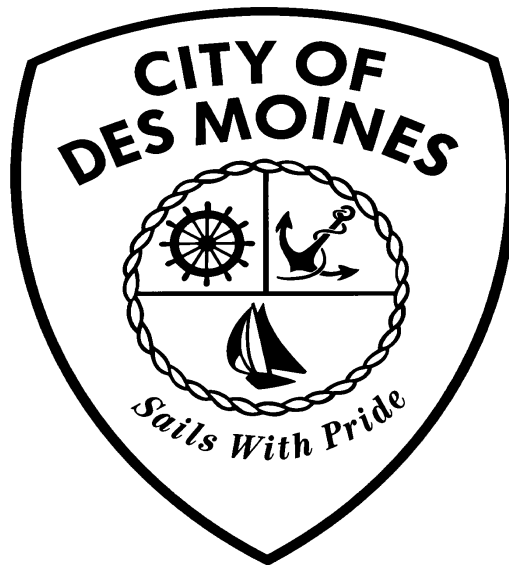


**CITY OF DES MOINES  
WASHINGTON**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

Fiscal Year January 1, 2021 through December 31, 2021



*Prepared by:*

*City of Des Moines Finance Department*

*This page is intentionally blank.*

# TABLE OF CONTENTS

## **INTRODUCTORY SECTION**

Organizational Chart.....iii  
 Directory of City Officials and Management Team.....iv  
 GFOA Certificate of Achievement.....v  
 Letter of Transmittal.....1

## **FINANCIAL SECTION**

Independent Auditor’s Report.....9  
 Management’s Discussion and Analysis.....13

### **Basic Financial Statements**

#### *Government Wide Financial Statements*

Statement of Net Position.....27  
 Statement of Activities.....28

#### *Fund Financial Statements*

Balance Sheet- Governmental Funds.....29  
 Reconciliation of the Governmental Funds Balance Sheet to the  
 Statement of Net Position.....30  
 Statements of Revenues, Expenditures and Changes in  
 Fund Balances – Governmental Funds.....31  
 Reconciliation of the Statement of Revenues, Expenditures and Changes in  
 Fund Balance of Governmental Funds to the Statement of Activities.....32  
 Statement of Revenues, Expenditures and Changes in  
 Fund Balances – Budget and Actual-General Fund.....33  
 Statement of Revenues, Expenditures and Changes in  
 Fund Balances – Budget and Actual-Development Fund.....34  
 Statement of Revenues, Expenditures and Changes in  
 Fund Balances – Budget and Actual-Capital and Construction Funds.....35  
 Statement of Revenues, Expenditures and Changes in  
 Fund Balances – Budget and Actual-American Rescue Plan Act Fund.....36  
 Statement of Net Position – Proprietary Funds.....37  
 Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds.....38  
 Statement of Cash Flows – Proprietary Funds.....39  
 Statement of Fiduciary Net Position.....40  
 Statement of Changes in Fiduciary Net Position.....41  
 Notes to the Financial Statements.....42

### **Required Supplementary Information**

Schedule of Changes in Total OBEP Liability and Related Ratios – LEOFF 1 OPEB Plan.....94  
 Schedule of Proportionate Share of the  
 Net Pension Liability – PERS 1, PERS 2/3, PSERS 2, and LEOFF2.....95  
 Schedule of Employer Contributions – PERS 1, PERS 2/3, PSERS 2, and LEOFF2.....96

## TABLE OF CONTENTS (continued)

**Combining and Individual Fund Statements**

***Nonmajor Other Governmental Funds***

Combining Balance Sheet.....98  
 Combining Statements of Revenues, Expenditures and  
 Changes in Fund Balances.....99

***Nonmajor Special Revenue Funds***

Combining Balance Sheet.....101  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....103  
 Statement of Revenues, Expenditures and  
 Changes in Fund Balance – Budget and Actual.....105

***Nonmajor Internal Service Funds***

Combining Statement of Net Position.....117  
 Combining Statement of Revenues, Expenses and Changes in Net Position.....118  
 Combining Statement of Cash Flows.....119

**STATISTICAL SECTION**

*Financial Trends*

Net Position by Component.....122  
 Changes in Net Position.....124  
 Governmental Activities by Tax Revenue Source.....126  
 Fund Balances of Governmental Funds.....127  
 Changes in Fund Balances of Governmental Funds.....129  
 Changes in General Fund Balances.....131

*Revenue Capacity*

Assessed Value of Taxable Property.....133  
 Property Tax Rates.....134  
 Principal Property Taxpayers.....135  
 Property Tax Levies and Collections.....136  
 Marina Rates.....137  
 Marina Rates and Waiting List.....138

*Debt Capacity*

Ratios of Outstanding Debt by Type.....139  
 Ratio of General Bonded Debt Outstanding.....140  
 Legal Debt Margin.....141  
 Direct and Overlapping Governments Activities Debt.....142  
 Marina Debt Service Coverage.....143

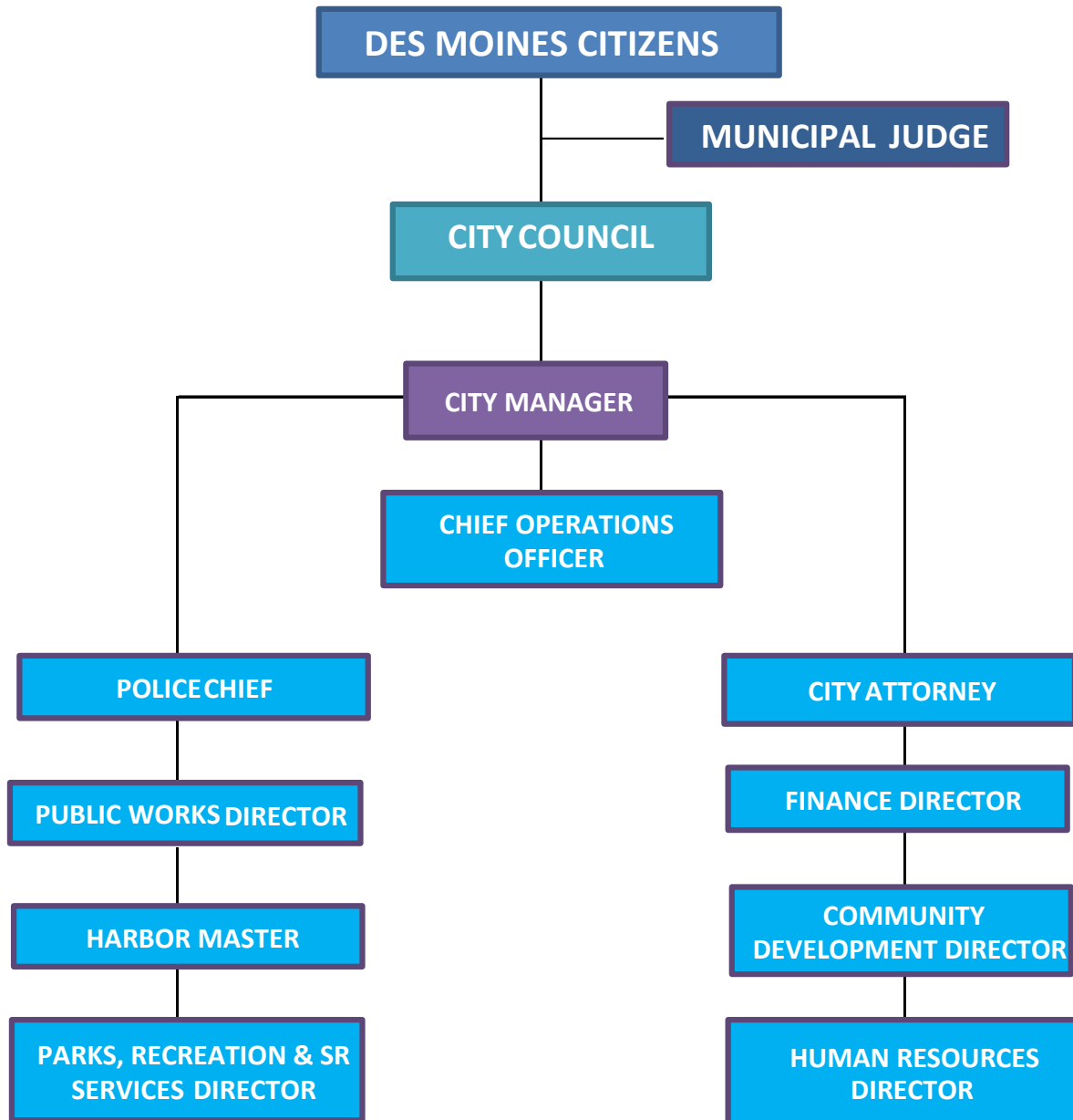
*Demographic and Economic Information*

Demographic and Economic Statistics.....144  
 Principal Employers.....145

*Operating Information*

Full Time Equivalent Employees by Function.....146  
 Operating Indicators by Function.....147  
 Capital Used by Function.....150

# ORGANIZATIONAL CHART



**DIRECTORY OF CITY OFFICIALS AND MANAGEMENT TEAM**

December 31, 2021

**Elected Officials**

**Term Expires**

**Mayor**

Matt Mahoney

12/31/2025

**Deputy Mayor**

Traci Buxton

12/31/2025

**Council Members**

Jeremy Nutting

12/31/2023

JC Harris

12/31/2023

Vic Pennington

12/31/2023

Gene Achziger

12/31/2025

Harry Steinmetz

12/31/2025

**Administrative Officials**

City Manager

Michael Matthias

Chief Operations Officer

Daniel Brewer

Parks Director

Nicole Nordham

Police Chief

Ken Thomas

City Attorney

Tim George

Finance Director

Beth Anne Wroe

Public Works Director

Andrew Merges

Harbor Master

Scott Wilkins

City Clerk & Communications Director

Bonnie Wilkins

Municipal Court Judge

Lisa Leone



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Des Moines  
Washington**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2020

*Christopher P. Morill*

Executive Director/CEO



September 28, 2022

To the Mayor, Members of the City Council and Citizens of Des Moines, Washington:

It is my pleasure to submit the Annual Financial Report of the City of Des Moines for the year ended December 31, 2021. City management is responsible for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the enclosed data are accurate in all material aspects and reported in a manner designed to present fairly the financial position and operational results of the various funds of the City of Des Moines. All disclosures necessary to enable the reader to gain an understanding of the government's financial activities have been included.

State statute requires an audit by the Washington State Auditor, an independently elected official. The State Auditor conducts an examination of the City's financial statements in accordance with generally accepted auditing standards and provides an independent assessment of those statements.

The Annual Financial Report is prepared in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB).

This report includes all funds of the City and provides a full range of services. Please see note 1.A. for details of the reporting entity. For additional information, please refer to Management's Discussion and Analysis (MD&A).

### ***About the City of Des Moines***

The City of Des Moines is located in King County, Washington in the region of the Pacific Northwest. Des Moines is located on the east shore of Puget Sound, approximately halfway between the major cities of Seattle and Tacoma. The city is bordered by the suburbs of Federal Way to the south, Kent to the east, Sea-Tac to the northeast, Burien to the north, and Normandy Park to the northwest. It is one of the few points along this shoreline where the topography facilitates access to the water, and the city operates a recreational marina which offers wet and dry moorage for 840 recreational vessels, transient docking and fueling facilities, boat launching and a fishing pier. Saltwater State Park, an 87 acre forested, waterfront preserve, is located in the city and is the most visited state park on Puget Sound. The City encompasses approximately 6.50 square miles and the 2021 population was 33,100. It is also the home to Highline College, which includes an extension campus for Central Washington University, with proximity to Seattle-Tacoma International Airport.



The City of Des Moines was incorporated on June 17, 1959 and operates under the State statutes (Revised Code of Washington 35A) as an Optional Municipal Code city (i.e. a “Noncharter Code City”). The City is operated under a Council-Manager form of government. The City Council is comprised of seven members elected to staggered four-year terms, which are all at-large positions. The City Council elects one of its members to serve as Mayor. The City Manager is appointed by the Council to act as chief executive officer of the City and is responsible to the Council for proper administration of all City affairs. The City lies mainly within the thirty-third (33<sup>rd</sup>) State Legislative District, with a portion of the southern part of the city within the thirtieth (30<sup>th</sup>) State Legislative District, and the ninth (9<sup>th</sup>) US Congressional District.

The City provides the following primary services: public safety, road improvements, parks and recreation, judicial administration, health and social services, and general administrative services. In addition, the City owns and operates a large, public marina. In 1983 the City elected by ordinance for fire prevention services to be provided by King County Fire District No 26 which later became South King Fire and Rescue. The City operates a Surface Water Management Utility. Water, sewer, power and garbage services are provided by separate utility districts or private companies.

### ***Local Economy***

While the City of Des Moines has traditionally been a “bedroom” community for other areas and is largely residential, the emphasis in recent years has been to diversify the local economy with substantially increased commercial development. To that end, the City collaborated with the Port of Seattle to develop 87 acres of Port-owned land into the Des Moines Creek Business Park. The Des Moines Creek Business Park is a multi-phased development in the City of Des Moines. This development includes the regional headquarters for the Federal Aviation Agency (FAA) with approximately 1,600 employees and approximately 1.8 million square feet of light industrial and warehouse space. Additional warehouse space is currently under construction on adjacent property. A number of businesses are currently operating in these facilities and the FAA building was opened and occupied in early 2018. The City has several development zones in its waterfront areas to spur commercial development that is compatible with the City’s residential character.

The City of Des Moines is centrally located on the east shore of Puget Sound between Seattle and Tacoma; a central location at the heart of the vibrant Puget Sound region. Served by Highway 509 and Interstate 5, the west coasts’ main freight corridor, access to Des Moines from other Greater Seattle communities is quick and easy. The city is well served by RapidRide and light rail mass transit making commuting simple and convenient for employees. Nearby SeaTac International Airport and two deep water seaports in Seattle and Tacoma provide additional direct national and international transportation connections for goods and services.

Des Moines is just minutes west of the Green River Valley, the fourth largest warehouse and distribution center in the United States and the second largest manufacturing center on the West Coast. Many industries are located in the Valley, including space and aerospace, food products and apparel manufacturers and distributors. For businesses located in Des Moines, customers, vendors and suppliers are all within easy reach.

The City of Des Moines has relatively low land costs and lease rates as compared to other communities in the Greater Seattle area as well as many available commercial properties. An expedited permitting process and low fees help speed development.

The city is home to Highline College, an accredited four year college with an 80 acre campus and a student population of approximately 18,000. The campus also includes an extension branch of Central Washington University and of Heritage University. It also contains the Small Business Development Center which offers free support to local businesses.

The economic outlook for 2021 was uncertain due to the COVID-19 pandemic which became a public health emergency of international concern in early 2020. The City of Des Moines experienced a decrease in revenue the prior year and continued to take steps to respond to the financial challenges. The City was aided by an award of about \$9 million of funds from the American Rescue Plan Act, half of which was received in 2021. More detail may be found in the MD&A under Economic Factor's and Next Year's Budget. Footnote 17 also details the steps taken by the City to respond to the COVID-19 pandemic.

### ***Des Moines 2035: Charting Our Course for a Sustainable Future***

Des Moines 2035 is the City's plan for future growth and development. The comprehensive plan serves as a roadmap and provides recommendations for the future based on public input, analysis of existing conditions, and the best practices of planning. The plan addresses the use of land and buildings, the movement of traffic and pedestrians, the provision of parks, schools, and public facilities, and protection of the environment. The plan also provides a guide for public investments and capital improvements, and can help to ensure that local public dollars are spent wisely. Finally, the comprehensive plan serves as a marketing tool to promote Des Moines's unique assets, and help to attract new families, businesses, investment and development to the community.

### ***Long-term Financial Planning***

The City of Des Moines focuses on long-term financial planning, highlighting the importance of recognizing the long-term results of current financial and programmatic decisions. A fundamental challenge to the City is while recurring revenue is forecasted to increase modestly, some recurring expenditures continue to increase at a pace outside the City's control (e.g., State Department of Retirement contributions and medical premiums, etc.). This structural tension in the City's current financial setting is shared across many jurisdictions. Balancing recurring revenues and recurring expenditures remains a primary focus for budget development and financial management in current and future years.

In fiscal year 2021, the City continued to focus on essential services, enhancement of public safety and emergency management, as well as, an investment in capital improvements. The City uses the photo red light running enforcement program revenues as a dedicated source to fund public safety. The paid parking program revenues in the marina area are used to help finance infrastructure in that area.

The City annually prepares an updated six-year capital improvement plan (CIP) identifies potential capital projects for fiscal years 2021 through 2026. Project are planned to provide for and maintain public facilities and infrastructure for its citizens and businesses, balanced against available resources. Several of the most significant projects planned are listed below.

- North Bulkhead project which includes the design, renovation and/or replacement of the Marina north bulkhead
- Midway Park Acquisition
- College Way
- 6<sup>th</sup> Ave/239<sup>th</sup> Pipe Replacement
- 8<sup>th</sup> Ave

### ***Financial Controls***

City management is responsible for establishing and maintaining an internal control structure designed to ensure assets of the City are protected from loss, theft, or misuse. City management must also ensure adequate accounting data is compiled to allow for the presentation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the evaluation of those costs and benefits requires estimates and judgments by management.

### ***Budgetary Controls***

The City maintains budgetary controls ensuring compliance with provisions embodied in the annual appropriated budget. Every year, the City Manager submits a proposed budget to the City Council with public hearings conducted to obtain citizen input. The annual budget is adopted by the City Council, each year, through passage of an ordinance. The adopted budget is modified by ordinance, as needed. All unspent amounts in the operating budget lapse at year-end. The adopted budget serves as the foundation of the City's financial planning. It provides information both by fund and department. The City continues to take long-term actions to ensure the City's financial sustainability. In compliance with Council directives and adopted budget policies, the City no longer relies upon any one-time revenues to support ongoing operations.

### ***General Fund Reserves***

The City Council has adopted a policy which directs the City Manager to establish expenditure policies that will result in a general fund unrestricted ending fund balance or operating reserve of no less than two months (amounting to 16.67%, in accordance with national standard recommended by the Government Finance Officers Association) of the recurring operating expenditures for each fiscal year. The ending fund balance as a percentage of recurring operating expenditures for the fiscal year 2021 was 32.1%, which exceeded our required ending fund balance.

### ***Awards***

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

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 Des Moines for its Annual Comprehensive Financial Report for fiscal year 2020. This was the fourth year the City received this award. In order to be awarded a Certificate of Achievement, a government unit 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 our current ACFR continues to meet the program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

***Acknowledgments***

The preparation of the Annual Financial Report was made possible by the dedicated service of the Finance Department, in particular Jeff Friend, CPA, Eric Mandelas, Jackson Sweigart, the entire Finance Department have our sincere appreciation for their contributions to the preparation of this report. We would also like to thank the principals of the Washington State Auditor's Office for their work, review, and comments.

Respectfully submitted,

*Beth Anne Wroe*

Beth Anne Wroe  
Finance Director

*This page is intentionally blank.*

# ***FINANCIAL SECTION***



**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 Des Moines  
Des Moines, 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 Des Moines as of and for the year then ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Des Moines, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparison for the General, Development, Capital and Construction, and American Rescue Plan Act funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

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



## **Responsibilities of Management for the Financial Statements**

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

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time; and

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

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

### **Supplementary Information**

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

### **Other Information**

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

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

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

In accordance with *Government Auditing Standards*, we will also issue our report dated September 28, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. 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 cursive script that reads "Pat McCarthy".

Pat McCarthy, State Auditor

Olympia, WA

September 28, 2022

## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Des Moines, we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City of Des Moines for the fiscal year ended December 31, 2021. We encourage readers to consider the information furnished in our letter of transmittal which can be found starting on page 1 of this report.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of Des Moines exceeded its liabilities and deferred inflows at fiscal year-end by \$249,498,293 (net position), an increase of \$11,897,446 or 5% from 2020. Of this amount, a majority of net position (\$200,987,725) is a net investment in capital assets. An additional \$20,498,082 or 8.2% of net position is restricted for purposes of public safety, transportation, recreation & senior services, and debt service. The remaining \$28,012,486, or 11.2%, of net position (\$15,094,334 for governmental activities and \$12,918,151 for business-type activities) represents unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- In 2021, the City of Des Moines was awarded \$9,029,878 in funds from the federal government via the American Rescue Plan Act. Of this award, \$4,514,939 (50%) was received in 2021 with the remaining balance expected to be received in 2022. In September of 2021, the City Council approved various uses of these funds which include replacing revenue lost by recreation programs, providing utility assistance to qualifying residents, and funding marina infrastructure.
- At December 31, 2021, the City's governmental activities reported combined ending net position of \$208,355,948, an increase of \$8,351,148 from 2020. Approximately 7.2% of this amount (\$15,094,334) is available for spending at the City's discretion (unrestricted net position).
- The City of Des Moines' net investment in capital assets increased by \$6,849,654 during 2021. The increase includes capital asset additions of \$9,929,943 for governmental activities and additions of \$2,124,639 business-type activities, offset by depreciation of \$4,130,584 for governmental activities and \$882,425 for business-type activities as well as miscellaneous asset disposals. Debt payments on long-term liabilities used for investment in capital asset projects also factor into the increase.
- Overall program revenue from governmental activities and business activities decreased \$346,048 and \$1,018,193; respectively, as impacts from the COVID-19 pandemic have eased but various government service programs have remained closed.

## OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here are intended to serve as an introduction to the City of Des Moines's basic financial statements which are presented in three parts: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

**Government-wide financial statements.** The financial statements are presented in conformity with Governmental Accounting Standards Board (GASB), which establishes Generally Accepted Accounting Principles (GAAP) for governmental entities. The government-wide financial statements are designed to provide readers with a broad overview of the City of Des Moines' finances in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the City's assets and deferred outflows as well as liabilities and deferred inflows with the difference between the two groups reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Des Moines that are principally supported by taxes and intergovernmental revenues (Governmental Activities) from activities that are supported by fees and charges (Business-Type Activities). The governmental activities of the City of Des Moines include general government, judicial, public safety, transportation, natural and economic environment, social services, culture and recreation and interest on long-term debt. The business-type activities include the Marina and Surface Water Management Utility.

The government-wide financial statements can be found following the Independent Auditor's Report on Financial Statements.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Des Moines, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City funds can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statements of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Des Moines maintains fourteen individual governmental funds. The City's four major governmental funds – the General Fund, the Development Fund, the Capital & Construction Fund, and the American Rescue Plan Act Fund are presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances. The remaining governmental funds are combined in this statement into a single column labeled 'Other Governmental'. Individual fund data for each of the other governmental funds can be found in *Combining Statements* later in this report.

The City of Des Moines adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

**Proprietary funds.** The City of Des Moines maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise funds to account for the Marina and Surface Water Utility. *Internal service funds* are an accounting device used to accumulate and allocate costs internally to the City's various functions. The City uses internal service funds to account for it equipment maintenance and replacement, facility repair and replacement, computer equipment and software replacement, self-insurance programs and unemployment compensation. As these internal activities predominantly benefit governmental rather than business-type functions, they have been included with *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Data from the internal service funds are combined into a single, aggregated presentation in the basic proprietary fund financial statements.

**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 following the proprietary fund financial statements.

## 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 increased for the City of Des Moines over the prior year. Changes in net position from 2020 to 2021 show an increase in total net position of \$11,897,446 which includes a prior period adjustment of \$12,811. The following schedule is the condensed version of the government-wide statement of net position with a comparison to 2020:

### City of Des Moines Statement of Net Position (in thousands)

	Governmental Activities		Business Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Current assets	\$ 46,396,409	\$ 42,490,752	\$ 14,285,419	\$ 12,883,486	\$ 60,681,828	\$ 55,374,238
Capital assets	176,051,917	170,252,559	31,203,602	29,961,386	207,255,519	200,213,945
Other assets	14,838,652	4,045,351	1,250,276	281,000	16,088,928	4,326,351
Total assets	<u>237,286,979</u>	<u>216,788,662</u>	<u>46,739,297</u>	<u>43,125,872</u>	<u>284,026,275</u>	<u>259,914,534</u>
Deferred outflows	1,464,860	1,414,595	235,117	266,540	1,699,977	1,681,135
Current liabilities	5,387,451	3,063,861	1,780,473	1,285,337	7,167,924	4,349,198
Noncurrent liabilities	14,340,611	13,378,214	2,981,836	4,325,767	17,322,447	17,703,981
Total liabilities	<u>19,728,062</u>	<u>16,442,075</u>	<u>4,762,309</u>	<u>5,611,104</u>	<u>24,490,371</u>	<u>22,053,179</u>
Deferred inflows	10,667,829	1,756,382	1,069,760	185,261	11,737,589	1,941,643
Net position:						
Investment in capital assets	172,842,966	167,310,822	28,144,759	26,827,249	200,987,725	194,138,071
Restricted	21,671,258	17,459,763	79,435	-	21,750,693	17,459,763
Unrestricted	<u>13,841,722</u>	<u>15,234,215</u>	<u>12,918,151</u>	<u>10,768,798</u>	<u>26,759,874</u>	<u>26,003,013</u>
Total net position	<u>\$208,355,947</u>	<u>\$200,004,800</u>	<u>\$ 41,142,345</u>	<u>\$ 37,596,047</u>	<u>\$ 249,498,292</u>	<u>\$237,600,847</u>

The largest portion of the City's net position (80.5%) reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery and equipment) less any related outstanding debt to acquire those assets. The City of Des Moines uses these assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other resources, since the capital assets themselves cannot be used to liquidate these liabilities. Restricted net position (8.2%) represents resources that are subject to constitutional or external restrictions on how they may be used. The remaining balance of unrestricted net position (11.3%) may be used to meet the City's ongoing obligations to citizens and creditors.

**Changes in Net Position.** At the end of the current fiscal year, the City of Des Moines is able to report positive balances in all three categories of net position, both the government as a whole, as well as for its separate governmental and business-type activities.

Net position from activity throughout the year was \$11,897,446. This increase represents the degree to which ongoing revenues have exceeded increases in ongoing expenses through cost containment measures and increasing revenues. The net position also increased by \$12,811 in prior period adjustments.

The net position for investment in capital assets increased by \$6,849,654 in 2021. A major part of this increase was due to acquisition of capital assets (\$26,586,600), offset by depreciation (\$5,013,009) and capital asset disposals (\$14,532,018).

Restricted net position increased \$4,290,930 due primarily to an increase in Net Pension Assets in 2021. The net effect of the increase in Net Pension Assets on restricted net position was \$4,580,246.

Unrestricted net position and current assets have increased as the overall financial health held steady through the COVID-19 pandemic. Despite a decrease in governmental activity program revenues in 2021, current assets such as cash and investments on hand at December 31 has increased over the prior year.

The changes to deferred inflows/outflows are primarily related to actuarial activity related to pensions. Deferred inflows/outflows are affected by such things as the difference between actuarially expected and actual experience, differences between expected and actual investment earnings and changes in actuarial assumptions.

See the FINANCIAL ANALYSIS OF THE CITY'S FUNDS section for more information relating to specific funds.

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

**City of Des Moines**  
**Changes in Net Position (in thousands)**

	Governmental Activities		Business Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Revenues						
Program revenues:						
Charges for services	\$ 10,316,258	\$ 10,469,612	\$ 9,322,278	\$ 8,600,513	\$ 19,638,536	\$ 19,070,125
Operating grants & contributions	2,507,868	2,321,794	570,953	137,670	3,078,821	2,459,464
Capital grants & contributions	5,638,584	6,017,352	58,943	195,798	5,697,527	6,213,150
General revenues:						
Property taxes	5,318,999	5,191,679	-	-	5,318,999	5,191,679
Other taxes	13,746,478	12,247,515	-	-	13,746,478	12,247,515
Miscellaneous revenue	1,176,821	445,662	-	-	1,176,821	445,662
Investment and misc	(134,093)	228,171	(37,429)	175,476	(171,522)	403,647
Total revenues	<u>38,570,915</u>	<u>36,921,785</u>	<u>9,914,745</u>	<u>9,109,457</u>	<u>48,485,660</u>	<u>46,031,242</u>
Program expenses:						
General government	6,450,331	7,455,194	-	-	6,450,331	7,455,194
Public safety	10,520,726	10,279,581	-	-	10,520,726	10,279,581
Transportation	6,406,029	5,098,069	-	-	6,406,029	5,098,069
Natural & economic environment	2,704,865	2,250,829	-	-	2,704,865	2,250,829
Social services	851,254	653,687	-	-	851,254	653,687
Culture and recreation	2,963,459	2,844,857	-	-	2,963,459	2,844,857
Interest on long term debt	254,480	241,004	-	-	254,480	241,004
Marina	-	-	3,220,697	3,454,690	3,220,697	3,454,690
Surface water management	-	-	3,229,184	3,380,182	3,229,184	3,380,182
Total expenses	<u>30,151,144</u>	<u>28,823,221</u>	<u>6,449,881</u>	<u>6,834,872</u>	<u>36,601,025</u>	<u>35,658,093</u>
Changes in net position	8,419,771	8,098,564	3,464,864	2,274,585	11,884,635	10,373,149
Transfers	(82,474)	(279,000)	82,474	279,000	-	-
Total changes in net position	<u>8,337,297</u>	<u>7,819,564</u>	<u>3,547,338</u>	<u>2,553,585</u>	<u>11,884,635</u>	<u>10,373,149</u>
Net position - beginning	200,004,800	192,226,218	37,596,047	35,046,669	237,600,847	227,272,887
Prior period adjustments	13,850	(40,982)	(1,040)	(4,207)	12,810	(45,189)
Restated net position - beginning	<u>200,018,650</u>	<u>192,185,236</u>	<u>37,595,007</u>	<u>35,042,462</u>	<u>237,613,657</u>	<u>227,227,698</u>
Net position - ending	<u>\$208,355,947</u>	<u>\$200,004,800</u>	<u>\$ 41,142,345</u>	<u>\$ 37,596,047</u>	<u>\$ 249,498,292</u>	<u>\$237,600,847</u>

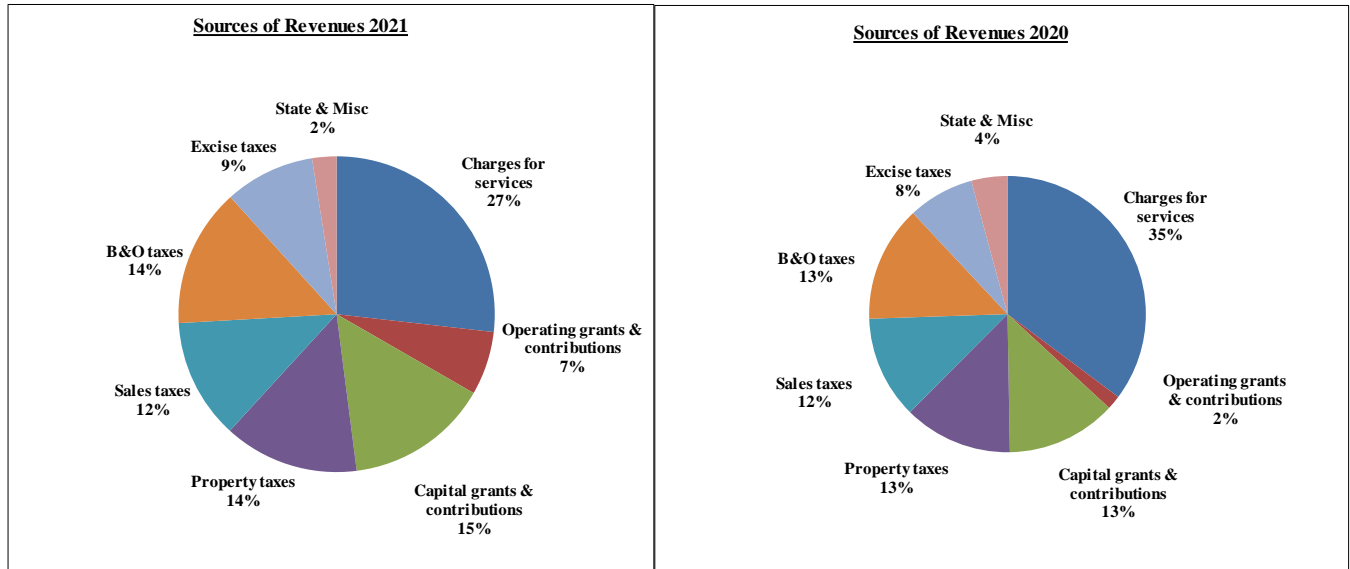
### Governmental Activities

Governmental activities increased net position by \$8,337,297. The primary reason for the increase is an increase of \$3,905,608 in current assets and an increase of \$5,799,359 in capital assets. The City continues to follow sound fiscal management practices in matching ongoing expenses to ongoing revenues to ensure a sustainable financial plan into the future. In 2021, total revenues increased \$1,649,130 (4.5%) from 2020. Total revenue exceeded expenditures by \$8,337,297. Sales tax revenue increased \$457,562 or 14.7% from 2020 while B&O taxes increased \$90,721 or 10% primarily due to increased activity as the State's stay at home orders related to the COVID-19 pandemic quarantine ceased as the pandemic began to recede. Capital grant revenue also slightly decreased in 2021 by \$378,768 or 6.3%. Capital grant activity fluctuates from year to year based on grant awards and construction projects. The City continues to receive state and county funding for the north marina parking lot bulkhead, acquisition of Midway Park, and other various projects. Overall expenditures increased by \$1,327,923 or 4.6%.



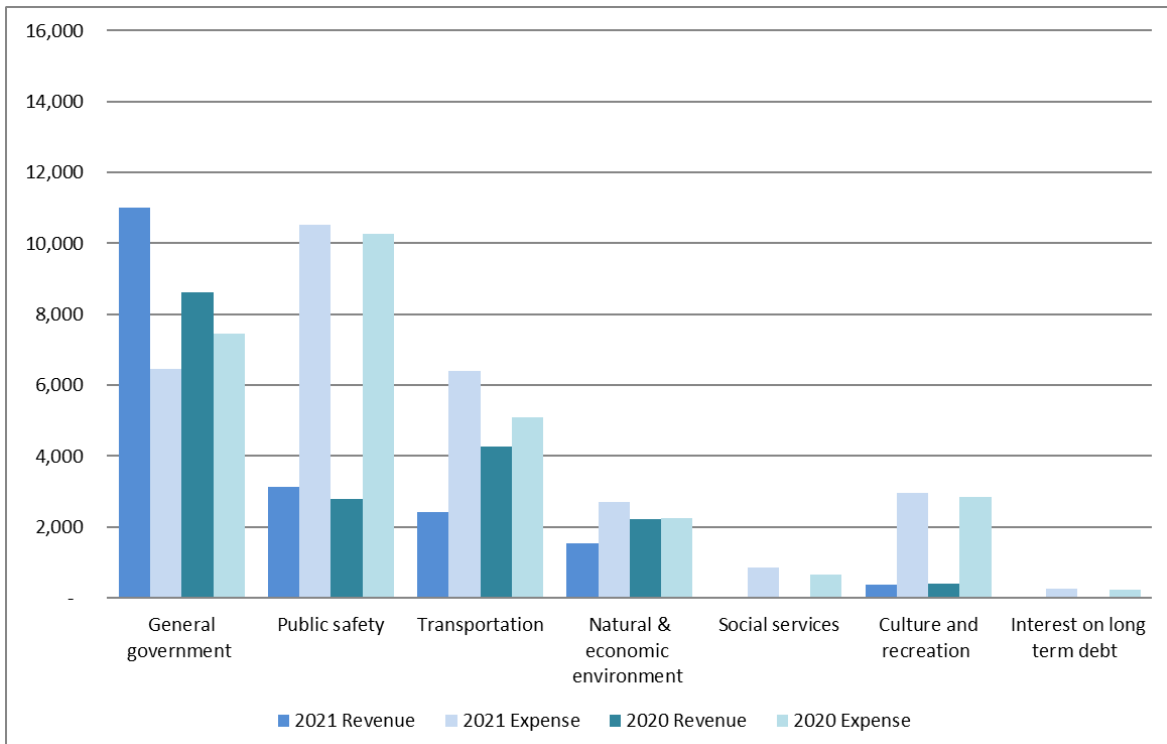
See the FINANCIAL ANALYSIS OF THE CITY'S FUNDS section for more information relating to specific funds.

GOVERNMENTAL ACTIVITIES – REVENUES BY SOURCE



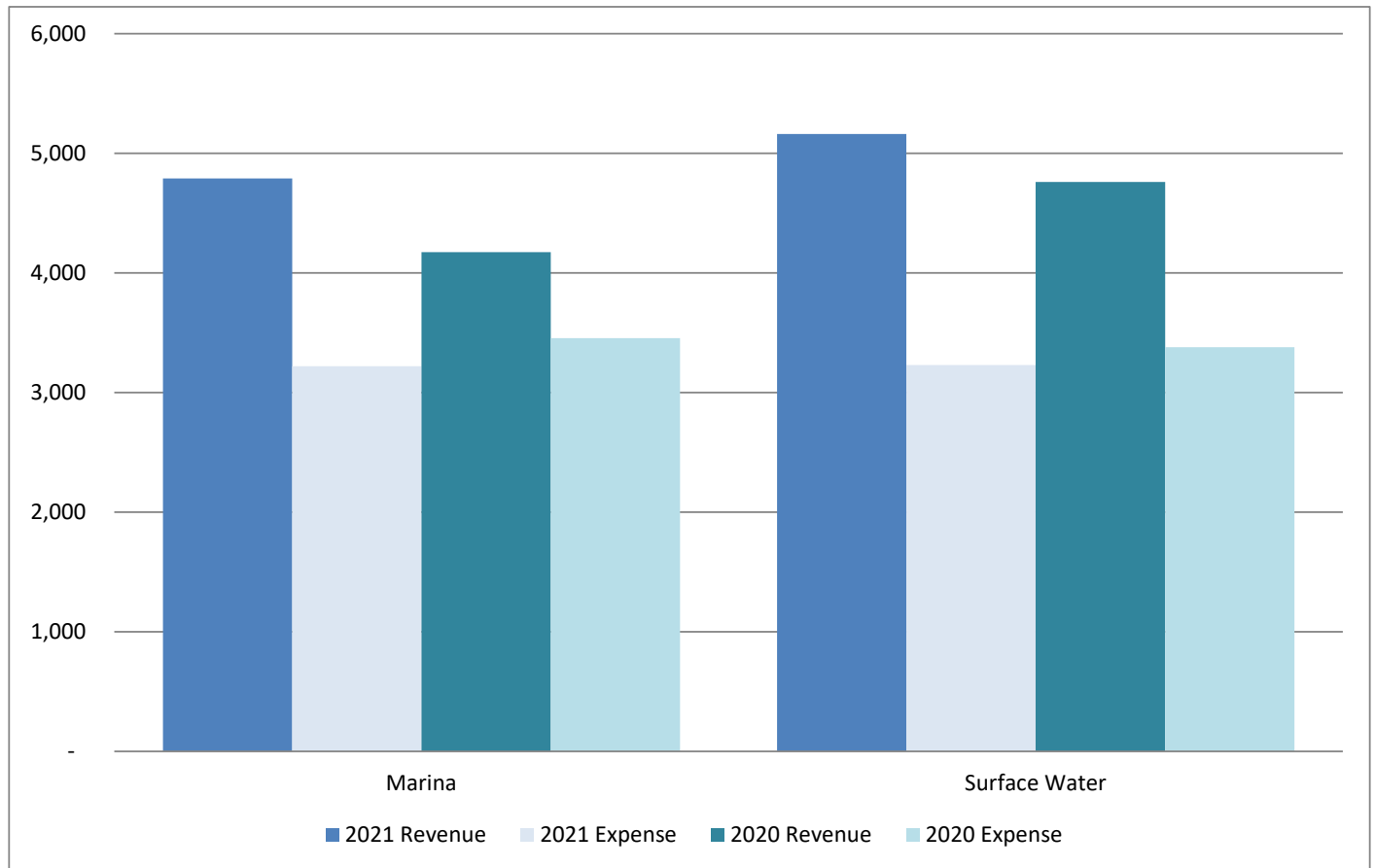
GOVERNMENTAL ACTIVITIES – EXPENSES AND PROGRAM REVENUES

(In thousands)



**Business-type activities.** Business-type activities increased the City of Des Moines’s net position by \$3,547,338 as compared to 2020. This increase is due to operating income of \$2,872,397, capital grant contributions of \$58,943 and other non-operating revenue, expenses and transfers of \$614,958.

ENTERPRISE ACTIVITIES – EXPENSES AND PROGRAM REVENUE COMPARISON  
(In thousands)



## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City of Des Moines uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### Governmental Funds

The focus of the City of Des Moines' *governmental funds* is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the governmental funds reported combined ending fund balances of \$30,961,549. The City had \$7,065,760 in unassigned fund balance. Total governmental fund balances decreased \$978,258 from the prior year, including a prior period adjustment of \$3,340 to correct the recognition of business license revenue for 2021 received in 2020 and the reallocation of some capital costs between the capital funds and enterprise funds. In 2021, the General Fund's ending fund balance was \$7,163,952. The General Fund's ending fund balance increased by \$599,177 in 2021 from current year revenue exceeding current year expenditures. Ending fund balance decreased by \$1,109,358 for the Development Fund and \$1,261,880 for the Capital and Construction Fund. The American Rescue Plan Act fund, created during 2021, has an ending fund balance of negative \$250,611 while the ending fund balance for Other Governmental Funds increased \$1,038,614.

### General Fund

The General Fund is the primary operating fund of the City of Des Moines. The General Fund ended the year with unassigned fund balance of \$7,077,095, which fully funds the city council's reserve policy for a minimum fund balance level of 16.67%, of recurring operating expenditures, which equals \$3,724,272. Ending unassigned fund balance in the General Fund was 32.1% of operating expenditures. Overall, revenues decreased by 7.3% or \$1,774,133 compared to 2020, expenditures decreased by 4.9% or \$1,116,813 compared to 2020, other financing uses from net transfers and insurance recoveries were \$293,685 in 2021, for a net change in fund balance of \$604,977 for 2021.

General Fund tax revenue increased by \$968,990 or 6.9%. Property tax increased \$147,710 or 2.9% as the assessed valuation of all the property in the City increased. Sales tax revenue increased \$457,562 or 14.7% due to a combination of increased business in the City as pandemic restrictions eased and inflationary pressures. Business & Occupation (B&O) taxes overall increased \$90,721 or 10.0% as some businesses opened or reopened without having to suffer mandated closures that were typical of the prior year. Utility taxes increased \$83,685 or 2.3% due to an increase in consumption. Gambling taxes increased by \$927 or 3.4% reflecting a consistent level of activity at gambling establishments compared to the prior year. Leasehold taxes increased by \$15,782 or 7.9% in 2021 due to the utilization of public property for private activities during the year.

License and permit revenues increased by \$22,444 or 1.5% remaining consistent with the prior year's level of revenue.

Charges for services decreased by \$2,211,442 or 43.6%. In 2021, the City implemented a new indirect cost allocation. In 2020, other funds paid the General Fund various interfund payments for administrative services. In 2021, a payment amount of \$2,259,197 was removed from the budget during the City's budget amendment process to ensure appropriate payment for the cost of services provided by the General Fund.

**Development Fund.** Fund balance was \$3,553,588 at year-end and decreased by \$1,109,358 (or 23.7%) during the year. The change is normal and expected due to the nature of the work performed. Permit fee rates are reevaluated every few years with fund balance providing a cushion to absorb any yearly deficits that might arise.

**Construction Fund.** Fund balance was \$13,914,084 at year-end and decreased by \$1,259,420 or 8.3% during the year. The change is normal and expected based on the nature of the construction fund as resources are set aside during the design phase in anticipation of construction. The City received additional grant funding for the north marina parking lot bulkhead.

**American Rescue Plan Act Fund** The City of Des Moines created the American Rescue Plan Act (ARPA) fund after being awarded \$9,029,878 by the federal government in order to track revenues and expenditures related to the ARPA grant. The City received \$4,514,939 (50%) of the award in 2021 of which \$998,081 was recognized as revenue. The fund has a fund balance of negative \$250,611 in the American Rescue Plan Act fund.

**Proprietary Funds.** The City of Des Moines's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

*Marina* – Unrestricted net position was \$3,957,936 at the end of the year; an increase of \$1,535,844 from the prior year. Operating revenue increased \$464,095 or 10.7%. Operating revenue increased due to fewer pandemic restrictions resulting in higher revenue for charges for services. Operating expenses decreased by \$215,401 or 6.5% due to decrease of interfund administrative services charged to the marina.

*Surface Water Management* – Unrestricted net position totaled \$7,834,484; an increase of \$645,189 from the prior year. Operating revenue decreased by \$11,568 or 1.2%. Operating expenses decreased by \$150,998 or 4.4% due to a decrease in depreciation expense.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The entire focus of the 2021 budget process and recommendations were a function of the challenges presented by the COVID-19 virus pandemic. Due to the unknowns with the recovery of the global, national, and regional economies the City of Des Moines took a very conservative approach when forecasting revenues and planning for program expenditures for the 2021 fiscal year. The City of Des Moines continues to focus on adopting strong, solvent, and sustainable budgets using sound budgetary policies. The budget that was approved by the Des Moines City Council for 2021 reflects the policy choices of the City Council guided by principles that safeguard the public trust and public resources; that provides for actions that enhance the safety, quality of life and overall general well-being of the city; and, that maximizes the efficient use of budgetary resources.

When the City of Des Moines adopted the 2021 budget it was done so with an anticipated decrease, during the year, of \$362,961, or 8.0%, in budgetary fund balance from \$4,536,182 to \$4,173,221. This planned decrease did not impact the city's required ending fund balance policy of 16.67% set by the Des Moines City Council. This planned decrease was, in part, the necessity to retain staffing in the Parks and Recreation programs even though it was uncertain when city facilities would be available for in-person classes and events.

The 2021 adopted budget anticipated increases in revenue for property, sales, business & occupation and utility taxes but an overall decrease in revenues of 3.6%. The 2021 adopted budget anticipated an overall 3.2% decrease in expenditures. The City planned for an increase for salaries and personnel benefits. This increase was for cost-of-living increases, in order, to retain staff that provide essential services. City resources were used to continue the emergency management program, law enforcement, parks and recreation programs and the continued implementation of a new enterprise resource program by the finance department.

In 2021, the City was awarded \$9 million through the American Rescue Plan Act. Fifty percent (50%) of these funds were received in 2021 with the balance expected in 2022. On September 16, 2021, proposed uses for these federal funds, for 2021 and subsequent years, were approved by the Des Moines City Council. Use of these federal funds, which support the City's fiscal goals, were included in the amendments to the 2021 Annual Budget. The 2021 revised General Fund budget included American Rescue Plan funding to support general fund programs primarily related to law enforcement and parks and recreations programs. Another major revision to the General Fund budget was to remove approximately \$2.25 million in revenue and expenditures for intra-fund transfers between departments for indirect cost allocations. The information is available to departments to manage operating costs and rates but actual entries between departments were eliminated in 2021.

As the City of Des Moines continued to navigate through the public health crisis that extended beyond 2020 and into 2021. The results for the revised 2021 budget were total actual revenues received of \$23,537,240, which were over the revised budget by \$1,026,985 (4.56%) and in total actual expenditures of \$22,938,063 that were less than the revised budget by \$1,240,458 (5.13%). This puts the City of Des Moines in a good position to continue to operate and respond to the COVID-19 pandemic.

## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital Assets.** The City of Des Moines's total capital assets for its governmental and business-type activities as of December 31, 2021 was \$207,255,519 (net of accumulated depreciation); an increase of \$7,041,574 from 2020. Investment in capital assets includes such things as land and construction in progress, which are not subject to depreciation. The other capital assets, buildings and structures, machinery and equipment, park facilities, sidewalks, roads, highways, and bridges are subject to depreciation.

Governmental type capital assets (net of depreciation) totaled \$176,051,917, an increase of \$5,799,359 from 2020. Business-type capital assets (net of depreciation) totaled \$31,203,602, an increase of \$1,242,214 from 2020.

In addition to the effects of depreciation, these changes in total capital assets are a result of acquisitions for improvements, infrastructure, building & structures, machinery and equipment, and construction in progress. In 2021, the largest components of these changes are related to increases in construction work in progress for ongoing capital projects including the Midway Park Acquisitions, North Bulkhead, and College Way. More information on the City's capital assets can be found in Note 5.

City of Des Moines Capital Assets at Year-End  
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
Land	\$ 95,722,062	\$ 95,565,651	\$ 3,807,527	\$ 3,807,526	\$ 99,529,589	\$ 99,373,177
Construction work in progress	16,364,298	17,038,102	3,145,321	2,217,591	19,509,619	19,255,693
Buildings and structures	8,121,528	6,655,833	5,964,643	1,658,500	14,086,171	8,314,333
Other improvements	8,275,768	6,871,586	2,591,728	7,558,714	10,867,496	14,430,300
Infrastructure	43,878,725	41,173,207	15,403,969	14,621,538	59,282,694	55,794,745
Machinery and equipment	3,441,554	2,948,180	259,949	97,517	3,701,503	3,045,697
Intangible Assets	247,981	-	30,465	-	278,446	-
Total capital assets	<u>\$176,051,917</u>	<u>\$170,252,559</u>	<u>\$ 31,203,602</u>	<u>\$ 29,961,386</u>	<u>\$ 207,255,519</u>	<u>\$200,213,945</u>

**Long-term debt.** At the end 2021, the City had total bonded debt and loans outstanding of \$10,572,385. Of this amount, \$10,278,490 is general obligation bonds (North Bulkhead, Transportation, Marina Improvements, and SCORE bonded debt); and \$293,895 are governmental loans (Public Work Trust Fund Loans).

#### City of Des Moines Bonds and Loans

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
General Obligation Bonds	\$ 6,938,648	\$ 7,329,380	\$ 3,339,842	\$ 4,006,647	\$ 10,278,490	\$ 11,336,027
Loans & Notes	293,895	361,898	-	-	293,895	361,898
Total	<u>\$ 7,232,543</u>	<u>\$ 7,691,278</u>	<u>\$ 3,339,842</u>	<u>\$ 4,006,647</u>	<u>\$ 10,572,385</u>	<u>\$ 11,697,925</u>

On July 30, 2018, S&P Global Ratings assigned its rating of "AA+" for the Limited Tax General Obligation & Refunding Bonds, Series 2018. On March 6, 2019, Moody's Investors Service upgraded the City's limited tax general obligation bond rating to Aa3 from A1. More information on the City's long-term debt can be found in Note 10.

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The COVID-19 pandemic has dragged on for two years. Beginning in 2020, the United States and countries around the world began initiating shutdowns in response to the deadly COVID-19 virus that we knew almost nothing about. Companies shifted millions of employees to telework, schools, offices and businesses closed and in-person events cancelled. Everyone hoped these actions would be temporary in nature and as we found out, they were not. However, the pandemic seems to be receding but in its wake it's left inflationary pressures, supply chain challenges, and staffing challenges in the public and private sectors.

During this the past two years, the COVID-19 pandemic has forced significant changes in the operation and provision of services by local government, generalized across our country and locally, specific to Des Moines. Process and recommendations for the 2022 budget were greatly impacted by the COVID-19 pandemic and related policies. The budget will reflect the policy choices of the City Council, guided by principles that safeguard the public trust and public resources; that provides for actions that enhance the safety, quality of life and overall general well-being of the city; and, that maximizes the efficient use of budgetary resources.

The 2022 budget is a sustainable budget, despite the exceptional impacts of COVID-19. The City of Des Moines financial strategy is to honor the commitment to utilize structural revenues to finance structural expenditures. As well as, maintain the legally established (by City Council) contingency reserves. The City is required to maintain 16.67% of recurring expenditures as ending fund balance in the general fund. This is not a surplus but rather an insurance against risk (known and unknown). In this pandemic, risk is difficult to assess with the huge degree of uncertainty that COVID-19 exhibits in its transmission dynamic.

The City of Des Moines will continue to monitor the changing economic environment and the status of the COVID-19 pandemic and adapt processes and policies to address issues as they present themselves.

The Marina and the Surface Water Management Utility will implement their annual rate increases based on moorage and surface water management fees.

### REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Beth Anne Wroe, Finance Director, 21630 11<sup>th</sup> Ave. S., Suite A, Des Moines, Washington, 98198.

*This page is intentionally blank.*

# ***BASIC FINANCIAL STATEMENTS***



## BASIC FINANCIAL STATEMENTS

The basic financial statements and note disclosure comprise the minimum acceptable fair presentation in conformity with Generally Accepted Accounting Principles (GAAP). The basic financial statements are designed to be "liftable" from the Financial Section of the Annual Financial Report for widespread distribution to users requiring less detailed information than is contained in the full Annual Financial Report. The basic financial statements include:

### GOVERNMENT-WIDE FINANCIAL STATEMENTS

**Government-wide Statement of Net Position** - presents information on all city assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position.

**Government-wide Statement of Activities** - presents information on all city revenues and expenses, with the difference reported as change in net position.

### FUND FINANCIAL STATEMENTS

**Balance Sheet - Governmental Funds** - presents the balance sheets for major funds and aggregated amounts for all other governmental funds.

#### **Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position**

**Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds** - presents information for each major fund and aggregated information for all other governmental funds.

#### **Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.**

**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual** - presents budget information, along with actual results, on separate statements for the general fund and each major special revenue fund. Departmental information is included for the general fund, in accordance with the city's legally adopted budget.

**Statement of Net Position - Proprietary Funds** - presents aggregated information on all internal service fund assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as change in net position.

**Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds** - presents aggregated information for all internal service funds.

**Statement of Cash Flows - Proprietary Funds** - presents aggregated information on the sources and uses of cash for the internal service funds.

**Statement of Fiduciary Net Position** - presents information on custodial fund assets and liabilities, with the difference reported as change in net position.

**Statement of Changes in Fiduciary Net Position** - presents inflows and outflows of resources that increased and decreased fiduciary net position

**Notes to Financial Statements** - presents disclosure and further detailed information to assist the reader in a better understanding of the financial statements and the data presented within them.

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

Assets	Governmental	Business-Type	Total
	Activities	Activities	
Current assets:			
Cash and cash equivalents	\$ 16,997,640	\$ 6,539,945	\$ 23,537,585
Restricted cash & cash equivalents:			
Customer deposits/vendor retainage	996,638	251,513	1,248,151
Unspent donations	8,015	-	8,015
Restricted for capital funding	475,000	-	475,000
Investments	23,173,986	6,488,127	29,662,113
Receivables (net of allowances):			
Interest	68,771	28,852	97,623
Taxes	2,372,895	-	2,372,895
Customer accounts	1,926,350	391,823	2,318,173
Grants	187,782	534,147	721,929
Special assessments	8,117	-	8,117
Internal balances	5,270	(5,270)	-
Prepays	158,012	150	158,162
Inventories	17,933	56,132	74,065
Total current assets	46,396,409	14,285,419	60,681,828
Noncurrent assets:			
Restricted cash - debt reserve	-	281,000	281,000
Net pension asset	13,219,257	969,276	14,188,533
Investment in joint venture	1,619,395	-	1,619,395
Capital assets not being depreciated:			
Land	95,722,062	3,807,527	99,529,589
Construction in progress	16,364,298	3,145,321	19,509,619
Capital assets, net of accumulated depreciation:			
Buildings and structures	8,121,528	5,964,643	14,086,171
Other improvements	8,275,768	2,591,728	10,867,496
Infrastructure	43,878,725	15,403,969	59,282,694
Machinery and equipment	3,441,554	259,949	3,701,503
Intangible Assets	247,981	30,465	278,446
Total noncurrent assets	190,890,569	32,453,878	223,344,447
Total assets	237,286,979	46,739,297	284,026,275
Deferred outflows of resources:			
Loss on debt refunding	22,531	55,198	77,729
Deferred outflow related to Other Post-employment Benefits	28,913	-	28,913
Deferred outflow related to pensions	1,413,416	179,919	1,593,335
Total deferred outflows of resources	1,464,860	235,117	1,699,977
Liabilities			
Current liabilities:			
Accounts payable	3,676,875	846,284	4,523,159
Payable from restricted assets	996,023	241,508	1,237,531
Accrued interest payable	13,538	10,413	23,951
Compensated absences - current	148,159	27,756	175,915
Loans - current	55,481	-	55,481
Bonds - current	365,770	654,512	1,020,282
Capital Lease - Current	24,613	-	24,613
Total OPEB liabilities - current	106,992	-	106,992
Total current liabilities	5,387,451	1,780,473	7,167,924
Noncurrent liabilities:			
Unearned Revenues	3,516,858	-	3,516,858
Compensated absences	1,640,570	202,968	1,843,538
Net pension liabilities	618,878	93,538	712,416
Total OPEB liabilities - noncurrent	1,679,174	-	1,679,174
Loans	238,414	-	238,414
Bonds	6,572,878	2,685,330	9,258,208
Capital Lease	73,839	-	73,839
Total noncurrent liabilities	14,340,611	2,981,836	17,322,447
Total liabilities	19,728,062	4,762,309	24,490,371
Deferred Inflows of Resources			
Deferred revenues	53,852	-	53,852
Debt refunding	482,115	-	482,115
Deferred inflows related to pensions	10,131,862	1,069,760	11,201,622
Total deferred inflows of resources	10,667,829	1,069,760	11,737,589
Net Position			
Net investment in capital assets	172,842,966	28,144,759	200,987,725
Restricted for:			
Public safety	591,018	-	591,018
Transportation	16,070,544	-	16,070,544
Culture and recreation	378,184	-	378,184
Pensions	4,500,811	79,435	4,580,246
General obligation debt	130,701	-	130,701
Unrestricted	13,841,722	12,918,151	26,759,874
Total net position	\$ 208,355,947	\$ 41,142,345	\$ 249,498,292

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

**Statement of Activities**  
**For the Year Ended December 31, 2021**

Functions/Programs	Expenses	Charges for Services	Program Revenue		Net (Expenses) Revenue and Changes in Net Position Primary Government		
			Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Net (Expense) Revenue
<b>Primary government:</b>							
<b>Governmental activities:</b>							
General government	\$ 6,450,331	\$ 4,981,916	\$ 1,382,169	\$ 4,629,371	\$ 4,543,125	\$ -	\$ 4,543,125
Public safety	10,520,726	2,122,235	1,016,570	-	(7,381,921)	-	(7,381,921)
Transportation	6,406,029	1,628,454	-	790,322	(3,987,253)	-	(3,987,253)
Natural & economic environment	2,704,865	1,492,472	-	57,248	(1,155,145)	-	(1,155,145)
Social services	851,254	-	-	-	(851,254)	-	(851,254)
Culture and recreation	2,963,459	91,181	109,129	161,643	(2,601,506)	-	(2,601,506)
Interest on long-term debt	254,480	-	-	-	(254,480)	-	(254,480)
<b>Total governmental activities</b>	<b>30,151,144</b>	<b>10,316,258</b>	<b>2,507,868</b>	<b>5,638,584</b>	<b>(11,688,434)</b>	<b>-</b>	<b>(11,688,434)</b>
<b>Business-type activities:</b>							
Marina	3,220,697	4,768,049	21,787	-	-	1,569,139	1,569,139
Surface water management	3,229,184	4,554,229	549,166	58,943	-	1,933,154	1,933,154
<b>Total business-type activities</b>	<b>6,449,881</b>	<b>9,322,278</b>	<b>570,953</b>	<b>58,943</b>	<b>-</b>	<b>3,502,293</b>	<b>3,502,293</b>
<b>Total primary government</b>	<b>\$36,601,025</b>	<b>\$19,638,536</b>	<b>\$ 3,078,821</b>	<b>\$ 5,697,527</b>	<b>(11,688,434)</b>	<b>3,502,293</b>	<b>(8,186,141)</b>
<b>General revenues:</b>							
<b>Taxes:</b>							
Property taxes					5,318,999	-	5,318,999
Sales taxes					4,739,337	-	4,739,337
B&O taxes					5,461,557	-	5,461,557
Excise taxes					3,545,584	-	3,545,584
Other taxes					-	-	-
Interest and investment earnings					(134,093)	(37,429)	(171,522)
Gain (loss) on sale of capital assets					15,450	-	15,450
Insurance Recoveries					19,568	-	19,568
Grants and contributions not restricted to specific programs					27,068	-	27,068
Miscellaneous revenue					1,114,735	-	1,114,735
Transfers					(82,474)	82,474	-
<b>Total general revenues and transfers</b>					<b>20,025,731</b>	<b>45,045</b>	<b>20,070,776</b>
Change in net position					8,337,297	3,547,338	11,884,635
Net position - beginning					200,004,800	37,596,047	237,600,847
Change in accounting principle					-	-	-
Prior period adjustment - Note 17					13,850	(1,040)	12,810
<b>Net position - ending</b>					<b>\$ 208,355,947</b>	<b>\$ 41,142,345</b>	<b>\$ 249,498,292</b>

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

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

	General Fund	Development Fund	Capital & Construction	American Rescue Plan Act Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 963,532	\$ 478,163	\$ 8,523,382	\$ 783,047	\$ 3,809,187	\$ 14,557,311
Restricted cash:						
Customer deposits & retainage	279,050	365,619	333,108	-	615	978,392
Unspent donations	8,015	-	-	-	-	8,015
Restricted for capital funding	-	-	475,000	-	-	475,000
Investments	5,676,833	3,259,473	5,751,530	2,483,200	2,680,252	19,851,288
Receivables (net of allowance):						
Interest	22,767	7,362	19,754	-	4,683	54,566
Taxes	1,805,408	-	354,049	-	213,439	2,372,896
Customers	1,525,526	75,473	42,692	-	274,145	1,917,836
Grants	49,337	21,128	117,317	-	-	187,782
Special assessments & loans	8,117	-	-	-	-	8,117
Prepaid items	157,801	210	-	-	-	158,011
Total assets	<u>\$10,496,386</u>	<u>\$4,207,428</u>	<u>\$15,616,832</u>	<u>\$ 3,266,247</u>	<u>\$ 6,982,321</u>	<u>\$ 40,569,214</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 1,868,483	\$ 280,518	\$ 1,245,184	\$ -	\$ 179,770	\$ 3,573,955
Unearned revenue	-	-	-	3,516,858	-	3,516,858
Deposits & retainage payable	279,050	365,619	333,110	-	615	978,394
Total liabilities	<u>2,147,533</u>	<u>646,137</u>	<u>1,578,294</u>	<u>3,516,858</u>	<u>180,385</u>	<u>8,069,207</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenues	1,184,901	7,703	124,454	-	221,400	1,538,458
<b>FUND BALANCES</b>						
Restricted for:						
General government	-	-	-	-	-	-
Public safety	-	-	-	240,000	351,018	591,018
Transportation	-	-	10,819,653	125,000	5,125,891	16,070,544
Natural & economic development	-	-	-	347,000	-	347,000
Social services	-	-	-	240,000	-	240,000
Culture and recreation	86,857	-	241,327	50,000	-	378,184
General obligation debt	-	-	-	-	130,701	130,701
Committed for:						
General government	-	-	2,853,104	-	-	2,853,104
Natural & economic development	-	-	-	-	984,261	984,261
Assigned for:						
Natural & economic development	-	3,553,588	-	-	-	3,553,588
Unassigned	7,077,095	-	-	(1,252,611)	(11,335)	5,813,149
Total fund balances	<u>7,163,952</u>	<u>3,553,588</u>	<u>13,914,084</u>	<u>(250,611)</u>	<u>6,580,536</u>	<u>30,961,549</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$10,496,386</u>	<u>\$4,207,428</u>	<u>\$15,616,832</u>	<u>\$ 3,266,247</u>	<u>\$ 6,982,321</u>	<u>\$ 40,569,214</u>

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

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

Amounts reported in the statement of net position are different because:

Fund balances of governmental funds:		\$ 30,961,549
Capital assets are not financial resources, and therefore not reported in the fund financial statements.		
Capital assets net of depreciation		176,051,917
Other non-current assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds		
Net pension assets	\$ 13,219,257	
Investment in joint venture	1,619,395	
		14,838,652
Deferred outflows of resources for pensions, OPEB, and loss on refunding are not available to pay for current period expenditures and, therefore, are not reported in governmental funds		1,464,860
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Proceeds from new debt and repayments of existing debts are recorded as resources and expenditures for fund reporting but are additions and reductions of liabilities for government wide reporting		(15,055,161)
Deferred inflows in governmental funds is susceptible to full accrual and therefore not reported in the Statement of Activities. Other expenses are susceptible to full accrual and are reported in the Statement of Activities but not in the governmental funds.		(5,612,514)
Internal service funds are used by management to charge the cost of certain activities, such as equipment management and insurance to individual funds. These assets and liabilities of certain internal service funds are included in the statement of net position.		5,706,645
Net position		\$ 208,355,948

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

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

	General Fund	Development Fund	Capital & Construction	American Rescue Plan Act Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Taxes	\$ 14,993,094	\$ -	\$ 2,342,092	\$ -	\$ 1,704,929	\$ 19,040,115
Licenses and permits	1,464,304	875,581	-	-	613,668	2,953,553
Intergovernmental revenues	1,509,033	57,248	4,914,110	998,081	667,980	8,146,452
Charges for services	2,864,774	952,273	337,826	-	119,230	4,274,103
Fees and penalties	1,449,709	1,519	-	-	141,135	1,592,363
Investment Earnings	546	(52,318)	(43,863)	(10,672)	(23,141)	(129,448)
Miscellaneous	370,996	31,737	-	-	358,309	761,042
<b>Total revenues</b>	<b>22,652,456</b>	<b>1,866,040</b>	<b>7,550,165</b>	<b>987,409</b>	<b>3,582,110</b>	<b>36,638,180</b>
<b>Expenditures</b>						
Current:						
General government	6,910,275	-	-	-	14,934	6,925,209
Public safety	11,448,010	-	-	-	125,513	11,573,523
Transportation	329,264	1,218,706	151	-	2,085,907	3,634,028
Natural & economic environment	767,526	1,721,692	-	100,000	95,157	2,684,375
Social services	811,860	-	-	-	-	811,860
Culture and recreation	2,055,785	-	-	-	182,093	2,237,878
Capital outlay:						
General government	17,756	-	-	-	-	17,756
Transportation	-	-	836,258	-	12,011	848,269
Culture and recreation	688	-	8,140,328	-	-	8,141,016
Debt service:						
Principal	-	-	-	-	313,017	313,017
Interest and other charges	-	-	-	-	165,817	165,817
<b>Total expenditures</b>	<b>22,341,164</b>	<b>2,940,398</b>	<b>8,976,737</b>	<b>100,000</b>	<b>2,994,449</b>	<b>37,352,748</b>
Excess (deficiency) of revenues over (under) expenditures	311,292	(1,074,358)	(1,426,572)	887,409	587,661	(714,568)
<b>Other Financing Sources (Uses)</b>						
Transfers in	875,000	-	499,748	-	496,331	1,871,079
Insurance recovery	9,784	-	-	-	-	9,784
Transfers out	(591,099)	(35,000)	(335,056)	(1,138,020)	(45,378)	(2,144,553)
<b>Total other financing sources and uses</b>	<b>293,685</b>	<b>(35,000)</b>	<b>164,692</b>	<b>(1,138,020)</b>	<b>450,953</b>	<b>(263,690)</b>
<b>Net change in fund balances</b>	<b>604,977</b>	<b>(1,109,358)</b>	<b>(1,261,880)</b>	<b>(250,611)</b>	<b>1,038,614</b>	<b>(978,258)</b>
Fund balances - beginning	6,564,775	4,662,946	15,173,504	-	5,541,922	31,943,147
Prior period adjustment - Note 17	(5,800)	-	2,460	-	-	(3,340)
<b>Fund balances - ending</b>	<b>\$ 7,163,952</b>	<b>\$ 3,553,588</b>	<b>\$ 13,914,084</b>	<b>\$ (250,611)</b>	<b>\$ 6,580,535</b>	<b>\$ 30,961,548</b>

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

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

Amounts reported in the statement of activities are different because:

Net change in fund balances - total governmental funds \$ (978,258)

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 outlays exceeded depreciation in the current period.

Capital outlay	9,576,155	
Depreciation expense	<u>(3,754,980)</u>	5,821,175

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Increase in property tax receivable and other receivables	111,337	
Increase in joint venture equity interest	226,688	
Decrease in deferred court revenue	<u>(257,937)</u>	80,088

The net effect of various transactions involving the City's pension plans are:

Reduction in pension liability and expense	3,525,938	
Increase in pension contribution revenue	<u>139,992</u>	3,665,930

The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Decreases in governmental fund bonds payable	115,000	
Decreases in governmental fund loans payable	<u>99,565</u>	214,565

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 the governmental funds.

Increases in governmental fund compensated absences payable	126,579	
Increases in governmental fund interest payable	(88,663)	
Decrease in internal balances	<u>31,681</u>	69,597

The net revenue of certain activities of internal service funds is reported on the statement of activities

(535,800)

Change in net position \$ 8,337,297

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

**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budgetary and Actual**  
**For the Year Ended December 31, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 14,321,858	\$ 14,859,974	\$ 14,993,094	\$ 133,120
Licenses and permits	1,372,250	1,298,750	1,464,304	165,554
Intergovernmental revenues	885,986	1,333,659	1,509,033	175,374
Charges for services	5,374,426	2,896,329	2,864,774	(31,555)
Fines and penalties	1,512,700	1,380,850	1,449,709	68,859
Investment earnings	33,000	33,000	546	(32,454)
Miscellaneous	202,402	299,693	370,996	71,303
Total revenues	23,702,622	22,102,255	22,652,456	550,201
Expenditures				
Current:				
General government	6,995,413	6,922,233	6,910,275	(11,958)
Public safety	12,547,000	11,012,175	11,448,010	435,835
Transportation	298,876	269,562	329,264	59,702
Natural & economic environment	799,075	738,136	767,526	29,390
Social services	631,500	557,714	811,860	254,146
Culture and recreation	2,702,983	2,416,953	2,055,785	(361,168)
Capital outlay:				
General government	-	-	17,756	17,756
Culture and recreation	20,000	20,000	688	(19,312)
Total expenditures	23,994,847	21,936,773	22,341,164	404,391
Excess (deficiency) of revenues over (under) expenditures	(292,225)	165,482	311,292	145,810
Other Financing Sources (Uses)				
Transfers in	-	408,000	875,000	467,000
Insurance recoveries	-	-	9,784	9,784
Transfers out	(679,748)	(2,241,748)	(591,099)	1,650,649
Total other financing sources and uses	(679,748)	(1,833,748)	293,685	2,127,433
Net change in fund balances	(971,973)	(1,668,266)	604,977	2,273,243
Fund balances - beginning	3,804,796	3,417,819	6,564,775	3,146,956
Prior period adjustment - Note 17	-	-	(5,800)	(5,800)
Fund balances - ending	\$ 2,832,823	\$ 1,749,553	\$ 7,163,952	\$ 5,414,399

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



**Development Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Licenses and permits	\$ 994,150	\$ 938,150	\$ 875,581	\$ (62,569)
Intergovernmental revenues	67,000	68,000	57,248	(10,752)
Charges for services	1,558,309	1,412,949	952,273	(460,676)
Fines and penalties	1,000	1,000	1,519	519
Investment earnings	20,000	30,000	(52,318)	(82,318)
Miscellaneous	2,400	2,400	31,737	29,337
Total revenues	<u>2,642,859</u>	<u>2,452,499</u>	<u>1,866,040</u>	<u>(586,459)</u>
Expenditures				
Current:				
Transportation	1,321,921	1,397,966	1,218,706	(179,260)
Natural & economic environment	1,790,575	2,065,449	1,721,692	(343,757)
Total expenditures	<u>3,112,496</u>	<u>3,463,415</u>	<u>2,940,398</u>	<u>(523,017)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(469,637)</u>	<u>(1,010,916)</u>	<u>(1,074,358)</u>	<u>(63,442)</u>
Other Financing Sources (Uses)				
Transfers out	-	(35,000)	(35,000)	-
Total other financing sources and uses	<u>-</u>	<u>(35,000)</u>	<u>(35,000)</u>	<u>-</u>
Net change in fund balances	(469,637)	(1,045,916)	(1,109,358)	(63,442)
Fund balances - beginning	1,577,638	2,062,525	4,662,946	2,600,421
Fund balances - ending	<u>\$ 1,108,001</u>	<u>\$ 1,016,609</u>	<u>\$ 3,553,588</u>	<u>\$ 2,536,979</u>

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

**Capital and Construction Funds**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budgetary and Actual**  
**For the Year Ended December 31, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Taxes	\$ 1,200,000	\$ 1,700,000	\$ 2,342,092	\$ 642,092
Intergovernmental revenues	4,164,500	5,593,500	4,914,110	(679,390)
Charges for services	2,849,305	2,849,305	337,826	(2,511,479)
Investment earnings	29,000	38,000	(43,863)	(81,863)
Total revenues	8,242,805	10,180,805	7,550,165	(2,630,640)
Expenditures				
Current:				
Transportation	-	-	151	151
Capital outlay:				
Transportation	1,465,000	1,616,000	836,258	(779,742)
Culture and recreation	8,024,000	10,543,000	8,140,328	(2,402,672)
Total expenditures	9,489,000	12,159,000	8,976,737	(3,182,263)
Excess (deficiency) of revenues over (under) expenditures	(1,246,195)	(1,978,195)	(1,426,572)	551,623
Other Financing Sources (Uses)				
Transfers in	261,000	1,843,000	499,748	(1,343,252)
Transfers out	302,297	341,297	(335,056)	(676,353)
Total other financing sources and uses	563,297	2,184,297	164,692	(2,019,605)
Net change in fund balances	(682,898)	206,102	(1,261,880)	(1,467,982)
Fund balances - beginning	3,862,843	4,149,258	15,173,504	11,024,246
Prior period adjustment - Note 17	-	-	2,460	2,460
Fund balances - ending	\$ 3,179,945	\$ 4,355,360	\$ 13,914,084	\$ 9,558,724

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

**American Rescue Plan Act Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues				
Intergovernmental revenues	\$ -	\$ 4,514,939	\$ 998,081	\$ (3,516,858)
Investment earnings	-	1,250	(10,672)	(11,922)
Total revenues	-	4,516,189	987,409	(3,528,780)
Expenditures				
Current:				
Natural & economic environment	-	497,000	100,000	(397,000)
Social services	-	50,000	-	(50,000)
Total expenditures	-	547,000	100,000	(447,000)
Excess (deficiency) of revenues over (under) expenditures	-	3,969,189	887,409	(3,081,780)
Other Financing Sources (Uses)				
Transfers out	-	(662,400)	(1,138,020)	(475,620)
Total other financing sources and uses	-	(662,400)	(1,138,020)	(475,620)
Net change in fund balances	-	3,306,789	(250,611)	(3,557,400)
Fund balances - beginning	-	-	-	-
Fund balances - ending	\$ -	\$ 3,306,789	\$ (250,611)	\$ (3,557,400)

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

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

	Enterprise Funds			Internal Service Funds
	Marina	Surface Water Management	Total	
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 3,082,791	\$ 3,457,154	\$ 6,539,945	\$ 2,440,328
Restricted cash equivalents:				
Customer deposits and retainage	191,293	60,220	251,513	18,244
Investments	2,338,566	4,149,561	6,488,127	3,322,698
Receivables (net of allowances):				
Interest	8,475	20,377	28,852	14,204
Customers	136,410	255,413	391,823	8,516
Grants	12,780	521,367	534,147	-
Interfund loan receivable	-	-	-	-
Prepaid expenses	-	150	150	-
Inventory	56,132	-	56,132	17,933
Total current assets	<u>5,826,447</u>	<u>8,464,242</u>	<u>14,290,689</u>	<u>5,821,923</u>
Noncurrent assets:				
Restricted cash - debt reserve	281,000	-	281,000	-
Net pension asset	402,327	566,949	969,276	-
Capital assets not being depreciated				
Land	3,226,925	580,601	3,807,527	-
Construction work in progress	496,232	2,649,089	3,145,321	144,471
Capital assets net of accumulated depreciation:				
Buildings and structures	5,964,643	-	5,964,643	-
Other improvements	2,285,340	306,388	2,591,728	-
Infrastructure	69,650	15,334,319	15,403,969	-
Machinery and equipment	248,993	10,956	259,949	2,325,731
Intangible Assets	23,745	6,720	30,465	29,028
Total noncurrent assets	<u>12,998,855</u>	<u>19,455,022</u>	<u>32,453,878</u>	<u>2,499,230</u>
Total assets	<u>18,825,302</u>	<u>27,919,264</u>	<u>46,744,567</u>	<u>8,321,153</u>
<b>Deferred Outflows of Resources</b>				
Deferred loss on refunding	55,198	-	55,198	-
Deferred pension outflows	78,551	101,368	179,919	-
Total deferred outflows	<u>133,749</u>	<u>101,368</u>	<u>235,117</u>	<u>-</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	417,994	428,290	846,284	102,304
Deposits & retainage payable	181,288	60,220	241,508	18,244
Accrued interest payable	10,413	-	10,413	-
Compensated absences - current portion	8,633	19,123	27,756	583
Bonds - current portion (net premium)	654,512	-	654,512	-
Total current liabilities	<u>1,272,840</u>	<u>507,633</u>	<u>1,780,473</u>	<u>121,131</u>
Noncurrent liabilities:				
Compensated absences	135,557	67,411	202,968	19,361
Net pension liabilities	38,824	54,714	93,538	-
Bonds payable (net premium)	2,685,330	-	2,685,330	-
Total noncurrent liabilities	<u>2,859,711</u>	<u>122,125</u>	<u>2,981,836</u>	<u>19,361</u>
Total liabilities	<u>4,132,551</u>	<u>629,758</u>	<u>4,762,309</u>	<u>140,492</u>
<b>Deferred Inflows of Resources</b>				
Deferred pension inflows	455,405	614,355	1,069,760	-
Total deferred inflows	<u>455,405</u>	<u>614,355</u>	<u>1,069,760</u>	<u>-</u>
<b>Net Position</b>				
Investment in capital assets	9,256,686	18,888,073	28,144,759	2,499,230
Restricted - Debt reserve	281,000	-	281,000	-
Restricted - Capital improvements	850,000	-	850,000	-
Restricted - Pensions	25,473	53,962	79,435	-
Unrestricted	3,957,936	7,834,484	11,792,420	5,681,432
Total net position	<u>\$ 14,371,095</u>	<u>\$ 26,776,519</u>	<u>\$ 41,147,614</u>	<u>\$ 8,180,661</u>
Adjustment to reflect the consolidation of internal service funds related to enterprise funds				
	168	(5,437)	(5,269)	
Net position of business-type activities	<u>\$ 14,371,263</u>	<u>\$ 26,771,082</u>	<u>\$ 41,142,345</u>	

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

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

	Enterprise Funds			Internal Service Funds
	Marina	Surface Water Management	Total	
Operating Revenues				
Charges for services	1,335,221	4,554,229	5,889,450	1,401,645
Moorage, rents and misc	3,464,509	-	3,464,509	-
Total operating revenues	<u>4,799,730</u>	<u>4,554,229</u>	<u>9,353,959</u>	<u>1,401,645</u>
Operating Expenses				
Depreciation	425,509	411,496	837,005	461,346
Salaries and benefits	674,632	1,118,897	1,793,529	229,220
Supplies	1,143,452	76,915	1,220,367	345,315
Services	844,106	1,621,876	2,465,982	879,436
Total operating expenses	<u>3,087,699</u>	<u>3,229,184</u>	<u>6,316,883</u>	<u>1,915,317</u>
Operating income (loss)	<u>1,712,031</u>	<u>1,325,045</u>	<u>3,037,076</u>	<u>(513,671)</u>
Nonoperating Revenues (Expenses)				
Interest revenue	(8,341)	(29,088)	(37,429)	(4,644)
Intergovernmental revenues	21,787	549,166	570,953	-
Gain (loss) on disposal of capital assets	-	-	-	(211,412)
Insurance repair recovery	-	-	-	9,784
Interest expense	(132,998)	-	(132,998)	-
Investment in capital assets	-	-	-	(6,857)
Total nonoperating revenues (expenses)	<u>(119,552)</u>	<u>520,078</u>	<u>400,526</u>	<u>(213,129)</u>
Income (loss) before contributions and transfers	1,592,479	1,845,123	3,437,602	(726,800)
Capital contributions	-	58,943	58,943	-
Transfers in	-	82,474	82,474	191,000
Change in net position	<u>1,592,479</u>	<u>1,986,540</u>	<u>3,579,019</u>	<u>(535,800)</u>
Total Net position - beginning	<u>12,778,616</u>	<u>24,791,019</u>	<u>37,569,635</u>	<u>8,716,461</u>
Prior period adjustment - Note ___	-	(1,040)	(1,040)	-
Total Net position - ending	<u>\$ 14,371,095</u>	<u>\$ 26,776,519</u>	<u>\$ 41,147,614</u>	<u>\$ 8,180,661</u>
Change in Net Position from this statement	1,592,479	1,986,540	3,579,019	
Adjustment to reflect the consolidation of internal service funds related to enterprise funds	(21,217)	(10,464)	(31,681)	
Change in Net position of business-type activities	<u>\$ 1,571,262</u>	<u>\$ 1,976,076</u>	<u>\$ 3,547,338</u>	

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

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

	Enterprise Funds			Internal Service Funds
	Marina	Surface Water Management	Total	
<b>Cash Flows From Operating Activities:</b>				
Cash received from customers and users	\$ 4,765,228	\$ 4,561,431	\$ 9,326,659	\$ 1,393,149
Cash payments to employees and retirees	(1,005,856)	(1,497,711)	(2,503,567)	(230,759)
Cash payments to suppliers	(1,760,805)	(1,448,753)	(3,209,558)	(1,215,136)
Net cash provided (used) by operating activities	<u>1,998,567</u>	<u>1,614,967</u>	<u>3,613,534</u>	<u>(52,746)</u>
<b>Cash Flows From Noncapital Financing Activities</b>				
Insurance repair recovery	-	-	-	9,784
Operating grants and contributions	9,290	113,930	123,220	-
Transfers In (Out)	-	82,474	82,474	140,000
Net cash provided (used) by noncapital financing activities	<u>9,290</u>	<u>196,404</u>	<u>205,694</u>	<u>149,784</u>
<b>Cash Flows From Capital Financing Activities</b>				
Proceeds from disposition of capital assets	-	-	-	(211,412)
Acquisition and construction of capital assets	(381,374)	(1,639,941)	(2,021,315)	(378,193)
Principal paid on debt	(666,805)	-	(666,805)	-
Interest paid on debt	(132,998)	-	(132,998)	-
Net cash provided (used) by capital financing activities	<u>(1,181,177)</u>	<u>(1,639,941)</u>	<u>(2,821,118)</u>	<u>(589,605)</u>
<b>Cash Flows From Investing Activities</b>				
Purchase of investments	-	(450,000)	(450,000)	(63,034)
Investment sales and income	569,038	50,102	619,140	71,423
Net cash provided (used) by investing activities	<u>569,038</u>	<u>(399,898)</u>	<u>169,140</u>	<u>8,389</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,395,718</b>	<b>(228,468)</b>	<b>1,167,250</b>	<b>(484,178)</b>
<b>Cash and cash equivalents, January 1</b>	<b><u>2,159,366</u></b>	<b><u>3,745,842</u></b>	<b><u>5,905,208</u></b>	<b><u>2,942,750</u></b>
<b>Cash and cash equivalents, December 31</b>	<b><u>\$ 3,555,084</u></b>	<b><u>\$ 3,517,374</u></b>	<b><u>\$ 7,072,458</u></b>	<b><u>\$ 2,458,572</u></b>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ 1,712,031	\$ 1,325,045	\$ 3,037,076	\$ (513,672)
Adjustments to reconcile operating income (loss) to net cash provided (used) operating activities:				
Depreciation	425,509	411,494	837,003	461,346
(Increase) decrease in customer receivables	(8,759)	7,201	(1,558)	(5,490)
(Increase) decrease in grantor receivables	-	3	3	-
(Increase) decrease in deferred outflows	25,771	5,652	31,423	-
(Increase) decrease in inventory	(25,744)	-	(25,744)	(3,006)
(Increase) decrease in pension assets	(402,327)	(566,949)	(969,276)	-
Increase (decrease) in accounts payable and deposits	204,993	250,037	455,030	9,615
Increase (decrease) in compensated absences	4,566	(5,309)	(743)	(1,539)
Increase (decrease) in pension liability	(304,611)	(329,569)	(634,180)	-
Increase (decrease) in pension inflows	367,138	517,362	884,500	-
Total adjustments	<u>286,536</u>	<u>289,922</u>	<u>576,458</u>	<u>460,926</u>
Net cash provided (used) by operating activities	<u>\$ 1,998,567</u>	<u>\$ 1,614,967</u>	<u>\$ 3,613,534</u>	<u>\$ (52,746)</u>
<b>Non-cash activities:</b>				
Capital contributions	-	16,476	16,476	-
Total non-cash activities	<u>\$ -</u>	<u>\$ 16,476</u>	<u>\$ 16,476</u>	<u>\$ -</u>

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

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

	<u>Custodial Funds</u>
<b>Assets</b>	
Current assets:	
Cash and cash equivalents	\$ 33,393
Total assets	<u>33,393</u>
<b>Liabilities</b>	
Accounts payable	5,581
Intergovernmental Payables	<u>5,544</u>
Total liabilities	<u>11,125</u>
<b>Net Position</b>	
Restricted for:	
Individuals, organizations, and other governments	<u>22,268</u>
Total net position	<u><u>\$ 22,268</u></u>

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

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

	Custodial Funds
<b>Additions:</b>	
Contributions from nonemployer entities:	
Custodial Funds Received	
Municipal Court	\$ 224,828
Fire permitting and misc fees	94,479
Other license and fees	9,299
Total Additions	328,606
 <b>Deductions:</b>	
Custodial Funds Disbursed	
City of Normandy Park	48,637
Fire District #26	91,428
King County	2,351
State of Washington	154,375
Other licnesing	8,982
Total Deductions	305,772
 Change in net position	 22,834
 Total Net position - beginning	 (566)
Total Net position - ending	\$ 22,268

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



## NOTES TO THE FINANCIAL STATEMENTS

### Note 1 – Summary of Significant Accounting Policies

- A. Reporting Entity
- B. Basic Financial Statements
- C. Measurement Focus, Basis of Accounting and Financial Statement Presentation
- D. Budget and Budgetary Accounting
- E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance
  - 1. Deposits and Investments
  - 2. Receivables
  - 3. Interfund Receivables and Payables
  - 4. Inventories and Prepaids
  - 5. Restricted Assets
  - 6. Interfund Transactions
  - 7. Capital Assets
  - 8. Compensated Absences
  - 9. Pensions
  - 10. Deferred outflows/Inflows of Resources
  - 11. Long-term Obligations
  - 12. Fund Balance and Fund Flow Policies

**Note 2** – Reconciliation of Government-wide and Fund Financial Statements

**Note 3** – Deposits and Investments

**Note 4** – Receivables

**Note 5** – Capital Assets and Depreciation

**Note 6** – Construction and Other contractual Commitments

**Note 7** – Joint Venture

**Note 8** – Lease

**Note 9** – Interfund Activity

**Note 10** – Long-term Liabilities

**Note 11** – Risk Management

**Note 12** – Pension Plans

**Note 13** – Other Post-Employment Benefits

**Note 14** – Health and Welfare

**Note 15** – Contingencies and Litigation

**Note 16** – COVID-19 Pandemic

**Note 17** – Prior Period Adjustments

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

The City of Des Moines, King County, Washington was incorporated on June 15, 1959 and operates under the laws of the State of Washington applicable to a Non-Charter Code City (Title 35A RCW) with a council/manager form of government. The City is a general purpose government and provides police, a municipal court, engineering, street construction and maintenance, planning and zoning, parks and recreation services, and general administrative functions. Fire protection for the City of Des Moines is provided by South King Fire and Rescue, an entity established on September 21, 2005 when voters approved the merger of King County Fire Protection District No. 26 and the Federal Way Fire Department. The City also owns and operates a marina and a surface water management utility.

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

**A. Reporting Entity**

As required by the generally accepted accounting principles the financial statements present the City, the primary government, and all funds controlled by the City. The joint venture discussed below is included in the City reporting entity because of the significance of their operational or financial relationships with the joint venture.

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

**B. Basic Financial Statements**

The City's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Net Activities, and fund financial statements which provide a more detailed level of financial information.

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

The Statement of Net Position reports the assets, deferred outflows of resources, deferred inflows of resources and liabilities of the primary government. The net position section of this statement represents the residual amount of assets and their associated liabilities, and deferred outflow and deferred inflow 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 and/or 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 a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Our policy is to allocate indirect costs to a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements or a particular function or segment. Internally dedicated resources are reported as general revenues rather than program revenues. Taxes and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of the interfund activity has been eliminated for the government-wide financial statements. Exceptions to this general rule are instances where the interfund activity can be treated as if it were an arm's length transaction. For instance, the Marina fund paying the Development fund for the purchase of a permit needed to complete construction work at the Marina.

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

The City reports the following major governmental funds:

1. The General Fund (or current expense) is the City's operating fund. It accounts for all financial resources of the general government, except those required or elected to be accounted for in another fund.
2. The Development Fund is a special revenue fund of the City and is used to account for revenue generated by fee based development related activities, including permitting, plan review, etc., and the associated cost of providing the services.
3. The Capital & Construction Fund is a capital projects fund of the City and is used to account for all costs for capital projects of the City and associated revenue sources to fund the capital projects.
4. The American Rescue Plan Act Fund is a special revenue fund of the City and is used to account for grant proceeds and expenditures of the City related to the American Rescue Plan Act grant.

The City reports the following major enterprise funds:

1. The Marina Fund is used to account for operating and capital expenses of operating the City owned marina, along with associated revenue and debt service for the marina.
2. The Surface Water Management fund is used to account for operating and capital expenses of the citywide surface water management system and associated revenues.

Additionally, the City reports the following fund types:

1. Debt service funds account for the accumulation of resources for, and the repayment of general long-term debt principal and interest.
2. Internal service funds account for equipment rental operations, equipment replacement, facility replacement, computer replacement, self-insurance and unemployment insurance provided to other departments of the City, or to other cities, on a cost reimbursement basis.

### **C. Measurement focus, basis of accounting, and financial statement presentation**

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. Each fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/net position, revenue, 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 *modified accrual basis* of accounting is followed in all governmental funds of the City. Under the modified accrual basis of accounting, revenues are recognized when they are both measurable and available. Revenues are generally considered to be available when they are collectible within the current period or soon enough thereafter (60 days) to pay current liabilities. For derived tax revenues, such as sales tax and utility business and occupation taxes, revenues are recognized in the period when the underlying exchange has occurred. For imposed non-exchange taxes, such as property taxes, revenues are recognized when the use of resources is permitted, or when resources are available. Grant revenue is recognized in the period in which the expenditure occurs and the eligibility requirements have been met. Non-exchange transactions, such as contributions, are recognized when the donation eligibility requirements have been satisfied. Those specific major revenue sources accrued are:

*Property taxes* – King County collects property taxes and remits to the City daily or monthly. December collections, remitted in January, are recognized as revenues in the current year even though received in the subsequent year since they are considered to be measurable and available. Property taxes remaining uncollected at year-end are reported as “unavailable revenue”, since they are not considered to be available.

*Sales Tax Revenues* – The State of Washington collects all sales taxes. The City of Des Moines’ portion is remitted to the City by the State monthly. The sales tax received in January and February is recognized as revenue in the current year even though received in subsequent year 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 paid 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 funds. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when incurred.

The two broad fund categories and six fund types are presented in this report are described below:

1. Government-Wide and Governmental Funds

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

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

Property taxes, licenses, and interest associated within the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

2. Proprietary Fund Types

The proprietary fund statements are reported using the economic resources measurement focus and full-accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liability is incurred regardless of the timing of the cash flows.

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 marina fund, surface water management utility fund and internal service funds are charges to customers for sales and services, vehicle and equipment replacement and operations, computer replacement, facility repair 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.

### 3. Fiduciary Fund Types

Fiduciary funds are used to account for assets held in a trustee capacity or as an agent for individuals, private organizations, or governments on a cost reimbursement basis. The City has one custodial fund. This fund is not included in the government-wide financial statements since that are not assets of the City available to support City programs. The custodial fund primarily accounts for fiduciary activities related to court remittances due to King County and the City of Normandy Park, court fines and building code fees due to the State of Washington, and permit and plan review fees due to King County Fire Protection District 26.

## D. Budget and Budgetary Accounting

### 1. Scope of Budget

The City of Des Moines 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 (GAAP). Budgetary accounts are integrated in fund ledgers for all budgeted funds, but the financial statements include budgetary comparisons for the annual budgeted governmental funds only. Budgets established for proprietary funds are "management budgets" and are not legally required to be reported and, as such, are not reported in the Annual Financial Report.

The annual budget is proposed by the City Manager and adopted by the City Council with the legal budgetary control at the fund level; i.e., expenditures and other financing sources may not exceed budgeted appropriations at the fund level. The City Manager may authorize transfers within funds; however, the City Council must approve by ordinance any amendments that increase the total for the fund. Any unexpended appropriation balances lapse at the end of the fiscal year.

The City prepares the annual budget on the modified accrual basis, which conforms to GAAP. The Annual 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 annual budget:

1. By late July, notice is submitted to operating departments to prepare for current level service budgets and a preliminary financial forecast.

2. By late August, the finance department prepares preliminary revenue estimates to define resources available to finance coming year expenditure programs and updates salaries, benefits and other centralized cost projections.
3. By the second week of September, operating departments submit their preliminary expenditure estimates. A proposed budget is prepared for the City Manager's review. The City Manager conducts individual budget sessions with operating departments to discuss their proposed expenditures.
4. Prior to November 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1.
5. Work sessions and public hearings are conducted by the City Council from October to December to review the budget and to obtain taxpayer comments.
6. Two public hearings on the proposed budget are also held during November and December. The final hearing must begin on or before the first Monday of December and may continue until the 25<sup>th</sup> day prior to the beginning of the next fiscal year.
7. By December 31, the City Council formulates its adjustments to the proposed budget and adopts a final budget through the passage of an ordinance.
8. The final operating budget, as adopted, is published and distributed within the first three months of the following year. Copies of the adopted budget are made available to the public.

## 2. Amending the Budget

The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, hours, or other conditions of employment must be approved by the City council.

When the City council determines that it is in the best interest of the City to increase or decrease the appropriation for a particular fund, it may do so by ordinance approved by one more than the majority after holding public hearing(s).

The budget amounts shown in the financial statements are the final authorized amounts as revised during the year.

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

### Original and Supplemental Appropriations

	<u>Original Budget</u>	<u>Revisions</u>	<u>Final Budget</u>
<b>General Fund and Major Special Revenue Funds:</b>			
General Fund	\$ 24,674,595	\$ (496,074)	\$ 24,178,521
Development Fund	3,112,496	385,919	3,498,415
American Rescue Plan Act	-	1,209,400	1,209,400
Total	27,787,091	1,099,245	28,886,336
 <b>Non-Major Special Revenue Funds:</b>			
City Street	1,708,734	115,004	1,823,738
Pavement Program	618,000	747,000	1,365,000
Police Drug Seizure	1,000	10,000	11,000
Hotel/Motel	70,250	-	70,250
Affordable Housing Sales Tax	30,000	-	30,000
Redondo Zone	71,075	2,726	73,801
Waterfront Zone	126,116	-	126,116
PBPW Automation Fee	93,190	1,968	95,158
Urban Forestry	5,000	-	5,000
Abatement	1,000	-	1,000
Automated Speed Enforcement	183,000	(25,000)	158,000
Transportation Benefit District	-	950,000	950,000
Total	2,907,365	1,801,698	4,709,063
 <b>Total Budgeted Funds</b>	<b>\$ 30,694,456</b>	<b>\$ 2,900,943</b>	<b>\$ 33,595,399</b>

#### E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

##### 1. Deposits and investments

It is the City's policy to invest all temporary cash surpluses. At December 31, 2021, the Washington State Local Government Investment Pool (LGIP) was holding \$17,908,309 in short-term investments. This amount is classified on the balance sheet as cash and cash equivalents in various funds. 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. 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 (WPDPC), U.S. Treasury and Agency securities, banker's acceptances, and repurchase agreements.

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. 72. The investment in the state investment pool is valued at amortized cost.

## **2. Receivables**

Taxes receivable consist of property taxes, sales taxes, interfund taxes, business and occupation taxes, and excise taxes (See Note 4).

Customer accounts receivable consist of amounts owed from private individuals or organizations for goods and services. It also includes municipal court receivables.

Grants receivable are reported for grants where qualified expenditures have been made prior to the end of the year.

Other receivables include interest receivable. Accrued interest at year end consists of amounts earned by investments, notes and contracts at the end of the year.

Special assessments are recorded when levied. Special assessments receivable consist of delinquent assessments and related interest and penalties as the final installment of all special assessments that were billed in 2016. As of December 31, 2021, \$8,117 of governmental special assessments including penalties and interest were delinquent. Assessed property owners are responsible for debt repayment. The City guarantees the debt to the extent of the LID guarantee fund. Governmental-type special assessments are for street improvements.

## **3. Interfund Receivables and Payables**

These accounts include all interfund receivables and payables. A separate schedule of interfund activity is furnished in Note 9.

## **4. Inventories and Prepaids**

Government fund types recognize the cost of inventory items and prepaid expenses (expenses that benefit future periods) as expenditures in the year of purchase. In both the governmental funds and proprietary funds inventory is for fuel. Fuel inventory is valued at cost using the first in/first out (FIFO) method.

## **5. 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, resources set aside for construction in the Enterprise Funds, unspent donations in the General Fund and customer deposits in various funds.

## 6. *Interfund Transactions*

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

## 7. *Capital assets*

Capital assets, which include property, plant, and equipment and infrastructure assets, are reported in the applicable governmental or business-type columns in the government-wide financial statements. Capital assets, other than infrastructure, are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. The government reports infrastructure assets on a network and subsystem basis. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. The cost of normal maintenance and repairs and street preservation activities that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are presented by asset category net of each category’s accumulated depreciation.

Land and construction work in progress are not depreciated. Other assets are depreciated using the straight line method over the following estimated useful lives:

Asset Type	Useful Lives
Land	n/a
Building and Structure	10 - 50
Other Improvements	10 - 50
Machinery, Equipment, and Vehicles	5 - 15
Infrastructure	25 - 50

## 8. *Compensated absences*

The City accrues accumulated unpaid vacation and sick leave and associated employee related costs when earned (or estimated to be earned) by the employee. All vacation and sick pay is accrued when incurred in the government-wide and proprietary statements. In governmental funds, such amounts are not accrued using the modified accrual basis of accounting but are reported as a liability in the government-wide financial statements.

A non-exempt employee may request compensatory time off in lieu of overtime payment. Compensatory time is accrued at a rate of one and one-half hours for each hour of overtime worked, to a maximum of forty hours. Compensatory time must be used within sixty days of the time it was earned and authorized, excluding the Police Guild. Compensatory time for the Police Guild can be carried over from year to year. Vacation leave may be accumulated up to a maximum of 240 hours (or more with City Manager approval). The employee's annual vacation is payable upon resignation, retirement or death. The City incurs a liability for sick leave up to 25% of the employee's sick leave balance or 200 hours, whichever is less for those employees with ten years of service, or upon death of the employee regardless of service and for some executive staff with less than ten years of service. For employees with at least 20 years of service, the City incurs a liability for sick leave up to 50% of the employee's sick leave balance or 400 hours, whichever is less.

#### **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.

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

#### **10. Deferred outflows/inflows of resources**

Deferred outflows of resources is the consumption of net position by the government that is applicable to a future reporting period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred inflow of resources is the acquisition of net position by the government that is applicable to a future reporting period and so will not be recognized as an inflow of resources (revenue) until that time. The City has an item which arises under a modified accrual basis of accounting and qualifies for reporting in this category. Accordingly, the item, unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and other receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. 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. Long-term obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

Bond premiums and discounts, when material, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, during the current period. The face amount of debt issued is reported as other financial sources. Premiums received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds received, are reported as professional service costs.

## **12. Fund balance and fund flow policies**

The City updated the general fund ending balance policy with the enactment of Ordinance No. 1703 on September 27, 2018. The policy requires the City Manager to establish expenditure policies that will result in an ending fund balance or operating reserve of no less than two months (amounting to sixteen point sixty-seven percent (16.67%)) of the recurring operating expenditures for each fiscal year.

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:

*Nonspendable fund balance* - includes amounts that are not in spendable form such as inventory or are required to be maintained intact such as the principal of a permanent fund.

*Restricted fund balance* - includes amounts that can be spent only for the specific purpose stipulated by external resource providers such as for grant providers, bondholders, higher levels of government, or through enabling legislation.

*Committed fund balance* – includes amounts that can be used only for the specific purposes determined by a formal action of the City council. Commitments may be changed or lifted only by the City Council taking the same formal action that imposed the constraint originally.

*Assigned fund balance* – includes amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body or by an official designated by the governing body to which the governing body designates authority.

*Unassigned fund balance* - includes amounts that are available for any purpose.

The City has not adopted a specific flow of funds policy relating to the use of restricted and unrestricted resources when both are available and has not taken formal action to delegate the process of assigning fund balance to another official. Therefore the statements are prepared using the default option provided in GASB 54 which provides that when both restricted and unrestricted resources are available, restricted resources are used first.

**NOTE 2—RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS****A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.**

The governmental fund balance sheet includes a reconciliation between total fund balance and total net position as reported in the government-wide statement of net position. The details of the certain differences are presented below.

Long-term assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. The following shows the detail of these capital asset changes net of accumulated depreciation:

<b>Beginning balance of capital assets excluded from fund level:</b>	
Land	\$95,565,651
Construction in process	17,038,101
Building	6,655,833
Other improvements	6,871,586
Equipment (Includes Assets from Internal Service Funds)	2,948,181
Infrastructure	41,173,207
Current year spending in construction work in progress	9,203,446
Current year capital purchases	758,202
Current year depreciation	(4,220,624)
Prior period capitalization correction	<u>58,335</u>
Net adjustment to add to government-wide fund balance to arrive at <i>Net position-governmental activities</i>	<u><u><b>\$176,051,918</b></u></u>

Some long-term liabilities, including bonds, loans, pension liabilities and compensated absences payable, are not due and payable in the current period and are not reported in the funds:

<b>Beginning balance of long-term liabilities excluded from fund level:</b>	
Compensated absences	\$ (1,916,846)
Net pension liability	(2,313,816)
OPEB liability	(2,042,381)
Bonds and loans payable	(7,691,279)
Current year principal payments & other reductions in liabilities	458,735
Current year changes to compensated absences	128,118
Current year changes to pension liability	1,694,938
Current year OPEB and other expenses recognized	256,215
Current year changes to capital leases	<u>(98,452)</u>
Net adjustment to reduce government-wide fund balance to arrive at <i>Net position-governmental activities</i>	<u><u><b>\$ (11,524,768)</b></u></u>

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities**

The governmental fund statement of revenues, expenditures and changes in fund balances includes reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. The details of certain differences are presented below.

Revenues or expenses in the statement of activities that do not provide current financial resources are not reported as revenues or expenses in the funds:

Capital outlays	\$9,576,155
Current year depreciation	<u>(3,754,980)</u>
Net adjustment to reduce government-wide fund balance to arrive at <i>Net position-governmental activities</i>	<u><u>\$5,821,175</u></u>

**NOTE 3 – DEPOSITS AND INVESTMENTS**

**Deposits**

As of December 31, 2021, the carrying amount of the City's cash demand deposits with Key Bank totaled \$7,488,170 while the bank balance was \$7,808,817 and the in-transit items were \$(320,009.24). In addition, the City holds \$8,300 in petty cash and \$17,909,690 in LGIP.

*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 City of Des Moines' deposits are entirely covered by the Federal Depository Insurance Corporation (FDIC) or by collateral held in a multiple financial collateral pool administered by the Washington State Public Deposit Protection Commission (WPDPC). The FDIC insures the first \$250,000 of the City's deposits. The deposit balances over \$250,000 are insured by the WPDPC. State statute permits additional amounts to be assessed on a pro-rata basis to members of the WPDPC pool in the event the pool's collateral should be insufficient to cover a loss.

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. All temporary investments such as the State Investment Pool are stated at amortized cost. Other investments are shown on the statement of net position at fair value as of December 31, 2021. In accordance with GASB Statement 79, the state investment pool (LGIP) is reported at amortized cost. The LGIP was authorized by Chapter 294, Laws of 1986, and is managed and operated by the Washington State Treasurer. The State Finance Committee is the administrator of the statute that created the pool and adopts rules. The State Treasurer is responsible for establishing the investment policy for the pool and reviews the policy annually and proposed changes are reviewed by the LGIP advisory Committee.

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

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

During 2021, the net decrease in the fair value of investments being held for more than one year was \$162,611.24 at year-end.

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

Issuer	Fair Value	% of Total
Local Government Investment Pool (LGIP)	\$ 17,909,690	37.6%
<b>Total LGIP*</b>	<b>17,909,690</b>	<b>37.6%</b>
Federal Agricultural Mortgage Corp	770,003	1.6%
Federal Farm Credit Bank	9,475,640	19.9%
Federal Home Loan Bank Corp. (FHLB)	3,499,550	7.4%
Federal Home Loan Mortgage Corp. (FHLMC)	5,923,256	12.5%
United States Treasury Note/Bond	8,501,660	17.9%
Federal National Mortgage Association	1,492,005	3.1%
<b>Total Government Securities</b>	<b>29,662,113</b>	<b>62.4%</b>
<b>Grand Total</b>	<b>\$ 47,571,803</b>	<b>100.0%</b>

\*LGIP included with Cash & Cash Equivalent on the Basic Financial Statements.

The city measures and reports investments at fair value using the valuation input hierarch established by generally accepted accounting principles, as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities;
- Level 2: 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.

	Fair Value Measurements Using			
	12/31/2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Investments by Fair Value Level</b>				
U.S. Treasury Securities	\$ 8,501,660	8,501,660	-	-
Federal Agency Obligations	21,160,453	21,160,453	-	-
<b>Total Investments Measured At Fair Value</b>	<b>29,662,113</b>	<b>29,662,113</b>	<b>-</b>	<b>-</b>
<b>Investments Measured at Amortized Cost</b>				
State Local Investment Pool (LGIP)	17,909,690	17,909,690	-	-
<b>Total Investments Measured at Amortized Cost</b>	<b>17,909,690</b>	<b>17,909,690</b>	<b>-</b>	<b>-</b>
Total Investments	<u>47,571,803</u>			
*LGIP included with Cash & Cash Equivalent on the Basic Financial Statements.	(17,909,690)			
<b>Total Investments in Statement of Net Position</b>	<b><u>\$ 29,662,113</u></b>			

*Interest rate risk.* Interest rate risk is the risk that changes in interest rates of debt instruments will adversely affect the fair value of an investment. In accordance with its investment policy, the City manages its exposure to declines in fair value by limiting the maturity of investments. The City's investment policy limits investment maturities to eighteen months or less unless matched to a specific cash flow. The City's investment policy does not specifically address interest rate risk.

In addition to the interest rate risk disclosed above, the City includes investments with fair value highly sensitive to interest rate changes.

*Credit risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City investment policy allows the following types of investments in accordance with state law: demand or investment deposits in qualified public depositories located within the state; United States' government bonds, notes bills; certificates of deposits from financial institutions that participate in Washington State's Public Deposit Protection Commission's list of "Qualified Public Depositories"; bankers acceptances, repurchase agreements and the Washington State Treasurer's Office Local Government Investment Pool (LGIP). The investment policy for "credit risk" does not extend beyond the types of authorized investments and the concentration of credit risk described below. As of December 31, 2021 the City's investments in agency securities were all rated Aaa by Moody's Investor Services. The LGIP is not registered with the SEC and the fair value of the City's position in the pool is the same as the value of the pool shares. The LGIP is regulated by the state of Washington's state finance committee. Credit risk is limited as most investments are either obligations of the U.S. Government, government sponsored enterprises, insured demand deposit accounts or certificates of deposit.

*Concentration of credit risk.* Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. It is the policy of the City to diversify its investment portfolio to eliminate the risk of loss resulting from overconcentration of assets in a specific class of securities. With the exception of U.S. Treasury securities and the State Treasurer's Local Government Investment Pool (LGIP) no more than twenty-five percent of the City's total investment portfolio should be invested in a single security type.



*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. As well as, the City investment policy, with the exception of the United State Treasury securities and the LGIP, no more than 25% of the total investment portfolio shall be invested in a single institution.

*Restricted assets.* Certain resources set aside for the repayment of revenue bonds are classified as restricted assets on the balance sheet because they are maintained in a separate account and their use is limited by applicable bond covenants. The "bond debt service" account is used by the Marina fund to report resources set aside to subsidize potential deficiencies from operations that could adversely affect debt service payments.

Cash provided from customers as deposits are also restricted. Restricted assets are composed of the following (there are no permanent restrictions):

	<b>Temporary Restrictions</b>
Customer Deposits & Retainage	\$ 1,248,152
Marina Debt Service Covenants	281,000
Restricted Capital Funding	475,000
Unspent Donations on Hand	8,015
<b>Total</b>	<b><u>\$ 2,012,167</u></b>

### **Investments in Local Government Investment Pool (LGIP)**

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

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

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

**NOTE 4 –RECEIVABLES**

*Taxes receivable.* Taxes receivable consist of several types of taxes: property taxes, sales taxes and business & occupation taxes, excise taxes, gambling and admission taxes.

*Property taxes.* The county treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Collections are distributed by the 10<sup>th</sup> day of the following month.

Property taxes are recorded as a receivable when levied, offset by deferred revenue. Property tax collected in advance of the fiscal year to which it applies is recorded as a deferred inflow and recognized as revenue of the period to which it applies. No allowance for uncollectible tax is established because delinquent taxes are considered fully collectible. Prior year tax levies were recorded using the same principal, and delinquent taxes are evaluated annually. Please refer to Note 1 for the property tax calendar.

The City may levy up to \$3.60 per \$1,000 of assessed valuation for general governmental services subject to three limitations:

- a. Except as otherwise provided for, the levy for taxing districts in any year shall be set so that the regular property taxes payable in the following year shall not exceed the limit factor of 101% multiplied by the amount of regular property taxes lawfully levied for such district in the highest of the three most recent years in which such taxes were levied for such district plus an additional dollar amount calculated by multiplying the increase in assessed value in that district resulting from new construction, improvements to property, and any increase in the assessed value of state-assessed property by the regular property tax levy rate of that district for the preceding year.
- b. The Washington State Constitution limits the total regular property taxes to one percent 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 one percent limit.
- c. Of the \$3.60 maximum allowed, \$1.50 is allocated to the Fire District and \$0.50 to the Library District. To the extent either of these districts does not assess the full limit the difference is available to the City to assess.

In November 2021, the City approved ordinance 1752 establishing the regular property tax levy for 2022 of \$5,416,455 based on an assessed valuation of \$5,394,605,257 using an estimated maximum rate of \$1.0041 per \$1,000 of assessed value.

*Sales and excise taxes.* The State is the collection agent for sales and real estate excise taxes in the State of Washington. The vendor has until approximately the end of the following month to remit sales tax to the State for taxable sales. The State then has approximately another month to remit the City's portion of the tax to the City. The City's basic sales tax rate is one-half of one percent plus an optional one-half of one percent.

*Business & Occupation taxes.* The City implemented this tax effective for 2005 with the adoption of Ordinance No. 1355 on December 2, 2004. A tax rate of two tenths of one cent (\$0.002) of gross revenues was established. Businesses with annual gross receipts of \$50,000 or less are exempt from taxes, but must still file an informational return, businesses earning \$375,000 or more are required to file their returns and remit their taxes within 30 days from the end of each quarter. All other active businesses file annual returns.

*Utility occupation taxes.* The City assessed a gross revenue tax and use on certain utilities within the City. City utility taxes as follows: Sanitation tax of 18%, Cable tax of 10% and Surface Water Management tax of 15%.

*Customer receivables.* As of December 31, 2021, the City's funds contain no allowance for uncollectible accounts as uncollectible amounts are routinely written off and the remaining amounts are expected to be fully collected with the exception of Municipal Court receivables. As of December 31, 2021 municipal court receivables were \$5,052,992 of which \$4,182,794 is estimated to be uncollectible.

*Special assessments and deferred inflows.* Governmental funds report *unavailable revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

**Unavailable revenue (not received in the availability period)**

Taxes	\$ 147,141
Court fines	1,046,520
Customer charges	167,872
Accrued investment interest	50,830
Special assessments	7,663
Due from other government:	118,433
	<u>\$ 1,538,458</u>

**NOTE 5 – CAPITAL ASSETS AND DEPRECIATION**

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

**Schedule of Capital Asset Activity**

<b>CITY OF DES MOINES, WASHINGTON</b>					
<b>Notes to the Financial Statements</b>					
	Beginning Balance	Increases	Decreases	Reallocation	Ending Balance
<b>Governmental Activities:</b>					
Capital assets not being depreciated:					
Land	\$ 95,565,651	\$ 156,412	\$ -	\$ -	\$ 95,722,063
Construction in progress	17,038,101	9,203,446	(9,877,251)	-	16,364,296
Total capital assets not being depreciated	112,603,752	9,359,858	(9,877,251)	-	112,086,359
Capital assets, being depreciated					
Buildings & structures	11,637,247	-	-	3,986,432	15,623,679
Other improvements	20,554,151	1,722,780	-	(5,158,291)	17,118,640
Infrastructure	72,301,654	8,137,786	-	(290,127)	80,149,313
Machinery & equipment	8,755,146	553,744	(90,039)	647,442	9,866,293
Intangible Assets	-	123,067	-	814,544	937,611
Total depreciable capital assets	113,248,198	10,537,377	(90,039)	-	123,695,536
Less accumulated depreciation:					
Buildings & structures	(4,981,414)	(581,101)	-	(1,939,635)	(7,502,150)
Other improvements	(13,682,566)	(393,606)	-	5,233,300	(8,842,872)
Infrastructure	(31,128,447)	(2,623,375)	-	(2,518,766)	(36,270,588)
Machinery & equipment	(5,806,965)	(600,682)	90,039	(107,130)	(6,424,738)
Total accumulated depreciation	(55,599,392)	(4,198,764)	90,039	667,769	(59,040,348)
Less accumulated amortization:					
Intangible Assets	-	(21,861)	-	(667,769)	(689,630)
Total accumulated amortization	-	(21,861)	-	(667,769)	(689,630)
Governmental activities capital assets, net	<u>\$ 170,252,558</u>	<u>\$ 15,676,610</u>	<u>\$ (9,877,251)</u>	<u>\$ -</u>	<u>\$ 176,051,917</u>
<b>Business-Type Activities:</b>					
Capital assets not being depreciated:					
Land	\$ 3,807,527	\$ -	\$ -	\$ -	\$ 3,807,527
Construction in progress	2,217,592	2,108,163	(1,180,434)	-	3,145,321
Total capital assets not being depreciated	6,025,119	2,108,163	(1,180,434)	-	6,952,848
Other capital assets:					
Buildings & structures	6,192,155	-	-	8,341,760	14,533,915
Other improvements	15,466,159	-	-	(8,993,561)	6,472,598
Infrastructure	25,638,074	1,150,568	-	198,507	26,987,149
Machinery & equipment	911,609	46,341	-	44,343	1,002,293
Intangible Assets	-	-	-	408,951	408,951
Total depreciable capital assets	48,207,997	1,196,909	-	-	49,404,906
Less accumulated depreciation:					
Buildings & structures	(4,533,655)	(283,569)	-	(3,752,048)	(8,569,272)
Other improvements	(7,907,446)	(116,644)	-	4,143,220	(3,880,870)
Infrastructure	(11,016,535)	(449,223)	-	(117,422)	(11,583,180)
Machinery & equipment	(814,092)	(18,569)	-	90,317	(742,344)
Total accumulated depreciation	(24,271,728)	(868,005)	-	-	(24,775,666)
Less accumulated amortization:					
Intangible Assets	-	(14,419)	-	(364,067)	(378,486)
Total accumulated amortization	-	(14,419)	-	(364,067)	(378,486)
Business activities capital assets, net	<u>\$ 29,961,388</u>	<u>\$ 2,422,648</u>	<u>\$ (1,180,434)</u>	<u>\$ -</u>	<u>\$ 31,203,602</u>

The largest components of the changes in 2021 are related to increases in construction work in progress for ongoing capital projects. For Governmental type activities these projects include Midway Park Acquisition (\$2,089,725), North Bulkhead (\$5,231,601), and College Way (\$500,000). For Business Type activities these projects include 8th Ave (264th to 265th) (\$871,136) and 6th Ave/239th Pipe Replacement (\$340,121).

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

Governmental Activities:	
General Government	\$ 309,705
Public Safety	\$ 292,399
Transportation	\$ 2,757,483
Natural & Economic	\$ 69,002
Social Services	\$ 48,051
Culture & Recreation	\$ 739,686
Total	<u>\$ 4,216,326</u>
Business-Type Activities:	
Marina	\$ 425,509
Surface Water Utility	\$ 411,495
Total	<u>\$ 837,004</u>

#### NOTE 6 – CONSTRUCTION AND OTHER CONTRACTUAL COMMITMENTS

The City of Des Moines had active construction projects as of December 31, 2021. The projects include street construction, utility construction and park facility construction contracts. There are also several consulting contracts. At year end, the City's contract commitments are as follows:

<u>Fund Type</u>	<u>Contract Commitment</u>	<u>Spent To Date</u>	<u>Remaining Commitments</u>
Special Revenue Funds	\$ 6,657	\$ 5,000	\$ 1,657
Capital Projects Fund	13,549,382	4,669,260	8,880,123
Proprietary Funds	3,446,253	1,660,394	1,785,860
Internal Service Funds	216,842	216,842	-
<b>Total</b>	<b><u>\$ 17,219,135</u></b>	<b><u>\$ 6,551,495</u></b>	<b><u>\$ 10,667,639</u></b>

**NOTE 7 – JOINT VENTURE****SOUTH CORRECTIONAL ENTITY (SCORE)**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



**NOTE 8 – LEASES**Operating Lease

The City leases a postage meter under a non-cancelable operating lease. Total cost for the lease was \$7,919 for the year ended December 31, 2021. The future minimum lease payments for this lease is as follows:

<b>Year Ending December 31</b>	<b>Governmental Activities</b>
2022	\$ 7,919
2023	7,919
2024	7,919
2025	3,959
Thereafter	-
<b>Total</b>	<b>\$ 27,716</b>

Capital Lease

The City of Des Moines has entered into a lease agreement for financing secure virtual private network software with a down payment of \$24,613.

This lease agreement qualifies as a capital lease for accounting purposes, therefore, it has been recorded at present value of its future minimum lease payments as of the inception date.

<b>Asset</b>	<b>Governmental Activities</b>
Barracuda SSL VPN Software	\$ 123,064
Less Accumulated Amortization:	(8,204)
<b>Total</b>	<b>\$ 114,860</b>

The future minimum lease obligation and the net present value of these minimum lease payments as of December 31, 2021 were as follows:

<b>Year Ending December 31</b>	<b>Governmental Activities</b>
2022	\$ 24,613
2023	\$ 24,613
2024	\$ 24,613
2025	\$ 24,612
<b>Total Minimum Lease Payments</b>	<b>\$ 98,451</b>
<b>Less: Interest</b>	<b>\$ -</b>
<b>Present Value of Minimum Lease Payments</b>	<b>\$ 98,451</b>

**NOTE 9 – INTERFUND ACTIVITY**

Transfers between funds during the year ended December 31, 2021 are as follows:

		Transfer From (Out)				Total
		General Fund	Major Special Revenue Fund	Non-Major Special Revenue Fund	Major Capital and Construction Fund	
Transfer To (In)	General Fund	-	875,000	-	-	875,000
	Non-Major Special Revenue Fund	-	-	-	17,495	17,495
	Non-Major Debt Service	243,748	-	-	235,088	478,836
	Major Capital and Construction Fund	296,350	158,020	45,378	-	499,748
	Enterprise Fund	-	-	-	82,474	82,474
	Internal Service Fund	51,000	140,000	-	-	191,000
	<b>Total</b>	<b>591,099</b>	<b>1,173,020</b>	<b>45,378</b>	<b>335,056</b>	<b>2,144,553</b>

Transfers are used to 1) move unrestricted general fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs; 2) move investment earnings or operating subsidies from one fund to its designated, authorized purpose carried out by another fund; 3) move resources designated for construction to and from construction funds as projects are created and/or completed.

In 2021, the City of Des Moines received \$4.5 million from the American Rescue Plan Act (ARPA). The City created a special revenue fund to track the revenue and expenses related to the ARPA grant. These funds account for over half the amount of interfund transfers made in 2021. Specifically, \$875,000 was transferred from the ARPA fund to the General Fund for various City Council-approved initiatives.

**NOTE 10 – LONG-TERM LIABILITIES**

The City issues general obligation bonds to finance capital improvements such as bridges, streets, municipal buildings and enterprise facilities such as marina facilities. Bonded indebtedness has also been entered into (currently and in prior years) to advance refund general obligation and revenue bonds.

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. On July 30, 2018, S&P Global Ratings assigned its rating of "AA+" for the Limited Tax General Obligation & Refunding Bonds, Series 2018. On March 6, 2019, Moody's Investors Service upgraded the City's limited tax general obligation bond rating to Aa3 from A1.

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

- 2012 LTGO bonds were issued with interest rates ranging from 2.0% to 4.0% to advance refund \$2,795,000 of outstanding 2002 limited tax general obligation bond and refunding bonds which had interest rates ranging from 4.1% to 4.7%. The net proceeds from the issuance of the general obligation bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the bonds are called.
- 2018 LTGO “New Money” bonds were issued to pay or reimburse a portion of the costs of the design, construction, improvement, renovation and/or replacement of a bulkhead located near the City marina and other related public amenities and capital improvements.
- 2018 LTGO refunding bonds were issued to refund the City’s outstanding 2008A and 2008B bonds. The net proceeds from the Refunding Bonds were used to purchase United States government securities. Those securities were deposited into a refunding trust account with a trust account to pay the full outstanding principal and interest on the 2008A and 2008B bonds. As a result of this transaction, the 2008A and 2008B bonds are considered to be paid in full and the liability for those bonds have been removed from the City’s financial statements.

Public Works Trust Fund loans outstanding at year-end are as follows:

- 2004 loan to fund construction improvements on Pacific Highway.
- 2009 loan to provide funding for the Des Moines Transportation Gateway Project which called for arterial widening and improvements along various sections of S. 216<sup>th</sup> St.
- 2011 loan is a financing lease with the State of Washington Local Option Capital Asset Lending (LOCAL) program administered by the Washington State Treasurer’s Office for energy efficiency equipment.

The City’s outstanding notes from direct borrowings related to governmental activities of \$361,898 contain provisions in the case of default:

- 2004 PWTFL: Delinquent payments shall be assessed a penalty equal to twelve percent (12%) per year.
- 2009 PWTFL: Delinquent payments shall be assessed a penalty equal to one percent (1%) per month or twelve percent (12%) per year.
- 2011 LOCAL: The outstanding balance due, including interest accrued and unpaid, may immediately become due if the City is unable to make payment.

Marina (proprietary) fund revenues are used to repay general obligation, revenue and refunding bonds related to improvements for the marina.

For the governmental activities, compensated absence balances and net pension liabilities are generally liquidated by the General, Streets and Equipment Operations funds while compensated absences and net pension liability balances for the proprietary funds are normally liquidated in the Marina and Surface Water Management funds. The net OPEB (other post-employment benefits) obligation is generally liquidated by the General Fund.

As described in Note 7 – Joint Venture, through an interlocal agreement the City is an owner City of the SCORE jail. The City's allocable share of SCORE debt is reflected as intergovernmental bonds in the schedule below.

The following schedule summarizes the long-term liability activity for the year ended December 31, 2021:

### CHANGES IN LONG-TERM LIABILITIES – GOVERNMENTAL ACTIVITIES

ITEM	Maturity Date	Interest Rates	Original Amount	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>GOVERNMENTAL ACTIVITIES</b>								
<u>General Obligation Bonds</u>								
2018 LTGO - New Money	12/1/2028	3.00% - 4.00%	\$ 3,105,000	\$ 2,890,000	\$ -	\$ (115,000)	\$ 2,775,000	\$ 115,000
2018 LTGO - Refunding	12/1/2028	3.00% - 4.00%	1,446,573	1,196,126	-	(130,014)	1,066,112	135,488
Total LTGO Bonds Payable			4,551,573	4,086,126	-	(245,014)	3,841,112	250,488
<u>Intergovernmental Bonds - Backed by the Full Faith and Credit of the City</u>								
SCORE PDA 2019 Refunding Bonds - 2019 Revised ILA	12/1/2038	3.00% - 5.00%	3,073,511	2,963,646	-	(110,768)	2,852,878	115,283
Total General Obligation Bonds Payable			7,625,084	7,049,772	-	(355,782)	6,693,990	365,771
Issuance premiums			-	279,609	-	(34,951)	244,658	34,951
Net Bonds Payable			7,625,084	7,329,381	-	(390,733)	6,938,648	400,722
<u>Direct Borrowings</u>								
<u>Public Works Trust Fund Loans</u>								
2004 PWTFF Loan - Pacific Hwy Construction	7/1/2024	0.50%	2,250,000	94,475	-	(23,618)	70,857	23,618
2009 PWTFF Loan - Gateway Construction	7/1/2028	0.50%	1,000,000	254,901	-	(31,862)	223,039	31,863
Total Public Works Trust Fund Loans			3,250,000	349,376	-	(55,481)	293,895	55,481
2011 WA State Local - Energy Equipment	12/1/2021	2.46%	106,138	12,521	-	(12,521)	-	-
Total Direct Placement/Borrowings			3,356,138	361,897	-	(68,002)	293,895	55,481
<u>Employee Leave Benefits</u>								
Compensated Absences:			-	1,916,846	1,788,728	(1,916,846)	1,788,728	148,159
Total Other Post-Employment Benefits Liabilities			-	2,042,381	1,786,166	(2,042,381)	1,786,166	106,992
Net Pension Liability			-	2,313,816	-	(1,694,938)	618,878	-
<b>Total Governmental Funds</b>			<b>\$ 10,981,222</b>	<b>\$ 13,964,321</b>	<b>\$ 3,574,894</b>	<b>\$ (6,112,899)</b>	<b>\$ 11,426,316</b>	<b>\$ 676,403</b>

### Debt Service to Maturity

Following are schedules showing the debt service requirements to maturity for the City's long-term debt, excluding compensated absences, OPEB, and pensions.

Year Ended December 31	Governmental Activities						
	General Obligation Bonds		Direct Placements/Borrowings		Intergovernmental Bonds		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2022	250,488	153,644	55,481	1,469	115,283	120,166	696,532
2023	259,594	143,626	55,481	1,192	119,798	115,554	695,245
2024	271,436	133,242	55,481	915	124,614	110,762	696,450
2025	281,911	122,384	31,863	637	129,731	105,778	672,304
2026	292,385	111,108	31,863	478	136,052		571,886
2027-2031	1,110,298	390,256	63,726	478	789,523	424,936	2,779,217
2032-2036	945,000	202,400	-	-	987,581	228,798	2,363,779
2027-2041	430,000	26,000	-	-	450,296	42,408	948,704
<b>Totals</b>	<b>\$ 3,841,112</b>	<b>\$ 1,282,660</b>	<b>\$ 293,894</b>	<b>\$ 5,169</b>	<b>\$ 2,852,878</b>	<b>\$ 1,148,402</b>	<b>\$ 9,424,117</b>

### CHANGES IN LONG-TERM LIABILITIES – BUSINESS-TYPE ACTIVITIES

ITEM	Maturity Date	Interest Rates	Original Amount	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>BUSINESS-TYPE ACTIVITIES:</b>								
<u>General Obligation Bonds</u>								
2012 LTGO - Marina Refunding	12/1/2022	2.00% - 4.00%	\$ 2,810,000	\$ 580,000	\$ -	\$ (285,000)	\$ 295,000	\$ 295,000
Total 2012 LTGO - Marina Refunding			2,810,000	580,000	-	(285,000)	295,000	295,000
2018 LTGO - Refunding	12/1/2028	3.00% - 4.00%	3,838,427	3,173,874	-	(344,986)	2,828,888	359,512
Total 2018 LTGO - Refunding			3,838,427	3,173,874	-	(344,986)	2,828,888	359,512
Total General Obligation Bonds Payable			6,648,427	3,753,874	-	(629,986)	3,123,888	654,512
Issuance premiums			-	252,773	-	(36,819)	215,954	35,007
Net Bonds Payable			6,648,427	4,006,647	-	(666,805)	3,339,842	689,519
Compensated Absences			-	231,465	230,724	(231,465)	230,724	27,756
Net Pension Liability			-	727,719	-	(634,178)	93,541	-
<b>Total Business-Type Activities</b>			<b>\$ 6,648,427</b>	<b>\$ 4,965,831</b>	<b>\$ 230,724</b>	<b>\$ (1,532,448)</b>	<b>\$ 3,664,107</b>	<b>\$ 717,275</b>
<b>TOTAL ALL FUNDS</b>			<b>\$ 17,629,649</b>	<b>\$ 18,930,152</b>	<b>\$ 3,805,618</b>	<b>\$ (7,645,347)</b>	<b>\$ 15,090,423</b>	<b>\$ 1,299,658</b>

### Debt Service to Maturity

Following are schedules showing the debt service requirements to maturity for the City's long-term debt, excluding compensated absences and net pension liability.

<b>Business-Type Activities</b>			
Year Ended December 31	General Obligation Bonds		Total
	Principal	Interest	
2022	654,512	124,956	779,468
2023	370,406	98,776	469,182
2024	388,564	83,960	472,524
2025	403,089	68,416	471,505
2026	417,615	52,594	470,209
2027-2031	889,702	53,746	943,448
Totals	\$ 3,123,888	\$ 482,448	\$ 3,606,336

### Federal Arbitrage

The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt 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 has no arbitrage liability as of December 31, 2021.

**NOTE 11 – RISK MANAGEMENT**

The City of Des Moines maintains insurance against most normal hazards except for unemployment, where it has elected to become self-insured.

The City of Des Moines 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.

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

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

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

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

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

The amount of the City's settlements did not exceed insurance coverage in any of the past three years.

	Self-Insurance		Unemployment	
	2021	2020	2021	2020
Claims liabilities at beginning of year	-	3,513	-	866
Claims expenses:				
Current year changes in estimates	-	(3,513)	(31,828)	(48,623)
Claims payments	-	-	31,828	47,757
Claims liabilities at end of year	-	-	-	-

## NOTE 12 – Pension Plans

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

Aggregate Pension Amounts - All Plans	
Pension liabilities	\$ (712,419)
Pension assets	\$ 14,188,533
Deferred outflows of resource	\$ 1,593,333
Deferred inflows of resources	\$ (11,201,623)
Pension expense/expenditure	\$ (2,665,310)

### State Sponsored Pension Plans

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

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

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

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

### Public Employees' Retirement System (PERS)

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

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

#### Contributions

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

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

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



**PERS Plan 2/3** provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service for Plan 2 and 1 percent of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

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

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

**PERS Plan 3** defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. PERS Plan 3 members choose their contribution rate upon joining membership and have a chance to change rates upon changing employers. As established by statute, Plan 3 required defined contribution rates are set at a minimum of 5 percent and escalate to 15 percent with a choice of six options. Employers do not contribute to the defined contribution benefits. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

### Contributions

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

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

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

The City's actual PERS plan contributions were \$400,889 to PERS Plan 1 and \$664,544 to PERS Plan 2/3 for the year ended December 31, 2021.

### **Public Safety Employees' Retirement System (PSERS)**

PSERS Plan 2 was created by the 2004 Legislature and became effective July 1, 2006. To be eligible for membership, an employee must work on a full time basis and:

- Have completed a certified criminal justice training course with authority to arrest, conduct criminal investigations, enforce the criminal laws of Washington, and carry a firearm as part of the job; or
- Have primary responsibility to ensure the custody and security of incarcerated or probationary individuals; or
- Function as a limited authority Washington peace officer, as defined in [RCW 10.93.020](#); or
- Have primary responsibility to supervise eligible members who meet the above criteria.

PSERS membership includes:

- PERS 2 or 3 employees hired by a covered employer before July 1, 2006, who met at least one of the PSERS eligibility criteria and elected membership during the period of July 1, 2006 to September 30 2006; and
- Employees hired on or after July 1, 2006 by a covered employer, that meet at least one of the PSERS eligibility criteria.

PSERS covered employers include:

- Certain State of Washington agencies (Department of Corrections, Department of Natural Resources, Gambling Commission, Liquor and Cannabis Board, Parks and Recreation Commission, and Washington State Patrol),
- Washington State Counties,
- Washington State Cities (except for Seattle, Spokane, and Tacoma),
- Correctional entities formed by PSERS employers under the Interlocal Cooperation Act.

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

### Contributions

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

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

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

The City's actual plan contributions were \$6,650 to PSERS Plan 2 and \$4,194 to PERS Plan 1 for the year ended December 31, 2021.

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

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

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

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

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

### Contributions

Starting on July 1, 2000, **LEOFF Plan 1** employers and employees contribute zero percent, as long as the plan remains fully funded. The LEOFF Plan 1 had no required employer or employee contributions for fiscal year 2021. Employers paid only the administrative expense of 0.18 percent of covered payroll.

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

### Contributions

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

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

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

<b>LEOFF Plan 2</b>		
<b>Actual Contribution Rates</b>	<b>Employer</b>	<b>Employee</b>
<b>January – June 2021</b>		
State and local governments	5.15%	8.59%
Administrative Fee	0.18%	
<b>Total</b>	<b>5.33%</b>	<b>8.59%</b>
<b>July – December 2021</b>		
State and local governments	5.12	8.53%
Administrative Fee	0.18%	
<b>Total</b>	<b>5.30%</b>	<b>8.53%</b>
Ports and Universities	8.53%	8.53%
Administrative Fee	0.18%	
<b>Total</b>	<b>8.71%</b>	<b>8.53%</b>

The City's actual contributions to the plan were \$220,979 for the year ended December 31, 2021.

The Legislature, by means of a special funding arrangement, appropriates money from the state General Fund to supplement the current service liability and fund the prior service costs of Plan 2 in accordance with the recommendations of the Pension Funding Council and the LEOFF Plan 2 Retirement Board. This special funding situation is not mandated by the state constitution and could be changed by statute. For the state fiscal year ending June 30, 2021, the state contributed \$78,170,320 to LEOFF Plan 2. The amount recognized by the City as its proportionate share of this amount is \$133,992.

## Actuarial Assumptions

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

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

- **Inflation:** 2.75% total economic inflation; 3.50% salary inflation
- **Salary increases:** In addition to the base 3.50% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.4%

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

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

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

## Discount Rate

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

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

## Long-Term Expected Rate of Return

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

## Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021 are summarized in the table below. The inflation component used to create the table is 2.2 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.

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



### Sensitivity of the Net Pension Liability/(Asset)

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

	<b>1% Decrease (6.4%)</b>	<b>Current Discount Rate (7.4%)</b>	<b>1% Increase (8.4%)</b>
PERS 1	\$ 1,213,646	\$ 712,419	\$ 275,298
PERS 2/3	\$ (2,103,031)	\$ (7,382,150)	\$ (11,729,507)
PSERS 2	\$ (4,445)	\$ (28,350)	\$ (47,269)
LEOFF 1	\$ (409,667)	\$ (455,052)	\$ (494,317)
LEOFF 2	\$ (3,987,277)	\$ (6,322,981)	\$ (8,235,458)

### Pension Plan Fiduciary Net Position

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

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

At June 30, 2021, the City reported its proportionate share of the net pension liabilities as follows:

	<b>Liability (or Asset)</b>
PERS 1	\$ 712,419
PERS 2/3	\$ (7,382,150)
PSERS 2	\$ (28,350)
LEOFF 1	\$ (455,052)
LEOFF 2	\$ (6,322,981)

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	\$ (455,052)	\$ (6,322,981)
State's proportionate share of the net pension asset associated with the employer	\$ (3,077,958)	\$ (4,079,013)
TOTAL	\$ (3,533,010)	\$ (10,401,995)

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

	Proportionate Share 6/30/20	Proportionate Share 6/30/21	Change in Proportion
PERS 1	.059229%	.058336%	-.000893%
PERS 2/3	.074314%	.074106%	-.000208%
PSERS 2	.018563%	.012340%	-.006223%
LEOFF 1	.013079%	.013284%	.000205%
LEOFF 2	.117807%	.108859%	-.008948%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30, 2021 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the *Schedules of Employer and Nonemployer Allocations* for all plans except LEOFF 1.

LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2021. Historical data was obtained from a 2011 study by the Office of the State Actuary (OSA). The state of Washington contributed 87.12 percent of LEOFF 1 employer contributions and all other employers contributed the remaining 12.88 percent of employer contributions. LEOFF 1 is fully funded and no further employer contributions have been required since June 2000. If the plan becomes underfunded, funding of the remaining liability will require new legislation. The allocation method the plan chose reflects the projected long-term contribution effort based on historical data.

In fiscal year 2021, the state of Washington contributed 39 percent of LEOFF 2 employer contributions pursuant to [RCW 41.26.725](#) and all other employers contributed the remaining 61 percent of employer contributions.

### Pension Expense

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

	<b>Pension Expense</b>
PERS 1	\$ (168,486)
PERS 2/3	\$ (1,667,282)
PSERS 2	\$ (493)
LEOFF 1	\$ (71,591)
LEOFF 2	\$ (757,458)
<b>TOTAL</b>	<b>\$ (2,665,310)</b>

### Deferred Outflows of Resources and Deferred Inflows of Resources

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

<b>PERS 1</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ (790,547)
Contributions subsequent to the measurement date	\$ 183,150	\$ -
<b>TOTAL</b>	<b>\$ 183,150</b>	<b>\$ (790,547)</b>

<b>PERS 2/3</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 358,540	\$ (90,498)
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ (6,169,746)
Changes of assumptions	\$ 10,788	\$ (524,255)
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 72,618	\$ (34,857)
Contributions subsequent to the measurement date	\$ 307,184	\$ -
<b>TOTAL</b>	<b>\$ 749,130</b>	<b>\$ (6,819,356)</b>

<b>PSERS 2</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 2,909	\$ (112)
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ (20,307)
Changes of assumptions	\$ 4	\$ (2,899)
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 5,405	\$ (828)
Contributions subsequent to the measurement date	\$ 3,409	\$ -
<b>TOTAL</b>	<b>\$ 11,728</b>	<b>\$ (24,146)</b>

<b>LEOFF 1</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ (139,046)
<b>TOTAL</b>	<b>\$ -</b>	<b>\$ (139,046)</b>

<b>LEOFF 2</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 286,788	\$ (33,417)
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ (3,014,843)
Changes of assumptions	\$ 2,733	\$ (300,721)
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 248,876	\$ (79,547)
Contributions subsequent to the measurement date	\$ 110,929	\$ -
<b>TOTAL</b>	<b>\$ 649,326</b>	<b>\$ (3,428,528)</b>

<b>Total Plans</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 648,237	\$ (124,027)
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ (10,134,489)
Changes of assumptions	\$ 13,525	\$ (827,875)
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 326,899	\$ (115,232)
Contributions subsequent to the measurement date	\$ 604,672	\$ -
<b>TOTAL</b>	<b>\$ 1,593,333</b>	<b>\$ (11,201,623)</b>

Deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended December 31:</b>	<b>PERS 1</b>	<b>PERS 2/3</b>	<b>PSERS 2</b>
2022	\$ (209,416)	\$ (1,682,797)	\$ (4,749)
2023	\$ (191,901)	\$ (1,571,946)	\$ (4,487)
2024	\$ (181,450)	\$ (1,493,963)	\$ (4,229)
2025	\$ (207,779)	\$ (1,614,252)	\$ (4,753)
2026	\$ -	\$ (18,785)	\$ 521
Thereafter	\$ -	\$ 4,333	\$ 1,869

Year ended December 31:	LEOFF 1	LEOFF 2	Total Plans
2022	\$ (36,936)	\$ (787,992)	\$ (2,721,890)
2023	\$ (33,784)	\$ (733,156)	\$ (2,535,274)
2024	\$ (31,879)	\$ (691,725)	\$ (2,403,246)
2025	\$ (36,447)	\$ (780,947)	\$ (2,644,178)
2026	\$ -	\$ 5,256	\$ (13,008)
Thereafter	\$ -	\$ 98,432	\$ 104,634

### NOTE 13 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLANS

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

Aggregate OPEB Amounts – All Plans	
OPEB liabilities	\$ 1,786,166
OPEB assets	\$ -
Deferred outflows of resources	\$ 28,913
Deferred inflows of resources	\$ -
OPEB expenses/expenditures	\$ 276,967

#### Plan Description

The City provides post-retirement health care benefits for members of the Law Enforcement Officers and Firefighters (LEOFF) retirement system hired before October 1, 1977 under a single-employer defined benefit healthcare plan administered by the City, as required by the Revised Code of Washington (RCW) Chapter 41.26.

The City's employee medical insurance programs provides most of the medical coverage for eligible retirees. Under the authorization of the LEOFF Disability Board, direct payment is made for other retiree medical expenses not covered by standard medical plan provisions.

### Employees Covered by Benefit Terms

As of December 31, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	4
Inactive employees entitled to but not yet receiving benefits	-
Active employees	-
Total	4

This is a closed group with no new members. The plan is funded on a pay-as-you-go basis and there are not assets accumulated in a qualifying trust.

The City has purchased a long-term care insurance policy for its LEOFF 1 retirees. The annual premium for the long-term care insurance policy, for the period of November 1, 2021 through October 31, 2022, was \$6,727.

### Assumptions and Other Inputs

- a. The following presents the total OPEB liability of the City calculated using the current healthcare cost trend of 6.8%, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate.

	1% Decrease (5.8%)	Current Healthcare Cost Trend Rate (6.8%)	1% Increase (7.8%)
Net OPEB Liability	\$ 1,645,736	\$ 1,786,166	\$ 1,944,234

- b. The following presents the total OPEB liability of the City calculated using the discount rate of 3.5%, as well as what the OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.5%) or 1-percentage point higher (4.5%) than the current rate.

	1% Decrease (2.5%)	Current Discount Rate (3.5%)	1% Increase (4.5%)
Net OPEB Liability	\$ 1,958,390	\$ 1,786,166	\$ 1,636,898



**Changes in the Total OPEB Liability**

<b>Total OPEB Liability at 1/1/2021</b>	\$ 2,042,381
Interest	43,852
Differences between expected and actual experience	(183,146)
Benefit payments	(116,921)
<b>Total OPEB Liability at 12/31/2021</b>	<b>\$ 1,786,166</b>

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

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Payments subsequent to the measurement date	\$ 28,913	\$
TOTAL	\$ 28,913	\$

The City used the alternative measurement method permitted under GASB Statement No. 75. GASB 75 requires the use of the Entry Age Normal (EAN) cost method.

**NOTE 14 – HEALTH & WELFARE**

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

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

As of December 31, 2021, 262 cities/towns/non-city entities participate in the AWC Trust HCP.

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

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

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

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. In 2020, the AWC Trust HCP purchased stop loss insurance for Regence/Asuris plans at an Individual Stop Loss (ISL) of \$1.5 million through Commencement Bay Risk Management, and Kaiser ISL at \$1 million with Companion Life through Intermediary Insurance Services. 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 15 – CONTINGENCIES AND LITIGATION**

The City has recorded in its financial statements all material liabilities, including applicable estimates for situations that are not yet resolved but where, based on available information, management believes it is probable that the City will have to make payment. In the opinion of management, the City's insurance policies and self-insurance reserves are adequate to pay all material known or pending claims.

The City participates in a number of Federal and State assisted programs. These grants are subject to audit by the grantor or representative. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. However, City management believes that such disallowances, if any, will be immaterial.

#### **NOTE 16 – COVID-19 PANDEMIC**

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of the deadly new virus known as COVID-19. In the months following the declaration, precautionary measures to slow the spread of the virus were ordered. These measures included closing schools, cancelling public events, limiting public and private gatherings, and restricting business operations, travel and non-essential activities.

In responding to the financial challenges from COVID-19, the City took the following actions:

- Froze all vacant staff positions;
- Provided incentives for early separation with future savings;
- Reduced part-time staff for closed programs;
- Reassigned staff to allocate costs across funding sources, where appropriate;
- Temporary standby status for select staff;
- Held discretionary spending;
- Redirected one-time sales tax in the General Fund earmarked for capital improvements to the General Fund to cover 2020 expenditures; and
- Paused capital projects while the City assessed the feasibility of the project based on criticality to infrastructure, funding source, time requirements for funding source, manpower requirements and existing contracts.

The length of time these measures will continue to be in place, and the full extent of the financial impact on the City of Des Moines is unknown at this time.

**NOTE 17 – PRIOR PERIOD ADJUSTMENTS**

The financial statements reflect the following prior period adjustments made:

<b>Explanation</b>	<b>Governmental Activities</b>	<b>Business Activities</b>
Prior period adjustment to correct balance of accumulated depreciation.	\$ -	\$ (45,418)
Prior period adjustment to correct balance of capital assets - correction of a cost allocation between governmental activity funds and business activity funds	2,460	(2,460)
Prior period adjustment to correct balance of capital assets - correction for costs that weren't capitalized in error	17,191	46,839
2021 business license revenue had been recognized in 2020 in error.	(5,800)	-
Total Prior Period Adjustments	\$ 13,851	\$ (1,040)

**City of Des Moines, Washington**  
 Schedule of Changes in Total OPEB Liability and Related Ratios  
 LEOFF 1 OPEB Plan  
 For the year ended December 31, 2021  
 Last 10 Fiscal Years\*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB liability - beginning</b>	2,042,381	2,185,619	2,280,578	2,362,371
Interest	43,852	74,786	86,906	82,810
Differences between expected and actual experience	(183,146)	(119,398)	(111,297)	(65,262)
Benefit payments	(116,921)	(98,626)	(70,568)	(99,341)
<b>Total OPEB liability - ending</b>	<u>1,786,166</u>	<u>2,042,381</u>	<u>2,185,619</u>	<u>2,280,578</u>
<b>Covered-employee payroll**</b>	-	-	-	-
<b>Total OPEB liability as a % of covered payroll</b>	N/A	N/A	N/A	N/A

**Notes to Schedule:**

\* Until a full 10-year trend is compiled, only information for those years available is presented.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

\*\* *Covered-employee payroll is the payroll of employees that are provided with OPEB through the OPEB plan (GASB 75, par. 246)*

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

PERS 1

Fiscal year Ending	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability	State's proportionate share of the net pension liability (asset) associated with the employer	Total: Proportionate share of the net pension liability (asset)	Employer's covered payroll	Employer's proportionate share of the net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
June 30, 2014	0.059429%	\$ 2,993,764	\$ -	\$ 2,993,764	\$ 6,356,187	47.10%	61.19%
June 30, 2015	0.060047%	3,141,017	-	3,141,017	6,731,306	46.66%	59.10%
June 30, 2016	0.058525%	3,143,068	-	3,143,068	6,920,926	45.41%	57.03%
June 30, 2017	0.055789%	2,647,232	-	2,647,232	7,021,598	37.70%	61.24%
June 30, 2018	0.057841%	2,583,199	-	2,583,199	7,530,347	34.30%	63.22%
June 30, 2019	0.059575%	2,290,870	-	2,290,870	8,279,741	27.67%	67.12%
June 30, 2020	0.059229%	2,091,104	-	2,091,104	8,852,878	23.62%	68.64%
June 30, 2021	0.058336%	712,419	-	712,419	8,947,105	7.96%	88.74%

PERS 2/3

Fiscal year Ending	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability	State's proportionate share of the net pension liability (asset) associated with the employer	Total: Proportionate share of the net pension liability (asset)	Employer's covered payroll	Employer's proportionate share of the net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
June 30, 2014	0.071121%	\$ 1,437,612	\$ -	\$ 1,437,612	\$ 6,146,411	23.39%	93.29%
June 30, 2015	0.074473%	2,660,963	-	2,660,963	6,608,499	40.27%	89.20%
June 30, 2016	0.072818%	3,666,329	-	3,666,329	6,843,135	53.58%	85.82%
June 30, 2017	0.070475%	2,448,669	-	2,448,669	6,964,752	35.16%	90.97%
June 30, 2018	0.071530%	1,221,311	-	1,221,311	7,472,150	16.34%	95.77%
June 30, 2019	0.074190%	720,637	-	720,637	8,065,565	8.93%	97.77%
June 30, 2020	0.074314%	950,434	-	950,434	8,678,648	10.95%	97.22%
June 30, 2021	0.074106%	(7,382,150)	-	(7,382,150)	8,863,459	-83.29%	120.29%

PSERS 2

Fiscal year Ending	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability	State's proportionate share of the net pension liability (asset) associated with the employer	Total: Proportionate share of the net pension liability (asset)	Employer's covered payroll	Employer's proportionate share of the net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
June 30, 2014	0.000000%	\$ -	\$ -	\$ -	\$ -	-	-
June 30, 2015	0.000000%	-	-	-	-	-	-
June 30, 2016	0.000000%	-	-	-	-	-	-
June 30, 2017	0.000000%	-	-	-	-	-	-
June 30, 2018	0.026170%	324	-	324	102,541	0.32%	99.79%
June 30, 2019	0.033623%	(4,372)	-	(4,372)	154,958	-2.82%	101.85%
June 30, 2020	0.018563%	(2,554)	-	(2,554)	106,759	-2.39%	101.68%
June 30, 2021	0.012340%	(28,350)	-	(28,350)	83,646	-33.89%	123.67%

LEOFF 1

Fiscal year Ending	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability	State's proportionate share of the net pension liability (asset) associated with the employer	Total: Proportionate share of the net pension liability (asset)	Employer's covered payroll	Employer's proportionate share of the net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
June 30, 2014	0.012205%	\$ (148,021)	\$ 1,092,391	\$ 944,370	\$ -	0.00%	126.91%
June 30, 2015	0.012137%	(146,278)	989,419	843,141	-	0.00%	127.36%
June 30, 2016	0.012268%	(126,395)	854,936	728,541	-	0.00%	123.74%
June 30, 2017	0.012268%	(188,788)	(1,276,957)	(1,465,745)	-	0.00%	135.96%
June 30, 2018	0.012574%	(228,281)	(1,544,087)	(1,772,368)	-	0.00%	144.42%
June 30, 2019	0.012798%	(252,967)	(1,711,063)	(1,964,030)	-	0.00%	148.78%
June 30, 2020	0.013079%	(246,998)	(1,670,689)	(1,917,687)	-	0.00%	146.88%
June 30, 2021	0.013284%	(455,052)	(3,077,960)	(3,533,012)	-	0.00%	187.45%

LEOFF 2

Fiscal year Ending	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability	State's proportionate share of the net pension liability (asset) associated with the employer	Total: Proportionate share of the net pension liability (asset)	Employer's covered payroll	Employer's proportionate share of the net pension liability as a percentage of covered payroll	Plan fiduciary net position as a percentage of the total pension liability
June 30, 2014	0.012205%	\$ (1,699,040)	\$ (1,092,391)	\$ (2,791,431)	\$ 3,480,180	-48.82%	116.75%
June 30, 2015	0.012137%	(1,249,137)	(825,926)	(2,075,063)	3,527,418	-35.41%	111.67%
June 30, 2016	0.117320%	(682,368)	(444,855)	(1,127,223)	3,659,657	-18.65%	106.04%
June 30, 2017	0.123689%	(1,716,402)	(1,112,208)	(2,828,610)	3,875,240	-44.29%	113.36%
June 30, 2018	0.115583%	(2,346,587)	(1,502,712)	(3,849,299)	3,829,585	-61.28%	118.50%
June 30, 2019	0.120460%	(2,790,688)	(1,757,034)	(4,547,722)	4,230,353	-65.97%	119.43%
June 30, 2020	0.117807%	(2,403,091)	(1,556,804)	(3,959,895)	4,385,948	-54.79%	115.83%
June 30, 2021	0.108859%	(6,322,981)	(3,980,987)	(10,303,968)	4,213,683	-150.06%	142.00%

\*Until a full 10-year trend is compiled, only information for those years available is presented.

Notes to Schedule:

- 1) Significant methods and assumptions used in calculating the actuarial determined contribution are presented in Note 13.
- 2) Contribution and covered payroll on this schedule is based on the plan fiscal year ending June 30<sup>th</sup>.
- 3) LEOFF 1 plan is closed and has no further covered payroll.

**Schedule of Employer Contributions  
As of December 31, 2021  
Last 10 Fiscal Years\***

**PERS 1**

Fiscal year Ending	Statutorily or contractually required contributions	Less: Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
December 31, 2014	\$ 189,440	\$ (189,440)	\$ -	\$ 6,356,187	2.98%
December 31, 2015	382,894	(382,894)	-	6,731,306	5.69%
December 31, 2016	333,338	(333,338)	-	6,920,926	4.82%
December 31, 2017	362,284	(362,284)	-	7,021,598	5.16%
December 31, 2018	411,642	(411,642)	-	7,890,571	5.22%
December 31, 2019	434,067	(434,067)	-	8,636,017	5.03%
December 31, 2020	427,219	(427,219)	-	8,847,297	4.83%
December 31, 2021	405,083	(405,083)	-	9,246,614	4.38%

**PERS 2/3**

Fiscal year Ending	Statutorily or contractually required contributions	Less: Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
December 31, 2014	\$ 189,440	\$ (189,440)	\$ -	\$ 6,146,411	3.08%
December 31, 2015	382,894	(382,894)	-	6,608,499	5.79%
December 31, 2016	427,454	(427,454)	-	6,843,135	6.25%
December 31, 2017	495,582	(495,582)	-	6,964,752	7.12%
December 31, 2018	587,403	(587,403)	-	7,831,815	7.50%
December 31, 2019	647,731	(647,731)	-	8,422,223	7.69%
December 31, 2020	691,646	(691,646)	-	8,733,608	7.92%
December 31, 2021	664,544	(664,544)	-	9,149,936	7.26%

**PSERS 2**

Fiscal year Ending	Statutorily or contractually required contributions	Less: Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
December 31, 2014	\$ -	\$ -	\$ -	\$ -	-
December 31, 2015	-	-	-	-	-
December 31, 2016	-	-	-	-	-
December 31, 2017	-	-	-	-	-
December 31, 2018	10,357	(10,357)	-	151,163	6.85%
December 31, 2019	10,913	(10,913)	-	153,281	7.12%
December 31, 2020	5,613	(5,613)	-	77,957	7.20%
December 31, 2021	6,650	(6,650)	-	96,678	6.88%

**LEOFF 2**

Fiscal year Ending	Statutorily or contractually required contributions	Less: Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
December 31, 2014	\$ 91,113	\$ (91,113)	\$ -	\$ 3,519,072	2.59%
December 31, 2015	177,745	(177,745)	-	3,519,706	5.05%
December 31, 2016	184,816	(184,816)	-	3,659,665	5.05%
December 31, 2017	195,699	(195,699)	-	3,960,122	4.94%
December 31, 2018	211,537	(211,537)	-	4,029,279	5.25%
December 31, 2019	231,664	(231,664)	-	4,449,300	5.21%
December 31, 2020	216,133	(216,133)	-	4,196,748	5.15%
December 31, 2021	220,979	(220,979)	-	4,301,384	5.14%

\*Until a full 10-year trend is compiled, only information for those years available is presented.

*This page is intentionally blank.*



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

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 3,678,486	\$ 130,701	\$ 3,809,187
Restricted cash	615	-	615
Investments	2,680,252	-	2,680,252
Receivables (net of allowances):			
Interest	4,683	-	4,683
Taxes	213,438	-	213,438
Customers	274,145	-	274,145
<b>Total assets</b>	<b>\$ 6,851,619</b>	<b>\$ 130,701</b>	<b>\$ 6,982,320</b>
<b>Liabilities</b>			
Accounts payable	\$ 178,966	\$ -	\$ 178,966
Retainage payable	615	-	615
Due to other governments	804	-	804
<b>Total liabilities</b>	<b>180,385</b>	<b>-</b>	<b>180,385</b>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue	221,400	-	221,400
<b>Total deferred inflows of resources</b>	<b>221,400</b>	<b>-</b>	<b>221,400</b>
<b>Fund Balances</b>			
<b>Restricted</b>			
Public safety	351,018	-	351,018
Transportation	5,125,891	-	5,125,891
General obligation debt	-	130,701	130,701
<b>Committed</b>			
Natural & economic environment	984,261	-	984,261
Unassigned	(11,335)	-	(11,335)
<b>Total fund balances</b>	<b>6,449,835</b>	<b>130,701</b>	<b>6,580,536</b>
<b>Total liabilities, fund balances, and deferred inflows of resources</b>	<b>\$ 6,851,619</b>	<b>\$ 130,701</b>	<b>\$ 6,982,320</b>

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

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Total Nonmajor Governmental Funds
Revenues			
Taxes	\$ 1,704,929	\$ -	\$ 1,704,929
Licenses and permits	613,668	-	613,668
Intergovernmental revenues	667,980	-	667,980
Charges for services	119,230	-	119,230
Fines and penalties	141,135	-	141,135
Investment earnings	(50)	138	88
Miscellaneous	335,080	-	335,080
Total revenues	<u>3,581,972</u>	<u>138</u>	<u>3,582,110</u>
Expenditures			
Current:			
General government	-	14,934	14,934
Public safety	125,513	-	125,513
Transportation	2,085,907	-	2,085,907
Natural and economic environment	95,157	-	95,157
Culture and recreation	182,093	-	182,093
Debt service:			
Principal	-	313,017	313,017
Interest and other charges	-	165,817	165,817
Capital outlay	12,011	-	12,011
Total expenditures	<u>2,500,681</u>	<u>493,768</u>	<u>2,994,449</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,081,291</u>	<u>(493,630)</u>	<u>587,661</u>
Other Financing Sources (Uses)			
Transfers in	17,495	478,836	496,331
Transfers out	(45,378)	-	(45,378)
Total other financing sources and uses	<u>(27,883)</u>	<u>478,836</u>	<u>450,953</u>
Net change in fund balances	<u>1,053,408</u>	<u>(14,794)</u>	<u>1,038,614</u>
Fund balances - beginning	<u>5,396,427</u>	<u>145,495</u>	<u>5,541,922</u>
Fund balances - ending	<u>\$ 6,449,835</u>	<u>\$ 130,701</u>	<u>\$ 6,580,536</u>

## NONMAJOR SPECIAL REVENUE FUNDS

Special revenue funds account for the proceeds of specific revenue sources that are restricted or committed to expenditures for particular purposes. Special revenue funds are accounted for on a modified accrual basis. Annual budgets are adopted with appropriations lapsing at year-end. The City has eleven nonmajor special revenue funds.

**City Street Fund:** This fund was created to account for revenues and expenditures used to construct and maintain streets.

**Pavement Program Fund:** This fund was created to account for revenues and expenditures used to reconstruct or preserve (chip seal, micro seal, overlay, etc.) street pavement.

**Police Drug Seizure Fund:** Money seized and forfeited from drug activity is deposited in this fund to be used exclusively for drug investigation and enforcement.

**Hotel/Motel Tax Fund:** This fund was created to account for the hotel/motel taxes levied to support City tourism promotion.

**Affordable Housing Sales Tax:** This fund accounts for revenue received from the affordable housing sales tax credit received from the State of Washington. The funds may be used for (a) acquiring, rehabilitating, or constructing affordable housing, (b) operations and maintenance costs of new units of affordable or supportive housing, or to provide rental assistance to tenants that are at or below the 60% of the median income of the City.

**Redondo Zone Fund:** This fund was created to account for parking fees and fines in the Redondo Zone and to be used first to pay operating costs for the parking system. Any excess funds to be used for capital improvement or debt service expenditures benefitting the Redondo Zone.

**Waterfront Zone Fund:** This fund was created to account for revenues and expenditures relating to the provision of services and public access to the fishing pier, the waterfront area of the Beach Park and related parking lots and to the space on the upland areas not designated as part of the marina enterprise fund.

**Planning, Building and Public Works (PBPW) Automation Fund:** This fund was created to account for Planning, Building and Public Works automation fees and to be used for technology operations, maintenance and replacement expenditures; as well as, capital expenditures for acquisition of additional technology benefitting the PBPW department.

**Abatement Fund:** This fund was created to account for revenue and expenditures to abate nuisances within the city.

**Automated Speed Enforcement Fund:** This fund was created to account for revenue from fines assessed under authority of chapter 10.36 Des Moines Municipal Code and to be used solely for traffic safety purposes.

**Transportation Benefit District Fund:** This fund was created to account for revenue and expenditures for improvements to preserve and maintain the City's previous investments in the transportation infrastructure, reduce the risk of transportation facility failure, improve safety, continue cost-effectiveness of the City's infrastructure investments, and continue the optimal performance of the transportation system.

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

	City Street	Pavement Program	Police Drug Seizure	Hotel/Motel	Affordable Housing Sales Tax	Redondo Zone
<b>Assets</b>						
Cash and cash equivalents	\$ 804,284	\$ 893,280	\$ 107,382	\$ 150,049	\$ 51,777	\$ 27,774
Restricted cash	615	-	-	-	-	-
Investments	198,124	991,108	-	-	-	-
Receivables (net of allowances):						
Interest	980	198	-	-	-	-
Taxes	136,581	-	-	4,008	2,718	-
Customers	-	94,053	-	-	-	(283)
<b>Total assets</b>	<b>\$1,140,584</b>	<b>\$1,978,639</b>	<b>\$ 107,382</b>	<b>\$ 154,057</b>	<b>\$ 54,495</b>	<b>\$ 27,491</b>
<b>Liabilities</b>						
Accounts payable	\$ 93,196	\$ 1,836	\$ 70	\$ -	\$ -	\$ 370
Retainage payable	615	-	-	-	-	-
Due to other governments	-	-	-	-	-	292
<b>Total liabilities</b>	<b>93,811</b>	<b>1,836</b>	<b>70</b>	<b>-</b>	<b>-</b>	<b>662</b>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue	1,223	398	-	-	-	38,164
<b>Total deferred inflows of resources</b>	<b>1,223</b>	<b>398</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38,164</b>
<b>Fund Balances</b>						
<b>Restricted:</b>						
Public safety	-	-	107,312	-	-	-
Transportation	1,045,550	1,976,406	-	-	-	-
<b>Committed:</b>						
Natural & economic environment	-	-	-	154,057	54,495	-
Unassigned	-	-	-	-	-	(11,335)
<b>Total fund balances</b>	<b>1,045,550</b>	<b>1,976,406</b>	<b>107,312</b>	<b>154,057</b>	<b>54,495</b>	<b>(11,335)</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$1,140,584</b>	<b>\$1,978,639</b>	<b>\$ 107,382</b>	<b>\$ 154,057</b>	<b>\$ 54,495</b>	<b>\$ 27,491</b>

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

	Waterfront Zone	PBPW Automation Fee	Abatement	Automated Speed Enforcement	Transportation Benefit District	Total
<b>Assets</b>						
Cash and cash equivalents	\$ 310,156	\$ 232,239	\$ 30,518	\$ 326,899	\$ 744,128	\$ 3,678,486
Restricted cash	-	-	-	-	-	615
Investments	-	204,618	-	-	1,286,402	2,680,252
Receivables (net of allowances):						
Interest	-	1	-	71	3,433	4,683
Taxes	-	-	-	-	70,131	213,438
Customers	4,050	-	26,539	149,786	-	274,145
<b>Total assets</b>	<b>\$ 314,206</b>	<b>\$ 436,858</b>	<b>\$ 57,057</b>	<b>\$ 476,756</b>	<b>\$ 2,104,094</b>	<b>\$ 6,851,619</b>
<b>Liabilities</b>						
Accounts payable	\$ 369	\$ -	\$ -	\$ 83,125	\$ -	\$ 178,966
Retainage payable	-	-	-	-	-	615
Due to other governments	512	-	-	-	-	804
<b>Total liabilities</b>	<b>881</b>	<b>-</b>	<b>-</b>	<b>83,125</b>	<b>-</b>	<b>180,385</b>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue	4,050	943	26,538	149,925	159	221,400
<b>Total deferred inflows of resources</b>	<b>4,050</b>	<b>943</b>	<b>26,538</b>	<b>149,925</b>	<b>159</b>	<b>221,400</b>
<b>Fund Balances</b>						
<b>Restricted:</b>						
Public safety	-	-	-	243,706	-	351,018
Transportation	-	-	-	-	2,103,935	5,125,891
<b>Committed:</b>						
Natural & economic environment	309,275	435,915	30,519	-	-	984,261
Unassigned	-	-	-	-	-	(11,335)
<b>Total fund balances</b>	<b>309,275</b>	<b>435,915</b>	<b>30,519</b>	<b>243,706</b>	<b>2,103,935</b>	<b>6,449,835</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 314,206</b>	<b>\$ 436,858</b>	<b>\$ 57,057</b>	<b>\$ 476,756</b>	<b>\$ 2,104,094</b>	<b>\$ 6,851,619</b>

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

	City Street	Pavement Program	Police Drug Seizure	Hotel/ Motel	Affordable Housing Sales Tax	Redondo Zone
<b>Revenues</b>						
Taxes	\$ 623,278	\$ -	\$ -	\$ 63,426	\$ 30,487	\$ -
Licenses and permits	-	613,668	-	-	-	-
Intergovernmental revenues	667,226	-	-	-	-	377
Charges for services	-	-	-	-	-	-
Fines and penalties	-	-	-	-	-	1,691
Investment earnings	-	-	-	-	-	-
Miscellaneous	(2,350)	(12,932)	84,739	79	-	41,769
Total revenues	<u>1,288,154</u>	<u>600,736</u>	<u>84,739</u>	<u>63,505</u>	<u>30,487</u>	<u>43,837</u>
<b>Expenditures</b>						
Current:						
Public safety	-	-	-	-	-	-
Transportation	1,488,778	597,129	-	-	-	-
Natural and economic environment	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	72,859
Capital Outlay	-	12,011	-	-	-	-
Total expenditures	<u>1,488,778</u>	<u>609,140</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,859</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(200,624)</u>	<u>(8,404)</u>	<u>84,739</u>	<u>63,505</u>	<u>30,487</u>	<u>(29,022)</u>
<b>Other Financing Sources (Uses)</b>						
Transfers in	35,073	-	-	-	-	-
Transfers out and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>35,073</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(165,551)</u>	<u>(8,404)</u>	<u>84,739</u>	<u>63,505</u>	<u>30,487</u>	<u>(29,022)</u>
Fund balances - beginning	<u>1,211,101</u>	<u>1,984,810</u>	<u>22,573</u>	<u>90,552</u>	<u>24,008</u>	<u>17,687</u>
Fund balances - ending	<u>\$ 1,045,550</u>	<u>\$ 1,976,406</u>	<u>\$ 107,312</u>	<u>\$ 154,057</u>	<u>\$ 54,495</u>	<u>\$ (11,335)</u>

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

	Waterfront Zone	PBPW Automation Fee	Abatement	Automated Speed Enforcement	Transportation Benefit District	Total
<b>Revenues</b>						
Taxes	\$ 880	\$ -	\$ -	\$ -	\$ 986,858	\$ 1,704,929
Licenses and permits	-	-	-	-	-	613,668
Intergovernmental revenues	377	-	-	-	-	667,980
Charges for services	-	119,230	-	-	-	119,230
Fines and penalties	-	-	141	139,303	-	141,135
Investment earnings	-	-	-	(50)	-	(50)
Miscellaneous	229,065	(2,925)	4,821	2,326	(9,512)	335,080
Total revenues	230,322	116,305	4,962	141,579	977,346	3,581,972
<b>Expenditures</b>						
Current:						
Public safety	-	-	-	125,513	-	125,513
Transportation	-	-	-	-	-	2,085,907
Natural and economic environment	-	95,157	-	-	-	95,157
Culture and recreation	109,234	-	-	-	-	182,093
Capital Outlay	-	-	-	-	-	12,011
Total expenditures	109,234	95,157	-	125,513	-	2,500,681
Excess (deficiency) of revenues over (under) expenditures	121,088	21,148	4,962	16,066	977,346	1,081,291
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	-	-	-	-	35,073
Transfers out and uses	-	-	-	(62,956)	-	(62,956)
	-	-	-	(62,956)	-	(27,883)
Net change in fund balances	121,088	21,148	4,962	(46,890)	977,346	1,053,408
Fund balances - beginning	188,187	414,767	25,557	290,596	1,126,589	5,396,427
Fund balances - ending	\$ 309,275	\$ 435,915	\$ 30,519	\$ 243,706	\$ 2,103,935	\$ 6,449,835

**Special Revenue Funds - City Street**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2021**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues</b>				
Taxes	\$ 488,435	\$ 488,435	\$ 623,278	\$ 134,843
Intergovernmental revenues	728,430	728,430	667,226	(61,204)
Fines and penalties	-	450,000	-	(450,000)
Miscellaneous	2,500	2,500	(2,350)	(4,850)
Total revenues	<u>1,219,365</u>	<u>1,669,365</u>	<u>1,288,154</u>	<u>(381,211)</u>
<b>Expenditures</b>				
Current:				
Transportation	<u>1,708,734</u>	<u>1,823,738</u>	<u>1,488,778</u>	<u>(334,960)</u>
Total expenditures	<u>1,708,734</u>	<u>1,823,738</u>	<u>1,488,778</u>	<u>(334,960)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	<u>495,000</u>	<u>59,000</u>	<u>35,073</u>	<u>(23,927)</u>
Total financing sources/(uses)	<u>495,000</u>	<u>59,000</u>	<u>35,073</u>	<u>(23,927)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,631</u>	<u>(95,373)</u>	<u>(165,551)</u>	<u>(70,178)</u>
Fund balances - beginning	<u>777,081</u>	<u>716,233</u>	<u>1,211,101</u>	<u>494,868</u>
Fund balances - ending	<u>\$ 782,712</u>	<u>\$ 620,860</u>	<u>\$ 1,045,550</u>	<u>\$ 424,690</u>



**Special Revenue Funds - Pavement Program**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Licenses and permits	\$ 617,574	\$ 617,574	\$ 613,668	\$ (3,906)
Investment earnings	-	-	-	-
Miscellaneous	12,500	12,500	(12,932)	(25,432)
Total revenues	<u>630,074</u>	<u>630,074</u>	<u>600,736</u>	<u>(29,338)</u>
<b>Expenditures</b>				
Current:				
Transportation	143,000	1,365,000	597,129	(767,871)
Capital outlay	-	-	12,011	12,011
Total expenditures	<u>143,000</u>	<u>1,365,000</u>	<u>609,140</u>	<u>(755,860)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	500,000	-	(500,000)
Transfers out	(475,000)	-	-	-
Total financing sources/(uses)	<u>(475,000)</u>	<u>500,000</u>	<u>-</u>	<u>(500,000)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12,074</u>	<u>(234,926)</u>	<u>(8,404)</u>	<u>226,522</u>
Fund balances - beginning	<u>1,163,161</u>	<u>1,127,571</u>	<u>1,984,810</u>	<u>857,239</u>
Fund balances - ending	<u>\$ 1,175,235</u>	<u>\$ 892,645</u>	<u>\$ 1,976,406</u>	<u>\$ 1,083,761</u>

**Special Revenue Funds - Police Drug Seizure**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Miscellaneous	\$ 1,250	\$ 86,250	\$ 84,739	\$ (1,511)
Total revenues	<u>1,250</u>	<u>86,250</u>	<u>84,739</u>	<u>(1,511)</u>
<b>Expenditures</b>				
Current:				
Public safety	1,000	11,000	-	(11,000)
Total expenditures	<u>1,000</u>	<u>11,000</u>	<u>-</u>	<u>(11,000)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>250</u>	<u>75,250</u>	<u>84,739</u>	<u>9,489</u>
Fund balances - beginning	7,385	10,446	22,573	12,127
Fund balances - ending	<u>\$ 7,635</u>	<u>\$ 85,696</u>	<u>\$ 107,312</u>	<u>\$ 21,616</u>

**Special Revenue Funds - Hotel/Motel**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 70,000	\$ 70,000	\$ 63,426	\$ (6,574)
Miscellaneous	250	250	79	(171)
Total revenues	<u>70,250</u>	<u>70,250</u>	<u>63,505</u>	<u>(6,745)</u>
<b>Expenditures</b>				
Current:				
Natural & economic environment	70,250	70,250	-	(70,250)
Total expenditures	<u>70,250</u>	<u>70,250</u>	<u>-</u>	<u>(70,250)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>63,505</u>	<u>63,505</u>
Fund balances - beginning	6,875	(24,542)	90,552	115,094
Fund balances - ending	<u>\$ 6,875</u>	<u>\$ (24,542)</u>	<u>\$ 154,057</u>	<u>\$ 178,599</u>

**Special Revenue Funds - Affordable Housing Sales Tax**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2021**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 30,000	\$ 30,000	\$ 30,487	\$ 487
Total revenues	30,000	30,000	30,487	487
<b>Expenditures</b>				
Current:				
Social Services	30,000	30,000	-	(30,000)
Total expenditures	30,000	30,000	-	(30,000)
Excess (deficiency) of revenues over (under) expenditures	-	-	30,487	30,487
Fund balances - beginning	-	-	24,008	24,008
Fund balances - ending	\$ -	\$ -	\$ 54,495	\$ 54,495

## Special Revenue Funds - Redondo Zone

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Intergovernmental Revenue	-	-	377	377
Fines and penalties	200	200	1,691	1,491
Miscellaneous	88,350	88,350	41,769	(46,581)
Total revenues	<u>88,550</u>	<u>88,550</u>	<u>43,837</u>	<u>(44,713)</u>
<b>Expenditures</b>				
Current:				
Culture and recreation	<u>71,075</u>	<u>73,801</u>	<u>72,859</u>	<u>(942)</u>
Total expenditures	<u>71,075</u>	<u>73,801</u>	<u>72,859</u>	<u>(942)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>17,475</u>	<u>14,749</u>	<u>(29,022)</u>	<u>(43,771)</u>
Fund balances - beginning	<u>61,266</u>	<u>(10,157)</u>	<u>17,687</u>	<u>27,844</u>
Fund balances - ending	<u>\$ 78,741</u>	<u>\$ 4,592</u>	<u>\$ (11,335)</u>	<u>\$ (15,927)</u>

## Special Revenue Funds - Waterfront Zone

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

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 750	\$ 750	\$ 880	\$ 130
Intergovernmental Revenue	-	-	377	377
Miscellaneous	189,600	189,600	229,065	39,465
Total revenues	<u>190,350</u>	<u>190,350</u>	<u>230,322</u>	<u>39,972</u>
<b>Expenditures</b>				
Current:				
Culture and recreation	126,116	126,116	109,234	(16,882)
Total expenditures	<u>126,116</u>	<u>126,116</u>	<u>109,234</u>	<u>(16,882)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>64,234</u>	<u>64,234</u>	<u>121,088</u>	<u>56,854</u>
Fund balances - beginning	104,263	132,149	188,187	56,038
Fund balances - ending	<u>\$ 168,497</u>	<u>\$ 196,383</u>	<u>\$ 309,275</u>	<u>\$ 112,892</u>

**Special Revenue Funds - PBPW Automation Fee**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for services	\$ 125,000	\$ 125,000	\$ 119,230	\$ (5,770)
Miscellaneous	2,000	2,000	(2,925)	(4,925)
Total revenues	<u>127,000</u>	<u>127,000</u>	<u>116,305</u>	<u>(10,695)</u>
<b>Expenditures</b>				
Current:				
Natural & economic environment	93,190	95,158	95,157	(1)
Total expenditures	<u>93,190</u>	<u>95,158</u>	<u>95,157</u>	<u>(1)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>33,810</u>	<u>31,842</u>	<u>21,148</u>	<u>(10,694)</u>
Fund balances - beginning	190,565	233,292	414,767	181,475
Fund balances - ending	<u>\$ 224,375</u>	<u>\$ 265,134</u>	<u>\$ 435,915</u>	<u>\$ 170,781</u>

**Special Revenue Funds - Abatement**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines and penalties	\$ 200	\$ 200	\$ 141	\$ (59)
Miscellaneous	2,150	2,150	4,821	2,671
Total revenues	<u>2,350</u>	<u>2,350</u>	<u>4,962</u>	<u>2,612</u>
<b>Expenditures</b>				
Current:				
Natural & economic environment	1,000	1,000	-	(1,000)
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>(1,000)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,350</u>	<u>1,350</u>	<u>4,962</u>	<u>3,612</u>
Fund balances - beginning	10,308	11,760	25,557	13,797
Fund balances - ending	<u>\$ 11,658</u>	<u>\$ 13,110</u>	<u>\$ 30,519</u>	<u>\$ 17,409</u>



**Special Revenue Funds - Automated Speed Enforcement**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines and penalties	\$ 110,000	\$ 110,000	\$ 139,303	\$ 29,303
Miscellaneous	2,000	2,000	2,326	326
Total revenues	<u>112,000</u>	<u>112,000</u>	<u>141,579</u>	<u>29,579</u>
<b>Expenditures</b>				
Current:				
Public safety	138,000	138,000	125,513	(12,487)
Total expenditures	<u>138,000</u>	<u>138,000</u>	<u>125,513</u>	<u>(12,487)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	(45,000)	(20,000)	(62,956)	(42,956)
Total financing sources/(uses)	<u>(45,000)</u>	<u>(20,000)</u>	<u>(62,956)</u>	<u>(42,956)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(71,000)</u>	<u>(46,000)</u>	<u>(46,890)</u>	<u>(890)</u>
Fund balances - beginning	82,687	230,648	290,596	59,948
Fund balances - ending	<u>\$ 11,687</u>	<u>\$ 184,648</u>	<u>\$ 243,706</u>	<u>\$ 59,058</u>

**Special Revenue Funds - Transportation Benefit District**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**For the Year Ended December 31, 2021**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ -	\$ 1,000,000	\$ 986,858	\$ (13,142)
Miscellaneous	-	-	(9,512)	(9,512)
Total revenues	<u>-</u>	<u>1,000,000</u>	<u>977,346</u>	<u>(22,654)</u>
<b>Expenditures</b>				
Current:				
Transportation	-	450,000	-	(450,000)
Total expenditures	<u>-</u>	<u>450,000</u>	<u>-</u>	<u>(450,000)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers out	-	(500,000)	-	500,000
Total financing sources/(uses)	<u>-</u>	<u>(500,000)</u>	<u>-</u>	<u>500,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>50,000</u>	<u>977,346</u>	<u>927,346</u>
Fund balances - beginning	291,519	171,311	1,126,589	955,278
Fund balances - ending	<u>\$ 291,519</u>	<u>\$ 221,311</u>	<u>\$ 2,103,935</u>	<u>\$ 1,882,624</u>

## INTERNAL SERVICE FUNDS

Internal service funds are used to account for the financing of goods or services provided by one department to other departments of the government and to other government units on a cost reimbursement basis.

**Equipment Rental Operations:** accounts for the funds used to finance the maintenance, and repair of equipment and inventory used in fulfilling the objectives of all departments having equipment purchased and/or maintained by the Equipment Rental and Revolving fund.

**Equipment Rental Replacement:** accounts for the funds used to finance the purchase and replacement of equipment and inventory used in fulfilling the objectives of all departments having equipment purchased and/or maintained by the Equipment Rental and Revolving fund.

**Facility Replacement:** accounts for the accumulation and use of funds for major repairs, maintenance and replacement of City facilities.

**Computer Replacement:** accounts for the funds used to finance the purchase and replacement of computer equipment and inventory used in fulfilling the objectives of all departments.

**Self-Insurance:** A self-insurance fund to finance the uninsured liability claims and deductible portions of insured liability claims against the City.

**Unemployment Insurance:** A self-insurance fund to finance unemployment claim settlements and decisions against the City by former employees.

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

<b>Assets</b>	<b>Equipment Rental Operations</b>	<b>Equipment Rental Replacement</b>	<b>Facility Repair</b>	<b>Computer Replacement</b>	<b>Self Insurance</b>	<b>Unemployment Insurance</b>	<b>Total</b>
<b>Current assets:</b>							
Cash and cash equivalents	\$ 327,088	\$ 441,345	\$ 459,133	\$ 692,046	\$ 295,549	\$ 225,166	\$ 2,440,328
Cash restricted for retainage	-	-	18,244	-	-	-	18,244
Investments	-	1,770,747	-	702,020	560,366	289,566	3,322,698
Receivables - interest	-	4,122	-	3,697	5,054	1,330	14,204
Receivables - customers	8,516	-	-	-	-	-	8,516
Inventory	17,933	-	-	-	-	-	17,933
Total current assets	<u>353,537</u>	<u>2,216,214</u>	<u>477,377</u>	<u>1,397,763</u>	<u>860,970</u>	<u>516,062</u>	<u>5,821,923</u>
<b>Noncurrent assets:</b>							
Capital assets: (net of accumulated depreciation)							
Construct work in process	-	-	144,471	-	-	-	144,471
Equipment	-	2,104,791	-	220,940	-	-	2,325,731
Intangible Assets	28,390	-	-	638	-	-	29,028
Total noncurrent assets	<u>28,390</u>	<u>2,104,791</u>	<u>144,471</u>	<u>221,578</u>	<u>-</u>	<u>-</u>	<u>2,499,230</u>
Total assets	<u>381,927</u>	<u>4,321,005</u>	<u>621,848</u>	<u>1,619,341</u>	<u>860,970</u>	<u>516,062</u>	<u>8,321,153</u>
<b>Liabilities</b>							
<b>Current liabilities:</b>							
Accounts payable	42,220	46,744	1,451	-	11,889	-	102,304
Retainage paid from restricted assets	-	-	18,244	-	-	-	18,244
Compensated absences	583	-	-	-	-	-	583
Total current liabilities	<u>42,803</u>	<u>46,744</u>	<u>19,695</u>	<u>-</u>	<u>11,889</u>	<u>-</u>	<u>121,131</u>
<b>Noncurrent liabilities:</b>							
Compensated absences	19,361	-	-	-	-	-	19,361
Total noncurrent liabilities	<u>19,361</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,361</u>
Total liabilities	<u>62,163</u>	<u>46,744</u>	<u>19,695</u>	<u>-</u>	<u>11,889</u>	<u>-</u>	<u>140,492</u>
<b>Net Position</b>							
Investment in capital assets	28,390	2,104,791	144,471	221,578	-	-	2,499,230
Unrestricted	291,374	2,169,470	457,682	1,397,763	849,081	516,062	5,681,432
Total net position	<u>\$ 319,763</u>	<u>\$ 4,274,261</u>	<u>\$ 602,153</u>	<u>\$ 1,619,341</u>	<u>\$ 849,081</u>	<u>\$ 516,062</u>	<u>\$ 8,180,661</u>

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

	Equipment Rental Operations	Equipment Rental Replacement	Facility Repair	Computer Replacement	Self Insurance	Unemployment Insurance	Total
<b>Operating Revenues</b>							
Charges for services	\$ 521,927	\$ -	\$ -	\$ 149,800	\$ 694,147	\$ 35,771	\$ 1,401,645
Total operating revenues	521,927	-	-	149,800	694,147	35,771	1,401,645
<b>Operating Expenses</b>							
Depreciation	2,049	404,843	-	54,453	-	-	461,346
Salaries and benefits	197,392	-	-	-	-	31,828	229,220
Supplies	267,505	31,292	-	46,518	-	-	345,315
Other services and charges	124,272	-	19,821	-	712,436	-	856,529
Interfund payments for services	22,907	-	-	-	-	-	22,907
Total operating expenses	614,126	436,136	19,821	100,971	712,436	31,828	1,915,317
Operating income (loss)	(92,198)	(436,136)	(19,821)	48,829	(18,289)	3,943	(513,671)
<b>Nonoperating Revenues (Expenses)</b>							
Investment income	237	(2,186)	413	(181)	368	(3,295)	(4,644)
Gain (loss) on disposal of capital assets	-	15,450	(226,862)	-	-	-	(211,412)
Insurance recovery	9,784	-	-	-	-	-	9,784
Investment in capital assets	-	-	-	(6,857)	-	-	(6,857)
Total nonoperating revenues (expenses)	10,021	13,264	(226,449)	(7,037)	368	(3,295)	(213,129)
Income (loss) before contributions and transfers	(82,177)	(422,872)	(246,270)	41,792	(17,921)	648	(726,800)
Transfers in	-	140,000	51,000	-	-	-	191,000
Change in net position	(82,177)	(282,872)	(195,270)	41,792	(17,921)	648	(535,800)
Total net position - beginning	401,941	4,557,133	797,422	1,577,550	867,002	515,415	8,716,461
Total net position - ending	\$ 319,763	\$ 4,274,261	\$ 602,153	\$ 1,619,341	\$ 849,081	\$ 516,062	\$ 8,180,661

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

	Equipment Rental Operations	Equipment Rental Replacement	Facility Repair	Computer Replacement	Self Insurance	Unemployment Insurance	Total
<b>Cash Flows From Operating Activities:</b>							
Cash received from customers and users	\$ 513,431	\$ -	\$ -	\$ 149,800	\$ 694,147	\$ 35,771	\$ 1,393,149
Cash payments to suppliers	(403,101)	(44,442)	(126)	(46,518)	(706,451)	(14,498)	(1,215,136)
Cash payments to employees and retirees	(198,931)	-	-	-	-	(31,828)	(230,759)
Net cash provided (used) by operating activities	(88,601)	(44,442)	(126)	103,282	(12,304)	(10,555)	(52,746)
<b>Cash Flows From Noncapital Financing Activities</b>							
Insurance repair recovery	9,784	-	-	-	-	-	9,784
Transfers In (Out)	-	140,000	-	-	-	-	140,000
Net cash provided (used) by noncapital financing activities	9,784	140,000	-	-	-	-	149,784
<b>Cash Flows From Capital Financing Activities</b>							
Proceeds from disposition of capital assets	-	15,450	(226,862)	-	-	-	(211,412)
Acquisition and construction of capital assets	-	(340,368)	51,000	(88,825)	-	-	(378,193)
Net cash provided (used) by capital financing activities	-	(324,918)	(175,862)	(88,825)	-	-	(589,605)
<b>Cash Flows From Investing Activities</b>							
Purchase of investments	-	(5,421)	-	(50,288)	-	(7,325)	(63,034)
Investment sales and income	237	50,453	413	8,618	13,170	(1,468)	71,423
Net cash provided (used) by investing activities	237	45,032	413	(41,670)	13,170	(8,793)	8,389
<b>Net increase (decrease) in cash and cash equivalents</b>	(78,580)	(184,328)	(175,575)	(27,213)	866	(19,348)	(484,178)
<b>Cash and cash equivalents, January 1</b>	405,668	625,674	652,952	719,258	294,684	244,514	2,942,750
<b>Cash and cash equivalents, December 31</b>	\$ 327,088	\$ 441,345	\$ 477,377	\$ 692,046	\$ 295,549	\$ 225,166	\$ 2,458,572
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>							
Operating income (loss)	\$ (92,198)	\$ (436,136)	\$ (19,821)	\$ 48,829	\$ (18,289)	\$ 3,943	\$ (513,672)
Adjustments to reconcile operating income (loss) to net cash provided (used) operating activities:							
Depreciation	2,049	404,844	-	54,453	-	-	461,346
(Increase) decrease in customer receivables	(5,490)	-	-	-	-	-	(5,490)
(Increase) decrease in inventory	(3,006)	-	-	-	-	-	(3,006)
Increase (decrease) in accounts payable	11,583	(13,150)	19,695	-	5,985	(14,498)	9,615
Increase (decrease) in compensated absences	(1,539)	-	-	-	-	-	(1,539)
Total adjustments	3,597	391,694	19,695	54,453	5,985	(14,498)	460,926
<b>Net cash provided (used) by operating activities</b>	\$ (88,601)	\$ (44,442)	\$ (126)	\$ 103,282	\$ (12,304)	\$ (10,555)	\$ (52,746)

The City is not aware of any material noncash transactions.

## STATISTICAL SECTION

The statistical section presents detailed information, typically in ten year trends, which assists users in utilizing the basic financial statements, notes to the basic financial statements, and required supplemental information to assess the economic and financial condition of the City of Des Moines.

### 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 Component.....	122
Schedule 2	Changes in Net Position.....	124
Schedule 3	Governmental Activities Tax Revenues by Source.....	126
Schedule 4	Fund Balance of Governmental Funds.....	127
Schedule 5	Changes in Fund Balances of Governmental Funds.....	129
Schedule 6	Changes in Fund Balances – General Fund.....	131

### 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 7	Assessed Value of Taxable Property.....	133
Schedule 8	Property Tax Rates.....	134
Schedule 9	Principal Property Tax Payers.....	135
Schedule 10	Property Tax Levies and Collections.....	136
Schedule 11	Marina Rates.....	137
Schedule 12	Marina Rates & Waiting List Counts.....	138

### 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 13	Ratios of Outstanding Debt by Type.....	139
Schedule 14	Ratios of General Bonded Debt Outstanding and Bonded Debt Per Capita.....	140
Schedule 15	Legal Debt Margin.....	141
Schedule 16	Direct and Overlapping Governmental Activities Debt.....	142
Schedule 17	Marina Debt Service Coverage.....	143

### 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 18	Demographic and Economic Statistics.....	144
Schedule 19	Employment by Type of Employment Sector.....	145

**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.*

Schedule 20	Full-Time Equivalent City Government Employees by Function.....	146
Schedule 21	Operating Indicators by Function.....	147
Schedule 22	Capital Used by Function.....	150



**City of Des Moines, Washington**  
**SCHEDULE 1**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**Fiscal Year Ended December 31**

	2012	2013	2014	2015	2016
Governmental activities					
Net investment in capital assets	\$ 141,021,245	\$ 146,815,388	\$ 151,709,766	\$ 156,176,387	\$ 165,480,452
Restricted for:					
General Government	-	-	-	-	-
Public safety - drug related	-	-	7,545	74,729	163,362
Natural and economic environment	-	-	8,162	9,594	1,525,059
Capital & transportation improvement	1,135,212	4,709,515	3,608,825	3,935,966	5,409,774
Pensions	-	-	-	-	-
Other	432,385	422,043	-	36,145	174,468
Unrestricted	3,056,673	4,177,401	3,496,038	(25,577)	2,092,532
Total government activities net position	145,645,515	156,124,347	158,830,336	160,207,244	174,845,647
Business-type activities					
Net investment capital assets	19,581,376	19,598,546	20,331,772	20,796,221	22,844,968
Restricted for:					
Pensions	-	-	-	-	-
Unrestricted	4,002,558	4,098,044	4,148,860	3,484,989	3,814,399
Total business-type activities net position	23,583,934	23,696,590	24,480,632	24,281,210	26,659,367
Primary government					
Net investment in capital assets	160,602,621	166,413,934	172,041,538	176,972,608	188,325,420
Restricted	1,567,597	5,131,558	3,624,532	4,056,434	7,272,663
Unrestricted	7,059,231	8,275,445	7,644,898	3,459,412	5,906,931
Total primary government net position	<u>\$ 169,229,449</u>	<u>\$ 179,820,937</u>	<u>\$ 183,310,968</u>	<u>\$ 184,488,454</u>	<u>\$ 201,505,014</u>

**City of Des Moines, Washington**  
**SCHEDULE 1**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**Fiscal Year Ended December 31**

	2017	2018	2019	2020	2021
Governmental activities					
Net investment in capital assets	\$ 167,168,607	\$ 151,895,647	\$ 161,822,341	\$ 167,310,822	\$ 172,842,966
Restricted for:					
General Government	-	-	-	-	-
Public safety - drug related	277,593	392,557	387,479	313,170	591,018
Natural and economic environment	-	-	-	-	-
Capital & transportation improvement	6,956,038	10,837,424	13,126,256	16,672,914	16,070,544
Pensions	-	-	-	-	4,500,811
Other	151,274	2,133,503	250,665	473,679	508,885
Unrestricted	11,649,381	15,604,590	16,639,477	15,234,215	13,841,722
Total government activities net position	186,202,893	180,863,721	192,226,218	200,004,800	208,355,947
Business-type activities					
Net investment capital assets	23,632,188	24,393,705	25,661,447	26,827,249	28,144,759
Restricted for:					
Pensions	-	-	-	-	79,435
Unrestricted	5,382,852	7,493,135	9,385,222	10,768,798	12,918,151
Total business-type activities net position	29,015,040	31,886,840	35,046,669	37,596,047	41,142,345
Primary government					
Net investment in capital assets	190,800,795	176,289,352	187,483,788	194,138,071	200,987,725
Restricted	7,384,905	13,363,484	13,764,400	17,459,763	21,750,693
Unrestricted	17,032,233	23,097,725	26,024,699	26,003,013	26,759,874
Total primary government net position	<u>\$ 215,217,933</u>	<u>\$ 212,750,561</u>	<u>\$ 227,272,888</u>	<u>\$ 237,600,847</u>	<u>\$ 249,498,292</u>

## City of Des Moines, Washington

## SCHEDULE 2

## Changes in Net Position

## Last Ten Fiscal Years

## (accrual basis of accounting)

## Fiscal Year Ended December 31

	2012	2013	2014	2015	2016
<b>Expenses</b>					
<i>Governmental activities:</i>					
General government	\$ 2,861,045	\$ 2,891,578	\$ 2,604,462	\$ 3,571,024	\$ 3,595,007
Public safety	8,460,564	8,294,573	8,416,068	8,504,433	9,173,408
Transportation	3,383,381	3,691,607	4,023,670	3,858,820	4,070,236
Natural & economic environment	1,858,866	1,566,237	1,611,296	1,737,674	1,907,869
Social services	507,538	430,516	433,979	431,599	390,691
Culture and recreation	2,396,268	2,312,635	2,498,390	2,872,515	2,944,600
Interest on long term debt	132,417	123,374	109,866	109,497	100,276
Total governmental activities expenses	19,600,079	19,310,520	19,697,731	21,085,562	22,182,087
<i>Business-type activities</i>					
Marina	4,259,474	4,248,064	4,261,962	3,572,188	3,377,089
Surface Water Management	2,149,231	2,321,296	2,603,807	2,703,569	3,137,876
Total business-type activities expenses	6,408,705	6,569,360	6,865,769	6,275,757	6,514,965
Total primary government expenses	26,008,784	25,879,880	26,563,500	27,361,319	28,697,052
<b>Program revenues</b>					
<i>Governmental Activities:</i>					
<i>Charges for service</i>					
General government	1,885,535	2,163,656	1,914,058	2,731,416	3,682,451
Public safety	347,055	287,939	246,402	890,665	803,991
Transportation	681,937	6,829,892	1,056,304	1,663,571	2,078,030
Natural & economic environment	961,814	1,581,729	1,486,411	709,235	1,579,787
Social services	60,716	55,743	79,391	28,211	259,754
Culture and recreation	790,647	867,753	1,105,946	897,339	1,718,106
Operating grants and contributions	1,400,674	908,341	908,893	113,031	69,828
Capital grants and contributions	1,857,638	6,061,664	4,159,387	5,336,551	9,569,195
Total government activities program revenues	7,986,016	18,756,717	10,956,792	12,370,019	19,761,142
<i>Business-type activities</i>					
Charges for services	6,435,074	6,745,077	6,875,054	6,832,738	7,215,142
Operating grants and contributions	59,334	-	101,769	89,640	23,071
Capital grants and contributions	159,997	215,619	301,394	376,086	1,618,627
Total business-type activities program revenues	6,654,405	6,960,696	7,278,217	7,298,464	8,856,840
Total primary government program revenues	14,640,421	25,717,413	18,235,009	19,668,483	28,617,982
<b>Net revenues (expenses)</b>					
Governmental activities	(553,803)	(8,740,939)	(8,715,543)	(2,420,945)	(6,862,551)
Business-type activities	391,336	412,448	1,022,707	2,341,875	2,346,767
Total primary government	\$ (162,467)	\$ (8,328,491)	\$ (7,692,836)	\$ (79,070)	\$ (4,515,784)
<b>General revenues and other changes in net assets</b>					
<i>Governmental Activities:</i>					
<i>Taxes</i>					
Property taxes	3,923,750	3,625,404	3,572,655	4,434,497	4,725,949
Sales and use taxes	2,201,110	2,426,258	2,576,067	3,206,792	3,789,673
Occupational & utility taxes	3,689,555	3,723,790	3,465,371	4,112,763	5,205,172
Other taxes	545,053	773,949	1,149,022	1,704,800	2,448,932
Federal and state entitlements	471,378	380,046	433,600	503,659	629,125
Gain/(loss) on disposal of capital assets	-	-	-	-	-
Miscellaneous	150,695	213,432	105,813	41,019	60,069
Transfers	(232,423)	1,052	144,400	1,052	30,000
Total governmental activities	10,749,118	11,143,931	11,446,928	14,004,582	16,888,920
<i>Business-type activities</i>					
Gain/(loss) on disposal of capital assets	-	(190,760)	-	-	-
Miscellaneous	20,710	4,592	21,714	5,690	32,579
Special Item: Insurance proceeds	-	-	494,276	-	-
Transfers	(1,052)	(144,400)	(1,052)	(1,052)	(30,000)
Total business-type activities	19,658	(330,568)	514,938	4,638	2,579
Total primary government	10,768,776	10,813,363	11,961,866	14,009,220	16,891,499
<b>Changes in net position</b>					
Governmental activities	10,195,315	2,402,992	2,731,385	11,583,637	10,026,369
Business-type activities	410,994	81,880	1,537,645	2,346,513	2,349,346
Total primary government	\$ 10,606,309	\$ 2,484,872	\$ 4,269,030	\$ 13,930,150	\$ 12,375,715

\* Investment interest is so small it is combined with miscellaneous starting in 2012.

## City of Des Moines, Washington

## SCHEDULE 2

## Changes in Net Position

## Last Ten Fiscal Years

## (accrual basis of accounting)

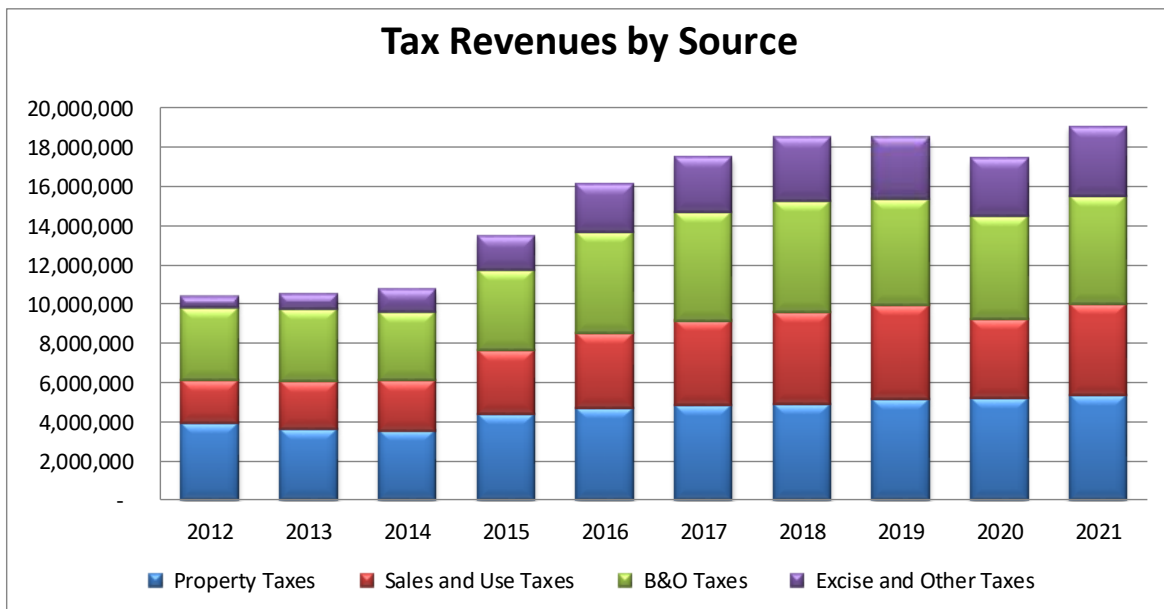
## Fiscal Year Ended December 31

	2017	2018	2019	2020	2021
<b>Expenses</b>					
<i>Governmental activities:</i>					
General government	\$ 1,506,250	\$ 2,427,618	\$ 4,897,324	\$ 7,455,194	\$ 6,450,331
Public safety	10,968,443	11,305,754	11,439,041	10,279,581	10,520,726
Transportation	5,548,986	7,245,952	5,610,219	5,098,069	6,406,029
Natural & economic environment	1,912,880	2,497,651	2,519,763	2,250,829	2,704,865
Social services	547,167	574,723	673,949	653,687	851,254
Culture and recreation	3,827,987	3,661,931	3,839,881	2,844,857	2,963,459
Interest on long term debt	90,026	179,081	243,375	241,004	254,480
Total governmental activities expenses	24,401,739	27,892,710	29,223,552	28,823,221	30,151,144
<i>Business-type activities</i>					
Marina	3,334,849	3,339,531	3,409,059	3,454,690	3,220,697
Surface Water Management	3,110,283	3,080,255	3,151,742	3,380,182	3,229,184
Total business-type activities expenses	6,445,132	6,419,786	6,560,800	6,834,872	6,449,881
Total primary government expenses	30,846,871	34,312,496	35,784,352	35,658,093	36,601,025
<b>Program revenues</b>					
<i>Governmental Activities:</i>					
<i>Charges for service</i>					
General government	5,014,146	5,211,955	4,118,851	3,674,275	4,922,922
Public safety	3,624,993	3,191,855	2,707,163	2,083,185	2,122,235
Transportation	2,683,589	2,751,130	3,816,031	2,402,248	1,628,454
Natural & economic environment	1,542,737	1,710,282	1,612,991	2,174,847	1,492,472
Social services	86,681	95,885	-	-	-
Culture and recreation	1,774,631	1,655,373	1,889,702	135,057	91,181
Operating grants and contributions	196,689	244,250	659,139	2,402,789	6,024,726
Capital grants and contributions	2,615,722	2,938,608	5,162,442	5,410,355	5,638,584
Total government activities program revenues	17,539,188	17,799,338	19,966,319	18,282,756	21,920,574
<i>Business-type activities</i>					
Charges for services	3,984,587	8,007,408	8,481,330	8,600,513	9,322,278
Operating grants and contributions	3,626,541	50,000	-	137,670	58,943
Capital grants and contributions	1,180,771	1,184,380	1,404,703	195,798	570,953
Total business-type activities program revenues	8,791,899	9,241,788	9,886,033	8,933,981	9,952,174
Total primary government program revenues	26,331,087	27,041,126	29,852,353	27,216,737	31,872,748
<b>Net revenues (expenses)</b>					
Governmental activities	(10,093,372)	(9,257,232)	(9,257,232)	(10,540,465)	(8,230,570)
Business-type activities	2,822,002	3,325,233	3,325,233	2,099,109	3,502,293
Total primary government	\$ (7,271,370)	\$ (5,932,000)	\$ (5,932,000)	\$ (8,441,356)	\$ (4,728,277)
<b>General revenues and other changes in net assets</b>					
<i>Governmental Activities:</i>					
<i>Taxes</i>					
Property taxes	4,818,554	4,923,142	5,107,176	5,191,679	5,318,999
Sales and use taxes	4,334,206	4,673,247	4,824,984	4,073,814	4,739,337
Occupational & utility taxes	5,531,836	5,720,290	5,450,907	5,253,187	5,436,378
Other taxes	2,820,630	3,171,696	3,105,633	2,920,514	3,545,584
Federal and state entitlements	567,422	649,556	618,477	-	(209,797)
Gain/(loss) on disposal of capital assets	-	25,000	31,730	(40,732)	15,450
Miscellaneous	117,149	405,091	778,784	1,240,567	680,437
Transfers	30,000	-	265,637	(279,000)	(82,474)
Total governmental activities	18,219,797	19,568,022	20,183,328	18,360,029	19,443,914
<i>Business-type activities</i>					
Gain/(loss) on disposal of capital assets	-	-	490	-	-
Miscellaneous	38,906	147,617	252,277	175,476	(37,429)
Special Item: Insurance proceeds	-	-	-	-	-
Transfers	(30,000)	-	(265,637)	279,000	82,474
Total business-type activities	8,906	147,617	(12,871)	454,476	45,045
Total primary government	18,228,703	19,715,639	20,170,457	18,814,505	19,488,959
<b>Changes in net position</b>					
Governmental activities	8,126,425	10,310,790	10,926,095	7,819,564	11,213,344
Business-type activities	2,830,908	3,472,850	3,312,362	2,553,585	3,547,338
Total primary government	\$ 10,957,333	\$ 13,783,639	\$ 14,238,457	\$ 10,373,149	\$ 14,760,682

\* Investment interest is so small it is combined with miscellaneous starting in 2012.

**City of Des Moines, Washington**  
**SCHEDULE 3**  
**Governmental Activities Tax Revenues by Source**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**

Fiscal Year Ended December 31	Property Taxes	Sales and Use Taxes	B&O Taxes	Excise and Other Taxes	Total Taxes
2012	3,923,750	2,201,110	3,689,555	545,053	10,359,468
2013	3,625,404	2,426,258	3,723,790	773,949	10,549,401
2014	3,572,655	2,576,067	3,465,371	1,149,022	10,763,115
2015	4,434,497	3,206,792	4,112,763	1,704,800	13,458,852
2016	4,725,949	3,789,673	5,205,172	2,448,932	16,169,726
2017	4,818,554	4,334,206	5,531,836	2,820,630	17,505,226
2018	4,923,142	4,673,247	5,720,290	3,171,696	18,488,375
2019	5,107,176	4,824,984	5,450,907	3,105,633	18,488,700
2020	5,191,679	4,073,814	5,253,187	2,920,514	17,439,194
2021	5,318,999	4,739,337	5,436,378	3,545,584	19,040,298



**City of Des Moines, Washington**  
**SCHEDULE 4**  
**Fund Balance of Governmental Funds**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**Fiscal Year Ended December 31**

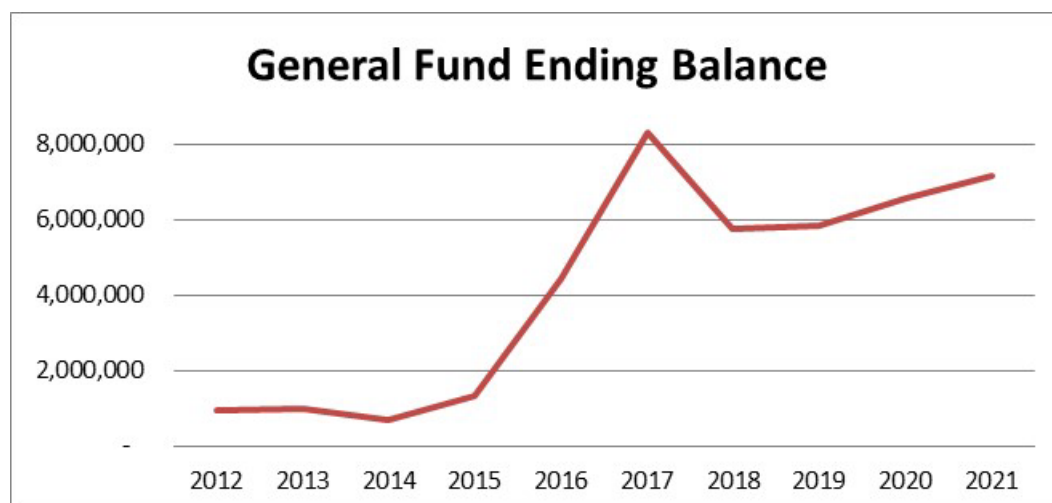
	2012	2013	2014	2015	2016
<b><u>General fund</u></b>					
Assigned	\$ 155,401	\$ 174,733	\$ -	\$ -	\$ 1,647,703
Restricted	-	-	-	-	-
Unassigned*	805,175	805,175	677,556	1,339,266	2,793,021
Total general fund	<u>960,576</u>	<u>979,908</u>	<u>677,556</u>	<u>1,339,266</u>	<u>4,440,724</u>
<b><u>All other governmental funds</u></b>					
Restricted:					
General government	-	-	-	-	-
Transportation	329,235	372,569	3,608,825	3,935,966	5,409,774
Public safety	-	-	7,545	74,729	163,362
Natural and economic environment	-	-	8,162	9,594	17,374
Social Services	-	-	-	-	-
Special revenue fund purpose	-	-	-	46,399	-
Culture and recreation	-	-	-	-	-
General obligation debt	-	-	36,664	36,145	34,450
Committed	414,755	335,351	-	-	134,053
Assigned, reported in:					
Special revenue funds	-	-	-	-	-
Natural and economic environment	-	-	-	-	-
Debt service funds	229	232	-	-	-
Capital projects fund	1,135,212	4,709,515	49,356	-	-
Unassigned*	-	-	-	-	-
Total all other governmental	<u>1,879,431</u>	<u>5,417,667</u>	<u>3,710,552</u>	<u>4,102,833</u>	<u>5,759,013</u>
<b>Total governmental funds</b>	<u>\$ 2,840,007</u>	<u>\$ 6,397,575</u>	<u>\$ 4,388,108</u>	<u>\$ 5,442,099</u>	<u>\$ 10,199,737</u>

\* Stabilization fund has been reclassified in all years from "Committed" to "Unassigned".

**City of Des Moines, Washington**  
**SCHEDULE 4**  
**Fund Balance of Governmental Funds**  
**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**Fiscal Year Ended December 31**

	2017	2018	2019	2020	2021
<b><u>General fund</u></b>					
Assigned	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	51,910	86,857	86,857	86,857
Unassigned*	8,311,073	5,691,309	5,751,141	6,477,918	7,077,095
Total general fund	<u>8,311,073</u>	<u>5,743,219</u>	<u>5,837,998</u>	<u>6,564,775</u>	<u>7,163,952</u>
<b><u>All other governmental funds</u></b>					
Restricted:					
General government	-	-	-	-	-
Transportation	6,956,038	10,837,424	13,126,256	16,672,914	16,070,544
Public safety	277,593	392,557	387,479	313,170	591,018
Natural and economic environment	-	-	-	-	347,000
Social Services	-	-	-	-	240,000
Special revenue fund purpose	-	-	-	-	-
Culture and recreation	91,365	-	-	241,327	291,327
General obligation debt	59,909	2,081,593	163,808	145,495	130,701
Committed	1,393,930	2,543,684	3,263,455	3,342,519	3,837,365
Assigned, reported in:					
Special revenue funds	-	-	-	-	-
Natural and economic environment	-	4,699,442	4,260,517	4,662,946	3,553,588
Debt service funds	-	-	-	-	-
Capital projects fund	-	-	-	-	-
Unassigned*	-	-	-	-	(1,263,946)
Total all other governmental	<u>8,778,835</u>	<u>20,554,700</u>	<u>21,201,515</u>	<u>25,378,371</u>	<u>23,797,597</u>
<b>Total governmental funds</b>	<u>\$ 17,089,908</u>	<u>\$ 26,297,919</u>	<u>\$ 27,039,513</u>	<u>\$ 31,943,146</u>	<u>\$ 30,961,549</u>

\* Stabilization fund has been reclassified in all years from "Committed" to "Unassigned".



**City of Des Moines, Washington**  
**SCHEDULE 5**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**Fiscal Year Ended December 31**

	2012	2013	2014	2015	2016
<b><u>Revenue</u></b>					
Taxes	\$ 10,349,018	\$ 10,573,987	\$ 11,238,899	\$ 13,439,327	\$ 16,162,743
Licenses and permits	1,672,885	1,942,938	1,839,716	2,048,118	3,067,867
Intergovernmental revenue	4,675,623	6,069,023	5,656,735	6,494,613	8,725,492
Charges for services	3,101,303	9,750,716	4,246,290	3,725,662	5,551,023
Fines and forfeitures	612,142	750,282	673,856	602,067	636,931
Investment and miscellaneous	328,287	619,882	442,093	719,878	842,149
Total revenues	<u>20,739,258</u>	<u>29,706,828</u>	<u>24,097,589</u>	<u>27,029,665</u>	<u>34,986,205</u>
<b><u>Expenditures</u></b>					
<i>Current:</i>					
General government	3,698,621	3,761,510	3,781,096	3,834,410	4,745,580
Public safety	7,861,259	8,010,330	8,468,213	8,481,100	8,713,276
Transportation	1,908,380	2,007,622	2,295,669	2,366,480	2,630,275
Natural & economic environment	1,781,873	1,646,373	1,656,511	1,876,971	2,087,919
Social services	462,511	394,723	403,662	413,128	342,558
Culture and recreation	1,779,013	1,838,761	2,013,767	2,338,020	2,417,613
<i>Capital outlay:</i>					
General government	3,408,026	7,955,952	70,150	34,500	41,374
Public safety	-	-	-	-	-
Transportation	-	-	6,296,468	5,445,867	8,622,139
Social services	-	-	28,730	5,776	-
Culture and recreation	-	-	739,201	702,597	287,849
<i>Debt service:</i>					
Principal	277,291	273,517	301,732	275,474	290,773
Interest	138,536	128,856	120,017	109,497	100,276
Total expenditures	<u>21,315,510</u>	<u>26,017,644</u>	<u>26,175,216</u>	<u>25,883,820</u>	<u>30,279,632</u>
Excess of revenues over (under) expenditures	(576,252)	3,689,184	(2,077,627)	1,145,845	4,706,573
<b><u>Other financing sources (uses)</u></b>					
Disposition of capital assets	6,424	-	-	-	-
Proceeds of general debt	-	-	-	-	-
Insurance recoveries	4,014	-	-	-	-
Transfers in	1,298,010	1,184,315	1,671,997	545,182	1,458,450
Transfers out	(1,378,240)	(1,213,532)	(1,583,596)	(636,929)	(1,407,385)
Total other financing sources (uses)	<u>(69,792)</u>	<u>(29,217)</u>	<u>88,401</u>	<u>(91,747)</u>	<u>51,065</u>
Net change in fund balances	<u>\$ (646,044)</u>	<u>\$ 3,659,967</u>	<u>\$ (1,989,226)</u>	<u>\$ 1,054,098</u>	<u>\$ 4,757,638</u>
Debt services as percentage of noncapital expenditures	2.32%	2.23%	2.21%	1.95%	1.83%



**City of Des Moines, Washington**  
**SCHEDULE 5**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**Fiscal Year Ended December 31**

	2017	2018	2019	2020	2021
<b>Revenue</b>					
Taxes	\$ 17,459,824	\$ 18,569,125	\$ 18,494,678	\$ 17,419,563	\$ 19,040,115
Licenses and permits	3,569,217	3,673,760	2,684,847	3,085,680	2,953,553
Intergovernmental revenue	2,475,567	2,005,505	4,208,699	8,339,146	8,146,452
Charges for services	8,105,256	9,308,004	9,555,155	7,796,554	4,274,103
Fines and forfeitures	3,250,032	2,517,155	2,213,848	1,467,730	1,592,363
Investment and miscellaneous	1,200,968	1,366,929	1,341,733	969,271	631,594
Total revenues	<u>36,060,864</u>	<u>37,440,478</u>	<u>38,498,959</u>	<u>39,077,944</u>	<u>36,638,180</u>
<b>Expenditures</b>					
<i>Current:</i>					
General government	5,262,852	5,657,121	6,598,351	7,246,812	6,925,209
Public safety	11,345,787	12,074,811	12,728,571	12,149,841	11,573,523
Transportation	3,491,903	5,046,354	3,400,850	2,834,762	3,634,028
Natural & economic environment	2,027,727	2,494,549	2,527,190	2,440,505	2,684,375
Social services	525,135	608,597	658,348	699,546	811,860
Culture and recreation	3,261,039	3,187,615	3,379,450	2,567,402	2,237,878
<i>Capital outlay:</i>					
General government	8,705	-	-	-	17,756
Public safety	-	6,600	27,964	-	-
Transportation	1,491,622	425,572	6,329,182	2,441,842	848,269
Social services	-	17,826	17,826	-	-
Culture and recreation	1,474,704	1,282,278	2,294,126	2,997,759	8,141,016
<i>Debt service:</i>					
Principal	301,185	1,729,777	295,229	304,798	313,017
Interest	90,026	179,081	108,255	173,858	165,817
Total expenditures	<u>29,280,685</u>	<u>32,710,181</u>	<u>38,365,342</u>	<u>33,857,125</u>	<u>37,352,748</u>
Excess of revenues over (under) expenditures	4,706,573	6,780,179	133,617	5,220,819	(714,568)
<b>Other financing sources (uses)</b>					
Disposition of capital assets	-	4,902,561	-	-	-
Proceeds of general debt	-	-	-	-	-
Insurance recoveries	-	-	10,958	8,558	9,784
Transfers in	2,237,640	4,104,416	4,394,768	579,279	1,871,079
Transfers out	(2,127,657)	(4,479,266)	(4,223,157)	(858,439)	(2,144,553)
Total other financing sources (uses)	<u>109,983</u>	<u>4,527,711</u>	<u>182,568</u>	<u>(270,602)</u>	<u>(263,690)</u>
Net change in fund balances	<u>\$ 4,816,556</u>	<u>\$ 11,307,890</u>	<u>\$ 316,185</u>	<u>\$ 4,950,217</u>	<u>\$ (978,258)</u>
Debt services as percentage of noncapital expenditures	1.49%	6.16%	1.36%	1.68%	1.69%

**City of Des Moines, Washington**  
**SCHEDULE 6**  
**Changes in Fund Balances - General Fund**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**Fiscal Year Ended December 31**

	2012	2013	2014	2015	2016
<b>Revenue</b>					
Taxes	\$ 8,945,763	\$ 9,886,470	\$ 9,747,013	\$ 11,732,376	\$ 13,324,912
Licenses and permits	1,672,885	1,942,938	1,839,716	2,048,118	3,067,867
Intergovernmental revenue	1,160,301	614,664	627,087	680,664	755,611
Charges for services	2,475,975	3,003,189	3,264,700	2,938,642	4,367,150
Fines and forfeitures	612,142	750,282	673,797	237,701	208,957
Investment and miscellaneous	228,074	265,187	394,042	393,508	636,820
Total revenues	<u>15,095,140</u>	<u>16,462,730</u>	<u>16,546,355</u>	<u>18,031,009</u>	<u>22,361,317</u>
<b>Expenditures</b>					
<i>Current:</i>					
General government	3,698,621	3,759,218	3,778,479	3,833,985	4,729,660
Public safety	6,863,142	8,007,940	8,465,685	8,221,024	8,460,406
Transportation	571,266	511,614	627,191	708,739	734,225
Natural & economic environment	1,766,739	1,626,551	1,656,511	1,850,725	1,885,630
Social services	462,511	394,723	403,662	413,128	342,558
Culture and recreation	1,779,013	1,837,890	2,013,132	2,207,355	2,343,570
<i>Capital outlay:</i>	9,264	73,609	-	57,147	41,374
<i>Debt Service:</i>					
Principal	-	-	31,549	-	-
Interest	-	-	1,060	-	-
Total expenditures	<u>15,150,556</u>	<u>16,211,545</u>	<u>16,944,660</u>	<u>17,292,103</u>	<u>18,537,423</u>
Excess of revenues over (under) expenditures	(55,416)	251,185	(398,305)	738,906	3,823,894
<b>Other financing sources (uses)</b>					
Disposition of assets & insurance	10,438	-	-	-	-
Proceeds of general debt	-	-	-	-	-
Transfers in	258,764	14,361	300,000	242	-
Transfers out	(242,581)	(164,720)	(171,436)	(77,439)	(722,436)
Total other financing sources (uses)	<u>26,621</u>	<u>(150,359)</u>	<u>128,564</u>	<u>(77,197)</u>	<u>(722,436)</u>
Net change in fund balances	<u>\$ (28,795)</u>	<u>\$ 100,826</u>	<u>\$ (269,741)</u>	<u>\$ 661,709</u>	<u>\$ 3,101,458</u>

**City of Des Moines, Washington**  
**SCHEDULE 6**  
**Changes in Fund Balances - General Fund**  
**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**Fiscal Year Ended December 31**

	2017	2018	2019	2020	2021
<b><u>Revenue</u></b>					
Taxes	\$ 14,154,457	\$ 14,937,997	\$ 14,962,702	\$ 14,024,104	\$ 14,993,094
Licenses and permits	3,041,820	1,108,670	1,351,022	1,441,860	1,464,304
Intergovernmental revenue	738,018	797,349	854,609	2,321,793	1,509,033
Charges for services	6,323,195	5,010,330	5,376,073	5,076,241	2,864,774
Fines and forfeitures	2,861,613	2,148,642	1,951,589	1,352,441	1,449,709
Investment and miscellaneous	524,531	568,279	574,375	210,150	371,542
Total revenues	<u>27,643,634</u>	<u>24,571,267</u>	<u>25,070,369</u>	<u>24,426,589</u>	<u>22,652,456</u>
<b><u>Expenditures</u></b>					
<i>Current:</i>					
General government	5,246,452	5,640,363	6,584,775	7,214,040	6,910,275
Public safety	11,075,296	11,806,502	12,473,154	12,074,818	11,448,010
Transportation	1,165,391	256,980	324,511	296,546	329,264
Natural & economic environment	1,852,381	638,897	684,126	711,468	767,526
Social services	525,135	608,597	658,348	699,546	811,860
Culture and recreation	2,848,370	2,933,508	3,117,077	2,344,030	2,055,785
<i>Capital outlay:</i>	8,705	63,469	83,983	117,529	18,444
<i>Debt Service:</i>					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>22,721,730</u>	<u>21,948,316</u>	<u>23,925,972</u>	<u>23,457,977</u>	<u>22,341,164</u>
Excess of revenues over (under) expenditures	4,921,904	2,622,951	1,144,397	968,612	311,292
<b><u>Other financing sources (uses)</u></b>					
Disposition of assets & insurance	-	-	-	2,465	9,784
Proceeds of general debt	-	-	-	-	-
Transfers in	-	-	-	-	875,000
Transfers out	(960,191)	(2,412,277)	(1,475,028)	(242,048)	(591,099)
Total other financing sources (uses)	<u>(960,191)</u>	<u>(2,412,277)</u>	<u>(1,475,028)</u>	<u>(239,583)</u>	<u>293,685</u>
Net change in fund balances	<u>\$ 3,961,713</u>	<u>\$ 210,674</u>	<u>\$ (330,631)</u>	<u>\$ 729,029</u>	<u>\$ 604,977</u>

**City of Des Moines, Washington**  
**SCHEDULE 7**  
**Assessed Value of Taxable Property**  
**Last Ten Fiscal Years**  
**(in thousands of dollars)**

Fiscal Year Ended December 31	New Construction*	Real Property	State Public Service	Total Real Property	Personal Property	State Public Service	Total Personal Property	Total Taxable Assessed Valuation	Total Direct Tax Rate
2012	6,309	2,402,366	3,418	2,405,784	19,326	34,745	54,071	2,459,855	1.60000
2013	6,335	2,233,890	2,805	2,236,696	22,071	32,437	54,507	2,291,203	1.60000
2014	8,666	2,190,579	2,826	2,193,404	22,058	34,166	56,224	2,249,628	1.60000
2015	24,871	2,631,663	2,964	2,634,627	22,053	39,605	61,658	2,696,285	1.65253
2016	60,605	2,830,093	3,097	2,833,190	22,769	43,640	66,409	2,899,599	1.65223
2017	19,178	3,105,774	3,919	3,109,693	80,492	38,493	118,985	3,228,677	1.51076
2018	47,134	3,615,748	4,555	3,620,303	160,985	42,021	203,006	3,823,309	1.30542
2019	94,721	4,041,355	5,824	4,047,179	264,349	44,508	309,807	4,356,986	1.18472
2020	77,592	4,368,293	6,041	4,374,334	336,185	36,134	374,069	4,748,403	1.12570
2021	39,445	4,578,061	6,215	4,584,276	245,971	37,308	283,279	4,867,556	1.10074

Source: King County Assessor

[www.kingcounty.gov/Assessor/Reports/Statistical\\_Reports](http://www.kingcounty.gov/Assessor/Reports/Statistical_Reports)

\*Informational only. New construction value is already included in other values listed.

**City of Des Moines, Washington  
SCHEDULE 8  
Property Tax Rates  
Last Ten Fiscal Years**

Fiscal Year Ended December 31	Direct rate millage			Overlapping rate millage							Central PS		Total millage	
	City of Des Moines	King County	Federal Way School District (210)	Highline School District (401)	Fire District	Library	Emergency Medical Services	Flood Zone	Ferry District	Regional Transit Authority-South (RST3)	Pool District	Total w/ Federal Way School District	Total w/ Highline School District	
2012	1.60000	4.06836	5.76756	5.14695	1.6794	0.5699	0.30000	0.11616	0.00372	-	0.22	14.32729	13.70668	
2013	1.60000	4.34095	7.54977	5.71065	2.0196	0.5674	0.30000	0.13210	0.00378	-	0.24	16.75535	14.91623	
2014	1.60000	4.20182	7.28151	5.65534	2.0103	0.5618	0.33500	0.15369	0.00349	-	0.24958	16.44970	14.82353	
2015	1.65253	3.81921	6.41551	5.38765	1.9392	0.5028	0.30217	0.13860	-	-	0.21240	14.98204	13.95418	
2016	1.65223	3.81880	6.74731	5.15530	1.91030	0.4771	0.28235	0.12980	-	-	0.30422	15.18068	13.58867	
2017	1.51076	3.56833	6.31715	5.71235	1.8324	0.4512	0.26305	0.11740	-	0.250	0.28668	14.39158	13.78678	
2018	1.30542	4.38073	5.77510	5.38186	1.734	0.41190	0.23940	0.10708	-	0.227	0.34273	14.40312	14.00988	
2019	1.18472	3.97094	3.62917	3.89280	1.7737	0.3744	0.21762	0.09660	-	0.207	0.26540	11.71953	11.98316	
2020	1.12570	4.38696	3.65869	4.45096	1.76	0.36040	0.26500	0.09199	-	0.199	0.22522	12.07332	12.86559	
2021	1.10074	4.45495	3.63061	4.50399	1.8021	0.35733	0.26499	0.08909	-	0.197	0.20952	12.10645	12.97983	

**City of Des Moines, Washington**  
**SCHEDULE 9**  
**Principal Property Taxpayers**  
**Last Ten Fiscal Years**  
**Fiscal Year Ended December 31**

Taxpayer	2021			2012		
	Taxable assessed value	Rank	Percentage of total taxable assessed value	Taxable assessed value	Rank	Percentage of total taxable assessed value
DUKE REALTY CO TAX ADVSRS	\$ 58,315,200	1	1.20%			
DUKE REALTY 24TH AVE DES MO	51,860,700	2	1.07%			
ARTEMIS HOTEL USA LLC	41,078,800	3	0.84%			
MARVIN F POER AND COMPANY	37,627,000	4	0.77%			
REDONDO SQUARE GRF2 LLC	28,751,000	5	0.59%			
KING COUNTY HOUSING AUTHORITY	24,435,000	6	0.50%			
DES MOINES STATION I LLC	16,666,000	7	0.34%			
G3 HOLDINGS LLC	16,224,000	8	0.33%			
REGATTA APARTMENTS LLC	16,056,000	9	0.33%	6,591,000	9	0.14%
CRYSTAL BAY LLC	15,318,000	10	0.31%	7,737,000	6	0.16%
JOSHUA GREEN CORP				20,918,500	1	0.43%
FSC SADDLEBROOK ASSOCIATES				19,861,000	2	0.41%
WINTERGREEN PLACE APARTMENT				15,556,000	3	0.32%
LUNDY SIBYL				13,168,000	4	0.27%
JLC PAC RIM INC				12,360,000	5	0.25%
PT CREEKWOOD APARTMENTS LP				7,066,000	7	0.15%
SAFEWAY INC STORE 3540				6,858,400	8	0.14%
OCP/RSRC BAY CLUB LLC				6,449,000	10	0.13%
	<u>\$ 306,331,700</u>		<u>6.29%</u>	<u>116,564,900</u>		<u>2.39%</u>

Source: King County Assessor's Office

**City of Des Moines, Washington**  
**SCHEDULE 10**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal Year Ended December 31	Collected within the Fiscal Year of the Levy			Total Collections to Date		
	Total tax levy for fiscal year	Collections	Percentage of levy	Collections in subsequent years	Collections to date	Percentage of levy
2012*	3,885,979	3,784,944	97.4%	100,909	3,885,853	100%
2013*	3,619,294	3,547,767	98.0%	71,410	3,619,177	100%
2014	3,558,582	3,547,767	99.7%	9,395	3,557,161	100%
2015	4,410,333	4,287,744	97.2%	122,371	4,410,115	100%
2016	4,745,018	4,637,986	97.7%	106,189	4,744,175	100%
2017	4,825,818	4,704,693	97.5%	119,587	4,824,280	100%
2018	4,942,965	4,822,041	97.6%	126,225	4,948,266	100%
2019	5,117,472	5,044,964	98.6%	55,569	5,100,532	100%
2020	5,268,961	5,094,313	96.7%	60,336.63	5,154,650	98%
2021	5,296,705	5,226,573	98.7%	-	5,226,573	99%

Source: King County Treasurer's Annual Tax Receivable Summary

\*Remaining balances are less than half of 1% and are considered immaterial. Collections to date are shown as fully collected.

**City of Des Moines, Washington  
SCHEDULE 11  
Marina Rates  
Last Ten Fiscal Years**

<i>Cost per lineal foot per month</i>			2010	2011	2012	2013	2014	2015	2016	2017	2018	2021
<b>Moorage Rates</b>												
<u>Size</u>	<u>Type</u>											
20'	Open	# of Slips	13	13	13	13	8	8	8	8	8	8
		Cost/foot	\$ 5.85	\$ 6.01	\$ 6.19	\$ 6.19	\$ 6.31	\$ 6.44	\$ 6.56	\$ 6.70	\$ 6.83	\$ 6.94
24'	Open	# of Slips	48	48	48	48	47	47	47	47	47	47
		Cost/foot	\$ 6.56	\$ 6.74	\$ 6.94	\$ 6.94	\$ 7.04	\$ 7.18	\$ 7.32	\$ 7.47	\$ 7.62	\$ 7.74
28'	Open	# of Slips	105	105	105	105	98	98	98	98	98	98
		Cost/foot	\$ 6.81	\$ 6.99	\$ 7.20	\$ 7.20	\$ 7.33	\$ 7.62	\$ 7.93	\$ 8.25	\$ 8.52	\$ 8.66
32'	Open	# of Slips	18	18	18	18	19	19	19	19	19	19
		Cost/foot	\$ 7.44	\$ 7.64	\$ 7.86	\$ 7.86	\$ 8.01	\$ 8.33	\$ 8.66	\$ 9.01	\$ 9.37	\$ 9.52
36'	Open	# of Slips	30	30	30	30	30	30	30	30	30	30
		Cost/foot	\$ 7.89	\$ 8.10	\$ 8.34	\$ 8.34	\$ 8.49	\$ 8.83	\$ 9.18	\$ 9.55	\$ 9.93	\$ 10.09
40'	Open	# of Slips	38	38	38	38	39	39	39	39	39	39
		Cost/foot	\$ 8.42	\$ 8.65	\$ 8.91	\$ 8.91	\$ 9.07	\$ 9.43	\$ 9.81	\$ 10.20	\$ 10.61	\$ 10.78
50'	Open	# of Slips	19	19	19	19	16	16	16	16	16	16
		Cost/foot	\$ 9.51	\$ 9.77	\$ 10.06	\$ 10.06	\$ 10.25	\$ 10.66	\$ 11.09	\$ 11.53	\$ 11.99	\$ 12.18
54'	Open	# of Slips	2	2	2	2	2	2	2	2	2	2
		Cost/foot	\$ 9.51	\$ 9.70	\$ 10.06	\$ 10.06	\$ 10.25	\$ 11.06	\$ 11.09	\$ 11.53	\$ 11.99	\$ 12.18
62'	Open	# of Slips	3	3	3	3	3	3	3	3	3	3
		Cost/foot	\$ 9.81	\$ 10.07	\$ 10.37	\$ 10.37	\$ 10.63	\$ 11.06	\$ 11.50	\$ 11.96	\$ 12.44	\$ 12.64
20'	Covered	# of Slips	29	29	29	29	29	29	29	29	29	29
		Cost/foot	\$ 7.28	\$ 7.48	\$ 7.70	\$ 7.70	\$ 7.84	\$ 8.00	\$ 8.16	\$ 8.32	\$ 8.49	\$ 8.63
24'	Covered	# of Slips	141	141	141	141	141	141	141	141	141	141
		Cost/foot	\$ 8.35	\$ 8.58	\$ 8.83	\$ 8.83	\$ 8.99	\$ 9.17	\$ 9.35	\$ 9.54	\$ 9.73	\$ 9.89
28'	Covered	# of Slips	166	166	166	166	159	159	159	159	159	159
		Cost/foot	\$ 9.02	\$ 9.26	\$ 9.56	\$ 9.56	\$ 9.74	\$ 10.03	\$ 10.33	\$ 10.64	\$ 10.96	\$ 11.14
30'	Covered	# of Slips	n/a	n/a	n/a	8	7	7	7	7	7	7
		Cost/foot	n/a	n/a	n/a	\$ 10.00	\$ 10.18	\$ 10.59	\$ 11.01	\$ 10.64	\$ 11.91	\$ 12.10
32'	Covered	# of Slips	50	50	50	50	52	52	52	52	52	52
		Cost/foot	\$ 9.63	\$ 9.89	\$ 10.18	\$ 10.18	\$ 10.37	\$ 10.78	\$ 11.22	\$ 11.66	\$ 12.13	\$ 12.32
36'	Covered	# of Slips	40	40	40	40	40	40	40	40	40	40
		Cost/foot	\$ 10.97	\$ 11.27	\$ 11.60	\$ 11.60	\$ 11.81	\$ 12.28	\$ 12.77	\$ 13.28	\$ 13.82	\$ 14.04
40'	Covered	# of Slips	26	26	26	26	26	26	26	26	26	26
		Cost/foot	\$ 11.64	\$ 11.95	\$ 12.30	\$ 12.30	\$ 12.53	\$ 12.91	\$ 13.29	\$ 13.69	\$ 14.10	\$ 14.33
50'	Covered	# of Slips	11	11	11	11	11	11	11	11	11	11
		Cost/foot	\$ 13.65	\$ 14.02	\$ 14.43	\$ 14.43	\$ 14.63	\$ 15.07	\$ 15.67	\$ 16.30	\$ 16.95	\$ 17.22
Dry Shed per month			106	106	106	106	78	78	78	78	78	78
		Cost/foot	\$ 168	\$ 172	\$ 200	\$ 200	\$ 200	\$ 216	\$ 216	\$ 259.20	\$ 280.80	\$ 280.80
<b>Annual Seasonal Moorage Rates*</b>												
<u>Size</u>	<u>Type</u>											
20'	Open		\$ 8.40	\$ 8.63	\$ 9.05	\$ 9.05	\$ 10.80	\$ 11.01	\$ 11.23	\$ 12.93	\$ 13.19	\$ 13.40
24'	Open		\$ 9.38	\$ 9.63	\$ 10.10	\$ 10.10	\$ 11.79	\$ 12.03	\$ 12.03	\$ 14.12	\$ 14.40	\$ 14.63
28'	Open		\$ 9.38	\$ 9.63	\$ 10.10	\$ 10.10	\$ 11.60	\$ 11.84	\$ 11.84	\$ 13.89	\$ 14.17	\$ 14.39
20'	Covered		\$ 10.50	\$ 10.78	\$ 11.30	\$ 11.30	\$ 13.48	\$ 13.75	\$ 14.02	\$ 16.14	\$ 16.46	\$ 16.73
24'	Covered		\$ 11.88	\$ 12.20	\$ 12.80	\$ 12.80	\$ 14.93	\$ 15.23	\$ 15.53	\$ 17.88	\$ 18.23	\$ 18.53
28'	Covered		\$ 11.88	\$ 12.20	\$ 12.80	\$ 12.80	\$ 14.69	\$ 14.99	\$ 15.28	\$ 17.59	\$ 17.59	\$ 17.87
<b>Annual Prepaid Seasonal Moorage Rates*</b>												
<u>Size</u>	<u>Type</u>											
20'	Open		\$ 4.42	\$ 4.51	\$ 5.27	\$ 4.64	\$ 4.89	\$ 5.28	\$ 5.38	\$ 6.20	\$ 6.32	\$ 6.42
24'	Open		\$ 4.92	\$ 5.06	\$ 5.91	\$ 5.21	\$ 5.47	\$ 5.89	\$ 6.00	\$ 6.92	\$ 7.05	\$ 7.17
28'	Open		n/a	n/a	n/a	n/a	\$ 6.60	\$ 6.86	\$ 7.14	\$ 8.38	\$ 8.71	\$ 8.86
20'	Covered		\$ 5.49	\$ 5.61	\$ 6.56	\$ 5.78	\$ 6.07	\$ 6.56	\$ 6.69	\$ 7.70	\$ 7.85	\$ 7.98
24'	Covered		\$ 6.30	\$ 6.43	\$ 7.52	\$ 6.62	\$ 6.96	\$ 7.52	\$ 7.67	\$ 8.82	\$ 9.00	\$ 9.15
28'	Covered		n/a	n/a	n/a	n/a	\$ 8.77	\$ 9.03	\$ 9.30	\$ 10.81	\$ 11.13	\$ 11.31
<b>Seasonal 5 Month Prepaid Moorage Rates*</b>												
<u>Size</u>	<u>Type</u>											
20'	Open		n/a	n/a	n/a	\$ 7.69	\$ 9.18	\$ 9.36	\$ 9.55	\$ 10.99	\$ 11.21	\$ 11.39
24'	Open		n/a	n/a	n/a	\$ 8.59	\$ 10.02	\$ 10.22	\$ 10.43	\$ 12.00	\$ 12.24	\$ 12.44
28'	Open		n/a	n/a	n/a	\$ 8.59	\$ 9.86	\$ 10.65	\$ 10.86	\$ 12.50	\$ 12.75	\$ 12.96
20'	Covered		n/a	n/a	n/a	\$ 9.61	\$ 11.46	\$ 11.69	\$ 11.92	\$ 13.72	\$ 13.99	\$ 14.22
24'	Covered		n/a	n/a	n/a	\$ 10.88	\$ 12.69	\$ 12.94	\$ 13.20	\$ 15.20	\$ 15.50	\$ 15.75
28'	Covered		n/a	n/a	n/a	\$ 12.49	\$ 13.49	\$ 13.75	\$ 13.75	\$ 15.83	\$ 15.83	\$ 16.09

\* Includes 12.84% state leasehold tax.

n/e Not available or not applicable

Source: City marina rate schedules.



**City of Des Moines, Washington  
SCHEDULE 12  
Marina Rates & Waiting List Counts  
Last Ten Fiscal Years**

			2010	2011	2012	2013	2014	2015	2016	2017	2018	2021
Marina Guest Moorage Rates (per foot):			Daily	Daily	Daily	Daily	Daily	Daily	Daily	Daily	Daily	Daily
Length in Fee	From	To										
0	20	# of Slips	13	13								
		Cost/foot	\$ 14.00	\$ 6.01								
21	25	# of Slips	48	48								
		Cost/foot	\$ 16.00	\$ 6.74								
26	30	# of Slips	105	105								
		Cost/foot	\$ 20.00	\$ 6.99								
0	30	# of Slips			166	166	166	166	166	166	166	166
		Cost/foot			\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00	\$ 20.00
31	35	# of Slips	18	18								
		Cost/foot	\$ 23.00	\$ 7.64								
36	40	# of Slips	30	30								
		Cost/foot	\$ 27.00	\$ 8.10								
41	45	# of Slips	38	38								
		Cost/foot	\$ 30.00	\$ 8.65								
46	50	# of Slips	19	19								
		Cost/foot	\$ 33.00	\$ 9.77								
31	50	# of Slips			105	105	105	105	105	105	105	105
		Cost/foot			\$ 0.75	\$ 0.75	\$ 0.75	\$ 0.75	\$ 0.75	\$ 0.75	\$ 0.75	\$ 0.75
51	55	# of Slips	2	2								
		Cost/foot	\$ 40.00	\$ 9.70								
56	60	# of Slips	3	3								
		Cost/foot	\$ 47.00	\$ 10.07								
61	over	# of Slips	29	29								
		Cost/foot	\$ 60.00	\$ 7.48								
51	over	# of Slips			34	34	34	34	34	34	34	34
		Cost/foot			\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00	\$ 1.00

**Dry Moorage Rates:**

Size (All)

Under 25 feet	\$ 62.50	\$ 62.50	\$ 62.50	\$ 62.50	\$ 65.00	\$ 67.60	\$ 67.60	n/a	n/a	n/a
Over 25 feet	\$105.00	\$105.00	\$105.00	\$105.00	\$105.00	\$109.20	\$109.20	n/a	n/a	n/a

**Marina Waiting List - Covered**

Estimated wait in months

Length in Fee

From	To	# of Slips										
20			-	-	-	-	3	4	4	6	n/a	3
24			-	-	-	-	-	-	-	n/a	n/a	n/a
28			-	-	-	6	-	-	-	n/a	n/a	n/a
30			-	-	-	-	12	24	24	48	48	60
32		12	24	6	12	18	18	12	12	12	12	24
36		18	18	3	24	24	24	24	12	24	24	24
40		12	24	24	9	18	24	36	12	12	24	24
50		168	156	156	180	180	180	72	24	24	48	48

**Marina Waiting List - Open**

Estimated wait in months

Length in Fee

From	To	# of Slips										
20			-	-	-	-	3	-	6	n/a	n/a	n/a
24			-	-	-	-	-	-	n/a	n/a	n/a	n/a
28			-	-	-	3	3	-	n/a	n/a	3	3
32		48	48	48	60	60	60	36	36	48	12	12
36		60	60	36	24	24	24	36	48	36	48	48
40		48	36	12	24	24	36	36	48	24	24	24
50		48	36	9	12	24	36	72	60	60	60	60
45	50	48	24	48	24	36	36	48	48	36	48	48
48	54	24	48	36	36	48	48	60	108	60	60	60
56	62	48	36	48	24	24	36	60	108	108	108	108

n/: Not available or not applicable

Source: City Marina

**City of Des Moines, Washington**  
**SCHEDULE 13**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year Ended December 31	Governmental Activities			Business-type Activities		Total Primary Government	Percentage of	
	General Obligation Bonds	G.O. Notes and Loans	Capital Lease	Marina GO Bonds	Capital Lease		Personal Income (1)	Per Capita (2)
2012	2,721,255	897,454	46,804	8,470,370	8,140	12,144,023	0.66%	409
2013	2,520,151	830,791	49,853	7,965,401	5,686	11,371,882	0.61%	383
2014	2,305,000	760,524	13,668	7,432,783	-	10,511,975	0.51%	350
2015	2,095,000	695,050	9,848	6,889,073	-	9,688,971	0.48%	322
2016	1,870,000	629,277	6,293	6,334,300	-	8,839,870	0.43%	289
2017	1,635,000	563,092	2,709	5,763,380	-	7,964,181	0.39%	258
2018	4,901,085	4,192,979	-	5,289,780	-	14,383,844	0.50%	462
2019	7,711,474	429,418	-	4,654,319	-	12,795,211	0.42%	405
2020	7,329,381	361,898	-	4,006,647	-	11,697,926	0.38%	356
2021	6,693,990	293,895	-	6,463,730	-	13,451,615	0.43%	406

Note: Details regarding the City's outstanding debt can be found in the notes and schedules to the financial statements.

(1) See schedule of personal income.

(2) See schedule of population.

**City of Des Moines, Washington**  
**SCHEDULE 14**  
**Ratios of General Bonded Debt Outstanding**  
**and Bonded per Capita**  
**Last Ten Fiscal Years**

Fiscal Year Ended December 31	Population	Assessed Value	Less:		General Obligations Bonds - Business Activities <sup>(a)</sup>	Net Bonded Debt	Percentage of estimated taxable value of property	Per capita
			General Obligations Bonds - Governmental Activities	Amounts Available in Debt Service Fund				
2012	29,700	2,291,203	2,721,255	65,256	8,470,370	11,126,369	0.486%	374.63
2013	29,730	2,249,628	2,520,151	54,436	7,965,401	10,431,116	0.464%	350.86
2014	30,030	2,696,285	2,305,000	21,451	7,432,783	9,716,332	0.360%	323.55
2015	30,100	2,899,599	2,095,000	21,840	6,889,073	8,962,233	0.309%	297.75
2016	30,570	3,228,677	1,870,000	36,664	6,334,300	8,167,636	0.253%	267.18
2017	30,860	3,823,309	1,635,000	37,893	5,763,380	7,360,487	0.193%	238.51
2018	31,140	4,356,986	4,901,085	92,640	5,289,780	10,098,225	0.232%	324.28
2019	31,580	4,748,403	7,711,474	164,102	4,654,319	12,201,691	0.257%	386.37
2020	32,888	4,867,556	7,329,381	145,495	4,006,647	11,190,533	0.230%	340.26
2021	33,100	4,867,556	6,693,990	130,701	6,463,730	13,027,019	0.268%	393.57

Note: Details regarding the City's outstanding debt can be found in the notes and schedules to the financial statements.

(a) General Obligation Bonds - Business Activities represents debt that will be repaid with revenues from the Marina.

**City of Des Moines, Washington  
SCHEDULE 15  
Legal Debt Margin  
Last Ten Fiscal Years  
(amounts expressed in thousands)  
Fiscal Year Ended December 31**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	61,496	57,280	56,241	67,407	72,490	80,717	95,583	108,925	118,710	121,689
Total net debt applicable to limit	5,246	5,066	4,855	9,310	10,021	14,159	20,707	18,795	19,704	11,051
Legal debt margin	<u>56,250</u>	<u>52,214</u>	<u>51,386</u>	<u>58,097</u>	<u>62,469</u>	<u>66,558</u>	<u>74,876</u>	<u>90,130</u>	<u>99,006</u>	<u>110,638</u>
Total net debt applicable to the limit as a percentage of debt limit	8.5%	8.8%	8.6%	13.8%	13.8%	17.5%	21.7%	17.3%	16.6%	9.1%

**Legal debt margin calculation for fiscal year 2020 (not in thousands)**

Assessed value (1)	4,867,556,000
<b>GENERAL PURPOSES</b>	
Limit of 2.5% of Assessed Value	121,688,900
<b>Councilmanic:</b>	
Capacity (1.5% of Assessed Value)	73,013,340
Outstanding debt(2):	
GO bonds outstanding	11,336,028
GO notes and loans	361,898
Capital leases	-
Compensated Absences	3,068,047
OPEB	2,144,752
Net pension liabilities	2,939,164
Total outstanding debt	<u>19,849,889</u>
Less amounts available in debt service funds	<u>(130,701)</u>
Total applicable debt	<u>19,719,188</u>
Remaining capacity without a vote	<u>101,969,712</u>
<b> Voter Approved:</b>	
Capacity (1.0% of Assessed Value)	48,675,560
Less:	
GO Bonds Outstanding	-
Remaining capacity with a vote	<u>48,675,560</u>

Sources:

- (1) See historical assessed valuations on page 140.
- (2) See financial statements debt footnote.

Note: The total indebtedness for general purposes with or without a vote cannot exceed 2.5% of the value of taxable property. The general purposes indebtedness includes debt for capital leases without a vote. The legal limit for capital leases debt (RCW 35.42.200) is included in the 2.5 percent and does not constitute extra allowable debt.

The 1.5 percent is the maximum limit for general purposes without a vote (councilmanic debt). A council may choose to allocate any portion of this debt capacity to the "voted" category. If done so, this 1.5 percent of the indebtedness available without vote is to be proportionately reduced by the excess "voted" debt over 1 percent.

**City of Des Moines, Washington**  
**SCHEDULE 16**  
**Direct and Overlapping Governmental Activities Debt**  
**as of December 31, 2021**

				Amount Outstanding
<b>Direct Debt</b>				
General Obligation Debt				6,987,885
Less Cash and Investments in Debt Service Funds				(130,701)
Net direct debt				6,857,184
 <b>Overlapping Debt</b>				
<i>Jurisdiction</i>	2021 Total Assessed Value (in thousands)	Percent applicable (1)	Net Outstanding G.O. Debt	Overlapping Debt
Fire District No. 39	30,764,027	15.82%	29,077,928	4,600,777
School District No. 401	24,006,026	20.28%	371,329,801	75,292,287
School District No. 210	18,651,490	26.10%	511,527,704	133,495,487
Rural Library District	394,609,235	1.23%	44,335,000	546,878
King County	659,613,126	0.74%	910,028,875	6,715,477
Port of Seattle	659,613,126	0.74%	281,355,000	2,076,234
Total overlapping				222,727,140
Total direct & overlapping debt				229,584,324
 <b>Governmental activities debt ratios:</b>				
Assessed valuation				4,867,556,000
Population				33,100
Net direct debt to assessed valuation				0.14%
Net direct debt and overlapping debt to assessed valuation				4.72%
Assessed valuation per capita				147,056
Net direct debt per capita				207
Direct debt and overlapping debt per capita				6,936

(1) Applicable percentage is determined by ratio of assessed valuation of property subject to taxation in the overlapping unit to valuation of property subject to taxation in the City of Des Moines.

Source:  
 King County Assessor's Office [www.kingcounty.gov/depts/assessor/Reports/statistical-reports/2018.aspx](http://www.kingcounty.gov/depts/assessor/Reports/statistical-reports/2018.aspx)

**City of Des Moines, Washington  
SCHEDULE 17  
MARINA DEBT SERVICE COVERAGE  
(Per Bond Official Statement Definitions)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Operating Revenues (1)	4,097,272	4,224,937	4,224,937	4,007,269	3,762,705	7,608,475	4,174,751	4,355,247	4,324,188	4,799,730
Operating & Maintenance Expenses (2)	2,769,115	2,932,925	2,932,925	2,474,281	2,235,601	5,141,540	2,684,769	2,799,458	2,916,855	2,662,190
Net Available for Debt Service	<u>1,328,157</u>	<u>1,292,012</u>	<u>1,292,012</u>	<u>1,532,988</u>	<u>1,527,104</u>	<u>2,466,935</u>	<u>1,489,982</u>	<u>1,555,789</u>	<u>1,407,333</u>	<u>2,137,540</u>
Annual debt service requirements										
Principal	440,000	455,000	495,000	510,000	525,000	545,000	560,000	591,829	607,724	607,724
Interest (3)	318,736	340,016	321,816	311,216	294,829	275,516	255,416	264,188	135,189	135,189
Total annual debt service	<u>758,736</u>	<u>795,016</u>	<u>816,816</u>	<u>821,216</u>	<u>819,829</u>	<u>820,516</u>	<u>815,416</u>	<u>856,017</u>	<u>742,913</u>	<u>742,913</u>
Coverage Ratio	<u>1.75</u>	<u>1.63</u>	<u>1.58</u>	<u>1.87</u>	<u>1.86</u>	<u>3.01</u>	<u>1.83</u>	<u>1.82</u>	<u>1.89</u>	<u>2.88</u>

Notes - Per bond covenants:

Min debt service coverage requirement is: 1.25 times the Annual Debt Service

"Net Revenue" means the Revenue from the Marina less the Operating and Maintenance Expense.

(1) "Revenue from the Marina" is defined as all earning except:

- governmental grant proceeds
- proceeds from the sale of property
- city taxes collected by or through the Marina
- principal proceeds of bonds
- interest earnings on arbitrage investments

(2) "Operating and Maintenance Expense" is defined as all current maintenance and repair charges except:

- depreciation
- interest expense
- administrative charges paid to the city

(3) Excludes premium/discount amortizations.

**City of Des Moines, Washington**  
**SCHEDULE 18**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

Fiscal Year Ended December 31	POPULATION			PERSONAL INCOME				UNEMPLOYMENT RATE		
	Des Moines	King County	City as percent of county	Total		Per Capita Income	Total		Des Moines	King County
				Des Moines (in thousands)	Per Capita Income		King County (in thousands)	Per Capita Income		
2012	29,700	1,957,000	1.5%	1,838,878	61,915	131,263,349	61,915	5.7%	4.8%	
2013	29,730	1,981,900	1.5%	1,863,878	62,694	135,176,058	62,694	5.6%	4.4%	
2014	30,030	2,017,250	1.4%	2,068,363	68,877	149,434,812	68,877	5.0%	4.0%	
2015	30,100	2,052,800	1.4%	2,036,798	67,668	159,665,109	67,668	4.9%	4.2%	
2016	30,570	2,105,100	1.4%	2,037,000	66,634	166,006,277	66,634	4.0%	3.5%	
2017	30,860	2,153,700	1.4%	2,019,983	65,456	182,495,475	65,456	4.3%	3.5%	
2018	31,140	2,190,200	1.4%	2,871,474	92,212	201,962,200	92,212	3.9%	3.3%	
2019	31,580	2,226,300	1.4%	3,034,969	96,104	213,956,690	96,104	3.0%	2.5%	
2020	32,888	2,269,675	1.4%	3,100,271	94,268	213,956,690	94,268	7.6%	5.7%	
2021	33,100	2,287,050	1.4%	3,096,551	93,551	213,956,690	93,551	4.2%	3.0%	

SOURCE: Population Information from: [www.ofm.wa.gov/pop/april1/default.asp](http://www.ofm.wa.gov/pop/april1/default.asp)  
 Des Moines Unemployment [www.bls.gov/data/](http://www.bls.gov/data/)

King County information per King County CAFR [https://www.kingcounty.gov/depts/finance-business-operations/financial-management/~/\\_/media/depts/finance/financial-management-services/CAFR-2017/2017-comprehensive-annual-financial-report.ashx](https://www.kingcounty.gov/depts/finance-business-operations/financial-management/~/_/media/depts/finance/financial-management-services/CAFR-2017/2017-comprehensive-annual-financial-report.ashx)

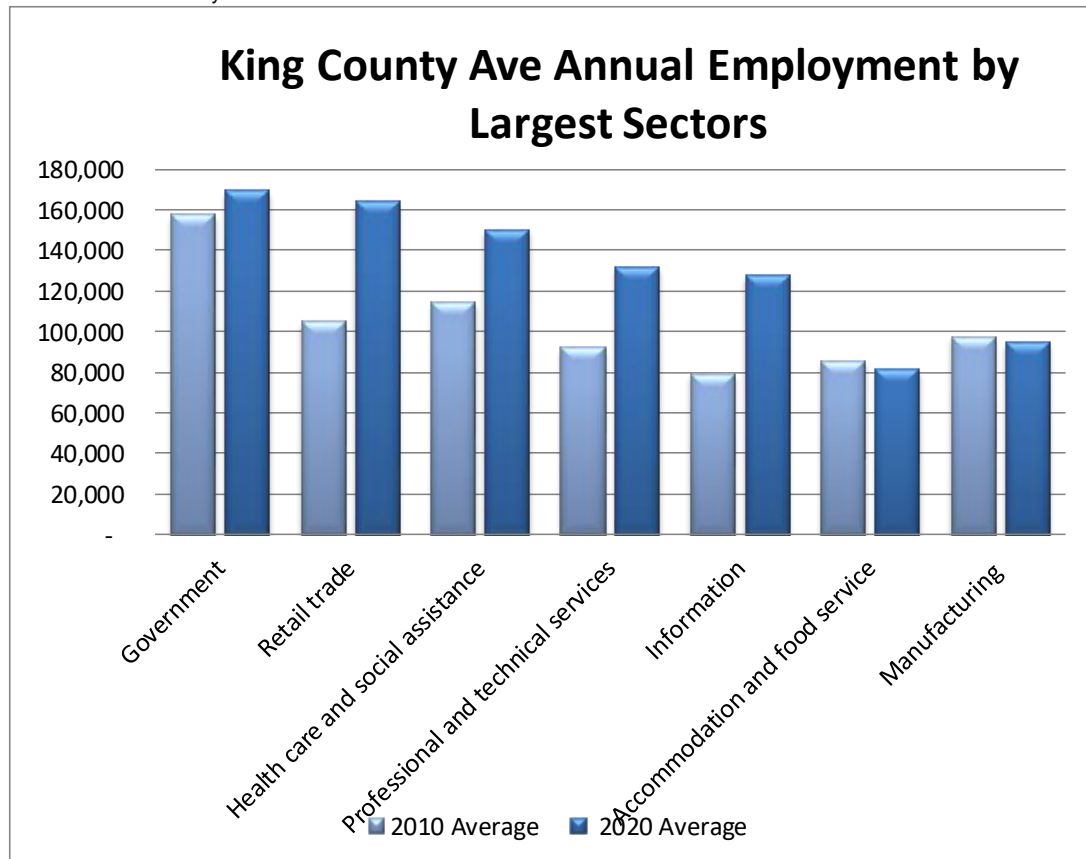
\* Note: 2021 Personal info from King County is not available so prior year's info used until updates are available.  
 Prior Years King County Population and Personal Income restated to actuals.  
 2018-2019 Personal Income data was updated to reflect King County's 2020 Comprehensive Annual Financial report. (pg285)

**City of Des Moines, Washington**  
**SCHEDULE 19**  
**Employment by Type of Employment Sector**  
**King County**  
**Last year and nine years prior**

<u>Employment Sector</u>	2020 Average			2010 Average		
	<u>Annual Employment*</u>	<u>Rank</u>	<u>Percentage</u>	<u>Annual Employment</u>	<u>Rank</u>	<u>Percentage</u>
Government	169,389	1	13%	157,389	1	14%
Retail trade	163,967	2	12%	104,859	3	9%
Health care and social assistance	150,233	3	11%	114,246	2	10%
Professional and technical services	131,982	4	10%	92,186	5	8%
Information	127,693	5	9%	79,034	7	7%
Accommodation and food service	81,153	6	6%	85,641	6	8%
Manufacturing	94,424	7	7%	97,188	4	9%
	<u>918,841</u>		<u>68%</u>	<u>730,543</u>		<u>57%</u>

Source: Washington State Employment Security Department.

\*2021 information not yet available. 2020 information is most recent.



Total all employment

1,349,619

1,116,613



**City of Des Moines, Washington**  
**SCHEDULE 20**  
**Full-Time Equivalent City Government Employees by Function**  
**Last 10 Fiscal Years**

<b>Function</b>	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Government</b>										
City Council	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
City Manager	6.00	5.00	5.00	5.00	5.00	5.00	5.50	7.50	8.40	10.40
Finance	5.80	5.80	5.53	6.50	6.50	6.50	6.50	7.00	7.50	8.50
Information Systems	3.00	3.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	4.00
Legal	4.00	4.30	4.50	4.57	4.42	4.86	4.82	4.82	5.02	5.60
<b>Municipal Court</b>										
Judge	1.00	1.00	1.00	0.80	0.80	0.80	0.80	0.80	1.00	1.00
Staff	6.40	6.70	6.70	6.80	7.80	9.08	8.58	9.15	10.38	13.00
<b>Public Safety</b>										
Officers	39.00	33.00	33.00	33.00	34.00	37.00	42.00	43.00	40.00	38.00
Civilians	9.80	9.80	9.80	9.80	10.00	10.00	8.00	8.00	10.00	8.00
<b>Natural and Economic Environment</b>										
<b>Planning, Building, Public Works</b>	5.45	5.15	4.85	5.15	4.15	-	-	-	-	-
Engineering	-	-	-	-	-	-	-	-	-	5.96
Maintenance	-	-	-	-	-	-	-	-	-	9.34
Planning, Bldg Permits	10.70	8.00	8.00	10.00	10.00	12.15	11.55	13.27	13.65	10.50
<b>Transportation</b>										
Engineering	5.05	5.05	4.55	5.15	5.15	5.16	6.06	9.06	8.06	1.20
Maintenance	8.55	7.90	8.55	9.20	9.20	11.69	11.69	15.69	15.69	3.60
Extra Hires	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-	-
<b>Social Services</b>	2.70	2.70	2.70	2.44	2.22	2.50	2.90	2.40	1.50	-
Regular	-	-	-	-	-	-	-	-	-	1.00
Extra Hires	-	-	-	-	-	-	-	-	-	0.50
<b>Culture and Recreation</b>										
Regular	7.52	5.56	6.76	7.43	7.17	8.00	8.30	7.30	5.40	5.00
Extra Hires	11.28	11.24	11.09	10.97	11.12	13.99	13.99	16.58	2.34	6.30
<b>Marina</b>										
Regular	9.00	9.00	9.00	9.00	8.00	8.00	8.00	8.00	11.10	10.00
Extra Hires	2.13	2.13	2.13	2.13	3.13	3.13	3.13	3.32	1.06	1.50
<b>Surface Water Management</b>	11.40	11.55	11.00	12.50	12.50	12.10	12.10	12.10	12.10	-
Engineering	-	-	-	-	-	-	-	-	-	6.45
Maintenance	-	-	-	-	-	-	-	-	-	6.45
<b>Total</b>	156.78	144.88	144.16	150.44	151.16	159.96	163.92	176.99	163.20	163.30

\*Zero values indicate change in Function classifications from prior year.

Source: Annual Operating Budget, Human Resources Department

**City of Des Moines, Washington**  
**SCHEDULE 21**  
**Operating Indicators by Function**  
**Last Ten fiscal years**

**Fiscal Year Ended December 31**

<b>Function</b>	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Government</b>										
<b>Municipal Court &amp; Legal*</b>										
Traffic infraction - Cases closed	3,369	4,089	3,551	2,478	1,545	1,289	1,664	3,712	2,110	1,038
NonTraffic infraction - Cases closed	209	186	246	172	106	107	255	160	145	168
Parking infraction - Cases closed	2,235	2,852	2,659	2,513	2,987	27,813	21,541	23,616	12,574	13,240
DUI misdemeanors - Cases Closed	97	109	98	89	65	79	141	107	35	76
Other traffic misdemeanors -Closed	572	743	496	523	269	284	562	224	175	209
NonTraffic misdemeanors - Closed	620	371	520	433	283	315	740	478	313	339
Civil - Cases closed	45	-	1	5	1	2	4	-	9	4
<b>Finance &amp; Info Services</b>										
Info services - # of computers	192	189	187	183	191	185	204	183	347	358
Finance - # of checks/wires written	3,807	3,766	3,577	3,995	3,782	3,832	3,720	3,625	2,372	1,956
Finance - # of A/R billed	466	269	502	298	306	256	221	171	202	165
<b>City Clerk</b>										
Public records request	n/a	1223	1600	1,573	1,728	1,708	1,595	367	429	1,908
<b>Public Safety</b>										
<b>Police - Patrol Division</b>										
Number of calls for service	19677	21025	17,663	18,317	17,932	18,847	18,832	21,262	17,824	18,179
Homicide	-	-	1	1	3	2	2	1	2	9
Robbery	34	53	58	53	41	58	55	32	56	37
Rape	2	8	8	24	34	14	17	28	20	12
Aggravated Assaults	57	39		38	42	54	43	37	42	59
Violent crime total	93	100	67	116	120	128	117	98	120	117
Burglary	244	207	234	167	159	164	189	142	128	132
Larceny	740	748	659	620	809	729	656	697	780	357
Motor Vehicle Accidents	310	249	299	350	388	384	384	359	269	299
Motor Vehicle Thefts	222	220	244	183	316	244	240	181	263	271
Arson	6	9	7	1	11	8	9	6	7	6
Property crime total	1,522	1,433	1,443	1,321	1,683	1,529	1,478	1,385	1,447	1,065
Citations/Infractions issued	6060	6258	4,600	3,551	2,549	2,885	2,946	4,699	2,032	1,818
Photo enforcement citations	2432	3465	2,901	2,898	6,050	38,105	26,854	23,021	16,330	17,055
Adult arrests	389	271	205	261	234	247	256	256	255	217
Juvenile arrests	63	37	29	24	16	25	16	9	21	6
<b>Police - Detective Division</b>										
Assigned cases	443	721	640	581	622	638	678	699	819	806
Closed cases	340	591	618	551	576	522	466	233	272	283
Cases closed by arrest	130	201	227	173	229	172	141	162	195	169
<b>Police - Records Division</b>										
Case reports	n/a	4214	4549	3,861	4,400	4,470	4,467	4,576	4,443	4,140
Warrants processed	n/a	1579	1534	1,562	1,533	1,737	1,410	1,269	787	736
Pet licenses processed	n/a	1579	1312	1,504	1,537	1,399	1,380	646	1,051	909
Concealed weapons licenses processed	n/a	417	391	367	532	427	476	473	539	429
Public records request	n/a	1053	1231	1,187	1,354	1,338	1,256	1,467	1,394	435

n/a - information not available

Source: Various government departments and capital assets lists.

[www.fbi.gov](http://www.fbi.gov)

**City of Des Moines, Washington**  
**SCHEDULE 21**  
**Operating Indicators by Function**  
**Last Ten fiscal years**

**Fiscal Year Ended December 31**

<b>Function</b>	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Transportation</b>										
<b>Street Maintenance Division</b>										
Clean	n/a	23	19	15	19	14	11	-	4	3
Event	n/a	4	3	-	-	2	3	3	-	-
Inspect	n/a	5	5	2	-	1	3	3	1	1
Install	n/a	56	35	43	31	45	30	32	17	21
Investigation	n/a	2	3	1	1	7	3	3	-	3
Relocate	n/a	2	9	2	4	3	-	-	-	-
Remove	n/a	64	30	9	16	10	3	3	2	2
Repair	n/a	67	80	37	176	124	64	60	33	29
Snow/Ice	n/a	1	0	1	2	1	1	1	-	2
Vegetation	n/a	11	74	79	71	47	22	22	1	6
Various Other	n/a	2	5	8	16	6	220	223	9	6
Total Streets work orders				197	336	260	360	350	67	73
<b>Natural and Economic</b>										
<b>Planning</b>										
Land use activities	38	32	26	69	47	51	70	62	59	43
Preapplication meetings				23	23	28	32	103	25	33
Comm'l projects reviewed	2	6	10	21	103	128	146	95	138	128
Short plats/ subdivisions reviewed	12	7	1	10	9	9	23	11	3	1
Residential permits reviewed	15	22	46	76	128	182	197	215	186	118
Right of Way Permits	146	148	230	189	214	211	231	212	262	222
<b>Building &amp; Inspections</b>										
Plumbing, Mech & Electric permits	809	948	614	1,148	1,231	1,327	1,410	1,300	1,196	1,038
Building permits	285	556	56	304	289	457	486	498	401	369
Building inspections	4,035	4,201	4,036	4,310	4,954	6,218	8,818	9,125	8,792	5,155
<b>Code Enforcement</b>										
New cases opened	446	495	484	259	146	290	257	307	336	458
Cases closed	469	590	450	172	110	245	196	389	332	436
<b>Social services</b>										
Meal participants	10,258	9,752	10,453	10,117	10,196	12,817	11,866	8,867	17,247	19,519
Fee based class participants	9,292	10,268	8,013	12,087	7,139	6,798	6,768	6,514	1,152	162
Drop in activities participants	14,909	14,753	12,733	8,496	7,628	8,394	9,087	7,208	1,152	162
Volunteer hours	10,770	8,285	8,489	7,358	6,178	6,270	8,881	5,990	2,099	1,116

n/a - information not available

Source: Various government departments and capital assets lists.

**City of Des Moines, Washington**  
**SCHEDULE 21**  
**Operating Indicators by Function**  
**Last Ten fiscal years**

<b>Function</b>	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Culture and recreation</b>										
Number of recreation participants	4,943	5,477	6,362	8,512	7,069	11,011	11,841	12,705	1,258	-
# of Facility rentals - Activity Ctr	38	27	27	15	12	31	11	17	3	-
# of Facility rentals - Field House	44	33	23	28	16	46	14	38	-	88
# of Facility rentals - Beach Park	49	104	184	118	192	181	180	141	20	120
# of Facility rentals - Wooton	7	13	6	6	-	11	5	14	-	6
# of Rentals-North Marina Lot	-	-	-	-	-	-	-	1	11	26
# of Rentals- Fields	-	-	-	-	-	-	-	51	-	-
# of Rentals- Promontory	-	-	-	-	-	-	-	2	1	2
Hrs of Facility rentals - Activity Ctr	229	149	180	91	75	150	72	175	27	-
Hrs of Facility rentals - Field House	368	246	326	214	117	159	134	303	-	22
Hrs of Facility rentals - Beach Park	178	438	932	872	1,191	1,136	965	2,298	140	1,291
Hrs of Facility rentals - Wooton	78	143	75	44	-	128	42	137	-	38
Hrs of Parking Lot Rental- North Marina Lot	-	-	-	-	-	-	-	8	946	3,893
Hrs of Field Rentals	-	-	-	-	-	-	-	1,077	-	-
Hrs of Promontory Rentals	-	-	-	-	-	-	-	35	28	48
<b>Marina</b>										
Dec wait list - Covered 32' (mo's)	12	12	24	12	18	16	24	24	12	12
Dec wait list - Covered 36' (mo's)	24	18	18	24	24	17	24	24	24	24
Dec wait list - Open 32' (mo's)	60	48	48	60	60	14	12	36	48	6
Dec wait list - Open 36' (mo's)	60	60	60	24	24	36	48	36	36	36
<b>Surface Water Management</b>										
Clean	n/a	n/a	32	38	47	74	342	307	11	281
Dig	n/a	n/a	15	3	2	-	-	-	4	-
Flush	n/a	n/a	15	10	61	746	626	625	-	-
IDDE Inspect	n/a	n/a	28	46	46	60	51	51	45	36
Inspect	n/a	n/a	2	102	16	72	7	8	3	3
Install	n/a	n/a	31	17	15	15	15	15	8	22
Line Trim	n/a	n/a	12	0	0	2	-	4	1	1
Repair	n/a	n/a	39	64	172	121	48	262	17	112
Various Other	n/a	n/a	67	2	111	500	512	329	3	12
Total SWM work orders					470	1590	1601	1,601	92	467

n/a - information not available

Source: Various government departments and capital assets lists.

\*Restated to include all Municipal Court Activity.

**City of Des Moines, Washington  
SCHEDULE 22  
Capital Used by Function  
Last Ten Fiscal Years**

<b>Function</b>	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Government</b>										
City Hall building	1	1	1	1	1	1	1	1	1	1
Engineering building	1	1	1	1	1	1	1	1	1	1
Vehicles assigned to Court			1*	1*	1	1	1	1	1	1
<b>Public Safety</b>										
Police Stations	1	1	1	1	1	1	1	2	2	2
Patrol Vehicles	43	43	34*	34*	34	33	33	34	40	42
<b>Transportation</b>										
Maintenance & vehicle repair building	1	1	1	1	1	1	1	1	1	1
Street/PW maintenance vehicles, trailers, e	n/a	n/a	41	41	41	38	34	34	28	26
Asphalt Road Mix Miles	87	87	87	87	87	87	87	87	87	87
Bitu Surface Treatment Miles	6	6	6	6	6	6	6	6	6	6
Gravel Crush Rock Miles	2	2	2	2	2	2	2	2	2	2
Traffic signals	19	20	20	20	20	18	18	18	20	20
All way flashing stops	3	3	3	3	3	4	4	4	4	4
School zone beacons	4	6	7	7	7	8	5	5	5	5
Warning Beacons	n/a	n/a	n/a	n/a	n/a	n/a	n/a	4	4	4
Rectangular Rapig Flashing Beacons	n/a	n/a	n/a	n/a	n/a	n/a	8	8	10	10
<b>Social services</b>										
Activity Center	1	1	1	1	1	1	1	1	1	1
<b>Culture and recreation</b>										
Number of City Parks	n/a	n/a	26	26	26	26	27	28	28	28
Parks acreage	n/a	n/a	185	186	186	186	191	195	195	198
Event center buildings	2	2	2	2	2	2	2	2	2	2
Recreation & admin building	1	1	1	1	1	1	1	1	1	1
Parks maintenance vehicles, trailers, etc.			29	29	29	28	29	29	30	26
<b>Marina</b>										
Administration building	1	1	1	1	1	1	1	1	1	1
Maintenance vehicles, trailers, etc.	n/a	n/a	9	9	9	9	9	9	16	16
Moorage slips for wet & dry storage	840	840	840	840	840	840	840	806	801	801
<b>Surface Water Management</b>										
Major creek basins	8	8	8	8	8	8	8	8	8	8
SWM maintenance vehicles, trailers, etc.	n/a	n/a	10	10	11	11	11	11	9	9
Catchments	n/a	n/a	4,896	4,827	5,021	4,596	4,788	5,119	5,119	5,119
Control structures	n/a	n/a	102	268	277	87	86	89	114	115
Detention facilities	n/a	n/a	45	97	104	95	98	83	104	104
Discharge points	n/a	n/a	238	232	232	230	237	233	217	218
Easements	n/a	n/a	94	91	100	100	101	101	103	108
Facilities	n/a	n/a	70	72	72	72	71	218	71	71
Gravity mains	n/a	n/a	5,820	5,878	6,061	5,768	6,007	5,942	6,091	6,053
Misc structures	n/a	n/a	116	120	110	106	112	125	127	124
Open drain lines	n/a	n/a	1,459	1,401	1,369	1,348	1,334	1,327	1,319	1,165

n/a - not available

Source: Various government departments.

\*Restated Prior Year Information