



2020

Popular Annual Financial Report



City of Lakewood, WA

For the Year Ended December 31, 2020

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What is the Popular Annual Financial Report?

The report provides an overview of the City's financial position (the government as a whole), including its sources of revenues and expenditures, as well as economic information about the community. The Popular Annual Financial Report (PAFR) of the City of Lakewood (The City) is designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance. A glossary of financial terms can be found at the end of the report.

The highly summarized financial activity presented in the 2020 PAFR was extracted from the 2020 Annual Comprehensive Financial Report (ACFR) with additional historical data taken from the 2019 and 2018 reports. The ACFR is prepared in conformance with Generally Accepted Accounting Principles (GAAP) which requires presentation of complete financial statements, notes to the financial statements, and required supplementary information, including management's discussion and analysis. The City's 2020 ACFR received an unmodified (clean) opinion from the Washington State Auditor's Office (SAO).

The PAFR, in contrast to the ACFR, is unaudited and omits significant GAAP requirements. In terms of scope, only financial data for the governmental activities (those normally supported by taxes, grants and other financial assistance) is presented. Excluded is the City's lone business-type fund, Surface Water Management, a self-supporting operation funded mostly from user fees. Other deviations from GAAP are the non-inclusion of individual funds and the absence of certain required disclosures and analyses. The PAFR uses the same basis of accounting and measurement focus as the government-wide statements in the ACFR.

Individuals who desire to read the City's ACFR can access the report from the City's website at www.cityoflakewood.us, or by contacting the Finance Division at 6000 Main Street SW, Lakewood, WA 98499, phone (253) 983-7706 or email tkraus@cityoflakewood.us.

The City of Lakewood

Lakewood is an optional code city that was incorporated in 1996. The City is the second-largest city in Pierce County and the 18th largest in the state of Washington. It encompasses 18.9 square miles, of which 17.2 square miles is land and 1.8 square miles is water. The City is the host community to Joint Base Lewis-McChord (JBLM), the largest joint-base on the West Coast and one of the largest in the U.S. The City is strategically located along the I-5 corridor, situated 42 miles from the City of Seattle to the north and 22 miles from Olympia, the State capital, to the south. It is also only 38 miles from SeaTac International Airport. The city borders Joint Base Lewis-McChord (JBLM), Camp Murray (home to the Washington National Guard), and the City of Tacoma. The City is a hub for activity at the Ports of Tacoma, Olympia and Seattle and is the home to several beautiful lakes and wonderful historic treasures such as Fort Steilacoom Park, Lakewood Gardens and Thornewood Castle. Lakewood is an ideal place to shop or lodge while visiting local destinations such as Mount Rainier or Chambers Bay.



Snapshot of the Community

- 60,030 residents
- 3,909 businesses
- 34,908 jobs
- 26,891 households
- Median age: 36



- Median household income: \$78.5K
 - Lakewood Industrial Park is fourth-largest private, for-profit employer in Pierce County and third-largest industrial business park in Washington.
 - **“2020 Governor’s Smart Communities Award for Smart Vision”** - Outstanding comprehensive plan, sub-area plan or county-wide planning policies
 - Interstate 5 and State Highway 512 pass through Lakewood. *Pierce Transit* and the *Sound Transit* (ST) systems, with stations adjacent to the I-5 Corridor and the *Lakewood Towne Center*, serve the community. The combination of services from these agencies provides excellent transportation to the greater Tacoma/Seattle area.



- Lakewood delivers a full range of local municipal services, including: police, jail and municipal court services; construction and maintenance of streets and traditional municipal infrastructure; stormwater collection and treatment; economic development and public improvements; building, planning and zoning; park and recreational activities; social and senior services; cultural events; and general administrative services.



- Fire services are provided by *West Pierce Fire and Rescue*.
- Garbage and recycling services are under contract with *Waste Connections*.
- *Tacoma Power*, *Puget Sound Energy* and *Lakeview Light and Power* deliver power to the area.
- Water is provided by the *Lakewood Water District* and sewer services are provided through Pierce County.

- **Night Market:** In 2020 State pandemic restrictions forced the City to move its traditional “Night Market” to Fort Steilacoom Park which is more wide-open and suitable to social distancing guidelines. The event garnered increased vendor sales as local demand for fresh produce in a safe environment was stimulated during the lockdown. The market features food trucks and local wine and beer in addition to local produce and handcraft.
- Boasts one of the only true *“International Districts”* in Pierce County, influenced by Korean, Vietnamese, Latino, Filipino and other ethnic cultures.



- Served by:
 - *Clover Park School District*, a modern K-12 public system with three schools in the 2020 U.S. News and World Report high school rankings
 - *Pierce College Fort Steilacoom*, a community college
 - *Clover Park Technical Colleges*

- Named one of the nation’s **“One Hundred Best Communities for Young People”** by America’s Promise Alliance six- years in a row.
- *Colonial Plaza* was recognized by The Economic Development Board for Tacoma-Pierce County as one of its **“Excellent 10”** projects because of its public space elements and its function as a catalyst for redevelopment in the city’s downtown area. Similarly, the City received the **“Platinum Healthy Community Award”** from the Tacoma-Pierce County Health Department for its redevelopment of Colonial Plaza.



By the Numbers

Top 7 Property Taxpayers (Amounts in thousands)

2020			2019			2018		
*AV = Assessed Value Taxpayer	Taxable AV *	% of TAV	Taxpayer	Taxable AV	% of TAV	Taxpayer	Taxable AV	% of TAV
Northwest Building LLC	\$ 201,460	2.5%	Northwest Building	\$ 202,563	2.7%	Northwest Building	\$176,400	2.5%
Seattle MSA Multifamily I	102,470	1.3%	BRE WA Village at Seeley L	89,027	1.2%	Puget Sound Energy/Gas	147,047	2.1%
RPAI Lakewood LLC	72,210	0.9%	RPAI Lakewood	73,361	1.0%	RPAI Lakewood	71,211	1.0%
Lakewood Project LLC	53,233	0.7%	Lakewood 231	42,578	0.6%	BRE WA Village at Seeley Lal	70,506	1.0%
Lakewood 231 LLC	49,026	0.6%	Tacoma Gateway Lakewoc	42,333	0.6%	Tacoma Gateway Lakewoc	38,058	0.5%
Beaumont Grand Owner l	43,696	0.5%	Beaumont Lakewood Asso	38,031	0.5%	Lakewood 231	32,752	0.5%
Tacoma Gateway Lakewo	43,116	0.5%	Lakha Lakewood Propertie	29,749	0.4%	Beaumont Lakewood Assoc	29,224	0.4%
Total Top 10 Taxpayer	\$ 565,210	7.0%	Total Top 10 Taxpayer	\$ 517,641	6.9%	Total Top 10 Taxpayer	\$ 565,199	8.2%
Total Assessed Value	\$ 8,111,199		Total Assessed Value	\$ 7,456,764		Total Assessed Value	\$ 6,929,745	

Top 7 Employers

Taxpayer	Type of Business	2020			2019			2018		
		Number of Employees	Rank	% of Total City Employment	Number of Employees	Rank	% of Total City Employment	Number of Employees	Rank	% of Total City Employment
Western State Hospital	Public - Mental Health	2,600	1	7.4%	2,600	1	7.4%	2,300	1	6.8%
Clover Park School District	Public - Education	1,782	2	4.8%	1,667	2	4.8%	1,667	2	4.9%
Pierce College	Public - Education	822	3	3.5%	1,239	3	3.5%	1,131	3	3.3%
St. Clare Hospital	Health Care	598	4	1.9%	682	6	2.0%	723	6	2.1%
Korean Woman's Assn	Health Care	510	5	1.6%	n/a	n/a	n/a	n/a	n/a	n/a
Aacres WA LLC	Private Social Services	450	6	1.5%	467	7	1.3%	587	7	1.7%
Wal-Mart	Retail	450	7	1.5%	402	9	1.2%	400	9	1.2%
		7,212		22.3%	7,057		20.2%	6,808		20.1%

Crime Statistics

Category	2020	2019	2018
Offenses:			
Forcible Rape (including attempts)	34	55	38
Robbery	73	107	90
Criminal Homicide	4	5	7
Aggravated Assault	371	387	332
Vehicle Theft	480	315	382
Burglary (commercial & residential)	499	415	492
Larceny	1,788	1,706	2,041
Arson	9	9	15
Citations:			
Traffic	2,615	5,493	3,697
Red Light Photo	10,525	12,644	11,927
Fixed Speed Photo	2,242	6,876	6,571

Demographic and Economic Statistics

Category	2020	2019	2018
Lakewood Population	60,030	59,670	59,350
School Enrollment	12,019	12,618	12,953
Median Household Income	\$ 78,518	\$ 71,629	\$ 70,321
Unemployment Rate	9.6%	5.1%	5.2%

Building Related Permits & Values

Category	2020	2019	2018
Number of building permits	1,771	1,839	1,718
Estimated Value (in millions) \$	161	88	124

Source: Condensed from 2020 ACFR – Statistical Section

Elected Officials

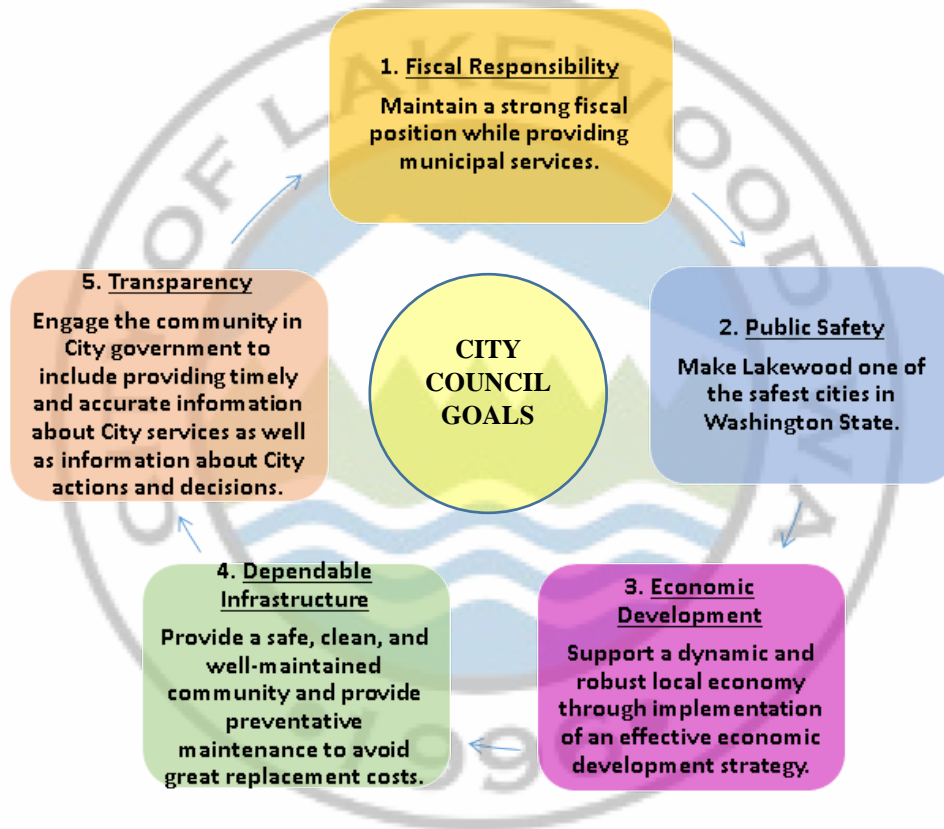
The City of Lakewood is organized under the council-manager plan of government. The City Council is responsible for enacting all legislation and making general policy decisions governing the City. The Mayor is selected by the Council from among its members to facilitate Council meetings and represent the City in a ceremonial capacity. The City Manager, who serves as the CEO, is appointed by the City Council. The City Manager reports directly to the Council and serves at the pleasure of the legislative body. The City Manager implements the policies and goals of the City Council, manages and coordinates the overall operations of the City and provides leadership, coordination, and development of City departments, while ensuring the delivery of quality service and serving the needs of the public. This is accomplished at the expressed direction of the Lakewood City Council.

2020 Lakewood City Council



Back row (L-R): Councilmembers Michael Brandstetter, Mary Moss, Linda Farmer and John Simpson
Front row (L-R): Councilman Paul Bocchi, Mayor Don Anderson, and Deputy Mayor Jason Whalen

Our Goals



Our Vision

Our **VISION** for Lakewood is a thriving, urban, South Puget Sound city, possessing the core values of family, community, education, and economic prosperity. We will advance these values by recognizing our past, taking action in the present, and pursuing a dynamic future.

The City Council's VISION for Lakewood at its 30-Year Anniversary is a community:

- Inspired by its own sense of history and progress;
- Known for its safe and attractive neighborhoods, vibrant downtown, active arts and cultural communities;
- Sustained by robust economic growth and job creation;
- Recognized for the excellence of its public and private schools, and its community and technical colleges;
- Characterized by the beauty of its lakes, parks and natural environment;
- Acknowledged for excellence in the delivery of municipal services;
- Leveraging and embracing of our diversity; and,
- Supportive of Joint Base Lewis McChord (JBLM), Camp Murray, service members and their families.

- Lakewood City Council, Adopted Oct. 19, 2015

Financial Reporting Awards

The City of Lakewood's **Popular Annual Financial Report (PAFR)** for the year ended December 31, 2019 received recognition from the Government Finance Officers Association of the United States and Canada (GFOA) in the form of the Award for Outstanding Achievement in Popular Annual Financial Reporting. This award is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

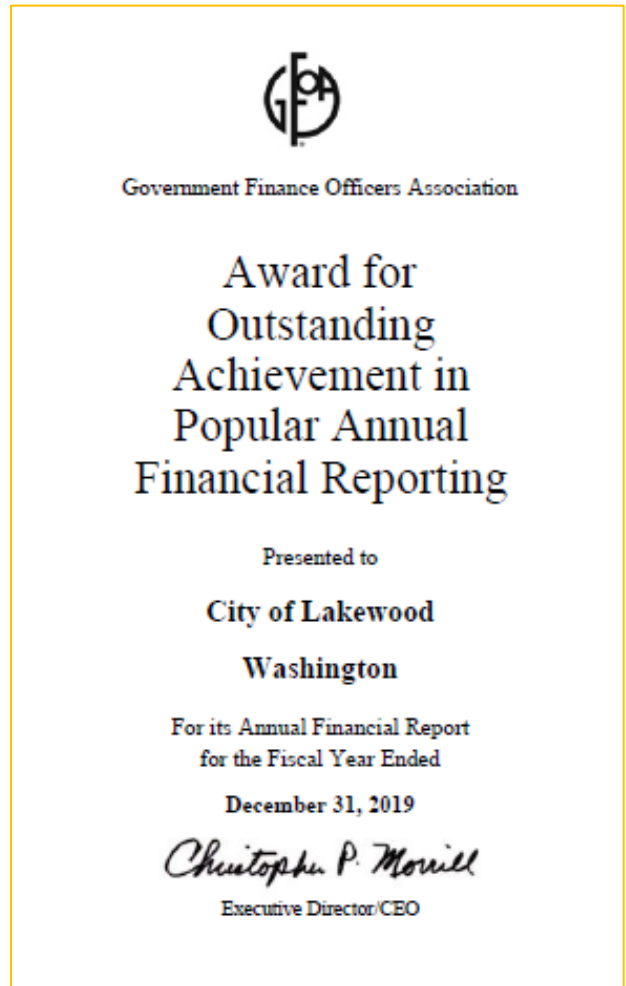
An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA to determine its eligibility for another Award.

The City of Lakewood's annual comprehensive financial reports for the years ended December 31, 2020, 2019 and 2018, from which the information on pages 9-13 has been drawn, were awarded the Certificate of Achievement for Excellence in Financial Reporting by Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. Such an Annual Comprehensive Financial Report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to conform to the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another Certificate.

In addition, the City of Lakewood also recently received the Government Finance Officers Association Distinguished Budget Presentation Award for its 2021/2022 Biennial Budget. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, a financial plan, an operations guide, and a communications medium.



Financial Info – Governmental Activities

The City’s Equity or Net Position

Net position (assets and deferred outflows of resources minus liabilities and deferred inflows of resources) may serve as an indicator of a government’s financial condition over time. Net investment in capital assets makes up the biggest portion of net position. This amount is associated with the City’s ownership of capital assets (land, buildings, roads infrastructure, and machinery & equipment) net of any borrowing used to acquire them. Because capital assets are acquired to provide services over several periods or indefinitely, through maintenance and replacement, this portion is not available for current or future spending. Although this portion is calculated net of any related debt, the resources needed to pay down the debt must come from other more liquid resources, such as cash from the general fund. A smaller portion of net position is legally restricted as to use by law or contract, such as bond proceeds for capital construction, resources earmarked for debt service, or grants mandated to be spent on specific federal programs. The remaining portion of net position is unrestricted, representing resources that are available for current and future services. The following schedule is intended to demonstrate the difference between the City’s assets and deferred outflows and its liabilities and deferred inflows as of December 31, 2020 compared to December 31, 2019.

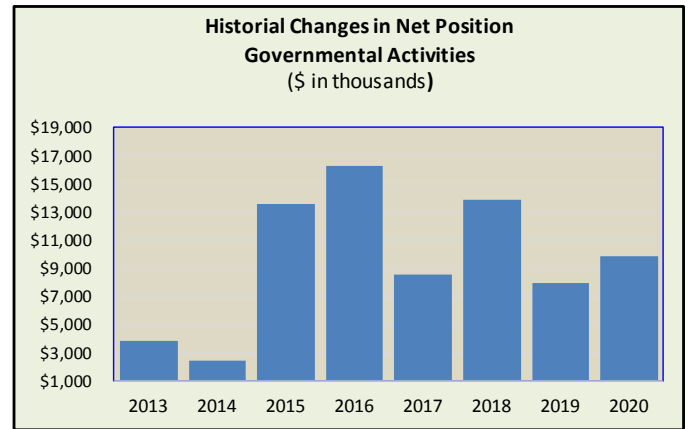
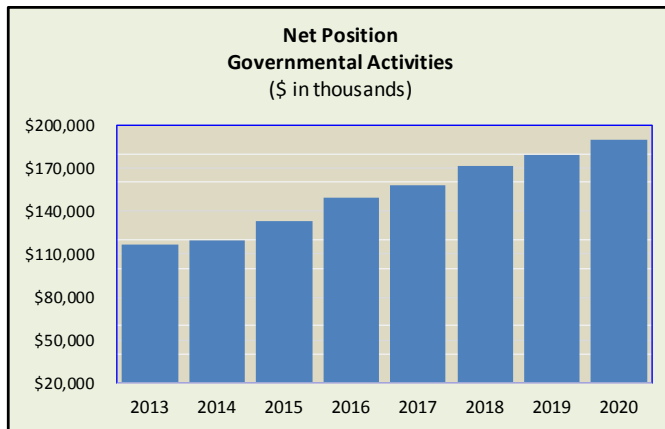
Governmental Activities			
December 31,			
	2020	2019	2018
Current and other assets	\$ 50,054,923	\$ 49,332,520	\$ 39,775,232
Capital assets, net	164,748,039	153,678,601	149,815,216
Total Assets	214,802,962	203,011,121	189,590,448
Deferred outflows of resources	1,769,955	1,151,263	904,159
Total deferred outflows of resources	1,769,955	1,151,263	904,159
Current liabilities	7,176,490	5,772,500	7,045,315
Long-term liabilities	18,554,279	15,941,659	9,146,464
Total Liabilities	25,730,769	21,714,159	16,191,779
Deferred inflows of resources	1,332,029	2,829,796	2,611,950
Total deferred inflows of resources	1,332,029	2,829,796	2,611,950
Net Position:			
Net investment in capital assets	150,518,400	145,611,845	141,478,738
Restricted	18,631,779	15,011,473	13,932,253
Unrestricted	20,359,940	18,995,111	16,279,887
Total Net Position	\$ 189,510,119	\$ 179,618,429	\$ 171,690,878

The changes in the net position of the City represent total revenues in excess of the total expenses. This number is important because when revenues exceed expenses, the City’s is better off financially. This means the government raised more than sufficient resources to cover its cost of services. Any surplus then can be made available for programs in the next budget period or held as contingency reserves for emergencies. As a demonstration of the City’s efforts, since 2012 the City has made a significant effort in improving its financial situation.

Net Position Trends

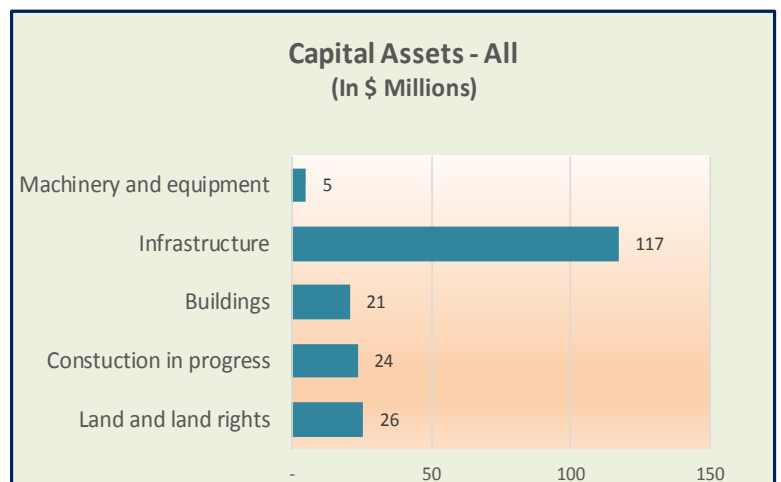
Net Position Governmental Activities (\$ in thousands)	
2013	\$ 116,947
2014	119,402
2015	133,013
2016	149,307
2017	157,838
2018	171,691
2019	179,618
2020	189,510

Historical Change in Net Position Governmental Activities (\$ in thousands)	
2013	\$ 3,808
2014	2,455
2015	13,611
2016	16,294
2017	8,531
2018	13,853
2019	7,928
2020	9,892



Capital Assets

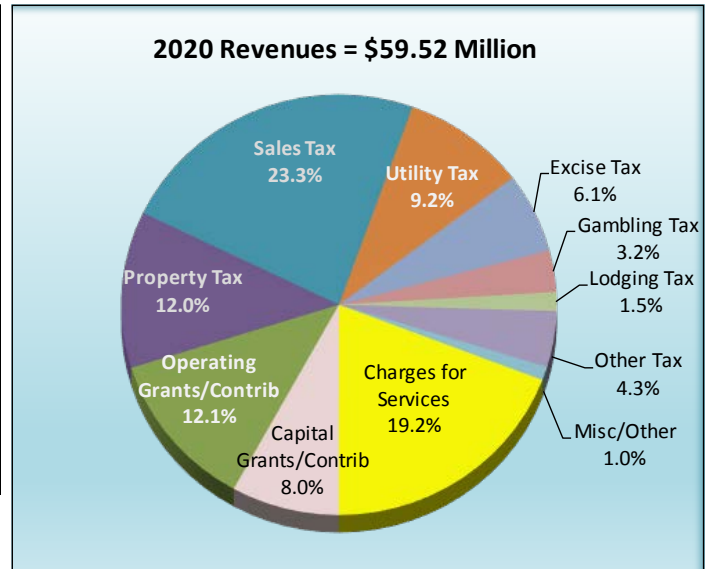
Total book value of capital assets is \$192.4M including those of the Surface Water enterprise fund. \$164.7M is from governmental activities. The City invests significant resources on infrastructure development, predominantly on roads and streets which include curbs and gutters, pedestrian sidewalks, lighting, signage and surface water drainage systems. The City also has a sizable investment in land used for government operations; parks, trails and open spaces; for community development; and, for environmental planning. Land and land rights in governmental activities amounted to \$23.8M.



Where Did the Money Come From?

Governmental Activities* (\$ in thousands)	2020	2019	2018
Charges for Services	\$ 11,417	\$ 12,641	\$ 11,290
Capital Grants & Contributions	4,767	3,474	8,383
Operating Grants & Contributions	7,211	3,502	5,462
Property Tax	7,171	7,061	6,859
Sales Tax	13,870	13,848	12,784
Utility Tax	5,475	5,575	5,409
Excise Tax	3,650	3,004	2,701
Gambling Tax	1,910	3,100	3,182
Lodging Tax	867	1,092	1,055
Other Tax	2,560	3,484	1,382
Miscellaneous/Other	622	694	1,317
Total Revenues	\$ 59,521	\$ 57,476	\$ 59,825

*Excludes gain on sale of capital assets

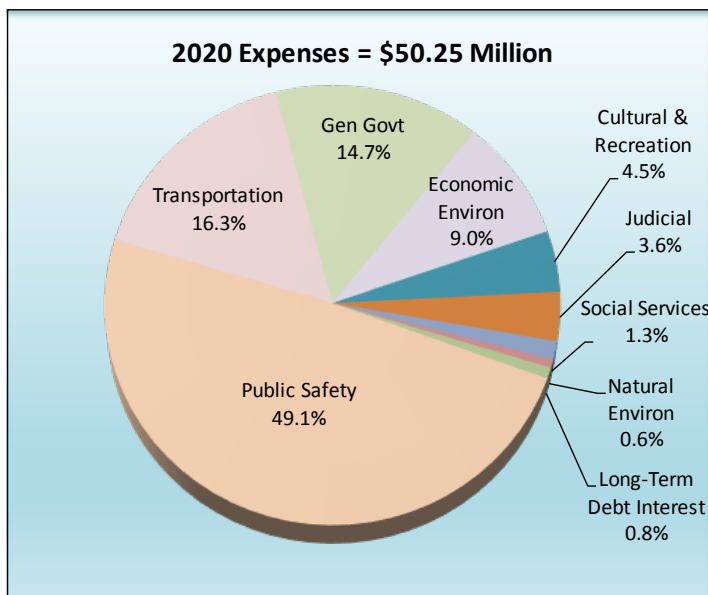


Total revenue increased by about \$2.0M or 3.6% in 2020.

Much of the increase is attributed to grant revenues which include monies from the CARES Act. Most general tax revenues either declined markedly (lodging, gambling, admissions taxes) or only increased slightly (sales and property taxes), a direct result of the State-mandated lockdowns due to the pandemic.

In 2020 City management instituted restrictions on hiring and discretionary spending to mitigate the effects of the crisis on its finances. Although the full impact of the pandemic to the City's finances is still uncertain, the City's strong financial position and healthy reserves at the end of 2020, and its comprehensive set of financial policies is expected to hasten its recovery and minimize reductions in services going forward.

Where Did the Money Go?



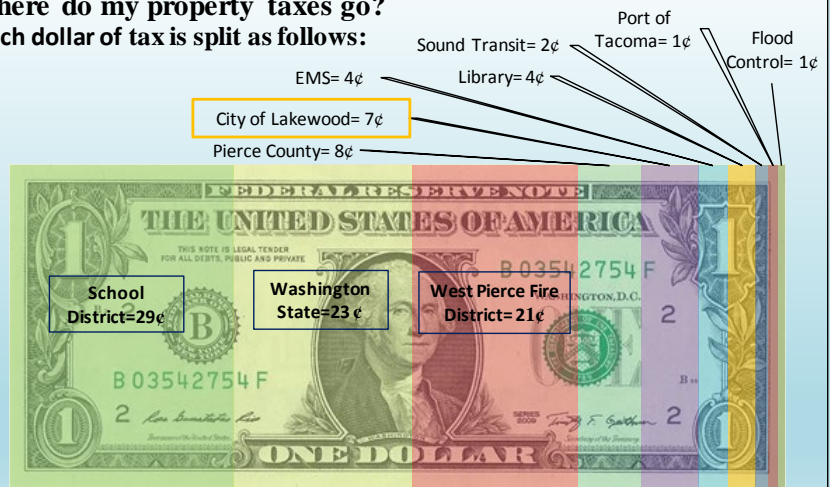
Governmental Activities (\$ in thousands)	2020	2019	2018
Public Safety	\$ 24,668	\$ 26,068	\$ 25,396
Transportation	8,187	8,293	8,302
General Government	7,409	4,857	4,730
Economic Environment	4,506	5,733	4,298
Culture and Recreation	2,255	2,581	2,252
Judicial	1,811	1,834	1,816
Social Services	666	714	668
Natural Environment	319	325	281
Interest on Long-Term Debt	410	348	187
Utilities & Environment	19	-	26
Total Expenses	\$ 50,250	\$ 50,753	\$ 47,956

Total expenses for governmental activities decreased only slightly with public safety down by 5% offset by increases in general government which included City-wide COVID response spending reimbursed by CARES Act grants. Most other program expenses declined which is attributed to the restrictions in discretionary spending mandated by management to alleviate impacts of the pandemic crisis.

Property Tax

Levy Rate per \$1,000 Assessed Value			
Taxing District	2020	2019	2018
School District	\$ 3.78	\$ 2.88	\$ 4.96
Washington State	3.01	2.62	2.91
West Pierce Fire District	2.81	2.48	2.78
Pierce County	1.05	1.13	1.23
City of Lakewood	0.98	1.03	1.15
EMS	0.50	0.44	0.48
Library	0.47	0.50	0.43
Sound Transit	0.20	0.21	0.23
Port of Tacoma	0.18	0.18	0.18
Flood Control	0.10	0.08	0.08
Total	\$ 13.08	\$ 11.54	\$ 14.43

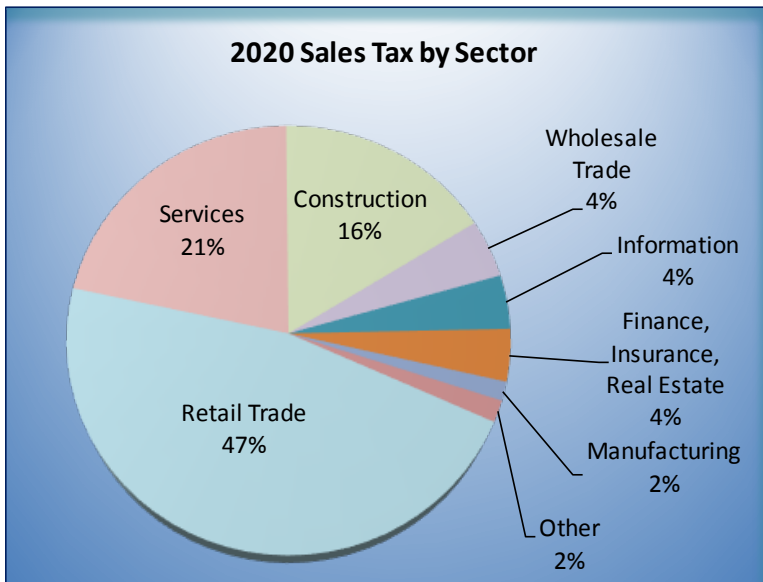
Where do my property taxes go?
Each dollar of tax is split as follows:



A property tax rate is placed on each piece of property within the City and is used for general governmental purpose. The rate is expressed in

“dollars per \$1,000 assessed value (AV), and is a function of the property tax levy permitted by law and adopted by the City Council. In the City of Lakewood, as in other Washington cities, the maximum regular levy cannot exceed \$3.60, which includes the maximum regular levy of \$3.375 plus an additional \$0.225 per \$1,000 AV to provide for the Firemen’s Pension Fund. Property tax is assessed on land, buildings, and residential homes, and on inventory and improvements to commercial property.

Sales Tax



Sales Tax by Sector (\$ in thousands)	2020	2019	2018
Retail Trade	\$ 5,570	\$ 5,336	\$ 5,013
Services	2,552	2,754	2,650
Construction	1,955	1,974	1,502
Wholesale Trade	521	558	467
Information	483	479	484
Finance, Insurance, Real Estate	469	468	408
Manufacturing	170	192	222
Government	30	20	171
Other	196	174	61
Total	\$ 11,946	\$ 11,955	\$ 10,978

The City imposes a sales and use tax of 1% to fund general government programs. Of this total, 15% is provided to Pierce County per state law. The City imposes both the basic 0.5% and the optional 0.5%

sales and use tax. This tax is imposed on personal and business purchases of tangible property. The retail sales tax is also assessed on some services such as repairs and construction. The City receives 1% of the sales tax rate. Of the 1%, the City receives 0.84% (Pierce County receives 15% of the 1% and the State receives 1% of the 1% leaving 0.84% to the City).

2020 sales taxes decreased slightly from 2019 due to the impacts of the pandemic lockdown on services (down 7%) and manufacturing (down 11%). Retail trade, meanwhile, increased slightly by 4%, as some types of retail sales, such as for necessities and emergencies, were boosted by the crisis.

Long-term Borrowing

The City's total governmental activities debt outstanding as of December 31, 2020 is \$18.0M. The City issued new G.O. bonds in 2020 in the amount of \$3.0M and special assessment debt of \$923.0K to fund transportation capital projects and residential infrastructure improvements, respectively.

The City's most current bond rating from Standard & Poor's (S&P) is "AA" from its 2019 bond issue sold in the municipal bond market. At the same time S&P affirmed its "AA" long-term rating on the City's outstanding general obligation debt, which was upgraded in June 2019 to "AA" from "AA-". In 2014 S&P upgraded the City's rating to "AA-", up from "A". Over four years the City saw its bond rating increase three steps – skipping "A+" in 2014 and going directly to "AA". The "AA" bond rating, which signifies the issuer's strong capacity to repay, will translate into lower financing costs for bonds offered to the municipal bond market by attracting a broader range of investors. This rating is a positive reflection of the City's effective financial management.

Long-Term Debt Outstanding			
Governmental Activities			
As of December 31			
	2020	2019	2018
2020 Long term general obligation	\$ 3,029,885	\$ -	\$ -
2009 Long-term general obligation	7,736,305	8,026,105	-
2016 LTGO (refinanced 2009 LTGO)	1,536,314	1,710,798	1,884,032
Local financing	1,068,254	1,195,575	1,317,896
Public Works Trust Fund loan	3,110,818	3,574,758	4,038,695
Section 108 loan	-	47,000	94,000
Promissory note (59th Street)	281,225	345,312	407,088
Special assessments	1,255,428	388,783	594,767
Total	\$ 18,018,229	\$ 15,288,331	\$ 8,336,478

Washington State statutes limit the amount of debt the City may issue to 7.5% of its total assessed valuation, subject to 60% majority vote of qualified electors. Of the 7.5% limit, 2.5% is for general purposes, 2.5% for open space/park facilities, and 2.5% for utilities. Non-voted general purpose indebtedness is limited to 1.5% of assessed valuation and combination of voted and non-voted general purpose indebtedness cannot exceed 2.5% of assessed valuation.

Legally Remaining Debt Capacity			
For the Years Ended December 31			
	2020	2019	2018
General Government (no vote required)	\$ 119,430,765	\$ 108,748,967	\$ 86,575,626
General Government (3/5 majority vote required)	81,111,986	74,567,644	60,027,831
Parks and Open Space (3/5 majority vote required)	202,779,966	186,419,110	150,069,577
Utilities (3/5 majority vote required)	202,779,966	186,419,110	150,069,577
Total Capacity	\$ 606,102,683	\$ 556,154,830	\$ 446,742,611

Glossary

ACFR – The new acronym for the City’s annual report to replace the CAFR as recommended by the GFOA and SAO.

Assets – Resources that the City owns at the present time that are used to provide services to its citizens. (Cash, buildings, police vehicles, accounts receivables, etc.)

Deferred inflows of resources – Typically, receipts of cash or other resources in advance that cannot be immediately recognized as revenue until the applicable period because of laws or contract provisions. Certain grants may be sent early by the grantor but the contract specifies that it cannot be spent until the following year.

Deferred outflows of resources – Typically, disbursements made in advance, ahead of the year it is recognized by the recipient as revenue, such as, when an employer contributes to employees’ retirement accounts in December, the retirement system will credit that portion the retirement plan in the following year.

Expenses/Expenditures – Spending or disbursement of resources attributed to the current year such as vendor payments on goods and services received during the year.

Liabilities – Present obligations, such as, accounts payables for purchases of goods or services or interest payable on long-term bonds, which the City cannot avoid paying in the short or long-term.

Net investment in capital assets – The portion of total net position that represents equity in capital assets (i.e., land, buildings, infrastructure, and equipment) calculated as the cost of acquiring the assets less any related borrowing. It is loosely analogous to a homeowner’s investment in real property less the balance under mortgage.

Net position – The residual value of [assets plus deferred outflows of resources] less [liabilities plus deferred inflows of resources]. This is loosely analogous to “net worth” in personal finance or “owners’ equity” in a private business.

Restricted net position – The portion of the City’s net position (or equity) that can only be used to pay for claims for specific legal or contractual obligations such as payments on borrowing and services mandated by grant programs.

Revenues – Receipts of cash or other resources attributed to the current year, such as, taxes levied and received or grant reimbursements.

Special Assessment – A fee levied on a group of residents and businesses to finance, typically, a capital improvement project that is expected to directly benefit the group.

Unrestricted net position – The portion of net position that is not restricted as to use by laws or contracts and thus can be authorized by the governing body to be spent on current and future services.

Note – the above are not the exact technical definitions under generally accepted accounting principles.