (Used) by Operating Activities	5,043,100	3,256,034	2,023,081	(1,336,837)	194,518	9,179,896	2,052,691
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>							
Operating Grant	-	-	85,813	1,368,840	574,157	2,028,810	-
Transfers In	-	-	-	-	-	-	410,801
Transfers Out	(96,339)	(59,555)	(133,555)	-	(15,000)	(304,449)	(798,345)
Net Cash Provided (Used) by Noncapital Financing Activities	(96,339)	(59,555)	(47,742)	1,368,840	559,157	1,724,361	(387,544)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>							
Proceeds from Sale of Equipment	-	-	-	-	2,000	2,000	135,666
Purchase of Capital Assets	(7,628,610)	(1,241,253)	(2,572,469)	-	(678,254)	(12,120,586)	(2,377,684)
Contributed Capital	419,801	531,319	363,631	-	-	1,314,751	-
Proceeds from Other Governments	-	22,500	-	-	-	22,500	-
Proceeds from Insurance Settlement	11,753	-	-	-	-	11,753	110,133
Principal Payment on Debt	(1,519,668)	(532,535)	(426,973)	-	-	(2,479,176)	(25,218)
Interest Payment on Debt	(991,880)	(139,742)	(232,162)	-	-	(1,363,784)	(11)
Lease Principal Receipts	-	-	-	-	229,619	229,619	-
Lease Interest Receipts	-	-	-	-	115,578	115,578	-
Net Cash Provided (Used) for Capital and Related Financing Activities	(9,708,604)	(1,359,711)	(2,867,972)	-	(331,057)	(14,267,344)	(2,157,114)
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>							
Interest Received	278,430	335,524	684,776	100,507	53,798	1,453,035	257,360
Net Cash Provided (Used) in Investing Activities	278,430	335,524	684,776	100,507	53,798	1,453,035	257,360
Net Increase (Decrease) in Cash and Cash Equivalents	(4,483,413)	2,172,292	(207,857)	132,510	476,416	(1,910,052)	(234,607)
Cash and Cash Equivalents - Beginning of Year	23,045,456	21,594,815	18,647,670	7,470,754	3,284,410	74,043,105	18,290,887
Cash and Cash Equivalents - End of Year	\$ 18,562,043	\$ 23,767,107	\$ 18,439,813	\$ 7,603,264	\$ 3,760,826	\$ 72,133,053	\$ 18,056,280
<b>CASH AT END OF YEAR CONSISTS OF:</b>							
Cash and Cash Equivalents	13,826,776	22,972,741	16,689,485	7,603,264	3,630,744	64,723,010	18,056,280
Restricted Cash - Bond Payments	2,183,144	438,395	658,088	-	-	3,279,627	-
Restricted Cash - Customer Deposits	104,070	61,527	3,422	-	130,082	299,101	-
Restricted Cash - Other	2,448,053	294,444	1,088,818	-	-	3,831,315	-
Total Cash	\$ 18,562,043	\$ 23,767,107	\$ 18,439,813	\$ 7,603,264	\$ 3,760,826	\$ 72,133,053	\$ 18,056,280

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, 2022

	Water	Sanitary Sewer	Storm Drainage	Solid Waste	Non Major Enterprise Funds	Total	Government Activities Internal Service Funds
<b>RECONCILIATION OF NET OPERATING INCOME TO NEW CASH PROVIDED BY OPERATING ACTIVITIES</b>							
Operating Income (Loss)	\$ 3,057,158	\$ 1,674,745	\$ 1,177,154	\$ (1,357,280)	\$ (354,706)	\$ 4,197,071	\$ (1,178,212)
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>							
Depreciation	3,533,926	2,478,902	1,837,459	-	616,789	8,467,076	1,996,538
Lease Revenue Classified as Operating Income and Financing Cash Flow	-	-	-	-	(229,619)	(229,619)	-
Other Non-Operating Revenue	84,580	21,860	33,512	-	29,782	169,734	(91,386)
Other Non-Operating Expense	(90,443)	(240,442)	(428,759)	-	-	(759,644)	-
Asset (Increases) Decreases:							
Accounts Receivable	(196,808)	(358,400)	(185,474)	(968,789)	(61,457)	(1,770,928)	50,906
Inventory	(71,081)	192	(817)	-	14,163	(57,543)	(26,289)
Lease Receivable	-	-	-	-	(7,312,862)	(7,312,862)	-
Liability Increases (Decreases):							
Accounts & Vouchers Payable	(973,292)	(107,639)	(136,438)	1,037,091	177,825	(2,453)	1,179,015
Deposits Payable	12,398	-	-	-	1,186	13,584	-
Wages & Benefits Payable	(303,783)	(203,036)	(329,079)	(55,128)	56,710	(834,316)	118,663
Compensated Absences Payable	(9,555)	(10,148)	55,523	7,269	(9,980)	33,109	3,456
Lease Deferred Inflows	-	-	-	-	7,266,687	7,266,687	-
Total Adjustments	1,985,942	1,581,289	845,927	20,443	549,224	4,982,825	3,230,903
Net Cash Provided (Used) by Operating Activities	\$ 5,043,100	\$ 3,256,034	\$ 2,023,081	\$ (1,336,837)	\$ 194,518	\$ 9,179,896	\$ 2,052,691
<b>SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>							
Capital Assets Acquired by Contributed Capital	1,352,638	135,442	1,044,536	-	-	2,532,616	-
Increase (Decrease) in Fair Value of Investment	-	-	(384,350)	-	-	(384,350)	-
Total Non Cash Investing, Capital and Financing Activities	\$ 1,352,638	\$ 135,442	\$ 660,186	\$ -	\$ -	\$ 2,148,266	\$ -

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, 2022

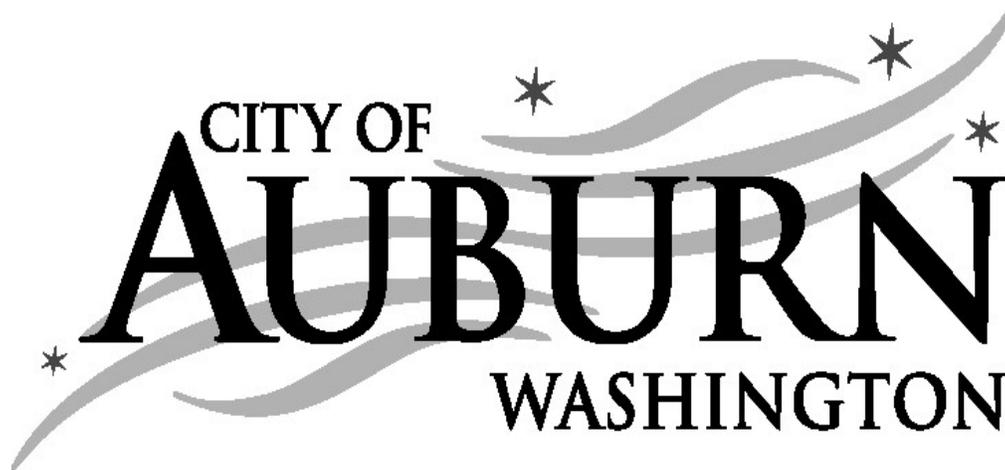
		Custodial Fund
<b>ASSETS:</b>		
Cash and Cash Equivalents	\$	2,451,213
Receivables:		
Customer Accounts		120,076
Due from Other Governmental Units		24,153
Total Assets		2,595,442
<b>LIABILITIES:</b>		
Current Payables		29,038
Total Liabilities		29,038
<b>NET POSITION</b>		
Restricted for Other Governments & Organizations		2,566,404
Total Net Position	\$	2,566,404

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, 2022

	Custodial Funds
<b>ADDITIONS:</b>	
Contributions:	
Other Governments	\$ 1,776,160
Tax, Fines, Permits Collection for Other Governments	1,735,911
Amounts collected for other organizations and individuals	58,889
Investment Interest	18,740
Total Additions	3,589,700
<b>DEDUCTIONS:</b>	
Administrative Expenses	\$ 28,700
Payment to City for Services	280,350
Tax, Fines, Permits & Misc distributed to other governments	1,530,859
Distributions to other organizations and individuals	54,044
Total Deductions	1,893,953
Change in Net Position	1,695,747
Net Position - January 1	870,657
Net Position - December 31st	\$ 2,566,404

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



## City of Auburn

**NOTES TO THE FINANCIAL STATEMENTS**

December 31, 2022

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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 2022, the City did implement the following new accounting and reporting standards issued by the Governmental Accounting Standards Board (GASB).

- GASB Statement No. 87 – Leases. This statement establishes standards of accounting and financial reporting for leases by lessees and lessors.

### 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 7 and 13).

*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 14)

### 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, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, 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. The City considers property taxes as available if they are collected within 30 days after the year end. 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 custodial 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.

The City reports the following major governmental funds:

**General Fund-** This is the City’s general operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

**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.

**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 Fund-** This fund accounts for major capital acquisitions, and streets and parks construction projects, which are dependent on the real estate excise taxes, state, and federal grant programs.

**Mitigation Fees Fund-** This fund accounts for the receipt of contracted mitigation fees for streets and fire service.

The City reports the following fund groups as non-major governmental funds:

- a. **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.
- b. **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”.
- c. **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.

- d. 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.

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 City reports the following major enterprise funds:

The Water Fund- This fund accounts for all revenues, expenses, maintenance, construction, and debt service requirements associated with Auburn's water system.

The Sanitary Sewer Fund- This fund accounts for all revenues, expenses, maintenance, construction, and debt requirements for Auburn's sanitary sewer system.

The Storm Drainage Fund- This fund accounts for all revenues, 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.

The City reports the following funds as non-major enterprise funds: The Airport and Cemetery funds.

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. The City's internal service funds are comprised of the Insurance, Work Compensation Self Insurance, Facilities, Information Services, and Equipment Rental funds.

### 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; 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 1<sup>st</sup>. 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 31<sup>st</sup>, 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
<b>Governmental Funds</b>			
General Fund	\$ 85,605,016	\$ 28,189,952	\$ 113,794,968
Total Governmental Funds	<u>85,605,016</u>	<u>28,189,952</u>	<u>113,794,968</u>
<b>Special Revenue Funds:</b>			
Local Street	\$ 1,664,500	\$ 2,622,557	\$ 4,287,057
Arterial Street	5,892,400	6,060,168	11,952,568
Hotel/Motel Tax	177,110	-	177,110
Arterial Street Preservation	2,135,000	5,707,385	7,842,385
Drug Forfeiture Fund	356,531	97,600	454,131
American Rescue Plan Fund	-	6,036,766	6,036,766
Housing and Community Development	600,000	744,900	1,344,900
Business Improvement Area	90,000	-	90,000
Cumulative Reserve	1,950,000	492,200	2,442,200
Mitigation Fees	5,851,450	1,438,344	7,289,794
Total Special Revenue Funds	<u>18,716,991</u>	<u>23,199,920</u>	<u>41,916,911</u>
<b>Total Budgeted Funds</b>	<u>\$104,322,007</u>	<u>\$ 51,389,872</u>	<u>\$ 155,711,879</u>

For managerial purposes, the City of Auburn treats the General Fund, Cumulative Reserve Fund, and Fire Pension Fund separately. However, for reporting purposes, these funds are presented in combination with the general fund. The General Fund Statements of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual compares only the General Fund as adopted in the budget along with the related revenues and expenditures. It does not include the budget or actual data for the Cumulative Reserve Fund and the Fire Pension Fund. The Statements of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual is also presented for the Cumulative Reserve Fund and Fire Pension Fund under the section Other Supplementary Information.

**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, 2022, the Washington State Local Government Investment Pool (LGIP) was holding \$148,256,429 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 3). 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 consists 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 4.

## 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 5.

## 5. Inventories and Prepaid Expenses

Government fund types recognize the cost of inventory items and prepaid expenses (expenses that benefit future periods) as assets at the time of purchase. Once the inventory items have been consumed or goods and services associated with the prepaid items have been received, expenditure is recognized. 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 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	10 - 50 years
Other Improvements	\$5,000	Straight-line	10 - 50 years
Equipment/Machinery	\$5,000	Straight-line	3 - 20 years
Infrastructure	\$5,000	Straight-line	5 - 75 years
Utility Plant	\$5,000	Straight-Line	25 - 50 years

Depreciation for intangibles is computed on the straight-line method over the estimated useful life of 3 - 50 years. At the inception of 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.

The net pension assets, deferred outflows, net pension liabilities and deferred inflows of the various pension plans are allocated on the proprietary fund statements and government-wide statements based on the number of City employees by fund participating in the plans. Since PERS 1 and LEOFF1 are closed plans, PERS 1 is allocated using the PERS 2/3 allocation percentages. LEOFF 1 is 100percent police.

Related restricted net position of the net pension asset is calculated using the GASB preferred method which is equal to the net pension asset balance, excluding deferred inflows and deferred outflows.

**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 represents 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. In order to calculate the amounts to be reported as restricted net position and unrestricted net position a flow assumption is made. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position.

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, 2022:

Governmental Fund Balances  
December 31, 2022

	General Fund	Major			Other Governmental Funds	Total Governmental Funds
		Arterial Street Fund	Capital Improvement Fund	Mitigation Fees Fund		
<b>Nonspendable</b>						
Inventory and Prepays	\$ 57,740	\$ -	\$ -	\$ -	\$ 95,000	\$ 152,740
Cemetery Endowment	-	-	-	-	2,070,670	2,070,670
Total Nonspendable	57,740	-	-	-	2,165,670	2,223,410
<b>Restricted</b>						
Major Street Construction	-	2,350,156	-	-	-	2,350,156
REET 1 Allowable Projects	-	-	8,548,261	-	-	8,548,261
REET 2 Allowable Projects	-	-	6,863,404	-	-	6,863,404
Arterial Street Preservation Fund	-	-	-	-	2,566,155	2,566,155
Parks and Trails Construction Projects	-	-	-	-	1,369,732	1,369,732
City Tourism Promotion	-	-	-	-	464,299	464,299
Drug Investigation and Enforcement	-	-	-	-	1,116,248	1,116,248
Community Development Block Grant Program	-	-	-	-	42,904	42,904
Recreational Trail Development	-	-	-	-	95,794	95,794
Downtown Business Area Improvements	-	-	-	-	38,695	38,695
Street and Fire Service Mitigation Fees	-	-	-	15,750,083	-	15,750,083
Debt Service	-	-	-	-	1,702	1,702
Total Restricted	-	2,350,156	15,411,665	15,750,083	5,695,529	39,207,433
<b>Committed</b>						
Local Street Improvements (Save our Streets)	-	-	-	-	3,320,024	3,320,024
Cumulative Reserve	1,311,450	-	-	-	-	1,311,450
Arterial Street Preservation	-	-	-	-	899,932	899,932
Total Committed	1,311,450	-	-	-	4,219,956	5,531,406
<b>Assigned</b>						
Appropriations Over Estimated Revenue	10,801,447	-	-	-	-	10,801,447
Arterial Street Preservation Fund	-	-	722,705	-	46,852	769,557
Drug Investigation and Enforcement	-	-	-	-	20,767	20,767
Recreation Trail Development	-	-	-	-	1,375	1,375
Downtown Business Area Improvements	-	-	-	-	2,246	2,246
Local Street Improvements	-	-	-	-	43,472	43,472
School Administration Fees	-	-	-	99,539	-	99,539
Cemetery Capital Enhancement and Maintenance	-	-	-	-	130,635	130,635
Downtown Infrastructure Improvements	-	-	-	-	272,819	272,819
Debt Service	-	-	-	-	460,163	460,163
Total Assigned	10,801,447	-	722,705	99,539	978,329	12,602,020
<b>Unassigned</b>						
Unassigned	46,001,244	-	-	-	-	46,001,244
Total Unassigned	46,001,244	-	-	-	-	46,001,244
<b>Total Fund Balances</b>	<b>\$ 58,171,881</b>	<b>\$ 2,350,156</b>	<b>\$ 16,134,370</b>	<b>\$ 15,849,622</b>	<b>\$ 13,059,484</b>	<b>\$ 105,565,513</b>

**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 – DEPOSITS AND INVESTMENTS**

**A. Deposits**

On December 31, 2022, the carrying amount of the City's cash demand deposits with Key Bank totaled \$26,413,399 while the bank balance was \$26,551,975. In addition, the balance of the City's interest-bearing checking account with Pacific Premier Bank totaled \$10,692,324. 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.

**B. Investments**

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.

*Investments that are not Measured at Fair Value*

On December 31, 2022, the City had the following investments amortized, at cost:

Investment Type	Amortized Cost
State investment pool (LGIP)	\$ 148,256,429
	<u>\$ 148,256,429</u>

The City participates in the Local Government Investment Pool (LGIP). 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. All temporary investments such as the State Investment Pool are stated at amortized cost.

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

*Investments Measured at Fair Value*

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.

As of December 31, 2022, the City had the following investments measured at fair value:

Investments by Fair Value Level	12/31/2022	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	\$ 23,763,500	\$ 23,763,500	\$ -	\$ -
<b>Total Investments by Fair Value Level</b>	<b>\$ 23,763,500</b>	<b>\$ 23,763,500</b>	<b>\$ -</b>	<b>\$ -</b>

The following is a reconciliation of the City’s total cash and investments to the Government-Wide Statement of Net Position as of December 31, 2022:

Cash and Investments	
Reconciliation to the Government-Wide Statement of Net Position	
Cash and Cash Equivalents	\$ 149,889,494
Investments	23,763,500
Temporarily Restricted:	
Cash and Cash Equivalents	30,969,576
Permanently Restricted:	
Cash and Cash Equivalents	2,070,670
<b>Total</b>	<b>\$ 206,693,240</b>
Bank Deposits	\$ 37,105,724
Investments not measured at fair value	148,256,429
Investments measured at fair value	23,763,500
Petty Cash Funds	18,800
Less: cash held in custodial funds	(2,451,213)
<b>Total</b>	<b>\$ 206,693,240</b>

*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 limit 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, 2022

	State Investment Pool	U.S. Agency	Total
Governmental Funds	\$ -	\$ 19,196,650	\$ 19,196,650
Enterprise Funds	-	4,566,850	4,566,850
Local Government Investment Pool	148,256,429	-	148,256,429
Total	<u>\$ 148,256,429</u>	<u>\$ 23,763,500</u>	<u>\$ 172,019,929</u>

**NOTE 3 – PROPERTY TAXES**

Property taxes received during tax year 2022 were \$24,637,908 including collection of prior year delinquent assessments. Property taxes assessed for collection in tax year 2022 were based on a regular tax levy of \$1.76739 per \$1,000 on a total 2021 assessed value of \$14,386,393,795.

For levy year 2022, to be received in 2023, the City’s regular tax levy is \$1.66241 per \$1,000 on a 2022 assessed valuation of \$17,563,516,672 as of December 31, 2022, for a total regular levy of \$24,110,666. 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, 2022, 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	\$ 263,452,750	\$ 175,635,167	\$ 439,087,917	\$ 439,087,917	\$ 1,317,263,751
Outstanding indebtedness	(36,525,340)	-	-	-	(36,525,340)
Margin available	<u>\$ 226,927,410</u>	<u>\$ 175,635,167</u>	<u>\$ 439,087,917</u>	<u>\$ 439,087,917</u>	<u>\$ 1,280,738,411</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 4 – 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, and to transfer special revenues towards allowable projects and programs. All transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer. Interfund transfers for the year ended December 31, 2022, were as follows:

	Transfer From										Total
	General Fund	Capital Improvement Fund	American Rescue Plan Act Fund	Mitigation Fund	Non-major Governmental Funds	Water Fund	Sanitary Sewer	Storm Drainage	Non-major Enterprise Funds	Internal Service Funds	
<b>Transfer To</b> General Fund	-	-	2,957,500	-	2,153	-	-	74,000	-	-	3,033,653
Capital Improvement Fund	419,731	-	-	1,312,453	-	-	-	-	-	158,845	1,891,028
Arterial Street Fund	353,661	-	-	759,229	-	-	-	-	-	-	1,112,890
Non-major Governmental Funds	412,467	2,649,545	-	45,453	-	50,000	50,000	50,000	-	553,500	3,810,965
Internal Service Funds	78,000	166,352	-	-	-	46,339	9,555	9,555	15,000	86,000	410,801
<b>Total</b>	<b>1,263,858</b>	<b>2,815,897</b>	<b>2,957,500</b>	<b>2,117,135</b>	<b>2,153</b>	<b>96,339</b>	<b>59,555</b>	<b>133,555</b>	<b>15,000</b>	<b>798,345</b>	<b>10,259,337</b>

The City made the following transfers during the year ending December 31, 2022:

**General Fund:**

- \$404,532 to the Capital Improvement fund for the purchase of the Max House property.
- \$370,990 to the 2016 Combined Refunding fund for Golf/Cemetery debt service payments.
- \$353,661 to the Arterial Streets fund for the 2022 Channelization project.
- \$75,000 to the Equipment Rental Capital Projects fund for cost overruns on vehicles purchased in 2021.
- \$41,477 to the Local Revitalization fund for the City-owned Parking Lot Improvements project.
- \$15,199 to the Capital Improvement fund for the Auburn Arts and Culture Center Renovation project.
- \$3,000 to the Innovation and Technology fund for equipment for a new Outreach Coordinator position.

**Capital Improvement Fund:**

- \$1,660,935 to the Local Street fund to support multiple capital projects.
- \$777,200 to the 2020 LTGO A&B Refunding Bonds fund for debt service payments.
- \$211,410 to the Municipal Parks Construction fund to support the Community Center Parking Lot Improvement and Fairway Drainage Improvement projects.
- \$148,960 to the Facilities fund for repairs and maintenance to the Arts and Culture Center roof.
- \$17,392 to the Equipment Rental Capital Projects fund for the M&O Facilities Improvements project.

**American Rescue Plan Act Fund:**

- \$2,957,500 to the General Fund to mitigate public safety expenses.

**Mitigation Fund:**

- \$759,229 to the Arterial Streets fund to support multiple capital projects.
- \$45,453 to the Municipal Parks Construction fund for the Cedar Lanes Pump Track project.
- \$1,312,453 to the Capital Improvement fund support the Arts and Culture Center Renovation, Downtown Plaza Park, and 104<sup>th</sup> Avenue Park Development projects.

Non-major Governmental Funds:

- \$2,153 from the Local Improvement District #350 fund to the General Fund, in order to close out the fund.

Water Fund:

- \$50,000 to the Local Street fund for utility trench mitigation.
- \$35,500 to the Equipment Rental Capital Projects fund for cost overruns on vehicles purchased in 2021.
- \$10,839 to the Equipment Rental Capital Projects fund for the M&O Facilities Improvements project.

Sanitary Sewer:

- \$50,000 to the Local Street fund for utility trench mitigation.
- \$9,555 to the Equipment Rental Capital Projects fund for the M&O Facilities Improvements project.

Storm Drainage:

- \$74,000 to the General Fund for median maintenance.
- \$50,000 to the Local Street fund for utility trench mitigation.
- \$9,555 to the Equipment Rental Capital Projects fund for the M&O Facilities Improvements project.

Non-Major Enterprise Funds:

- \$15,000 from the Cemetery fund to the Equipment Rental and Replacement fund for the purchase of a new Gator vehicle.

Internal Service Funds:

- \$553,500 from the Facilities fund to the 2020 LTGO A&B Refunding Bonds fund for debt service payments.
- \$158,845 from the Facilities fund to the Capital Improvement fund for HVAC repair and replacement.
- \$86,000 of transfers between Internal Service funds for cost overruns on vehicles purchased in 2021.

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	1/1/2022	New Loans	Repayments	12/31/2022
Housing & Comm. Dev.	General Fund	\$ 150,000	\$ -	\$ -	\$ 150,000
Total interfund loans		<u>\$ 150,000</u>	<u>\$ -</u>	<u>\$ -</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.

**NOTE 5 – DUE FROM OTHER GOVERNMENTAL UNITS**

As of December 31, 2022, the City had receivables due from other governmental units as follows:

<b>Due from Other Governmental Units</b>	
<b>General Fund:</b>	
Association of Washington Cities	105,528
Auburn School District	84,165
King Conservation District -Farmers Market	20,199
King County District Court	359,062
King County -Real Estate Excise Taxes	220,176
King County Sheriffs - Registered Sex Offender Grant	3,744
King County VSHS Levy grant	64,896
Muckleshoot Indian Tribe	539,508
City of Kent-VNET	1,168
Pierce County - Real Estate Excise Taxes	19,503
Seattle Police Dept -US Department of Justice JAG Grant	40,006
US Department of Justice -Bulletproof Vest Program	16,023
US Department of Justice -COPS Hiring Program	7,252
WA Association of Sheriffs and Police Chiefs	22,603
WA Dept. of Transportation -CTR Program	6,985
WA State Criminal Justice Training	17,663
WA State Department of Commerce - Grants	30,000
WA State Military Department -EMPG Grant	20,483
WA State Treasurer - Sales Taxes	1,830,019
Total General Fund	<u>3,408,983</u>
<b>Arterial Street Fund:</b>	
King County Wastewater Treatment Division	14,469
Sound Transit	395,994
WA Dept. of Transportation - Arterial Street Improvements	1,131,566
Total Arterial Street Fund	<u>1,542,029</u>
<b>Arterial Street Preservation Fund:</b>	
WA State Transportation Improvement Board - Arterial Street Imp.	596,419
WA Dept. of Transportation - Arterial Street Preservation	232,854
Total Arterial Street Preservation Fund	<u>829,273</u>
<b>Drug Forfeiture Fund:</b>	
City of Puyallup -TNET	9,314
Pierce County Sheriff's Department -TNET	10,348
Total Drug Forfeiture Fund	19,662
<b>Housing &amp; Community Development:</b>	
U.S. Dept. of Housing - Community Development Block Grant -COVID1	24,895
U.S. Dept. of Housing - Community Development Block Grant	78,920
WA State Department of Commerce- CDBG-CV2 grant	110,959
Total Housing & Community Development Fund	<u>214,774</u>
<b>Municipal Park Construction:</b>	
King County Finance-Grants	180,824
Total Municipal Park Construction Fund	<u>180,824</u>
<b>General Government Capital Improvements:</b>	
Pierce County - Real Estate Excise Taxes	16,616
WA Dept. of Transportation - Sidewalk Improvements	37,466
WA State Department of Commerce	2,011
Total General Government Capital Improvements Fund	<u>56,093</u>
<b>Storm Drainage Fund:</b>	
City of Algona	14,323
City of Pacific	9,025
Pierce County Flood Control District -Capital Improvments	48,928
WA State Department of Ecology -Grant	50,000
Total Storm Drainage Fund	<u>122,276</u>
<b>Solid Waste Fund:</b>	
City of Algona	2,520
King County - Waste reduction and recycling grant	46,129
Seattle King County Public Health	47,402
WA State Department of Ecology - Grant	21,106
Total Solid Waste fund	<u>117,156</u>
<b>Airport Fund</b>	
Federal Aviation Administration -Grant	116,772
WA Dept. of Transportation -Grant	15,769
Total Airport Capital fund	<u>132,541</u>
<b>Facilities Fund:</b>	
City of Federal Way	18,750
Total Airport Capital fund	<u>18,750</u>
<b>Information Services Fund:</b>	
City of Algona	2,265
City of Pacific	325
Valley Regional Fire Authority	750
Total Information Services fund	<u>3,340</u>
<b>Equipment Rental Fund:</b>	
Auburn School District	133,728
Total Information Services fund	<u>133,728</u>
<b>Total</b>	<u><u>6,779,429</u></u>
<b>Reconciliation to government-wide statement of net position:</b>	
Total due from other governmental units, government-wide statement of net position	<u><u>6,779,429</u></u>

**NOTE 6 – CAPITAL ASSETS AND RIGHT TO USE ASSETS**

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

**Schedule of Asset Activity**

	Capital Assets			
	Balance 1/1/22	Increases	Decreases/ Adjustments	Balance 12/31/22
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 109,092,635	\$ 623,465	\$ (1,342,682)	\$ 108,373,418
Construction in progress	4,807,230	8,996,475	(4,776,316)	9,027,389
Total capital assets, not being depreciated	113,899,865	9,619,940	(6,118,998)	117,400,807
Capital assets, being depreciated:				
Buildings	74,327,862	41,397	(272,898)	74,096,361
Improvements other than buildings	28,283,072	774,170	-	29,057,242
Machinery and equipment	33,575,763	2,430,757	(824,364)	35,182,156
Intangibles	564,093	-	-	564,093
Infrastructure	446,219,070	10,185,777	-	456,404,847
Total capital assets being depreciated	582,969,860	13,432,101	(1,097,262)	595,304,699
Less: accumulated depreciation for:				
Buildings	(26,873,585)	(1,511,203)	272,897	(28,111,891)
Improvements other than buildings	(18,334,779)	(892,196)	-	(19,226,975)
Machinery and equipment	(24,255,433)	(2,039,929)	673,034	(25,622,328)
Intangibles	(54,700)	(4,935)	-	(59,635)
Infrastructure	(228,503,167)	(15,900,663)	-	(244,403,830)
Total accumulated depreciation	(298,021,663)	(20,348,928)	945,932	(317,424,659)
Total capital assets, being depreciated, net	284,948,197	(6,916,827)	(151,330)	277,880,039
Governmental activities capital assets, net	\$ 398,848,062	\$ 2,703,113	\$ (6,270,329)	\$ 395,280,846
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 12,938,077	\$ 239,368	\$ -	\$ 13,177,445
Water Rights	7,823,968	934,805	-	8,758,773
Construction in progress	8,797,449	13,103,338	(13,125,558)	8,775,229
Total capital assets, not being depreciated	29,559,494	14,277,511	(13,125,558)	30,711,447
Capital assets, being depreciated:				
Buildings	6,085,435	-	-	6,085,435
Improvements other than buildings	377,655,039	13,501,252	(3)	391,156,288
Machinery and equipment	2,608,134	-	(9,420)	2,598,714
Total capital assets being depreciated	386,348,609	13,501,252	(9,423)	399,840,437
Less: accumulated depreciation for:				
Buildings	(4,504,348)	(99,795)	-	(4,604,142)
Improvements other than buildings	(149,755,161)	(8,321,113)	-	(158,076,274)
Machinery and equipment	(2,377,318)	(46,168)	7,420	(2,416,066)
Total accumulated depreciation	(156,636,826)	(8,467,076)	7,420	(165,096,482)
Total capital assets, being depreciated, net	229,711,783	5,034,176	(2,003)	234,743,955
Business-type activities capital assets, net	\$ 259,271,276	\$ 19,311,687	\$ (13,127,561)	\$ 265,455,402

## Schedule of Asset Activity - Continued

	Right of Use Assets (Leases)			
	Balance 1/1/22	Increases	Decreases/ Adjustments	Balance 12/31/22
<b>Governmental activities:</b>				
Lease assets, being amortized:				
Buildings	\$ 4,685,125	\$ -	\$ -	\$ 4,685,125
Machinery and equipment	10,232	216,734	-	226,966
Total lease assets being amortized	4,695,357	216,734	-	4,912,091
Less: accumulated amortization for:				
Buildings	-	(257,896)	-	(257,896)
Machinery and equipment	-	(18,827)	-	(18,827)
Total accumulated amortization	-	(276,723)	-	(276,723)
Total lease assets, being amortized, net	4,695,357	(59,989)	-	4,635,368
Governmental activities lease assets, net	<u>\$ 4,695,357</u>	<u>\$ (59,989)</u>	<u>\$ -</u>	<u>\$ 4,635,368</u>

The beginning balances for leased assets have been restated. No lease activity is qualified to be recognized as intangible asset under the business-type activities.

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

<b>Governmental activities:</b>	
General Government	\$ 1,127,325
Public Safety	1,031,711
Transportation	14,801,386
Health and Human Services	257,896
Culture and Recreation	1,410,794
Capital assets held by the City's internal service funds are charged to the various functions based on their usage of the assets	1,996,538
Total depreciation/amortization expense - governmental activities	<u>\$ 20,625,650</u>
<b>Business-type activities:</b>	
Water	\$ 3,533,926
Sanitary Sewer	2,478,902
Storm Water	1,837,459
Solid Waste	-
Airport	580,297
Cemetery	36,492
Total depreciation expense - business-type activities	<u>\$ 8,467,076</u>

To comply with the provisions of GASB statements No. 87, the corresponding intangible lease assets and liabilities have been identified. The following discloses additional information for the lease agreements classified under governmental activities. As of December 31, 2022, there were three separate agreements with lessors as listed in the following table.

	<b>Lessor:</b>			Total
	Feenix Parkside LLC	Sharp Business Systems	Pitney Bowes Inc.	
<b>Asset Information:</b>				
Value of the Right to Use Asset	\$ 4,685,125	\$ 216,734	\$ 10,232	\$ 4,912,091
Accumulated Amortization	(257,896)	(10,660)	(8,167)	(276,723)
Book Value	\$ 4,427,229	\$ 206,074	\$ 2,065	\$ 4,635,368
<b>Liability Information:</b>				
Lease Liability (Note 7)	\$ 4,467,116	\$ 199,575	\$ 2,048	\$ 4,668,739
Payment	22,866	40,024	2,048	
Non-lease Portion	-	18,864	-	
Interest Rate	1.4810%	2.1567%	0.2383%	
<b>Other Information:</b>				
Underlying Asset	Building	Equipment	Equipment	
Payment Frequency	Monthly	Semi Annual	Quarterly	
Lease Contract Date	January 2020	May 2022	April 2018	
Lease Commencement Date	February 2020	May 2022	April 2018	
Lease End Date	February 2040	October 2027	April 2023	
Payment Type	Fixed	Fixed	Fixed	
Lease Description	22,308 square feet of rentable area	Right to use copy machines	Relay 2000 Inserter machine	

There were no commitments under leases before the commencement of the lease terms.

## NOTE 7 – 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, 2022, is \$1,081,209.
- 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.

**Pension and OPEB liabilities** are generally liquidated by funds that have employees.

**Lease liabilities** are recognized in accordance with GASB statement No. 87. This Statement requires lessees to recognize and measure transactions as leases, including recognition of a lease liability at the present value of future lease payments expected to be made during the lease term, which represent the obligations of the lessee under the lease contract. As of December 31, 2022, the lease liabilities were limited only to governmental activities.

The following schedules summarize the long-term debt transactions of the City for the year ended December 31, 2022. The first table summarizes all debt transactions for Auburn, while the second provides information on debt requirements to maturity. Additional schedules reflect the reconciliation of debt by fund type, and detailed information on all long-term debt.

### CHANGES IN LONG-TERM LIABILITIES SUMMARY

	Long-term liabilities payable 12/31/21		Additions	Reductions	Long-term liabilities payable 12/31/22	
<b>Governmental Activities</b>						
General Obligation	\$	19,013,767	\$ -	\$ (1,082,558)	\$	17,931,209
Lease Liability		4,695,357	216,609	(243,227)		4,668,739
Due To Other Governments		16,558,066	-	(669,101)		15,888,965
Public Works Trust Fund Loans		2,902,542	-	(197,376)		2,705,166
Employee Leave Benefit		3,712,317	2,960,792	(2,634,975)		4,038,134
Other Post Employment Benefits		13,370,311	261,571	(2,675,725)		10,956,157
Net Pension Liability		1,026,840	1,854,544	-		2,881,384
Firemen's Pension Liability		3,049,730	59,120	(610,572)		2,498,278
Premium		3,584,343	-	(219,504)		3,364,839
Total Governmental Activities		67,913,273	5,352,636	(8,333,038)		64,932,870
<b>Business-Type Activities</b>						
Revenue Bonds		29,510,000	-	(1,940,000)		27,570,000
Employee Leave Benefits		809,515	617,818	(584,709)		842,624
Net Pension Liability		1,136,662	896,473	0.00		2,033,135
Public Works Trust Fund & Drinking Water Loans		3,584,955	-	(539,176.00)		3,045,779
Premium		5,621,084	-	(468,969)		5,152,115
Total Business-Type Activities		40,662,216	1,514,291	(3,532,854)		38,643,653
Total All Funds	\$	108,575,489	\$ 6,866,927	\$ (11,865,892)	\$	103,576,523

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

### DEBT SERVICE REQUIREMENT TO MATURITY

#### Governmental Activities

Year	General Obligation Bonds <sup>(1)</sup>		Lease Liability		Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 1,818,039	\$ 1,425,906	\$ 262,717	\$ 68,760	\$ 197,376	\$ 7,969
2024	1,890,575	1,353,809	272,041	64,564	197,376	7,274
2025	1,969,116	1,278,685	277,579	60,228	197,376	6,580
2026	1,674,644	1,192,532	281,988	55,818	197,376	5,885
2027	1,754,825	1,108,800	286,469	51,338	197,376	5,191
2028-2032	10,136,238	4,176,910	1,279,976	197,455	665,348	17,951
2033-2037	11,200,764	1,877,138	1,378,293	99,138	584,966	10,237
2038-2042	3,375,973	163,580	629,675	10,545	467,972	2,925
Total	\$ 33,820,174	\$ 12,577,360	\$ 4,668,739	\$ 607,847	\$ 2,705,166	\$ 64,012

<sup>(1)</sup> Includes Due to Other Governments.

#### Business Type Activities

Year	Revenue Bonds		Loans	
	Principal	Interest	Principal	Interest
2023	\$ 2,030,000	\$ 1,256,350	\$ 513,062	\$ 13,001
2024	2,125,000	1,160,400	513,062	10,529
2025	2,225,000	1,059,900	405,218	8,058
2026	2,325,000	954,650	405,218	6,119
2027	2,435,000	844,600	194,538	4,193
2028-2032	10,850,000	2,459,300	972,688	12,319
2033-2037	3,825,000	822,000	29,995	2,625
2038-2042	1,755,000	106,000	11,998	313
Total	\$ 27,570,000	\$ 8,663,200	\$ 3,045,777	\$ 57,156

**CHANGES IN LONG-TERM LIABILITIES**

Issue Name	Interest Rates	Maturity Date	Original Amount <sup>(2)</sup>	Principal Installments	Balance 12/31/21	Additions	Reductions	Balance 12/31/22	Due Within One Year
<b>GOVERNMENTAL DEBT</b>									
<u>General Obligation Bonds:</u>									
LTGO Refunding 2016	1.64 -1.64%	12/1/2025	\$ 3,166,930	\$71,470 - \$366,159	\$ 1,428,767	\$ -	\$ (347,558)	\$ 1,081,209	\$ 352,733
LTGO Refunding 2020A (LTGO 2010B)	4.00-5.00%	12/1/2039	15,010,000	\$480,000 - \$1,045,000	13,665,000	-	(505,000)	13,160,000	530,000
LTGO Refunding 2020B (LTGO 2010D)	4.00-5.00%	12/1/2034	4,470,000	\$71,470 - \$366,159	3,920,000	-	(230,000)	3,690,000	240,000
Total General Obligation Bonds			22,646,930		19,013,767	-	(1,082,558)	17,931,209	1,122,733
<u>Leases:</u>									
Feenix Parkside LLC <sup>(1)</sup>	1.4810%		4,685,125		4,685,125		(218,009)	4,467,116	222,448
Sharp Business Systems <sup>(1)</sup>	2.1567%		216,609		-	216,609	(17,034)	199,575	38,221
Pitney Bowes Inc. <sup>(1)</sup>	0.2383%		10,232		10,232		(8,184)	2,048	2,048
Total Lease Liability			4,911,966		4,695,357	216,609	(243,227)	4,668,739	262,717
<u>Employee Leave Benefits:</u>									
Compensated absences					3,712,317	2,960,792	(2,634,975)	4,038,134	2,918,535
<u>Other Post Employment Benefits:</u>									
LEOFF 1					13,370,311	261,571	(2,675,725)	10,956,157	455,000
<u>Pensions:</u>									
Net Pension Liability					1,026,840	1,854,544	-	2,881,384	2,881,384
Firemen's Pension Liability					3,049,730	59,120	(610,572)	2,498,278	-
<u>Public Works Trust Fund Loans:</u>									
PWTF 2008	0.50%	7/1/2028	1,527,273	\$80,383	562,679	-	(80,383)	482,296	80,383
PWTF 2012	0.50%	6/1/2041	3,284,857	\$116,993	2,339,863	-	(116,993)	2,222,870	116,993
Total Public Works Trust Fund Loans			4,812,130		2,902,542	-	(197,376)	2,705,166	197,376
Premium Related to Debt					3,584,343	-	(219,504)	3,364,838	-
<b>Total Governmental</b>			<b>\$ 27,459,060</b>		<b>\$ 51,355,207</b>	<b>\$ 5,352,636</b>	<b>\$ (7,663,937)</b>	<b>\$ 49,043,905</b>	<b>\$ 7,837,745</b>
<b>BUSINESS-TYPE DEBT</b>									
<u>Revenue Bonds:</u>									
Utility sys bonds 2013 <sup>(2)</sup>	0.38-4.00%	12/1/2032	11,415,000	\$335,000 - \$785,000	7,165,000	-	(530,000)	6,635,000	555,000
Utility sys refunding bonds 2020 (2010 Bonds)	5%	12/1/2030	11,835,000	\$950,000 - \$1,450,000	10,885,000	-	(995,000)	9,890,000	1,040,000
Utility sys bonds 2020 <sup>(2)</sup>	4.00-5.00%	12/1/2039	12,030,000	\$175,000 - \$895,000	11,460,000	-	(415,000)	11,045,000	435,000
Total Revenue Bonds			35,280,000		29,510,000	-	(1,940,000)	27,570,000	2,030,000
<u>Employee Leave Benefits:</u>									
Compensated absences					809,515	617,818	(584,709)	842,624	609,001
<u>Net Pension Liability</u>					1,136,662	896,473		2,033,135	2,033,135
<u>Public Works Trust Fund &amp; Drinking Water Loans:</u>									
PWTF 2002	1.00%	7/1/2022	641,250	\$26,115	26,115	-	(26,115)	-	-
PWTF 2004	0.50%	7/1/2024	2,049,036	\$107,844	323,532	-	(107,844)	\$ 215,688	107,844
PWTF 2006	0.50%	7/1/2026	3,325,000	\$180,418	902,090	-	(180,418)	\$ 721,672	180,418
PWTF 2013	2.00%	6/1/2032	3,325,000	\$188,538	2,073,924	-	(188,538)	\$ 1,885,385	188,538
DWSRF 2016 <sup>(3)</sup>	1.50%	10/1/2026	248,066	\$30,262	151,312	-	(30,262)	\$ 121,050	30,262
DWSRF 2020	1.75%	10/1/2039	3,030,000	\$5,999	107,983	-	(5,999)	\$ 101,984	5,999
Total Public Works Trust Fund & Drinking Water Loans			12,618,352		3,584,955	-	(539,176)	3,045,779	513,061
Premium Related to Debt					5,621,084	-	(468,969)	\$ 5,152,115	-
<b>Total Proprietary</b>			<b>\$ 47,898,352</b>		<b>\$ 40,662,216</b>	<b>\$ 1,514,291</b>	<b>\$ (3,532,854)</b>	<b>\$ 38,643,653</b>	<b>\$ 5,185,197</b>
<b>Total All Funds</b>			<b>\$ 75,357,412</b>		<b>\$ 92,017,423</b>	<b>\$ 6,866,927</b>	<b>\$ (11,196,791)</b>	<b>\$ 87,687,558</b>	<b>\$ 13,022,942</b>

<sup>(1)</sup> The beginning balances have been restated to comply with GASB Statement No. 87.

<sup>(2)</sup> Subject to federal arbitrage compliance rules.

<sup>(3)</sup> 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 12/31/21	Additions	Reductions	Balance 12/31/22	Due Within One Year
<b>GOVERNMENTAL DEBT:</b>									
<u>General Obligation Bonds:</u>									
SCORE Refunding Bonds 2019	3.00-5.00%	12/1/2038	17,838,617	\$637,655 - \$1,325,973	16,558,066	-	(669,101)	15,888,965	695,306
<b>Total General Obligation Bonds</b>									
<b>Due Other Governments</b>			<u>\$ 17,838,617</u>		<u>\$ 16,558,066</u>	<u>\$ -</u>	<u>\$ (669,101)</u>	<u>\$ 15,888,965</u>	<u>\$ 695,306</u>

**LONG-TERM LIABILITIES RECONCILIATION**

	Enterprise Funds	Governmental Funds	12/31/22
Liabilities payable from restricted assets:			
Revenue bonds	\$ 2,176,444	\$ -	\$ 2,176,444
Long-term bonds payable:			
General obligation bonds	-	17,931,209	17,931,209
Revenue bonds	25,393,556	-	25,393,556
Lease Liability		4,668,739	4,668,739
Public Works Trust Fund loans	3,045,779	2,705,166	5,750,945
Due to Other Governments	-	15,888,965	15,888,965
Employee leave benefits	842,624	4,038,134	4,880,758
Other Post Employment Benefits	-	10,956,157	10,956,157
Net Pension Liability	2,033,135	2,881,384	4,914,519
Firemen's Pension Liability	-	2,498,278	2,498,278
Premium	5,152,115	3,364,838	8,516,953
<b>Total long-term debt</b>	<u>\$ 38,643,653</u>	<u>\$ 64,932,870</u>	<u>\$ 103,576,523</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 2022 was 3.78. 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, 2022, is \$0 for its tax-exempt bond issues.

### NOTE 8 – PENSION PLANS

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

Aggregate Pension Amounts - All State Administered Plans	
Pension liabilities	\$ (4,914,519)
Pension assets	\$ 21,209,165
Deferred outflows of resources	\$ 14,365,765
Deferred inflows of resources	\$ (13,764,395)
Pension expense/expenditures	\$ 978,064

#### State Sponsored Pension Plans

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

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

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

Or the DRS Annual Comprehensive Financial Report may be downloaded from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov).

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

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

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

the Department of Labor and Industries. PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions

The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2022 were as follows:

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

\* 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 one 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 2022 were as follows:

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

\* For employees participating in JBM, the contribution rate was 15.90%

The City’s actual PERS plan contributions were \$1,121,072 to PERS Plan 1 and \$1,897,746 to PERS Plan 2/3 for the year ended December 31, 2022.

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

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

**LEOFF Plan 1** provides retirement, disability, and death benefits. Retirement benefits are determined per year of service calculated as a percent of final average salary (FAS) as follows:

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

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

Contributions

Starting on July 1, 2000, **LEOFF Plan 1** employers and employees contribute zero percent, as long as the plan remains fully funded. The LEOFF Plan 1 had no required employer or employee contributions for fiscal year 2022. Employers paid only the administrative expense of 0.18 percent of covered payroll.

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

Contributions

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

Effective July 1, 2017, when a LEOFF employer charges a fee or recovers costs for services rendered by a LEOFF 2 member to a non-LEOFF employer, the LEOFF employer must cover both the employer and state contributions on the LEOFF 2 basic salary earned for those services. The state contribution rate (expressed as a percentage of covered payroll) was 3.41% in 2022.

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

LEOFF Plan 2		
Actual Contribution Rates:	Employer	Employee
January – December 2022		
State and local governments	5.12%	8.53%
Administrative Fee	0.18%	
<b>Total</b>	<b>5.30%</b>	<b>8.53%</b>

The City’s actual contributions to the plan were \$782,428 for the year ended December 31, 2022.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For the state fiscal year ending June 30, 2022, the state contributed \$81,388,085 to LEOFF Plan 2. The amount recognized by the City as its proportionate share of this amount is \$492,487.

**Actuarial Assumptions**

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2022 with a valuation date of June 30, 2021. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary’s (OSA) *2013-2018 Demographic Experience Study* and the *2021 Economic Experience Study*.

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

- **Inflation:** 2.75% total economic inflation; 3.25% salary inflation

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

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

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

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

### **Discount Rate**

The discount rate used to measure the total pension liability for all DRS plans was 7.00 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 7.00 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 7.00 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, 2022, 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%	1.5%
Tangible Assets	7%	4.7%
Real Estate	18%	5.4%
Global Equity	32%	5.9%
Private Equity	23%	8.9%
	<b>100%</b>	

### 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 7.00 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 (6.00 percent) or 1-percentage point higher (8.00 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
PERS 1	\$ 6,565,730	\$ 4,914,519	\$ 3,473,399
PERS 2/3	10,054,070	(8,537,540)	(23,811,723)
LEOFF 1	(2,358,663)	(2,691,505)	(2,980,130)
LEOFF 2	\$ (459,574)	\$ (9,980,121)	\$ (17,771,874)

### Pension Plan Fiduciary Net Position

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

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

At June 30, 2022, the City reported its proportionate share of net pension liabilities as follows:

	Liability (Asset)
PERS 1	\$ (4,914,519)
PERS 2/3	8,537,540
LEOFF 1	2,691,505
LEOFF 2	\$ 9,980,121

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	\$ (2,691,505)	\$ (9,980,121)
State's proportionate share of the net pension asset associated with the employer	(18,205,272)	(6,464,905)
TOTAL	\$ (20,896,777)	\$ (16,445,026)

At June 30, 2022, the City's proportionate share of the collective net pension liabilities was as follows:

	Proportionate Share 6/30/21	Proportionate Share 6/30/22	Change in Proportion
PERS 1	0.177157%	0.176504%	(0.000653)%
PERS 2/3	0.227559%	0.230198%	0.002639%
LEOFF 1	0.095644%	0.093826%	(0.001818)%
LEOFF 2	0.379530%	0.367227%	(0.012303)%

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

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

In fiscal year 2022, the state of Washington contributed 39 percent of LEOFF 2 employer contributions pursuant to RCW 41.26.725 and all other employers contributed the remaining 61 percent of employer contributions.

### Pension Expense

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

	Pension Expense
PERS 1	\$ 2,234,087
PERS 2/3	(2,892,265)
LEOFF 1	(80,214)
LEOFF 2	1,716,456
TOTAL	\$ 978,064

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

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PERS 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on pension plan investments	\$	\$ (814,480)
Contributions subsequent to the measurement date	573,736	
<b>TOTAL</b>	<b>\$ 573,736</b>	<b>\$ (814,480)</b>

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,115,403	\$ (193,268)
Net difference between projected and actual investment earnings on pension plan investments		(6,311,866)
Changes of assumptions	4,758,500	(1,245,946)
Changes in proportion and differences between contributions and proportionate share of contributions	5,408	(258,233)
Contributions subsequent to the measurement date	959,454	
<b>TOTAL</b>	<b>\$ 7,838,764</b>	<b>\$ (8,009,312)</b>

LEOFF 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on pension plan investments	\$	\$ (336,072)
<b>TOTAL</b>	<b>\$</b>	<b>\$ (336,072)</b>

LEOFF 2	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,371,442	\$ (92,598)
Net difference between projected and actual investment earnings on pension plan investments		(3,341,727)
Changes of assumptions	2,528,247	(868,996)
Changes in proportion and differences between contributions and proportionate share of contributions	653,720	(301,211)
Contributions subsequent to the measurement date	399,856	
<b>TOTAL</b>	<b>\$ 5,953,264</b>	<b>\$ (4,604,531)</b>

Deferred outflows of resources related to pensions resulting from the City’s contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31	PERS 1	PERS 2/3	LEOFF 1	LEOFF 2
2023	\$ (344,671)	\$ (2,013,680)	\$ (142,336)	\$ (1,020,720)
2024	(313,051)	(1,804,114)	(128,877)	(880,955)
2025	(392,712)	(2,157,318)	(161,145)	(1,181,937)
2026	235,954	2,852,398	96,286	1,470,253
2027	-	998,423	-	443,862
Thereafter	\$ -	\$ 994,288	\$ -	\$ 2,118,374

**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 11 eligible inactive employees or their beneficiaries, of which 10 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 2022, \$104,661 was received from the state from taxes on fire insurance premiums, and \$33,944 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 2022:

Aggregate Pension Amounts – Fire Relief and Pension Plan	
Pension liabilities	\$ 2,498,278
Pension expense/expenditures	\$ (467,641)

**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, 2021 and the December 31, 2022 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, 2021	December 31, 2022
Discount Rate – municipal bond rate (average rating AA/Aa or higher)	2.00%	3.75%
Valuation Date	January 1, 2021	January 1, 2021
Measurement Date	December 31, 2021	December 31, 2022
Inflation	2.25%	2.25%
Salary Increases Including Inflation	3.25%	3.25%
Mortality	Pub-2010 Safety Mortality Table (headcount-weighted) with ages set back one year for males is used for healthy annuitants. Pub-2010 Safety Disabled Mortality Table is used for disabled annuitants. A blend of rates from Pub-2010 Mortality Tables for contingent annuitants and retirees is used for surviving spouses. Mortality rates are projected forward generationally using the ultimate rates in Projection Scale MP-2017.	Pub-2010 Safety Mortality Table (headcount-weighted) with ages set back one year for males is used for healthy annuitants. Pub-2010 Safety Disabled Mortality Table is used for disabled annuitants. A blend of rates from Pub-2010 Mortality Tables for contingent annuitants and retirees is used for surviving spouses. Mortality rates are projected forward generationally 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 2022:

Fire Relief and Pension Plan	Increase (Decrease) Total Pension Liability
Balances as of December 31, 2021	\$ 3,049,730
Changes for the year:	
Interest on total pension liability	59,120
Effect of assumptions, changes or inputs	(422,100)
Benefit payments *	(188,472)
Balances as of December 31, 2022	\$ 2,498,278

\* 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 3.75%, 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 (2.75%) or 1 percentage point higher (4.75%) than the current rate.

1% Decrease (2.75%)	Current Discount Rate (3.75%)	1% Increase (4.75%)
\$ 2,726,076	2,498,278	2,300,686

### 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, 2021 to December 31, 2021	January 1, 2022 to December 31, 2022
Interest on Total Pension Liability	\$ 69,409	\$ 59,120
Contributions From State Fire Insurance Premium Tax	(98,371)	(104,661)
Recognition of Deferred Inflows/Outflows of Resources:		
Recognition of Economic/Demographic Gains/Losses	(534,707)	0
Recognition of Assumption Changes or Inputs	138,062	(422,100)
Pension Expense	\$ (425,607)	\$ (467,641)

### Deferred Outflows/Inflows of Resources

As of December 31, 2022, there are no deferred outflows and inflows of resources.

## NOTE 9 – 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 2022:

Aggregate OPEB Amounts	
OPEB Liabilities	\$ 10,956,157
OPEB expense/expenditures	\$ (1,827,776)

### 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 and 41.18; 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, 2022, there are 34 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	34
Total	34

OPEB Liability

The actuarial valuation date is January 1, 2021. This is the date as of which the actuarial valuation was performed. The measurement date is December 31, 2022. 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, December 31, 2022. 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 3.72% as of December 31, 2022. Rounding this to the nearest ¼% results in a discount rate of 3.75% as of the December 31, 2022, measurement date.

A medical (healthcare) and dental trend rate of 4.70% along with a long-term care inflation rate of 4.5% and Medicare Part B trend rate of 14.50% were used in calculating the December 31, 2022, OPEB Liability.

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, 2022 OPEB Liability	\$ 9,832,143	\$ 10,956,157	\$ 12,254,339

The following presents the total OPEB liability of the City calculated using the discount rate of 3.75%, 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 (2.75%) or one percentage point higher (4.75%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
Total December 31, 2022 OPEB Liability	\$ 12,197,179	\$ 10,956,157	\$ 9,903,413

The following table represents the changes in total OPEB liability for 2022:

OPEB LEOFF Plan 1	Increase (Decrease) Total OPEB Liability
Balance as of December 31, 2021	\$ 13,370,311
Changes for the Year:	
Interest on Total OPEB Liability	261,571
Effect of Assumptions, Changes or Inputs	(2,089,347)
Expected Benefit Payments	(586,378)
Balance as of December 31, 2022	\$ 10,956,157

For the year ended December 31, 2022, the City recognized an OPEB expense of \$ (1,827,776).

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 10 – 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, 2022, 262 cities/towns/non-city entities participate and have enrollment 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, Willamette Dental Group, and Vision Service Plan. Eligible members are cities and towns within the state of Washington. Non-city entities (public agency, public corporation, intergovernmental agency, or political subdivision within the state of Washington) are eligible to apply for coverage into the AWC Trust HCP, submitting application to the Board of Trustees for review as required in the Trust Agreement.

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

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

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

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

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

**NOTE 11 – CONSTRUCTION COMMITMENTS**

At December 31, 2022, the City had the following contractual obligations on construction projects:

SCHEDULE OF OUTSTANDING CONSTRUCTION OBLIGATIONS  
As of December 31, 2022

	<u>Amount Outstanding</u>
Arterial Street Fund	\$1,001,078
Local Street Fund	36,412
Arterial Street Preservation Fund	556,664
Municipal Parks Construction	281,368
Capital Improvements	1,001,706
Water Capital Fund	660,218
Sewer Capital Fund	836,088
Storm Capital Fund	414,494
Airport Capital Fund	109,162
Equipment Rental Capital Fund	161,427
Total Commitments by Fund	<u>\$5,058,617</u>

**NOTE 12 – 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 2022 of the \$31,545 net appreciation on investments, all was available for expenditures. Amounts that are available for expenditure are reflected as assigned fund balance.

**NOTE 13 – JOINT VENTURES / RELATED PARTY**

**Valley Communications Center**

The “Valley Communications Center,” hereafter referred to as ValleyCom, was established August 20, 1976, when an Interlocal Agreement was entered into by four participating municipal corporations: Auburn, Kent, Renton, and Tukwila. The provisions and terms of the “Interlocal Cooperation Act”, pursuant to RCW 39.34, sanction the agreement. On August 4, 1999, the Administration Board of ValleyCom 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 Auburn, Federal Way, Kent, Renton, and Tukwila on April 17, 2000, entered into a new Interlocal Agreement, pursuant to RCW 39.34, et seq. This agreement reaffirmed ValleyCom as a governmental administration agency pursuant to RCW 39.34.030 (3) (b). The initial duration of the agreement was five years and thereafter is automatically extended for consecutive five-year periods, unless terminated as provided by the agreement.

Any Member City may withdraw its membership and terminate its participation in this agreement by providing written notice and serving that notice on the other Member Cities on or before December 31 in any one year. After providing

appropriate notice such termination shall then become effective on the last day of the year following delivery and service of notice to all other Member Cities. Three or more Member Cities may call for a complete termination of ValleyCom, upon supermajority vote ValleyCom will be directed to wind up business and a date will be set for final termination. Final termination shall be at least one year from the date of the vote to terminate this agreement. The agreement shall not terminate until all bonds issued by the Valley Communications Center Development Authority have been paid and retired.

The purpose of the ValleyCom joint operation is to provide improved consolidated emergency communications (dispatch) services for police, fire and medical aid to the five participating cities and to several subscribing agencies, which include Public Safety Partners, Fire and EMS Partners and Emergency Backup Facilities. The subscribing agencies include: City of Algona, City of Black Diamond, City of Des Moines, City of Pacific, Enumclaw Fire, King County Airport, King County Fire Districts #2, #20, #44, #47, King County Medic One, Puget Sound Regional Fire Authority, North Highline Fire Department, Renton Regional Fire Authority, South King Fire and Rescue, Valley Regional Fire Authority, Vashon Island Fire and Rescue and King County Sheriff’s Office. Separate agreements between ValleyCom and the subscribing agencies have been executed, which set forth condition of services and rates charged.

The participating cities provide the majority of revenues to ValleyCom. 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 2022 cost distribution for the five participating cities is as follows:

	Dispatchable Calls	Percent of Total *
Auburn	81,977	20.45%
Federal Way	87,562	21.84%
Kent	108,844	27.15%
Renton	83,514	20.83%
Tukwila	38,968	9.72%
Total	<u>400,865</u>	<u>100.00%</u>

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

SOURCE: ValleyCom - 2022 Owner Equity Allocation

ValleyCom is served by an Administration Board composed of the Mayors or designated representatives from the five participating cities of Auburn, Kent, Renton, Tukwila, and Federal Way. In 2019, 3 nonvoting members were added to the Administration Board, one for each of the 3 disciplines VCC serves: law enforcement, fire, and paramedics. The Administration Board is responsible for the following functions: 1) Reviews and approves the Valley Com budget; 2) Appoints and supervises the Executive Director; 3) Approves administrative and personnel policies; 4) Reviews and approves contracts and agreements; 5) Reviews and approves disbursement of funds by ValleyCom; 6) Approves or disapproves recommendations from the Executive Director and the Operations Board; and 7) Sets the long-term strategic vision for the organization.

In addition, an Operations Board provides operational guidance and support to ValleyCom. The Operations Board is comprised of 2 members of each participating Member City’s Public Safety Department(s), including the head of those Department(s) and/or their designee(s), one appointed representative from Police contract agencies, and one appointed representative from Fire contract agencies. In 2019, the Chief of King County Medic One was added as a member of the Board. The Operations Board performs the following functions: 1) Responsible for operational policies and procedures; 2) assists staff and the Administration Board with strategic planning; 3) Makes recommendations on the selection of the

Executive Director; and 4) Members serve on supporting groups including the Finance Committee and The Advisory Committee on Technology (ACT).

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 ValleyCom 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, ValleyCom 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, King County Emergency Trunked Radio System (KCETRS). 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 Puget Sound Emergency Radio Network (PSERN), of which ValleyCom is a stakeholder, is a regional effort underway to replace KCETRS. ValleyCom will maintain the functionality of their portion of KCETRS until this time until it is replaced. They will continue to have 800 MHz fund expenses into 2024 as the old system is disassembled as well as incurring new radio charges from PSERN.

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

Item	Auburn	Federal Way	Kent	Renton	Tukwila	Total
Equity Dec 31, 2021	\$ 8,338,704	\$ 7,095,885	\$ 10,901,977	\$ 8,105,020	\$ 3,878,636	\$ 38,320,222
Current year change	506,240	540,727	672,154	515,732	240,643	2,475,496
Equity Dec 31, 2022	<u>\$ 8,844,944</u>	<u>\$ 7,636,612</u>	<u>\$ 11,574,131</u>	<u>\$ 8,620,752</u>	<u>\$ 4,119,279</u>	<u>\$ 40,795,718</u>
% of equity	21.68%	18.72%	28.37%	21.13%	10.10%	
% of 2022 distribution	20.45%	21.84%	27.15%	20.83%	9.72%	

*SOURCE: ValleyCom - 2022 Owner Equity Allocation*

Liabilities are the responsibility of the five participating cities in direct proportion to their equity position. Complete audited financial statements for ValleyCom can be obtained from Valley Communications Center, 27519 108th Ave SE, Kent, WA 98030, telephone 253-372-1300 or [www.valleycom.org](http://www.valleycom.org).

### South Correctional Entity (SCORE)

On February 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 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 included the Cities of Auburn, Burien, Federal Way, Renton, SeaTac, and Tukwila) was 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 and 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 to defease and refund all of the outstanding 2009 Bonds.

Pursuant to the 2019 Interlocal Agreement and the ordinances of each city, each 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 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%
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	2,375,000	1,536,350	3,911,350	1,366,626	188,527	235,463	1,602,089	141,591	377,054
2028-2032	13,770,000	5,778,500	19,548,500	6,830,246	942,238	1,176,820	8,007,066	707,656	1,884,475
2033-2037	17,060,000	2,485,800	19,545,800	6,829,303	942,108	1,176,657	8,005,960	707,558	1,884,215
2038	3,795,000	113,850	3,908,850	1,365,752	188,407	235,313	1,601,065	141,500	376,813
<b>Totals</b>	<b>\$ 45,475,000</b>	<b>\$ 17,080,350</b>	<b>\$ 62,555,350</b>	<b>\$ 21,856,840</b>	<b>\$ 3,015,169</b>	<b>\$ 3,765,832</b>	<b>\$ 25,622,672</b>	<b>\$ 2,264,503</b>	<b>\$ 6,030,334</b>

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, 2022, in relation to SCORE:

South Correctional Entity (SCORE)					
Member City	2021 Percent of Equity	2021 Equity Balance	2022 Percent of Equity	2022 Apportionment	2022 Equity Balance
Auburn	41.93%	\$ 13,728,641	41.48%	\$ 367,485	14,096,126
Burien	5.30%	1,736,041	5.39%	95,847	1,831,888
Des Moines	4.95%	1,619,395	5.02%	88,153	1,707,548
Renton	31.93%	10,449,372	32.11%	464,559	10,913,931
SeaTac	8.13%	2,661,310	8.27%	151,004	2,812,314
Tukwila	7.76%	2,541,785	7.73%	85,550	2,627,335
<b>Grand Totals</b>	<b>100.00%</b>	<b>\$ 32,736,544</b>	<b>100.00%</b>	<b>\$ 1,252,598</b>	<b>\$ 33,989,142</b>

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:

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 12/31/2021	Additions	Reductions	Balance 12/31/2022
Valley Communication Public Dev Auth	\$ -	\$ -	\$ -	\$ -
SCORE Public Development Authority	16,558,066	-	(669,101)	15,888,965
Due to Other Governments	16,558,066	-	(669,101)	15,888,965
Valley Communications Center	8,338,704	506,240	-	8,844,944
South Correctional Entity (SCORE)	13,728,641	367,485	-	14,096,126
Equity Share	22,067,345	873,725	-	22,941,070
<b>Total Investment in Joint Ventures</b>				<b>\$ 38,830,035</b>

**NOTE 14 – 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 2022 \$181,292. Medical premiums and benefit payments made under the Fire Relief and Pension Plan for 2022 \$27,677.

**NOTE 15 – CONTINGENCIES AND LITIGATIONS**

As of December 31, 2022 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 16 – 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 aggregates and sublimits. The Board of Directors determines the limits and terms of coverage annually.

All Members are provided a separate cyber risk policy and premises pollution liability coverage group purchased by WCIA. The cyber risk policy provides coverage and separate limits for security & privacy, event management, and cyber extortion, with limits up to \$1 million and subject to member deductibles, sublimits, and a \$5 million pool aggregate. Premises pollution liability provides Members with a \$2 million incident limit and \$10 million pool aggregate subject to a \$100,000 per incident Member deductible.

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

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

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

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

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

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 became 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, 2022, projected ultimate loss during 2023 and 2024 program years to be \$758,000 and \$799,000, respectively. At December 31, 2022, incurred but not reported and claims payable were estimated at \$1,132,000. At December 31, 2022, fund equity was \$2,905,349. 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 reasonably estimated.

Changes in the Workers Compensation self-insurance fund claims liabilities in 2022 and 2021 were:

**CHANGES OF ESTIMATED CLAIMS LIABILITIES FOR 2022 AND 2021**

	Workers Compensation	
	2022	2021
Beg. of Year Claims Liabilities	\$865,000	\$932,000
Less: Claim Payments	(195,336)	(166,601)
Plus: Claims and Changes in Estimates	462,336	99,601
End of Year Claims Liabilities	<u>\$1,132,000</u>	<u>\$865,000</u>

## NOTE 17 – TAX ABATEMENTS

GASB Statement No. 77 defines tax abatements and requires certain disclosures about any tax abatement agreements. For financial reporting purposes, a tax abatement is defined as a reduction in tax revenues that results from an agreement between one or more governments and an individual entity in which (a) one or more governments promises to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The city has the following tax abatement agreements in place as of December 31, 2022:

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 met, exemption begins January 1<sup>st</sup>, 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.

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 2022 was \$39,591.

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 2022 was \$43,316.

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. The city’s portion of the property tax abated during the fiscal year 2022 was \$65,847.

The State of Washington has the following tax abatement that impacts tax revenues of the City:

Aerospace Incentives - The purchase and use of computer hardware, software, or peripherals, including installation charges is exempt from sales and use tax per RCWs 82.08.975 and 82.12.975 if the buyer uses the purchased items primarily in developing, designing, and engineering aerospace products.

The following table shows the impact to the City of Auburn for taxes abated by the State of Washington during the calendar year ended September 30, 2022 (the latest information available):

Tax Abatement Program	Amount of Taxes Abated
Aerospace Incentives - Computer Hardware, Software, and Peripherals Sales and Use Tax Exemption	*

*\* State law (RCW 82.32.330) forbids the disclosure of sales and use tax information for less than three taxpayers.  
Source: Washington State Department of Revenue*

**NOTE 18 – LEASES (LESSORS)**

Lease receivables are recognized in accordance with GASB statement 87. The statement requires the lessor to recognize a lease receivable at the present value of lease payments anticipated to be received during the lease term. The city as of December 31, 2022, has lease receivables for both governmental and business type activities.

The following provides the description, terms, and additional information for the lease agreements in which City of Auburn is the lessor:

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<b>Lessee</b>	<b>Lease Description</b>	<b>Fund</b>	<b>Contract Date</b>	<b>Commencement Date</b>	<b>Lease End Date</b>	<b>Purchase Option</b>
Auburn Condo Hangars Assoc	Land situated at 2509 "E" Street N E, Auburn, WA	Airport	June-2001	June-2001	June-2051	No
NW Hangars LLC	Auburn Flyers Condo I: 12,273 square feet of land	Airport	June-2002	June-2002	June-2052	No
NW Hangars LLC	Auburn Flyers Condo II: 24,948 square feet of land	Airport	January-2004	January-2004	January-2054	No
NW Hangars LLC	Auburn Flyers Condo III: 26,765 square feet of land	Airport	August-2005	August-2005	August-2055	No
Auburn Hangars Owners Assoc (AHOA)	98,326 square feet	Airport	September-2001	September-2001	September-2051	No
Cascade Helicopter Services	Certain premises, facilities and rights on Auburn Airport	Airport	February-1978	June-1978	May-2068	No
Jim Jacobsen	10,296 square feet of land located at Auburn Airport	Airport	June-2002	June-2002	June-2052	No
Normandy Aircraft	782 square feet in the Airport Administration building	Airport	December-2019	January-2020	January-2023	No
S50 Hangars LLC	Commercial office and shop space	Airport	October-2022	October-2022	October-2042	No
SpanaFlight LLC	Certain space in the Airport Administration building	Airport	January-2021	January-2021	December-2033	No
SpanaFlight LLC	2,400 square feet of Airport land	Airport	January-2021	January-2021	January-2023	No
Sprint Spectrum L.P.	900 square feet of land and 720 square feet of building exterior space	General	April-2006	June-2006	May-2026	No
Auburn Food Bank	6,647 square feet of rentable area	General	October-2020	November-2020	January-2040	No
Auburn Professional Plaza	125 Parking Stalls	General	December-2008	February-2010	January-2065	No
We Care Daily Clinics	1,960 square feet of rentable area located on North Auburn Way and exclusive use of two parking stalls	General	October-2021	November-2021	October-2028	No
Seattle SMSA Lmted Partnership - Verizon	Athena facility and tower space in Fulmer Municipal Parks Constructi Park	General	September-2014	October-2014	September-2044	No

<b>Lessee</b>	<b>Payment Type</b>	<b>Index</b>	<b>Payment Note</b>	<b>Payment Amount</b>	<b>Non-lease Component</b>	<b>Payment Frequency</b>
Auburn Condo Hangars Assoc	Fixed	N/A		\$ 7,449	\$ 460	Monthly
NW Hangars LLC	Variable	CPI		979	100	Monthly
NW Hangars LLC	Variable	CPI		1,873	70	Monthly
NW Hangars LLC	Variable	CPI		2,024	90	Monthly
Auburn Hangars Owners Assoc (AHOA)	Variable	CPI		7,405	300	Monthly
Cascade Helicopter Services	Variable	CPI		4,245	10	Monthly
Jim Jacobsen	Variable	CPI		653	10	Monthly
Normandy Aircraft	Variable	CPI		2,615	20	Monthly
550 Hangars LLC	Variable	CPI		1,089	10	Monthly
SpanaFlight LLC	Variable	CPI		1,543	-	Monthly
SpanaFlight LLC	Variable	CPI		173	-	Monthly
Sprint Spectrum L.P.	Variable	CPI		4,175	-	Monthly
Auburn Food Bank	Fixed	N/A	Increased from \$3,323.50 for Feb 1, 2022 through Jan 31, 2024	3,490	-	Monthly
Auburn Professional Plaza	Fixed	N/A	Increased from \$2,141.51 for April 1 through December 31, 2022	2,324	-	Monthly
We Care Daily Clinics	Fixed	N/A	\$100 of increase applicable annually	2,250	-	Monthly
Seattle SMSA Lmted Partnership - Verizc	Fixed	N/A	3 percent of increase applicable annually	15,761	-	Annual

The non-lease component has not been included in the measurement of lease receivable due to not being qualified for such measurement per GASB Statement No. 87.

### CHANGES IN DEFERRED INFLOW OF RESOURCES

<b>BUSINESS-TYPE ACTIVITIES:</b>	Balance as of January 1, 2022	Additions	Reductions	Balance as of December 31, 2022
Deferred Inflow of Resources				
Buildings				
SpanaFlight LLC	\$ 206,120	\$ -	\$ 17,177	\$ 188,943
S50 Hangars LLC - Airport	-	177,757	1,728	176,029
Total Building Deferred Inflow of Resources	206,120	177,757	18,905	364,972
Land				
Auburn Flyers Condo III -Airport	590,863	-	17,559	573,304
Jim Jacobsen - Airport	223,647	-	7,351	216,295
Auburn Flyers Condo I - Airport	249,465	-	8,184	241,280
Auburn Flyers Condo II - Airport	529,819	-	16,525	513,294
Auburn Hangars Owners Assoc (AHOA)	1,973,254	-	66,433	1,906,821
Normandy Aircraft	33,698	-	31,105	2,592
Cascade Helicopter Services - Airport	1,616,498	-	34,826	1,581,672
Auburn Condo Hangars Assoc (ACHA)	1,932,094	-	65,637	1,866,457
Total Land Deferred Inflow of Resources	7,149,337	-	247,622	6,901,715
Total Deferred Inflow of Resources	\$ 7,355,457	\$ 177,757	\$ 266,526	\$ 7,266,687
<b>GOVERNMENTAL ACTIVITIES:</b>	Balance as of January 1, 2022	Additions	Reductions	Balance as of December 31, 2022
Deferred Inflow of Resources				
Buildings				
Auburn Food Bank	\$ 664,631	\$ -	\$ 36,754	\$ 627,878
We Care Daily Clinics	176,648	-	25,851	150,797
Auburn Professional Plaza-Parking Stalls	843,511	-	19,579	823,933
Total Building Deferred Inflow of Resources	1,684,791	-	82,183	1,602,607
Infrastructure				
Seattle SMSA Lmted Partnership - Verizon	394,664	-	17,348	377,317
Total Infrastructure Deferred Inflow of Resources	394,664	-	17,348	377,317
Land				
SBA 2012 TC Assests LLC - Sprint Copy	235,513	-	53,324	182,189
Total Land Deferred Inflow of Resources	235,513	-	53,324	182,189
Total Deferred Inflow of Resources	\$ 2,314,968	\$ -	\$ 152,855	\$ 2,162,113

The beginning balances are restated in accordance with GASB Statement No. 87.

## CHANGES IN LEASE RECEIVABLES

<b>BUSINESS-TYPE ACTIVITIES:</b>	Balance as of January 1, 2022	Additions	Reductions	Balance as of December 31, 2022
Lease Receivable				
Buildings				
SpanaFlight LLC	\$ 206,120	\$ -	\$ 16,203	\$ 189,917
550 Hangars LLC - Airport	-	177,757	2,432	175,325
Total Building Lease Receivable	206,120	177,757	18,635	365,242
Land				
Auburn Flyers Condo III - Airport	590,863	-	13,841	577,021
Jim Jacobsen - Airport	223,647	-	6,851	216,796
Auburn Flyers Condo I - Airport	249,465	-	6,599	242,866
Auburn Flyers Condo II - Airport	529,819	-	12,611	517,208
Auburn Hangars Owners Assoc (AHOA)	1,973,254	-	52,771	1,920,483
Normandy Aircraft	33,698	-	31,103	2,595
Cascade Helicopter Services - Airport	1,616,498	-	25,098	1,591,400
Auburn Condo Hangars Assoc (ACHA)	1,932,094	-	52,842	1,879,252
Total Land Lease Receivable	7,149,337	-	201,716	6,947,621
<b>Total Lease Receivable</b>	<b>\$ 7,355,457</b>	<b>\$ 177,757</b>	<b>\$ 220,351</b>	<b>\$ 7,312,863</b>
<b>GOVERNMENTAL ACTIVITIES:</b>	Balance as of January 1, 2022	Additions	Reductions	Balance as of December 31, 2022
Lease Receivable				
Buildings				
Auburn Food Bank	\$ 664,631	\$ -	\$ 32,914	\$ 631,717
We Care Daily Clinics	176,648	-	19,989	156,659
Auburn Professional Plaza-Parking Stalls	843,511	-	13,665	829,846
Total Building Lease Receivable	1,684,791	-	66,569	1,618,222
Infrastructure				
Seattle SMSA Lmt'd Partnership - Verizon	394,664	-	10,870	383,795
Total Infrastructure Lease Receivable	394,664	-	10,870	383,795
Land				
SBA 2012 TC Assests LLC - Sprint Copy	235,513	-	51,524	183,989
Total Land Lease Receivable	235,513	-	51,524	183,989
<b>Total Lease Receivable</b>	<b>\$ 2,314,968</b>	<b>\$ -</b>	<b>\$ 128,962</b>	<b>\$ 2,186,006</b>

The beginning balances are restated in accordance with GASB Statement No. 87.

The following provides the total amount of inflows including lease revenue and interest revenue for year 2022:

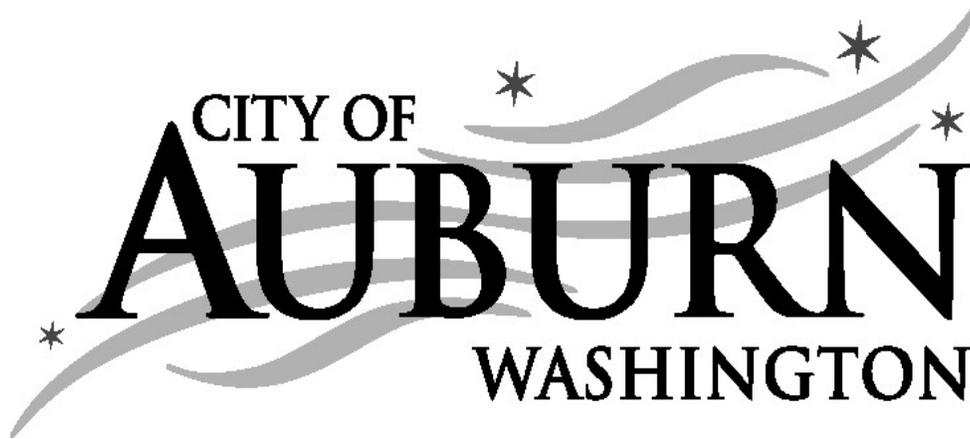
	<u>Lease Revenue</u>	<u>Interest Revenue</u>	<u>Total</u>
Governmental Activities	152,855	33,479	186,334
Business-type Activities	266,526	123,804	390,331
Total	<u>419,381</u>	<u>157,284</u>	<u>576,665</u>

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

Year ended December 31	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2023	134,163	32,202	166,365	190,432	126,661	317,093
2024	137,282	30,770	168,052	191,119	123,379	314,498
2025	140,253	29,301	169,554	194,583	120,034	314,618
2026	110,510	27,843	138,353	197,992	116,626	314,618
2027	89,647	26,583	116,231	201,465	113,153	314,618
2027 - 2032	356,304	115,907	472,211	1,061,802	511,287	1,573,089
2033- 2037	376,672	87,954	464,626	1,083,334	415,715	1,499,049
2038- 2042	301,976	58,960	360,936	1,163,952	314,429	1,478,381
2043 - 2047	127,770	40,963	168,733	1,205,705	210,094	1,415,799
2048-2052	107,971	31,442	139,412	1,054,374	105,779	1,160,152
2053-2057	117,842	21,570	139,412	284,482	53,158	337,640
2058-2062	128,616	10,796	139,412	221,160	32,962	254,122
2063-2067	57,001	1,088	58,089	241,380	12,742	254,122
2068- 2072				21,084	92	21,177
Total	2,186,006	515,380	2,701,387	7,312,863	2,256,113	9,568,976

## NOTE 19 – REPORTING CHANGE

In June 2017, the GASB issued Statement No. 87, Leases which establishes standards of accounting and financial reporting for leases by lessees and lessors. GASB Statement No. 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. In addition, GASB 87 requires the lessee to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The City, implemented GASB 87 during the fiscal year ending December 31, 2022. These changes were incorporated in the City's December 31, 2022, financial statements and had no effect on the beginning net position or fund balances of the City.



**REQUIRED SUPPLEMENTARY INFORMATION**  
**Schedule of Proportionate Share of the Net Pension Liability**  
**As of June 30, 2022**  
**Last 10 Fiscal Years\***

<b>PERS 1</b>	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.176504%	0.177157%	0.176594%	0.184008%	0.190096%	0.192614%	0.194185%	0.192878%
Employer's proportionate share of the net pension liability (asset)	\$ 4,914,519	\$ 2,163,502	\$ 6,234,722	\$ 7,075,761	\$ 8,489,752	\$ 9,139,685	\$ 10,428,649	\$ 10,089,313
Covered payroll	\$ 28,798,537	\$ 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	17.07%	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	76.56%	88.74%	68.64%	67.12%	63.22%	61.24%	57.03%	59.10%
<b>PERS 2/3</b>	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.230198%	0.227559%	0.229959%	0.236778%	0.239249%	0.243488%	0.247760%	0.241739%
Employer's proportionate share of the net pension liability (asset)	\$ (8,537,540)	\$ (22,668,538)	\$ 2,941,045	\$ 2,299,919	\$ 4,084,964	\$ 8,460,044	\$ 12,223,580	\$ 8,637,472
Covered payroll	\$ 28,798,537	\$ 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	-29.65%	-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	106.73%	120.29%	97.22%	97.77%	95.77%	90.97%	85.82%	89.20%
<b>LEOFF 1</b>	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.093826%	0.095644%	0.096208%	0.097999%	0.101761%	0.102451%	0.101574%	0.103718%
Employer's proportionate share of the net pension liability (asset)	\$ (2,691,505)	\$ (3,276,345)	\$ (1,816,897)	\$ (1,937,059)	\$ (1,847,473)	\$ (1,554,407)	\$ (1,046,503)	\$ (1,250,031)
State's proportionate share of the net pension liability (asset) associated with the employer	\$ (18,205,272)	\$ (22,161,113)	\$ (12,289,444)	\$ (13,102,219)	\$ (12,496,261)	\$ (10,513,971)	\$ (7,078,518)	\$ (8,455,179)
Total	\$ (20,896,777)	\$ (25,437,458)	\$ (14,106,341)	\$ (15,039,278)	\$ (14,343,734)	\$ (12,068,378)	\$ (8,125,021)	\$ (9,705,210)
Plan fiduciary net position as a percentage of the total pension liability	169.62%	187.45%	146.88%	148.78%	144.42%	136.00%	123.74%	127.36%
<b>LEOFF 2</b>	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability (asset)	0.367227%	0.379530%	0.374857%	0.394720%	0.403472%	0.370954%	0.359661%	0.354511%
Employer's proportionate share of the net pension liability (asset)	\$ (9,980,121)	\$ (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	\$ (6,464,905)	\$ (14,221,221)	\$ (4,889,380)	\$ (5,988,390)	\$ (5,303,752)	\$ (3,339,178)	\$ (1,363,764)	\$ (1,450,178)
Total	\$ (16,445,026)	\$ (36,265,895)	\$ (12,535,916)	\$ (15,132,841)	\$ (13,495,113)	\$ (8,486,818)	\$ (3,455,660)	\$ (3,643,664)
Covered payroll	\$ 14,631,934	\$ 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	-68.21%	-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	116.09%	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, 2022  
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 8.

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, 2022**  
**Last 10 Fiscal Years\***

<b>PERS 1</b>	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily or contractually required contributions	\$ 1,121,072	\$ 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	\$ (1,121,072)	\$ (1,205,178)	\$ (1,318,974)	\$ (1,310,731)	\$ (1,296,482)	\$ (1,216,069)	\$ (1,132,885)	\$ (1,001,824)
Covered payroll	\$29,838,946	\$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 payroll	3.76%	4.29%	4.94%	4.94%	5.14%	4.96%	4.82%	4.47%
<b>PERS 2/3</b>	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily or contractually required contributions	\$ 1,897,746	\$ 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	\$ (1,897,746)	\$ (2,005,971)	\$ (2,121,829)	\$ (2,047,116)	\$ (1,941,592)	\$ (1,714,887)	\$ (1,495,562)	\$ (1,286,928)
Covered payroll	\$29,838,946	\$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 payroll	6.36%	7.14%	7.94%	7.72%	7.74%	7.04%	6.41%	5.82%
<b>LEOFF 2</b>	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily or contractually required contributions	\$ 782,428	\$ 756,576	\$ 737,023	\$ 730,140	\$ 708,333	\$ 639,662	\$ 594,665	\$ 551,812
Contributions in relation to the statutorily or contractually required contributions	\$ (782,428)	\$ (756,576)	\$ (737,023)	\$ (730,140)	\$ (708,333)	\$ (639,662)	\$ (594,665)	\$ (551,812)
Covered payroll	\$15,020,410	\$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 payroll	5.21%	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 8.

**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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Total Pension Liability - Beginning</b>	<b>\$ 3,049,730</b>	<b>\$ 3,562,986</b>	<b>\$ 3,452,448</b>	<b>\$ 2,973,304</b>	<b>\$ 3,212,435</b>	<b>\$ 3,218,004</b>	N/A	N/A	N/A	N/A
Service Cost	-	-	-	-	-	-	N/A	N/A	N/A	N/A
Interest on Total Pension Liability	59,120	69,409	91,863	114,553	108,873	116,957	N/A	N/A	N/A	N/A
Effect of Plan Changes	-	-	-	-	-	-	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
Effect of Assumption Changes or Inputs	(422,100)	138,062	244,126	376,773	(142,719)	77,612	N/A	N/A	N/A	N/A
Benefit Payments	(188,472)	(186,020)	(225,451)	(221,139)	(205,285)	(200,138)	N/A	N/A	N/A	N/A
<b>Net Change in Total Pension Liability</b>	<b>(551,452)</b>	<b>(513,256)</b>	<b>110,538</b>	<b>479,144</b>	<b>(239,131)</b>	<b>(5,569)</b>	N/A	N/A	N/A	N/A
<b>Total Pension Liability - Ending</b>	<b>\$ 2,498,278</b>	<b>\$ 3,049,730</b>	<b>\$ 3,562,986</b>	<b>\$ 3,452,448</b>	<b>\$ 2,973,304</b>	<b>\$ 3,212,435</b>	N/A	N/A	N/A	N/A
Covered Employee Payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	N/A	N/A	N/A	N/A
<b>Total Pension Liability as a % of Covered Payroll</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

\* 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 2.00% as of December 31, 2021 to 3.75% as of December 31, 2022.

Significant methods and assumptions used in calculating the actuarial determined contribution are presented in Note 8.

**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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Total OPEB Liability - Beginning</b>	<b>\$ 13,370,311</b>	<b>\$ 14,784,873</b>	<b>\$ 13,702,359</b>	<b>\$ 16,228,865</b>	<b>\$ 17,472,360</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Service Cost	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A
Interest on Total OPEB Liability	261,571	290,093	368,593	636,891	597,724	N/A	N/A	N/A	N/A	N/A
Changes of Benefit Terms	-	-	-	-	-	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
Effect of Assumption Changes or Inputs	(2,089,347)	(437,389)	1,315,995	883,507	(1,045,269)	N/A	N/A	N/A	N/A	N/A
Expected Benefit Payments	(586,378)	(563,141)	(602,074)	(619,254)	(795,950)	N/A	N/A	N/A	N/A	N/A
<b>Total OPEB Liability - Ending</b>	<b>\$ 10,956,157</b>	<b>\$ 13,370,311</b>	<b>\$ 14,784,873</b>	<b>\$ 13,702,359</b>	<b>\$ 16,228,865</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
Covered Employee Payroll	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A
<b>Total OPEB Liability as a % of Covered Payroll</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

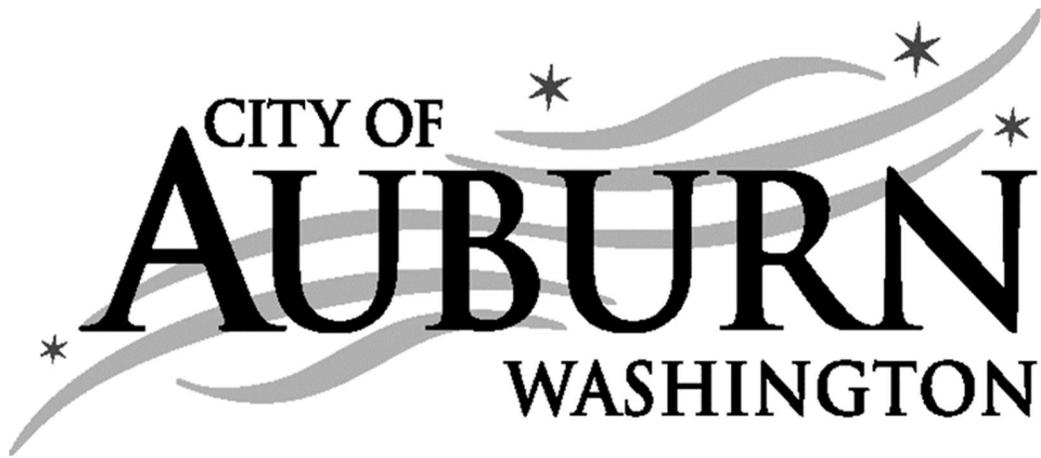
\* The City implemented GASB Statement No. 75 in fiscal year 2018. Information is not available for prior years. The schedule will be built prospectively until it contains ten years of data.

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 2.00% as of December 31, 2021 to 3.75% as of December 31, 2022.

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



## 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**

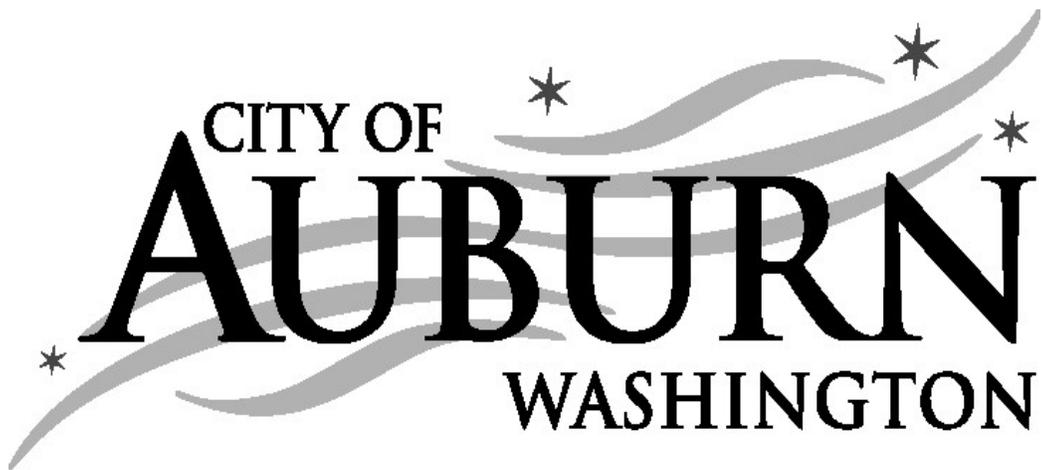
Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support City programs that are for the benefit of the City or its citizens.

City of Auburn, Washington  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENT FUNDS**  
December 31, 2022

	Total Nonmajor Special Revenue Funds	Total Nonmajor Debt Service Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 8,162,194	\$ 461,865	\$ 1,548,256	\$ 2,201,305	\$ 12,373,620
Receivables:					
Customer Accounts	282	-	-	-	282
Taxes	295,432	-	-	-	295,432
Other Receivables	101,934	-	194,853	-	296,787
Due From Other Governmental Units	1,063,709	-	180,824	-	1,244,533
Long-Term Notes, Leases and Contracts	-	-	372,925	-	372,925
Prepays	95,000	-	-	-	95,000
Total Assets	<u>9,718,551</u>	<u>461,865</u>	<u>2,296,858</u>	<u>2,201,305</u>	<u>14,678,579</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:</b>					
Liabilities:					
Current Payables	814,788	-	94,801	-	909,589
Interfund Payable (Note 4)	150,000	-	-	-	150,000
Total Liabilities	<u>964,788</u>	<u>-</u>	<u>94,801</u>	<u>-</u>	<u>1,059,589</u>
Deferred Inflow of Resources:					
Deferred Inflows Related to Leases	-	-	559,506	-	559,506
Total Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>559,506</u>	<u>-</u>	<u>559,506</u>
Fund Balances:					
Nonspendable	95,000	-	-	2,070,670	2,165,670
Restricted	4,324,095	1,702	1,369,732	-	5,695,529
Committed	4,219,956	-	-	-	4,219,956
Assigned	114,712	460,163	272,819	130,635	978,329
Total Fund Balances	<u>8,753,763</u>	<u>461,865</u>	<u>1,642,551</u>	<u>2,201,305</u>	<u>13,059,484</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 9,718,551</u>	<u>\$ 461,865</u>	<u>\$ 2,296,858</u>	<u>\$ 2,201,305</u>	<u>\$ 14,678,579</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, 2022

	Total Nonmajor Special Revenue	Total Nonmajor Debt Service	Total Nonmajor Capital Projects	Total Nonmajor Permanent	Total Nonmajor Governmental
<b>REVENUES:</b>					
Taxes:					
Property	\$ -	\$ -	\$ 279,460	\$ -	\$ 279,460
Retail Sales & Use	-	250,000	-	-	250,000
Interfund Utility	624,025	-	-	-	624,025
Utility	1,666,311	-	-	-	1,666,311
Excise	189,977	-	-	-	189,977
Other	885	-	-	-	885
Intergovernmental	3,568,653	-	180,824	-	3,749,477
Charges for Services	54,380	-	4,416	63,313	122,109
Investment Earnings	121,804	6,753	26,096	31,545	186,198
Miscellaneous	331,818	-	132,865	-	464,683
Total Revenues	<u>6,557,853</u>	<u>256,753</u>	<u>623,661</u>	<u>94,858</u>	<u>7,533,125</u>
<b>EXPENDITURES:</b>					
Current:					
Security of Persons & Property	314,648	-	-	-	314,648
Transportation	6,380,851	-	-	-	6,380,851
Economic Environment	1,196,100	-	-	-	1,196,100
Cultural and Recreation	-	-	1,251	-	1,251
Debt Service:					
Principal	-	1,082,558	-	-	1,082,558
Interest	-	797,682	-	-	797,682
Capital Outlay	-	-	669,917	-	669,917
Total Expenditures	<u>7,891,599</u>	<u>1,880,240</u>	<u>671,168</u>	<u>-</u>	<u>10,443,007</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,333,746)</u>	<u>(1,623,487)</u>	<u>(47,507)</u>	<u>94,858</u>	<u>(2,909,882)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers In (Note 4)	1,810,935	1,701,690	298,341	-	3,810,966
Transfers Out (Note 4)	-	(2,153)	-	-	(2,153)
Total Other Financing Sources (Uses)	<u>1,810,935</u>	<u>1,699,537</u>	<u>298,341</u>	<u>-</u>	<u>3,808,813</u>
Net Change in Fund Balances	<u>477,189</u>	<u>76,050</u>	<u>250,834</u>	<u>94,858</u>	<u>898,931</u>
Fund Balances - Beginning	<u>8,276,574</u>	<u>385,815</u>	<u>1,391,717</u>	<u>2,106,447</u>	<u>12,160,553</u>
Fund Balances - Ending	<u>\$ 8,753,763</u>	<u>\$ 461,865</u>	<u>\$ 1,642,551</u>	<u>\$ 2,201,305</u>	<u>\$ 13,059,484</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 seven 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.

#### **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.

City of Auburn, Washington  
**COMBINING BALANCE SHEET**  
**NON-MAJOR SPECIAL REVENUE FUNDS**  
December 31, 2022

Page 1 of 2

	Local Streets	Hotel/ Motel Tax	Arterial Street Preservation	Drug Forfeiture	Housing Community Development
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 3,111,173	\$ 464,374	\$ 3,059,459	\$ 1,161,412	\$ 121,653
Receivables:					
Customer Accounts	-	-	-	282	-
Taxes	295,432	-	-	-	-
Other Receivables	-	-	101,934	-	-
Due From Other Governmental Units	-	-	829,273	19,662	214,774
Prepays	-	-	-	-	-
Total Assets	<u>3,406,605</u>	<u>464,374</u>	<u>3,990,666</u>	<u>1,181,356</u>	<u>336,427</u>
<b>LIABILITIES AND FUND BALANCES:</b>					
Liabilities:					
Current Payables	43,109	75	477,727	44,341	143,523
Interfund Payable (Note 4)	-	-	-	-	150,000
Total Liabilities	<u>43,109</u>	<u>75</u>	<u>477,727</u>	<u>44,341</u>	<u>293,523</u>
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	-	464,299	2,566,155	1,116,248	42,904
Committed	3,320,024	-	899,932	-	-
Assigned	43,472	-	46,852	20,767	-
Total Fund Balances	<u>3,363,496</u>	<u>464,299</u>	<u>3,512,939</u>	<u>1,137,015</u>	<u>42,904</u>
Total Liabilities and Fund Balances	<u>\$ 3,406,605</u>	<u>\$ 464,374</u>	<u>\$ 3,990,666</u>	<u>\$ 1,181,356</u>	<u>\$ 336,427</u>

Page 2 of 2

	Recreational Trails	Business Improvement Area	Total Nonmajor Special Revenue Funds
\$	97,169	\$ 146,954	\$ 8,162,194
	-	-	282
	-	-	295,432
	-	-	101,934
	-	-	1,063,709
	-	95,000	95,000
	<u>97,169</u>	<u>241,954</u>	<u>9,718,551</u>
	-	106,013	814,788
	-	-	150,000
	-	<u>106,013</u>	<u>964,788</u>
	-	95,000	95,000
	95,794	38,695	4,324,095
	-	-	4,219,956
	1,375	2,246	114,712
	<u>97,169</u>	<u>135,941</u>	<u>8,753,763</u>
\$	<u>97,169</u>	\$ <u>241,954</u>	\$ <u>9,718,551</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, 2022

	Local Streets	Hotel/ Motel Tax	Arterial Street Preservation	Drug Forfeiture	Housing Community Development
<b>REVENUES:</b>					
Taxes:					
Interfund Utility	\$ -	\$ -	\$ 624,025	\$ -	\$ -
Utility	295,432	-	1,370,879	-	-
Excise	-	189,977	-	-	-
Other	-	-	-	-	-
Intergovernmental	-	-	2,566,155	18,628	976,870
Charges for Services	-	-	33,766	20,614	-
Investment Earnings	43,472	7,093	46,852	20,767	-
Miscellaneous	-	-	-	331,818	-
<b>Total Revenues</b>	<b>338,904</b>	<b>197,070</b>	<b>4,641,677</b>	<b>391,827</b>	<b>976,870</b>
<b>EXPENDITURES:</b>					
Current:					
Security of Persons and Property	-	-	-	314,648	-
Transportation	2,118,417	-	4,262,434	-	-
Economic Environment	-	165,900	-	-	976,808
<b>Total Expenditures</b>	<b>2,118,417</b>	<b>165,900</b>	<b>4,262,434</b>	<b>314,648</b>	<b>976,808</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,779,513)	31,170	379,243	77,179	62
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers In (Note 4)	1,810,935	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>1,810,935</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>31,422</b>	<b>31,170</b>	<b>379,243</b>	<b>77,179</b>	<b>62</b>
Fund Balances - Beginning	3,332,074	433,129	3,133,696	1,059,836	42,842
<b>Fund Balances - Ending</b>	<b>\$ 3,363,496</b>	<b>\$ 464,299</b>	<b>\$ 3,512,939</b>	<b>\$ 1,137,015</b>	<b>\$ 42,904</b>

Recreational Trails	Business Improvement Area	Total Nonmajor Special Revenue Funds
\$ -	\$ -	\$ 624,025
-	-	1,666,311
-	-	189,977
-	885	885
7,000	-	3,568,653
-	-	54,380
1,374	2,246	121,804
-	-	331,818
<u>8,374</u>	<u>3,131</u>	<u>6,557,853</u>
-	-	314,648
-	-	6,380,851
-	53,392	1,196,100
<u>-</u>	<u>53,392</u>	<u>7,891,599</u>
<u>8,374</u>	<u>(50,261)</u>	<u>(1,333,746)</u>
-	-	1,810,935
<u>-</u>	<u>-</u>	<u>1,810,935</u>
<u>8,374</u>	<u>(50,261)</u>	<u>477,189</u>
<u>88,795</u>	<u>186,202</u>	<u>8,276,574</u>
<u>\$ 97,169</u>	<u>\$ 135,941</u>	<u>\$ 8,753,763</u>

City of Auburn, Washington  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**LOCAL STREETS SPECIAL REVENUE FUND**  
For the Year Ended December 31, 2022

	Budget Amounts		Actual Results	Variance with Final Budget Positive (Negative)
	Original	Final Adopted		
<b>REVENUES:</b>				
Taxes:				
Utility Tax Revenue	\$ -	\$ -	\$ 295,432	\$ 295,432
Investment Earnings	10,500	10,500	43,472	32,972
Total Revenues	<u>10,500</u>	<u>10,500</u>	<u>338,904</u>	<u>328,404</u>
<b>EXPENDITURES:</b>				
Current:				
Transportation	1,664,500	4,287,057	2,118,417	2,168,640
Total Expenditures	<u>1,664,500</u>	<u>4,287,057</u>	<u>2,118,417</u>	<u>2,168,640</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(1,654,000)</u>	<u>(4,276,557)</u>	<u>(1,779,513)</u>	<u>2,497,044</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In (Note 4)	1,650,000	3,072,022	1,810,935	(1,261,087)
Total Other Financing Sources (Uses)	<u>1,650,000</u>	<u>3,072,022</u>	<u>1,810,935</u>	<u>(1,261,087)</u>
Net Change in Fund Balances	<u>(4,000)</u>	<u>(1,204,535)</u>	<u>31,422</u>	<u>1,235,957</u>
Fund Balances - Beginning	1,318,428	3,332,074	3,332,074	-
Fund Balances - Ending	<u>\$ 1,314,428</u>	<u>\$ 2,127,539</u>	<u>\$ 3,363,496</u>	<u>\$ 1,235,957</u>

City of Auburn, Washington  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**HOTEL/MOTEL TAX SPECIAL REVENUE FUND**  
For the Year Ended December 31, 2022

	Budget Amounts		Actual Results	Variance with Final Budget Positive (Negative)
	Original	Final Adopted		
<b>REVENUES:</b>				
Taxes:				
Excise	\$ 165,000	\$ 165,000	\$ 189,977	\$ 24,977
Charges for Services	2,500	2,500	-	(2,500)
Investment Earnings	1,400	1,400	7,093	5,693
Total Revenues	<u>168,900</u>	<u>168,900</u>	<u>197,070</u>	<u>28,170</u>
<b>EXPENDITURES:</b>				
Current:				
Economic Environment	<u>177,110</u>	<u>177,110</u>	<u>165,900</u>	<u>11,210</u>
Total Expenditures	<u>177,110</u>	<u>177,110</u>	<u>165,900</u>	<u>11,210</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(8,210)</u>	<u>(8,210)</u>	<u>31,170</u>	<u>39,380</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Net Change in fund Balances	<u>(8,210)</u>	<u>(8,210)</u>	<u>31,170</u>	<u>39,380</u>
Fund Balances - Beginning	187,276	433,129	433,129	-
Fund Balances - Ending	<u>\$ 179,066</u>	<u>\$ 424,919</u>	<u>\$ 464,299</u>	<u>\$ 39,380</u>

City of Auburn, Washington  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**ARTERIAL STREET PRESERVATION SPECIAL REVENUE FUND**  
For the Year Ended December 31, 2022

	Budget Amounts		Actual Results	Variance with Final Budget Positive (Negative)
	Original	Final Adopted		
<b>REVENUES:</b>				
Taxes:				
Interfund Utility	\$ 759,900	\$ 759,900	\$ 624,025	\$ (135,875)
Utility	1,287,500	1,287,500	1,370,879	83,379
Intergovernmental	-	3,876,251	2,566,155	(1,310,096)
Charges for Services	-	258,770	33,766	(225,004)
Investment Earnings	11,400	11,400	46,852	35,452
Total Revenues	<u>2,058,800</u>	<u>6,193,821</u>	<u>4,641,677</u>	<u>(1,552,144)</u>
<b>EXPENDITURES:</b>				
Current:				
Transportation	1,950,000	7,657,385	4,262,434	3,394,951
Total Expenditures	<u>1,950,000</u>	<u>7,657,385</u>	<u>4,262,434</u>	<u>3,394,951</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>108,800</u>	<u>(1,463,564)</u>	<u>379,243</u>	<u>1,842,807</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers Out (Note 4)	(185,000)	(185,000)	-	185,000
Total Other Financing Sources (Uses)	<u>(185,000)</u>	<u>(185,000)</u>	<u>-</u>	<u>185,000</u>
Net Change in Fund Balances	<u>(76,200)</u>	<u>(1,648,564)</u>	<u>379,243</u>	<u>2,027,807</u>
Fund Balances - Beginning	1,514,104	3,133,696	3,133,696	-
Fund Balances - Ending	<u>\$ 1,437,904</u>	<u>\$ 1,485,132</u>	<u>\$ 3,512,939</u>	<u>\$ 2,027,807</u>

City of Auburn, Washington  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**DRUG FORFEITURE SPECIAL REVENUE FUND**  
For the Year Ended December 31, 2022

	Budget Amounts		Actual Results	Variance with Final Budget Positive (Negative)
	Original	Final Adopted		
<b>REVENUES:</b>				
Taxes:				
Intergovernmental	\$ -	\$ -	\$ 18,628	\$ 18,628
Charges for Services	18,000	18,000	20,614	2,614
Investment Earnings	5,000	5,000	20,767	15,767
Miscellaneous	125,000	125,000	331,818	206,818
Total Revenues	<u>148,000</u>	<u>148,000</u>	<u>391,827</u>	<u>243,827</u>
<b>EXPENDITURES:</b>				
Current:				
Security of Persons & Property	356,531	367,531	314,648	52,883
Total Expenditures	<u>356,531</u>	<u>367,531</u>	<u>314,648</u>	<u>52,883</u>
<b>Excess (Deficiency of Revenues Over (Under) Expenditures</b>	<u>(208,531)</u>	<u>(219,531)</u>	<u>77,179</u>	<u>296,710</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers In (Note 4)	-	6,000	-	(6,000)
Transfers Out (Note 4)	-	(86,600)	-	86,600
Total Other Financing Sources and Uses	<u>-</u>	<u>(80,600)</u>	<u>-</u>	<u>80,600</u>
Net Change in Fund Balances	<u>(208,531)</u>	<u>(300,131)</u>	<u>77,179</u>	<u>377,310</u>
Fund Balances - Beginning	612,573	1,059,837	1,059,836	(1)
Fund Balances - Ending	<u>\$ 404,042</u>	<u>\$ 759,706</u>	<u>\$ 1,137,015</u>	<u>\$ 377,309</u>

City of Auburn, Washington  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**HOUSING & COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND**  
 For the Year Ended December 31, 2022

	Budget Amounts		Actual Results	Variance with Final Budget Positive (Negative)
	Original	Final Adopted		
<b>REVENUES:</b>				
Intergovernmental	\$ 600,000	\$ 1,344,900	\$ 976,870	\$ (368,030)
Total Revenues	<u>600,000</u>	<u>1,344,900</u>	<u>976,870</u>	<u>(368,030)</u>
<b>EXPENDITURES:</b>				
Current:				
Economic Environment	600,000	1,344,900	976,808	368,092
Total Expenditures	<u>600,000</u>	<u>1,344,900</u>	<u>976,808</u>	<u>368,092</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>-</u>	<u>-</u>	<u>62</u>	<u>62</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Net Change in Fund Balances	-	-	62	62
Fund Balances - Beginning	42,904	42,842	42,842	-
Fund Balances - Ending	<u>\$ 42,904</u>	<u>\$ 42,842</u>	<u>\$ 42,904</u>	<u>\$ 62</u>

City of Auburn, Washington  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**RECREATION TRAILS SPECIAL REVENUE FUND**  
For the Year Ended December 31, 2022

	Budget Amounts		Actual Results	Variance with Final Budget Positive (Negative)
	Original	Final Adopted		
<b>REVENUES:</b>				
<b>TAXES:</b>				
Intergovernmental	\$ 7,000	\$ 7,000	\$ 7,000	\$ -
Investment Earnings	700	700	1,374	674
Total Revenues	<u>7,700</u>	<u>7,700</u>	<u>8,374</u>	<u>674</u>
<b>EXPENDITURES:</b>				
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>				
	<u>7,700</u>	<u>7,700</u>	<u>8,374</u>	<u>674</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Net Change in Fund Balances	<u>7,700</u>	<u>7,700</u>	<u>8,374</u>	<u>674</u>
Fund Balances - Beginning	<u>87,125</u>	<u>88,795</u>	<u>88,795</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 94,825</u>	<u>\$ 96,495</u>	<u>\$ 97,169</u>	<u>\$ 674</u>

City of Auburn, Washington  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**BUSINESS IMPROVEMENT AREA SPECIAL REVENUE FUND**  
For the Year Ended December 31, 2022

	Budget Amounts		Actual Results	Variance with Final Budget Positive (Negative)
	Original	Final Adopted		
<b>REVENUES:</b>				
Taxes:				
Other	\$ 55,000	\$ 55,000	\$ 885	\$ (54,115)
Investment Earnings	400	400	2,246	1,846
Total Revenues	<u>55,400</u>	<u>55,400</u>	<u>3,131</u>	<u>(52,269)</u>
<b>EXPENDITURES:</b>				
Current:				
Economic Environment	90,000	90,000	53,392	36,608
Total Expenditures	<u>90,000</u>	<u>90,000</u>	<u>53,392</u>	<u>36,608</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(34,600)</u>	<u>(34,600)</u>	<u>(50,261)</u>	<u>(15,661)</u>
Net Change in Fund Balances	<u>(34,600)</u>	<u>(34,600)</u>	<u>(50,261)</u>	<u>(15,661)</u>
Fund Balances - Beginning	62,025	186,202	186,202	-
Fund Balances - Ending	<u>\$ 27,425</u>	<u>\$ 151,602</u>	<u>\$ 135,941</u>	<u>\$ (15,661)</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, 2022

	2020 Refunding A&B (2010 B&D)	2016 Combined Refunding Golf/Cemetery	LID Guarantee	Special Assessments	Total Nonmajor Debt Service Funds
<b>ASSETS:</b>					
Cash and Cash Equivalents	\$ 460,163	\$ -	\$ 1,702	\$ -	\$ 461,865
Total Assets	460,163	-	1,702	-	461,865
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES:</b>					
Fund Balances:					
Restricted	-	-	1,702	-	1,702
Assigned	460,163	-	-	-	460,163
Total Fund Balances	460,163	-	1,702	-	461,865
Total Liabilities, Deferred Inflows and Fund Balances	\$ 460,163	\$ -	\$ 1,702	\$ -	\$ 461,865

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, 2022

	2020 Refunding A&B (2010 B&D)	2016 Combined Refunding Golf/Cemetery	L I D Guarantee	Special Assessments	Total Nonmajor Debt Service Funds
<b>REVENUES:</b>					
Taxes:					
Retail Sales & Use	\$ 250,000	\$ -	\$ -	\$ -	\$ 250,000
Investment Earnings	6,726	-	25	2	6,753
Total Revenues	<u>256,726</u>	<u>-</u>	<u>25</u>	<u>2</u>	<u>256,753</u>
<b>EXPENDITURES:</b>					
Debt Service:					
Principal	735,000	347,558	-	-	1,082,558
Interest	774,250	23,432	-	-	797,682
Total Expenditures	<u>1,509,250</u>	<u>370,990</u>	<u>-</u>	<u>-</u>	<u>1,880,240</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,252,524)</u>	<u>(370,990)</u>	<u>25</u>	<u>2</u>	<u>(1,623,487)</u>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers In (Note 4)	1,330,700	370,990	-	-	1,701,690
Transfers Out (Note 4)	-	-	-	(2,153)	(2,153)
Total Other Financing Sources (Uses)	<u>1,330,700</u>	<u>370,990</u>	<u>-</u>	<u>(2,153)</u>	<u>1,699,537</u>
Net Change in Fund Balances	<u>78,176</u>	<u>-</u>	<u>25</u>	<u>(2,151)</u>	<u>76,050</u>
Fund Balances - Beginning	381,987	-	1,677	2,151	385,815
Fund Balances - Ending	<u>\$ 460,163</u>	<u>\$ -</u>	<u>\$ 1,702</u>	<u>\$ -</u>	<u>\$ 461,865</u>

## NON-MAJOR GOVERNMENTAL FUNDS

### CAPITAL PROJECT FUNDS

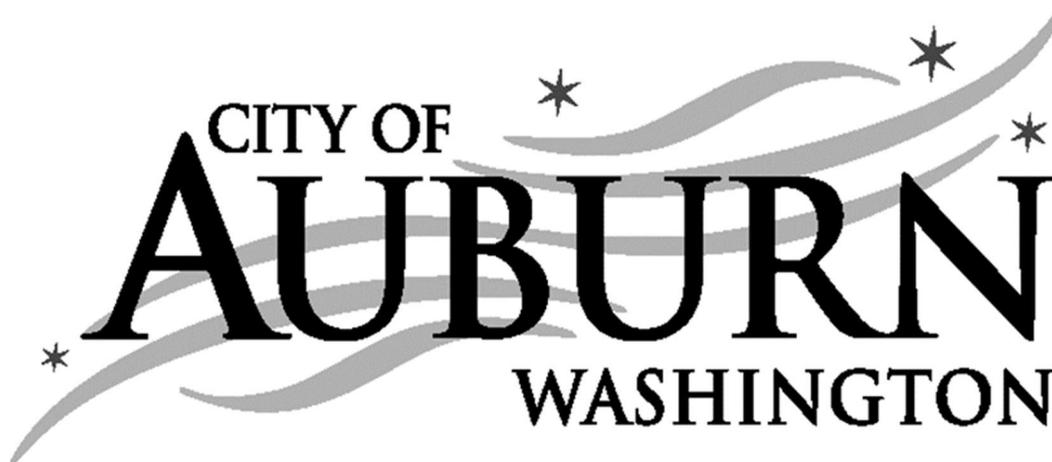
Capital projects funds account for the City of Auburn's financial resources used for the acquisition or construction of major non-proprietary capital facilities. Auburn has two non-major capital project funds.

#### **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, 2022

	Municipal Park Construction	Local Revitalization	Nonmajor Capital Project Funds
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 1,275,437	\$ 272,819	\$ 1,548,256
Other Receivables	194,853	-	194,853
Due From Other Governmental Units	180,824	-	180,824
Long-Term Notes, Leases and Contracts	372,925	-	372,925
Total Assets	<u>2,024,039</u>	<u>272,819</u>	<u>2,296,858</u>
<b>LIABILITIES AND FUND BALANCES:</b>			
Liabilities:			
Current Payables	94,801	-	94,801
Total Liabilities	<u>94,801</u>	<u>-</u>	<u>94,801</u>
Deferred Inflow of Resources:			
Deferred Inflow Related to Leases	559,506	-	559,506
Total Deferred Inflow of Resources	<u>559,506</u>	<u>-</u>	<u>559,506</u>
Fund Balances:			
Restricted	1,369,732	-	1,369,732
Assigned	-	272,819	272,819
Total Fund Balances	<u>1,369,732</u>	<u>272,819</u>	<u>1,642,551</u>
Total Liabilities and Fund Balances	<u>\$ 2,024,039</u>	<u>\$ 272,819</u>	<u>\$ 2,296,858</u>

City of Auburn, Washington  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**CAPITAL PROJECT FUNDS**  
For the Year Ended December 31, 2022

	Municipal Park Construction	Local Revitalization	Nonmajor Capital Project Funds
<b>REVENUES:</b>			
Taxes:			
Property	\$ 279,460	\$ -	\$ 279,460
Intergovernmental	180,824	-	180,824
Charges for Services	4,416	-	4,416
Investment Earnings	22,149	3,947	26,096
Miscellaneous	132,865	-	132,865
Total Revenues	<u>619,714</u>	<u>3,947</u>	<u>623,661</u>
<b>EXPENDITURES:</b>			
Cultural and Recreation	1,251	-	1,251
Capital Outlay	580,733	89,184	669,917
Total Expenditures	<u>581,984</u>	<u>89,184</u>	<u>671,168</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>37,730</u>	<u>(85,237)</u>	<u>(47,507)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers In (Note 4)	256,864	41,477	298,341
Total Other Financing Sources (Uses)	<u>256,864</u>	<u>41,477</u>	<u>298,341</u>
Net Change in Fund Balances	<u>294,594</u>	<u>(43,760)</u>	<u>250,834</u>
Fund Balances - Beginning	1,075,138	316,579	1,391,717
Fund Balances - Ending	<u>\$ 1,369,732</u>	<u>\$ 272,819</u>	<u>\$ 1,642,551</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, 2022

	Cemetery Endowed Care
<hr/>	
<b>ASSETS:</b>	
Cash and Cash Equivalents	
Non-Expendable Trust	\$ 2,201,305
Total Assets	<u>2,201,305</u>
<b>LIABILITIES AND FUND BALANCES:</b>	
<b>FUND BALANCES:</b>	
Nonspendable	2,070,670
Assigned	<u>130,635</u>
Total Fund Balances	<u>2,201,305</u>
Total Liabilities and Fund Balances	<u>\$ 2,201,305</u>

City of Auburn, Washington  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**PERMANENT FUND**  
 For the Year Ended December 31, 2022

		Cemetery Endowed Care
<hr/>		
<b>REVENUES:</b>		
Increase to Endowment from Lot Sales	\$	63,313
Investment Earnings		31,545
Total Revenues		<u>94,858</u>
 <b>EXPENDITURES:</b>		
Excess (Deficiency) of Revenues		
Over (Under) Expenditures		<u>94,858</u>
 <b>OTHER FINANCING SOURCES (USES):</b>		
 Net Change in Fund Balance		<u>94,858</u>
Fund Balance - Beginning		<u>2,106,447</u>
Fund Balance - Ending	\$	<u><u>2,201,305</u></u>



## 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, 2022

	Airport	Cemetery	Total Nonmajor Enterprise Funds
<b>ASSETS:</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 1,921,511	\$ 1,709,233	\$ 3,630,744
Restricted Cash:			
Customer Deposits	130,082	-	130,082
Customer Accounts	218	-	218
Other Receivables	194,548	-	194,548
Due From Other Governmental Units	132,541	-	132,541
Inventories	29,888	10,084	39,972
Total Current Assets	<u>2,408,788</u>	<u>1,719,317</u>	<u>4,128,105</u>
Noncurrent Assets:			
Long-Term Contracts, Leases and Notes	7,126,540	-	7,126,540
Net Pension Asset	113,275	213,825	327,100
Capital Assets Not Being Depreciated:			
Land	3,919,049	342,836	4,261,885
Construction in Progress	412,450	59,938	472,388
Capital Assets:			
Buildings and Equipments	3,094,306	997,335	4,091,641
Improvements Other Than Buildings	13,978,825	1,539,068	15,517,893
Less: Accumulated Depreciation	(10,095,566)	(1,697,004)	(11,792,570)
Total Capital Assets (Net of A/D)	<u>11,309,064</u>	<u>1,242,173</u>	<u>12,551,237</u>
Total Noncurrent Assets	<u>18,548,879</u>	<u>1,455,998</u>	<u>20,004,877</u>
Total Assets	<u>20,957,667</u>	<u>3,175,315</u>	<u>24,132,982</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred Outflow Related to Pensions	53,594	144,202	197,796
Total Deferred Outflows of Resources	<u>53,594</u>	<u>144,202</u>	<u>197,796</u>
<b>LIABILITIES:</b>			
Current Liabilities:			
Current Payables	190,831	55,607	246,438
Employee Leave Benefits - Current	10,205	23,440	33,645
Customer Deposits	130,082	-	130,082
Total Current Liabilities	<u>331,118</u>	<u>79,047</u>	<u>410,165</u>
Noncurrent Liabilities:			
Employee Leave Benefits	3,915	8,992	12,907
Total Noncurrent Liabilities	<u>3,915</u>	<u>8,992</u>	<u>12,907</u>
Total Liabilities	<u>335,033</u>	<u>88,039</u>	<u>423,072</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred Inflow Related to Leases	7,266,687	-	7,266,687
Deferred Inflow Related to Pensions	73,434	204,736	278,170
Total Deferred Inflows of Resources	<u>7,340,121</u>	<u>204,736</u>	<u>7,544,857</u>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	11,309,064	1,242,173	12,551,237
Restricted for:			
Pension Asset	113,275	213,825	327,100
Unrestricted	<u>1,913,768</u>	<u>1,570,744</u>	<u>3,484,512</u>
Total Net Position	<u>\$ 13,336,107</u>	<u>\$ 3,026,742</u>	<u>\$ 16,362,849</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, 2022

	Airport	Cemetery	Total Nonmajor Enterprise Funds
<b>OPERATING REVENUES:</b>			
Charges for Services	\$ 754,850	\$ 1,674,935	\$ 2,429,785
Other Operating Revenue	969,870	-	969,870
Total Operating Revenues	<u>1,724,720</u>	<u>1,674,935</u>	<u>3,399,655</u>
<b>OPERATING EXPENSES:</b>			
Operations & Maintenance	1,204,070	1,128,257	2,332,327
Administration	292,022	487,752	779,774
Depreciation/Amortization	580,297	36,492	616,789
Other Operating Expenses	3,580	21,891	25,471
Total Operating Expenses	<u>2,079,969</u>	<u>1,674,392</u>	<u>3,754,361</u>
Operating Income (Loss)	<u>(355,249)</u>	<u>543</u>	<u>(354,706)</u>
<b>NON-OPERATING REVENUE (EXPENSE):</b>			
Interest Revenue	27,672	26,126	53,798
Other Non-Operating Revenues	711,471	12,022	723,493
Gain (Loss) on Sale of Capital Assets	-	4,250	4,250
Total Non-Operating Revenue (Expense)	<u>739,143</u>	<u>42,398</u>	<u>781,541</u>
Income (Loss) Before Contributions & Transfers	<u>383,894</u>	<u>42,941</u>	<u>426,835</u>
Transfers Out (Note 4)	-	(15,000)	(15,000)
Change in Net Position	<u>383,894</u>	<u>27,941</u>	<u>411,835</u>
Net Position, January 1	<u>12,952,213</u>	<u>2,998,801</u>	<u>15,951,014</u>
Net Position, December 31	<u>\$ 13,336,107</u>	<u>\$ 3,026,742</u>	<u>\$ 16,362,849</u>

City of Auburn, Washington  
**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
For the Fiscal Year Ended December 31, 2022

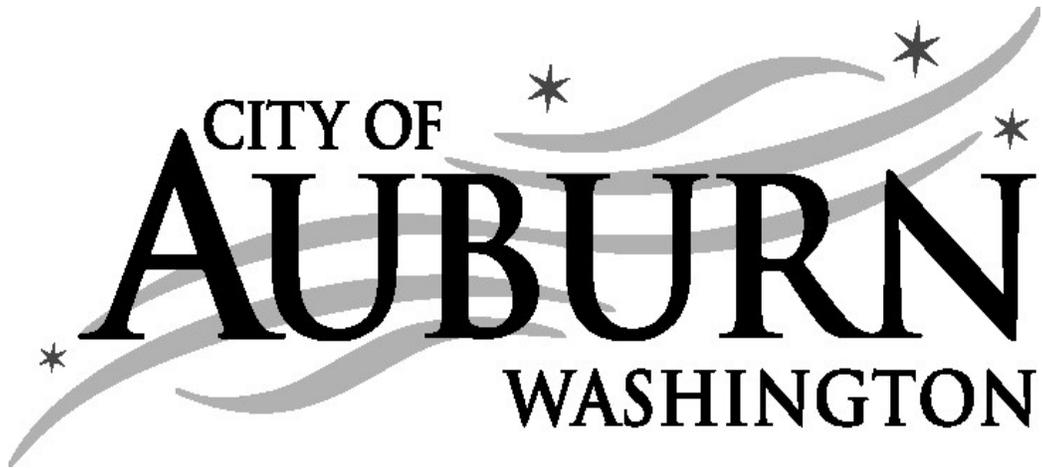
Page 1 of 2

	Airport	Cemetery	Total Non Major Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash Received From Users	\$ 1,388,655	\$ 1,674,935	\$ 3,063,590
Cash Paid to Suppliers for Goods & Services	(849,967)	(662,255)	(1,512,222)
Cash Paid for Taxes	(31,516)	(21,891)	(53,407)
Cash Paid to Employees	(406,106)	(927,119)	(1,333,225)
Other Cash Received	13,510	-	13,510
Other Non-Operating Revenue	-	16,272	16,272
Net Cash Provided (Used) By Operating Activities	<u>114,576</u>	<u>79,942</u>	<u>194,518</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Operating Grant Received	574,157	-	574,157
Operating Transfers Out	-	(15,000)	(15,000)
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>574,157</u>	<u>(15,000)</u>	<u>559,157</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Proceeds from Sale of Equipment	-	2,000	2,000
Purchase of Capital Assets	(623,892)	(54,362)	(678,254)
Lease Principal Receipts	229,619	-	229,619
Lease Interest Receipts	115,578	-	115,578
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>(278,695)</u>	<u>(52,362)</u>	<u>(331,057)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>			
Interest Received	27,672	26,126	53,798
Net Cash Provided (Used) in Investing Activities	<u>27,672</u>	<u>26,126</u>	<u>53,798</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>437,710</u>	<u>38,706</u>	<u>476,416</u>
Cash and Cash Equivalents - Beginning of Year	<u>1,613,883</u>	<u>1,670,527</u>	<u>3,284,410</u>
<b>Cash and Cash Equivalents - End of Year</b>	<u>\$ 2,051,593</u>	<u>\$ 1,709,233</u>	<u>\$ 3,760,826</u>
<b>CASH AT END OF YEAR CONSISTS OF:</b>			
Cash and Cash Equivalents	1,921,511	1,709,233	3,630,744
Restricted Cash - Customer Deposits	130,082	-	130,082
Total Cash	<u>\$ 2,051,593</u>	<u>\$ 1,709,233</u>	<u>\$ 3,760,826</u>

City of Auburn, Washington  
**COMBINING STATEMENT OF CASH FLOWS**  
**NON-MAJOR ENTERPRISE FUNDS**  
For the Fiscal Year Ended December 31, 2022

Page 2 of 2

	Airport	Cemetery	Total Non Major Enterprise Funds
<b>RECONCILIATION OF NET OPERATING INCOME TO NEW CASH PROVIDED BY OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ (355,249)	\$ 543	\$ (354,706)
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Depreciation	580,297	36,492	616,789
Lease Revenue Classified as Operating Income and Financing Cash Flow	(229,619)	-	(229,619)
Other Non-Operating Revenue	13,510	16,272	29,782
Asset (Increases) Decreases:			
Accounts Receivable	(61,457)	-	(61,457)
Inventory	15,030	(867)	14,163
Lease Receivable	(7,312,862)	-	(7,312,862)
Liability Increases (Decreases):			
Accounts & Vouchers Payable	165,071	12,754	177,825
Deposits Payable	1,186	-	1,186
Wages & Benefits Payable	33,032	23,678	56,710
Compensated Absences Payable	(1,050)	(8,930)	(9,980)
Lease Deferred Inflows	7,266,687	-	7,266,687
Total Adjustments	<u>469,825</u>	<u>79,399</u>	<u>549,224</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 114,576</u>	<u>\$ 79,942</u>	<u>\$ 194,518</u>
<b>SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>			
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, 2022

	Insurance	Workers Comp Self Insurance	Facilities	Information Services	Equipment Rental	Total
<b>ASSETS:</b>						
Current Assets:						
Cash and Cash Equivalents	\$ 1,507,792	\$ 4,132,853	\$ 684,059	\$ 3,447,279	\$ 8,284,297	\$ 18,056,280
Customer Accounts	-	-	66,045	-	-	66,045
Due From Other Governmental Units	-	-	18,750	3,340	133,728	155,818
Inventories	-	-	-	-	395,069	395,069
Total Current Assets	<u>1,507,792</u>	<u>4,132,853</u>	<u>768,854</u>	<u>3,450,619</u>	<u>8,813,094</u>	<u>18,673,212</u>
Noncurrent Assets:						
Net Pension Asset	-	-	98,952	720,039	125,912	944,903
Capital Assets Not Being Depreciated:						
Construction in Progress	-	-	-	12,552	78,255	90,807
Capital Assets:						
Buildings and Equipment	-	-	-	9,872,762	20,169,392	30,042,154
Improvements Other than Buildings	-	-	-	294,889	217,501	512,390
Right of Use (Leases)	-	-	-	226,966	-	226,966
Less: Accumulated Depreciation/Amortization	-	-	-	(9,010,420)	(12,458,164)	(21,468,584)
Total Capital Assets (Net of A/D)	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,396,749</u>	<u>8,006,984</u>	<u>9,403,733</u>
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>98,952</u>	<u>2,116,788</u>	<u>8,132,896</u>	<u>10,348,636</u>
Total Assets	<u>1,507,792</u>	<u>4,132,853</u>	<u>867,806</u>	<u>5,567,407</u>	<u>16,945,990</u>	<u>29,021,848</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>						
Deferred Outflows Related to Pensions	-	7,349	221,776	525,797	201,564	956,486
Total Deferred Outflows of Resources	<u>-</u>	<u>7,349</u>	<u>221,776</u>	<u>525,797</u>	<u>201,564</u>	<u>956,486</u>
<b>LIABILITIES:</b>						
Current Liabilities:						
Current Payables	18,826	87,338	445,687	271,687	1,274,410	2,097,948
Claims Payable (Incurred but not reported)	-	1,132,000	-	-	-	1,132,000
Employee Leave Benefits - Current	-	-	52,152	144,407	31,453	228,012
Leases Payable - Current	-	-	-	40,269	-	40,269
Accrued Interest	-	-	-	1,064	-	1,064
Total Current Liabilities	<u>18,826</u>	<u>1,219,338</u>	<u>497,839</u>	<u>457,427</u>	<u>1,305,863</u>	<u>3,499,293</u>
Noncurrent Liabilities						
Employee Leave Benefits	-	-	20,006	55,397	12,066	87,469
Leases Payable	-	-	-	161,354	-	161,354
Net Pension Liability	-	1,087	-	-	910,960	912,047
Total Noncurrent Liabilities	<u>-</u>	<u>1,087</u>	<u>20,006</u>	<u>216,751</u>	<u>923,026</u>	<u>1,160,870</u>
Total Liabilities	<u>18,826</u>	<u>1,220,425</u>	<u>517,845</u>	<u>674,178</u>	<u>2,228,889</u>	<u>4,660,163</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>						
Deferred Inflow Related to Pensions	-	14,428	99,498	698,036	184,951	996,913
Total Deferred Inflows of Resources	<u>-</u>	<u>14,428</u>	<u>99,498</u>	<u>698,036</u>	<u>184,951</u>	<u>996,913</u>
<b>NET POSITION:</b>						
Net Investment in Capital Assets	-	-	-	1,195,126	8,006,984	9,202,110
Restricted For:						
Pension Asset	-	-	98,952	720,039	125,912	944,903
Unrestricted	<u>1,488,966</u>	<u>2,905,349</u>	<u>373,287</u>	<u>2,805,825</u>	<u>6,600,818</u>	<u>14,174,245</u>
Total Net Position	<u>\$ 1,488,966</u>	<u>\$ 2,905,349</u>	<u>\$ 472,239</u>	<u>\$ 4,720,990</u>	<u>\$ 14,733,714</u>	<u>\$ 24,321,258</u>

City of Auburn, Washington  
**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
For the Year Ended December 31, 2022

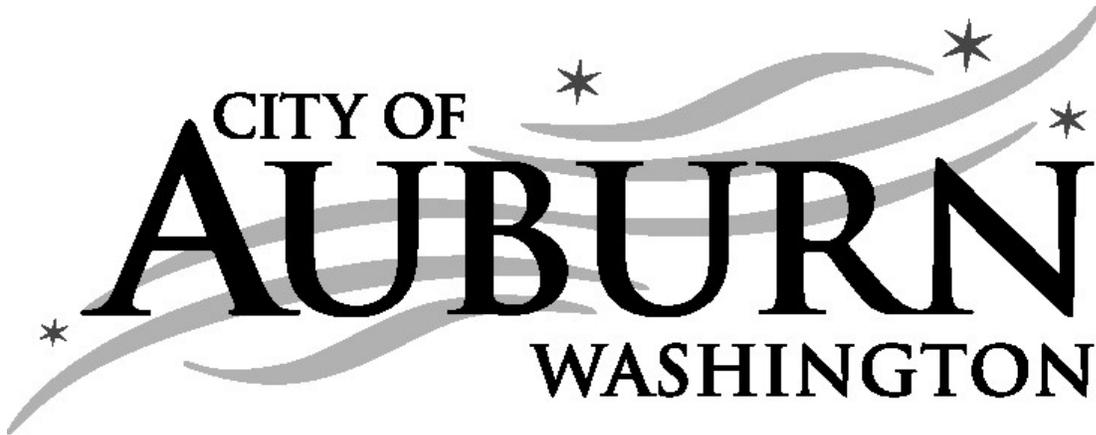
	Insurance	Workers Comp Self Insurance	Facilities	Information Services	Equipment Rental	Total
<b>OPERATING REVENUES:</b>						
Charges for Services	\$ -	\$ 1,164,884	\$ 3,482,733	\$ 6,561,402	\$ 4,264,600	\$ 15,473,619
Other Operating Revenue	-	-	53,841	42,089	-	95,930
Total Operating Revenues	-	1,164,884	3,536,574	6,603,491	4,264,600	15,569,549
<b>OPERATING EXPENSES:</b>						
Operations & Maintenance	-	1,024,800	3,487,974	6,748,202	1,954,603	13,215,579
Administration	297,423	154,900	35,900	64,200	983,221	1,535,644
Depreciation/Amortization	-	-	-	594,061	1,402,477	1,996,538
Total Operating Expenses	297,423	1,179,700	3,523,874	7,406,463	4,340,301	16,747,761
Operating Income (Loss)	(297,423)	(14,816)	12,700	(802,972)	(75,701)	(1,178,212)
<b>NON-OPERATING REVENUE (EXPENSE):</b>						
Interest Revenue	18,214	57,711	14,054	51,070	116,311	257,360
Other Non-Operating Revenues	-	-	-	1,052	18,747	19,799
Gain/(Loss) on Sale of Capital Assets	-	-	-	-	45,695	45,695
Interest Expense	-	-	-	(1,076)	-	(1,076)
Total Non-Operating Revenue (Expense)	18,214	57,711	14,054	51,046	180,753	321,778
Income (Loss) Before Contributions	(279,209)	42,895	26,754	(751,926)	105,052	(856,434)
Transfers In (Note 4)	-	-	148,960	3,000	258,841	410,801
Transfers Out (Note 4)	-	-	(712,345)	-	(86,000)	(798,345)
Change in Net Position	(279,209)	42,895	(536,631)	(748,926)	277,893	(1,243,978)
Net Position, January 1	1,768,175	2,862,454	1,008,870	5,469,916	14,455,821	25,565,236
Total Net Position - Ending	\$ 1,488,966	\$ 2,905,349	\$ 472,239	4,720,990	\$ 14,733,714	\$ 24,321,258

City of Auburn, Washington  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
 For the Fiscal Year Ended December 31, 2022

		Insurance	Workers Comp Self Insurance	Facilities	Information Services	Equipment Rental	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>							
Cash Received From Users	\$	-	\$ 1,164,884	\$ 3,554,672	\$ 6,635,247	\$ 4,264,600	\$ 15,619,403
Cash Paid to Suppliers for Goods & Services		(297,151)	(697,549)	(2,267,137)	(3,583,454)	(1,212,477)	(8,057,768)
Cash Paid to Employees		-	(163,947)	(1,175,988)	(2,937,195)	(1,141,480)	(5,418,610)
Other Cash Received		-	-	-	1,052	(91,386)	(90,334)
Net Cash Provided (Used) By Operating Activities		<u>(297,151)</u>	<u>303,388</u>	<u>111,547</u>	<u>115,650</u>	<u>1,819,257</u>	<u>2,052,691</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>							
Transfers In		-	-	148,960	3,000	258,841	410,801
Transfers Out		-	-	(712,345)	-	(86,000)	(798,345)
Net Cash Provided (Used) by Non-Capital Financing Activities		<u>-</u>	<u>-</u>	<u>(563,385)</u>	<u>3,000</u>	<u>172,841</u>	<u>(387,544)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>							
Proceeds from Sale of Equipment		-	-	-	-	135,666	135,666
Purchase of Capital Assets		-	-	-	(508,861)	(1,868,823)	(2,377,684)
Proceeds from Insurance Settlement		-	-	-	-	110,133	110,133
Principal Payment on Debt		-	-	-	(25,218)	-	(25,218)
Interest Payment on Debt		-	-	-	(11)	-	(11)
Net Cash Provided (Used) for Capital and Related Financing Activities		<u>-</u>	<u>-</u>	<u>-</u>	<u>(534,090)</u>	<u>(1,623,024)</u>	<u>(2,157,114)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>							
Interest Received		18,214	57,711	14,054	51,070	116,311	257,360
Net Cash Provided (Used) in Investing Activities		<u>18,214</u>	<u>57,711</u>	<u>14,054</u>	<u>51,070</u>	<u>116,311</u>	<u>257,360</u>
Net Increase (Decrease) in Cash and Cash Equivalents		<u>(278,937)</u>	<u>361,099</u>	<u>(437,784)</u>	<u>(364,370)</u>	<u>485,385</u>	<u>(234,607)</u>
Cash and Cash Equivalents - Beginning of Year		1,786,729	3,771,754	1,121,843	3,811,649	7,798,912	18,290,887
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$</b>	<b><u>1,507,792</u></b>	<b><u>4,132,853</u></b>	<b><u>684,059</u></b>	<b><u>3,447,279</u></b>	<b><u>8,284,297</u></b>	<b><u>18,056,280</u></b>
<b>CASH AT END OF YEAR CONSISTS OF:</b>							
Cash and Cash Equivalents		1,507,792	4,132,853	684,059	3,447,279	8,284,297	18,056,280
Total Cash	<b>\$</b>	<b><u>1,507,792</u></b>	<b><u>4,132,853</u></b>	<b><u>684,059</u></b>	<b><u>3,447,279</u></b>	<b><u>8,284,297</u></b>	<b><u>18,056,280</u></b>

City of Auburn, Washington  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
 For the Fiscal Year Ended December 31, 2022

	Insurance	Workers Comp Self Insurance	Facilities	Information Services	Equipment Rental	Total
<b>RECONCILIATION OF NET OPERATING INCOME TO NEW CASH PROVIDED BY OPERATING ACTIVITIES</b>						
Operating Income (Loss)	\$ (297,423)	\$ (14,816)	\$ 12,700	\$ (802,972)	\$ (75,701)	\$ (1,178,212)
<b>ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>						
Depreciation	-	-	-	594,061	1,402,477	1,996,538
Other Non-Operating Revenues	-	-	-	-	(91,386)	(91,386)
Asset (Increases) Decreases:						
Accounts Receivable	-	-	18,098	32,808	-	50,906
Inventory	-	-	-	-	(26,289)	(26,289)
Liability Increases (Decreases):						
Accounts & Vouchers Payable	272	318,204	97,718	67,642	695,179	1,179,015
Wages & Benefits Payable	-	-	(19,970)	226,380	(87,747)	118,663
Compensated Absences Payable	-	-	3,001	(2,269)	2,724	3,456
Total Adjustments	<u>272</u>	<u>318,204</u>	<u>98,847</u>	<u>918,622</u>	<u>1,894,958</u>	<u>3,230,903</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (297,151)</u>	<u>\$ 303,388</u>	<u>\$ 111,547</u>	<u>\$ 115,650</u>	<u>\$ 1,819,257</u>	<u>\$ 2,052,691</u>
<b>SCHEDULE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>						
Total Non Cash Investing, Capital and Financing Activities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



## Managerial Funds

The Cumulative Reserve Fund and the Fire Pension Fund are now combined with the General Fund. For budgetary purposes, however, they are included and presented as Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget to Actual. The City of Auburn has the following managerial funds:

Cumulative Reserve Fund – This fund is for the purpose of revenue stabilization for future operations.

Fire Pension Fund – 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.

City of Auburn, Washington  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**CUMULATIVE RESERVE FUND**  
For the Year Ended December 31, 2022

	Budget Amounts		Actual Results	Variance with Final Budget Positive (Negative)
	Original	Final Adopted		
<b>REVENUES:</b>				
Investment Earnings	\$ 80,000	\$ 80,000	\$ (71,379)	\$ (151,379)
Total Revenues	<u>80,000</u>	<u>80,000</u>	<u>(71,379)</u>	<u>(151,379)</u>
<b>EXPENDITURES:</b>				
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>				
	<u>80,000</u>	<u>80,000</u>	<u>(71,379)</u>	<u>(151,379)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of Capital Assets	-	2,029,800	2,029,784	(16)
Transfers In (Note 4)	-	18,500,000	18,500,000	-
Transfers Out (Note 4)	(1,950,000)	(2,442,200)	(419,731)	2,022,469
Total Other Financing Sources (Uses)	<u>(1,950,000)</u>	<u>18,087,600</u>	<u>20,110,053</u>	<u>2,022,469</u>
Net Change in Fund Balances	<u>(1,870,000)</u>	<u>18,167,600</u>	<u>20,038,674</u>	<u>1,871,090</u>
Fund Balances - Beginning	6,484,315	10,553,767	10,553,767	-
Fund Balances - Ending	<u>\$ 4,614,315</u>	<u>\$ 28,721,367</u>	<u>\$ 30,592,441</u>	<u>\$ 1,871,090</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

(30,592,441)

Fund Balance - Ending (GAAP)

\$ -

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

City of Auburn, Washington  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL**  
**FIRE PENSION FUND**

For the Year Ended December 31, 2022

	Budget Amounts		Actual Results	Variance with Final Budget Positive (Negative)
	Original	Final Adopted		
<b>REVENUES:</b>				
Intergovernmental	\$ 88,400	\$ 88,400	\$ 104,661	\$ 16,261
Investment Earnings	15,200	15,200	20,450	5,250
Total Revenues	<u>103,600</u>	<u>103,600</u>	<u>125,111</u>	<u>21,511</u>
<b>EXPENDITURES:</b>				
<b>CURRENT:</b>				
Security of Persons & Property	211,204	211,204	224,149	(12,945)
Total Expenditures	<u>211,204</u>	<u>211,204</u>	<u>224,149</u>	<u>(12,945)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(107,604)</u>	<u>(107,604)</u>	<u>(99,038)</u>	<u>8,566</u>
Net Change in Fund Balances	<u>(107,604)</u>	<u>(107,604)</u>	<u>(99,038)</u>	<u>8,566</u>
Fund Balances - Beginning	1,926,737	1,989,570	1,989,570	-
Fund Balances - Ending	<u>\$ 1,819,133</u>	<u>\$ 1,881,966</u>	<u>\$ 1,890,532</u>	<u>\$ 8,566</u>

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

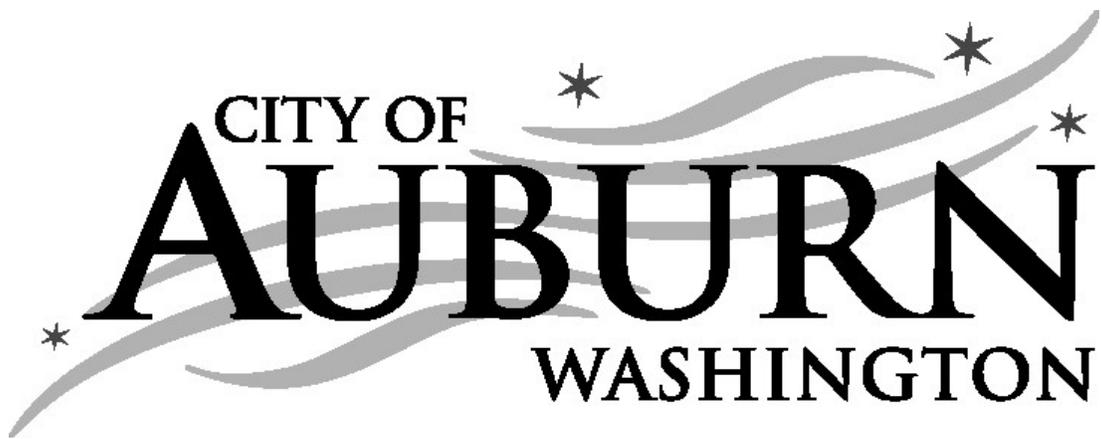
The Fire Pension Reserve Fund is combined with  
the General Fund for purposes of GASB Statement 54

(1,890,532)

Fund Balance - Ending (GAAP)

\$ -

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



City of Auburn  
**STATISTICAL SECTION**  
 December 31, 2022

**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.*

Schedule 1	Net position by components.....	164
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Schedule 3	Fund balances, government funds .....	166
Schedule 4	Changes in fund balances, government funds .....	167
Schedule 5	Tax revenues by source, government funds .....	168

**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.*

Schedule 6	Assessed value by type.....	169
Schedule 7	Property tax data .....	170
Schedule 8	Property tax levies and collections .....	172
Schedule 9	Principal taxpayers-property taxes and sales taxes.....	173
Schedule 10	Retail tax collections by sector .....	174

**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.*

Schedule 11	Ratios of outstanding debt by type .....	175
Schedule 12	Computation of legal debt margin .....	176
Schedule 13	Legal debt margin ratios.....	176
Schedule 14	Computation of net direct and estimated overlapping debt .....	177
Schedule 15	Ratios of net general bonded debt to assessed value.....	178
Schedule 16	Pledged revenue bond coverages .....	179

**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.*

Schedule 17	Population, income and housing trends.....	180
Schedule 18	Major employers .....	181

**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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Schedule 22	Utility customers by customer class.....	185

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental activities:</b>										
Net Investment in Capital Assets	\$ 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	\$371,760,693
Restricted	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	60,149,452
Unrestricted	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	85,050,827
Total governmental activities net position	<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>	<u>516,960,973</u>
<b>Business-type activities:</b>										
Net Investment in Capital Assets	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	230,412,106
Restricted	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	7,557,854
Unrestricted	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	68,868,085
Total business-type activities net position	<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>	<u>306,838,045</u>
<b>Primary government:</b>										
Net Investment in Capital Assets	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	602,172,799
Restricted	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	67,707,306
Unrestricted	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	153,918,912
Total primary government net position	<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>	<u>\$823,799,018</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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
Governmental activities:										
General government	\$ 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	\$ 14,735,664
Public safety	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	38,402,492
Transportation	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	18,517,806
Physical environment	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	3,597,960
Culture and recreation	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	14,800,322
Economic environment	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	4,662,845
Health and human services	510,285	622,374	925,299	573,115	674,270	787,535	619,247	671,257	2,107,798	2,179,401
Interest on long-term debt	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	677,414
Total governmental activities expenses	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	97,573,904
Business-type activities:										
Water	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	14,094,553
Sewer	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	28,481,203
Storm drainage	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	10,370,729
Solid waste	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	26,457,098
Golf course	1,933,597	-	-	-	-	-	-	-	-	-
Non-major business-type activities	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	3,754,361
Total business-type activities expenses	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	83,157,944
Total primary government expenses	\$ 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	\$ 180,731,848
<b>Program revenues</b>										
Governmental activities:										
Charges for services										
General Government	\$ 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	\$ 4,506,672
Public Safety	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	1,006,147
Transportation	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	1,796,513
Physical Environment	398,564	276,632	384,485	260,555	431,580	611,342	503,798	671,543	719,487	427,515
Culture and Recreation	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	2,715,193
Economic Environment	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	2,015,619
Total charges for services	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	12,467,659
Operating grants and contributions	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	7,398,845
Capital grants and contributions	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	8,644,981
Total governmental activities program revenues	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	28,511,485
Business-type activities:										
Charges for services	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	84,871,076
Operating grants and contributions	90,361	111,025	106,286	106,286	106,286	106,286	106,286	106,286	-	-
Capital grants and contributions	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	3,847,367
Total business-type activities program revenues	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	88,718,443
Total primary government program revenues	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	117,229,928
Net (expense)/revenue										
Governmental activities	(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)	(69,062,419)
Business-type activities	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	5,560,499
Total primary government net expense	\$ (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)	\$ (63,501,920)
<b>General revenues and other changes in net position</b>										
Governmental activities:										
Taxes:										
Property taxes	\$ 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	\$ 24,635,089
Retail sales and use tax	18,335,157	19,744,684	21,125,730	21,475,335	22,333,454	21,996,115	22,212,601	21,900,597	25,289,050	26,295,124
Interfund utility taxes	3,892,250	4,068,667	4,260,831	4,624,951	4,540,265	4,552,505	4,760,229	4,543,436	7,101,829	6,396,937
Utility taxes	9,156,636	9,040,015	8,838,179	8,917,401	10,391,462	10,814,620	9,278,114	8,866,275	9,521,243	9,532,991
Excise taxes	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	6,110,151
City Business and Occupation <sup>(1)</sup>	-	-	-	-	-	-	-	-	-	4,664,551
Other taxes	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	4,635,655
Investment earnings	121,687	105,117	118,399	332,520	787,786	1,657,481	2,134,741	1,027,312	(114,738)	815,061
Miscellaneous	(4,625,627)	178,482	194,600	157,874	204,306	428,580	258,502	252,441	572,013	1,789,159
Transfers	(218,230)	5,294,793	(462,955)	424,173	454,436	414,975	394,287	264,371	395,869	304,449
Total governmental activities	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	85,179,167
Business-type activities:										
Investment earnings	68,400	51,261	70,560	196,595	479,132	989,564	1,387,405	364,027	17,401	1,068,685
Miscellaneous	763,717	2,700,233	1,881,835	1,085,275	444,110	602,528	1,218,645	3,267,467	277,871	1,194,771
Transfers	218,230	(5,294,793)	462,955	(424,173)	(454,436)	(414,975)	(394,287)	(264,371)	(395,869)	(304,449)
Total business-type activities:	1,050,347	(2,543,299)	2,415,350	857,697	468,806	1,177,117	2,211,763	3,367,123	(100,597)	1,959,007
Total primary government	\$ 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	\$ 87,138,174
<b>Change in net position Before Change in Accounting Principle</b>										
Governmental activities	(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	16,116,748
Business-type activities	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	7,519,506
Total primary government	\$ 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	\$ 23,636,254
<b>Change In Accounting Principle</b>										
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)	\$ -	\$ -	\$ -	\$ -
<b>Change in net position After Change in Accounting Principle</b>										
Governmental activities	(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	16,116,748
Business-type activities	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	7,519,506
Total primary government	\$ 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	\$ 23,636,254

(1) City implemented a City Business and Occupation Tax January 1, 2022.

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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General Fund</b>										
Nonspendable	\$127	\$127	\$127	\$0	\$30,453	\$38,179	\$36,097	\$47,085	\$49,674	57,740
Committed	-	-	-	-	-	-	-	-	-	1,311,450
Assigned	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	10,801,447
Unassigned	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	46,001,244
<b>Total General Fund</b>	<u>23,644,516</u>	<u>24,959,818</u>	<u>27,552,062</u>	<u>32,151,179</u>	<u>34,760,782</u>	<u>34,041,633</u>	<u>36,223,116</u>	<u>41,939,224</u>	<u>47,900,705</u>	<u>58,171,881</u>
<b>All other governmental funds</b>										
Nonspendable	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	2,165,670
Restricted	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	39,207,433
Committed	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	4,219,956
Assigned	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	1,800,573
<b>Total All Other Governmental Funds</b>	<u>\$ 23,239,404</u>	<u>\$ 26,195,628</u>	<u>\$ 27,884,781</u>	<u>\$ 33,393,225</u>	<u>\$ 34,298,859</u>	<u>\$ 35,908,652</u>	<u>\$ 39,323,122</u>	<u>\$ 38,658,926</u>	<u>\$ 44,995,839</u>	<u>\$ 47,393,632</u>

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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Taxes	\$ 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	\$ 77,638,547
Licenses and permits	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	2,275,480
Intergovernmental	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	17,286,788
Charges for services	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	10,499,530
Fines and forfeits	1,441,603	1,258,408	938,775	905,921	882,254	920,187	914,240	635,209	434,042	390,200
Special assessments	40,772	472,800	7,494	4,111	3,835	2,210	2,807	712	591	-
Investment earnings	144,151	135,709	117,942	279,058	672,713	1,308,888	1,767,742	1,005,175	(187,615)	564,524
Miscellaneous	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	2,016,895
<b>Total revenues</b>	<b>69,581,948</b>	<b>72,774,753</b>	<b>82,603,140</b>	<b>88,606,337</b>	<b>91,162,511</b>	<b>86,821,196</b>	<b>93,554,329</b>	<b>90,545,094</b>	<b>103,560,171</b>	<b>110,671,964</b>
<b>Expenditures</b>										
General government	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	14,517,861
Public safety	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	40,559,737
Transportation	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	14,535,310
Physical environment	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	4,321,115
Economic environment	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	5,037,287
Health and human services	631,997	626,681	925,299	573,115	674,270	787,535	619,247	821,362	2,192,261	1,982,524
Culture and recreation	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	13,958,960
Capital outlay <sup>(1)</sup>	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	8,431,192
Debt service:										
Principal	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	1,497,942
Interest / other	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	868,442
<b>Total expenditures</b>	<b>71,366,954</b>	<b>69,203,957</b>	<b>78,928,940</b>	<b>81,195,654</b>	<b>87,671,516</b>	<b>86,585,527</b>	<b>88,967,026</b>	<b>86,469,056</b>	<b>92,373,155</b>	<b>105,710,370</b>
Excess of revenues over (under) expenditures	(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	4,961,594
<b>Other financing sources (uses)</b>										
Transfers in	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	9,848,536
Transfers out	(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)	(9,156,543)
Insurance recoveries	192,898	136,585	153,041	83,737	134,003	288,518	177,154	189,322	416,066	103,473
Issuance of debt	3,044,491	240,366	-	3,128,732	-	-	-	-	-	-
Leases	-	-	-	-	-	-	-	-	-	4,685,125
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	2,593,405	17,458	21,952	-	2,700	-	-	-	-	2,226,784
<b>Total other financing sources (uses)</b>	<b>6,155,969</b>	<b>700,730</b>	<b>607,197</b>	<b>184,321</b>	<b>24,242</b>	<b>654,975</b>	<b>1,008,650</b>	<b>975,874</b>	<b>1,111,378</b>	<b>7,707,375</b>
<b>Net change in fund balances</b>	<b>\$ 4,370,963</b>	<b>\$ 4,271,526</b>	<b>\$ 4,281,397</b>	<b>\$ 7,595,004</b>	<b>\$ 3,515,237</b>	<b>\$ 890,644</b>	<b>\$ 5,595,953</b>	<b>\$ 5,051,912</b>	<b>\$ 12,298,394</b>	<b>\$ 12,668,969</b>
Debt service as a percentage of noncapital expenditures	8.71%	10.68%	5.50%	5.14%	4.66%	4.38%	3.72%	3.36%	2.58%	2.72%

(1) Capital outlay reported in governmental funds for 2022 are \$8,431,192 plus \$10,288,383 which is reported for each functional activity with the other funds results in total capital outlay of \$18,719,575 as reported on the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Government Funds to the Statement of Activities.

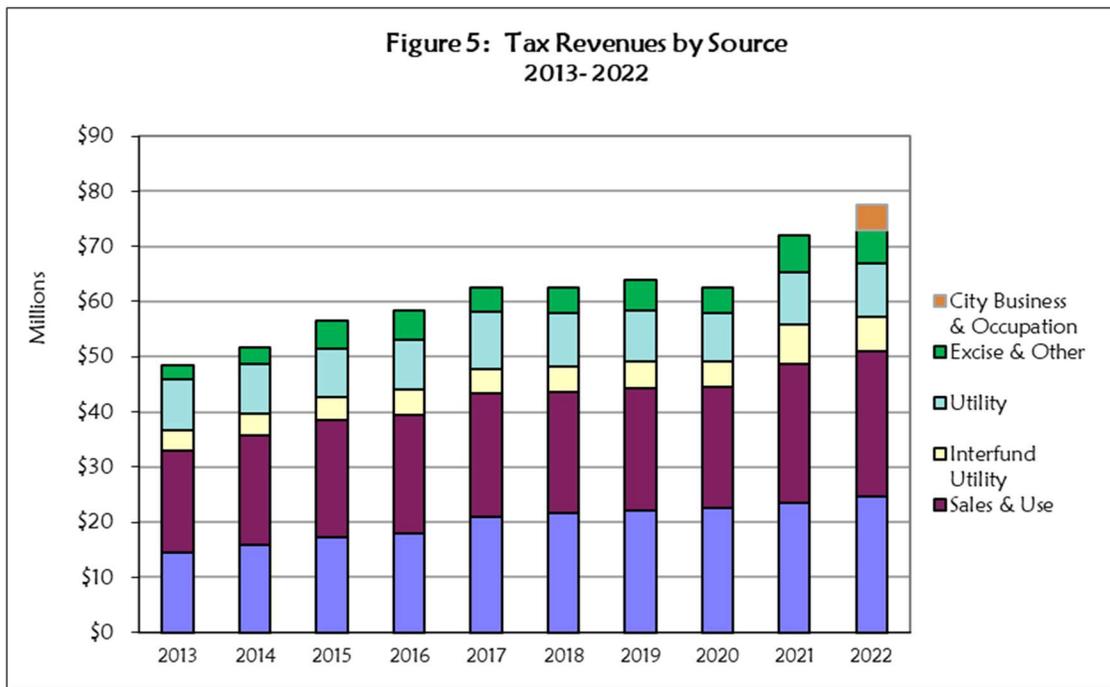
Source: City of Auburn, Finance Department

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	City Business & Occupation <sup>(1)</sup>	Other	Total
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
2022	24,637,908	26,295,124	6,396,937	9,532,991	6,110,151	4,664,551	885	77,638,547
<b>Change 2013-2022</b>	<b>69.5%</b>	<b>43.4%</b>	<b>64.4%</b>	<b>4.1%</b>	<b>139.1%</b>	<b>100.0%</b>	<b>-98.7%</b>	<b>59.9%</b>

(1) City implemented a City Business and Occupation Tax January 1, 2022.

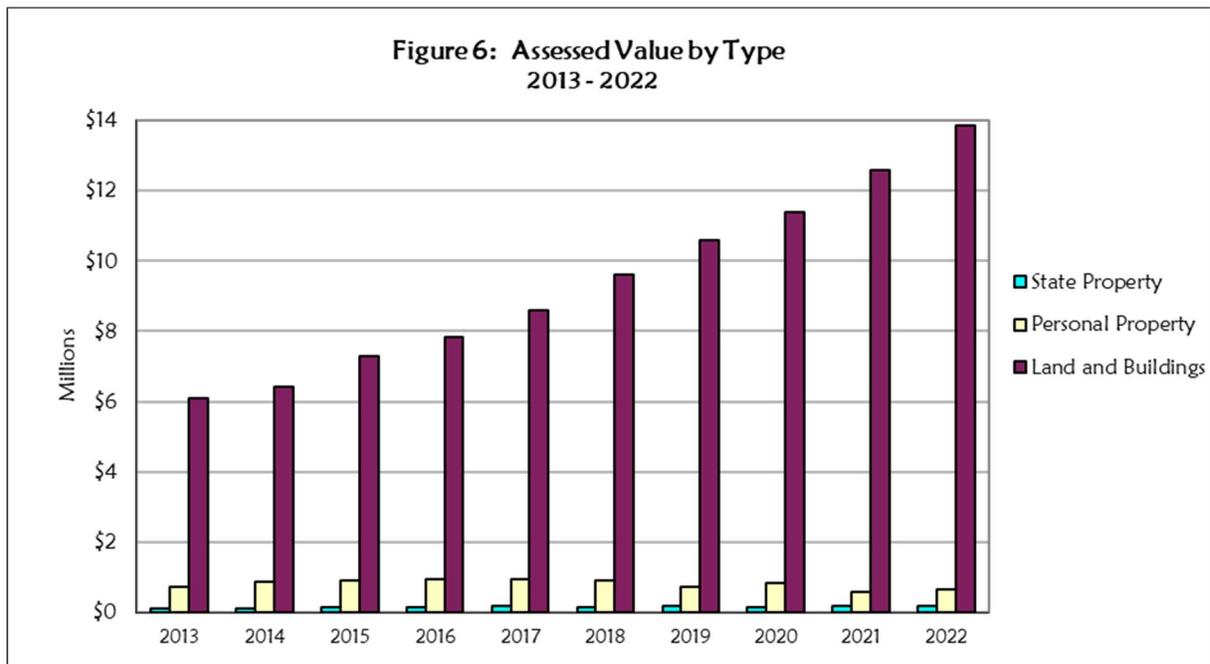
Source: City of Auburn, Finance Department



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
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
2022	185,841	666,342	13,839,177	14,691,361	1.66

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

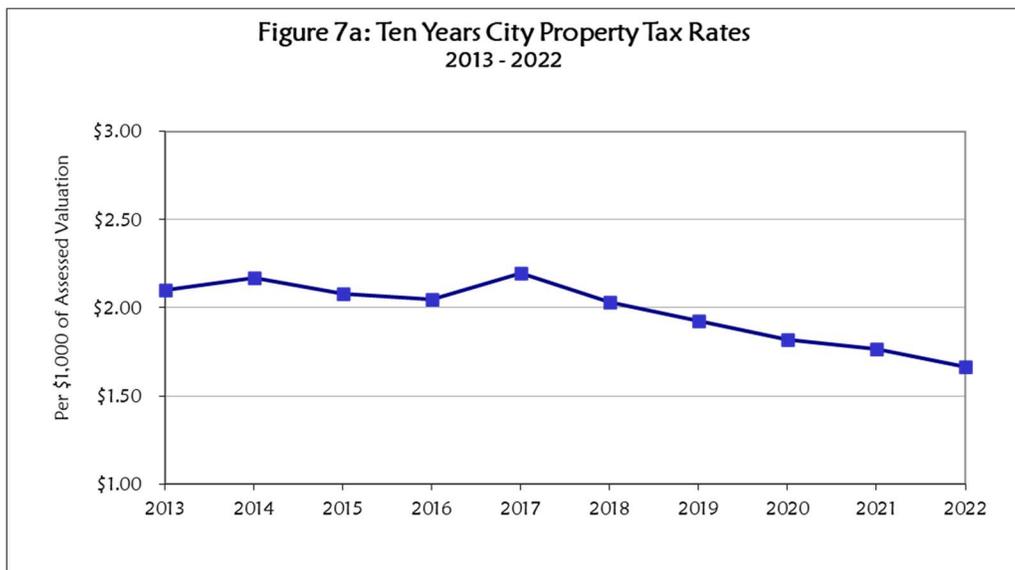


City of Auburn, Washington  
**SCHEDULE 7**  
**PROPERTY TAX DATA**  
 Last Ten Fiscal Years

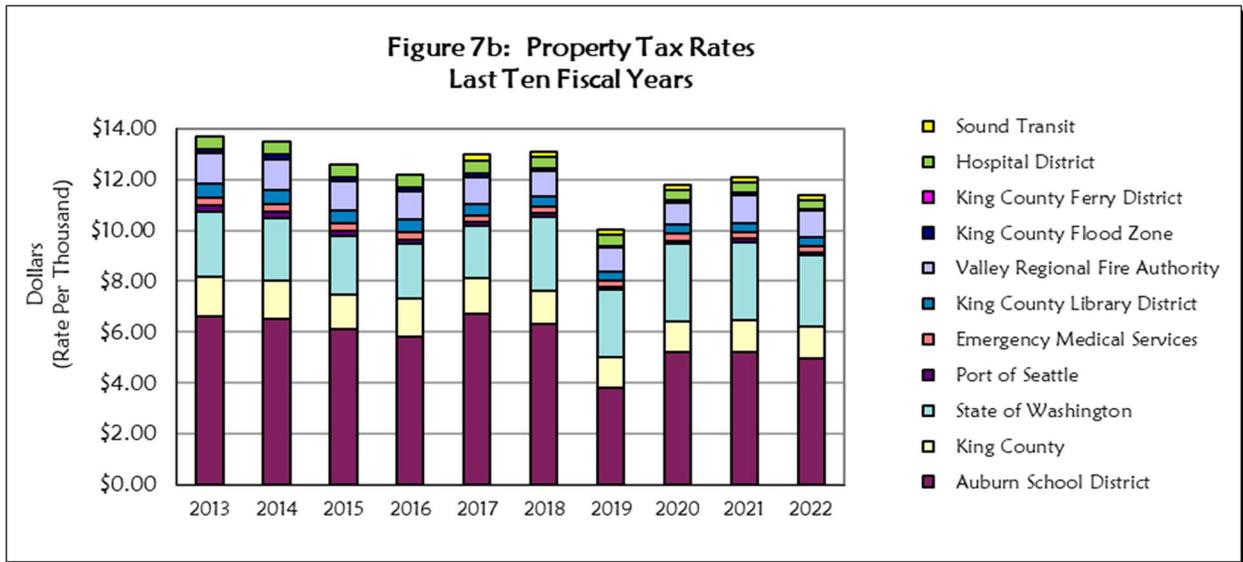
Item	2013	2014	2015	2016
<b>Assessed and estimated actual values <sup>(1)</sup></b>				
Estimated and actual value (in thousands)	\$ 6,968,719	\$ 7,422,169	\$ 8,366,653	\$ 8,967,119
Assessed value (in thousands)	6,968,719	7,422,169	8,366,653	8,967,119
Ratio of assessed to actual	100%	100%	100%	100%
<b>Property tax rates <sup>(1)</sup></b>				
Direct regular and special				
General fund	\$ 2.10000	\$ 2.16739	\$ 2.08085	\$ 2.04719
Subtotal	2.10000	2.16739	2.08085	2.04719
<b>Overlapping regular and special <sup>(1)</sup></b>				
Auburn School District	\$ 6.62190	\$ 6.50262	\$ 6.14079	\$ 5.82831
King County	1.54051	1.51605	1.34522	1.48027
State of Washington	2.56720	2.47044	2.28514	2.16898
Port of Seattle	0.23324	0.21533	0.18885	0.16954
Sound Transit	-	-	-	-
Emergency Medical Services	0.30000	0.33500	0.30217	0.28235
Hospital District	0.50000	0.50000	0.50000	0.50000
King County Library District	0.56743	0.56175	0.50276	0.47714
Valley Regional Fire Authority	1.20479	1.20294	1.18043	1.13495
King County Flood Zone	0.13210	0.15369	0.13860	0.12980
King County Ferry District	0.00378	0.00349	-	-
Subtotal	13.67095	13.46131	12.58396	12.17134
Total direct and overlapping	<u>\$ 15.77095</u>	<u>\$ 15.62870</u>	<u>\$ 14.66481</u>	<u>\$ 14.21853</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.



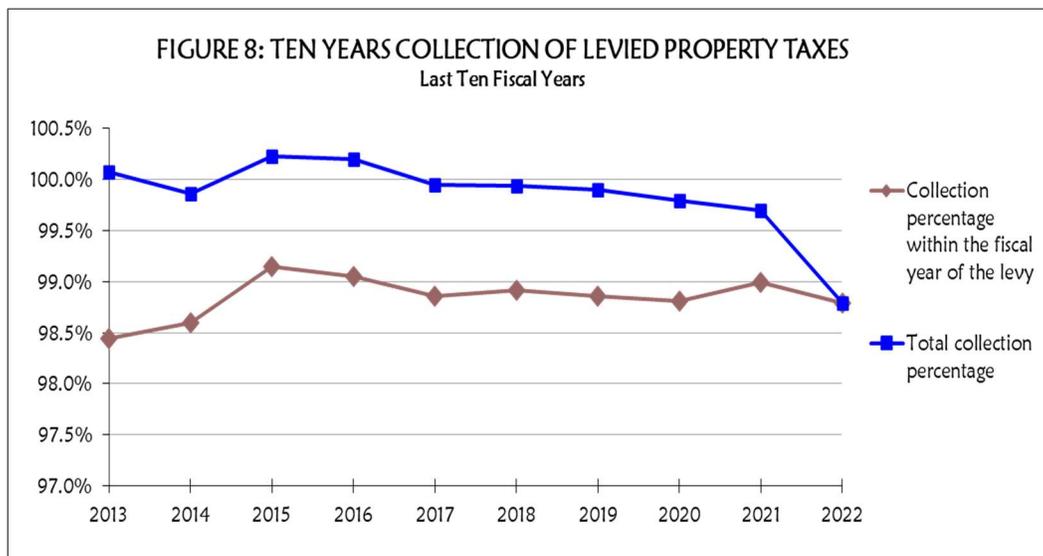
	2017	2018	2019	2020	2021	2022
\$	9,721,877	\$ 10,699,721	\$ 11,489,516	\$ 12,380,036	\$ 13,368,770	\$ 14,691,361
	9,721,877	10,699,721	11,489,516	12,380,036	13,368,770	14,691,361
	100%	100%	100%	100%	100%	100%
\$	2.19668	\$ 2.03239	\$ 1.92435	\$ 1.81928	\$ 1.76739	\$ 1.66241
	2.19668	2.03239	1.92435	1.81928	1.76739	1.66241
\$	6.74299	\$ 6.29971	\$ 3.81351	\$ 5.19948	\$ 5.20244	\$ 4.98502
	1.38294	1.32735	1.21906	1.23953	1.24688	1.22827
	2.03205	2.91820	2.62922	3.02799	3.08823	2.81695
	0.15334	0.13518	0.12266	0.11944	0.11984	0.11258
	0.25000	0.22745	0.20700	0.19937	0.19709	0.18409
	0.26305	0.23940	0.21762	0.26500	0.26499	0.24841
	0.50089	0.45689	0.41673	0.40069	0.38511	0.35434
	0.45118	0.41190	0.37441	0.36040	0.35733	0.32757
	1.06821	0.98189	0.92352	0.86897	1.10439	1.03322
	0.11740	0.10708	0.09660	0.09199	0.08909	0.08146
	-	-	-	-	-	-
	12.96205	13.10505	10.02033	11.77286	12.05539	11.37191
\$	15.15873	\$ 15.13744	\$ 11.94468	\$ 13.59214	\$ 13.82278	\$ 13.03432



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	
<b>King County:</b>							
2013	12,884,878	12,673,712	98.4%	222,207	\$ 12,895,919	100.1%	\$ (11,041)
2014	14,182,035	13,970,560	98.5%	189,416	14,159,976	99.8%	22,059
2015	15,364,794	15,226,048	99.1%	176,988	15,403,036	100.2%	(38,242)
2016	16,057,152	15,897,626	99.0%	194,829	16,092,455	100.2%	(35,303)
2017	18,647,980	18,418,844	98.8%	218,676	18,637,520	99.9%	10,460
2018	19,097,241	18,872,111	98.8%	212,007	19,084,118	99.9%	13,123
2019	19,542,746	19,298,789	98.8%	221,215	19,520,004	99.9%	22,742
2020	20,041,417	19,775,977	98.7%	220,110	19,996,087	99.8%	45,329
2021	20,702,997	20,480,037	98.9%	154,118	20,634,155	99.7%	68,842
2022	21,731,904	21,449,439	98.7%	-	21,449,439	98.7%	282,465
							<u>\$ 380,434</u>
<b>Pierce County:</b>							
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%	6,553	2,389,591	100.0%	0
2020	2,434,937	2,433,602	99.9%	1,172	2,434,774	100.0%	162
2021	2,515,397	2,505,423	99.6%	8,232	2,513,655	99.9%	1,742
2022	2,627,703	2,615,456	99.5%	-	2,615,456	99.5%	12,247
							<u>\$ 14,151</u>
<b>Total current levy balance</b>							<u>\$ 394,586</u>

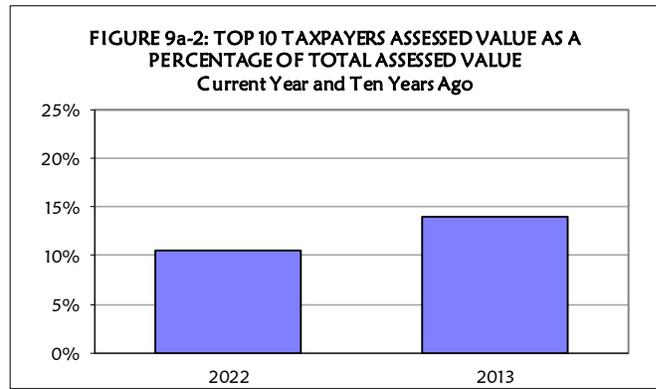
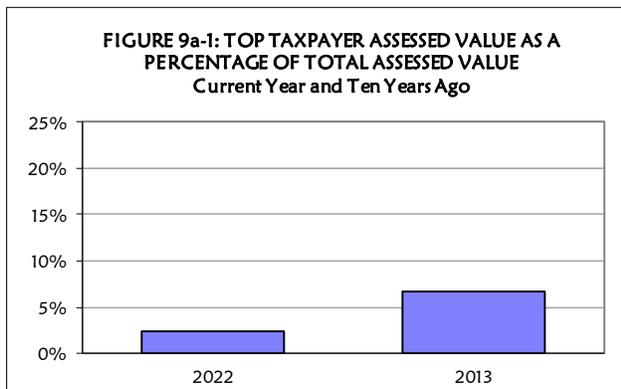
Source: King County Finance and Business Operations Division  
 Pierce County Budget and Finance Department



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

Taxpayer	2022			2013		
	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
BOEING	\$ 343,698,553	1	2.34%	\$ 470,247,997	1	6.75%
EPPROPERTY TAX	198,647,800	2	1.35%	75,920,115	3	1.09%
SAFEWAY INC C/O COMP PROPER	195,649,210	3	1.33%	43,600,200	8	0.63%
PPF INDUSTRIAL	180,506,900	4	1.23%	72,076,400	4	1.03%
USPP VALLEY CENTRE CORPORAT	157,640,800	5	1.07%	N/A		N/A
C/O PROLOGIS - RE TAX	118,633,500	6	0.81%	N/A		N/A
GLIMCHER REALTY	113,853,000	7	0.77%	87,826,065	2	1.26%
MARVIN F POER AND COMPANY	101,429,400	8	0.69%	N/A		N/A
LIT INDUSTRIAL	68,768,200	9	1.35%	N/A		N/A
HARSCH INVEST	62,020,500	10	0.42%	N/A		N/A
Puget Sound Energy	N/A			63,758,052	5	0.91%
Muckleshoot Indian Tribe	N/A			56,321,200	6	0.81%
Belara Communities LLC	N/A			48,145,500	7	0.69%
Four Lakes Apartments LLC	N/A			27,466,500	9	0.39%
Wal-Mart Property	N/A			26,724,119	10	0.38%
<b>TOTALS</b>	<b>\$ 1,540,847,863</b>		<b>11.37%</b>	<b>\$ 972,086,148</b>		<b>13.95%</b>

Source: King County and Pierce County Departments of Assessments  
 Total assessed value for 2022: \$ 14,691,361,482  
 Total assessed value for 2013: \$ 6,968,719,333



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

2022				2013			
Sales Tax Received	Sector <sup>(1)</sup>	Rank	Percentage of Total City Sales Taxes Received	Sales Tax Received	Sector <sup>(1)</sup>	Rank	Percentage of Total City Sales Taxes Received
\$ 787,445	Automotive	1	3.5%	\$ 449,062	General Retail	1	3.1%
533,029	Retail Trade	2	2.4%	362,413	Automotive	2	2.5%
513,759	Automotive	3	2.3%	359,830	Automotive	3	2.5%
468,761	Retail Trade	4	2.1%	324,812	Transportation Manufacturing	4	2.3%
407,259	Automotive	5	1.8%	286,488	Automotive	5	2.0%
367,117	Automotive	6	1.6%	269,068	Automotive	6	1.9%
362,121	Retail Trade	7	1.6%	230,690	Bldg. Material & Garden	7	1.6%
334,664	Construction	8	1.5%	228,864	General Retail	8	1.6%
330,909	Transportation	9	1.5%	219,474	Automotive	9	1.5%
328,525	Miscellaneous	10	1.4%	206,562	Automotive	10	1.4%
<b>\$ 4,433,589</b>			<b>19.6%</b>	<b>\$ 2,937,263</b>			<b>20.4%</b>

Source: Washington State Department of Revenue

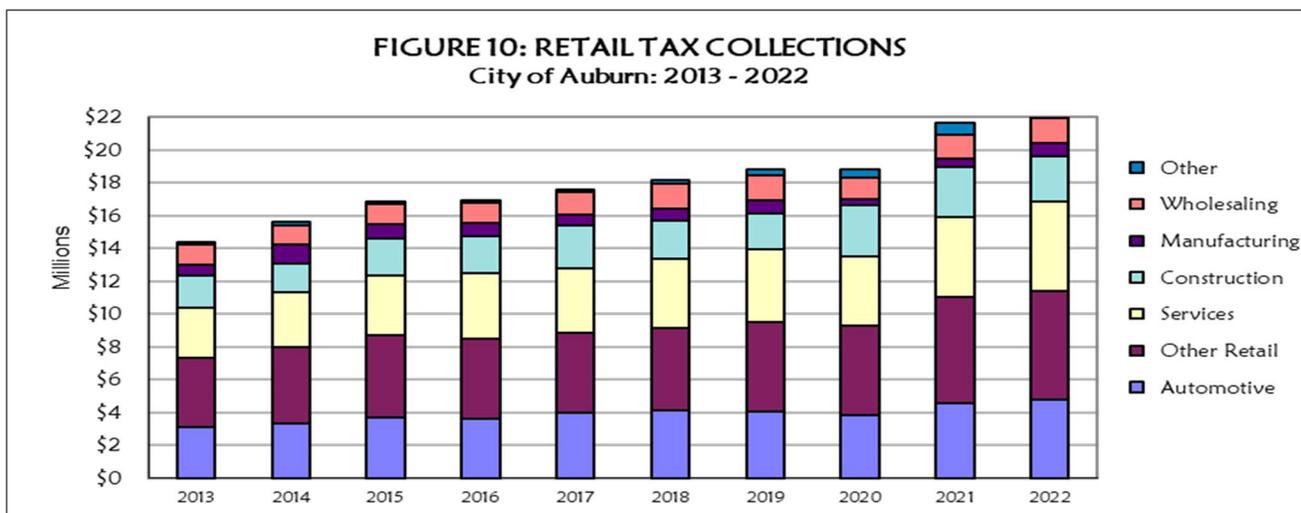
(1) It is illegal to disclose specific taxpayer sales tax information, so the above information is being provided without identification.

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>RETAIL TRADE SECTOR</b>										
Automotive/gas	\$ 3,136	\$ 3,309	\$ 3,707	\$ 3,659	\$ 3,972	\$ 4,122	\$ 4,069	\$ 3,827	\$ 4,555	\$ 4,780
Furniture	235	254	254	185	197	210	222	209	290	440
Electronics & appliances	174	237	295	221	211	229	277	300	344	190
Building materials	447	502	590	579	580	576	652	751	803	789
Food stores	335	353	368	397	369	388	406	451	487	565
Health & personal care	174	188	221	284	369	420	426	348	391	406
Apparel	889	1,009	1,080	1,136	1,119	1,170	1,236	873	1,123	1,137
General merchandise	974	955	988	1,018	993	221	818	878	917	1,026
Misc. retail trade	990	1,182	1,193	1,032	1,033	1,827	1,399	1,689	2,107	2,100
<b>Subtotal - Retail Trade</b>	<b>7,354</b>	<b>7,989</b>	<b>8,695</b>	<b>8,512</b>	<b>8,843</b>	<b>9,163</b>	<b>9,506</b>	<b>9,327</b>	<b>11,017</b>	<b>11,433</b>
<b>SERVICE SECTOR</b>										
Information	\$ 446	\$ 487	\$ 526	\$ 630	\$ 662	\$ 638	\$ 668	\$ 685	\$ 760	\$ 848
Finance & insurance	91	88	95	111	122	140	138	178	158	197
Real estate, rental, leasing	279	315	334	359	368	368	434	369	449	463
Professional, scientific, technical	184	216	195	238	239	254	344	394	482	514
Administrative, supply & remediation services	336	350	383	329	276	424	524	652	792	785
Educational	50	49	60	50	56	47	46	40	44	47
Healthcare & social services	33	66	82	92	75	93	93	111	99	120
Arts & entertainment	149	158	208	156	110	119	120	50	74	126
Accommodation & food service	979	1,067	1,159	1,218	1,276	1,435	1,469	1,205	1,429	1,528
Other services	507	526	603	788	728	711	609	537	637	767
<b>Subtotal - Services</b>	<b>3,054</b>	<b>3,322</b>	<b>3,646</b>	<b>3,970</b>	<b>3,912</b>	<b>4,229</b>	<b>4,445</b>	<b>4,220</b>	<b>4,924</b>	<b>5,395</b>
<b>OTHER SECTORS</b>										
Construction	\$ 1,943	\$ 1,754	\$ 2,297	\$ 2,292	\$ 2,632	\$ 2,310	\$ 2,193	\$ 3,068	\$ 3,034	\$ 2,828
Manufacturing	624	1,163	862	761	678	754	821	390	501	749
Transportation	46	71	66	99	89	120	89	197	373	249
Wholesaling	1,279	1,205	1,229	1,265	1,363	1,469	1,496	1,346	1,424	1,578
Other business	64	120	72	67	65	154	265	308	410	428
<b>Subtotal - Other</b>	<b>3,956</b>	<b>4,312</b>	<b>4,525</b>	<b>4,485</b>	<b>4,827</b>	<b>4,807</b>	<b>4,863</b>	<b>5,309</b>	<b>5,742</b>	<b>5,833</b>
<b>GRAND TOTAL</b>	<b>\$ 14,364</b>	<b>\$ 15,623</b>	<b>\$ 16,866</b>	<b>\$ 16,967</b>	<b>\$ 17,582</b>	<b>\$ 18,198</b>	<b>\$ 18,814</b>	<b>\$ 18,856</b>	<b>\$ 21,683</b>	<b>\$ 22,661</b>
<b>OVERLAPPING SALES TAX RATES</b>										
<b>Basic sales tax rates</b>										
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%	1.40%	1.40%	1.40%	1.50%	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%
<b>Total basic sales tax rate</b>	<b>9.50%</b>	<b>9.50%</b>	<b>9.50%</b>	<b>9.50%</b>	<b>9.50%</b>	<b>10.00%</b>	<b>10.00%</b>	<b>10.00%</b>	<b>10.10%</b>	<b>10.10%</b>
<b>Special sales tax rates</b>										
Restaurants-for stadium funding <sup>(1)</sup>	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



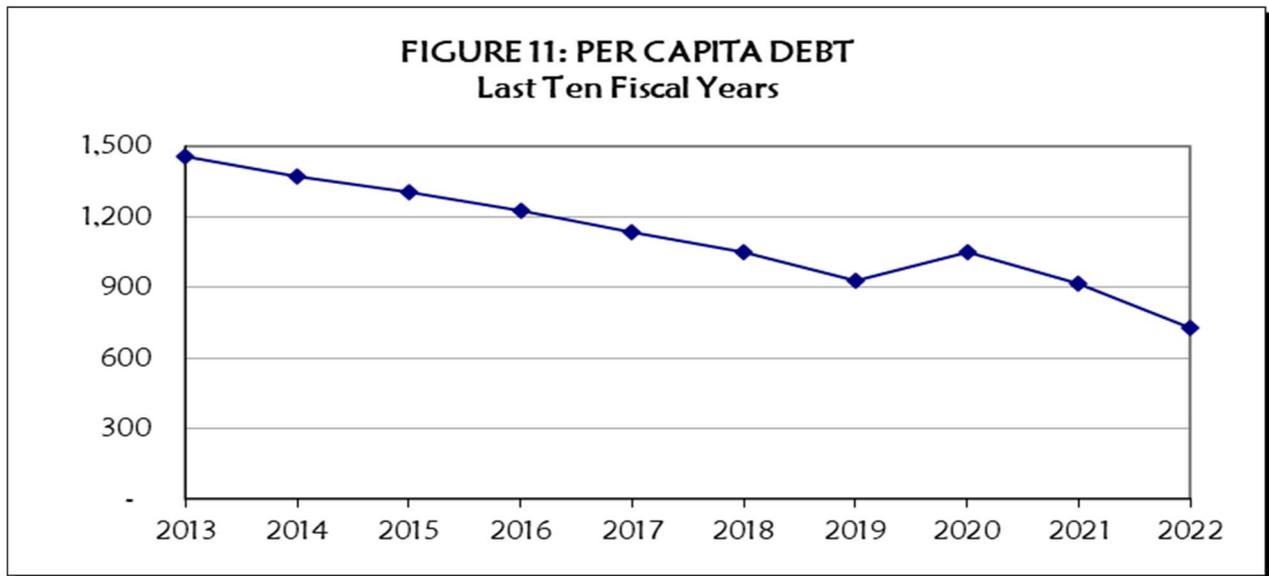
City of Auburn, Washington  
**SCHEDULE 11**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
 Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-type Activities		Total Primary Government <sup>(2)</sup>	Percentage of Personal Income <sup>(1)</sup>	Per Capita
	General Obligation Bonds	Public Works Trust Fund Loans	Capital Leases	Lease Liability	Revenue Bonds	Public Works Trust Fund Loans			
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
2022	21,296,047	2,705,166	-	4,668,739	32,722,115	3,045,779	64,437,846	1.96%	726.06

Sources: City of Auburn, Finance Department

(1) Personal income data provided by US Census Bureau estimate for 2013. other years are city estimates

(2) Excludes compensated absences



City of Auburn, Washington  
**SCHEDULE 12**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
 As of December 31, 2022

	General Capacity		Special Purpose Capacity		Total Capacity
	Councilmanic	Excess Levy	Parks and Open Spaces	Utility Purpose	
December 31, 2022 - Total Assessed Value:					
\$	17,563,516,672				
2.5% of Assessed Value	\$ -	\$ 439,087,917	\$ 439,087,917	\$ 439,087,917	\$ 1,317,263,751
1.5% of Assessed Value	263,452,750	(263,452,750)	-	-	-
Statutory Debt Limit	263,452,750	175,635,167	439,087,917	439,087,917	1,317,263,751
Debt Outstanding	36,525,340	-	-	-	36,525,340
Net Debt Outstanding	36,525,340	-	-	-	36,525,340
Remaining Debt Capacity	<u>\$ 226,927,410</u>	<u>\$ 175,635,167</u>	<u>\$ 439,087,917</u>	<u>\$ 439,087,917</u>	<u>\$ 1,280,738,411</u>

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	\$ 546,602	\$ 617,872	\$ 661,996	\$ 716,628	\$ 791,936	\$ 854,513	\$ 923,770	\$ 990,892	\$ 1,078,980	\$ 1,317,264
Total net debt applicable to limit	64,047	61,892	59,409	57,152	54,208	52,097	46,115	40,356	38,474	36,525
Legal debt margin	<u>\$ 482,554</u>	<u>\$ 555,980</u>	<u>\$ 602,588</u>	<u>\$ 659,476</u>	<u>\$ 737,728</u>	<u>\$ 802,416</u>	<u>\$ 877,655</u>	<u>\$ 950,535</u>	<u>\$ 1,040,505</u>	<u>\$ 1,280,738</u>
Total net debt applicable to the limit as a percentage of debt limit	11.72%	10.02%	8.97%	7.98%	6.85%	6.10%	4.99%	4.07%	3.57%	2.77%

City of Auburn, Washington  
**SCHEDULE 14**  
**COMPUTATION OF NET DIRECT AND ESTIMATED OVERLAPPING DEBT**  
As of December 31, 2022

	Net Debt Outstanding	Percent Applicable <sup>(3)</sup>	Bonded Amount Applicable
<b>Net direct debt:</b>			
Net direct debt - City of Auburn <sup>(1)</sup>			\$ 24,001,213
<b>Estimated net overlapping debt: <sup>(2)</sup></b>			
King County	\$ 571,505,000	1.78%	\$ 10,172,789
Port of Seattle	336,890,000	1.78%	5,996,642
School District No. 210 <sup>(4)</sup>	521,914,000	55.33%	288,775,016
School District No. 408	455,600,000	80.27%	365,710,120
School District No. 415	203,156,000	1.72%	3,494,283
Rural Library District	30,415,000	2.90%	882,035
Valley Regional Fire Authority	6,890,000	89.01%	6,132,789
Pierce County	102,915,000	0.83%	854,195
Total estimated net overlapping debt			<u>682,017,869</u>
Total direct and overlapping debt			<u><u>\$ 706,019,082</u></u>

## Sources:

- (1) Includes both bonded and non bonded debt related to government activities. From Sch. 7 Changes in LT Liabilities  
(2) Overlapping governments  
(3) King County Assessors office and Pierce County Assessors office.  
(4) School District No. 210 overlapping debt is as of 8/31/2022.

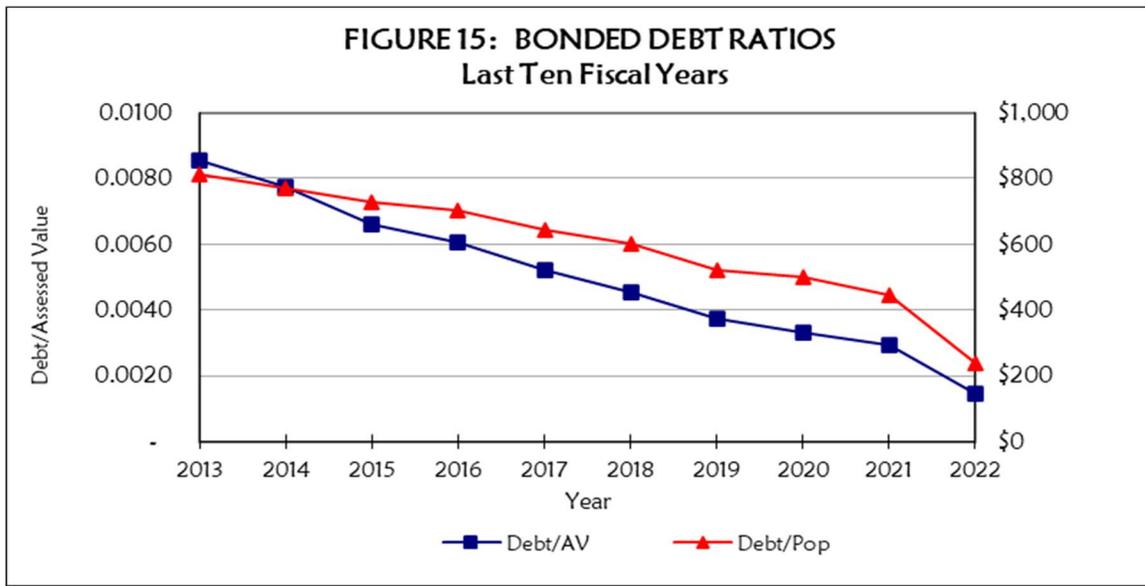
Calculation of overlapping debt: applicable percentage is determined by the ratio of assessed valuation of taxable property in overlapping unit to valuation of property subject to taxation in the City of Auburn.

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 <sup>(1)</sup> (Thousands)	Net Bonded Debt <sup>(2)</sup>	Net Bonded Debt (Thousands)	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
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
2022	88,750	14,691,361	21,296,047	21,296	0.14%	240

Notes:

- (1) From Schedule 7
- (2) General Obligation Debt related to government activities, from Schedule 11.



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

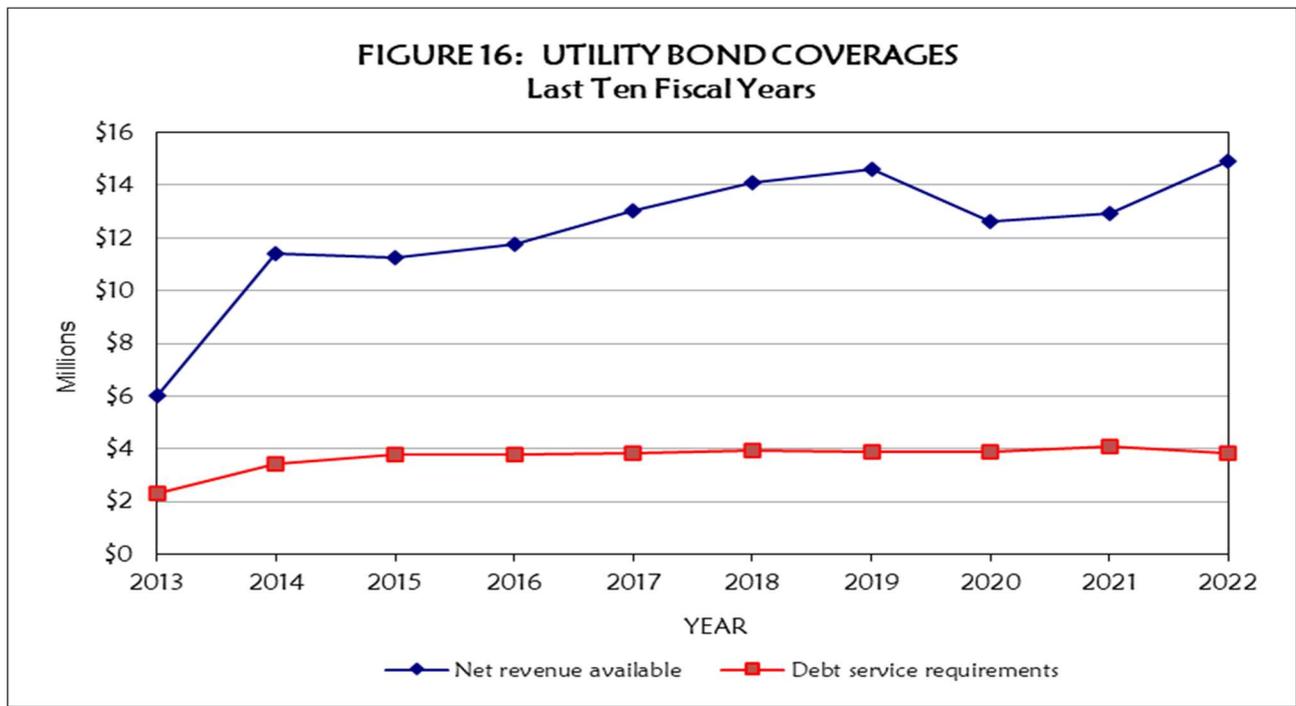
Year	Gross <sup>(1)</sup> Revenue	Direct <sup>(2)</sup> Operating Expense	Net Revenue Available	Debt Service Requirements			Times Coverage
				Principal	Interest	Total <sup>(3)</sup>	
2013	\$ 42,406,722	\$ 36,406,640	\$ 6,000,082	\$ 1,028,830	\$ 1,277,285	\$ 2,306,115	2.60
2014	46,900,016	35,502,812	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
2022	57,526,616	42,612,259	14,914,357	2,479,176	1,363,783	3,842,959	3.88

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.

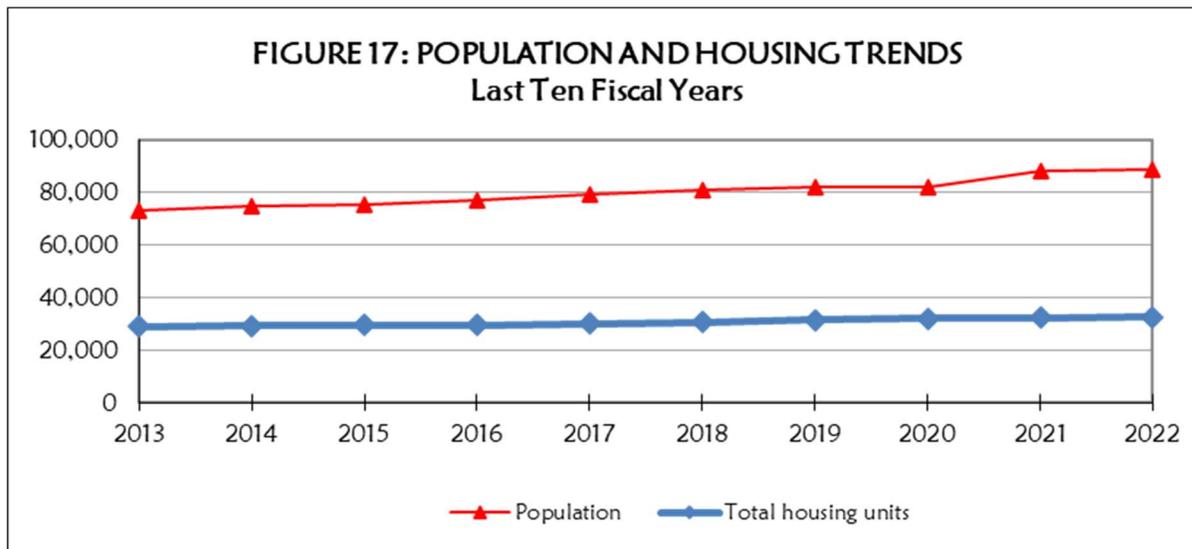
(3) Includes both parity and non-parity debt.



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

Item	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
School enrollment <sup>(1)</sup>	14,971	15,277	15,663	15,945	16,525	16,949	17,300	16,702	16,880	17,640
Rate of unemployment <sup>(2)</sup>	6.0%	5.4%	4.9%	4.4%	4.4%	4.2%	3.5%	9.5%	6.4%	3.9%
Population <sup>(3)</sup>	73,235	74,630	75,545	77,060	78,960	80,615	81,720	81,940	88,080	88,750
Personal income (thousands of dollars) <sup>(4)</sup>	\$ 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	\$ 3,284,283
Per capita personal income <sup>(4)</sup>	\$ 26,179	\$ 26,807	\$ 26,918	\$ 27,405	\$ 27,940	\$ 29,344	\$ 31,229	\$ 33,795	\$ 35,288	\$ 37,006
Housing units <sup>(5)</sup>										
One unit	15,393	15,804	16,042	16,167	16,373	16,616	16,674	17,046	17,128	17,185
Two or more	10,841	10,841	10,847	10,854	11,110	11,417	12,008	12,230	12,532	12,738
Mobile home or special	2,630	2,631	2,637	2,630	2,675	2,659	2,663	2,671	2,674	2,676
Total housing units	28,864	29,276	29,526	29,651	30,158	30,692	31,345	31,947	32,334	32,599

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



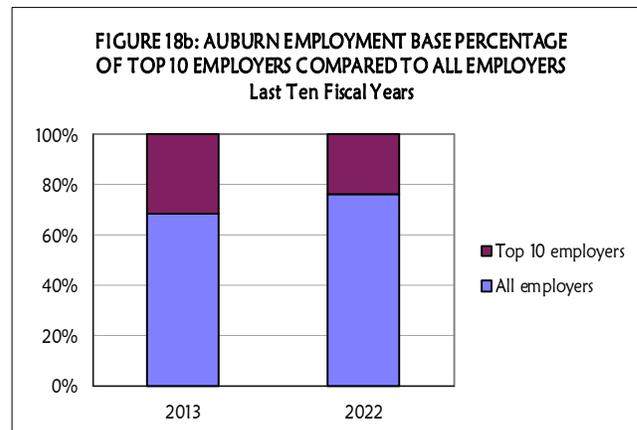
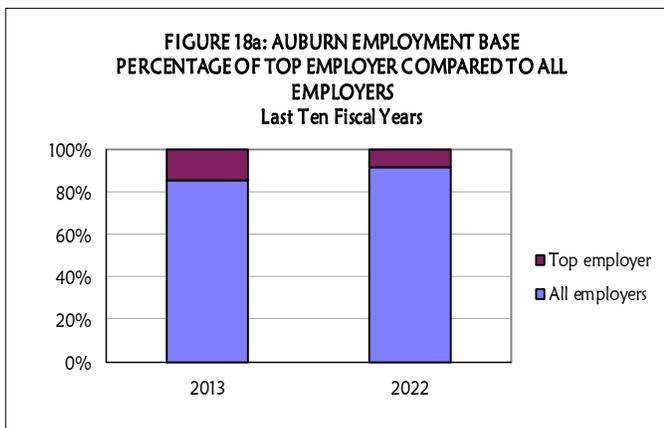
City of Auburn, Washington  
**SCHEDULE 18**  
**MAJOR EMPLOYERS**  
 Current Year and Ten Years Ago

Employer	Product/service	2022			2013		
		Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
The Boeing Company	Aerospace	3,600	1	8.8%	6,016	1	16.8%
Auburn School District	Education	2,536	2	6.2%	1,902	3	5.3%
Muckleshoot Indian Tribe	Gaming	1,472	3	3.6%	1,632	4	4.6%
Multicare Auburn Medical Center**	Hospital	1,208	4	3.0%	955	6	2.7%
Green River Community College	Education	857	5	2.1%	1,000	5	2.8%
Safeway Distribution Center	Distribution	800	6	2.0%	638	9	1.8%
Costco Wholesale/Optical #190	Distribution	782	7	1.9%	-	-	-
City of Auburn	City government	574	8	1.4%	-	-	-
Ply Gem Pacific Windows Corp.	Manufacturing	550	9	1.3%	-	-	-
Walmart #2385	Retail	336	10	0.8%	-	-	-
Social Security Administration	Gov't / Public offices	-	-	-	620	10	1.7%
Zones, LLC	Technology Retailer	-	-	-	644	8	1.8%
Emerald Downs Racetrack	Horse Racing	-	-	-	725	7	2.0%
The Outlet Collection	Retail	-	-	-	2,500	2	7.0%
<b>Totals</b>		<b>12,715</b>		<b>31.2%</b>	<b>16,632</b>		<b>46.5%</b>

2022 - City of Auburn, Economic Development  
 2013 - City of Auburn ACFR

\* Previously the Supermall.

\*\*Previously Auburn Regional Medical Center.

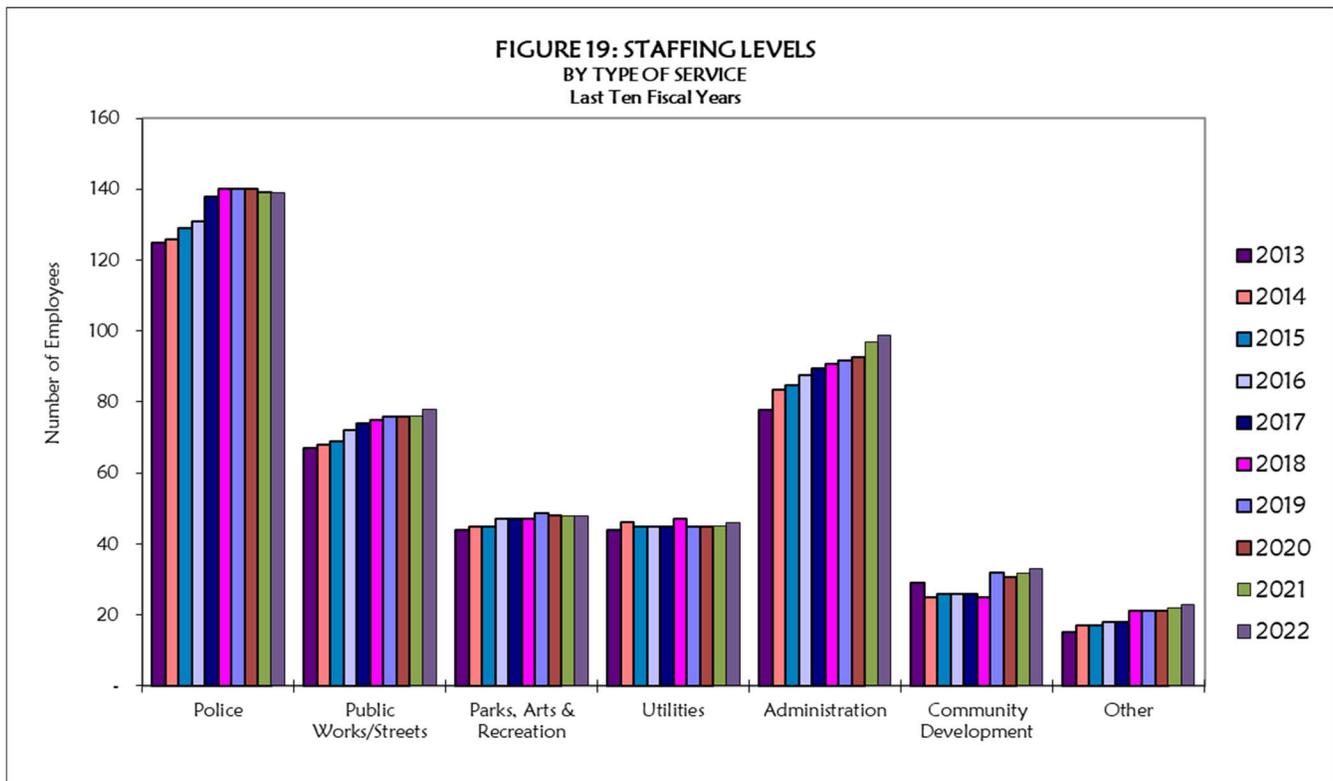


City of Auburn, Washington  
**SCHEDULE 19**  
**STAFFING LEVELS BY DEPARTMENT**  
 Last Ten Fiscal Years

Department	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Mayor	7	3	3	3	3	3	3	4	5	6
Administration <sup>(1)</sup>	-	8	8	10	11	12	8	7	5	5
Human Resources	8	8	8	9	8	8	8	9	8	8
Finance	23	23	22	22	22	22	24	24	25	26
Legal	13	14	14	14	15	15	16	16	21	21
Community Development	29	25	26	26	26	25	32	31	32	33
Police	125	126	129	131	138	140	140	140	139	139
Public Works	48	49	50	53	54	55	55	55	55	55
Parks, Arts and Recreation <sup>(2)</sup>	36	45	45	47	47	47	49	48	48	48
Street	19	19	19	19	20	20	21	21	21	23
Water	22	24	23	23	23	23	23	23	23	24
Sewer	10	10	10	10	10	10	10	10	10	10
Storm Drainage	10	10	10	10	10	12	12	12	12	12
Solid Waste	2	2	2	2	2	2	-	-	-	-
Airport <sup>(3)</sup>	-	-	-	-	-	3	3	3	3	3
Cemetery	5	5	5	6	6	6	6	6	6	7
Golf Course <sup>(2)</sup>	8	-	-	-	-	-	-	-	-	-
Facilities	9	9	10	10	10	10	11	11	11	11
Multimedia <sup>(4)</sup>	-	4	4	4	4	4	4	4	4	4
Innovation & Technology	18	15	16	16	17	17	18	18	18	18
Equipment Rental	10	12	12	12	12	12	12	12	13	13
<b>TOTAL</b>	<b>402</b>	<b>411</b>	<b>416</b>	<b>427</b>	<b>438</b>	<b>446</b>	<b>454</b>	<b>453</b>	<b>459</b>	<b>466</b>

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Planning*</b>										
Commercial permits	394	389	386	410	320	322	338	270	278	232
Commercial construction value (\$1,000's)	\$ 138,248	\$ 60,732	\$ 66,223	\$ 151,220	\$ 74,840	\$ 72,623	\$ 157,026	\$ 93,920	\$ 101,169	\$ 75,544
Residential permits	576	463	340	426	345	210	195	202	232	289
Residential construction value (\$1,000's)	\$ 97,151	\$ 84,539	\$ 63,370	\$ 73,679	\$ 52,750	\$ 25,790	\$ 18,832	\$ 32,630	\$ 37,018	\$ 34,235
<b>Police</b>										
Crimes:										
Arson	14	32	-	-	19	20	22	19	16	32
Aggravated Assault	145	156	186	179	198	158	171	208	184	252
Burglary	651	810	851	727	722	615	547	587	611	828
DUI	138	126	188	158	194	223	180	186	159	111
Homicide	5	1	8	6	3	1	5	6	5	13
Narcotics	279	458	511	458	742	912	797	770	231	133
Rape	26	31	31	36	49	42	45	32	47	42
Robbery	109	104	91	98	117	115	125	125	136	127
Theft	2,583	3,192	2,728	2,235	2,169	2,945	2,223	2,922	3,269	3,566
Theft - motor vehicle	678	630	996	756	692	637	580	697	902	1,205
Traffic:										
Non-criminal	5,378	6,520	5,489	5,926	5,074	5,573	4,372	3,421	3,411	2,044
Parking	2,052	5,238	3,737	3,822	3,777	3,477	4,425	2,990	3,013	2,928
<b>Parks and Recreation</b>										
Athletic teams	382	358	321	328	306	312	315	15	158	259
Recreation activities	3,568	3,557	3,511	2,435	3,389	3,498	3,520	1,169	1,828	2,297
Golf course rounds	47,480	47,697	52,718	48,803	47,001	50,720	51,860	51,684	61,771	57,517
Senior center visits	36,991	40,715	38,485	36,636	35,454	32,464	77,378	35,417	35,133	31,593
Cultural activities	180	202	204	203	214	211	229	86	163	165
Museum audience served	14,163	13,968	13,535	14,380	13,570	15,153	14,638	3,463	6,441	5,061
Cemetery placements	226	250	237	281	264	263	253	273	353	331

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General City</b>										
Total area (square miles)	30	30	30	30	30	30	30	30	30	30
<b>Public Works</b>										
Miles of streets	245	244	254	238	238	247	248	245	247	247
Number of streetlights <sup>(1)</sup>	6,110	6,211	6,362	6,552	6,581	6,738	3,429	3,526	3,589	3,628
Number of traffic signals	94	94	95	95	95	95	94	95	96	96
<b>Utilities</b>										
Number of services	14,106	14,573	14,787	14,872	14,746	14,769	14,781	14,909	15,021	15,107
Miles of water lines <sup>(1)</sup>	315	316	320	321	323	347	283	287	288	290
Miles of sanitary sewer lines <sup>(1)</sup>	220	220	223	224	225	227	206	209	209	210
Miles of storm lines <sup>(1)</sup>	263	282	294	319	337	362	234	240	244	246
Number of fire hydrants <sup>(1)</sup>	3,329	3,559	3,580	3,577	3,595	3,664	3,014	3,115	3,132	3,171
<b>Public Safety</b>										
Number of police stations	2	2	2	3	3	3	3	4	4	3
<b>Parks and Recreation</b>										
Total park acreage <sup>(2)</sup>	635	972	977	988.7	986	986	986	986	986	986
Number of softball/baseball fields	17	18	18	18	18	18	18	18	18	18
Number of soccer/football fields	4	4	4	4	4	4	4	4	4	4
Number of playgrounds	36	28	31	31	30	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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Water Customers by Class</b>										
Single Family Residential	11,476	11,822	11,973	12,054	12,010	12,010	12,028	12,078	12,132	12,162
Multifamily	986	1,000	1,003	1,002	1,009	1,012	1,010	1,023	1,027	1,027
Commercial	1,094	1,146	1,190	1,186	1,158	1,159	1,163	1,168	1,170	1,171
Mfr./Industrial	37	38	38	37	2	2	2	2	2	2
Schools	37	37	37	38	37	37	37	37	37	38
City Accounts	28	30	30	31	31	30	30	31	31	31
Irrigation	441	493	509	517	492	512	505	564	616	670
Total Retail Water Customers	14,099	14,566	14,780	14,865	14,739	14,762	14,775	14,903	15,015	15,101
Wholesale Water Customers	7	7	7	7	7	7	7	6	6	6
<b>Sewer Customers by Class</b>										
Single Family Residential	11,982	12,631	12,890	13,091	13,124	13,176	13,234	13,319	13,368	13,411
Non-single Family Residential	2,659	2,713	2,728	2,725	2,724	2,728	2,731	2,749	2,758	2,761
Total Sewer Customers	14,641	15,344	15,618	15,816	15,848	15,904	15,965	16,068	16,126	16,172
<b>Storm Customers by Class</b>										
Single Family Residential	15,618	16,013	16,222	16,200	16,566	16,610	16,665	16,723	16,820	16,867
Non-single Family Residential	1,640	1,670	1,679	1,913	1,671	1,691	1,696	1,702	1,753	1,759
Total Storm Customers	17,258	17,683	17,901	18,113	18,237	18,301	18,361	18,425	18,573	18,626

Sources: City of Auburn - Utility Billing

