

CITY OF RENTON

# Comprehensive Annual Financial Report

FOR THE YEAR ENDED DECEMBER 31, 2015



CITY OF  
**Renton**





## **CITY OF RENTON**

**2015**

# **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**For Year Ended December 31, 2015**

Administrative Services Department  
City of Renton  
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June 24, 2016

Honorable Denis Law, Mayor  
Members of the Renton City Council  
Residents of Renton  
City of Renton, Washington

Mr. Mayor, Honorable Councilmembers, and Citizens of Renton:

We are pleased to present the City's Comprehensive Annual Financial Report for the year ended December 31, 2015. The City maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded against loss or unauthorized use, and that financial records can be relied upon to produce accurate and fairly represented financial statements in accordance with generally accepted accounting principles.

Management assumes full responsibility for the completeness and reliability of the information contained in this report. To the best of our knowledge and belief, the enclosed financial statements and all supporting schedules are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the City. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of the relative costs and benefits of the control system requires estimates and judgments by management.

These financial statements have been audited by the Washington State Auditor's Office. This independent audit was conducted in accordance with generally accepted auditing standards and generally accepted government auditing standards to provide an independent assessment of fair presentation of the City's financial position. The State Auditor's Office has issued an unqualified ("clean") opinion on the City's financial statements, which is included at the front of the financial statement section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the State Auditor's report and provides a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.



## PROFILE OF THE CITY

Incorporated on September 6, 1901, Renton is a city in King County, Washington. Situated 11 miles southeast of downtown Seattle, 5 miles from SeaTac Airport, Renton straddles the southeast shore of Lake Washington, at the junction of key north-south and east-west transportation corridors. The City's early economy was based on coal mining, clay production, and timber export. Today, Renton is best known as the final assembly point for the Boeing 737 family of commercial airplanes, but it is also home to a growing number of well-known manufacturing, technology, health care service companies and government institutions, including Boeing, Paccar, Wizards of the Coast gaming, Ikea Home Furnishing, Valley Medical Center, Providence Health & Services, The Seattle Seahawks headquarters, Seattle Branch of Federal Reserve Bank, and FAA Northwest Regional office.

The City of Renton has a strong mayor form of government with an appointed Chief Administrative Officer. The Mayor is independently elected to a four-year term. The Mayor's job is to manage day-to-day operations, and to lead policy development and implementation with the seven-member City Council elected at large on a non-partisan basis.

With a population of 98,470 in 2015, Renton is the 8th largest city in the state, and the 4th largest in King County. The City provides a full range of municipal services to an incorporated area of 24.03 square miles. These services include police, fire, street construction and maintenance, planning and zoning, parks and recreation, municipal court, and general administrative services.

The City operates four utilities: water, sewer, surface water, and solid waste. These are operated very similar to a private business where the revenues from rates and other direct sources must pay for the operational, capital, and long-term debt costs. The City has its own water supplies and does not rely on purchased water to meet normal service demands. The City's sewage is treated by King County, but the City is responsible for transferring and maintaining the system to King County. The City bills Renton residents a monthly fee for the cost of sewer treatment performed by King County.

The City operates the Maplewood Golf Course, which collects green fees, driving range fees, revenue from the restaurant vendor, and other miscellaneous revenue. The golf course has short-term operational costs and an active capital maintenance program.

The Renton Municipal Airport is used by small private plane operators, a floatplane company, and Boeing initiates its maiden 737 flights from this airport. The operational costs of the airport are paid from hangar rentals and tie-down fees. Major capital projects are paid by fees or with Federal Aviation Administration grants.

Since the 2011-12 biennium, the City has adopted a biennial budget. The Council is required to adopt an initial budget for the biennium no later than December 31 preceding the beginning of the fiscal year on January 1. The City of Renton maintains budgetary controls to ensure compliance with legal provisions embodied in the budget. All activities are appropriated through the budget process and published in the City's Budget document. The City Council must adopt an ordinance to increase or decrease total appropriations in a Fund. The Mayor has the authority to move appropriations within a Fund.

A more thorough discussion of the City's accounting policies can be found under the Summary of Significant Accounting Policies in the Notes to the Financial Statements.

## **ECONOMIC CONDITION AND OUTLOOK**

Renton's economy continues to recover at a steady pace. In terms of employment, the Puget Sound region has outpaced national results in 2015 with an overall unemployment rate of 4.1%. Based on City business license records, City of Renton employment has added 3,367 jobs over the last three years (a 7 percent increase since 2012). Employment growth is largely attributable to Boeing's production ramp-up of 737 from 35 to 42 planes per month during 2012-2014. As expected, there was slower job growth in 2015 now that Boeing has completed its employment ramp-up (3.7 percent job growth). Employment in Renton is expected to continue to have steady growth of 1.1-2.4 percent, through 2020, related to various industries within Renton.

The City of Renton is following the regional trend of a strong recovery in the housing sector, with assessed value increasing 12.8% for existing homes in 2015. Residential building permits are expected to remain steady at 365 new units per year through 2020, leading to an expected annual population growth of 1.6 percent.

The City of Renton saw strong sales and retail tax revenue growth in 2015 with taxable sales 9.0% over 2014. Although the construction sector has not recovered to the high of 2008, it was the main driver of overall sales and retail tax growth in 2015, with a 30.4 percent in 2015 over 2014. The services and automotive sector also remain strong at 12 percent growth, each, in 2015.

The Seattle Seahawks' headquarters/training facility is located within the City and is the second-largest facility in the NFL at 200,000 square feet, located along the waterfront of Lake Washington. The training facility sits 3 miles north of The Landing, a shopping center that was fully completed in early 2010. Currently, the shopping center occupancy is at 97% and approximately \$1.1 million in sales tax was generated from The Landing in 2015, a 69% increase over 2010.

Perhaps the most significant economic impact for the City is the wide diversity of development activity and private investment that is currently taking place within the City. In the South Lake Washington area, just north of The Landing, a \$100 million investment to build three new hotels (combined 600 rooms and 736,000 square feet of Class A office space). Completion on two hotels is estimated for late 2016 and completion on the third is expected in early 2017. In the City's industrial/commercial core a work is underway for a \$51 million retail space expansion of a currently existing retailer; a \$30 million warehouse expansion of an existing distribution center; and a new \$28.5 million headquarter facility (200,000 square feet) for a health care services employer new to Renton (approximately 1,000 new jobs).

Overall, the economic outlook for Renton remains strong for 2016 and beyond; a continuing increase in housing permits, a lower unemployment rate, and large-scale capital investments within the City will support a healthy growth in taxable retail sales and an attractive center for healthcare, retail, and manufacturing.

## **LONG-TERM FINANCIAL PLANNING**

Unrestricted fund balance (the aggregate of committed, assigned, and unassigned components of fund balance) in the general fund was 21 percent of the total general fund expenditures, compared to 13 percent in 2010. In addition to unrestricted fund balance in the general fund, the City Council has accumulated fund balances of \$6.8 million for catastrophic reserves and \$4.8 million for anti-recessionary reserves in the City's Insurance Fund.

The ramp-up of these fund balances was a direct result of an enhanced stabilization fund policy, which was originally adopted in late-2013. During the great recession the City depleted much of its reserves and although several economic factors are improving, the City still faces several short and long-term constraints. The rate of healthcare and salary costs and deferred maintenance on City buildings continue to increase at a faster rate than revenues. In addition, the 10-year sales tax annexation credit will sunset in mid-2018, which currently provides approximately \$2.4 million in sales tax revenue to the general fund. The enhanced stabilization fund policy will help the City bridge the ever increasing gap between operating expenditures and revenues.

As part of the enhancements to the City's stabilization policy, the Council also adopted a reserve fund for Economic Development, which currently has accumulated a \$1.0 million balance. The reserve fund will help the City leverage Local Revitalization Financing (LRF) funds made available by the State of Washington. The LRF program can make available up to \$500,000 to be spent on "revitalization areas", but the funding requires a local match, which is why the Council has created a reserve fund. In the long-term, the LRF program will help spur sustainable economic activity in an area that currently lags behind the rest of the City.

As part of the 2015-2016 biennial budget, the City Council adopted a Business and Occupation (B&O) Tax, effective January 1, 2016. The B&O tax was structured in a way to minimize the impact to the business community, while at the same time generating enough sustainable revenue for funding General Fund operations into the future, without significant decreases to basic City services. It's estimated the B&O tax will generate \$3.8 million in additional general fund revenue for 2016 and nearly \$6 million by 2018.

The City has been very responsible and responsive in balancing the services the community needs with the changing mixture and level of resources. In addition to strong financial policies, the City has also continued to expand its economy and pursue progressive economic development strategies to maintain a thriving and sustainable economy.

## **RELEVANT FINANCIAL POLICIES**

The City has adopted a comprehensive set of financial policies. In 2013 the City Council made amendments to its policies to enhance its stabilization policy and begin ramping up reserves for future general fund funding gaps, long-term economic development initiatives, capital commitments, equipment reserves, catastrophic and anti-recessionary reserves, and general operating cash flow requirements.

Due to strong financial policies and management, the City of Renton has maintained a LTGO bond rating of AA+ (reaffirmed by both Fitch and Standard and Poor's in early 2015), and a AA+ revenue bond rating from Fitch Ratings (July 2014).

## OTHER INFORMATION

### ***Awards and Acknowledgements***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Renton for its comprehensive annual financial report for the fiscal year ended December 31, 2014. The City has a long history of achieving this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The dedicated staff of the Finance Division work hard each day to ensure that the City's financial transactions are processed accurately and records are maintained orderly and in conformance with policies and procedures. Special thanks are due to Misty Baker, Senior Financial Analyst, who served as the CAFR project lead. Further appreciation is extended to the City Council and City Management for their support in conducting financial operations of the City in a sound and progressive manner, and in conformance with internal and external requirements.

For more information regarding the City's budget please refer to the city's website for 2015-2016 adopted budget as well as monthly sales tax and budgetary financial reports.

Respectfully,



Jamie Thomas  
Fiscal Services Director



Government Finance Officers Association

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

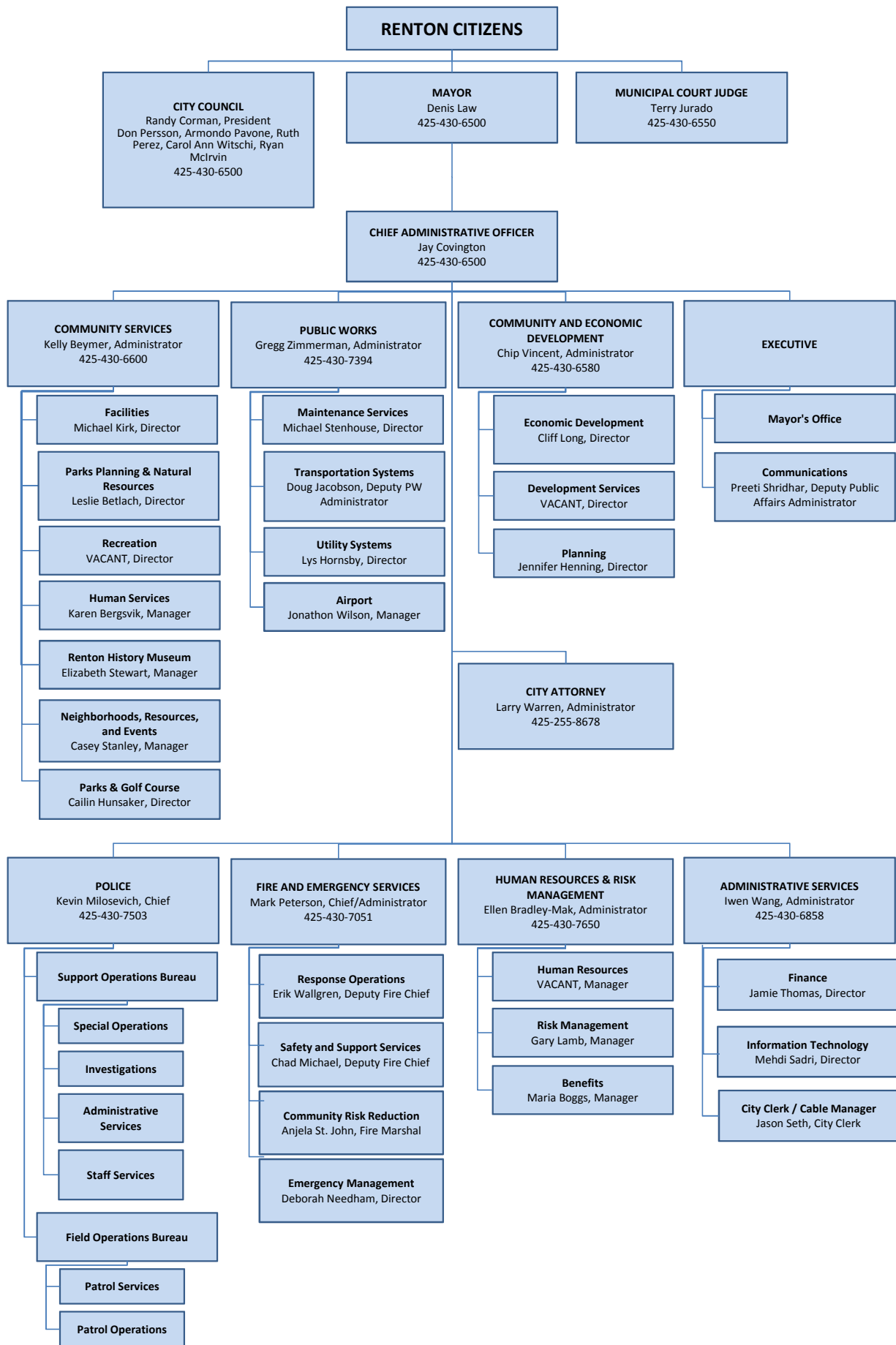
Presented to

**City of Renton  
Washington**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2014**

Executive Director/CEO



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# Washington State Auditor's Office

## INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

June 24, 2016

Mayor and City Council  
City of Renton  
Renton, Washington

### REPORT ON THE FINANCIAL STATEMENTS

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 Renton, King County, Washington, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Renton, King County, Washington, as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Matters of Emphasis**

As described in Note 1, during the year ended December 31, 2015, the City has implemented the Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-1 through 3-11, budgetary comparison information on page 5-1, pension plan information on pages 5-2 through 5-9 and information on postemployment benefits other than pensions on pages 5-10 through 5-11 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying information listed as combining statements on pages 6-1 through 6-38 is presented for purposes of additional analysis and is 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

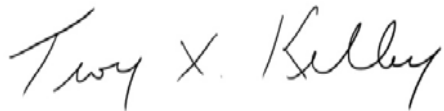
such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The information identified in the table of contents as the Introductory and Statistical Sections is presented for purposes of additional analysis and is not a required part of the basic financial statements of the City. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with *Government Auditing Standards*, we will also issue our report dated June 24, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report will be issued under separate cover in the City's Single Audit Report. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Sincerely,

A handwritten signature in cursive script that reads "Troy X. Kelley".

TROY KELLEY

STATE AUDITOR

OLYMPIA, WA

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

The City of Renton's management offers this Management's Discussion and Analysis (MD&A), which is an overview and analysis of the City of Renton's financial activities for the year ended December 31, 2015. To best understand the City's financial activities, we encourage readers to consider the information in this discussion and analysis in conjunction with information provided in the letter of transmittal and the basic financial statements.

### FINANCIAL HIGHLIGHTS

- As of December 31, 2015, the City of Renton's total assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$870 million. Of this amount, \$102 million represents unrestricted net position, which may be used to meet the government's ongoing obligations to citizens and creditors.
- The City of Renton's total net position increased \$56 million, due to accumulation of reserves, capital asset acquisitions, and the reduction of long-term debt in both the governmental and business-type activities. This increase was offset by a \$20 million adjustment to beginning net position, as a result of the GASB 68 implementation.
- At the close of the current fiscal year, the City of Renton's governmental funds reported combined fund balances of \$49 million, a decrease of \$1.5 million from 2014. This decrease is due almost entirely to the nearing completion of the two new libraries. The \$5.6 million decrease in the Municipal CIP Fund was offset by \$1.7 million increase in the General Fund and a \$2.4 million increase in Other Governmental Funds.
- Approximately 41% (\$20 million) of the total governmental fund balance is available for spending at the City's discretion (*unassigned fund balance*).
- Total unrestricted fund balance (the total of *committed*, *assigned* and *unassigned fund balance* components) for the general fund was \$21.6 million, which is approximately 21 percent of general fund 2015 expenditures.
- The City of Renton's total outstanding long-term debt decreased by \$7.4 million during the current fiscal year because current resources and grants are being used to finance current operations and capital projects. The City has continued to pay down its current debt obligations without issuance of new debt.

### OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements.

#### Government-wide Financial Statements

The government-wide financial statements provide both long-term and short-term information about the City's overall financial status, in a manner similar to a private-sector business.

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

*Statement of Activities* – The second government-wide statement is the statement of activities, which reports how the City’s net position changed during the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (ex. uncollected taxes and compensated absences). An important purpose of the design of the statement of activities is to show the financial reliance of the City’s distinct activities or functions on revenues provided by the City’s taxpayers. Another indicator to consider when evaluating the financial position of the City includes changes to the property tax base, general economic conditions as demonstrated through business licenses fees or sales tax revenue, and the condition of the City’s infrastructure (roads, drainage systems, bridges, and water infrastructure).

Both of the government-wide financial statements distinguish governmental activities of the City (activities principally supported by taxes and intergovernmental revenue), and business-type activities of the City (activities that are intended to recover all, or a significant portion, of their costs through user fees and charges). Governmental activities include general government, judicial, public safety, utilities, transportation, economic environment, health and human services, and culture and recreation. The equipment rental and insurance internal service funds are also reported as governmental activities. The business-type activities include the waterworks utility, solid waste, airport, and golf course funds. The government-wide financial statements can be found on page 4-1 and 4-2 of this report.

### **Fund Financial Statements**

The City uses fund structure to ensure and demonstrate fiscal integrity and compliance with finance-related legal requirements. A fund is a group of related accounts used to maintain control over resources that have been segregated for specific activities and objectives. There are three types of funds: governmental, proprietary, and fiduciary. The fund financial statements focus on major funds separately while all others are combined into a single aggregated presentation. Individual data for non-major funds is presented in a following section, Combining Statements.

*Governmental Funds* – The governmental funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, the focus of governmental fund financial statements is on *near-term* inflows and outflows of available financial resources and on balances of resources available at the end of the fiscal year. Such information is useful in evaluating whether there are more or less financial resources that can be used in the near future to finance City services.

Because the focus of governmental fund financial statements is a narrower view than that of the government-wide financial statements, it is useful to compare similar information in order to gain a better understanding of the long-term impact of the government’s near-term financing decisions. The Reconciliation of the Balance Sheet and Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund reconciles to the differences between the governmental fund statements and the governmental activities column in the

government-wide statements.

The City maintains thirteen individual governmental funds. Information for the City's major governmental funds (general and municipal facilities CIP) are presented separately in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance. Data from the other eleven funds are combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is presented in the combining statements section of this report.

The City maintains budgetary controls over its governmental funds. Budgetary controls ensure compliance with legal provisions embodied in the annual appropriated budget. Governmental fund budgets are established in accordance with state law and are adopted on a fund level. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found on pages 4-3 and 4-5 of this report.

*Proprietary Funds* – The proprietary fund statements present information for two types of funds. Enterprise funds operate as business-type activities in the government-wide statements and include the waterworks utility, solid waste, golf course, and airport funds. The other proprietary fund types are internal service funds. Internal service funds are used to report activities that provide supplies and services to various City departments and to allocate the associated costs of providing these services to the various governmental and enterprise functions. The revenues and expenses of internal service funds that support governmental activities are eliminated in the government-wide statements and the remaining activity is combined within the governmental activities in the government-wide statements.

The proprietary fund statements provide the same information as the government-wide financial statements, only in more detail. The City reports the activity of its two major enterprise funds, waterworks utility (water, wastewater, and storm water) and solid waste separately. Information from the remaining non-major enterprise funds are combined and presented in a single, aggregated column in the fund statements. Internal service funds are also aggregated and reported separately in this section. The basic proprietary fund financial statements can be found on pages 4-7 through 4-11 of this report.

*Fiduciary Funds* – Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own operations. The accounting used for fiduciary funds is much like that used for proprietary funds. The fiduciary fund financial statements can be found on pages 4-12 and 4-13 of this report.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the information provided and are an integral part of the government-wide and fund financial statements. The notes to the financial statements can be found pages 4-14 through 4-64 of this report.

### **Other information**

In addition to the basic finance statements and accompanying notes, this report also presents:

### 1. Required Supplemental Information (RSI)

RSI provides budgetary comparisons for the general fund as well as the City's funding progress for the Firefighters' Pension Trust Fund and Other Post-Employment Benefits (LEOFF 1 Retiree Medical). RSI can be found on page 5-1 through 5-11 of this report.

### 2. Combining Statements

The combining statements provide additional detail for other government funds, internal service funds, and fiduciary funds. Combining and individual fund statements and schedules can be found on page 6-1 through 6-38 of this report.

### 3. Statistical Information

This section includes unaudited trends and demographic information. The statistical section can be found on page 7-1 through 7-30 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### Statement of Net Position

The following is a summary of the City's net position as of December 31, 2015, with comparison to 2014:

	CONDENSED STATEMENT OF NET POSITION					
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current assets	\$ 103,844,702	\$ 102,771,005	\$ 64,451,824	\$ 49,158,273	\$ 168,296,526	\$ 151,929,278
Capital assets	507,238,591	489,713,377	301,440,771	288,260,108	808,679,362	777,973,485
Other non-current assets	54,357,626	42,299,143	58,925	68,032	54,416,551	42,367,175
<b>TOTAL ASSETS</b>	<b>665,440,919</b>	<b>634,783,525</b>	<b>365,951,520</b>	<b>337,486,413</b>	<b>1,031,392,439</b>	<b>972,269,938</b>
Deferred Outflows of Resources	5,467,360	313,863	1,537,142	935,723	7,004,502	1,249,586
Long-term liabilities	105,387,530	86,909,577	37,623,881	34,252,057	143,011,411	121,161,634
Other liabilities	13,939,868	14,802,932	3,740,725	3,687,697	17,680,593	18,490,629
<b>TOTAL LIABILITIES</b>	<b>119,327,398</b>	<b>101,712,509</b>	<b>41,364,606</b>	<b>37,939,754</b>	<b>160,692,004</b>	<b>139,652,263</b>
Deferred Inflows of Resources	6,780,859	-	867,175	-	7,648,034	-
<b>NET POSITION:</b>						
Net Investment in Capital Assets	467,609,532	457,337,430	271,016,825	255,631,135	738,626,357	712,968,565
Restricted	26,987,147	18,973,294	2,909,578	2,909,578	29,896,725	21,882,872
Unrestricted	50,203,343	57,074,155	51,330,478	41,941,669	101,533,821	99,015,824
<b>TOTAL NET POSITION</b>	<b>\$ 544,800,022</b>	<b>\$ 533,384,879</b>	<b>\$ 325,256,881</b>	<b>\$ 300,482,382</b>	<b>\$ 870,056,903</b>	<b>\$ 833,867,261</b>

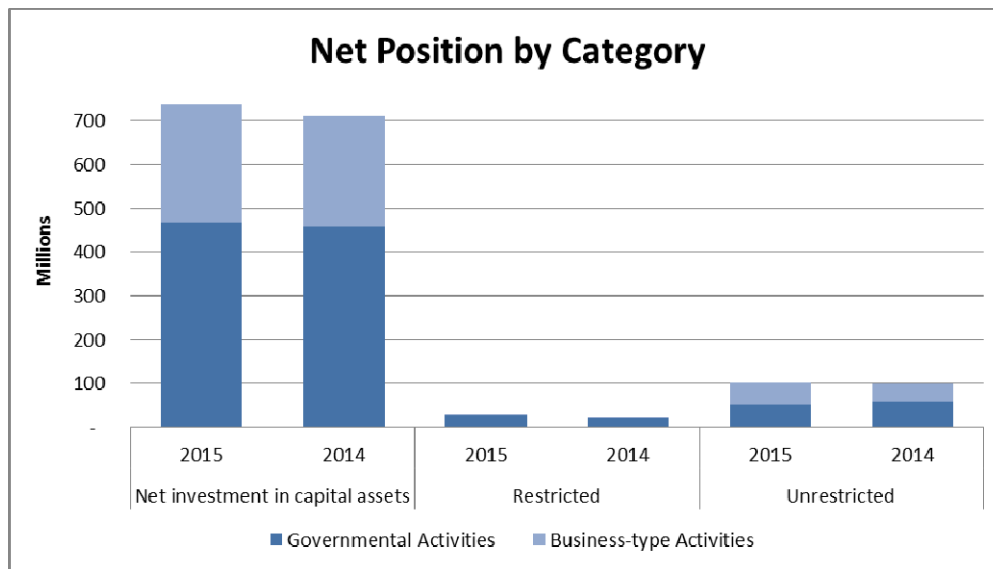
As noted earlier, the change in net position over time, may serve as a useful indicator of a government's financial situation. At the close of the most recent fiscal year, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$870 million.

As of December 31, 2015, the City's overall financial net position was \$870 million, a \$36 million increase over 2014. \$739 million (85%) of total net position increase reflects the City's investment in capital, net of related debt that was used to acquire those assets. The City uses these assets to provide a variety of services to citizens. Accordingly, these assets are not available for future spending. Although investment in capital assets are reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Total restricted net position accounts for \$30 million of the City's net position, which is an \$8 million increase (37%) over 2014. This entire increase is a result of the City's adoption of GASB 68 and 71, which now requires the presentation of the City's net pension asset, which totals \$19 million. The increase in restricted net

position due to the addition of net pension asset was offset by the 2015 spending of \$12 million in bond proceeds for new library construction. In 2014, these unspent bond proceeds were restricted. The remaining \$101 million of net position is unrestricted may be used to meet the government’s ongoing obligations for governmental and business type activities (\$50 million and \$51 million, respectively).

At the end of the current fiscal year, the City reports a positive net position in all net position categories, for both governmental activities and business-type activities. The same held true for the prior fiscal year. Further, all categories of net position *increased* in the current fiscal year. The following is a comparison summary of the City’s net position at fiscal year end.



**Statement of Activities and Change in Net Position**

Citywide revenue increased by \$17.8 million, or 8%. Most which is attributed to an increase in capital grants and contributions. Due to increased developer activity, the City had a \$13.7 million increase in developer contributed capital. The remaining increase comes from a general governmental taxes – most notably a \$2 million increase in retail sales tax, \$2 million increase in business taxes (a direct result of city-contracted utility tax audits), and a \$1 million increase in excise tax.

Combined citywide service expenses totaled \$179 million for 2015, a \$5.8 million increase from 2014. Governmental activities increased by \$3.4 million (or 3%) while business activities increased by \$2.4 million (or 2%). The increases in both governmental and business-type activities is related to general increase in operating costs, which are most significantly impacted by incremental increases in employee salary and benefit costs.

The resulting change in net position was an increase in 2015 by \$56 million: \$25 million from governmental activities and \$31 million from business-type activities. These increases were offset by adjustments due to changes in accounting principal (GASB 68) and the net increases were \$11 million and \$25 million for governmental activities and business type activities, respectively.

The following is a condensed summary statement of activities and change in net position as of December 31, 2015, with comparison to 2014.



## CONDENSED STATEMENT OF ACTIVITIES

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 27,304,155	\$ 24,243,954	\$ 75,326,914	\$ 73,445,602	\$ 102,631,069	\$ 97,689,556
Operating grants and contributions	6,614,030	6,422,816	704,367	1,108,920	7,318,397	7,531,736
Capital grants and contributions	8,658,075	11,640,501	23,291,274	12,531,671	31,949,349	24,172,172
Taxes and other general revenues:						-
Property taxes	35,418,323	35,112,669	-	-	35,418,323	35,112,669
Sales taxes	29,567,506	27,223,521	-	-	29,567,506	27,223,521
Other Taxes	26,297,852	23,170,890	-	-	26,297,852	23,170,890
Other general revenue	1,900,565	1,699,802	(438,189)	221,261	1,462,376	1,921,063
Total revenues	135,760,506	129,514,153	98,884,366	87,307,454	234,644,872	216,821,607
Expenses:						
General government	9,829,338	10,730,427	-	-	9,829,338	10,730,427
Judicial	2,342,557	2,406,797	-	-	2,342,557	2,406,797
Public safety	57,863,131	55,143,750	-	-	57,863,131	55,143,750
Utilities	694,469	746,363	-	-	694,469	746,363
Transportation	15,918,953	14,641,476	-	-	15,918,953	14,641,476
Economic and natural environment	7,362,822	6,584,984	-	-	7,362,822	6,584,984
Health and human services	1,925,253	1,885,761	-	-	1,925,253	1,885,761
Culture and recreation	13,636,384	12,338,932	-	-	13,636,384	12,338,932
Interest on long-term debt	1,247,934	2,932,298	-	-	1,247,934	2,932,298
Waterworks utility	-	-	44,983,542	43,274,617	44,983,542	43,274,617
Airport	-	-	3,818,201	2,771,616	3,818,201	2,771,616
Solid waste utility	-	-	16,907,652	17,157,550	16,907,652	17,157,550
Golf course	-	-	2,200,740	2,298,804	2,200,740	2,298,804
Total expenses	110,820,841	107,410,788	67,910,135	65,502,587	178,730,976	172,913,375
Increase in net position before transfers	24,939,665	22,103,365	30,974,231	21,804,867	55,913,896	43,908,232
Transfers	131,491	449,362	(131,491)	(449,362)	-	-
Increase in net position	25,071,156	22,552,727	30,842,740	21,355,505	55,913,896	43,908,232
Net position - beginning	533,384,879	510,832,152	300,482,382	279,126,877	833,867,261	789,959,029
Change in Accounting Principles	(13,656,013)	-	(6,068,241)	-	(19,724,254)	-
Net position - ending	\$ 544,800,022	\$ 533,384,879	\$ 325,256,881	\$ 300,482,382	\$ 870,056,903	\$ 833,867,261

**Governmental Activities Analysis**

Governmental activities cost a total of \$110.8 million in 2015 against program generated revenue (excluding taxes and other general revenue) of \$42.5 million. Program revenues support 38 percent of the governmental program costs, while the remaining 62 percent of governmental program costs are supported by general revenues (taxes and other general revenue). Compared to 2014, governmental activities cost \$107.4 million (\$3.4 million increase) and program revenues totaled \$42.3 million (\$200 thousand increase).

Chart 1 portrays the extent that the cost of each of the City's governmental programs is supported by its own program generated revenue (fees, intergovernmental revenues, and contributions specifically related to that program). Public safety accounts for 53 percent of the total governmental activity costs, but generates the lowest percentage of program revenues compared to any other program (18 percent). Conversely, judicial recovered all of their costs in 2015 through program revenues, which consist of traffic citations, parking

citations, criminal charges, miscellaneous court fees, and red light camera fees.

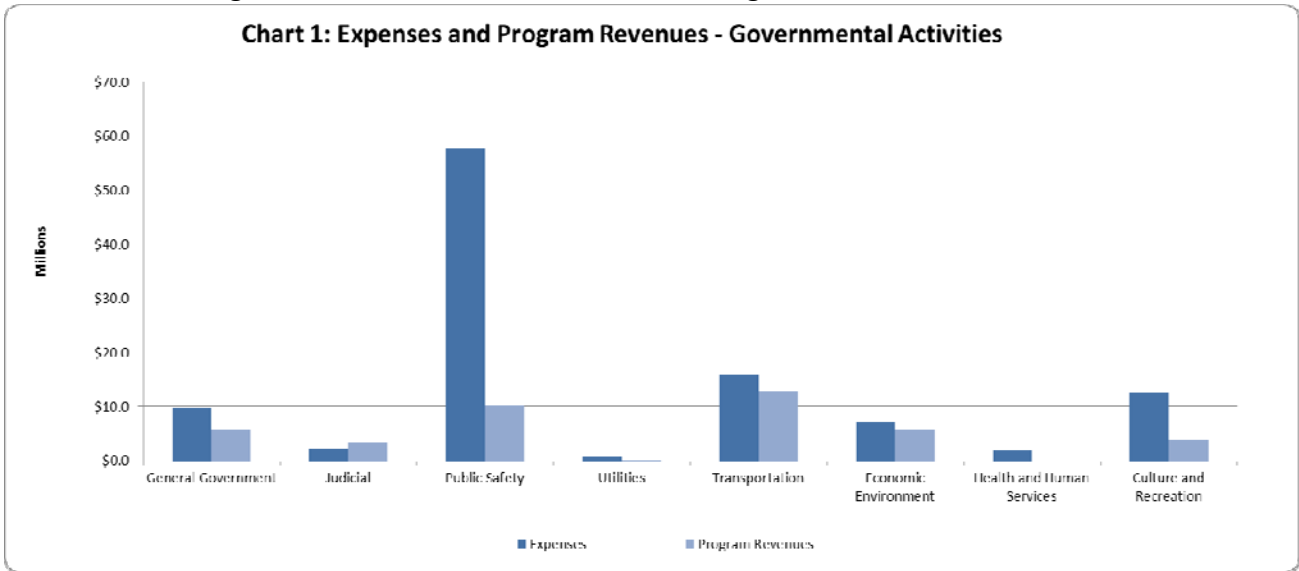
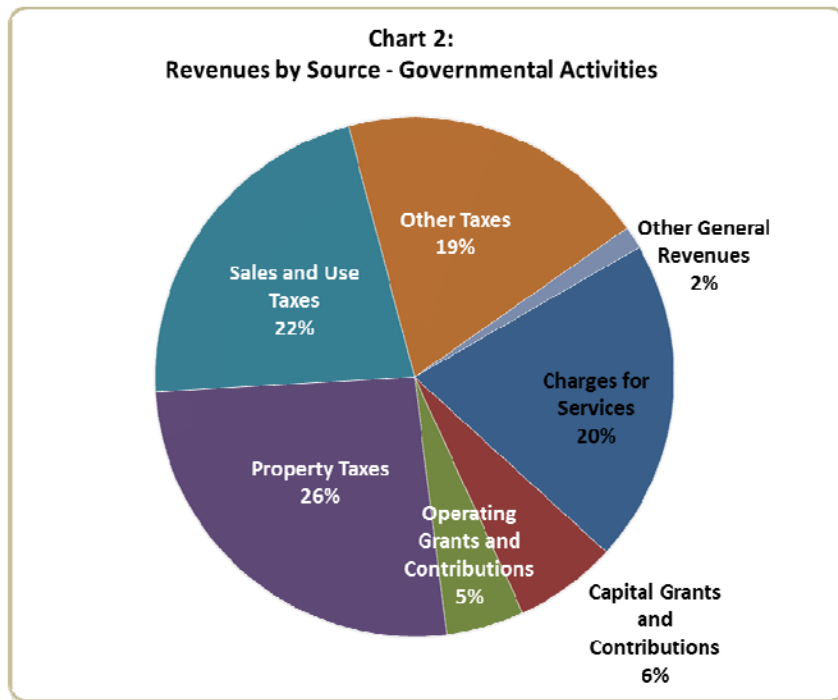


Chart 2 depicts the source breakdown for all revenues that fund governmental activities.

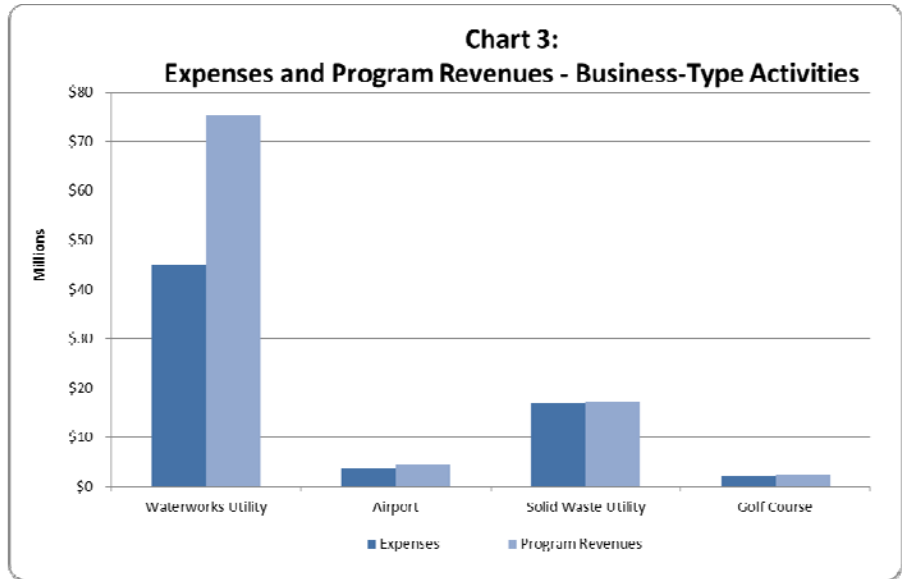


Approximately sixty seven percent of the total governmental activity revenues come from taxes. The City’s largest governmental revenue source is property tax (26 percent) and second largest source is retail sales tax (22 percent). Other general revenue sources accounts for 19 percent of the City’s general governmental revenue (includes business license fees, excise tax, interest, and miscellaneous revenue). While program specific charges for services, grants and contributions generate thirty three percent of total revenue for general governmental activities. As a result, the general economy have a major impact on the City’s revenue streams.

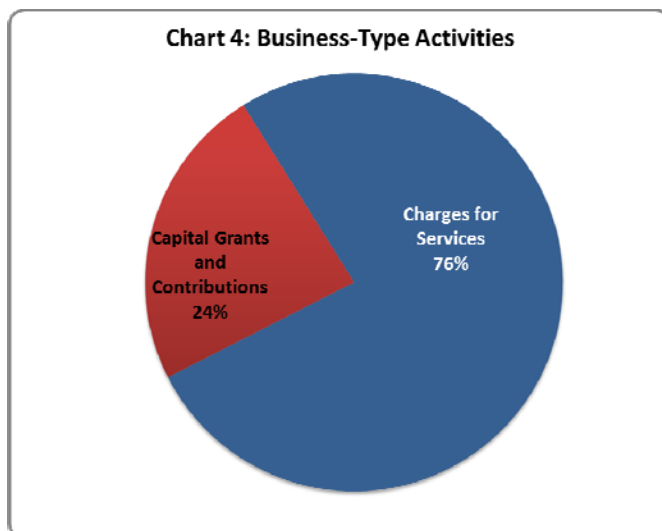
**Business-Type Activities Analysis**

Since the primary source of revenue for business-type activities is user fees and charges, there is much less disparity between program costs and related program revenue. Chart 3 shows the expense of each of the City’s business-type program along with each programs’ revenue (fees and intergovernmental revenues specifically related to that program).

The Waterworks Utility generated \$53 million in fees for services, while operating and debt service costs were \$45 million. In addition, the waterworks utility received \$22 million in grants, contributions, and capital contributions from developers, for a combined increase in net position of \$30 million. The operating balance is necessary for future planned system infrastructure replacements, repairs, and enhancements. Compared to 2014, the waterworks utility collected \$51 million in operating revenue (\$2 million increase) and costs were \$43 million (\$2 million increase).



The Solid Waste Utility generated \$17.3 million in total revenue and incurred \$16.9 million in program expenses, resulting in a positive increase in net position of \$0.4 million.



The Airport generated a total of \$2.6 million in revenue from charges for services and \$3.8 million in expenses 2015. In addition, the airport collected \$1.9 million in revenue from grants and contributions, which resulted in a \$.7 million increase in net position.

The Golf Course generated a total of \$2.3 million in green fees, driving range charges, and other user fees. The total expenses for the Golf Course were \$2.2 million. The Golf Course had an operating gain of \$102,000 for the year. The golf course’s operating position improved for the first time in 2015 over prior years, mainly due to the final pay-off of long term debt.

Chart 4 illustrates the source of revenue for Business-type activities; which are supported primarily from charges for services. Charges for services generated \$75 million, or 76 percent, of the total revenue sources, while grant revenue and contributions generated 24 percent of the total revenue sources. This is a \$1.9 million (2.6 percent) increase in charges for services and a \$10 million (76 percent) increase in grants and contributions from 2014. As mentioned earlier, the large increase in grants and contributions is related the

large amount of developer contributed capital the City received, as a result of increased development activity.

## **FUND FINANCIAL ANALYSIS**

### **Governmental Funds**

The governmental fund statements provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's ability to meet financing requirements in the near term. 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.

*General Fund* – At the end of the fiscal year, the City had a fund balance of \$21.7 million, which is an increase of \$1.7 million from 2014. The increase is due to general economic improvements, which have provided moderate increases over 2014 in taxes (up 10.5 percent), permitting and licensing revenue (up 12.8 percent), and charges for services (up 13.2 percent). Overall, general fund revenues increased \$10 million (10 percent) over 2014.

*The Municipal Facilities Capital Improvement Project (CIP) Fund* – includes the library development funds as well as general governmental capital facilities fund. Overall revenue increased \$325,000 (9 percent) over 2014 and this was attributed to more real estate excise tax collections by the City in this fund and the collection of FEMA grant funds. Of the \$14.4 million fund balance; \$565,000 is restricted, unspent real estate excise taxes, and King County parks levy funds; \$13.4 million is committed to capital parks, library, and facilities projects; and the remaining \$494,000 is assigned for general capital purposes.

### **Proprietary Funds**

The proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail. The analysis for the proprietary funds is found within the business-type activities analysis and discussion above. The proprietary fund statements also include a column for internal services fund activities in aggregate. These activities are consolidated with general governmental activities in the government-wide statements.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The City uses a biennial budget process that adopts two one-year budgets at one time. 2015 was the first year of the 2015-16 biennium. The original 2015 general fund adopted budget was \$107 million and the final adjusted budget was \$116 million. The increase was a combination of several items: \$1.3 million transferred into the risk management fund to enhance the City's stabilization funds, \$3.75 million transferred to the municipal facilities fund to help acquire additional park land, and \$800 thousand transferred to the capital improvement fund for the Sunset Lane project.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

The City of Renton's investment in capital assets, including construction in progress and net of accumulated depreciation, for governmental and business-type activities amounts to \$809 million as of December 31, 2015, compared to \$778 million in 2014.

	CAPITAL ASSETS (Net of Depreciation/Amortization)					
	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land and Land Improvements	\$ 204,852,858	\$ 203,649,159	\$ 6,150,056	\$ 6,163,466	\$ 211,002,914	\$ 209,812,625
Buildings and Structures	56,334,942	57,471,519	9,823,177	10,268,098	66,158,119	67,739,617
Infrastructure	176,956,421	175,799,722	270,753,625	249,703,078	447,710,046	425,502,800
Machinery and Equipment	11,812,573	10,442,765	924,521	619,902	12,737,094	11,062,667
Intangible Assets	552,271	511,489	1,134,803	1,184,455	1,687,074	1,695,944
Construction in Progress	56,729,526	42,935,474	12,654,589	20,321,109	69,384,115	63,256,583
Total	<u>\$ 507,238,591</u>	<u>\$ 490,810,128</u>	<u>\$ 301,440,771</u>	<u>\$ 288,260,108</u>	<u>\$ 808,679,362</u>	<u>\$ 779,070,236</u>

The increase of \$30 million in 2015 is mostly attributed to \$22 million in infrastructure additions, which was almost exclusively developer contributed capital. There was also increase activity in Construction in Progress (CIP) capital, which increased of \$6.1 million, net of projects completed in 2015 and reclassified out of CIP. There were several CIP projects completed and reclassified during 2015 (\$16.4 million). The most significant CIP completions and reallocations in 2015 included: Garden Ave. Widening (\$2.9 million), Taxiway Bravo (\$10.7 million), and the Airport Lift Station Rehab (\$1.2 million). More detail about the City's Capital Assets can be found in Note 5 to the financial statements.

As of December 31, 2015, depreciable capital assets for governmental activities were 36 percent depreciated, slightly below the 2014 rate of 37 percent. This comparison indicates the City is replacing its assets at approximately the same rate they are depreciating, which is a positive indicator.

### Debt Administration

	LONG-TERM DEBT					
	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
General Obligation Bonds	\$ 35,945,000	\$ 40,135,001	\$ -	\$ -	\$ 35,945,000	\$ 40,135,001
Revenue Bonds	-	-	27,175,783	28,760,000	27,175,783	28,760,000
Other Long-Term Debt	33,203,128	34,470,753	3,248,163	3,951,670	36,451,291	38,422,423
Unamortized Premium (Discount)	1,454,331	1,747,831	(69,217)	(82,699)	1,385,114	1,665,132
Employee Benefits	33,312,198	10,242,130	6,410,514	687,363	39,722,712	10,929,493
Total	<u>\$ 103,914,657</u>	<u>\$ 86,595,715</u>	<u>\$ 36,765,243</u>	<u>\$ 33,316,334</u>	<u>\$ 140,679,900</u>	<u>\$ 119,912,049</u>

The City's total outstanding debt at December 31, 2015, was \$141 million, a \$21 million (17 percent) increase from the prior year which is attributed to the addition of \$26.8 million in net pension liability, which is now required by the adoption of GASB 68. Offsetting the large increase related to the addition of net pension, was the payment of \$5.6 million in general obligation bond principal, \$2.0 million in revenue bond principal, and a \$0.7 million in Public Works Trust Fund Loan principal. More detailed information about the City's long-term debt can be found in Note 11 to the financial statements.

The City's AA+ general obligation debt rating was reaffirmed by both Fitch and Standard in early 2015 and maintains its AA+ revenue bond rating from Fitch (July 2014).

### **REQUESTS FOR FINANCIAL INFORMATION**

This financial report is designed to provide our citizens, creditors, investors, and others interested in the City's finances with a general overview of the City's finances and to show the City's accountability for financial resources it receives. If you have any questions about this report or need additional information, please contact Iwen Wang, Administrative Services Administrator, 1055 South Grady Way, Renton, WA 98057 or visit our web site at [www.rentonwa.gov](http://www.rentonwa.gov).

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STATEMENT OF NET POSITION  
DECEMBER 31, 2015

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>ASSETS</b>			
Cash and cash equivalents	\$ 55,360,863	\$ 32,274,301	\$ 87,635,164
Cash with fiscal agent	435,591	-	435,591
Investments at fair value	30,148,672	19,179,859	49,328,531
Receivables (net of allowance for uncollectibles)	17,665,944	9,701,950	27,367,894
Inventories	180,632	386,136	566,768
Prepayments	53,000	-	53,000
Other non-current assets:			
Special assessments	6,961	58,925	65,886
Net pension asset	18,989,716	-	18,989,716
Investment in joint ventures (net)	35,360,949	-	35,360,949
Restricted assets:			
Cash and cash equivalents	-	2,909,578	2,909,578
Capital assets not being depreciated:			
Land	204,852,858	6,150,056	211,002,914
Construction in progress	56,729,526	12,654,589	69,384,115
Capital assets, net of accumulated depreciation:			
Buildings	56,334,942	9,823,177	66,158,119
Infrastructure	176,956,421	270,753,625	447,710,046
Machinery and equipment	11,812,573	924,521	12,737,094
Intangibles	552,271	1,134,803	1,687,074
Total assets	<u>665,440,919</u>	<u>365,951,520</u>	<u>1,031,392,439</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amounts related to pensions	4,370,470	690,615	5,061,085
Deferred amount on refunding	1,096,890	846,527	1,943,417
Total deferred outflows of resources	<u>5,467,360</u>	<u>1,537,142</u>	<u>7,004,502</u>
<b>LIABILITIES</b>			
Accounts payable and other current liabilities	11,875,812	3,118,939	14,994,751
Interest payable	499,150	95,614	594,764
Unearned revenue	1,564,906	526,172	2,091,078
Non-current liabilities:			
Due within one year	8,590,467	2,291,350	10,881,817
Due in more than one year	96,797,063	35,332,531	132,129,594
Total liabilities	<u>119,327,398</u>	<u>41,364,606</u>	<u>160,692,004</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred amounts related to pensions	6,780,859	867,175	7,648,034
Total deferred inflows of resources	<u>6,780,859</u>	<u>867,175</u>	<u>7,648,034</u>
<b>NET POSITION</b>			
Net investment in capital assets	467,609,532	271,016,825	738,626,357
Restricted			
Grants and contributions	91,051	-	91,051
Special purpose taxes & assessments	6,383,125	-	6,383,125
Debt service	1,523,255	2,909,578	4,432,833
Pensions	18,989,716	-	18,989,716
Unrestricted	50,203,343	51,330,478	101,533,821
Total net position	<u>\$ 544,800,022</u>	<u>\$ 325,256,881</u>	<u>\$ 870,056,903</u>



STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2015

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	PRIMARY GOVERNMENT		
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>Primary government:</b>							
<b>Governmental activities:</b>							
General government	\$ 9,829,338	\$ 4,354,150	\$ 1,413,981	\$ -	\$ (4,061,207)	\$ -	\$ (4,061,207)
Judicial	2,342,557	3,476,485	21,886	-	1,155,814	-	1,155,814
Public safety	57,863,131	7,677,351	2,751,684	-	(47,434,096)	-	(47,434,096)
Utilities	694,469	668	-	174,000	(519,801)	-	(519,801)
Transportation	15,918,953	3,823,320	2,140,955	7,000,861	(2,953,817)	-	(2,953,817)
Economic and natural environment	7,362,822	5,641,135	146,455	-	(1,575,232)	-	(1,575,232)
Health and human services	1,925,253	-	-	-	(1,925,253)	-	(1,925,253)
Culture and recreation	13,636,384	2,331,046	139,069	1,483,214	(9,683,055)	-	(9,683,055)
Interest on long-term debt	1,247,934	-	-	-	(1,247,934)	-	(1,247,934)
Total governmental activities	<u>110,820,841</u>	<u>27,304,155</u>	<u>6,614,030</u>	<u>8,658,075</u>	<u>(68,244,581)</u>	<u>-</u>	<u>(68,244,581)</u>
<b>Business-type activities:</b>							
Waterworks utility	44,983,542	53,263,702	377,625	21,638,905	-	30,296,690	30,296,690
Airport	3,818,201	2,614,311	215,054	1,652,369	-	663,533	663,533
Solid waste utility	16,907,652	17,146,266	111,688	-	-	350,302	350,302
Golf course	2,200,740	2,302,635	-	-	-	101,895	101,895
Total business-type activities	<u>67,910,135</u>	<u>75,326,914</u>	<u>704,367</u>	<u>23,291,274</u>	<u>-</u>	<u>31,412,420</u>	<u>31,412,420</u>
Total primary government	\$ <u>178,730,976</u>	\$ <u>102,631,069</u>	\$ <u>7,318,397</u>	\$ <u>31,949,349</u>	<u>(68,244,581)</u>	<u>31,412,420</u>	<u>(36,832,161)</u>
<b>General revenues:</b>							
<b>Taxes:</b>							
Property taxes					35,418,323	-	35,418,323
Retail sales taxes					29,567,506	-	29,567,506
Business taxes					20,561,270	-	20,561,270
Excise taxes					5,736,582	-	5,736,582
Interest and investment earnings					1,303,414	225,515	1,528,929
Miscellaneous					580,042	38,014	618,056
Gain (loss) on sale of capital assets					17,109	(701,718)	(684,609)
Transfers					131,491	(131,491)	-
Total general revenues and transfers					<u>93,315,737</u>	<u>(569,680)</u>	<u>92,746,057</u>
Change in net position					<u>25,071,156</u>	<u>30,842,740</u>	<u>55,913,896</u>
Net position - January 1					533,384,879	300,482,382	833,867,261
Change in accounting principles - GASB 68					(13,656,013)	(6,068,241)	(19,724,254)
Net position - January 1, restated					<u>519,728,866</u>	<u>294,414,141</u>	<u>814,143,007</u>
Net position - December 31					\$ <u>544,800,022</u>	\$ <u>325,256,881</u>	\$ <u>870,056,903</u>

BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2015

	GENERAL	MUNICIPAL FACILITIES CIP	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>				
Cash & cash equivalents	\$ 13,018,604	\$ 9,165,524	\$ 7,669,542	\$ 29,853,670
Cash with fiscal agent	435,591	-	-	435,591
Investments at fair value	7,066,552	4,996,420	4,180,913	16,243,885
Receivables (net of allowances):				
Taxes	2,313,328	-	-	2,313,328
Customer accounts	5,535,722	223	3,714	5,539,659
Accrued interest & penalties	63,595	77,542	50,701	191,838
Special assessments	-	-	9,236	9,236
Due from other funds	-	570,977	570,977	1,141,954
Due from other governmental units	5,902,140	191,959	3,365,823	9,459,922
<b>TOTAL ASSETS</b>	<u>34,335,532</u>	<u>15,002,645</u>	<u>15,850,906</u>	<u>65,189,083</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 34,335,532</u>	<u>\$ 15,002,645</u>	<u>\$ 15,850,906</u>	<u>\$ 65,189,083</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 1,816,996	\$ 507,997	\$ 1,536,643	\$ 3,861,636
Taxes payable	42,597	-	-	42,597
Retainage payable	3,155	67,637	337,741	408,533
Due to other funds	1,141,954	-	-	1,141,954
Due to other governmental units	30,384	-	-	30,384
Matured interest payable	-	-	1,920	1,920
Interfund loans payable	875,000	-	146,298	1,021,298
Custodial accounts	197,957	-	-	197,957
Unearned revenues	296,409	-	1,266,774	1,563,183
Accrued wages and benefits payable	2,838,402	-	-	2,838,402
<b>Total liabilities</b>	<u>7,242,854</u>	<u>575,634</u>	<u>3,289,376</u>	<u>11,107,864</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred amount of special assessments	-	-	9,236	9,236
Unavailable revenues	5,308,144	209	2,429	5,310,782
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>5,308,144</u>	<u>209</u>	<u>11,665</u>	<u>5,320,018</u>
<b>FUND BALANCES</b>				
Restricted	156,105	565,468	7,275,858	7,997,431
Committed	1,185,085	13,367,696	2,476,776	17,029,557
Assigned	260,342	493,638	2,797,231	3,551,211
Unassigned	20,183,002	-	-	20,183,002
<b>TOTAL FUND BALANCES</b>	<u>21,784,534</u>	<u>14,426,802</u>	<u>12,549,865</u>	<u>48,761,201</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>	<u>\$ 34,335,532</u>	<u>\$ 15,002,645</u>	<u>\$ 15,850,906</u>	<u>\$ 65,189,083</u>

RECONCILIATION OF THE BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
DECEMBER 31, 2015

FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 48,761,201

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

Other non-current assets and deferred outflows of resources used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Investment in Joint Venture-SCORE	31,416,070	
Investment in Joint Venture-Valley Communications	3,944,879	
Net pension assets	18,989,716	
Deferred outflows related to pensions	<u>3,926,722</u>	58,277,387

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.

Land	204,852,858	
Construction in progress	56,653,045	
Buildings (net of accumulated depreciation)	55,335,172	
Infrastructure (net of accumulated depreciation)	176,790,394	
Machinery and equipment (net of accumulated depreciation)	1,061,390	
Intangible assets (net of accumulated amortization)	<u>46,565</u>	494,739,424

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.

Property tax revenue	566,898	
Municipal court revenue	1,039,867	
Photo enforcement revenue	3,432,485	
Other	<u>280,768</u>	5,320,018

Certain liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Interest payable	(497,230)	
Bonds payable and deferred amounts on refunding	(70,602,459)	
Compensated absences	(5,339,522)	
Other post employment benefits	(6,839,826)	
Net pension liabilities	(17,349,767)	
Deferred inflows related to pensions	<u>(6,211,994)</u>	(106,840,798)

Accrued pension expense reported in the governmental funds is not included in the calculation of the net pension liability.

160,317

Internal service funds are used by management to charge the costs of certain activities, such as equipment rental, self-insurance, information technology and facility services to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.

44,382,473

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 544,800,022

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2015  
 Page 1 of 1

	GENERAL	MUNICIPAL FACILITIES CIP	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>				
Taxes	\$ 82,385,005	\$ 2,271,945	\$ 6,760,937	\$ 91,417,887
Licenses and permits	5,895,503	465,837	2,179,750	8,541,090
Intergovernmental revenues	4,972,116	1,216,548	4,358,133	10,546,797
Charges for services	11,101,008	3,870	2,232,413	13,337,291
Fines and forfeits	3,022,849	-	26,693	3,049,542
Interfund revenues	296,649	-	-	296,649
Contributions	158,292	-	29,324	187,616
Investment earnings	959,200	84,035	65,337	1,108,572
Miscellaneous revenues	1,992,368	621	1,543	1,994,532
<b>TOTAL REVENUES</b>	<b>110,782,990</b>	<b>4,042,856</b>	<b>15,654,130</b>	<b>130,479,976</b>
<b>EXPENDITURES</b>				
Current:				
General government	11,223,964	110,521	-	11,334,485
Judicial	2,461,668	-	-	2,461,668
Public safety	58,211,446	-	-	58,211,446
Utilities	236,245	-	-	236,245
Transportation	9,002,030	-	1,896,904	10,898,934
Economic environment	6,271,302	140,096	216,738	6,628,136
Health and human services	1,876,841	-	-	1,876,841
Culture and recreation	11,396,257	823,497	30,989	12,250,743
Capital outlay:				
General government	649,532	111,868	-	761,400
Public safety	16,070	-	-	16,070
Transportation	45,695	-	5,328,566	5,374,261
Culture and recreation	12,989	14,109,465	-	14,122,454
Debt service:				
Principal payments	-	-	4,834,225	4,834,225
Interest and fiscal charges	-	-	1,660,586	1,660,586
<b>TOTAL EXPENDITURES</b>	<b>101,404,039</b>	<b>15,295,447</b>	<b>13,968,008</b>	<b>130,667,494</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>9,378,951</b>	<b>(11,252,591)</b>	<b>1,686,122</b>	<b>(187,518)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	5,000	5,622,264	3,199,365	9,326,629
Transfer (out)	(7,668,610)	(32,322)	(2,585,111)	(10,786,043)
Refunding bonds issued	-	-	12,520,000	12,520,000
Premium on general obligation debt	-	-	1,171,804	1,171,804
Payment to refunded bond escrow agent	-	-	(13,573,341)	(13,573,341)
Insurance recoveries	14,724	-	-	14,724
<b>TOTAL OTHER FINANCE SOURCES (USES)</b>	<b>(7,648,886)</b>	<b>5,589,942</b>	<b>732,717</b>	<b>(1,326,227)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>1,730,065</b>	<b>(5,662,649)</b>	<b>2,418,839</b>	<b>(1,513,745)</b>
FUND BALANCE JANUARY 1	20,054,469	21,186,202	10,131,026	51,371,697
Prior Period Adjustment	-	(1,096,751)	-	(1,096,751)
FUND BALANCES JANUARY 1 RESTATED	20,054,469	20,089,451	10,131,026	50,274,946
FUND BALANCE DECEMBER 31	\$ 21,784,534	\$ 14,426,802	\$ 12,549,865	\$ 48,761,201

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
GOVERNMENTAL ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2015

NET CHANGES IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ (1,513,745)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period plus losses on capital assets from the sale of land and equipment.

Capital expenditures	20,274,185	
Depreciation and amortization expense	(9,565,017)	
Loss on disposal of assets	<u>(8,601)</u>	10,700,567

Governmental funds report pension expenditures when due and payable from current financial resources. However, in the statement of activities, pension expense is measured by the change in the net pension assets, net pension liabilities, and related deferred outflows and inflows. This is the net difference in pension expense.

2,652,021

Donations of property and infrastructure from developers are not reported in the governmental funds. However, in the statement of activities, the fair market value of those assets is recognized as revenue.

3,779,388

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds. Unavailable revenue increased by this amount.

333,101

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principle of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and refundings when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

2,613,724

Increase (decrease) in Investment in Joint Ventures which do not provide current financial resources and, therefore, are not reported in the funds.

Equity interest-SCORE	136,621	
Equity interest-Valley Communications	<u>470,862</u>	607,483

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds are reported with governmental activities.

5,898,617

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 25,071,156

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2015  
 Page 1 of 2

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			TOTAL ENTERPRISE FUNDS	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	WATERWORKS UTILITY	SOLID WASTE	OTHER ENTERPRISE FUNDS		
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash & cash equivalents	\$ 29,062,337	\$ 2,209,951	\$ 1,002,013	\$ 32,274,301	\$ 25,507,193
Investments at fair value	17,428,915	1,204,715	546,229	19,179,859	13,904,787
Receivables (net of allowances):					
Customer accounts	5,414,901	1,774,272	79,525	7,268,698	9,948
Special assessments	83,490	-	-	83,490	-
Interest - investments	141,214	12,207	9,124	162,545	145,530
Interfund loan receivable	-	-	-	-	321,298
Due from other governmental units	1,418,455	114,591	654,171	2,187,217	3,444
Inventory of materials and supplies	326,439	-	59,697	386,136	180,632
Prepayments	-	-	-	-	53,000
<b>Total current assets</b>	<b>53,875,751</b>	<b>5,315,736</b>	<b>2,350,759</b>	<b>61,542,246</b>	<b>40,125,832</b>
<b>Noncurrent assets:</b>					
Restricted cash & cash equivalents	2,909,578	-	-	2,909,578	-
Special assessments-non-current	58,925	-	-	58,925	-
Advances to other funds	-	-	-	-	700,000
Capital assets not being depreciated:					
Land	2,682,776	-	3,467,280	6,150,056	-
Construction in progress	11,023,212	-	1,631,377	12,654,589	76,481
Capital assets, net of accumulated depreciation:					
Buildings, improvements and equipment	256,120,972	-	25,380,351	281,501,323	11,916,980
Intangible assets	1,134,803	-	-	1,134,803	505,706
<b>Total noncurrent assets</b>	<b>273,930,266</b>	<b>-</b>	<b>30,479,008</b>	<b>304,409,274</b>	<b>13,199,167</b>
<b>TOTAL ASSETS</b>	<b>327,806,017</b>	<b>5,315,736</b>	<b>32,829,767</b>	<b>365,951,520</b>	<b>53,324,999</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred amounts related to pensions	538,084	33,310	119,221	690,615	443,748
Deferred amount on refunding	846,527	-	-	846,527	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 1,384,611</b>	<b>\$ 33,310</b>	<b>\$ 119,221</b>	<b>\$ 1,537,142</b>	<b>\$ 443,748</b>

STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2015  
 Page 2 of 2

	BUSINESS-TYPE ACTIVITIES				GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	ENTERPRISE FUNDS			TOTAL ENTERPRISE FUNDS	
	WATERWORKS UTILITY	SOLID WASTE	OTHER ENTERPRISE FUNDS		
<b>LIABILITIES</b>					
<b>Current liabilities:</b>					
Accounts payable	\$ 666,431	\$ 1,276,840	\$ 251,776	\$ 2,195,047	\$ 527,145
Claims incurred but not reported	-	-	-	-	3,863,874
Retainage payable	27,259	-	-	27,259	6,548
Due to other governments	608,904	-	-	608,904	-
Accrued interest payable	95,614	-	-	95,614	-
Accrued wages and benefits payable	389,759	21,215	99,060	510,034	317,025
Accrued taxes payable	89,152	71,704	82,100	242,956	70
Custodial accounts	20,870	-	220,219	241,089	-
Unearned revenue	339,700	6,624	179,848	526,172	1,723
Revenue bonds payable	1,585,000	-	-	1,585,000	-
<b>Total current liabilities</b>	<b>3,822,689</b>	<b>1,376,383</b>	<b>833,003</b>	<b>6,032,075</b>	<b>4,716,385</b>
<b>Long-term liabilities:</b>					
Revenue bonds payable	26,437,310	-	-	26,437,310	-
Accrued wages and benefits payable	453,058	21,562	95,248	569,868	370,946
Public works trust fund loan payable	2,639,259	-	-	2,639,259	-
Net pension liability	4,417,761	278,284	990,049	5,686,094	3,730,078
<b>Total long-term liabilities</b>	<b>33,947,388</b>	<b>299,846</b>	<b>1,085,297</b>	<b>35,332,531</b>	<b>4,101,024</b>
<b>TOTAL LIABILITIES</b>	<b>37,770,077</b>	<b>1,676,229</b>	<b>1,918,300</b>	<b>41,364,606</b>	<b>8,817,409</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred amounts related to pensions	673,744	42,441	150,990	867,175	568,865
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>673,744</b>	<b>42,441</b>	<b>150,990</b>	<b>867,175</b>	<b>568,865</b>
<b>NET POSITION</b>					
Net investment in capital assets	240,537,817	-	30,479,008	271,016,825	12,499,167
Restricted -Waterworks utility debt	2,909,578	-	-	2,909,578	-
Unrestricted	47,299,412	3,630,376	400,690	51,330,478	31,883,306
<b>TOTAL NET POSITION</b>	<b>\$ 290,746,807</b>	<b>\$ 3,630,376</b>	<b>\$ 30,879,698</b>	<b>\$ 325,256,881</b>	<b>\$ 44,382,473</b>

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2015

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	WATERWORKS UTILITY	SOLID WASTE	OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	
<b>OPERATING REVENUES:</b>					
Charges for services	\$ 52,824,976	\$ 17,053,374	\$ 2,047,961	\$ 71,926,311	\$ 34,823,790
Interdepartmental services	98,521	1,798	-	100,319	-
Miscellaneous	340,205	91,094	2,868,985	3,300,284	183,288
<b>TOTAL OPERATING REVENUES</b>	<b>53,263,702</b>	<b>17,146,266</b>	<b>4,916,946</b>	<b>75,326,914</b>	<b>35,007,078</b>
<b>OPERATING EXPENSES:</b>					
Supplies	1,401,801	8,888	392,751	1,803,440	1,956,945
Personnel services	8,733,107	686,293	2,014,719	11,434,119	6,300,809
Contracted services	20,602,113	14,211,032	2,290,504	37,103,649	4,743,210
Insurance	-	-	-	-	15,661,467
Taxes	4,443,868	2,001,439	12,060	6,457,367	88,121
Depreciation and amortization	8,494,336	-	1,300,833	9,795,169	2,311,012
<b>TOTAL OPERATING EXPENSES</b>	<b>43,675,225</b>	<b>16,907,652</b>	<b>6,010,867</b>	<b>66,593,744</b>	<b>31,061,564</b>
<b>OPERATING INCOME (LOSS)</b>	<b>9,588,477</b>	<b>238,614</b>	<b>(1,093,921)</b>	<b>8,733,170</b>	<b>3,945,514</b>
<b>NON-OPERATING REVENUES(EXPENSES):</b>					
Intergovernmental revenues	377,625	111,688	215,054	704,367	40,057
Investment earnings	202,996	14,776	7,743	225,515	194,842
Gain (loss) on sale of capital assets	(200,835)	-	(500,883)	(701,718)	17,109
Other non-operating revenues (expenses)	24,951	90	7,945	32,986	14,480
Interest expense	(1,308,317)	-	(8,074)	(1,316,391)	-
Insurance recoveries	5,028	-	-	5,028	95,710
<b>NON-OPERATING REVENUE NET OF EXPENSE</b>	<b>(898,552)</b>	<b>126,554</b>	<b>(278,215)</b>	<b>(1,050,213)</b>	<b>362,198</b>
<b>INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<b>8,689,925</b>	<b>365,168</b>	<b>(1,372,136)</b>	<b>7,682,957</b>	<b>4,307,712</b>
Capital contributions	21,638,905	-	1,652,369	23,291,274	-
Transfers in	-	-	-	-	1,715,905
Transfers out	(129,588)	(1,903)	-	(131,491)	(125,000)
<b>CHANGE IN NET POSITION</b>	<b>30,199,242</b>	<b>363,265</b>	<b>280,233</b>	<b>30,842,740</b>	<b>5,898,617</b>
<b>NET POSITION, JANUARY 1</b>	<b>265,146,398</b>	<b>3,554,479</b>	<b>31,781,505</b>	<b>300,482,382</b>	<b>42,429,801</b>
Change in accounting principles - GASB 68	(4,598,833)	(287,368)	(1,182,040)	(6,068,241)	(3,945,945)
<b>NET POSITION, JANUARY 1 RESTATED</b>	<b>260,547,565</b>	<b>3,267,111</b>	<b>30,599,465</b>	<b>294,414,141</b>	<b>38,483,856</b>
<b>NET POSITION, DECEMBER 31</b>	<b>\$ 290,746,807</b>	<b>\$ 3,630,376</b>	<b>\$ 30,879,698</b>	<b>\$ 325,256,881</b>	<b>\$ 44,382,473</b>



STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2015  
 Page 1 of 2

	BUSINESS-TYPE ACTIVITIES				GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	ENTERPRISE FUNDS				
	WATERWORKS UTILITY	SOLID WASTE	OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received for services	\$ 53,411,034	\$ 17,385,447	\$ 4,971,454	\$ 75,767,935	\$ -
Cash received from other funds for services	98,521	-	-	98,521	35,091,268
Cash paid to suppliers for goods & services	(26,393,805)	(15,498,728)	(2,691,896)	(44,584,429)	(22,031,923)
Cash paid to employees	(8,775,490)	(683,118)	(2,148,185)	(11,606,793)	(6,372,717)
Other non-operating receipts	29,979	90	7,945	38,014	110,190
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>18,370,239</u>	<u>1,203,691</u>	<u>139,318</u>	<u>19,713,248</u>	<u>6,796,818</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from other funds	-	-	-	-	1,715,905
Transfers to other funds	(129,588)	(1,903)	-	(131,491)	(125,000)
Operating grants	377,625	106,593	350,529	834,747	40,057
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>248,037</u>	<u>104,690</u>	<u>350,529</u>	<u>703,256</u>	<u>1,630,962</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:					
Proceeds from the sale of equipment	6,300	-	-	6,300	139,836
System development charges	2,344,727	-	-	2,344,727	-
Acquisition & construction of capital assets	(5,272,812)	-	(1,761,283)	(7,034,095)	(4,382,247)
Special assessments	187,873	-	-	187,873	-
Capital grants	1,019,081	-	1,652,369	2,671,450	-
Principal payments on debt	(2,294,225)	-	(391,853)	(2,686,078)	-
Interest payments on debt	(1,219,121)	-	(8,808)	(1,227,929)	-
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>(5,228,177)</u>	<u>-</u>	<u>(509,575)</u>	<u>(5,737,752)</u>	<u>(4,242,411)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:					
Principal proceeds from interfund loans	561,335	-	-	561,335	534,933
Payments for interfund loans	-	-	-	-	(875,000)
Proceeds from sale of investments	-	-	91,798	91,798	573,230
Payments for investments	(2,998,257)	(348,105)	-	(3,346,362)	-
Interest on investments and loans	152,253	11,031	7,368	170,652	153,696
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(2,284,669)</u>	<u>(337,074)</u>	<u>99,166</u>	<u>(2,522,577)</u>	<u>386,859</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	11,105,430	971,307	79,438	12,156,175	4,572,228
CASH & CASH EQUIVALENTS, JANUARY 1	17,956,907	1,238,644	922,575	20,118,126	20,934,965
RESTRICTED CASH & CASH EQUIVALENTS, JANUARY 1	2,909,578	-	-	2,909,578	-
TOTAL CASH, RESTRICTED CASH, & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 31,971,915</u>	<u>\$ 2,209,951</u>	<u>\$ 1,002,013</u>	<u>\$ 35,183,879</u>	<u>\$ 25,507,193</u>

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2015  
 Page 2 of 2

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			TOTAL ENTERPRISE FUNDS	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	WATERWORKS UTILITY	SOLID WASTE	OTHER ENTERPRISE FUNDS		
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
Operating income (loss)	\$ 9,588,477	\$ 238,614	\$ (1,093,921)	\$ 8,733,170	\$ 3,945,514
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation & amortization	8,494,336	-	1,300,833	9,795,169	2,311,012
Other non-operating revenue	29,979	90	7,945	38,014	110,190
(Increase) decrease in accounts receivable	270,274	232,557	21,002	523,833	84,131
(Increase) decrease in inventory & prepaid items	(39,423)	-	4,015	(35,408)	(9,149)
(Increase) decrease in deferred outflows related to pensions	(281,671)	(17,848)	(59,066)	(358,585)	(226,567)
Increase (decrease) in operating accounts payable	91,908	717,349	(1,830)	807,427	(265,887)
Increase (decrease) in due to other funds	-	-	-	-	(34,058)
Increase (decrease) in accrued taxes & other short-term liabilities	1,492	5,282	1,234	8,008	726,984
Increase (decrease) in customer deposits	4,240	-	14,245	18,485	-
Increase (decrease) in unearned revenues	(28,661)	6,624	19,261	(2,776)	197
Increase (decrease) in accrued employee wages and benefits	22,560	4,418	30,567	57,545	36,420
Increase (decrease) in net pension liability and deferred inflows related to pensions	216,728	16,605	(104,967)	128,366	118,031
Total adjustments	<u>8,781,762</u>	<u>965,077</u>	<u>1,233,239</u>	<u>10,980,078</u>	<u>2,851,304</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 18,370,239</u>	<u>\$ 1,203,691</u>	<u>\$ 139,318</u>	<u>\$ 19,713,248</u>	<u>\$ 6,796,818</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES					
Loss on disposal of capital assets	\$ 193,726	\$ -	\$ 500,883	\$ 694,609	\$ -
Contributions of capital assets	\$ 17,471,388	\$ -	\$ -	\$ 17,471,388	\$ -
Depreciation & amortization	\$ 8,494,336	\$ -	\$ 1,300,833	\$ 9,795,169	\$ 2,311,012

STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
DECEMBER 31, 2015

	PENSION TRUST FIREFIGHTERS' PENSION	AGENCY SPECIAL DEPOSITS
ASSETS		
Cash and cash equivalents	\$ 1,763,744	\$ 934,177
Investments at fair value:		
Federal National Mortgage Association	541,638	-
Federal Home Loan Bank	229,314	
FFCB	95,546	
FNMA Zero Coupon	499,315	
FNMA Zero Coupon Strip	141,467	
US Treasury Strips	2,728,341	-
Certificates of deposit	347,022	-
Receivables (net of allowances)		
Interest on investments	3,184,815	-
TOTAL ASSETS	9,531,202	934,177
DEFERRED OUTFLOWS OF RESOURCES	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	-
LIABILITIES		
Deposits	-	934,177
TOTAL LIABILITIES	-	934,177
DEFERRED INFLOWS OF RESOURCES	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-
NET POSITION		
Net position held in trust for pension benefits and other purposes	\$ 9,531,202	\$ -

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIREFIGHTERS' PENSION FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2015

	PENSION TRUST FIREFIGHTERS' PENSION
ADDITIONS:	
Other contributions:	
Fire insurance premiums transferred in	\$ 146,358
Investment earnings:	
Investment interest	336,787
Net increase / (decrease) in the fair value of investments	<u>(202,796)</u>
Total Investment earnings	<u>133,991</u>
TOTAL ADDITIONS	<u>280,349</u>
 DEDUCTIONS:	
Benefits	205,147
Administrative expenses	<u>11,775</u>
TOTAL DEDUCTIONS	<u>216,922</u>
Change in net position	63,427
 NET POSITION - JANUARY 1	 <u>9,467,775</u>
NET POSITION - DECEMBER 31	<u>\$ <u>9,531,202</u></u>

## NOTES TO THE FINANCIAL STATEMENTS

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

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

For the reporting year ended December 31, 2015, the City has implemented GASB 68, *Accounting and Financial Reporting for Pensions*, and GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, as they relate to the City's pension plans.

As a result of the GASB 68 and GASB 71 implementation, the City recorded adjustments to beginning net position as follows:

	Governmental Activities	Business-Type Activities	Total
Firefighters' Pension	\$ 2,684,672	\$ -	\$ 2,684,672
PERS 1	(11,578,721)	(3,221,798)	(14,800,519)
PERS 2/3	(10,316,307)	(2,871,075)	(13,187,382)
PSERS 2	1,318	-	1,318
LEOFF 1	1,724,075	-	1,724,075
LEOFF 2	6,686,713	-	6,686,713
Accrued Pension Benefits	152,828	24,632	177,460
SCORE Restatement	(1,134,356)	-	(1,134,356)
Valley Com Restatement	(1,876,235)	-	(1,876,235)
Total Adjustment to Beginning Net Position	<u>\$ (13,656,013)</u>	<u>\$ (6,068,241)</u>	<u>\$ (19,724,254)</u>

**A. REPORTING ENTITY**

The City of Renton was incorporated on September 6, 1901, and operates under the laws of the State of Washington applicable to a Non-Charter code city with a Mayor/Council form of government. A full-time Mayor and seven part-time Council members serve the City, all elected at large to four-year terms. The City provides the full range of municipal services authorized by state statutes, together with a Municipal Airport, a Waterworks Utility, a Solid Waste Utility, and a Municipal Golf Course.

The City of Renton has no component units (either blended or discretely presented) included in these statements. The City of Renton's Mayor appoints the Governing Board for the Renton Housing Authority, which is not considered a component unit of the City. The City is under no obligation to subsidize, nor does it exercise any other prerequisite for inclusion.

## NOTES TO THE FINANCIAL STATEMENTS

**B. BASIS OF PRESENTATION**

The City's basic financial statements include both government-wide statements and fund financial statements. The government-wide statements report financial information for the City as a whole, while the fund statements present detailed financial information at the fund level. The City's fiduciary funds are presented in the fund financial statements. Since the assets are being held for the benefit of a third party and cannot be used for obligations of the City, they are not included in the Government-wide statements.

**Government-wide financial statements**

In the government-wide statement of net position governmental and business-type activities are reported. Governmental activities are mostly supported by taxes, intergovernmental revenue, and other non-exchange transactions. The governmental activities column includes the combined data from all governmental funds and internal service funds. Business-type activities mostly rely on fees and charges for services to external customers and include data from the City's enterprise funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each of the City's governmental activities (general government, judicial, public safety, utilities, transportation, economic environment, health and human services, and culture and recreation) and for each identifiable business-type activity (waterworks utility, airport, solid waste utility, and golf course). Direct expenses are those that are specifically associated with a function and therefore clearly identifiable to that particular function.

The statement of activities reports the expenses of a given function offset by a program revenue directly associated with the functional program. Program revenues include: 1. charges for services which reports fees and charges for users of the City's service, 2. operating grants and contributions which support annual operating activities, and 3. capital grants and contributions which finance the acquisition, construction, or rehabilitation of capital assets. For determining the function, *charges for services* are tied to the function that generates the revenue and *grants and contributions* are tied to the function in which functional use they are restricted towards.

Taxes and other sources that are not directly related to a program are reported as general revenue. The comparison of direct expenses with program revenues identifies the extent each governmental function and business activity are self-sustaining and requires a draw from the general revenues of the City.

Generally, the effect of interfund activity has been eliminated from the government-wide financial statements, with the exception of various charges for services among different functions within the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions involved.

**Fund financial statements**

The City's activities are tracked in individual funds to segregate the transactions to aid in financial management and, in some cases, demonstrate legal compliance. The fund financial statements are intended to present the City's financial activities as a more detailed level. Separate financial statements are provided for each fund category - governmental, proprietary, and fiduciary funds. Each of the City's major funds, within each fund category, are presented in a separate column. All non-major funds, within each fund category, are

## NOTES TO THE FINANCIAL STATEMENTS

aggregated into one column; internal service funds are aggregated into one column and reported on the face of the proprietary fund statements; and fiduciary funds are reported by type.

The City reports the following major *governmental funds*:

**General Fund** is the primary operating fund of the City. It is used to account for the resources and disbursements of ordinary City operations that are not required to be accounted for in another fund. These include the costs of legislative and executive departments, court services, finance and legal departments, development services, police and fire departments, human resources and technical services, community services, parks, economic development, streets, property management for City owned leased facilities, library and museum, fire memorial, and fire department's health and wellness programs. The major sources of revenue are property taxes, utility taxes, and sales taxes. Licenses and permits, charges for services, and fines and forfeits provide additional support. Community development block grant activities are accounted for within this fund, which is federally funded.

**Municipal Facilities Fund** accounts for facility improvements and renovations, property acquisitions for parks and City space needs, parks development and equipment, and major capital requirements. Resources include general and special revenue taxes, grants, mitigation revenue, and Council-approved general obligation bonds.

The City reports the following major *enterprise funds*:

**Waterworks Utility Fund** accounts for all operating and capital improvement programs for water, wastewater, and storm water services within the City. The operating activities are primarily supported by user fees include: administration, billings and collections, debt service, engineering and operation, maintenance and repairs. The primary resources for capital improvement programs are revenue bond proceeds, grants (as available), and utility connection charges.

**Solid Waste Fund** accounts for solid waste, recycling, and yard waste collection services for the City are accounted for in this fund, supported entirely by service fees. The expenses include payment to the City's garbage contractor and other service charges.

Additionally, the government reports the following fund types:

**Internal Service Funds** include 1. the equipment rental fund (equipment replacement, information technology, facilities, and communications) and 2. the insurance fund (including risk management, workers compensation, unemployment compensation, and employee health care program). The equipment rental fund factors all costs, including depreciation, into the rates charged to each user department. The insurance fund pays expense and rates are charged to departments based on use and/or coverage requirements.

**Firefighters' Pension Fund** accounts for the payment of administrative costs and benefits for retired firefighters and their beneficiaries, who were employed prior to March 1, 1970. Primary revenues sources are general property tax allocations in accordance with actuarial calculations, the fire premium tax, and investment income.

## NOTES TO THE FINANCIAL STATEMENTS

**Special Deposit Fund** was established for the purpose of holding or retaining cash deposits or other securities pending fulfillment of certain conditions and/or requirements by the depositor. Refunds are made when all obligations have been met and only upon authorization from the transmitting department.

**Special Revenue Funds** are used to account for specific revenues that are restricted for expenditures for particular purposes.

**Debt Service Funds** account for the accumulation of resources for and the payment of general obligation and special assessment bonds.

During the course of operations the City has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due to/from other funds and advances to/from other funds. While these balances are reported in the fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between funds included in the governmental activities (generally between governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in the business-type activities are eliminated so that only the net amount is included as internal balances in the business type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported as gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included in transfers in the business-type activities column.

### C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Basis of Accounting refers to the point at which revenues or expenditures/expenses transactions or events are recognized in the accounts and reported in the financial statements. Measurement focus is measured one of two ways: either the *current financial resource* or the *economic resource* method.

**Government-wide financial statements** – the government-wide financial statements are prepared using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year they are levied and grants are recognized as revenue as soon as all eligibility requirements have been met.

**Governmental fund financial statements** – the governmental fund financial statements use a different measurement focus from the proprietary fund statements and government-wide statements. The governmental fund financial statements use the *current financial resources measurement* 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 reporting period or soon



## NOTES TO THE FINANCIAL STATEMENTS

enough thereafter to pay liabilities of the current period. The City considers revenue available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, the same as accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgements are recorded only when payment is due. General capital asset acquisitions are reported as current expenditures in governmental funds. Issuance of long-term debt and capital lease acquisitions are reported as other financing sources.

Property taxes, sales tax, franchise taxes, licenses, and interest associated with the current period are all considered susceptible to accrual and have been recognized as revenue in the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditure amount is received during the period or within the availability period for this revenue source. All other revenue is considered measurable and available only when the cash is received by the City.

Since the measurement focus between the governmental fund financial statements and the governmental activities in the government-wide statements vary, a detailed reconciliation is included in the fund statements to identify the relationship between the two statement types.

**Proprietary fund financial statements** – the proprietary fund statements and pension fund statements are reported using the *economic resources measurement focus* and *accrual basis of accounting*, the same as the government-wide statements.

#### **D. ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE**

##### *1. Cash and Cash Equivalents*

The City has defined cash and cash equivalents as cash on hand, demand deposits, and all highly liquid investments (including restricted assets) with maturity of three months or less when purchased. These amounts are classified on the balance sheet or in the statement of net position as cash and cash equivalents or investments in the various funds. Included in this category are all funds invested in the Local Government Investment Pool. Excluded from this category are cash balances held by Fiscal Agents since the City does not have discretionary use of these funds.

Most of the City's cash balances are pooled and invested. Interest earned from investments purchased with pooled cash is allocated monthly to each fund based on the fund's beginning equity balance in the pooled fund.

##### *2. Investments (also see Note 3B.)*

Investments for the City are reported at fair market value on the government-wide statements.

##### *3. Receivables*

Receivables have been reported net of estimated uncollectible accounts. Because property taxes, special assessments, and utility billings are considered liens on property, no estimated uncollectible amounts are established.

## NOTES TO THE FINANCIAL STATEMENTS

*Taxes* receivable consists of property taxes and related *interest and penalties*. Property taxes are an enforceable lien on real property and are due the first day of the levy year and may be paid in two equal installments. The first half is due April 1 and the balance is due October 31. The City collects approximately 99% of the property tax due in the year it is levied and delinquent taxes are collected within the following few years. Property tax due, but not collected within 60 days of year end, is recorded as a *receivable* and offset by *deferred inflow of resources – unavailable revenue*. There is no allowance for uncollectable sales tax because historically all taxes are collected and/or enforceable via lien (refer to Note 4 for more information).

*Accrued interest* receivable consists of amounts earned on investments, notes, and contracts.

*Customer accounts receivable* consists of amounts owed from/to private individuals or organizations for goods and services. If the transactions are receivable from another governmental unit, it is accounted for within “*due from/to other governments.*”

*Special assessments* are recorded when levied and are liens against the property benefited. Special assessments receivable consist of current and delinquent assessments and related interest and penalties. Special assessments not due within one year are reported as *deferred outflows of resources* in the governmental fund statements and reported as *non-current assets* in the government-wide statements and the proprietary fund statements.

4. *Internal Balances, Interfund Loan Receivables/Payable and Due From/To Other Funds*

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as *interfund loans receivable/payable*. All other outstanding balances between funds are reported as *due to/from other funds*. These amounts are eliminated within the governmental activities and business-type activities in the government-wide statement, except for the residual balances outstanding between the governmental activities and business-type activities, which are reported as *internal balances*. Refer to Note 10 for a detailed summary of interfund activity.

5. *Inventories and prepaid items*

All City *inventories* are maintained on a consumption basis of accounting where items are purchased for inventory and charged to the budgetary accounts as the items are consumed. Any material inventories at year-end are included in the balance sheet of the appropriate fund. All inventories are carried at cost on the first in, first out – FIFO basis, with the exception of the Public Works Maintenance shops inventory. The value of this inventory is calculated using the average cost method. The cost of inventories are recorded as an expenditure/expense when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are reported as *prepaid items* in both the Government-wide and fund statements.

6. *Capital Assets*

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

## NOTES TO THE FINANCIAL STATEMENTS

utilized by the propriety funds are reported both in the business-type activities of the government-wide statement of net position and in the proprietary fund statement of net position.

All capital assets are valued and capitalized at cost (or estimated historical cost when actual historical cost is unknown) and updated for additions and retirements during the year. Donated capital assets are recorded at their fair market values as of the date received. The City maintains a capitalization threshold of \$5,000 and an estimated useful life in excess of two years. Improvements to City assets and infrastructure are capitalized, but the cost of normal maintenance and repairs that do not extend the useful life, or increase capacity or efficiency, are expensed.

Interest incurred during the construction phase of capital assets of proprietary funds is included as part of the capitalized value of the assets constructed. The amount of interest capitalized is calculated by applying the weighted average borrowing rate to the average cumulative expenditures since inception. For the year ended December 31, 2015, total proprietary fund interest incurred of \$1,659,083 was reduced by capitalized interest in the amount of \$342,692.

All capital assets, other than land, right-of-ways, water rights, and construction in progress, are depreciated using the straight line method over the following estimated useful lives:

<u>Capital Asset Class</u>	<u>Estimated Useful Life</u>
Buildings and structures, excluding utilities	10-50 years
Other Improvements	10-80 years
Utility plant	25-75 years
Machinery and Equipment	3-40 years
Infrastructure	25-50 years

Amortization on all intangible assets is provided on the straight-line basis over the following useful lives:

<u>Intangible Asset Class</u>	<u>Estimated Service Life</u>
Computer software	3-15 years
Land use rights	3-12 years
Patents, trademarks, copyrights	3-50 years
Other	3-12 years

#### 7. *Other non-current Assets*

A portion of special assessments receivable are collectible in greater than one year. This long-term portion of the receivable is reported as an other non-current asset.

Investment in joint ventures consists of the City's equity balances and investment in debt of Valley Communications Center and South Correctional Entity (see also Note 12).

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

In addition to assets, the statement of financial position will report a separate section for *deferred outflows of resources*. This separate financial statement element, deferred outflow of resources,

## NOTES TO THE FINANCIAL STATEMENTS

represents a consumption of net position that applies to a future period and will not be recognized as an outflow (expense/expenditure) until that reporting period. The City has three items that qualify for reporting in this category. *Deferred amount on refunding* is reported on the government-wide statement of net position and the proprietary fund statement of net position. A *deferred amount 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 life of the refunded or refunding debt, whichever is shorter. *Deferred amount of special assessments* is the long-term principal due to the City from special assessment connections. This amount is only reported in the governmental fund balance sheet. *Deferred amounts related to pensions* are differences between actual and projected experience and investment earnings and the City's contributions to pensions subsequent to the measurement date, which was June 30, 2015, provided by the State of Washington. Refer to Note 6 for more information on pensions.

In addition to liabilities, the statement of financial position will report a separate section for *deferred inflows of resources*. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time (in prior years this inflow was recognized as "deferred revenue" within the liabilities). The City has two items that it reports as a *deferred inflow of resources*. *Unavailable revenue* arises only on the modified accrual basis, in the governmental fund balance sheet. The amount reported in *unavailable revenue* is comprised of three sources: delinquent municipal court receivables, delinquent photo enforcement receivables, and delinquent property tax receivables. These amounts are deferred and recognized as revenue in the period the amounts become available. On the government-wide statements (accrual basis of accounting) the amounts are considered available and recognized as inflow of resource in the current period. *Deferred amounts related to pensions* are the net difference between the projected and actual earnings on pension plan investments and changes in proportionate share. Refer to Note 6 for more information on pensions.

#### 9. *Unearned Revenues*

This account includes amounts collected in advance for services not yet rendered. The amounts are subject to return to the payor in the event the associated services are not performed.

#### 10. *Custodial Accounts*

This account reflects the liability for net monetary assets being held by the City in its agency capacity.

#### 11. *Compensated Absences*

The City's policy permits employees to accumulate earned but unused vacation leave benefits, which are eligible for payment upon separation from City service. For employees hired prior to January 1, 1994, a fifty percent cash out of accumulated earned but unused sick leave, is also eligible for payment upon separation. The City accrues accumulated unpaid vacation and sick leave (when eligible) when earned (or estimated to be earned) by the employee. The total compensated absences liability is reported on the government-wide statements and in each proprietary fund.

#### 12. *Fund Equity*

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

## NOTES TO THE FINANCIAL STATEMENTS

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

- a. *Nonspendable* – items that cannot be spent due to form; inventories, prepaid amounts, long-term loan receivables, or amounts that must be maintained intact legally.
- b. *Restricted* – amounts constrained for specific purposes imposed through the judicial process and enabling legislation adopted by the City; or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.
- c. *Committed* – amounts constrained by the City Council. Only the Council can, by ordinance, establish, modify, or rescind constraints on committed fund balances.
- d. *Assigned* – constraints imposed by the City Council for amounts *intended* for specific purposes, but do not meet the criteria of restricted or committed. It is the City's policy that intent of use can be assigned by the City Council, or by a designated official, adopted through either the biennial budget ordinance or an amending budget ordinance. For governmental funds, other than the General Fund, the residual fund balance that is not restricted or committed is reported as assigned because the use of fund balance, at a minimum, should be used for the purpose of that fund. Additional action does not need to be taken to remove an assignment, whereas additional action is essential to remove a commitment.
- e. *Unassigned* – any remaining fund balance in the General Fund that does not meet any of the above criteria.

## NOTES TO THE FINANCIAL STATEMENTS

The following shows the composition of the fund balance in governmental funds for the year ended December 31, 2015:

<b>Governmental Fund Balances</b>				
<b>December 31, 2015</b>				
	<b>General</b>	<b>Municipal Facilities</b>	<b>Other Governmental</b>	<b>Total</b>
<b>Restricted</b>				
Public Safety	\$ 88,546	\$ -	\$ -	\$ 88,546
Judicial	905	-	-	905
Community Development Block Grant	66,654	-	-	66,654
REET	-	144,714	844,923	989,637
Parks, Fire, and Street Impact Mitigation Fees	-	197,072	3,643,355	3,840,427
King County Prop. 1 Levy	-	199,285	-	199,285
King County Prop. 2 Levy	-	24,397	-	24,397
Debt Service	-	-	1,523,255	1,523,255
Wetlands Mitigation Bank	-	-	332,354	332,354
State Fuel Tax	-	-	138,761	138,761
Hotel/Motel Tax	-	-	350,312	350,312
1% for Art	-	-	111,159	111,159
Cable Franchise Fees	-	-	331,739	331,739
Total Restricted	<u>156,105</u>	<u>565,468</u>	<u>7,275,858</u>	<u>7,997,431</u>
<b>Committed</b>				
Debt Service	1,185,085	-	-	1,185,085
Library Construction	-	3,398,544	-	3,398,544
Capital Parks and Facilities Projects	-	8,969,152	-	8,969,152
Economic Stabilization	-	1,000,000	-	1,000,000
Capital Street Improvements	-	-	2,476,776	2,476,776
Total Committed	<u>1,185,085</u>	<u>13,367,696</u>	<u>2,476,776</u>	<u>17,029,557</u>
<b>Assigned</b>				
Public Safety	88,370	-	-	88,370
Culture and Recreation	171,972	-	-	171,972
Capital Parks and Facilities Projects	-	452,293	-	452,293
Economic Environment	-	41,345	-	41,345
Transportation	-	-	2,797,231	2,797,231
Total Assigned	<u>260,342</u>	<u>493,638</u>	<u>2,797,231</u>	<u>3,551,211</u>
<b>Unassigned</b>				
Unassigned	20,183,002	-	-	20,183,002
Total Unassigned	<u>20,183,002</u>	<u>-</u>	<u>-</u>	<u>20,183,002</u>
<b>Total fund balances</b>	<b><u>\$ 21,784,534</u></b>	<b><u>\$ 14,426,802</u></b>	<b><u>\$ 12,549,865</u></b>	<b><u>\$ 48,761,201</u></b>

**Fund balance flow assumptions** - when multiple categories of fund balance are available for incurred expenditures, it is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance ( the total of committed, assigned, and unassigned fund balance). Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**Net position** reflects the difference between assets and liabilities, in the government-wide and proprietary fund statement of net position. The component *net investment in capital assets* consists of capital assets, net of accumulated depreciation, reduced by any outstanding balances of any borrowing (ex. bonds or loans and related deferred amounts on refunding) for the acquisition, construction, or improvement of those assets. The net position is reported as *restricted* when there are limitations imposed on their use either through enabling legislation adopted by the City or through external restrictions imposed by

## NOTES TO THE FINANCIAL STATEMENTS

creditors, grantors, or laws or regulations of other governments. The balance of the net position is reported as *unrestricted*.

The following shows the composition of the restricted net position balances reported in the government-wide and proprietary fund statements for the year ended December 31, 2015:

<b>Restricted Net Position</b>			
<b>December 31, 2015</b>			
	<b>Governmental</b>	<b>Business-Type</b>	<b>Total</b>
	<b>Activities</b>	<b>Activities</b>	<b>Total</b>
<b>Restricted Net Position</b>			
Public Safety	\$ 88,546	\$ -	\$ 88,546
Judicial	905	-	905
Community Development Block Grant	66,654	-	66,654
REET 2 Allowable Projects	989,637	-	989,637
King County Prop. 1 Levy	199,285	-	199,285
King County Prop. 2 Levy	24,397	-	24,397
Parks, Fire, and Street Impact Mitigation Fees	3,840,427	-	3,840,427
Wetlands Mitigation Bank	332,354	-	332,354
State Fuel Tax	138,761	-	138,761
Hotel/Motel Tax	350,312	-	350,312
1% for Art	111,159	-	111,159
Cable Franchise Fees	331,739	-	331,739
Debt Service	1,523,255	2,909,578	4,432,833
Pensions	18,989,716	-	18,989,716
<b>Total Restricted Net Position</b>	<b>\$ 26,987,147</b>	<b>\$ 2,909,578</b>	<b>\$ 29,896,725</b>

**Net position flow assumptions** – In order to calculate the amounts to be reported as restricted net position and unrestricted net position on the government-wide and proprietary fund statements, a flow assumption is made. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position.

**Minimum fund balance policy** – The City Council has adopted a financial policy to maintain a minimum level of unrestricted fund balance in the general fund. The target level is set at 12 percent, with a minimum of 8 percent, of general fund operating expenditures. This amount is intended to provide fiscal stability when economic downturns and other unexpected events occur.

**Stabilization fund policy** – The City has adopted a comprehensive stabilization policy that helps provide stability through uncertain times. This allows for temporary cushion and flexibility when needed. The City Council, through ordinance, has established the following stabilization reserves:

1. *Economic development revolving fund reserve*: the City will be accumulating reserves until the target accumulation of \$2.5 million is reached. These reserves will fund the City's matching requirement for the use of state Local Revitalization Financing. Expenditure utilizing this reserve will require a two-thirds majority vote of the City Council.
2. *Catastrophic reserve*: the City will maintain a targeted amount of 8 percent for risk management reserves, for catastrophic emergencies. Expenditure utilizing this reserve will require a two-thirds majority vote of the City Council.

## NOTES TO THE FINANCIAL STATEMENTS

3. *Anti-recessionary reserve*: the City will maintain a targeted reserve equal to 4 percent of the general fund operating expense. Expenditures utilizing this reserve will require a two-thirds majority vote of the City Council and must be replenished within three years.
4. *Annexation sales tax credit expiration/transition reserve*: to help support debt service obligations between the time the annexation sales tax credit expires (mid-2018) and when the downtown parking garage and library bond are paid (2022). Expenditures utilizing this reserve will require a two-thirds majority vote of the City Council.
5. *General obligation bond payment reserve*: for all councilmatic, general obligation bonds issued after 2013, a one year payment reserve shall be established. The only bond issued since this provision are the 2015 General Obligation Refunding Bonds.

**E. REVENUES, EXPENDITURES, AND EXPENSES****1. Operating Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from non-operating revenues and expenses. Operating revenue and expense 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 waterworks utility, solid waste, airport, golf course, and internal service funds are charges to customers for sales and services. The waterworks utility also recognizes water meter installation fees, and wastewater and surface water construction permit fees as operating revenue because these charges are intended to offset the cost of connecting new customers to the system. Operating expense for proprietary funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenue and expense.

**2. Program Revenue**

Amount reported as program revenue, on the government-wide statement of activities, include: 1. Charges for customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2. Grants and contributions that are restricted to meeting the operation or capital requirements of a given function. All taxes, included those dedicated to specific purposes, are reported as general revenue rather than program revenue.

**3. Capital Contributions**

Capital contributions reported in the proprietary fund statements and the government-wide statements reflect the value of outside contributions of capital assets (i.e. developers, land donations, capital grants, special assessments, and system development charges).

**4. Interfund Activity**

Exchange transactions between funds are reported as revenue in the selling fund and as an expenditure/expense in the purchasing funds. On the government-wide statement of activities, the exchange transactions between the internal service funds and the user funds are eliminated. Flows of cash or goods from one fund to another without a requirement of repayment are reported as interfund transfers in/out. Interfund transfers in/out are reported as other financing sources/uses in the governmental funds and following non-operating revenues and expenses in the proprietary funds.



## NOTES TO THE FINANCIAL STATEMENTS

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

**5. Expenditures/Expenses**

Expenses in the Government-wide Statement of Activities are reported by function as a governmental activity (general government, judicial, public safety, utilities, transportation, economic environment, health and human services, culture and recreation), interest on long-term debt, or business-type activity (waterworks utility, airport, solid waste utility, or golf course). In the fund financial statements, expenditures of governmental funds are classified by: function, debt service principal and interest payments, or purchases of capital items. Proprietary expenditures are classified as operating or non-operating.

The City recovers certain administrative costs through indirect cost allocations to departments city-wide. These allocated costs are consolidated and reported by function in the government-wide statement of activities.

**NOTE 2. COMPLIANCE AND ACCOUNTABILITY**

The City of Renton budgets its funds under Generally Accepted Accounting Principles (GAAP) at the fund level. Annual appropriated budgets are adopted for governmental funds on a biennial basis. Budgets for proprietary funds are “management budgets” and are not legally required to be reported. Included in the Required Supplemental Information and Combining Statements sections of the CAFR are Schedules of Revenues, Expenditures, and Changes in Fund Balances (Budget to Actual) reporting the Actual Budgetary GAAP Basis verses Actual GAAP Basis of Accounting for all legally adopted budgets. There have been no material violations of finance-related legal or contractual provisions, and there have been no expenditures exceeding legal appropriations in any of the funds of the City. At year-end 2015, the City of Renton noted the Solid Waste Utility and Firefighters’ Pension Funds exceeded its final adopted “management budget” by \$234,416 and \$6,447, respectively.

**A. PROCEDURES FOR ADOPTING THE ORIGINAL BUDGET**

The City of Renton’s biennial budget procedures are mandated by the Chapter 35A.33 of the Revised Code of Washington (RCW). The steps in the budget process are as follows:

1. Prior to November 1, the Mayor submits a proposed budget to the City Council. This budget is based on priorities established by the Council; estimates provided by the City departments during the preceding months; balanced by revenue estimates made by the Mayor; and includes reserves for various contingencies.
2. The City Council conducts public hearings on the proposed budget in November and December.
3. The Council makes their adjustments to the proposed budget and adopts, by ordinance, a final balanced budget no later than December 31.
4. The final operating budget, as adopted, is published and distributed within the first four months of the following year.

## NOTES TO THE FINANCIAL STATEMENTS

**B. AMENDING THE BUDGET**

The budget, as adopted, constitutes the legal authority for expenditures. Budgets are adopted on the GAAP basis of accounting. Any comparisons between budget and actual revenues and expenditures are reported under the GAAP basis. The biennial budget is adopted with budgetary control at the fund level, so expenditures may not legally exceed appropriations at that level of detail. Transfers or revisions within funds are allowed, but only the City Council has the legal authority to increase or decrease a given fund's annual budget. This is accomplished by City ordinance. Adopted budgets lapse at year-end and must be re-appropriated (carried forward) the next fiscal year. The budget was amended three times during 2015.

Original budgeted inflows as compared to the final budgeted inflows are as follows:

<b>Fund</b>	<b>Original Budgeted Inflows</b>	<b>Final Budgeted Inflows</b>	<b>Increase (Decrease) Budgeted Inflows</b>
General Fund	\$ 107,172,371	\$ 112,011,746	\$ 4,839,375
Arterial Street Fund	640,000	640,000	-
Hotel/Motel Tax Fund	265,000	265,000	-
1% for Art Fund	15,000	15,000	-
Cable Communications Development Fund	97,674	97,674	-
General Government Miscellaneous Debt Service Fund	6,463,588	20,155,392	13,691,804
Community Development Impact Mitigation Fund	86,500	86,500	-
Fire Impact Mitigation Fund	99,000	99,000	-
Transportation Impact Mitigation Fund	216,500	600,000	383,500
Municipal Facilities CIP Fund	3,344,000	14,168,279	10,824,279
General Government Capital Improvement Fund	13,167,628	16,630,864	3,463,236
Airport Fund	2,651,020	16,596,888	13,945,868
Solid Waste Utility Fund	16,461,726	16,461,726	-
Golf Course Fund	2,655,383	2,655,383	-
Waterworks Utility Fund	55,399,039	62,729,407	7,330,368
Equipment Repair and Replacement / Information Technology / Facilities / Communications Fund	16,310,201	16,525,658	215,457
Insurance Fund	18,936,082	20,867,817	1,931,735
Firefighters' Pension	468,000	468,000	-
<b>TOTAL</b>	<b>\$ 244,448,712</b>	<b>\$ 301,074,333</b>	<b>\$ 56,625,622</b>

## NOTES TO THE FINANCIAL STATEMENTS

Original budgeted outflows as compared to the final budgeted outflows are as follows:

Fund	Original Budgeted Outflows	Final Budgeted Outflows	Increase (Decrease) Budgeted Outflows
General Fund	\$ 107,141,259	\$ 115,809,814	\$ 8,668,555
Arterial Street Fund	640,000	640,000	-
Hotel/Motel Tax Fund	245,000	283,942	38,942
1% for Art Fund	102,950	102,950	-
Cable Communications Development Fund	97,674	117,674	20,000
General Government Miscellaneous Debt Service Fund	6,463,588	20,151,288	13,687,700
Community Development Impact Mitigation Fund	-	472,264	472,264
Fire Impact Mitigation Fund	250,000	250,000	-
Transportation Impact Mitigation Fund	196,000	1,152,335	956,335
Municipal Facilities CIP Fund	3,366,000	33,773,249	30,407,249
General Government Capital Improvement Fund	14,274,630	18,990,769	4,716,139
Airport Fund	2,260,529	16,469,927	14,209,398
Solid Waste Utility Fund	16,675,139	16,675,139	-
Golf Course Fund	2,616,052	2,616,052	-
Waterworks Utility Fund	54,811,159	76,817,502	22,006,343
Equipment Repair and Replacement / IT / Facilities / Communications Fund	16,058,343	19,292,380	3,234,037
Insurance Fund	18,134,895	19,009,895	875,000
Firefighters' Pension	210,475	210,475	-
<b>TOTAL</b>	<b>\$ 243,543,692</b>	<b>\$ 342,835,654</b>	<b>\$ 99,291,962</b>

### NOTE 3. DEPOSITS AND INVESTMENTS

#### A. Deposits

The City's deposits and certificates of deposit are insured by the Federal Depository Insurance Corporation (FDIC) and the State of Washington Public Deposit Protection Commission (WPDPC) Act of 1969.

The City's deposits with the Local Government Investment Pool (LGIP) are managed by the Washington State Office of the Treasurer. The LGIP is comparable to a Rule 2a7-pool recognized by the Securities and Exchange Commission. A 2a7-like-pool is an external investment pool that is not registered with the SEC as an investment company but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. Rule 2a7 allows SEC-registered mutual funds to use amortized cost, which approximates fair value, to report net assets and compute share prices.

## NOTES TO THE FINANCIAL STATEMENTS

**Reconciliation of Net Position**

	Government-wide	Fiduciary	Total
Cash	\$ 77,671,023	\$ 2,697,921	\$ 80,368,944
Restricted Cash	2,909,578	-	2,909,578
Cash Equivalents (LGIP)	9,964,141	-	9,964,141
<b>Total Cash &amp; Cash Equivalents</b>	<b>90,544,742</b>	<b>2,697,921</b>	<b>93,242,663</b>
Investments	49,328,531	4,582,643	53,911,174
<b>Total Investments</b>	<b>49,328,531</b>	<b>4,582,643</b>	<b>53,911,174</b>
<b>Total Cash &amp; Investments</b>	<b>\$ 139,873,273</b>	<b>\$ 7,280,564</b>	<b>\$ 147,153,837</b>

## Investments

The City invests excess and inactive funds in accordance with the City's Investment Policy (last updated and approved on February 23, 2009), which complies with the guidelines within Chapter 35A.40.050 of the Revised Code of Washington (RCW). This allows for investment of excess cash and inactive cash, directs that the responsibility for determining available cash for investment is placed upon the department administering the funds, and allows for pooling of the cash provided that the allocation of income is proportionate to the investment of each fund. Currently, the City invests in obligations of the U.S. Government, U.S. agency issues, and Certificates of Deposit with Washington State banks and savings and loan institutions as allowed by RCW. Investments are shown on the Government-Wide Statement of Net Position at fair value. Investments are reported within Cash and Investments of Governmental Activities and within Cash and Cash Equivalents or Investments of Business-Type Activities.

As of December 31, 2015, the City of Renton had the following investments:

Security Type	Cost	Fair Value	Weighted Ave Maturity (days)	Moody's	S&P
Certificates of Deposit	18,151,026	18,151,025	166	N/A	N/A
Federal National Mortgage Association	15,445,428	15,399,164	384	Aaa	AA+
Federal Home Loan Banks	12,006,405	11,994,312	170	Aaa	AA+
Federal Farm Credit Banks	5,000,000	4,997,550	88	Aaa	AA+
US Treasury STRIP COUPON	1,709,639	2,728,341	1,516	N/A	N/A
FNMA Zero Couon	599,278	640,782	267	N/A	N/A
<b>TOTAL INVESTMENTS</b>	<b>\$ 52,911,776</b>	<b>\$ 53,911,174</b>			

*Credit risk.* Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City invests in US Treasury securities which are considered free of credit risk, and in securities backed by the full faith and credit of the U.S. Government as well as U.S. government sponsored enterprises including Federal National Mortgage Association, Federal Home Loan Bank, Federal Loan Mortgage Corporation, and Federal Farm Credit Bank. All certificates of deposit are insured by the FDIC up to \$250,000 and, additionally, are 100% collateralized in the multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (WPDPC).

## NOTES TO THE FINANCIAL STATEMENTS

Security Type	0-6 months	6 months - 1 year	1-3 years	3+ years	Totals
Certificates of Deposit	\$ 5,000,000	\$ 3,058,940	\$ 10,092,085	\$ -	\$ 18,151,025
Federal National Mortgage Associator	-	-	13,550,765	1,848,399	15,399,164
Federal Home Loan Banks	-	-	11,994,312	-	11,994,312
Federal Farm Credit Banks	-	-	4,997,550	-	4,997,550
US Treasury STRIP COUPON	-	169,682	900,760	1,657,899	2,728,341
FNMA Zero Couon	-	-	-	640,782	640,782
<b>TOTAL INVESTMENTS</b>	<b>\$ 5,000,000</b>	<b>\$ 3,228,622</b>	<b>\$ 41,535,472</b>	<b>\$ 4,147,080</b>	<b>\$ 53,911,174</b>

*Interest Rate Risk.* Interest rate risk is the risk that changes in interest rates over time, adversely affecting the fair value of an investment. The City's portfolio is managed within the parameters established by the Investment Policy, which limits the weighted average maturity of the portfolio to five years. The City has one FHLB bond and one FFCB bond with call provisions that fall in the first six months of 2016.

The City's Investment Policy directs that the standard of prudence for investment activities shall be the *Prudent Investor Standard* that states: "Investments shall be made with judgment and care, under circumstances then prevailing, which person of prudence, discretion, and intelligence would use in the management of their own affairs, not for speculation, but for investment purposes, considering the probable safety of their capital as well as the probable income to be derived."

*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. The City diversifies its investment instruments to avoid incurring unreasonable risk inherent with the over-investment of instruments and issuers using the following target distribution as a guide during normal economic times while allowing flexibility when appropriate. The City has certificate of deposits equal to 28% with First Savings Bank Northwest; however, as stated earlier any risk is mitigated through the 100% collateralization requirement and guarantee by the State of Washington Public Deposit Protection Commission. The remaining individual issuers are less than 5% of total investments or are otherwise excluded from this disclosure due to the low risk nature of the investment.

Target Maximum per Policy	Instrument Maximum	Issuer Maximum
U.S. Treasuries	100%	100%
U.S. Agencies	75%	50%
Certificates of Deposit (within WPDPC)	75%	20%
Local Governmental Investment Pool (LGIP)	75%	75%
Commercial Paper	25%	5%

*Custodial Credit Risk – investments.* Custodial credit risk for investments is the risk that, in the event of the failure of the counter party to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. All security transactions, including collateral for repurchase agreements, entered into by the City are conducted on a delivery-versus-payment (DVP) basis and are held in our safekeeping trust account with Bank of New York with terms negotiated by the State of Washington.

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 4. PROPERTY TAXES**

The King County Finance Director acts as an agent to collect property taxes levied in the county for all taxing authorities. Taxes are levied annually, January 1, on property value listed as of the prior August 31. Assessed values are established by the King County Assessor at 100 percent of fair market value. A revaluation of all property is required every two years; however, King County has the ability to revalue annually.

Property taxes levied by the King County Assessor and collected by the King County Finance Director become a lien on the first day of the levy year and may be paid in two equal installments if the total amount exceeds \$30. The first half of real property taxes is due on April 30 and the balance is due October 31. Delinquent taxes bear interest at the rate of 12 percent and are subject to additional penalties if not paid as scheduled. No allowance for uncollectible taxes is established because delinquent taxes are considered fully collectible.

At year-end, property taxes are recorded as a receivable with the portion not expected to be collected within 60 days offset by unavailable revenue. During the year, property tax revenues are recognized when cash is received.

The tax rate for general City operations is limited to \$3.10 per \$1,000 of assessed value (RCW 84.52.043). This reflects a reduction of \$0.50 per \$1,000 as a result of the annexation to the King County Library System. In addition to this amount, up to \$0.225 (22.5 cents) per \$1,000 may be designated for contribution to the Firemen's Pension Fund. If a report by a qualified actuary on the condition of the Firemen's Pension Fund establishes that this amount (or portion of) is not necessary to maintain the actuarial soundness of the fund, the amount can be used for any other municipal purpose (RCW 41.16.060).

The tax rate limit may be reduced for any of the following reasons:

1. The Levy Limit: the levy limit calculation applies to a taxing district's budget, and not to increases in the assessed value or tax bill of individual properties. Initiative 747 which restricted individual taxing districts from collecting, in any year, more than a one percent increase in their regular, non-voted, levy over the highest levy amount since 1985 was overturned by the courts. However during 2007, the state legislature reinstated this limit with the passage of HB2416. New construction, annexations, and excess levies approved by the voters are not included in the levy limit calculation. If the assessed valuation increases by more than one percent due to revaluation, the levy rate will be decreased.
2. The One Percent Constitution Limit: The Washington State Constitution limits the regular (non-voted) combined property tax rate applied to an individual's property to one percent (\$10 per \$1,000) on the market valuation. Voters may approve special levies that are added to this figure. If the taxes of all districts exceed this amount, each is proportionately reduced until the total is at or below the one percent limit.
3. The City may voluntarily levy taxes below the legal limit.

## NOTES TO THE FINANCIAL STATEMENTS

Special levies approved by the voters are not subject to the above limitations. There is currently no excess levy for General Obligation Bond debt. The City's regular levy per the King County Assessor's 2015 Annual Report is \$2.83.

**NOTE 5. CAPITAL ASSETS AND DEPRECIATION**

Depreciation and amortization was charged to the functions as follows:

<b>Governmental Activities</b>	<b>Depreciation</b>	<b>Amortization</b>	<b>Total</b>
General Government	\$ 1,178,792	\$ -	\$ 1,178,792
Judicial	-	6,700	6,700
Public Safety	890,340	1,529	891,869
Physical Environment	460,939	-	460,939
Transportation	5,086,781	11,657	5,098,438
Economic Development	497,399	-	497,399
Culture and Recreation	1,375,220	4,274	1,379,494
Health and Human Services	51,386	-	51,386
Internal Service Funds (General Governmental)	2,177,866	133,146	2,311,012
<b>Total-Governmental Activities</b>	<b>\$ 11,718,723</b>	<b>\$ 157,306</b>	<b>\$ 11,876,029</b>
<b>Business-Type Activities</b>	<b>Depreciation</b>	<b>Amortization</b>	<b>Total</b>
Waterworks	\$ 8,444,684	\$ 49,652	\$ 8,494,336
Airport	1,056,721	-	1,056,721
Golf Course	244,112	-	244,112
<b>Total-Business-Type Activities</b>	<b>\$ 9,745,517</b>	<b>\$ 49,652</b>	<b>\$ 9,795,169</b>

## NOTES TO THE FINANCIAL STATEMENTS

Capital asset activity for the year ended December 31, 2015 was as follows:

	Beginning				Ending
	Balance	Increases	Decreases	Reallocation	Balance
<b>Governmental activities :</b>					
Capital assets, not being depreciated:					
Land and land improvements	\$ 203,649,159	\$ 1,197,454	\$ -	\$ 6,245	\$ 204,852,858
Construction in progress	42,935,474	17,485,657	7,228	(3,684,377)	56,729,526
Total capital assets, not being depreciated	246,584,633	18,683,111	7,228	(3,678,132)	261,582,384
Capital assets, being depreciated:					
Buildings and structures	95,277,562	956,418	35,555	399,228	\$ 96,597,653
Other improvements	253,055,485	4,686,245	-	3,136,900	260,878,630
Machinery and equipment	35,867,825	4,326,412	1,968,700	6,491	38,232,028
Total capital assets being depreciated	384,200,872	9,969,075	2,004,255	3,542,619	395,708,311
Less accumulated depreciation for:					
Buildings and structures	37,806,043	2,492,223	35,555	-	\$ 40,262,711
Other improvements	77,255,763	6,666,446	-	-	83,922,209
Machinery and equipment	25,425,060	2,560,054	1,565,659	-	26,419,455
Total accumulated depreciation	140,486,866	11,718,723	1,601,214	-	150,604,375
Total capital assets, being depreciated, net	243,714,006	(1,749,648)	403,041	3,542,619	245,103,936
Intangible Assets:					
Intangible assets, being amortized	5,549,795	62,575	-	135,513	5,747,883
Less accumulated amortization	5,038,306	157,306	-	-	5,195,612
Total intangible asset, being amortized, net	511,489	(94,731)	-	135,513	552,271
Total Intangible assets	511,489	(94,731)	-	135,513	552,271
<b>Governmental activities capital assets, net</b>	<b>\$ 490,810,128</b>	<b>\$ 16,838,732</b>	<b>\$ 410,269</b>	<b>\$ -</b>	<b>\$ 507,238,591</b>
<b>Business-type activities:</b>					
Capital assets, not being depreciated:					
Land and land improvements	\$ 6,163,465	\$ -	\$ 13,409	\$ -	\$ 6,150,056
Construction in progress	20,321,109	5,636,899	500,883	(12,802,536)	12,654,589
Total capital assets, not being depreciated	26,484,574	5,636,899	514,292	(12,802,536)	18,804,645
Capital assets, being depreciated:					
Buildings and structures	17,459,973	-	-	-	17,459,973
Other improvements	371,173,052	18,014,330	311,435	12,802,536	401,678,483
Machinery and equipment	2,861,545	32,621	-	-	2,894,166
Total capital assets being depreciated	391,494,570	18,046,951	311,435	12,802,536	422,032,622
Less accumulated depreciation for:					
Buildings and structures	7,191,875	444,921	-	-	7,636,796
Other improvements	121,857,795	9,184,772	117,709	-	130,924,858
Machinery and equipment	1,853,821	115,824	-	-	1,969,645
Total accumulated depreciation	130,903,491	9,745,517	117,709	-	140,531,299
Total capital assets, being depreciated, net	260,591,079	8,301,434	193,726	12,802,536	281,501,323
Intangible Assets:					
Intangible assets, not being amortized	811,000	-	-	-	811,000
Intangible assets, being amortized	527,222	-	-	-	527,222
Less accumulated amortization	153,766	49,652	-	-	203,418
Total intangible asset, being amortized, net	373,456	(49,652)	-	-	323,804
Total Intangible assets	1,184,455	(49,652)	-	-	1,134,803
<b>Business-type activities capital assets, net</b>	<b>\$ 288,260,108</b>	<b>\$ 13,888,681</b>	<b>\$ 708,018</b>	<b>\$ -</b>	<b>\$ 301,440,771</b>



## NOTES TO THE FINANCIAL STATEMENTS

At the end of 2015, a total of 65 projects comprise the Construction in Progress. Upon completion, the projects will be reallocated to their appropriate categories.

Construction commitments as of December 31, 2015, are as follows:

Governmental Activities Projects:	Construction in progress	Remaining Commitment
S 7TH ST	\$ 1,141,937	\$ 249,662
LOGAN AVE S	1,785,273	3,481,047
SUNSET LANE	407,238	257,330
HIGHLANDS LIBRARY	9,146,916	980,015
LAKE WASHINGTON LOOP TRAIL	117,689	462,205
HIGHLANDS TO LANDING	2,429,847	346,699
NE 31ST ST CULVERT	1,120,895	-
SUNSET BLVD CORRIDOR	371,796	-
116TH AVE SE IMPROVEMENTS	38,539	46,352
MAIN AVE S DOWNTOWN CIRCLE	196,899	219,883
CARR ROAD IMPROVEMENTS	137,092	18,656
DUVALL AVE NE PRESERVATION	94,974	99,192
RAINIER AVE PHASE 4	48,084	47,449
SW GRADY WAY PRESERVATION	887,839	-
NE 31st BRIDGE REPLACEMENT	34,971	87,409
N 27TH PL CULVERT SCOUR REPAIR	4,157	17,117
NEW WORLD TRACKING SYSTEM	28,797	-
STRANDER BLVD - SW 27TH ST CONNECT	25,482,217	578,966
CEDAR RIVER LIBRARY	7,794,711	1,246,660
200 MILL BLDG THIRD FLOOR AMAZING GRACE	5,552	-
RENTON HISTORICAL MUSEUME	1,210	-
COULON CCTV SYSTEM	5,231	-
CED PERMIT AREA RECONFIGURATION	36,415	-
CASCADE CENTER	2,000	-
REGIS PARK ATHLETIC FIELD EXPANSION	18,892	33,336
SUNSET EIS PARK LAND	3,202,434	-
KENYON PROPERTY BUILDING	62,014	-
HEALTHBEAT ELIPTICAL	7,568	-
HEALTHBEAT CHEST/BACK PRESS	5,420	-
NORTH HIGHLANDS COMMUNITY GARDEN	2,440	-
ELIPTICAL CARDIO STEPPERS FOR LIBERTY PARK (3)	18,631	-
FLETCHER ACQUISTION	2,750	-
MAY VALLEY MEADOWS ACQUISTION	3,500	-
MEADOWCREST NATURE AREA	26,818	-
RIVERVIEW BRIDGE REPLACEMENT	1,262,736	-
COULON PARK PAVER REPLACEMENT	748,360	-
RCC GYM REMOVABLE CARPET	25,950	-
POLICE SUBSTATION HVAC	21,734	-
<b>Total governmental activities</b>	<b>\$ 56,729,526</b>	<b>\$ 8,171,978</b>

## NOTES TO THE FINANCIAL STATEMENTS

<b>Business-Type Activities Projects:</b>	<b>Construction in progress</b>	<b>Remaining Commitment</b>
TRANSMISSION MAIN REPLACEMENT	\$ 40,266	\$ -
LOWER BLAST FENCE	1,452,182	-
HIGHLANDS 435 RESERVOIR REPLACEMENT	425,912	-
TELEMETRY IMPROVEMENT	459,092	55,583
RENTON HILL MAIN REPLACEMENT	158,850	-
N 30TH ST/BURNETT AVE N	59,046	-
TALBOT HILL	281,387	180,489
HARDIE AVE UNDERPASS STORM SYSTEM IMPROVEMENT	3,641,099	-
MAPLEWOOD PUMP STATION ROOF REPLACEMENT	33,756	-
LOGAN AVE WATER MAIN	29,873	-
MAPLEWOOD EQUIPMENT ACCESS & H2S MITIGATION	275,395	-
HIGHLANDS WATER MAIN IMPROVEMENT	287,337	-
RENTON AEROSPACE TRAINING CENTER UTILITIES	142,481	-
TRANS MAIN REPLACEMENT SR 169 RAMP TO 405	3,994	-
FORCE MAIN REHAB/REPLACEMENT	2,591	-
HARRINGTON AVE NE GREEN CONNECTIONS	1,476,719	-
FLUORIDE BUILDING ROOF REPLACEMENT	37,408	-
MAPLEWOOD CREEK BASIN STORM IMPROVEMENT	597,593	-
WELLS 1, 2 & 3 ROOF REPLACEMENT	95,315	-
CASCADE INTERCEPTOR RESTORATION	3,302	752,904
THUNDER HILLS SANITARY	365,779	-
2015 SANITARY SEWER REHAB/REPLACEMENT	138,470	-
CENTRAL RENTON	24,884	393,970
AIRPORT OFFICE REHAB	36,714	-
NE 5TH & EDMONDS STORM SYSTEM	1,628,161	-
SUNSET TERRACE REGIONAL STORMWATER FACILITY	831,194	102,664
HARRINGTON AVE RETROFIT	125,789	-
<b>Total business-type activities</b>	<b>\$ 12,654,589</b>	<b>\$ 1,485,610</b>

**NOTE 6. PENSION PLANS**

The City implemented Statements No. 68 and 71 of the Governmental Accounting Standards Board (GASB) Accounting and Financial Reporting for Pensions for the year ending December 31, 2015.

For purposes of measuring the net pension liability/asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plans and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the State of Washington Department of Retirement Systems (DRS). 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.

## NOTES TO THE FINANCIAL STATEMENTS

**General Information about the Pension Plans**

With the exception of firefighters employed prior to March 1, 1970, substantially all the City's full-time and qualifying part-time employees are eligible to participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems:

- Public Employees' Retirement System (PERS) Plans 1, 2, and 3
- Law Enforcement Officers' and Firefighters' Retirement System (LEOFF) Plans 1 and 2
- Public Safety Employees' Retirement System (PSERS) Plan 2

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by contacting the Washington State Department of Retirement Systems, P.O. Box 48380, Olympia, WA 98504-8380; or online from the DRS website at [www.drs.wa.gov](http://www.drs.wa.gov).

The City is the administrator of the Firefighters' Pension Plan for all firefighters employed prior to March 1, 1970. The Firefighters' Pension Plan is included within the City of Renton's statements as a pension trust fund. There is no separate GAAP-based audited report. A schedule of employer contributions, prepared by Milliman, Inc. is included in the Required Supplemental Information section. Additional information from the actuarial report prepared for the Firefighters' Pension Plan, by Milliman, Inc., may be obtained by contacting the City of Renton, Finance Division, 1055 South Grady Way, Renton, WA 98057.

**A. State Sponsored Pension Plans****Public Employees' Retirement System (PERS)**

*Plan description.* PERS was established by the state legislature in 1947 under the Revised Code of Washington (RCW) chapter 41.40. PERS is a multiple-employer cost-sharing retirement system. Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior Courts (other than judges currently in a judicial retirement system); employees of legislative committees; community and technical colleges, college and university employees not in national higher education retirement programs; judges of district and municipal courts; and employees of local governments.

PERS consists of three plans. PERS participants, who joined the PERS system by September 30, 1977, are Plan 1 members. Plan 1 is closed to new members. Those who joined on or after October 1, 1977; and by either, February 28, 2002 for state and higher education employees, or August 31, 2002 for local government employees, are Plan 2 members unless they exercise an option to transfer their membership to Plan 3. PERS participants joining the system on or after March 1, 2002 for state and higher education employees, or September 1, 2002 for local government employees, have the irrevocable option of choosing membership in either PERS Plan 2 or PERS Plan 3. The option must be exercised within 90 days of employment. An employee is reported in Plan 2 until a choice is made. Employees who fail to choose within 90 days default to PERS Plan 3.

## NOTES TO THE FINANCIAL STATEMENTS

**Benefits provided.** PERS plans provide retirement, disability, and death benefits to eligible members.

PERS Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. The monthly benefit is two percent of the average final compensation (AFC) per year of service, capped at sixty percent. The AFC is the average of the member's 24 highest consecutive service months. Plan 1 members who retire from inactive status prior to the age of 65 may receive actuarially reduced benefits. Plan 1 members may elect to receive an optional cost of living allowance (COLA) that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at three percent annually. To offset the cost of this annual adjustment the benefit is reduced.

PERS Plan 2 members are vested after completion of five years of eligible service. Plan 2 members are eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is two percent of the AFC per year of service. There is no cap on years of service credit and a COLA is granted based on the Consumer Price Index, capped at three percent annually. The AFC is the average of the member's 60 highest paid consecutive months. Plan 2 members have the option to retire early with reduced benefits.

PERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance a defined contribution component. The defined benefit portion provides members a monthly benefit that is one percent of the AFC per year of service. There is no cap on years of service credit. Plan 3 provides the same COLA as Plan 2. The AFC is the average of the member's 60 highest paid consecutive months. Effective June 7, 2006, 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 twelve months of that service are earned after age 44; or after five service credit years earned in PERS Plan 2 by June 1, 2003. Plan 3 members are immediately vested in the defined contribution portion of their plan.

The Judicial Benefit Multiplier (JBM) Program began January 1, 2007. This program gave eligible justices and judges an option to increase the benefit multiplier used in their retirement benefit calculation for their judicial service period of employment. Beginning January, 2007, any justice or judge who was in a judicial position at that time could choose to join JBM. Any justice or judge elected or appointed to office on or after January 1, 2007, who elects to join DRS membership will also be mandated into JBM. If they have already established membership in PERS or TRS Plan 1 they will rejoin that plan, but if they have never had membership they will be enrolled as a member of both PERS Plan 2 and JBM.

**Contributions.** PERS defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates. The methods used to determine contribution requirements are established under state statute.

## NOTES TO THE FINANCIAL STATEMENTS

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2015, were as follows:

Required Contribution Rates	Employer			Employee		
	Plan 1	Plan 2	Plan 3	Plan 1	Plan 2	Plan 3
<b>PERS</b>						
<b>Members not participating in JBM</b>						
State agencies, local governmental units	11.00%	11.00%	11.00%	6.00%	6.12%	**
Administrative fee	0.18%	0.18%	0.18%			
Total	11.18%	11.18%	11.18% *			
<b>Members participating in JBM</b>						
Local governmental units	11.00%	11.00%	11.00%	12.26%	15.30%	7.5%***
Administrative fee	0.18%	0.18%	0.18%			
Total	11.18%	11.18%	11.18% *			

\* Plan 3 defined benefit portion only.

\*\* Variable from 5% to 15% based on rate selected by the member.

\*\*\* Minimum rate.

### Public Safety Employee's Retirement System (PSERS)

**Plan description.** The PSERS system was created by the 2004 Legislature and became effective July 1, 2006 under RCW 41.37. PSERS is a multiple-employer cost-sharing retirement system comprised of a single defined benefit plan, PSERS Plan2. PSERS membership includes full-time employees meeting specific eligibility criteria that are employed by Department of Corrections, Department of Natural Resources, Gambling Commissions, Liquor Control Board, Parks and Recreation Commission, Washington State Patrol, Washington state counties, corrections departments of Washington state cities except for Seattle, Tacoma, and Spokane, or correctional entities formed by PSERS employers under the Interlocal Cooperation Act.

**Benefits provided.** PSERS provides retirement, disability, and death benefits to eligible members. PSERS members are vested after an employee completes five years of eligible service, PSERS members may retire 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 twenty years of service with a monthly benefit of two percent of the average final compensation (AFC). A cost of living allowance (COLA) is granted based on the Consumer Price Index, capped at three percent annually. The AFC is the average of the member's 60 highest paid consecutive months.

PSERS members have the option to retire early with reduced benefits. PSERS members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of these options are available to their survivors, generally with reduced benefits.

**Contributions.** PSERS defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates. The employer and employee contribution rates for Plan 2 are developed by the Office of the State Actuary to fully fund Plan 2. The methods used to determine the contribution requirements are established under state statute.

## NOTES TO THE FINANCIAL STATEMENTS

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2015, were as follows:

Required Contribution Rates	Employer	Employee
	Plan 2	Plan 2
<b>PSERS</b>		
State agencies, local governmental units	11.36%	6.59%
Administrative fee	0.18%	
Total	11.54%	

### Law Enforcement Officers' and Firefighters' Retirement System (LEOFF)

**Plan description.** LEOFF was established by the state legislature in 1970 under the Revised Code of Washington (RCW) chapter 41.26. LEOFF is a multiple-employer cost-sharing retirement system. Membership in the system includes all full-time, fully compensated, local law enforcement commissioned officers, firefighters, and as of July 24, 2005, emergency medical technicians. LEOFF membership is comprised primarily of non-state employees, with Department of Fish and Wildlife enforcement officers who were first included effective July 27, 2003, being an exception.

LEOFF consists of two separate defined benefit plans. LEOFF participants who joined the system by September 30, 1977, are Plan 1 members. Plan 1 is closed to new members. Those who joined on or after October 1, 1977, are Plan 2 members.

Effective July 1, 2003, the LEOFF Plan 2 Retirement Board was established by Initiative 790 to provide governance of LEOFF Plan 2. The Board's duties include adopting contribution rates and recommending policy changes to the Legislature for the LEOFF Plan 2 retirement plan.

**Benefits provided.** LEOFF plans provide retirement, disability, and death benefits to eligible members. LEOFF Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement with five years of service at the age of 50. The benefit per year of service calculated as a percent of final average salary (FAS) is as follows:

Term of Service	Percent of Final Average Salary
20 or more years	2.0%
10 but less than 20 years	1.5%
5 but less than 10 years	1.0%

A cost of living allowance (COLA) is granted based on the Consumer Price Index.

## NOTES TO THE FINANCIAL STATEMENTS

LEOFF Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members are eligible for retirement at the age of 53 with five years of service, or at age 50 with twenty years of service. Plan 2 members receive a benefit of two percent of the FAS per year of service. FAS is based on the highest consecutive 60 months. A COLA is granted based on the Consumer Price Index, capped at three percent annually.

LEOFF members have the option to retire early with reduced benefits. LEOFF members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of these options are available to their survivors, generally with reduced benefits.

**Contributions.** LEOFF defined benefit retirement benefits are financed from a combination of investment earnings, employer and employee contributions, and a special funding situation in which the state pays through state legislative appropriations.

Employer and employee contribution rates are developed by the Office of the State Actuary to fully fund the plans. Starting on July 1, 2000, Plan 1 employers and employees are not required to contribute as long as the plan remains fully funded. Plan 2 employers and employees are required to pay at the level adopted by the LEOFF Plan 2 Retirement Board. The methods used to determine contribution requirements are established under state statute.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2015, were as follows:

Required Contribution Rates	Employer		Employee	
	Plan 1	Plan 2	Plan 1	Plan 2
<b>LEOFF</b>				
Local governmental units	N/A	5.05%	N/A	8.41%
Administrative fee	0.18%	0.18%		
Total	0.18%	5.23%		

N/A Indicates data not applicable.

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

As of June 30, 2015, the City reported its proportionate share of the net pension liability/(asset) as follows:

	Liability	Asset
PERS Plan 1	\$ 14,428,474	\$ -
PERS Plan 2/3	12,329,619	-
PSERS Plan 2	7,846	-
LEOFF Plan 1	-	(2,770,622)
LEOFF Plan 2	-	(9,812,561)
Total	\$ 26,765,939	\$ (12,583,183)

## NOTES TO THE FINANCIAL STATEMENTS

The amount of the liability/(asset) reported above for LEOFF Plan 2 reflects a reduction for the City's collective liability to be paid by the State. The City recognized \$556,971 as contribution revenue for the State's on behalf payment for 2015. The amount recognized by the City as its proportionate share of the net pension liability/(asset), the portion of the City's net pension liability/(asset) to be paid by the State, and the total portion of the net pension liability/(asset) that was associated with the City were as follows:

	Liability/(Asset)
LEOFF Plan 2 - employer's proportionate share	\$ (9,812,561)
LEOFF Plan 2 - State's proportionate share of the net pension liability/(asset) associated with the employer	(925,241)
<u>TOTAL</u>	<u>\$ (10,737,802)</u>

The collective net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014, with the results rolled forward to June 30, 2015 using standard update procedures. Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the Schedules of Employer and Nonemployer Allocations for all plans except LEOFF Plan 1. LEOFF Plan 1 allocation percentages are based on the total historical employer contributions to LEOFF Plan 1 from 1971 through 2000 and the retirement benefit payments in fiscal year 2015. Historical data was obtained from a 2011 study by the office of the State Actuary (OSA). In the fiscal year 2015, the state of Washington contributed 87.12 percent of LEOFF Plan 1 employer contributions and all other employers contributed the remaining 12.88 percent of employer contributions. LEOFF Plan 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. At June 30, 2015, the City's proportionate share of the collective net pension liabilities was as follows:

	Proportionate Share 6/30/2014	Proportionate Share 6/30/2015	Change in Proportion
PERS Plan 1	0.273241%	0.275830%	0.002589%
PERS Plan 2/3	0.337183%	0.345072%	0.007889%
PSERS Plan 2	0.046443%	0.042991%	-0.003452%
LEOFF Plan 1	0.225836%	0.229885%	0.004049%
LEOFF Plan 2	0.947521%	0.954715%	0.007194%

For the year ended December 31, 2015 the City recognized pension expense as follows:

	Pension Expense
PERS Plan 1	\$ 862,703
PERS Plan 2/3	1,571,727
PSERS Plan 2	5,406
LEOFF Plan 1	(578,812)
LEOFF Plan 2	258,974
<u>Total</u>	<u>\$ 2,119,998</u>



## NOTES TO THE FINANCIAL STATEMENTS

At December 31, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Deferred Outflows of Resources</b>	<b>PERS Plan 1</b>	<b>PERS Plan 2/3</b>	<b>PSERS Plan 2</b>	<b>LEOFF Plan 1</b>	<b>LEOFF Plan 2</b>	<b>Total</b>
Differences between expected and actual experience	\$ -	\$ 1,310,642	\$ 7,351	\$ -	\$ 859,253	\$ 2,177,246
Changes of assumptions	-	19,866	49	-	25,882	45,797
Net difference between projected and actual earnings on pension plan investments	-	-	-	-	-	-
Changes in proportion and differences between City contributions and proportionate City contributions subsequent to the measurement date	-	-	-	-	-	-
	822,360	1,068,558	8,262	-	781,938	2,681,118
<b>Total</b>	<b>\$ 822,360</b>	<b>\$ 2,399,066</b>	<b>\$ 15,662</b>	<b>\$ -</b>	<b>\$ 1,667,073</b>	<b>\$ 4,904,161</b>
<b>Deferred Inflows of Resources</b>	<b>PERS Plan 1</b>	<b>PERS Plan 2/3</b>	<b>PSERS Plan 2</b>	<b>LEOFF Plan 1</b>	<b>LEOFF Plan 2</b>	<b>Total</b>
Differences between expected and actual experience	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Changes of assumptions	-	-	-	-	-	-
Net difference between projected and actual earnings on pension plan investments	789,395	3,291,424	3,892	467,736	2,973,154	7,525,601
Changes in proportion and differences between City contributions and proportionate share of contributions	-	-	-	-	122,434	122,434
City contributions subsequent to the measurement date	-	-	-	-	-	-
<b>Total</b>	<b>\$ 789,395</b>	<b>\$ 3,291,424</b>	<b>\$ 3,892</b>	<b>\$ 467,736</b>	<b>\$ 3,095,588</b>	<b>\$ 7,648,035</b>

For PERS Plan 1, \$822,360, for PERS Plan 2/3, \$1,068,558, for PSERS Plan 2, \$8,262, and for LEOFF Plan 2 \$781,938, reported as deferred outflows of resources related to contributions resulting from city contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016.

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

Year	<b>Differences Between Projected and Actual Earnings on Plan Investments</b>				
	<b>PERS Plan 1</b>	<b>PERS Plan 2/3</b>	<b>PSERS Plan 2</b>	<b>LEOFF Plan 1</b>	<b>LEOFF Plan 2</b>
2016	\$ (305,942)	\$ (1,284,962)	\$ (1,553)	\$ (181,499)	\$ (1,162,251)
2017	(305,942)	(1,284,962)	(1,553)	(181,499)	(1,162,251)
2018	(305,942)	(1,284,962)	(1,554)	(181,499)	(1,162,260)
2019	128,431	563,462	768	76,761	513,608
<b>Total</b>	<b>\$ (789,395)</b>	<b>\$ (3,291,424)</b>	<b>\$ (3,892)</b>	<b>\$ (467,736)</b>	<b>\$ (2,973,154)</b>

## NOTES TO THE FINANCIAL STATEMENTS

**Differences Between Expected and Actual Experience**

Year	PERS Plan 1	PERS Plan 2/3	PSERS Plan 2	LEOFF Plan 1	LEOFF Plan 2
2016	\$ -	\$ 385,483	\$ 1,225	\$ -	\$ 165,242
2017	-	385,483	1,225	-	165,242
2018	-	385,483	1,225	-	165,242
2019	-	154,193	1,225	-	165,242
2020	-	-	1,225	-	165,242
2021	-	-	1,226	-	33,043
Total	\$ -	\$ 1,310,642	\$ 7,351	\$ -	\$ 859,253

**Changes of Assumptions**

Year	PERS Plan 1	PERS Plan 2/3	PSERS Plan 2	LEOFF Plan 1	LEOFF Plan 2
2016	\$ -	\$ 5,842	\$ 8	\$ -	\$ 4,974
2017	-	5,842	8	-	4,974
2018	-	5,842	8	-	4,974
2019	-	2,340	8	-	4,974
2020	-	-	8	-	4,984
2021	-	-	9	-	1,002
Total	\$ -	\$ 19,866	\$ 49	\$ -	\$ 25,882

**Changes in Proportion and Differences Between City Contributions and Proportionate Share of Contributions**

Year	PERS Plan 1	PERS Plan 2/3	PSERS Plan 2	LEOFF Plan 1	LEOFF Plan 2
2016	\$ -	\$ -	\$ -	\$ -	\$ 30,609
2017	-	-	-	-	30,609
2018	-	-	-	-	30,609
2019	-	-	-	-	30,607
Total	\$ -	\$ -	\$ -	\$ -	\$ 122,434

**Actuarial assumptions.** The total pension liability was determined using the following actuarial assumptions.

Inflation	3.00%
Salary Increases	3.75%
Investment rate of return	7.50%

Mortality rates were based on the RP-2000 Combined Healthy Table and Combined Disabled Table published by the Society of Actuaries. The Office of the State Actuary applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100 percent Scale BB. Mortality rates are applied on a generational basis meaning members are assumed to receive additional mortality improvements in each future year, throughout their lifetime.

The actuarial assumptions used in the June 30, 2014, valuation were based on the results of the 2007-2012 Experience Study Report. Additional assumptions for subsequent events and law changes are current as of the 2014 actuarial valuation report.

## NOTES TO THE FINANCIAL STATEMENTS

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the WSIB develops best estimate of expected future rates of return (expected returns net of pension plan investment expense but including inflation) for each major asset class. Those expected return make up one component of WSIB's Capital Market Assumptions (CMAs). The CMAs contain the following three pieces of information for each class of assets the WSIB currently invest in:

- Expected annual return
- Standard deviation of the annual return
- Correlations between the annual returns of each asset class with every other asset class

The WSIB uses the CMAs and their target asset allocation to stimulate future investment returns over various time horizons.

The long-term expected rate of return of 7.5 percent approximately equals the median of the simulated investment returns over a fifty-year time horizon, adjusted to remove or dampen any short-term changes to WSIB's CMAs that aren't expected over the entire fifty year measurement period.

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, 2015, are summarized in the following table:

Asset Class	Target Allocation	Lont-Term Expected Real Rate of Return
Fixed Income	20.00%	1.70%
Tangible Assets	5.00%	4.40%
Real Estate	15.00%	5.80%
Global Equity	37.00%	6.60%
Private Equity	23.00%	9.60%

The inflation component used to create the table above is 2.20 percent, and represents WSIB's most recent long-term estimate of broad economic inflation.

**Discount rate.** The discount rate used to measure the total pension liability was 7.50 percent. To determine the discount rate, an asset sufficiency test included an assumed 7.70 percent long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. Consistent with the long-term expected rate of return, a 7.50 percent future investment rate of return on invested assets was assumed for the test.

Contributions from plan members and employers are assumed to continue to be made at contractually required rates (including PERS Plan 2/3, PSERS Plan 2, and SERS Plan2/3 employers, whose rates include a component for the PERS Plan1 liability). Based on those assumptions, the pension plan's 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 7.50 percent on pension plan investments was applied to determine the total pension liability.

## NOTES TO THE FINANCIAL STATEMENTS

Sensitivity of the Net Pension Liability/(Asset) to Changes in the Discount Rate. The following presents the City's proportionate share of the net pension liability/(asset), calculated using the discount rate of 7.50 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent) or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
PERS Plan 1	\$ 17,565,705	\$ 14,428,474	\$ 11,729,883
PERS Plan 2/3	\$ 36,052,446	\$ 12,329,619	\$ (5,834,060)
PSERS Plan 2	\$ 59,624	\$ 7,846	\$ (28,985)
LEOFF Plan 1	\$ (1,772,514)	\$ (2,770,622)	\$ (3,621,323)
LEOFF Plan 2	\$ 9,826,643	\$ (9,812,561)	\$ (24,591,807)

## B. Firefighters' Pension

Plan description. The Firefighters' Plan (Plan) is a closed, single-employer defined benefit pension plan administered by the City of Renton through the firefighters' pension board. The plan provides pensions for firefighters that were employed prior to March 1, 1970, when the LEOFF retirement system was established. The plan is closed to new members.

Benefits provided. All benefit terms are in statutes RCW 41.16, 41.18, and 41.26. The Firefighters' Pension Fund (FPF) provides retirement, disability, and death benefits. Each firefighter in service on March 1, 1970 receives the greater of the benefit payable under the Washington Law Enforcement Officers' and Firefighters' Retirement (LEOFF) System and the benefits available under the provisions of prior law. Where benefits under the old law exceed those under the new law for any firefighter, the excess benefits are paid from the FPF of the city employing the member on March 1, 1970.

All members are retired and drawing benefits. Benefit terms provide for cost-of-living adjustments to each member's retirement benefit. There are two types of increases: escalation by salary in proportion to current salary of rank from which the firefighter retired or increase proportionate to the increase in the Seattle-area consumer price index, with the change computed annually. Regardless of the change in the consumer price index, benefits are increased at least two percent each year. The former applies to firefighters who retired from service after 1969, their survivors, and to firefighters who retired from duty disability (but not their survivors) after 1961. The latter applies to all other types of monthly benefits. Benefits and refunds of the Plan are recognized when due and payable in accordance with the terms of the Plan.

At December 31, 2015, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	25
Inactive employees or beneficiaries receiving full retirement through LEOFF	5
<b>Total</b>	<b>30</b>

## NOTES TO THE FINANCIAL STATEMENTS

**Contributions.** As long as the FPF provides for benefits to covered members, the City will be eligible to receive a share of the State's distribution of the fire insurance premium taxes. The amount the City receives is 25% of all monies received by the State from taxes on fire insurance premiums. Contributions can also come from taxes paid pursuant to the provisions of RCW 41.16.060. This statute requires that each municipality levy up to \$0.45 (only \$0.225 of which can be in excess of the property tax limit pursuant to RCW 84.52.043) per \$1,000 of assessed valuation, based on reports by a qualified actuary, to maintain the fund.

### Net Pension Liability/(Asset)

The City's net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability/(asset) of \$(6,406,533) was determined by an actuarial valuation as of that date.

**Actuarial assumptions.** The total pension liability was determined by an actuarial valuation as of December 31, 2015, using the following actuarial assumptions:

Inflation	2.25%
Salary increases	2.50% for 2015 and 3.25% thereafter
Investment rate of return	3.50%
Actuarial cost method	Entry age normal

Mortality rates were based on the RP-2000 Mortality Table (combined healthy) with generational projection using 100% of Projection Scale BB, with ages set back one year for males and forward one year for females (set forward two years for disabled members).

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed. We used the weighted expected returns of the City's portfolio of cash, US Treasuries (to be held to maturity), and receivables to develop the long-term expected rate of return.

The best-estimate range for the long-term expected rate of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2015, are summarized in the following table:

Asset Class	Index	Long-Term Expected Real Rate of Return
Cash	Citigroup 90-Day T-Bills	0.65%
Short-Term Bonds	Citigroup 1-3 Year Gov/Cred	1.49%
Long-Term Bonds	Barclays Long Gov/Cred	3.05%
Assumed Inflation - Mean		2.25%
Long-Term Expected Rate of Return		3.50%

## NOTES TO THE FINANCIAL STATEMENTS

**Discount rate.** The discount rate used to measure the total pension liability was 3.50 %. The projection of cash flows used to determine the discount rate assumed City contributions were equal to revenue received from Fire Insurance premiums and the amount received would increase at the inflation rate of 2.25%. Based on this assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payment of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a) - (b)</u>
Balances at January 1, 2014	\$ 3,220,653	\$ 9,467,775	\$ (6,247,122)
Changes for the Year			
Interest on total pension liability	109,164	-	109,164
Benefit payments	(205,147)	(205,147)	-
Contributions from state fire insurance premium tax	-	146,358	(146,358)
Net investment income	-	133,991	(133,991)
Administrative expenses	-	(11,775)	11,775
Balances at December 31, 2015	<u>\$ 3,124,670</u>	<u>\$ 9,531,202</u>	<u>\$ (6,406,532)</u>

**Sensitivity of the net pension liability to changes in the discount rate.** The following presents the net pension liability of the City, calculated using the discount rate of 3.50%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.50%), or one percentage point higher (4.50%), than the current rate.

	<u>1% Decrease 2.50%</u>	<u>Current Discount Rate 3.50%</u>	<u>1% Increase 4.50%</u>
Total Pension Liability	\$ 3,402,437	\$ 3,124,670	\$ 2,882,845
Fiduciary Net Position	9,531,202	9,531,202	9,531,202
Net Pension Liability	(6,128,765)	(6,406,532)	(6,648,357)

## NOTES TO THE FINANCIAL STATEMENTS

**Pension Expense and Deferred Outflows or Resources and Deferred Inflows of Resources Related to Pensions**

As of December 31, 2015, the deferred inflows and outflows of resources are as follows:

	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	156,926
Changes in proportion	-	-
Contributions subsequent to the measurement date	-	-
Total	<u>\$ -</u>	<u>\$ 156,926</u>

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

<u>Year ended December 31</u>	<u>Amount</u>
2016	\$ 39,231
2017	39,231
2018	39,231
2019	39,233
	<u>\$ 156,926</u>

\*Note that additional future deferred inflows and outflows of resources may impact these numbers.

**NOTE 7. OTHER POST EMPLOYMENT BENEFITS****Plan Description**

In accordance with the Revised Code of Washington (RCW) 41.26, the City administers a single-employer defined benefit healthcare plan (the Health Plan) for law enforcement officers and fire fighters employed prior to October 1, 1977. The Health Plan provides medical, prescription drug, dental, Medicare Part B premiums, long-term care, and vision expenses for LEOFF Plan 1 retirees. Dependent spouses and children are not covered.

Prior to 2008, the costs of the Health Plan were provided solely on a pay-as-you-go basis. Beginning in 2008, the City accounts for its other postemployment benefits (OPEB) expenses related to the Health Plan based on a computed annual required contribution (ARC) that includes the current period's service cost and an amount to amortize unfunded actuarial accrued liabilities. The City maintains a standalone internal service fund, LEOFF 1 Retirees Healthcare Fund. As of December 31, 2015, the City has a balance of \$8,750,791 in the LEOFF 1 Retirees Healthcare Fund. Although this amount is reported as unrestricted net position in the financial statements, the City intends to use the balance to fund a portion of the UAAL.

## NOTES TO THE FINANCIAL STATEMENTS

The Health Plan's actuary is Milliman, Inc. The report may be obtained by contacting the City of Renton, Finance Division, 1055 South Grady Way, Renton, WA 98057. The Health Plan does not issue a separate standalone financial report.

### Funding Policy

Funding for LEOFF 1 retiree healthcare costs is provided entirely by the City as required by the Revised Code of Washington (RCW) 41.26. The City does not require retiree contributions. For the fiscal year ended December 31, 2015, the City contributed \$1,085,885 to the Health Plan.

### Annual OPEB Cost and Net OPEB Obligation

The basis for the City's annual other postemployment benefit (OPEB) cost (expense) is the annual required contribution (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following displays the components of the City's annual OPEB cost, the amount contributed to the Health Plan, and changes in the City's net OPEB obligation to the Health Plan.

Annual Required Contribution and Net OPEB Obligation for years ended December 31, are as follows:

	<b>Annual Required Contribution (ARC) and Net OPEB Obligation</b>		
	Fiscal Year Ending		
	12/31/2013	12/31/2014	12/31/2015
Annual required contribution (ARC)			
1. Annual Normal Cost	\$ -	\$ -	\$ 27,929
2. Amortization of UAAL	2,009,362	2,009,362	2,616,797
3. Interest to EOY	-	-	92,565
4. ARC at end of year [1+2+3]	2,009,362	2,009,362	2,737,291
5. Interest on Net OPEB Obligation	56,160	68,843	187,022
6. Adjustment to ARC	(180,699)	(229,130)	(342,083)
7. Annual OPEB cost [4+5+6]	1,884,822	1,849,075	2,582,230
8. Employer Contributions	1,039,281	1,095,159	1,085,885
9. Change in Net OPEB Obligation [7-8]	845,542	753,916	1,496,345
10. Net OPEB Obligation at Beginning of Year	3,744,023	4,589,565	5,343,481
11. Net OPEB Obligation at End of Year [9+10]	<u>\$ 4,589,565</u>	<u>\$ 5,343,481</u>	<u>\$ 6,839,826</u>

City's net OPEB obligation increased by \$1,496,345 in year the year ending December 31, 2015. The entire net OPEB obligation of \$6,839,826 is included as a noncurrent liability in the governmental activities column on government-wide statement of net position.



## NOTES TO THE FINANCIAL STATEMENTS

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Health Plan, and the net OPEB obligation for 2015 and the two preceding years were as follows:

Year	Annual OPEB Cost	Employer Contribution	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2013	\$ 1,884,822	\$ 1,039,281	55%	\$ 4,589,565
2014	1,849,075	1,095,159	59%	5,343,481
2015	2,582,230	1,085,885	42%	6,839,826

### Funded Status and Funding Progress

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The funded status of the Health Plan as of January 1, 2015 (expressed in thousands):

Actuarial accrued liability (AAL) - Unit Credit	\$ 42,306
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 42,306</u>
Funded ratio (actuarial value of plan assets ÷ AAL)	0.0%
Covered payroll	110
UAAL as a percentage of covered payroll	38460.00%

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of Health Plan assets is increasing or decreasing over time relative to the actuarial liabilities for benefits.

### Actuarial Methods and Assumptions

An actuarial valuation was completed as of January 1, 2015. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The December 31, 2014 valuation used the projected unit credit actuarial cost methods. The actuarial assumptions included a 1.5% investment rate of return (net of administrative expenses) and an initial annual healthcare cost trend rate of 10.0% for pre-Medicare expenses, to an ultimate rate of 4.2% after 72 years. The Medicare trend assumption is 6.5%, to an ultimate rate of 4.2% after 8 years. The dental trend assumption is 5.5%, to an ultimate rate of 4.0% after 4 years. The Medicare premium trend rate is 8.5% for all years, except for the first year, which has a 0% trend rate. The long-term care trend rate is 5.0% for all years. The trend for the Excise Tax threshold is 0% until 2018, when a trend rate of 4.24% is used. The trend for all future years is 3.24%. All trend rates include a 3.0% inflation assumption. The UAAL at transition is being amortized as a

## NOTES TO THE FINANCIAL STATEMENTS

level dollar amount on a closed basis. The remaining amortization period at December 31, 2013 was 24.0 years. The UAAL is recalculated each year and amortized as a level dollar amount over 25 years for 2013.

**NOTE 8. CONTINGENCIES**

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not determinable at this time, it is the opinion of City's legal counsel, that the resolution of these matters will not have a material adverse effect on the financial condition of the City and that the City's insurance policies and/or self-insurance reserves are adequate to pay all known or pending claims.

The City participates in a number of federal and state assisted programs. These grants are subject to program compliance audits by the Single Audit Act. Such audits could result in reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. The amount of expenditure that may be disallowed, if any, cannot be determined at this time and the City's management believes that any such disallowances, if any, will be immaterial.

**NOTE 9. RISK MANAGEMENT**

The City of Renton is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City of Renton protects itself against unforeseen losses by utilizing a three-pronged risk management approach. First, the City self-funds first level losses through its Insurance Fund. Second, insurance and excess insurance is purchased to cover medium and large losses. Third, the City reserves the right to utilize the provisions of Chapter 35A.31.060 RCW to fund catastrophic or uninsured losses. This State statute allows cities to levy a non-voted property tax increase to pay for uninsured claims. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

## NOTES TO THE FINANCIAL STATEMENTS

An analysis of the insurance deductibles and self-insured retention levels, limits of insurance, and carriers for the major types of coverage are as follows:

Type of Coverage	Risk Retention Occurrence	Aggregate Amount	Carrier
Property – Expires 1/01/2016	\$50,000	\$300,000,000 (per occurrence subject to annual aggregate & sub-limits)	WA Cities Ins Authority
Liability – Expires 01/01/2016	\$250,000	\$20,000,000 (per occurrence)	WA Cities Ins Authority
Auto Physical Damage – Expires 01/01/2016	\$25,000	ACV or Replacement Cost; per Occurrence	WA Cities Ins Authority
Equipment Breakdown – Expires 1/01/2016	\$5,000*	\$50,000,000	Zurich
Employee Fidelity/Crime – Expires 12/31/2015	\$10,000	\$2,500,000	WA Cities Ins Authority
Airport Liability – Expires 1/01/2016	0	\$100,000,000	National Union Fire Ins. Co
Underground Storage Tank – Expires 1/01/2016	\$2,500	\$1,000,000	Great American
Excess Workers' Comp – Expires 1/01/2016	\$500,000	Statutory	Safety National
Excess Employee Health – Expires 1/01/2016	\$200,000	N/A	Sun Life

\* There is a 4-hour utility interruption clause, prior to the deductible becoming applicable.

For fiscal year 2015, the City of Renton is a member of the Washington Cities Insurance Authority (WCIA). Effective January 1, 2016, the City of Renton will no longer be a member of the WCIA and will become self-insured for its liability and property exposures. Withdrawal from WCIA provides the City of Renton with an opportunity for increased savings in the future and provides the ability to control the cost of all types of claims, including liability, property, workers' compensation and automobile.

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 175 Members.

## NOTES TO THE FINANCIAL STATEMENTS

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, public officials' errors or omissions, stop gap, and employee benefits liability. Limits are \$4 million per occurrence self insured layer, and \$16 million per occurrence in the re-insured excess layer. The excess layer is insured by the purchase of reinsurance and insurance and is subject to aggregate limits. Total limits are \$20 million per occurrence subject to aggregate sublimits in the excess layers. The Board of Directors determines the limits and terms of coverage annually.

Insurance coverage for property, automobile physical damage, fidelity, inland marine, and boiler and machinery are purchased on a group basis. Various deductibles apply by type of coverage. Property insurance and auto physical damage are self-funded from the members' deductible to \$750,000, for all perils other than flood and earthquake, and insured above that amount by the purchase of insurance.

In-house services include risk management consultation, loss control field services, claims and litigation administration, and loss analyses. WCIA contracts for the claims investigation consultants for personnel issues and land use problems, insurance brokerage, 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, and administrative expenses. As outlined in the interlocal, WCIA retains the right to additionally assess the membership for any funding shortfall.

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

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

The City's Risk Management Program is administered under the authority of the Human Resources and Risk Management Administrator, with claims being processed by the carriers shown above.

As of December 31, 2015, the City had accrued the following amounts for outstanding claims:

<b>Coverage</b>	<b>Total Claims Payable</b>	
	<b>12/31/2015</b>	
Property & liability	\$	1,085,963
Workers' compensation		1,037,911
Employee health		1,740,000
<b>TOTAL</b>	<b>\$</b>	<b>3,863,874</b>

## NOTES TO THE FINANCIAL STATEMENTS

<b>2015</b>	<b>Property &amp; Liability</b>	<b>Workers' Compensation</b>	<b>Employee Health</b>	<b>Totals</b>
IBNR claims at beginning of the year	\$ 549,549	\$ 846,897	\$ 1,745,900	\$ 3,142,346
Current year and changes in estimates	2,666,774	(1,231,531)	12,042,340	13,477,583
Claims payments	(2,130,360)	1,422,545	(12,048,240)	(12,756,055)
<b>IBNR claims at end of the year</b>	<b>\$ 1,085,963</b>	<b>\$ 1,037,911</b>	<b>\$ 1,740,000</b>	<b>\$ 3,863,874</b>

<b>2014</b>	<b>Property &amp; Liability</b>	<b>Workers' Compensation</b>	<b>Employee Health</b>	<b>Totals</b>
IBNR claims at beginning of the year	\$ 508,904	\$ 937,114	\$ 1,660,000	\$ 3,106,018
Current year and changes in estimates	1,403,954	960,180	12,922,405	15,286,539
Claims payments	(1,363,309)	(1,050,397)	(12,836,505)	(15,250,211)
<b>IBNR claims at end of the year</b>	<b>\$ 549,549</b>	<b>\$ 846,897</b>	<b>\$ 1,745,900</b>	<b>\$ 3,142,346</b>

**NOTE 10. INTERFUND TRANSACTIONS****A. INTERFUND TRANSFERS**

The following is the composition of interfund transfers for the year ended December 31, 2015:

	<b>Transfer In:</b>				<b>Total</b>
	Governmental Funds			Internal Service Funds	
	General	Municipal Facilities CIP	Other Governmental		
<b>Transfer Out:</b>					
Governmental Funds					
General	-	5,150,000	1,022,686	1,495,924	<b>7,668,610</b>
Other Governmental	5,000	472,264	-	56,168	<b>533,432</b>
Municipal Facilities CIP	-	-	-	32,322	<b>32,322</b>
Enterprise Fund					
Waterworks Utility	-	-	-	129,588	<b>129,588</b>
Solid Waste	-	-	-	1,903	<b>1,903</b>
Internal Service Fund					
Insurance	-	-	125,000	-	<b>125,000</b>
<b>Total</b>	<b>5,000</b>	<b>5,622,264</b>	<b>1,147,686</b>	<b>1,715,905</b>	<b>8,490,855</b>

During the year, transfers are used to (1) move revenue from the fund with collection authority to the debt service fund as debt service principal and interest become due, (2) to segregate money for anticipated capital projects, and (3) move general fund sources into funds identified by the city-wide stabilization policy.

All transfers either occur on a regular basis or are consistent with the purpose of the fund making the transfer. Transfers that occur within the governmental funds are eliminated on the government-wide statement of activities.

## NOTES TO THE FINANCIAL STATEMENTS

In addition, the City made the following one-time transfers during the year ending December 31, 2015:

1. A \$5.05 million transfer from the General Fund to the Municipal Facilities CIP fund to help acquire two pieces of land.
2. \$1.0 million transfer from the General Fund to the Capital Improvement Fund to support two separate capital transportation projects.
3. \$472 thousand transfer from the Parks Impact Mitigation Fees to help acquire three separate park property purchases.
4. \$1.3 million transfer from the General Fund to the Insurance Internal Service Fund to help fully fund the City's catastrophic and anti-recessionary reserves.

**B. INTERFUND RECEIVABLES AND PAYABLES**

The composition of interfund receivables/ payables as of December 31, 2015 is as follows:

*Due from/to:*

<b>Receivable Fund</b>	<b>Payable Fund</b>	<b>Amount</b>
Municipal Facilities CIP	General	\$ 570,977
Other Governmental - Gen. Govt Debt Service	General	570,977
<b>Total</b>		<b>\$ 1,141,954</b>

The outstanding balances between funds result from the time lag between the dates that transactions are recorded in the accounting system.

*Advances from/to:*

<b>Receivable Fund</b>	<b>Payable Fund</b>	<b>Amount</b>	<b>Due Within One Year</b>
Internal Service - Insurance Fund	Capital Improvement	\$ 146,298	\$ 146,298
Internal Service - Insurance Fund	Leased Facilities	875,000	175,000
<b>Total</b>		<b>\$ 1,021,298</b>	<b>\$ 321,298</b>

The amount payable from the Capital Improvement fund was a working capital loan to help ensure the SW 27<sup>th</sup> Street/Strander Boulevard Connection project could be fully funded. The repayment of the loan is being repaid as the fund receives cash from grant reimbursements. The amount payable from the Leased Facilities Fund was also a working capital loan to help ensure tenant improvement costs at the City's 200 Mill building could continue. The repayment of the loan will be funded with the future lease revenue from the tenant.

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 11. LONG TERM DEBT****General Obligation Bonds**

General obligation bonds are direct obligations of the City for which its full faith and credit are pledged. Debt service for voter-approved bonds, which the City has none, would be funded by special property tax levies. Debt service for City Council authorized bonds (councilmatic bonds) is funded from regular property taxes or general revenues, and is generally paid from debt service funds.

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

- 2006 Limited Tax General Obligation bonds which provided funding for the construction of South Lake Washington infrastructure improvements.
- 2010 Limited Tax General Obligation refunding bonds which refunded a portion of the 2001 limited tax general obligation bonds for the construction of a downtown parking facility.
- 2011 Limited Tax General Obligation bonds which funded the development and construction of 2 new libraries.
- 2011 Limited Tax General Obligation refunding bonds which refunded a portion of the 2001 limited tax general obligation bonds which refunded a portion of the 1997 Limited Tax General Obligation bonds for the purchase of Renton City Hall.
- 2013 Limited Tax General Obligation qualified energy conservation bonds (QECCB) which provided funding for streetlight improvements.
- 2015 (A & B) Limited Tax General Obligation refunding bonds refunded a portion of the 2006 limited tax general obligation bonds for the construction of South Lake Washington infrastructure improvements.

*Other intergovernmental debt*, backed by the full faith and credit of the City:

- 2009 intergovernmental debt related to the Fire District #40 asset transfer as a result of the Benson Hill annexation.
- 2009 intergovernmental debt related to acquisition, construction, and equipping of the SCORE facility. Pursuant to an interlocal agreement, the City is obligated to pay 36 percent of the debt service on the SCORE bonds.
- 2010 intergovernmental refunding debt which refunded a portion of the 2000 intergovernmental debt for the construction of a new facility for Valley Communications Center (Valley Com). Pursuant to an interlocal agreement, the City is obligated to pay 20 percent of the debt service on the Valley Com bonds.

## NOTES TO THE FINANCIAL STATEMENTS

**Revenue Bonds**

Revenue bonds are payable from water, sewer, and storm revenues generated from the charges for service revenues in those funds.

*Revenue Bonds* outstanding at year-end are as follows:

- 2007 Water/Sewer Revenue Bonds (Ordinance #5313) has an average interest rate is 4.22%. These bonds were issued for the purpose of financing the costs of carrying out certain capital improvements of waterworks utility.
- 2007 Water/Sewer Revenue Refunding Bonds (02) (Ordinance #5313) has an average interest rate is 4.15%. These bonds were issued for the purpose of refunding certain outstanding water and sewer revenue bonds of the City.
- 2008 (A) Water/Sewer Revenue Bond (Exempt) (Ordinance #5313) were issued in the amount of \$9,975,000 and dated January 1, 2008. The average interest rate is 4.17%. These bonds were issued for the purpose of providing money to pay part of the cost of construction and acquisition of certain improvements to the waterworks utility.
- 2008 (B) Water/Sewer Revenue Bond (Taxable) (Ordinance #5313) were issued in the amount of \$2,035,000 and dated January 1, 2008. The average interest rate is 4.17%. These bonds were issued for the purpose of providing money to pay part of the cost of construction and acquisition of certain improvements to the waterworks utility.
- 2012 Water/Sewer Revenue Refunding Bonds (Ordinance #5672) were issued in the amount of \$9,190,000 and dated December 7, 2012. The average interest rate is 2.5%. These bonds were issued for the purpose of refunding a portion of the 2004 Water/Sewer Revenue Bonds.

**State of Washington Public Works Trust Fund Loans (PWTFL)**

PWTFL are the direct responsibility of the City. At year-end the City has eight outstanding loans, with a remaining balance of \$3,248,163. All of the loans are for water and sewer capital improvements. Loans are repaid from water and sewer system revenues.

*PWTFL* outstanding at year-end are as follows:

- East Kennydale Sewer Interceptor loan for the construction of approximately 5,200 linear feet of 12 to 15-inch sanitary sewer pipe, 14 sewer manholes, replacement of the Devil's Elbow sanitary sewer lift station, 300 linear feet of 6-inch sanitary force main, fish habitat improvements, repair of access road, and associated asphalt patching and paving.
- Honeycreek (Sunset) Sewer Interceptor loan is to construct approximately 5,785 linear feet of 15 to 18-inch sanitary sewer main, 15 sewer manholes, 3,300 square yards of asphalt paving, and related appurtenances to the sewer main.
- Corrosion Control Treatment Facilities loan was for construction of a building on City property in Cedar River Park between well PW-8 and well PW-9 to store and pump chemicals for treating the water from wells RW.
- Maplewood Water Treatment Improvement loan was to fund the costs to eliminate quality problems in water from the Maplewood wellfield wells.
- CT Pipeline for Wells RW-1, RW-2 and RW-3 loan is to construct the CT detention pipeline for wells RW-1, RW-2 and RW-3 at Liberty Park.



## NOTES TO THE FINANCIAL STATEMENTS

- Maplewood Drinking Water Treatment Improvement loan is to construct the drinking water treatment improvements at Maplewood.

**Compensated Absences**

Compensated absences are paid by those funds that have employees. These are mostly payable from the General Fund and Waterworks Utility Fund.

The following schedules summarize the long-term debt transactions of the City for the year ended December 31, 2015. The first table reflects total annual debt service requirements to maturity, while the second table provides detailed information on all long-term debt.

Year	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2016	5,302,416	2,727,373	2,193,901	1,053,517
2017	5,479,072	2,521,906	2,055,175	974,301
2018	5,311,675	2,319,384	2,295,818	897,078
2019	5,476,547	2,154,485	2,450,818	812,699
2020	5,688,322	1,943,374	2,530,818	729,520
2021-2025	17,470,204	6,765,407	13,441,629	2,318,424
2026-2030	11,526,489	3,921,975	5,525,005	293,893
2031-2035	7,543,800	2,150,836	-	-
2036-2040	5,349,601	466,611	-	-
<b>Totals</b>	<b>69,148,128</b>	<b>24,971,352</b>	<b>30,493,163</b>	<b>7,079,431</b>

## NOTES TO THE FINANCIAL STATEMENTS

## Schedule of Changes of Long-Term Debt

Issue Name	Interest Rates	Maturity Date	Original Issue Amount	Beginning		Additions	Deductions	Ending Balance 12/31/2015	Due Within One Year
				Balance 01/01/2015					
<b>GOVERNMENTAL-TYPE DEBT:</b>									
<b>Limited General Obligation Bonds:</b>									
2006 GO Bonds	4.25%-5.00%	12/1/2028	\$ 17,980,000	\$ 13,850,000	\$ -	\$ 13,100,000	\$ 750,000	\$ 750,000	
2010 GO Refunding Bonds	3.00%-4.50%	12/1/2021	6,170,000	6,010,000	-	10,000	6,000,000	10,000	
2011 GO Library Bonds	2.00%-5.00%	12/1/2022	16,715,000	12,460,000	-	1,505,000	10,955,000	1,540,000	
2011 GO Refunding Bonds	2.00%-5.00%	12/1/2017	9,425,000	4,825,000	-	1,555,000	3,270,000	1,605,000	
2013 GO QECB	3.22%	7/1/2028	3,200,000	2,990,000	-	210,000	2,780,000	210,000	
2015 (A) GO S LK WA Infr Refunding (BQ)	3.00%-4.00%	12/1/2028	8,825,000	-	8,825,000	-	8,825,000	-	
2015 (B) GO S LK WA Infr Refunding (Tax)	0.50%-2.07%	12/1/2020	3,695,000	-	3,695,000	330,000	3,365,000	100,000	
Unamortized (discount)/premium/refunding				1,747,831	1,171,804	1,465,304	1,454,331	-	
<b>Total General Obligation Bonds</b>			<b>66,010,000</b>	<b>41,882,831</b>	<b>13,691,804</b>	<b>18,175,304</b>	<b>37,399,331</b>	<b>4,215,000</b>	
<b>Other Intergovernmental - Backed by full faith and credit of the City:</b>									
2009 FD 40 Loan for acquisition of FS13	3.75%	9/1/2028	6,798,085	5,313,953	-	304,225	5,009,728	315,216	
2009 (A) SCORE Tax Exempt	4.00%-5.00%	1/1/2022	2,953,800	2,237,400	-	473,400	1,764,000	772,200	
2009 (B) SCORE BABS	3.00%-6.62%	1/1/2039	28,090,800	26,699,400	-	270,000	26,429,400	-	
2010 GO Valley Comm Refunding Bonds	3.00%-4.00%	12/1/2015	1,065,000	220,000	-	220,000	-	-	
<b>Total Intergovernmental Debt</b>			<b>38,907,685</b>	<b>34,470,753</b>	<b>-</b>	<b>1,267,625</b>	<b>33,203,128</b>	<b>1,087,416</b>	
<b>Other Long-Term Liabilities:</b>									
Employee Leave Benefits - Compensated Absences				4,898,649	3,662,091	2,792,230	5,768,510	3,288,051	
Other Post Employment Benefits (OPEB)				5,343,481	2,582,230	1,085,885	6,839,826	-	
Net Pension Liability				16,102,050	4,977,795	-	21,079,845	-	
<b>Total Other Long-Term Liabilities</b>				<b>26,344,180</b>	<b>11,222,116</b>	<b>3,878,115</b>	<b>33,688,181</b>	<b>3,288,051</b>	
<b>TOTAL GOVERNMENTAL-TYPE DEBT</b>			<b>\$ 104,917,685</b>	<b>\$ 102,697,764</b>	<b>\$ 24,913,920</b>	<b>\$ 23,321,044</b>	<b>\$ 104,290,640</b>	<b>\$ 8,590,467</b>	
<b>BUSINESS-TYPE DEBT:</b>									
<b>Revenue Bonds:</b>									
2007 Water/Sewer	4.00%-5.00%	12/1/2022	1,430,000	1,335,000	-	95,000	1,240,000	95,000	
2007 Water/Sewer Refunding (02)	4.00%-5.00%	12/1/2022	8,320,000	7,510,000	-	755,000	6,755,000	780,000	
2008 Water/Sewer (a)	4.17%	12/1/2027	9,975,000	9,975,000	-	-	9,975,000	480,000	
2008 Water/Sewer (b)	4.17%	12/1/2016	2,035,000	825,000	-	630,000	195,000	195,000	
2012 Water/Sewer Refunding	2.00%-3.00%	12/1/2027	9,190,000	9,115,000	-	35,000	9,080,000	35,000	
Unamortized (discount)/premium/refunding				(82,699)	-	(13,482)	(69,217)	-	
<b>Total Revenue Bonds</b>			<b>30,950,000</b>	<b>28,677,301</b>	<b>-</b>	<b>1,501,518</b>	<b>27,175,783</b>	<b>1,585,000</b>	
<b>Public Works Trust Fund Loans:</b>									
Central Renton Sewer Replacement	1.00%	7/1/2015	1,631,800	52,016	-	52,016	-	-	
NE 27 <sup>th</sup> /Aberdeen Drainage Improvements	1.00%	7/1/2015	731,000	42,591	-	42,591	-	-	
East Kennydale Interceptor	2.00%	7/1/2016	2,093,740	233,712	-	116,855	116,858	116,858	
Honeycreek Interceptor	2.00%	7/1/2016	1,840,568	193,744	-	96,872	96,872	96,872	
Corrosion Control Treatment Facilities	1.00%	7/1/2017	1,106,000	148,071	-	49,357	98,714	49,357	
Maplewood Water Treatment Improvement	0.50%	7/1/2021	567,831	212,107	-	30,301	181,806	30,301	
Construct CT Pipeline for Wells	0.50%	7/1/2022	814,527	342,959	-	42,870	300,089	42,870	
Maplewood Water Treatment Improvement	0.50%	7/1/2024	5,150,000	2,726,471	-	272,647	2,453,824	272,647	
<b>Total Public Works Trust Fund Loans</b>			<b>13,935,466</b>	<b>3,951,671</b>	<b>-</b>	<b>703,508</b>	<b>3,248,163</b>	<b>608,904</b>	
<b>Other Long-Term Liabilities:</b>									
Employee Leave Benefits - Compensated Absences				687,363	100,371	120,420	667,314	97,446	
Net Pension Liability				4,478,280	1,207,814	-	5,686,094	-	
<b>Total Other Long-Term Liabilities</b>				<b>5,165,643</b>	<b>1,308,185</b>	<b>120,420</b>	<b>6,353,408</b>	<b>97,446</b>	
<b>TOTAL BUSINESS-TYPE DEBT</b>			<b>\$ 44,885,466</b>	<b>\$ 37,794,615</b>	<b>\$ 1,308,185</b>	<b>\$ 2,325,445</b>	<b>\$ 36,777,354</b>	<b>\$ 2,291,350</b>	
<b>TOTAL ALL FUNDS</b>			<b>\$ 149,803,151</b>	<b>\$ 140,492,379</b>	<b>\$ 26,222,105</b>	<b>\$ 25,646,489</b>	<b>\$ 141,067,994</b>	<b>\$ 10,881,817</b>	

## NOTES TO THE FINANCIAL STATEMENTS

**Debt Limit Capacity**

State law provides that debt cannot be incurred in excess of the following percentages of the value of the taxable property of the City: 1.5 percent without a vote of the people provided the indebtedness with a vote is 1 percent or less; 2.5 percent with a vote of the people; 5.0 percent with a vote of the people, provided the indebtedness in excess of 2.5 percent is for utilities; and 7.5 percent with a vote of the people provided the indebtedness in excess of 5.0 percent is for open space development and parks facilities. Table 15 in the Statistical Section shows the computation of legal debt margin for general and special purpose capacities for the City of Renton.

**Estimated Arbitrage Rebate**

The City engages an outside agency to calculate its' arbitrage rebate liability on outstanding tax-exempt bonds and certificates of participation under Section 148(f) of the Internal Revenue Code. No additional rebate was found due for any revenue or general obligation bonds for 2015.

**Issued/Refunded Debt**

On May 13, 2015 the City issued \$8,825,000 (2015A) and \$3,695,000 (2015B) in Limited Tax General Obligation (LTGO) Refunding Bonds with an average interest of 3.72% and 1.31%, respectively, to advance refund \$12,400,000 of outstanding 2006 LTGO Bonds. The net proceeds were used to purchase U.S. government securities which were deposited with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, this portion of the original bond is considered defeased. The advance refunding resulted in a reduction in the aggregate debt service payments of \$1,967,136 (2015A) and \$193,008 (2015B) and a present value gain of \$1,722,732 (2015A) and \$161,034 (2015B).

**Prior Year Defeasance of Debt**

In prior years the City defeased certain bond issues by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. The schedule of assets, liabilities, and net assets of the City's escrow account as of December 31, 2015 is provided in the following table.

US Bank Corporate Trust (2015 A&B LTGO Refunding Bonds)	
<b>Assets</b>	
Cash with Trustee	\$ 987
Investments with Trustee	12,928,714
Estimated Interest Receivable	-
<b>Total Assets</b>	<u>12,929,701</u>
<b>Liabilities</b>	
Refunded Bonds Payable	<u>12,928,714</u>
<b>Total Liabilities</b>	<u>12,928,714</u>
<b>Net Assets</b>	
Earnings with Trustee	987
<b>Total Net Assets</b>	<u>\$ 987</u>

## NOTES TO THE FINANCIAL STATEMENTS

**NOTE 12. JOINT VENTURES**

A joint venture is a legal entity or other organization that results from a contractual agreement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain (a) an on-going financial interest or (b) an on-going financial responsibility. The City participates in two joint ventures, both of which are sanctioned by the provisions and terms of the Interlocal Cooperation Act pursuant to Chapter 39.34 RCW.

**VALLEY COMMUNICATIONS CENTER**

The Valley Communications Center (Valley Com) was established August 20, 1976, when an Interlocal Agreement was entered into by four original participating municipal corporations, including the cities of Renton, Kent, Auburn, and Tukwila. Federal Way was formally admitted in 2000. The initial duration of the agreement was five years, and thereafter is automatically extended for consecutive five-year periods.

The purpose of the joint operation, hereafter referred to as Valley Com, is to provide improved consolidated emergency communications (dispatch) services for police, fire, and medical aid, to the five participating cities and to several subscribing agencies that include: King County Fire Districts 2, 17 (Black Diamond), 20, 26, 40, 43, 44, 47; City of Pacific Police and Fire Departments; City of Black Diamond Police Department; City of Des Moines Police Department; SeaTac Fire Department; North Highline Fire Department; King County EMS Units; and Vashon Island Fire Department. Separate agreements between Valley Com and the subscribing agencies have been executed, which set forth conditions of services and rates charged.

The City made payments totaling \$2,448,960 to support Valley Com's operating costs during the year ended December 31, 2015. The City also pays its relative portion of Valley Com's debt service obligations, which totaled \$220,000 in principal and \$8,800 in interest (as reflected in Note 11 – Long Term Debt).

The City reports its share of equity interest in the Governmental Activities column within the Government-wide financial statements under non-current assets – investments in joint ventures. The following is condensed financial information as of December 31, 2015 related to Valley Communications Center:

Valley Communications Center						
2015 Owner Cities Equity Allocation						
GASB 68 Adjusted Equity						
Member City	Percent of Equity	2014 Equity Balance	Adjustment	2014 Equity Balance	2015 Distribution	2015 Equity Balance
Auburn	22.17%	\$ 5,079,377	\$ (1,781,244)	\$ 3,298,133	\$ 555,097	\$ 3,853,230
Federal Way	20.64%	3,619,944	(1,269,448)	2,350,496	507,809	2,858,305.00
Kent	28.15%	7,530,786	(2,640,908)	4,889,878	649,015	5,538,893.00
Renton	20.31%	5,350,252	(1,876,235)	3,474,017	470,862	3,944,879.00
Tukwila	8.73%	2,974,283	(1,043,026)	1,931,257	208,004	2,139,261.00
<b>Grand Totals</b>	<b>100.00%</b>	<b>\$ 24,554,642</b>	<b>\$ (8,610,861)</b>	<b>\$ 15,943,781</b>	<b>\$ 2,390,787</b>	<b>\$ 18,334,568</b>

Completed Financial Statements for Valley Com can be obtained from the Valley Communications Center, 23807 – 98<sup>th</sup> Avenue South, Kent, WA 98031.

## NOTES TO THE FINANCIAL STATEMENTS

**SOUTH CORRECTIONAL ENTITY (SCORE)**

The South Correctional Entity (SCORE), a consolidated correctional facility, was established February 25, 2009, when an interlocal agreement was entered into by seven participating municipal governments (“owner cities”) of Auburn, Burien, Des Moines, Federal Way, Renton, SeaTac and Tukwila. This agreement was amended and restated October 1, 2009 and named the City of Des Moines as the “host city”. Pursuant to a separate “Host City Agreement” dated October 1, 2009, the host city will not enjoy the same equity position as the original owner cities until all debts issued are paid and the host city fulfills all of its obligations as outlined in the Agreement.

The purpose of the interlocal operation, SCORE, is to serve the Member Cities and Subscribing Agencies which are in need of correctional facilities. SCORE provides correctional services and functions incidental thereto, for the purpose of detaining arrestees and sentenced offenders in the furtherance of public safety and emergencies within the jurisdiction of the Member Cities. Separate agreements between SCORE and subscribing agencies have been executed, which set forth conditions of services and rates charged.

Financing for the acquisition, construction, equipping, and improvement of the SCORE Facility was provided by bonds issued by the South Correctional Entity Facility Public Development Authority (the “SCORE PDA”), a public development authority chartered by the City of Renton pursuant to RCW 35.21.730 through 35.21.755 and secured by the full faith and credit of the Cities of Auburn, Burien, Federal Way, Renton, SeaTac, and Tukwila (the owner cities). The SCORE PDA issued \$86 million in special obligation bonds in 2009 to carry out the facility development project.

The following is a summary of the debt service requirements, for each owner city:

Year	Debt Service Allocation to Owner Cities					
	Auburn 31%	Burien 4%	Federal Way 18%	Renton 36%	Sea Tac 3%	Tukwila 8%
2016	1,692,355	218,368	982,658	1,965,316	163,776	436,737
2017	1,690,602	218,142	981,640	1,963,280	163,607	436,284
2018	1,687,731	217,772	979,973	1,959,946	163,329	435,544
2019	1,685,494	217,483	978,674	1,957,348	163,112	434,966
2020	1,684,037	217,295	977,828	1,955,656	162,971	434,590
2021-2025	8,268,796	1,066,941	4,801,236	9,602,473	800,206	2,133,883
2026-2030	8,187,972	1,056,513	4,754,306	9,508,613	792,384	2,113,025
2031-2035	8,143,380	1,050,759	4,728,414	9,456,828	788,069	2,101,517
2036-2039	6,478,617	835,951	3,761,778	7,523,555	626,963	1,671,901
Totals	\$ 39,518,984	\$ 5,099,224	\$ 22,946,507	\$ 45,893,015	\$ 3,824,417	\$ 10,198,447

In addition to debt service obligations above, the City of Renton made payments totaling \$4,138,311 to support SCORE’s operating costs during the year ended December 31, 2015.

## NOTES TO THE FINANCIAL STATEMENTS

The City reports its share of equity interest in the Governmental Activities column within the Government-wide financial statements under non-current assets – investments in joint ventures. The following is condensed financial information as of December 31, 2015 related to SCORE:

<b>South Correctional Entity (SCORE)</b>							
<b>2015 Owner Cities Equity Allocation</b>							
<b>Member City</b>	<b>Percent of Equity</b>	<b>GASB 68 Adjustment</b>				<b>2015 Equity Balance</b>	
		<b>2014 Equity Balance</b>	<b>Adjustment</b>	<b>2014 Equity Balance</b>	<b>2015 Distribution</b>		
Auburn	29.00%	\$ 4,243,234	\$ (1,048,625)	\$ 3,194,609	\$ 137,167	\$ 3,331,776	
Burien	3.00%	515,410	(155,837)	359,573	17,268	376,841	
Des Moines	2.00%	292,160	(113,182)	178,978	18,288	197,266	
Federal Way	25.00%	3,676,724	(1,204,461)	2,472,263	148,312	2,620,575	
Renton	29.00%	4,220,405	(1,134,356)	3,086,049	136,621	3,222,670	
SeaTac	5.00%	712,666	(240,723)	471,943	26,524	498,467	
Tukwila	7.00%	1,080,470	(326,032)	754,438	34,103	788,541	
<b>Grand Totals</b>	<b>100.00%</b>	<b>\$ 14,741,069</b>	<b>\$ (4,223,216)</b>	<b>\$ 10,517,853</b>	<b>\$ 518,283</b>	<b>\$ 11,036,136</b>	

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

**NOTE 13. AIRPORT LEASES**

The majority of the Municipal Airport's revenue is derived from leases which convey the right to use land and various airport facilities which are accounted for as operating leases. Minimum future rental on noncancellable operating leases are as follows:

<u>For the Year Ended December 31:</u>	
2016	\$ 2,349,576
2017	2,329,894
2018	2,332,239
2019	2,470,303
2020	2,325,998
Thereafter	<u>27,604,831</u>
	<u><u>\$ 39,412,841</u></u>

Of the amounts shown above, one tenant comprises 65.64% of all future minimum lease rentals. The tenant's multiple leases expire in 2030.

## NOTES TO THE FINANCIAL STATEMENTS

A summary of assets leased or available for tenant use is as follows:

Cost	\$ 33,782,814
Less: Accumulated Depreciation	<u>(12,657,303)</u>
Carrying Value	<u>\$ 21,125,511</u>

**NOTE 14. SUBSEQUENT EVENTS**

On April 26, 2016 Renton voters approved the formation of a Regional Fire Authority (RFA). The RFA will be a separate legal entity, a consolidation of King County Fire District #25 and the City of Renton Fire Department. Operations of King County Fire District #25 and the City of Renton Fire Department will end June 30, 2016 and RFA operations will begin July 1, 2016. The City of Renton will no longer be responsible for providing fire and emergency services as of July 1, 2016.

All of the City's assets currently used to support fire and emergency services (including real and personal property, RFA specific fleet and equipment reserves, and the Health and Wellness fund reserves) will be transferred to the RFA effective July 1, 2016. The City will retain its *current* Firefighter Pension and/or LEOFF 1 retiree obligations and debt service obligations related to Fire Station 13. Also, as of January 1, 2017 the RFA will absorb a portion of the City's current levy capacity, \$1.00 per \$1,000 AV on property taxes.

**NOTE 15. PRIOR PERIOD ADJUSTMENT**

**Governmental Funds – Municipal Facilities CIP and Statement of Activities**

A prior period adjustment was necessary to correct for construction invoices not properly accrued in the prior year. The result is a decrease in beginning fund balance in the Municipal Facilities CIP fund of \$1,096,751.

The error had no effect on Governmental Activities net position.

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015

	BUDGETED AMOUNTS		ACTUAL AMOUNTS		BUDGETARY TO GAAP	
	ORIGINAL	FINAL	BUDGETARY BASIS	VARIANCE	ACTUAL AMOUNTS GAAP BASIS	DIFFERENCES OVER (UNDER)
<b>REVENUES</b>						
Taxes	\$ 85,297,952	\$ 86,799,952	\$ 88,815,048	\$ 2,015,096	\$ 82,385,005	\$ 6,430,043 (1)
Licenses and permits	5,201,417	5,696,417	5,895,503	199,086	5,895,503	-
Intergovernmental revenues	3,852,110	5,468,771	5,375,751	(93,020)	4,972,116	403,635 (1)
Charges for services	9,662,398	10,016,774	11,101,008	1,084,234	11,101,008	-
Fines and forfeits	3,320,500	3,320,500	3,022,849	(297,651)	3,022,849	-
Interfund revenues	3,147,416	3,221,947	296,649	(2,925,298)	296,649	-
Contributions	97,000	137,000	158,292	21,292	158,292	-
Interest	875,300	875,300	976,558	101,258	959,200	17,358 (1), (2)
Miscellaneous revenues	1,162,909	1,032,216	1,197,874	165,658	1,992,368	(794,494) (2)
<b>TOTAL REVENUES</b>	<b>112,617,002</b>	<b>116,568,877</b>	<b>116,839,532</b>	<b>270,655</b>	<b>110,782,990</b>	<b>6,056,542</b>
<b>EXPENDITURES</b>						
Current:						
General government	11,453,680	11,831,982	10,421,028	(1,410,954)	11,223,964	(802,936) (2)
Judicial	2,561,321	2,561,321	2,461,668	(99,653)	2,461,668	-
Public safety	59,098,063	59,269,701	58,211,446	(1,058,255)	58,211,446	-
Utilities	463,587	463,587	236,245	(227,342)	236,245	-
Transportation	10,060,511	10,207,856	9,002,030	(1,205,826)	9,002,030	-
Economic environment	7,501,532	7,719,734	6,271,302	(1,448,432)	6,271,302	-
Health and human services	1,854,359	1,872,110	1,876,841	4,731	1,876,841	-
Culture and recreation	12,033,602	12,378,818	11,396,257	(982,561)	11,396,257	-
Capital outlay:						
General government	-	-	5,634	5,634	649,532	(643,898) (2)
Public safety	35,000	35,000	16,070	(18,930)	16,070	-
Transportation	5,200	64,200	45,695	(18,505)	45,695	-
Culture and recreation	-	-	12,989	12,989	12,989	-
Debt service:						
Principal payment	4,504,225	4,504,225	4,834,225	330,000	-	4,834,225 (1)
Interest payment	1,959,363	2,073,722	1,655,953	(417,769)	-	1,655,953 (1)
<b>TOTAL EXPENDITURES</b>	<b>111,530,443</b>	<b>112,982,256</b>	<b>106,447,383</b>	<b>(6,534,873)</b>	<b>101,404,039</b>	<b>5,043,344</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,086,559</b>	<b>3,586,621</b>	<b>10,392,149</b>	<b>6,805,528</b>	<b>9,378,951</b>	<b>1,013,198</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds of long-term debt	-	13,691,804	12,520,000	(1,171,804)	-	12,520,000
Proceeds of interfund loan	-	-	-	-	-	- (3)
Premiums on bonds sold	-	-	1,171,804	1,171,804	-	1,171,804
Transfer in	250,000	255,000	255,000	-	5,000	250,000
Transfer (out)	(1,411,000)	(7,644,586)	(7,668,610)	24,024	(7,668,610)	-
Insurance recoveries	-	-	14,724	14,724	14,724	-
Funds remitted to bond trustee	-	(13,573,341)	(13,573,341)	-	-	(13,573,341)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(1,161,000)</b>	<b>(7,271,123)</b>	<b>(7,280,423)</b>	<b>38,748</b>	<b>(7,648,886)</b>	<b>368,463</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(74,441)</b>	<b>(3,684,502)</b>	<b>3,111,726</b>	<b>6,844,276</b>	<b>1,730,065</b>	<b>1,381,661</b>
<b>FUND BALANCE JANUARY 1</b>	<b>13,508,009</b>	<b>17,565,282</b>	<b>21,517,152</b>	<b>3,951,870</b>	<b>20,054,469</b>	<b>1,462,683 (1), (2)</b>
<b>FUND BALANCE DECEMBER 31</b>	<b>\$ 13,433,568</b>	<b>\$ 13,880,780</b>	<b>\$ 24,628,878</b>	<b>\$ 10,748,098</b>	<b>\$ 21,784,534</b>	<b>\$ 2,844,344 (1), (2)</b>

## NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION

- (1) General Governmental Debt Fund is included in the Actual Amounts Budgetary Basis column  
(2) Leased City Property Fund is included in the Actual Amounts GAAP Basis column  
(3) Excludes interfund loan proceeds in Budgeted Amounts Final column



REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 Measurement Date of June 30  
 Last 10 Fiscal Years\*

PERS Plan 1	2015	2014
City's proportion of the net pension liability/(asset)	0.275830%	0.273241%
City's proportionate share of the net pension liability/(asset)	\$ 14,428,474	\$ 13,764,644
City's covered-employee payroll	\$ 387,076	\$ 509,246
City's proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	3727.56%	2702.95%
Plan fiduciary net position as a percentage of the total pension liability	59.10%	61.19%

\* This schedule will be built prospectively until it contains ten years of data.

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 Measurement Date of June 30  
 Last 10 Fiscal Years\*

PERS Plan 2/3	2015	2014
City's proportion of the net pension liability/(asset)	0.345072%	0.337183%
City's proportionate share of the net pension liability/(asset)	\$ 12,329,619	\$ 6,815,686
City's covered-employee payroll	\$ 30,618,109	\$ 29,147,610
City's proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	40.27%	23.38%
Plan fiduciary net position as a percentage of the total pension liability	89.20%	93.29%

\* This schedule will be built prospectively until it contains ten years of data.

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 Measurement Date of June 30  
 Last 10 Fiscal Years\*

PSERS Plan 2	2015	2014
City's proportion of the net pension liability/(asset)	0.042991%	0.046443%
City's proportionate share of the net pension liability/(asset)	\$ 7,846	\$ (6,725)
City's covered-employee payroll	\$ 124,200	\$ 125,311
City's proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	6.32%	-5.37%
Plan fiduciary net position as a percentage of the total pension liability	95.08%	105.01%

\* This schedule will be built prospectively until it contains ten years of data.

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 Measurement Date of June 30  
 Last 10 Fiscal Years\*

LEOFF Plan 1	2015	2014
City's proportion of the net pension liability/(asset)	0.229885%	0.225836%
City's proportionate share of the net pension liability/(asset)	\$ (2,770,622)	\$ (2,738,919)
City's covered-employee payroll	\$ 98,485	\$ 135,276
City's proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	-2813.24%	-2024.69%
Plan fiduciary net position as a percentage of the total pension liability	127.36%	126.91%

\* This schedule will be built prospectively until it contains ten years of data.

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 Measurement Date of June 30  
 Last 10 Fiscal Years\*

LEOFF Plan 2	2015	2014
City's proportion of the net pension liability/(asset)	0.954715%	0.947521%
City's proportionate share of the net pension liability/(asset)	\$ (9,812,561)	\$ (12,574,011)
State's proportionate share of the net pension liability/(asset) associated with the City	(925,241)	(870,262)
Total	<u>\$ (10,737,802)</u>	<u>\$ (13,444,273)</u>
City's covered-employee payroll	\$ 27,709,532	\$ 26,365,930
City's proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	-35.41%	-47.69%
Plan fiduciary net position as a percentage of the total pension liability	111.67%	116.75%

\* This schedule will be built prospectively until it contains ten years of data.

REQUIRED SUPPLEMENTAL INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
WA DEPARTMENT OF RETIREMENT SYSTEMS  
As of December 31  
Last 10 Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>PERS Plan 1</b>										
Contractually Required Contribution	\$ 32,471	\$ 46,981	\$ 37,139	\$ 42,163	\$ 44,457	\$ 47,133	\$ 71,860	\$ 75,956	\$ 85,411	\$ 50,609
Contributions in relation to the contractually required contribution	32,471	46,981	37,139	42,163	44,457	47,133	71,860	75,956	85,411	50,609
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 321,282	\$ 510,113	\$ 460,190	\$ 586,670	\$ 730,580	\$ 887,631	\$ 1,037,018	\$ 1,076,267	\$ 1,503,803	\$ 1,684,218
Contributions as a percentage of covered-employee payroll	10.11%	9.21%	8.07%	7.19%	6.09%	5.31%	6.93%	7.06%	5.68%	3.00%
<b>PERS Plan 2/3</b>										
Contractually Required Contribution	\$ 3,176,293	\$ 2,741,111	\$ 2,391,286	\$ 2,096,869	\$ 1,766,891	\$ 1,551,084	\$ 2,148,442	\$ 1,989,355	\$ 1,426,226	\$ 709,118
Contributions in relation to the contractually required contribution	3,176,293	2,741,111	2,391,286	2,096,869	1,766,891	1,551,084	2,148,442	1,989,355	1,426,226	709,118
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 31,497,413	\$ 29,764,913	\$ 29,475,370	\$ 29,208,428	\$ 28,647,142	\$ 29,210,476	\$ 30,991,086	\$ 27,771,955	\$ 25,045,413	\$ 23,524,061
Contributions as a percentage of covered-employee payroll	10.08%	9.21%	8.11%	7.18%	6.17%	5.31%	6.93%	7.16%	5.69%	3.01%
<b>PSERS Plan 2</b>										
Contractually Required Contribution	\$ 19,338	\$ 13,550	\$ 11,925	\$ 16,854	\$ 21,518	\$ 64,909	\$ 73,255	\$ 63,747	\$ 41,424	\$ 8,006
Contributions in relation to the contractually required contribution	19,338	13,550	11,925	16,854	21,518	64,909	73,255	63,747	41,424	8,006
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 174,043	\$ 128,561	\$ 123,759	\$ 191,056	\$ 260,987	\$ 826,862	\$ 842,066	\$ 709,587	\$ 488,819	\$ 118,433
Contributions as a percentage of covered-employee payroll	11.11%	10.54%	9.64%	8.82%	8.24%	7.85%	8.70%	8.98%	8.47%	6.76%
<b>LEOFF Plan 2</b>										
Contractually Required Contribution	\$ 1,465,570	\$ 1,413,896	\$ 1,357,292	\$ 1,364,670	\$ 1,334,049	\$ 1,278,378	\$ 1,258,217	\$ 1,200,963	\$ 861,932	\$ 716,583
Contributions in relation to the contractually required contribution	1,465,570	1,413,896	1,357,292	1,364,670	1,334,049	1,278,378	1,258,217	1,200,963	861,932	716,583
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 28,022,314	\$ 27,034,283	\$ 25,941,501	\$ 26,043,207	\$ 25,458,857	\$ 24,396,468	\$ 23,489,001	\$ 22,236,967	\$ 16,871,515	\$ 15,514,561
Contributions as a percentage of covered-employee payroll	5.23%	5.23%	5.23%	5.24%	5.24%	5.24%	5.36%	5.40%	5.11%	4.62%

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
 FIREFIGHTERS' PENSION FUND  
 Last 10 Fiscal Years

**\$ Thousands**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>Total Pension Liability</b>										
Service Cost	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Interest on Total Pension Liability	109	112	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of Plan Changes	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of Economic/Demographic Gains or (Losses)	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Effect of Assumption Changes or Inputs	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments	(205)	(204)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Change in Total Pension Liability	(96)	(92)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Pension Liability - Beginning	3,221	3,313	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Total Pension Liability - Ending (a)	<u>\$ 3,125</u>	<u>\$ 3,221</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
<b>Plan Fiduciary Net Position</b>										
Employer Contributions	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions from State Fire Insurance Premium Tax	146	143	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Investment Income Net of Investment Expenses	134	394	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Benefit payments	(205)	(204)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Medical Payments from Fund			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Administrative Expense	(12)	(1)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Change in plan fiduciary net position	63	332	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position - beginning	9,468	9,136	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Plan fiduciary net position - ending (b)	<u>9,531</u>	<u>9,468</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Net pension liability - ending =(a)-(b)	<u>\$ (6,406)</u>	<u>\$ (6,247)</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Fiduciary net position as a percentage of the total pension liability	304.99%	293.95%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Covered Payroll	\$ -	\$ -	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Notes to schedule:**

Prior years information is unavailable.

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 FIREFIGHTERS' PENSION FUND  
 Last 10 Fiscal Years

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	146,358	142,706	124,391	118,775	102,354	107,068	70,327	66,055	59,777	59,068
Contribution deficiency (excess)	<u>\$ (146,358)</u>	<u>\$ (142,706)</u>	<u>\$ (124,391)</u>	<u>\$ (118,775)</u>	<u>\$ (102,354)</u>	<u>\$ (107,068)</u>	<u>\$ (70,327)</u>	<u>\$ (66,055)</u>	<u>\$ (59,777)</u>	<u>\$ (59,068)</u>
Covered - employee payroll	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contribution as a percentage of covered - employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Note:**

Contributions are a portion of State Fire Insurance Premium Taxes.



REQUIRED SUPPLEMENTARY INFORMATION  
 LEOFF 1 RETIREE MEDICAL BENEFITS  
 SCHEDULE OF FUNDING PROGRESS  
 (Dollar amounts in thousands)

\$ Thousands

YEAR ENDING 12/31	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITES	UNFUNDED ACTUARIAL ACCRUED LIABILITIES	FUNDED RATIO	COVERED PAYROLL	UAAL AS A PERCENTAGE OF COVERED PAYROLL
2008	\$ -	\$ 32,328	\$ 32,328	0%	\$ 471	6864%
2011	-	27,835	27,835	0%	434	6414%
2013	-	41,633	41,633	0%	300	13878%
2014		42,306	42,306	0%	110	38460%

REQUIRED SUPPLEMENTAL INFORMATION  
LEOFF 1 RETIREE MEDICAL BENEFITS  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
December 31, 2015

<u>YEAR ENDING 12/31</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>
2010	\$ 983,868	\$ 1,733,753	57 %
2011	875,699	1,758,806	50
2012	1,254,795	1,972,502	64
2013	1,039,281	2,009,362	52
2014	1,095,159	2,009,362	55
2015	1,085,885	2,737,291	40

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## **Non-Major Governmental Funds**

### **Special Revenue Funds**

#### **ARTERIAL STREET FUND**

The Arterial Street Fund was established pursuant to state law allocating the one-half cent State Gasoline Tax revenue to cities and towns for construction, improvements, and major repair of streets.

#### **HOTEL/MOTEL TAX FUND**

Accounts for monies collected through an increase of 1% in hotel/motel taxes for the purpose of increasing tourism in the City of Renton.

#### **1% FOR ART FUND**

The City of Renton established this fund to account for one percent of construction project actual costs to be used for the selection, acquisition and/or installation of works of art to be placed in, on, or about City public facilities.

#### **CABLE COMMUNICATIONS DEVELOPMENT FUND**

The Cable Communications Development Fund accounts for funding for promotion and development of cable communications as established by City ordinance.

#### **SPRINGBROOK WETLANDS BANK FUND**

The City of Renton established this fund in 2007 for the purpose of providing accounting for the Springbrook Creek Wetland and Habitat Mitigation Bank project. The fund will receive revenue by selling Wetlands Credits to third parties and to the City's internal departments.

## Debt Service Funds

### GENERAL GOVERNMENTAL MISCELLANEOUS DEBT SERVICE FUND

This debt service fund accounts for the following outstanding debt issues:

- 2006 limited tax general obligation bonds which provided funding for the construction of South Lake Washington infrastructure improvements.
- 2009 intergovernmental debt related to the Fire District #40 asset transfer as a result of the Benson Hill annexation.
- 2009 intergovernmental debt related to acquisition, construction, and equipping of the SCORE facility.
- 2010 intergovernmental refunding debt which refunded a portion of the 2000 intergovernmental debt for the construction of a new facility for Valley Communications Center.
- 2010 limited tax general obligation refunding bonds which refunded a portion of the 2001 limited tax general obligation bonds for the construction of a downtown parking facility.
- 2011 limited tax general obligation bonds which funded the development and construction of 2 new libraries.
- 2011 limited tax general obligation refunding bonds which refunded a portion of the 2001 limited tax general obligation bonds which refunded a portion of the 1997 limited tax general obligation bonds for the purchase of Renton City Hall.
- 2013 limited tax general obligation qualified energy conservation bonds (QECCB) which provided funding for streetlight improvements.
- 2015 (A&B) limited tax general obligation refunding bonds which refunded a portion of the 2006 limited tax general obligation bonds for the construction of South Lake Washington infrastructure improvements.

## **Capital Project Funds**

### **COMMUNITY DEVELOPMENT IMPACT MITIGATION FUND**

Accounts for monies collected from developers to offset impacts created by their developments to City facilities.

### **FIRE IMPACT MITIGATION FUND**

Accounts for monies collected from developers to offset impacts created by their developments to City facilities.

### **TRANSPORTATION IMPACT MITIGATION FUND**

Accounts for monies collected from developers to offset impacts created by their developments to City facilities.

### **CAPITAL IMPROVEMENT FUND**

The Capital Improvement Fund supports the City of Renton transportation projects and projects linked with various State and Federal funding programs. Many of the projects are dependent on grants, formation of LID's, and mitigation revenue.

## **Non-Major Proprietary Funds**

### **Enterprise Funds**

#### **AIRPORT FUND**

The Airport Fund accounts for revenues and expenses for administration, debt services, operation, capital improvements, and maintenance of the Renton Municipal Airport and Will Rodger-Wily Post Memorial Seaplane Base. Sources of support to the fund are leases, fuel charges, investment interest, and grant funding as available.

#### **GOLF COURSE FUND**

The Golf Course Fund was created after the City acquired the Maplewood Golf Course. The fund accounts for the operation, maintenance, debt service, and capital improvements of the facility.

### **Internal Service Funds**

#### **EQUIPMENT RENTAL**

The Equipment Rental Fund accounts for the costs of maintaining and replacing all City vehicles and auxiliary equipment. In addition, this fund accounts for the City's information technology, facilities and communications costs. All costs, including depreciation, are factors in calculating the rates that are charged to each user department.

#### **INSURANCE FUND**

The Insurance Fund provides accounting for self-insurance services to all City departments, including provisions for losses on property, liability, worker's compensation, unemployment compensation, and the health care program. Expenses are paid from the Insurance Fund and rates are charged to departments based on use and/or coverage requirements.

COMBINING BALANCE SHEET  
 OTHER GOVERNMENTAL FUNDS  
 DECEMBER 31, 2015  
 Page 1 of 6

	SPECIAL REVENUE FUNDS		
	ARTERIAL STREET	HOTEL/MOTEL TAX	CABLE COMMUNICATIONS
<b>ASSETS</b>			
Cash & cash equivalents	\$ 19,442	\$ 207,812	\$ 215,579
Investments at fair value	10,598	113,285	117,519
Receivables (net of allowances):			
Customer accounts	-	-	1,500
Accrued interest & penalty	1,644	1,017	1,335
Due from other governmental units	107,077	34,854	-
<b>TOTAL ASSETS</b>	<u>138,761</u>	<u>356,968</u>	<u>335,933</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 138,761</u>	<u>\$ 356,968</u>	<u>\$ 335,933</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 6,656	\$ 4,194
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>6,656</u>	<u>4,194</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Restricted	138,761	350,312	331,739
<b>TOTAL FUND BALANCES</b>	<u>138,761</u>	<u>350,312</u>	<u>331,739</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 138,761</u>	<u>\$ 356,968</u>	<u>\$ 335,933</u>



COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS  
DECEMBER 31, 2015

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	SPECIAL REVENUE FUNDS		
	1% FOR ART	SPRINGBROOK WETLANDS	TOTAL SRF
<b>ASSETS</b>			
Cash & cash equivalents	\$ 71,670	\$ 213,798	\$ 728,301
Investments at fair value	39,070	116,548	397,020
Receivables (net of allowances):			
Customer accounts	-	-	1,500
Accrued interest & penalty	420	2,008	6,424
Due from other governmental units	-	-	141,931
<b>TOTAL ASSETS</b>	<u>111,160</u>	<u>332,354</u>	<u>1,275,176</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
DEFERRED OUTFLOWS OF RESOURCES	-	-	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 111,160</u>	<u>\$ 332,354</u>	<u>\$ 1,275,176</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ 10,850
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>10,850</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
DEFERRED INFLOWS OF RESOURCES	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>			
Restricted	111,160	332,354	1,264,326
<b>TOTAL FUND BALANCES</b>	<u>111,160</u>	<u>332,354</u>	<u>1,264,326</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 111,160</u>	<u>\$ 332,354</u>	<u>\$ 1,275,176</u>

COMBINING BALANCE SHEET  
 OTHER GOVERNMENTAL FUNDS  
 DECEMBER 31, 2015  
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	DEBT SERVICE FUNDS	
	GENERAL DEBT	TOTAL DSF
ASSETS		
Cash & cash equivalents	\$ 1,132,471	\$ 1,132,471
Investments at fair value	617,346	617,346
Receivables (net of allowances):		
Accrued interest & penalty	16,120	16,120
Due from other funds	570,977	570,977
Due from other governmental units	1,298,037	1,298,037
TOTAL ASSETS	<u>3,634,951</u>	<u>3,634,951</u>
DEFERRED OUTFLOWS OF RESOURCES	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 3,634,951</u>	<u>\$ 3,634,951</u>
LIABILITIES		
Unearned revenue	\$ 1,266,774	\$ 1,266,774
TOTAL LIABILITIES	<u>1,266,774</u>	<u>1,266,774</u>
DEFERRED INFLOWS OF RESOURCES	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-
FUND BALANCES		
Restricted	2,368,177	2,368,177
TOTAL FUND BALANCES	<u>2,368,177</u>	<u>2,368,177</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 3,634,951</u>	<u>\$ 3,634,951</u>

COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS  
DECEMBER 31, 2015

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	CAPITAL PROJECT FUNDS		
	C.D. IMPACT MITIGATION	FIRE IMPACT MITIGATION	TRANS. IMPACT MITIGATION
<b>ASSETS</b>			
Cash & cash equivalents	\$ 798,105	\$ 779,634	\$ 751,771
Investments	435,073	425,004	409,814
Receivables (net of allowances):			
Customer accounts	-	-	-
Accrued interest & penalty	5,818	4,532	5,225
Special assessments	-	-	9,236
Due from other governmental units	-	-	-
<b>TOTAL ASSETS</b>	<u>1,238,996</u>	<u>1,209,170</u>	<u>1,176,046</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	-	-	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	-	-	-
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 1,238,996</u>	<u>\$ 1,209,170</u>	<u>\$ 1,176,046</u>
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ -	\$ 229,768
Retainage payable	-	-	-
Matured interest payable	-	-	-
Interfund loans/advances - non-current	-	-	-
<b>TOTAL LIABILITIES</b>	<u>-</u>	<u>-</u>	<u>229,768</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred amounts on special assessments	-	-	9,236
Unavailable revenue	-	-	277
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>9,513</u>
<b>FUND BALANCES</b>			
Restricted	1,238,996	1,209,170	936,765
Committed	-	-	-
Assigned			
Capital purposes	-	-	-
<b>TOTAL FUND BALANCES</b>	<u>1,238,996</u>	<u>1,209,170</u>	<u>936,765</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 1,238,996</u>	<u>\$ 1,209,170</u>	<u>\$ 1,176,046</u>

COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS  
DECEMBER 31, 2015  
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	CAPITAL PROJECT FUNDS	
	CAPITAL IMPROVEMENT	TOTAL CPF
ASSETS		
Cash & cash equivalents	\$ 3,479,260	\$ 5,808,770
Investments	1,896,656	3,166,547
Receivables (net of allowances):		
Customer accounts	2,214	2,214
Accrued interest & penalty	12,582	28,157
Special assessments	-	9,236
Due from other governmental units	1,925,855	1,925,855
TOTAL ASSETS	<u>7,316,567</u>	<u>10,940,779</u>
DEFERRED OUTFLOWS OF RESOURCES	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 7,316,567</u>	<u>\$ 10,940,779</u>
Liabilities		
Accounts payable	\$ 1,296,025	\$ 1,525,793
Retainage payable	337,741	337,741
Matured interest payable	1,920	1,920
Interfund loans/advances - non-current	146,298	146,298
TOTAL LIABILITIES	<u>1,781,984</u>	<u>2,011,752</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred amounts on special assessments	-	9,236
Unavailable revenue	2,152	2,429
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>2,152</u>	<u>11,665</u>
FUND BALANCES		
Restricted	258,424	3,643,355
Committed	2,476,776	2,476,776
Assigned		
Capital purposes	2,797,231	2,797,231
TOTAL FUND BALANCES	<u>5,532,431</u>	<u>8,917,362</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 7,316,567</u>	<u>\$ 10,940,779</u>

COMBINING BALANCE SHEET  
OTHER GOVERNMENTAL FUNDS  
DECEMBER 31, 2015  
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	TOTAL SRF	TOTAL DSF	TOTAL CPF	TOTAL OTHER GOVERNMENTAL FUNDS
<b>ASSETS</b>				
Cash & cash equivalents	\$ 728,301	\$ 1,132,471	\$ 5,808,770	\$ 7,669,542
Investments at fair value	397,020	617,346	3,166,547	4,180,913
Receivables (net of allowances):				
Customer accounts	1,500	-	2,214	3,714
Accrued interest & penalty	6,424	16,120	28,157	50,701
Special assessments	-	-	9,236	9,236
Due from other funds	-	570,977	-	570,977
Due from other governmental units	141,931	1,298,037	1,925,855	3,365,823
<b>TOTAL ASSETS</b>	<u>1,275,176</u>	<u>3,634,951</u>	<u>10,940,779</u>	<u>15,850,906</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 1,275,176</u>	<u>\$ 3,634,951</u>	<u>\$ 10,940,779</u>	<u>\$ 15,850,906</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 10,850	\$ -	\$ 1,525,793	\$ 1,536,643
Retainage payable	-	-	337,741	337,741
Matured interest payable	-	-	1,920	1,920
Unearned revenue	-	1,266,774	-	1,266,774
Interfund loans/advances - non-current	-	-	146,298	146,298
<b>TOTAL LIABILITIES</b>	<u>10,850</u>	<u>1,266,774</u>	<u>2,011,752</u>	<u>3,289,376</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred amounts on special assessments	-	-	9,236	9,236
Unavailable revenue	-	-	2,429	2,429
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>-</u>	<u>-</u>	<u>11,665</u>	<u>11,665</u>
<b>FUND BALANCES</b>				
Restricted	1,264,326	2,368,177	3,643,355	7,275,858
Committed	-	-	2,476,776	2,476,776
Assigned	-	-	-	-
Capital purposes	-	-	2,797,231	2,797,231
<b>TOTAL FUND BALANCES</b>	<u>1,264,326</u>	<u>2,368,177</u>	<u>8,917,362</u>	<u>12,549,865</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 1,275,176</u>	<u>\$ 3,634,951</u>	<u>\$ 10,940,779</u>	<u>\$ 15,850,906</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
OTHER GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2015

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	SPECIAL REVENUE FUNDS		
	ARTERIAL STREET	HOTEL/ MOTEL TAX	CABLE COMMUNICATIONS
REVENUES			
Taxes	\$ -	\$ 290,894	\$ 40,000
Licenses and permits	-	-	61,399
Intergovernmental revenues	660,507	-	-
Contributions	-	25,000	-
Interest	1,395	1,328	1,612
Miscellaneous revenues	-	-	1,500
<b>TOTAL REVENUES</b>	<b>661,902</b>	<b>317,222</b>	<b>104,511</b>
EXPENDITURES			
Current:			
Economic environment	-	216,738	-
Culture and recreation	-	-	30,989
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>216,738</b>	<b>30,989</b>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	661,902	100,484	73,522
OTHER FINANCING SOURCES (USES)			
Transfer in	-	-	-
Transfer (out)	(640,000)	-	(56,168)
<b>TOTAL OTHER FINANCE SOURCES (USES)</b>	<b>(640,000)</b>	<b>-</b>	<b>(56,168)</b>
NET CHANGE IN FUND BALANCE	21,902	100,484	17,354
FUND BALANCE JANUARY 1	116,859	249,828	314,385
FUND BALANCE DECEMBER 31	\$ 138,761	\$ 350,312	\$ 331,739

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 OTHER GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2015

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	SPECIAL REVENUE FUNDS		
	1% FOR ART	SPRINGBROOK WETLANDS	TOTAL SRF
REVENUES			
Taxes	\$ -	\$ -	\$ 330,894
Licenses and permits	-	-	61,399
Intergovernmental revenues	-	-	660,507
Contributions	-	-	25,000
Interest	503	1,647	6,485
Miscellaneous revenues	-	-	1,500
TOTAL REVENUES	<u>503</u>	<u>1,647</u>	<u>1,085,785</u>
EXPENDITURES			
Current:			
Economic environment	-	-	216,738
Culture and recreation	-	-	30,989
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>247,727</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>503</u>	<u>1,647</u>	<u>838,058</u>
OTHER FINANCING SOURCES (USES)			
Transfer in	9,344	-	9,344
Transfer (out)	-	-	(696,168)
TOTAL OTHER FINANCE SOURCES (USES)	<u>9,344</u>	<u>-</u>	<u>(686,824)</u>
NET CHANGE IN FUND BALANCE	<u>9,847</u>	<u>1,647</u>	<u>151,234</u>
FUND BALANCE JANUARY 1	101,313	330,707	1,113,092
FUND BALANCE DECEMBER 31	<u>\$ 111,160</u>	<u>\$ 332,354</u>	<u>\$ 1,264,326</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 OTHER GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2015  
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	DEBT SERVICE FUNDS	
	GENERAL DEBT	TOTAL DSF
REVENUES		
Taxes	\$ 6,430,043	\$ 6,430,043
Intergovernmental revenues	403,635	403,635
Interest	16,323	16,323
TOTAL REVENUES	<u>6,850,001</u>	<u>6,850,001</u>
EXPENDITURES		
Debt service:		
Principal payments	4,834,225	4,834,225
Interest and fiscal charges	1,655,953	1,655,953
TOTAL EXPENDITURES	<u>6,490,178</u>	<u>6,490,178</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>359,823</u>	<u>359,823</u>
OTHER FINANCING SOURCES (USES)		
Transfer in	250,000	250,000
Refunding bonds issued	12,520,000	12,520,000
Premium on general obligation debt	1,171,804	1,171,804
Payment to refunded bond escrow agent	<u>(13,573,341)</u>	<u>(13,573,341)</u>
TOTAL OTHER FINANCE SOURCES (USES)	<u>368,463</u>	<u>368,463</u>
NET CHANGE IN FUND BALANCE	<u>728,286</u>	<u>728,286</u>
FUND BALANCE JANUARY 1	<u>1,639,891</u>	<u>1,639,891</u>
FUND BALANCE DECEMBER 31	<u>\$ 2,368,177</u>	<u>\$ 2,368,177</u>



COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 OTHER GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED DECEMBER 31, 2015  
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	CAPITAL PROJECT FUNDS		
	C.D. IMPACT MITIGATION	FIRE IMPACT MITIGATION	TRANS. IMPACT MITIGATION
REVENUES			
Licenses and permits	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-
Charges for services	466,444	527,797	1,238,172
Fines and forfeits	-	-	-
Contributions	-	-	-
Interest	7,029	5,492	6,834
Miscellaneous revenues	-	-	-
<b>TOTAL REVENUES</b>	<b>473,473</b>	<b>533,289</b>	<b>1,245,006</b>
EXPENDITURES			
Current:			
Transportation	-	-	-
Capital outlay:			
Transportation			
Debt service:			
Interest and fiscal charges	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	473,473	533,289	1,245,006
OTHER FINANCING SOURCES (USES)			
Transfer in	-	-	-
Transfer (out)	(472,264)	(250,000)	(1,152,335)
<b>TOTAL OTHER FINANCE SOURCES (USES)</b>	<b>(472,264)</b>	<b>(250,000)</b>	<b>(1,152,335)</b>
NET CHANGE IN FUND BALANCE	1,209	283,289	92,671
FUND BALANCE JANUARY 1	1,237,787	925,881	844,094
FUND BALANCE DECEMBER 31	<u>\$ 1,238,996</u>	<u>\$ 1,209,170</u>	<u>\$ 936,765</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
OTHER GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
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	CAPITAL PROJECT FUNDS	
	CAPITAL IMPROVEMENT	TOTAL CPF
REVENUES		
Licenses and permits	\$ 2,118,351	\$ 2,118,351
Intergovernmental revenues	3,293,991	3,293,991
Charges for services	-	2,232,413
Fines and forfeits	26,693	26,693
Contributions	4,324	4,324
Interest	23,174	42,529
Miscellaneous revenues	43	43
TOTAL REVENUES	<u>5,466,576</u>	<u>7,718,344</u>
EXPENDITURES	-	-
Current:		
Transportation	1,896,904	1,896,904
Capital outlay:		
Transportation	5,328,566	5,328,566
Debt service:		
Interest and fiscal charges	4,633	4,633
TOTAL EXPENDITURES	<u>7,230,103</u>	<u>7,230,103</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,763,527)</u>	<u>488,241</u>
OTHER FINANCING SOURCES (USES)		
Transfer in	2,940,021	2,940,021
Transfer (out)	(14,344)	(1,888,943)
TOTAL OTHER FINANCE SOURCES (USES)	<u>2,925,677</u>	<u>1,051,078</u>
NET CHANGE IN FUND BALANCE	<u>1,162,150</u>	<u>1,539,319</u>
FUND BALANCE JANUARY 1	4,370,281	7,378,043
FUND BALANCE DECEMBER 31	<u>\$ 5,532,431</u>	<u>\$ 8,917,362</u>

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
OTHER GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
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	TOTAL SRF	TOTAL DSF	TOTAL CPF	TOTAL OTHER GOVERNMENTAL FUNDS
<b>REVENUES</b>				
Taxes	\$ 330,894	\$ 6,430,043	\$ -	\$ 6,760,937
Licenses and permits	61,399	-	2,118,351	2,179,750
Intergovernmental revenues	660,507	403,635	3,293,991	4,358,133
Charges for services	-	-	2,232,413	2,232,413
Fines and forfeits	-	-	26,693	26,693
Contributions	25,000	-	4,324	29,324
Interest	6,485	16,323	42,529	65,337
Miscellaneous revenues	1,500	-	43	1,543
<b>TOTAL REVENUES</b>	<b>1,085,785</b>	<b>6,850,001</b>	<b>7,718,344</b>	<b>15,654,130</b>
<b>EXPENDITURES</b>				
Current:				
Transportation	-	-	1,896,904	1,896,904
Economic environment	216,738	-	-	216,738
Culture and recreation	30,989	-	-	30,989
Capital outlay:				
Transportation	-	-	5,328,566	5,328,566
Debt service:				
Principal payments	-	4,834,225	-	4,834,225
Interest and fiscal charges	-	1,655,953	4,633	1,660,586
<b>TOTAL EXPENDITURES</b>	<b>247,727</b>	<b>6,490,178</b>	<b>7,230,103</b>	<b>13,968,008</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>838,058</b>	<b>359,823</b>	<b>488,241</b>	<b>1,686,122</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	9,344	250,000	2,940,021	3,199,365
Transfer (out)	(696,168)	-	(1,888,943)	(2,585,111)
Refunding bonds issued	-	12,520,000	-	12,520,000
Premium on general obligation debt	-	1,171,804	-	1,171,804
Payment to refunded bond escrow agent	-	(13,573,341)	-	(13,573,341)
<b>TOTAL OTHER FINANCE SOURCES (USES)</b>	<b>(686,824)</b>	<b>368,463</b>	<b>1,051,078</b>	<b>732,717</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>151,234</b>	<b>728,286</b>	<b>1,539,319</b>	<b>2,418,839</b>
<b>FUND BALANCE JANUARY 1</b>	<b>1,113,092</b>	<b>1,639,891</b>	<b>7,378,043</b>	<b>10,131,026</b>
<b>FUND BALANCE DECEMBER 31</b>	<b>\$ 1,264,326</b>	<b>\$ 2,368,177</b>	<b>\$ 8,917,362</b>	<b>\$ 12,549,865</b>

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET TO ACTUAL - ARTERIAL STREET FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2015

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES				
Intergovernmental revenues	\$ 640,000	\$ 640,000	\$ 660,507	\$ 20,507
Interest	-	-	1,395	1,395
TOTAL REVENUES	<u>640,000</u>	<u>640,000</u>	<u>661,902</u>	<u>21,902</u>
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>640,000</u>	<u>640,000</u>	<u>661,902</u>	<u>21,902</u>
OTHER FINANCING SOURCES (USES)				
Transfer (out)	<u>(640,000)</u>	<u>(640,000)</u>	<u>(640,000)</u>	<u>-</u>
TOTAL OTHER FINANCE SOURCES (USES)	<u>(640,000)</u>	<u>(640,000)</u>	<u>(640,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>21,902</u>	<u>21,902</u>
FUND BALANCE JANUARY 1	15,689	14,885	116,859	101,974
FUND BALANCE DECEMBER 31	<u>\$ 15,689</u>	<u>\$ 14,885</u>	<u>\$ 138,761</u>	<u>\$ 123,876</u>

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET TO ACTUAL - HOTEL/MOTEL TAX FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2015

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 200,000	\$ 200,000	\$ 290,894	\$ 90,894
Contributions	65,000	65,000	25,000	(40,000)
Interest	-	-	1,328	1,328
TOTAL REVENUES	<u>265,000</u>	<u>265,000</u>	<u>317,222</u>	<u>52,222</u>
EXPENDITURES				
Current:				
Economic environment	245,000	283,942	216,738	(67,204)
TOTAL EXPENDITURES	<u>245,000</u>	<u>283,942</u>	<u>216,738</u>	<u>(67,204)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>20,000</u>	<u>(18,942)</u>	<u>100,484</u>	<u>119,426</u>
OTHER FINANCING SOURCES (USES)	-	-	-	-
TOTAL OTHER FINANCE SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>20,000</u>	<u>(18,942)</u>	<u>100,484</u>	<u>119,426</u>
FUND BALANCE JANUARY 1	135,913	219,090	249,828	30,738
FUND BALANCE DECEMBER 31	<u>\$ 155,913</u>	<u>\$ 200,148</u>	<u>\$ 350,312</u>	<u>\$ 150,164</u>

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET TO ACTUAL - 1% FOR ART FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2015

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES				
Interest	\$ -	\$ -	\$ 503	\$ 503
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>503</u>	<u>503</u>
EXPENDITURES				
Capital outlay:				
Culture and recreation	102,950	102,950	-	-
TOTAL EXPENDITURES	<u>102,950</u>	<u>102,950</u>	<u>-</u>	<u>-</u>
OVER EXPENDITURES	<u>(102,950)</u>	<u>(102,950)</u>	<u>503</u>	<u>503</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	15,000	15,000	9,344	(5,656)
TOTAL OTHER FINANCE SOURCES (USES)	<u>15,000</u>	<u>15,000</u>	<u>9,344</u>	<u>(5,656)</u>
NET CHANGE IN FUND BALANCE	<u>(87,950)</u>	<u>(87,950)</u>	<u>9,847</u>	<u>(5,153)</u>
FUND BALANCE JANUARY 1	92,771	101,380	101,313	(67)
FUND BALANCE DECEMBER 31	<u>\$ 4,821</u>	<u>\$ 13,430</u>	<u>\$ 111,160</u>	<u>\$ (5,220)</u>

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET TO ACTUAL - CABLE COMMUNICATIONS DEVELOPMENT FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2015

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 40,000	\$ 40,000	\$ 40,000	\$ -
Licenses and permits	57,674	57,674	61,399	3,725
Interest	-	-	1,612	1,612
Miscellaneous revenues	-	-	1,500	1,500
TOTAL REVENUES	<u>97,674</u>	<u>97,674</u>	<u>104,511</u>	<u>6,837</u>
EXPENDITURES				
Current:				
Culture and recreation	57,674	57,674	30,989	(26,685)
Capital outlay:				
Culture and recreation	40,000	60,000	-	(60,000)
TOTAL EXPENDITURES	<u>97,674</u>	<u>117,674</u>	<u>30,989</u>	<u>(86,685)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>(20,000)</u>	<u>73,522</u>	<u>93,522</u>
OTHER FINANCING SOURCES (USES)	-	-	-	-
Transfer (out)	-	-	(56,168)	56,168
TOTAL OTHER FINANCE SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(56,168)</u>	<u>(56,168)</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>(20,000)</u>	<u>17,354</u>	<u>37,354</u>
FUND BALANCE JANUARY 1	285,632	313,090	314,385	1,295
FUND BALANCE DECEMBER 31	<u>\$ 285,632</u>	<u>\$ 293,090</u>	<u>\$ 331,739</u>	<u>\$ 38,649</u>

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET TO ACTUAL - SPRINGBROOK WETLANDS BANK FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2015

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES				
Interest	\$ -	\$ -	\$ 1,647	\$ 1,647
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>1,647</u>	<u>1,647</u>
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>1,647</u>	<u>1,647</u>
OTHER FINANCING SOURCES (USES)				
TOTAL OTHER FINANCE SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>1,647</u>	<u>1,647</u>
FUND BALANCE JANUARY 1	669,613	330,922	330,707	(215)
FUND BALANCE DECEMBER 31	<u>\$ 669,613</u>	<u>\$ 330,922</u>	<u>\$ 332,354</u>	<u>\$ 1,432</u>



SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL - GENERAL GOVERNMENTAL MISCELLANEOUS DEBT SERVICE FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 5,803,720	\$ 5,803,720	\$ 6,430,043	\$ 626,323
Intergovernmental revenues	409,868	409,868	403,635	(6,233)
Interest	-	-	16,323	16,323
TOTAL REVENUES	<u>6,213,588</u>	<u>6,213,588</u>	<u>6,850,001</u>	<u>636,413</u>
EXPENDITURES				
Debt service:				
Principal payments	4,504,225	4,504,225	4,834,225	330,000
Interest and fiscal charges	1,959,363	2,073,722	1,655,953	(417,769)
TOTAL EXPENDITURES	<u>6,463,588</u>	<u>6,577,947</u>	<u>6,490,178</u>	<u>(87,769)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(250,000)</u>	<u>(364,359)</u>	<u>359,823</u>	<u>724,182</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	250,000	250,000	250,000	-
Refunding bonds issued	-	13,691,804	12,520,000	(1,171,804)
Premium on general obligation debt	-	-	1,171,804	1,171,804
Payment to refunded bond escrow agent	-	(13,573,341)	(13,573,341)	-
TOTAL OTHER FINANCE SOURCES (USES)	<u>250,000</u>	<u>368,463</u>	<u>368,463</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>4,104</u>	<u>728,286</u>	<u>724,182</u>
FUND BALANCE JANUARY 1	1,115,674	1,471,071	1,639,891	168,820
FUND BALANCE DECEMBER 31	<u>\$ 1,115,674</u>	<u>\$ 1,475,175</u>	<u>\$ 2,368,177</u>	<u>\$ 893,002</u>

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET TO ACTUAL - COMMUNITY DEVELOPMENT IMPACT MITIGATION FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2015

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES				
Charges for services	\$ 86,500	\$ 86,500	\$ 466,444	\$ 379,944
Interest	-	-	7,029	7,029
<b>TOTAL REVENUES</b>	<b>86,500</b>	<b>86,500</b>	<b>473,473</b>	<b>386,973</b>
EXPENDITURES	-	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	86,500	86,500	473,473	386,973
OTHER FINANCING SOURCES (USES)	-	-	-	-
Transfer (out)	-	(472,264)	(472,264)	-
<b>TOTAL OTHER FINANCE SOURCES (USES)</b>	<b>-</b>	<b>(472,264)</b>	<b>(472,264)</b>	<b>-</b>
NET CHANGE IN FUND BALANCE	86,500	(385,764)	1,209	386,973
FUND BALANCE JANUARY 1	1,110,618	1,238,600	1,237,787	(813)
<b>FUND BALANCE DECEMBER 31</b>	<b>\$ 1,197,118</b>	<b>\$ 852,836</b>	<b>\$ 1,238,996</b>	<b>\$ 386,160</b>

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET TO ACTUAL - FIRE IMPACT MITIGATION FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2015

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES				
Charges for services	\$ 99,000	\$ 99,000	\$ 527,797	\$ 428,797
Interest	-	-	5,492	5,492
TOTAL REVENUES	<u>99,000</u>	<u>99,000</u>	<u>533,289</u>	<u>434,289</u>
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>99,000</u>	<u>99,000</u>	<u>533,289</u>	<u>434,289</u>
OTHER FINANCING SOURCES (USES)				
Transfer (out)	(250,000)	(250,000)	(250,000)	-
TOTAL OTHER FINANCE SOURCES (USES)	<u>(250,000)</u>	<u>(250,000)</u>	<u>(250,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(151,000)</u>	<u>(151,000)</u>	<u>283,289</u>	<u>434,289</u>
FUND BALANCE JANUARY 1	846,165	926,488	925,881	(607)
FUND BALANCE DECEMBER 31	<u>\$ 695,165</u>	<u>\$ 775,488</u>	<u>\$ 1,209,170</u>	<u>\$ 433,682</u>

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET TO ACTUAL - TRANSPORTATION IMPACT MITIGATION FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2015

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES				
Charges for services	\$ 215,500	\$ 599,000	\$ 1,238,172	\$ 639,172
Interest	1,000	1,000	6,834	5,834
TOTAL REVENUES	<u>216,500</u>	<u>600,000</u>	<u>1,245,006</u>	<u>645,006</u>
EXPENDITURES	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>216,500</u>	<u>600,000</u>	<u>1,245,006</u>	<u>645,006</u>
Transfer (out)	<u>(196,000)</u>	<u>(1,152,335)</u>	<u>(1,152,335)</u>	<u>-</u>
TOTAL OTHER FINANCE SOURCES (USES)	<u>(196,000)</u>	<u>(1,152,335)</u>	<u>(1,152,335)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>20,500</u>	<u>(552,335)</u>	<u>92,671</u>	<u>645,006</u>
FUND BALANCE JANUARY 1	749,185	844,648	844,094	(554)
FUND BALANCE DECEMBER 31	<u>\$ 769,685</u>	<u>\$ 292,313</u>	<u>\$ 936,765</u>	<u>\$ 644,452</u>

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET TO ACTUAL - MUNICIPAL FACILITIES CAPITAL IMPROVEMENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2015

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 1,325,000	\$ 1,725,000	\$ 2,271,945	\$ 546,945
Licenses and permits	500,000	500,000	465,837	(34,163)
Intergovernmental revenues	197,000	1,295,145	1,216,548	(78,597)
Charges for services	-	3,870	3,870	-
Contributions	15,000	15,000	-	(15,000)
Interest	7,000	7,000	84,035	77,035
Miscellaneous revenues	-	-	621	621
<b>TOTAL REVENUES</b>	<b>2,044,000</b>	<b>3,546,015</b>	<b>4,042,856</b>	<b>496,841</b>
EXPENDITURES				
Current:				
General government	-	-	110,521	110,521
Economic environment	-	274,685	140,096	(134,589)
Culture and recreation	831,000	1,003,872	823,497	(180,375)
Capital outlay:				
General government	580,000	9,093,000	111,868	(8,981,132)
Transportation	175,000	270,094	-	(270,094)
Culture and recreation	1,780,000	22,599,276	15,206,216	(7,393,060)
<b>TOTAL EXPENDITURES</b>	<b>3,366,000</b>	<b>33,240,927</b>	<b>16,392,198</b>	<b>(16,848,729)</b>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,322,000)</u>	<u>(29,694,912)</u>	<u>(12,349,342)</u>	<u>17,345,570</u>
OTHER FINANCING SOURCES (USES)				
Proceeds of interfund loan	-	4,000,000	-	(4,000,000)
Transfer in	1,300,000	6,122,264	6,122,264	-
Transfer (out)	-	(532,322)	(532,322)	-
Sale of capital assets	-	500,000	-	(500,000)
<b>TOTAL OTHER FINANCE SOURCES (USES)</b>	<b>1,300,000</b>	<b>10,089,942</b>	<b>5,589,942</b>	<b>(4,500,000)</b>
NET CHANGE IN FUND BALANCE	<u>(22,000)</u>	<u>(19,604,970)</u>	<u>(6,759,400)</u>	<u>12,845,570</u>
FUND BALANCE JANUARY 1	1,514,288	20,910,512	21,186,202	275,690
FUND BALANCE DECEMBER 31	<u>\$ 1,492,288</u>	<u>\$ 1,305,542</u>	<u>\$ 14,426,802</u>	<u>\$ 13,121,260</u>

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET TO ACTUAL - GENERAL GOVERNMENT CAPITAL IMPROVEMENT FUND  
 FOR THE YEAR ENDED DECEMBER 31, 2015

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		
REVENUES				
Licenses and permits	\$ 1,990,000	\$ 2,000,000	\$ 2,118,351	\$ 118,351
Intergovernmental revenues	10,216,628	11,976,401	3,293,991	(8,682,410)
Fines and forfeits	-	-	26,693	26,693
Contributions	-	275,777	4,324	(271,453)
Interest	-	-	23,174	23,174
Miscellaneous revenues	-	-	43	43
<b>TOTAL REVENUES</b>	<b>12,206,628</b>	<b>14,252,178</b>	<b>5,466,576</b>	<b>(8,785,602)</b>
EXPENDITURES				
Current:				
Transportation	-	-	1,896,904	1,896,904
Capital outlay:				
Transportation	14,110,040	18,821,179	5,328,566	(13,492,613)
Debt service:				
Principal payment	143,079	143,079	-	(143,079)
Interest payment	6,511	6,511	4,633	(1,878)
<b>TOTAL EXPENDITURES</b>	<b>14,259,630</b>	<b>18,970,769</b>	<b>7,230,103</b>	<b>(11,740,666)</b>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,053,002)	(4,718,591)	(1,763,527)	2,955,064
OTHER FINANCING SOURCES (USES)				
Transfer in	961,000	2,940,021	2,940,021	-
Transfer (out)	(15,000)	(20,000)	(14,344)	(5,656)
Sale of capital assets	-	(561,335)	-	561,335
<b>TOTAL OTHER FINANCE SOURCES (USES)</b>	<b>946,000</b>	<b>2,358,686</b>	<b>2,925,677</b>	<b>566,991</b>
NET CHANGE IN FUND BALANCE	(1,107,002)	(2,359,905)	1,162,150	3,522,055
FUND BALANCE JANUARY 1	1,434,436	4,059,718	4,370,281	310,563
FUND BALANCE DECEMBER 31	\$ 327,434	\$ 1,699,813	\$ 5,532,431	\$ 3,832,618

COMBINING STATEMENT OF NET POSITION  
NON-MAJOR ENTERPRISE FUNDS  
DECEMBER 31, 2015  
Page 1 of 2

	AIRPORT	GOLF COURSE	TOTAL NON-MAJOR ENTERPRISE FUNDS
<b>ASSETS</b>			
Current assets:			
Cash & cash equivalents	\$ 923,646	\$ 78,367	\$ 1,002,013
Investments at fair value	503,509	42,720	546,229
Receivables (net of allowances):			
Customer accounts	64,046	15,479	79,525
Interest - investments	6,691	2,433	9,124
Due from other governmental units	654,171	-	654,171
Inventory of materials and supplies	-	59,697	59,697
Total current assets	<u>2,152,063</u>	<u>198,696</u>	<u>2,350,759</u>
Noncurrent assets:			
Capital assets not being depreciated:			
Land	784,080	2,683,200	3,467,280
Construction in progress	1,631,377	-	1,631,377
Capital assets, net of accumulated depreciation:			
Buildings, improvements and equipment	<u>20,583,152</u>	<u>4,797,199</u>	<u>25,380,351</u>
Total noncurrent assets	<u>22,998,609</u>	<u>7,480,399</u>	<u>30,479,008</u>
<b>TOTAL ASSETS</b>	<u>25,150,672</u>	<u>7,679,095</u>	<u>32,829,767</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amounts related to pensions	41,767	77,454	119,221
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 41,767</u>	<u>\$ 77,454</u>	<u>\$ 119,221</u>

COMBINING STATEMENT OF NET POSITION  
NON-MAJOR ENTERPRISE FUNDS  
DECEMBER 31, 2015  
Page 2 of 2

	AIRPORT	GOLF COURSE	TOTAL NON-MAJOR ENTERPRISE FUNDS
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 244,114	\$ 7,662	\$ 251,776
Accrued wages and benefits payable	40,814	58,246	99,060
Accrued taxes payable	74,344	7,756	82,100
Custodial accounts	-	220,219	220,219
Unearned revenue	179,848	-	179,848
Total current liabilities	<u>539,120</u>	<u>293,883</u>	<u>833,003</u>
Long-term liabilities:			
Accrued wages and benefits payable	28,342	66,906	95,248
Net pension liability	337,152	652,897	990,049
Total long-term liabilities	<u>365,494</u>	<u>719,803</u>	<u>1,085,297</u>
<b>TOTAL LIABILITIES</b>	<u>904,614</u>	<u>1,013,686</u>	<u>1,918,300</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred amounts related to pensions	51,418	99,572	150,990
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>51,418</u>	<u>99,572</u>	<u>150,990</u>
<b>NET POSITION</b>			
Net investment in capital assets	22,998,609	7,480,399	30,479,008
Unrestricted	1,237,798	(837,108)	400,690
<b>TOTAL NET POSITION</b>	<u>\$ 24,236,407</u>	<u>\$ 6,643,291</u>	<u>\$ 30,879,698</u>



COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
NON - MAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2015

	BUSINESS-TYPE ACTIVITIES		
	AIRPORT	GOLF COURSE	TOTAL NON-MAJOR ENTERPRISE FUNDS
OPERATING REVENUES:			
Charges for services	\$ 146,879	\$ 1,901,082	\$ 2,047,961
Miscellaneous	2,467,432	401,553	2,868,985
TOTAL OPERATING REVENUES	<u>2,614,311</u>	<u>2,302,635</u>	<u>4,916,946</u>
OPERATING EXPENSES:			
Supplies	67,747	325,004	392,751
Personnel services	645,627	1,369,092	2,014,719
Contracted services	2,045,934	244,570	2,290,504
Taxes	2,172	9,888	12,060
Depreciation and amortization	1,056,721	244,112	1,300,833
TOTAL OPERATING EXPENSES	<u>3,818,201</u>	<u>2,192,666</u>	<u>6,010,867</u>
OPERATING INCOME (LOSS)	<u>(1,203,890)</u>	<u>109,969</u>	<u>(1,093,921)</u>
NON-OPERATING REVENUES (EXPENSES):			
Intergovernmental revenues	215,054	-	215,054
Interest revenues	5,912	1,831	7,743
Gain (loss) on capital assets	(500,883)	-	(500,883)
Other non-operating revenues (expenses)	286	7,659	7,945
Interest expense	-	(8,074)	(8,074)
NON-OPERATING REVENUE NET OF EXPENSES	<u>(279,631)</u>	<u>1,416</u>	<u>(278,215)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>(1,483,521)</u>	<u>111,385</u>	<u>(1,372,136)</u>
Capital Contributions	1,652,369	-	1,652,369
CHANGE IN NET POSITION	168,848	111,385	280,233
NET POSITION, JANUARY 1	24,543,840	7,237,665	31,781,505
Change in accounting principle - GASB 68	(476,281)	(705,759)	(1,182,040)
NET POSITION, DECEMBER 31	<u>\$ 24,236,407</u>	<u>\$ 6,643,291</u>	<u>\$ 30,879,698</u>

STATEMENT OF CASH FLOWS  
NON-MAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
Page 1 of 2

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	AIRPORT	GOLF COURSE	TOTAL NON-MAJOR ENTERPRISE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received for services	\$ 2,664,670	\$ 2,306,784	\$ 4,971,454
Cash paid to suppliers for goods & services	(2,110,424)	(581,472)	(2,691,896)
Cash paid to employees	(753,506)	(1,394,679)	(2,148,185)
Other non-operating receipts	286	7,659	7,945
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(198,974)</u>	<u>338,292</u>	<u>139,318</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating grants	350,529	-	350,529
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>350,529</u>	<u>-</u>	<u>350,529</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Acquisition & construction of capital assets	(1,761,283)	-	(1,761,283)
Capital grants	1,652,369	-	1,652,369
Principal payments on debt	-	(391,853)	(391,853)
Interest payments on debt	-	(8,808)	(8,808)
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>(108,914)</u>	<u>(400,661)</u>	<u>(509,575)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Proceeds from sale of investments	60,248	31,550	91,798
Interest on investments	5,574	1,794	7,368
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>65,822</u>	<u>33,344</u>	<u>99,166</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	108,463	(29,025)	79,438
CASH & CASH EQUIVALENTS, JANUARY 1	<u>815,183</u>	<u>107,392</u>	<u>922,575</u>
CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 923,646</u>	<u>\$ 78,367</u>	<u>\$ 1,002,013</u>

STATEMENT OF CASH FLOWS  
NON-MAJOR ENTERPRISE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
Page 2 of 2

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS		
	AIRPORT	GOLF COURSE	TOTAL NON-MAJOR ENTERPRISE FUNDS
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (1,203,890)	\$ 109,969	\$ (1,093,921)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation & amortization	1,056,721	244,112	1,300,833
Other non-operating revenue	286	7,659	7,945
(Increase) decrease in accounts receivable	31,098	(10,096)	21,002
(Increase) decrease in inventory & prepaid items	-	4,015	4,015
(Increase) decrease in deferred outflows related to pensions	(20,291)	(38,775)	(59,066)
Increase (decrease) in operating accounts payable	2,674	(4,504)	(1,830)
Increase (decrease) in accrued taxes & other short-term liabilities	2,755	(1,521)	1,234
Increase (decrease) in customer deposits	-	14,245	14,245
Increase (decrease) in unearned revenues	19,261	-	19,261
Increase (decrease) in accrued employee leave benefits	22,836	7,731	30,567
Increase (decrease) in net pension liability and deferred inflows related to pensions	(110,424)	5,457	(104,967)
Total adjustments	<u>1,004,916</u>	<u>228,323</u>	<u>1,233,239</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ (198,974)</u>	<u>\$ 338,292</u>	<u>\$ 139,318</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Loss on disposal of capital assets	\$ 500,883	\$ -	\$ 500,883
Depreciation & amortization	\$ 1,056,721	\$ 244,112	\$ 1,300,833

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
DECEMBER 31, 2015  
Page 1 of 2

	EQUIPMENT RENTAL	INSURANCE FUND	TOTAL INTERNAL SERVICE FUNDS
<b>ASSETS</b>			
Current assets:			
Cash & cash equivalents	\$ 6,522,668	\$ 18,984,525	\$ 25,507,193
Investments at fair value	3,555,715	10,349,072	13,904,787
Receivables (net of allowances):			
Customer accounts	7,110	2,838	9,948
Interest - investments	36,906	108,624	145,530
Interfund loan receivable	-	321,298	321,298
Due from other governmental units	3,444	-	3,444
Inventory of materials and supplies	180,632	-	180,632
Prepayments	-	53,000	53,000
Total current assets	<u>10,306,475</u>	<u>29,819,357</u>	<u>40,125,832</u>
Noncurrent assets:			
Advances to other funds	-	700,000	700,000
Capital assets not being depreciated:			
Construction in progress	76,481	-	76,481
Capital assets, net of accumulated depreciation:			
Buildings, improvements and equipment	11,916,980	-	11,916,980
Intangible assets	<u>505,706</u>	<u>-</u>	<u>505,706</u>
Total noncurrent assets	<u>12,499,167</u>	<u>700,000</u>	<u>13,199,167</u>
<b>TOTAL ASSETS</b>	<u><b>22,805,642</b></u>	<u><b>30,519,357</b></u>	<u><b>53,324,999</b></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred amounts related to pensions	404,343	39,405	443,748
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u><b>\$ 404,343</b></u>	<u><b>\$ 39,405</b></u>	<u><b>\$ 443,748</b></u>

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
DECEMBER 31, 2015  
Page 2 of 2

	EQUIPMENT RENTAL	INSURANCE FUND	TOTAL INTERNAL SERVICE FUNDS
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 425,847	\$ 101,298	\$ 527,145
Claims incurred but not reported	-	3,863,874	3,863,874
Retainage payable	6,548	-	6,548
Accrued employee wages and benefits	292,391	24,634	317,025
Accrued taxes payable	70	-	70
Unearned revenue	-	1,723	1,723
Total current liabilities	<u>724,856</u>	<u>3,991,529</u>	<u>4,716,385</u>
Long-term liabilities:			
Accrued employee wages and benefits	345,525	25,421	370,946
Net pension liability	3,400,954	329,124	3,730,078
Total long-term liabilities	<u>3,746,479</u>	<u>354,545</u>	<u>4,101,024</u>
<b>TOTAL LIABILITIES</b>	<u>4,471,335</u>	<u>4,346,074</u>	<u>8,817,409</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred amounts related to pensions	518,672	50,193	568,865
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>518,672</u>	<u>50,193</u>	<u>568,865</u>
<b>NET POSITION</b>			
Net investment in capital assets	12,499,167	-	12,499,167
Unrestricted	5,720,811	26,162,495	31,883,306
<b>TOTAL NET POSITION</b>	<u>\$ 18,219,978</u>	<u>\$ 26,162,495</u>	<u>\$ 44,382,473</u>

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2015

	EQUIPMENT RENTAL	INSURANCE FUND	TOTAL INTERNAL SERVICE FUNDS
OPERATING REVENUES:			
Charges for services	\$ 16,083,498	\$ 18,740,292	\$ 34,823,790
Miscellaneous	183,288	-	183,288
TOTAL OPERATING REVENUES	<u>16,266,786</u>	<u>18,740,292</u>	<u>35,007,078</u>
OPERATING EXPENSES:			
Supplies	1,949,284	7,661	1,956,945
Personnel services	5,712,513	588,296	6,300,809
Contracted services	3,785,806	957,404	4,743,210
Insurance	-	15,661,467	15,661,467
Taxes	1,841	86,280	88,121
Depreciation and amortization	2,311,012	-	2,311,012
TOTAL OPERATING EXPENSES	<u>13,760,456</u>	<u>17,301,108</u>	<u>31,061,564</u>
OPERATING INCOME (LOSS)	<u>2,506,330</u>	<u>1,439,184</u>	<u>3,945,514</u>
NON-OPERATING REVENUES (EXPENSES):			
Intergovernmental revenues	-	40,057	40,057
Interest revenues	45,937	148,905	194,842
Gain (loss) on sale of capital assets	17,109	-	17,109
Other non-operating revenues (expenses)	9,651	4,829	14,480
Insurance recoveries	1,649	94,061	95,710
NON-OPERATING REVENUE NET OF EXPENSE	<u>74,346</u>	<u>287,852</u>	<u>362,198</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>2,580,676</u>	<u>1,727,036</u>	<u>4,307,712</u>
Transfers in	415,905	1,300,000	1,715,905
Transfers (out)	-	(125,000)	(125,000)
CHANGE IN NET POSITION	<u>2,996,581</u>	<u>2,902,036</u>	<u>5,898,617</u>
NET POSITION, JANUARY 1	18,835,167	23,594,634	42,429,801
Change in accounting principle - GASB 68	(3,611,770)	(334,175)	(3,945,945)
NET POSITION, DECEMBER 31	<u>\$ 18,219,978</u>	<u>\$ 26,162,495</u>	<u>\$ 44,382,473</u>

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
Page 1 of 2

	EQUIPMENT RENTAL	INSURANCE FUND	TOTAL INTERNAL SERVICE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from other funds for services	\$ 16,263,171	\$ 18,828,097	\$ 35,091,268
Cash paid to suppliers for goods & services	(5,699,556)	(16,332,367)	(22,031,923)
Cash paid to employees	(5,789,312)	(583,405)	(6,372,717)
Other non-operating receipts	11,300	98,890	110,190
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>4,785,603</u>	<u>2,011,215</u>	<u>6,796,818</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from other funds	415,905	1,300,000	1,715,905
Transfers to other funds	-	(125,000)	(125,000)
Operating grants	-	40,057	40,057
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>415,905</u>	<u>1,215,057</u>	<u>1,630,962</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:			
Proceeds from the sale of equipment	139,836	-	139,836
Acquisition & construction of capital assets	(4,382,247)	-	(4,382,247)
NET CASH PROVIDED (USED) BY CAPITAL FINANCING ACTIVITIES	<u>(4,242,411)</u>	<u>-</u>	<u>(4,242,411)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Principal proceeds from interfund loans	-	534,933	534,933
Payments for interfund loans	-	(875,000)	(875,000)
Proceeds from sale of investments	158,014	415,216	573,230
Interest on investments and loans	35,567	118,129	153,696
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>193,581</u>	<u>193,278</u>	<u>386,859</u>
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	1,152,678	3,419,550	4,572,228
CASH & CASH EQUIVALENTS, JANUARY 1	5,369,990	15,564,975	20,934,965
CASH & CASH EQUIVALENTS, DECEMBER 31	<u>\$ 6,522,668</u>	<u>\$ 18,984,525</u>	<u>\$ 25,507,193</u>

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2015  
Page 2 of 2

	EQUIPMENT RENTAL	INSURANCE FUND	TOTAL INTERNAL SERVICE FUNDS
	<u>                    </u>	<u>                    </u>	<u>                    </u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ 2,506,330	\$ 1,439,184	\$ 3,945,514
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation & amortization	2,311,012	-	2,311,012
Other non-operating revenue	11,300	98,890	110,190
(Increase) decrease in accounts receivable	(3,674)	87,805	84,131
(Increase) decrease in inventory & prepaid items	(9,149)	-	(9,149)
(Increase) decrease in deferred outflows related to pensions	(205,860)	(20,707)	(226,567)
Increase (decrease) in operating accounts payable	75,196	(341,083)	(265,887)
Increase (decrease) in due to other funds	(34,058)	-	(34,058)
Increase (decrease) in accrued taxes & other short-term liabilities	5,456	721,528	726,984
Increase (decrease) in unearned revenues	(11)	208	197
Increase (decrease) in accrued employee wages and benefits	36,032	388	36,420
Increase (decrease) in net pension liability and deferred inflows related to pensions	93,029	25,002	118,031
Total adjustments	<u>2,279,273</u>	<u>572,031</u>	<u>2,851,304</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 4,785,603</u>	<u>\$ 2,011,215</u>	<u>\$ 6,796,818</u>
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES			
Depreciation & amortization	\$ 2,311,012	\$ -	\$ 2,311,012



STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUND - SPECIAL DEPOSIT  
 FOR THE YEAR ENDED DECEMBER 31, 2015  
 Page 1 of 1

	BEGINNING BALANCE	DEBITS	CREDITS	ENDING BALANCE
ASSETS				
Cash	\$ 729,168	\$ 757,854	\$ 552,845	\$ 934,177
TOTAL ASSETS	\$ 729,168	\$ 757,854	\$ 552,845	\$ 934,177
LIABILITIES				
Deposits payable	\$ 729,168	\$ 1,197,424	\$ 1,402,433	\$ 934,177
TOTAL LIABILITIES	\$ 729,168	\$ 1,197,424	\$ 1,402,433	\$ 934,177

## STATISTICAL SECTION

**December 31, 2015**

Presentations included in the Statistical Section of the Comprehensive Annual Financial Report (CAFR) provide users detailed information as a context for understanding what the information in the financial statements, note disclosures and the supporting schedules say about the government's overall financial health. The section is divided into five categories based on the following:

### **FINANCIAL TRENDS**

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

### **REVENUE CAPACITY**

These schedules present information to help the reader assess the government's most significant local revenue source – property tax.

### **DEBT CAPACITY**

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

### **DEMOGRAPHIC AND ECONOMIC INFORMATION**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

### **OPERATING INFORMATION**

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

TABLE 1  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 209,964,556	\$ 232,714,563	\$ 353,197,782	\$ 378,440,636	\$ 383,016,494	\$ 373,641,842	\$ 425,581,342	\$ 445,277,657	\$ 457,337,430	\$ 467,609,532
Restricted	42,261,663	32,648,993	33,294,987	20,882,824	11,664,101	26,432,127	7,953,634	23,873,159	18,973,294	26,987,147
Unrestricted	29,340,290	32,075,613	34,160,010	35,033,629	45,911,214	53,244,297	54,159,950	41,681,336	57,074,155	50,203,343
<b>Total governmental activities net position</b>	<b>\$ 281,566,509</b>	<b>\$ 297,439,169</b>	<b>\$ 420,652,779</b>	<b>\$ 434,357,089</b>	<b>\$ 440,591,809</b>	<b>\$ 453,318,266</b>	<b>\$ 487,694,926</b>	<b>\$ 510,832,152</b>	<b>\$ 533,384,879</b>	<b>\$ 544,800,022</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 181,515,939	\$ 188,518,151	\$ 202,255,997	\$ 208,682,683	\$ 214,001,083	\$ 217,103,722	\$ 224,893,271	\$ 241,679,585	\$ 255,631,135	\$ 271,016,825
Restricted	3,555,690	3,586,667	4,171,525	4,029,537	58,747	-	2,909,578	2,909,578	2,909,578	2,909,578
Unrestricted	19,357,695	17,973,237	17,430,207	18,209,611	17,743,107	23,340,910	28,692,024	34,537,714	41,941,669	51,330,478
<b>Total business-type activities net position</b>	<b>\$ 204,429,324</b>	<b>\$ 210,078,055</b>	<b>\$ 223,857,729</b>	<b>\$ 230,921,831</b>	<b>\$ 231,802,937</b>	<b>\$ 240,444,632</b>	<b>\$ 256,494,873</b>	<b>\$ 279,126,877</b>	<b>\$ 300,482,382</b>	<b>\$ 325,256,881</b>
<b>Primary government</b>										
Invested in capital assets, net of related debt	\$ 421,232,714	\$ 555,453,779	\$ 587,123,319	\$ 597,017,577	\$ 597,017,577	\$ 590,745,564	\$ 686,957,242	\$ 686,957,242	\$ 712,968,565	\$ 738,626,357
Restricted	36,235,660	37,466,512	24,912,361	11,722,848	11,722,848	26,432,127	26,782,737	26,782,737	21,882,872	29,896,725
Unrestricted	50,048,850	51,590,217	53,243,240	63,654,321	63,654,321	76,585,207	76,219,050	76,219,050	99,015,824	101,533,821
<b>Total primary government net position</b>	<b>\$ 507,517,224</b>	<b>\$ 644,510,508</b>	<b>\$ 665,278,920</b>	<b>\$ 672,394,746</b>	<b>\$ 672,394,746</b>	<b>\$ 693,762,898</b>	<b>\$ 789,959,029</b>	<b>\$ 789,959,029</b>	<b>\$ 833,867,261</b>	<b>\$ 870,056,903</b>

Source : City of Renton Finance Division

TABLE 2  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)

Page 1 of 2

EXPENSES	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Government activities:</b>										
General government	\$ 19,977,086	\$ 29,112,970	\$ 12,010,422	\$ 18,808,404	\$ 10,018,501	\$ 4,268,321	\$ 9,859,550	\$ 10,923,530	\$ 10,730,427	\$ 9,829,338
Judicial	1,434,134	1,845,031	1,761,665	2,134,283	2,402,692	2,563,989	2,610,481	2,372,115	2,406,797	2,342,557
Public safety	30,749,762	36,213,120	46,289,454	44,361,089	50,657,146	52,627,849	58,152,773	53,930,214	55,143,750	57,863,131
Utilities	2,618,832	2,749,417	3,333,471	2,440,801	2,425,279	2,151,322	2,643,930	964,942	746,363	694,469
Transportation	15,798,138	11,237,287	13,675,581	11,765,835	16,903,492	25,376,308	13,571,691	18,842,487	14,641,476	15,918,953
Economic and natural environment	6,372,118	6,880,687	6,823,426	6,669,911	7,363,396	6,491,151	6,330,233	7,146,022	6,584,984	7,362,822
Health and human services	295,072	301,495	325,066	328,333	882,740	819,138	827,802	1,873,028	1,885,761	1,925,253
Culture and recreation	9,695,924	11,036,931	17,025,800	16,992,266	13,518,312	11,955,737	13,011,327	12,938,589	12,338,932	13,636,384
Interest on long-term debt	1,772,370	2,594,784	2,663,436	2,848,081	2,127,347	2,165,960	3,087,269	3,411,488	2,932,298	1,247,934
<b>Total governmental activities expenses</b>	<b>88,713,436</b>	<b>101,971,722</b>	<b>103,908,321</b>	<b>106,349,003</b>	<b>106,298,905</b>	<b>108,419,775</b>	<b>110,095,056</b>	<b>112,402,415</b>	<b>107,410,788</b>	<b>110,820,841</b>
<b>Business-type activities:</b>										
Waterworks utility	27,220,132	28,657,468	32,738,366	35,617,861	36,574,469	37,148,813	39,419,864	40,333,170	43,274,617	44,983,542
Airport	1,196,363	1,396,054	1,733,894	1,865,481	1,993,202	2,026,804	2,251,434	3,300,550	2,771,616	3,818,201
Solid waste utility	9,706,016	10,606,560	11,518,047	14,143,956	14,826,315	14,434,201	14,780,647	16,226,857	17,157,550	16,907,652
Golf course	2,056,874	2,277,454	2,334,838	2,303,192	2,296,870	2,099,936	2,139,847	2,250,748	2,298,804	2,200,740
<b>Total Business-type activities expenses</b>	<b>40,179,385</b>	<b>42,937,536</b>	<b>48,325,145</b>	<b>53,930,490</b>	<b>55,690,856</b>	<b>55,709,754</b>	<b>58,591,792</b>	<b>62,111,325</b>	<b>65,502,587</b>	<b>67,910,135</b>
<b>Total Primary Government expenses</b>	<b>128,892,821</b>	<b>144,909,258</b>	<b>152,233,466</b>	<b>160,279,493</b>	<b>161,989,761</b>	<b>164,129,529</b>	<b>168,686,848</b>	<b>174,513,740</b>	<b>172,913,375</b>	<b>178,730,976</b>
<b>PROGRAM REVENUES</b>										
<b>Governmental activities:</b>										
Charges for services:										
General government	21,852,465	23,163,645	5,614,638	2,864,232	2,363,280	2,756,613	2,586,799	3,372,595	4,336,464	4,354,150
Judicial	831,485	1,169,581	2,420,913	5,176,402	3,706,436	3,565,216	3,493,071	3,011,028	3,059,061	3,476,485
Public safety	517,151	591,586	550,773	643,970	761,835	641,483	650,129	6,578,528	6,961,962	7,677,351
Utilities	400,798	999,484	864,581	951,940	1,233,424	1,015,323	1,326,517	3,755	278,568	668
Transportation	1,628,154	1,432,215	2,165,538	3,178,543	3,111,259	3,275,596	3,329,054	2,712,137	3,140,008	3,823,320
Economic and natural environment	4,368,399	7,857,186	4,236,983	1,965,125	2,419,488	2,486,396	3,130,530	3,766,499	3,791,108	5,641,135
Health and human services	-	-	-	-	-	-	-	-	-	-
Culture and recreation	1,742,071	1,649,960	1,739,055	2,377,290	2,299,635	1,793,863	1,811,127	2,096,514	2,676,783	2,331,046
Operating grants and contributions	4,596,836	5,265,737	9,570,931	11,029,657	10,520,151	15,540,897	12,794,132	6,621,431	6,422,816	6,614,030
Capital grants and contributions	5,909,870	4,940,471	18,109,124	16,091,934	9,102,331	12,135,982	33,529,033	23,077,914	11,640,501	8,658,075
<b>Total governmental activities program revenues</b>	<b>41,847,229</b>	<b>47,069,865</b>	<b>45,272,536</b>	<b>44,279,093</b>	<b>35,517,839</b>	<b>43,211,369</b>	<b>62,650,392</b>	<b>51,240,401</b>	<b>42,307,271</b>	<b>42,576,260</b>
<b>Business-type activities:</b>										
Charges for services:										
Waterworks utility	27,036,324	32,078,690	31,110,061	33,278,345	35,545,308	43,003,494	47,314,389	49,024,626	51,354,475	53,263,702
Airport	909,425	965,809	1,086,064	1,254,732	2,039,477	2,294,383	2,436,543	2,494,436	2,652,808	2,614,311
Solid waste utility	9,837,915	10,094,752	10,192,718	14,234,026	15,383,667	15,015,434	14,905,934	16,429,165	17,310,807	17,146,266
Golf course	2,272,415	2,264,098	2,262,841	2,134,394	2,095,751	2,014,983	2,128,452	2,142,433	2,127,512	2,302,635
<b>Total Business-type charges</b>	<b>40,056,079</b>	<b>45,403,349</b>	<b>44,651,684</b>	<b>50,901,497</b>	<b>55,064,203</b>	<b>62,328,294</b>	<b>66,785,318</b>	<b>70,090,660</b>	<b>73,445,602</b>	<b>75,326,914</b>
Operating grants and contributions	77,688	243,537	264,784	46,267	125,819	465,468	165,164	105,695	1,108,920	704,367
Capital grants and contributions	6,317,203	1,761,802	6,888,975	7,556,701	1,056,961	2,473,309	7,668,558	18,879,992	12,531,671	23,291,274
<b>Total business-type activities program revenues</b>	<b>46,450,970</b>	<b>47,408,688</b>	<b>51,805,443</b>	<b>58,504,465</b>	<b>56,246,983</b>	<b>65,267,071</b>	<b>74,619,040</b>	<b>89,076,347</b>	<b>87,086,193</b>	<b>99,322,555</b>
<b>Total primary government program revenues</b>	<b>\$ 88,298,199</b>	<b>\$ 94,478,553</b>	<b>\$ 97,077,979</b>	<b>\$ 102,783,558</b>	<b>\$ 91,764,822</b>	<b>\$ 108,478,440</b>	<b>\$ 137,269,432</b>	<b>\$ 140,316,748</b>	<b>\$ 129,393,464</b>	<b>\$ 141,898,815</b>
<b>Net (expense)/revenue</b>										
Governmental activities	\$ (46,866,207)	\$ (54,901,857)	\$ (58,635,785)	\$ (62,069,910)	\$ (70,781,066)	\$ (65,208,406)	\$ (47,444,664)	\$ (61,162,014)	\$ (65,103,517)	\$ (68,244,581)
Business-type activities	6,271,585	4,471,152	3,480,298	4,573,975	556,127	9,557,317	16,027,248	26,965,022	21,583,606	31,412,420
<b>Total primary government net expense</b>	<b>\$ (40,594,622)</b>	<b>\$ (50,430,705)</b>	<b>\$ (55,155,487)</b>	<b>\$ (57,495,935)</b>	<b>\$ (70,224,939)</b>	<b>\$ (55,651,089)</b>	<b>\$ (31,417,416)</b>	<b>\$ (34,196,992)</b>	<b>\$ (43,519,911)</b>	<b>\$ (36,832,161)</b>

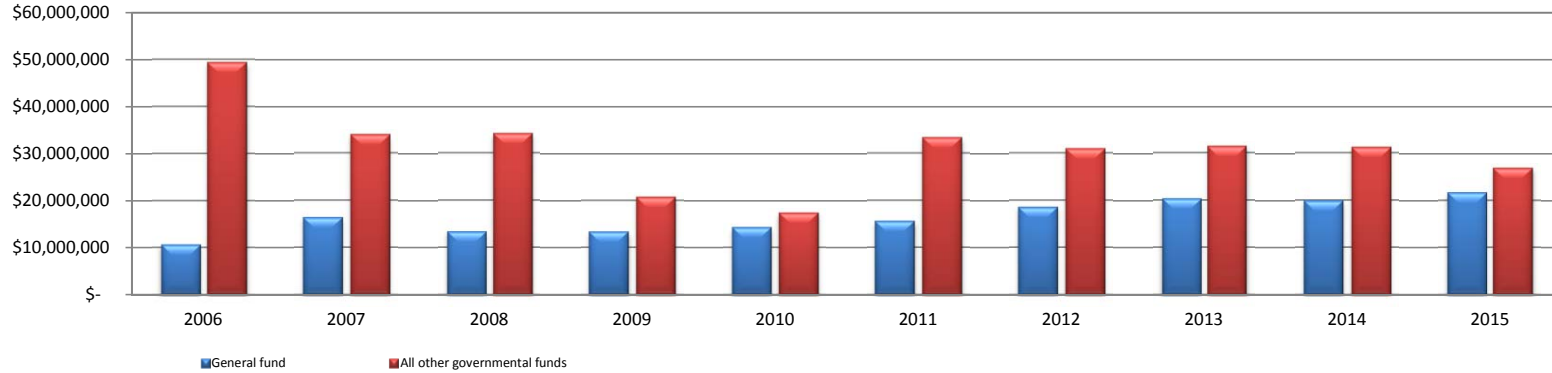
TABLE 2  
 CHANGES IN NET POSITION  
 LAST TEN FISCAL YEARS  
 (accrual basis of accounting)  
 Page 2 of 2

GENERAL REVENUES AND OTHER CHANGES	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Governmental activities:</b>										
Taxes										
Property taxes	\$ 23,600,131	\$ 23,106,578	\$ 29,381,036	\$ 32,300,319	\$ 32,586,884	\$ 33,309,975	\$ 33,932,290	\$ 32,536,533	\$ 35,112,669	\$ 35,418,323
Timber taxes			\$ -							
Retail sales taxes	20,869,595	22,749,831	23,190,076	22,065,316	21,591,375	22,008,777	23,653,706	25,541,972	27,223,521	29,567,506
Business taxes	11,219,303	11,962,879	14,945,173	14,876,496	16,883,888	16,870,284	17,632,759	16,439,502	18,575,350	20,561,270
Excise taxes	7,718,945	8,236,876	4,362,945	4,923,978	4,351,914	4,113,705	4,286,883	5,838,149	4,595,540	5,736,582
Penalties and interest	3,799	33,949	6,477	1,353	276	380	9,486	-	-	-
Investment earnings	3,251,975	3,465,517	2,419,260	1,118,889	794,793	602,516	589,616	613,097	1,137,752	1,303,414
Miscellaneous	689,243	1,218,889	2,104,133	172,594	82,352	991,772	1,179,112	1,232,066	760,292	580,042
Gain (loss) on sale of capital assets <sup>1</sup>	-	-	-	-	-	-	-	-	(198,242)	17,109
Transfers	(68,446)	-	110,000	(100,000)	(17,095)	37,454	233,961	2,341,160	449,362	131,491
<b>Total governmental activities</b>	<b>67,284,545</b>	<b>70,774,519</b>	<b>76,519,100</b>	<b>75,358,945</b>	<b>76,274,387</b>	<b>77,934,863</b>	<b>81,517,813</b>	<b>84,542,479</b>	<b>87,656,244</b>	<b>93,315,737</b>
<b>Business-type activities:</b>										
Investment earnings	881,486	1,041,576	1,120,342	396,957	224,974	117,090	105,129	94,077	96,625	225,515
Miscellaneous	282,808	135,986	85,493	1,207,689	172,663	71,235	44,842	124,281	30,863	38,014
Gain (loss) on sale of capital assets <sup>1</sup>	-	-	-	-	-	-	-	-	93,773	(701,718)
Transfers	68,446	-	(110,000)	100,000	17,095	(37,454)	(233,961)	(2,341,160)	(449,362)	(131,491)
<b>Total business-type activities</b>	<b>1,232,740</b>	<b>1,177,562</b>	<b>1,095,835</b>	<b>1,704,646</b>	<b>414,732</b>	<b>150,871</b>	<b>(83,990)</b>	<b>(2,122,802)</b>	<b>(228,101)</b>	<b>(569,680)</b>
<b>Total primary government</b>	<b>\$ 68,517,285</b>	<b>\$ 71,952,081</b>	<b>\$ 77,614,935</b>	<b>\$ 77,063,591</b>	<b>\$ 76,689,119</b>	<b>\$ 78,085,734</b>	<b>\$ 81,433,823</b>	<b>\$ 82,419,677</b>	<b>\$ 87,428,143</b>	<b>\$ 92,746,057</b>
<b>CHANGES IN NET POSITION</b>										
Governmental activities	\$ 20,418,338	\$ 15,872,662	\$ 17,883,315	\$ 13,289,035	\$ 5,493,321	\$ 12,726,457	\$ 34,073,149	\$ 23,380,465	\$ 22,552,727	\$ 25,071,156
Business-type activities	7,504,325	5,648,714	4,576,133	6,278,621	970,859	9,708,188	15,943,258	24,842,220	21,355,505	30,842,740
<b>Total primary government</b>	<b>\$ 27,922,663</b>	<b>\$ 21,521,376</b>	<b>\$ 22,459,448</b>	<b>\$ 19,567,656</b>	<b>\$ 6,464,180</b>	<b>\$ 22,434,645</b>	<b>\$ 50,016,407</b>	<b>\$ 48,222,685</b>	<b>\$ 43,908,232</b>	<b>\$ 55,913,896</b>

Source : City of Renton Finance Division

<sup>1</sup> Prior to 2014 Gain (loss) on sale of capital assets were previously reported as "Miscellaneous".

TABLE 3  
FUND BALANCE OF GOVERNMENT FUNDS  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)



	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General fund</b>										
Reserved	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 2,468,569	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	10,737,097	16,474,384	13,509,097	13,478,727	12,020,420	-	-	-	-	-
Nonspendable <sup>1</sup>	-	-	-	-	-	1,149,907	-	-	-	-
Restricted <sup>1</sup>	-	-	-	-	-	786,611	690,655	303,051	250,717	156,105
Committed <sup>1</sup>	-	-	-	-	-	-	-	4,236,362	-	1,185,085
Assigned <sup>1</sup>	-	-	-	-	-	13,812,258	16,566,659	15,929,712	286,516	260,342
Unassigned <sup>1</sup>	-	-	-	-	-	-	1,427,130	-	19,517,236	20,183,002
<b>Total general fund</b>	<b>\$ 10,745,097</b>	<b>\$ 16,482,384</b>	<b>\$ 13,517,097</b>	<b>\$ 13,486,727</b>	<b>\$ 14,488,989</b>	<b>\$ 15,748,776</b>	<b>\$ 18,684,444</b>	<b>\$ 20,469,125</b>	<b>\$ 20,054,469</b>	<b>\$ 21,784,534</b>
<b>All other governmental funds</b>										
Reserved	\$ 63,900	\$ 975,000	\$ 1,000,000	\$ -	\$ 6,771,384	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	4,243,189	2,616,596	2,806,667	2,106,370	2,073,227	-	-	-	-	-
Debt service funds	3,068,587	1,392,915	1,270,936	367,652	-	-	-	-	-	-
Capital project funds	42,152,437	29,057,397	29,217,384	18,408,802	8,701,843	-	-	-	-	-
Nonspendable <sup>1</sup>	-	-	-	-	-	-	-	-	-	-
Restricted <sup>1</sup>	-	-	-	-	-	19,152,913	23,730,688	22,888,877	18,722,577	7,841,326
Committed <sup>1</sup>	-	-	-	-	-	7,468,491	6,085,812	8,513,816	-	15,844,472
Assigned <sup>1</sup>	-	-	-	-	-	6,828,410	1,220,008	137,605	12,594,651	3,290,869
Special revenue funds	-	-	-	-	-	5,598,376	-	-	-	-
Debt service funds	-	-	-	-	-	1,230,034	-	-	-	-
Capital project funds	-	-	-	-	-	-	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 49,528,113</b>	<b>\$ 34,041,908</b>	<b>\$ 34,294,987</b>	<b>\$ 20,882,824</b>	<b>\$ 17,546,454</b>	<b>\$ 33,449,814</b>	<b>\$ 31,036,508</b>	<b>\$ 31,540,298</b>	<b>\$ 31,317,228</b>	<b>\$ 26,976,667</b>

Source : City of Renton Finance Division

<sup>1</sup> In 2011, implementation of GASB 54 requires new designations of fund balance; prior year data not available in prescribed format

TABLE 4  
CHANGES IN FUND BALANCES OF GOVERNMENT FUNDS  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>REVENUES</b>										
Taxes	\$ 64,005,567	\$ 66,698,876	\$ 72,514,388	\$ 71,545,700	\$ 75,223,750	\$ 76,266,688	\$ 79,878,467	\$ 80,300,752	\$ 85,244,091	\$ 91,417,887
Licenses and permits	4,962,507	5,828,230	4,975,585	6,226,371	3,975,441	4,410,862	4,843,446	6,828,797	7,724,038	8,541,090
Intergovernmental	9,769,225	9,791,830	27,549,621	23,968,449	16,203,499	19,441,957	33,430,078	22,879,043	13,717,109	10,546,797
Charges for services	6,543,289	10,048,879	7,145,950	4,543,420	4,635,502	4,191,024	4,497,039	9,641,812	11,030,501	13,337,291
Fines and forfeits	906,685	1,150,079	2,002,854	3,724,162	3,439,926	3,150,326	3,053,938	2,788,573	2,708,477	3,049,542
Interfund revenues <sup>1</sup>	2,843,147	3,352,411	3,072,526	3,228,110	3,244,928	3,057,642	3,375,134	294,039	264,539	296,649
Special assessments	511,932	51,723	-	1,353	-	-	-	-	-	-
Contributions	214,387	353,582	135,000	516,805	2,952,649	4,288,448	1,488,384	3,878,978	947,927	187,616
Investment Earnings	2,570,682	2,486,889	1,740,035	753,607	550,134	475,278	494,518	500,330	1,039,626	1,108,572
Miscellaneous Revenues	223,908	86,322	1,273,359	171,004	82,353	648,608	942,998	2,208,853	2,117,198	1,994,532
<b>Total revenues</b>	<b>92,551,329</b>	<b>99,848,821</b>	<b>120,409,318</b>	<b>114,678,981</b>	<b>110,308,182</b>	<b>115,930,833</b>	<b>132,004,002</b>	<b>129,321,177</b>	<b>124,793,506</b>	<b>130,479,976</b>
<b>EXPENDITURES</b>										
<b>Current</b>										
General government	13,972,592	14,597,355	15,094,140	12,923,999	10,532,537	10,937,806	8,371,489	9,348,241	10,142,332	11,334,485
Judicial	-	-	1,761,665	2,134,283	2,402,692	2,563,989	2,610,481	2,364,631	2,400,097	2,461,668
Public safety	31,157,303	35,583,500	45,530,208	46,048,967	48,904,653	52,986,589	54,378,422	53,112,143	55,174,723	58,211,446
Utilities	2,609,452	2,764,563	3,123,883	2,431,213	2,345,459	2,048,971	2,608,369	468,442	252,826	236,245
Transportation	5,097,449	6,403,358	6,332,006	7,043,665	10,748,393	10,038,344	10,137,750	11,769,366	10,092,425	10,898,934
Economic environment	5,519,219	5,896,589	6,673,681	7,071,009	7,205,500	6,447,163	6,283,264	6,652,593	6,088,295	6,628,136
Health and human services	9,231	13,818	16,459	19,726	787,768	511,934	523,577	1,827,736	1,840,312	1,876,841
Culture and recreation	9,933,854	10,830,224	11,119,073	14,914,298	12,310,530	11,166,081	11,537,450	11,040,787	10,942,620	12,250,743
Capital outlay	21,117,525	29,320,023	28,520,453	41,989,793	12,216,152	14,981,858	24,989,777	25,356,592	16,829,123	20,274,185
Debt service										
Principal payments	1,503,350	1,565,904	2,079,551	2,327,138	2,682,672	2,783,237	7,116,917	4,744,439	5,076,530	4,834,225
Interest and fiscal charges	2,129,656	2,646,623	2,729,247	2,629,157	2,231,823	2,502,876	3,368,903	3,315,011	3,324,433	1,660,586
<b>Total expenditures</b>	<b>93,049,631</b>	<b>109,621,957</b>	<b>122,980,366</b>	<b>139,533,248</b>	<b>112,368,179</b>	<b>116,968,848</b>	<b>131,926,399</b>	<b>129,999,981</b>	<b>122,163,716</b>	<b>130,667,494</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(498,302)</b>	<b>(9,773,136)</b>	<b>(2,571,048)</b>	<b>(24,854,267)</b>	<b>(2,059,997)</b>	<b>(1,038,015)</b>	<b>77,603</b>	<b>(678,804)</b>	<b>2,629,790</b>	<b>(187,518)</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers in	2,962,895	5,782,988	4,053,607	15,059,649	2,545,659	3,886,650	4,183,185	5,860,038	5,175,933	9,326,629
Transfer (out)	(3,705,341)	(5,782,988)	(4,200,607)	(10,446,000)	(2,822,330)	(4,144,157)	(4,113,465)	(6,102,584)	(8,463,285)	(10,786,043)
Proceeds of long-term debt	18,490,029	-	-	-	-	-	-	-	-	-
Interfund loan proceeds	-	-	-	6,798,085	-	-	-	-	-	-
Interfund loan repayments	-	-	-	-	-	-	-	-	-	-
Refunding bonds issued	-	-	-	-	6,170,000	9,425,000	-	-	-	12,520,000
GO Bonds issued	-	-	-	-	-	16,715,000	-	3,200,000	-	-
Premium on general obligation debt	-	-	-	-	443,484	2,268,169	-	-	-	1,171,804
Sale of capital assets	13,464	24,218	20,643	-	-	500	375,039	9,821	5,170	-
Payment to refunded bond escrow agent	-	-	-	-	(6,406,088)	(9,950,000)	-	-	-	(13,573,341)
Insurance Recoveries	-	-	-	-	-	-	-	-	14,666	14,724
<b>Total other financing sources (uses)</b>	<b>17,761,047</b>	<b>24,218</b>	<b>(126,357)</b>	<b>11,411,734</b>	<b>(69,275)</b>	<b>18,201,162</b>	<b>444,759</b>	<b>2,967,275</b>	<b>(3,267,516)</b>	<b>(1,326,227)</b>
<b>Net change in fund balance</b>	<b>\$ 17,262,745</b>	<b>\$ (9,748,918)</b>	<b>\$ (2,697,405)</b>	<b>\$ (13,442,533)</b>	<b>\$ (2,129,272)</b>	<b>\$ 17,163,147</b>	<b>\$ 522,362</b>	<b>\$ 2,288,471</b>	<b>\$ (637,726)</b>	<b>\$ (1,513,745)</b>
Debt service as a percentage of non capital expenditures	5.25%	5.25%	5.09%	5.08%	4.91%	5.18%	7.70%	7.98%	7.98%	5.88%

Source : City of Renton Finance Division

Tables prior to 2010 used the titles "Security of persons and property" and "Mental and physical health" for functions now being referred to as "Public Safety" and "Health and Human Services", respectively. Tables Prior to 2013 used the title "Physical environment" for functions now being referred to as "Utilities".

TABLE 5  
WATER UTILITY SYSTEMS REVENUE INFORMATION  
LAST TEN FISCAL YEARS <sup>1</sup>

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>City Population</b>	58,360	60,290	78,780	83,650	90,927	92,590	93,910	95,540	97,130	98,470
<b>Water System</b>										
Rate Increase	3.0%	5.0%	6.0%	4.0%	10.0%	18.0%	16.0%	5.0%	5.0%	0.0%
Billing										
Single Family	\$ -	\$ 4,255,443	\$ 3,620,896	\$ 3,951,900	\$ 4,141,600	\$ 4,811,663	\$ 9,575,942	\$ 5,887,603	\$ 6,339,653	\$ 6,526,128
Multi-Family, Commercial, Industrial		3,827,273	4,019,419	4,416,609	4,621,839	5,538,570	6,410,943	6,772,971	6,977,452	6,823,857
Irrigation		1,019,822	1,212,864	1,622,663	1,240,240	1,546,874	1,922,822	1,468,453	2,245,010	2,537,017
Fire Service		133,252	144,182	166,858	186,289	227,699	275,952	292,149	311,936	315,931
Other <sup>2</sup>		282,364	281,779	307,738	416,032	342,100	454,370	443,825	488,502	607,944
<b>Total Water Billing</b>	-	9,518,154	9,279,140	10,465,768	10,606,000	12,466,906	18,640,029	14,865,001	16,362,553	16,810,877
<b>Wastewater System</b>										
Rate Increase	4.0%	5.0%	6.0%	4.0%	4.0%	42.0%	5.0%	5.0%	5.0%	0.0%
Billing										
Single Family	\$ -	\$ 2,381,337	\$ 2,595,914	\$ 2,784,269	\$ 2,896,646	\$ 4,194,277	\$ 4,464,521	\$ 4,757,734	\$ 5,069,164	\$ 5,173,757
Multi-Family, Commercial, Industrial, Other		2,446,851	2,477,951	2,551,837	2,651,028	3,751,082	4,059,646	4,359,018	4,560,119	4,217,237
<b>Total City Wastewater Billing</b>	-	4,828,188	5,073,865	5,336,106	5,547,674	7,945,359	8,524,167	9,116,752	9,629,283	9,390,994
King County Metro Charges		10,235,785	10,085,728	11,724,091	11,774,984	13,468,616	13,751,047	15,357,431	15,440,140	15,556,018
<b>Total All</b>	-	15,063,973	15,159,593	17,060,197	17,322,658	21,413,975	22,275,214	24,474,183	25,069,423	24,947,012
<b>Storm Water System</b>										
Rate Increase	3.0%	3.0%	6.5%	0.0%	0.0%	40.0%	11.0%	5.0%	5.0%	4.0%
Billing										
Single Family	\$ -	\$ 996,402	\$ 1,638,970	\$ 1,813,889	\$ 1,834,693	\$ 2,602,439	\$ 2,952,519	\$ 3,130,413	\$ 3,332,758	\$ 3,498,882
Multi-Family, Commercial, Industrial, Other		2,050,860	2,903,728	3,185,980	3,075,580	4,342,672	4,801,900	5,035,416	5,742,495	6,012,017
<b>Total Storm Water Billing</b>	-	3,047,262	4,542,698	4,999,869	4,910,273	6,945,111	7,754,419	8,165,829	9,075,253	9,510,899

<sup>1</sup> Data for prior years provided where available.

<sup>2</sup> Includes wholesale water provided to the Skyway Water and Sewer District through a single metered connection.



TABLE 6  
PRINCIPAL RATEPAYERS  
Page 1 of 3

WATER Ratepayer	2015			2006		
	Revenue	Rank	% of Total Revenue	Revenue	Rank	% of Total Revenue
Boeing Commercial	\$ 532,220	1	3.17%	\$ 249,926	1	3.82%
City of Renton	429,906	2	2.56%	178,216	2	2.72%
King County	364,108	3	2.17%	134,559	3	2.06%
Renton School District	225,512	4	1.34%	68,202	6	1.04%
Public Hosp Dist #1 of KC	151,792	5	0.90%	78,612	4	1.20%
Ashburn Condominiums	142,883	6	0.85%	39,729	9	0.61%
Skyway Water and Sewer District	141,676	7	0.84%	70,585	5	1.08%
G and K Services	135,858	8	0.81%			
HSC Real Estate (Axis Grand)	132,227	9	0.79%			
CPT The Landing LLC	122,250	10	0.73%			
Service Linen Supply Inc				58,295	7	0.89%
HSC Real Estate (Axis Grand)				40,242	8	0.62%
Ergis IX REO LLC				39,650	10	0.61%
All Other	8,075,889		48.04%	2,833,666		43.31%
Single Family	6,356,350		37.81%	2,750,865		42.05%
Total Revenue	<u>\$ 16,810,672</u>		<u>100.00%</u>	<u>\$ 6,542,546</u>		<u>100.00%</u>

Source : City of Renton Finance Division

TABLE 6  
PRINCIPAL RATEPAYERS  
Page 2 of 3

SURFACE WATER Ratepayer	2015			2006		
	Revenue	Rank	% of Total Revenue	Revenue	Rank	% of Total Revenue
City of Renton	\$ 1,056,904	1	11.11%	\$ 149,257	1	7.55%
Boeing Commercial	350,881	2	3.69%	95,806	2	4.85%
Renton School District	238,369	3	2.51%	36,874	4	1.87%
King County	205,425	4	2.16%	56,168	3	2.84%
WA State Dept of Transportation	82,127	5	0.86%	21,610	5	1.09%
Kenworth Truck Company	74,878	6	0.79%	21,008	6	1.06%
Leisure Estates Office	58,483	7	0.62%	15,994	8	0.81%
Stoneway Rock and Recycling	57,943	8	0.61%	16,904	7	0.86%
CPT The Landing LLC	56,157	9	0.59%			
The Kroger Co	46,409	10	0.49%			
Shadowhawk 1				13,001	9	0.66%
Valley Medical Center				12,583	10	0.64%
All Other	3,850,598		40.49%	934,803		47.29%
Single Family	3,432,725		36.09%	602,726		30.49%
Total Revenue	<u>\$ 9,510,899</u>		100.00%	<u>\$ 1,976,736</u>		100.00%

Source : City of Renton Finance Division

TABLE 6  
PRINCIPAL RATEPAYERS  
Page 3 of 3

WASTEWATER Ratepayer	2015			2006		
	Revenue	Rank	% of Total Revenue	Revenue	Rank	% of Total Revenue
Boeing Commercial	\$ 225,839	1	2.41%	\$ 68,958	1	2.25%
G and K Services	103,728	2	1.11%			
Public Hosp Dist #1 of KC	103,710	3	1.10%	56,524	2	1.84%
HSC Real Estate (Axis Grand)	74,682	4	0.80%	21,237	9	0.69%
Royal Hills Preservation LP	65,877	5	0.70%	21,348	8	0.70%
Copper Ridge Renton LLC	65,382	6	0.70%			
City of Renton	62,762	7	0.67%	42,106	3	1.37%
Maplewood LLC	60,074	8	0.64%	27,461	5	0.90%
Arbors at Sunset LLC	59,632	9	0.64%			
Sunset View Apt Homes LLC	51,770	10	0.55%			
Service Linen Supply Inc				41,967	4	1.37%
Ergis IX REO LLC				24,986	6	0.82%
The Arbors at Sunset				22,234	7	0.73%
Draper Valley Farms				20,780	10	0.68%
All Other	3,455,671		36.80%	1,284,629		41.90%
Single Family	5,061,868		53.90%	1,433,460		46.76%
Total Revenue	<u>\$ 9,390,994</u>		100.00%	<u>\$ 3,065,688</u>		100.00%

Source : City of Renton Finance Division

TABLE 7  
WATER UTILITY RATES  
LAST 10 FISCAL YEARS <sup>1</sup>

Page 1 of 3

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b><u>Water Rates</u></b>										
Monthly Rates										
<b>Basic Charge</b>										
3/4"	11.36	11.93	10.10	10.60	11.66	13.76	15.96	16.76	17.60	17.60
1"	14.23	14.94	20.91	21.95	24.15	28.50	33.06	34.71	34.89	34.89
1 1/2"	18.23	19.14	38.63	40.56	44.62	52.65	61.07	64.12	67.33	67.33
2"	31.87	33.46	60.54	63.56	69.92	82.51	95.71	100.50	105.52	105.52
3"	94.36	99.08	124.39	130.61	143.67	169.53	196.65	206.48	216.81	216.81
4"	136.40	143.22	189.82	199.31	219.24	258.70	300.00	315.00	330.75	330.75
6"	204.63	214.86	370.18	388.69	427.56	504.52	585.24	614.50	645.28	645.28
8"	284.22	298.43	724.62	760.85	836.94	987.59	1,145.52	1,202.80	1,262.94	1,262.94
10"	409.26	429.72	1,080.10	1,134.11	1,247.52	1,472.07	1,707.60	1,792.98	1,882.63	1,882.63
12"	568.44	596.86	1,571.90	1,650.50	1,815.55	2,142.35	2,485.13	2,609.39	2,739.86	2,739.86
<b>Charge for Irrigation</b>										
3/4"	11.36	11.93	6.08	6.38	7.02	8.28	9.60	10.08	10.58	10.58
1"	14.23	14.94	10.85	11.39	12.53	14.79	17.16	18.02	18.92	18.92
1 1/2"	18.23	19.14	18.52	19.45	21.40	25.25	29.29	30.75	32.29	32.29
2"	31.87	33.46	28.37	29.79	32.77	38.67	44.86	47.10	49.46	49.46
3"	94.36	99.08	60.05	63.05	69.36	81.84	94.94	99.69	104.57	104.57
4"	136.40	143.22	89.30	93.76	103.14	121.71	141.18	148.24	155.65	155.65
6"	204.63	214.86	169.13	177.59	195.35	230.51	267.40	280.77	294.81	294.81
8"	284.22	298.43	322.50	388.63	427.49	504.44	585.15	614.41	645.13	645.13
10"	409.26	429.72	476.93	499.73	549.70	648.65	752.43	790.05	829.55	829.55
12"	568.44	596.86	687.26	721.62	793.78	936.66	1,086.53	1,140.86	1,197.90	1,197.90

<sup>1</sup> Data for prior years provided where available.

TABLE 7  
WATER UTILITY RATES  
LAST 10 FISCAL YEARS <sup>1</sup>  
Page 2 of 3

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b><u>Water Rates, continued</u></b>										
Monthly Rates										
<b>Fire Meter</b>										
per meter inch	3.68	3.86								
1"			3.60	3.78	4.16	4.91	5.69	5.97	6.27	6.27
1 1/2"			4.02	4.22	4.64	5.48	6.36	6.68	7.01	7.01
2"			5.17	5.43	5.97	7.04	8.17	8.58	9.01	9.01
3"			13.65	14.33	15.76	18.60	21.58	22.66	23.79	23.79
4"			16.80	17.64	19.40	22.89	26.55	27.88	29.27	29.27
6"			24.13	25.34	27.87	32.89	38.15	40.06	42.06	42.06
8"			32.50	34.12	37.53	44.29	51.38	53.95	56.65	56.65
10"			41.93	44.03	48.43	57.15	66.29	69.60	73.08	73.08
<b>Usage Rates</b>										
rate/100 cf (100cf = 748 gallons)										
Single Family:										
< 500 cf/mo			1.47	1.53	1.68	1.98	2.30	2.42	2.54	2.54
500-1,000 cf/mo			1.97	2.05	2.26	2.67	3.09	3.24	3.41	3.41
< 1,000 cf/mo	1.91	2.01								
> 1,000 cf/mo	2.04	2.14	2.47	2.59	2.85	3.36	3.90	4.10	4.30	4.30
All Other Users	1.91	2.01								
Multi-family			1.90	1.98	2.18	2.57	2.98	3.13	3.29	3.29
Non-residential			2.01	2.10	2.31	2.73	3.16	3.32	3.48	3.48
Private irrigation			3.20	3.36	3.70	4.37	5.06	5.31	5.58	5.58
City irrigation			2.24	2.36	2.60	3.07	3.56	3.74	3.92	3.92

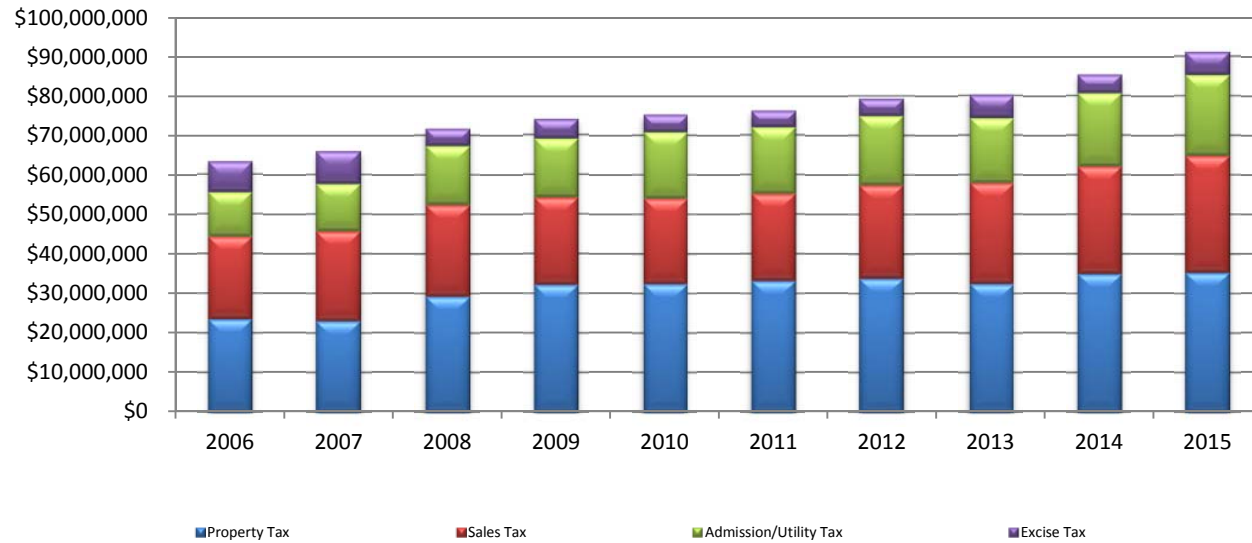
<sup>1</sup> Data for prior years provided where available.

TABLE 7  
 WATER UTILITY RATES  
 LAST 10 FISCAL YEARS <sup>1</sup>  
 Page 3 of 3

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b><u>Surface Water Rates</u></b>										
Monthly rates										
Single-family	5.55	5.72	7.41	7.41	7.41	10.37	11.51	12.09	12.69	13.20
Commercial Minimums										
<= .5 acre										
Monthly rate										
Low Intensity	13.75	14.16	18.34	18.34	18.34	25.68	28.50	29.93	31.42	32.68
Medium Intensity	19.89	20.49	26.53	26.53	26.53	37.14	41.23	43.29	45.46	47.28
High Intensity	25.65	26.42	34.21	34.21	34.21	47.89	53.16	55.82	58.61	60.95
> .5 acre										
Rate per acre										
Low Intensity	27.50	28.33	36.69	36.69	36.69	51.37	57.02	59.87	62.86	65.37
Medium Intensity	39.77	40.96	53.04	53.04	53.04	74.26	82.42	86.54	90.87	94.50
High Intensity	51.29	52.83	68.41	68.41	68.41	95.77	106.31	111.63	117.21	121.90
<b><u>Wastewater Rates</u></b>										
Monthly Rates										
Single-family										
Renton	13.97	14.67	15.55	16.17	16.82	23.88	25.08	26.33	27.65	27.65
King County	25.60	28.51	28.51	33.06	33.06	37.26	37.26	40.95	40.95	42.61
Other Users										
Renton										
Base charge	2.12	2.22	2.35	2.44	2.54	3.61	3.79	4.05	4.25	4.25
Per 100 cf	1.58	1.66	1.76	1.83	1.90	2.70	2.83	2.97	3.12	3.12
King County										
Per 750 cf	25.60	28.51	28.51	33.06	33.06	37.26	37.26	40.95	40.95	42.61

<sup>1</sup> Data for prior years provided where available.

TABLE 8  
 GENERAL GOVERNMENT TAX REVENUE BY SOURCE  
 LAST TEN FISCAL YEARS  
 (accrual basis of accounting)



FISCAL YEAR	PROPERTY TAX	SALES TAX	BUSINESS TAXES	EXCISE TAX	TOTAL TAX
2006	\$ 23,600,131	\$ 20,869,596	\$ 11,219,302	\$ 7,718,945	\$ 63,407,974
2007	23,106,578	22,749,831	11,962,879	8,236,876	66,056,164
2008	29,381,036	23,190,076	14,945,173	4,362,945	71,879,230
2009	32,300,319	22,065,316	14,876,496	4,923,978	74,166,109
2010	32,586,884	21,591,375	16,883,888	4,351,914	75,414,061
2011	33,309,975	22,008,777	16,870,284	4,113,705	76,302,741
2012	33,932,290	23,653,706	17,632,759	4,286,883	79,505,638
2013	32,536,533	25,541,972	16,439,502	5,838,149	80,356,156
2014	35,112,669	27,223,521	18,575,350	4,595,540	85,507,080
2015	35,418,323	29,567,506	20,561,270	5,736,582	91,283,681

Source : City of Renton Finance Division

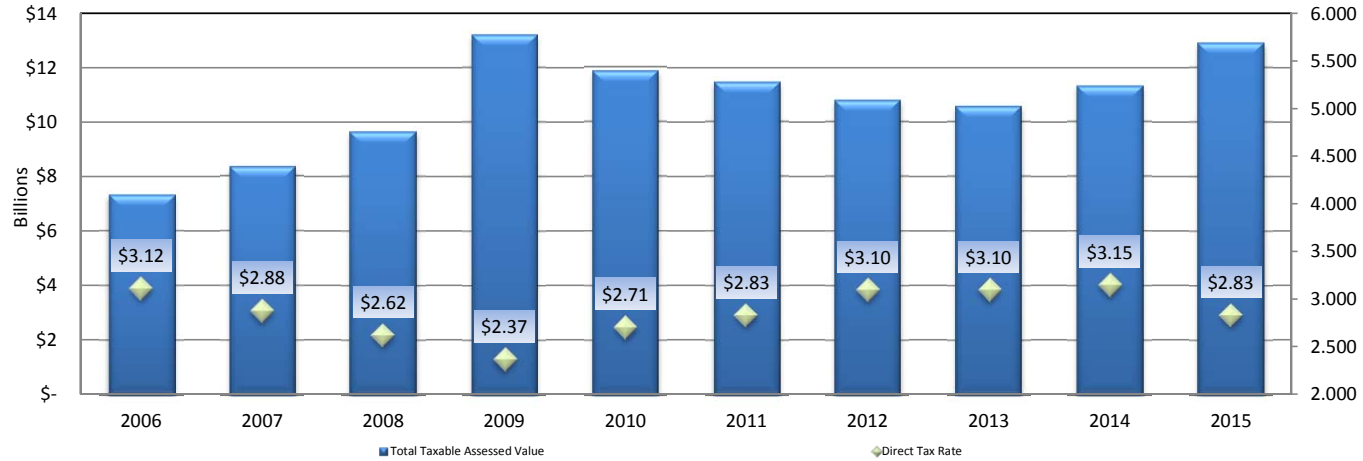
TABLE 9  
PRINCIPAL PROPERTY TAX PAYERS

TAXPAYER	2015			2006		
	TAXABLE <sup>1</sup> ASSESSED VALUE	RANK	% OF TOTAL TAXABLE ASSESSED VALUE	TAXABLE <sup>1</sup> ASSESSED VALUE	RANK	% OF TOTAL TAXABLE ASSESSED VALUE
Boeing	\$ 850,186,010	1	6.57%	\$ 629,784,603	1	7.52%
CPT The Landing LLC (formerly Transwestern Harvest Lakeshore)	143,105,600	2	1.11%			
Puget Sound Energy-Elec/Gas	136,271,765	3	1.05%	80,829,517	3	0.97%
Paccar	109,618,533	4	0.85%	116,317,925	2	1.39%
Renton Properties LLC	52,885,800	5	0.41%	36,993,300	6	0.44%
Axis Grand Holdings	47,080,400	6	0.36%	28,549,000	10	0.34%
Fred Meyer Stores Inc.	43,348,000	7	0.34%			0.00%
Black River JV LLC (formerly ECI Two WTC LLC)	36,717,600	8	0.28%			
FP-FAA Seattle LLC (Renton Acquisition LLC)	35,028,800	9	0.27%			
BRE-FMCA LLC c/o Bre Properties	35,000,000	10	0.27%	30,005,710	8	0.36%
Providence Health				57,902,300	4	0.69%
AMB Property Corp				49,479,200	5	0.59%
Qwest				30,371,972	7	0.36%
Walmart				28,566,077	9	0.34%
All Others	11,447,515,111		88.49%	7,282,002,201		86.99%
Total Assessed Valuation	<u>\$ 12,936,757,619</u>		<u>100.00%</u>	<u>\$ 8,370,801,805</u>		<u>100.00%</u>

Source: <sup>1</sup>King County Department of Assessments



TABLE 10  
ASSESSED VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS



REAL PROPERTY <sup>1</sup>

FISCAL YEAR	COMMERCIAL PROPERTY	INDUSTRIAL PROPERTY	RESIDENTIAL PROPERTY	LESS: EXEMPT REAL PROPERTY <sup>4</sup>	PERSONAL PROPERTY <sup>3</sup>	ADJUSTMENTS TO BASE <sup>2</sup>	TOTAL TAXABLE ASSESSED VALUE <sup>3</sup>	DIRECT TAX RATE <sup>3</sup>
2006	\$1,926,421,521	\$ 1,176,622,619	\$ 4,813,353,950	\$ 889,457,300	\$ 636,713,076	\$ (329,177,324)	\$ 7,334,476,542	3.116
2007	2,192,952,200	1,279,582,200	5,659,232,650	982,670,250	754,326,325	(532,621,620)	8,370,801,505	2.884
2008	2,792,844,697	1,448,578,000	8,372,238,600	1,257,849,300	828,746,994	(2,524,881,337)	9,659,677,654	2.624
2009	2,883,148,991	1,520,339,100	7,199,738,295	1,365,819,700	885,490,676	2,110,347,418	13,233,244,780	2.369
2010	2,877,658,818	1,728,440,200	7,184,089,489	1,359,951,195	840,554,180	613,936,948	11,884,728,440	2.712
2011	3,003,796,896	1,746,154,400	6,654,066,896	1,636,584,396	821,141,161	891,891,404	11,480,466,361	2.832
2012	2,971,359,393	1,373,778,056	6,482,467,387	1,585,047,600	806,821,188	766,080,093	10,815,458,517	3.100
2013	2,693,600,191	1,312,002,800	6,753,032,784	511,297,275	806,299,478	(464,916,779)	10,588,721,199	3.100
2014	2,433,225,730	1,267,488,700	7,926,464,800	539,444,058	949,284,799	(704,693,058)	11,332,326,913	3.152
2015	2,509,928,450	1,147,653,230	8,794,605,250	592,768,450	923,325,641	154,013,498	12,936,757,619	2.833

Note: 2008 and 2009 Adjustments to Base reflect the Benson Hill Annexation

Sources:

<sup>1</sup>King County Department of Assessments Data; prior year data has been updated with current method of data collection via City of Renton GIS Services.

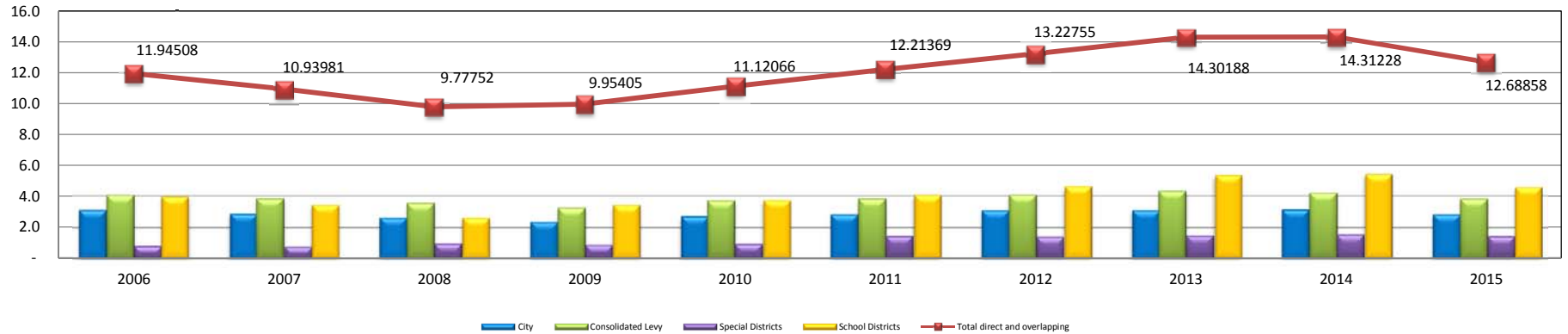
<sup>2</sup>Includes adjustments to the tax base for senior citizen exemptions, prior year omits, etc.

<sup>3</sup>King County Assessor Annual Reports

<sup>4</sup>Change to state law (RCW 84. 40.045 and 84.40.175) by the 2013 Legislature eliminated revaluation of government owned parcels.

Tax rate for general City operations is limited to \$3.10 per \$1,000 of assessed value (RCW 84.52.043). Tax rate limit may be reduced for any of the following reasons: Levy Limit; The One Percent Constitution Limit; City may levy taxes below the legal limit. For further explanation refer to Note 4 Property Taxes.

TABLE 11  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS

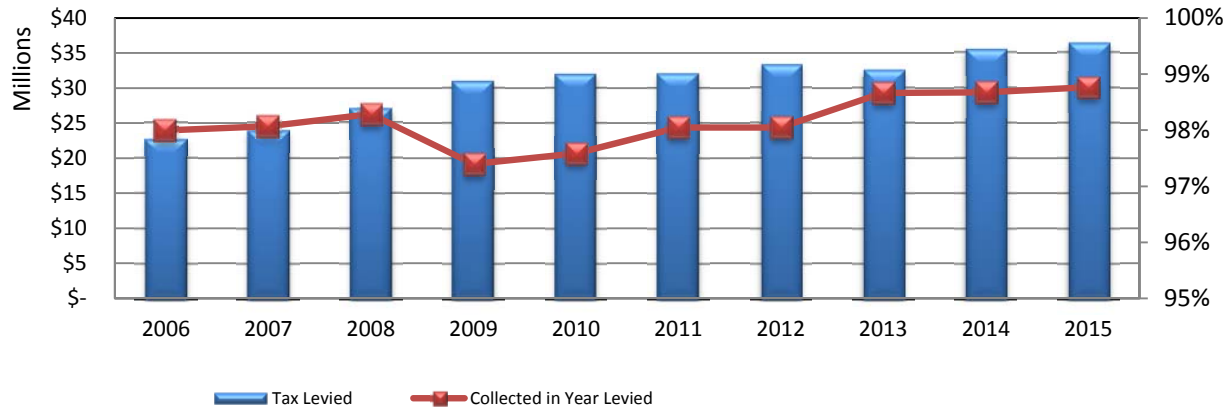


FISCAL YEAR	DIRECT RATES CITY OF RENTON			OVERLAPPING RATES CONSOLIDATED LEVY					OVERLAPPING RATES SCHOOL DISTRICT				TOTAL DIRECT AND OVERLAPPING MILLAGE		
	OPERATING MILLAGE	DEBT SERVICE MILLAGE	TOTAL CITY MILLAGE	State of Washington	KING COUNTY OPERATING MILLAGE	KING COUNTY DEBT SERVICE MILLAGE	Port (Operating and Debt)	Total Consolidated Levy (State, County & Port)	SPECIAL DISTRICTS <sup>1</sup>	OPERATING MILLAGE	DEBT SERVICE MILLAGE	BUILDING FUND MILLAGE		TOTAL SCHOOL MILLAGE	TOTAL OVERLAPPING MILLAGE
2006	3.04482	0.07088	3.11570	2.49787	1.09915	0.22954	0.23330	4.05986	0.80982	1.53290	2.42680	-	3.95970	8.82938	11.94508
2007	2.82148	0.06252	2.88400	2.32535	1.08814	0.20142	0.23158	3.84649	0.76273	1.40073	2.04586	-	3.44659	8.05581	10.93981
2008	2.57052	0.05330	2.62382	2.13233	1.04278	0.16492	0.22359	3.56362	0.96354	1.26082	1.36572	-	2.62654	7.15370	9.77752
2009	2.36923	-	2.36923	1.96268	0.95271	0.14501	0.19700	3.25740	0.88686	1.42951	1.71049	0.30056	3.44056	7.58482	9.95405
2010	2.71184	-	2.71184	2.22253	1.16171	0.12328	0.21597	3.72349	0.94152	1.70401	1.69983	0.33997	3.74381	8.40882	11.12066
2011	2.83207	-	2.83207	2.27990	1.14534	0.19282	0.22366	3.84172	1.47089	1.86118	1.85585	0.35198	4.06901	9.38162	12.21369
2012	3.10000	-	3.10000	2.42266	1.21477	0.20111	0.22982	4.06836	1.41988	2.08341	2.18222	0.37368	4.63931	10.12755	13.22755
2013	3.10000	-	3.10000	2.56720	1.34165	0.19885	0.23324	4.34094	1.50331	2.49448	2.30546	0.55769	5.35763	11.20188	14.30188
2014	3.15158	-	3.15158	2.47044	1.32983	0.18622	0.21533	4.20182	1.55393	2.44841	2.43218	0.52436	5.40495	11.16070	14.31228
2015	2.83283	-	2.83283	2.28514	1.19644	0.14878	0.18885	3.81921	1.44353	2.41546	1.71412	0.46343	4.59301	9.85575	12.68858

Source: King County Codes and Levies

<sup>1</sup> Special Districts include Emergency Medical Services, Hospital districts, Library and Flood Zones

TABLE 12  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS



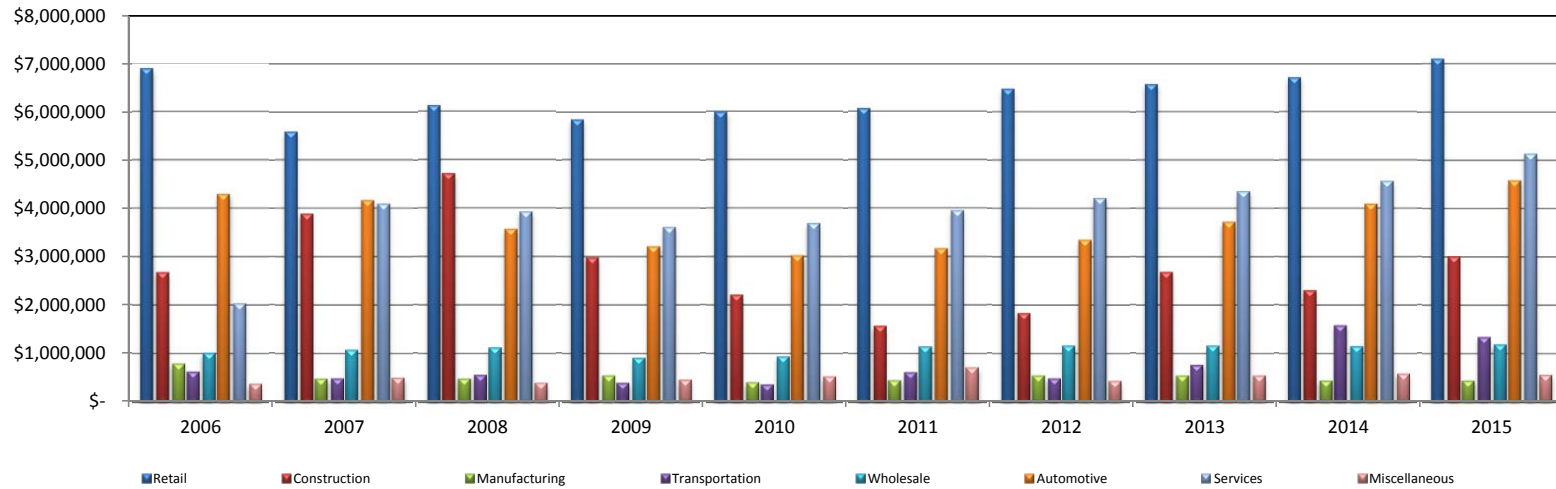
FISCAL YEAR	TOTAL TAX LEVY FOR FISCAL YEAR	COLLECTED WITHIN THE <sup>1</sup> FISCAL YEAR OF THE LEVY		COLLECTIONS <sup>1,2</sup> IN SUBSEQUENT YEARS	TOTAL COLLECTIONS TO DATE <sup>2</sup>	
		AMOUNT	% OF LEVY		AMOUNT	% OF LEVY
2006	\$ 22,796,225	\$ 22,339,299	98.0%	\$ 456,839	\$ 22,796,137	100.0%
2007	24,049,060	23,585,143	98.1%	464,039	24,049,181	100.0%
2008	27,188,522	26,722,301	98.3%	466,090	27,188,391	100.0%
2009	31,058,589	30,249,856	97.4%	794,896	31,044,753	100.0%
2010	32,057,010	31,283,546	97.6%	769,382	32,052,928	100.0%
2011	32,166,084	31,538,875	98.1%	626,594	32,165,469	100.0%
2012	33,333,628	32,904,890	98.1%	401,673	33,306,562	99.9%
2013	32,606,827	32,170,706	98.7%	380,032	32,170,706	98.7%
2014	35,524,457	35,054,493	98.7%	323,835	35,054,493	98.7%
2015	36,477,361	36,026,892	98.8%	N/A	36,026,892	98.8%

Sources:

<sup>1</sup> Annual Tax Receivable Summary from King County

<sup>2</sup> Includes Collections and Levy Changes in subsequent years

TABLE 13  
SALES TAX COLLECTIONS BY SECTOR  
LAST TEN FISCAL YEARS

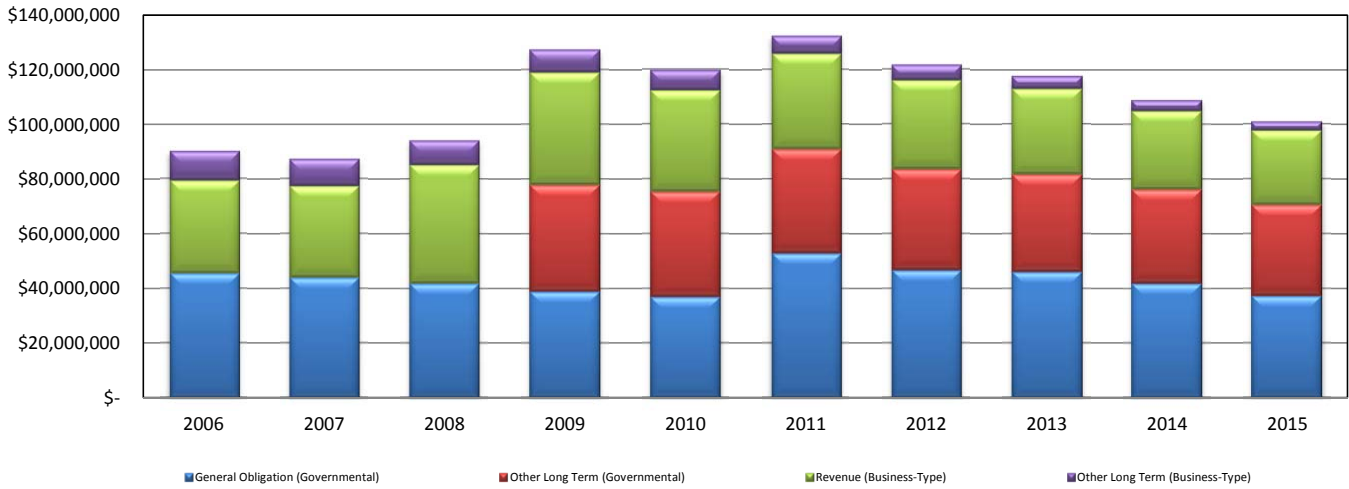


	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>RETAIL TRADE SECTOR</b>										
Furniture	\$ 1,276,644	\$ 1,245,901	\$ 1,199,045	\$ 1,065,605	\$ 1,143,289	\$ 1,186,244	\$ 1,320,786	\$ 1,461,950	\$ 1,552,003	\$ 1,670,492
Electronics and Appliances	1,130,621	1,143,188	1,137,586	1,036,569	1,086,334	988,355	962,595	742,150	785,507	815,051
General Merchandise	1,100,217	1,169,225	1,462,858	1,573,716	1,646,351	1,652,442	1,722,213	1,707,695	1,733,558	1,826,260
Misc Retail Trade	928,083	658,429	756,662	625,320	558,709	594,226	614,814	661,905	653,772	635,438
Others	2,464,896	1,378,094	1,574,482	1,538,600	1,563,101	1,649,231	1,862,533	2,003,901	1,992,620	2,166,015
<b>Subtotal Retail</b>	<b>6,900,461</b>	<b>5,594,837</b>	<b>6,130,633</b>	<b>5,839,810</b>	<b>5,997,784</b>	<b>6,070,498</b>	<b>6,482,942</b>	<b>6,577,601</b>	<b>6,717,460</b>	<b>7,113,256</b>
<b>OTHER SECTORS</b>										
Construction	2,688,902	3,898,202	4,725,533	2,991,530	2,218,377	1,576,127	1,844,545	2,694,710	2,316,188	3,019,042
Manufacturing	797,166	488,244	483,388	549,265	410,896	452,778	551,622	552,474	446,615	448,230
Transportation	628,918	494,866	567,401	400,848	366,556	620,297	492,237	770,889	1,592,590	1,351,087
Wholesale	1,016,468	1,083,059	1,131,445	915,885	941,315	1,148,660	1,169,432	1,174,007	1,157,750	1,198,961
Automotive	4,303,221	4,176,747	3,575,928	3,215,641	3,035,251	3,179,418	3,361,196	3,731,241	4,104,744	4,597,151
Services	2,039,090	4,103,240	3,939,201	3,616,076	3,694,342	3,960,151	4,221,446	4,362,344	4,576,039	5,145,373
Miscellaneous	378,233	503,000	402,360	466,785	533,667	721,805	441,252	553,106	590,685	566,166
<b>Subtotal - Other Sectors</b>	<b>11,851,999</b>	<b>14,747,358</b>	<b>14,825,256</b>	<b>12,156,029</b>	<b>11,200,404</b>	<b>11,659,237</b>	<b>12,081,729</b>	<b>13,838,771</b>	<b>14,784,611</b>	<b>16,326,010</b>
<b>Total Sales Tax</b>	<b>\$ 18,752,460</b>	<b>\$ 20,342,195</b>	<b>\$ 20,955,889</b>	<b>\$ 17,995,840</b>	<b>\$ 17,198,187</b>	<b>\$ 17,198,187</b>	<b>\$ 17,729,735</b>	<b>\$ 20,416,372</b>	<b>\$ 21,502,071</b>	<b>\$ 23,439,266</b>

Source : City of Renton Finance Division

In 2007 the State of Washington changed industry classification from the Standard Industry Classification (SIC) to the North American Industry Classification System (NAICS). This change reclassified various other retail activities to the expanded service classification.

TABLE 14  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS



FISCAL YEAR	GOVERNMENTAL ACTIVITIES			BUSINESS-TYPE ACTIVITIES		TOTAL PRIMARY GOVERNMENT DEBT	PERCENTAGE OF PERSONAL INCOME <sup>1</sup>	DEBT PER CAPITA	% of Actual Taxable Value of Property
	GENERAL OBLIGATION BONDS	SPECIAL ASSESSMENT BONDS	OTHER GENERAL OBLIGATION <sup>2</sup>	REVENUE BONDS	OTHER LONG TERM DEBT				
2006	\$ 45,584,314	\$ -	\$ -	\$ 33,840,000	\$ 10,716,520	\$ 90,140,834	8.59%	\$ 1,495	1.23%
2007	44,017,551	-	-	33,405,000	9,878,951	87,301,502	8.17%	1,108	1.04%
2008	41,938,000	-	-	43,310,000	8,968,894	94,216,894	8.57%	1,126	0.98%
2009	39,039,834	-	38,973,547	41,110,000	8,284,962	127,408,343	12.36%	1,401	0.96%
2010	36,990,612	-	38,511,875	36,955,000	7,357,546	119,815,033	11.26%	1,294	1.01%
2011	52,993,407	-	38,053,639	34,926,581	6,443,218	132,416,845	11.62%	1,410	1.15%
2012	46,743,675	-	36,891,722	32,492,802	5,538,929	121,667,128	10.09%	1,273	1.12%
2013	46,103,944	-	35,692,283	31,208,819	4,660,282	117,665,328	9.17%	1,232	1.11%
2014	41,882,832	-	34,470,753	28,677,301	3,951,670	108,982,556	7.61%	1,122	0.96%
2015	37,399,331	-	33,203,128	27,175,783	3,248,163	101,026,405	N/A	1,026	0.78%

Source : City of Renton Finance Division

<sup>1</sup>The percentage of Personal Income column is based on personal income of King County. (See Table 19). Renton data is not available.

<sup>2</sup>Other GO debt includes debt issued by related entities that are backed by the City's full faith and credit as well as intergovernmental loans.

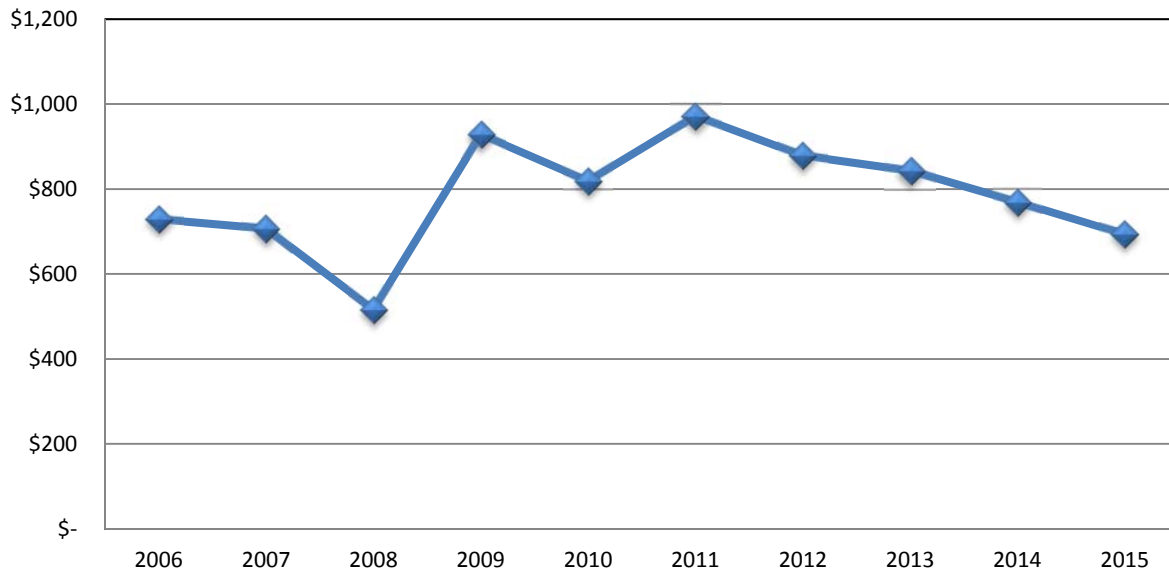
TABLE 15  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>LEGAL DEBT MARGIN CALCULATION</b>										
Taxable Assessed value	\$ 7,334,476,542	\$ 8,370,801,505	\$ 9,659,677,654	\$ 13,233,244,780	\$ 11,884,728,440	\$ 11,480,466,361	\$ 10,815,458,517	\$ 10,588,721,199	\$ 11,332,326,913	\$ 12,936,757,619
Total Taxable Assessed Value	<u>7,334,476,542</u>	<u>8,370,801,505</u>	<u>9,659,677,654</u>	<u>13,233,244,780</u>	<u>11,884,728,440</u>	<u>11,480,466,361</u>	<u>10,815,458,517</u>	<u>10,588,721,199</u>	<u>11,332,326,913</u>	<u>12,936,757,619</u>
Debt limit										
1.5% of General purpose limit, non-voted	110,017,148	125,562,023	144,895,165	198,498,672	178,270,927	172,206,995	162,231,878	158,830,818	169,984,904	194,051,364
1.0% General purpose limit, voted	73,344,765	83,708,015	96,596,777	132,332,448	118,847,284	114,804,664	108,154,585	105,887,212	113,323,269	129,367,576
2.5% General purpose combined limit	183,361,914	209,270,038	241,491,941	330,831,120	297,118,211	287,011,659	270,386,463	264,718,030	283,308,173	323,418,940
2.5% Utility purpose limit, voted	183,361,914	209,270,038	241,491,941	330,831,120	297,118,211	287,011,659	270,386,463	264,718,030	283,308,173	323,418,940
2.5% Open space, park facilities, voted	183,361,914	209,270,038	241,491,941	330,831,120	297,118,211	287,011,659	270,386,463	264,718,030	283,308,173	323,418,940
Total debt limit	<u>550,085,741</u>	<u>627,810,113</u>	<u>724,475,824</u>	<u>992,493,359</u>	<u>891,354,633</u>	<u>861,034,977</u>	<u>811,159,389</u>	<u>794,154,090</u>	<u>849,924,518</u>	<u>970,256,821</u>
Debt applicable to limit										
General obligation bonds	45,584,314	44,017,551	41,938,000	36,990,612	52,993,407	46,743,675	46,103,944	41,882,832	41,882,832	37,399,331
Other long term debt	-	-	-	-	38,511,875	38,053,639	36,891,722	35,692,283	34,470,753	33,203,128
Total Debt	<u>45,584,314</u>	<u>44,017,551</u>	<u>41,938,000</u>	<u>36,990,612</u>	<u>91,505,282</u>	<u>84,797,314</u>	<u>82,995,666</u>	<u>77,575,115</u>	<u>76,353,585</u>	<u>70,602,459</u>
Less: Amount set aside for repayment of general obligation debt and contracts payable	(3,068,586)	(1,392,915)	(1,270,936)	(367,652)	(1,009,555)	(1,032,360)	(1,160,000)	(1,279,231)	(1,639,891)	(2,368,177)
Total net debt applicable to limit	<u>42,515,728</u>	<u>42,624,636</u>	<u>40,667,064</u>	<u>36,622,960</u>	<u>90,495,727</u>	<u>83,764,954</u>	<u>81,835,666</u>	<u>76,295,884</u>	<u>74,713,694</u>	<u>68,234,282</u>
Legal debt margin	<u>\$ 507,570,013</u>	<u>\$ 585,185,477</u>	<u>\$ 683,808,760</u>	<u>\$ 955,870,399</u>	<u>\$ 800,858,906</u>	<u>\$ 777,270,023</u>	<u>\$ 729,323,722</u>	<u>\$ 717,858,206</u>	<u>\$ 775,210,825</u>	<u>\$ 902,022,540</u>
Percentage of net debt to debt limit	7.73%	6.79%	5.61%	3.69%	10.15%	9.73%	10.09%	9.61%	8.79%	7.03%

Source : City of Renton Finance Division

State law provides that debt cannot be incurred in excess of the following percentages of the value of the taxable property of the City: 1.5 percent without a vote of the people; 2.5 percent with a vote of the people; 5.0 percent with a vote of the people, provided the indebtedness in excess of 2.5 percent is for utilities; and 7.5 percent with a vote of the people provided the indebtedness in excess of 5.0 percent is for open space development and parks facilities.

TABLE 16  
PER CAPITA GENERAL OBLIGATION DEBT  
LAST TEN FISCAL YEARS



FISCAL YEAR	GENERAL OBLIGATION DEBT		NET GENERAL OBLIGATION DEBT	% OF GO BOND <sup>2</sup> DEBT TO ASSESSED VALUE		PER <sup>3</sup> CAPITA
	GENERAL OBLIGATION DEBT	LESS: AMOUNTS <sup>1</sup> AVAILABLE	NET GENERAL OBLIGATION DEBT	ASSESSED <sup>2</sup> VALUE	ASSESSED VALUE	
2006	\$ 45,584,314	\$ 3,068,586	\$ 42,515,728	\$ 7,334,476,542	0.58%	\$ 729
2007	44,017,551	1,392,915	42,624,636	8,370,801,505	0.51%	707
2008	41,938,000	1,270,936	40,667,064	9,659,677,654	0.42%	516
2009	78,013,381	367,652	77,645,729	13,233,244,780	0.59%	928
2010	75,502,487	1,009,555	74,492,932	11,884,728,440	0.63%	819
2011	91,047,046	1,032,360	90,014,686	11,480,466,361	0.78%	972
2012	83,635,397	1,160,000	82,475,397	10,815,458,517	0.76%	878
2013	81,796,227	1,279,231	80,516,996	10,588,721,199	0.76%	843
2014	76,353,585	1,639,891	74,713,694	11,332,326,913	0.66%	769
2015	70,602,459	2,368,177	68,234,282	12,936,757,619	0.53%	693

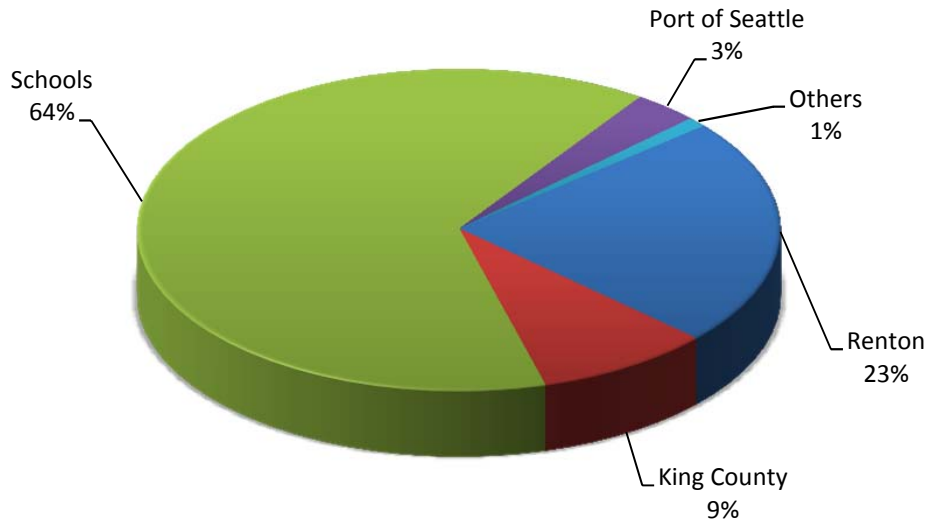
Source:

<sup>1</sup> City of Renton Finance Division

<sup>2</sup> King County Department of Assessments

<sup>3</sup> Population Data can be found in Table 19

TABLE 17  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT



<u>GOVERNMENTAL UNIT</u>	<u>Debt Outstanding<sup>1</sup></u>	<u>Estimated Percent Applicable<sup>2</sup></u>	<u>Estimated Share of overlapping debt</u>
<i>City of Renton Direct Debt</i>	\$ 70,602,459	100%	\$ 70,602,459
<i>City of Renton Overlapping Debt <sup>4</sup></i>			
King County <sup>3</sup>	\$ 816,188,684	3.33%	\$ 27,179,083
Port of Seattle	305,535,000	3.33%	10,174,316
Renton School District #403	264,746,317	69.63%	184,342,861
Issaquah School District #411	385,312,950	2.84%	10,942,888
Kent School District #415	138,296,723	0.75%	1,035,566
Fire District 10-1	4,440,211	0.09%	4,187
Fire District 40-1	4,587,066	42.00%	1,926,476
King County Library	108,262,805	1.03%	1,115,107
<i>City of Renton Overlapping Debt</i>			\$ 236,720,483
<b>Total Direct and Overlapping Debt</b>			<b>\$ 307,322,942</b>

Sources:

<sup>1</sup> King County Department of Executive Services

<sup>2</sup> King County Department of Assessments

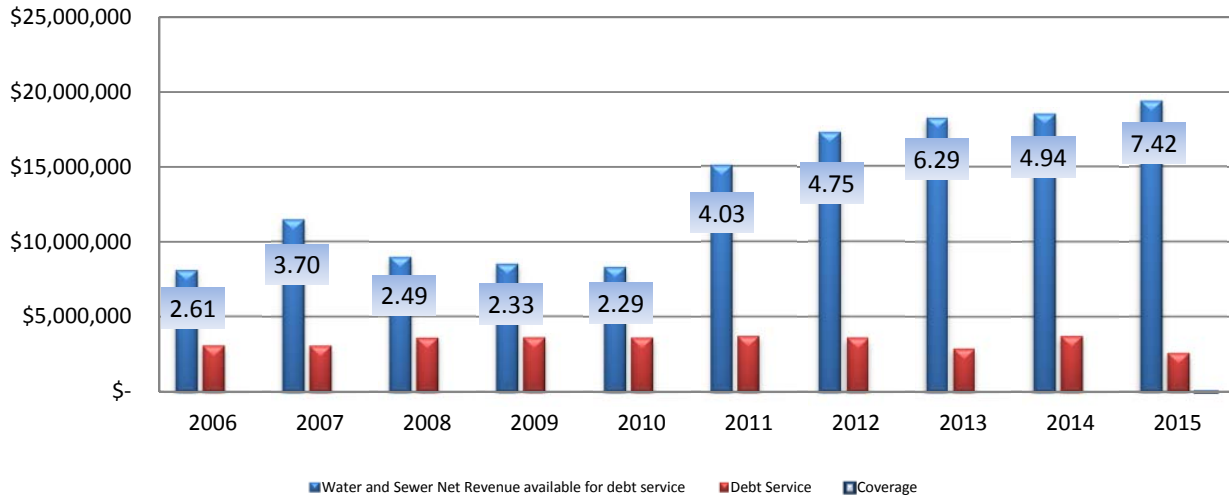
<sup>3</sup> King County's gross outstanding debt excludes available cash in debt service funds, proprietary-type debt, debt financed from component unit, credit enhanced program, and hotel/motel tax debt.

<sup>4</sup> Overlapping percentages are determined by checking within the levy codes of the reporting district to see which taxing districts overlap with that reporting district. For example, within levy code 2100, the Renton School District and the King County Library district overlap with the city and both have debt. Since they both have debt and they overlap with the City, those two districts are reported and the value within that levy code is reported as overlapping with the school and library districts.



TABLE 18  
 PLEDGED-REVENUE COVERAGE  
 LAST TEN FISCAL YEARS

WATER AND SEWER REVENUE BONDS:



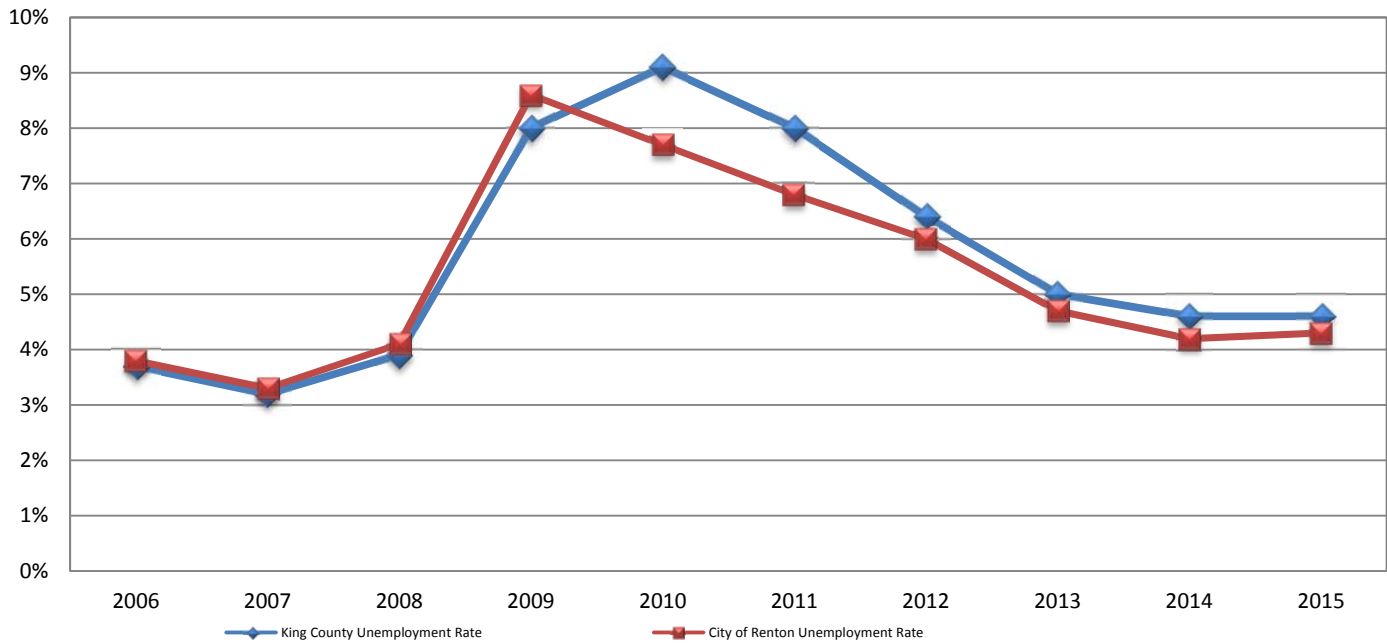
Fiscal Year	Revenue			Debt Service		Ratio
	Revenue <sup>2</sup>	Expenses without Taxes/Depreciation	Net Revenue Available for Debt Service	Principal	Interest	Coverage <sup>1</sup>
2006	\$ 26,395,092	\$ 18,288,618	\$ 8,106,474	\$ 1,680,000	\$ 1,430,199	2.61
2007	31,497,106	19,983,136	11,513,970	1,740,000	1,373,036	3.70
2008	30,186,705	21,195,370	8,991,335	1,810,000	1,803,687	2.49
2009	32,853,359	24,341,586	8,511,773	1,890,000	1,758,589	2.33
2010	33,885,499	25,546,607	8,338,892	1,955,000	1,689,455	2.29
2011	40,538,269	25,424,551	15,113,718	2,030,000	1,716,503	4.03
2012	44,534,579	27,225,957	17,308,622	2,115,000	1,529,260	4.75
2013	45,849,249	27,538,433	18,310,816	1,650,000	1,262,177	6.29
2014	48,247,542	29,685,885	18,561,657	2,545,000	1,212,328	4.94
2015	50,143,096	30,737,021	19,406,075	1,515,000	1,101,575	7.42

Source: City of Renton Finance Division

<sup>1</sup> Bond financing requirements are that the average annual coverage is at least 1.25 times the annual debt service for Water and Sewer revenue bonds.

<sup>2</sup> Revenue includes interest revenue, and excludes interfund taxes.

TABLE 19  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS



FISCAL YEAR	POPULATION <sup>1</sup>		PERSONAL INCOME <sup>2</sup>	PER CAPITA PERSONAL INCOME <sup>3</sup>	MEDIAN AGE <sup>4</sup>	SCHOOL ENROLLMENT <sup>5</sup>	UNEMPLOYMENT RATE <sup>6</sup>	
	KING COUNTY	RENTON	KING COUNTY	KING COUNTY		RENTON SCHOOL DISTRICT	KING COUNTY	RENTON
2006	1,822,967	58,360	\$ 99,609,451,000	\$ 54,641	36.93	13,397	3.7%	3.8%
2007	1,847,986	60,290	106,693,888,000	57,735	36.97	13,570	3.2%	3.3%
2008	1,875,020	78,780	109,927,858,000	58,628	37.00	13,836	3.9%	4.1%
2009	1,912,012	83,650	103,120,593,000	53,933	37.08	13,977	8.0%	8.6%
2010	1,937,809	90,927	106,401,739,000	54,908	37.24	13,600	9.1%	7.7%
2011	1,971,602	92,590	113,922,436,000	57,782	37.40	14,440	8.0%	6.8%
2012	2,007,440	93,910	120,627,950,000	60,090	37.72	14,590	6.4%	6.0%
2013	1,981,900	95,540	128,330,859,000	62,770	37.70	14,783	5.0%	4.7%
2014	2,017,250	97,130	143,260,986,000	68,877	37.74	15,080	4.6%	4.2%
2015	2,052,800	98,470	*	*	37.26	15,241	4.6%	4.3%

Sources:

<sup>1</sup> Washington State Office of Financial Management - prior year data updated to reflect actuals where adjusted

<sup>2</sup> U.S. Bureau of Economic Analysis. Data shown is for King County. Specific data for the City of Renton is not available.

<sup>3</sup> U.S. Bureau of Economic Analysis. Data shown is for King County. Specific data for the City of Renton is not available.

<sup>4</sup> Washington State Office of Financial Management

<sup>5</sup> Enrollment is based on entire Renton School District, which includes schools located outside city boundaries but excludes schools of Kent and Issaquah school districts located within Renton city limits.

<sup>6</sup> US Bureau of Labor Statistics; annual rates, not seasonally adjusted, 2010-2014 are provisional and subject to change

\* Data not available at time of publication

TABLE 20  
PRINCIPAL EMPLOYERS

<u>EMPLOYER</u>	2015			2006		
	<u>EMPLOYEES</u>	<u>RANK</u>	<u>CITY</u>	<u>EMPLOYEES</u>	<u>RANK</u>	<u>CITY</u>
Boeing Company	15,749	1	30.95%	11,942	1	29.38%
Valley Medical Center	2,462	2	4.84	2,346	2	5.77
Renton School District No. 403	1,490	3	2.93	1,353	4	3.33
DOT - Federal Aviation Administration	1,450	4	2.85	860	5	2.12
PACCAR	1,297	5	2.55	1,749	3	4.30
Providence Wa Regional Svcs	1,287	6	2.53	---	---	---
City Of Renton	701	7	1.38	620	6	1.53
King County	611	8	1.20	---	---	---
Kroger	475	9	0.93	---	---	---
Renton Technical College	377	10	0.74	---	---	---
ER Solutions	---	---	---	428	7	1.05
Young's - Columbia of Washington, LLC	---	---	---	402	8	0.99
Walmart	---	---	---	378	9	0.93
IKEA	---	---	---	361	10	0.89
Total Principal Employers	<u>25,899</u>		<u>50.89%</u>	<u>20,439</u>		<u>50.28%</u>
Total All Other Employers	<u>24,991</u>		<u>49.11%</u>	<u>20,211</u>		<u>49.72%</u>
Total Employees working within Renton	<u><u>50,890</u></u>		<u><u>100.00%</u></u>	<u><u>40,650</u></u>		<u><u>100.00%</u></u>

Source: City of Renton Business license records and individual inquiries

TABLE 21  
 FULL TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION  
 LAST TEN FISCAL YEARS

FUNCTION	2006	2007	2008 <sup>1</sup>	2009 <sup>2</sup>	2010 <sup>3</sup>	2011	2012 <sup>4</sup>	2013	2014	2015
General Government	89.5	95.0	155.6	163.8	143.3	143.5	147.3	135.4	139.4	143.4
Public Safety										
Police										
Commissioned Officers	97.0	122.0	124.0	121.0	123.0	123.0	123.0	121.5	119.0	121.0
Non-Commissioned Officers	42.2	49.2	51.2	46.4	44.4	28.4	28.4	28.4	29.4	29.4
Fire										
Commissioned Officers	106.0	109.0	118.0	137.0	136.0	145.0	145.0	140.0	145.0	145.0
Non-Commissioned Officers	14.0	16.0	17.0	18.0	16.0	16.0	16.0	16.0	16.0	16.0
Public Works										
Administration	46.5	49.0	4.0	3.5	3.0	3.0	3.0	3.0	3.0	2.0
Transportation Systems	35.5	40.5	41.0	37.0	33.0	33.0	33.0	31.0	31.0	31.0
Utility Systems	24.8	29.3	36.7	37.7	29.5	29.5	25.5	23.5	23.5	25.5
Maintenance Services	64.1	71.0	88.0	83.0	78.0	78.0	80.0	80.0	82.0	82.0
Culture and Recreation										
Parks/Recreation/Facilities/Human Svs	76.5	81.0	89.5	86.3	81.8	82.8	83.6	80.0	80.0	80.0
Library	13.0	14.0	14.0	15.0	0.0	0.0	0.0	0.0	0.0	0.0
Museum	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Golf Course	10.0	10.0	10.0	9.5	9.5	9.5	9.5	9.5	9.5	9.5
<b>Total</b>	<b>620.0</b>	<b>687.0</b>	<b>750.0</b>	<b>759.2</b>	<b>698.5</b>	<b>692.7</b>	<b>695.2</b>	<b>669.3</b>	<b>678.8</b>	<b>685.8</b>

Source: City of Renton Finance Division

<sup>1</sup> In 2008, Development Services moved from Public Works to Community and Economic Development which is listed under General Government.

<sup>2</sup> In 2009, increase in Administrative, Judicial & Legal Services includes moving Legal Services in-house and creation of a Communications Division which was a reorganization of staffing from the Finance and Information Services Department and the Mayors Office

<sup>3</sup> Operations of the Renton libraries transferred to King County Library System (KCLS) in 2010 as a result of voter-approved annexation

<sup>4</sup> Farmers's Market Program was moved from Community and Economic Department to Community Services Department in 2012.

TABLE 22  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
FUNCTION										
Public Safety										
Police										
Physical arrests	2,489	2,925	3,580	3,748	3,464	2,810	1,968	1,725	1,515	1,653
Parking violations	3,520	5,995	5,117	6,795	4,748	4,757	4,855	4,799	4,049	4,464
Traffic violations	10,172	9,148	10,705	14,220	13,829	8,805	7,943	8,388	5,925	4,828
Photo Enforcement Violations <sup>1</sup>	---	---	13,342	27,509	21,157	21,301	22,036	15,733	21,015	25,562
Infractions non traffic	192	330	268	314	240	446	16	210	149	125
Criminal non traffic	1,253	1,503	1,332	1,739	1,623	1,687	1,279	1,346	1,522	1,466
Fire										
Number of calls answered	10,096	10,159	12,402	12,840	13,045	12,752	13,667	13,848	14,337	14,945
Inspections	3,505	3,197	2,772	2,968	2,620	2,300	1,807	689	997	2,517
Transportation										
Street resurfacing (miles)	3.86	1.59	2.59	3.08	2.65	2.07	2.19	0.84	2.82	1.67
Aircraft Operations	82,979	94,415	100,928	83,269	80,679	80,005	93,406	93,911	100,544	112,335
Physical/Economic Environment										
Building Permits Received	3,947	4,281	3,856	3,450	3,646	3,642	3,912	4,237	4,287	4,898
Building Permits Issued	3,899	4,103	3,749	3,336	3,562	3,555	3,765	4,038	4,204	4,691
Public Works Permits Received	1,741	1,954	1,547	1,254	1,182	1,334	1,337	1,488	1,526	1,472
Public Works Permits Issued	1,682	1,794	1,457	1,205	1,162	1,245	1,328	1,411	1,493	1,359
Solid Waste Utility										
Recyclables collected (tons/yr)	4,843	5,004	5,395	9,653	9,836	12,565	13,509	13,616	13,993	15,218
Culture and Recreation										
Athletic field attendance	155,000	91,053	93,000	93,000	93,000	93,000	94,000	94,000	94,000	93,000
Community Center admissions	177,761	162,476	155,000	150,000	150,000	150,000	155,000	155,000	172,302	170,000
Rounds of Golf <sup>2</sup>	---	62,190	61,100	60,300	55,450	54,350	58,680	56,180	55,600	56,775
Waterworks Utility										
Metered connection	16,668	16,958	17,172	17,295	17,368	17,370	17,422	17,929	17,971	17,864
Average daily consumption (thousands of gallons)	7,999	8,008	7,388	7,585	6,750	6,650	6,483	6,553	6,775	7,199
Peak daily consumption (thousands of gallons)	15,271	14,750	12,739	14,814	12,826	12,476	11,445	12,361	12,411	13,590

Source: City of Renton

<sup>1</sup> Photo Enforcement began in 2008.

<sup>2</sup> Data for prior years not available.

TABLE 23  
 UTILITY SYSTEMS SUPPLEMENTAL OPERATING INFORMATION  
 LAST TEN FISCAL YEARS <sup>1</sup>  
 Page 1 of 2

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>City Population</b>	58,360	60,290	78,780	83,650	90,927	92,590	93,910	95,540	97,130	98,470
<b>Water System</b>										
Service Area Population	--	--	--	--	--	--	--	62,100	60,000	67,125
Number of Connections:										
Single Family	12,786	13,324	13,440	13,500	13,594	13,739	13,876	13,942	13,764	14,083
Multi-Family, Commercial, Industrial	2,725	2,526	2,542	2,555	2,559	2,591	2,542	2,542	2,715	2,541
Irrigation	651	673	697	704	714	721	733	734	726	738
Fire Service	500	520	544	576	604	624	645	652	652	663
Other <sup>2</sup>	37	60	86	66	55	53	60	59	116	74
Total Connections	16,699	17,103	17,309	17,401	17,526	17,728	17,856	17,929	17,973	18,099
Water Production/Consumption (in hundreds of cubic feet - ccf)										
(in hundreds of cubic feet - ccf)										
Purchased	--	9	0	0	27,282	88,645	51,087	43,815	47,774	54,951
Production	--	3,907,285	3,614,732	3,701,040	3,293,586	3,244,628	3,172,169	3,197,643	3,306,194	3,512,789
Consumption	--	3,160,023	2,934,273	3,069,020	2,827,935	2,899,443	2,955,531	2,937,989	2,938,282	3,094,114
Non-revenue	--	747,271	680,459	632,020	492,933	433,830	267,725	303,469	415,686	473,626
Consumption (thousands of gallons)										
Average Daily	7,999	8,008	7,388	7,585	6,750	6,650	6,483	6,553	6,775	7,199
Peak Daily	15,271	14,750	12,739	14,814	12,826	12,476	11,445	12,361	12,411	13,590
<b>Sewer System</b>										
Service Area Population	--	--	--	--	--	--	--	--	80,780	81,759
Number of Connections:										
Single Family	12,979	13,628	13,904	14,121	14,452	14,675	14,953	15,183	15,154	15,173
Multi-Family, Commercial, Industrial, Other	4,267	2,401	2,446	2,453	2,451	2,457	2,453	2,450	2,708	2,713
Total Connections	17,246	16,029	16,350	16,574	16,903	17,132	17,406	17,633	17,862	17,886
<b>Storm Drainages System</b>										
Service Area Population	--	--	--	--	--	--	--	--	97,130	98,470
Number of Connections:										
Single Family	14,137	14,651	19,900	20,329	20,747	20,980	21,521	21,756	21,893	22,125
Multi-Family, Commercial, Industrial, Other	1,607	1,640	1,799	1,873	1,813	1,847	1,761	1,738	1,728	1,732
Total Connections	15,744	16,291	21,699	22,202	22,560	22,827	23,282	23,494	23,621	23,857
<b>Solid Waste</b>										
Service Area Population	--	--	--	--	--	--	--	--	--	--
Number of Connections:										
Single Family		13,040	13,091	16,385	16,350	16,688	16,927	16,958	17,000	17,154
Multi-Family, Commercial, Industrial, Other		1,487	1,483	1,665	1,612	1,581	1,569	1,535	1,533	1,589
Total Connections	--	14,527	14,574	18,050	17,962	18,269	18,496	18,493	18,533	18,743

<sup>1</sup> Data for prior years provided where available.

<sup>2</sup> Includes wholesale water provided to the Skyway Water and Sewer District through a single metered connection.

TABLE 24  
CAPITAL ASSETS STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
FUNCTION										
Public safety										
Police Stations	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Police Patrol Districts	7.0	7.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Fire stations	5.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0
Transportation										
Street (miles)	224.6	233.7	263.8	263.8	264.5	266.1	266.1	266.1	294.0	304.1
Streetlights	3,283	3,496	3,726	3,864	3,935	4,015	4,172	4,182	4,302	4,342
Culture and recreation										
Parks acreage	1,160.0	1,160.0	1,181.0	1,183.0	1,183.0	1205.8 <sup>1</sup>	1,210.0	1,211.0	1,213.5	1,222.0
Parks	26.0	28.0	29.0	30.0	30.0	32.0 <sup>2</sup>	32.0	32.0	32.0	32.0
Swimming pools	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Tennis courts	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0	17.0
Community centers	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Waterworks Utility										
Water mains (miles)	295.0	300.0	304.0	305.0	305.0	305.0	306.0	308.0	304.6	307.5
Fire hydrants	3,440	3,544	3,602	3,624	3,651	3,639	3,655	3,670	3,697	3,740
Sanitary sewers (miles)	204.9	206.3	215.7	216.4	217.7	219.3	219.9	223.4	225.9	231.2
Storm sewers (miles)	219.7	222.3	267.5	273.8	274.9	276.1	278.5	282.0	267.7	265.6

<sup>1</sup>Includes Natural Area acreage, and developed/undeveloped park acreage for Neighborhood Parks, Community Parks, Regional Parks, Special Use Parks and Corridors

<sup>2</sup>Developed Neighborhood, Community, Regional and Special Use Parks only. Two new parks were part of Benson Hill Annexation not previously accounted for – Parkwood South Div #3 and SE 186th Place Properties.

Source: City of Renton Departments